

PRESS RELEASE

Annual Results

Deufol SE: Results for the business year 2021

- Sales € 243.0 M (prior year € 213.9 M)
- EBITDA € 27.5 M (prior year € 29.0 M)
- EBIT € 6.3 M (prior year € 6.3 M)
- EAT € 1.9 M (prior year € 0.9 M)
- Operating Cashflow € 12.5 M (prior year € 25.4 M)

Hofheim am Taunus, 29 April 2022

Sales increase by 14 %

In a challenging overall economic environment, which was mainly characterized by the pandemic supply bottlenecks in conjunction with rising raw material prices, sales in the reporting period reached € 243.0 M and thus increased by 13.6% (prior year € 213.9 M). The increase in sales was, amongst other factors, influenced by strengthening our market position in the core markets and the enhancements of our hub in Hamburg, which was fostered by the acquisition of the Wallmann Terminal during the reporting period. Actual sales of 2021 therefore exceeded the targets published in the Annual Financial Report 2020, which expected sales in a corridor between € 200 M and € 230 M.

Operating result at a stable level in a challenging market environment

Thanks to long-term measures to increase efficiency, sustainably reduce material consumption and work in partnership with our customers, we were able to limit the negative impact of the rise in raw material prices. Earnings before interest, taxes, depreciation, amortization and impairment losses (EBITDA) came to € 27.5 M and therefore were slightly below previous year's EBITDA (€ 29.0 M) which included an extraordinary one-off income of around € 4 M resulting from a sale of real estate property. For the year 2021 this results in an EBITDA margin of 11.3% (prior year 13.6%). Operating profit (EBIT) amounted to € 6.3 M in the reporting period and therefore are on prior year level (€ 6.3 M) but exceed the forecasted range of between € 2.0 M and € 5.0 M in the 2020 Annual Report. The EBIT margin in 2021 was 2.6% (prior year 2.9%). In 2021, depreciation and amortization amounted to € 21.0 M compared to € 23.0 M in the prior year.

Sharpening of the group portfolio - strategic inventory management governs operating cash flow

Investments in 2021 normalized to € 6.4 M after a peak of € 14.5 M in prior year which included targeted investments to expand business in Southeastern Europe for the new location in Hungary (€ 9.1 M). With the acquisition of the Wallmann Terminal at the Port of Hamburg as of 1 January 2021, we have succeeded in widening the service depth to include heavy-duty loading directly on to the vessels and expand our HUB-concept at important European sea-harbors further. In addition, two non-core companies were sold. In total, these measures resulted in net capital expenditures of € 5.0 M.

Net debt, defined as the sum of financial liabilities minus financial receivables and cash and cash equivalents, rose to € 80.6 M at the end of the reporting year. The balance of liabilities to less cash balance at banks amounted to € 50.1 M (i.e. net borrowing; prior year € 37.1 M).

The operating cash flow amounted to € 12.5 M in the reporting period (prior year € 25.4 M), a drop significantly influenced by strategically increased inventories in connection with higher raw material costs and the aim to secure delivery.

Proposal for the appropriation of profits

The Managing Directors and the Board of Directors propose that the retained earnings of Deufol SE in the amount of € 11.3 M are to be carried forward. A dividend will not be distributed due to the challenges of the market environment in order to strengthen the company's liquidity.

Annual General Meeting

The Board of Directors has decided to hold this year's Annual General Meeting as a virtual AGM without the physical presence of shareholders and their proxies, against the background of the Corona pandemic and in order to avoid health risks for shareholders. The legislator has created the necessary legal basis for this. The virtual General Meeting will be held as scheduled on 29 June 2022 at 10:00 a.m. (CEST). Details on the procedure will be published with the invitation.

Key Data of 2021

Figures in € M	2021	2020	Change (%)
Sales	243.0	213.9	13.7
EBITDA	27.5	29.0	-5.3
EBIT	6.3	6.3	0.6
EBT	2.9	3.3	-12.0
EAT	1.9	0.9	126.1
Thereof Non-Controlling Interests	0.7	-0.2	
Thereof Shareholders Deufol SE	1.3	1.1	16.8
Earnings per share (€)	0.030	0.026	15.4
Operating Cashflow	12.5	25.4	-50.7
Investments in tangible assets	5.5	13.4	-58.6
Net Debt	80.6	71.3	13.1
Equity Ratio (%)	44.5	42.4	5.0
Employees (Average)	2,021	2,029	-0.4

Outlook

The Deufol Group is prepared for the economic challenges. The ongoing Corona pandemic situation, highly volatile raw material prices, fluctuating raw material availability, disrupted supply chains, and the uncertainty surrounding the conflict in Eastern Europe make it difficult to reliably forecast sales and earnings for the current fiscal year 2022. As a result, there is a wide range of fluctuation in the expected sales and earnings situation.

For the current year, we expect further contributions to the results from the successful implementation of our strategy and the increased offering of HUB services. In conjunction with our well-positioned inland locations and our targeted range of services for a wide variety of industries, we anticipate a steady expansion of our market share.

Nevertheless, Deufol continues to operate in a challenging economic environment. While the anticipated easing of the pandemic situation in the course of 2022 is expected to lead to a normalization of global supply chains, new massive disruptive factors are emerging in context with the war in Ukraine. Concerns about a lack of supplies have caused raw material prices to rise significantly at the beginning of the year, thus strongly increasing the risks of already strained price stability and international trade. However, currently the global economy and, to a lesser extent, the euro zone are still forecasted to recover over the course of the year and should therefore make a positive contribution to the Deufol Group's sales performance. The ongoing development of the Ukraine war will have a major influence on the global economy and will have impacts on the use of Deufol's services and products which currently cannot be estimated.

As a result of the different factors of the aforementioned burdens in a volatile market, cost optimization and increasing market shares, we currently expect 2022 sales, taking the reduction of sales as a consequence of the sold non-core activities into account, to be in a corridor of around € 220 M to € 250 M and 2022 EBIT between € 7.0 M and € 11.0 M for 2022.

The Annual Financial Report is available online at: <http://www.deufol.com>

For further information, please contact:

Deufol SE

Claudia Ludwig

Phone: +49 (6122) 50 1228

E-Mail: Claudia.Ludwig@deufol.com

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