INSTONE REAL ESTATE GROUP SE

Q3 2022
QUARTERLY STATEMENT

30 SEPTEMBER 2022

Key figures at a glance

TABLE 001

In millions of euros

		9M 2022	9M 2021	Change
Key performance indicators				
Volume of sales contracts		250.2	378.4	– 33.9%
Volume of new approvals[1]		336.7	1,333.4	– 74.7%
Revenue adjusted		441.9	405.6	8.9%
Key earnings figures				
Gross profit adjusted		113.8	121.0	– 6.0%
Gross profit margin adjusted	In %	25.8	29.8	
EBIT adjusted		60.9	65.3	– 6.7%
EBIT margin adjusted	In %	13.8	16.1	
EBT adjusted		49.3	55.2	– 10.7%
EBT margin adjusted	In %	11.2	13.6	
EAT adjusted		34.0	40.3	– 15.6%
EAT margin adjusted	In %	7.7	9.9	
Key liquidity figures				
Cash flow from operations		– 26.7	112.0	n/a
Cash flow from operations without new investments		47.4	185.0	– 74.4%
Free cash flow		– 17.4	178.2	n/a

[1] Excluding volume of approvals from joint ventures consolidated at equity.

Key figures at a glance

TABLE 001

In millions of euros

		30/09/2022	31/12/2021
Key performance indicators			
Project portfolio		7,827.4	7,500.0
Key balance sheet figures			
Total assets		1,687.8	1,520.8
Equity		569.0	590.9
Cash and cash equivalents and term deposits[1]		155.0	151.0
Net financial debt[2]		344.1	239.5
Leverage[3]		2.2	1.5
Loan-to-cost[4]	In %	26.0	20.1
ROCE[5] adjusted	In %	17.5	22.0
Employees			
Number		493	457
FTE[6]		413.1	387.6

[1] Term deposits are comprised of cash investments of more than three months.

[2] Net financial debt = financial liabilities less cash and cash equivalents and term deposits.

[3] Leverage = net financial debt / 12-month adjusted EBITDA.

[4] Loan-to-cost = net financial debt / (inventories + contract assets).

[5] Return on capital employed = LTM EBIT adjusted / (four-quarter average equity + net financial debt).

[6] Full-time employees.

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Results of operations, net assets and financial position

Results of operations

The following presentation of the adjusted results of operations reflects the business of the Instone Group, which was largely influenced by project developments. The amendments to the adjusted results of operations in relation to the income statement are described in the segment reporting on page 29.

Adjusted results of operations TABLE 002

In millions of euros

	9M 2022	9M 2021	Change
Revenue adjusted	441.9	405.6	8.9%
Project costs adjusted	–328.2	–284.6	15.3%
Gross profit adjusted	**113.8**	**121.0**	**–6.0%**
Gross profit margin adjusted	**25.8%**	**29.8%**	
Platform costs adjusted	–55.1	–58.3	–5.5%
Share of results of joint ventures adjusted	2.2	2.6	–15.4%
Earnings before interest and tax (EBIT) adjusted	**60.9**	**65.3**	**–6.7%**
EBIT margin adjusted	**13.8%**	**16.1%**	
Income from investments adjusted	0.0	0.1	–100.0%
Financial result adjusted	–11.6	–10.2	13.7%
Earnings before tax (EBT) adjusted	**49.3**	**55.2**	**–10.7%**
EBT margin adjusted	**11.2%**	**13.6%**	
Income taxes adjusted	–15.3	–14.9	2.7%
Earnings after tax (EAT) adjusted	**34.0**	**40.3**	**–15.6%**
EAT margin adjusted	**7.7%**	**9.9%**	

Revenue

Adjusted revenues improved by 8.9% to €441.9 million in the first nine months of the 2022 financial year (previous-year period: €405.6 million). Due to the greater progress in construction in relation to the comparable period for the project developments already sold, revenue increased slightly, although sales were comparatively lower. The current reluctance to invest among institutional investors and the drop in the speed of sales in individual sales are already having a noticeable negative impact on the sales volume.

The adjustment of effects from purchase price allocations in the amount of €2.8 million (previous-year period: €0.5 million) were included in adjusted revenues. The separate valuation of share deals ("Westville" project) increased the adjusted revenue by €32.6 million (previous-year period: €32.7 million).

Revenue TABLE 003

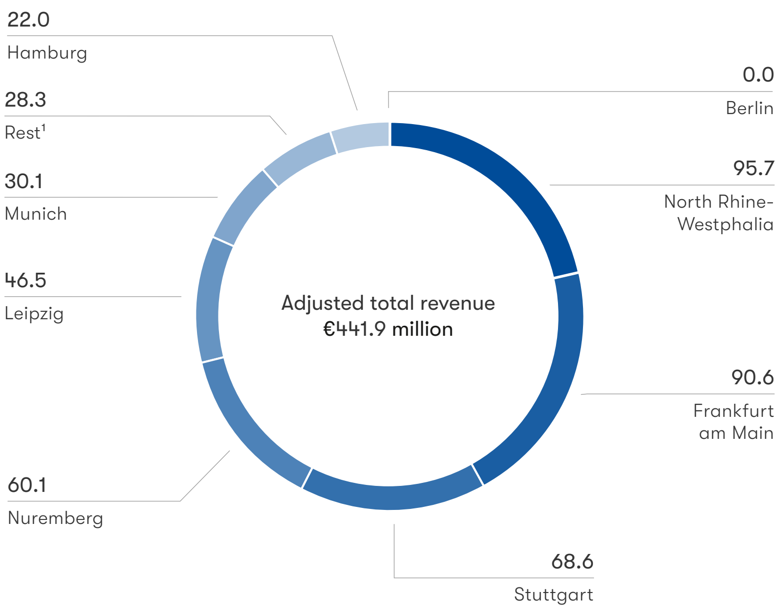
In millions of euros

	9M 2022	9M 2021	Change
Revenue	**406.6**	**372.4**	**9.2%**
+ effects from purchase price allocations	2.8	0.5	460.0%
+ effects from share deal agreements	32.6	32.7	–0.3%
Revenue adjusted	**441.9**	**405.6**	**8.9%**

The adjusted revenues of the Instone Group are spread across the following regions:

Sales (adjusted) by region

In millions of euros



[1] Includes, among others, Potsdam (€19.4 million), Wiesbaden (€7.4 million) and Bamberg (€1.5 million)

Project costs

The adjusted project costs, mainly consisting of the cost of materials and changes in inventories, rose disproportionately to €328.2 million in the first nine months of 2022 (previous-year period: €284.6 million). The disproportionate increase in project costs relative to revenue development reflects the significant increase in construction costs and has a corresponding negative impact on the gross profit margin. The individual components of the project costs developed as follows: The increased purchases of land and the continuation of construction activities led to a significant increase in the cost of materials to €400.5 million (previous-year period: €323.1 million). The decreases in inventories of – €97.7 million (previous-year period: – €62.0 million) reflected the increasing level of sales of the projects being realised. Indirect sales expenses in the amount of €1.4 million (previous-year period: €2.0 million) and other operating income from grants amounting to – €4.1 million (previous-year period: €0.0 million) and released liabilities of – €1.4 million (previous-year period: €0.0 million) were allocated to adjusted project costs in the first nine months of 2022. The adjustment of the capitalised interest in the changes in inventories of €1.5 million (previous-year period: €2.1 million) added to the adjusted project costs. Effects from the amortisation of purchase price allocations reduced adjusted project costs by – €7.3 million (previous-year period: – €6.9 million). Due to the separate valuation of share deals, adjusted project costs again increased by €35.3 million (previous-year period: €26.3 million).

Project costs TABLE 004

In millions of euros

	9M 2022	9M 2021	Change
Project costs	**302.8**	**261.1**	**16.0%**
+ effects from purchase price allocations	– 7.3	– 6.9	5.8%
+ effects from reclassifications	– 2.7	4.1	n/a
+ effects from share deal agreements	35.3	26.3	34.2%
Project costs adjusted	**328.2**	**284.6**	**15.3%**

Gross profit

Due to the disproportionate increase in project costs, adjusted gross profit decreased to €113.8 million (previous-year period: €121.0 million) compared with the previous year. Correspondingly, the gross profit margin has fallen to 25.8%,

Gross profit TABLE 005

In millions of euros

	9M 2022	9M 2021	Change
Gross profit	**103.8**	**111.3**	**– 6.7%**
+ effects from purchase price allocations	10.1	7.3	38.4%
+ effects from reclassifications	2.7	– 4.1	n/a
+ effects from share deal agreements	– 2.7	6.4	n/a
Gross profit adjusted	**113.8**	**121.0**	**– 6.0%**
Gross profit margin adjusted	**25.8%**	**29.8%**	

but the adjusted profit margin therefore still remains at a high level even in comparison with the industry. The negative gross profit from the valuation of share deal agreements resulted from the adjustment made in relation to the increased construction cost expectations and the resulting catch-up effects compared with the gross profit already reported in the previous periods. A significantly positive total gross profit is expected throughout the entire term of the project.

Platform costs

The adjusted platform costs, consisting of staff costs, other operating income and expenses, and depreciation and amortisation fell to €55.1 million (previous-year period: €58.3 million). In the reporting period, indirect sales costs of – €1.4 million (previous-year period: – €2.0 million) and material-cost-related other operating income of €5.5 million (previous-year period: €0 million) were reclassified in project costs.

Platform costs TABLE 006

In millions of euros

	9M 2022	9M 2021	Change
Platform costs	**51.0**	**60.3**	**– 15.4%**
+ effects from reclassifications	4.1	– 2.0	n/a
Platform costs adjusted	**55.1**	**58.3**	**– 5.5%**

Staff costs at the end of the third quarter of 2022 were €38.9 million (previous-year period: €38.1 million) – a slight year-on-year rise of around 2%. The increase in the number of employees to 493 as at 30 September 2022 (30 September 2021: 441) to implement the medium-term growth targets as well as the corresponding increase in the FTE figure of 413.1 (30 September 2021: 364.7) was the cause of the increase, while the lower expenses for performance-related remuneration compared with the same period in the previous year had the opposite effect. Other operating income increased to €12.9 million (previous-year period: €2.6 million), mainly due to the reversal of liabilities for warranty items that are no longer required and from grants allocated to the adjusted project costs. Other operating expenses in the reporting period remained at €21.4 million (previous-year period: €21.3 million), the same level as last year. Depreciation and amortisation was €3.7 million (previous-year period: €3.5 million) and thus also at the same level as the previous year.

Share of results of joint ventures

The adjusted results from investments accounted for using the equity method of €2.2 million (previous-year period: €2.6 million) was almost entirely attributable to the construction activities of the sales from the Berlin Friedenauer Höhe joint ventures in the previous year.

Earnings before interest and tax (EBIT)

EBIT TABLE 007

In millions of euros

	9M 2022	9M 2021	Change
EBIT	**55.0**	**53.6**	**2.6%**
+ effects from purchase price allocations	10.1	7.3	38.4%
+ effects from reclassifications	– 1.5	– 2.1	– 28.6%
+ effects from share deal agreements	– 2.7	6.4	n/a
EBIT adjusted	**60.9**	**65.3**	**– 6.7%**
EBIT margin adjusted	**13.8%**	**16.1%**	

Adjusted earnings before interest and tax fell to €60.9 million, mainly due to the disproportionately higher project expenses (previous-year period: €65.3 million).

Investment and financial result

Adjusted income from investments fell in the period under review to €0.0 million (previous-year period: €0.1 million).

The reported financial result fell in the financial year to – €13.1 million (previous-year period: – €12.3 million). The increase in interest expenses is mainly attributable to the increase in gross debt in the current year.

The adjusted financial result also fell to – €11.6 million (previous-year period: – €10.2 million). It includes reclassifications of capitalised interest from project financing prior to the start of sales in the amount of €1.5 million (previous-year period: €2.1 million), which negatively impact the adjusted project costs by the same amount.

Earnings before tax (EBT)

Adjusted earnings before tax decreased to €49.3 million due to the disproportionate increase in the cost of materials (previous-year period: €55.2 million).

EBT TABLE 008

In millions of euros

	9M 2022	9M 2021	Change
EBT	**41.9**	**41.4**	**1.2%**
+ effects from purchase price allocations	10.1	7.3	38.4%
+ effects from share deal agreements	– 2.7	6.4	n/a
EBT adjusted	**49.3**	**55.2**	**– 10.7%**
EBT margin adjusted	**11.2%**	**13.6%**	

Income taxes

The tax rate in the adjusted results of operations in the first nine months of 2022 was 31.0% (previous-year period: 27.0%).

Earnings after tax (EAT)

As a result of the effects mentioned above, the adjusted earnings after tax of the Instone Group totalled €34.0 million (previous-year period: €40.3 million).

Earnings after tax and after minority interests

The non-controlling interests in adjusted earnings after tax amounted to – €1.0 million (previous-year period: – €2.5 million).

Earnings per share

Adjusted earnings per share in the first nine months were €0.75 (previous-year period: €0.91), below the value in the same period of the previous year.

Earnings per share TABLE 009

In millions of euros

	9M 2022	9M 2021	Change
Shares (in thousands of units)[1]	46,387.9	46,988.3	– 1.3%
Owners of the Company	29.7	31.3	– 5.1%
Earnings per share (in euros)	0.64	0.67	– 4.5%
Owners of the Company adjusted	35.0	42.8	– 18.2%
Earnings per share adjusted (in euros)	0.75	0.91	– 17.6%

[1] Average weighted number of shares as at 30/09/2022.

Net assets

Condensed statement of financial position[1] TABLE 010

In millions of euros

	30/09/2022	31/12/2021	Change
Goodwill	80.4	70.2	14.5%
Inventories	941.4	843.7	11.6%
Contract assets	395.1	358.0	10.4%
Other current assets	115.9	97.9	18.4%
Cash and cash equivalents and term deposits	155.0	151.0	2.6%
Assets	**1,687.8**	**1,520.8**	**11.0%**
Equity	569.0	590.9	– 3.7%
Liabilities from corporate finance	177.8	199.1	– 10.7%
Liabilities from project-related financing	321.3	191.4	67.8%
Provisions and other liabilities	619.7	539.3	14.9%
Equity and liabilities	**1,687.8**	**1,520.8**	**11.0%**

[1] Items have been adjusted: Term deposits have been allocated to liquid assets due to short- to medium-term availability, and financial liabilities allocated on the basis of their use in corporate finance or project financing.

The total assets of the Instone Group increased to €1,687.8 million as at 30 September 2022 (31 December 2021: €1,520.8 million). This was mainly attributable to the increase in inventories and contract assets.

As at 30 September 2022, inventories had risen to €941.4 million (31 December 2021: €843.7 million). This increase in inventories is mainly the result of the purchase of new land for future residential project developments. As at 30 September 2022, acquisition costs and incidental acquisition costs for land amounting to €681.5 million (31 December 2021: €631.9 million) were included in inventories.

Receivables from customers for work-in-progress (gross contract assets) already sold and valued at the current completion level of development rose to €1,059.4 million as at 30 September 2022 (31 December 2021: €858.6 million) due to the increased completion of work-in-progress. Payments received from customers amounted to €670.2 million as at 30 September 2022 (31 December 2021: €506.6 million). The increase reflects the progress made in construction in the financial year linked to advance payments from customers.

Contract assets TABLE 011

In millions of euros

	30/09/2022	31/12/2021	Change
Contract assets (gross)	1,059.4	858.6	23.4%
Payments received	– 670.2	– 506.6	32.3%
	389.2	**352.0**	**10.6%**
Capitalised costs to obtain a contract	5.9	6.0	– 1.7%
Contract assets (net)	**395.1**	**358.0**	**10.4%**

Trade receivables fell to €2.5 million as at 30 September 2022 (31 December 2021: €48.2 million). This decline is mainly due to agreed payments for property sales made in December 2021.

The shares accounted for using the equity method, which also included investments in project companies, rose as at 30 September 2022 from €30.8 million to €42.3 million as a result of a capital injection into our Stuttgart joint venture for the "Europaviertel" project and the construction progress of project developments in other joint ventures.

Cash and cash equivalents and term deposits of €155.0 million (31 December 2021: €151.0 million) increased mainly as a result of the expansion of project financing. As at the reporting date, no time deposits with a term of more than three months were invested (31 December 2021: €20.0 million).

Non-current financial liabilities increased to €359.9 million as at 30 September 2022 (31 December 2021: €220.9 million). During the same period, current financial liabilities fell to €139.1 million (31 December 2021: €169.6 million). The increase in overall financial liabilities resulted primarily from the increased utilisation of project financing lines in line with the scheduled construction progress of our projects.

Trade payables fell during the first half-year of 2022 to €120.5 million (31 December 2021: €125.1 million) and mainly included the services provided by contractors.

The increase in other current liabilities to €369.4 million (31 December 2021: €292.4 million) resulted mainly from advance payments received for the "Westville" project in the amount of €263.2 million (31 December 2021: €241.4 million) and liabilities from government grants in the amount of €89.5 million (31 December 2021: €29.8 million).

The equity ratio as at 30 September 2022 was 33.7% (31 December 2021: 38.9%). As at the reporting date, group equity included 1,972,635 treasury shares with acquisition costs of €22.7 million.

Financial liabilities TABLE 012

In millions of euros

	30/09/2022	31/12/2021	Change
Non-current financial liabilities	359.9	220.9	62.9%
Current financial liabilities	139.1	169.6	–18.0%
Financial liabilities	**499.1**	**390.5**	**27.8%**
– Cash and cash equivalents and term deposits	–155.0	–151.0	2.6%
Net financial debt (NFD)	**344.1**	**239.5**	**43.7%**
Inventories and contract assets/liabilities	1,322.4	1,190.1	11.1%
Loan-to-cost[1]	**26.0%**	**20.1%**	
EBIT adjusted (LTM[2])	151.2	155.7	–2.9%
Depreciation and amortisation (LTM[2])	4.9	4.6	6.5%
EBITDA adjusted (LTM[2])	**156.1**	**160.3**	**–2.6%**
Leverage (NFD/EBITDA adjusted [LTM[2]])	2.2	1.5	

[1] Loan-to-cost = net financial debt/(inventories + contract assets/liabilities).

[2] LTM = last twelve months.

Leverage increased slightly compared with 31 December 2021, but remains at a moderate level.

The increased net debt due to financing-related costs from the project business and the lower result increased leverage slightly to 2.2 times the adjusted EBITDA. At the same time, the ratio of net debt to balance sheet inventories, contract assets and contract liabilities improved to 26.0% (31 December 2021: 20.1%).

Financial position

As at 30 September 2022, the utilisation of corporate financing lines fell to €178.0 million (31 December 2021: €197.5 million) due to the planned repayment of a three-year promissory note in the amount of €69.5 million and the inclusion of a new five-year promissory note in the amount of €50.0 million. Utilisation of project-financing lines rose to €320.3 million (31 December 2021: €190.9 million).

The total funding available then amounting to €903.8 million (31 December 2021: €612.1 million) increased in the financial year due to the conclusion of new conventional project financing. As at 30 September 2022, loan amounts totalling €555.8 million (31 December 2021: €295.6 million) were available from project financing and €348.0 million (31 December 2021: €316.5 million) from corporate finance.

The maturities of the non-discounted repayment amounts are as follows:

Financial liabilities TABLE 013

In millions of euros

	Due in	Credit amount	Utilisation as at 30/09/2022
Corporate finance			
Promissory note loan	2024	28.0	28.0
Promissory note loan	2025	100.0	100.0
Promissory note loan	2027	50.0	50.0
Syndicated loan	2023	10.0	0.0
Syndicated loan	2024	110.0	0.0
Current account loans > 1 and < 2 years	2024	50.0	0.0
		348.0	**178.0**
Project financing			
Term < 1 year	2023	187.7	137.9
Term > 1 and < 2 years	2024	138.7	112.9
Term > 2 and < 3 years	2025	11.8	11.8
Term > 3 years	> 2025	217.6	57.6
		555.8	**320.3**

The balance sheet liabilities from corporate financing valued at the current repayment amount fell to €177.8 million in the first nine months of the 2022 financial year (31 December 2021: €199.1 million). Recognised liabilities from project-related financing increased to €321.3 million (31 December 2021: €191.4 million). Recognised total liabilities from financing operations thus increased to €499.1 million at the reporting date (31 December 2021: €390.5 million). The current project financing included in this is comprised of option agreements for extension.

Condensed statement of cash flows

TABLE 014

In millions of euros

	9M 2022	9M 2021	Change
Cash flow from operations	– 26.7	112.0	n/a
Cash flow from investing activities	9.3	66.3	– 86.0%
Free cash flow	**– 17.4**	**178.2**	**n/a**
Cash flow from financing activities	41.4	– 108.7	n/a
Cash change in cash and cash equivalents	**24.0**	**69.5**	**– 65.5%**
Cash and cash equivalents at the beginning of the period	131.0	87.0	50.6%
Other changes in cash and cash equivalents	0.0	0.0	n/a
Cash and cash equivalents at the end of the period	**155.0**	**156.5**	**– 1.0%**

Cash flow from operations

TABLE 015

In millions of euros

	9M 2022	9M 2021	Change
EBITDA adjusted	64.6	68.7	– 6.0%
Other non-cash or reclassified items	– 12.7	– 11.5	10.6%
Taxes paid	– 2.9	– 8.0	– 63.4%
Change in net working capital[1]	– 75.6	62.8	n/a
Cash flow from operations	**– 26.7**	**112.0**	**n/a**
Payments for land	74.1	73.1	1.4%
Cash flow from operations without new investments	**47.4**	**185.1**	**– 74.4%**

[1] Net working capital is composed of inventories, contract assets and trade receivables less contract liabilities and trade payables.

The cash flow from operations of the Instone Group of – €26.7 million in the first nine months of 2022 (previous-year period: €112.0 million) was essentially due to the increased payment flows to suppliers for current projects with simultaneous purchase price payments and land acquisition taxes for land plots totalling €74.1 million (previous-year period: €73.1 million).

The operating cash flow, adjusted for payments for land, in the reporting period was €47.4 million (previous-year period: €185.1 million).

Cash flow from investing activities in the first nine months of 2022 amounted to €9.3 million (previous-year period: €66.3 million). This was mainly due to the repayment of short-term deposits in the amount of €20.0 million and the investment in the capital of our joint venture for the "Europaviertel" project, Stuttgart, amounting to €8.5 million.

The cash flow from financing activities as at 30 September 2022 stood at €41.4 million (previous-year period: – €108.7 million). This was mainly due to the dividend payment of €28.8 million, the acquisition of new shares in the amount of €22.7 million and the net take-up of finance facilities in the amount of €111.0 million. This includes payments received from new finance facilities taken out in the amount of €255.3 million, and repayments for terminated finance facilities in the amount of €144.3 million.

As at 30 September 2022, financial resources excluding term deposits increased to €155.0 million (31 December 2021: €131.0 million).

Project business at a glance

Real estate business key performance indicators TABLE 016

In millions of euros

		9M 2022	9M 2021
Volume of sales contracts		250.2	378.4
Volume of sales contracts	In units	486	1,009
		30/09/2022	**31/12/2021**
Project portfolio (existing projects)		7,827.4	7,500.0
of which, already sold		2,945.4	3,038.9
Project portfolio (existing projects)	In units	16,580	16,418
of which, already sold	In units	7,265	7,215

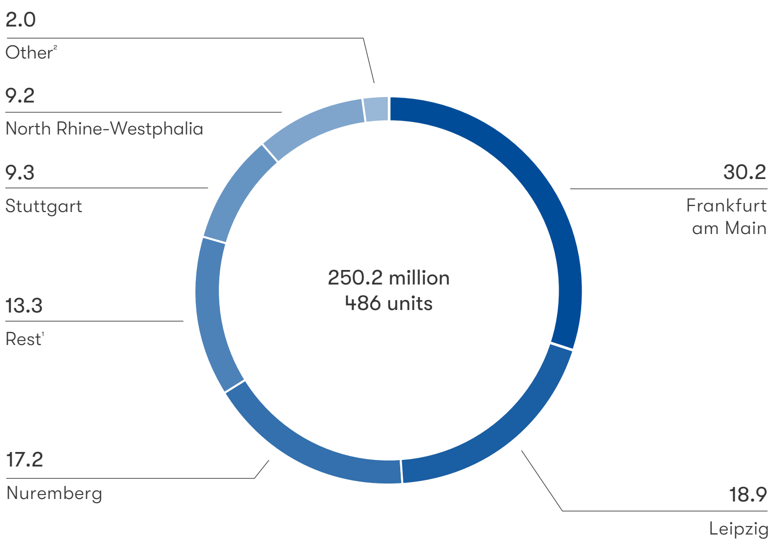
The uncertainty among private and institutional investors that was already emerging in the middle of the year due to the changed interest rate and more challenging macro environment was exacerbated in the third quarter. At €250.2 million and 486 units, the volume of sales contracts achieved is therefore below the originally anticipated speed of sales. At around €21.8 million and 36 units, sales growth in unit sales in Q3 2022 is significantly below the level of Q2 2022 (€48.1 million or 95 units). In the area of investor goods, the successful sale of the "Steinbacher Hohl, Frankfurt" project and the office section of the "City Prag, Stuttgart" project was recorded in the third quarter.

The aforementioned sales effects for Q3 2022 also essentially describe the lower volume of sales contracts in the reporting period compared with the previous year (€378.4 million). In the comparative consideration of the sales units of 486 as at 30 September 2022 and 1,009 units as at 30 September 2021, it should be taken into account that the number of sales in 2021 includes a non-recurring effect from the consolidation of the plans for our "Schönhof-Viertel" project in the amount of 186 sales units.

The realised volume of sales contracts of around 87% as at 30 September 2022 was mainly focused on the most important metropolitan regions of Germany. Around 13% is located in other prosperous medium-class cities.

Marketing in the first 9 months of 2022 by region

In %



[1] Mainly includes Bamberg, Potsdam and Wiesbaden
[2] Includes Berlin, Hamburg and Munich

The following projects mainly contributed to successful marketing in the reporting period:

Real estate business key performance indicators – volume of sales contracts TABLE 017

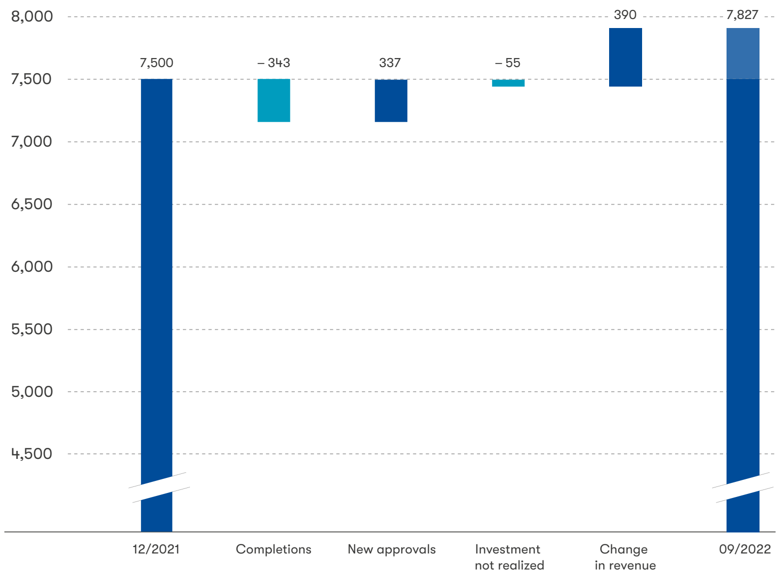
In millions of euros

		Volume	Units
Steinbacher Hohl	Frankfurt a. M.	56.0	154
Parkresidenz	Leipzig	47.1	108
“Seetor City Campus”	Nuremberg	32.9	63
Stuttgart, City Prag	Stuttgart	22.9	9
“Wohnen im Hochfeld” Unterbach	Dusseldorf	20.3	27
“Schönhof-Viertel”	Frankfurt a. M.	16.5	19
Bamberg, Lagarde	Bamberg	n/a	46
Rote Kaserne West – “Fontane Gärten”	Potsdam	11.7	18
“Fuchsgärten” – Nuremberg-Boxdorf	Nuremberg	10.2	17

In comparison with Q2 2022, the offer for sale of our individual sales projects on the market decreased from 326 residential units to 290 residential units in Q3 2022. The expected revenue volume now amounts to €205 million. The reduction in the sales supply can mainly be explained by the continued successful sale of several units from the existing sales portfolio, in particular in the case of three construction fields of the “Parkresidenz” project and one construction field for the “Seetor City Campus” project and the “Fuchsgärten” project in Nuremberg-Boxdorf. No further sales were started in Q3 2022. The effects from the current interest rate and macro environment described above will continue to have a negative impact on the volume of sales and sales offers over the course of the year.

Development of the project portfolio as at 30/09/2022

In millions of euros



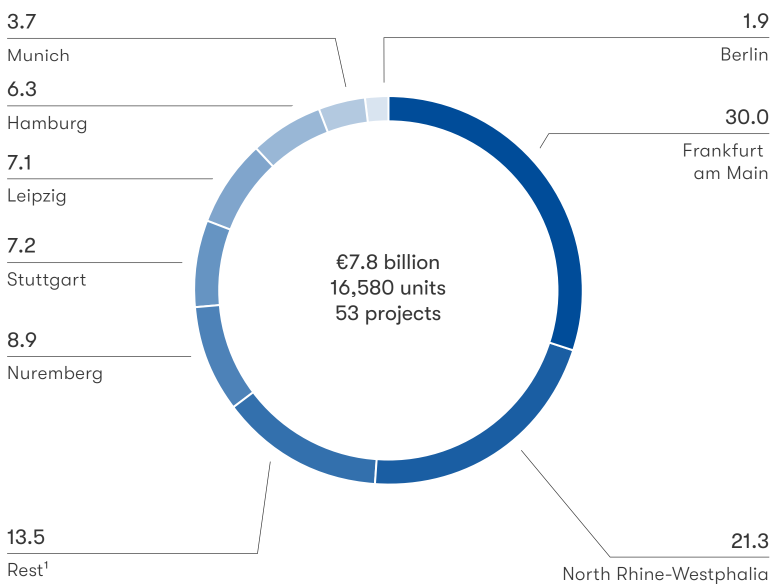
As at 30 September 2022, Instone Real Estate's project portfolio comprised 53 projects, from which we then anticipated a total volume of sales contracts of €7,827.4 million, representing an increase from that of 31 December 2021 (€7,500.0 million). In the third quarter of 2022, a new project named “Kempen” with an expected revenue volume of €51.4 million was acquired. In addition, the “Herrenberg I” project in Stuttgart was successfully completed in the third quarter of 2022 and therefore removed from the project portfolio. The existing projects also resulted in realised and expected revenue increases of approximately €390 million due to the further consolidation of the plans and changes to the sales concepts and increases in sales prices as a result of indexing.

The project valuation reflects the substantial cost increases of the current year and the expected further cost increases in the coming years, which are in the high single-digit percentage range. This is in contrast to the Management Board's conservative assessments of the expected selling prices. Based on these assumptions, the gross profit margin expected for the project portfolio excluding the "Westville" project in Frankfurt is currently around 22.1% (31 December 2021: around 25%).[1]

[1] If the large "Westville" project was to be taken into consideration, the expected project gross profit margin for the project portfolio would be about 21.6% (31 December 2021: around 24%).

Project portfolio by region

In %

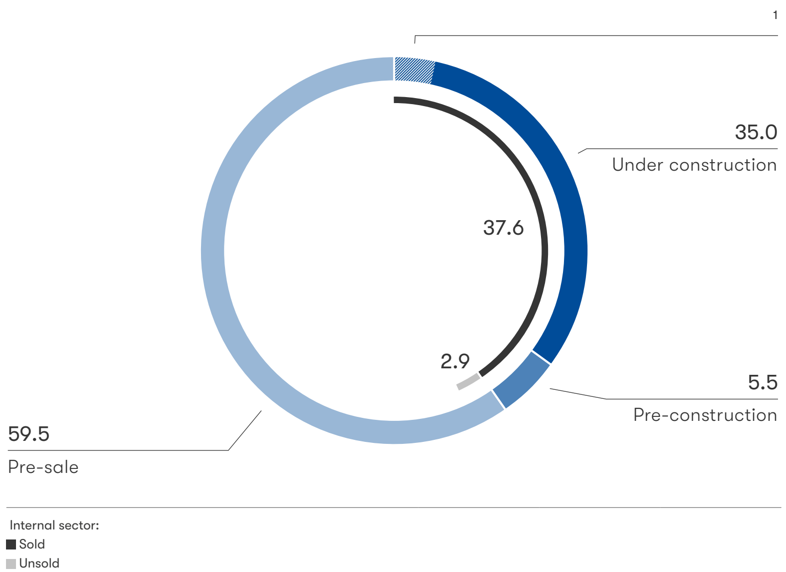


[1] Included Wiesbaden, Hanover, Potsdam, Bamberg

The majority – approximately 86% – of the anticipated overall volume of revenue from the project portfolio as at 30 September 2022 is located in the most important metropolitan regions of Germany: Berlin, Bonn, Düsseldorf, Frankfurt am Main, Hamburg, Cologne, Leipzig, Munich, Nuremberg and Stuttgart. Around 14% is attributable to other prosperous medium-sized cities.

Project portfolio by group
Basis: Sale proceeds

In %



[1] 3.2% of the project portfolio has already been handed over.

Based on the continuous growth of our project portfolio in recent years, the majority of our ongoing projects were in the "pre-sale" stage of development.

A comparison with the diagram as at 31 December 2021 shows an increase in the "under construction" category by approx. 3.5 percentage points to 35.0%, which can mainly be explained by the start of construction of 14 projects (five of which in Q3 2022). Accordingly, the "pre-construction" category, mainly due to the aforementioned construction starts, fell from 12.7% at the end of 2021 to approx. 5.5%.

Compared with the 2021 annual financial statements (55.8%), the "pre-sale" category increased to 59.5%. The main reasons for this are the investment approvals in the "Nürnberg-Lichtenreuth", "Kempen" and "Nauen" projects and their inclusion in the project portfolio. The successful sales of two construction fields of the "Lagarde 8" project in Bamberg and the "City Prag Office" in Stuttgart and the sale of the "Steinbacher Hohl" project in Frankfurt had the opposite effect in this category. In addition, marketing was initiated in the "Fuchsgärten" project in Nuremberg-Boxdorf and two construction fields of the "Parkresidenz" project.

In addition, the preceding diagram shows that, as at 30 September 2022 we had already sold approximately 38% of the anticipated overall revenue volume of the project portfolio. In terms of the anticipated revenue volume, approximately 93% of the "under construction" and "pre-construction" projects were sold as at 30 September 2022.

In addition to the 53 projects, Instone Real Estate's project portfolio will be supplemented by three further projects that will be realised in companies accounted for using the equity method. Overall, a total volume of sales of over €1 billion (Instone share approx. €500 million) and the development of approximately 1,800 residential units was expected for these projects. Successful progress towards realisation was achieved last year through the sale of three project sections of the "Friedenauer Höhe" quarter in Berlin. In addition to the sale to Quantum Immobilien KVG at the beginning of 2021, three construction fields with 396 rental apartments were sold to DWS at the end of 2021 together with OFB as part of a forward deal. Both the start of construction and the start of sales for another construction site in the southern area took place in the reporting period, resulting in the successful sale of 30 units in unit sales.

Adjusted revenue

In the reporting period, we achieved adjusted revenue of €441.9 million (previous year: €405.6 million). The following projects contributed to the adjusted revenues:

Key projects revenue realisation (adjusted) TABLE 018

In millions of euros

		Revenue volume (adjusted)
"Wohnen im Hochfeld" Unterbach	Dusseldorf	50.3
"Schönhof-Viertel"	Frankfurt a. M.	49.6
Parkresidenz	Leipzig	46.5
"Seetor City Campus"	Nuremberg	42.7
Westville	Frankfurt a. M.	32.6
City Prag – Wohnen im Theaterviertel	Stuttgart	29.7
Beethovenpark ("Augusta and Luca")	Augsburg	23.3
Rote Kaserne West – "Fontane Gärten"	Potsdam	19.4
"Neckar.Au Viertel"	Rottenburg	19.2
west.side	Bonn	17.7

The building blocks of success for realising the adjusted revenues were steady marketing progress and a further development process in the structural implementation of our projects. For this reason, in addition to the marketing progress achieved, the start of construction and progress in the projects under construction, in particular, contributed to the generation of revenue. Construction started in fourteen projects in the reporting period, five of which in Q3 2022. In Q3 2022, these included two other construction fields in the "Schönhof-Viertel" project in Frankfurt, as well as three construction fields of the "Westville" project, which is also in Frankfurt.

The development of projects already under construction is solid, but there is a negative development with regard to the planned progress of some projects. The material and supply bottlenecks caused by the attack on Ukraine, which were already very noticeable in the first half-year of 2022, continue to delay the progress of ongoing projects. The delays in relation to the marketing and the start of construction, which can be seen from today's perspective, are already reflected in the 2022 revenue target.

We continue to monitor all developments on the market and in our projects closely and compensate for them as far as possible by making the appropriate adjustments to relevant processes. The handover processes for the projects already completed so far ran according to schedule.

At completion, Instone Real Estate projects reported a 100% sales ratio in almost all cases. In the case of fully completed projects, our portfolio does not contain any more than 1% of unsold units.

Risk and opportunities report

At Instone Real Estate, risk and opportunities management is an integral part of the Group-wide system of corporate governance. For a detailed overview of our risk and opportunities management processes as well as the risk and opportunities situation, please refer to the "Risk and opportunities report" shown in the combined management report on pages 144–160 of the 2021 Annual Report.

The risk and opportunities situation developed unfavourably for the Instone Group in comparison to our disclosure in the 2021 management report, due in particular to the direct and indirect effects of the Russian occupation of Ukraine.

The material risks are presented below.

In order to counteract the high inflation in the European Union, the Council of the European Central Bank raised the key interest rate for the first time in eleven years in 2022. The resulting historically strong rise in interest rates for real estate financing could adversely affect the affordability of residential real estate for individual customer groups and a general increase in uncertainty among investors could have a further dampening effect on demand. In addition, our projects are usually financed by a mix of bank loans and equity. The now rising interest rates mean higher financing costs for our projects. Instone Real Estate considers the impact in the short to medium term to be relevant in the interest rate risk sub-category.

Instone Real Estate still considers the project implementation/construction risk sub-category to be relevant and has reassessed it against the backdrop of the Russian attack on Ukraine. This conflict results in risks with regard to the speed of construction, as it places an additional strain on supply chains, both as a result of the (EU) sanctions against Russia and the destruction in Ukraine. In addition, this crisis is fuelling the increase in energy and material prices.

The changes in the risk and opportunities situation were continuously monitored, assessed and, if necessary, incorporated into the ongoing forecast. From the current perspective, there were no identifiable risks that risked jeopardising the continued existence of the Instone Group.

Outlook

Our forecast for business development for 2022, which we announced with the publication of the 2022 semi-annual report in August 2022, is confirmed.

The Management Board now expects the financial and operating performance indicators to develop as follows:

Forecast TABLE 019

In millions of euros

	2022
Adjusted revenue	600 to 675
Adjusted gross profit margin	≥ 25%
Adjusted earnings after tax	40 to 50
Volume of sales contracts	around 350

The forecast is based on the assumptions that the current slowdown in the speed of sales to private individuals will continue, that the conclusion of transactions with institutional investors could largely be postponed to the next financial year, that costs for construction materials will remain at the current high level and that material availability will remain limited until the end of the year.

Consolidated income statement

CONSOLIDATED INCOME STATEMENT TABLE 020

In thousands of euros Euro

	01/01–30/09/2022	01/01-30/09/2021
Revenue	406,601	372,389
Changes in inventories	97,693	61,996
	504,294	**434,385**
Other operating income	12,935	2,580
Cost of materials	–400,537	–323,074
Staff costs	–38,866	–38,109
Other operating expenses	–21,363	–21,280
Depreciation and amortisation	–3,694	–3,451
Consolidated earnings from operating activities	**52,769**	**51,052**
Share of results of joint ventures	2,218	2,572
Other results from investments	33	99
Finance income	677	118
Finance costs	–13,516	–12,326
Other financial result	–267	–83
Consolidated earnings before tax (EBT)	**41,915**	**41,431**
INCOME TAXES	–13,227	–12,608
Consolidated earnings after tax (EAT)	**28,688**	**28,823**
Attributable to:		
Group interests	29,704	31,329
Non-controlling interests	–1,017	–2,506
Weighted average number of shares (in units)	46,387,893	46,988,336
Basic and diluted earnings per share (in €)	0.64	0.67

Consolidated statement of comprehensive income

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME TABLE 021

In thousands of euros Euro

	01/01–30/09/2022	01/01-30/09/2021
Consolidated earnings after tax	**28,688**	**28,823**
Items which are not reclassified into the consolidated earnings in future periods		
Actuarial gains and losses	421	1,778
Income tax effects	– 134	– 569
Income and expenses after tax recognised directly in equity	**288**	**1,209**
Total comprehensive income for the financial year after tax	**28,975**	**30,032**
Attributable to:		
Group interests	29,992	32,538
Non-controlling interests	– 1,017	– 2,506
	28,975	**30,032**

Consolidated statement of financial position

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

TABLE 022

In thousands of euros Euro

	30/09/2022	31/12/2021
ASSETS		
Goodwill		
6,056	6,056	6,056
Intangible assets	963	1,446
Right of use assets	7,942	9,376
Property, plant and equipment	1,901	2,274
Interests in joint ventures	42,259	30,845
Other investments	330	469
Financial receivables	18,689	17,580
Other receivables	104	5
Deferred tax	2,142	2,142
	80,386	**70,193**
Current assets		
Inventories	941,396	843,703
Right of use assets	3,140	0
Financial receivables	721	20,046
Contract assets	395,121	358,017
Trade receivables	2,522	48,202
Other receivables and other assets	109,543	47,988
Income tax assets	3	1,639
Cash and cash equivalents	154,957	130,969
	1,607,405	**1,450,564**
TOTAL ASSETS	**1,687,791**	**1,520,756**

Consolidated statement of financial position (continued)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION TABLE 022

In thousands of euros Euro

	30/09/2022	31/12/2021
EQUITY AND LIABILITIES		
Equity		
Share capital	46,988	46,988
Capital reserves	358,983	358,983
Group retained earnings/loss carryforwards	187,332	186,378
Accumulated reserves recognised in other comprehensive income	– 1,177	– 1,465
Treasury shares at acquisition cost	– 22,679	0
Equity attributable to shareholders	569,448	590,884
Non-controlling interests	– 449	61
	568,999	**590,945**
Non-current liabilities		
Provisions for pensions and similar obligations	4,593	4,398
Other provisions	3,960	6,140
Financial liabilities	359,950	220,943
Liabilities from net assets attributable to non-controlling interests	0	5
Leasing liabilities	7,963	6,474
Deferred tax	43,111	45,630
	419,577	**283,591**
Current liabilities		
Other provisions	21,320	24,050
Financial liabilities	139,122	169,606
Leasing liabilities	3,388	3,193
Contract liabilities	14,108	11,667
Trade payables	120,451	125,112
Other liabilities	369,359	292,439
Income tax liabilities	31,469	20,153
	699,215	**646,220**
TOTAL EQUITY AND LIABILITIES	**1,687,791**	**1,520,756**

Consolidated statement of cash flows

CONSOLIDATED STATEMENT OF CASH FLOWS TABLE 023

In thousands of euros Euro

	01/01–30/09/2022	01/01-30/09/2021
Consolidated earnings after tax	**28,688**	**28,823**
(+) Depreciation and amortisation / (–) write-ups of non-current assets	3,694	3,451
(+) Profit / (–) loss on disposals of property, plant and equipment	4	0
(+) Increase / (–) decrease in provisions	– 4,666	3,195
(+) Current income tax expense / (–) current income tax income	15,880	3,991
(+) Deferred income tax expense / (–) deferred income tax income	– 2,653	8,049
(+) Expenses / (–) income from equity carrying amounts	– 2,218	– 2,572
(+) Expense / (–) income from the investment result from minority interests	– 30	– 7
(+) Interest expense / (–) interest income	13,105	12,291
(+/–) Change in net working capital[1]	– 75,603	62,761
(+) Income tax reimbursements / (–) income tax payments	– 2,928	– 8,007
= Cash flow from operations	**– 26,727**	**111,974**
(–) Outflows for investments in intangible assets	– 12	– 495
(+) Proceeds from disposals of property, plant and equipment	18	0
(–) Outflows for investments in property, plant and equipment	– 448	– 690
(+) Proceeds from disposals of investments	7,738	111
(–) Outflows for investments in financial assets	– 8,774	– 22,736
(–) Outflows for investments in unconsolidated companies and other companies	– 9,196	0
(+) Proceeds due to financial investments within the scope of current financial planning	80,000	90,000
(–) Outflows due to financial investments within the scope of current financial planning	– 60,000	0
(+) Interest received	0	78
= Cash flow from investing activities	**9,328**	**66,267**

Consolidated statement of cash flows (continued)

CONSOLIDATED STATEMENT OF CASH FLOWS TABLE 023

In thousands of euros Euro

	01/01–30/09/2022	01/01-30/09/2021
(–) Acquisition of treasury shares	– 22,679	0
(+) Contributions from minority shareholders	507	16,849
(–) Payments to minority shareholders	0	– 363
(+) Proceeds from loans and borrowings	255,302	35,718
(–) Repayments of loans and borrowings	– 144,257	– 141,792
(–) Payments from lessees to repay liabilities from lease agreements	– 2,802	– 2,837
(–) Interest paid	– 15,933	– 4,104
(–) Dividends paid	– 28,750	– 12,217
= Cash flow from financing activities	**41,388**	**– 108,746**
Cash and cash equivalents at the beginning of the period	130,969	87,044
(+/–) Cash change in cash and cash equivalents	23,989	69,495
= Cash and cash equivalents at the end of the period	**154,957**	**156,539**

[1] Net working capital is composed of inventories, contract assets and trade receivables less contract liabilities and trade payables.

Segment reporting

RECONCILIATION OF ADJUSTED RESULTS OF OPERATIONS 01/01–30/09/2022

TABLE 024

In thousands of euros Euro

	Adjusted results of operations	Share deal effects	Reclassifications	Effects from PPA	Reported results of operations
Revenue	**441,913**	**–32,553**	**0**	**–2,759**	**406,601**
Project costs	**–328,151**	**35,252**	**–2,650**	**–7,294**	**–302,843**
Cost of materials	–396,403	0	–4,134	0	–400,537
Changes in inventories	68,252	35,252	1,484	–7,294	97,693
Gross profit	**113,762**	**2,699**	**–2,650**	**–10,053**	**103,757**
Platform costs	**–55,123**	**0**	**4,134**	**0**	**–50,989**
Staff costs	–38,866	0	0	0	–38,866
Other operating income	7,400	0	5,535	0	12,935
Other operating expenses	–19,962	0	–1,401	0	–21,363
Depreciation and amortisation	–3,694	0	0	0	–3,694
Share of results of joint ventures	2,218	0	0	0	2,218
EBIT	**60,858**	**2,699**	**1,484**	**–10,053**	**54,987**
Other results from investments	33	0	0	0	33
Financial result	–11,621	0	–1,484	0	–13,105
EBT	**49,269**	**2,699**	**0**	**–10,053**	**41,915**
Tax	–15,253				–13,227
EAT	**34,016**				**28,688**

RECONCILIATION OF ADJUSTED RESULTS OF OPERATIONS 01/01–30/09/2021

TABLE 025

In thousands of euros Euro

	Adjusted results of operations	Share deal effects	Reclassifications	Effects from PPA	Reported results of operations
Revenue	**405,584**	**–32,724**	**0**	**–470**	**372,389**
Project costs	**–284,578**	**26,301**	**4,056**	**–6,857**	**–261,078**
Cost of materials	–325,030	0	1,956	0	–323,074
Changes in inventories	40,452	26,301	2,100	–6,857	61,996
Gross profit	**121,006**	**–6,423**	**4,056**	**–7,327**	**111,312**
Platform costs	**–58,304**	**0**	**–1,956**	**0**	**–60,260**
Staff costs	–38,109	0	0	0	–38,109
Other operating income	2,580	0	0	0	2,580
Other operating expenses	–19,323	0	–1,956	0	–21,280
Depreciation and amortisation	–3,451	0	0	0	–3,451
Share of results of joint ventures	2,572	0	0	0	2,572
EBIT	**65,274**	**–6,423**	**2,100**	**–7,327**	**53,624**
Other results from investments	99	0	0	0	99
Financial result	–10,191	0	–2,100	0	–12,291
EBT	**55,182**	**–6,423**	**0**	**–7,327**	**41,431**
Tax	–14,908				–12,608
EAT	**40,274**				**28,823**

Appendix (Methods, Addendum)

Basis of the interim consolidated financial statements

For the interim consolidated financial statements as at 30 September 2022, the accounting policies applied when preparing the consolidated financial statements as at 31 December 2021 were generally adopted without change.

The consolidated financial statements for Instone Real Estate as at 31 December 2021 were prepared on the reporting date on the basis of Section 315e(1) HGB in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) and the related Interpretations (IFRIC) of the IFRS Interpretations Committee (IFRS IC) as they apply in accordance with Regulation No. 1606/2002 of the European Parliament and of the Council on the application of international accounting standards in the European Union.

The interim consolidated financial statements are prepared in euros, which is the functional currency and the reporting currency of the Group. All amounts are expressed in thousands of euros (€thousand) unless stated otherwise. Commercial rounding may lead to immaterial rounding differences in the totals.

Events after the balance sheet date

There were no events of particular significance to report after the balance sheet date on 30 September 2022.

Disclaimer

Forward-looking statements

This interim group report contains forward-looking statements that are based on current management plans, goals and forecasts. However, these statements relate only to findings that are available as at the date this condensed consolidated interim report was prepared. Management does not guarantee that these forward-looking statements will necessarily materialise. Actual future development and the results actually achieved are subject to various risks and can therefore deviate significantly from the forward-looking statements. Several risk factors cannot be influenced by Instone Real Estate and therefore cannot be conclusively assessed in advance. These include changes in the economic and competitive environment, legislation, fluctuations in interest or exchange rates, legal disputes and investigative proceedings and the availability of financial resources. These and other risks are listed in the 2021 consolidated report, which is combined with the company management report, as well as in this condensed consolidated interim report. Furthermore, business development and economic results may also be encumbered by other factors. Following publication of this consolidated interim report, there is no intention to in any way update the forward-looking statements made herein or to adjust them to events and developments.

Rounding of figures

Some figures disclosed in this condensed consolidated interim report have been commercially rounded. As a result, there may be minor deviations between figures in the Tables and their analysis in the text of the condensed consolidated interim report, as well as between individual amount totals in Tables and the total values indicated in the text. All key performance indicators and percentage changes are calculated on the basis of the underlying data and shown in the unit "thousands of euros".

Quarterly comparison

TABLE 026

In millions of euros		Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Real estate business key performance indicators								
Volume of sales contracts		104.6	58.0	87.6	761.7	170.7	89.1	118.6
Volume of sales contracts	In units	199	96	191	1,906	468	169	372
Project portfolio (existing projects)		7,827.4	7,727.4	7,567.7	7,500.0	7,154.9	6,268.1	6,054.2
of which already sold		2,945.4	2,891.4	3,070.1	3,038.9	2,308.7	2,444.0	2,360.5
Project portfolio (existing projects)	In units	16,580	16,644	16,607	16,418	15,913	14,338	13,678
of which already sold	In units	7,265	7,179	7,404	7,215	5,401	5,679	5,510
Volume of new approvals[1]		51.4	185.5	99.8	254.0	1,097.6	165.9	69.8
Volume of new approvals	In units	114	461	174	517	2,292	275	161
Adjusted results of operations								
Revenue adjusted		173.9	149.5	118.5	378.0	145.1	132.4	128.1
Project costs adjusted		– 129.0	– 115.9	– 83.3	– 277.5	– 100.8	– 96.2	– 87.6
Gross profit adjusted		**45.0**	**33.6**	**35.2**	**100.5**	**44.3**	**36.2**	**40.5**
Gross profit margin adjusted		**25.9%**	**22.5%**	**29.7%**	**26.6%**	**30.5%**	**27.3%**	**31.6%**
Platform costs adjusted		– 20.7	– 15.7	– 18.7	– 22.2	– 20.2	– 21.8	– 16.3
Share of results of joint ventures adjusted		0.7	0.9	0.6	12.0	0.1	0.0	2.5
Earnings before interest and tax (EBIT) adjusted		**25.0**	**18.9**	**17.0**	**90.4**	**24.2**	**14.4**	**26.7**
EBIT margin adjusted		**14.4%**	**12.6%**	**14.3%**	**23.9%**	**16.7%**	**10.9%**	**20.8%**
Income from investments adjusted		0.0	0.0	0.0	0.0	0.0	0.1	0.0
Financial result adjusted		– 4.1	– 3.8	– 3.7	– 9.1	– 2.6	– 3.5	– 4.1
Earnings before tax (EBT) adjusted		**20.8**	**15.1**	**13.4**	**81.3**	**21.7**	**10.9**	**22.6**
EBT margin adjusted		**12.0%**	**10.1%**	**11.3%**	**21.5%**	**15.0%**	**8.2%**	**17.6%**
Income taxes adjusted		– 6.4	– 4.8	– 4.1	– 24.7	– 4.8	– 3.3	– 6.8
Earnings after tax (EAT) adjusted		**14.4**	**10.3**	**9.3**	**56.6**	**16.9**	**7.6**	**15.8**
EAT margin adjusted		**8.3%**	**6.9%**	**7.8%**	**15.0%**	**11.6%**	**5.7%**	**12.3%**
Earnings per share (adjusted)	In euros	0.32	0.24	0.20	1.19	0.36	0.21	0.34

[1] Excluding volume of approvals from joint ventures consolidated at equity.

Multi-year overview

TABLE 027

In millions of euros

		9M 2022	2021	2020	2019	2018
Key liquidity figures						
Cash flow from operations		–26.7	43.9	119.9	–205.1	–40.4
Cash flow from operations without new investments		47.4	256.3	225.0	115.0	32.1
Free cash flow		–17.4	167.4	–64.2	–237.5	–39.9
Cash and cash equivalents and term deposits [1]		155.0	151.0	232.0	117.1	88.0
Key balance sheet figures						
Total assets		1,687.8	1,520.8	1,283.1	1,123.4	686.6
Inventories		941.4	843.7	777.8	732.1	404.4
Contract assets		395.1	358.0	194.2	219.0	158.5
Equity		569.0	590.9	521.0	310.2	246.9
Financial liabilities		499.1	390.5	481.7	595.5	265.6
Of which, from corporate finance		177.8	199.1	207.2	180.8	66.1
Of which, from project financing		321.3	191.4	274.5	414.7	199.5
Net financial debt [2]		344.1	239.5	249.7	478.4	177.5
Leverage		2.2	1.5	2.8	3.6	3.5
Loan-to-cost [3]	In %	26.0	20.1	25.7	50.3	n/a
ROCE [4] adjusted	In %	17.5	22.0	10.3	22.8	11.9
Employees						
Number		493	457	413	375	311
FTE [5]		413.1	387.6	342.5	307.7	258.7

In millions of euros

		9M 2022	2021	2020	2019	2018
Real estate business key performance indicators						
Volume of sales contracts		250.2	1,140.1	464.4	1,403.1	460.8
Volume of sales contracts	In units	486	2,915	1,292	2,733	1,033
Project portfolio (existing projects)		7,827.4	7,500.0	6,053.6	5,845.7	4,763.2
of which already sold		2,945.4	3,038.9	2,328.8	2,174.0	998.2
Project portfolio (existing projects)	In units	16,580	16,418	13,561	13,715	11,041
of which already sold	In units	7,265	7,215	5,381	4,814	2,395
Volume of new approvals [6]		336.7	1,587.4	489.9	1,284.2	1,298.0
Volume of new approvals	In units	749	3,245	1,171	3,857	3,314
Adjusted results of operations						
Revenue adjusted		441.9	783.6	480.1	736.7	372.8
Project costs adjusted		–328.2	–562.1	–333.5	–548.8	–266.3
Gross profit adjusted		**113.8**	**221.5**	**146.6**	**187.8**	**106.4**
Gross profit margin adjusted		**25.8%**	**28.3%**	**30.5%**	**25.5%**	**28.5%**
Platform costs adjusted		–55.1	–80.5	–65.5	–59.0	–56.9
Share of results of joint ventures adjusted		2.2	14.6	2.7	0.7	0.0
Earnings before interest and tax (EBIT) adjusted		**60.9**	**155.7**	**83.8**	**129.6**	**49.6**
EBIT margin adjusted		**13.8%**	**19.9%**	**17.5%**	**17.6%**	**13.7%**
Income from investments adjusted		0.0	0.1	–1.2	–5.7	–0.4
Financial result adjusted		–11.6	–19.3	–23.2	–16.1	–7.7
Earnings before tax (EBT) adjusted		**49.3**	**136.5**	**59.4**	**107.8**	**41.5**
EBT margin adjusted		**11.2%**	**17.4%**	**12.4%**	**14.6%**	**11.5%**
Income taxes adjusted		–15.3	–39.6	–18.3	–2.2	–22.4
Earnings after tax (EAT) adjusted		**34.0**	**96.9**	**41.1**	**105.6**	**19.1**
EAT margin adjusted		**7.7%**	**12.4%**	**8.6%**	**14.3%**	**5.1%**
Earnings per share (adjusted)	In euros	0.75	2.10	0.99	2.69	0.44
Dividend per share [7]	In euros		0.62	0.26		
Dividends paid [7]			29.1	12.2		

[1] Term deposits are comprised of cash investments of more than three months.
[2] Net financial debt = financial liabilities less cash and cash equivalents and term deposits.
[3] Loan-to-cost = net financial debt/(inventories + contract assets).
[4] Return on capital employed = LTM EBIT adjusted/(four-quarter average equity + net financial debt).
[5] Full-time employees.
[6] Excluding volume of approvals from joint ventures consolidated at equity.
[7] Current financial year: proposed dividend/proposed distribution for current number of entitled shares (46,387,893 shares)

Contact

Business Development & Communication

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About us

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Management Board

Kruno Crepulja
(Chair of the Management Board/CEO),
Dr Foruhar Madjlessi,
Andreas Gräf

Chairman of the Supervisory Board

Stefan Brendgen

Commercial Register

Registered in the Commercial Register
of the Essen District Court under HRB 29362

Sales tax ID number
DE 300512686

Concept, design and implementation

MPM Corporate Communication Solutions,
Mainz
Germany
www.mpm.de

Financial calendar

16/03/2023	Publication of the financial report for the year ended 31 December 2022
11/05/2023	Publication of the quarterly statement as at 31 March 2023
10/08/2023	Publication of the semi-annual report as at 30 June 2022
09/11/2023	Publication of the quarterly statement as at 30 September 2023

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