



Half year report 2024



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Management report

KEY FIGURES

Summary of consolidated Income Statement

(in € million)	H1 2023	H1 2024	% y-o-y
Sales	427.2	421.6	(1.3%)
Gross profit	139.0	142.6	2.6%
Gross-margin (%)	32.5%	33.8%	+1.3 pps
EBITDA	57.1	61.7	8.1%
Adj. EBITDA	59.6	65.3	9.6%
Adj. EBITDA-margin (%)	13.9%	15.5%	+1.6 pps
EBIT	35.4	38.1	7.7%
Financial result	(9.0)	(16.0)	77.8%
Profit / (loss) before taxes and share of result of joint ventures (EBT)	26.4	22.1	(16.3%)
Income taxes	(8.7)	(12.8)	47.1%
Share of the result of a joint venture	0.0	(1.0)	100.0%
Net profit / (loss)	17.8	8.3	(53.4)%
Net debt	100.8	142.8	41.7%

Sales evolution by region

(in € million)	H1 2023	Volume	FX	Price / Mix / Other	H1 2024	% y-o-y
Europe	216.0	-8.6%	0.1%	-2.8%	191.5	-11.3%
North America	83.8	-0.4%	0.7%	-3.1%	81.5	-2.8%
Türkiye & EM	127.5	2.5%	-27.3%	41.4%	148.7	16.7%
Total	427.2	-3.0%	-7.9%	9.5%	421.6	-1.3%

ANALYSIS OF THE RESULTS

First half of 2024 highlights

- Sales in 2024 slightly decreased driven by a volume reduction of 3%, mostly due to Europe volumes decreasing by 8.6% while Türkiye & EM managed to grow volumes by 2.5%. Favorable product mix and crosscharging of FX devaluation led to a modest positive price and FX impact on sales.
- Adj. EBITDA increased to € 65.3m (+9.6% vs H1 2023) driven by continuing strong business performance in Türkiye and improved profitability in Europe.
- Adj. EBITDA-margin increased to 15.5% in H1 2024, compared to 13.9% in H1 2023.
- Increase in Adj. EBITDA has been realized while markets continued to be under pressure of higher interest rates and slowdown of economic activity.
- Net income decreased from € 17.8m in H1 2023 to € 8.3m in H1 2024.
- Increased working capital leads to Net debt increasing to € 142.8m (1.2x Adj. EBITDA).

Quote of the Executive Chairman, Francis Van Eeckhout

"Given the general slowdown of the construction market, we are satisfied with our H1 results. Market sentiment in Europe remained low leading to a decrease in activity mainly in Western Europe. Strict cost control remains a key focus while preparing for a pickup of market activity. Our Elegant transition in France is progressing well to finalize in 2025. The restructuring of our German operations is on track and production is starting to shift to other plants within the Group.

In North America, volumes were stable while we managed to compensate for cost inflation. Operational performance continues to be solid bringing us into a good place once volumes start to pick up.

In Türkiye, volumes and margins remained good while high inflation and a strong Turkish Lira resulted into higher fixed costs. Tighter monetary and fiscal policies led to a moderate reduction in the order book towards the end of June, while the underlying business remains strong and resilient.

We are happy to have onboarded a seasoned business executive with the appointment of Stefaan Haspeslagh as our new CEO. We believe his extensive experience will help to bring Deceuninck to the next level while continuing to focus on our quality, reliability and innovative product offering."

Management comments

Business environment

In **Europe**, market demand continued to be soft, strengthened by the ending of government subsidies in Italy causing a slowdown in the local market. Mainly in Western Europe, volumes remained under pressure. The restructuring of our German operations is progressing well with agreements on the social plan and related support measures. Production activities have started to gradually shift to other plants in the Group.

In **North America**, sales volumes remained stable despite market sentiment still being affected by higher mortgage rates.

In **Türkiye**, the domestic market continued to be strong with a slight increase in volumes compared to a first half of last year with high activity, while there has been a slowdown towards end of June. Increases in Turkish interest rates resulted into a more stable Turkish Lira with the expectation that also inflation will possibly cool down.

Income Statement

Consolidated sales in 2024 decreased to € 421.6m, down 1.3% from € 427.2m in H1 2023, of which 3% resulting from a decrease in volumes (mainly driven by an 8.6% decrease in Europe) while exchange rate, price and product mix movements partially compensated for the volume reduction.

The **Adj. EBITDA** increased to € 65.3m (+9.6% vs H1 2023). The Adj. EBITDA-margin in 2024 was 15.5%, 1.6 percentage point higher than in H1 2023 (13.9%). Improvement in Adj. EBITDA is driven by better profitability in Europe resulting from strict cost control and favorable energy costs. Profitability in Türkiye & Emerging markets ended at a solid 23.1% Adj. EBITDA-margin (H1 2023: 26.0%) which is a normalization in comparison to an exceptionally strong H1 2023.

Adj. EBITDA-items (difference between EBITDA and Adj. EBITDA) amount to € 3.6m (vs € 2.5m in H1 2023), mainly related to the restructuring costs in Europe and the Elegant transition in Europe.

The **financial result** mainly reflects the hyperinflation impact on monetary assets in Türkiye. In H1 2024, the impact amounts to € (5.3)m compared to € (5.4)m in H1 2023, driven by higher inflation (YTD 24.7% while 19.8% in H1 2023), partially offset with lower monetary assets in Türkiye following significant dividends (gross amount of € 32.2m) in the last 12 months. Increased outstanding debt and higher hedging and interest costs in Türkiye have led the remaining financial result to increase by € (7.1)m compared to H1 2023.

Depreciations and amortizations increased from € 21.7m in H1 2023 to € 23.6m in H1 2024.

Income taxes have increased from € (8.7)m in H1 2023 to € (12.8)m in H1 2024 due to derecognition of deferred tax assets in Türkiye.

As a result of the above, **net profit** decreased from € 17.8m in H1 2023 to € 8.3m in H1 2024.

Cash Flow and Balance sheet

Capex amounted to € 19.7m in H1 2024 compared to € 23.3m in H1 2023. Capex included investments with a focus on the recycling granulation capacity, solar panels in UK and investments to prepare the reallocation of German production facilities.

The **Net Debt** increased from € 100.8m per June 2023 to € 142.8m, causing leverage to increase from 1.0x to 1.2x. Increase in Net Debt is driven by an increase in working capital. Furthermore, significant dividends from Türkiye to Belgium led to a net cashout of € 5m to minorities and withholding taxes in the last 12 months.

Working capital has increased from € 119.0m as per June 2023 to € 168.3m, as a result of making optimal use of supplier cash discounts and the decision to not use factoring (whilst the factoring balance amounted to € 24m as per June 2023). Furthermore, there has been an intentional stock build up in anticipation of moving the production from our German facilities to other production plants in the Group.

SUSTAINABILITY

Deceuninck continues to be a market leader in sustainability by further optimizing our high-tech recycling facility in Diksmuide with an increased granulation capacity.

We continued to focus on CO₂ reduction initiatives by installation of solar PV systems in the UK and by further optimizing the energy efficiency of our production processes.

OUTLOOK

For the remainder of 2024, we expect the current slow activity to continue in all regions. We continue to focus on cost reduction and operational excellence.

In **Europe**, market conditions remain challenging. Continued cost awareness is a key focus and cost optimisations related to the restructuring in Germany should start taking effect by the end of 2024.

In **North America**, expectation is that sales activity will be in line with current performance for the remainder of 2024. There will be a continued focus on operational improvements in combination with a strong cash generation.

In **Türkiye**, fiscal and monetary tightening may result into a cooling down of the order intake, however we are confident in the evolution of our business in the coming period.

RISKS AND UNCERTAINTIES

We refer to the following sections of the Annual Report 2023:

- Internal control and risk management systems (pp. 48 – 53)
- Consolidated financial statements and notes: Note 25. Risk Management (pp. 230 – 235)

Credit risk

The products of the Group are used almost exclusively in the construction industry. Hence, the exposure to credit risk is highly dependent on the performance of the building industry and the general economic conditions.

In order to minimize the credit risk, we are closely monitoring the payment behaviour of each debtor. The Group uses credit insurance to mitigate the credit risk related to trade receivables. Commercial limits, based on financial information and on business knowledge, can deviate from the insured credit limits. In cases where the insured limit is not sufficient we tried to obtain extra guarantees from our customers (e.g. bank guarantees, promissory notes, letters of credit or pledges on customers assets (machinery, buildings, land plots, etc.)).

Payment behaviour of our customers is monitored very closely and unpaid invoices result immediately in a blocking of all open orders.

Liquidity risk

The Group holds sufficient cash and has a wide range of financing sources at its disposal for the funding of its operating activities, such as credit facilities with banks in Belgium and Türkiye, mainly consisting of straight loans under a € 60 million linked revolving facility agreement and a € 120 million sustainability linked loan facility agreement, and important factoring and commercial finance facilities. Cash flow and liquidity projections confirm that these financing sources are largely sufficient for the funding of its operating activities.

Liquidity problems could arise if an event of default would occur under one of the loan agreements which is not remedied within the foreseen remedy period. In that case, the outstanding amounts under that loan agreement might become immediately due and payable, which could jeopardize the liquidity situation of the Group. The current budget and updates thereof however do not point at any such event of default in the foreseeable future.

Unaudited interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE 6 MONTHS PERIOD ENDED 30 JUNE (in € thousand)	NOTES	2023	2024
Sales	2	427,223	421,571
Cost of goods sold		(288,271)	(278,937)
Gross profit		138,952	142,634
Marketing, sales and distribution expenses		(72,163)	(70,007)
Research and development expenses		(3,640)	(3,687)
Administrative and general expenses		(28,160)	(30,133)
Other net operating result		430	(660)
Operating profit (EBIT)		35,419	38,146
Interest income / (expense)		(2,152)	(3,952)
Foreign exchange gains / (losses)		284	(3,945)
Other financial income / (expense)		(1,772)	(2,835)
Monetary gains / (losses)		(5,357)	(5,294)
Profit / (loss) before taxes and share of result of joint ventures (EBT)		26,422	22,121
Income taxes	4	(8,657)	(12,849)
Share of the result of a joint venture		-	(1,000)
Net profit / (loss)		17,765	8,272
THE NET PROFIT / (LOSS) IS ATTRIBUTABLE TO (in € thousand)			
Shareholders of the parent company		15,322	7,738
Non-controlling interests		2,444	534
EARNINGS PER SHARE DISTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY (in €):			
Basic earnings per share		0.11	0.06
Diluted earnings per share		0.11	0.05

EBIT includes depreciation, amortization & impairments for a total amount of € 23.6 million (for the six months ended 30 June 2023: € 21.7 million). EBITDA amounts to € 61.7 million (for the six months ended 30 June 2023: € 57.1 million) and is calculated as EBIT (for the six months ended 30 June 2024 and 2023 € 38.1 million and € 35.4 million respectively) excluding the depreciation, amortization & impairment expenses.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE 6 MONTHS PERIOD ENDED 30 JUNE (in € thousand)	NOTES	2023	2024
Net profit / (loss)		17,765	8,272
Currency translation adjustments		(17,149)	24,619
Gain / (loss) on cash flow hedges		522	1,566
Income tax impact	4	(131)	(392)
Net other comprehensive income / (loss) potentially to be reclassified to profit or loss in subsequent periods		(16,758)	25,794
Changes due to remeasurements of post employment benefit obligations		(852)	783
Income tax impact	4	180	(210)
Net other comprehensive income / (loss) not to be reclassified to profit or loss in subsequent periods		(671)	572
Other comprehensive income (+) / loss (-) for the period after tax impact		(17,429)	26,366
TOTAL COMPREHENSIVE INCOME (+) / LOSS (-) FOR THE PERIOD		336	34,639
THE TOTAL COMPREHENSIVE INCOME (+) / LOSS (-) OF THE PERIOD IS ATTRIBUTABLE TO (in € thousand):			
Shareholders of the parent company		(196)	31,090
Non-controlling interests		533	3,548

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

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INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

(in € thousand)	NOTES	2023 31 December	2024 30 June
Assets			
Intangible fixed assets	6	3,643	4,341
Goodwill	5	10,546	10,545
Tangible fixed assets	6	311,563	334,379
Financial fixed assets		8	8
Investment in a joint venture		-	-
Deferred tax assets		20,639	18,721
Long-term receivables		10,981	10,986
Non-current assets		357,380	378,980
Inventories		138,241	156,182
Trade receivables	7	82,129	124,029
Other receivables	7	44,650	34,737
Cash and cash equivalents	8	46,545	17,774
Non-current assets held for sale		11,956	13,771
Current assets		323,521	346,492
Total Assets		680,901	725,472

(in € thousand)	NOTES	2023 31 December	2024 30 June
Equity and liabilities			
Issued capital		54,640	54,640
Share premiums		91,010	91,010
Retained earnings		257,230	257,630
Cash flow hedge reserve		(35)	1,140
Remeasurements of post employment benefit obligations		(3,416)	(2,850)
Treasury shares		(151)	(397)
Treasury shares held in subsidiaries		(417)	-
Currency translation adjustments		(97,335)	(74,593)
Equity excluding non-controlling interests		301,527	326,579
Non-controlling interests		13,486	16,004
Equity including non-controlling interests		315,012	342,583
Interest-bearing loans including lease liabilities		105,097	115,384
Other long-term liabilities		80	80
Employee benefit obligations		14,044	12,917
Long-term provisions		8,439	5,415
Deferred tax liabilities		5,737	7,521
Non-current liabilities		133,397	141,317
Interest-bearing loans including lease liabilities		12,013	45,163
Trade payables		138,790	111,944
Tax liabilities		7,976	13,538
Employee related liabilities		18,323	18,190
Employee benefit obligations		572	566
Short-term provisions		12,672	17,257
Other liabilities		42,146	34,913
Current liabilities		232,491	241,571
Total equity and liabilities		680,901	725,472

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in € thousand)	Issued capital	Share premiums	Retained earnings	Changes in remeasurements of post employment benefit obligations	Cash flow hedge reserve	Treasury shares	Treasury shares held in subsidiaries	Currency translation adjustments	Total equity attributable to shareholders of the parent company	Non-controlling interests	Total
As per 31 December 2022	54,505	90,468	255,672	(2,201)	2,226	(16)		(93,538)	307,117	12,504	319,620
Net income / (loss) for the current period			9,484						9,484	4,137	13,621
Other comprehensive income (+) / loss (-)				(1,215)	(2,261)			(3,481)	(6,957)	(247)	(7,203)
Total comprehensive income (+) / loss (-)			9,484	(1,215)	(2,261)			(3,481)	2,527	3,890	6,417
Capital increase	135	542							677	73	750
Own shares transactions			(69)			(135)	(417)		(621)	(55)	(677)
Transactions with non-controlling interests*			653					(316)	338	(338)	
Share based payments			1,180						1,180		1,180
Dividends paid			(9,690)						(9,690)	(2,588)	(12,278)
As per 31 December 2023	54,640	91,010	257,230	(3,416)	(35)	(151)	(417)	(97,335)	301,527	13,486	315,012

* Ege Profil Ticaret ve Sanayi AS acquired 290,468 own shares. After the acquisition of these treasury shares, the ownership percentage of the Group in Ege Profil Ticaret ve Sanayi AS has subsequently changed from 87.91% to 88.27%.

(in € thousand)	Issued capital	Share premiums	Retained earnings	Changes in remeasurements of post employment benefit obligations	Cash flow hedge reserve	Treasury shares	Treasury shares held in subsidiaries	Currency translation adjustments	Total equity attributable to shareholders of the parent company	Non-controlling interests	Total
As per 31 December 2023	54,640	91,010	257,230	(3,416)	(35)	(151)	(417)	(97,335)	301,527	13,486	315,012
Net income / (loss) for the current period			7,738						7,738	534	8,272
Other comprehensive income (+) / loss (-)				566	1,175			21,612	23,353	3,014	26,367
Total comprehensive income (+) / loss (-)			7,738	566	1,175			21,612	31,090	3,548	34,639
Own shares transactions			682			(246)	417		854	210	1,064
Transactions with non-controlling interests*			2,482					1,129	3,611	1,606	5,218
Share based payments			574						574		574
Dividends paid			(11,077)						(11,077)	(2,847)	(13,924)
As per 30 June 2024	54,640	91,010	257,630	(2,850)	1,140	(397)		(74,593)	326,579	16,004	342,583

* Ege Profil Ticaret ve Sanayi AS sold 290,468 own shares and the Group sold 1.05% of the outstanding shares of Ege Profil Ticaret ve Sanayi AS while retaining control during the 6 months period ended 30 June 2024. The ownership percentage of the Group in Ege Profil Ticaret ve Sanayi AS has subsequently changed from 88.27% to 86.86%.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE 6 MONTHS PERIOD ENDED 30 JUNE (in € thousand)	2023	2024
Profit (+) / loss (-)	17,765	8,272
Depreciations and impairments	21,689	23,565
Net financial charges	9,456	16,040
Income taxes	8,657	12,849
Inventory write-off (+ = cost / - = inc)	1,915	(1,359)
Trade AR write-off (+ = cost / - = inc)	1,555	1,160
Movements in provisions (+ = cost / - = inc)	780	150
Gain / loss on disposal of (in)tang, FA (+ = cost / - = inc)	(459)	(265)
Share based payment expenses	763	574
Share of the result of a joint venture	-	1,000
Gross operating cash flow	62,121	61,986
Decr / (incr) in inventories	569	(17,242)
Decr / (incr) in trade AR	(28,197)	(46,631)
Incr / (decr) in trade AP	8,225	(18,186)
Decr / (incr) in other operating assets/liabilities	13,396	6,910
Income taxes paid (-) / received (+)	(5,525)	(6,451)
Cash flow from operating activities	50,589	(19,615)
Purchases of (in)tangible FA (-)	(23,278)	(19,742)
Capital contribution joint venture	-	(1,000)
Proceeds from sale of (in)tangible FA (+)	894	1,145
Cash flow related to loans to joint ventures	(6,091)	-
Cash flow from investment activities	(28,475)	(19,597)
Capital increase (+) / decrease (-)	73	-
Purchase of treasury shares	(248)	(2,759)
Sale of treasury shares	-	2,223
Purchase (-) / Sale (+) of treasury shares held by subsidiaries	(547)	1,600
Dividends paid to shareholders of Deceuninck NV	(9,690)	(11,077)
Dividends paid to non-controlling interests	(1,372)	(2,847)
Proceeds from sale of shares of Group companies (+)	-	5,218
Interest received (+)	1,786	2,068
Interest paid (-)	(4,499)	(6,817)
Net financial result, excl interest	(2,215)	(9,612)
New long-term debts	1,133	-
Repayment of long-term debts	(331)	-
New short-term debts	3,853	34,046
Repayment of short-term debts	(3,454)	(65)
Cash flow from financing activities	(15,511)	11,976
Net increase / (decrease) in cash and cash equivalents	6,603	(27,236)
Cash and cash equivalents as per beginning of period	58,949	46,545
Impact of exchange rate fluctuations	(10,976)	(1,536)
Cash and cash equivalents as per end of period	54,575	17,774

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Significant accounting policies

Basis of preparation of the interim condensed consolidated financial statements

These unaudited interim condensed consolidated financial statements for the six months ended 30 June 2024, have been prepared in accordance with IAS 34 - Interim Financial Reporting. These interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the financial year ended on 31 December 2023, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as endorsed by the European Union.

The interim condensed consolidated financial statements have been prepared using the same accounting policies and methods of computation as in the 31 December 2023 annual consolidated financial statements, except for the new standards and interpretations which have been adopted as of 1 January 2024 (we refer to Note 1 in the 31 December 2023 annual consolidated financial statements). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2024, but do not have an impact on the interim condensed consolidated financial statements of the Group.

There are no IFRS standards issued but not yet effective which are expected to have an impact on the Group's financials.

2. Segment information

An operating segment is a separate component of the Group (a) that engages in business activities from which it may earn revenues and incur expenses, (b) for which discrete financial information is available and (c) its results are regularly reviewed by the Chief Operating Decision Maker (CODM) in order to decide how to allocate resources and in assessing performance.

Three segments have been defined based on the location of legal entities:

1. Europe: Benelux, Bosnia, Bulgaria, Croatia, Czech Republic, France, Italy, Germany, Poland, Romania, Russia, Slovakia, Spain and the United Kingdom;
2. North America: Canada & the United States;
3. Türkiye & Emerging Markets: Australia, Brazil, Chile, Colombia, India, Mexico, Thailand and Türkiye.

There are no segments aggregated in order to establish the above segments. Transfer prices between the operational segments are based on an 'at arm's length basis' equal to transactions with third parties.

The accounting policies for the operational segments are equal to these of the consolidated financial statements.

The Group identified the Executive Management as its Chief Operating Decision Maker ("CODM"). The segments have been defined based on the information provided to the Executive Management.

The Executive Management monitors the performance of its operational segments based on sales and adjusted EBITDA per segment and make decisions about resource allocation on this geographical segmentation basis.

Segment information provided to the CODM includes the results, assets and liabilities that can be attributed directly to those segments, as stated in tables further below.

FOR THE 6 MONTHS PERIOD ENDED 30 JUNE (in € thousand)	Europe		North America		Türkiye & Emerging markets		Intersegment Eliminations		Consolidated	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
External Sales	215,992	191,461	83,764	81,472	127,467	148,638	-	-	427,223	421,571
Intersegment Sales	153	226	34	-	5,422	6,048	(5,609)	(6,274)	-	-
Total sales*	216,145	191,687	83,798	81,472	132,889	154,686	(5,609)	(6,274)	427,223	421,571
EBITDA	10,996	15,419	10,979	10,904	34,547	35,810	587	(422)	57,108	61,711
Adjusted EBITDA	13,457	18,980	10,979	10,904	34,547	35,810	587	(422)	59,569	65,272
Adj EBITDA items	(2,461)	(3,561)	-	-	-	-	-	-	(2,461)	(3,561)
Financial Result	7,080	18,874	(1,222)	(2,220)	(4,825)	(12,795)	(10,030)	(19,885)	(8,997)	(16,025)
Taxes - Current & Deferred	(1,858)	(721)	(1,019)	(269)	(5,781)	(11,858)	1	-	(8,657)	(12,849)
Depreciations and Impairments	11,205	11,429	6,060	5,885	4,726	6,423	(301)	(172)	21,689	23,565
Capital expenditures (Capex)	(13,340)	(12,384)	(3,379)	(4,281)	(7,029)	(3,347)	470	270	(23,278)	(19,742)

* Out of which € 54.9 million relating to Belgium

The difference between the Adjusted EBITDA and EBITDA of € 3.6 million includes the following non-recurring income and expenses as recognized in other operation result:

- Costs related to one-off product platform migration recognized as a minus of Sales (€ 0.5 million), Cost of goods sold (€ 1.7 million) and as Marketing, sales and distribution expenses (€ +1.4 million);
- One-off restructuring costs in Europe (€ 2.8 million).

The one-off restructuring costs in Europe are mainly related to the final agreement reached with the employee representatives on the financial terms of the social plan for the Bogen and Hunderdorf sites (Bavaria, Germany) during the first half of 2024.

Reconciliation of total segment assets and total Group assets:

(in € thousand)	2023 31 December	2024 30 June
Europe*	311,803	347,422
North America	129,041	139,160
Türkiye & Emerging Markets	234,138	252,410
Intersegment assets	674,982	738,991
Cash and cash equivalents	46,545	17,774
Intersegment eliminations	(40,627)	(31,293)
TOTAL GROUP ASSETS	680,901	725,472

* Out of which € 177.7 million relating to Belgium

Reconciliation of total segment liabilities and total Group liabilities:

(in € thousand)	2023 31 December	2024 30 June
Europe	137,688	141,055
North America	25,156	24,335
Türkiye & Emerging Markets	134,882	133,874
Intersegment liabilities	297,726	299,264
Equity including non-controlling interests	315,012	342,585
Long-term interest-bearing loans	105,097	115,384
Other long-term liabilities	80	80
Current portion of interest bearing loans	8,917	8,539
Intersegment eliminations	(45,932)	(40,380)
TOTAL GROUP LIABILITIES	680,901	725,472

The external sales by product group are presented in the table below (in € thousand and in %):

FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2023 (in € thousand)	Europe		North America		Türkiye & Emerging markets		Consolidated	
	(in € thousand)	%	(in € thousand)	%	(in € thousand)	%	(in € thousand)	%
Windows & Doors	179,868	83.3%	83,764	100.0%	122,941	96.5%	386,574	90.5%
Outdoor Living	17,119	7.9%	-	0.0%	37	0.0%	17,156	4.0%
Home protection	19,005	8.8%	-	0.0%	4,489	3.5%	23,493	5.5%
Total	215,992	100.0%	83,764	100.0%	127,467	100.0%	427,223	100.0%

FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2024 (in € thousand)	Europe		North America		Türkiye & Emerging markets		Consolidated	
	(in € thousand)	%	(in € thousand)	%	(in € thousand)	%	(in € thousand)	%
Windows & Doors	162,358	84.8%	81,472	100.0%	142,618	95.9%	386,448	91.7%
Outdoor Living	14,245	7.4%	-	0.0%	40	0.0%	14,285	3.4%
Home protection	14,858	7.8%	-	0.0%	5,979	4.1%	20,837	4.9%
Total	191,461	100.0%	81,472	100.0%	148,638	100.0%	421,571	100.0%

There is no significant concentration of sales (>10%) with one or a limited number of customers.

3. Seasonality of operations

Due to the seasonal nature of the construction industry, demand is higher around summer period.

4. Income taxes

The major components of income tax expense in the interim consolidated income statement are:

FOR THE 6 MONTHS PERIOD ENDED 30 JUNE (in € thousand)	2023	2024
Current income tax expense	(6,421)	(9,538)
Deferred income tax expense	(2,236)	(3,311)
Income tax reported in the income statement	(8,657)	(12,849)
Income tax recognized in other comprehensive income	50	(602)
Income tax reported in other comprehensive income	50	(602)
Total	(8,607)	(13,451)

5. Goodwill

IAS 36 requires that goodwill and indefinite lived intangible assets be tested for impairment at least every year and whenever there is an indicator that those assets might need to be impaired. There are no substantial changes or evolutions that are considered as an indicator for impairment.

6. Tangible and intangible fixed assets

For the six months ended 30 June 2024, total consolidated investments (Capex) amounted to € 19.7 million (2023: € 23.3 million). These investments are mainly related to machinery & equipment.

The additions to right-of-use assets during the six months period ended 30 June 2024 amounted to € 9.8 million (2023: € 10.2 million) and are mainly related to the renewal of the contract of the existing warehouse in Deceuninck North America.

Total depreciation expenses on tangible and intangible fixed assets amounted to € 23.3 million for the six months ended 30 June 2024 (2023: € 20.6 million).

For the six months period ended 30 June 2024, the Group recognized € 0.3 million impairment losses on tangible and intangible fixed assets (2023: € 1.1 million).

Impairments are included in the income statement under other net operating result.

7. Trade and other receivables

The impact of the expected credit loss (ECL) model on the impairment allowance remains stable compared to prior year and is mainly included in the Türkiye & Emerging Markets segment, where loss rates between 5% and 15% are applied, in line with the assumptions used in the ECL model as per 31 December 2023.

8. Cash and cash equivalents

(in € thousand)	2023 31 December	2024 30 June
Cash and current bank accounts	25,920	16,214
Short term deposits	20,625	1,559
Total	46,545	17,774

9. Other financial assets and liabilities

The Group uses the following hierarchical classification in determining and explaining the fair value of financial instruments by valuation technique:

- Level 1: quoted (not adjusted) prices in active markets for identical assets or liabilities
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: techniques that use input with a significant impact on the recorded fair value that is not based on observable market data,

During the reporting period ending 30 June 2024, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

As at 31 December 2023, the Group had the following financial instruments:

DERIVATIVE FINANCIAL INSTRUMENTS – HIERARCHICAL CLASSIFICATION OF FAIR VALUE (in € thousand)	2023 31 December	Level 1	Level 2	Level 3
FX forward contracts	240	-	240	-
Assets at fair value	240	-	240	-
Interest rate swap	46	-	46	-
FX forward contracts	759	-	759	-
Liabilities at fair value	805	-	805	-

As at 30 June 2024, the Group had the following financial instruments:

DERIVATIVE FINANCIAL INSTRUMENTS – HIERARCHICAL CLASSIFICATION OF FAIR VALUE (in € thousand)	2024 30 June	Level 1	Level 2	Level 3
Interest rate swap	1,520	-	1,520	-
FX forward contracts	187	-	187	-
Assets at fair value	1,707	-	1,707	-
FX forward contracts	1,085	-	1,085	-
Liabilities at fair value	1,085	-	1,085	-

10. Dividends

The dividend related to 2023 was paid on 8 May 2024, in accordance with the decision taken at the Annual General Meeting on 23 April 2024. Shareholders approved the proposed gross dividend of € 0.08 per share, resulting in a total dividend of € 11.1 million.

11. Treasury shares

As per 30 June 2024, the Group owned 149,938 own shares. These treasury shares are held to fulfil the Groups' commitments arising from both share purchase plans and warrant plans. The treasury shares have been deducted from equity.

As at 31 December 2023, the Group owned 90,603 treasury shares.

As at 30 June 2024, the Group's subsidiary Ege Profil Ticaret ve Sanayi AS, held no own shares (as at 31 December 2023: 290,468). The subsidiary's own shares have been deducted from equity and are presented under "Treasury shares held in subsidiaries".

12. Hyperinflation

As of April 2022, the cumulative inflation rate in Türkiye over a three-year period exceeded 100%, thereby triggering the requirement to transition to hyperinflation accounting as prescribed by IAS 29 Financial Reporting in Hyperinflationary Economies as of 1 January 2022.

The main principle in IAS 29 is that the financial statements of an entity that reports in the currency of a hyperinflationary economy must be stated in terms of the measuring unit current at the end of the reporting period. Therefore, the non-monetary assets and liabilities stated at historical cost, the equity and the income statement of subsidiaries operating in hyperinflationary economies are restated for changes in the general purchasing power of the local currency applying a general price index. Monetary items that are already stated at the measuring unit at the end of the reporting period are not restated.

These remeasured accounts are used for conversion into Euro at the period closing exchange rate.

Consequently, the Group has applied hyperinflation accounting for its Turkish subsidiaries in these interim condensed consolidated financial statements applying the IAS 29 rules as follows:

- Hyperinflation accounting was applied as of 1 January 2022 and was continuously applied during all subsequent reporting periods;
- Non-monetary assets and liabilities stated at historical cost (e.g. property plant and equipment, intangible assets, goodwill, etc.) and equity of the Turkish subsidiaries were restated using official Consumer Price Index ("CPI") published by the Turkish Statistical Institute (TURKSTAT). The hyperinflation impacts resulting from changes in the general purchasing power until 31 December 2021 were reported in other comprehensive income and the impacts of changes in the general purchasing power from 1 January 2022 are reported through the income statement as Monetary gains/(losses);
- The income statement is adjusted at the end of the reporting period using the change in the CPI and is converted at the closing exchange rate of each period (rather than at monthly average exchange rates as for subsidiaries in non-hyperinflationary economies);

During the first six months of 2024, the CPI index increased with 24.73% compared to 31 December 2023. The total devaluation of the Turkish Lira in the same period amounted to 7.76%.

The total impact of IAS 29 on operating profit (EBIT) amounted to € 1.1 million for the six months ended 30 June 2024 (€ -6.6 million for the six months ended 30 June 2023).

The total monetary loss amounts to € 5.3 million for the six months ended 30 June 2024 (for the six months ended 30 June 2023: € 5.4 million) and is the result of the loss on the net monetary position that is derived as the difference resulting from the restatement of non-monetary items of the financial positions and the offsetting of the inflation restatement of profit or loss items.

13. Related parties

For the six months period ended 30 June 2024, the Group made purchases for € 0.5 million (€ 0.9 million for the six months period ended 30 June 2023) and no sales (no sales for the six months period ended 30 June 2023), under normal market conditions, from or to companies to which Directors of the Group, owning shares of the Group, are related to. The purchases in 2024 are related to a buyback of Deceuninck shares outside the stock exchange. The purchases in 2023 are related to an investment and installation in a solar energy plant.

Furthermore, for the six months period ended 30 June 2024, the Group made no purchases (2023: no purchases) and generated income of € 1.1 million (€ 0.9 million for the six months period ended 30 June 2023), under normal market conditions, from or to So Easy Belgium BV or related companies. The income mainly related to the cross-charge of incurred costs / provided services and interest income.

As at 30 June 2024, there is a total outstanding receivable position of € 11.1 million (as at 31 December 2023: € 11.0 million) and an outstanding payable position of € 185 thousand (as at 31 December 2023: € 185 thousand) with

So Easy Belgium BV or related companies. The outstanding receivable position is mainly related to working capital financing.

14. Events after the reporting date

No subsequent events after the reporting date occurred which could have a significant impact on the interim condensed consolidated financial statements of the Group for the six months ended 30 June 2024.



Statement of the board of directors

Declaration regarding the information given in this interim financial report for the six months ended 30 June 2024.

The undersigned declare that:

- the interim condensed consolidated financial statements have been prepared in conformity with the applicable standards for financial statements, and that they give a fair view of equity position, of the financial position and of the results of the company, including those companies that have been included in the consolidated figures.

- the half year financial report gives a true overview of the developments and results of the company and of the companies that have been included in the consolidated figures, also providing a true description of the most important risks and insecurities with which they are confronted, as defined in the Royal Decree of November 14th, 2007, on the obligations of issuers of financial instruments admitted to trading on a regulated market.

Board of Directors

Deceuninck NV

21 August 2024

Glossary

EBITDA

EBITDA is defined as operating profit / (loss) adjusted for depreciation / amortizations and impairment of fixed assets.

FOR THE 6 MONTHS PERIOD ENDED 30 JUNE (in € thousand)	2023	2024
Operating profit	35,419	38,146
Depreciations & impairments	(21,689)	(23,565)
EBITDA	57,108	61,711

Adjusted EBITDA

Adjusted EBITDA is defined as operating profit / (loss) adjusted for (i) depreciations, amortizations and impairment of fixed assets, (ii) integration & restructuring expenses, (iii) gains & losses on disposal of consolidated entities, (iv) gains & losses on asset disposals, (v) impairment of goodwill and impairment of assets resulting from goodwill allocation.

FOR THE 6 MONTHS PERIOD ENDED 30 JUNE (in € thousand)	2023	2024
EBITDA	57,108	61,711
Integration & restructuring expenses	2,461	3,561
Adjusted EBITDA	59,569	65,272

EBIT

EBIT is defined as Earnings before interests and taxes (operational result).

FOR THE 6 MONTHS PERIOD ENDED 30 JUNE (in € thousand)	2023	2024
EBITDA	57,108	61,711
Depreciations & impairments	(21,689)	(23,565)
EBIT	35,419	38,146

EBT

EBT is defined as Earnings before taxes and share of result of joint ventures.

EPS (non-diluted)

EPS (non-diluted) are the non-diluted earnings per share and is defined as Earnings attributable to ordinary shareholders over the weighted average number of ordinary shares.

EPS (diluted)

EPS (diluted) are the diluted earnings per share and is defined as Earnings attributable to ordinary shareholders over the sum of weighted average number of ordinary shares and the weighted average number of ordinary shares which would be issued upon conversion into ordinary shares of all exercisable warrants leading to dilution.

Net debt Net debt is defined as the sum of current and non-current interest-bearing borrowings minus cash and cash equivalents.

AS PER 30 JUNE (in € thousand)	2023	2024
Interest-bearing loans – non-current	136,360	115,384
Interest-bearing loans - current	18,982	45,163
Cash and cash equivalents	(54,575)	(17,774)
Net debt	100,766	142,774

Working capital Working capital is calculated as the sum of trade receivables and inventories minus trade payables.

AS PER 30 JUNE (in € thousand)	2023	2024
Trade receivables	103,135	124,029
Inventories	162,003	156,182
Trade payables	(146,107)	(111,944)
Working capital	119,032	168,267

Capital employed (CE) The sum of non-current assets and working capital.

AS PER 30 JUNE (in € thousand)	2023	2024
Working capital	119,032	168,267
Non-current assets	333,642	378,980
Capital employed (CE)	452,674	547,248

Subsidiaries Companies in which the Group owns a participation in excess of 50 % or companies over which the Group has control.

MTM Mark-to-Market.

Headcount (FTE) Total Full Time Equivalents including temporary and external staff.

Restricted Group The Restricted Group consists of all entities of the Group excluding Turkish subsidiaries and their subsidiaries.

Leverage Leverage is defined as the ratio of Net debt to LTM (Last Twelve Months) Adjusted EBITDA.

AS PER 30 JUNE (in € thousand)	2023	2024
Net debt	100,766	142,774
LTM Adjusted EBITDA	104,070	123,575
Leverage	1.0	1.2

BUILDING A SUSTAINABLE HOME

Through innovative designs and production processes we deliver the most sustainable window, door and building solutions for today's and tomorrow's customers.

