

tempton

INTERIM REPORT  
Q4 2021

TEMPTON Group

## Q4 2021 HIGHLIGHTS

TOTAL INCOME

82.2 m€

GROSS PROFIT

20.1 m€

EBITDA adjusted

3.5 m€

EBITDA

7.2 m€

BEST Q4 IN TEMPTON HISTORY WITH ALL-TIME HIGH REVENUE AND EBITDA

|                        | Q4 COMPARISON |      |      |
|------------------------|---------------|------|------|
|                        | 2019          | 2020 | 2021 |
| <b>Total income</b>    | 55.5          | 69.0 | 82.2 |
| <b>Gross profit</b>    | 14.7          | 18.3 | 20.1 |
| <b>EBITDA adjusted</b> | 2.8           | 3.3  | 3.5  |
| %                      | 5.0%          | 4.8% | 4.2% |

BEST YTD IN TEMPTON HISTORY WITH ALL-TIME HIGH REVENUE AND EBITDA

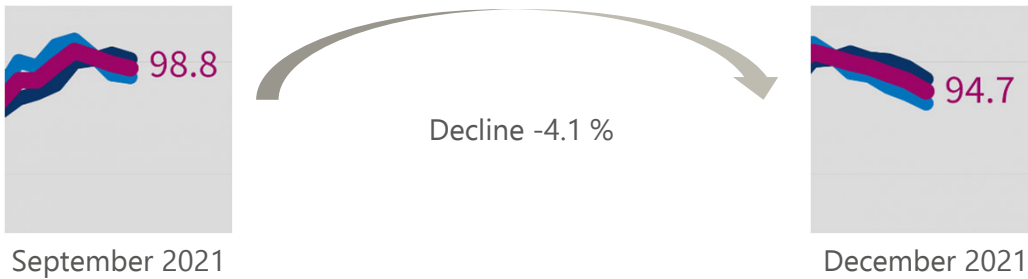
|                        | 01-12 COMPARISON |       |       |
|------------------------|------------------|-------|-------|
|                        | 2019             | 2020  | 2021  |
| <b>Total income</b>    | 224.6            | 221.7 | 317.4 |
| <b>Gross profit</b>    | 56.9             | 57.4  | 78.1  |
| <b>EBITDA adjusted</b> | 11.0             | 6.8   | 18.1  |
| %                      | 4.9%             | 3.1%  | 5.7%  |

TEMPTON closes an outstanding 2021 financial year overall with also a first-class Q4. On a cumulative basis, TEMPTON was able to significantly increase both revenue and EBITDA compared to the previous year. Thus, TEMPTON once again stands out positively from the general market environment due to its specific market positioning and permanent sales focus.

Against the background of the current positive business development, the shareholders of TEMPTON are evaluating the option of an IPO in order to attract new investors and make the best possible use of future growth opportunities. COMMERZBANK Aktiengesellschaft has been appointed to examine and prepare a possible IPO. In the course of this, the consolidated accounting at the level of Tempton Group GmbH has been converted from German HGB accounting to IFRS accounting, starting with the financial year 2019.

# DEVELOPMENT TOTAL MARKET GERMANY

## Mid-term development of BC Index Germany Q3 2021 vs. Q4 2021<sup>1</sup>

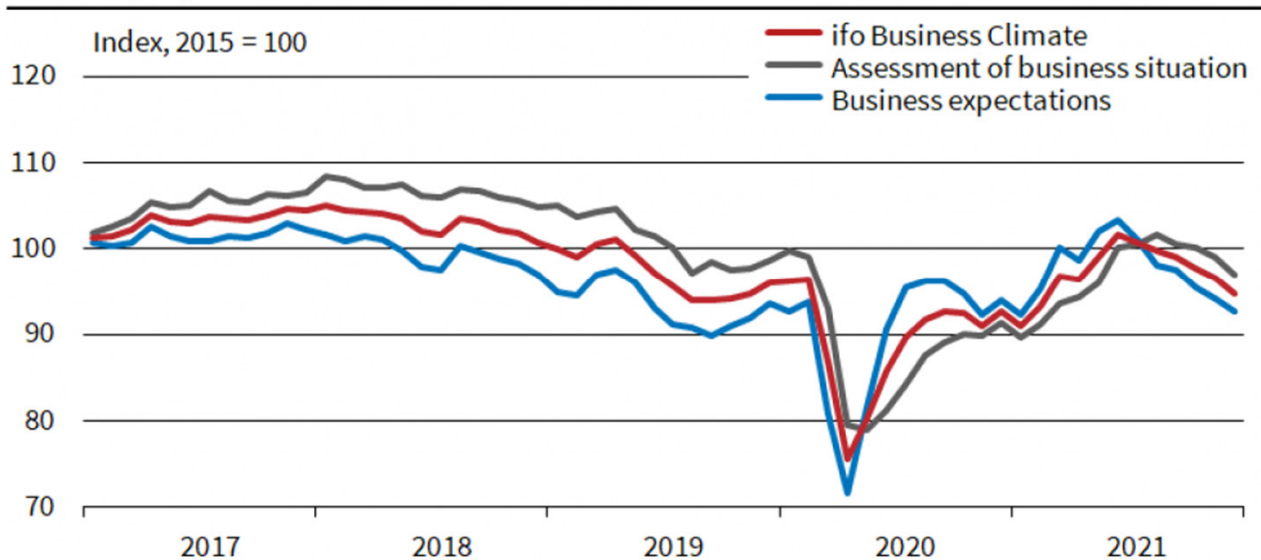


### Note

The ifo Business Climate Index declined from 98.8 points in September to 94.7 points in December. Looking at the mid-term trend, the ifo Index has fallen.

## Short-term development of BC Index Germany Nov. 21 vs. Dec. 21<sup>1</sup>

### ifo Business Climate Germany<sup>a</sup> Seasonally adjusted



<sup>a</sup> Manufacturing, service sector, trade, and construction.

Source: ifo Business Survey, December 2021.

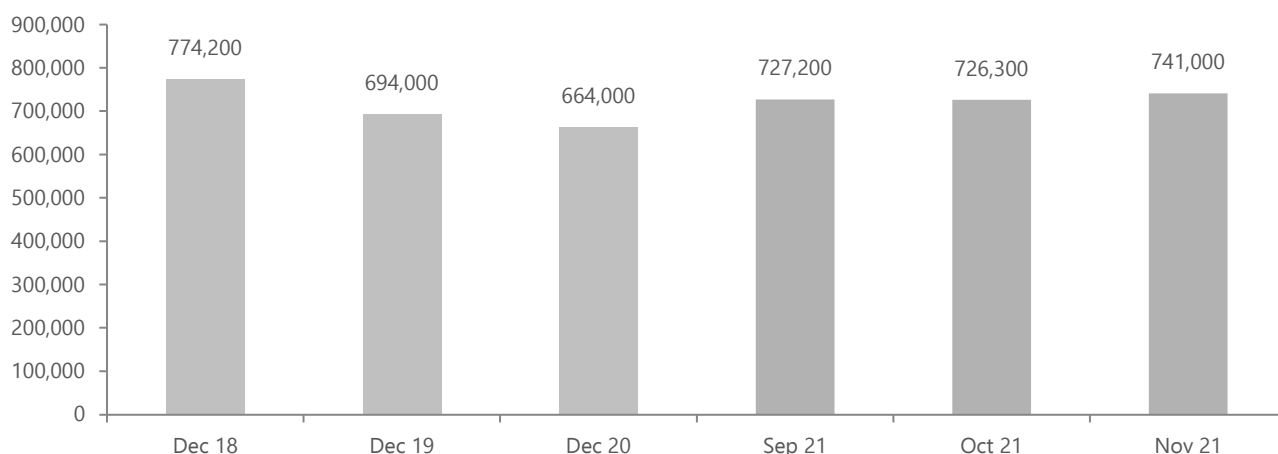
© ifo Institute

Sentiment at German companies has clouded over for Christmas. The deteriorating pandemic situation is hitting consumer-related service providers and retailers hard. The ifo Business Climate Index fell from 96.6 points in November to 94.7 points in December. Companies assessed their current business situation as less positive. Pessimism regarding the first half of 2022 also increased. The German economy isn't getting any presents this year.<sup>1</sup>

<sup>1</sup> <https://www.ifo.de/en>

# DEVELOPMENT TEMPORARY EMPLOYMENT MARKET

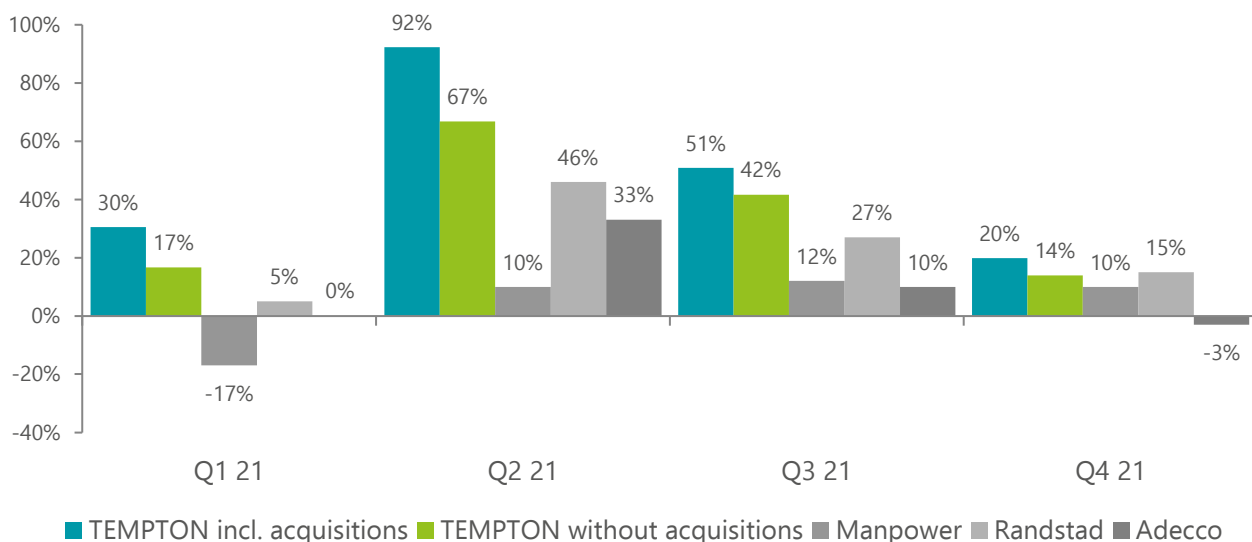
## Temporary Employees Germany<sup>2</sup>



### Note

The official labor market data of the Federal Employment Agency (*Bundesagentur für Arbeit*) are usually published with a delay of two to three months.

## Exemplary market comparison based on turnover Germany (YoY)<sup>3, 4, 5, 6, 7</sup>



### Note

Acquisitions are reported separately for a period of 12 months from the respective closing. For the separate presentation in Q4 2021, only the acquisition of Mondi is relevant.

<sup>2</sup> <https://statistik.arbeitsagentur.de/>

<sup>3</sup> TEMPTON turnover according to internal reporting.

<sup>4</sup> <https://www.adecogroup.com/investors/>

<sup>5</sup> <https://investor.manpowergroup.com/>

<sup>6</sup> <https://www.randstad.com/investor-relations/>

<sup>7</sup> Adecco: The analysis refers to the DACH region.

## KEY FIGURES – GENERAL OVERVIEW

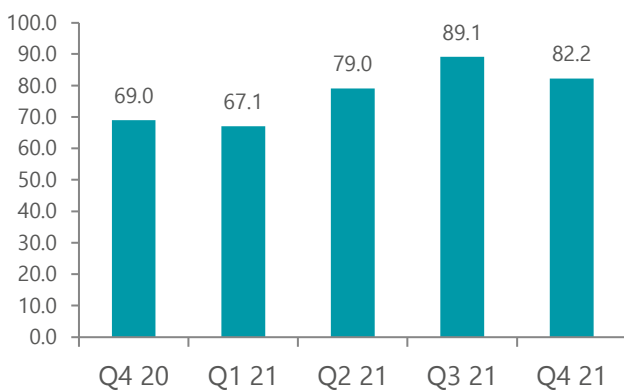
### General note

The seasonal fluctuations in the turnover and EBITDA curve are typical for the personnel services industry (timing of public holidays in the first and second quarter, strong capacity utilization in the third quarter).

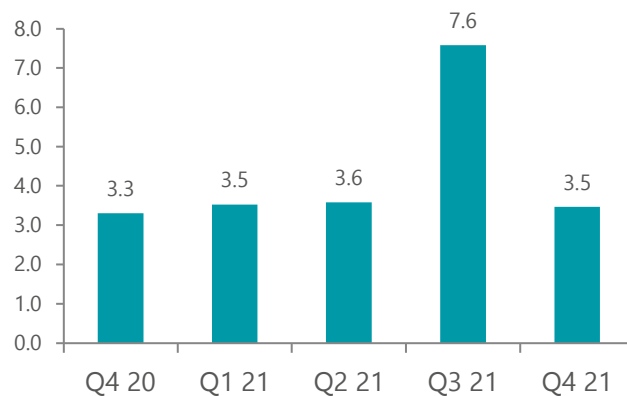
### Key figures

| in m€                  | Q4 21 | Q3 21 | Q4 20 | 01-12/2021 | 01-12/2020 |
|------------------------|-------|-------|-------|------------|------------|
| <b>Total income</b>    | 82.2  | 89.1  | 69.0  | 317.4      | 221.7      |
| <b>OPEX</b>            | 75.0  | 81.5  | 65.7  | 295.5      | 214.9      |
| <b>EBITDA</b>          | 7.2   | 7.6   | 3.3   | 21.9       | 6.8        |
| <b>%</b>               | 8.8%  | 8.5%  | 4.8%  | 6.9%       | 3.1%       |
| <b>EBITDA adjusted</b> | 3.5   | 7.6   | 3.3   | 18.1       | 6.8        |
| <b>%</b>               | 4.2%  | 8.5%  | 4.8%  | 5.7%       | 3.1%       |

### Total income (in m€)<sup>Note 1</sup>



### EBITDA adjusted (in m€)<sup>Note 2</sup>



### Note 1 – Total income

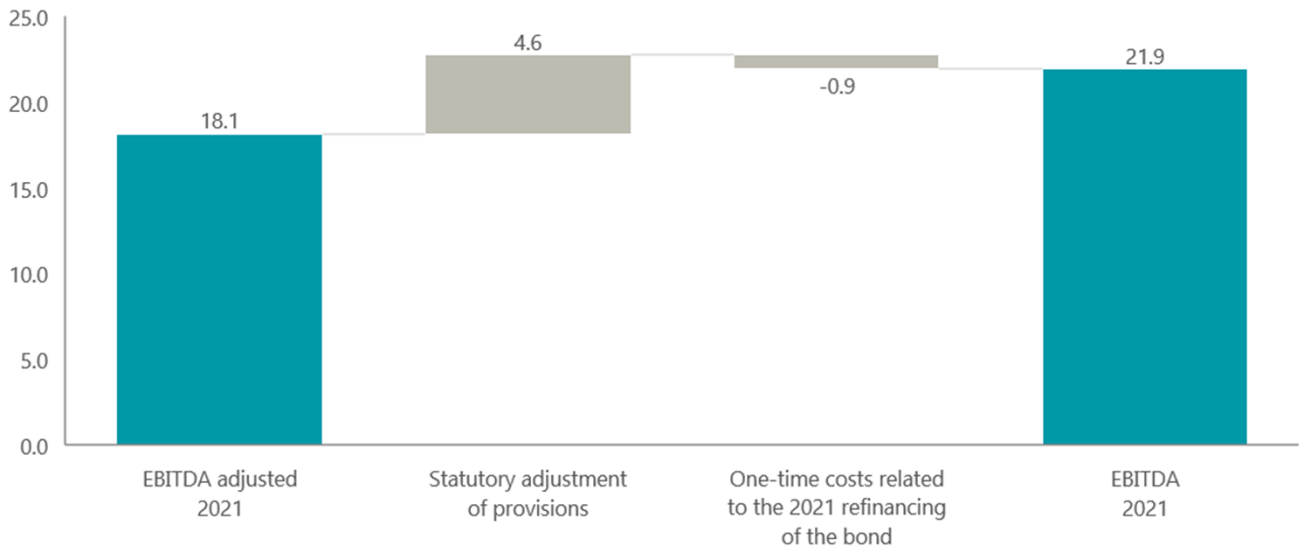
In Q4 2021, TEMPTON achieved the highest total income for a fourth quarter in the company's history.

### Note 2 - EBITDA

In Q4 2021, EBITDA adjusted amounted to 3.5 m€. This corresponds to an increase of 0.2 m€ compared to the previous year. The EBITDA margin of the full year of 5.7% (2020: 3.1%) is compared to industry standards excellent.

## KEY FIGURES – ONE-TIME EFFECTS 2021

### Group annual EBITDA bridge (in m€)



### Note

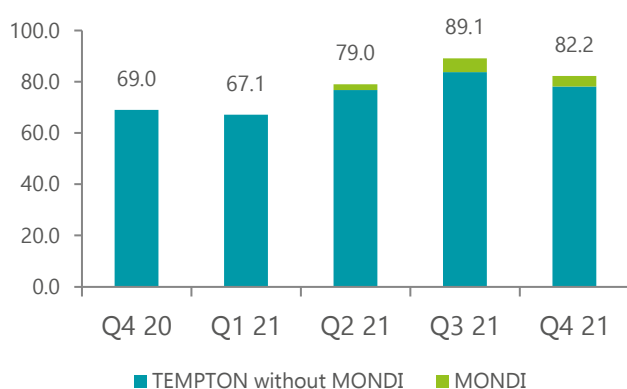
The release of the provisions mainly results (€5.5 million) from a change in the contribution collection procedure of the Verwaltungs- und Berufsgenossenschaft (VBG) as TEMPTON's statutory accident insurer. In the course of this change, VBG has on the one hand waived the levying of the contribution for the contribution year 2021 vis-à-vis all insured companies, but on the other hand with effect from the contribution year 2022 has switched from a retroactive to a preliminary contribution collection.

## KEY FIGURES – DETAILED ELEVATION

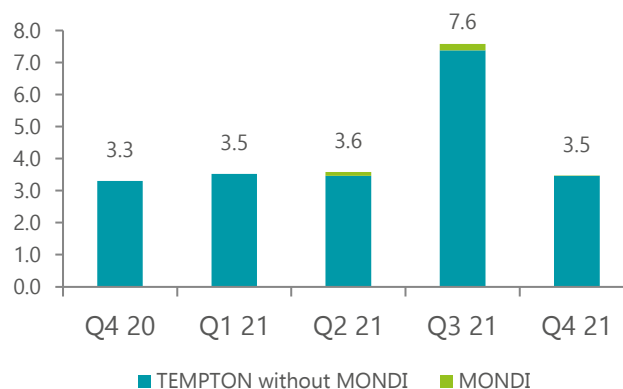
### Key figures Q4 2021

| in m€                  | Tempton<br>w/o MONDI | MONDI | Tempton<br>incl. MONDI |
|------------------------|----------------------|-------|------------------------|
| <b>Total income</b>    | 78.1                 | 4.1   | 82.2                   |
| <b>OPEX adjusted</b>   | 74.7                 | 4.1   | 78.8                   |
| <b>EBITDA adjusted</b> | 3.5                  | 0.01  | 3.5                    |
| <b>%</b>               | 4.4%                 | 0.2%  | 4.2%                   |

### Total income (in m€)



### EBITDA (in m€)

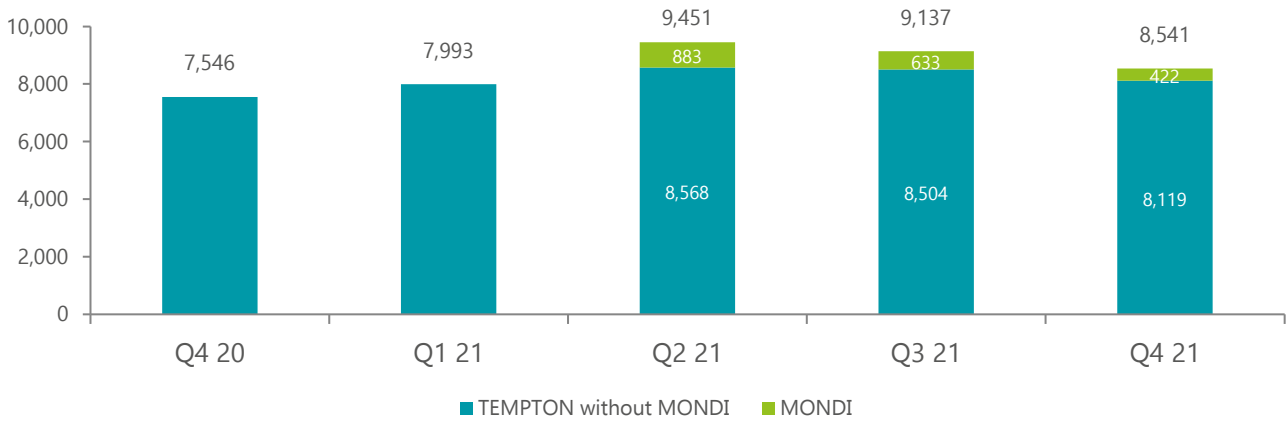


### Note

MONDI acquisition was closed on 2 June 2021.

# DEVELOPMENT NUMBER OF EMPLOYEES

## Total number of employees

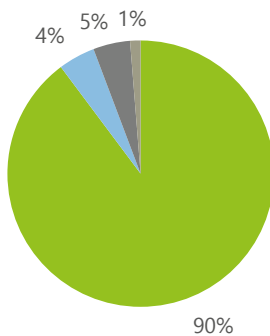


## Note

A seasonal fluctuation in the number of employees is typical for the temporary employment industry. It is also typical that the number of employees decreases in Q4 compared to Q3. TEMPTON succeeded in increasing the total number of employees by 13.2% compared to the same quarter of the previous year.

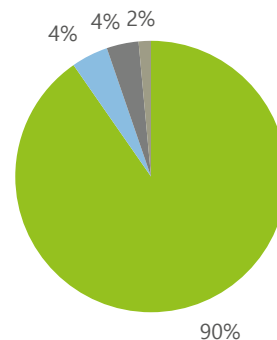
## Development Business Segments<sup>8</sup>

Turnover by Business Segment – Q4 21 (percent)



■ Personnel services ■ Next Level  
 ■ Technical services ■ Outsourcing

Gross profit by Business Segment – Q4 21 (percent)



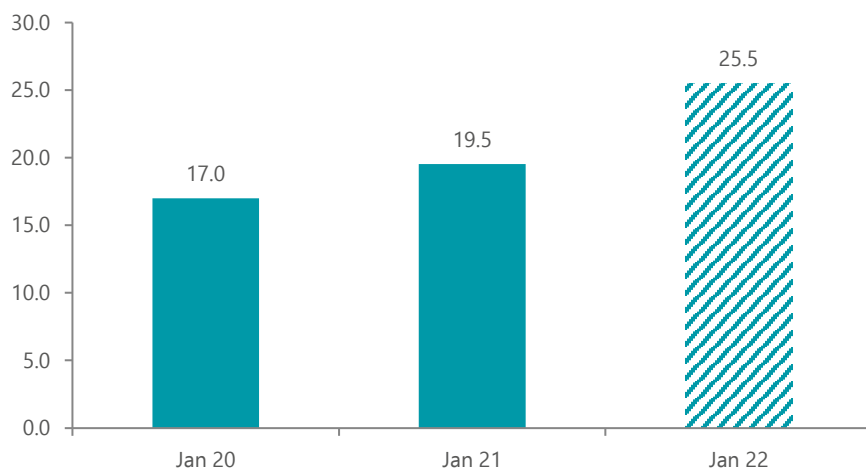
■ Personnel services ■ Next Level  
 ■ Technical services ■ Outsourcing

<sup>8</sup> Turnover and gross profit according to internal reporting.



# OUTLOOK - JANUARY

## Total income comparison January YoY



### Note

The total income expectation for January 2022 is 25.5 m€. This means that total income in January is 6.0 m€, or 30.8%, higher compared to January 2021 and 8.5 m€, or 50.0%, higher compared to January 2020.

# COMMENTS RE. FINANCIAL STATEMENTS

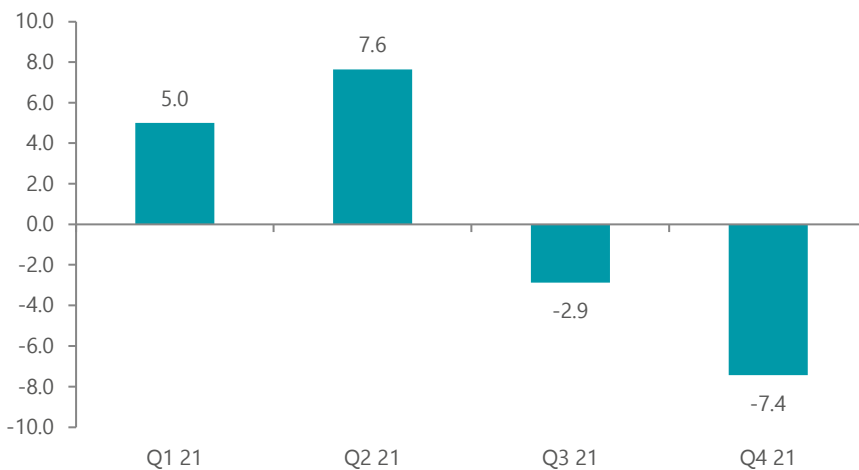
## Consolidation

The consolidated balance sheet is composed by combining the individual balance sheets of all subsidiaries included in the consolidated financial statements. Inclusion is based on the principle of full consolidation, i.e. all assets and liabilities of the included companies are adopted in the consolidated balance sheet with their full amount, except for those items that have been consolidated. TEMPTON Group GmbH directly or indirectly holds 100% of the shares of the consolidated subsidiaries.

## Liquidity and cash flow

The cash balance has increased from 30.2 m€ in Q3 21 to 32.6 m€ in Q4 21.

## Development of net debt (in m€)



# COMMENTS RE. FINANCIAL STATEMENTS

## Key figures (in m€)

### Leverage ratio

|                            |             |
|----------------------------|-------------|
| <b>EBITDA adjusted LTM</b> | <b>18.1</b> |
|----------------------------|-------------|

### Net Debt

|           |      |
|-----------|------|
| Bond loan | 25.2 |
|-----------|------|

|              |      |
|--------------|------|
| Cash balance | 32.6 |
|--------------|------|

|                 |             |
|-----------------|-------------|
| <b>Net debt</b> | <b>-7.4</b> |
|-----------------|-------------|

|                           |             |
|---------------------------|-------------|
| <b>Net Leverage ratio</b> | <b>-0.4</b> |
|---------------------------|-------------|

### Interest cover ratio

|                  |     |
|------------------|-----|
| Interest expense | 2.9 |
|------------------|-----|

|                             |            |
|-----------------------------|------------|
| <b>Interest cover ratio</b> | <b>6.2</b> |
|-----------------------------|------------|

## Note

TEMPTON Personaldienstleistungen GmbH issued a bond in November 2021 to refinance the existing bond. The early refinancing aims to optimise the bond structure while creating financing capacity for more sizeable acquisition opportunities.

## Main risk factors

In particular due to its diversified customer structure and the fading of the Corona pandemic and the associated manifold restrictions on the overall economy and private consumption, TEMPTON currently does not expect any substantial business risks to materialize which could materially negatively affect its 2022 performance. TEMPTON expects to be in a good position to compensate well for production losses in the manufacturing industry that could be caused by a shortage of raw materials and subsequently lead to lower demand for temporary staffing. Furthermore, TEMPTON regards its business model as resilient against possible impacts from the humanly and politically frightening developments in the Ukraine.

## Use of Alternative Performance Measures (APM)

Alternative performance measures are performance measures outside of the applicable financial reporting framework (HGB). Financial APMs are intended to enhance comparability of financial performance over time and are frequently used by analysts and investors. APMs may also be used internally as basis for performance related remuneration.

TEMPTON uses the following APMs:

**DB2** means earnings before interests, taxes and depreciation (without financing costs for limited factoring on the level of TEMPTON Technik GmbH, TEMPTON Next Level Experts GmbH and TEMPTON Outsourcing GmbH).

**GROSS PROFIT** means total income after deducting cost of leasing staff and cost of materials.

## Statement from the Board of Directors

The financial statements are, to the best of our knowledge and based on our most elaborated opinion, presented in accordance with generally accepted accounting principles. The information provided in the financial statements give a true and fair view of TEMPTON and TEMPTON's assets, liabilities, financial position and result. This interim report provides an accurate view of the development performance and financial position of TEMPTON.

Essen, 25.02.2022

Dr. Annett Tischendorf  
CEO

Frank Seipenbusch  
CFO

## CONSOLIDATED INCOME STATEMENT (UNAUDITED)

| All figures in €  | Notes | Q4 21             | 01-12/2021         | Q4 20             | 01-12/2020         |
|---|-------|-------------------|--------------------|-------------------|--------------------|
| Revenues  |       | 80,467,211        | 312,757,007        | 68,486,220        | 219,026,979        |
| Change in the inventory<br>of finished goods and work in process          |       | 879,645           | 2,004,483          | -412,086          | -62,938            |
| Other operating income  |       | 874,967           | 2,642,799          | 919,802           | 2,714,984          |
| <b>Total income</b>   |       | <b>82,221,823</b> | <b>317,404,290</b> | <b>68,993,936</b> | <b>221,679,025</b> |
| Material costs  |       |                   |                    |                   |                    |
| costs of raw material, supplies, operating<br>material and acquired goods |       | 258,705           | 1,495,916          | 157,568           | 2,003,565          |
| costs of services acquired  |       | 3,063,466         | 11,366,403         | 2,637,872         | 7,878,009          |
|   |       | <b>3,322,171</b>  | <b>12,862,319</b>  | <b>2,795,440</b>  | <b>9,881,574</b>   |
| Personnel costs   |       |                   |                    |                   |                    |
| wages and salaries  |       | 54,754,677        | 209,945,418        | 45,743,873        | 148,062,402        |
| social security and expenses for old age<br>pensions and support          | 1     | 6,720,589         | 43,060,171         | 10,122,183        | 33,512,560         |
|   |       | <b>61,475,266</b> | <b>253,005,589</b> | <b>55,866,056</b> | <b>181,574,962</b> |
| Depreciation  |       | 1,142,268         | 3,778,257          | 842,178           | 2,833,374          |
| Other operating expenses  |       | 10,184,435        | 29,615,560         | 7,032,746         | 23,451,739         |
| Other interest and similar income   |       | 2,738             | 14,046             | 4,947             | 15,563             |
| Interest and similar expenses   | 2     | 1,297,543         | 2,945,152          | 596,226           | 2,196,727          |
| Taxes   |       | 497,252           | 2,388,784          | 176,032           | 1,331,501          |
| <b>Profit after taxes</b>   |       | <b>4,305,627</b>  | <b>12,822,675</b>  | <b>1,690,207</b>  | <b>424,711</b>     |
| Other taxes   |       | 4,728             | 18,911             | 4,782             | 19,154             |
| <b>Group annual surplus</b>   |       | <b>4,300,899</b>  | <b>12,803,764</b>  | <b>1,685,425</b>  | <b>405,556</b>     |

# CONSOLIDATED BALANCE SHEET (UNAUDITED)

| All figures in €  | Notes | 31 December 2021  | 31 December 2020  |
|---|-------|-------------------|-------------------|
| <b>ASSETS</b>   |       |                   |                   |
| <b>FIXED ASSETS</b>   |       |                   |                   |
| <b>I. Intangible assets</b>   |       |                   |                   |
| 1. Concessions, industrial property rights acquired for a consideration as well as licenses to such rights and values |       | 1,805,317         | 1,567,226         |
| 2. Goodwill   |       | 12,587,025        | 12,728,236        |
|   |       | <b>14,392,342</b> | <b>14,295,463</b> |
| <b>II. Tangible assets</b>  |       |                   |                   |
| 1. Real estate, titles to land and buildings including buildings on third party land                                  |       | 3,934,022         | 3,850,579         |
| 2. Technical equipment and machines   |       | 46,317            | 73,094            |
| 3. Other plants, office fixtures and fittings   |       | 4,957,882         | 4,595,722         |
|   |       | <b>8,938,222</b>  | <b>8,519,395</b>  |
| <b>CURRENT ASSETS</b>   |       |                   |                   |
| <b>I. Inventories</b>   |       |                   |                   |
|   |       | 3,906,033         | 1,651,793         |
| <b>II. Receivables and other assets</b>   |       |                   |                   |
| 1. Receivables of deliveries and services   |       | 33,227,921        | 25,582,313        |
| 2. Receivables from affiliated enterprises  |       | 0                 | 11,045            |
| 3. Other assets   |       | 5,232,094         | 5,793,748         |
|   |       | <b>38,460,015</b> | <b>31,387,106</b> |
| <b>III. Cash on hand, bank balances</b>   |       |                   |                   |
|   |       | 32,619,433        | 24,177,034        |
| <b>PREPAID EXPENSES</b>   |       |                   |                   |
|   |       | <b>736,656</b>    | <b>1,141,793</b>  |
| <b>TOTAL ASSETS</b>   |       |                   |                   |
|   |       | <b>99,052,702</b> | <b>81,172,584</b> |

# CONSOLIDATED BALANCE SHEET (UNAUDITED)

| All figures in €                                   | Notes | 31 December 2021  | 31 December 2020  |
|--|-------|-------------------|-------------------|
| <b>EQUITY AND LIABILITIES</b>                      |       |                   |                   |
| <b>EQUITY</b>                                      |       |                   |                   |
| <b>I. Subscribed capital own shares</b>            |       | 25,000            | 25,000            |
|  |       | -8,500            | -8,500            |
|  |       | <b>16,500</b>     | <b>16,500</b>     |
| <b>II. Capital reserves</b>                        |       | 500,000           | 500,000           |
| <b>III. Profit carried forward</b>                 |       | 22,866,958        | 9,912,418         |
|  |       | <b>23,383,458</b> | <b>10,428,918</b> |
| <b>PROVISIONS</b>                                  |       |                   |                   |
| 1. Provisions for pensions and similar obligations |       | 2,973,318         | 2,908,601         |
| 2. Provisions for taxes                            |       | 1,952,816         | 2,093,986         |
| 3. Other provisions                                |       | 17,793,929        | 16,078,938        |
|  |       | <b>22,720,063</b> | <b>21,081,525</b> |
| <b>LIABILITIES</b>                                 |       |                   |                   |
| 1. Loans and borrowings                            |       | 25,174,826        | 30,420,000        |
| 2. Liabilities due to credit institutions          |       | 0                 | 67                |
| 3. Advance payments received on orders             |       | 2,475,531         | 0                 |
| 4. Liabilities from supplies and services          |       | 2,811,264         | 2,282,948         |
| 5. Liabilities due to affiliated enterprises       |       | 4,590             | 4,590             |
| 6. Other liabilities                               |       | 22,405,390        | 16,347,202        |
|  |       | <b>52,871,602</b> | <b>49,054,808</b> |
| <b>DEFERRED INCOME</b>                             |       | <b>77,578</b>     | <b>607,333</b>    |
| <b>TOTAL EQUITY AND LIABILITIES</b>                |       | <b>99,052,702</b> | <b>81,172,584</b> |



## CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

| All figures in thousand €   | Notes | Q4 21         | 01-12/2021    | 01-12/2020    |
|---|-------|---------------|---------------|---------------|
| Profit for the period<br>(consolidated net income for the financial year)   |       | 4,301         | 12,804        | 406           |
| Depreciation, amortisation and write-downs<br>of fixed assets/reversals of such write-downs   |       | 1,142         | 3,778         | 2,833         |
| Increase/decrease in provisions   |       | -7,337        | 1,569         | 1,577         |
| Other non-cash expenses/income  |       | -521          | -737          | -286          |
| Increase/decrease in inventories, receivables<br>for deliveries and services and other assets<br>not related to investing or financing activities |       | 6,184         | -8,523        | -3,348        |
| Increase/decrease in liabilities from supplies<br>and services and other liabilities<br>not related to investing or financing activities          |       | 501           | 8,623         | 1,916         |
| Interest expense/interest income  |       | 1,295         | 2,931         | 2,181         |
| <b>Cash flows from operating activities</b>   |       | <b>5,566</b>  | <b>20,445</b> | <b>5,278</b>  |
| Payments to acquire tangible fixed assets   |       | -217          | -4,563        | -5,976        |
| Interest received   |       | 3             | 13            | 12            |
| <b>Cash flows from investing activities</b>   |       | <b>-214</b>   | <b>-4,550</b> | <b>-5,965</b> |
| Proceeds from borrowings  |       | 25,000        | 25,000        | 0             |
| Cash repayments of bonds and borrowings   |       | -27,000       | -30,000       | -154          |
| Interest paid for financial loans and factoring   |       | -777          | -2,208        | -1,907        |
| Change in other financial liabilities   |       | -204          | -245          | 0             |
| <b>Cash flows from financing activities</b>   |       | <b>-2,981</b> | <b>-7,453</b> | <b>-2,061</b> |
| Net change in cash funds  |       | 2,371         | 8,442         | -2,747        |
| Cash funds at the beginning of period   |       | 30,248        | 24,177        | 26,924        |
| <b>Cash funds at the end of period</b>  |       | <b>32,619</b> | <b>32,620</b> | <b>24,177</b> |

# NOTES

## General

The group parent company operates under the name TEMPTON Group GmbH. The accounting transactions underlying this interim report comply with German commercial and company law regulations (HGB, GmbHG).

### Note 1 – Pensions and support

Reversal of the provision for the Employer's Liability Insurance Association due to the change in the collection of contributions from a deferred to an advanced collection of contributions. As a result, no expense for amounts to the VBG and therefore no provision is to be recognized in 2021.

### Note 2 – Interest and similar expenses

Including partial redemption fee of EUR 810,000.

## ABOUT TEMPTON

With headquarters in Essen, TEMPTON is one of Germany's leading and fastest-growing HR service providers. We currently operate almost everywhere in Germany with offices in more than 140 locations, regularly employing at the peak more than 9,000 motivated members of staff. Offering secure and attractive workplaces to people with vastly different qualifications – from skilled manual workers to highly qualified interim managers – is what motivates us. Our exceptionally positive corporate development is based on highly digitalized processes and innovative product strategies. Today over 10,000 corporate clients in many different industries rely on us to provide them with attractive HR solutions of every kind.

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