

**BIG ENOUGH  
TO COMPETE –  
SMALL ENOUGH  
TO CARE.**

QUARTERLY REPORT  
Q1 2022/2023

# Quarterly Report Q1 FY 2022/2023

## Contents

Preface
Group Management Report
Consolidated balance sheet
Consolidated Statement of Comprehensive Income
Explanatory Remarks

# Preface

---

Dear Shareholders,

Despite the challenging macroeconomic environment, the FORTEC Group once again succeeded in achieving sustainable earnings growth in the first quarter of the 2022/2023 financial year. Group sales increased by 18% and EBIT by 23% compared to the previous year.

We have also completed the succession process for Mr Bernhard Staller (62) who will retire on 30th June 2023 for age reasons. The Supervisory Board has appointed Mr Ulrich Ermel (38) to the Management Board as Chief Operating Officer (COO) for a period of 3 years as of 1st March 2023. Ulrich Ermel has a wide range of management competence, leadership qualities and expertise in the Power Supply and Embedded sectors.

In order to guarantee a smooth transition, Bernhard Staller will remain in the company initially following the arrival of Ulrich Ermel. After handing over the business, Bernhard Staller will leave the Management Board on 30th June 2023 at the latest. We thank him for the steadfastly trusting and highly successful cooperation. Mr Staller has been instrumental in accelerating FORTEC's growth and expanding our position in the high-tech products sector.

In this quarter, we would once again like to thank our dedicated employees, whose passionate commitment has helped to ensure the success of our company in times of massive geopolitical uncertainty. We are working together to successfully counter the macroeconomic adversities and to continue on the growth path we have embarked upon. The high order backlog makes us confident that we will achieve our turnover and profit targets in the current financial year. However, due to the low visibility of further cost developments in certain areas, a valid forecast is only possible to a limited extent.

You can rest assured that we will continue to do everything in our power to ensure that FORTEC remains an attractive, future-oriented company that deserves your trust.

I wish you a peaceful Christmas season and health, happiness and success for the year 2023!

Sandra Maile  
CEO



# Group Management Report: 1st quarter 2022/2023

## 01.07.2022-30.09.2022

---

### Profit situation

Group turnover reached EUR 25.0 million and was thus almost 18% higher than the previous year's turnover (EUR 21.2 million). Sales of the high-margin industrial monitors in the data visualisation segment developed particularly dynamically compared to the same period of the previous year.

At EUR 0.8 million, other operating income almost doubled compared to the previous year. A positive special effect here is an increase in currency gains of around 500 thousand EUR compared to the same quarter of the previous year.

The cost of materials increased disproportionately from EUR 14.6 million to EUR 16.9 million in line with the higher turnover. The cost of sales ratio fell slightly to 68.3% (previous year: 69.9%).

Personnel expenses rose from EUR 3.2 million in the first quarter of the previous year to EUR 3.8 million as of 30th September 2022 due to generally higher personnel costs and more expensive new appointments. The personnel cost ratio decreased slightly from 15.2% in the previous year to 15.1% due to the increase in turnover.

At EUR 0.4 million, depreciation and amortisation was almost the same as in the previous year.

Other operating expenses rose significantly from EUR 1.4 million in the previous year to EUR 2.1 million due to a renewed increase in advertising and travel activities and higher currency losses. Relative to turnover, other operating expenses amounted to 8.4% (previous year: 6.7%).

The above factors resulted in a renewed increase in EBIT as a key financial performance indicator of around EUR 2.7 million, which is EUR 0.5 million above the previous year's figure of EUR 2.2 million. The EBIT margin thus rose slightly from 10.6% in the previous year to 10.9% in the first quarter of the 2022/2023 business year.

The net profit for the first quarter of the 2022/2023 financial year stood at EUR 1.9 million (previous year: EUR 1.7 million).

Earnings per share therefore rose slightly from EUR 0.53 to EUR 0.60.

The order book at the end of September amounted to EUR 98.6 million (previous year: EUR 68.6 million), around 40% higher than the previous year's value.

### Asset situation

On the assets side, with a balance sheet total of EUR 74.7 million (30/06/2022: EUR 70.8 million), non-current assets amount to EUR 17.9 million (30.06.2021: EUR 17.8 million). Of this figure, at EUR 7.0 million (30/06/2022: EUR 7.0 million) the goodwill from the acquired subsidiaries is the largest item.

Due to accounting in accordance with IFRS 16, rights of use amounting to EUR 5.2 million (30/06/2022: EUR 5.4 million) are reported. Under current assets, the largest item, with a value of EUR 31.5 million (30/06/2022: EUR 26.1 million), is the stocks standing at 42.2 % (30/06/2022: 36.8 %) of the balance sheet total. This is the result of the measures taken to safeguard inventories in the current difficult supply environment. At EUR 11.7 million, the item receivables from deliveries and services changed slightly compared to the previous quarter (30.06.2022: EUR 10.7 million). Cash and cash equivalents, the second largest item on the assets side, dropped slightly from EUR 12.9 million on 30/06/2022 to EUR 10.7 million.

## Financial and liquidity position

The Group's equity ratio is 69.9% (30/06/2022: 70.4 %). At EUR 52.2 million (30/06/2021: EUR 49.9 million), the Group has sufficient equity.

Under current liabilities, liabilities due to deliveries and services increased from EUR 6.5 million in the previous quarter to EUR 8.9 million.

## Forecast

In the 2022/2023 business year, the Executive Board expects Group turnover in a range of EUR 91 million to EUR 97 million and a Group EBIT between EUR 8 million and EUR 9 million. Nevertheless, the forecast is subject to uncertainties due to the current geopolitical situation, which could have a significant influence on the forecast turnover and results development. The corresponding effects cannot be conclusively estimated at the current time.

## Consolidated balance sheet as at 30/09/2022 in accordance with IAS/IFRS

ASSETS in TEUR			LIABILITIES AND SHAREHOLDER'S EQUITY in TEUR		
	30/09/2022	30/06/2022		30/09/2022	30/06/2022
<b>A. Non-current assets</b>	<b>17,900</b>	<b>17,814</b>	<b>A. Equity capital</b>	<b>52,179</b>	<b>49,857</b>
I. Acquired goodwill	7,032	6,963	I. Subscribed capital	3,250	3,250
II. Intangible assets	279	213	II. Capital reserve	14,481	14,481
III. Tangible fixed assets	4,646	4,650	III. Conversion differences	2,205	1,819
IV. Rights of use	5,246	5,380	IV. Other reserves	30,297	24,044
V. Financial assets balanced in accordance with the equity method	71	71	V. Net income for the period	1,937	6,253
VI. Financial assets	107	70	VI. Non-controlling interests	9	10
VII. Deferred taxes	520	468			
<b>B. Current assets</b>	<b>56,791</b>	<b>53,021</b>	<b>B. Non-current liabilities</b>	<b>7,108</b>	<b>7,343</b>
I. Inventories	31,515	26,075	I. Non-current bank liabilities	1,528	1,611
II. Trade receivables	11,705	10,683	II. Non-current leasing liabilities	4,348	4,508
III. Tax receivables	2,371	2,496	III. Other non-current financial liabilities	60	48
IV. Other financial assets	227	571	IV. Other non-current liabilities	431	448
V. Other assets	252	313	V. Non-current reserves	363	354
VI. Cash and cash equivalents	10,721	12,884	VI. Deferred tax liabilities	379	374
			<b>C. Current liabilities</b>	<b>15,404</b>	<b>13,636</b>
			I. Liabilities to credit institutes	542	750
			II. Liabilities from deliveries and services	8,850	6,540
			III. Current leasing liabilities	1,046	1,011
			IV. Tax liabilities	1,984	1,811
			V. Other current financial liabilities	1,019	1,678
			VI. Other current liabilities	1,579	1,475
			VII. Reserves	385	371
<b>Total assets</b>	<b>74,691</b>	<b>70,836</b>	<b>Total liabilities</b>	<b>74,691</b>	<b>70,836</b>

# Consolidated statement of comprehensive income at 30/09/2022

unaudited, in accordance with IAS/IFRS

In TEUR	Consolidated income statement 01/07/22 – 30/09/22	Consolidated income statement 01/07/21 – 30/09/21
<b>Sales revenues</b>	<b>24,978</b>	<b>21,188</b>
Change in inventories of unfinished/finished products	153	246
Other operating income	791	397
Cost of materials	16,897	14,558
Personnel expenses	3,783	3,210
Depreciation	399	410
Other operating costs	2,110	1,412
<b>Operating result (EBIT)</b>	<b>2,733</b>	<b>2,242</b>
Dividends	0	0
Other interest and similar income	0	0
Other interest and similar costs	41	49
<b>Result before taxes</b>	<b>2,693</b>	<b>2,194</b>
Taxes on income	756	487
<b>Net income for the period</b>	<b>1,937</b>	<b>1,707</b>
Other earnings*	386	152
<b>Total result</b>	<b>2,322</b>	<b>1,859</b>
Earnings per share (in EUR)	0.60	0.53
shares (in units)	3,250,436	3,250,436
<b>Of the total result, the following are attributable to:</b>		
Shareholders of the parent company	2,323	3,250
Non-controlling shareholders	0	0

\*Other comprehensive income exclusively comprises currency translation differences not recognised in profit or loss.

## Annex - Explanatory Remarks

### The basis for the preparation of the financial statements

The condensed Group report does not contain all information and disclosures required for consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements and the group management report as at 30th June 2022.

The consolidated quarterly financial statements have been neither audited nor reviewed by an auditor.

The report has been drawn up in euros. For reasons of calculation, rounding differences may occur in the tables and in references.

### Segment reporting

The Group's reportable segments are data visualisation and power supplies. Other segments include intra-group services.

In TEUR	Data visualisation	Power supplies	Other segments	Total	Reconciliation consolidation	Consolidated
External revenues	16,028	8,950	0	24,978	0	24,978
Internal revenues	1,040	473	501	2,143	2,014	0
Segment revenues	17,068	9,423	501	26,992	2,014	24,978
Gross margin (total operating performance ./ cost of sales)	5,790	2,540	501	8,832	598	8,234
Gross margin in %	33.9	27.0	100.0	32.7		33.0
EBIT	2,234	690	-179	2,745	12	2,733
EBIT in %	13.1	7.3	-35.7	10.2		10.9

## **Disclaimer of liability**

This report contains certain forward-looking statements based on currently discernible and available information, assumptions and forecasts made by the Management of FORTEC Elektronik AG. They serve solely to provide information and are characterised by terms such as "believe", "expect", "predict", "intend", "forecast", "plan", "estimate" or "endeavour". These statements are therefore only valid at the time of their publication. Various known and unknown risks, uncertainties and other factors could lead to material differences between the forecasts given here and the actual results, financial situation, development or performance of the Company. FORTEC Elektronik AG assumes no obligation to update such forward-looking statements or to align them with future events or developments. Accordingly, no liability or guarantee for the topicality, correctness or completeness of this data and information is assumed either explicitly or implicitly.

# FORTEC

FORTEC Elektronik AG  
Augsburger Str. 2b  
D-82110 Germering  
[www.fortecag.de](http://www.fortecag.de)