

cenit



QUARTERLY STATEMENT Q3 2021

CENIT GROUP – AT A GLANCE
1 JANUARY TO 30 SEPTEMBER 2021 (UNAUDITED)

in EUR k	Q3 2021	Q3 2020	Change in %	1/1-30/9/2021	1/1-30/9/2020	Change in %
Key data						
Revenue	35,309	35,021	0.8	109,237	109,710	-0.4
Third-party software	21,972	22,526	-2.5	69,524	69,227	0.4
from licences	1,662	1,995	-16.7	9,136	6,579	38.9
from recurring sales*	20,310	20,531	-1.1	60,388	62,648	-3.6
Proprietary software	3,698	3,730	-0.9	11,363	11,053	2.8
from licences	1,032	1,037	-0.5	3,398	2,747	23.7
from recurring sales*	2,665	2,693	-1.0	7,965	8,306	-4.1
Consulting and services	9,636	8,749	10.2	28,334	29,127	-2.7
Merchandise	3	16	-81.3	15	303	-94.9
EBITDA	2,697	2,241	20.3	6,217	6,049	2.8
EBIT	1,500	891	68.3	2,436	1,672	45.7
<i>as % of sales</i>	4.25	2.54	67.3	2.23	1.52	46.7
Net income	1,250	616	>100.0	1,677	928	80.7
<i>per share in Cent (basic and undiluted after minority interests)</i>	14.6	7.7	89,6	19,4	11,4	70,2
Cash flow data						
Cash flow from current business activities	-1,332	2,906	>-100.0	8,382	12,320	-32.0
Cash flow from investment activity	-93	-115	-19.1	-756	-839	-9,9
Cash flow from financing activity	-768	-787	-2.4	-6,351	-2,677	>100.0
Balance sheet ratios						
Liquid assets				30/09/2021	31/12/2020	Change in %
Net liquidity				27,375	26,056	5.1
Total assets				14,748	14,133	4.4
Equity ratio in %				81,766	83,449	-2.0
Employees on reporting date				49.6	51.2	-3.2
				675	711	-5.1

* Subscription and software maintenance contracts

Report on assets and financial and earnings situation

Strong software licensing business (previous year: +34.4%) and 10.2% growth in consulting and services business in Q3 2021 contribute to consolidated EBIT of EUR 2,436 k (previous year: +45.7%)

In a market environment still characterized by the uncertainties of the COVID 19 pandemic, we succeeded in Q3 2021 in continuing the positive trend of the first half of 2021. Contributing factors were revenue growth from third-party and proprietary software license sales realized in the first nine months of 2021 (EUR +3,208 k, +34.4%) and a consulting and service business that grew by EUR 887 k (+10.2%) in Q3 2021. Given this environment, revenues from proprietary software licenses increased by 23.7% and those from third-party software by as much as 38.9% in the first nine months.

Group EBIT significantly increased by 68.3% to EUR 1,500 k in Q3 2021, corresponding to a Group EBIT margin of 4.25% (previous year: 2.54%). In the first nine months of 2021, Group EBIT increased by 45.7% to EUR 2,436 k (previous year: EUR 1,672 k). This in turn corresponds to a Group EBIT margin of 2.23% (previous year: 1.52%).

Overview of segments

In the first nine months of 2021, the performance of the two segments PLM and EIM differed, with the PLM segment achieving an improved segment EBIT of EUR 1,119 k (EUR 1,680 k) with segment sales comparable to the previous year, in particular due to a higher-margin product mix. In contrast, EIM was able to reduce the change in sales existing at the half-year result 2021 compared to the same period of the previous year (-4.8%) to -3.7% and thus generate a segment EBIT of EUR 756 k as of September 30, 2021.

Earnings per share almost doubled

Due to a change in the product mix compared with the previous year, the cost of materials decreased (EUR 1,091 k), while personnel expenses increased (+EUR 1,679 k), partly as a result of a higher level of targeted achievement. Overall, operating expenses in the first nine months were at the level of the previous year. Compared to the same period of the previous year, other operating income increased, partly due to higher research allowances (+EUR 330 k) for primarily process- and software-related development projects in the PLM area. Consolidated net income increased by 80.7% to EUR 1,677 k (previous year: EUR 928 k) in the first three quarters of 2021, which is equivalent to earnings per share of Cent 19.4 (previous year: Cent 11.4).

Financial solidity as a result of an operating cash flow of EUR 8,382 k and cash and cash equivalents of EUR 27,375 k

In the first nine months of the fiscal year, the CENIT Group generated cash flow from operating activities of EUR 8,382 k (previous year: EUR 12,320 k), which was burdened by EUR 1,892 k higher income tax payments compared to the previous year. The latter results from the reduced advance tax payments in the pandemic year 2020. The operating cash flow resulted mainly from a positive change in working capital (EUR 4,083 k) and, in addition to investments in non-current assets (EUR 506 k), was mainly used for the payment of lease liabilities (EUR 2,419 k) and the 2020 dividend (EUR 3,932 k). As a result, cash and cash equivalents increased by EUR 1,319 k to EUR 27,375 k as of September 30, 2021.

A constantly high consolidated equity ratio of almost 50%, stable net liquidity of EUR 14,748 k and a growing amount of cash and cash equivalents characterize the CENIT Group's asset position. At the same time, the consolidated balance sheet total decreased by EUR 1,683 k compared to December 31, 2020. On the assets side, this development is mainly due to the reduction in property, plant and equipment (EUR -2,669 k) and a corresponding increase in cash and cash equivalents (EUR +1,319 k), while on the liabilities side it is mainly due to the reduction in equity (EUR -2,179 k) as a result of the dividend payment in 2020.

Events after the interim report period

There have been no reportable events since the end of the interim report period on September 30, 2021.

Employees

As of the reporting date September 30, 2021, the CENIT Group had 675 employees (December 31, 2020: 711). Despite the pandemic and the associated need for short-time working, we succeeded in keeping staff turnover very low. In the future, too, the economic opportunities arising from the recovery of the global economy are to be taken advantage of with a motivated and well-trained staff. To make this possible, CENIT intends to recruit suitable employees in order to be able to successfully master the future challenges resulting from the planned growth.

Report on opportunities and risks

For information on the principal opportunities and risks – in particular the impact of the COVID-19 pandemic – for the anticipated development of the CENIT Group, we refer to the relevant comments in the report on expected developments within the Group's management report for the period to 31 December 2020 and to the remarks in this quarterly statement.

Report on forecasts and other statements regarding anticipated development

Over the course of a year, business activity is subject to certain seasonal fluctuations. In the past, contributions to sales and earnings tended to be lowest in the first quarter and, as a result of traditionally strong business at the year-end, highest in the fourth quarter. Consequently, interim results had only limited value as indicators of results for the whole fiscal year.

For the current year, we still confirm our outlook for the CENIT Group given at the beginning of the year. We expect sales of around EUR 152,000 k and earnings (EBIT) of around EUR 4,900 k, provided that the general conditions do not deteriorate significantly due to the Corona pandemic.

CENIT AKTIENGESELLSCHAFT, STUTTGART
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IN ACCORDANCE WITH IFRS) (UNAUDITED)

in EUR k	Q3 2021	Q3 2020	1/1 - 30/9/ 2021	1/1 -30/9/ 2020
REVENUE	35,309	35,021	109,237	109,710
Other operating income	228	192	1,552	759
OPERATING INCOME	35,537	35,213	110,789	110,469
Cost of materials	17,687	18,188	55,608	56,699
Personnel expenses	13,237	12,675	43,004	41,325
Amortisation of intangible assets and depreciation of property, plant and equipment	1,197	1,351	3,781	4,377
Other operating expenses	2,114	2,035	6,159	6,360
Impairment expense - / reversal of impairment + from trade receivables	197	-73	199	-36
OPERATING EXPENSES	34,037	34,322	108,353	108,797
NET OPERATING INCOME (EBIT)	1,500	891	2,436	1,672
Interest income	0	0	0	0
Interest expenses	34	39	112	127
NET PROFIT (LOSS) BEFORE TAXES (EBT)	1,466	852	2,324	1,545
Income taxes	216	236	647	617
NET INCOME	1,250	616	1,677	928
Amount attributable to CENIT AG shareholders	1,224	646	1,625	956
Amount attributable to non-controlling interests	25	-30	52	-28
<i>Earnings per share in Cent, basic and diluted</i>	<i>14,6</i>	<i>7,7</i>	<i>19,4</i>	<i>11,4</i>
Items that, under certain circumstances, will be reclassified under the income statement in the future				
Compensation from currency translation for foreign subsidiaries	62	-89	77	-54
Items that will not be reclassified under the income statement in future	0	0	0	0
Other comprehensive income after taxes	62	-89	77	-54
Total comprehensive income	1,312	527	1,754	874
Amount attributable to CENIT AG shareholders	1,286	557	1,702	902
Amount attributable to non-controlling interests	25	-30	52	-28

CENIT AKTIENGESELLSCHAFT, STUTTGART
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IN ACCORDANCE WITH IFRS) (UNAUDITED)

in EUR k	30/09/2021	31/12/2020
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	10,507	11,065
Property, plant and equipment	11,021	13,690
Investments recognised to equity	60	60
Other financial assets	2,750	2,500
Deferred tax assets	1,457	1,275
NON-CURRENT ASSETS, total	25,795	28,590
CURRENT ASSETS		
Inventories	11	12
Trade receivables	13,757	14,562
Receivables from investments recognised to equity	1,909	2,514
Contract assets	2,037	2,469
Current tax assets	2,548	1,945
Other receivables	364	692
Cash holdings	27,375	26,056
Other assets	7,970	6,609
CURRENT ASSETS, total	55,971	54,859
TOTAL ASSETS	81,766	83,449

CENIT AKTIENGESELLSCHAFT, STUTTGART
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IN ACCORDANCE WITH IFRS) (UNAUDITED)

in EUR k	30/09/2021	31/12/2020
LIABILITIES		
EQUITY		
Subscribed capital	8,368	8,368
Capital reserves	1,058	1,058
Currency translation reserve	1,018	941
Legal reserve	418	418
Other reserves	13,793	13,793
Profit carried forward	13,547	15,161
Net income	1,625	2,318
Equity attributable to shareholders in the parent company	39,827	42,057
Non-controlling interests	717	666
EQUITY, total	40,544	42,723
NON-CURRENT LIABILITIES		
Other liabilities	557	612
Pension liabilities	1,653	1,575
Lease liability, non-current	7,312	9,016
Deferred tax liabilities	19	23
NON-CURRENT LIABILITIES, total	9,541	11,226
CURRENT LIABILITIES		
Trade payables	2,495	3,270
Liabilities from investments recognised to equity	0	32
Other liabilities	8,326	8,104
Lease liability, current	2,407	2,974
Current income tax liabilities	191	1,154
Other provisions	181	70
Contract liabilities	18,081	13,896
CURRENT LIABILITIES, total	31,681	29,500
TOTAL ASSETS	81,766	83,449

CENIT AKTIENGESELLSCHAFT, STUTTGART		
CONSOLIDATED STATEMENT OF CASH FLOWS (IN ACCORDANCE WITH IFRS) (UNAUDITED)		
in EUR k	1/1- 30/9/2021	1/1- 30/9/ 2020
Cash flow from operating activities		
Net income	1,677	928
Depreciation of fixed assets	3,781	4,377
Losses on disposals of assets	5	3
Interest income and expenses	112	127
Tax expenses	647	617
Increase in other non-current liabilities and reserves	28	401
Change in working capital	4,083	6,037
Interest paid	-16	-127
Income taxes paid	-1,935	-43
CASH FLOW FROM CURRENT BUSINESS ACTIVITIES	8,382	12,320
Cash flow from investing activities		
Payments for investments in property, plant and equipment and intangible assets	-506	-736
Payments for purchase of shares in fully consolidated entities (net cash out-flow)	0	-103
Payment for investments	-250	0
CASH FLOW FROM INVESTMENT ACTIVITIES	-756	-839
Cash flow from financing activities		
Lease liability payments	-2,419	-2,481
Dividends to shareholders in the parent company	- 3,932	0
Dividends to non-controlling interests	0	-196
CASH FLOW FROM FINANCING ACTIVITIES	-6,351	-2,677
CHANGES IN CASH AND CASH EQUIVALENTS		
Change in cash and cash equivalents due to foreign exchange differences	44	-31
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE REPORTING PERIOD	26,056	18,461
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	27,375	27,234

CENIT AKTIENGESELLSCHAFT, STUTTGART
STATEMENT OF CHANGES IN EQUITY (IN ACCORDANCE WITH IFRS) (UNAUDITED)

	Equity attributable to shareholders in the parent company								
in EUR k	Subscribed capital	Capital reserves	Currency translation reserve	Revenue reserves		Profit carried forward	Net income	Non-controlling interests	Total
				Legal reserve	Other reserves				
On 1/1/2020	8,368	1,058	1,058	418	13,771	8,289	6,872	1,106	40,940
Reclassification of Group net income from last year						6,872	-6,872		
Total comprehensive income for the period			-117		23		2,318	-27	2,197
Purchase of additional shares by minority interests					-1			-217	-218
Dividend distribution								-196	-196
On 31/12/2020	8,368	1,058	941	418	13,793	15,161	2,318	666	42,723
Reclassification of Group net income from last year						2,318	-2,318		
Purchase of additional shares by minority interests									
Total comprehensive income for the period			77				1,625	52	1,754
Dividend distribution						-3,932			-3,932
On 30/09/2021	8,368	1,058	1,018	418	13,793	13,547	1,625	717	40,544



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