

MASTERFLEX

Earnings Call Presentation

2021

31 March 2022

Agenda

Overview



Figures 2021

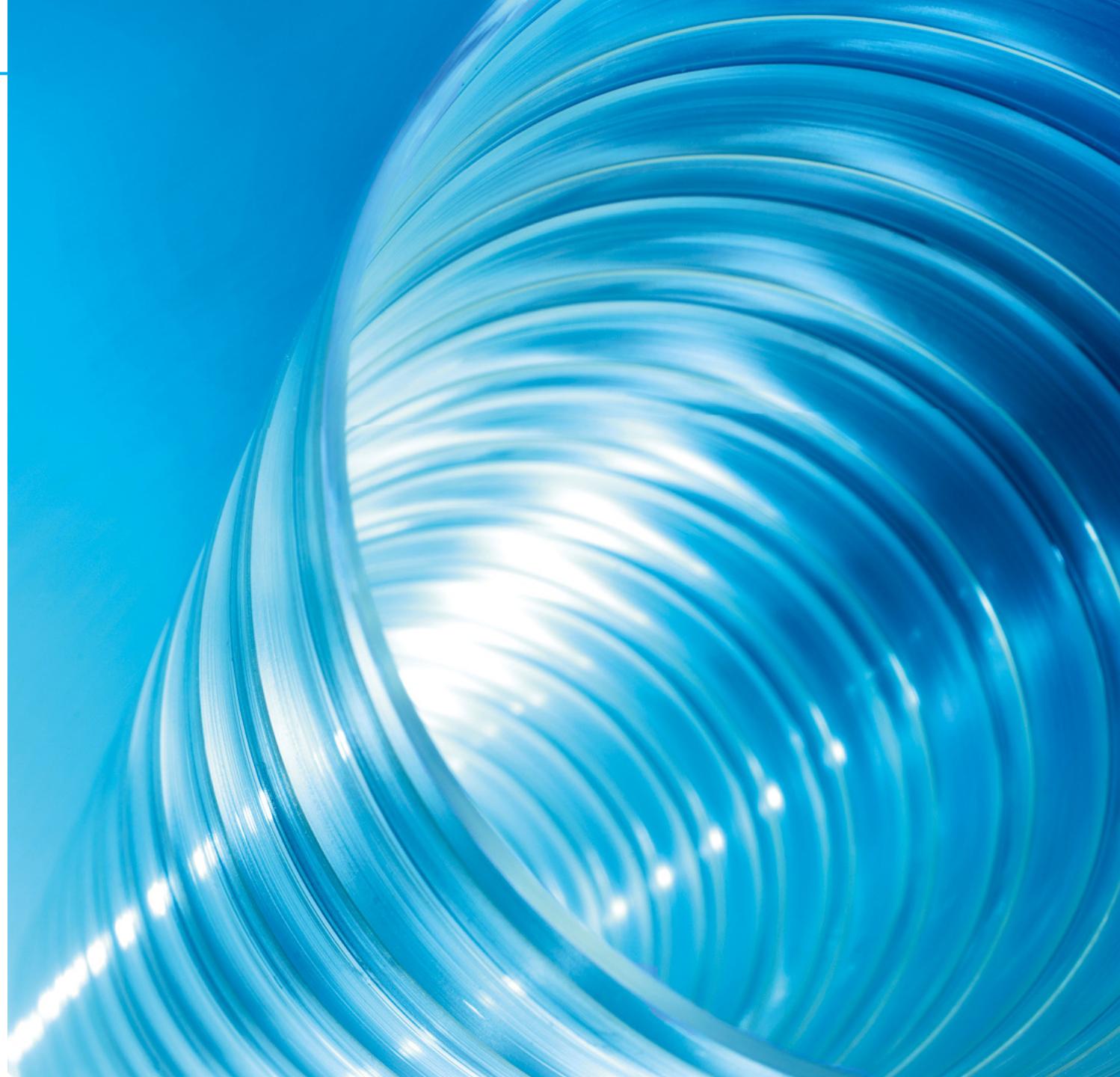


Outlook 2022



Appendix

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MASTERFLEX GROUP

Overview

Masterflex Group SE – Connecting Values



1987

Founded

585

Employees

13

Locations worldwide

2021

**Revenue: EUR 79.1 m.
Operating EBIT: EUR 5.8 m.**

Masterflex: Specialist for high-tech connection solutions



Masterflex offers high material competence for demanding applications and highly specialized hose solutions

Masterflex connection solutions applicable in a wide range of industries

Medical Technology
Food & Pharma
Renewable Energies
Automotive
Aviation
Process Industry & Robotics
Predictive Maintenance
Semiconductor Industry

Masterflex benefits from sustainable growth trends

Megatrends remain long-term growth drivers

Globalization & Demographic change
Digitalization
Sustainability

Sector diversification smoothes out economic fluctuations.

Highlights Full Year 2021

- **Group sales of EUR 79.1 million** above the Q3 2021 **forecast** (5% to 8%) and **10%** above previous year (2020: EUR 71.9 million)
- **Group operating EBIT of EUR 5.8 million** (2020: EUR 3.2 million) above pre-pandemic level (EUR 5.1 million)
- **Significant improvement** in operating **EBIT margin to 7.3%** underlines success of B2DD
- **Dividend increased to EUR 0.12** per share (2020: EUR 0.08)
- **Order backlog** as of 31 December 2021 (EUR 22.9 EUR) **doubled** compared to 31 December 2020
- **High demand** in the classic **industrial sectors** (mechanical engineering, automotive) - catch-up effects as well as retooling to more sustainable manufacturing processes
- High-margin **medical technology** business with **flat demand trend** due to COVID-19, nevertheless consistent expansion of the product portfolio of medical hose solutions with a long-term focus
- **Stable liquidity** situation despite strategic working capital build-up - **high cash balance** at EUR 9.6 million
- **Liquidity further increased and net debt reduced**



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Figures Full Year 2021

Earnings development Masterflex 2019 - 2021

In EUR million	FY 2019	FY 2020	FY 2021
Revenue	80.0	71.9	79.1
EBITDA	9.7	7.9	10.7
EBIT (operational)	5.1	3.2	5.8
EBIT-margin	6.3%	4.4%	7.3%
Group result	2.5	0.8	3.3
EPS (in EUR)	0.26	0.08	0.34
Debt to equity	2.5	2.3	1.5
Net debt	23.9	18.2	15.9

Matzen & Timm only

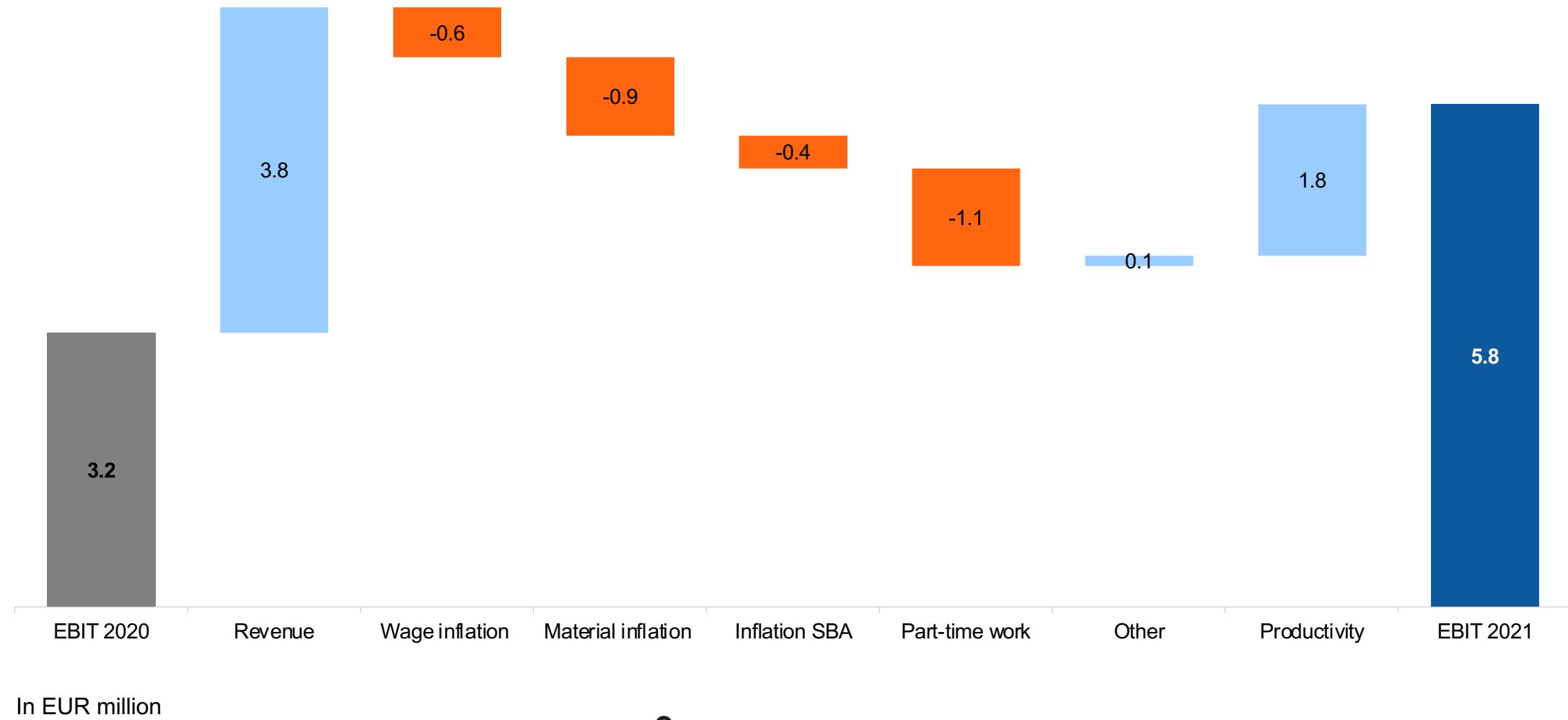
In EUR million	FY 2019	FY 2020	FY 2021
Revenue	9.8	6.7	6.6
EBIT	0.5	-0.5	-1.5

Group without Matzen & Timm

In EUR million	FY 2019	FY 2020	FY 2021
Revenue	70.2	65.2	72.5
EBIT	4.5	3.7	7.2
EBIT-margin	6.4%	5.7%	10.0%

- Medium-term earnings target of “Double Digit” without Matzen & Timm already achieved with EBIT-margin of 10.0%

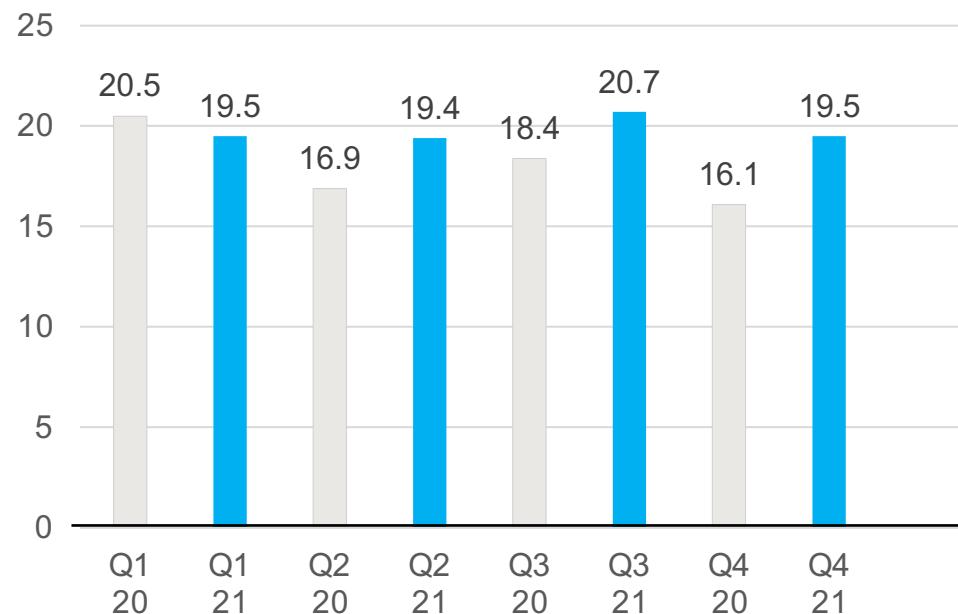
EBIT-bridge 2020 to 2021 (Group)



Individual quarters 2021

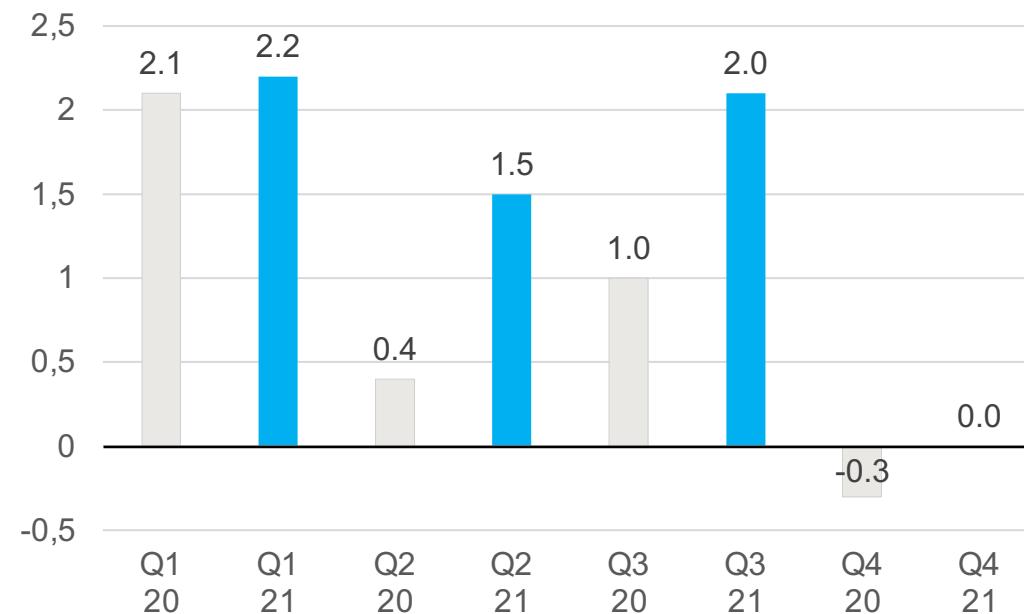
Revenue by quarter

In EUR million



Operating EBIT by quarter

In EUR million

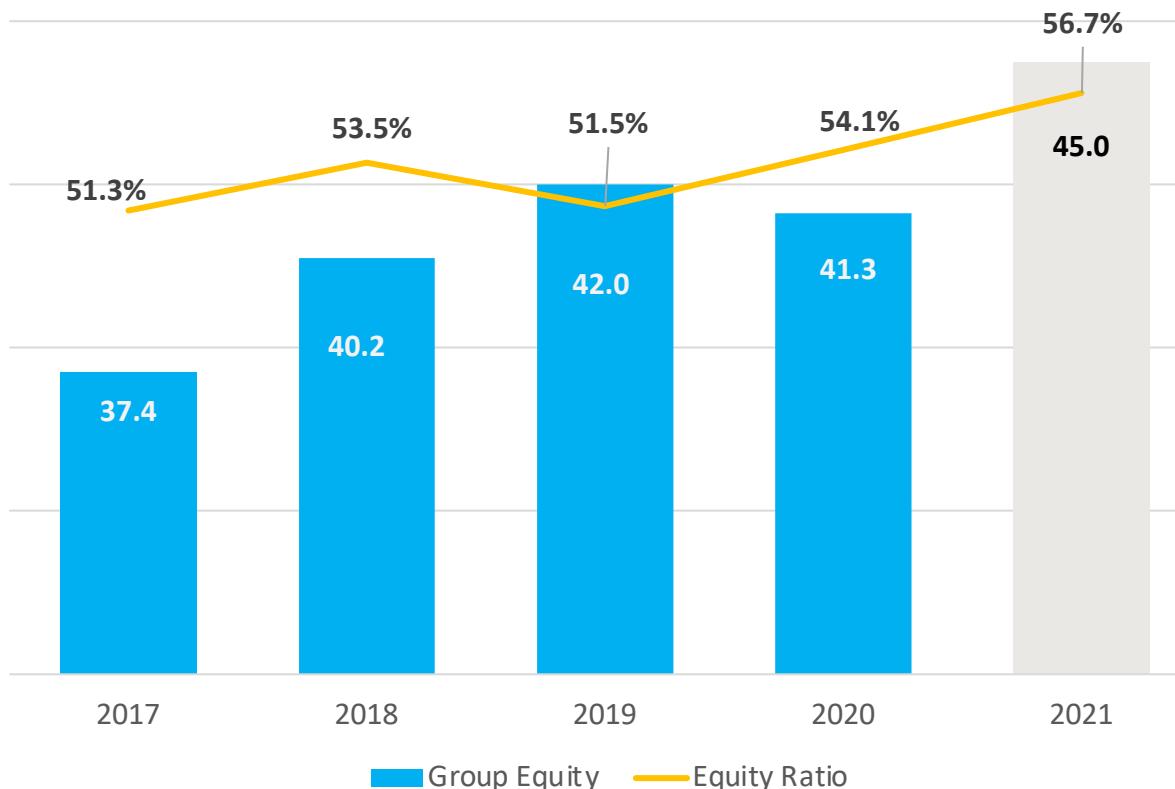


- Sound business performance in the first nine months of 2021
- Strong Q4 sales and balanced EBIT despite fewer billing days

Equity ratio remains solid

Group equity and equity ratio

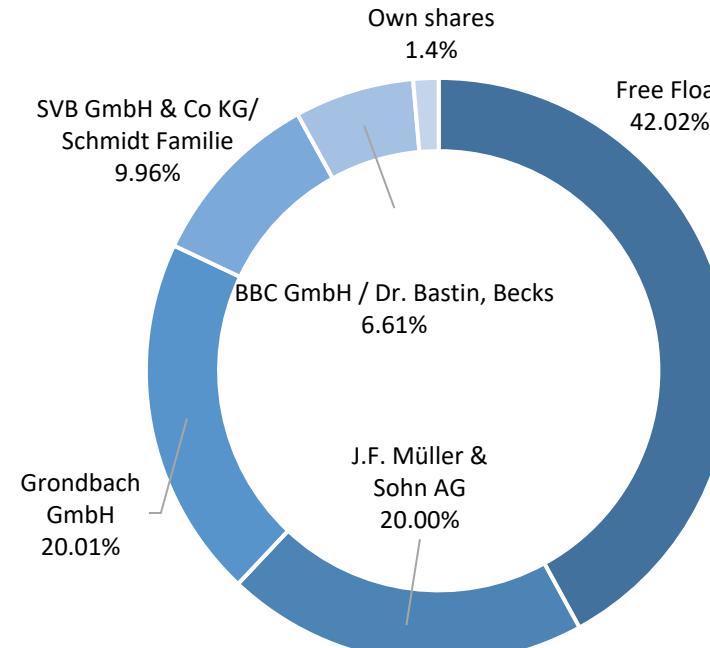
In EUR million and %



- Stable Group equity as of 31 December 2021 at EUR 45 million and dividend continuity at the same time
- High equity ratio of just under 57%
- Increase in cash and cash equivalents to EUR 9.6 million as of 31 December 2021 (2020: EUR 9.2 million)
- Liquidity increased and net debt reduced

Masterflex share and dividend information

Share performance from January 2021 to March 2022

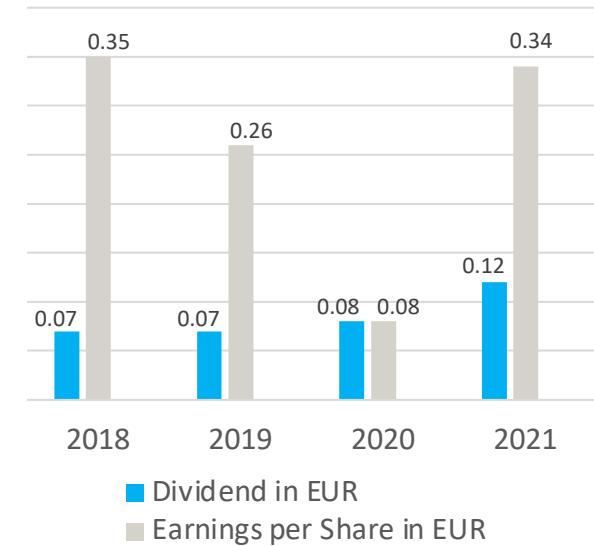


**Market capitalization as of 31 March 2022:
approximately EUR 65.5 million**

Analyst recommendations - Share price potential of around 60%

- Montega Research: 8 March 2022 - Recommendation: BUY, Target price: EUR 11.00
- SMC Research: 9 March 2022 - Recommendation: BUY, Target price: EUR 10.60
- METZLER: 2 March 2022 - Recommendation: BUY, Target price: EUR 8.50

Dividend/EPS





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Outlook

Outlook and challenges 2022

- Despite all the challenges (ongoing Covid-19 pandemic and Ukraine war), we see the **sustained achievement of a double-digit EBIT-margin** as feasible in 2022
- Business development and expectations in the individual target industries continue to be highly heterogeneous, but fundamentally positive. **Due to the broad range of applications of Masterflex hoses** in different industries, **economic fluctuations can be balanced out**
- For the full year 2022, we expect a **revenue of between EUR 83 EUR million and EUR 87 million**
- In terms of **operating EBIT**, we expect a **range of between EUR 8.3 million and EUR 9.0 million for 2022**
- **Manage pricing** versus **inflation** well
- **Maintain raw material availability**, no significant supply **bottlenecks**
- **Get M&T back on track/rapid ramp-up Czech Republic** to work off high order backlog (EUR 6 million)
- **Medical technology growth driver**/no further Covid-19-related restrictions

Medium-term forecast

Masterflex earnings to grow faster than revenue in the future:

- **Double-digit EBIT-margin** from 2022 onwards
- Organic revenue growth to approximately **EUR 100 million by 2024 at the latest**
- Additional growth through acquisitions to a turnover level of **EUR 200 million by 2030**

Why invest in Masterflex?

1. Masterflex is a medium-sized global market leader and therefore a clear growth stock.
2. Masterflex has close ties with its customers, but its broad positioning means that it is largely independent of customers and industries.
3. Masterflex is an established B2B brand and is perceived by customers and competitors as a technology leader (TOP100 Innovator, Global Market Leader 2021).
 - 4. In particular, the markets already developed in the USA and Asia still offer disproportionately high development potential.
 - 5. Strategic acquisitions offer additional growth potential.
 - 6. Masterflex is a clear pioneer in the digitalization of hoses and connection solutions.



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Appendix

Masterflex at a glance

in kEUR	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Revenue	66,486	74,675	77,243	79,969	71,881	79,068
EBITDA	8,811	10,263	9,592	9,656	7,892	10,670
EBIT (operational)	6,097	7,081	6,251	5,058	3,167	5,764
Group result	2,928	4,311	3,373	2,532	793	3,282
EPS (in EUR)	0.34	0.45	0.35	0.26	0.08	0.34

1. Pre-pandemic level reached again in FY 2021 and back on growth path
2. Significant improvement in profitability; disproportionate earnings growth expected

Summary of our strategic goals

Internationalization	Innovation	Digital transformation	Operational excellence
<ul style="list-style-type: none">Unlocking the disproportionately high potential in America and AsiaStronger sales balance between Europe and America/AsiaAcquisitions for geographical expansionMaking a broad product range available worldwide	<ul style="list-style-type: none">Expansion of innovation and technology leadershipMaximum customer proximity in development workLeading solutions for flexible connection systems with sophisticated and sustainable plasticsAcquisition of new technologies	<ul style="list-style-type: none">Further automation of internal value chainsCreation of new types of service and performance offers based on real-time data from hose use with AMPIUS (smart hoses)	<ul style="list-style-type: none">Foundations for very profitable growthStronger focus on scaling and efficiency increaseB2DD program

- 1. Organic growth to EUR 100 million by 2024 at the latest and double-digit EBIT-margin again from 2022.**
- 2. Growth in the course of a buy & build strategy to EUR 200 million in sales by 2030.**

Financial calendar and contact

Financial calendar 2022

31 March	Annual Report 2021
11 May	Quarterly Statement 1/2022
23- 25 May	Spring Conference, Frankfurt
14 June	Annual General Meeting 2002, virtual
10 August	Half-Year Report 2022
25 August	Hamburg Investors Day
9 November	Quarterly Statement 3/2022
15 December	Munich Capital Market Conference, Munich

Masterflex SE

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CROSS ALLIANCE

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