

2024

Q1

Report for the first three month

1 January to 31 March

SURTECO

At a glance

€ million	Q 1		Δ %
	1/1/-31/3/ 2023	1/1/-31/3/ 2024	
Sales revenues	205.7	222.3	+8
EBITDA	19.1	27.6	+44
EBITDA margin in %	9.3	12.4	
EBITDA adjusted	19.1	27.6	+44
EBITDA margin adjusted in %	9.3	12.4	
EBIT	7.6	12.4	+63
EBIT margin in %	3.7	5.6	
EBT	5.1	9.8	+90
Consolidated net profit	3.6	6.9	+90
Earnings per share in €	0.23	0.44	+90
Number of shares	15,505,731	15.505.731	

	31/3/2023	31/3/2024	Δ %
Net financial debt in € million	396.1	351.2	-11.3
Level of debt in %	90	87.1	-2.9 pts.
Equity ratio in %	39.6	37.5	-2.1 pts.
Number of employees	3,844	3,694	-4

	31/12/2023	31/3/2024	Δ %
Net financial debt in € million	359.3	351.2	-2.2
Level of debt in %	91.5	87.1	-4.4 pts.
Equity ratio in %	37.7	37.5	-0.2 pts
Number of employees	3,685	3,694	-

Economic report

SURTECO Group

Sales revenues for the SURTECO Group increased in the first quarter of 2024 by 8 % compared with the year-earlier period to € 222.3 million after € 205.7 million in the first quarter of 2023. In the year-earlier quarter, the contributions to sales from the acquired divisions of Omnova were included in the results from 1 March 2023. The adjusted earnings before financial result, income tax and depreciation and amortization (adjusted EBITDA) of the Group went up by 44 % in the first three months to € 27.6 million in 2024 after € 19.1 million in the previous year. Key influencing factors impacting on earnings were margin improvements in expense items reflecting positive outcomes from our Performance Plus programme.

SURFACES

The surface activities of the Group, including melamine edgebandings in Europe and South America, are grouped together in the Segment Surfaces. Owing to the ongoing restrained demand resulting from increases in interest and higher rates of inflation, particularly in Europe, sales for the segment at € 71.6 million were 5 % below the level in the first quarter of 2023 (€ 75.1 million). As a result of improved cost structure, adjusted EBITDA for the segment rose from a value of € 4.2 million in the previous year to € 8.1 million in the first quarter of 2024.

EDGEBANDS

The Segment Edgebands comprises all the plastic edging activities of the Group in Europe and South America. On the basis of sales of € 39.8 million in the first quarter of 2023, sales at € 39.0 million in the first three months of 2024 were close to the level of the previous year. Adjusted EBITDA at € 7.2 million was slightly below the year-earlier value of € 7.9 million.

PROFILES

The Segment Profiles bundles the activities with technical extrusions (profiles), skirtings and associated products in Europe and South America. Sales for the first three months of 2024 in the amount of € 34.7 million were -11 % below sales amounting to € 39.1 million in 2023. Adjusted EBITDA at € 4.9 million was below the value of € 6.9 million in the first quarter of 2023.

NORTH AMERICA

The Segment North America includes the activities with all the products of the Group in this region. Sales in the acquired divisions of Omnova are allocated to this segment and they include the business with coated fabrics in Thailand. Consequently, sales of the segment increased in the first quarter of 2024 by 69 % to € 65.9 million after sales of € 38.9 million in the previous year. Adjusted EBITDA increased to € 7.7 million after € 1.7 million in the previous year.

ASIA / PACIFIC

The Segment Asia / Pacific encompasses business with all product groups in the area of Asia, Australia and Oceania. On the basis of sales amounting to € 12.7 million in the previous year, sales in this segment came down by -12 % to € 11.1 million. Adjusted EBITDA amounted to € 1.7 million after € 2.5 million in the first three months of 2023.

Net assets, financial positions and results of operations

Balance sheet structure of the SURTECO Group

€ million	31/12/ 2023	31/3/ 2024
ASSETS		
Current assets	342.8	380.8
Non-current assets	699.0	694.1
Balance sheet total	1,041.8	1,074.9
LIABILITIES		
Current liabilities	199.9	223.5
Non-current liabilities	449.0	448.4
Equity	392.9	403.0
Balance sheet total	1,041.8	1,074.9

Total output of the Group rose in the first quarter of 2024 by 10 % to € 225.6 million (Q1-2023: € 205.3 million), compared with the previous year. The cost of materials increased from € 101.5 million in the previous year to € 108.7 million. However, in relation to the total output, the ratio eased from 49.5 % in the previous year to 48.2 %. The same was true for personnel costs. In absolute terms, these costs increased from € 53.4 million in the previous year to € 57.5 million in Q1 2024. However, in relation to total output they fell to 25.5 % (2023: 26.0 %). Other operating expenses at € 33.0 million remained at around the year-earlier level (€ 33.2 million). Proportionally, they dipped from 16.2 % to 14.6 %. Overall, adjusted EBITDA of € 19.1 million in the previous year therefore increased to the current level of € 27.6 million in the first quarter of 2024. As a result of the acquisition, depreciation and amortization rose to € 15.2 million after € 11.5 million in the previous year. Consequently, this yields EBIT for the Group of € 12.4 million (2023: € 7.6 million). The finan-

cial result amounted to € -2.6 million after € -2.4 million in the previous year. The pre-tax result therefore rose to € 9.8 million after € 5.1 million in the previous year. Less income tax in the amount of € -3.0 million (2023: € -1.5 million), net income rose from € 3.6 million to € 6.8 million in the first quarter of 2024.

Calculation of free cash flow

€ million	1/1/-31/3/ 2023	1/1/-31/3/ 2024
Cash flow from current business operations	1.0	19.0
Acquisition of business	-230.4	0
Purchase of property, plant and equipment	-5.3	-4.2
Purchase of intangible assets	-0.4	0
Proceeds from disposal of property, plant and equipment	0	0.4
Cash flow from investment activities	-236.1	-3.8
Free cash flow	-235.1	15.2

The balance sheet total of the Group increased slightly from € 1,041.8 million at year end 2023 to € 1,074.9 million on 31 March 2024. Current assets increased from € 342.8 million at year end 2023 to € 380.8 million and non-current assets eased slightly from € 699.0 million to € 694.1 million. On the liabilities side of the balance sheet, current liabilities increased on the balance sheet date of the first quarter of 2024 to € 223.5 million (31 December 2023: € 199.9 million). Non-current liabilities at € 448.4 million remained stable around the level reached at the end of 2023 (€ 449.0 million) and equity rose to € 403.0 million (31 December 2023: € 392.9 million). The equity ratio eased slightly from 37.7 % at year-end 2023 to 37.5 %. Net financial debt came down from € 359.3 million to € 351.2 million, which led to a level of debt of 87.1 % (31 December 2023: 91.5 %).

On the basis of the increased pre-tax result, the cash flow from current operations amounted to € 19.0 million in the first quarter of 2024 after € 1.0 million in the year-earlier quarter. Primarily as a result of the acquisition of the Omnova divisions, cash flow from investment activities amounted to € -236.1 million in the previous year and € -3.8 million in the first quarter of 2024. Insofar, free cash flow in the first quarter of 2024 amounts to € 15.2 million after € -235.1 million in the previous year.

Outlook for the business year 2023

Business performance during the first quarter of 2024 is within the anticipated parameters. Consequently, the forecast in the Annual Report 2023 is confirmed. Group sales for the full year 2024 should therefore be in the range between € 860 million and € 910 million. Adjusted EBITDA for the Group at year-end is expected to lie between € 85 million and € 105 million.

Income Statement

€ 000s	Q 1	
	1/1/-31/3/ 2023	1/1/-31/3/ 2024
Sales revenues	205,675	222,309
Changes in inventories	-1,097	2,723
Own work capitalized	694	535
Total output	205,272	225,567
Cost of materials	-101,528	-108,740
Personnel expenses	-53,430	-57,452
Other operating expenses	-33,197	-32,954
Other operating income	2,004	1,204
EBITDA	19,121	27,625
Depreciation and amortization	-11,533	-15,223
EBIT	7,588	12,402
Financial result	-2,439	-2,589
EBT	5,149	9,813
Income tax	-1,521	-2,968
Consolidated net profit	3,628	6,845
Thereof:		
Owner of parent company (group net profit)	3,628	6,895
Non controlling interests	0	-50
Basic and undiluted earnings per share in €	0.23	0.44
Number of shares	15,505,731	15,505,731

Consolidated Balance Sheet

€ 000s	31/12/2023	31/3/2024
Assets		
Cash and cash equivalents	111,811	120,282
Trade accounts receivable	72,802	94,668
Inventories	139,692	146,889
Current income tax assets	4,795	1,425
Other current non-financial assets	7,943	10,536
Other current financial assets	5,767	6,963
Current assets	342,810	380,763
Property, plant and equipment	310,554	306,507
Intangible assets	107,887	105,531
Rights of use	34,740	35,484
Goodwill	223,437	224,522
Investments in associates	399	385
Financial assets	1	25
Non-current income tax assets	4,507	4,507
Other non-current non-financial assets	443	52
Other non-current financial assets	209	258
Deferred taxes	16,801	16,902
Non-current assets	698,978	694,173
	1,041,788	1,074,936

Consolidated Balance Sheet

€ 000s	31/12/2023	31/3/2024
LIABILITIES AND SHAREHOLDERS' EQUITY		
Short-term financial liabilities	68,678	69,246
Trade accounts payable	83,322	101,555
Contractual liabilities in accordance with IFRS 15	4	4
Income tax liabilities	2,390	3,771
Short-term provisions	4,512	5,191
Other current non-financial liabilities	3,776	3,005
Other current financial liabilities	37,188	40,703
Current liabilities	199,870	223,475
Long-term financial liabilities	402,432	402,250
Pensions and other personnel-related obligations	11,451	11,672
Long-term provisions	133	133
Other non-current non-financial liabilities	40	35
Other non-current financial liabilities	15	15
Deferred taxes	34,947	34,306
Non-current liabilities	449,018	448,411
Capital stock	15,506	15,506
Capital reserve	122,755	122,755
Retained earnings	266,658	257,672
Consolidated net profit	-12,289	6,895
Capital attributable to owners of the parent	392,630	402,828
Non-controlling interests	270	222
Equity	392,900	403,050
	1,041,788	1,074,936

Consolidated Cash Flow Statement

€ 000s	Q 1	
	1/1/-31/3/ 2023	1/1/-31/3/ 2024
Earnings before income tax	5,149	9,813
Reconciliation to cash flow from current business operations	9,519	19,433
Internal financing	14,668	29,246
Change in assets an liabilities (net)	-13,674	-10,193
Cash flow from current business operations	994	19,053
Cash flow from investment activities	-236,149	-3,812
Cash flow from financial activities	199,925	-6,981
Change in cash and cash equivalents	-35,230	8,260
Cash and cash equivalents		
1 January	117,752	111,811
Effects of changes in the exchange rate on cash and cash equivalents	-134	211
31 March	82,388	120,282

Segment Reporting

Sales revenues

€ 000s	Surfaces	Edge-bands	Profiles	North America	Asia / Pacific	Reconciliation	SURTECO Group
1/1/-31/3/2024							
External sales	71,570	39,040	34,659	65,903	11,137		222,309
Internal sales	4,116	291	17	0	0	-4,424	-
Total sales	75,686	39,331	34,676	65,903	11,137	-4,424	222,309
1/1/-31/3/2023							
External sales	75,115	39,802	39,122	38,944	12,692		205,675
Internal sales	3,136	553	3	0	0	-3,692	-
Total sales	78,251	40,355	39,125	38,944	12,692	-3,692	205,675

Segment earnings

€ 000s	Surfaces	Edge-bands	Profiles	North America	Asia / Pacific	Reconciliation	SURTECO Group
1/1/-31/3/2024							
EBITDA adjusted	8,127	7,207	4,932	7,665	1,656	-1,962	27,625
1/1/-31/3/2023							
EBITDA adjusted	4,169	7,931	6,895	1,735	2,549	-4,158	19,121

Calculation of indicators

Cost of materials ratio in %	Cost of materials/Total output
Earnings per share in €	Consolidated net profit/Number of shares
EBIT	Earnings before financial result and income tax
EBIT adjusted	Earnings before financial result and income tax - Consultancy costs
EBIT margin in %	EBIT/Sales revenues
EBITDA	Earnings before financial result, income tax and depreciation and amortization
EBITDA adjusted	Earnings before financial result, income tax and depreciation and amortization - Consultancy costs
EBITDA margin in %	EBITDA/Sales revenues
Equity ratio in %	Equity/Total capital (= balance sheet total)
Level of debt (gearing) in %	Net debt/Equity
Market capitalization in €	Number of shares x Closing price on the balance sheet date
Net debt in €	Short-term financial liabilities + Long-term financial liabilities - Cash and cash equivalents
Personnel expense ratio in %	Personnel costs/Total output
Working capital in €	Trade accounts receivable + Inventories - Trade accounts payable

Financial calendar

7 June 2024	Annual general meeting
31 July 2024	Six-Month Report January - June 2024
31 October 2024	Nine-Month Report January - September 2024

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