

tempton

INTERIM REPORT
Q1 2022

Tempton Group

Q1 2022 HIGHLIGHTS

TOTAL INCOME

83.8 m€

GROSS PROFIT

20.7 m€

EBITDA

4.9 m€

VERY GOOD START TO THE 2022 CALENDER YEAR

BEST Q1 IN TEMPTON HISTORY WITH ALL-TIME HIGH REVENUE AND EBITDA

	Q1 COMPARISON		
	2020	2021	2022
Total income	51.7	67.1	83.8
Gross profit	13.6	17.1	20.7
EBITDA	1.4	3.5	4.9
%	2.8%	5.2%	5.9%

Tempton started 2022 with an excellent first quarter. Tempton was able to significantly increase both revenue and EBITDA compared to Q1 2021. Organic growth in sales was 21 % compared to Q1 2021. The successfully integrated MONDI business generated an additional boost to growth.

DEVELOPMENT TOTAL MARKET GERMANY

Mid-term development of BC Index Germany Q4 2021 vs. Q1 2022¹

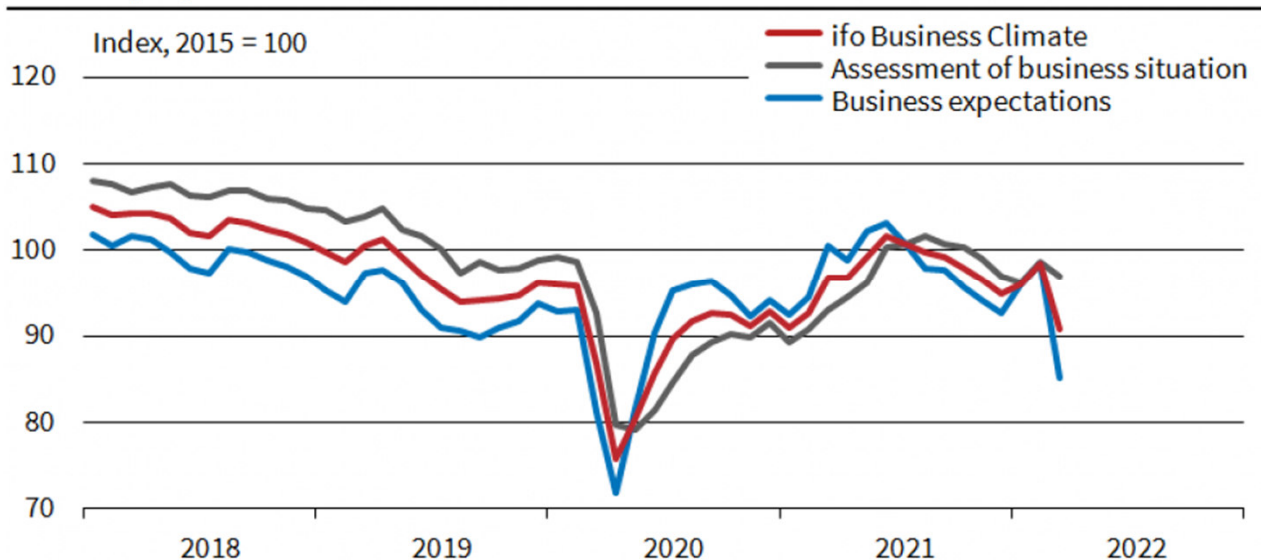


Note

The ifo Business Climate Index declined from 94.7 points in December 2021 to 90.8 points in March 2022. Looking at the mid-term trend, the ifo Index has fallen.

Short-term development of BC Index Germany Feb. 22 vs. Mar. 22¹

ifo Business Climate Germany^a Seasonally adjusted



^a Manufacturing, service sector, trade, and construction.

Source: ifo Business Survey, March 2022.

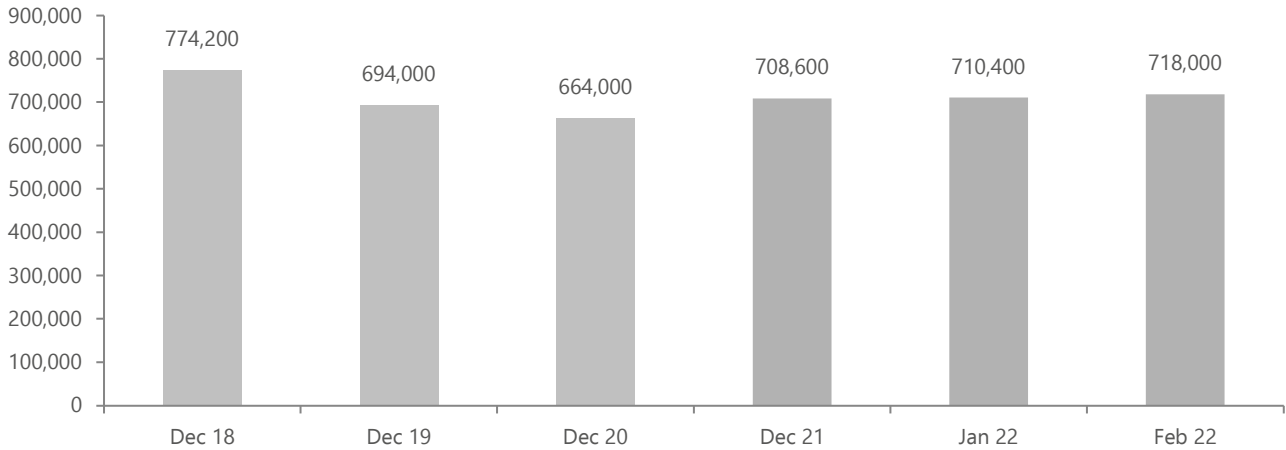
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Sentiment in the German economy has collapsed. The ifo Business Climate Index nosedived to 90.8 points in March, down from 98.5 points (seasonally adjusted) in February. This was due to a record collapse in expectations of 13.3 points, which is even more than it fell at the outbreak of the coronavirus crisis in March 2020 (11.8 points). Businesses also assessed their current situation as worse, but the fall here was comparatively moderate (1.6 points). Companies in Germany are expecting tough times.¹

¹ <https://www.ifo.de/en>

DEVELOPMENT TEMPORARY EMPLOYMENT MARKET

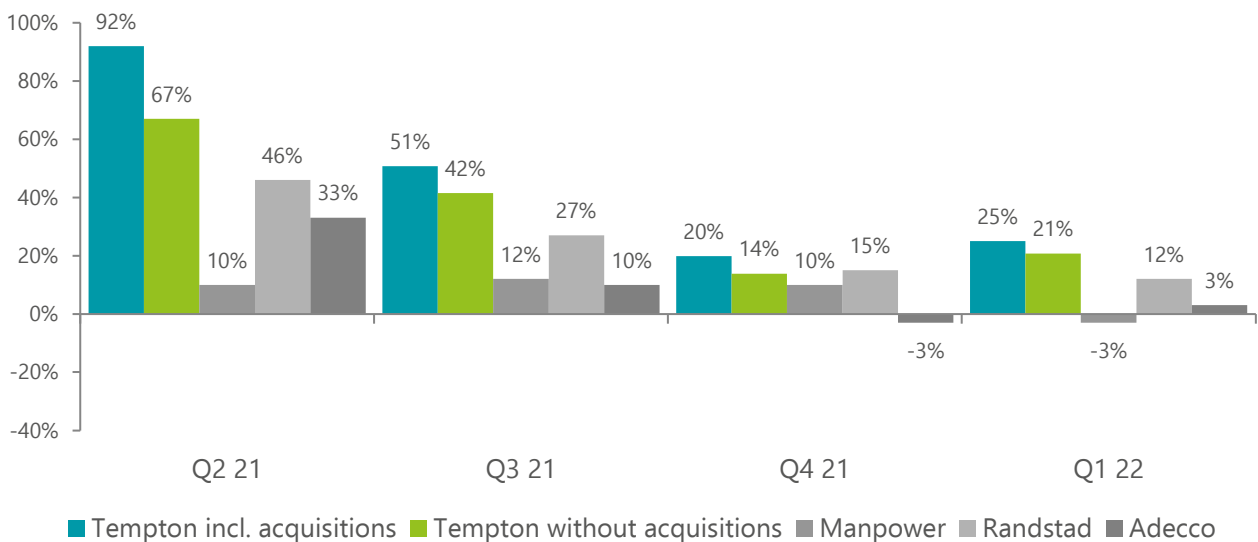
Temporary Employees Germany²



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)^{3, 4, 5, 6, 7}



Note

Acquisitions are reported separately for a period of 12 months from the respective closing. Accordingly, only the Mondli acquisition is relevant for the Q1 2022 Interim Report.

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

³ Tempton turnover according to internal reporting.

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

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

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

⁷ Adecco: The analysis refers to the DACH region.

DEVELOPMENT TEMPORARY EMPLOYMENT MARKET

Turnover / market share of the 25 largest staffing service providers in Germany in m€⁸ / %

2021	Change in placement	2020	Company	2021		2020		Δ Market share
				Turnover	Market share	Turnover	Market share	
1	⇒ 0	1	Randstad Deutschland GmbH & Co. KG, Eschborn	1,895.0	20.32%	1,562.0	19.99%	0.33%
2	⇒ 0	2	Adecco Germany Holding SA & Co. KG, Düsseldorf	1,217.0	13.05%	1,108.9	14.19%	-1.14%
3	⇒ 0	3	Persona Service AG & Co. KG, Lüdenscheid	739.5	7.93%	557.4	7.13%	0.80%
4	⇒ 0	4	ManpowerGroup Deutschland GmbH & Co. KG, Eschborn	544.9	5.84%	537.0	6.87%	-1.03%
5	⇒ 0	5	House of HR Germany, Hamburg	483.8	5.19%	397.2	5.08%	0.10%
6	↑ 2	8	Dekra Arbeit GmbH, Stuttgart	378.0	4.05%	255.8	3.27%	0.78%
7	↓ -1	6	I. K. Hofmann GmbH, Nürnberg	377.3	4.05%	364.7	4.67%	-0.62%
8	↑ 3	11	TEMPTON Group GmbH, Essen	317.4	3.40%	221.7	2.84%	0.57%
9	↓ -2	7	Hays Professional Solutions GmbH, Düsseldorf	311.6	3.34%	294.3	3.77%	-0.43%
10	⇒ 0	10	Piening GmbH, Bielefeld	296.8	3.18%	226.0	2.89%	0.29%
11	↓ -2	9	Orizon GmbH, Augsburg	281.6	3.02%	242.0	3.10%	-0.08%
12	⇒ 0	12	RGF Staffing Germany GmbH, München	276.2	2.96%	209.4	2.68%	0.28%
13	⇒ 0	13	Amadeus FiRe AG, Frankfurt am Main	244.2	2.62%	190.6	2.44%	0.18%
14	↑ 2	16	Office People Personalmanagement GmbH, Münster	243.8	2.61%	173.8	2.22%	0.39%
15	↓ -1	14	Robert Half Deutschland GmbH & Co. KG, Frankfurt am Main	220.0	2.36%	187.6	2.40%	-0.04%
16	↓ -1	15	Runtime Group GmbH, Bremen	218.0	2.34%	179.4	2.30%	0.04%
17	⇒ 0	17	Gi Group Deutschland GmbH, Düsseldorf	211.2	2.26%	173.5	2.22%	0.04%
18	⇒ 0	18	PEAG Personal GmbH, Duisburg	156.1	1.67%	148.2	1.90%	-0.22%
19	↑ 2	21	Actief Personalmanagement GmbH, Karlsruhe	156.0	1.67%	120.0	1.54%	0.14%
20	↑ 3	23	Pluss Personalmanagement GmbH, Hamburg	131.1	1.41%	104.0	1.33%	0.07%
21	↓ -2	19	ZAG Zeitarbeits-Gesellschaft GmbH, Hannover	128.0	1.37%	125.0	1.60%	-0.23%
22	⇒ 0	22	Bindan Holding GmbH & Co. KG, Bremen	126.1	1.35%	115.3	1.48%	-0.12%
23	↑ 1	24	Arwa Personaldienstleistungen GmbH, Nieder-Olm	126.0	1.35%	100.0	1.28%	0.07%
24	↓ -4	20	Job AG Personaldienstleistungen AG, Fulda	125.9	1.35%	121.9	1.56%	-0.21%
25	⇒ 0	25	Iperdi Deutschland, Weinheim	120.7	1.29%	97.8	1.25%	0.04%
Total:				9,326.2		7,813.5		

Note

With an increase in market share of 0.57% from 2020 to 2021, Tempton is among the TOP three performers within the TOP 25 staffing service providers in Germany.

⁸ <https://www.luenendonk.de/aktuelles/presseinformation/zeitarbeitsunternehmen-wieder-nahezu-auf-umsatzniveau-von-2019/>

KEY FIGURES – GENERAL OVERVIEW

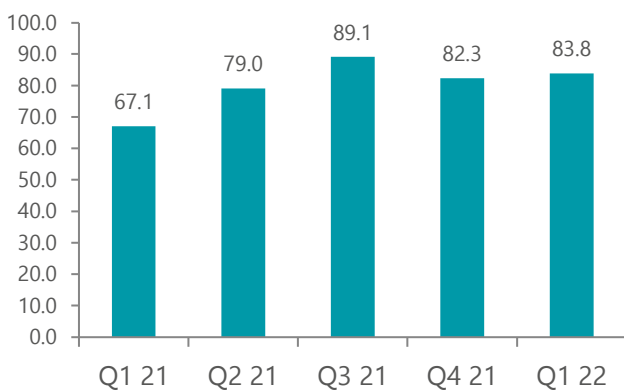
General note

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).

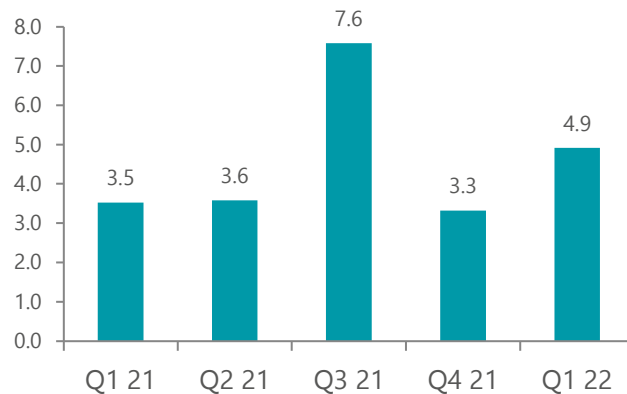
Key figures

in m€	Q1 22	Q4 21	Q1 21	1-3/2022	1-3/2021
Total income	83.8	82.3	67.1	83.8	67.1
OPEX	78.9	75.2	63.6	78.9	63.6
EBITDA	4.9	7.1	3.5	4.9	3.5
%	5.9%	8.6%	5.2%	5.9%	5.2%
EBITDA adjusted	4.9	3.3	3.5	4.9	3.5
%	5.9%	4.0%	5.2%	5.9%	5.2%

Total income (in m€)^{Note 1}



EBITDA adjusted (in m€)^{Note 2}



Note 1 – Total income

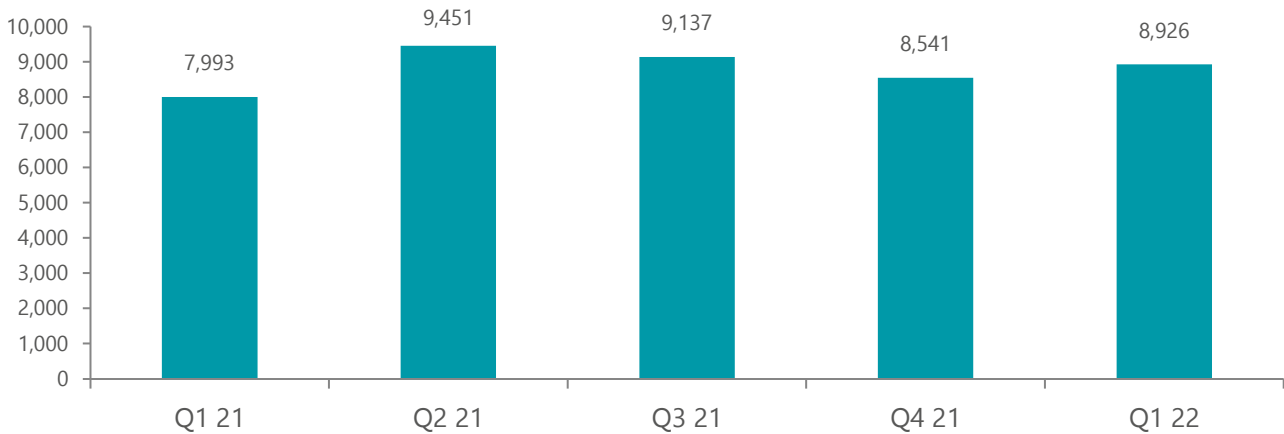
In Q1 2022, Tempton achieved the highest total income for a first quarter in the company's history.

Note 2 - EBITDA

In Q1 2022, EBITDA amounted to 4.9 m€. This corresponds to an increase of 1.4 m€ compared to the previous year. The EBITDA margin of 5.9% (Q1 2021: 5.2%) is an excellent figure.

DEVELOPMENT NUMBER OF EMPLOYEES

Total number of employees

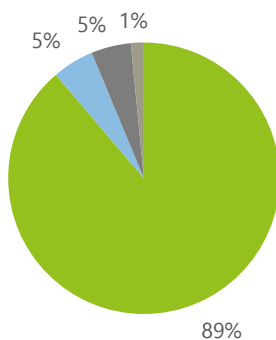


Note

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 Q1 compared to Q4. Contrary to this expected typical development, TEMPTON was able to increase the number of employees by 385 or 4.5 % due to its high sales power and steadily growing attractiveness as an employer and partner for customer companies. Compared to Q1 2021, Tempton increased the number of employees by 933 or 11.7 %.

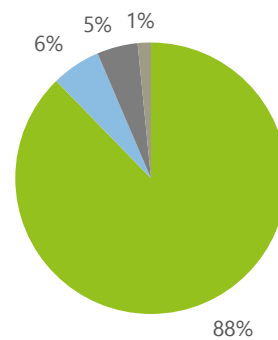
Development Business Segments⁹

Turnover by Business Segment – Q1 22 (percent)



■ Personnel Services ■ Next Level
 ■ Technology ■ Outsourcing

Gross profit by Business Segment – Q1 22 (percent)

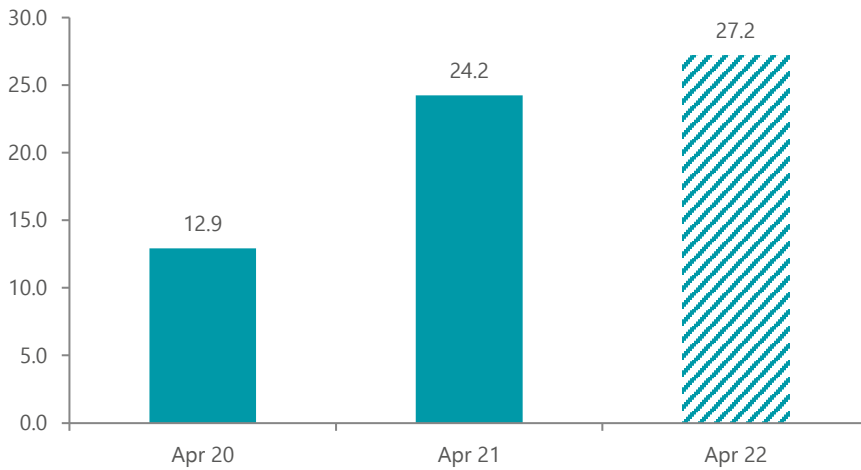


■ Personnel Services ■ Next Level
 ■ Technology ■ Outsourcing

⁹ Turnover and gross profit according to internal reporting.

OUTLOOK - APRIL

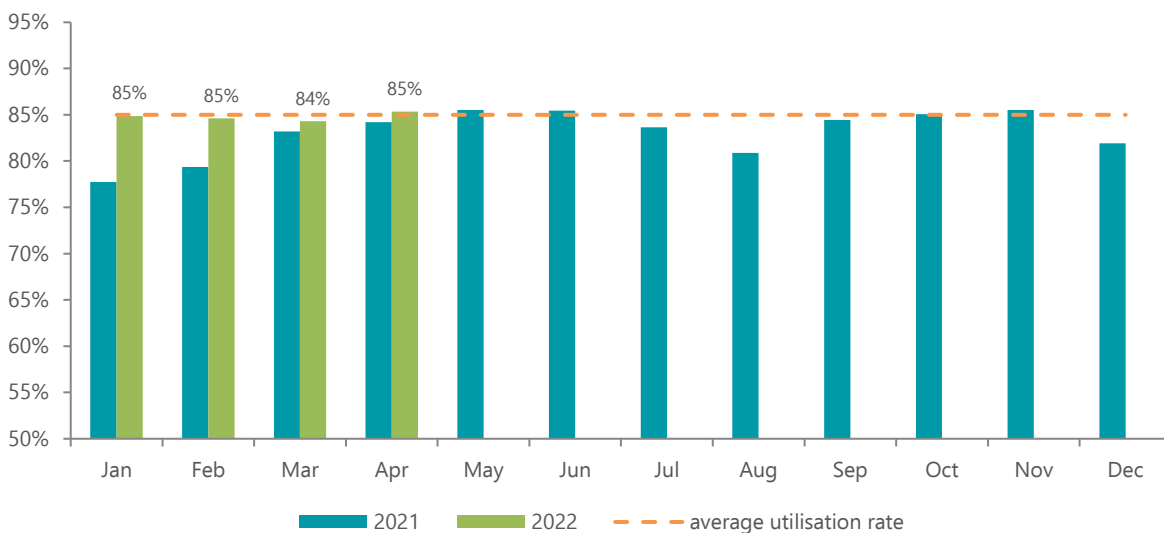
Total income comparison April YoY



Note

The total income expectation for April 2022 is 27.2 m€. This means that total income in April is 3.0 m€, or 12.4%, higher compared to April 2021 and 14.3 m€, or 110.9%, higher compared to April 2020.

Development of the utilisation rate



COMMENTS RE. FINANCIAL STATEMENTS

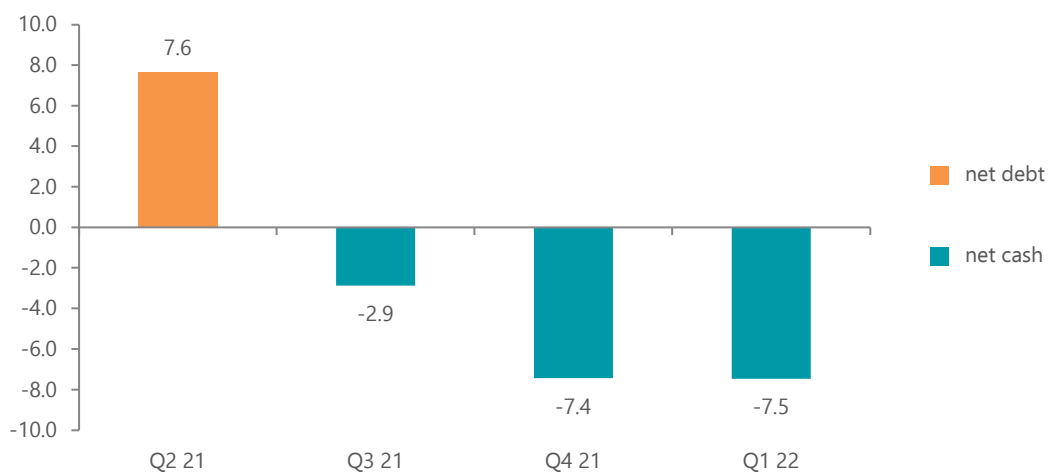
Consolidation

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 slightly increased from 32.6 m€ in Q4 21 to 32.6 m€ in Q1 22.

Development of net debt / net cash (in m€)



COMMENTS RE. FINANCIAL STATEMENTS

Key figures (in m€)

Leverage ratio

EBITDA adjusted LTM	19.4
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Net Debt

Bond loan	25.2
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Cash balance	32.6
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Net debt	-7.5
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Net Leverage ratio	-0.4
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Interest cover ratio

Interest expense	2.7
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Interest cover ratio	7.2
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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:

Tempton defines "gross profit" as revenue, changes in work in progress and other operating income (together "total income") less cost of raw materials and supplies, cost of purchased items and external personnel costs.

Tempton defines "utilisation rate" as the number of external employees engaged at customers divided by the total number of external employees.

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, 27.05.2022

Dr. Annett Tischendorf
CEO

Frank Seipenbusch
CFO

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

All figures in €	Notes	Q1 22	1-3/2022	Q1 21	1-3/2021
Revenues		82,875,659	82,875,659	66,270,011	66,270,011
Change in the inventory of finished goods and work in process		270,458	270,458	256,249	256,249
Other operating income		674,333	674,333	550,426	550,426
Total income		83,820,450	83,820,450	67,076,686	67,076,686
Material costs					
costs of raw material, supplies, operating material and acquired goods		336,207	336,207	444,813	444,813
costs of services acquired		3,108,425	3,108,425	2,823,188	2,823,188
		3,444,633	3,444,633	3,268,001	3,268,001
Personnel costs					
wages and salaries		55,079,088	55,079,088	43,989,917	43,989,917
social security and expenses for old age pensions and support		12,915,193	12,915,193	10,294,090	10,294,090
		67,994,281	67,994,281	54,284,008	54,284,008
Depreciation		828,773	828,773	794,787	794,787
Other operating expenses		7,644,147	7,644,147	6,004,475	6,004,475
Other interest and similar income		537	537	4,245	4,245
Interest and similar expenses		367,566	367,566	524,754	524,754
Taxes		486,940	486,940	428,348	428,348
Profit after taxes		3,054,647	3,054,647	1,776,557	1,776,557
Other taxes		4,855	4,855	4,728	4,728
Group annual surplus		3,049,792	3,049,792	1,771,830	1,771,830

CONSOLIDATED BALANCE SHEET (UNAUDITED)

All figures in €	Notes	31 March 2022	31 December 2021
ASSETS			
FIXED ASSETS			
I. Intangible assets			
1. Concessions, industrial property rights acquired for a consideration as well as licenses to such rights and values		2,022,728	1,805,317
2. Goodwill		12,337,631	12,610,680
		14,360,359	14,415,997
II. Tangible assets			
1. Real estate, titles to land and buildings including buildings on third party land		4,062,373	3,934,022
2. Technical equipment and machines		44,999	46,317
3. Other plants, office fixtures and fittings		5,043,480	4,957,990
		9,150,852	8,938,330
CURRENT ASSETS			
I. Inventories			
		4,198,696	3,906,033
II. Receivables and other assets			
1. Receivables of deliveries and services		39,077,863	33,227,921
2. Receivables from affiliated enterprises		0	0
3. Other assets		5,576,167	5,144,915
		44,654,030	38,372,836
III. Cash on hand, bank balances			
		32,636,794	32,619,433
PREPAID EXPENSES			
		1,058,628	736,656
TOTAL ASSETS			
		106,059,360	98,989,285

CONSOLIDATED BALANCE SHEET (UNAUDITED)

All figures in €	Notes	31 March 2022	31 December 2021
EQUITY AND LIABILITIES			
EQUITY			
I. Subscribed capital own shares		25,000 -8,500 16,500	25,000 -8,500 16,500
II. Capital reserves		675,500	500,000
III. Profit carried forward		25,854,850 26,546,850	22,805,058 23,321,558
PROVISIONS			
1. Provisions for pensions and similar obligations		2,986,327	2,964,378
2. Provisions for taxes		1,712,588	1,975,348
3. Other provisions		20,180,115 24,879,030	17,871,629 22,811,355
LIABILITIES			
1. Loans and borrowings		25,174,826	25,174,826
2. Liabilities due to credit institutions		0	0
3. Advance payments received on orders		3,846,126	2,475,531
4. Liabilities from supplies and services		3,396,613	2,796,423
5. Liabilities due to affiliated enterprises		4,590	4,590
6. Other liabilities		22,120,864 54,543,019	22,327,423 52,778,794
DEFERRED INCOME		90,460	77,578
TOTAL EQUITY AND LIABILITIES		106,059,360	98,989,285

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

All figures in thousand €	Notes	Q1 22	1-3/2022	1-3/2021
Profit for the period (consolidated net income for the financial year)		3,050	3,050	1,772
Depreciation, amortisation and write-downs of fixed assets/reversals of such write-downs		829	829	795
Increase/decrease in provisions		2,068	2,068	3,239
Other non-cash expenses/income		-46	-46	-38
Increase/decrease in inventories, receivables for deliveries and services and other assets not related to investing or financing activities		-6,896	-6,896	-7,237
Increase/decrease in liabilities from supplies and services and other liabilities not related to investing or financing activities		1,777	1,777	3,655
Interest expense/interest income		543	543	521
Cash flows from operating activities		1,324	1,324	2,706
Payments to acquire tangible fixed assets		-986	-986	-978
Interest received		4	4	4
Cash flows from investing activities		-982	-982	-974
Proceeds from borrowings		0	0	0
Cash repayments of bonds and borrowings		0	0	0
Interest paid for financial loans and factoring		-325	-325	-487
Change in other financial liabilities		0	0	-20
Cash flows from financing activities		-325	-325	-507
Net change in cash funds		17	17	1,226
Cash funds at the beginning of period		32,619	32,619	24,177
Cash funds at the end of period		32,636	32,636	25,403

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).

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.

Tempton Group
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www.tempton.de