

tempton

INTERIM REPORT  
Q2 2021

TEMPTON Group

## Q2 2021 HIGHLIGHTS

TOTAL INCOME

79.0 m€

GROSS PROFIT

17.6 m€

EBITDA

3.6 m€

BEST Q2 IN TEMPTON HISTORY WITH ALL-TIME HIGH REVENUE AND EBITDA

	Q2 COMPARISON		
	2019	2020	2021
<b>Total income</b>	56.0	41.8	79.0
<b>Gross profit</b>	12.0	9.1	17.6
<b>EBITDA</b>	0.9	-2.0	3.6
<b>%</b>	1.6%	-4.8%	4.5%

SUCCESSFUL CLOSING OF THE MONDI ACQUISITION

On 2 June 2021, TEMPTON closed the acquisition of MONDI Group (Brillant) out of insolvency. MONDI is one of the well-known German personnel service providers. With the acquisition of MONDI TEMPTON has strategically closed the only remaining „white spot“ in its German branch network and on the other hand given many existing TEMPTON branches more mass by integrating the MONDI business.

TEMPTON continued the first-class development of Q1/2021 seamlessly in Q2/2021. This is despite the fact that the second quarter of a year in the German personnel services industry is traditionally weak, especially due to many public holidays. Compared to the second quarter of 2019 (the second quarter of 2020 is not representative due to the COVID-19 effects), TEMPTON increased total income by 41%, EBITDA by 300%.

# DEVELOPMENT TOTAL MARKET GERMANY

## Mid-term development of BC Index Germany Q1 2021 vs. Q2 2021<sup>1</sup>

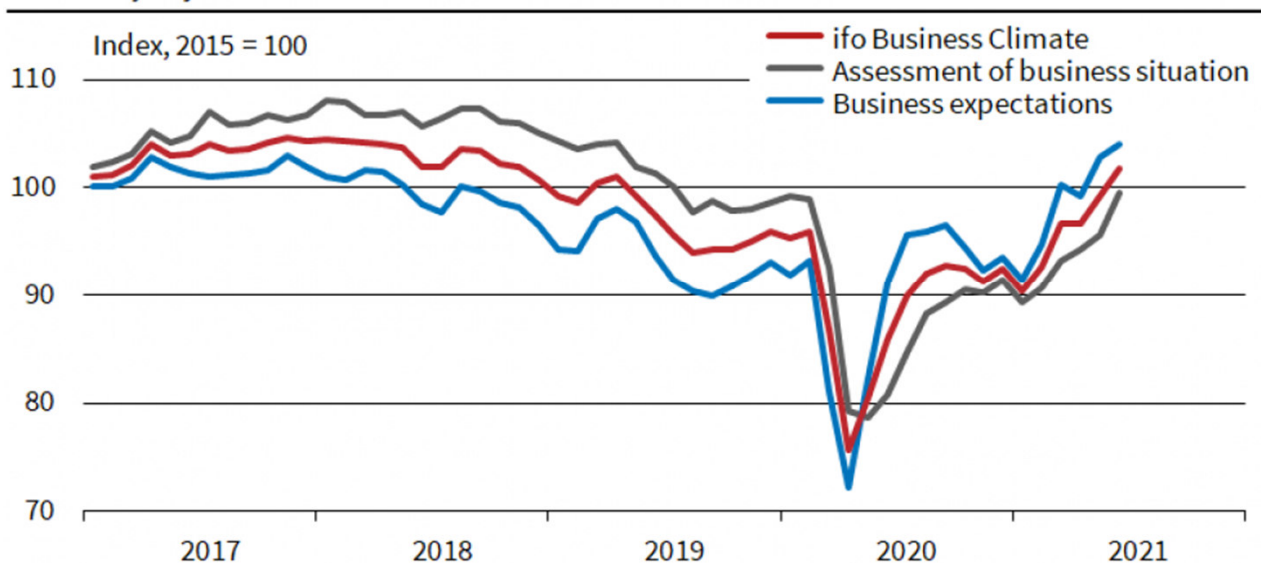


### Note

Looking at the mid-term trend, the ifo Business Climate Index rose from 96.6 points in March 2021 to 101.8 points in June 2021.

## Short-term development of BC Index Germany May 21 vs. Jun. 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, June 2021.

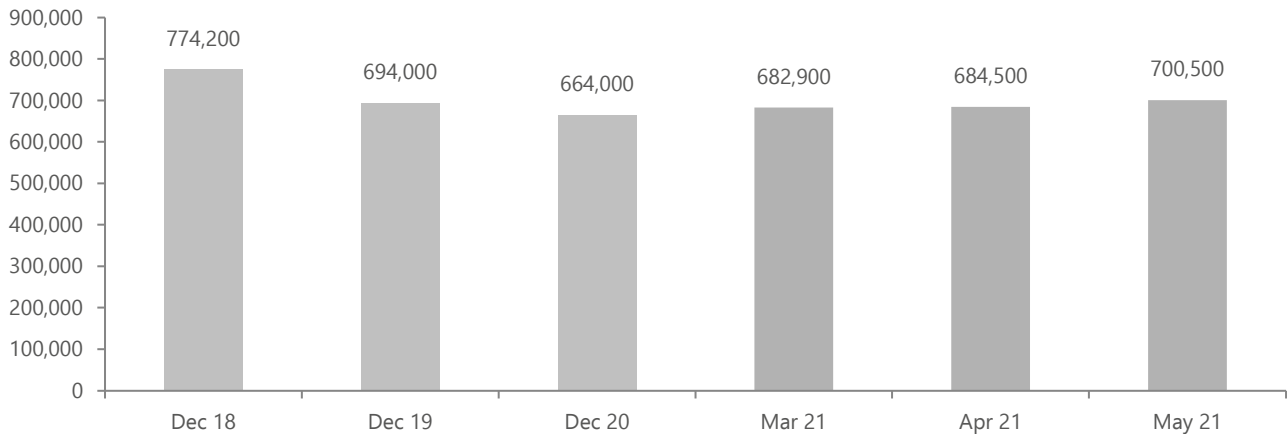
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Sentiment among German managers has improved markedly once again. The ifo Business Climate Index rose from 99.2 points in May to 101.8 points in June. Companies assessed their current business situation as much better. Optimism regarding the second half of the year also grew. The German economy is shaking off the coronavirus crisis.<sup>1</sup>

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

# DEVELOPMENT TEMPORARY EMPLOYMENT MARKET

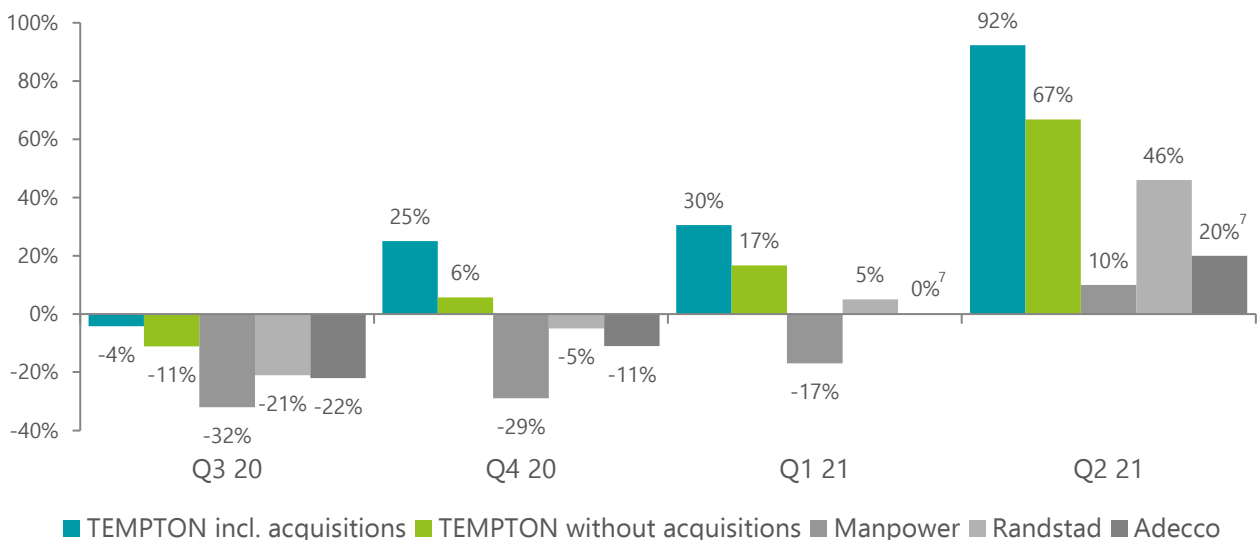
## Temporary Employees Germany<sup>2</sup>



### 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, which are TRIA and MONDI for Q2 21.

<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> The analysis refers to Northern Europe.

# KEY FIGURES – GENERAL OVERVIEW

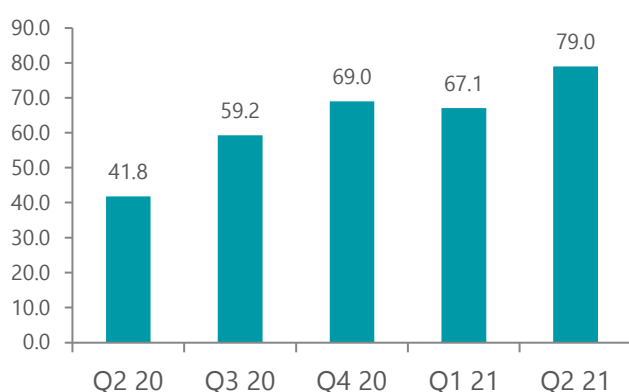
## General note

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).

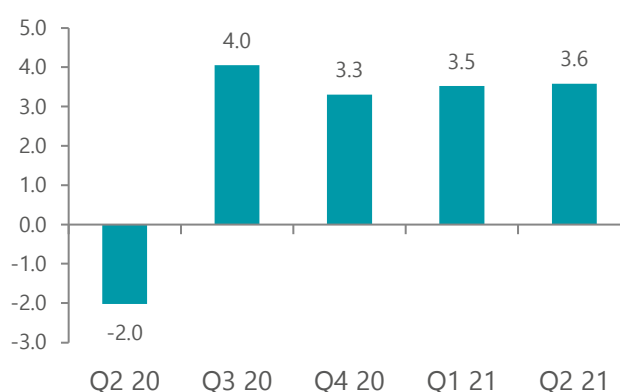
## Key figures

in m€	Q2 21	Q1 21	Q2 20	01-06/2021	01-06/2020
<b>Total income</b>	79.0	67.1	41.8	146.1	93.4
<b>OPEX</b>	75.4	63.6	43.8	139.0	94.0
<b>EBITDA</b>	3.6	3.5	-2.0	7.1	-0.6
<b>%</b>	4.5%	5.2%	-4.8%	4.9%	-0.6%

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



### EBITDA (in m€)<sup>Note 2</sup>



### Note 1 – Total income

In Q2 2021, TEMPTON achieved the highest total income for a second quarter in the company's history.

### Note 2 - EBITDA

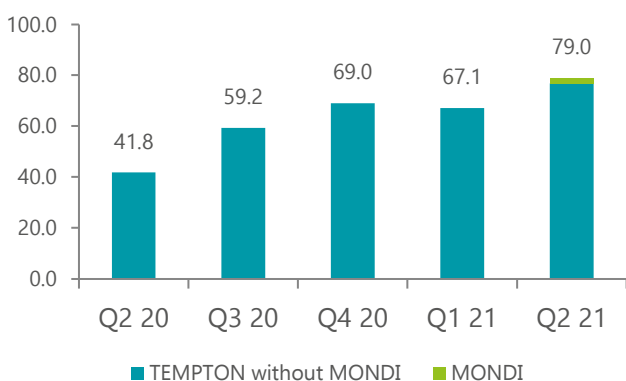
In Q2 2021, EBITDA amounted to 3.6 m€. This corresponds to an increase of 5.6 m€ compared to the previous year. The EBITDA margin of 4.5% (Q2 2019: 1.6%) is an excellent figure against the backdrop of the public holiday situation in the second quarter.

# KEY FIGURES – DETAILED ELEVATION

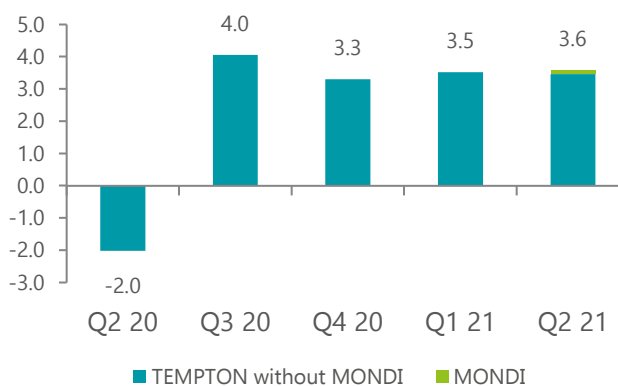
## Key figures Q2 2021

in m€	Tempton w/o MONDI	MONDI	Tempton incl. MONDI
<b>Total income</b>	76.7	2.3	79.0
<b>OPEX</b>	73.3	2.2	75.4
<b>EBITDA</b>	3.5	0.1	3.6
<b>%</b>	4.5%	5.3%	4.5%

### Total income (in m€)



### EBITDA (in m€)

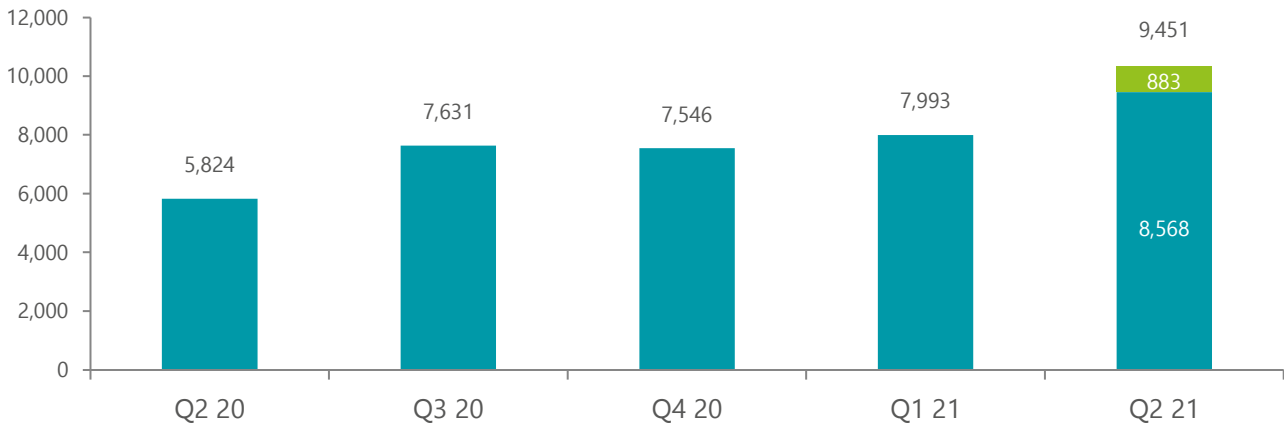


## Note

MONDI acquisition was closed on 2 June 2021.

# DEVELOPMENT NUMBER OF EMPLOYEES

## Total number of employees

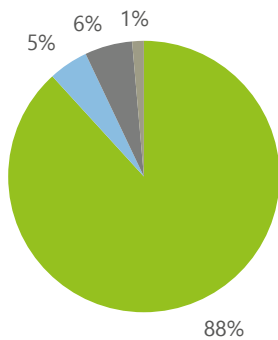


## Note

Without MONDI, TEMPTON managed to increase the total number of employees by 7.19%, compared to the previous quarter. The total increase of employees to the previous quarter is 18.24%.

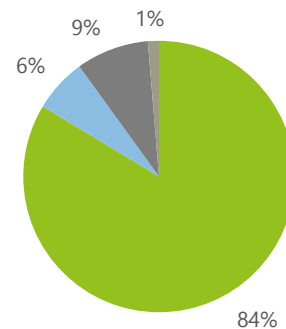
## Development Business Segments<sup>9</sup>

Turnover by Business Segment – Q2 21 (percent)



■ Personnel services ■ Next Level  
 ■ Technical services ■ Outsourcing

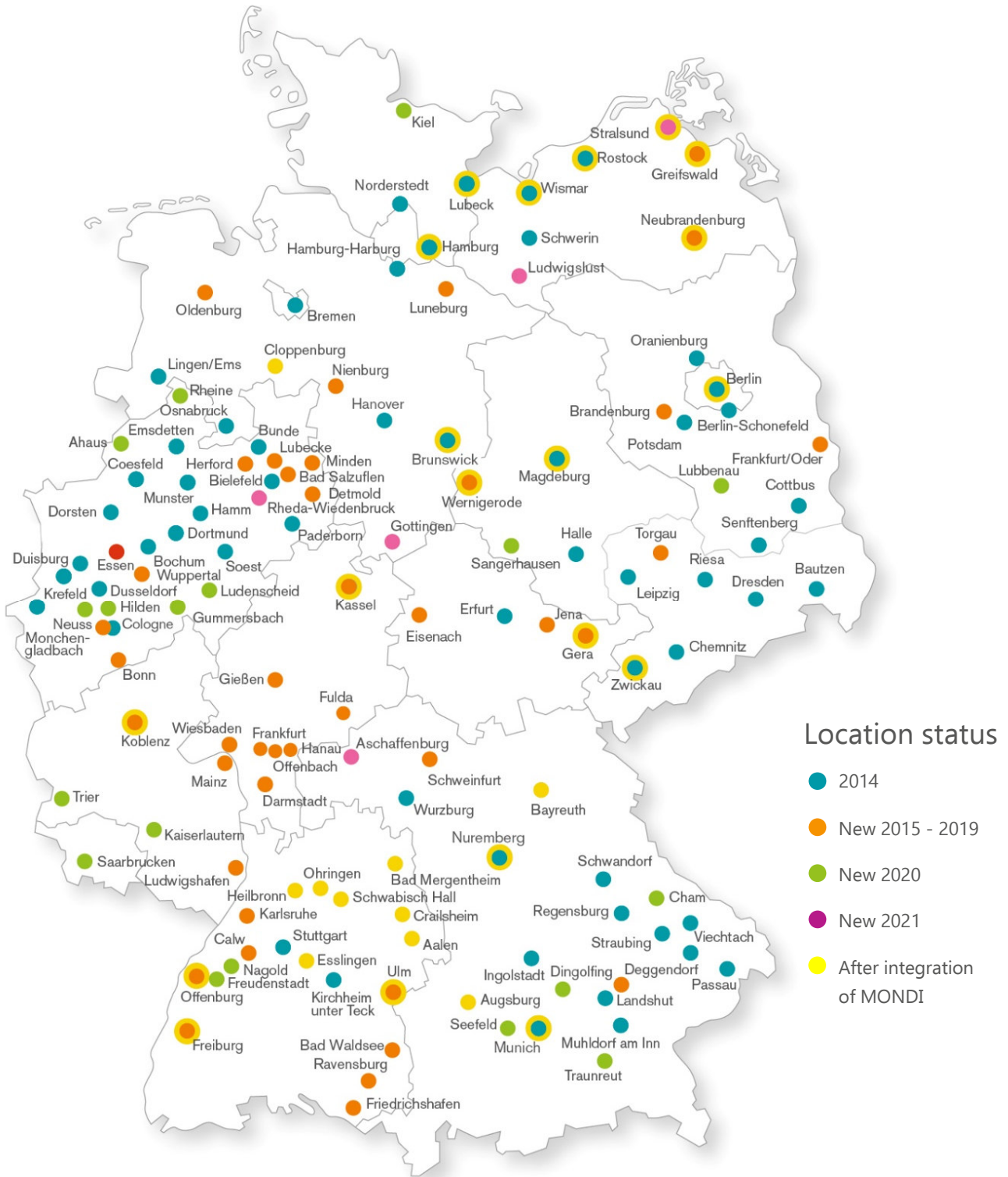
Gross profit by Business Segment – Q2 21 (percent)



■ Personnel services ■ Next Level  
 ■ Technical services ■ Outsourcing

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

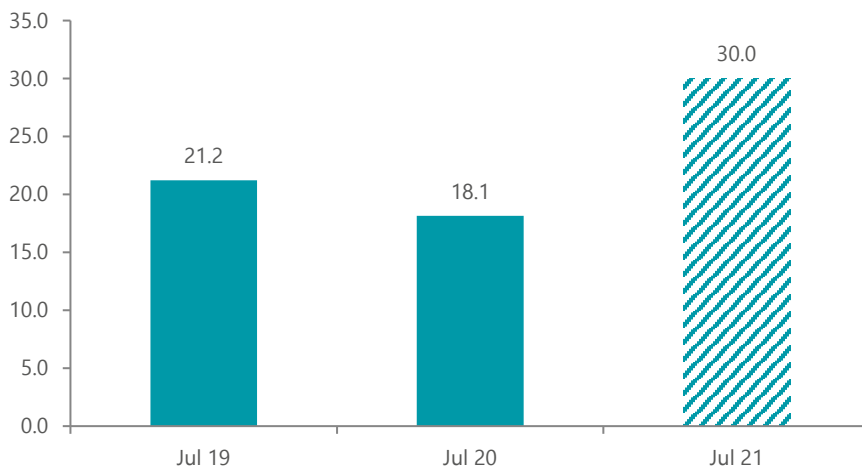
# GERMANY-WIDE BRANCH NETWORK





## OUTLOOK - JULY

### Total income comparison July YoY



### Note

The total income expectation for July 2021 is 30 m€. This means that total income in July is 8.8 m€, or 41.5 %, higher compared to July 2019. A direct comparison with the previous year's July is not meaningful due to COVID-19.

# COMMENTS RE. FINANCIAL STATEMENTS

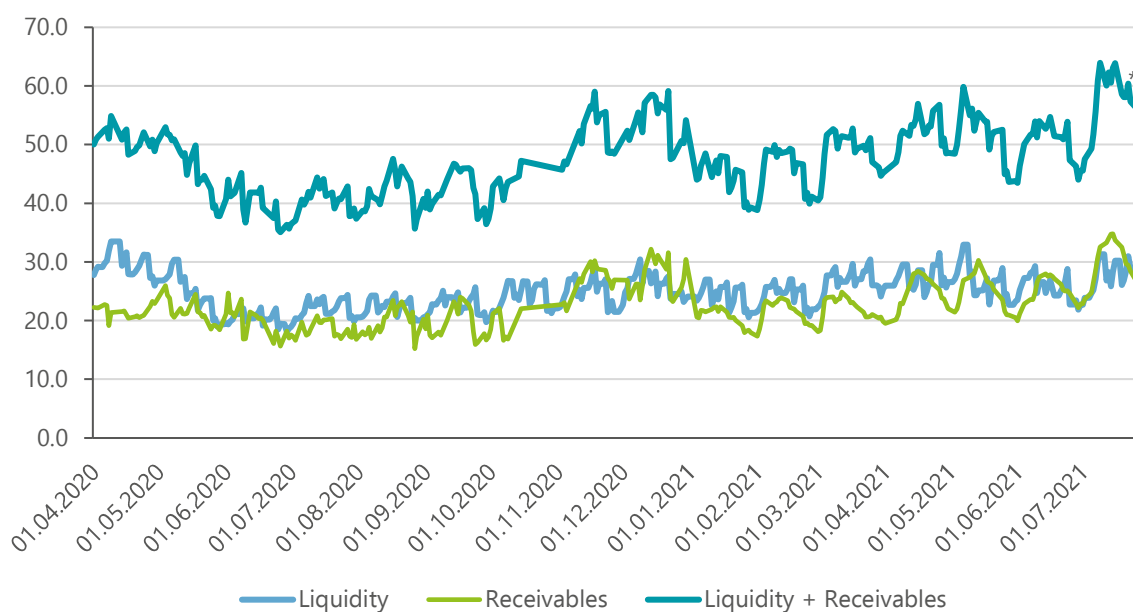
## Consolidation

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 decreased from EUR 25.4 million in Q1 21 to EUR 22.8 million in Q2 21. In addition, TEMPTON has liquid receivables of EUR 39.6 million as of June 30, 2021, compared to EUR 31.4 million as of March 31, 2021. A decrease of the cash balance in Q2 is typical for the personnel services industry. The main drivers are the contractual payments of sales commissions and bonuses to the sales force as well as the statutory annual contribution to the employers' liability insurance association.

## Development of liquidity and receivables (in m€)



## Note

\* Exercise of the partial redemption option: EUR 3.0 million.

# COMMENTS RE. FINANCIAL STATEMENTS

## Key figures (in m€)

### Leverage ratio

<b>EBITDA LTM</b>	<b>14.5</b>
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### Net Debt

Bond loan	30.4
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Cash balance	22.8
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<b>Net debt</b>	<b>7.6</b>
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<b>Net Leverage ratio</b>	<b>0.5</b>
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### Interest cover ratio

Interest expense	2.1
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<b>Interest cover ratio</b>	<b>6.8</b>
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## Main risk factors

In particular due to its diversified customer structure, TEMPTON does not see any significant risks for the remainder of 2021. TEMPTON will be able to compensate well for production losses in the manufacturing industry, which are caused by the current shortage of raw materials and which consequently lead to lower demand for temporary work.

## 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, 23.08.2021

Dr. Annett Tischendorf  
CEO

Frank Seipenbusch  
CFO

## CONSOLIDATED INCOME STATEMENT (UNAUDITED)

All figures in €	Notes	Q2 21	01-06/2021	Q2 20	01-06/2020
Revenues		77,787,458	144,057,468	41,331,863	92,031,474
Change in the inventory of finished goods and work in process		663,037	919,286	-207,832	162,775
Other operating income		559,548	1,109,974	637,089	1,241,824
<b>Total income</b>		<b>79,010,042</b>	<b>146,086,728</b>	<b>41,761,119</b>	<b>93,436,073</b>
Material costs					
costs of raw material, supplies, operating material and acquired goods		403,667	848,481	704,422	1,358,583
costs of services acquired		2,559,872	5,383,060	1,539,826	3,157,284
		<b>2,963,539</b>	<b>6,231,540</b>	<b>2,244,248</b>	<b>4,515,868</b>
Personnel costs					
wages and salaries		53,560,307	97,550,224	29,582,136	64,046,253
social security and expenses for old age pensions and support		12,576,811	22,870,901	6,861,743	14,629,521
		<b>66,137,117</b>	<b>120,421,125</b>	<b>36,443,879</b>	<b>78,675,774</b>
Depreciation		864,676	1,659,462	651,203	1,242,706
Other operating expenses		6,327,978	12,332,453	5,091,700	10,822,801
Other interest and similar income		4,216	8,461	4,310	8,448
Interest and similar expenses		536,164	1,060,919	521,347	1,043,045
Taxes		479,346	907,695	280,863	668,590
<b>Profit after taxes</b>		<b>1,705,438</b>	<b>3,481,995</b>	<b>-3,467,810</b>	<b>-3,524,262</b>
Other taxes		4,728	9,456	4,791	9,582
<b>Group annual surplus/ annual deficit</b>		<b>1,700,710</b>	<b>3,472,540</b>	<b>-3,472,601</b>	<b>-3,533,844</b>

# CONSOLIDATED BALANCE SHEET (UNAUDITED)

All figures in €	Notes	30 June 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		1,766,818	1,567,226
2. Goodwill		13,427,049	12,728,236
		<b>15,193,866</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		3,905,142	3,850,579
2. Technical equipment and machines		49,632	73,094
3. Other plants, office fixtures and fittings		4,667,024	4,595,722
		<b>8,621,797</b>	<b>8,519,395</b>
<b>CURRENT ASSETS</b>			
<b>I. Inventories</b>			
		2,719,675	1,651,793
<b>II. Receivables and other assets</b>			
1. Receivables of deliveries and services		39,578,088	25,582,313
2. Receivables from affiliated enterprises		0	11,045
3. Other assets		6,625,234	5,793,748
		<b>46,203,323</b>	<b>31,387,106</b>
<b>III. Cash on hand, bank balances</b>			
		22,775,167	24,177,034
<b>PREPAID EXPENSES</b>		<b>1,236,199</b>	<b>1,141,793</b>
<b>TOTAL ASSETS</b>		<b>96,750,027</b>	<b>81,172,584</b>

# CONSOLIDATED BALANCE SHEET (UNAUDITED)

All figures in €	Notes	30 June 2021	31 December 2020
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
<b>I. Subscribed capital</b>		25,000	25,000
<b>own shares</b>		-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/losses carried forward</b>		13,535,733	9,912,418
		<b>14,052,233</b>	<b>10,428,918</b>
<b>PROVISIONS</b>			
1. Provisions for pensions and similar obligations		2,864,075	2,908,601
2. Provisions for taxes		2,897,919	2,093,986
3. Other provisions		18,757,535	16,078,938
		<b>24,519,529</b>	<b>21,081,525</b>
<b>LIABILITIES</b>			
1. Loans and borrowings		30,415,000	30,420,000
2. Liabilities due to credit institutions		0	67
3. Liabilities from supplies and services		3,135,265	2,282,948
4. Liabilities due to affiliated enterprises		4,590	4,590
5. Other liabilities		23,997,733	16,347,202
		<b>57,552,588</b>	<b>49,054,808</b>
<b>DEFERRED INCOME</b>		<b>625,677</b>	<b>607,333</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>96,750,027</b>	<b>81,172,584</b>



# CASH FLOW STATEMENT (UNAUDITED)

All figures in thousand €	Notes	Q2 21	01-06/2021	01-06/2020
Profit for the period				
(consolidated net income for the financial year)		1,701	3,473	-3,534
Depreciation, amortisation and write-downs				
of fixed assets/reversals of such write-downs		865	1,659	1,243
Increase/decrease in provisions		130	3,368	-3,204
Other non-cash expenses/income		-79	-117	-61
Increase/decrease in inventories, receivables				
for deliveries and services and other assets				
not related to investing or financing activities		-8,343	-15,580	2,829
Increase/decrease in liabilities from supplies				
and services and other liabilities				
not related to investing or financing activities		4,957	8,612	-3,793
Interest expense/interest income		532	1,052	1,035
<b>Cash flows from operating activities</b>		<b>-238</b>	<b>2,468</b>	<b>-5,485</b>
Payments to acquire tangible fixed assets		-1,952	-2,929	-1,558
Interest received		4	8	5
<b>Cash flows from investing activities</b>		<b>-1,948</b>	<b>-2,921</b>	<b>-1,553</b>
Proceeds from borrowings		0	0	0
Cash repayments of bonds and borrowings		0	0	-104
Interest paid for financial loans and factoring		-457	-944	-978
Change in other financial liabilities		15	-5	-30
<b>Cash flows from financing activities</b>		<b>-442</b>	<b>-949</b>	<b>-1,112</b>
Net change in cash funds		-2,628	-1,402	-8,150
Cash funds at the beginning of period		25,403	24,177	26,924
<b>Cash funds at the end of period</b>		<b>22,775</b>	<b>22,775</b>	<b>18,774</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 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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