Gigaset

Gigaset AG

Quarterly Report

2023 | January – March | Q1

KEYFIGURES

EUR millions	01/01/ - 03/31/2023	01/01/ - 03/31/2022
Consolidated revenues	57.7	51.2
EBITDA (Earnings before interest, taxes, depreciation and amortization)	2.1	0.8[1]
EBIT (Earnings before interest and taxes)	-2.6	-2.9[1]
Consolidated net loss for the year	-2.4	-2.4
Free cashflow	-12.3	-2.0
Earnings per share (diluted) in EUR	-0.02	-0.02
	03/31/2023	12/31/2022
Total assets	191.8	191.5
Consolidated equity	22.2	24.6
Equity ratio (in %)	11.6	12.9
Number of employees	847.0	857.0
The Gigaset Share	Q1 2023	Q1 2022
Closing price in EUR (at the end of the period)	0.29	0.32
Highest price in EUR (in the period)	0.36	0.32
Lowest price in EUR (in the period)	0.19	0.26
Number of shares in circulation (at the end of the period)	132,455,896	132,455,896
Market capitalization in EUR million (at the end of the period)	38.4	42.4

[1] Prior-year figures have been adjusted to reflect the changed presentation of net interest expenses for pensions (see the explanations in the Notes to the consolidated financial statements in the Annual Report 2022)

KEY FACTS

- Phones segment sparkles with 13.9% revenue growth over Q1 2022
- Strong revenue growth also in the B2B segment Professional (+11.2%) and Smartphones segment (+11.9%)
- Significant year-over-year rise in EBITDA to EUR 2.1 million

"We are very proud of our successful start to the 2023 financial year. With our strategy, we foster effective collaboration, innovative products, and a sharp focus in everything we do. By managing all controllable factors ourselves, we achieve greater customer loyalty, superior products, and enhanced cost efficiency and profitability.

We emphasize the "made in Germany" quality of our products and solutions and pursue dedicated sustainability initiatives. In 2023, we are laying the foundation for our success through the end of 2025."

Dr. Magnus Ekerot, CEO Gigaset AG

"We continue to face many challenges in the general economic environment in 2023. And that is why we are especially proud of the significant revenue and EBITDA growth we have achieved despite these challenges.

This positive performance is attributable in part to backlog effects, but also in part to strong demand and new projects. The procurement and supply chain situation has improved as well."

Thomas Schuchardt, CFO Gigaset AG

1 GENERAL ECONOMIC ENVIRONMENT

According to the International Monetary Fund, the prospect of a soft landing for the global economy dimmed at the start of 2023 given that inflation remains high and the financial sector has fallen into turmoil. Although central banks have raised interest rates and food and energy prices have fallen, inflation remains persistent. The global growth forecast for 2023 is 2.8 percent, after which it is expected to rise slowly to 3.0 percent in five years. This is the weakest medium-term forecast in decades. Economic growth in the industrialized nations is expected to slow considerably from 2.7 percent in 2022 to 1.3 percent in 2023.

In most cases, inflation is not expected to return to the target levels until 2025. Therefore, the IMF sees mostly downside risks for the forecast with a sharply higher probability of a hard landing for the economy.

Central banks are likewise caught in an ambivalent situation. On the one hand, they must stick to their tighter, anti-inflation course, but they must also be prepared to adjust course and employ the full range of monetary policy instruments. The IMF has said that fiscal policy should support the monetary and fiscal policy measures taken to combat inflation and maintain financial stability. Measures to address structural factors that constrain supply could improve economic growth in the medium term. Steps to strengthen multilateral cooperation are imperative to make the global economy more resilient.

In the markets relevant to Gigaset, growth will also decelerate in the current year. The IMF anticipates the following growth rates for 2023: Germany -0.1%, France +0.7%, Italy +0.7%, Spain +1.5%, and Netherlands 1.0%. For Switzerland, an increase of 1.1% is assumed, according to an estimate of the Office of the State Secretary for Economics (SECO).

In view of these and other challenges in the areas of geopolitics, supply chains, cost increases, and worries of recession, Gigaset is still exposed to the risk that such exogenous factors beyond its control would adversely impact its revenue performance. Moreover, the Group's earnings performance could potentially be impaired by the unclear situation of energy and commodity costs and extreme volatility in the exchange rate between the euro and the U.S. dollar. Gigaset monitors these developments continuously and seeks to mitigate their impacts with suitable measures.

2 BUSINESS PERFORMANCE OF THE GROUP

Overall, Gigaset's consolidated revenues exhibited a very positive development in the first quarter of 2023. In its four operating segments, the Group generated total revenues of EUR 57.7 million in the first quarter, that being substantially higher, by 12.7%, than the corresponding figure for Q1 2022.

2.1 Phones

The Phones segment exhibited the strongest growth in the first quarter of 2023 as an easing of supply chain problems fueled a 13.9% rise in revenues. In this positive environment, Gigaset gained further market shares in the EU6 zone and increased segment revenues to EUR 36.9 million. Whether or not this positive trend will continue remains uncertain in view of the distinct possibility that negative consumer sentiment could weaken demand and therefore impact the revenues generated on sales of DECT cordless telephones from Q2 2023 onward.

2.2 Smartphones

The Smartphones segment also continued the positive trend from financial year 2022 with revenue growth of 11.9% in the first quarter of 2023. The main revenue drivers in this segment were the GS5 and GX6 models, which now account for a significant share of B2B sales. Under its new B2B strategy, Gigaset will continue to build out its offering of products for industrial enterprises and tradesmen.

2.3 Smart Home

The business performance of the Smart Home segment did not match the positive performance of the three other operating segments. It generated revenues of only EUR 0.2 million, that being 33.3% less than the corresponding figure for Q1 2022. The reason is that the smart home market is still small in scale, is served by many different standards and players, and in total still lags behind the potential revenue forecasts. The disruptive nature of changes in the smart home market is illustrated by the discontinuation as of June 30, 2023 of the integrative project Bosch Home Connect launched in 2021, to which Gigaset also belonged. The project had been meant to establish a market-wide standard for different suppliers.

2.4 Professional

The Professional segment turned in a very positive performance in the first quarter of 2023. Due in part to backlog effects from the 2022 financial year and a certain backlog of customer investment projects, which can now be worked off step by step, revenues rose by 11.2% over Q1 2022 to reach EUR 15.9 million.

3 FINANCIAL PERFORMANCE, CASHFLOWS AND FINANCIAL POSITION OF THE GROUP

3.1 Financial performance

The Gigaset Group generated total revenues of EUR 57.7 million in Q1 2023 (Q1 2022: EUR 51.2 million). The revenue increase of 12.7% or EUR 6.5 million over the first quarter of last year was driven by the still high level of orders coupled with greater product availability thanks to an improved supply of primary materials. The Group's revenue performance also benefitted from the price hikes implemented in financial year 2022.

Total revenues are broken down by product segment in the table below:

Revenues in EUR millions	Q1 2023	Q1 2022	Change in %
Phones	36.9	32.4	13.9
Smartphones	4.7	4.2	11.9
Smart Home	0.2	0.3	-33.3
Professional	15.9	14.3	11.2
Gigaset Total	**57.7**	**51.2**	**12.7**

In the segment report, revenues are broken down by country based on both the receiving entity and the domicile of each company ("country of domicile").

The regional breakdown of revenues by receiving entity is based on the revenues billed in the respective regions, regardless of the domicile of the billing entity. If, for example, a German company issues an invoice to an entity in the Netherlands, the corresponding revenue is attributed to the region "EU – European Union (excluding Germany)" for purposes of the regional breakdown by receiving entity. The regional breakdown of revenues by receiving entity is presented in the table below:

Revenues in EUR millions	Q1 2023	Q1 2022	Change in %
Germany	29.4	26.0	13.1
Europe (excluding Germany)	19.8	18.0	10.0
Rest of World	8.5	7.2	18.1
Gigaset Total	**57.7**	**51.2**	**12.7**

In the breakdown by geographical region, revenues are additionally attributed to the country of domicile of the various legal entities for purposes of the Group segment report. If, for example, a German company issues an invoice to an entity in the Netherlands, the corresponding revenue is attributed to the country of domicile, that being the "Germany" region.

The first foreign sales companies of the Gigaset Group were converted to the direct sales model in financial year 2022. The complete conversion will be effected in steps over the course of financial year 2023. As a result, the German company Gigaset Communications GmbH will deliver directly to end customers outside of Germany, so that the foreign sales companies will switch to a sales brokerage model and will no longer generate revenues on direct sales of telecommunications products. Consequently, sales revenues will be increasingly assigned to the Germany region in the breakdown by country of domicile, making year-on-year comparisons less tenable. The regional breakdown of revenues by country of domicile is presented in the table below:

Revenues in EUR millions	Q1 2023	Q1 2022	Change in %
Germany	45.5	33.2	37.0
Europe (excluding Germany)	7.7	13.2	-41.7
Rest of World	4.5	4.8	-6.3
Gigaset Total	**57.7**	**51.2**	**12.7**

The change in inventories of finished and semi-finished products came to EUR 4.0 million at March 31, 2023 (Q1 2022: EUR 2.4 million). This change in Q1 2023 resulted primarily from changes in inventories of finished goods.

The cost of purchased goods and services, covering raw materials, merchandise, finished goods and purchased services, amounted to EUR 35.1 million in the first three months of the current financial year, indicative of a significant increase of EUR 7.5 million over the corresponding year-ago figure of EUR 27.6 million. Including the change in inventories, the purchased goods and services ratio came to 56.8%, which was likewise considerably higher than the corresponding ratio in Q1 2022 (51.4%). The purchased goods and services ratio is calculated as the ratio of purchased goods and services to the sum of sales revenues and the change in inventories of finished and semi-finished products. The main drivers of the increase in purchased goods and services were higher purchases of materials due to increased production and sales quantities, on the one hand, and the sharp rise in the cost of materials in many categories due to inflation and exchange rate effects.

Gross profit, which is calculated as revenues minus the cost of purchased goods and services, plus or minus the change in inventories of finished and unfinished goods, rose by 2.4% to EUR 26.6 million in the reporting period.

Other internal production capitalized of EUR 4.2 million (Q1 2022: EUR 3.4 million) mainly consisted of the costs incurred for the development of new products in all segments.

Other operating income of EUR 4.9 million was modestly higher than the corresponding year-ago figure of EUR 3.8 million. As in prior years, the main constituents of this item were realized and unrealized exchange rate gains.

Personnel expenses for wages, salaries, social security contributions and old age pensions amounted to EUR 15.7 million in the first quarter of 2023, that being significantly lower than the year-ago comparison figure (Q1 2022: EUR 17.7 million). This positive change resulted mainly from valuation effects in the plan assets for pension obligations and other pension-related expenses of EUR -0.2 million (Q1 2022: EUR -3.3 million). Wages and salaries increased modestly by EUR 0.6 million to EUR 13.2 million in the reporting period. The personnel expenses ratio, calculated as personnel expenses divided by revenues plus changes in inventory, came to 25.5% (Q1 2022: 33.1%).

Other operating expenses of EUR 17.8 million were incurred in the reporting period (Q1 2022: EUR 14.7 million). The increase resulted mainly from higher administrative expenses (EUR 3.2 million, Q1 2022: EUR 1.9 million) and higher marketing and representation expenses (EUR 4.1 million, Q1 2022: EUR 3.1 million) compared to Q1 2022.

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR 2.1 million (Q1 2022: EUR 0.8 million). After the deduction of depreciation, amortization and impairments totaling EUR 4.8 million (Q1 2022: EUR 3.7 million), earnings before interest and taxes (EBIT) came to EUR -2.6 million (Q1 2022: EUR -2.9 million).

Taking into account the financial result of EUR -0.7 million (Q1 2022: EUR -0.5 million), the result from ordinary activities amounted to EUR -3.4 million (Q1 2022: EUR -3.4 million).

The consolidated loss for the period from January 1 to March 31, 2023 came to EUR -2.4 million (Q1 2022: EUR -2.4 million).

On this basis, earnings per share amounted to EUR -0.02 (undiluted/diluted) (Q1 2022: EUR -0.02 (undiluted/diluted)).

3.2 Cashflows

Cashflows are presented in the table below:

Cashflows in EUR millions	**Q1 2023**	**Q1 2022**
Cashflow from operating activities	-6.6	2.5
Cashflow from investing activities	-5.8	-4.5
Free Cashflow	-12.3	-2.0
Cashflow from financing activities	0.9	-2.0

The Gigaset Group generated a cash outflow from operating activities of EUR -6.6 million in the reporting period from January to March 2023 (Q1 2022: cash inflow of EUR 2.5 million). The change resulted mainly from increases in trade payables and other receivables, as well as other assets, totaling EUR -4.7 million (Q1 2022: cash inflow EUR 7.6 million) and an increase in inventories of EUR -3.4 million at March 31, 2023 (Q1 2022: EUR -4.8 million). Trade payables, other liabilities, and other provisions gave rise to a cash inflow of EUR 0.9 million in Q1 2023 (Q1 2022: cash outflow of EUR -2.6 million).

The cash outflow from investing activities amounted to EUR -5.8 million, as compared to EUR -4.5 million in the year-ago comparison quarter. Most investments in the reporting period and in previous year related to expenses for the development of new products and solutions.

The free cashflow generated in the first three months of the current financial year was EUR -12.3 million, that being considerably lower than the year-ago comparison figure (Q1 2022: EUR -2.0 million). The decrease resulted mainly from changes in operating cashflow.

A cash inflow from financing activities of EUR 0.9 million was generated in the reporting period (Q1 2022: cash outflow of EUR -2.0 million). The cash inflow resulted mainly from a new loan of EUR 2.7 million taken out in March 2023. As in the previous year, repayments of current financial liabilities, lease liabilities, and interest paid gave rise to cash outflows.

Please refer to the statement of cashflows for a detailed account of the development of cash and cash equivalents. The total cashflow included exchange rate changes of EUR -0.1 million, unchanged from the same quarter of last year (Q1 2022: EUR -0.1 million). Cash and cash equivalents amounted to EUR 9.9 million at March 31, 2023 (Q1 2022: EUR 18.9 million).

3.3 Financial position

As of March 31, 2023, the total assets of the Gigaset Group amounted to EUR 191.8 million, that being modestly higher than the corresponding figure at December 31, 2022 (EUR 191.5 million). On the assets side, trade receivables, inventories, and deferred tax assets in particular were significantly higher, while cash and cash equivalents were considerably lower. The main drivers of the change on the equity and liabilities side were new loans and an increase in Other current liabilities.

Noncurrent assets rose by EUR 3.6 million from EUR 92.8 million at December 31, 2022 to EUR 96.4 million at the reporting date. The increase resulted mainly from higher deferred tax assets in the amount of EUR 2.3 million and internal production capitalized as intangible assets in the amount of EUR 1.2 million at March 31, 2023.

Compared to December 31, 2022, current assets fell by EUR 3.2 million to EUR 95.4 million, representing 49.8% of total assets at the reporting date. The decrease resulted mainly from the change in cash and cash equivalents, which declined by EUR 11.6 million to EUR 9.9 million. Other assets also fell to EUR 18.0 million (Q1 2022: EUR 19.9 million). By contrast, trade receivables increased by EUR 6.8 million to EUR 26.1 million and inventories by EUR 3.4 million to EUR 41.2 million at March 31, 2023.

The equity of the Gigaset Group amounted to EUR 22.2 million at March 31, 2023, that being EUR 2.4 million lower than at the start of the year. The equity ratio came to 11.6% as compared to 12.9% at December 31, 2022. The valuation of pension obligations at the discount factor applicable at the reporting date, together with the related effect on deferred taxes, yielded a positive effect of EUR 0.1 million recognized in equity. Together with the related effect on deferred taxes, cashflow hedging generated a positive effect of EUR 0.1 million recognized in equity. The consolidated loss for the year amounted to EUR -2.4 million, reducing consolidated equity by the same amount. All factors affecting the development of equity are described in the section entitled "Development of consolidated equity."

Total liabilities amounted to EUR 169.5 million (Q1 2022: EUR 166.8 million), current liabilities representing 55.4% of this total.

Noncurrent liabilities are mainly composed of pension obligations and financial liabilities. Noncurrent liabilities rose by EUR 3.7 million from the corresponding figure at December 31, 2022 to EUR 75.6 million at March 31, 2023. This increase was mainly driven by new loans of EUR 2.7 million taken out in March 2023, causing noncurrent financial liabilities to rise by EUR 3.5 million to EUR 9.0 million.

The current liabilities of EUR 93.9 million were approximately 1.0% lower than at December 31, 2022. This decrease resulted mainly from the EUR 1.9 million reduction of current financial liabilities, the EUR 0.8 million reduction of trade payables, and the EUR 0.7 million reduction of current provisions. As a countervailing effect, Other liabilities rose to EUR 2.5 million due to higher liabilities for wages and salaries.

4 GENERAL ASSESSMENT OF THE GROUP'S EXPECTED PERFORMANCE

Financial performance

Again in 2023, the general economic and geopolitical environment is beset with various adverse factors, including the ongoing war in Ukraine on the one hand, and the impact of inflation and restrictive monetary policy by central banks, on the other hand. Both these factors can have the effect of weakening customer demand in both B2C markets and B2B markets.

Thus, Gigaset will again have to contend with exogenous factors in financial year 2023 to which it can react only to a limited degree. Above all, Gigaset's financial performance is subject to the influence of exchange rate developments, as well as inflation and rising prices in all sectors. The resulting effects on consumer behavior could dampen the Group's business performance in 2023, which cannot be planned at the present time. That being said, the problems associated with the limited availability of materials should not be as severe as in 2022.

The greater part of U.S. dollar risk in 2023 has already been hedged. Moreover, the Group's forecast is based on an assumed exchange rate of USD 1.05 to the euro, which is based in turn on the general economic and industry-specific developments described above. Thus, Gigaset is exposed to the risk of the exchange rate breaking out of the corridor assumed in the forecast, which would have an adverse effect on the Group's operating performance.

As in the past, Gigaset will react quickly and purposefully to any new exogenous factors with the goal of mitigating or avoiding any effects on its financial performance.

In its operating activities, Gigaset will focus on growing revenues on the strength of new products and cooperation arrangements in its existing segments. It will seek to offset the long-term trend of shrinking market size in the Phones segment by systematically improving the performance of the other segments.

To achieve its goals in 2023, Gigaset will continue to exercise cost management and invest prudently, depending on the development of revenues and other economic risk factors.

Cashflows

At the present time, the Group funds its operations mainly from operating cashflow. In view of the prevailing uncertainties, it will continue to focus on optimal liquidity management by utilizing all available funding sources in a way that makes sense in the overall context of developments. The Group will continue to apply a conservative strategy to preserve financial stability and maintain operational and strategic flexibility. Gigaset's cash funds, which serve both to cover operational needs and to service external debts, amounted to EUR 21.5 million at the end of 2022. Based on its business plan, Gigaset expects that cash funds of a clearly positive amount will be on hand at the end of financial year 2023 also after fulfilling its payment obligations.

General assessment of the Managing Board for 2023

Despite the challenges described above, Gigaset is confident of its own growth prospects. The Group will focus on its core competencies and fulfil the needs of customers with perfectly tailored products. Effective immediately, the Company will also tighten the focus of investment in research and development in order to gain market relevance under the strategic reorientation.

Barring an abrupt worsening of exchange rate effects, supply chain problems, wartime developments, other geopolitical tensions or new, adversely trending pandemic developments, Gigaset anticipates the following development of financial position, cashflows and financial performance in the 2023 financial year. The forecasts are based on the actual figures from the 2022 reporting period in every case.

forecasted key figures	2023	Fiscal Year 2022
Revenues	medium increase	241.3
EBITDA	significant increase	17.9
Free Cashflow	significant increase	1.0

5 CONSOLIDATED INCOME STATEMENT

EUR'000	01/01/ - 03/31/2023	01/01/ - 03/31/2022[1]
Revenues	57,689	51,156
Change in inventories of finished and unfinished goods	4,028	2,404
Purchased goods and services	-35,085	-27,553
Gross profit	**26,632**	**26,007**
Other own work capitalized	4,173	3,433
Other operating income	4,872	3,810
Personnel expenses	-15,714	-17,738
Other operating expenses	-17,848	-14,669
EBITDA	**2,115**	**843**
Depreciation and amortization	-4,751	-3,708
EBIT	**-2,636**	**-2,865**
Other interest and similar income	98	141
Interest and similar expenses	-817	-653
Financial result	**-719**	**-512**
Result from ordinary activities	**-3,355**	**-3,377**
Income taxes	948	1,002
Consolidated net loss for the year	**-2,407**	**-2,375**
Earnings per share		
– Undiluted (Basic) in EUR	-0.02	-0.02
– Diluted in EUR	-0.02	-0.02

[1] The prior-year figures have been adjusted to reflect the changed presentation of net interest expenses for pensions (see the explanations in the Notes to the consolidated financial statements in the Annual Report 2022).
The consolidated income statement contains key indicators that are not defined in IFRS.

6 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR'000	01/01/ - 03/31/2023	01/01/ - 03/31/2022
Consolidated net loss for the year	**-2,407**	**-2,375**
Items that may possibly be reclassified to profit or loss at a later time		
Currency translation changes	-212	-214
Cashflow hedges	142	464
Income taxes recognized on this item	-45	-148
Items that will not be reclassified to profit or loss at a later time		
Revaluation effect, net debt of defined benefit pension plans before income taxes	182	12,113
Income taxes recognized on this item	-58	-3,876
Total changes not recognized in profit or loss	**9**	**8,339**
Total income and expenses recognized	**-2,398**	**5,964**

7 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR'000	03/31/2023	12/31/2022
ASSETS		
Noncurrent assets		
Intangible assets	63,907	62,731
Property, plant and equipment	20,594	20,341
Right of use assets	1,982	2,198
Investment property	6,700	6,700
Deferred tax assets	3,167	826
Total noncurrent assets	**96,350**	**92,796**
Current assets		
Inventories	41,202	37,755
Trade receivables	26,080	19,287
Other assets	17,983	19,906
Tax refund claims	244	258
Cash and cash equivalents	9,905	21,456
Total current assets	**95,414**	**98,662**
Total assets	**191,764**	**191,458**

EUR'000	03/31/2023	12/31/2022
EQUITY AND LIABILITIES		
Equity		
Subscribed capital	132,456	132,456
Additional paid-in capital	86,076	86,076
Retained earnings	68,979	68,979
Accumulated other comprehensive equity	-265,268	-262,870
Total equity	**22,243**	**24,641**
Noncurrent liabilities		
Pension obligations	61,548	62,358
Provisions	1,231	965
Financial liabilities	8,975	5,483
Lease liabilities	800	971
Other liabilities	0	601
Deferred tax liabilities	3,093	1,601
Total noncurrent liabilities	**75,647**	**71,979**
Current liabilities		
Provisions	11,987	12,720
Financial liabilities	9,182	11,041
Lease liabilities	1,227	1,301
Trade payables	53,921	54,714
Tax liabilities	535	541
Other liabilities	17,022	14,521
Total current liabilities	**93,874**	**94,838**
Total equity and liabilities	**191,764**	**191,458**

8 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	EUR'000	Subscribed capital	Additional paid-in capital	Retained earnings	Accumulated other comprehensive equity	Consolidated equity
	December 31, 2021	**132,456**	**86,076**	**68,979**	**-279,516**	**7,995**
1	Consolidated net loss 2022	0	0	0	-2,375	-2,375
2	Currency translation differences	0	0	0	-214	-214
3	Cashflow hedges	0	0	0	316	316
4	Revaluation effects from defined benefit pension plans	0	0	0	8,237	8,237
5	Total changes not recognized in profit or loss	0	0	0	8,339	8,339
6	Total net income (1+5)	**0**	**0**	**0**	**5,964**	**5,964**
	March 31, 2022	**132,456**	**86,076**	**68,979**	**-273,552**	**13,959**
	December 31, 2022	**132,456**	**86,076**	**68,979**	**-262,870**	**24,641**
1	Consolidated net loss 2023	0	0	0	-2,407	-2,407
2	Currency translation differences	0	0	0	-212	-212
3	Cashflow hedges	0	0	0	97	97
4	Revaluation effects from defined benefit pension plans	0	0	0	124	124
5	Total changes not recognized in profit or loss	0	0	0	9	9
6	Total net income (1+5)	**0**	**0**	**0**	**-2,398**	**-2,398**
	March 31, 2023	**132,456**	**86,076**	**68,979**	**-265,268**	**22,243**

9 CONSOLIDATED STATEMENT OF CASHFLOWS

EUR'000	01/01/ - 03/31/2023	01/01/ - 03/31/2022[1]
Result from ordinary activities	**-3,355**	**-3,377**
Depreciation and amortization of property, plant and equipment and intangible assets	4,751	3,708
Increase (+) / decrease (-) in pension provisions	-1,175	1,468
Gain (-) / loss (+) on the sale of noncurrent assets	139	95
Gain (-) / loss (+) from currency translation	706	-322
Other non-cash income and expenses	38	0
Net interest income	719	512
Interest received	8	0
Income taxes paid	-41	-35
Increase (-) / decrease (+) in inventories	-3,425	-4,801
Increase (-) / decrease (+) in trade receivables and other assets	-4,728	7,600
Increase (-) / decrease (+) in trade payables, other liabilities and other provisions	910	-2,550
Increase (-) / decrease (+) in other items of the statement of financial position	-1,109	159
Cash inflow (+) /outflow (-) from operating activities (net cashflow)	**-6,562**	**2,457**
Payments of investments in noncurrent assets	-5,782	-4,480
Cash inflow (+) /outflow (-) from investing activities	**-5,782**	**-4,480**
Free cashflow	**-12,344**	**-2,023**
Cash outflows for repayment of current financial liabilities	-831	-911
Cashflows from the borrowing of noncurrent financial liabilities	2,660	0
Payments for lease liabilities	-421	-418
Interest paid	-489	-675
Cash inflow (+) /outflow (-) from financing activities	**919**	**-2,004**
Cash and cash equivalents at beginning of period	21,330	22,966
Changes due to exchange rate differences	-126	-114
Cash and cash equivalents at beginning of period, measured at prior-year closing exchange rate	21,456	23,080
Change in cash and cash equivalents	-11,425	-4,027
Cash and cash equivalents at end of period (per statement of financial position)	**9,905**	**18,939**

[1] The prior-year figures have been adjusted to reflect the changed presentation of net interest expenses for pensions (see the explanations in the Notes to the consolidated financial statements in the Annual Report 2022).

FINANCIAL CALENDAR 2023

Remaining (subject to change)

June 15, 2023	Annual General Meeting 2023
September 28, 2023	Semiannual Financial Report 2023
November 28, 2023	Interim Financial Report Q3 2023

Notes

This quarterly report has not been audited. This report is not an interim financial report according to IAS 34, nor does it constitute financial statements according to IAS 1. It was prepared on the basis of the accounting policies applied for the most recent consolidated financial statements. The comparison figures from the first quarter of 2022 have not been adjusted to account for new accounting standards. This quarterly report includes statements and information of Gigaset AG referring to future periods. These forward-looking statements represent estimates that were made on the basis of all available information at the time when the report was prepared. If the assumptions underlying the forecasts should prove to be inaccurate, the actual developments and results can deviate from current expectations. The Company bears no obligation to update the statements included in this report beyond the statutory publication requirements.

Due to the fact that the amounts and percentages stated in this quarterly report are rounded to the nearest whole number, minor rounding differences can arise.

In the interest of readability, we use the generic masculine form in the present report. It is to be understood as a gender-neutral, unbiased form of language employed for the sake of simplicity without prejudice to other genders.

Like the German-language version, this English-language version of the quarterly report of Gigaset AG can be viewed and downloaded on Gigaset AG's website (http://www.gigaset.ag). In case of doubt, the German version is authoritative in the event of any content discrepancies and differences in the stated figures.

PUBLICATION DETAILS

Publisher

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