



INTERIM STATEMENT
30 SEPTEMBER 2020

MBB SE, Berlin

MBB in figures

Nine months (unaudited)	2020	2019	Δ 2020 /2019
Earnings figures (adjusted*)			
	€k	€k	%
Revenue	510,568	407,827	25.2
Operating performance	506,969	407,806	24.3
Total performance	523,410	421,485	24.2
Cost of materials	-277,189	-253,993	9.1
Staff costs	-150,897	-101,893	48.1
EBITDA	52,827	40,381	30.8
<i>EBITDA-margin</i>	<i>10.4%</i>	<i>9.9%</i>	
EBIT	31,368	27,298	14.9
<i>EBIT-margin</i>	<i>6.2%</i>	<i>6.7%</i>	
EBT	17,685	23,546	-24.9
<i>EBT-margin</i>	<i>3.5%</i>	<i>5.8%</i>	
Consolidated net profit after non-controlling interests	9,002	9,215	-2.3
eps in €	1.52	1.51	0.6
Average number of shares in circulation	5,935	6,111	-2.9
Earnings figures (IFRS)			
	€k	€k	%
EBITDA	48,900	51,703	-5.4
Consolidated net profit	4,983	19,171	-74.0
eps in €	0.84	3.14	-73.2
Figures from the statement of financial position (IFRS)			
	30 Sep €k	31 Dec €k	%
Non-current assets	359,161	346,084	3.8
Current assets	462,123	498,608	-7.3
thereof cash and equivalents**	301,884	340,194	-11.3
Issued capital (share capital)	5,932	5,941	-0.1
Other equity	463,104	468,612	-1.2
Total equity	469,037	474,552	-1.2
<i>Equity ratio</i>	<i>57.1%</i>	<i>56.2%</i>	
Non-current liabilities	151,425	149,919	1.0
Current liabilities	200,823	220,221	-8.8
Total assets	821,284	844,692	-2.8
Net debt (-) or net cash (+)**	213,155	249,838	-14.7
Employees			
	3,471	3,505	-1.0

* For a detailed account of the adjustments please refer to the information provided in the section on results of operations, financial position and net assets.

** This figure includes the value of physical gold stocks and securities.

Business development, result of operations, financial position and net assets

Business development

In the first nine months of 2020, MBB grew revenues by 25.2% to €510.6 million despite the challenges posed by the COVID-19 pandemic. EBITDA even increased by 30.8% to €52.8 million in the same period. The EBITDA margin was thus 10.4%, around half a percentage point higher than in the same period last year. Adjusted earnings per share amounted to €1.52 and thus remained stable compared with the same period of the previous year. As of 30 September 2020, the MBB Group employed around 3,500 staff.

After a very successful start to 2020 for MBB, the effects of the COVID-19 pandemic led to a drop in sales and earnings in some business units in the second quarter. In the third quarter of 2020, revenues of €181.7 million and adjusted EBITDA of €24.1 million significantly exceeded expectations. The high adjusted EBITDA margin of 13.4% underlines the resilience of the MBB group.

The positive business development for the group is mainly driven by the growth of the Service & Infrastructure segment, which generated total revenues of €277.7 million in the first three quarters. The development of the Friedrich Vorwerk Group, which is benefiting from significant investments in the wake of the Energiewende, is particularly noteworthy. In addition to a growing interest in solutions for the transport and processing of hydrogen, sales in the area of gas and electricity infrastructure have grown in recent months. This led to sales of €221.9 million in the first three quarters with an EBITDA margin of 17.8%. In order to further accelerate the strong growth of the company, Friedrich Vorwerk is currently examining possible growth options, which may include an IPO.

The Consumer Goods segment, which comprises the mattress manufacturer CT Formpolster and Hanke, a specialist in tissue products, recorded a 14.0% decline in sales to €56.2 million with a stable EBITDA margin of 9%. Despite the positive effect of the easing of raw material costs, EBITDA decreased by €0.9 million compared to the same period of the previous year. The effects of the COVID-19 pandemic on the Consumer Goods segment are significant.

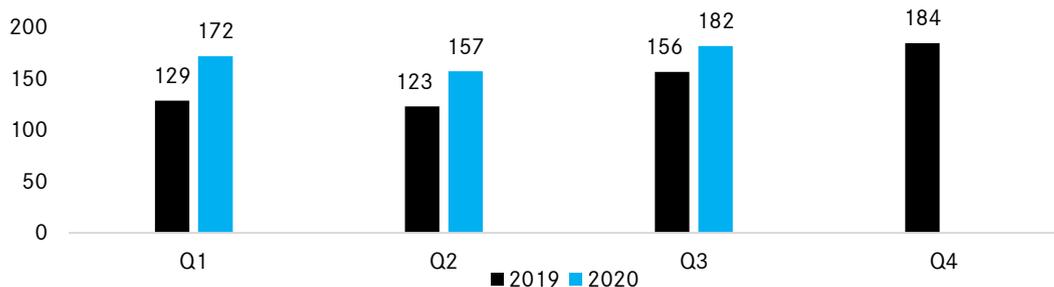
In the Technological Applications segment, which includes the listed companies Aumann and Delignit, as well as OBO, which specializes in tooling products, a 33.1% decline in turnover to €176.7 million was recorded. A large part of this decline was expected and is due to the weak order intake at Aumann in the past financial year. In addition, both Delignit and OBO clearly felt the effects of the COVID-19 pandemic after an initially promising start to the year. EBITDA in this segment was therefore 86.5% lower than in the same period of the previous year. The adjusted EBITDA margin for the first nine months was 1.7%. Within MBB, the Technological Applications segment is expected to be the most affected by the impact of the COVID-19 pandemic, in the fourth quarter of 2020 and beyond.

The Board and the Managing Directors of MBB SE have proposed to the Annual General Meeting on 24 August 2020 to pay a dividend of €0.70 per eligible share. This is the tenth consecutive year in which the basic dividend has been increased, and it has never been reduced since the IPO of MBB in 2006. The Annual General Meeting approved the company's proposal with a large majority. The dividend was paid out on the 27 August 2020.

By resolution of 24 August 2020, the Annual General Meeting approved the 2020 stock option program and authorized the Board of Directors to grant 240,000 subscription rights. The term and waiting period of the subscription rights is 4 years. The extent to which the subscription rights can be exercised is determined using a price-based model. This model consists of a criterion A (exceeding of share price thresholds) and a criterion B (achieved average price). The exercise price of a subscription right is €60.00. On 24 August 2020, a total of 230,000 subscription rights were granted.

Result of operations, financial position and net assets

The result of operations, financial position and net assets continue to be positive. The MBB Group's consolidated revenues after the first nine months of the 2020 financial year amounted to €510.6 million, up 25.2% versus prior year (previous year: €407.8 million). This significant growth is mainly attributable to the companies acquired in the second half of 2019.

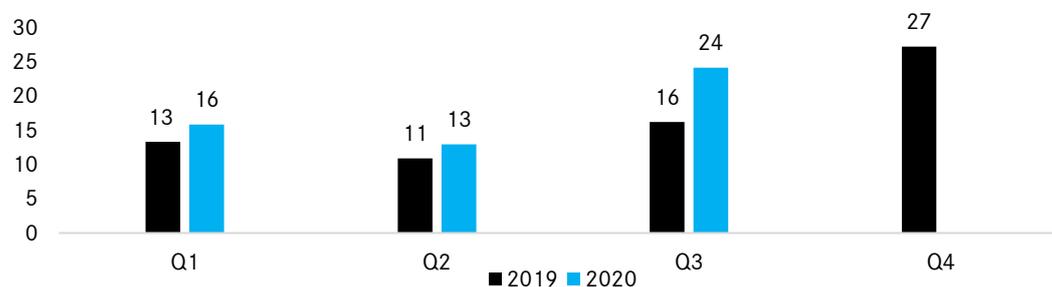
Revenue by quarter
in millions of €

Other operating income of €16.4 million (previous year: €13.7 million) includes income from the at-equity valuation of €7.9 million, income from capitalized own work of €1.5 million, income from the offsetting of non-cash compensation of €1.1 million, income from securities of €0.2 million and other income of €5.8 million. Capitalized development costs are predominantly attributable to Aumann.

The adjusted cost of materials increased by 9.1% to €277.2 million, which is disproportionately low compared to sales growth, while adjusted personnel expenses rose by 48.1% to €150.9 million in the first three quarters of 2020. The change in the cost structure results from the changed portfolio structure compared to the same period of the previous year.

Adjusted overhead costs amounted to €42.5 million (previous year: €25.2 million). These include maintenance and repair expenses, legal and consulting fees, advertising expenses, insurance premiums, travel expenses and other third-party services. The increase is mainly due to the acquisition of the Friedrich Vorwerk Group in the second half of 2019.

Adjusted EBITDA (earnings before interest, taxes, depreciation and amortization) rose by 30.8% to €52.8 million (previous year: €40.4 million) with a margin of 10.4%. Adjustments were made to the costs related to the optimization of the Aumann Group's cost structure and vertical range of manufacture. In particular, these include €3.5 million incurred by the discontinuation of business operations at the Hennigsdorf site, and €0.4 million of expenses incurred at other sites related to capacity reduction initiatives.

Adjusted EBITDA by quarter
in millions of €

Adjusted depreciation and amortization increased by €8.4 million to €21.5 million compared to the same period of the previous year. €6.8 million of depreciation and amortization on assets capitalized as part of purchase price allocations were adjusted in the results. In addition, impairment losses of €0.3 million on fixed assets at the Aumann Hennigsdorf site were adjusted.

This resulted in an adjusted EBIT (earnings before interest and taxes) of €31.4 million (previous year: €27.3 million).

Taking into account the net finance costs of €-13.7 million (previous year: €-3.8 million), this results in an adjusted EBT (earnings before taxes) of €17.7 million (previous year: €23.5 million). The negative increase in finance costs is mainly due to the earnings of the non controlling shareholders of the Friedrich Vorwerk KG (GmbH & Co.).

The adjusted consolidated net income after non-controlling interests amounts to €9.0 million (previous year: €9.2 million) or €1.52 (previous year: €1.51) per share for the nine-month period.

Shareholders' equity at 30 September 2020, amounts to €469.0 million (31 December 2019: €474.6 million). In relation to the consolidated balance sheet total of €821.3 million (31 December 2019: €844.7 million), the equity ratio was 57.1% compared to 56.2% at 31 December 2019.

As of 30 September 2020, the MBB Group had cash and cash equivalents (including securities and physical gold holdings) of €301.9 million (€340.2 million as of 31 December 2019), of which MBB SE accounted for €182.8 million. After deducting the Group's financial liabilities of €88.7 million (€90.4 million as of 31 December 2019), the MBB Group's net cash position amounts to €213.2 million, compared to €249.8 million as of 31 December 2019. The reduction in cash and cash equivalents is primarily due to investments, the reduction of current liabilities, and the payment of the dividend to MBB SE shareholders.

Outlook

Based on the current business performance in 2020, the Managing Directors continue to expect total revenues of €660+ million with an adjusted EBITDA margin of 8% to 10% for MBB for the financial year 2020.

Berlin, 13 November 2020

The Executive Management of MBB SE

Consolidated statement of comprehensive income

IFRS consolidated statement of profit or loss (unaudited)	1 Jan – 30 Sep 2020 €k	1 Jan – 30 Sep 2019 €k
Revenue	510,568	407,827
Increase (+) / decrease (-) in finished goods and work in progress	-3,599	-21
Operating performance	506,969	407,806
Other operating income	16,441	13,679
Badwill	0	12,085
Total performance	523,410	433,570
Cost of raw materials and supplies	-153,457	-181,803
Cost of purchased services	-126,640	-72,190
Cost of materials	-280,097	-253,993
Wages and salaries	-117,489	-81,515
Social security and pension costs	-34,019	-20,377
Staff costs	-151,508	-101,893
Other operating expenses	-42,905	-25,980
Earnings before interest, taxes, depreciation and amortization (EBITDA)	48,900	51,703
Depreciation and amortization	-28,557	-17,488
Earnings before interest and taxes (EBIT)	20,343	34,215
Finance revenue	241	438
Finance costs	-2,040	-1,840
Earnings attributable to non-controlling interests	-10,290	-1,207
Net finance costs	-12,089	-2,609
Earnings before taxes (EBT)	8,255	31,606
Income tax expense	-5,719	-5,887
Other taxes	-867	-336
Profit or loss for the period	1,669	25,383
Non-controlling interests	3,314	-6,212
Consolidated net profit	4,983	19,171
Earnings per share (in €)	0.84	3.14

IFRS consolidated statement of comprehensive income (unaudited)	1 Jan – 30 Sep 2020 €k	1 Jan – 30 Sep 2019 €k
Consolidated net profit	4,983	19,171
Non-controlling interests	-3,314	6,212
Profit or loss for the period	1,669	25,383
Items that may be subsequently reclassified to profit and loss		
Fair value changes bonds and gold	365	711
Currency translation	-1,559	-357
Items that not be subsequently reclassified to profit and loss		
Fair value changes shares	1,306	11,493
Pension reserve	21	0
Other comprehensive income after taxes	134	11,846
Comprehensive income for the reporting period	1,803	37,229
thereof attributable to:		
- Shareholders of the parent company	4,943	30,053
- Non-controlling interests	-3,140	7,176

IFRS consolidated statement of comprehensive income (unaudited)	1 Jul – 30 Sep 2020 €k	1 Jul – 30 Sep 2019 €k
Revenue	181,694	156,432
Increase (+) / decrease (-) in finished goods and work in progress	-2,290	-283
Operating performance	179,404	156,149
Other operating income	6,886	2,288
Badwill	0	12,085
Total performance	186,290	170,522
Cost of raw materials and supplies	-55,406	-59,366
Cost of purchased services	-42,501	-34,656
Cost of materials	-97,907	-94,022
Wages and salaries	-39,548	-30,420
Social security and pension costs	-11,112	-7,878
Staff costs	-50,660	-38,297
Other operating expenses	-14,238	-10,707
Earnings before interest, taxes, depreciation and amortization (EBITDA)	23,484	27,496
Depreciation and amortization	-9,344	-8,874
Earnings before interest and taxes (EBIT)	14,140	18,622
Finance revenue	97	39
Finance costs	-675	-780
Earnings attributable to non-controlling interests	-7,132	-1,207
Net finance costs	-7,711	-1,948
Earnings before taxes (EBT)	6,430	16,674
Income tax expense	-4,901	-1,241
Other taxes	-459	-126
Profit or loss for the period	1,070	15,307
Non-controlling interests	394	-1,077
Consolidated net profit	1,464	14,230
Earnings per share (in €)	0.25	2.40

Consolidated statement of financial position

Statement of financial position	30 Sep 2020	31 Dec 2019
Assets (IFRS)	unaudited	audited
	€k	€k
Non-current assets		
Concessions, industrial property rights and similar rights	20,969	25,278
Goodwill	44,449	44,449
Advance payments and assets under development	881	134
Intangible assets	66,299	69,861
Land and buildings including buildings on third-party land	80,003	80,021
Technical equipment and machinery	51,231	51,176
Other equipment, operating and office equipment	23,534	22,138
Advance payments and assets under development	3,941	4,514
Property, plant and equipment	158,709	157,849
Investment securities	102,403	89,549
Investments in associates	16,459	13,214
Other loans	1,253	1,281
Financial assets	120,115	104,044
Deferred tax assets	14,037	14,330
	359,161	346,084
Current assets		
Raw materials and supplies	15,386	17,778
Work in progress	7,294	7,384
Finished goods and commodities	11,138	13,876
Advance payments	7,834	8,023
Inventories	41,653	47,061
Trade receivables	72,579	73,101
Contract assets	132,956	113,042
Other current assets	15,456	14,760
Trade receivables and other current assets	220,990	200,902
Gold	4,147	3,570
Securities	3,214	3,169
Financial assets	7,361	6,739
Cash in hand	91	84
Bank balances	192,029	243,821
Cash in hand, bank balances	192,120	243,905
	462,123	498,608
Total assets	821,284	844,692

Statement of financial position	30 Sep 2020	31 Dec 2019
Equity and liabilities (IFRS)	unaudited	audited
	€k	€k
Equity		
Issued capital	5,932	5,941
Capital reserve	254,463	253,260
Legal reserve	61	61
Retained earnings	83,078	82,287
Non-controlling interests	125,503	133,004
	469,037	474,552
Non-current liabilities		
Liabilities to banks	41,032	47,297
Liabilities to non-controlling interests	30,976	20,686
Liabilities from participation rights	9,963	9,963
Other liabilities	6,274	6,469
Lease liabilities	14,978	12,068
Pension provisions	28,472	28,387
Other provisions	1,231	1,195
Deferred tax liabilities	18,498	23,854
	151,425	149,919
Current liabilities		
Liabilities to banks	23,049	22,128
Contract liabilities	26,796	35,424
Trade payables	48,379	56,707
Liabilities to non-controlling interests	2,070	7,540
Other liabilities	19,586	28,962
Lease liabilities	9,670	8,863
Provisions with the nature of a liability	39,002	35,438
Tax provisions	14,980	7,750
Other provisions	17,293	17,409
	200,823	220,221
Total equity and liabilities	821,284	844,692

Consolidated statement of cash flows

Consolidated statement of cash flows (unaudited)	1 Jan – 30 Sep 2020 €k	1 Jan – 30 Sep 2019 €k
1. Cash flow from operating activities		
Earnings before interest and taxes (EBIT)	20,343	34,215
Adjustments for non-cash transactions		
Depreciation and amortization	28,557	17,488
Increase (+) / decrease (-) in provisions	283	-3,631
Gains (-) / losses (+) from disposal of PPE	428	-1,021
Results from equity investments	-7,913	200
Other non-cash expenses / income	782	-13,603
	22,136	-567
Change in working capital:		
Increase (-) / decrease (+) in inventories, trade receivables and other assets	-15,175	-45,681
Decrease (-) / increase (+) in trade payables and other liabilities	-27,850	-15,177
	-43,025	-60,858
Income taxes paid	-4,273	-4,832
Interest received	241	438
Proceed from dividends from equity investments	2,180	0
	-1,851	-4,394
Cash flow from operating activities	-2,397	-31,604
2. Cash flow from investing activities		
Investments (-) / divestments (+) intangible assets	-3,590	-5,143
Investments (-) / divestments (+) property, plant and equipment	-13,486	-9,805
Investments (-) / divestments (+) of financial assets and securities	-13,248	-9,893
Business combination (less cash and cash equivalents received)	-563	-23,949
Cash flow from investing activities	-30,886	-48,790
3. Cash flow from financing activities		
Payments to non-controlling interests	-392	-2,354
Profit distribution to shareholders	-4,153	-4,099
Payments for the acquisition of shares without change of control	-2,486	0
Payments to shareholders from capital reductions	0	-62,083
Share buy back programme	-425	0
Proceeds from borrowing financial loans	13,377	24,490
Repayments of financial loans	-15,376	-16,429
Payments for lease liabilities	-6,969	-3,855
Interest payments	-1,995	-1,807
Cash flow from financing activities	-18,418	-66,137

Consolidated statement of cash flows (unaudited)	1 Jan – 30 Sep 2020 €k	1 Jan – 30 Sep 2019 €k
Cash and cash equivalents at end of period		
Change in cash and cash equivalents (Subtotal 1-3)	-51,701	-146,530
Effects of changes in foreign exchange rates (non-cash)	-85	15
Cash and cash equivalents at start of reporting period	243,905	307,515
Cash and cash equivalents at end of period	192,120	161,000
Composition of cash and cash equivalents		
Cash in hand	91	67
Bank balances	192,029	160,932
Reconciliation to liquidity reserve on 30 Sep		
	2020	2019
Cash and cash equivalents at end of period	192,120	161,000
Gold	4,147	3,482
Securities	105,617	87,629
Liquidity reserve on 30 Sep	301,884	252,111

Segment reporting

Segment reporting current year (unaudited)	Technological Applications €k	Consumer Goods €k	Service & Infrastructure €k	Reconciliation €k	Group €k
Revenue from third parties	176,668	56,178	277,722	0	510,568
Other segments	0	48	318	-366	0
Total revenue	176,668	56,226	278,040	-366	510,568
EBITDA	-985	4,897	47,787	-2,799	48,900
Depreciation and amortization	-6,666	-2,577	-19,097	-216	-28,557
Investments	-2,775	-1,320	-13,628		
Segment assets	246,960	51,574	187,051		
Segment liabilities	83,010	15,421	100,686		

Segment reporting previous year (unaudited)	Technological Applications €k	Consumer Goods €k	Service & Infrastructure €k	Reconciliation €k	Group €k
Revenue from third parties	264,210	65,332	78,285	0	407,827
Other segments	0	77	268	-345	0
Total revenue	264,210	65,409	78,553	-345	407,827
EBITDA	21,808	5,822	13,855	10,218	51,703
Depreciation and amortization	-5,873	-2,567	-8,881	-167	-17,488
Investments	-8,552	-3,636	-3,103		
Segment assets	305,074	53,348	141,603		
Segment liabilities	89,073	15,883	62,294		

Financial Calendar

Deutsches Eigenkapitalforum

Frankfurt

16 – 18 November 2020

End of Fiscal Year 2020

31 Dezember 2020

ODDO BHF digital Forum

7 – 13 January 2021

6th Hamburger Investors Day

11 February 2021

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Contact

MBB SE
Joachimsthaler Straße 34
10719 Berlin

Tel.: +49 30 844 15 330
Fax.: +49 30 844 15 333

www.mbb.com
request@mbb.com

Imprint

MBB SE
Joachimsthaler Straße 34
10719 Berlin

