



GROUP INTERIM REPORT

FOR THE FIRST SIX MONTHS OF 2021

Uzin Utz

The Group at a glance

	Jan 01 - June 30, 2021	Jan 01 - June 30, 2020	Change	Change
Sales revenues	221,667	186,896	34,771	18.6%
Sales revenues – national	83,125	74,447	8,678	11.7%
Sales revenues – abroad	138,542	112,449	26,092	23.2%
Operating Income (EBIT)	28,991	15,453	13,538	87.6%
EBIT margin	13.1%	8.3%		
Investments at the end of the second quarter	9,036	4,937	4,099	83.0%
Employees (average, full-time equivalent, exclusive appren- tices)	1,370	1,326	44	3.3%
Personnel expenses	54,524	50,116	4,408	8.8%

The reporting is in KEUR, according to IFRS, unaudited. This may result in rounding differences in the addition, as the calculation of the individual items is based on figures in EUR.

Interim Management Report

General economic conditions

Macroeconomic activity fell by 1.8% in the first three months of 2021 compared to the previous quarter. The strong recovery of the German economy from the first corona wave thus experienced a temporary slowdown.

The decisive reason for this was the decline in value creation in the construction industry. Furthermore, trade and contact-intensive service companies also had to contend with losses due to closures.

Since the end of April, the situation with regard to infections with COVID-19 has improved significantly and there has been a clear improvement in vaccination numbers. Trade has gained strength thanks to infection control measures and people's mobility has also increased significantly, which is also driving consumption. The gross domestic product in the second quarter of 2021 increased by 1.5% (adjusted for price, seasonal and calendar effects) compared to the first quarter of 2021.

In retail trade excluding motor vehicles, sales rose again. In May, they increased by 4.2% compared to the previous month. The main reasons for this growth are the improvement in the pandemic and the associated easing. The retail trade with non-food products recorded a significant increase in turnover of 6.7% compared to the previous month.

The growing lack of building materials, in contrast, has clearly worsened at the end of the first half of the year. The supply of raw materials is a cause for concern due to the massive increase in energy and raw material prices. In addition, supply bottlenecks and delays are slowing down the recovery of the overall economy.

Development within the sector

Despite the decline in the ifo Business Climate Index (from the Leibniz Institute for Economic Research at the University of Munich, one of the most important early indicators for the development of the German economy), the business situation in the construction industry has improved. According to the Federal Statistical Office in Wiesbaden, the construction industry recorded an increase in new orders of 8.4% in May compared to the same month of the previous year (real, calendar and seasonally adjusted). Compared to the previous month of April, incoming orders fell by 1.3% (real, calendar and seasonally adjusted).

Companies in the main construction sector were more satisfied with their current situation and the expectations indicator rose for the third time in a row.

In contrast, however, the index in the manufacturing sector declined. The reason for this decrease was the less optimistic expectations of the companies. Capacity utilisation shows an increase from

85.9% to 87.1%. Problems, though, are the shortage of intermediate products and the shortage of skilled workers.

In the meantime, the situation regarding material shortages in the construction industry has dramatically worsened. Limited availability of raw materials and longer delivery times are putting pressure on building material producers. The problems range from a lack of raw materials, production bottlenecks, a shortage of freight containers to a lack of packaging material.

The business situation in the service sector also worsened. Service providers were more satisfied with their current business, but less optimistic about the coming months.

In trade, the index has also fallen. Supply bottlenecks are also a major problem in the trade sector.

Profit situation, capital status and financial situation

Numbers related to previous year in brackets

Profit situation

The Uzin Utz Group had a very successful first half of 2021.

In the first half of 2021, the Group achieved revenues of EUR 221.7 million (186.9). The foreign share rose by 2.3 percentage points to 62.5% (60.2).

The Earnings before interests and taxes (EBIT) of EUR 29.0 million (15.5) increased strongly compared to the previous year's result.

Earnings before taxes (EBT) were also significantly higher than the previous year at EUR 28.4 million (14.6).

Consolidated earnings after taxes increased markedly to EUR 20.5 million (10.2).

The Group's material usage ratio of 43.1% (43.1%) corresponds exactly to the previous year's level.

The depreciation volume increased to EUR 7.6 million (7.2).

Other operating expenses increased from EUR 35.2 million in the previous year to EUR 37.4 million in 2021.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) of EUR 36.6 million were EUR 14.0 million higher than in the same period of the previous year (22.7).

The financial result of EUR -0.6 million was EUR 0.2 million above the previous year (-0.8).

Employees

In the first half of 2021, the average number of employees increased from 1,326 to 1,370 compared to the previous year. In addition, an average of 43 young people were given an apprenticeship (50). The personnel cost ratio fell by 2.2 percentage points from 26.8% to 24.6%. In absolute terms, personnel costs rose by around EUR 4.4 million from EUR 50.1 million to EUR 54.5 million.

Capital status

For better comparability all previous year's figures refer to the balance sheet at the due date June 30, 2020.

The balance sheet total increased by EUR 18.9 million to EUR 348.9 million (330.0).

The share of Group fixed assets declined from 56.3% to 54.6%, the remaining assets thus correspond to 45.4% (43.7) of the balance sheet total.

Receivables from customers rose from EUR 46.6 million to EUR 55.2 million.

Inventories increased by EUR 1.6 million from EUR 52.8 million to EUR 54.5 million.

With the exception of investment property, all assets are still operationally necessary.

Cash and cash equivalents increased by EUR 4.4 million from EUR 30.5 million to EUR 34.8 million.

Financial position

The equity amounts to EUR 204.0 million (174.4) and, with a share of 58.5% (52.8) of the balance sheet total, continues to be well above the industry average.

Current financial liabilities fell by a total of EUR 17.0 million to EUR 18.3 million (35.3).

Trade payables increased from EUR 15.0 million to EUR 24.4 million.

Current provisions grew by a total of EUR 4.6 million to EUR 26.1 million (21.5).

The share of current liabilities in the balance sheet total fell from 25.5% in the previous year to 24.7% in 2021.

The share of long-term liabilities in the balance sheet total also fell to 16.9% (21.7) and amounted to EUR 58.8 million after EUR 71.5 million in the previous year.

Forecast

The vaccination steps against Covid-19 are gradually bringing about a removal of the existing economic restrictions. By the end of 2021, this will lead to economic recovery in trade and services. Due to bottlenecks in the supply of raw materials, however, the industrial boom is likely to cool down slightly in the short term.

The International Monetary Fund (IMF) expects the global economy to grow by 4.9% in 2022, which is 0.5 percentage points more than assumed in April. This development is expected to be driven by stronger growth in the industrialised countries (4.4%), mainly due to higher government spending in the USA and the EU. Again, the gross

domestic product (GDP) of emerging and developing countries is projected to grow by 5.2%. This corresponds to an increase of 0.2 percentage points compared to the April estimate.

The global economic recovery is, however, dependent on the further development of the pandemic. According to the IMF, the growth forecast for the USA is 4.9% for next year. The German economy is also expected to rise more strongly in 2022. After the forecast of 3.4% in April, the IMF now expects growth of 4.1%. For 2021, an increase of 3.6% is still expected. The reason for the IMF's high growth forecast for the global economy is the recession in many countries in the previous year due to the Corona crisis, which is now being made up for.

Given the difficult situation on the procurement markets, the Uzin Utz Group expects further challenges in the second half of 2021. Due to the increasing duration of supply bottlenecks in the procurement of raw materials, production restrictions are also expected in the coming half-year. In addition, above-average price increases are expected, which would have a negative impact on the further course of business.

On the basis of the strong first half of 2021, the Uzin Utz Group is nevertheless confident about the coming half-year. Contrary to the forecast in the 2020 annual report, the management expects earnings before interest and taxes (EBIT) for the 2021 financial year to be above the previous year due to the positive first half of the year.

	June 30, 2021	June 30, 2020
Earnings per share basic and diluted, based on for the reporting period attributable to ordinary equity holders of the parent company result after taxes	3.98	2.01
Average number of employees (incl. apprentices)	1,413	1,376

Consolidated statement of comprehensive income

	June 30, 2021	June 30, 2020
Sales revenues	221,667	186,896
Changes in inventory of finished goods and work in process	-1,212	-1,005
Total output	220,454	185,891
Other operating income	3,144	2,121
Cost of materials	95,081	80,079
Personnel expenses	54,524	50,116
Depreciation	7,649	7,213
Other operating expenses	37,353	35,151
Operating income (EBIT)	28,991	15,453
Revenues from investments in associates (equity method)	25	-42
Financial earnings	43	37
Financial expenses	685	834
Financial result	-617	-839
Earnings before taxes (EBT)	28,375	14,614
Taxes on income	7,874	4,371
Net income after taxes	20,500	10,244
Thereof:		
Shareholders of the parent company	20,069	10,140
Non-controlling interests	431	104
Other comprehensive income		
Positions, which are changed to the Statement of profit or loss in the future under certain conditions	259	-275
Currency translation differences	239	-300
Income from financial instruments	21	27
Thereof deferred taxes	-1	-2
Other result - after taxes	259	-275
Thereof:		
Shareholders of the parent company	258	-272
Non-controlling interests	1	-3
Total result - after taxes	20,759	9,969
Thereof:		
Shareholders of the parent company	20,327	9,868
Non-controlling interests	433	101

Consolidated balance sheet of the Group

	June 30, 2021	Dec 31, 2020	June 30, 2020
Assets			
Intangible assets	35,520	36,331	37,088
Property, plant and equipment	144,481	140,706	136,938
Rights of use	6,360	6,218	6,798
Subsidiaries measured at equity	1,363	1,374	1,360
Non-current financial assets	2,769	2,848	3,645
Investment properties	4,947	5,181	5,094
Non-current receivables from income taxes	0	0	0
Deferred tax assets	4,196	3,941	4,429
Other non-current assets	96	112	81
Non-current assets	199,733	196,712	195,434
Inventories	54,472	48,354	52,825
Trade receivables	55,179	28,626	46,577
Income tax receivables	290	840	783
Other current assets	4,385	5,314	3,907
Cash and cash equivalents	34,834	39,303	30,478
Current assets	149,160	122,438	134,571
Balance sheet total	348,894	319,150	330,005
Equity and liabilities			
Subscribed capital	15,133	15,133	15,133
Capital reserve	26,962	26,962	26,962
Retained earnings	159,707	147,199	130,181
Total equity attributable to the parent company	201,802	189,294	172,275
Non-controlling interests	2,232	1,997	2,109
Equity	204,034	191,291	174,384
Provisions for pensions and other similar obligations	8,925	8,844	8,609
Non-current financial liabilities	36,588	38,406	47,166
Non-current leasing liabilities	3,238	3,296	3,831
Deferred tax liabilities	10,051	10,145	11,502
Other non-current liabilities	3	6	342
Non-current liabilities	58,805	60,697	71,450
Provisions	26,100	15,781	21,479
Current financial liabilities	15,668	16,486	31,912
Current leasing liabilities	2,620	3,288	3,351
Advances received	228	10	16
Trade payables	24,427	15,013	15,035
Income tax liabilities	6,141	4,213	1,849
Other current liabilities	10,871	12,371	10,530
Current liabilities	86,054	67,162	84,171
External capital	144,859	127,860	155,621
Balance sheet total	348,894	319,150	330,005

Consolidated statement of cashflows of the Group

	June 30, 2021	June 30, 2020
Net income for the year after taxes	20,500	10,244
+/- Depreciation and amortisation of property, plant and equipment	7,649	7,213
+/- Change in provisions	10,399	7,147
+/- Other non-cash expenses/income	-25	42
+/- Profit/loss from the disposal of property, plant and equipment	-1,383	22
+/- Change in current assets (inventories, receivables) of other assets not attributable to investing or financing activities	-27,019	-15,249
+/- Change in trade payables of other liabilities not attributable to investing or financing activities	3,829	1,941
Cashflow from operating activities	13,951	11,360
+/- Proceeds from disposals of property, plant and equipment/Payments made for investments in property, plant and equipment	-6,986	-4,448
+/- Proceeds from disposal of intangible assets/Payments for investments in intangible assets	-418	-214
+/- Proceeds from disposal of financial assets/Payments for investments in financial assets	0	-8
Cashflow from investing activities	-7,403	-4,669
- Payments to shareholders and minorities	-8,016	-6,558
+/- Proceed from the issue of bonds and raising of (financial) loans/Payments from the redemption of bonds and (financial) loans	-5,165	-3,398
Cashflow from financing activities	-13,181	-9,956
Payment-related change in cash and cash equivalents	-6,633	-3,265
+/- Changes in cash and cash equivalents due to exchange rate movements, changes in the scope of consolidation and changes in valuation	189	-187
+ Cash and cash equivalents at the beginning of the period	39,256	21,101
Cash and cash equivalents at the end of the period	32,812	17,649
Composition of cash and cash equivalents		
Cash on hand, bank balances	34,834	30,478
Short-term liabilities due to credit institutions	-2,022	-12,829
Cash and cash equivalents	32,812	17,649

Consolidated statement of changes in equity of the Group

	Subscribed capital	Capital reserve	Retained earnings			Discharge amount on own shares	Total equity parent company	Minority interests	Total equity
			Generated equity	Foreign currency translation adjustment	Other reserves				
Status as of January 01, 2020	15,133	26,962	127,068	6,068	-6,266	0	168,965	2,008	170,972
Net income after taxes	0	0	10,140	0	0	0	10,140	104	10,244
Other comprehensive income	0	0	0	-297	25	0	-272	-3	-275
Total result	0	0	10,140	-297	25	0	9,868	101	9,969
Increase of capital	0	0	0	0	0	0	0	0	0
Treasury shares	0	0	0	0	0	0	0	0	0
Dividends paid	0	0	-6,558	0	0	0	-6,558	0	-6,558
Changes in the group of consolidation	0	0	0	0	0	0	0	0	0
Other changes	0	0	0	0	0	0	0	0	0
Status as of June 30, 2020	15,133	26,962	130,651	5,771	-6,241	0	172,276	2,109	174,384
Status as of January 01, 2021	15,133	26,962	149,557	4,459	-6,817	0	189,294	1,997	191,291
Net income after taxes	0	0	20,069	0	0	0	20,069	431	20,500
Other comprehensive income	0	0	0	238	20	0	258	1	259
Total result	0	0	20,069	238	20	0	20,327	433	20,759
Increase of capital	0	0	0	0	0	0	0	0	0
Treasury shares	0	0	0	0	0	0	0	0	0
Dividends paid	0	0	-7,819	0	0	0	0	-197	-8,016
Changes in the group of consolidation	0	0	0	0	0	0	0	0	0
Other changes	0	0	0	0	0	0	0	0	0
Status as of June 30, 2021	15,133	26,962	161,807	4,697	-6,796	0	201,802	2,232	204,034

Segment reporting of the Group As of June 30, 2021

	Germany		Netherlands		Western Europe	South-/Eastern Europe	Other segments	Adjustments	Total
	Laying systems	Surface care and refinement	Laying systems	Wholesale					
External sales	75,081	11,755	24,239	21,019	29,397	9,014	51,161	0	221,667
Previous year	66,173	9,773	20,117	17,920	20,805	7,662	44,445	0	186,896
Internal sales	22,694	5,783	10,136	168	4,667	2,703	7,282	-53,433	0
Previous year	17,683	4,759	7,329	106	4,067	2,290	5,694	-41,929	0
Total sales	97,775	17,539	34,376	21,187	34,064	11,717	58,443	-53,433	221,667
Previous year	83,857	14,532	27,446	18,027	24,872	9,952	50,140	-41,929	186,896
Segment result EBIT	8,968	4,643	4,358	928	3,139	1,266	5,863	-173	28,991
Previous year	4,553	3,046	2,956	375	1,142	1,006	2,502	-126	15,453

Transition

The transition of the total of the operating segment results to the EBIT in the Group is as follows:

	June 30, 2021	June 30, 2020
Segment result EBIT	29,164	15,579
Segment result of non-operating segments	71	73
Consolidations	-244	-199
Group result EBIT	28,991	15,453

Notes to the interim report

Financial reporting and valuation methods

This interim report has been prepared in accordance with IAS 34 „Interim Financial Reporting“. The interim financial statements for the period ended June 30, 2021 and the comparative figures for the previous year were prepared using the accounting policies applied to the 2020 consolidated financial statements. A detailed description of these principles has been published in the annex to the 2020 consolidated financial statements. These are also available on the Internet at www.uzin-utz.com under Investor Relations/Financial Reports/Annual Reports/Annual Report 2020.

The consolidated interim financial statements are not reviewed by an auditor.

Changes in the consolidated companies

There were no changes in the scope of consolidation in the first half of 2021.

Statement of cashflows

The statement of cashflows was prepared in accordance with IAS 7 using the indirect method for cash flow from operating activities, based on net income. The cashflow statement is divided into three areas: operating activities, investing activities and financing activities.

Segment reporting

The segment reporting is in accordance with IFRS 8 “Operating Segments”. The segments are shown according to their internal organisation and reporting structure and the legal units, which are

grouped together taking into account regional areas of responsibility. The composition of the segments is analogous to the annual report for 2020. The subsidiaries recognized as at equity are not taken into account for the reporting of the segments. The segment result is shown as the Operating income (EBIT).

Distribution of profit

The proposal to distribute a portion of the 2020 unappropriated surplus of EUR 55,290,078.80 was approved by the Annual General Meeting on May 26, 2021. The distribution corresponds to a dividend of EUR 1.55 per share (EUR 7,818,694.45 in total) on the share capital of EUR 15,132,957.00.

Earnings per share

Earnings per share have been determined on the basis of the group result after taxes and the weighted average number of shares issued. The undiluted result per share is identical to the diluted result per share.

Commitments and Contingent Liabilities

There have been no material changes since December 31, 2020.

Related party relationships

No contracts of material significance were concluded with related parties in the reporting period. The volume of transactions on a pro rata temporis basis is almost at a comparable level to the annual financial statements for 2020. In principle, all transactions are conducted on an arm's length basis.

Essential events in the reporting period

In the first half of 2021, the Uzin Utz Group recorded a one-time special effect in the amount of EUR 1.3 million, which is attributable to the sale of an investment property.

With effect from May 01, 2021, the active business operations in Norway were transferred to the company Industri og Boligprodukter AS (IBG). As a result, the sales company Uzin Utz Norge AS will be closed during the year.

Furthermore, the start of construction in the form of the groundbreaking ceremony for the new production facility for dry mortar with an area of 61,000 m² in Waco, Texas, took place on June 03, 2021.

Subsequent events after the balance sheet date

There were no significant events after the balance sheet date.

Responsibility statement by the legal representatives

To the best of our knowledge, we hereby assure that the accounting principles that apply to the interim reporting of the Group interim financial statement give a true and fair view of the Group's net assets, financial position, results of operations and cashflows, and in the Group interim report the business development is stated such that it reflects the actual circumstances and the key opportunities and risks of the Group's likely development in the remaining financial year.

Disclaimer

This report contains forecasts that reflect current views with respect to future events. Such statements are subject to risks and uncertainties that are beyond Uzin Utz AG's ability to control or estimate precisely. Actual results may be materially different from those expressed or implied by these statements. Uzin Utz AG does not intend or assume any obligation to update any forecast to reflect events or circumstances after the date of these materials.

Ulm, August 2021

Uzin Utz Aktiengesellschaft

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