Interim Report Q1 2021

INDUS Holding AG
Interim Report Q1 2021

[INDUS]

Highlights

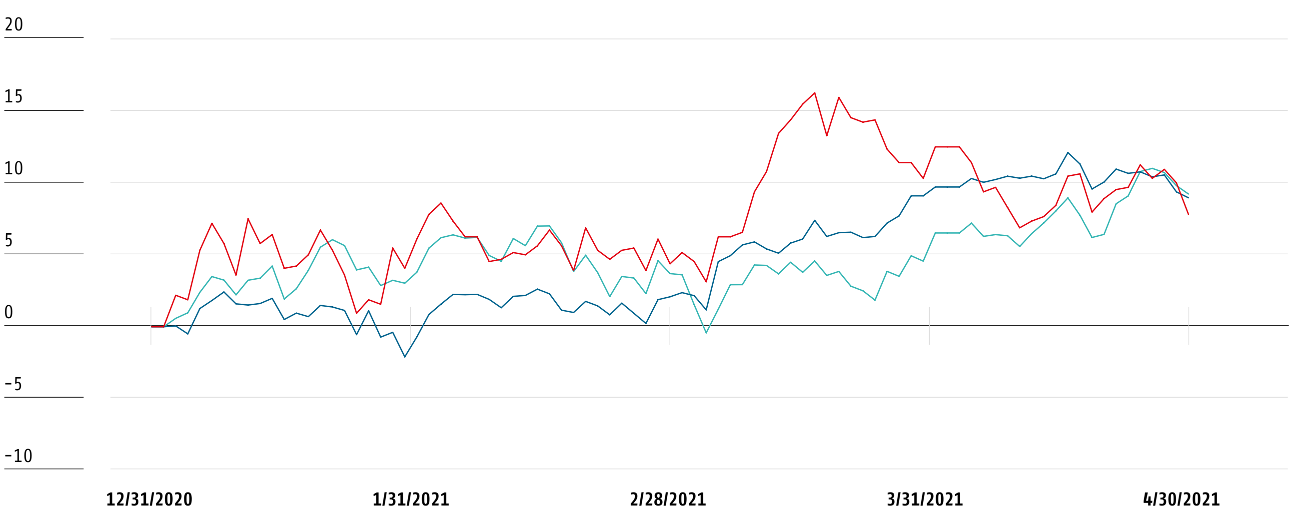
in EUR million	Q1 2021	Q1 2020
Sales	400.4	401.2
EBITDA	47.7	39.3
EBIT	25.0	16.0
EBIT margin (in %)	6.2	4.0
Group net income for the year (earnings after taxes)	12.1	8.9
Earnings per share (in EUR)	0.49	0.35
Operating cash flow	-15.0	2.6
Cash flow from operating activities	-17.6	0.1
Cash flow from investing activities	-38.3	-7.8
Cash flow from financing activities	118.0	36.7
	March 31, 2021	December 31, 2020
Total assets	1,890.9	1,728.8
Equity	775.2	676.4
Equity ratio (in %)	41.0	39.1
Working capital	452.3	410.5
Net debt	494.9	518.9
Cash and cash equivalents	257.3	194.7
Portfolio companies (number as of reporting date)	47	46

Contents

INDUS Group with successful start to the new financial year

- Despite lockdown: sales of EUR 400.4 million at previous year's level
- EBIT rise by around 56% to EUR 25.0 million
- Forecast for the 2021 financial year confirmed

SHARE PRICE PERFORMANCE OF THE INDUS SHARE JANUARY TO APRIL 2021 EXCL. DIVIDENDS (in %)



Source: Bloomberg

Letter to the Shareholders

Dear Shareholders,

The coronavirus pandemic continued to have a strong impact on us in the first quarter – both in our private and professional lives. Despite this, the INDUS Group performed well overall. When comparing the figures year-over-year, we must remember that the first quarter of 2020 was hardly affected by the pandemic – which was only just beginning in Europe at that time.

In light of this fact, we are satisfied with the virtually unchanged sales figure of EUR 400.4 million. Operating income even rose by EUR 16 million to EUR 25 million. This improved the EBIT margin to 6.2%. We are especially pleased to report improved EBIT margins along with improved operating income for three out of five segments: this applies to the Automotive Technology, Engineering and Metals Technology segments. The markets are recovering. We are moving forward.

As expected, the EBIT margin in the steadfastly solid Construction/Infrastructure segment declined slightly. The figure of 15.4% remains at a good level, however. Sales did decline in the Medical Engineering/Life Science segment, but the EBIT margin improved. Some companies in this field continue to suffer from the effects of the pandemic. In the Automotive Technology segment call-off figures have been rising again since the fourth quarter of 2020 for most of the series suppliers. Business in the development-related fields is also picking up. Positive signs are coming from the Engineering and Metals Technology segments. We are observing a rise in incoming orders and largely stable business.

As expected, operating cash flow was down against the previous year. As soon as business picks up, working capital follows. At EUR 257.3 million, liquidity was unusually high. This is due to the cash inflow of EUR 84.8 million net from the capital increase performed at the end of March. This capital increase gives us the necessary flexibility to acquire more hidden champions for our Group during the currently attractive market phase. And all this is happening while our balance sheet figures remain stable.

Following the purchase of the control room specialist JST in November, we successfully acquired WIRUS. The window manufacturer is highly profitable and growing well, not least because the company has managed to attain a high degree of automation over the last few years and is highly digitalized. The former sole shareholders will continue to manage WIRUS in the coming years and evolve together with INDUS. Now that the antitrust agency has given its approval, we will close in May. We are currently in promising talks with several other companies. We particularly aim to expand in the growth industries defined in our PARKOUR strategy program.

Now let's look to 2021: We continue to expect a high yield in the Construction/Infrastructure segment. We expect the positive development to continue in the Engineering and Metals Technology segments. In the Automotive Technology segment we will monitor how the shortage of chips impacts production at the series suppliers. The situation for development-related fields and commercial vehicles will improve significantly against the previous year. The further development of the Medical Engineering/Life Science segment will depend on how quickly the pandemic-related disruptions can be overcome. We generally believe there are good opportunities for growth in this segment. When the economy does begin to grow again, however, we will face a number of challenges: we are currently observing price increases for materials and scarcity of materials in all areas. Our portfolio companies have been able to manage this well so far. There are no changes to our forecast for the whole of 2021.

Under normal circumstances, we meet every year in person at our Annual Shareholders' Meeting in May. Once again this will be a virtual meeting this year due to the coronavirus. The live stream will start at 10:30 a.m. on May 26, 2021. You can find more information on our website under "Investor Relations" (www.indus.de/en/investor-relations/shareholders-meeting). We hope you will join us online. And are even more hopeful that we will be able to see each other in person again next year.

Yours sincerely,

Bergisch Gladbach, May 2021

Dr. Johannes Schmidt   Dr. Jörn Großmann

Axel Meyer   Rudolf Weichert

Interim Management Report

Performance of the INDUS Group in the First Three Months of 2021

CONSOLIDATED STATEMENT OF INCOME (in EUR million)

			Difference	
	Q1 2021	Q1 2020	absolute	in %
Sales	**400.4**	**401.2**	**-0.8**	**-0.2**
Other operating income	3.8	3.6	0.2	5.6
Own work capitalized	0.8	1.5	-0.7	-46.7
Change in inventories	11.8	10.0	1.8	18.0
Overall performance	**416.8**	**416.3**	**0.5**	**0.1**
Cost of materials	-189.5	-189.9	0.4	0.2
Personnel expenses	-128.3	-133.3	5.0	3.8
Other operating expenses	-51.3	-53.8	2.5	4.6
EBITDA	**47.7**	**39.3**	**8.4**	**21.4**
Depreciation/amortization	-22.7	-23.3	0.6	2.6
Operating income (EBIT)	**25.0**	**16.0**	**9.0**	**56.3**
Financial income	-5.2	-2.5	-2.7	>100
Earnings before taxes (EBT)	**19.8**	**13.5**	**6.3**	**46.7**
Income taxes	-7.7	-4.6	-3.1	-67.4
Earnings after taxes	**12.1**	**8.9**	**3.2**	**36.0**
of which attributable to non-controlling shareholders	0.0	0.5	-0.5	-100.0
of which attributable to INDUS shareholders	12.1	8.4	3.7	44.0

Despite the ongoing lockdown, the first quarter of 2021 went well. The majority of the INDUS Group's portfolio companies had a successful start to the new financial year. Only the Automotive Technology segment continues to be severely affected by the restructuring of the two series suppliers. Nevertheless, the operating income of the Automotive Technology segment as a whole improved slightly. The Engineering, Medical Engineering/Life Science and Metals Technology segments performed well in comparison with the previous year. The Construction/Infrastructure segment again closed the quarter with a high EBIT margin of 15.4%.

Overall, the INTERIM SPRINT package of measures implemented in the previous year is having a positive impact on the operating income (EBIT) in the current year. The discontinuation of BACHER, and the discontinuation of the plastics plating business at SIMON as well as the sale of

SIMON's Kinetic division along with the portfolio companies KIEBACK and FICHTHORN enabled significant improvements to be made in comparison with the same quarter in the previous year.

Sales on a par with the Previous Year

In the first quarter of 2021, the INDUS portfolio companies generated sales of EUR 400.4 million. This is on a par with the previous year (EUR 401.2 million). Sales in the first quarter of 2020 were only slightly affected by the coronavirus as the first lockdown started in the second half of March 2020.

There was a sharp increase in revenue of 9.8% in the Engineering segment and a slight increase of 0.5% in the Metals Technology segment. Due to the coronavirus crisis, sales in the Medical Engineering/Life Science segment declined year-over-year by 8.0%. As expected, sales decreased slightly in the Construction/Infrastructure segment. The decline in sales in the Automotive Technology segment is primarily due to the fact that the companies were hardly impacted by the coronavirus pandemic in the comparison period as the first lockdown only began in the second half of March 2020. Inorganic growth came to 0.3% and related to the acquisition of JST.

At EUR 416.8 million, the overall performance improved slightly on the previous year's figure (EUR 416.3 million). The cost of materials decreased in line with the sales figure by EUR 0.4 million to EUR 189.5 million. The cost-of-materials ratio therefore remained constant at 47.3%. Personnel expenses decreased disproportionately to the result by EUR 5.0 million from EUR 133.3 million to EUR 128.3 million. The personnel expense ratio decreased by 1.2% from 33.2% to 32.0%. This was due to adjustments made to the employment situation as a result of the coronavirus and financial relief for short-time working hours. Around EUR 1.0 million in short-time work funds was paid out to the workforce in the first quarter.

In the reporting quarter, other operating expenses of EUR 51.3 million were slightly lower in a year-over-year comparison particularly due to lower selling expenses (previous year: EUR 53.8 million). This related specifically to lower traveling expenses and expenses for trade fairs, which were severely curtailed as a result of the coronavirus. Depreciation/amortization decreased by -2.6% to EUR 22.7 million in total. This was primarily due to impairment on property, plant and equipment in the same period of the previous year.

Operating Income of EUR 25.0 Million Generated

At EUR 25.0 million, operating income (EBIT) was down by EUR 9.0 million on the previous year's figure (EUR 16.0 million). The EBIT margin climbed 2.2 percentage points to 6.2%.

Financial income decreased by EUR 2.7 million to EUR -5.2 million. In particular, this decrease was the result of higher expenses from the valuation of minority interests. Financial income includes net interest, income from shares accounted for using the equity method and other financial income. The valuations of the interest rate swaps and minority interests are reported within other financial income.

At EUR 19.8 million, earnings before taxes (EBT) was higher than the previous year's figure (EUR 13.5 million). Income tax expenses rose to EUR 7.7 million as against EUR 4.6 million in the previous year. Before the interests attributable to non-controlling shareholders were deducted, earnings after taxes had increased by EUR 3.2 million to EUR 12.1 million (previous year: EUR 8.9 million). Earnings per share came to EUR 0.49, following EUR 0.35 in the previous year.

During the first three months of 2021, the INDUS Group companies employed 10,580 people on average (previous year: 10,823 employees).

Acquisition of JST

INDUS completed the acquisition of JST Jungmann Systemtechnik GmbH & Co. KG with economic effect on January 4, 2021. The purchase agreement was signed November 17, 2020. JST, based in Buxtehude, is an SME that provides integrated control room solutions and is assigned to the Engineering segment. JST has extensive know-how in the conceptual design and construction of control rooms. JST also offers maintenance services to its customers.

The initial consolidation took place on January 1, 2021.

Acquisition of WIRUS

By contract dated March 19, 2021, INDUS Holding AG has acquired 70% of the shares in WIRUS Fenster GmbH & Co. KG, Rietberg-Mastholte (Gütersloh). WIRUS' product range encompasses window frames made of plastic and aluminum, sliding, house and side doors, and privacy and sun-protection systems. The managing director and former majority shareholder will remain with the company as managing director.

The initial consolidation will take place following completion of the transaction on May 18, in the second quarter of 2021.

Capital Increase

On March 25, 2021, INDUS Holding AG issued a capital increase of almost 10% of the capital stock. This was entered in the German Commercial Register on March 26, 2021.

The 2,445,050 new shares were offered to institutional investors in an accelerated bookbuild. The issue price was set at EUR 34.90. Gross issuing proceeds from the capital increase amounted to EUR 85.3 million before commissions and costs. The new shares carry dividend rights from January 1, 2020. They were issued to long-term oriented institutional investors, including German family offices.

Subscribed capital rose by EUR 6.3 million from EUR 63.6 million to EUR 69.9 million. The premium from the capital increase was allocated to the capital reserve.

Segment Reporting

INDUS Holding AG divides its investment portfolio into five segments: Construction/Infrastructure, Automotive Technology, Engineering, Medical Engineering/Life Science and Metals Technology. As of March 31, 2021, our investment portfolio encompassed 47 operating units.

Construction/Infrastructure

EBIT Margin 15.4%

Segment sales in the Construction/Infrastructure segment increased by a further EUR 2.5 million (2.7%) as against the same period of the previous year to EUR 96.0 million. The growth in sales is attributable to the majority of the companies in the segment.

As expected, operating income fell in comparison with the previous year by EUR 0.7 million to EUR 14.8 million (previous year: EUR 15.5 million). The EBIT margin again reached a very encouraging value of 15.4%, putting it 1.2 percentage points below the previous year's margin (16.6%).

All in all, the Construction/Infrastructure segment remains on a very high level and is in line with expectations after the first three months of 2021. In some portfolio companies winter business was a little slower than in the previous year due to unfavorable weather conditions, but the majority of portfolio companies were able to maintain the very good figures of the previous year. Individual portfolio companies are currently experiencing issues with the availability of goods that they require and are facing significantly higher costs for raw materials.

INDUS anticipates a slight decline in sales and operating income (EBIT) for the full year in comparison with the previous year.

The investments made in the segment related exclusively to fixed assets and were EUR 0.7 million down against the previous year at EUR 3.4 million (EUR 4.1 million).

KEY FIGURES FOR CONSTRUCTION/INFRASTRUCTURE (in EUR million)

	Q1 2021	Q1 2020	Difference absolute	Difference in %
Revenue with external third parties	96.0	93.5	2.5	2.7
EBITDA	18.9	19.4	-0.5	-2.6
Depreciation/amortization	-4.1	-3.9	-0.2	-5.1
EBIT	14.8	15.5	-0.7	-4.5
EBIT margin in %	15.4	16.6	-1.2 pp	–
Investments	3.4	4.1	-0.7	-17.1
Employees	1,945	1,900	45	2.4

Automotive Technology

INTERIM SPRINT Package has Positive Impact

Sales in the Automotive Technology segment decreased year-over-year by EUR 9.0 million, or 11.4%, in the first quarter of 2021. The decline in sales is primarily due to the fact that the companies were hardly impacted by the coronavirus pandemic in the comparison period as the first lockdown only began in the second half of March 2020.

At EUR -9.7 million, operating income (EBIT) was up EUR 2.3 million on the previous year's value. The segment's EBIT margin came to -13.9% compared with -15.2% in the previous year. The improvement in EBIT was primarily due to the deconsolidation of two companies. These companies were sold in 2020 as part of the INTERIM SPRINT package of measures. For the other companies, the improvements and deteriorations in comparison with the previous year largely balance one another out, whereby some companies are performing very well due to higher call-off figures and others are still suffering deteriorations in business due to the coronavirus pandemic.

Two portfolio companies in the series supplier field are still undergoing restructuring and again are delivering high negative contributions to income. The restructuring processes are on schedule at both portfolio companies. The work to set up low cost locations is progressing well and series ramp-ups for important new projects will begin in mid-2021 and at the end of 2021. However, capacity utilization at both portfolio companies will only improve significantly from 2022; 2021 will be a year of starting-up and transition for both companies.

We continue to expect a sharp rise in sales and income for the whole of 2021. Operating income (EBIT) on the other hand will remain clearly negative – especially in light of the ongoing restructuring processes.

The investments of EUR 6.0 million in the Automotive Technology segment (previous year: EUR 0.6 million) largely relate to the construction of new production facilities and the start-up of new series at the two series suppliers.

KEY FIGURES FOR AUTOMOTIVE TECHNOLOGY (in EUR million)

			Difference	
	Q1 2021	Q1 2020	absolute	in %
Revenue with external third parties	69.9	78.9	-9.0	-11.4
EBITDA	-3.1	-5.0	1.9	38.0
Depreciation/amortization	-6.6	-7.0	0.4	5.7
EBIT	-9.7	-12.0	2.3	19.2
EBIT margin in %	-13.9	-15.2	1.3 pp	–
Investments	6.0	0.6	5.4	>100
Employees	3,199	3,264	-65	-2.0

Engineering

Significant Recovery – Initial consolidation of JST as of January 1, 2021

Segment sales in the Engineering segment increased significantly by EUR 8.3 million (9.8%) against the same period in the previous year. This increase was especially marked by an increase in operating activities in logistics. Apart from this, increases and decreases in sales largely balanced one another out.

Operating income (EBIT) rose disproportionately by EUR 6.3 million to EUR 8.9 million. At 9.6%, the EBIT margin clearly outperformed the previous year's figure (3.1%). This shows that weaknesses in the Engineering segment were gradually overcome in 2020. The majority of the portfolio companies recorded an improvement in operating income (EBIT) and a clear improvement in incoming orders, which will have a positive impact in the coming months.

The initial consolidation of JST Jungmann Systemtechnik GmbH & Co. KG took place on January 1, 2021. All JST shares were acquired with the contract signed on November 17, 2020. The economic transfer and the payment of the purchase price took place at the beginning of January 2021. JST is an SME that provides integrated control room solutions and extensive know-how in the conceptual design, construction, and maintenance of control rooms.

For the rest of the 2021 financial year, INDUS anticipates that sales and operating income will continue to rise significantly. The Engineering segment is on track to meet the forecast EBIT margin of 7% to 9%.

The investments of EUR 27.5 million made during the reporting period relate to the acquisition of JST and investments in fixed assets. Investments in property, plant and equipment amounted to EUR 1.1 million, which represents an increase of EUR 0.5 million against the same period of the previous year (EUR 0.6 million).

KEY FIGURES FOR ENGINEERING (in EUR million)

			Difference	
	Q1 2021	Q1 2020	absolute	in %
Revenue with external third parties	92.6	84.3	8.3	9.8
EBITDA	14.2	7.7	6.5	84.4
Depreciation/amortization	-5.3	-5.1	-0.2	-3.9
EBIT	8.9	2.6	6.3	>100
EBIT margin in %	9.6	3.1	6.5 pp	–
Investments	27.5	0.6	26.9	>100
Employees	2,249	2,261	-12	-0.5

Medical Engineering/Life Science

Improved EBIT Margin

The portfolio companies in the Medical Engineering/Life Science segment reported sales of EUR 35.6 million in the first quarter of 2021, which corresponds to a decrease of EUR 3.1 million (-8.0%). The majority of the portfolio companies were affected by this decrease. The entire segment continues to suffer under the coronavirus pandemic. Demand for products from health care supply stores is down due to less footfall during lockdown and delayed elective surgeries. The measures taken by individual portfolio companies to counteract the changes and impacts of the coronavirus crisis are having an effect, but the figures seen before the pandemic could not be matched despite the recovery in sales.

Achieving operating income (EBIT) for the reporting period of EUR 3.1 million despite the decrease in sales that is precisely on a level with the previous year's figure (EUR 3.1 million) is thus all the more gratifying. The EBIT margin was 8.7%; 0.7 percentage points above that of the previous year. This clearly reflects the efforts of the portfolio companies to reduce costs and optimize cost structures.

We anticipate a rise in sales and strong increase in operating income (EBIT) in the Medical Engineering/Life Science segment for the full year. Relocation and moving expenses will be incurred for the relocation of a site in the course of the financial year which will only be offset by cost savings from 2022.

Investments stood at EUR 0.8 million, on a par with the previous year (EUR 0.9 million).

KEY FIGURES FOR MEDICAL ENGINEERING/LIFE SCIENCE (in EUR million)

			Difference	
	Q1 2021	Q1 2020	absolute	in %
Revenue with external third parties	35.6	38.7	-3.1	-8.0
EBITDA	5.8	5.6	0.2	3.6
Depreciation/amortization	-2.7	-2.5	-0.2	-8.0
EBIT	3.1	3.1	0.0	0.0
EBIT margin in %	8.7	8.0	0.7 pp	–
Investments	0.8	0.9	-0.1	-11.1
Employees	1,606	1,696	-90	-5.3

Metals Technology

Increase in EBIT Margin to 9.5%

The Metals Technology segment reported an increase in sales in the first quarter of 2021 of EUR 0.5 million (0.5%) to EUR 106.6 million (previous year: EUR 106.1 million). This effect is distributed across several companies and more than offsets the decrease in sales resulting from the INTERIM SPRINT measures. As part of this package of measures, the decision was taken and implemented in 2020 at portfolio-company level to discontinue BACHER AG, as was the discontinuation of the plastics plating division at SIMON. SIMON was also able to sell its Kinetics division.

On a more positive note, at EUR 10.1 million, operating income (EBIT) was up by EUR 1.1 million on the previous year's value. At 9.5% the EBIT margin exceeded the previous year's figure by 1.0 percentage points (8.5%) and has attained a good level. This result is based on improved financial positions across many of the portfolio companies in the segment.

The discontinuation of BACHER is running to schedule. Existing orders are currently being processed by remaining staff. The last orders are due to be fulfilled by the third quarter of this year and the discontinuation will then be completed. The impact of these processes at BACHER on the segment's operating income has already been taken into account in the segment guidance for the full 2021 financial year.

We continue to anticipate a decrease in sales and sharp rise in income for the full year with an EBIT margin of 7% to 9%.

The investment volume in the first quarter came to EUR 0.7 million, down on the previous year (EUR 1.8 million).

KEY FIGURES FOR METALS TECHNOLOGY (in EUR million)

			Difference	
	Q1 2021	Q1 2020	absolute	in %
Revenue with external third parties	106.6	106.1	0.5	0.5
EBITDA	14.0	13.6	0.4	2.9
Depreciation/amortization	-3.8	-4.7	0.9	19.1
EBIT	10.1	9.0	1.1	12.2
EBIT margin in %	9.5	8.5	1.0 pp	–
Investments	0.7	1.8	-1.1	-61.1
Employees	1,543	1,662	-119	-7.2

Financial Position

CONSOLIDATED STATEMENT OF CASH FLOWS, CONDENSED

(in EUR million)

	Q1 2021	Q1 2020	Difference absolute	Difference in %
Earnings after taxes	**12.1**	**8.9**	**3.2**	**36.0**
Depreciation/amortization	22.7	23.3	-0.6	-2.6
Other non-cash changes	14.2	7.6	6.6	86.8
Cash-effective change in working capital	-39.1	-2.5	-36.6	<-100
Change in other balance sheet items	-12.0	-17.2	5.2	30.2
Tax payments	-12.9	-17.5	4.6	26.3
Operating cash flow	**-15.0**	**2.6**	**-17.6**	**<-100**
Interest	-2.6	-2.5	-0.1	-4.0
Cash flow from operating activities	**-17.6**	**0.1**	**-17.7**	**<-100**
Cash outflow for investment	-38.3	-7.9	-30.4	<-100
Cash inflow from the disposal of assets	0.0	0.1	-0.1	-100.0
Cash flow from investing activities	**-38.3**	**-7.8**	**-30.5**	**<-100**
Contributions from capital increase	84.8	0.0	84.8	–
Dividends paid to minority shareholders	0.0	-0.1	0.1	100.0
Cash inflow from raising of loans	57.5	67.0	-9.5	-14.2
Cash outflow from the repayment of loans	-18.7	-22.5	3.8	16.9
Cash outflow from the repayment of lease liabilities	-5.6	-4.6	-1.0	-21.7
Cash outflow from the repayment of contingent purchase price commitments	0.0	-3.1	3.1	100.0
Cash flow from financing activities	**118.0**	**36.7**	**81.3**	**>100**
Net changes in cash and cash equivalents	62.1	29.0	33.1	>100
Changes in cash and cash equivalents caused by currency exchange rates	0.5	-0.3	0.8	>100
Cash and cash equivalents at the beginning of the period	194.7	135.1	59.6	44.1
Cash and cash equivalents at the end of the period	**257.3**	**163.8**	**93.5**	**57.1**

Cash Inflow of EUR 84.8 Million From Capital Increase

Based on earnings after taxes of EUR 12.1 million (previous year: EUR 8.9 million), operating cash flow decreased in the first quarter of 2021 by EUR -17.6 million to EUR -15.0 million. This is especially due to a sharp rise in the working capital in the first three months of 2021 compared with the low level recorded as of December 31, 2020. The usual increase in working capital in the first quarter was held back in comparison to the same period of the previous year by the initial effects of the coronavirus pandemic. An increase in operating activities at plant engineering manufacturers in the current quarter also led to a higher rise in the working capital. Several companies have also increased their raw materials' stockpiles due to scarcity of raw materials and potential price increases.

Taking into account interest payments of EUR 2.6 million, cash flow from operating activities amounted to EUR -17.6 million. Cash flow from operating activities decreased by EUR -17.7 million year-over-year.

Cash flow from investing activities came to EUR -38.3 million, compared with EUR 7.9 million in the previous year. After pursuing a policy of more restrained investment in the same period of the previous year due to the coronavirus crisis, cash outflows for investments in intangible assets and property, plant and equipment are back up at EUR -11.8 million. Payments for investments in shares in fully consolidated companies were also made in the amount of EUR -26.4 million (previous year: EUR 0.0 million). This related to the acquisition of JST.

The capital increase in March led to cash inflows in the amount of EUR 84.8 million. Cash inflow from the raising of loans fell slightly by EUR 9.5 million to EUR 57.5 million. Cash outflow from the repayment of loans decreased by EUR 3.8 million, which was partially offset by a EUR 1.0 million increase in cash outflow from the repayment of lease liabilities. Due and in some cases contingent purchase price liabilities of EUR 3.1 million were also repaid in the same period of the previous year. Overall, cash flow from financing activities increased significantly by EUR 81.3 million due to the capital increase. This cash inflow serves to provide financial flexibility for further acquisitions.

As a result, cash and cash equivalents were significantly above the level of EUR 194.7 million seen at the end of 2020 at EUR 257.3 million, and higher than the value seen in the first quarter of the previous year.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, CONDENSED (in EUR million)

	March 31, 2021	December 31, 2020	Difference absolute	Difference in %
ASSETS				
Non-current assets	**1,022.9**	**1,001.7**	**21.2**	**2.1**
Fixed assets	1,007.6	985.8	21.8	2.2
Receivables and other assets	15.3	15.9	-0.6	-3.8
Current assets	**868.0**	**727.1**	**140.9**	**19.4**
Inventories	365.0	332.5	32.5	9.8
Receivables and other assets	245.7	199.9	45.8	22.9
Cash and cash equivalents	257.3	194.7	62.6	32.2
Total assets	**1,890.9**	**1,728.8**	**162.1**	**9.4**
EQUITY AND LIABILITIES				
Non-current financial instruments	**1,458.6**	**1,333.5**	**125.1**	**9.4**
Equity	775.2	676.4	98.8	14.6
Borrowings	683.4	657.1	26.3	4.0
of which provisions	48.1	51.1	-3.0	-5.9
of which payables and deferred taxes	635.3	606.0	29.3	4.8
Current financing instruments	**432.3**	**395.3**	**37.0**	**9.4**
of which provisions	86.8	77.3	9.5	12.3
of which liabilities	345.5	318.0	27.5	8.6
Total equity and liabilities	**1,890.9**	**1,728.8**	**162.1**	**9.4**

Total Assets up 9.4% – Equity Ratio at 41%

The INDUS Group's consolidated total assets amounted to EUR 1,890.9 million, as of March 31, 2021, and were thus EUR 162.1 million (9.4%) higher than they were as of December 31, 2020. This increase was particularly the result of the EUR 62.6 million increase in liquidity, an anticipated rise in working capital of EUR 41.8 million and the initial consolidation of JST which led to an addition of assets in the amount of EUR 31.2 million. The increase in liquidity from the capital increase on March 26, 2021, amounted to a net total of EUR 84.8 million.

Equity increased by EUR 98.8 million (14.6%). This resulted in an equity ratio of 41.0% on March 31, 2021, putting it above the 40% target. As of December 31, 2020, the equity ratio stood at 39.1%. The increase in liabilities relates to financial liabilities (EUR +38.6 million) and trade payables (EUR +27.1 million). Financial liabilities were taken up – preemptively to meet needs in the coming financial year – in the first quarter due to favorable financing conditions.

As of March 31, 2021, working capital amounted to EUR 452.3 million, 10.2% higher than the figure as of December 31, 2020 (EUR 410.5 million). The increase in working capital is usually scheduled for the first quarter of a financial year and reflects the upswing in business volume. Plus large plant engineering manufacturers are making significant moves to stockpile inventories and receivables. This is due to the increase in business activities and a conscious increase in raw materials due to scarcity of certain raw materials and the price increases this will lead to.

WORKING CAPITAL

(in EUR million)

	March 31, 2021	December 31, 2020	Difference absolute	Difference in %
Inventories	365.0	332.5	32.5	9.8
Trade receivables	203.4	161.9	41.5	25.6
Trade payables	-76.0	-48.9	-27.1	-55.4
Advance payments received	-17.1	-9.7	-7.4	-76.3
Contract liabilities	-23.0	-25.3	2.3	9.1
Working capital	**452.3**	**410.5**	**41.8**	**10.2**

Net financial liabilities amounted to EUR 494.9 million as of March 31, 2021. This represents a decrease of EUR 24.0 million in net financial liabilities as against December 31, 2020. The decrease comprises higher financial liabilities (EUR +38.6 million) and the counteracting increase in cash and cash equivalents (EUR +62.6 million). The increase in cash and cash equivalents is primarily the result of the capital increase performed at the end of March.

NET FINANCIAL LIABILITIES

(in EUR million)

	March 31, 2021	December 31, 2020	Difference absolute	Difference in %
Non-current financial liabilities	581.4	553.8	27.6	5.0
Current financial liabilities	170.8	159.8	11.0	6.9
Cash and cash equivalents	-257.3	-194.7	-62.6	-32.2
Net financial liabilities	**494.9**	**518.9**	**-24.0**	**-4.6**

Opportunities and Risks

For the Opportunities and Risk Report of INDUS Holding AG, please consult the 2020 Annual Report. The company operates an efficient risk management system for early detection, comprehensive analysis, and the systematic handling of risks. The particulars of the risk management system and the significance of individual risks are explained in the Annual Report. Therein is stated that the company does not consider itself to be exposed to any risks that might jeopardize its continued existence as a going concern.

No material deteriorations to the risk aspects have been reported at our companies since the end of December 2020 regarding the risk situation arising from the COVID-19 pandemic. Processes are stable or are being flexibly adjusted to the coronavirus infection conditions. Due to the vaccination progress, INDUS is optimistic about future business in terms of the impact of COVID-19.

Outlook

The third wave of the coronavirus pandemic – with high infection rates and ongoing restrictions – is impeding economic recovery in Germany. As a result, economic output declined in Germany in the first quarter of 2021. The service industry in particular struggled against the previous quarter due to the coronavirus protection measures. Restricted opportunities for consumption and the end of the VAT decrease both negatively impacted private consumption. Short-time working increased significantly once more. Even though the economic areas not directly affected by restrictions remained solid, the difficult weather conditions and the return to normal VAT rates dampened activities in the construction industry. According to the April survey conducted by the ifo Institute, the scarcity of raw materials is noticeable in the main construction sector. In the industrial production sector, too, recovery was interrupted by, for example, supply bottlenecks in precursors for the automotive industry. According to VDMA surveys in April, restrictions in the engineering industry supply chain rose again, particularly for electronic components and metal products.

At the same time, demand, particularly from overseas, remained dynamic, and industrial incoming orders continued to climb. According to the ifo survey, German companies say the business situation in April was better but the outlook for the coming six months is worse. The third wave of infection and the increased pressure in supply chains are dampening expectations. Overall, however, German industry is expected to continue recovering. The vaccination progress and the expected gradual easing of restrictions should lead to improvements in the economic position in the coming months. Although the ongoing lockdowns have led to the growth forecast for the euro area being lowered slightly for 2021, a strong recovery continues to be expected once the restrictions are lifted. Economic developments in the United States are already showing signs of upturn: the intense vaccination campaign and the federal stimulus program are supporting recovery. China's economy slowed in the first quarter, but the upturn is expected to pick up speed again over the course of the year. Growing protectionism remains a risk to the global economy. The pandemic in particular encourages protectionist tendencies aimed at boosting the domestic economy. The trade association SPECTARIS, for instance, is warning of the effects of such tendencies for the heavily export-reliant health economy.

INDUS reported solid figures for the first three months of 2021, achieved despite the ongoing lockdown. The Automotive Technology segment continues to be severely impacted by the restructuring projects at the two series suppliers. Nevertheless, operating income (EBIT) in the Automotive Technology segment as a whole improved slightly. The Engineering, Medical Engineering/Life Science and Metals Technology segments performed well in comparison with the previous year. The Construction/Infrastructure segment closed the quarter with a high EBIT margin of 15.4% yet again.

The INTERIM SPRINT package of measures implemented in the previous year is having a positive impact on the operating income (EBIT) in the current year. The discontinuation of BACHER, and the discontinuation of the plastics plating business at SIMON as well as the sale of SIMON's Kinetics division along with the sale of KIEBACK and FICHTHORN enabled significant improvements to be made in comparison with the same quarter in the previous year.

At EUR -15.0 million, operating cash flow was below the previous year's level. This is largely due to the increase in working capital, which increased as expected in line with operating activities.

Despite the ongoing coronavirus pandemic, incoming orders and sales in the Engineering and Metals Technology segments are recovering. The Construction/Infrastructure segment remains at a high level. Sales risks could arise in the field of automotive technology due to the increasingly severe lack of chips. In the Medical Engineering/Life Science segment the effects of the lockdown continue to be felt. We are currently observing rising costs for materials and increasing material scarcity in all areas. Our focus will now be on securing access to materials and passing on the rise in the cost of materials.

There is no change to our forecast for the whole of 2021: INDUS continues to expect sales between EUR 1.55 billion and EUR 1.70 billion and operating income (EBIT) between EUR 95 million and EUR 110 million for the financial year 2021.

Condensed Consolidated Interim Financial Statements

Consolidated Statement of Income

FOR THE FIRST QUARTER OF 2021

in EUR '000	Notes	Q1 2021	Q1 2020
REVENUE		**400,425**	**401,242**
Other operating income		3,834	3,596
Own work capitalized		807	1,507
Change in inventories		11,839	10,007
Cost of materials	[3]	-189,533	-189,863
Personnel expenses	[4]	-128,313	-133,336
Depreciation/amortization		-22,698	-23,301
Other operating expenses	[5]	-51,331	-53,811
OPERATING INCOME (EBIT)		**25,030**	**16,041**
Interest income		25	93
Interest expense		-4,224	-4,063
NET INTEREST		**-4,199**	**-3,970**
Income from shares accounted for using the equity method		115	147
Other financial income		-1,144	1,262
FINANCIAL INCOME	[6]	**-5,228**	**-2,561**
EARNINGS BEFORE TAXES (EBT)		**19,802**	**13,480**
Income taxes	[7]	-7,723	-4,585
EARNINGS AFTER TAXES		**12,079**	**8,895**
of which attributable to non-controlling shareholders		-32	458
of which attributable to INDUS shareholders		12,111	8,437
Earnings per share (basic and diluted) in EUR	[8]	0.49	0.35

Consolidated Statement of Comprehensive Income

FOR THE FIRST QUARTER OF 2021

in EUR '000	Q1 2021	Q1 2020
EARNINGS AFTER TAXES	**12,079**	**8,895**
Actuarial gains/losses	2,886	3,706
Deferred taxes	-777	-974
Items not to be reclassified to profit or loss	**2,109**	**2,732**
Currency conversion adjustment	66	-3,615
Change in the market values of hedging instruments (cash flow hedge)	-210	261
Deferred taxes	33	-60
Items to be reclassified to profit or loss	**-111**	**-3,414**
OTHER COMPREHENSIVE INCOME	**1,998**	**-682**
TOTAL COMPREHENSIVE INCOME	**14,077**	**8,213**
of which attributable to non-controlling shareholders	-32	458
of which attributable to INDUS shareholders	14,109	7,755

Income and expenses recorded under other comprehensive income include actuarial gains from pensions and similar obligations amounting to EUR 2,886 thousand (previous year: EUR 3,706 thousand). These gains are mainly due to a 0.35% (previous year 0.4%) increase in the interest rate for domestic pension obligations and 0.15% (previous year: 0.25%) for foreign pensions (Switzerland).

Income from currency conversion is derived primarily from the converted financial statements of consolidated international subsidiaries. The change in the market value of derivative financial instruments was the result of interest rate swaps transacted by the holding company to hedge against interest rate movements.

Consolidated Statement of Financial Position

AS OF MARCH 31, 2021

in EUR '000	Notes	March 31, 2021	December 31, 2020
ASSETS			
Goodwill		387,319	380,932
Right-of-use assets from leasing/rent		86,523	85,780
Other intangible assets		109,898	93,066
Property, plant and equipment		402,925	405,470
Investment property		5,899	5,938
Financial investments		7,252	7,130
Shares accounted for using the equity method		7,778	7,527
Other non-current assets		3,890	3,915
Deferred taxes		11,377	11,992
Non-current assets		**1,022,861**	**1,001,750**
Inventories	[9]	365,036	332,463
Receivables	[10]	203,353	161,943
Other current assets		21,436	20,402
Current income taxes		20,894	17,568
Cash and cash equivalents		257,271	194,701
Current assets		**867,990**	**727,077**
TOTAL ASSETS		**1,890,851**	**1,728,827**
EQUITY AND LIABILITIES			
Subscribed capital		69,928	63,571
Capital reserve		318,288	239,833
Other reserves		386,013	371,904
Equity held by INDUS shareholders		**774,229**	**675,308**
Non-controlling interests in the equity		1,013	1,046
Equity		**775,242**	**676,354**
Pension provisions		46,734	49,682
Other non-current provisions		1,402	1,404
Non-current financial liabilities	[11]	581,353	553,773
Other non-current liabilities	[12]	21,122	20,139
Deferred taxes		32,808	32,109
Non-current liabilities		**683,419**	**657,107**
Other current provisions		86,850	77,339
Current financial liabilities	[11]	170,763	159,841
Trade payables		75,954	48,926
Other current liabilities	[12]	85,154	94,175
Current income taxes		13,469	15,085
Current liabilities		**432,190**	**395,366**
TOTAL EQUITY AND LIABILITIES		**1,890,851**	**1,728,827**

Consolidated Statement of Changes in Equity

FROM JANUARY 1 TO MARCH 31, 2021

in EUR '000	Subscribed capital	Capital reserve	Retained earnings	Other reserves	Equity held by INDUS shareholders	Shares held by non-controlling shareholders	Group equity
AS OF JAN. 1, 2020	**63,571**	**239,833**	**447,566**	**-25,056**	**725,914**	**1,807**	**727,721**
Earnings after taxes			8,437		8,437	458	8,895
Other comprehensive income				-682	-682		-682
Total comprehensive income			**8,437**	**-682**	**7,755**	**458**	**8,213**
Dividend payment						-60	-60
AS OF MAR. 31, 2020	**63,571**	**239,833**	**456,003**	**-25,738**	**733,669**	**2,205**	**735,874**
AS OF JAN. 1, 2021	**63,571**	**239,833**	**398,426**	**-26,522**	**675,308**	**1,046**	**676,354**
Earnings after taxes			12,111		12,111	-32	12,079
Other comprehensive income				1,998	1,998		1,998
Total comprehensive income			**12,111**	**1,998**	**14,109**	**-32**	**14,077**
Capital increase	6,357	78,455			84,812		84,812
AS OF MAR. 31, 2021	**69,928**	**318,288**	**410,537**	**-24,524**	**774,229**	**1,013**	**775,242**

Interests held by non-controlling shareholders mainly consist of minority interests in WEIGAND Bau GmbH and subsidiaries of the ROLKO Group. Minority interests in limited partnerships and limited liability companies, for which the economic ownership of the corresponding minority interests had already been transferred under reciprocal option agreements at the acquisition date, are shown under other liabilities.

Consolidated Statement of Cash Flows

FOR THE FIRST QUARTER OF 2021

in EUR '000	Q1 2021	Q1 2020
Earnings after taxes	12,079	8,895
Depreciation/appreciation of non-current assets	22,698	23,301
Income taxes	7,723	4,585
Financial income	5,228	2,561
Other non-cash transactions	1,178	481
Changes in provisions	6,198	1,400
Increase (-)/decrease (+) in inventories, receivables, and other assets	-70,641	-30,831
Increase (+)/decrease (-) in trade payables and other equity and liabilities	13,316	9,713
Income taxes received/paid	-12,858	-17,503
Operating cash flow	**-15,079**	**2,602**
Interest paid	-2,603	-2,644
Interest received	25	93
Cash flow from operating activities	**-17,657**	**51**
Cash outflow from investments in		
Property, plant and equipment and intangible assets	-11,795	-7,736
Financial investments	-142	-112
Shares in fully consolidated companies	-26,406	0
Cash inflow from the disposal of other assets	24	57
Cash flow from investing activities	**-38,319**	**-7,791**
Contributions to capital (capital increase)	84,812	0
Dividends paid to minority shareholders	0	-60
Cash outflow from the repayment of contingent purchase price commitments	0	-3,149
Cash inflow from raising of loans	57,500	67,000
Cash outflow from the repayment of loans	-18,686	-22,467
Cash outflow from the repayment of lease liabilities	-5,609	-4,580
Cash flow from financing activities	**118,017**	**36,744**
Net changes in cash and cash equivalents	62,041	29,004
Changes in cash and cash equivalents caused by currency exchange rates	529	-361
Cash and cash equivalents at the beginning of the period	194,701	135,120
Cash and cash equivalents at the end of the period	**257,271**	**163,763**

Notes

Basic Principles of the Consolidated Financial Statements

[1] General Information

INDUS Holding AG, with registered office in Bergisch Gladbach, Germany, has prepared its condensed consolidated interim financial statements for the period from January 1, 2021, to March 31, 2021, in accordance with the International Financial Reporting Standards (IFRS), and their interpretation by the International Financial Reporting Standards Interpretations Committee (IFRS IC) as applicable in the European Union (EU). The consolidated financial statements are prepared in euros (EUR). Unless otherwise indicated, all amounts are stated in thousands of euros (EUR ’000).

These interim financial statements have been prepared in accordance with IAS 34 in condensed form. The interim report has been neither audited nor subjected to perusal or review by an auditor.

New obligatory standards are reported on separately in the section “Changes in Accounting Standards.” Otherwise, the same accounting methods have been applied as in the consolidated financial statements for the 2020 financial year, where they are described in detail. Since these interim financial statements do not provide the full scope of information found in the annual financial statements, these financial statements should be considered within the context of the last annual financial statements.

In the Board of Management’s view, this quarterly report includes all usual current adjustments necessary for the proper presentation of the Group’s financial position and financial performance. The results achieved in the first quarter of 2021 do not necessarily allow predictions to be made regarding future business performance.

Preparation of the consolidated financial statements is influenced by accounting and valuation principles and requires assumptions and estimates that have an impact on the recognized value of assets, liabilities, and contingent liabilities, and on income and expenses. When estimates are made regarding the future, actual values may differ from the estimates. If the original basis for the estimates changes, the statement of the items in question is adjusted through profit and loss.

[2] Changes in Accounting Standards

All obligatory accounting standards in effect as of the 2021 financial year have been implemented in the interim financial statements at hand.

The application of new standards has had no material effect on the presentation of the financial position and financial performance of the consolidated financial statements of INDUS Holding AG.

JST

By contract dated November 17, 2020, INDUS Holding AG has acquired all the members’ shares in JST Jungmann Systemtechnik GmbH & Co. KG, Buxtehude. JST is an SME that provides integrated control room solutions and extensive know-how in the conceptual design, construction, and maintenance of control rooms. JST is assigned to the Engineering segment. The economic transfer of the transaction and the initial consolidation of JST took place in January 2021.

The fair value of the total consideration amounted to EUR 28,182 thousand on the acquisition date. This consists of a cash component in the amount of EUR 27,256 thousand and a contingent purchase prices payment in the amount of EUR 926 thousand, which was recognized and measured at fair value and result from an earn-out clause. The cash component was paid on January 4, 2021. The amount of the contingent purchase price commitment is determined on the basis of EBIT multiples and a forecast of the future relevant EBIT.

Goodwill of EUR 6,267 thousand, determined in the course of the purchase price allocation, is tax-deductible. Goodwill is the residual amount of the total consideration less the value of the re-assessed acquired assets and assumed liabilities and does not represent the accountable potential earnings of the acquired company for the future or the expertise of the personnel.

In the preliminary purchase price allocation, the acquired assets and liabilities have been calculated as follows:

NEW ACQUISITION: JST (in EUR '000)

	Carrying amounts at the time of acquisition	Assets added due to initial consolidation	Addition to consolidated statement of financial position
Goodwill	0	6,267	6,267
Other intangible assets	0	20,241	20,241
Property, plant and equipment	137	0	137
Inventories	564	1,649	2,213
Receivables	864	0	864
Other assets*	660	0	660
Cash and cash equivalents	850	0	850
Total assets	**3,075**	**28,157**	**31,232**
Other provisions	364	0	364
Financial liabilities	0	0	0
Trade payables	278	0	278
Other equity and liabilities**	2,408	0	2,408
Total liabilities	**3,050**	**0**	**3,050**

* Other assets: other non-current assets, other current assets, deferred taxes, current income taxes
** Other equity and liabilities: other non-current liabilities, other current liabilities, deferred taxes, current income taxes

The re-assessed intangible assets essentially comprise client relations and client base as well as software.

The initial consolidation of JST took place in January 2021. JST contributed sales amounting to EUR 1,213 thousand and operating income (EBIT) of EUR -1,774 thousand to income in the first quarter.

Expenses affecting net income from the initial consolidation of JST had a negative impact of EUR 2,271 thousand on operating income. The incidental acquisition costs were recorded in the statement of income.

WIRUS

By contract dated March 19, 2021, INDUS Holding AG has acquired 70% of the shares in WIRUS Fenster GmbH & Co. KG, Rietberg-Mastholte (Gütersloh). WIRUS' product range encompasses window frames made of plastic and aluminum, sliding, house and side doors, and privacy and sun-protection systems.

The transaction will be executed on May 18. The purchase price allocation and initial consolidation will be recognized in the second quarter and published with the half-year report.

Notes to the Consolidated Statement of Income

[3] Cost of Materials

in EUR '000	Q1 2021	Q1 2020
Raw materials, consumables and supplies, and purchased merchandise	-167,265	-164,737
Purchased services	-22,268	-25,126
Total	**-189,533**	**-189,863**

[4] Personnel Expenses

in EUR '000	Q1 2021	Q1 2020
Wages and salaries	-108,101	-112,751
Social security	-19,066	-19,351
Pensions	-1,146	-1,234
Total	**-128,313**	**-133,336**

[5] Other Operating Expenses

in EUR '000	Q1 2021	Q1 2020
Selling expenses	-18,981	-21,007
Operating expenses	-16,221	-16,751
Administrative expenses	-12,208	-12,747
Other expenses	-3,921	-3,306
Total	**-51,331**	**-53,811**

[6] Financial Income

in EUR '000	Q1 2021	Q1 2020
Interest and similar income	25	93
Interest and similar expenses	-4,224	-4,063
Net interest	**-4,199**	**-3,970**
Income from shares accounted for using the equity method	**115**	**147**
Market value of interest rate swaps	0	0
Minority interests	-1,150	1,261
Income from financial investments	6	1
Other financial income	**-1,144**	**1,262**
Total	**-5,228**	**-2,561**

The “minority interests” item includes an effect on income from the subsequent valuation of the contingent purchase price liabilities (call/put options) of EUR -71 thousand (previous year: income amounting to EUR 683 thousand) and earnings after taxes that external entities are entitled to from shares in limited partnerships and stock corporations with call/put options.

[7] Income Taxes

The income tax expense in the interim financial statements is calculated based on the assumptions currently used for tax planning purposes.

[8] Earnings per Share

in EUR '000	Q1 2021	Q1 2020
Income attributable to INDUS shareholders	12,111	8,437
Weighted average shares outstanding (in thousands)	24,614	24,451
Earnings per share (in EUR)	**0.49**	**0.35**

Notes to the Consolidated Statement of Financial Position

[9] Inventories

in EUR '000	March 31, 2021	December 31, 2020
Raw materials, consumables, and supplies	133,424	120,836
Unfinished goods	85,901	80,319
Finished goods and goods for resale	118,746	111,011
Advance payments	26,965	20,297
Total	**365,036**	**332,463**

[10] Receivables

in EUR '000	March 31, 2021	December 31, 2020
Receivables from customers	183,790	149,081
Contract receivables	17,466	10,699
Receivables from associated companies	2,097	2,163
Total	**203,353**	**161,943**

[11] Financial Liabilities

in EUR '000	March 31, 2021	Current	Non-Current	December 31, 2020	Current	Non-Current
Liabilities to banks	385,247	110,656	274,591	340,405	100,294	240,111
Liabilities from leasing	87,005	17,025	69,980	86,120	16,465	69,655
Promissory note loans	279,864	43,082	236,782	287,089	43,082	244,007
Total	**752,116**	**170,763**	**581,353**	**713,614**	**159,841**	**553,773**

[12] Liabilities

Other liabilities of EUR 19,061 thousand (Dec. 31, 2020: EUR 18,990 thousand) include contingent purchase price liabilities, carried at fair value, insofar as the minority shareholders can tender shares to INDUS by terminating the Articles of Incorporation or on the basis of option agreements.

Other Disclosures

[13] Segment Reporting

SEGMENT INFORMATION BY DIVISION FOR THE FIRST QUARTER OF 2021

SEGMENT REPORT IN ACCORDANCE WITH IFRS 8 (in EUR '000)

	Construction/ Infrastructure	Automotive Technology	Engineering	Medical Engineering/ Life Science	Metals Technology	Total Segments	Reconciliation	Consolidated Financial Statements
Q1 2021								
Revenue with external third parties	95,965	69,866	92,639	35,632	106,600	400,702	-277	400,425
Revenue with Group companies	10,022	23,157	15,731	4,589	15,552	69,051	-69,051	0
Revenue	**105,987**	**93,023**	**108,370**	**40,221**	**122,152**	**469,753**	**-69,328**	**400,425**
Segment earnings (EBIT)	**14,808**	**-9,738**	**8,930**	**3,116**	**10,149**	**27,265**	**-2,235**	**25,030**
Income from measurement according to the equity method	-173	-48	336	0	0	115	0	115
Depreciation/amortization	**-4,083**	**-6,582**	**-5,329**	**-2,670**	**-3,802**	**-22,466**	**-232**	**-22,698**
Segment EBITDA	**18,891**	**-3,156**	**14,259**	**5,786**	**13,951**	**49,731**	**-2,003**	**47,728**
Investments	**3,385**	**5,961**	**27,484**	**807**	**662**	**38,299**	**44**	**38,343**
of which company acquisitions	0	0	26,406	0	0	26,406	0	26,406

SEGMENT REPORT IN ACCORDANCE WITH IFRS 8 (in EUR '000)

	Construction/ Infrastructure	Automotive Technology	Engineering	Medical Engineering/ Life Science	Metals Technology	Total Segments	Reconciliation	Consolidated Financial Statements
Q1 2020								
Revenue with external third parties	93,456	78,931	84,274	38,715	106,065	401,441	-199	401,242
Revenue with Group companies	8,785	19,758	14,517	4,020	13,935	61,015	-61,015	0
Revenue	**102,241**	**98,689**	**98,791**	**42,735**	**120,000**	**462,456**	**-61,214**	**401,242**
Segment earnings (EBIT)	**15,521**	**-12,020**	**2,593**	**3,148**	**8,951**	**18,193**	**-2,152**	**16,041**
Income from measurement according to the equity method	-213	0	360	0	0	147	0	147
Depreciation/amortization	**-3,864**	**-7,000**	**-5,068**	**-2,477**	**-4,669**	**-23,078**	**-223**	**-23,301**
Segment EBITDA	**19,385**	**-5,020**	**7,661**	**5,625**	**13,620**	**41,271**	**-1,929**	**39,342**
Investments	**4,099**	**562**	**606**	**906**	**1.788**	**7.961**	**-113**	**7,848**

The table below reconciles the total operating results of segment reporting with the earnings before taxes in the consolidated statement of income:

RECONCILIATION (in EUR '000)

	Q1 2021	Q1 2020
Segment earnings (EBIT)	**27,265**	**18,193**
Areas not allocated incl. holding company	-2,090	-1,836
Consolidations	-145	-316
Financial income	-5,228	-2,561
Earnings before taxes	**19,802**	**13,480**

The classification of segments corresponds without change to the current state of internal reporting. The segment information relates to continued operations. The companies are assigned to the segments based on their selling markets if the large majority of their range is sold in a particular market environment (Automotive Technology, Medical Engineering/Life Science). Otherwise they are classified by common features in their production structure (Construction/Infrastructure, Engineering, Metals Technology).

The reconciliations contain the figures of the holding company, non-operating units not allocated to any segment, and consolidations. See the explanation provided in the management report regarding the products and services that generate segment sales.

The key control variable for the segments is operating income (EBIT) as defined in the consolidated financial statements. The information pertaining to the segments has been ascertained in compliance with the reporting and valuation methods that were applied in the preparation of the consolidated financial statements. Transfer prices between segments are based on arm's-length prices to the extent that they can be established in a reliable manner and are otherwise determined on the basis of the cost-plus pricing method.

SEGMENT INFORMATION BY REGION

The breakdown of sales by region relates to our selling markets. Owing to the diversity of our foreign activities, a further breakdown by country would not be meaningful since no country other than Germany accounts for 10% of Group sales.

Non-current assets, less deferred taxes and financial instruments, are based on the registered offices of the companies concerned. Further differentiation would not be useful since the majority of companies are based in Germany.

Owing to the diversification policy at INDUS, there were no individual product or service groups and no individual customers that accounted for more than 10% of sales.

in EUR '000	Group	Germany	EU	Third Countries
Q1 2021				
Revenue with external third parties	400,425	198,507	85,661	116,257
March 31, 2021				
Non-current assets, less deferred taxes and financial instruments	1,000,342	848,392	57,452	94,498
Q1 2020				
Revenue with external third parties	401,242	209,226	87,451	104,565
December 31, 2020				
Non-current assets, less deferred taxes and financial instruments	978,713	830,743	57,378	90,592

[14] Information on the Significance of Financial Instruments

The table below shows the carrying amounts of the financial instruments. The fair value of a financial instrument is the price that would be paid in an orderly transaction between market participants for the sale of an asset or transfer of a liability on the measurement date.

FINANCIAL INSTRUMENTS

(in EUR '000)

	Balance sheet value	Not within the scope of IFRS 9	Financial instruments IFRS 9	Of which measured at fair value	Of which measured at amortized cost
March 31, 2021					
Financial investments	7,252	0	7,252	2,514	4,738
Cash and cash equivalents	257,271	0	257,271	0	257,271
Receivables	203,353	17,466	185,887	0	185,887
Other assets	25,326	14,596	10,730	0	10,730
Financial instruments: Assets	**493,202**	**32,062**	**461,140**	**2,514**	**458,626**
Financial liabilities	752,116	0	752,116	0	752,116
Trade payables	75,954	0	75,954	0	75,954
Other liabilities	106,276	54,655	51,621	24,488	27,133
Financial instruments: Equity and liabilities	**934,346**	**54,655**	**879,691**	**24,488**	**855,203**

	Balance sheet value	Not within the scope of IFRS 9	Financial instruments IFRS 9	Of which measured at fair value	Of which measured at amortized cost
December 31, 2020					
Financial investments	7,130	0	7,130	2,509	4,621
Cash and cash equivalents	194,701	0	194,701	0	194,701
Receivables	161,943	10,699	151,244	0	151,244
Other assets	24,317	12,914	11,403	145	11,258
Financial instruments: Assets	**388,091**	**23,613**	**364,478**	**2,654**	**361,824**
Financial liabilities	713,614	0	713,614	0	713,614
Trade payables	48,926	0	48,926	0	48,926
Other liabilities	114,314	52,090	62,224	23,269	38,955
Financial instruments: Equity and liabilities	**876,854**	**52,090**	**824,764**	**23,269**	**801,495**

FINANCIAL INSTRUMENTS BY BUSINESS MODEL IN ACC. WITH IFRS 9 (in EUR '000)

	March 31, 2021	December 31, 2020
Financial assets measured at fair value through profit and loss	0	145
Financial assets measured at cost	458,626	361,824
Financial assets recognized at fair value directly in equity	2,514	2,509
Financial instruments: Assets	**461,140**	**364,478**
Financial liabilities measured at fair value through profit and loss	19,998	18,990
Financial liabilities measured at cost	855,203	801,495
Derivatives with hedging relationship, hedge accounting	4,490	4,279
Financial instruments: Equity and liabilities	**879,691**	**824,764**

[15] Approval for Publication

The Board of Management of INDUS Holding AG approved these IFRS interim financial statements for publication on May 11, 2021.

Bergisch Gladbach, May 11, 2021

INDUS Holding AG

The Board of Management

Dr. Johannes Schmidt

Dr. Jörn Großmann

Axel Meyer

Rudolf Weichert

Contact

Nina Wolf
Public Relations
Phone: +49 (0)2204/40 00-73
Email: presse@indus.de

Dafne Sanac
Investor Relations
Phone: +49 (0)2204/40 00-32
Email: investor.relations@indus.de

INDUS HOLDING AG
Kölner Straße 32
51429 Bergisch Gladbach

P.O. Box 10 03 53
51403 Bergisch Gladbach

Phone: +49(0)2204/40 00-0
Fax: +49 (0)2204/40 00-20
Email: indus@indus.de

www.indus.de/en

Corporate ESG Performance
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Financial Calendar

Date	Event
May 26, 2021	Annual Shareholders' Meeting 2021
August 11, 2021	Publication of interim report on the first half of 2021
November 11, 2021	Publication of interim report on the first nine months of 2021

Find the INDUS financial calendar and dates for corporate events at www.indus.de/en/investor-relations/financial-calendar

Imprint

RESPONSIBLE MEMBER OF THE BOARD OF MANAGEMENT
Dr.-Ing. Johannes Schmidt

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This interim report is also available in German. Only the German version of the interim report is legally binding.

DISCLAIMER:

This interim report contains forward-looking statements based on assumptions and estimates made by the Board of Management of INDUS Holding AG. Although the Board of Management is of the opinion that these assumptions and estimates are accurate, they are subject to certain risks and uncertainty. Actual future results may deviate substantially from these assumptions and estimates due to a variety of factors. These factors include changes in the general economic situation, the business, economic and competitive situation, foreign exchange and interest rates, and the legal setting. INDUS Holding AG shall not be held liable for the future development and actual future results being in line with the assumptions and estimates included in this interim report. Assumptions and estimates made in this interim report will not be updated.

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