

# GESCO SE **Press & analyst conference on financial results**

Financial year 2023 | Düsseldorf, 11 April 2024

**Slogan**



# **Hidden champions**

Technology-driven SMEs

... in one share, that is **GESCO**

# The strategy

NEXT LEVEL

## GESCO SE

- | 3 anchor & 12 underlying investments
- | Business model expertise
- | Methodological expertise
- | ESG - Sustainability



## Portfolio - Architecture

### M & A

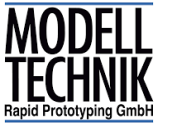
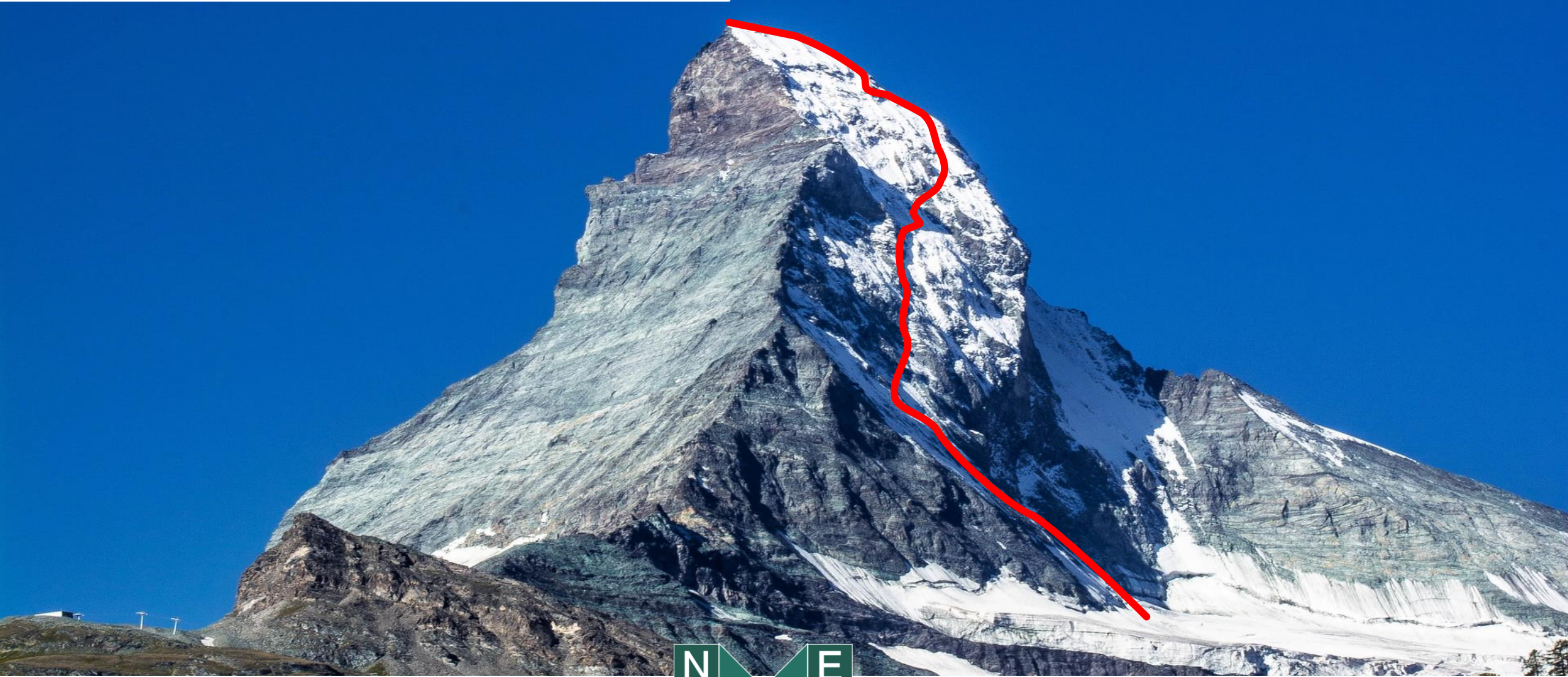
- | Inorganic growth
- | Buy & Build Programme
- | Portfolio roadmap
- | Direct approaches & Expand network

## Hidden - Champions

### Excellence Programmes

- | CANVAS
- | MAPEX
- | OPEX
- | LEADEX
- | DIGITEX

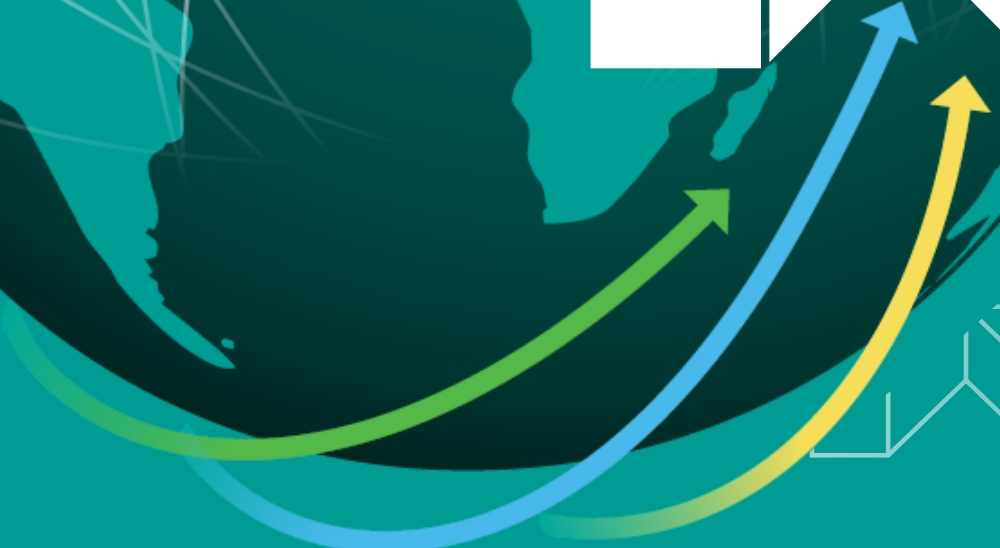




# Excellence Programmes



- CANVAS** Business model Development
- MAPEX** Market & Product Excellence
- OPEX** Operational Excellence
- LEADER** Leadership Excellence
- EX** Digital Excellence



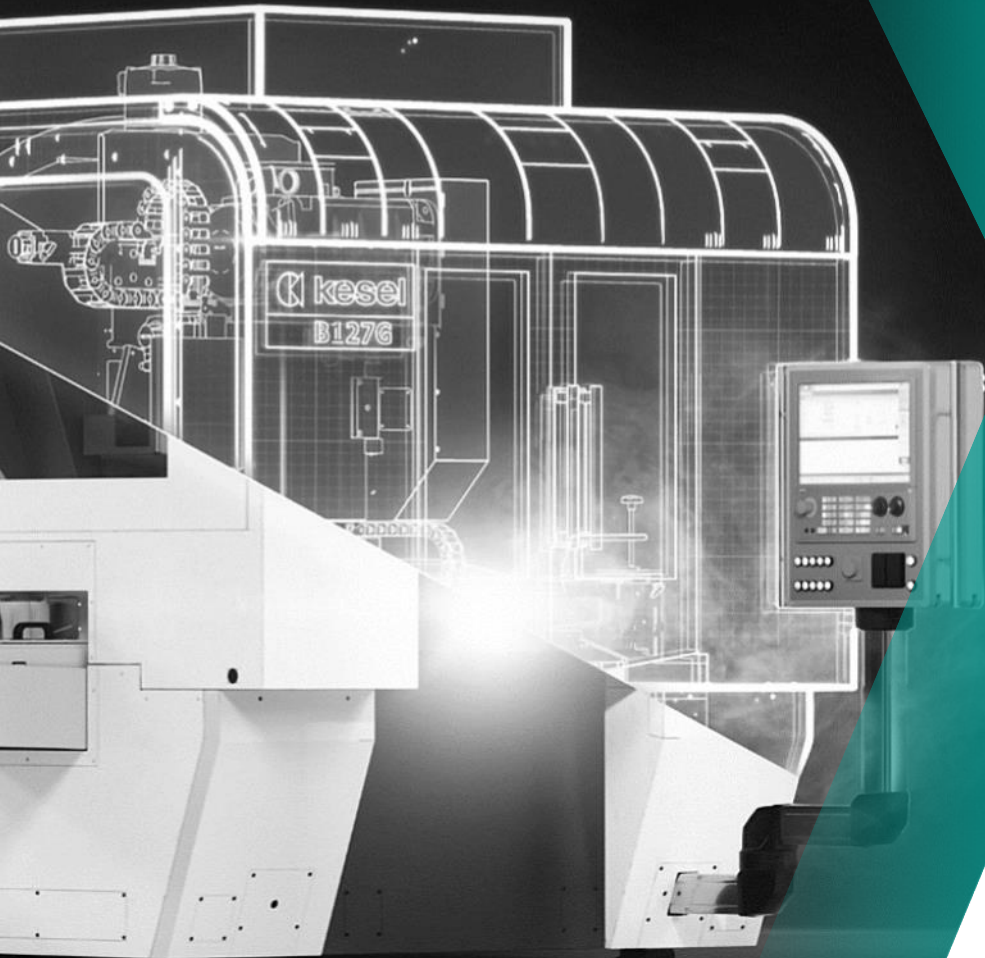


# 03

## The alignment

# KESEL

Future Food



## Alignment:

**In future also the No. 1  
for grinding machines!**

**+24.2%**

Sales since 2018

**+20.5%**

Result since 2018

**+18.3%**

Efficiency since 2018

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New product Grinding machine band saw opens up new food market with 5 out of 8 top customers

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World market leader position in milling machines strengthened by new modular system

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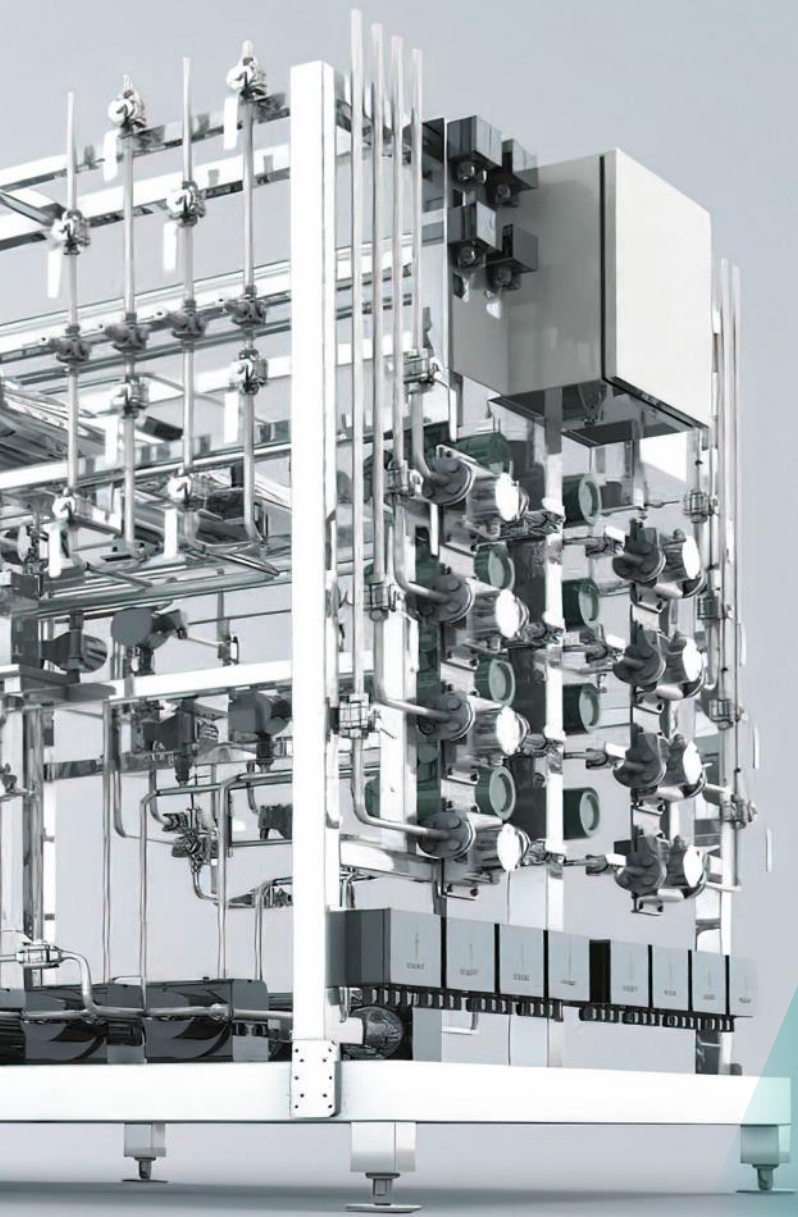
Newly developed modular system reduces Time-to-market by 60% thanks to common parts strategy

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Productivity +50% compared to the competition for the grinding of band saw blades with new patented process

# INEX - solutions

your Future - our Passion



## Alignment:

**INEX-solutions offers excellence in stainless steel plant engineering!**

**+49.7%**

Sales since 2018

**+60.5%**

Result since 2018

**+22.6%**

Efficiency since 2018

Focus on plant engineering for Healthcare, Semiconductor, Energy & Environmental, Food & Beverage

Positioning as a strategic partner for semiconductor customers through clean room assembly

Foundation of INEX-solutions Inc. in the USA and ASME certification for the USA offer further growth

First series orders received for power-to-liquid systems for the production of e-fuels and e-kerosene



## Alignment:

### Transferring our market strength in Europe to the USA!

**+72%**

Sales since 2018

**+31%**

Result since 2018

**+39%**

Efficiency since 2018

Expansion of copper coatings – aim to become world market leader in copper too

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USA sales share from 0 to 10% since 2018 – focus on further expansion of market share

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Investment in new copper line realised in 2023 – capacity doubled with state-of-the-art technology

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Copper brake line tape for e-mobility – We increase your safety



**SVT**

Focus: Hydrogen

**Alignment:**

**Become the world market leader in ship shippers for all liquids !**

**+60%**

Sales since 2018

**+99%**

Result since 2018

**+39%**

Efficiency since 2018

Supporting the energy transition, solutions for hydrogen and carbon capture & storage

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Realisation of an innovative, patented new modular product system – launch in 2024

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Expansion of international activities with additional locations for expanded Sales & Service – China in 2024

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Expansion of production capacities in best-cost country



# SETTER

Sustainability for the global market!



## Alignment:

**Continue to be No. 1 through consistent portfolio and production expansion!**

**+120%**

Sales since 2018

**+74%**

Result since 2018

**+35%**

Efficiency since 2018

Responsibility for the future with a clear alternative to plastic: 2023 > 28,000 tonnes of plastic replaced by paper

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Internationalisation with proximity to customers - new plants in Germany and the USA, expansion in Mexico in 2023

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Innovations create new products and diversification - strong growth for lollipops, flavoured sticks and stirrers

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We are the technological benchmark: Continuous expansion & increased efficiency with our own machines



The background of the slide is a teal color with a repeating pattern of white-outlined geometric shapes. Each shape is a complex, multi-faceted polygon that resembles a stylized flower or a cluster of cubes, arranged in a grid-like fashion.

# 04

## The financial year

### 2023



DIHK-Studie zeigt miese Stimmung

### Gleicht Deutschland einem "Autounfall in Zeitlupe"?

Die Bundesregierung rechnet nur mit einem Mini-Wachstum, die Ampel-Minister Habeck und Lindner äußern sich besorgt über den Zustand der deutschen Wirtschaft und auch eine DIHK-Umfrage macht wenig Hoffnung für die nahe Zukunft. Das Ausland blickt verwundert auf den einstigen Wirtschaftsmotor Europas.

- ▶ **Drohende Rezession** Deutschland ist Schlusslicht - und bremst das Wachstum in der EU



Handelsblatt

Prognose

## Weltbank erwartet verlangsamtes Wachstum globalen Wirtschaft

Die Weltbank prognostiziert, dass sich das weltweite Wachstum zum dritten Mal in Folge abschwächen wird. Konflikte im Nahen Osten kommen neue Unsicherheiten hinzu.

Die kurzfristigen Aussichten seien düster, ein „trauriger Meilenstein“ werde erreicht: Die Weltbank erwartet die schwächste globale Wachstumsleistung in einem halben Jahrzehnt seit den 1990er Jahren. Der Konflikt im Nahen Osten könnte die Lage weiter verschärfen.

Various media outlets provide information on the weak economic situation in Germany



ifo INSTITUT

Themen Forschung Publikationen

ifo Institut > Noch mehr Stornierungen im Wohnungsbau – Geschäftsklima fällt auf Allzeittief

Pressemitteilung - 16. Oktober 2023

### Noch mehr Stornierungen im Wohnungsbau – Geschäftsklima fällt auf Allzeittief

# Economic growth

## IMF, World Economic Outlook

Status: January 2024

## VDMA

### Overview of the World Economic Outlook Projections

*(Percent change, unless noted otherwise)*

	Estimate	Projections	
	2023	2024	2025
<b>World Output</b>	<b>3,1</b>	<b>3,1</b>	<b>3,2</b>
<b>Advanced Economies</b>	<b>1,6</b>	<b>1,5</b>	<b>1,8</b>
United States	2,5	2,1	1,7
Euro Area	0,5	0,9	1,7
Germany	-0,3	0,5	1,6

### Produktionsleistung


### Maschinen- und Anlagenbau

<b>2023</b>	<b>-1,0%</b>
1. HJ	2,5%
3. Quartal	-1,7%
4. Quartal	-5,4%
<b>2024 Prognose</b>	<b>-4,0%</b>

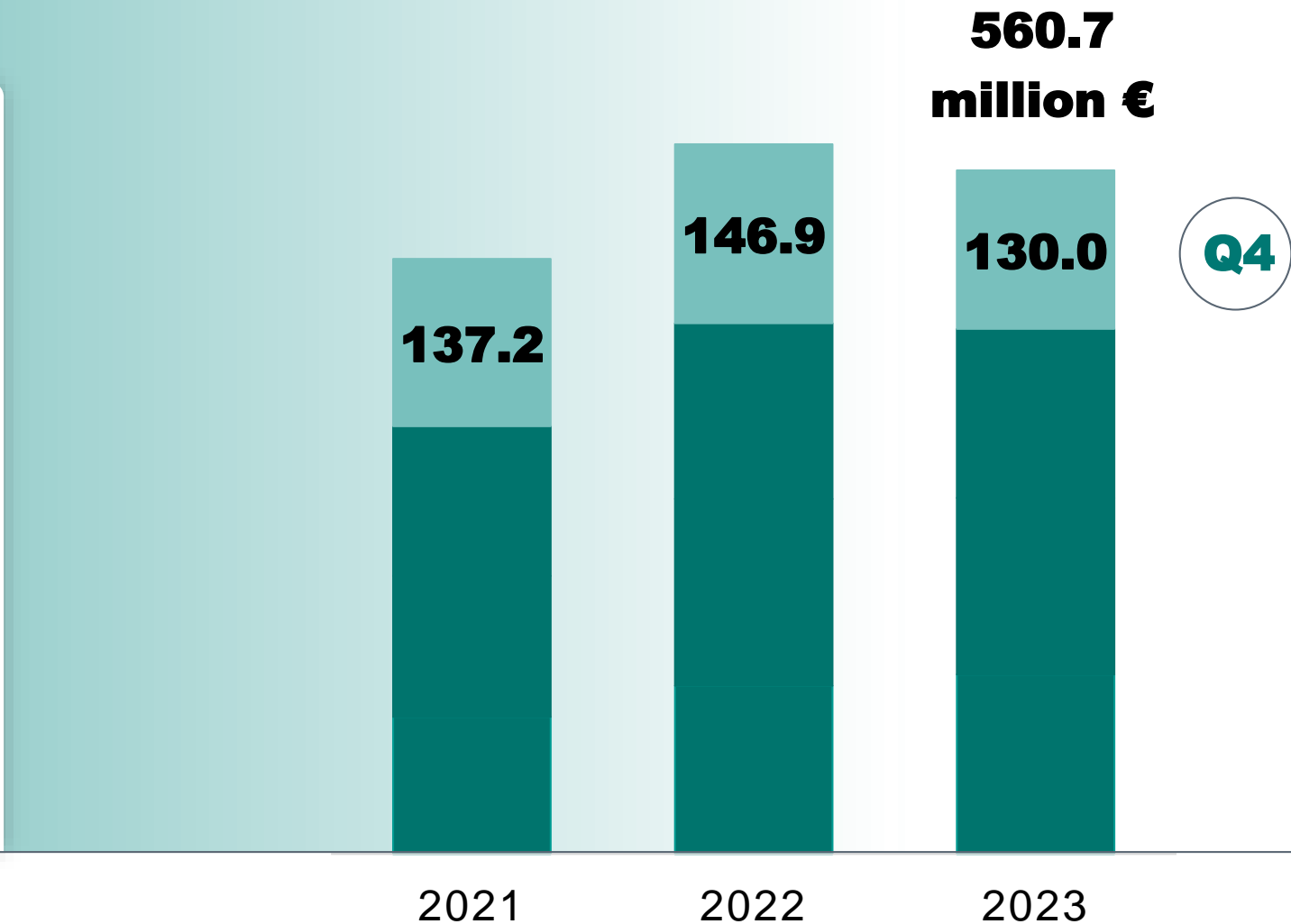


# Sales slightly below previous year

Sales - 3.7%

 Different influences:

- Increase in sales MAE and svt
- Price effects at Dörrenberg
- Sales abroad increased to 53.5



# EBIT before impairment losses

EBIT -17.1%

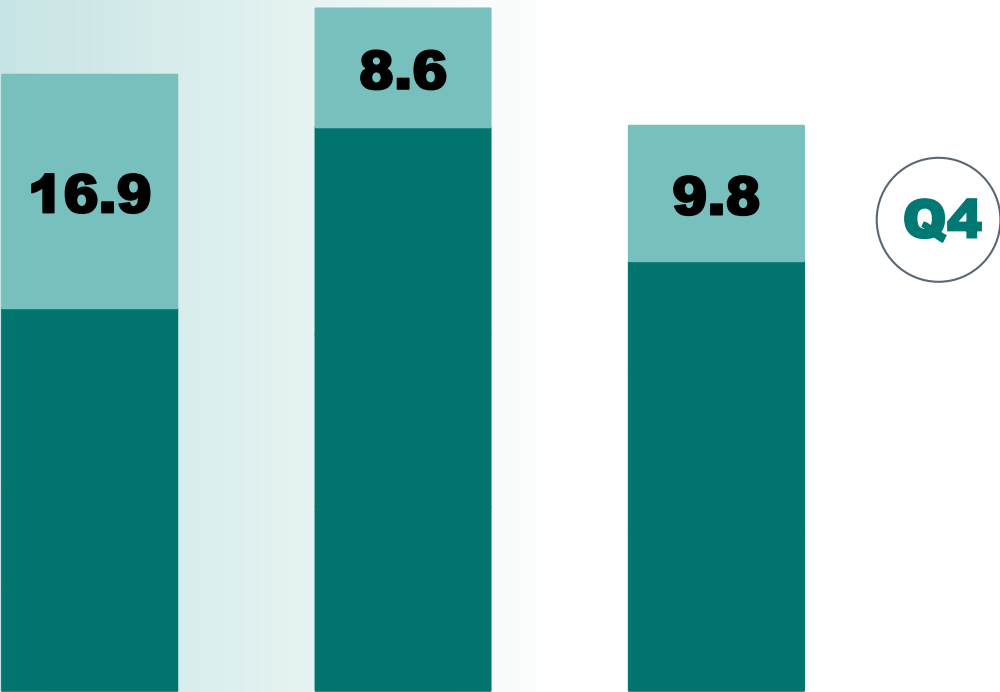


EBIT Q4: positive effect due to other earnings



- Material ratio improved
- Personnel costs increased due to salary increases and acquisitions

**7.3% | € 41.0 million**



2021


2022

2023


Q4

# EBIT

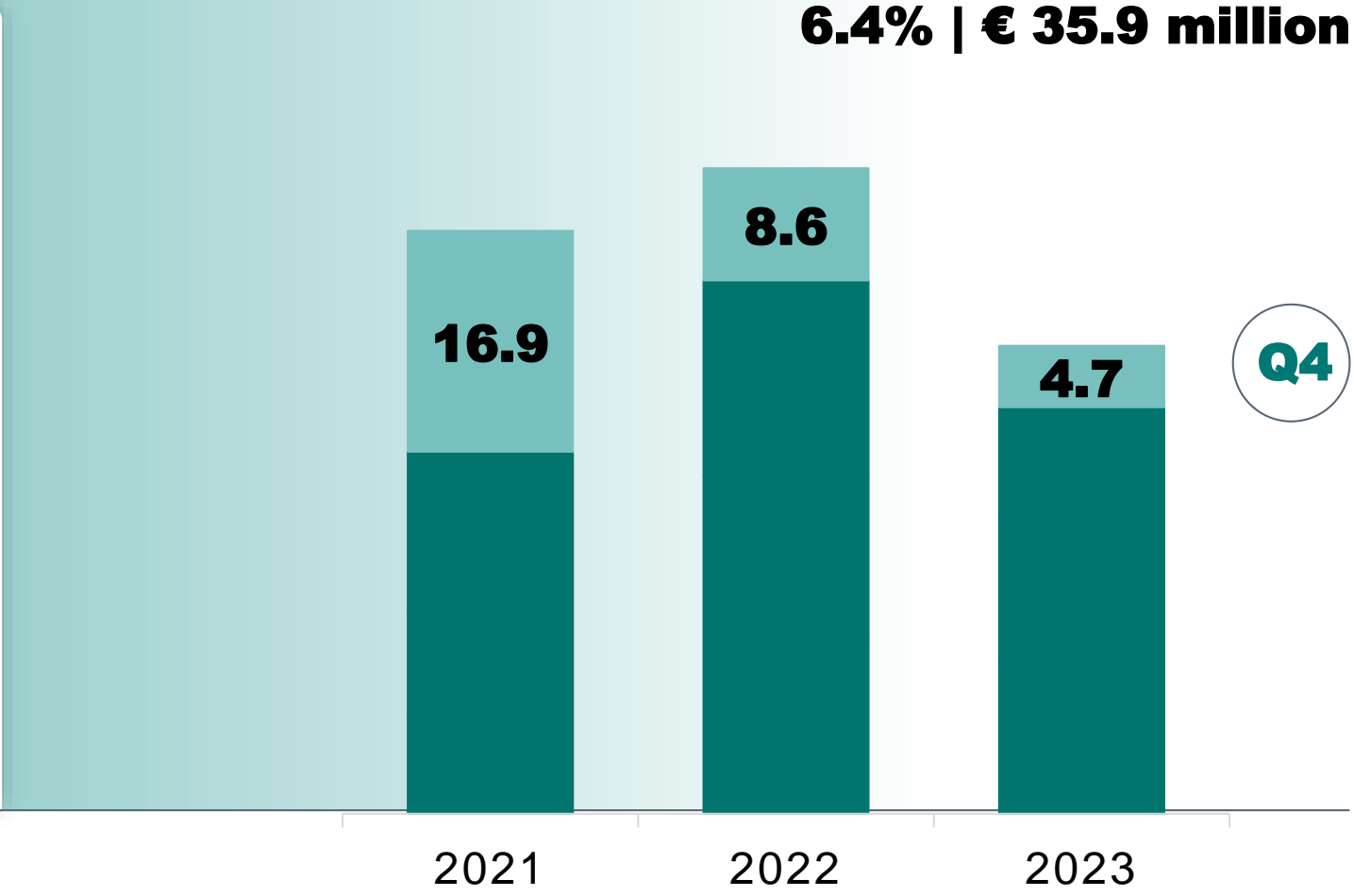
EBIT -27.4%



**5.1 million Impairment losses in Q4**



- Material ratio improved
- Personnel costs increased due to salary increases and acquisitions



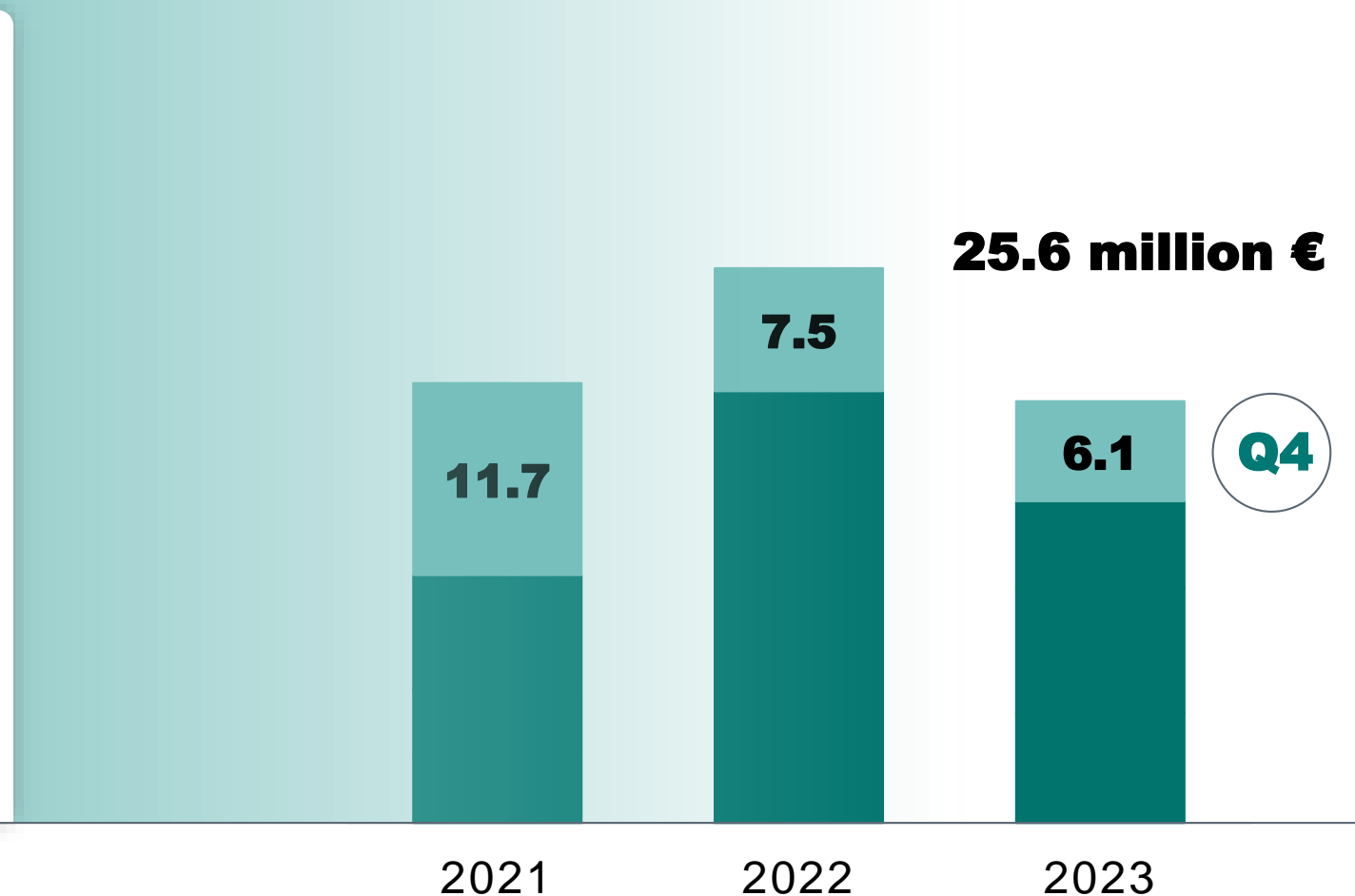


# Consolidated net income before impairments after minority interests




## Significant effects

- Interest expense increased by € 2.2 million
- Adjusted tax rate at 28.3%
- Minority interests reduced by € 1.2 million

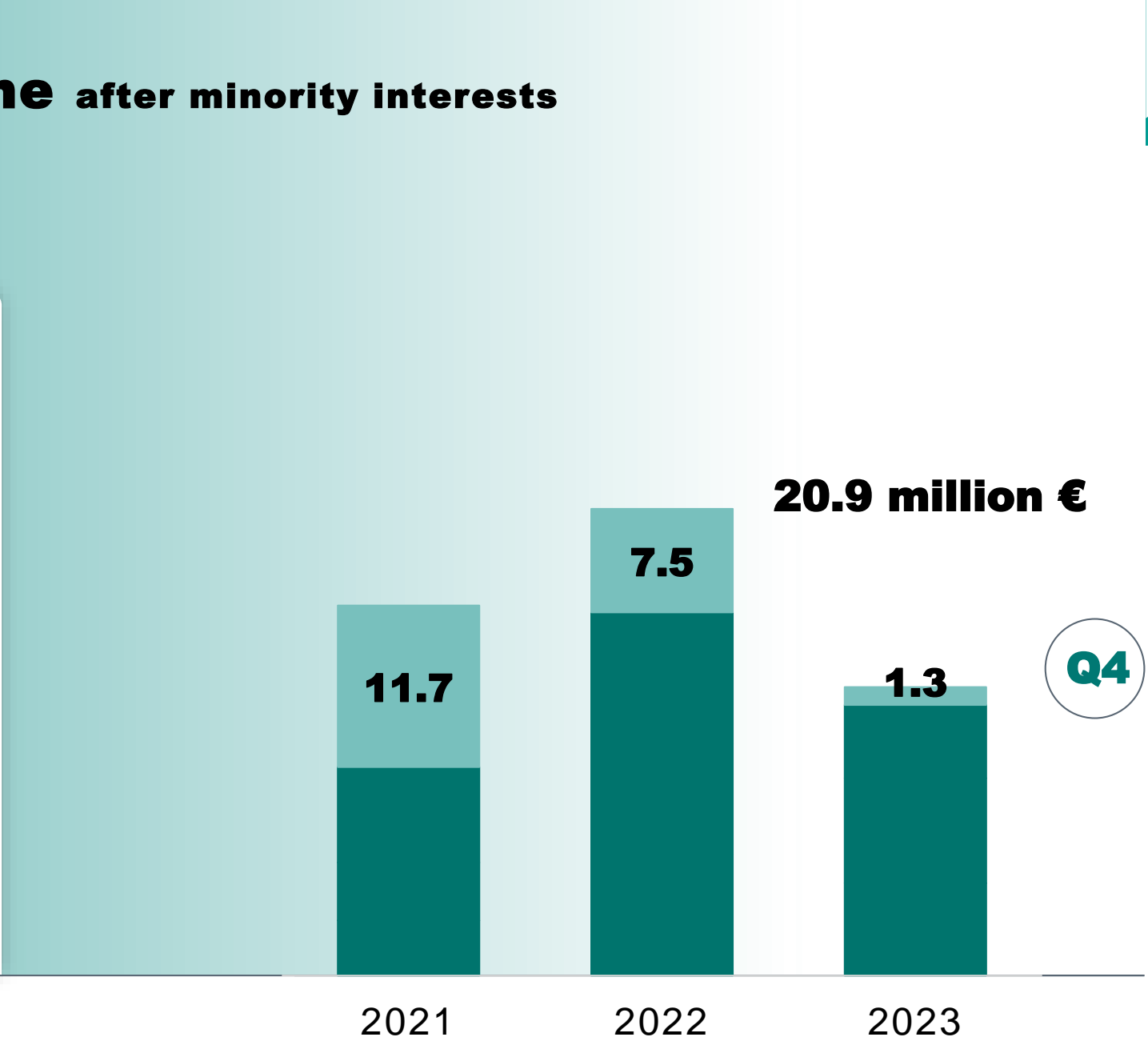


# Consolidated net income after minority interests


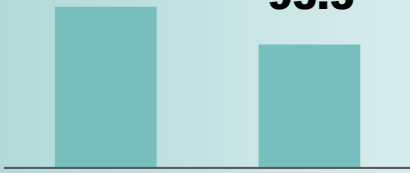


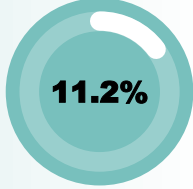




**Effects from impairments**

- Impairment losses  
€ -5.1 million
- Deferred taxes  
€ +0.4 million
- Tax rate at 32.6%



# Pleasant result despite low Order book




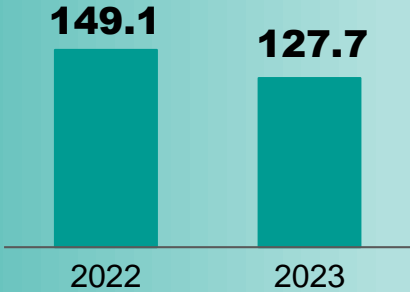
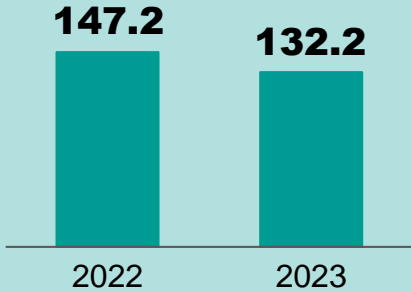
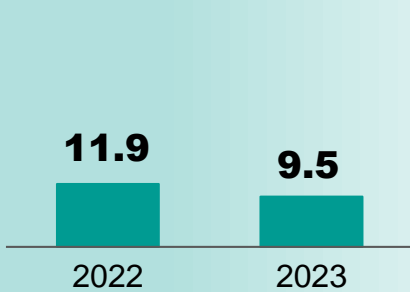
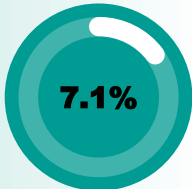
	Incoming orders in € million	Sales in € million	EBIT in € million	EBIT %
 <b>Process technology</b>	<p>121.8</p>  <p>2022      2023</p>	<p>105.1      107.6</p>  <p>2022      2023</p>	<p>13.9      12.0</p>  <p>2022      2023</p>	 <p>11.2%</p>
 <b>Resources technology</b>				
 <b>Health &amp; Infrastructure Technology</b>				



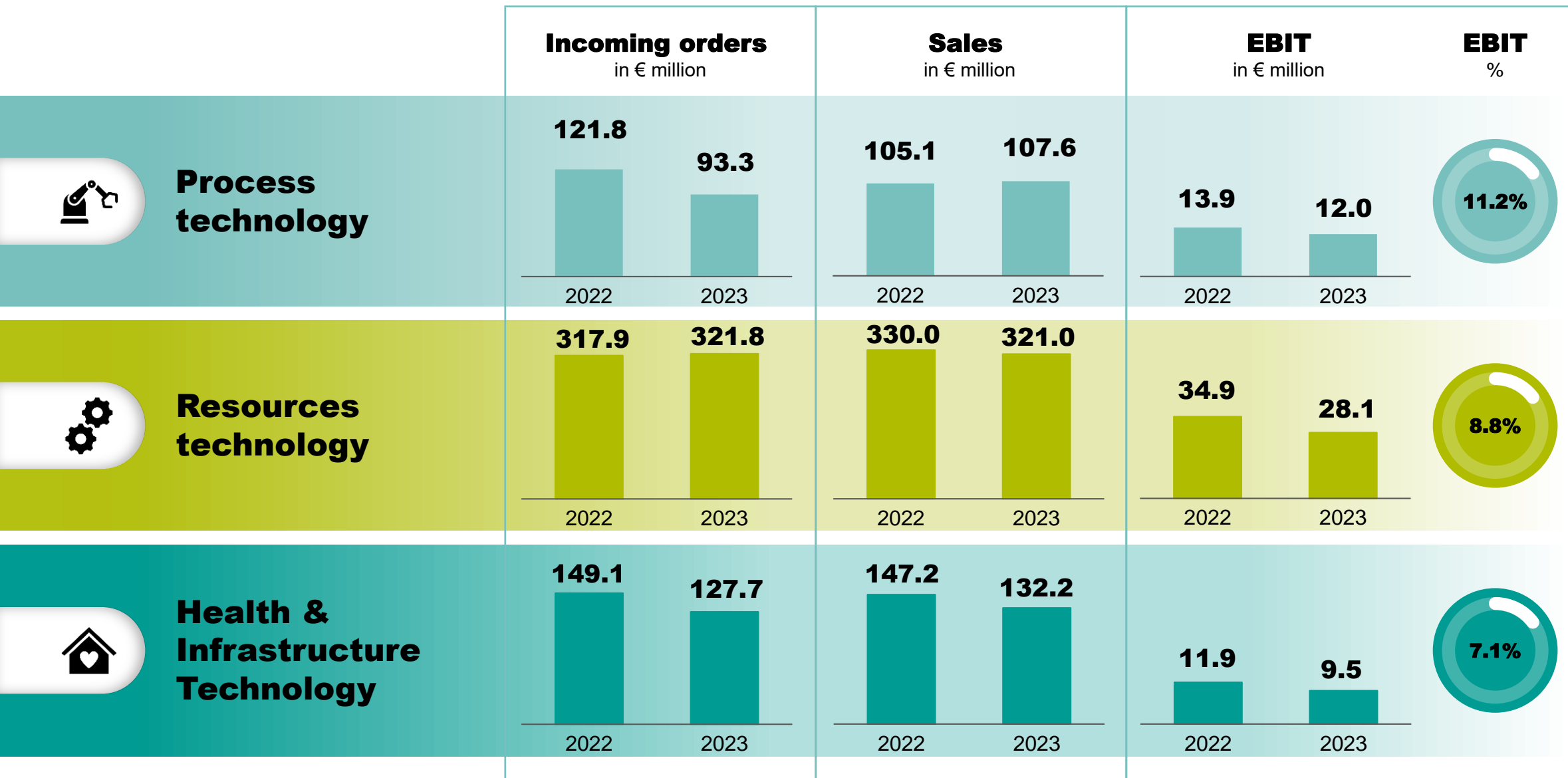
# svt with record result, price effects at Doerrenberg

	Incoming orders in € million	Sales in € million	EBIT in € million	EBIT %
<b>Process technology</b>				
<b>Resources technology</b>	317.9 (2022)   321.8 (2023)	330.0 (2022)   321.0 (2023)	34.9 (2022)   28.1 (2023)	8.8%
<b>Health &amp; Infrastructure Technology</b>				

# AstroPlast and Funke reduce results

	Incoming orders in € million	Sales in € million	EBIT in € million	EBIT %
 <b>Process technology</b>				
 <b>Resources technology</b>				
 <b>Health &amp; Infrastructure Technology</b>				

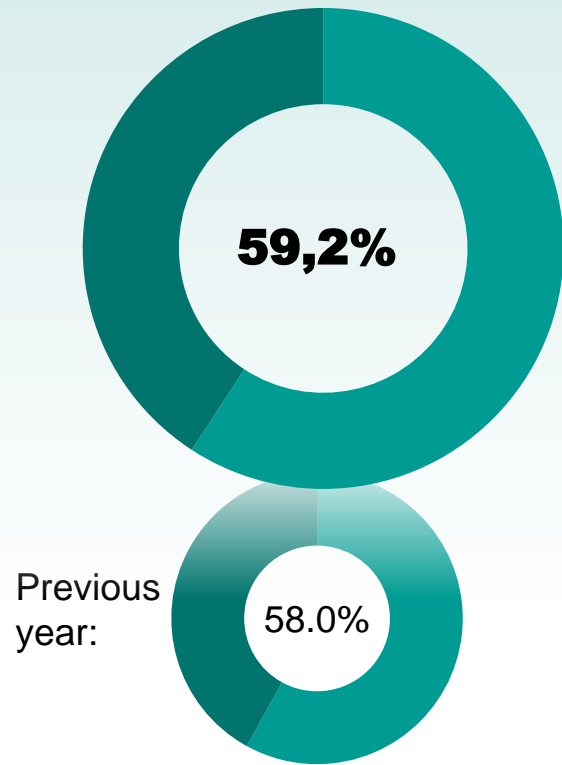
# Solid result despite different influences



# Financial Performance 2023

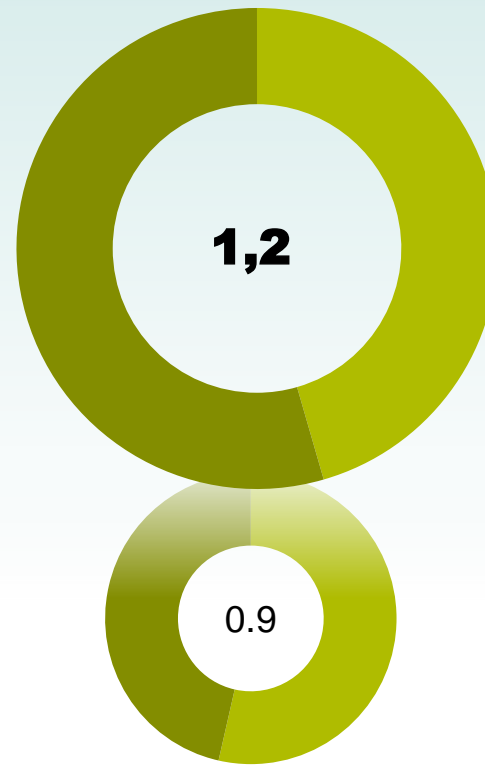
Equity ratio increased again

## Equity ratio



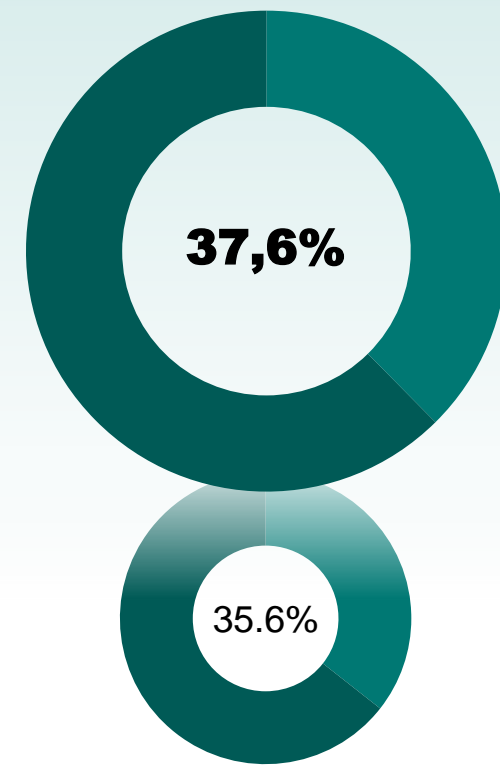
Equity capital Balance sheet total

## Net debt ratio



EBITDA Net debt

## WOC ratio



WOC Sales



# 13 million € to shareholders

62% of consolidated net earnings after minority interests

## Dividend and share buyback

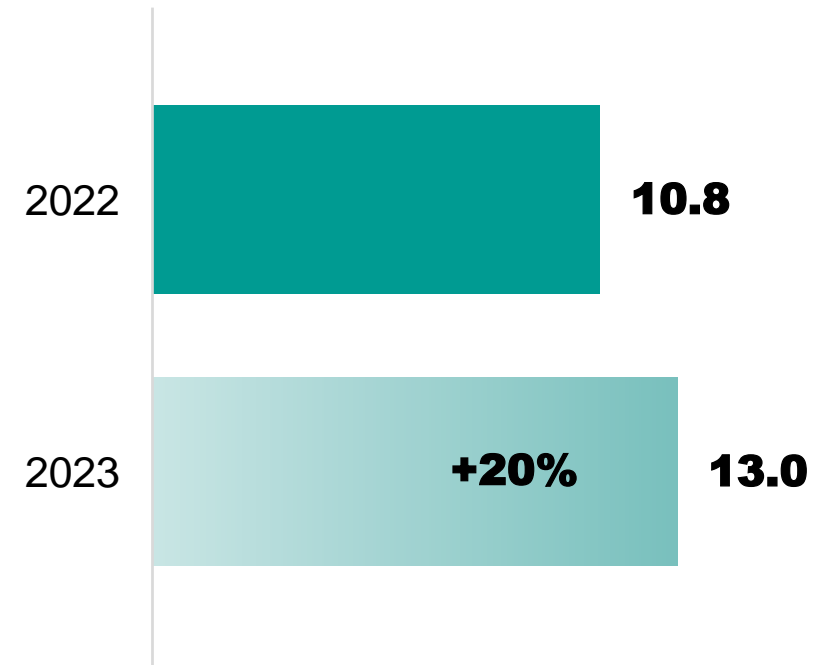
### Dividend:

- 0.40 € per piece
- 2.4% yield

### Share buyback:

- Public offer
- from 04/11/24 to 04/25/24
- at 17.80 €
- up to 500,000 shares (4.61% of share capital)
- Volume: € 8,900,000

## Distribution to shareholders in € million



# GESCO SHARE

ISIN	DE000A1K0201
WKN	A1K020
Ticker symbol	GSC1
<hr/>	
Share capital (11.04.2024)	10,839,499 €
Number of shares (11.04.2024)	10,839,499
Initial public offering	03/24/1998
Transparency standard	Prime Standard
<hr/>	
Share price (10/04/2024)	17.70 €
Market capitalisation (10.04.2024)	191.9 million €
Free float (10.04.2024)	85.8%

## Research/Coverage

GSC Research (Buy: € 37.50)	Pareto Securities (Buy: 29.00 €)	SMC Research (Buy: € 42.70)
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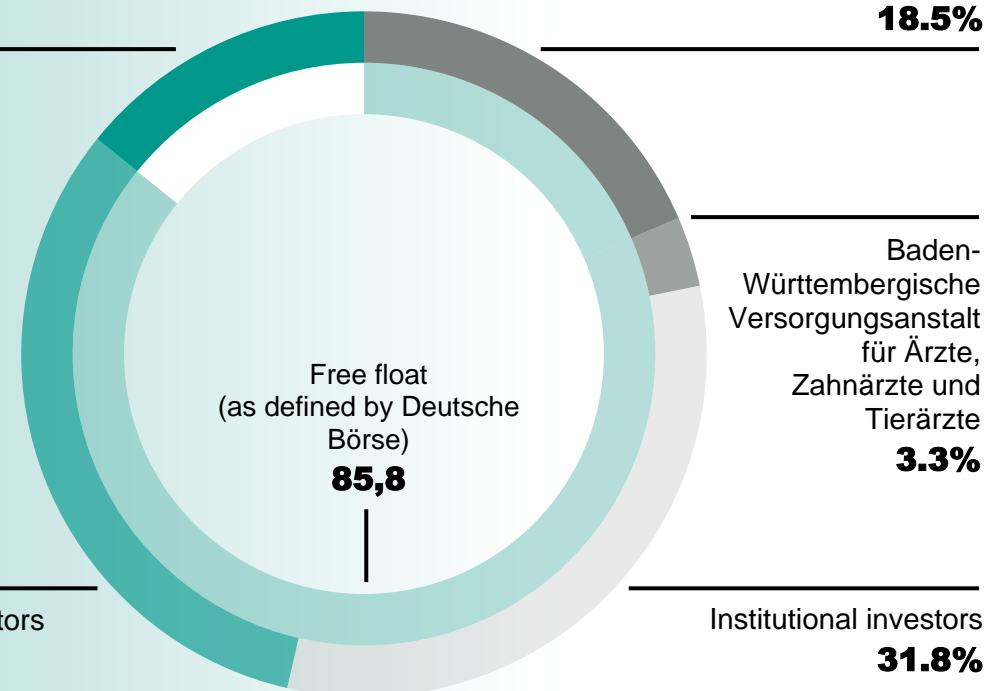
**Consensus: Buy: € 36.40**

## Indices

CDAX overall index	Prime All Shares	Prime Industrial	Prime Industrial Diversified	Classic All Share
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Stefan Heimöller  
**14.2%**

Investmentaktiengesellschaft für  
langfristige Investoren TGV  
**18.5%**



# 05 Outlook 2024

# Cautious outlook for 2024

IMF forecasts global economic growth of 3.1% for 2024, 2.1% for the USA  
the USA by 2.1%, other industrialised countries by 1.3% and for Germany by 0.5%

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IfO economic forecast for GDP in Germany +0.2%

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The German government's Council of Economic Experts  
GDP growth of 0.7% for 2024. However, cut expected in May.

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The VDMA expects a global decline of 4% in the mechanical  
and plant engineering by 4%.

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10% drop in mechanical engineering orders in February according to VDMA

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Decline in inflation: forecast at 2.3% for 2024  
Inflation stood at 2.5% in February (lowest value since June 2021)

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Interest rates remain at a high level

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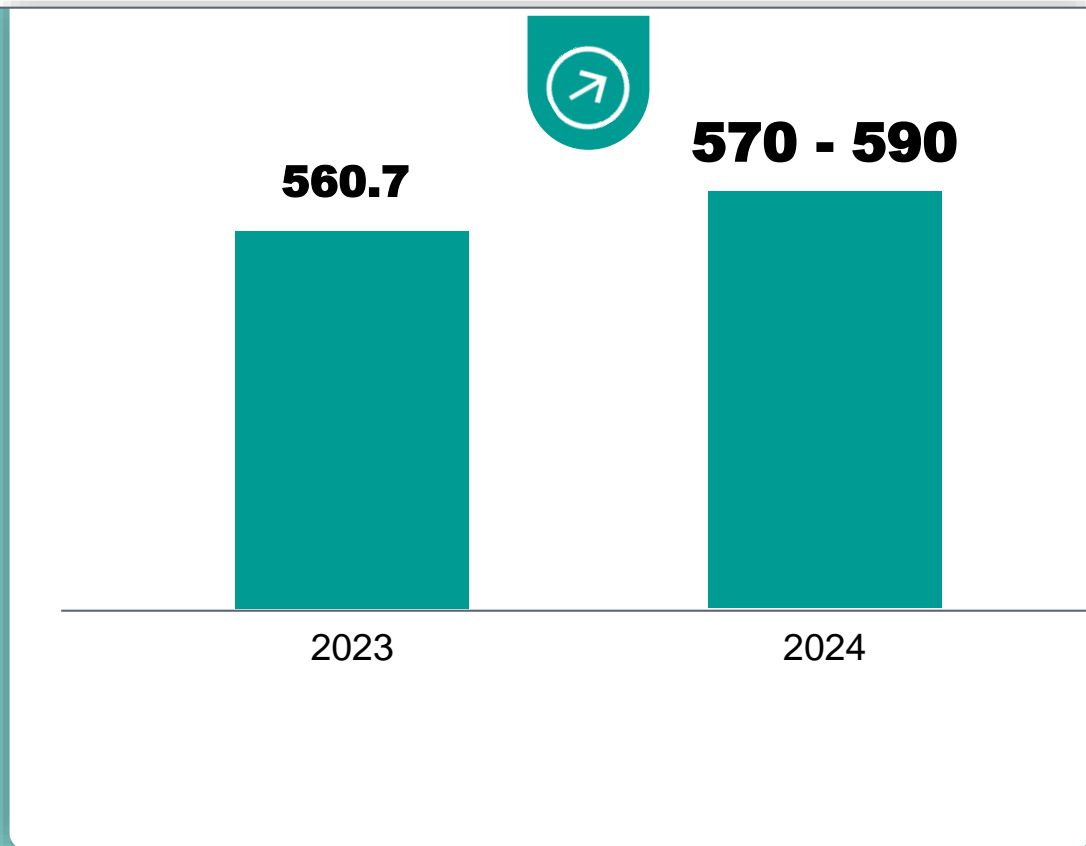
**Outlook fraught with  
uncertainty**

**IMF sees risk from  
geopolitical  
tensions,  
particularly in the  
Middle East**

# Moderate increase expected for 2024

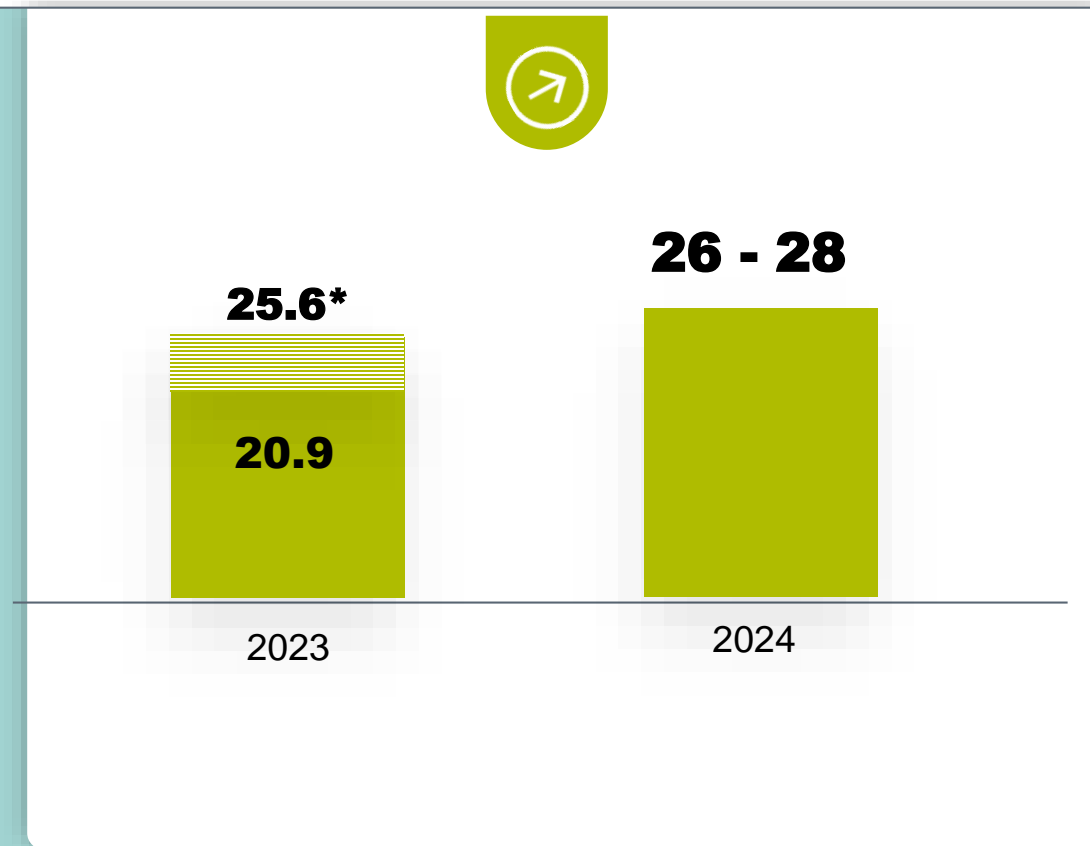
Outlook 2024 - before acquisitions

## Sales in € million



## Consolidated net earnings

after Minority interests in € million



\*before impairments





**Thank you  
very much!**