

tempton

INTERIM REPORT  
Q1 2021

TEMPTON Group

## Q1 2021 HIGHLIGHTS

TOTAL INCOME

67.1 m€

GROSS PROFIT

17.1 m€

EBITDA

3.5 m€

OUTSTANDING START TO THE  
2021 CALENDAR YEAR

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

	Q1 COMPARISON		
	2019	2020	2021
<b>Total income</b>	51,3	51,7	67,1
<b>Gross profit</b>	13,0	13,6	17,1
<b>EBITDA</b>	2,3	1,4	3,5
<b>%</b>	4,6%	2,8%	5,2%

Business performance in the first quarter should be highlighted as a particularly strong performance against the backdrop of the ongoing Corona crisis and the associated restrictions due to the lockdown measures. Organic growth in sales was 17 % compared to the previous year. The successfully integrated TRIA branches generated an additional boost to growth.

# DEVELOPMENT TOTAL MARKET GERMANY

## Mid-term development of BC Index Germany Q4 2020 vs. Q1 2021<sup>1</sup>

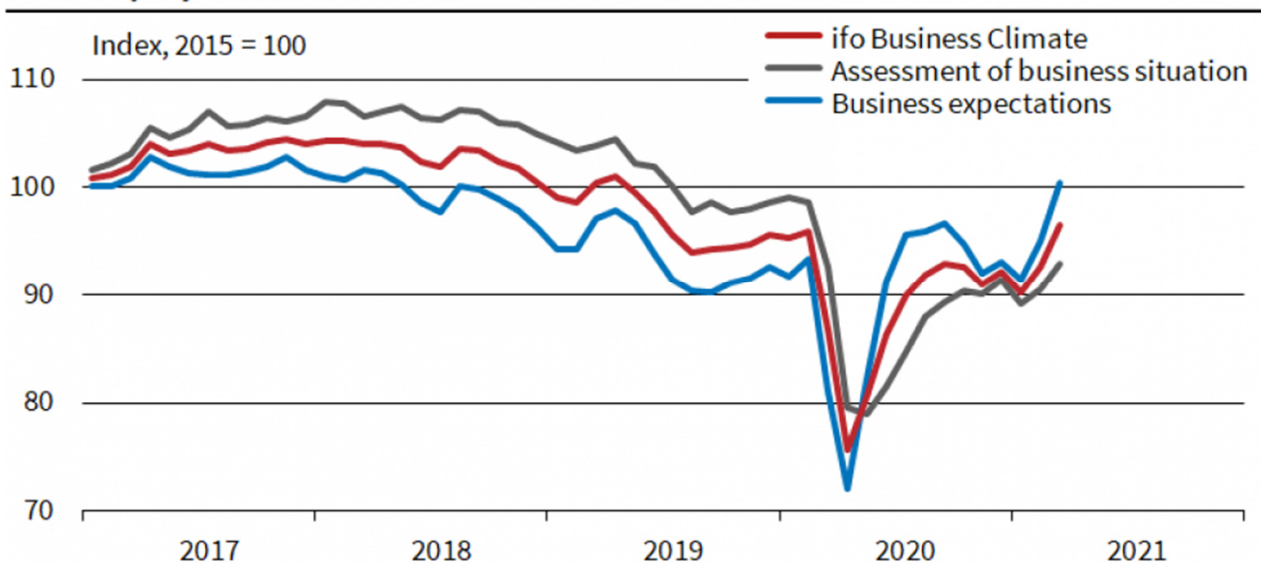


### Note

Looking at the mid-term trend, the ifo Business Climate Index rose from 92.1 points in December 2020 to 96.6 points in March 2021.

## Short-term development of BC Index Germany Feb. 21 vs. Mar. 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, March 2021.

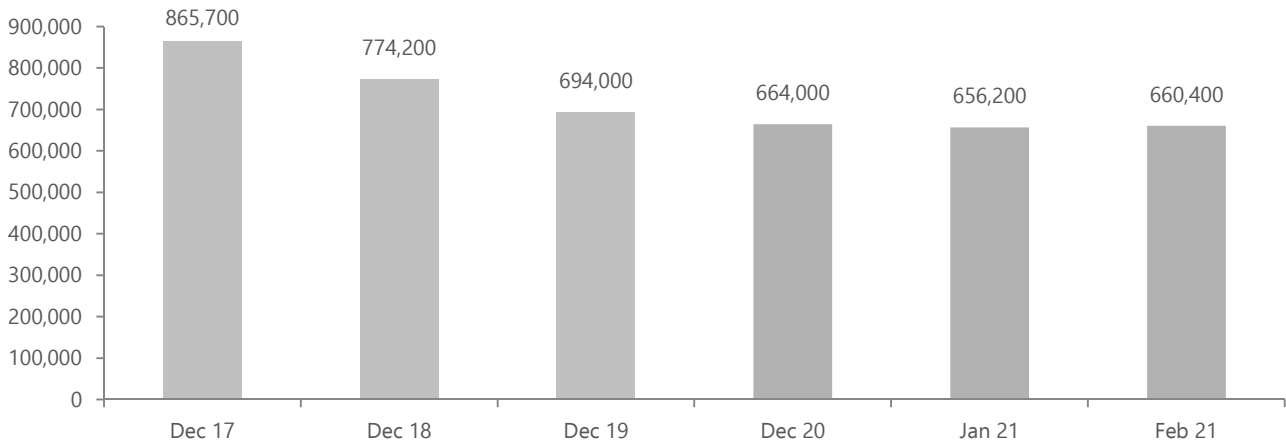
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Sentiment among German managers has improved noticeably. The ifo Business Climate Index rose from 92.7 points (seasonally adjusted) in February to 96.6 points in March. This is its highest grade since June 2019. Companies were clearly more satisfied with their current business situation. Optimism in the direction of the coming months has also returned. Despite the rising rate of Covid-19 infections, the German economy is entering the spring with confidence.<sup>1</sup>

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

# DEVELOPMENT TEMPORARY EMPLOYMENT MARKET

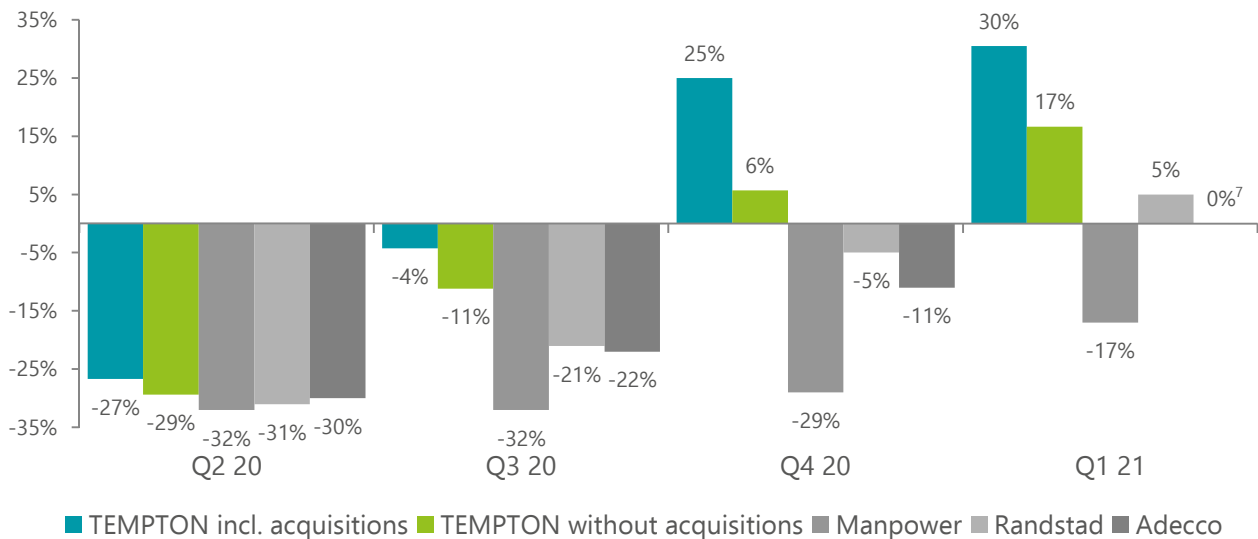
## Temporary Employees Germany<sup>2</sup>



### 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</sup>



### Note

The reporting period for acquisitions is twelve months.

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

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

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

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

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

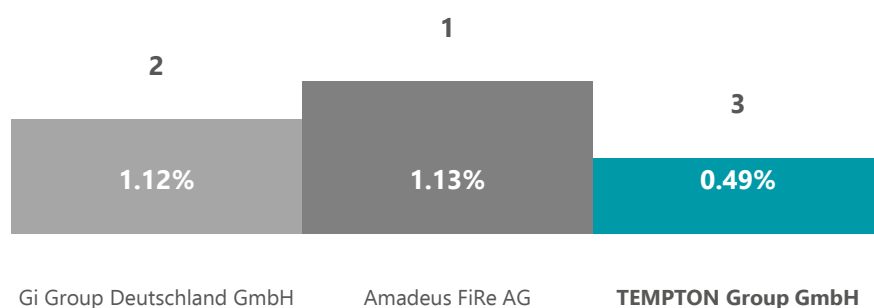
<sup>7</sup> The analysis refers to Northern Europe.

# DEVELOPMENT TEMPORARY EMPLOYMENT MARKET

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

Company	2020		2019		Δ Market share
	Turnover	Market share	Turnover	Market share	
1 Randstad Deutschland GmbH & Co. KG, Eschborn	1,562.0	19.92%	1,928.0	20.18%	-0.25%
2 Adecco Germany Holding SA & Co. KG, Düsseldorf	1,108.9	14.15%	1,339.3	14.02%	0.13%
3 Persona Service AG & Co. KG, Lüdenscheid	557.4	7.11%	709.4	7.42%	-0.31%
4 ManpowerGroup Deutschland GmbH & Co. KG, Eschborn	537.0	6.85%	733.0	7.67%	-0.82%
5 I. K. Hofmann GmbH, Nürnberg	364.7	4.65%	504.6	5.28%	-0.63%
6 House of HR Germany, Hamburg	332.7	4.24%	389.2	4.07%	0.17%
7 Hays Professional Solutions GmbH, Düsseldorf	294.3	3.75%	382.9	4.01%	-0.25%
8 Amadeus FiRe AG, Frankfurt am Main	280.2	3.57%	233.1	2.44%	1.13%
9 Dekra Arbeit GmbH, Stuttgart	255.8	3.26%	407.9	4.27%	-1.01%
10 Orizon GmbH, Augsburg	242.0	3.09%	296.2	3.10%	-0.01%
11 Piening GmbH, Bielefeld	226.0	2.88%	250.0	2.62%	0.27%
<b>12 TEMPTON Group GmbH, Essen</b>	<b>221.7</b>	<b>2.83%</b>	<b>223.4</b>	<b>2.34%</b>	<b>0.49%</b>
13 RGF Staffing Germany GmbH, München	209.4	2.67%	240.6	2.52%	0.15%
14 Robert Half Deutschland GmbH & Co. KG, Frankfurt am Main	188.1	2.40%	239.7	2.51%	-0.11%
15 Runtime Group GmbH, Bremen	179.8	2.29%	211.9	2.22%	0.08%
16 Office People Personalmanagement GmbH, Münster	173.8	2.22%	189.9	1.99%	0.23%
17 Gi Group Deutschland GmbH, Düsseldorf	173.5	2.21%	104.8	1.10%	1.12%
18 PEAG Personal GmbH, Duisburg	148.2	1.89%	177.9	1.86%	0.03%
19 ZAG Zeitarbeits-Gesellschaft GmbH, Hannover	125.0	1.59%	225.0	2.35%	-0.76%
20 Job AG Personaldienstleistungen AG, Fulda	121.9	1.55%	141.9	1.49%	0.07%
21 Actief Personalmanagement GmbH, Karlsruhe	120.0	1.53%	151.3	1.58%	-0.05%
22 Bindan Holding GmbH & Co. KG, Bremen	115.3	1.47%	149.4	1.56%	-0.09%
23 Pluss Personalmanagement GmbH, Hamburg	104.0	1.33%	107.0	1.12%	0.21%
24 Arwa Personaldienstleistungen GmbH, Nieder-Olm	100.0	1.28%	109.0	1.14%	0.13%
25 Iperdi Deutschland, Weinheim	97.8	1.25%	109.0	1.14%	0.11%
<b>Total:</b>	<b>7,839.5</b>		<b>9,554.4</b>		

## TOP 3 performers - improvement of market share from 2019 to 2020



<sup>8</sup> <https://www.luenendonk.de/presseinformationen/>

# KEY FIGURES – GENERAL OVERVIEW

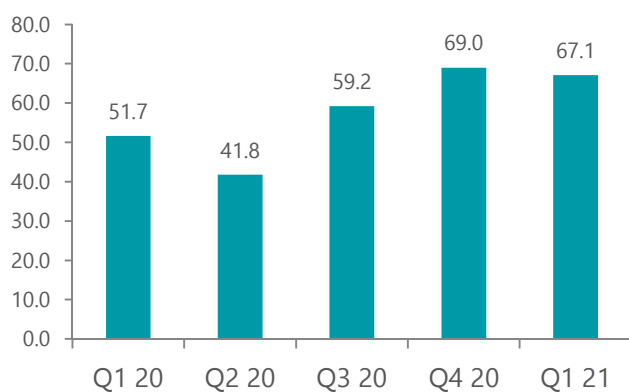
## General note

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

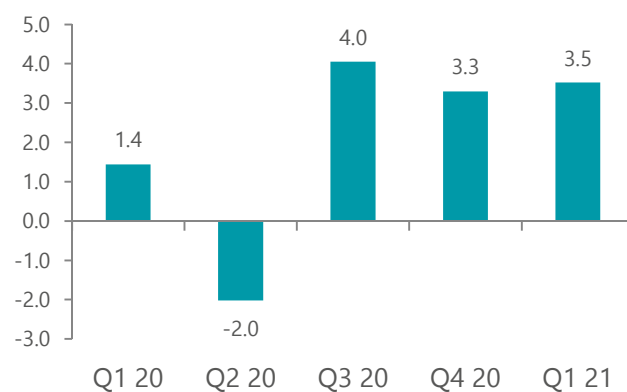
## Key figures

in m€	Q1 21	Q4 20	Q1 20	01-03/2021	01-03/2020
<b>Total income</b>	67.1	69.0	51.7	67.1	51.7
<b>OPEX</b>	63.6	65.7	50.2	63.6	50.2
<b>EBITDA</b>	3.5	3.3	1.4	3.5	1.4
<b>%</b>	5.2%	4.8%	2.8%	5.2%	2.8%

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



### EBITDA (in m€)<sup>Note 2</sup>



### Note 1 – Total income

In Q1 2021, TEMPTON achieved the highest total income for a first quarter in the company's history.

### Note 2 - EBITDA

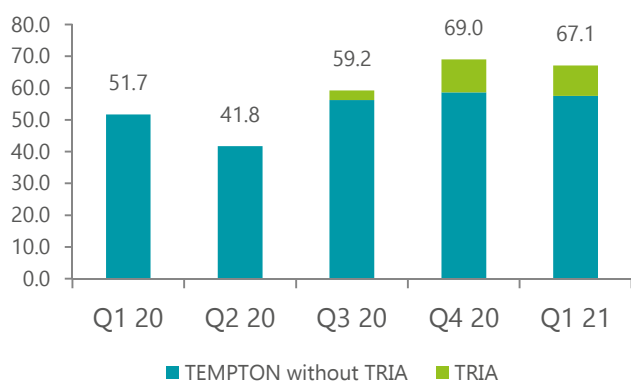
In Q1 2021, EBITDA amounted to 3.5 m€. This corresponds to an increase of 2.1 m€ or 150 % compared to the previous year. At the same time, the high revenue growth also resulted in a high EBITDA margin of 5.2 % (previous year 2.8 %).

# KEY FIGURES – DETAILED ELEVATION

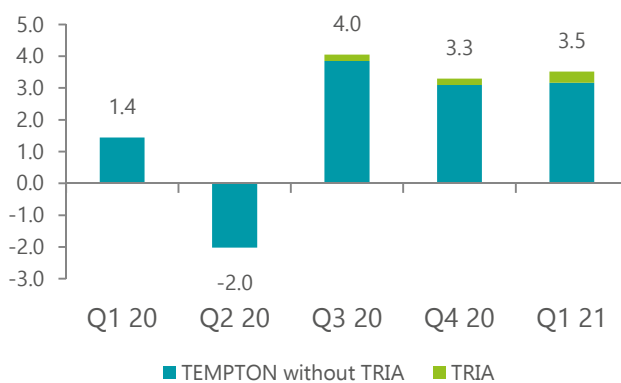
## Key figures Q1 2021

in m€	TEMPTON w/o TRIA	TRIA	TEMPTON incl. TRIA
<b>Total income</b>	57.6	9.5	67.1
<b>OPEX</b>	54.4	9.2	63.6
<b>EBITDA</b>	3.2	0.4	3.5
<b>%</b>	5.5%	3.8%	5.2%

### Total income (in m€)



### EBITDA (in m€)

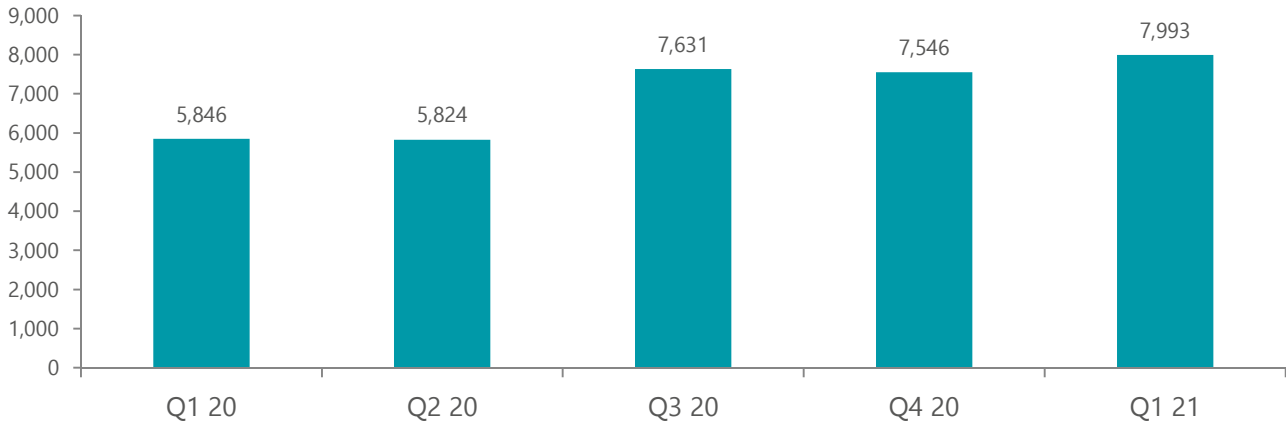


## Note

TRIA acquisition was closed on 01.09.2020.

# DEVELOPMENT TEMPTON OPERATIONS

## Total number of employees

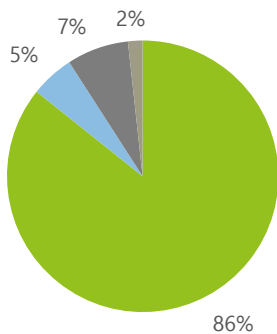


## Note

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 447 or 5.9 % due to its high sales power and steadily growing attractiveness as an employer and partner for customer companies.

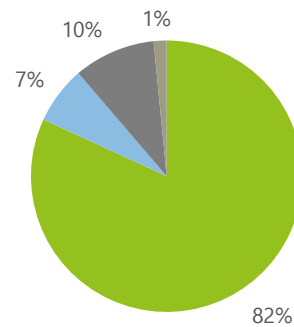
## Development Business Segments<sup>9</sup>

Turnover by Business Segment – Q1 21 (percent)



■ Personnel services ■ Next Level  
 ■ Technical services ■ Outsourcing

Gross profit by Business Segment – Q1 21 (percent)



■ Personnel services ■ Next Level  
 ■ Technical services ■ Outsourcing

<sup>9</sup> Turnover and gross profit according to internal reporting.



## OUTLOOK - SIGNED ADD-ON ACQUISITION

On April 16, 2021 TEMPTON Personaldienstleistungen GmbH has entered into an agreement with the core entities of the MONDI Group, namely the

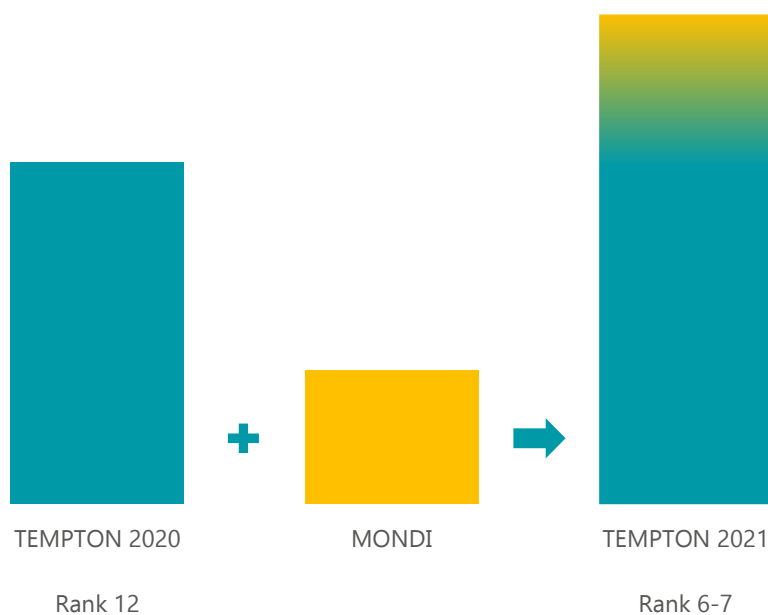
- MONDI GmbH
- MONDI Personalservice GmbH (formerly Südwind Personalservice GmbH)
- WFD GmbH

(together "MONDI") with the intention to acquire MONDI by TEMPTON.

MONDI is one of the well-known German personnel service providers with sales in fiscal year 2020 of approximately EUR 90 million. TEMPTON will take over MONDI's operating business, which is managed by more than 30 branches there, and around 1,200 employees. MONDI filed an application for the opening of insolvency proceedings with the Verden Local Court on 12 March 2021.

The legal validity of the takeover of MONDI, which is scheduled to be completed on June 2, 2021, is still dependent on the occurrence of standard market conditions. The parties have agreed not to disclose the purchase price.

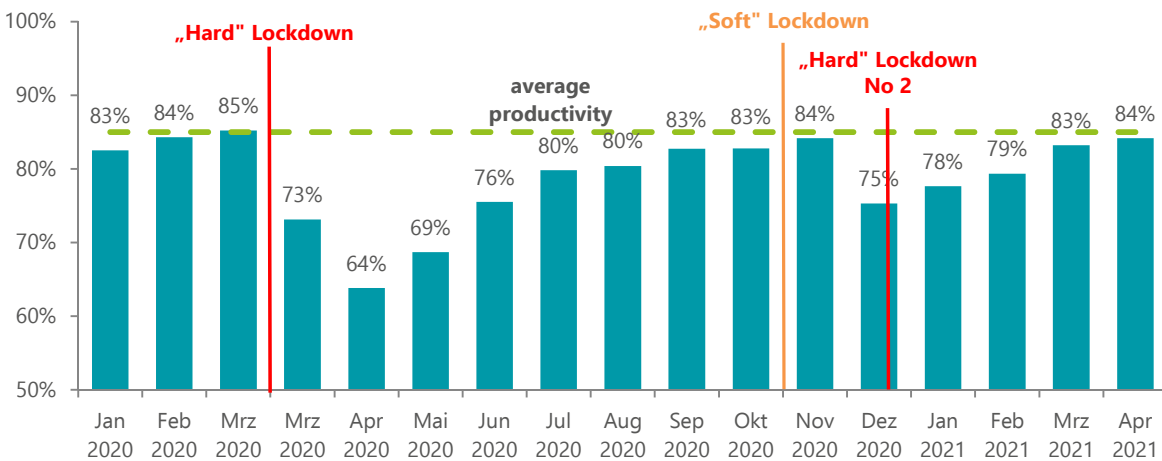
As a result of the acquisition of MONDI, TEMPTON will in future employ more than 9,000 people at more than 145 locations throughout Germany, The acquisition of MONDI will further move TEMPTON into the TOP 10 of the temporary employment companies in Germany and consolidates its position as one of the most attractive partners and employers in the personnel services sector.



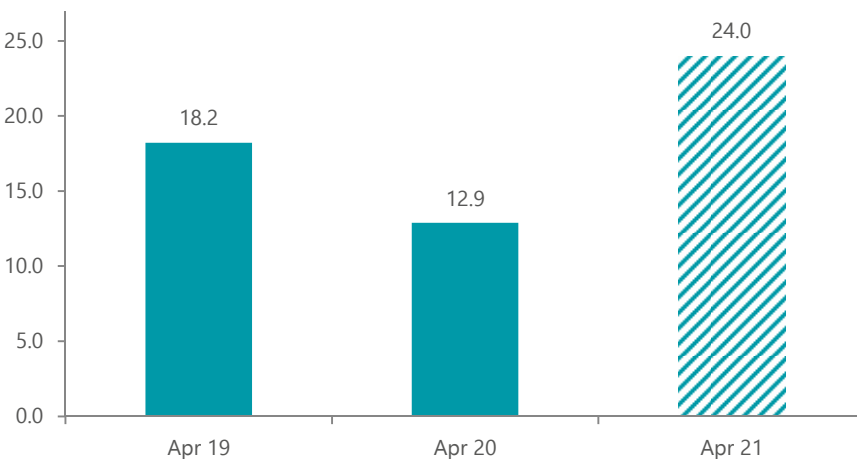
# OUTLOOK - APRIL

Since March 2020, productivity is artificially (negatively) influenced through officially ordered Lockdowns in Germany. However, due to its large and cross-industry customer base and its flexibility in its fixed costs basis TEMPTON is able to largely balance out the negative Lockdown effects.

## Development of productivity



## Total income comparison April YoY



## Note

The income expectation for April 2021 is 24 m€. This means that total income in April is 5.8 m€, or 31.9 %, higher compared to April 2019. A direct comparison with the previous year's April is not meaningful due to COVID-19.

# 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 EUR 24.2 million in Q4 20 to EUR 25.4 million in Q1 21. In addition, TEMPTON has liquid receivables of EUR 31.4 million as of March 31, 2021.

## Key figures (in m€)

<b>Leverage ratio</b>		<b>Interest cover ratio</b>	
<b>EBITDA LTM</b>	<b>8.9</b>	Interest expense	2.2
<b>Net Debt</b>		<b>Interest cover ratio</b>	<b>4.0</b>
Bond loan	30.4		
Cash balance	25.4		
<b>Net debt</b>	<b>5.0</b>		
<b>Net Leverage ratio</b>	<b>0.6</b>		

## Main risk factors

Due to the current market development and the increasing vaccination rate of the population with regard to COVID-19, already since the beginning of 2021 TEMPTON does not see the COVID-19 pandemic as a relevant risk factor. To the contrary: The COVID-19-related weakening of competition is likely to provide TEMPTON with additional opportunities to further consolidate the market.

TEMPTON sees manageable risks for 2021 in the deterioration of customers' creditworthiness and increasing price pressure. TEMPTON has of course taken all necessary precautions to keep these risks well under control. However, as these risks affect the entire staffing industry, they will also create opportunities for further market consolidation in favour of TEMPTON.

## 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, 25.05.2021

Dr. Annett Tischendorf  
CEO

Frank Seipenbusch  
CFO

## CONSOLIDATED INCOME STATEMENT (UNAUDITED)

All figures in €	Notes	Q1 21	01-03/2021	Q1 20	01-03/2020
Revenues		66,270,011	66,270,011	50,699,519	50,699,519
Change in the inventory of finished goods and work in process		256,249	256,249	370,607	370,607
Other operating income		550,426	550,426	604,736	604,736
<b>Total income</b>		<b>67,076,686</b>	<b>67,076,686</b>	<b>51,674,861</b>	<b>51,674,861</b>
Material costs					
costs of raw material, supplies, operating material and acquired goods		444,813	444,813	654,161	654,161
costs of services acquired		2,823,188	2,823,188	1,617,458	1,617,458
		<b>3,268,001</b>	<b>3,268,001</b>	<b>2,271,620</b>	<b>2,271,620</b>
Personnel costs					
wages and salaries		43,989,917	43,989,917	34,464,117	34,464,117
social security and expenses for old age pensions and support		10,294,090	10,294,090	7,767,778	7,767,778
		<b>54,284,008</b>	<b>54,284,008</b>	<b>42,231,895</b>	<b>42,231,895</b>
Depreciation		794,787	794,787	591,503	591,503
Other operating expenses		6,004,475	6,004,475	5,731,101	5,731,101
Other interest and similar income		4,245	4,245	4,137	4,137
Interest and similar expenses		524,754	524,754	521,698	521,698
Taxes		428,348	428,348	387,728	387,728
<b>Profit after taxes</b>		<b>1,776,557</b>	<b>1,776,557</b>	<b>-56,545</b>	<b>-56,545</b>
Other taxes		4,728	4,728	4,791	4,791
<b>Group annual surplus/ annual deficit</b>		<b>1,771,830</b>	<b>1,771,830</b>	<b>-61,336</b>	<b>-61,336</b>

# CONSOLIDATED BALANCE SHEET (UNAUDITED)

All figures in €	Notes	31 March 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		1,697,600	1,567,226
2. Goodwill		12,362,746	12,728,236
		<b>14,060,346</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		3,922,920	3,850,579
2. Technical equipment and machines		51,737	73,094
3. Other plants, office fixtures and fittings		4,693,622	4,595,722
		<b>8,668,279</b>	<b>8,519,395</b>
<b>CURRENT ASSETS</b>			
<b>I. Inventories</b>			
		2,107,961	1,651,793
<b>II. Receivables and other assets</b>			
1. Receivables of deliveries and services		31,409,148	25,582,313
2. Receivables from affiliated enterprises		0	11,045
3. Other assets		6,926,660	5,793,748
		<b>38,335,807</b>	<b>31,387,106</b>
<b>III. Cash on hand, bank balances</b>			
		25,402,785	24,177,034
<b>PREPAID EXPENSES</b>			
		<b>1,372,465</b>	<b>1,141,793</b>
<b>TOTAL ASSETS</b>			
		<b>89,947,644</b>	<b>81,172,584</b>

# CONSOLIDATED BALANCE SHEET (UNAUDITED)

All figures in €	Notes	31 March 2021	31 December 2020
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
<b>I. Subscribed capital own shares</b>		25,000 -8,500 <b>16,500</b>	25,000 -8,500 <b>16,500</b>
<b>II. Capital reserves</b>		500,000	500,000
<b>III. Profit carried forward/losses carried forward</b>		11,835,023 <b>12,351,523</b>	9,912,418 <b>10,428,918</b>
<b>PROVISIONS</b>			
1. Provisions for pensions and similar obligations		2,794,485	2,908,601
2. Provisions for taxes		2,459,822	2,093,986
3. Other provisions		19,135,532 <b>24,389,840</b>	16,078,938 <b>21,081,525</b>
<b>LIABILITIES</b>			
1. Loans and borrowings		30,400,000	30,420,000
2. Liabilities due to credit institutions		0	67
3. Liabilities from supplies and services		2,908,912	2,282,948
4. Liabilities due to affiliated enterprises		4,590	4,590
5. Other liabilities		18,908,457 <b>52,221,959</b>	16,347,202 <b>49,054,808</b>
<b>DEFERRED INCOME</b>		<b>984,322</b>	<b>607,333</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>89,947,644</b>	<b>81,172,584</b>



# CASH FLOW STATEMENT (UNAUDITED)

All figures in thousand €	Notes	Q1 21	01-03/2021	01-03/2020
Profit for the period				
(consolidated net income for the financial year)		1,772	1,772	-61
Depreciation, amortisation and write-downs				
of fixed assets/reversals of such write-downs		795	795	592
Increase/decrease in provisions		3,239	3,239	1,017
Other non-cash expenses/income		-38	-38	-41
Increase/decrease in inventories, receivables				
for deliveries and services and other assets				
not related to investing or financing activities		-7,237	-7,237	1,240
Increase/decrease in liabilities from supplies				
and services and other liabilities				
not related to investing or financing activities		3,655	3,655	-1,443
Interest expense/interest income		521	521	518
<b>Cash flows from operating activities</b>		<b>2,706</b>	<b>2,706</b>	<b>1,820</b>
Payments to acquire tangible fixed assets		-978	-978	-589
Interest received		4	4	3
<b>Cash flows from investing activities</b>		<b>-974</b>	<b>-974</b>	<b>-587</b>
Proceeds from borrowings		0	0	0
Cash repayments of bonds and borrowings		0	0	-53
Interest paid for financial loans and factoring		-487	-487	-479
Change in other financial liabilities		-20	-20	-5
<b>Cash flows from financing activities</b>		<b>-507</b>	<b>-507</b>	<b>-537</b>
Net change in cash funds		1,226	1,226	697
Cash funds at the beginning of period		24,177	24,177	26,924
<b>Cash funds at the end of period</b>		<b>25,403</b>	<b>25,403</b>	<b>27,621</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).

## 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 130 locations, regularly employing at the peak more than 8,000 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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