

PSI APP STORE SCALING BY CLICK



Report on the 1st Quarter of 2023

PSI 

PSI Group Data as per 31 March 2023 at a Glance (IFRS)

	01/01-31/03/23 in KEUR	01/01-31/03/22 in KEUR	Change in KEUR	Change in %
Revenues	58,230	57,981	+249	+0.4
Operating Result	4,008	4,481	-473	-10.6
Result before income taxes	3,548	4,334	-786	-18.1
Net result	3,282	2,570	+712	+27.7
Cash and cash equivalents	61,018	67,838	-6,820	-10.1
Employees on 31 March	2,257	2,182	+75	+3.4
Revenue/Employee	25.8	26.6	-0.8	-2.9

Interim Management Report

Business Development

Earnings

The PSI Group achieved constant sales of 58.2 million euros in the first quarter of 2023 (March 31, 2022, adjusted: 58.0 million euros). The operating result (EBIT) of 4.0 million euros included about 0.5 million euros in costs from the preparations for the intended change of legal form to a European stock corporation (Societas Europaeas, SE) as well as further burdens from long-running fixed-price projects in the business with municipal utilities (March 31, 2022, adjusted: 4.5 million euros). Group net income improved by 27.7% to 3.3 million euros due to the absence of charges from the Russian business activities (March 31, 2022: 2.6 million euros). At 118 million euros, new orders were 19.2% higher than in the prior-year quarter (March 31, 2022: 99 million euros). At 212 million euros, the order book volume at March 31, 2023 exceeded the prior-year figure by 5% (March 31, 2022: 202 million euros).

The Energy Management segment (energy grids, energy trading, public transport) achieved 7.6% lower sales of 29.4 million euros (March 31, 2022, adjusted: 31.9 million euros) and a significantly lower operating result of 0.7 million euros (March 31, 2022, adjusted: 2.0 million euros). The Electrical Grids business was able to significantly increase new orders compared to the same quarter of the previous year, while sales and earnings were still burdened by long-running fixed-price projects in the municipal utility business. The preparation of the market-leading product PSIcontrol for higher volumes and better upgradeability continues to make progress; for example, the quantity structures will be dynamically configurable in the future. An important pilot order is being processed for the energy data portal based on the new PSI platform-based control system. In Southeast Asia, PSI is benefiting from the increased gas price and was able to significantly increase new orders, sales and earnings.

Sales in the Production Management segment (metals, industry, logistics) grew further by 10.2% to 28.8 million euros (March 31, 2022, adjusted: 26.1 million euros). The segment's operating profit increased by 42% to 3.9 million euro (March 31, 2022, adjusted: 2.7 million euros). In particular, the metals producing industry, logistics, and automotive businesses developed strongly and significantly increased order intake, sales and earnings, although a large license in the metals sector was not booked until the beginning of the second quarter.

In order to be able to meet demand more quickly, PSI will primarily prepare the software for the global steel industry for the cloud-based PSI App Store this year. Customers and partners will thus be able to take over larger shares of order processing and carry out their rollouts with workflow, PSI Click Design and e-learning in the PSI Virtual Factory with support or independently.

Financial Position

At 12.6 million euros, cash flow from operating activities was more than double the figure for the prior-year quarter (March 31, 2022: 4.9 million euros). Cash and cash equivalents of 61.0 million euros (March 31, 2022: 67.8 million euros) will be used for the proposed dividend payment and for seasonal sales financing.

Assets

Compared to 31 December 2022, there have not been any material changes in the Group's assets.

Personnel Development

The number of employees in the Group was increased to 2,257 (March 31, 2022: 2,182) due to targeted new hires in Germany, Poland and the USA.

PSI-Shares

The PSI stock ended the first quarter of 2023 with a final price of 27.35 euros, 21.8% above the final 2022 price of 22.45 euros. In the same period, the technology index TecDAX recorded an increase of 13.8%.

Risk Report

The estimate of the corporate risk has not changed since the Annual Report for 31 December 2022.

Outlook

PSI will continue to expand business with Group rollouts and integration partners as planned in the coming quarters. The fixed-price business, which is subject to inflation and fulfillment risks, was further reduced in the first quarter, while sales from time and material services, maintenance/upgrade contracts and licenses were again increased. PSI continues to benefit from the growth in the North American business, now also in the wake of the Inflation Reduction Act, and the strong demand for optimization solutions with industrial artificial intelligence, which make an important contribution in the transformation to sustainable industrial production.

For 2023, PSI is working on recovery in the Energy Management segment. Production Management will continue to grow and App Store sales in particular will exceed ten million euros this year. The PSI Executive Board is therefore still planning increases in new orders and sales of up to 10% and in the operating result of around 20% to 25 million euros for 2023. The strategic developments (cloud-based App Store and Collaboration Space) will be continued as planned, so that the PSI Executive Board continues to aim for the long-term target of 54 million euros EBIT for 2026.

Group Balance Sheet

from 1 January 2023 until 31 March 2023 according to IFRS

	3 Month Report 01/01-31/03/23 KEUR	Annual Report 01/01-31/12/22 KEUR
Assets		
Non current assets		
Intangible assets	72,089	73,190
Property, plant and equipment	35,605	37,892
Investments in associates	694	694
Deferred tax assets	8,153	6,589
	116,541	118,365
Current assets		
Inventories	10,231	8,138
Net trade receivables	36,083	42,031
Receivables from long-term development contracts	53,919	49,915
Other assets	11,355	5,876
Income tax receivables	2,659	2,829
Cash and cash equivalents	61,018	45,444
	175,265	154,233
Total assets	291,806	272,598
Total Equity and Liabilities		
Equity		
Subscribed capital	40,185	40,185
Capital reserves	35,137	35,137
Reserve for treasury shares	-4,698	-4,698
Other reserves	-17,482	-17,102
Retained earnings	68,799	65,517
	121,941	119,039
Non-current liabilities		
Pension provisions and similar obligations	42,425	42,633
Deferred tax liabilities	5,394	4,892
Other liabilities	562	562
Provisions	1,639	1,639
Lease liabilities	16,551	17,798
Financial liabilities	75	75
	66,646	67,599
Current liabilities		
Trade payables	18,616	23,399
Other liabilities	22,486	23,589
Provisions	2,239	2,308
Liabilities from long-term development contracts and deferred revenue	41,408	22,983
Lease liabilities	6,457	6,636
Financial liabilities	9,957	4,667
Liabilities in connection with discontinued assets	2,056	2,378
	103,219	85,960
Total equity and liabilities	291,806	272,598

Group Income Statement

from 1 January 2023 until 31 March 2023 according to IFRS

	3 Month Report 01/01-31/03/23 KEUR	3 Month Report 01/01-31/03/22 KEUR
Sales revenues	58,230	57,981
Other operating income	6,688	3,548
Cost of materials	-5,690	-6,095
Personnel expenses	-43,464	-41,641
Depreciation and amortization	-3,680	-3,229
Other operating expenses	-8,076	-6,083
Operating result	4,008	4,481
Interest and similar income	131	24
Interest expenses	-591	-171
Result before income taxes	3,548	4,334
Income tax	-588	-844
Result after income taxes from continuing operations	2,960	3,490
Result after income taxes from discontinued operations	322	-920
Net result	3,282	2,570
Earnings per share (in Euro per share, basic and diluted)	0.21	0.16
Profit attributable to shareholders from continuing operations	0.19	0.22
Profit attributable to shareholders from discontinued operations	0.02	-0.06
Weighted average shares outstanding	15,487,995	15,680,773

Group comprehensive Income Statement

from 1 January 2023 until 31 March 2023 according to IFRS

	3 Month Report 01/01-31/03/23 KEUR	3 Month Report 01/01-31/03/22 KEUR
Net result	3,282	2,570
Currency translation of foreign operations	-380	806
Actuarial gains / losses	0	0
Income tax effects	0	0
Group comprehensive result	2,902	3,376

Group Cash Flow Statement

from 1 January 2023 until 31 March 2023 according to IFRS

	3 Month Report 01/01-31/03/23 KEUR	3 Month Report 01/01-31/03/22 KEUR
CASHFLOW FROM OPERATING ACTIVITIES		
Result before income taxes	3,870	3,414
Adjustments for non-cash expenses		
Amortisation of intangible assets	1,000	845
Depreciation of property, plant and equipment	976	847
Amortization of right-of-use	1,704	1,559
Income and expenses from asset disposals	-18	0
Interest income	-131	-20
Interest expenses	590	316
Other non-cash income/expenses	0	3
	7,991	6,964
Changes of working capital		
Inventories	-2,067	-320
Trade receivables and receivables from long-term development contracts	1,920	-4,074
Other current assets	-5,243	-2,638
Provisions	-566	-380
Trade payables	-4,724	-2,433
Other non-current and current liabilities	16,800	8,232
	14,111	5,351
Interest paid	-59	-121
Income taxes paid	-1,453	-378
Cash flow from operating activities	12,599	4,852
CASHFLOW FROM INVESTING ACTIVITIES		
Additions to intangible assets	-206	-225
Additions to property, plant and equipment	-120	-719
Interest received	131	20
Cash flow from investing activities	-195	-924
CASHFLOW FROM FINANCING ACTIVITIES		
Proceeds/repayments from/of borrowings	4,968	-584
Repayments of lease liabilities	-1,680	-1,577
Interest paid on leases	-128	-84
Outflows for share buybacks	0	-1,141
Cash flow from financing activities	3,160	-3,386
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		
Changes in cash and cash equivalents	15,564	542
Valuation-related changes in cash and cash equivalents	10	-182
Cash and cash equivalents at beginning of the period	45,444	67,478
Cash and cash equivalents at the end of the period	61,018	67,838

Statement of Changes in Equity

from 1 January 2023 until 31 March 2023 according to IFRS

	Number of shares issued	Share capital	Additional paid-in capital	Reserve for treasury stock	Other reserves	Accumulated results	Total
	Number	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
As of 1 January 2022	15,691,727	40,185	35,137	702	-23,394	62,087	114,717
Group comprehensive result after tax					6,292	9,694	15,986
Share buybacks	-232,999			-6,055			-6,055
Issue of treasury shares	29,267			655			655
Dividends paid						-6,264	-6,264
As of 1 January 2023	15,487,995	40,185	35,137	-4,698	-17,102	65,517	119,039
Group comprehensive result after tax					-380	3,282	2,902
As of 31 March 2023	15,487,995	40,185	35,137	-4,698	-17,482	68,799	121,941

Shares held by Management Board and Supervisory Board as of 31 March 2023

	Shares on 31/03/2023	Shares on 31/03/2022
Management Board		
Gunnar Glöckner	0	0
Dr, Harald Schrimpf	63,500	62,000
Supervisory Board		
Andreas Böwing	0	0
Elena Günzler	1,022	1,994
Prof, Dr, Uwe Hack	600	600
Prof, Dr, Wilhelm Jaroni	0	0
Uwe Seidel	493	465
Karsten Trippel	115,322	111,322

Notes on the consolidated financial statements as of 31 March 2023

The Company

1. Business Activities and Legal Background

The business activities of PSI Software AG and its subsidiaries relate to the development and sale of software systems and products fulfilling the specific needs and requirements of its customers, particularly in the following industries and service lines: utilities, manufacturing, logistics and transportation. In addition, the Group provides services of all kinds in the field of data processing, sells electronic devices and operates data processing systems.

The PSI Group is structured into the core business segments energy management and production management. The company is listed in the Prime Standard segment of the Frankfurt stock exchange.

The company is exposed to a wide range of risks that are similar to other companies active in the dynamic technology sector. Major risks for the development of the PSI Group lie in the success with which it markets its software systems and products, competition from larger companies, the ability to generate sufficient cash flows for future business development as well as in individual risks regarding the integration of subsidiaries, organisational changes and the cooperation with strategic partners.

The condensed interim consolidated financial statements for the period from 1 January 2023 to 31 March 2023 were released for publication by a decision of the management on 25 April 2023.

The condensed interim consolidated financial statements for the period from 1 January 2023 to 31 March 2023 were produced in compliance with IAS 34 "Interim Financial Reporting". The condensed interim consolidated financial statements do not contain all the data and notes prescribed for the annual financial statements and should be read in conjunction with the consolidated financial statements for 31 December 2022.

2. Accounting and Valuation Principles

With regard to the principles of accounting and valuation and especially the application of International Financial Reporting Standards (IFRS), see the group consolidated financial statements for the financial year 2022.

3. Seasonal Influences on the Business Activities

Seasonal effects resulted in the PSI Group operations with regards to the receipt of maintenance revenues in the first quarter of the financial year (deferment of the influences on the result of corresponding incoming payments throughout the year) and significantly greater demand and project accounting in the fourth quarter of the financial year.

4. Changes in the Consolidation Group

Compared to 31 December 2022 there were no changes in the consolidation group.

5. Selected Individual Items

Cash and cash equivalents

	31 March 2023	31 December 2022
	KEUR	KEUR
Bank balances	58,586	42,308
Fixed term deposits	2,410	3,111
Cash	22	25
	61,018	45,444

Receivables from long-term development contracts, liabilities from long-term development contracts and deferred revenue

Costs and estimated earnings in excess of billings on uncompleted contracts arise when revenues have been recorded but the amounts cannot be billed under the terms of the contracts. Such amounts are recognized according to various performance criteria. Costs and estimated earnings contain directly allocable costs (labour cost and cost of services provided by third parties) as well as the appropriate portion of overheads including pro rata administrative expenses.

Liabilities and receivables according to the percentage-of-completion method break down as follows:

	31 March 2023 KEUR	31 December 2022 KEUR
Receivables from long-term development contracts (gross)	132,670	128,502
Payments on account	-78,751	-78,587
Receivables from long-term development contracts	53,919	49,915
Payments on account (gross)	91,573	90,542
Set off against contract revenue	-78,751	-78,587
Liabilities from long-term development contracts	12,822	11,955
Deferred revenue	28,586	11,028
Liabilities from long-term development contracts	41,408	22,983

Sales revenues

The sales revenues reported in the group income statement break down as follows:

31 March 2023 KEUR	Energy Management	Production Management	Total
Software development at fixed price	9,561	5,490	15,051
Software development, time and material	4,087	9,090	13,177
Maintenance	11,721	11,074	22,795
License fees	818	2,823	3,641
Merchandise	3,250	316	3,566
Total	29,437	28,793	58,230

31 March 2022 KEUR	Energy Management	Production Management	Total
Software development at fixed price	13,248	5,729	18,977
Software development, time and material	3,079	8,056	11,135
Maintenance	11,450	10,294	21,744
License fees	576	1,768	2,344
Merchandise	3,503	278	3,781
Total	31,856	26,125	57,981

Taxes on income

The main components of the income tax expenditure shown in the group income statement are added as follows:

	31 March 2023 KEUR	31 March 2022 KEUR
Effective taxes expenses		
Effective tax expenses	-1,650	-717
Deferred taxes		
Emergence and reversal of temporary differences	1,062	-127
Tax expenses	-588	-844

Segment Reporting

The development of the segment results can be found in the Group segment reporting.

Segments of the PSI Group:

- Energy management: Intelligent solutions for network operators in the fields of electricity, gas, district heating and pipelines as well as for public transport, Focal points are reliable and economically sound control system solutions for intelligent energy grid management and the safe operation of traffic infrastructures as well as trade and sales management in the liberalised energy market,
- Production Management: Software products and solutions for production planning, optimization and control as well as efficient logistics, Focuses are the optimization of the use of resources and the increase of efficiency, quality and profitability,

Group Segment Reporting

from 1 January 2023 until 31 March 2023 according to IFRS

	Energy Management		Production Management		Reconciliation		PSI Group	
	31/03/2023 KEUR	31/03/2022 KEUR*	31/03/2023 KEUR	31/03/2022 KEUR*	31/03/2023 KEUR	31/03/2022 KEUR*	31/03/2023 KEUR	31/03/2022 KEUR*
Sales revenues								
Sales to external customers	29,437	31,856	28,793	26,125	0	0	58,230	57,981
Inter-segment sales	791	1,170	4,755	4,429	-5,546	-5,599	0	0
Segment revenues	30,228	33,026	33,548	30,554	-5,546	-5,599	58,230	57,981
Operating result before interest, tax, depreciation and amortisation	2,447	3,546	5,649	4,370	-408	-206	7,688	7,710
Operating result before depreciation and amortisation resulting from purchase price allocation	835	2,143	3,969	2,830	-529	-225	4,275	4,748
Depreciation and amortisation resulting from purchase price allocation	-148	-148	-119	-119	0	0	-267	-267
Operating result	687	1,995	3,850	2,711	-529	-225	4,008	4,481
Net finance result	-237	-48	-155	-69	-68	-30	-460	-147
Result before income taxes	450	1,947	3,695	2,642	-597	-255	3,548	4,334

*adjusted

Responsibility Statement

To the best of our knowledge, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the group's development and performance of its position, together with a description of the principal opportunities and risks associated with the expected development of the group in the remaining months of the financial year, in accordance with proper accounting principles of interim consolidated reporting.

Financial Calendar

29 March 2023	Publication of Annual Result 2022
29 March 2023	Analyst Conference
27 April 2023	Report on the 1 st Quarter of 2023
23 May 2023	Annual General Meeting
27 July 2023	Report on the 1 st Six Months of 2023
27 October 2023	Report on the 3 rd Quarter of 2023
27 to 29 November 2022	German Equity Forum, Analyst Presentation

Your Investor Relations contact:

Karsten Pierschke

Phone: +49 30 2801-2727

E-Mail: kpierschke@psi.de

We will be happy to include you in our distribution list for stockholder information.

Please contact us should you require other information material.

For the latest IR information, please visit our website at www.psi.de/ir.

PSI Software AG

Dircksenstraße 42-44
10178 Berlin
Germany
Phone: +49 30 2801-0
Fax: +49 30 2801-1000
ir@psi.de
www.psi.de

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