

INVESTOR RELATIONS

Monday, 30 May 2022

HANSEYACHTS AG: INTERIM REPORT OF THE MANAGEMENT ON THE THIRD QUARTER OF 2021/2022

- Order backlog doubles, reaching a record high of EUR 330 million
- Revenues rise sharply (+36%), topping pre-coronavirus levels
- Prices on the market increase by up to 31%
- Cost of materials ratio rises, but remains below pre-coronavirus levels
- Current income still negatively impacted, primarily due to supply chain bottlenecks

Order backlog reaches record levels as at 03/31/2022

As at 31 March 2022, the order backlog was up by more than 100% compared with the previous-year level, rising by EUR 167.1 million to an all-time high of EUR 330.6 million (previous year: EUR 163.5 million). The strong order intake can be attributed to the desire of end customers to spend their free time close to nature, preferably in their own safe sanctuary. This positive development is supported by the company's increased use of digital sales channels, as well as by its historically evolved, loyal customer base, and the continuous technical advancement of the 45 different yacht models across all seven brands.

Owing to high demand and given the increase in purchase prices, HanseYachts AG began gradually increasing its prices in mid-2021, equating to a total increase of up to 31% compared with the previous year. Even after these price increases, demand for modern sailing yachts and motor yachts has remained at a high level. For example, order intake in the third quarter of the current financial year alone increased significantly compared with the same quarter last year.

Despite the supply chain problems that arose during the COVID-19 pandemic and are still ongoing, HanseYachts AG increased its revenues by 30.7% in the first nine months of the current financial year (1 July 2021 to 31 March 2022), achieving a figure of EUR 92.8 million (previous-year period: EUR 71.0 million). This is the second-highest level of revenues achieved over a nine-month period in the past five years, topping the level achieved directly before the pandemic, and thus one of the best results in the company's history.

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Situation in the third quarter (1 January to 31 March 2022)

Order intake increased by EUR 13.7 million to EUR 44.6 million in the third quarter of 2021/2022 (Q3 2020/2021: EUR 30.9 million, +44%).

HanseYachts AG's revenues in the third quarter of 2021/2022 were up by EUR 8.3 million compared with the same quarter in the previous year, amounting to EUR 31.1 million (Q3 2020/2021: EUR 22.8 million, +36%). As a result of better, but still challenging production conditions, revenues rose significantly, and inventories of finished and unfinished goods fell to the amount of EUR 8.3 million due to the delivery of yachts (Q3 2020/2021: EUR 14.2 million). Internal production capitalized increased slightly to EUR 0.7 million (Q3 2020/2021: EUR 0.5 million). Thus, the company's total operating performance (revenues, change in inventories, internal production capitalized) came to EUR 40.2 million in the third quarter of 2021/2022, 7.2% above the comparable year-ago figure of EUR 37.5 million.

The cost of materials rate increased by 4.7 percentage points to 59.2% compared with the same quarter last year due to price increases, a changed product mix and increased use of third-party services.

The war in Ukraine and the sanctions imposed against Russia have not yet have any direct impacts on the sales of HanseYachts AG. However, since January 2021, the completion of yachts has been negatively impeded by delayed deliveries of material parts and accessories. The shortage of immediate products and raw materials, which is a becoming an increasing problem for most of Germany's industry, is also negatively affecting HanseYachts AG's development. Bottlenecks in supply chains have resulted in many production plans not being met, yachts having to be processed multiple times and delivery dates being postponed. As a result of the aforementioned effects, the gross profit of EUR 16.4 million earned in the third quarter of 2021/2022 was EUR 0.6 million less than the year-ago figure of EUR 17.0 million. Personnel expenses increased by EUR 1.3 million to EUR 14.0 million as a direct result of this. Other operating expenses rose by EUR 1.4 million to EUR 6.6 million, driven in particularly by rising energy costs.

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EBITDA (earnings before interest, taxes, depreciation and amortization) came to EUR -3.4 million in the third quarter of 2021/2022 (Q3 2020/2021: EUR -0.3 million). Depreciation and amortization amounted to EUR 1.7 million, that being EUR 0.2 million higher than in the year-ago period (Q3 2020/2021: EUR 1.5 million).

Including taxes and interest, HanseYachts AG generated a quarterly result of EUR -5.3 million in the third quarter of 2021/2022 (Q3 2020/2021: EUR -2.0 million).

Cumulative financial performance in the first nine months of 2021/2022 (1 July 2021 to 31 March 2022)

In the period from 1 July 2021 to 31 March 2022, the total operating performance increased by 40.5% to EUR 113.4 million compared with the same period last year (first 9 months of 2020/2021: EUR 80.9 million). The other operating income of EUR 1.6 million was marginally higher than the year-ago figure of EUR 1.5 million. With purchased goods and services amounting to EUR 64.8 million, the ratio of purchased goods and services to total operating performance came to 57.2%, 3.3 percentage points higher than in the comparable year-ago period (EUR 43.6 million and 53.9%), in particular due to the significantly increased use of third-party services in the form of temporary staff. Personnel expenses of EUR 37.7 million increased by EUR 7.9 million in absolute terms compared with the previous year (first 9 months of 2020/2021: EUR 29.8 million), but fell by 3.6 percentage points in relation to the higher total operating performance. At EUR 19.0 million, other operating expenses were significantly higher in the first nine months of 2021/2022 than in the previous year (first 9 months of 2020/2021: EUR 13.8 million), owing for example to significant rises in the costs of energy and shipping and higher sales and marketing expenses due to the partial reopening of boat fairs.

Due to the exceptional negative factors described above, EBITDA came to EUR -6.5 million in the first nine months of 2021/2022 (first 9 months of 2020/2021: EUR -4.8 million).

Depreciation and amortization of noncurrent assets amounted to EUR 5.0 million as at 31 March 2022 (first 9 months of 2020/2021: EUR 4.3 million). At EUR -0.6 million, the financial result was significantly up on the previous year (first 9 months of 2020/2021: EUR -1.0 million). Taking into

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account income taxes, the consolidated loss came to EUR -12.2 million in the first nine months of 2021/2022 (first 9 months of 2020/2021: EUR -10.5 million).

The EUR 1.7 million decrease in net income compared with the comparable year-ago period resulted particularly from supply chain disruptions, which made it difficult for HanseYachts AG to efficiently and smoothly handle the high demand for yachts and catamarans.

As at 31 March 2022, the consolidated equity ratio was -0.6% (31 March 2021: 8.6%). In subsequent years, the Executive Board expects to see operating profits and thus positive developments in the equity situation again.

Liquidity and cash flows

The company reacted to suppliers' delivery bottlenecks by building up its inventories. This led to an additional tie-up of capital in raw materials and supplies and unfinished goods. When the current supply chain and inventory shortage problems ease, HanseYachts AG anticipates a release of the tied-up capital and a significant increase in its liquid funds. Cash in banks amounted to EUR 6.0 million as at 31 March 2022 (31 March 2021: EUR 14.4 million). In addition to bank deposits, the company disposes of available overdraft facilities in the amount of EUR 5.7 million (31 March 2021: EUR 5.4 million).

Outlook

Owing to current supply bottlenecks, production of selected production lines has slowed down and/or led to significantly increased inventories of unfinished yachts. The Executive Board expects that the delivery situation will not ease until July to September 2022, namely in the first quarter of the next financial year 2022/2023.

For the current financial year 2021/2022, consolidated revenues are expected to be significantly higher than in the previous year (revenues in 2020/2021: EUR 120.8 million); however, owing to the current production situation, which remains challenging, the Executive Board expects a negative (consolidated) EBITDA reaching the high single-digit millions and a consolidated net loss for the year in the low double-digit millions.



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KEY FIGURES

In euro millions	07/01/2021- 03/31/2022	07/01/2020- 03/31/2021	07/01/2019- 03/31/2020 1)	07/01/2018- 03/31/2019	07/01/2017- 03/31/2018
Revenues	92.8	71.0	82.7	94.7	85.2
Purchased goods and services as % of total operating performance	57.2%	53.9%	55.9%	57.1%	58.5%
EBITDA	-6.5	-4.8	-2.0	+3.8	-0.4
Order backlog	330.6	163.5	81.7	63.9	69.4

1) 2019/2020: Including the first-time consolidation of Privilège Marine SAS

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