

tempton

INTERIM REPORT Q4 2024

Tempton Group

Q4 2024 HIGHLIGHTS

TOTAL INCOME

103.3 m€

GROSS PROFIT

21.3 m€

EBITDA

-2.7 m€

CONTINUED MARKET SHARE
GROWTH, HIGH RESILIENCE

	Q4 COMPARISON		
	2022	2023	2024
Total income	90.6	100.0	103.3
Gross profit	21.4	21.9	21.3
EBITDA	1.9	-0.9	-2.7
%	2.0%	-0.9%	-2.7%

Amid the ongoing economic downturn, the temporary employment market in Germany continued its decline, reaching a historic low of 605,100 temp employees in November 2024. This represents a year-over-year reduction of 83,200 temp employees or 12% and a decrease of 135,900 temp employees or 18.3% compared to the same period in 2022.

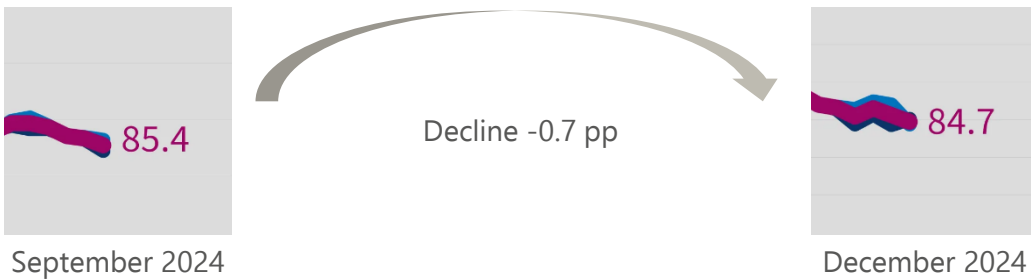
This decline significantly impacted the personnel staff leasing business in general, reducing the revenue and financial stability of major players, and leading to a substantial decrease in the number of participants.

Revenue growth for Q4 2024 was 3.3% compared to Q4 2023. Although the gross profit margin experienced a slight decline in Q4 2024 relative to Q4 2023, it remained stable in absolute terms year-over-year. In 2024, Tempton incurred non-recurring expenses associated with thorough and systematic IPO preparations and the integration of temp employees recruited through the semi-organic growth initiative, onboarding employees and customers from mainly distressed competitors. EBITDA for Q4 2024 was EUR -2.7 million including EUR 1.6 million of one-off costs.

Tempton's strategic decision to gain market share through a growth initiative (organic and semi-organic), coupled with increasing efficiency and extensive digitalization, has proven to be highly effective. Despite the overall business performance not meeting expectations, Tempton continues to develop positively against the general market trend, demonstrating resilience.

DEVELOPMENT TOTAL MARKET GERMANY

Mid-term development of BC Index Germany Q3 2024 vs. Q4 2024¹



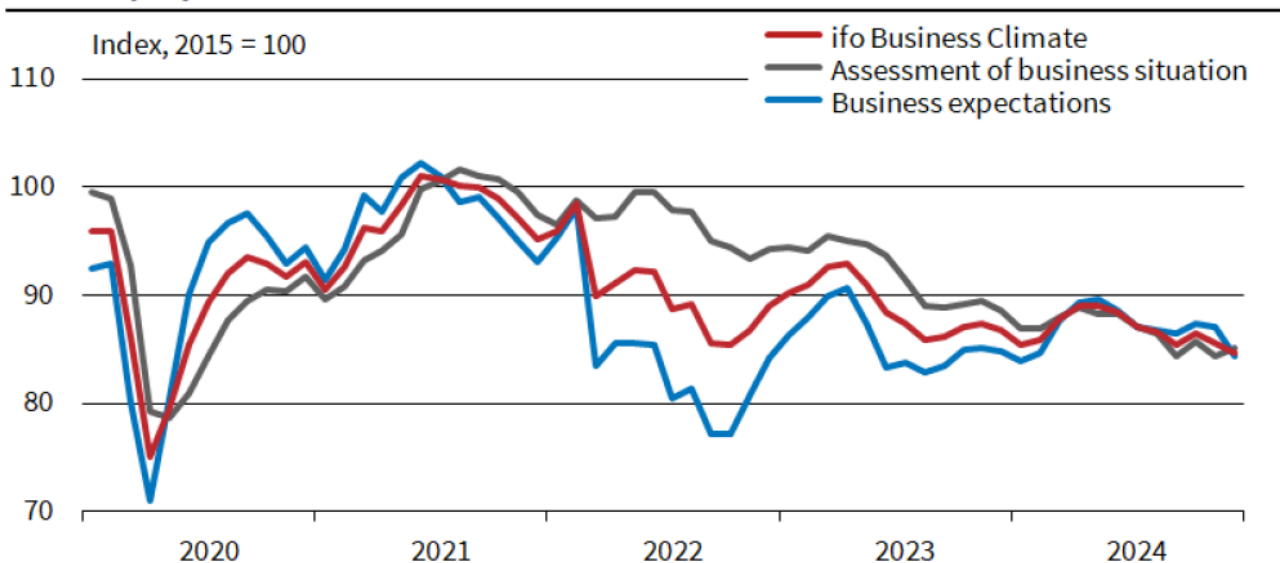
Note

Looking at the mid-term trend, the ifo Business Climate Index declined from 85.4 points in September 2024 to 84.7 points in December 2024.

Short-term development of BC Index Germany Nov. 24 vs. Dec. 24¹

ifo Business Climate Germany^a

Seasonally adjusted



^a Manufacturing, service sector, trade, and construction.

Source: ifo Business Survey, December 2024.

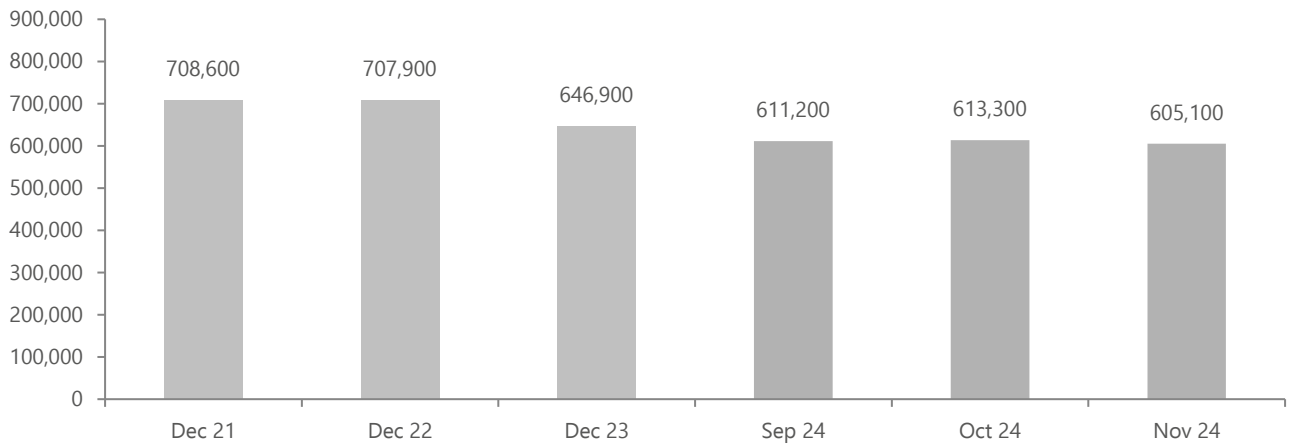
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Sentiment among companies in Germany has worsened. The ifo Business Climate Index fell in December to 84.7 points, down from 85.6 points in November, the lowest level since May 2020. The decline was due in particular to more pessimistic expectations. By contrast, companies assessed the current situation as better. The weakness of the German economy has become chronic.¹

¹ <https://www.ifo.de>

DEVELOPMENT TEMPORARY EMPLOYMENT MARKET

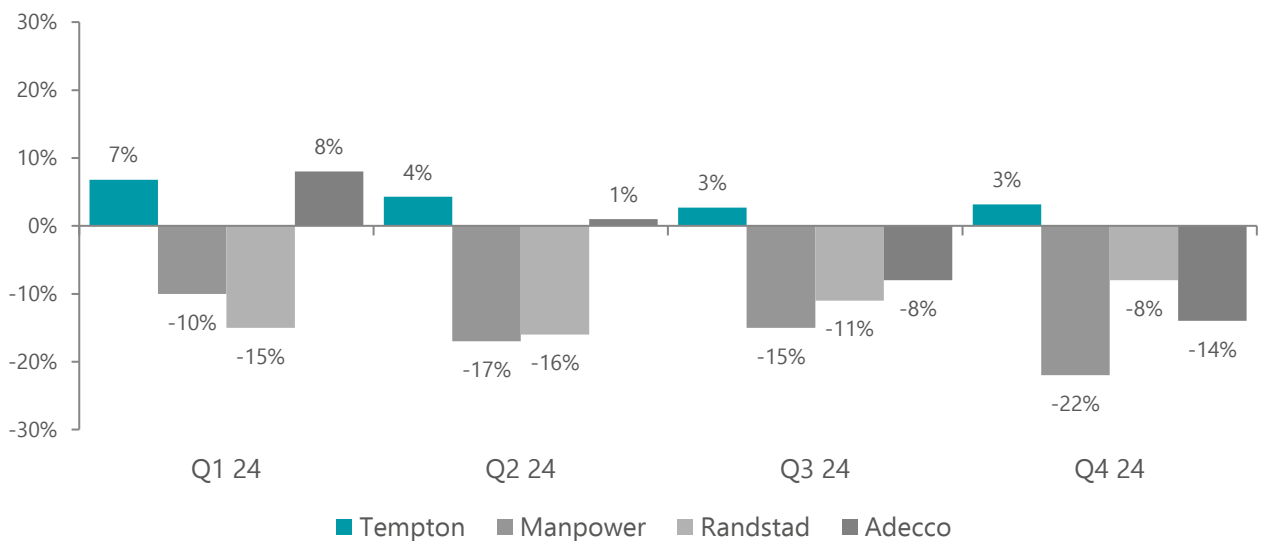
Temporary Employees Germany²



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)^{3, 4, 5, 6}



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

³ Tempton turnover according to internal reporting.

⁴ <https://www.adecogroup.com/investors/>

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

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

KEY FIGURES – GENERAL OVERVIEW

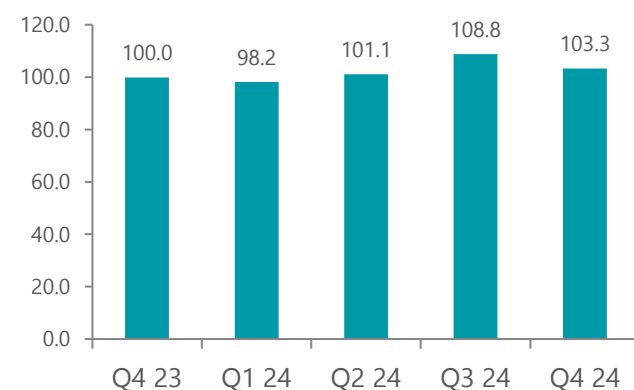
General note

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).

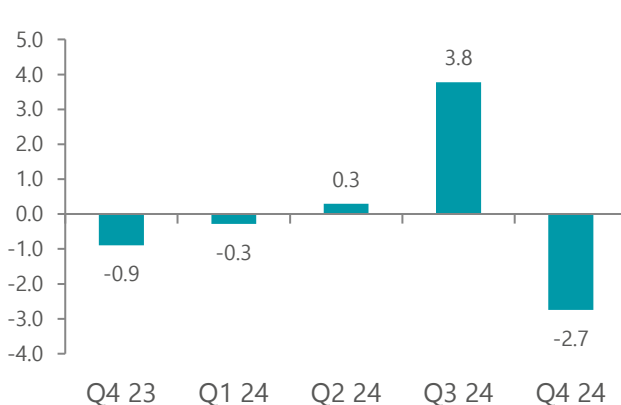
Key figures

in m€	Q4 24	Q3 24	Q4 23	1-12/2024	1-12/2023
Total income	103.3	108.8	100.0	411.3	394.6
Gross profit	21.3	27.4	21.9	92.8	92.8
%	20.8%	25.4%	22.1%	22.7%	23.7%
OPEX	106.0	105.0	100.9	410.3	387.3
EBITDA	-2.7	3.8	-0.9	1.1	7.3
%	-2.7%	3.5%	-0.9%	0.3%	1.9%

Total income (in m€)^{Note 1}



EBITDA (in m€)^{Note 2}



Note 1 – Total income

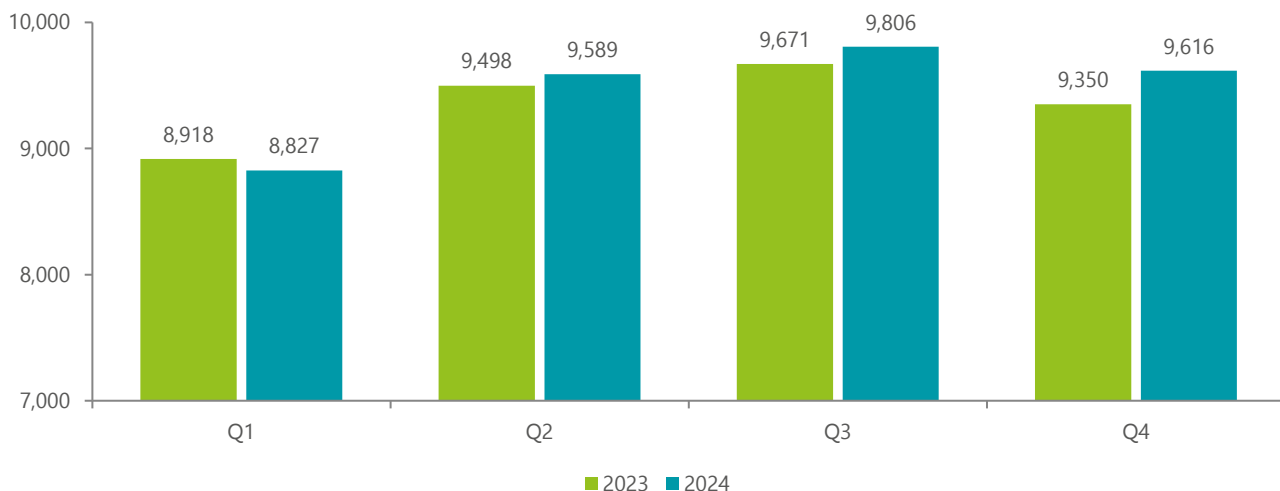
Tempton sustained its revenue growth in the fourth quarter of 2024, despite facing complex macroeconomic uncertainties and a severely stagnating personnel staff leasing market in Germany. Driven by both price and volume, Tempton achieved a 3.3% increase in revenue in Q4 2024 compared to the same quarter in 2023.

Note 2 – EBITDA

EBITDA fully reflects and is not adjusted for EUR 1.6 million invested in strategic IPO preparations and one-time costs related to the integration of employees recruited through the semi-organic growth initiative. This strategic initiative enhanced the company's resilience amid economic turbulence.

DEVELOPMENT NUMBER OF EMPLOYEES

Total number of employees

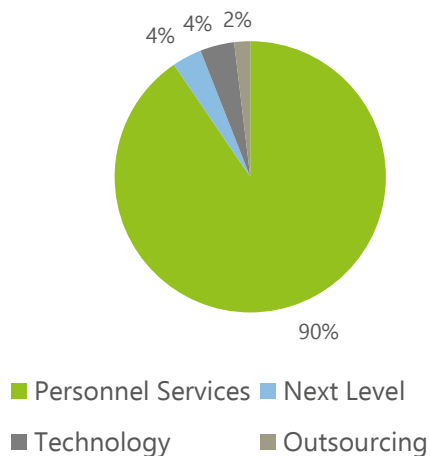


Note

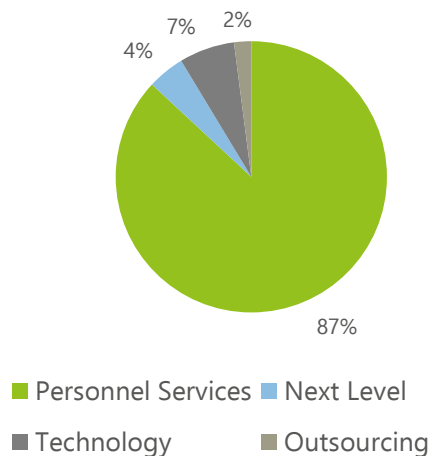
Although the personnel staff leasing market in Germany contracted by nearly 12% compared to 2023, Tempton achieved a 2.8% growth in Q4 2024 relative to Q4 2023. The reduction in employee numbers from Q3 is attributed to the traditional year-end decline in business activity.

Development Business Segments⁷ Q4 2024

Turnover (percent)



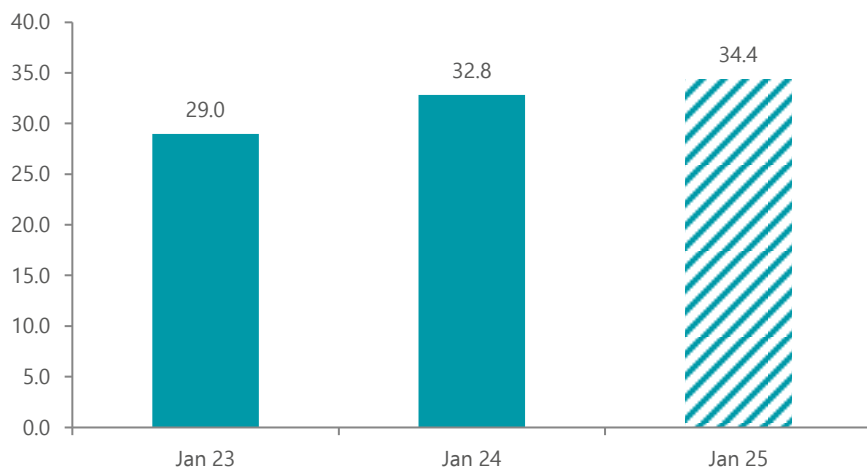
Gross profit (percent)



⁷ Turnover and gross profit according to internal reporting.

OUTLOOK – Januar 2025

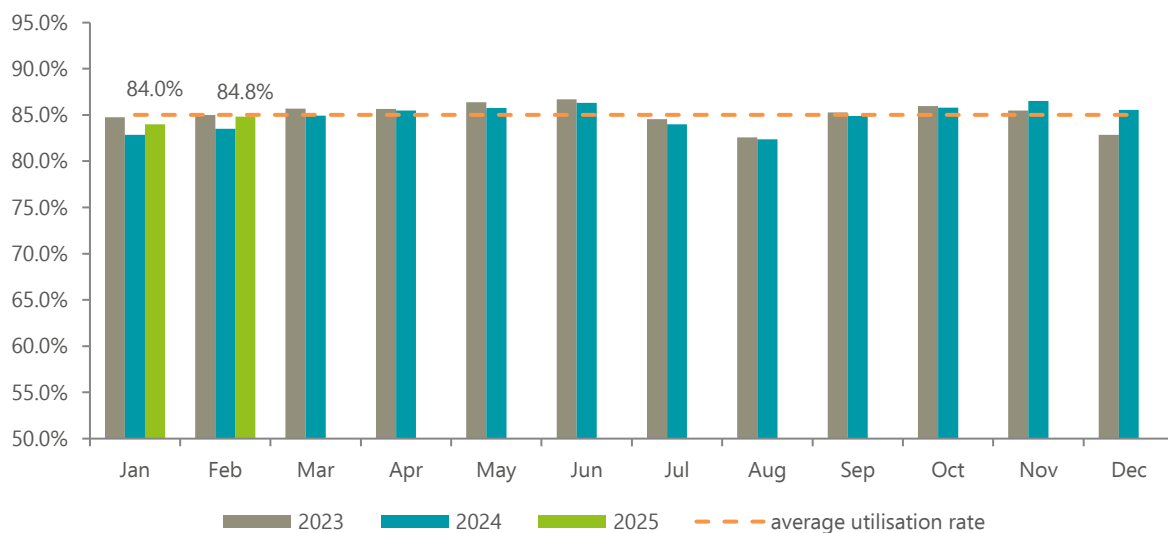
Total income comparison Januar YoY (in m€)



Note

The projected total income for January 2025 is EUR 34.4 million, reflecting an increase of EUR 1.6 million or 5% compared to January 2024.

Development of the utilisation rate



COMMENTS RE. FINANCIAL STATEMENTS

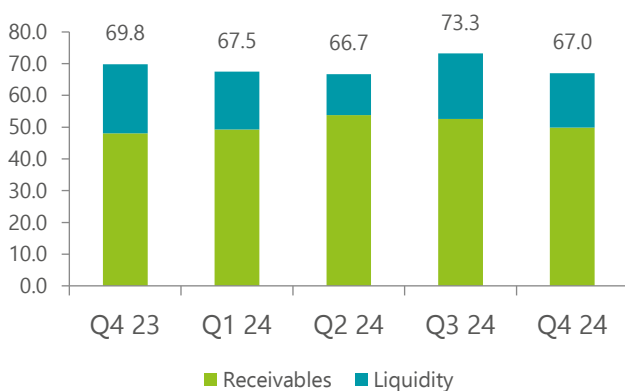
Consolidation

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 slightly decreased from EUR 20.7 million in Q3 2024 to EUR 17.2 million in Q4 2024, while continuously investing in additional branches, scaling of managed services, expansion of Medical, Aviation and White-Collar divisions, launch of the Educational division and digitization projects. Additionally, as of December 31, 2024, Tempton holds liquid receivables amounting to EUR 49.8 million. The slight reduction in liquidity and receivables is attributed to the typical year-end slowdown in business activity.

Liquidity and receivables (in m€)



COMMENTS RE. FINANCIAL STATEMENTS

Key figures (in m€)

Leverage ratio

EBITDA LTM **1.1**

Net Debt

Bond loan 25.2
Own shares -3.3
Bond loan without own shares 21.9
Cash balance 17.2

Net debt **4.7**

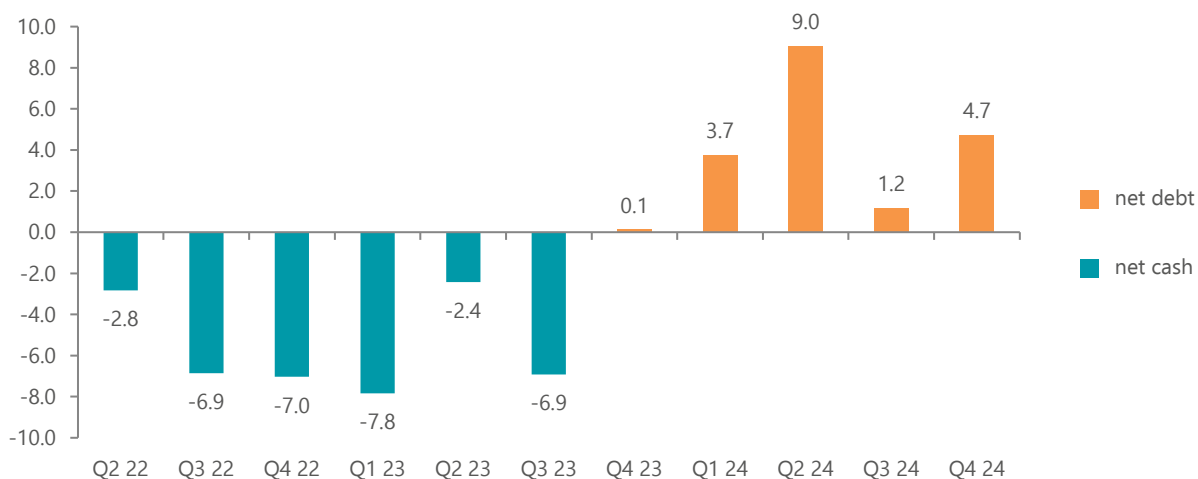
Net Leverage ratio **4.5**

Interest cover ratio

Interest expense 1.4

Interest cover ratio **0.7**

Development of net debt / net cash (in m€)



COMMENTS RE. FINANCIAL STATEMENTS

Main risk factors

Due in particular to its broad services portfolio and its diversified customer structure, Tempton does not currently expect any substantial business risks to materially adversely affect its future performance. Nevertheless, the negative consequences of the ongoing war in Ukraine and the conflict in the middle east, in particular increased utility costs and inflation, as well as overall negative sentiment throughout the German economy and restrictions on global trade are also impacting Tempton's customers. In particular, reduced purchasing power of end customers, supply chain issues, and production constraints in energy-intensive sectors are leading to significant (sometimes temporary) declines in demand in certain industries. Tempton expects to continue to at least largely compensate for these challenges through its own sales strength and broad-based customer structure. As a general rule, Tempton views its business model as resilient to any economically relevant potential impacts.

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:

Tempton defines "gross profit" as revenue, changes in work in progress and other operating income (together "total income") less cost of raw materials and supplies, cost of purchased items and external personnel costs.

Tempton defines "utilisation rate" as the number of external employees engaged at customers divided by the total number of external employees.

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, 28.02.2025

Dr. Annett Tischendorf
CEO

Oliver Hecker
CFO

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

All figures in €	Notes	Q4 24	1-12/2024	Q4 23	1-12/2023
Revenues		101,332,873	407,111,036	98,911,869	390,236,036
Change in the inventory of finished goods and work in process		499,842	-19,874	-182,943	601,490
Other operating income		1,433,286	4,253,483	1,229,952	3,734,116
Total income		103,266,001	411,344,645	99,958,879	394,571,641
Material costs					
costs of raw material, supplies, operating material and acquired goods		377,824	1,105,151	267,852	1,309,738
costs of services acquired		3,764,242	13,843,793	3,355,081	11,731,496
		4,142,066	14,948,944	3,622,932	13,041,234
Personnel costs					
wages and salaries		73,864,129	287,721,129	70,358,379	271,976,972
social security and expenses for old age pensions and support		16,374,226	65,841,038	15,347,412	62,298,367
		90,238,355	353,562,167	85,705,791	334,275,338
Depreciation		3,247,499	6,760,627	1,164,308	4,469,336
Other operating expenses	1	11,627,074	41,781,151	11,522,235	39,936,658
Other interest and similar income		191,775	516,743	206,802	468,162
Interest and similar expenses		336,873	1,413,349	361,221	1,501,207
Taxes		174,866	1,528,267	-359,078	1,082,567
Profit after taxes		-6,308,956	-8,133,118	-1,851,726	733,465
Other taxes		63,996	79,509	4,817	19,267
Group annual surplus		-6,372,952	-8,212,627	-1,856,543	714,198
Profit carried forward previous year			26,047,231		25,333,033
Profit carried forward			17,834,603		26,047,231

CONSOLIDATED BALANCE SHEET (UNAUDITED)

All figures in €

Notes

31 December 2024

31 December 2023

ASSETS

FIXED ASSETS

I. Intangible assets

1. Concessions, industrial property rights acquired for a consideration as well as licenses to such rights and values

2,317,857

3,538,551

2. Goodwill

9,345,002

10,426,287

11,662,859

13,964,838

II. Tangible assets

1. Real estate, titles to land and buildings including buildings on third party land
2. Technical equipment and machines
3. Other plants, office fixtures and fittings

4,032,498

4,031,213

39,822

35,770

6,479,280

6,830,234

10,551,600

10,897,217

III. Financial assets

1. Long term investments

3,151,600

3,151,600

CURRENT ASSETS

I. Inventories

4,722,748

4,601,942

II. Receivables and other assets

1. Receivables of deliveries and services
2. Other assets

49,827,771

48,040,861

9,881,247

7,676,806

59,709,018

55,717,668

III. Cash on hand, bank balances

17,178,881

21,775,019

PREPAID EXPENSES

597,414

745,357

TOTAL ASSETS

107,574,119

110,853,642

CONSOLIDATED BALANCE SHEET (UNAUDITED)

All figures in €

Notes

31 December 2024

31 December 2023

EQUITY AND LIABILITIES

EQUITY

I. Subscribed capital	25,000	25,000
II. Capital reserves	2,809,192	2,809,192
III. Profit carried forward	17,834,603	26,047,231
	20,668,795	28,881,423

PROVISIONS

1. Provisions for pensions and similar obligations	3,377,123	3,208,403
2. Provisions for taxes	2,140,806	1,974,558
3. Other provisions	24,167,484	21,961,726
	29,685,413	27,144,687

LIABILITIES

1. Loans and borrowings	25,174,826	25,174,826
2. Advance payments received on orders	3,142,510	2,423,943
3. Liabilities from supplies and services	4,053,103	3,202,736
4. Other liabilities	24,702,362	23,693,658
	57,072,801	54,495,164

DEFERRED INCOME

147,110	332,368
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TOTAL EQUITY AND LIABILITIES

107,574,119	110,853,642
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CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

All figures in thousand €	Notes	Q4 24	1-12/2024	1-12/2023
Profit for the period (consolidated net income for the financial year)		-6,373	-8,213	-428
Depreciation, amortisation and write-downs of fixed assets/reversals of such write-downs		3,248	6,761	4,470
Increase/decrease in provisions		-1,233	2,541	2,573
Other non-cash expenses/income		-17	-66	-318
Increase/decrease in inventories, receivables for deliveries and services and other assets not related to investing or financing activities		1,584	-3,964	-9,790
Increase/decrease in liabilities from supplies and services and other liabilities not related to investing or financing activities		1,068	2,392	1,859
Interest expense/interest income		145	897	1,055
Cash flows from operating activities		-1,578	348	-579
Payments to acquire tangible fixed assets		-1,825	-4,113	-5,606
Acquisition of financial assets		0	0	-746
Interest received		192	517	439
Cash flows from investing activities		-1,633	-3,596	-5,913
Interest paid for financial loans and factoring		-321	-1,348	-1,435
Change in other financial liabilities		0	0	-23
Cash flows from financing activities		-321	-1,348	-1,458
Net change in cash funds		-3,531	-4,596	-7,950
Cash funds at the beginning of period		20,710	21,775	29,725
Cash funds at the end of period		17,179	17,179	21,775

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).

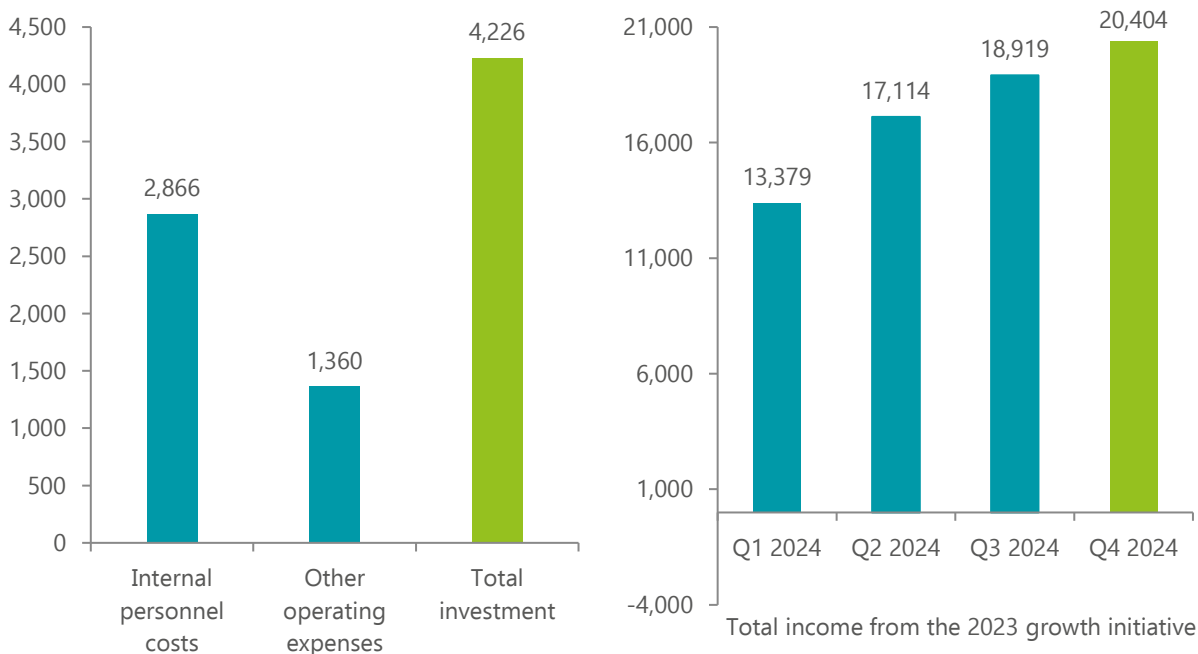
Note 1 - Investment in organic growth

Tempton is in the middle of its largest organic growth initiative in the company's history. In particular, already back in 2023 Tempton has started to significantly expand its branch network. The aim is to open up further local and regional markets, thereby creating new growth potential and further increasing the synergy potential inherent in the geographical proximity of branches.

At the same time, at the cost of the temporary decline in profitability Tempton is positioning itself ever more broadly and gaining additional stability in addition to market share. To this end, Tempton is specifically expanding its Aviation, Medical, White-Collar and Educational division. By capitalizing on the existing infrastructure of the Medical division, the new Education division gained significant momentum in 2024, thereby mitigating the need for substantial capital outlay.

The growth initiative itself is already showing significant success. The additional branches contributed EUR 20.4 million of revenue in Q3 2024 or 19.8% of the total income while the structural costs of the new branches remained at the level of EUR 4.2 million in Q4 2024. The gross profit margin of the new branches reached 22.4% for 2024.

Q4 2024 (in thousand €)



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 200 locations, regularly employing at the peak more than 9,500 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 11,500 corporate clients in many different industries rely on us to provide them with attractive HR solutions of every kind.

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