GESCO SE
Quarterly statement 2023
1 January to 30 September 2023

Q3 2023

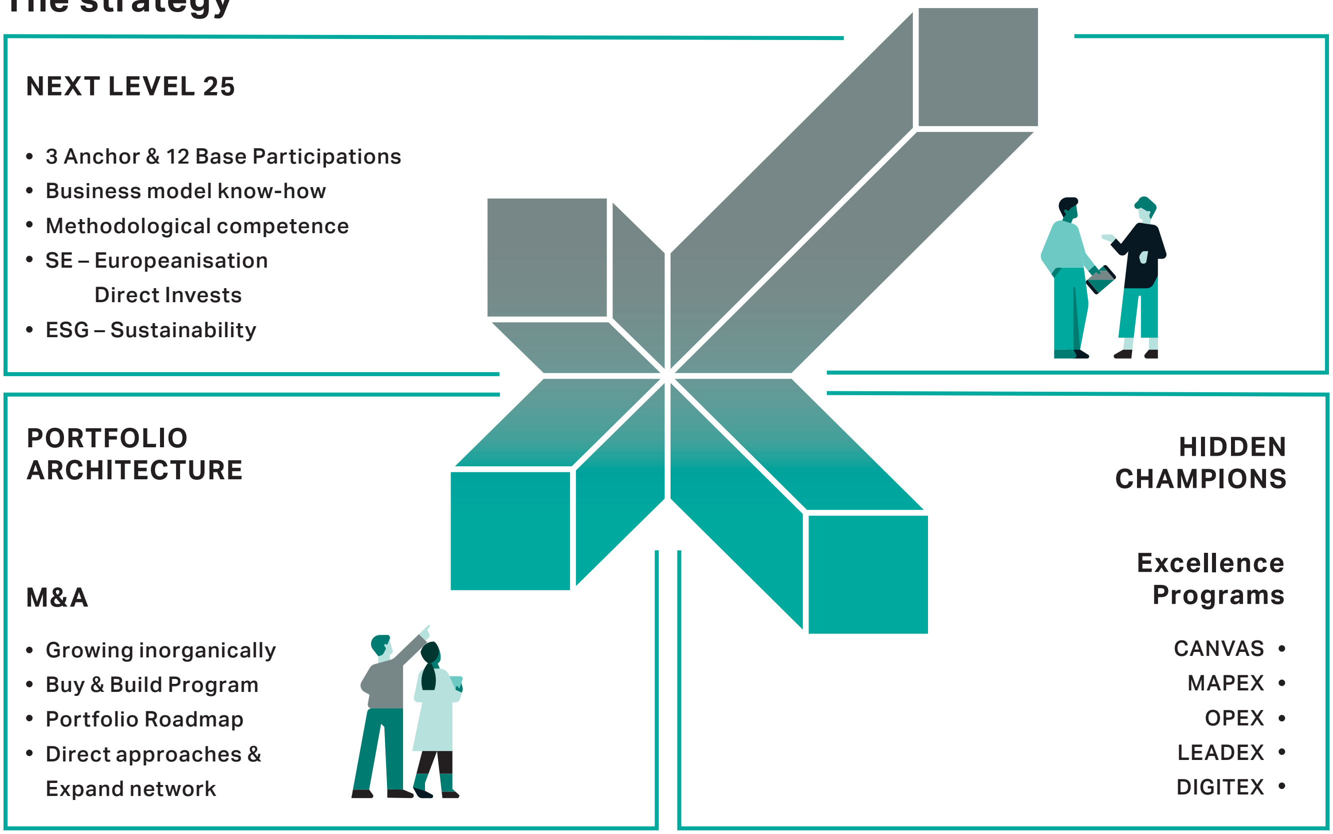
NEXT LEVEL 25 – In Agility

Based on a jointly developed vision for GESCO as a group of "hidden champions", the NEXT LEVEL 25 strategy defines key points for the further development of the Group.

In 2022, GESCO expanded the strategic framework with the NEXT LEVEL 25 strategy and specified the objectives for 2025: The Industrial Group is to be expanded to 3 anchor holdings and numerous basic holdings, with the aim of generating a 10 % EBIT margin. The targeted sales growth is to be achieved both through market share gains in the existing company portfolio and through inorganic growth.

The established excellence programmes to expand market share and increase operating performance are supplemented by digitalisation activities as part of the DIGITEX programme. Both digital business models and digital workflows to increase efficiency are increasingly being focussed on. As a further element, the ESG strategy is becoming increasingly important at GESCO Group and in the markets addressed.

The strategy



The essentials at a glance

- **Weak economy puts pressure on business activity**
- **Decline in demand and project postponements impact incoming orders**
- **Solid yield level overall**

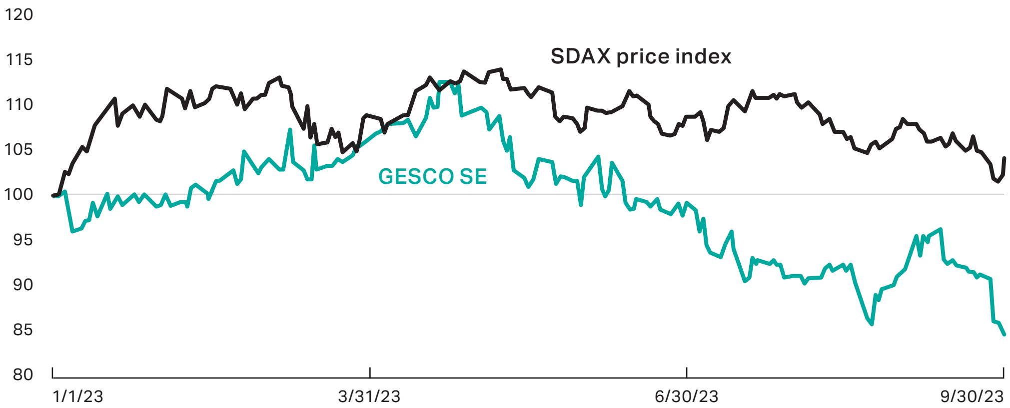
GESCO Group at a glance

Key figures

in T€	01/01/2023 – 09/30/2023	01/01/2022 – 09/30/2022	Change (in %)
Incoming orders	417,322	459,306	- 9.1
Sales	430,729	435,422	- 1.1
EBITDA	44,456	54,367	- 18.2
EBIT	31,164	40,838	- 23.7
EBIT margin (in %)	7.2	9.4	- 214 bp
EBT	28,815	41,114	- 29.9
Group earnings[1)]	19,564	26,323	- 25.7
Earnings per share (in €)	1.80	2.43	- 25.9
Closing price (in €)[2)]	21.10	21.50	- 1.9
Employees[3)]	1,904	1,841	3.4

[1)] After minority interests. [2)] XETRA closing price on the balance sheet date. [3)] Number as at the balance sheet date.

Share price development in the reporting period



Source: Onvista, share price trends indexed and in %.

Letter to the shareholders

**Dear shareholders,
ladies and gentlemen,**

In the first half of 2023, we were still able to report that GESCO Group companies were performing well overall and that we were cautiously optimistic about the second half of the year with the prospect of an economic recovery. In recent weeks, however, economic conditions in Germany have barely improved, even if inflationary pressure has eased recently. At the end of October, the Federal Statistical Office announced that the German economy had contracted in the third quarter and that there were no signs of a short-term recovery. Consumers' reluctance to spend is leading to a decline in demand in the German economy, which is now also having a significant impact on our subsidiaries in some cases.

Business figures Q3 2023 and outlook 2023

In light of this difficult situation, GESCO Group's key earnings figures in the third quarter in particular fell significantly compared to the previous year. At € 138.6 million, Group sales in the third quarter of 2023 were only moderately below the previous year's level (Q3 2022: € 144.1 million) and resulted in Group sales of € 430.7 million in the first nine months of 2023 (9M 2022: € 435.4 million). Group EBIT only totalled € 8.3 million in the third quarter of 2023 (Q3 2022: € 15.0 million). For the first nine months, the Group generated Group EBIT of € 31.2 million (9M 2022: € 40.8 million). Overall, the Group generated earnings of € 5.8 million in the third quarter (Q3 2022: € 10.0 million) and Group earnings after minority interests of € 19.6 million for the first nine months (9M 2022: € 26.3 million).

The main reasons for the decline in sales and, above all, earnings are the poor performance in the construction industry and the significant fall in material prices. The fall in material prices for energy, paper and steel, among others, led to a decline in sales at individual subsidiaries due to price adjustments. A closer look at our subsidiaries reveals a clearly heterogeneous picture. Unsurprisingly, companies that are already market leaders in their relevant markets are coping with the challenges much better than companies that have to deal with tough competition from a large number of rivals.

Our subsidiaries AstroPlast Kunststofftechnik and Franz Funke Zerspanungstechnik are particularly affected by the poor situation in the construction industry – in September 2023, the business climate in the residential construction sector surveyed by the Ifo Institute fell to its worst level since the survey began in 1991.

In light of this and other current information on the development of, non-cash impairments of the investments are unavoidable. The impairments will be recognised in the 4th quarter. The necessary impairments and the slow-down in business momentum in the third quarter have prompted the Executive Board to adjust the forecast corridor for the current financial year 2023. The Executive Board now expects consolidated sales of € 555 – 575 million for the 2023 financial year (previously: around € 600 – 620 million) and net profit after minority interests in a range of € 19.5 – 21.5 million (previously: € 32 – 34 million) after non-cash impairments of € 5 – 6 million.

Strategic development

So far, the current year has not developed as we expected. Nevertheless, this development should be perceived for what it is: a temporary dip in a sustained upward trend that has manifested itself since the turn of 2019/2020.

Over the past few months, we have continuously driven forward our strategic development: The aim is to diversify our base and tap into new markets and regions in order to become even more independent of individual market and economic cycles and thus generate sustainable business growth. Our broader positioning is already reflected in our increasingly higher share of foreign sales.

We remain convinced of the underlying medium and long-term growth opportunities of the majority of our subsidiaries. The excellence programmes are taking effect and have made the Group more resilient overall. We already have a portfolio with many true global market leaders. We are firmly convinced of their successful development. We would like to thank you very much for the trust you have placed in us and look forward to continuing our journey together with you.

Wuppertal, November 2023

Ralph Rumberg
CEO

Andrea Holzbaur
CFO

Changes in the scope of consolidation

In January 2023, SVT GmbH acquired 100 % of the shares in the steel construction division of its long-standing Hungarian supplier BAV Tatabánya Kft. The acquired division of BAV, which was founded in 1992, employs around 60 people.

The previously non-consolidated company Connex SVT Inc., Houston, USA, also a subsidiary of SVT GmbH, was included in the scope of consolidation in January 2023.

In May 2023, Doerrenberg Specialty Steel Corp. acquired 100 % of the shares in Tremblay Tool Steels, LLC in Ohio, USA. Tremblay Tool Steels has been a sales partner of the Dörrenberg Group in the USA since 2014 and is a supplier of special steel for various industries.

In May 2023, GESCO SE acquired the 5 % share in Dörrenberg Edelstahl GmbH held by the former managing partner Mr Gerd Böhner. GESCO SE now holds 100 % of the shares in the company.

Business performance, sales and earnings development in the Group

In addition to the macroeconomic environment, GESCO Group's business development is also strongly influenced by the development of individual sectors. These include mechanical engineering in particular, but also the infrastructure, construction and healthcare sectors. The latter sectors in particular are currently experiencing a significant slowdown in economic activity.

While global economic development is on a slow recovery path in 2023 with an average of 3.0 % according to the OECD, Germany is the only economically relevant country in recession. The Ifo Institute is forecasting a decline in economic output of 0.4 % for the current year and expects only moderate growth of 1.4 % and 1.2 % in 2024 and 2025 respectively.

GESCO Group must now also pay tribute to this gloomy business environment. While business development in the first half of 2023 could be described as challenging but still good overall, the conclusion for the third quarter is sobering. The subdued order intake since the beginning of the year is continuing and is now leading to a slight decline in sales in the Group for the first time.

Incoming orders at GESCO Group totalled € 417.3 million in the reporting period, down on the previous year's figure of € 459.3 million (– 9.1 % compared to Q3 2022). Group sales declined by 1.1 % to € 430.7 million compared to the same period of the previous year (Q3 2022: € 435.4 million). This puts the book-to-bill ratio at 0.97 (Q3 2022: 1.05).

Material prices continued to fall in the third quarter compared to the previous quarter. On the one hand, this led to a decline in sales at some subsidiaries due to price adjustments. On the other hand, this results in a slightly lower cost of materials ratio of 58.7 % compared to 59.4 % in the 9-month comparison. However, this was still 64.4 % in the first quarter and 60.3 % in the second quarter.

The personnel expenses ratio rose to 22.2 % (previous year: 21.0 %) due to higher personnel expenses, partly as a result of a larger number of employees, not least due to the acquisition of BAV and the inflation adjustment premium paid. Other operating expenses increased by € 1.7 million to € 48.5 million, mainly as a result of the acquisition of the equity investments. EBITDA totalled € 44.5 million in the reporting period (Q3 2022: € 54.4 million).

Depreciation and amortisation decreased moderately to € 13.3 million (Q3 2022: € 13.5 million). At € 31.2 million, EBIT in the reporting period was 23.7 % lower than in the same period of the previous year (Q3 2022: € 40.8 million).

Group earnings after minority interests totalled € 19.6 million. This corresponds to a decrease of € 6.8 million compared to the previous year (Q3 2022: € 26.3 million). Earnings per share therefore totalled € 1.80 (Q3 2022: € 2.43).

Development of the segments

In the **Process Technology segment,** the uncertainty among market participants regarding future economic developments is particularly evident. Due to the pronounced reluctance to place orders, incoming orders fell to just € 70.7 million in the reporting period (Q3 2022: € 92.4 million). This resulted in an order backlog of € 66.3 million as at the reporting date (Q3 2022: € 71.8 million).

Segment sales fell minimally by 0.8% from € 76.3 million in the first nine months of the previous year to € 75.7 million. EBIT totalled € 7.3 million in the reporting period after € 9.2 million in the same period of the previous year, which corresponds to an EBIT margin of 9.6% (Q3 2022: 12.1%). The decline is due to higher personnel expenses and cost of materials as well as slightly higher depreciation and amortisation.

For the remainder of the 2023 financial year, we continue to see stable development in the mechanical and plant engineering sector, supported by the still solid order backlog. Compared to the previous year, we expect sales for the segment for the full year to be slightly above the previous year's level, but with a lower contribution to earnings.

The **Resource Technology segment** continued to perform robustly in the reporting period, although the decline in material prices had a significant impact on the key figures. Incoming orders totalled € 247.5 million, a decrease of 3.3% compared to the same period of the previous year (Q3 2022). Sales increased slightly by 0.1% from € 248.6 million (Q3 2022) to € 248.9 million. Segment EBIT totalled € 23.9 million after € 30.2 million in the same period of the previous year. In addition to the decline in material prices, lower alloy surcharges in particular played an important role here. Alloy surcharges are now back at the level seen at the end of 2021. The segment's EBIT margin fell accordingly from 12.1% (Q3 2022) to 9.6%.

The somewhat subdued demand in the tool and strip steel area, as well as an absolute increase in personnel costs compared to the previous year, are having a moderate negative impact on the outlook in this segment. However, we have initiated product expansions and won new projects with our MAPEX programmes. We are also stepping up our expansion into non-European countries. Overall, we expect sales and earnings for the full year to be below the previous year with lower profitability.

The companies in the **Healthcare and Infrastructure Technology segment** experienced very mixed business development in the first nine months of 2023. Paper stick production continues to play a special role and is benefiting from the global demand for sustainability. Falling paper prices are leading to sales at around the previous year's level. However, profitability is not suffering as a result. The situation is different for the other companies in the segment. A significant drop in incoming orders led to a lower order backlog and thus to inefficient utilisation of production capacities. A number of measures were therefore implemented over the course of the year, including personnel adjustments. This is also reflected in the 7.4% reduction in the number of employees at compared to the previous year.

Incoming orders in the segment fell by 10.6% year-on-year to € 99.2 million. The decline reflects the restraint in the construction and healthcare sectors. In this segment, orders are generally awarded as longer-term framework agreements and are therefore subject to market cyclicality. The fact that incoming orders were lower than sales is a visible sign of the difficult market conditions and creates corresponding pressure to adjust. The Executive Board is vigorously supporting this process. In line with the lower order intake, the order backlog also fell to € 33.8 million at the end of the reporting period (Q3 2022: € 48.7 million).

At € 106.1 million, sales in the reporting period were 4.0% below the previous year's level (Q3 2022: € 110.5 million). EBIT decreased to € 8.3 million (Q3 2022: € 10.3 million); the segment's EBIT margin fell accordingly from 9.3% to a weak 7.8 %. Although personnel adjustments were made early on in this segment, with the exception of paper rod production, these were deliberately not reduced to the same extent as the decline in sales at the companies concerned. As a result, personnel costs increased relative to sales and the likewise reduced operating performance.

The selective cost-cutting measures that have been introduced will be continued in the current quarter with the aim of achieving the optimum balance between earnings contribution and rapid ramp-up capability.

The continued solid development in the production of paper sticks cannot compensate for the difficult situation of the other companies in the segment. For the year as a whole, sales and earnings are expected to be below the previous year's level.

Financial position and net assets

At € 509.6 million, total assets on the balance sheet date were 7.5 % higher than the level at the beginning of the financial year of € 473.9 million. Non-current assets remained virtually unchanged, while current assets increased by around 11.3 % from € 288.1 million to € 320.8 million. Inventories increased by 14.4 % to € 184.0 million, primarily due to higher inventories of finished goods and work in progress. However, they are at a very similar level compared to the same time last year (Q3 2022: € 180.0 million).

Trade receivables fell minimally by 1.0 % to 81.4 million. The increase in other assets is mainly due to tax receivables. At € 44.0 million, cash and cash equivalents are higher than at the beginning of the year (€ 36.3 million) and at the same time in the previous year (€ 30.1 million).

The balance sheet ratios remain extremely solid and the gearing ratio is low. While equity increased in absolute terms, the equity ratio of 54.7 % as at the reporting date was below the figure reported as at 31 December 2022 (58.0 %), primarily due to the increase in total assets. Non-current liabilities increased by 32.1 %; this is mainly due to the higher liabilities to credit institutions (+ € 20.1 million).

In line with the significant increase in current assets, current liabilities also increased by 11.6 % compared to the beginning of the year to € 144.7 million. Compared to 30 June 2023, however, this represents a decrease of € 21.0 million or 12.7 %. Trade payables (+ 37.8 %) had the main influence here.

Workforce

The workforce in the Healthcare and Infrastructure Technology segment was significantly reduced in the reporting period, while the reduction in the Process Technology segment was moderate. The workforce in the Resource Technology segment increased significantly. This development was mainly due to the takeover of its long-standing Hungarian supplier BAV-Tatabánya Kft. by SVT and the acquisition of Tremblay Tool Steels, LLC by Doerrenberg Specialty Steel Corp.

As at the reporting date, GESCO Group employed a total of 1,904 people (30 June 2023: 1,889). Compared to the figure of 1,841 as at 31 December 2022, the Group workforce increased by 3.4 % in the reporting period as a result of these acquisitions.

Opportunities and risks

The general statements on opportunities and risks as well as the presentation of specific individual risks in the consolidated financial statements as at 31 December 2022 essentially remain valid and we therefore refer to the detailed presentation in the annual report for the 2022 financial year. The report can be accessed online at www.gesco.de/en/investor-relations/financial-reports.

The uncertainties due to the macroeconomic conditions in 2023 remain high.

The uncertainties include, in particular, the ongoing tense geopolitical situation and its potential impact on global trade flows. Added to this are high inflation rates and the increased interest rates to combat them. The less dynamic development of the global economy and the recession in Germany are an additional burden on companies. All of these factors have a major impact on the business development of the GESCO Group. The exact extent of the factors and the interactions between them are difficult to assess, meaning that the resulting overall risk remains difficult to calculate.

Despite the difficult macroeconomic and still volatile geopolitical conditions, the GESCO subsidiaries are well positioned not only to maintain their market positions, but also to further expand them.

Outlook

The current development of business figures is characterised by the recession in Germany and the unstable global situation, which is leading to a strong reluctance on the part of customers. Our subsidiaries have been affected to varying degrees by these adverse market conditions. While the companies in the Resource Technology and Process Technology segments continue to achieve good EBIT margins, the Healthcare and Infrastructure Technology segment is suffering from the very tense situation in the construction industry, which is confronting the companies AstroPlast and Franz Funke in particular with considerable challenges.

Incoming orders are currently declining in all segments; this is particularly noticeable in the Process Technology segment.

Against the backdrop of the unfavourable market conditions in Germany and other current information on the development of individual subsidiaries, non-cash impairment losses of around € 5 – 6 million are to be recognised in the Healthcare and Infrastructure Technology segment as part of the annual impairment test.

The impairments at the investments and the slowdown in business momentum in the third quarter have prompted the Executive Board to adjust the forecast corridor for the current financial year 2023 as follows. The Executive Board now expects consolidated sales of € 555 – 575 million for the 2023 financial year (previously: around € 600 – 620 million) and consolidated net income after minority interests of € 19.5 – 21.5 million (previously: € 32 – 34 million).

The forecast is fundamentally subject to uncertainties. These may result from a possible intensification of current conflicts (including in Ukraine and the Middle East), a significant deterioration in the economic conditions in key sales markets or the opportunities and risks compared to current expectations as described above.

This forecast does not take into account planned transactions.

Events after the end of the reporting period

On 3 November 2023, GESCO SE published insider information with a new forecast for financial year 2023. The forecast includes non-cash impairment losses of approximately € 5 – 6 million. The market position of individual subsidiaries does not yet fulfil GESCO's expectations and, in connection with the current economic development in the construction industry, is leading to non-cash impairment losses on the investments in the Healthcare and Infrastructure Technology segment. These impairment losses will be precisely calculated and recognised in the fourth quarter once the final parameters are available.

No other events of particular significance occurred after the end of the reporting period.

GESCO Consolidated Balance Sheet

in T€		09/30/2023	12/31/2022
Assets			
A.	**Non-current assets**		
I.	Intangible assets		
1.	Industrial property rights and similar rights and assets as well as licences to such rights and assets	22,357	24,683
2.	Goodwill	38,950	38,935
3.	Advance payments made	2	148
		61,309	**63,766**
II.	Tangible assets		
1.	Land and buildings	56,165	55,482
2.	Technical equipment and machinery	29,892	28,050
3.	Other equipment, operating and office equipment	14,859	14,861
4.	Prepayments made and assets under construction	9,859	6,906
		110,775	**105,299**
III.	Financial investments		
1.	Shares in companies recognised at equity	2,275	2,424
2.	Investments	156	156
3.	Other loans	9,371	9,371
		11,802	**11,951**
IV.	Other assets	12	12
V.	Deferred tax assets	4,887	4,807
		188,785	**185,835**
B.	**Current assets**		
I.	Inventories		
1.	Raw materials and supplies	42,056	40,083
2.	Work in progress, unfinished services	33,753	27,770
3.	Finished products and goods	107,241	92,359
4.	Advance payments made	901	542
5.	Advance payments received	4	0
		183,955	**160,754**
II.	Receivables and other assets		
1.	Trade receivables	81,394	82,219
2.	Receivables from affiliated companies	0	1,698
3.	Receivables from companies recognised at equity	392	392
4.	Other assets	8,209	5,444
		89,995	**89,753**
III.	Cash in hand and bank balances	44,026	36,251
IV.	Accounts receivable and payable	2,798	1,320
		320,774	**288,078**
		509,559	**473,913**

in T€		09/30/2023	12/31/2022
Equity and liabilities			
A.	**Equity**		
I.	Subscribed capital	10,839	10,839
II.	Capital reserve	72,433	72,433
III.	Revenue reserves	191,081	184,442
IV.	Other result	- 2,787	- 3,114
V.	Minority interests (corporations)	7,000	10,106
		278,566	**274,706**
B.	**Non-current liabilities**		
I.	Provisions for pensions	9,383	10,209
II.	Other non-current provisions	467	597
III.	Liabilities to banks	45,623	25,557
IV.	Leasing liabilities	14,164	15,404
V.	Other liabilities	427	995
VI.	Deferred tax liabilities	8,108	6,421
		78,172	**59,183**
C.	**Current liabilities**		
I.	Other provisions	6,781	10,220
II.	Liabilities		
1.	Liabilities to banks	51,056	50,800
2.	Leasing liabilities	3,420	3,228
3.	Trade payables	25,107	18,224
4.	Advance payments received on orders	20,727	17,717
5.	Liabilities to affiliated companies	0	478
6.	Other liabilities	44,388	39,202
		144,698	**129,649**
III.	Accruals and deferrals	1,342	155
		152,821	**140,024**
		509,559	**473,913**

GESCO Consolidated Profit and Loss account for the nine months period (1 January to 30 September)

in T€	01/01/2023 – 09/30/2023	01/01/2022 – 09/30/2022
Sales revenues	**430,729**	**435,422**
Change in inventories of finished goods and work in progress	5,594	11,537
Other own work capitalised	317	460
Other operating income	4,614	5,744
Total output	**441,254**	**453,163**
Cost of materials	- 252,676	- 258,703
Personnel expenses	- 95,446	- 91,654
Other operating expenses	- 48,515	- 46,817
Impairment losses on financial assets	- 161	- 1,622
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**44,456**	**54,367**
Amortisation of intangible assets and tangible assets	- 13,292	- 13,529
Earnings before interest and taxes (EBIT)	**31,164**	**40,838**
Earnings from investments	0	1,034
Earnings from companies recognised at equity	406	521
Income from loans of financial assets	270	270
Other interest and similar income	129	7
Depreciation on financial assets	10	0
Interest and similar expenses	- 3,164	- 1,578
Third-party profit shares in partnerships	0	22
Financial result	**- 2,349**	**276**
Earnings before taxes (EBT)	**28,815**	**41,114**
Taxes on income and earnings	- 8,298	- 12,749
Group earnings	**20,517**	**28,365**
thereof		
Minority interests in companies	**953**	**2,042**
Attributable to GESCO shareholders	**19,564**	**26,323**
Earnings per share (€)	**1.80**	**2.43**

GESCO Consolidated Profit and Loss account for the third quarter (1 July to 30 September)

in T€	07/01/2023 – 09/30/2023	07/01/2022 – 09/30/2022
Sales revenues	**138,594**	**144,058**
Change in inventories of finished goods and work in progress	- 3,898	7,994
Other own work capitalised	99	134
Other operating income	2,000	1,476
Total output	**136,795**	**153,662**
Cost of materials	- 76,405	- 88,211
Personnel expenses	- 31,614	- 30,549
Other operating expenses	- 15,978	- 15,277
Impairment losses on financial assets	- 30	- 100
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**12,768**	**19,525**
Amortisation of intangible assets and tangible assets	- 4,448	- 4,560
Earnings before interest and taxes (EBIT)	**8,320**	**14,965**
Earnings from companies recognised at equity	257	41
Income from loans of financial assets	90	90
Other interest and similar income	92	2
Interest and similar expenses	- 1,189	- 540
Financial result	**- 750**	**- 407**
Earnings before taxes (EBT)	**7,570**	**14,558**
Taxes on income and earnings	- 1,818	- 4,509
Group earnings	**5,752**	**10,049**
thereof		
Minority interests in companies	**491**	**543**
Attributable to GESCO shareholders	**5,261**	**9,506**
Earnings per share (€)	**0.49**	**0.88**

GESCO Consolidated Statement of Comprehensive Income for the nine months period (1 January to 30 September)

in T€	01/01/2023 – 09/30/2023	01/01/2022 – 09/30/2022
Group earnings	**20,517**	**28,365**
Revaluation of defined benefit obligations not affecting net income	**698**	**2,619**
Items that cannot be reclassified to the Profit and Loss account	**698**	**2,619**
Currency conversion difference		
Change in value not affecting Profit or Loss	117	2,602
Difference from currency conversion of companies valued at equity		
Change in value not affecting Profit or Loss	- 507	- 249
Market valuation of hedging instruments		
Change in value not affecting Profit or Loss	18	289
Items that can be reclassified to the Profit and Loss account	**- 372**	**2,642**
Other earnings	**326**	**5,261**
Total earnings for the period	**20,843**	**33,626**
of which minority interests in companies	952	1,967
of which attributable to GESCO shareholders	19,891	31,659

GESCO Consolidated Cash Flow statement for the nine months period (1 January to 30 September)

in T€	01/01/2023 – 09/30/2023	01/01/2022 – 09/30/2022
Profit for the period (including minority interests in the profit of corporations)	**20,517**	**28,365**
Amortisation of intangible assets and depreciation of tangible assets	13,292	13,529
Impairment losses on non-current assets	- 10	0
Earnings from companies valued at equity	- 406	- 521
Share of earnings attributable to minority shareholders	0	- 22
Decrease in non-current provisions	- 1,603	- 272
Other non-cash income / expenses	776	15
Cash flow for the period	**32,566**	**41,094**
Losses from the disposal of tangible assets / intangible assets	4	279
Gains from the disposal of tangible assets / intangible assets	- 120	- 102
Increase in inventories, trade receivables, and other assets	- 18,948	- 74,649
Increase in trade payables and other liabilities	10,667	21,508
Cash flow from operating activities	**24,169**	**- 11,870**
Proceeds from disposals of tangible assets / intangible assets	382	755
Payments for investments in tangible assets	- 11,608	- 6,197
Payments for investments in intangible assets	- 489	- 1,026
Proceeds from disposals of financial assets	13	0
Payments for the acquisition of consolidated companies and other business units	- 4,343	0
Cash flow from investing activities	**- 16,045**	**- 6,468**
Payments to shareholders (dividend)	- 10,839	- 10,601
Payments for the purchase of own shares	0	- 865
Payments to minority interests	- 967	- 1,049
Payments for the acquisition of non-controlling interests	- 6,368	- 6,639
Proceeds from the taking up of (financial) loans	35,833	21,479
Payments for the redemption of (financial) loans	- 15,511	- 10,251
Payments for the redemption of lease liabilities	- 2,497	- 1,685
Cash flow from financing activities	**- 349**	**- 9,611**
Cash-effective change in cash and cash equivalents	**7,775**	**- 27,949**
Change in cash and cash equivalents due to exchange rate fluctuations	**0**	**300**
Cash and cash equivalents as at 01/01	36,251	57,714
Cash and cash equivalents as at 09/30	**44,026**	**30,065**

GESCO Consolidated Statement of Changes in Equity

in T€	Subscribed Capital	Capital reserves	Retained earnings	Own shares
As at 01/01/2022	**10,839**	**72,398**	**164,479**	**0**
Dividends			- 10,601	
Acquisition of own shares				- 865
Acquisition of shares in subsidiaries			- 3,161	
Sale of shares in subsidiaries				
Group net earnings for the period			26,323	
As at 09/30/2022	**10,839**	**72,398**	**177,040**	**- 865**
As at 01/01/2023	**10,839**	**72,433**	**184,442**	**0**
Dividends			- 10,839	
Changes in scope of consolidation			1,016	
Acquisition of shares in subsidiaries			- 3,102	
Group net earnings for the period			19,564	
As at 09/30/2023	**10,839**	**72,433**	**191,081**	**0**

GESCO Group segment report for the nine months period (1 January to 30 September)

in T€	Process Technology		Resource Technology		Healthcare and Infrastructure Technology	
	01/01/2023 – 09/30/2023	**01/01/2022 – 09/30/2022**	**01/01/2023 – 09/30/2023**	**01/01/2022 – 09/30/2022**	**01/01/2023 – 09/30/2023**	**01/01/2022 – 09/30/2022**
Order backlog	66,288	71,754	108,690	121,218	33,779	48,716
Incoming orders (consolidated)	70,690	92,352	247,452	256,017	99,180	110,937
Sales revenues	75,738	76,332	248,928	248,564	106,070	110,533
of which with other segments	0	0	9	7	0	0
Depreciation and amortisation (annual accounts)	1,636	1,371	3,735	3,725	3,500	3,085
EBIT	7,258	9,200	23,947	30,192	8,251	10,297
Investments	3,365	1,498	5,501	2,893	3,205	2,791
Employees (number / reporting date)	531	537	851	739	503	543

	Currency adjustment item	Revaluation of pensions	Hedging instruments	Total	Minority interests in corporations	Equity
	- 1,219	**- 3,215**	**- 14**	**243,268**	**12,466**	**255,734**
				- 10,601	- 1,013	- 11,614
				- 865		- 865
	- 21	- 117		- 3,299	- 3,340	- 6,639
	2,501	2,546	289	31,659	1,967	33,626
	1,261	**- 786**	**275**	**260,162**	**10,080**	**270,242**
	- 1,107	**- 2,011**	**4**	**264,600**	**10,106**	**274,706**
				- 10,839	- 967	- 11,806
				1,016		1,016
				- 3,102	- 3,091	- 6,193
	- 369	678	18	19,891	952	20,843
	- 1,476	**- 1,333**	**22**	**271,566**	**7,000**	**278,566**

	GESCO SE / other companies		Reconciliation		Group	
	01/01/2023 – 09/30/2023	01/01/2022 – 09/30/2022	01/01/2023 – 09/30/2023	01/01/2022 – 09/30/2022	01/01/2023 – 09/30/2023	01/01/2022 – 09/30/2022
	0	0	0	0	208,757	241,688
	0	0	0	0	417,322	459,306
	1,591	1,340	- 1,598	- 1,347	430,729	435,422
	1,591	1,340	- 1,600	- 1,347	0	0
	53	75	4,368	5,273	13,292	13,529
	- 6,464	- 6,655	- 1,828	- 2,196	31,164	40,838
	1	43	1,494	1,339	13,566	8,564
	19	22	0	0	1,904	1,841

Explanatory information

Accounts, accounting and valuation methods

The report on the 9-month period (1 January to 30 September 2023) of financial year 2023 (1 January to 31 December 2023) of GESCO Group was prepared based on the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB).

Unless otherwise stated, the accounting and valuation principles applied correspond to those of the consolidated financial statements as at 31 December 2022. The preparation of the financial statements is influenced by recognition and valuation methods as well as assumptions and estimates that affect the amount and presentation of the assets, liabilities and contingent liabilities recognised as well as the income and expense items. Sales-related items are recognised on an accrual basis during the year.

Financial calendar

10 November 2023
Publication of
Quarterly Statement Q3/2023

15 – 16 November 2023
36th MKK – Munich
Capital Market Conference

27 – 29 November 2023
German Equity Forum

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If you would like to receive regular updates, please contact us by e-mail or telephone. Or use the order function on our website at: www.gesco.de/en/investor-relations/service-ir-contact/.
We will gladly add you to our permanent mailing list.

Important notice:

This 9-month report contains forward-looking statements that are based on the current assumptions and forecasts of the Executive Board of GESCO SE. These statements are therefore subject to risks and uncertainties. The actual results and business development of GESCO SE and GESCO Group may differ materially from the estimates given in this interim statement. GESCO SE assumes no obligation to update such forward-looking statements or to conform them to future events or developments.

This 9-month report is also available in English; in the event of deviations, the German version of the 9-month report shall prevail.

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