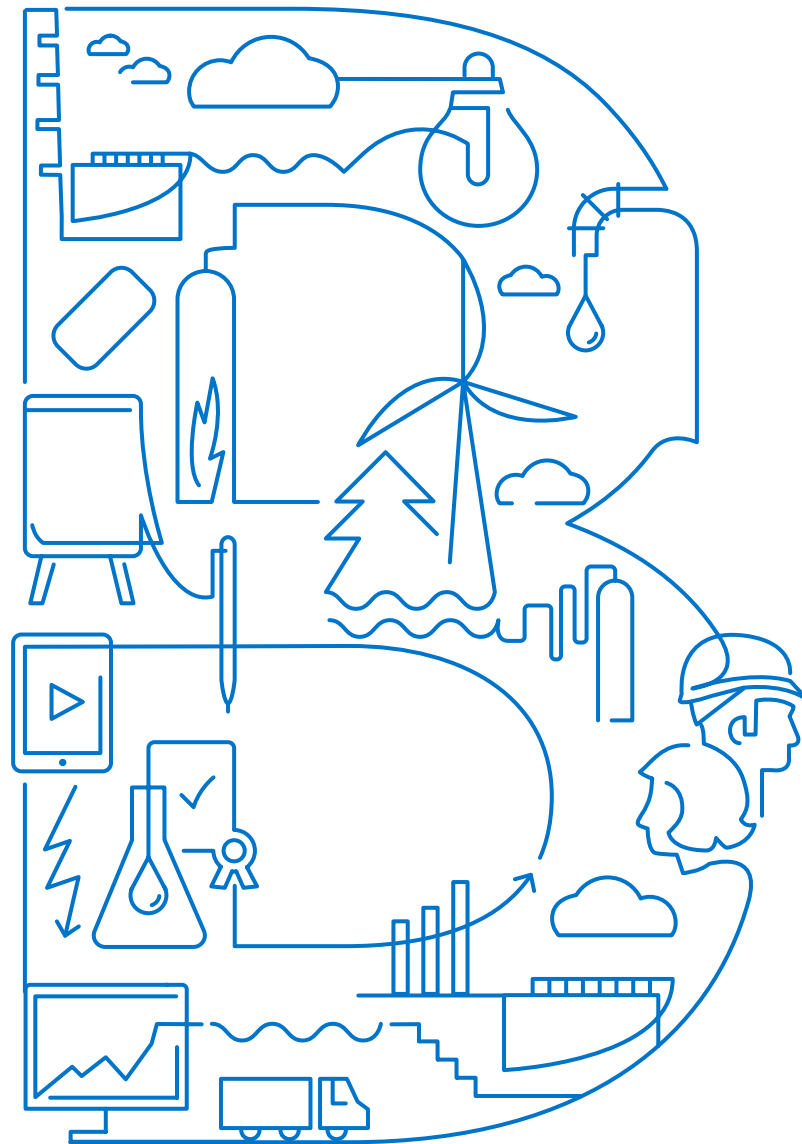


2021  
INTERIM STATEMENT FOR  
THE 1ST QUARTER



# BALANCE



H&R GmbH & Co. KGaA

# Overview

- Successful start of the year 2021
- Operating income up sharply year-over-year

## H&R GMBH & CO. KGAA IN FIGURES

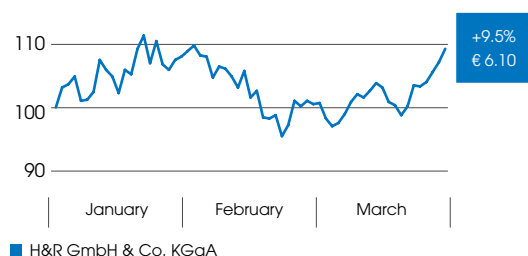
IN € MILLION	Q1/2021	Q1/2020	Changes (absolute)
Sales revenue	241.4	259.4	-18.0
Operating income (EBITDA)	25.7	10.7	15.0
EBIT	13.2	-2.0	15.2
EBT	11.3	-3.7	15.0
Consolidated net income	8.0	-4.2	12.2
Consolidated income attributable to shareholders	7.2	-4.7	11.9
Consolidated income per share (undiluted) in €	0.19	-0.13	0.32
Cash flow from operating activities	-4.0	2.9	-6.9
Cash flow from investing activities	-8.2	-25.1	16.9
Free cash flow	-12.3	-22.2	9.9
Cash flow from financing activities	28.3	-5.1	33.4
	<b>3/31/2021</b>	<b>3/31/2020</b>	
Balance sheet total	813.3	745.7	67.6
Net working capital	136.5	106.9	29.6
Equity	362.0	346.9	15.1
Equity ratio (in %)	44.5	46.5	-2.0
No. of employees	1,597	1,580	17

## THE SEGMENTS IN FIGURES

IN € MILLION	Q1/2021	Q1/2020	Changes (absolute)
<b>Chemical-Pharmaceutical Raw Materials Refining</b>			
Sales	144.5	170.7	-26.2
EBITDA	17.5	5.0	12.5
<b>Chemical-Pharmaceutical Raw Materials Sales</b>			
Sales	87.9	80.2	7.7
EBITDA	7.6	6.7	0.9
<b>Plastics</b>			
Sales	10.9	11.0	-0.1
EBITDA	0.9	-0.1	1.0
<b>Reconciliation</b>			
Sales	-2.0	-2.6	0.6
EBITDA	-0.2	-0.9	0.7

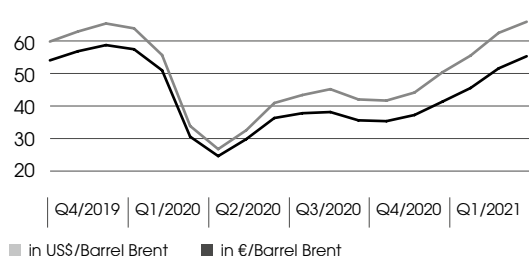
## PERFORMANCE OF THE H&R SHARE Q1/2021

(INDEX 1/2/2021=100)



## OIL PRICES Q4/2019 TO Q1/2021

(AVERAGE MONTHLY PRICES)



## Letter from the Executive Board

### Dear Shareholders, Dear Business Partners,

---

A year ago, our world changed. And it remains changed to this day. Many of the challenges – contact restrictions, strict hygiene regulations and the risk of infection – will continue to exist well into the summer in spite of the increasing rate of vaccination and, hopefully, the advancing immunization of the population.

Some things, such as the unfamiliar and sometimes embarrassed use of a mask a year ago, may also become part of our everyday life in the future. Incidentally, this is something which has been second nature in Asia for decades – not merely since the coronavirus pandemic.

Other aspects, meanwhile, have already stabilized. Fortunately, this includes the economic sectors and industries of relevance to H&R. Whereas the first quarter of last year heralded the largest slump in Germany's economic strength in the postwar period, things are pointing in a different direction in the first quarter of 2021.

It should be noted that this statement does not yet apply equally to all economic sectors. But things look like they are heading in the right direction for us, your H&R. At €25.7 million, we generated operating income in the first quarter of 2021 which is significantly up year-over-year (Q1/2020: €10.7 million). The fact that all the segments made a positive contribution to income is especially pleasing. This was the case for the Plastics division, too, in relation to which we had to report an extremely difficult situation a year ago due to the closure of major automobile plants.

The final quarter of 2020, which was already very good and which we discussed in our published annual report, marginally improved further, too. All in all, consolidated income came to €7.2 million. This equates to an improvement of almost €12.0 million.

The income achieved was on the basis of sales revenues in the amount of €241.4 million. This is around 6.9% less than in the previous year (Q1/2020: €259.4 million).

The refineries of the Refining segment made a slightly smaller contribution of €144.5 million due to the prices of raw materials and volume-related factors (Q1/2020: €170.7 million). On the earnings side, a further improvement was buoyed by stable product prices. The segment's EBITDA totaled €17.5 million, thus far outstripping the figure for the same period of the previous year of €5.0 million.

In contrast, the sales revenues of our international sites in our Sales segment recovered strongly to €87.9 million (Q1/2020: €80.2 million). However, the earnings recovery in this segment was slightly more muted than for the German refineries: EBITDA of €7.6 million was achieved in the first quarter of 2021 compared with €6.7 million in the same quarter of last year. The development of our Chinese activities is particularly worthy of note. Having endured closures early on last year and for a significantly shorter period of time, the industries there gathered pace more quickly than in the rest of the world, thereby providing H&R with pleasing momentum, too.

The Plastics segment generated a significantly improved EBITDA of €0.9 million (Q1/2020: €-0.1 million). At €10.9 million in Q1/2021, sales revenues remained steady compared with the previous year's €11.0 million.

What insights can we and, of course, also you draw from these first three months? On the whole, we can undoubtedly look back on a successful start to the year, in which we achieved a good quarterly result. Similarly, taking a look at the proverbial bigger picture shows us that the majority of economic experts are now more optimistic than in winter about economic developments in spite of the ongoing lockdown and infection numbers that remain dissatisfactory. They are currently anticipating strong growth both in the German economy and internationally.

With our full-year forecast of €60.0 million to €75.0 million for 2021 as published in the 2020 annual report, we too set ourselves targets above our previous year's performance. With our broad

range of products and customers, H&R is in a stable position overall. As demonstrated admirably in the past, it is an H&R that definitely has further potential.

However, as it is not currently possible to make a reliable prediction regarding when we will have fully overcome the pandemic and therefore when there will be a sustainable recovery in all of our markets and customer industries, we will remain true to our Hanseatic roots and are keeping our expectations for operating income in 2021 at the published level for the time being.

Hamburg, May 2021

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Niels H. Hansen', written in a cursive style.

**Niels H. Hansen**  
*Sole Managing Director*

## Business Trend in the First Quarter of 2021

### Strong Turn of the Year Leads to a Good First Quarter

---

The start to the year promised a continuation of last year's recovery trend for H&R KGaA and a consolidation of the solid results achieved in the fourth quarter of 2020. Demand remained unreservedly high in January, attesting to the positive basic mood among many customers and customer industries. Some had evidently hoped for an even starker improvement in the pandemic situation, but they continued to face the same challenges in the first months of the year. However, these challenges upset the Germany economy far less than was the case at the start of the first wave a year ago.

The results of our Refining, Sales and Plastics segments were accordingly pleasing. They improved on their prior-year figures across the board and generated positive contributions to operating income without exception.

### Results of Operations: Best Quarterly Result in Years

---

Based on revenue in the amount of €241.4 million (Q1/2020: €259.4 million), the company generated consolidated operating income (EBITDA) of €25.7 million in the first quarter of financial year 2021. It therefore succeeded in more than doubling its prior-year income of €10.7 million. EBIT came to €13.2 million. With depreciation and amortization remaining almost identical at €12.6 million, EBIT recovered by €15.2 million, putting it comfortably in the black once again after the meager prior-year figure of €-2.0 million. Although slightly lower interest expense this year was more than offset by lower financing income, income before tax (EBT) increased significantly from €-3.7 million to €11.3 million. Consolidated income attributable to shareholders

outstripped the previous year's figure by around €11.9 million, amounting to €7.2 million in the first quarter of 2021 (Q1/2020: €-4.7 million). Mathematically, this results in a €0.32 increase in earnings per share to €0.19.

A very positive income contribution was once again made by the ChemPharm Refining segment. Although its sales volumes were down still compared with the first quarter of 2020, its profitability was nevertheless extremely stable in terms of prices and margins. Demand also increased significantly overall in the first three months of 2021. Revenue amounted to €144.5 million (Q1/2020: €170.7 million). In addition to the usual specialty products white oil and paraffin, the customers wanted base oils in particular. Restricted mobility (business-related road traffic and flights) has resulted in reduced fuel production since mid-2020 and thus also to less activity at the downstream lubricant refineries. As next to no effects of the previous lockdown measures or potential impending measures are being felt, many industries are now abandoning or already have abandoned their former noticeable reticence. For the time being at least, we therefore expect to see the absolutely adequate situation continue. All in all, the segment's EBITDA came to €17.5 million in the first quarter of 2021 (Q1/2020: €5.0 million).

The international activities of our ChemPharm Sales segment likewise improved, albeit at a slightly lower level, generating EBITDA of €7.6 million, which is up €0.9 million year-over-year (Q1/2020: €6.7 million). Unlike in the Refining segment, this segment succeeded in increasing revenue by 9.6% compared to the previous year. We consider the more stable sales and results of operations of our international business and our good network spanning a large number of regions, sectors and customers to be a very good starting point for our future business trend, and as such we are anticipating a stable to improved performance for the year as a whole.

**EBITDA BY SEGMENT IN Q1/2021**

IN % (Q1/2020 FIGURES)



IN € MILLION (Q1/2020 FIGURES)



■ Chemical-Pharmaceutical Raw Materials Refining  
 ■ Chemical-Pharmaceutical Raw Materials Sales  
 ■ Plastics

Both of the segments in the Chemical-Pharmaceutical division were responsible for 95.5% of total Group sales revenues.

**SALES BY SEGMENT IN Q1/2021**

IN % (Q1/2020 FIGURES)



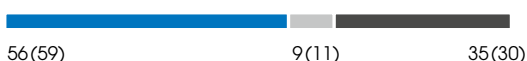
■ Chemical-Pharmaceutical Raw Materials Refining  
 ■ Chemical-Pharmaceutical Raw Materials Sales  
 ■ Plastics

The Plastics segment had already recovered by the end of the year and was able to strengthen the positive trend in the first quarter of 2021, too. It improved its operating income by €1.0 million compared with the previous year and generated EBITDA of €0.9 million, up from €-0.1 million in Q1/2021. Although the figures are generally pleasing, a sizable shadow continues to be cast over the entire industry – recent shortages in the supply of plastic pellets resulted in considerably higher costs for companies processing plastics, while the automotive industry itself had to contend with a shortage of semiconductors and processors for its vehicle control systems.

Overall, the Plastics division accounted for around 4.5% of sales with its activities.

**SALES BY REGION IN Q1/2021**

IN % (Q1/2020 FIGURES)



■ Germany  
 ■ Rest of Europe  
 ■ Rest of World

**Net Assets and Financial Position: Cash Positions Under Pressure**

With our business model, there is a high degree of volatility inherent in the cash flow. This is attributable to changes in net working capital, in particular when raw materials are delivered to our refineries close to the reporting dates. Cash flow from operating activities amounted to €-4.0 million in the first quarter of financial year 2021 and was therefore down year-over-year (Q1/2020: €2.9 million). Based on improved consolidated income of €8.0 million, significant changes in the net working capital requirement of €-27.4 million initially had an impact in particular.

Declines in other net assets – an item which was buoyed last year by the utilization of tax deferral options as part of the coronavirus aid program – took the cash flow into the red. Reduced cash outflows for investments in projects reduced the burden on free cash flow. This accordingly improved to €-12.3 million in total (Q1/2020: €-22.2 million).

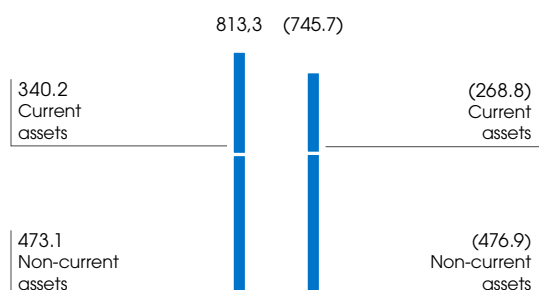
The values at the end of the quarter looked much more relaxed; for March alone, H&R reported cash flow from operating activities of €8.6 million and free cash flow of a good €5.7 million.

The balance of the repayment of old loans and the borrowing of new credit resulted in an improvement in cash and cash equivalents to €72.5 million by the end of the quarter (Q1/2020: €64.7 million).

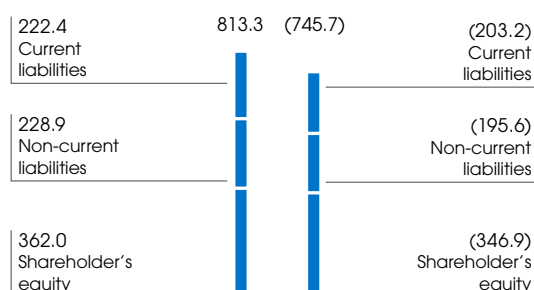
The balance sheet total increased from €745.7 million on December 31, 2020, to €813.3 million on March 31, 2021. On the assets side of the statement of financial position, there was a sharp

**ASSETS 3/31/2021**

IN € MILLION (PREVIOUS YEAR'S FIGURES 12/31/2020)

**LIABILITIES AND SHAREHOLDERS' EQUITY 3/31/2021**

IN € MILLION (PREVIOUS YEAR'S FIGURES 12/31/2020)



increase in particular in current assets due to larger inventories and cash and cash equivalents (March 31, 2021: €340.2 million; December 31, 2020: €268.8 million). Meanwhile, non-current assets remained stable (March 31, 2021: €473.1 million; December 31, 2020: €476.9 million).

On the liabilities side, current and non-current liabilities also increased, with a significant proportion of current liabilities attributable to trade

payables. Of the non-current liabilities, liabilities to banks increased significantly in particular.

Equity improved from €346.9 million to €362.0 million due to higher retained earnings compared to the reporting date. The equity ratio dropped slightly to 44.5% as a result of the higher balance sheet total (December 31, 2020: 46.5%).

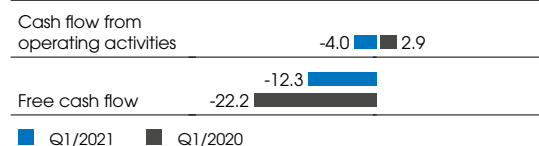
**FINANCIAL POSITION**

IN € MILLION

	Q1/2021	Q1/2020	Change in %
Cash flow from operating activities	-4.0	2.9	-6.9
Cash flow from investing activities	-8.2	-25.1	16.9
Free cash flow	-12.3	-22.2	9.9
Cash flow from financing activities	28.3	-5.1	33.4
Cash and cash equivalents as of March 31	72.5	64.7	12.1

**Q1/2021 CASH FLOW**

IN € MILLION



## Outlook: Currently No Grounds for Correcting the Guidance Range

When the 2020 annual report was published, the company had set targets for annual sales at a figure of at least €900.0 million and had stated percentage expectations for the individual segments. Following the end of the first quarter of 2021, H&R KGaA is on track to generate sales slightly above the minimum expectation.

A greater weighting is currently assigned to the Sales segment (36.4%). The Refining segment generated slightly lower revenue than forecast at the beginning of the year, while the revenue of the Plastics division was likewise slightly higher (4.5%).

In terms of the percentage share of EBITDA, meanwhile, the Sales segment accounted for around 29.6% in the first quarter of 2021 rather than the anticipated 31.0%. The Plastics segment fared slightly better at 3.5% instead of 3.0%. As such, the key driver of income remained the Refining segment at 66.9% (forecast: 66.0%). This is certainly not yet a trend after just a quarter of the financial year, and this could still change in the remainder of the year. Additionally, it can be

said at the end of the first quarter of 2021 that, mathematically speaking and being optimistic, the EBITDA at the beginning of the year suggests an overall figure at the upper end of the guidance range of €60.0 million to €75.0 million.

The management nevertheless currently believes it should continue to hold the view that there is room for improvement here. The extent to which we will be able to exploit or even outperform the forecast range depends among other things on how the global economy develops and how strong potential catch-up effects prove to be. Given the impact of fluctuations in prices of raw materials, the sensitivity of market rates and product prices, and the social and geopolitical challenges, we are currently sticking to the stated targets.

### SALES REVENUE AND INCOME FORECAST

	2021 forecast
<b>Consolidated sales revenues</b>	<b>€ 900 million to € 1,100 million</b>
of which Refining	66%
of which Sales	31%
of which Plastics	3%
<b>Consolidated EBITDA</b>	<b>€ 60.0 million to € 75.0 million</b>
of which Refining	65%
of which Sales	32%
of which Plastics	3%



# Interim Financial Statement

## Consolidated Statement of Financial Position of H&R GmbH & Co. KGaA as of March 31, 2021

<b>ASSETS</b>		
IN € THOUSAND	3/31/2021	12/31/2020
<b>Current assets</b>		
Cash and cash equivalents	72,545	55,029
Trade receivables	87,015	81,578
Income tax refund claims	88	72
Contract assets	476	476
Inventories	140,299	105,758
Other financial assets	23,507	17,821
Other assets	16,287	8,080
<b>Current assets</b>	<b>340,217</b>	<b>268,814</b>
<b>Non-current assets</b>		
Property, plant and equipment	411,670	412,246
Goodwill	17,381	17,376
Other intangible assets	14,282	14,265
Shares in holdings valued at equity	2,650	2,922
Other financial assets	10,986	11,578
Other assets	1,651	1,355
Deferred tax assets	14,489	17,159
<b>Non-current assets</b>	<b>473,109</b>	<b>476,901</b>
<b>Total assets</b>	<b>813,326</b>	<b>745,715</b>
<b>PASSIVA</b>		
IN € THOUSAND	3/31/2021	12/31/2020
<b>Current liabilities</b>		
Liabilities to banks	79,077	87,449
Trade payables	90,842	80,453
Income tax liabilities	2,961	2,663
Contract liabilities	2,602	2,210
Other provisions	12,250	9,351
Lease liabilities	9,649	9,540
Other financial liabilities	6,379	633
Other liabilities	18,676	10,945
<b>Current liabilities</b>	<b>222,436</b>	<b>203,244</b>
<b>Non-current liabilities</b>		
Liabilities to banks	80,045	43,006
Pension provisions	78,739	82,211
Other provisions	3,590	3,535
Lease liabilities	37,645	37,525
Other financial liabilities	111	153
Other liabilities	25,422	25,819
Deferred tax liabilities	3,379	3,340
<b>Non-current liabilities</b>	<b>228,931</b>	<b>195,589</b>
<b>Equity</b>		
Subscribed capital	95,156	95,156
Capital reserve	46,867	46,867
Retained earnings	172,140	162,702
Other reserves	5,950	2,858
<b>Equity of H&amp;R GmbH &amp; Co. KGaA shareholders</b>	<b>320,113</b>	<b>307,583</b>
Non-controlling interests	41,846	39,299
<b>Equity</b>	<b>361,959</b>	<b>346,882</b>
<b>Total liabilities and shareholders' equity</b>	<b>813,326</b>	<b>745,715</b>

## Income Statement of H&amp;R GmbH &amp; Co. KGaA

for the period from January 1 to March 31, 2021

IN € THOUSAND	Q1/2021	Q1/2020
Sales revenues	241,351	259,412
Changes in inventories of finished and unfinished goods	12,329	-9,115
Other operating income	7,192	5,944
Cost of materials	-188,902	-198,900
Personnel expenses	-21,765	-21,184
Depreciation, amortization and impairment of fixed assets and property, plant and equipment	-12,559	-12,694
Other operating expenses	-24,441	-25,633
<b>Operating result</b>	<b>13,205</b>	<b>-2,170</b>
Income from holdings valued at equity	-32	139
Financing income	80	545
Financing expenses	-1,967	-2,194
<b>Income before tax (EBT)</b>	<b>11,286</b>	<b>-3,680</b>
Income taxes	-3,274	-550
<b>Consolidated income</b>	<b>8,012</b>	<b>-4,230</b>
of which attributable to non-controlling interests	-777	-510
<b>of which attributable to shareholders of H&amp;R GmbH &amp; Co. KGaA</b>	<b>7,235</b>	<b>-4,740</b>
Earnings per share (undiluted), €	0.19	-0.13
Earnings per share (diluted), €	0.19	-0.13

## Consolidated Cash Flow Statement of H&R GmbH & Co. KGaA for the period from January 1 to March 31, 2021

IN € THOUSAND		Q1/2021	Q1/2020
1.	Consolidated income	8,012	-4,230
2.	Income taxes	3,274	550
3.	Net interest income	1,887	1,649
4.	+/- Depreciation/appreciation on fixed assets and intangible assets	12,559	12,694
5.	+/- Increase/decrease in non-current provisions	-534	-571
6.	+ Interest received	80	545
7.	- Interest paid	-1,932	-2,866
8.	+/- Income tax received/paid	-1,561	2,498
9.	+/- Other non-cash expenses/income	-256	241
10.	+/- Increase/decrease in current provisions	2,808	2,861
11.	-/+ Gain/loss from the disposal of fixed assets	3	8
12.	-/+ Changes in net working capital	-27,403	-31,100
13.	+/- Changes in remaining net assets/other non-cash items	-979	20,627
<b>14.</b>	<b>= Cash flow from operating activities (sum of items 1 to 13)</b>	<b>-4,042</b>	<b>2,906</b>
15.	+ Proceeds from disposal of companies	240	-
16.	+ Proceeds from disposals of property, plant and equipment	1	1
17.	- Payments for investments in property, plant and equipment	-8,062	-25,042
18.	- Payments for investments in intangible assets	-399	-70
<b>19.</b>	<b>= Cash flow from investing activities (sum of items 15 to 18)</b>	<b>-8,220</b>	<b>-25,111</b>
<b>20.</b>	<b>= Free cash flow (sum of items 14 and 19)</b>	<b>-12,262</b>	<b>-22,205</b>
21.	- Payments for settling financial liabilities	-41,089	-28,554
22.	+ Proceeds from taking up financial liabilities	69,387	23,457
<b>23.</b>	<b>= Cash flow from financing activities (sum of items 21 to 22)</b>	<b>28,298</b>	<b>-5,097</b>
<b>24.</b>	<b>+/- Changes in cash and cash equivalents (sum of items 14, 19 and 23)</b>	<b>16,036</b>	<b>-27,302</b>
<b>25.</b>	<b>+ Cash and cash equivalents at the beginning of the period</b>	<b>55,029</b>	<b>94,794</b>
26.	+/- Change in cash and cash equivalents due to changes in exchange rates	1,480	-2,810
<b>27.</b>	<b>= Cash and cash equivalents at the end of the period</b>	<b>72,545</b>	<b>64,682</b>

# Financial Calendar

---

July 9, 2021	Virtual regular Annual Shareholders' Meeting in Hamburg
August 13, 2021	2021 Half-year Report
November 12, 2021	Q3/2021 Interim Report

---

---

## Contact

If you have any questions concerning our company or if you would like to sign up for the company mailing list, please contact our Investor Relations team:

### H&R GmbH & Co. KGaA

Investor Relations  
Am Sandtorkai 50  
20457 Hamburg  
[www.hur.com](http://www.hur.com)

### Ties Kaiser

Phone: +49 (0)40-43218-321  
Telefax: +49 (0)40-43218-390  
E-Mail: [ties.kaiser@hur.com](mailto:ties.kaiser@hur.com)

### Tanja Passlack

Phone: +49 (0)40-43218-301  
Telefax: +49 (0)40-43218-390  
E-Mail: [tanja.passlack@hur.com](mailto:tanja.passlack@hur.com)

## Disclaimer

This document contains forward-looking statements that reflect management's current views with respect to future events. Such statements are subject to risks and uncertainties that are beyond H&R GmbH & Co. KGaA's control or ability to make precise estimates, such as future market and economic conditions, the behavior of other market participants, the ability to successfully integrate acquired businesses and to achieve anticipated synergies, and the actions of government regulators. If any of these or other risks and uncertainties occur, or if the assumptions underlying any of these statements prove incorrect, then actual results may be materially different from those expressed or implied by such statements. H&R GmbH & Co. KGaA does not intend, nor does H&R GmbH & Co. KGaA assume any separate obligation, to update forward-looking statements to reflect events or developments occurring after the publication of this interim report.

**H&R GmbH & Co. KGaA**  
Neuenkirchener Straße 8  
48499 Salzbergen  
Germany

Phone: +49 (0)59 76-9 45-0  
Telefax: +49 (0)59 76-9 45-308

E-mail: [info@hur.com](mailto:info@hur.com)  
Internet: [www.hur.com](http://www.hur.com)

