

## search result

C. Otto Gehrckens GmbH & Co. KG	Accounting / financial reports	Annual financial statements for the business year from 01/01/2018 to 12/31/2018	02/19/2020
<b>Surname</b>	<b>Area</b>	<b>information</b>	<b>V. date</b>

**C. Otto Gehrckens GmbH & Co. KG**

Pinneberg

**Annual financial statements for the business year from 01/01/2018 to 12/31/2018****Balance sheet as of December 31, 2018****ASSETS**

	EUR	EUR 31.12.2018	EUR thousand (December 31, 2017)
<b>CAPITAL ASSETS</b>			
Intangible assets			
Acquired concessions, industrial property rights and similar rights and values as well as licenses to such rights and values		105,132.00	138
Property, plant and equipment			
Land and buildings	11,750,011.26		9,728
Technical equipment and machinery	1,082,828.00		808
Other equipment, factory and office equipment	1,859,388.00		1,803
Payments on account and assets under construction	98,370.00		749
		14,790,597.26	13,088
<b>CURRENT ASSETS</b>			
Stocks			
Raw materials and supplies	604,314.81		509
Unfinished products	259,261.99		223
Finished products and goods	5,461,745.28		5,161
		6,325,322.08	5,893
Receivables and other assets			
Requests from deliveries and services	1,917,009.83		1,820
Other assets	52,611.23		222
		1,969,621.06	2,042
Cash and bank balances		5,776,978.71	6,802
<b>ACCRUED INCOME</b>		34,107.45	45
		29,001,758.56	28,008

**LIABILITIES**

	EUR	EUR 31.12.2018	EUR thousand (December 31, 2017)
<b>EQUITY</b>			
Capital shares of the limited partners		380,000.00	380
<b>ACCRUALS</b>			
Tax provisions	276,220.00		423
Other provisions	560,772.27		374
		836,992.27	797
<b>LIABILITIES</b>			

	EUR	EUR 31.12.2018	EUR thousand (December 31, 2017)
Liabilities to banks	4,274,757.05		4.184
Advance payments received on orders	14,047.31		14th
liabilities from goods and services	1,082,986.61		835
Liabilities to shareholders	20,859,722.96		20,068
Other liabilities	1,553,252.36		1,730
- of which from taxes: EUR 238,353.91 (previous year: EUR 309 thousand) -		27,784,766.29	26,831
		29,001,758.56	28.008

### Income statement for the period from January 1 to December 31, 2018

	2018 EUR	(2017) KEUR
Sales	33,850,668.46	31,591
Increase in finished goods and work in progress	28,158.51	186
Other own work capitalized	126,614.94	124
	34,005,441.91	31,901
Other operating income Cost of materials	153,250.12	140
Expenses for raw materials and supplies and for purchased goods	-11,664,258.34	-10,572
Personnel expenses		
Wages and salaries	10,692,507.35	-9,608
Social security and pension and support expenses	-2,076,775.65	-1,847
- of which for old age pensions: EUR 40,132.39 (previous year: EUR 40 thousand) -		-12,769,283.00
Depreciation on intangible assets and property, plant and equipment	-1,439,060.54	-1,397
Other operating expenses	-4,469,868.16	-4,621
	3,816,221.99	3,996
Other interest and similar income	1,694.10	2
Interest and similar expenses	-1,012,250.82	-964
	-1,010,556.72	-962
Taxes on income and earnings	-565,520.40	-591
Result after taxes	2,240,144.87	2,443
Other taxes	-31,387.49	-29
Annual surplus	2,208,757.38	2,414
Credit to the clearing accounts of the limited partners	-2,208,757.38	-2,414
Result after usage calculation	0.00	0

### District court Pinneberg HRA 2106

#### attachment

##### 1. General information

The annual financial statements as of December 31, 2018 were prepared in accordance with the provisions of Sections 238 ff. And 264 ff. HGB, taking into account the special provisions for commercial partnerships. The supplementary provisions of the articles of association have been observed. C. Otto Gehrckens GmbH & Co KG, Pinneberg, is a medium-sized company within the meaning of Section 267 of the German Commercial Code (HGB). The size-dependent relief for medium-sized companies has largely been used (e.g. also Section 286 (4) HGB). The total cost method was chosen for the preparation of the profit and loss account.

##### 2. Accounting and valuation methods

Fixed assets are valued at acquisition / production costs in accordance with Sections 253 - 255 of the German Commercial Code (HGB) less scheduled depreciation. The depreciation is carried out according to the linear and degressive method according to their expected useful life over a period of 3 to 15 years (building depreciation up to 33 years). In 2018, asset additions were depreciated using the straight-line method. For reasons of simplicity, assets with an acquisition value of up to EUR 800.00 are written off in full in the year of acquisition.

The inventories are valued at acquisition / production costs or the lower applicable value. The raw materials, consumables and supplies are stated at their acquisition costs (moving average). For mixtures, endless blanks and semi-finished O-rings, the production costs are set according to the respective production status. Components of the production costs are direct material costs, material overheads, direct production costs and production overheads (including special production costs and the depreciation of fixed assets).

Finished products and goods are valued at acquisition or production cost plus an overhead surcharge.

Other assets, liquid funds and prepaid expenses are shown at their nominal values.

Asset positions in foreign currency were valued at the closing rate.

Pension commitments made by the company amounted to a value of EUR 72.1 thousand as of the balance sheet date. In accordance with Art. 28 (1) EGHGB, it is not taken into account in the annual financial statements.

The provisions contain all identifiable risks and uncertain obligations. The assessment takes place in the amount of the fulfillment amount necessary according to a reasonable commercial assessment.

The reported liabilities are valued at the settlement amount.

Deferred taxes are recognized on the differences in the balance sheet values of the commercial balance sheet and the tax balance sheet, provided that these are expected to decrease in later financial years. In the event of an excess of deferred taxes on the balance sheet date, the option to capitalize under Section 274 (1) sentence 2 of the German Commercial Code is not used.

### 3. Notes on the balance sheet

The development of fixed assets is shown in the appendix to the notes. The schedule of fixed assets was drawn up in accordance with the provisions of Section 284 (3) HGB.

All receivables and other assets have a remaining term of less than one year.

#### Other provisions

	12/31/2018 kEUR	Previous year kEUR
Retention requirements	2	3
Trade association	44	29
Employee	321	222
vacation	79	90
Failed maintenance	63	0
Missing incoming invoices	22nd	0
miscellaneous	30th	30th
	561	374

The liabilities shown in the balance sheet are made up as follows:

	Total amount 12/31/2018 kEUR	Thereof with a remaining maturity		
		up to 1 year kEUR	1 to 5 years EUR	more than 5 years EUR
Liabilities to banks	4,275	805	1,809	1,661
Trade payables	1,083	1,083	0	0
Liabilities to shareholders	20,860	1,374	4,166	15,320
Payments received	14th	14th	0	0
Other liabilities	1,553	414	242	897
	27,785	3,690	6,217	17,878

  

	Total amount 12/31/2017 kEUR	Thereof with a remaining maturity		
		up to 1 year kEUR	1 to 5 years kEUR	more than 5 years kEUR
Liabilities to banks	4,184	805	2,690	689
Trade payables	835	835	0	0
Liabilities to shareholders	20,068	1,274	4,008	14,786
Payments received	14th	14th	0	0
Other liabilities	1,730	472	267	991
	26,831	3,400	6,965	16,466

The liabilities to banks are fully secured by land charges.

The liabilities to shareholders are other liabilities.

Other financial obligations from leasing contracts in accordance with Section 285 No. 3a HGB amount to EUR 125.0 thousand per year.

### 4. Notes on the income statement

The average number of employees during the financial year was:

	2018 number	Previous year number
Industrial workers	142	135
Employees	104	99
	246	234

The other operating expenses and other operating income include amounts from currency conversion of less than EUR 1 thousand each.

### 5. Management of the company, information on the personally liable partner, capital

The company is represented by its personally liable partner, Metzger Verwaltungs- und Vertriebs-GmbH, Pinneberg (subscribed capital: EUR 25,564.59), acting by Ingo Metzger, full-time technical manager, and Jan Metzger, full-time commercial manager.

**6. Supplementary report**

There were no events of particular importance after the end of the 2018 financial year.

**Pinneberg, April 26, 2019**

**C. Otto Gehrckens GmbH & Co. KG**

*Represented by*

*Metzger Verwaltungs- und Vertriebs-GmbH*

*Ingo Metzger*

*Jan Metzger*

**Management report for the business year from 01/01/2018 to 12/31/2018****1. Business and framework conditions**

C. Otto Gehrckens GmbH & Co. KG showed a positive sales development in the past financial year.

The 7.2% increase in sales results as follows:

In the area of own production there was an increase of 10.7%, in the trade the increase was 4.8%.

Domestic business grew by 6.3%, while international business increased by 12.2%.

The reasons for the increase in sales in Germany are mainly the continued stable development of the most important customer industries in 2018 as well as the successful expansion of business with new customers.

In the majority of our customer industries, a further positive business development could be observed in 2018.

Abroad, significant increases in sales for some major customers as well as the restructuring of sales activities led to a clearly positive sales development.

The target sales increase of 5.1% planned for 2018 was achieved and exceeded with the actual increase of 7.2%.

Financial performance indicators that are essential for the company and used for internal corporate management are in particular

- Earnings development (significant)
- Sales development (significant)
- Sales per employee
- Return on sales
- Capitalization

The earnings development in 2018 was as follows: Net income for the year T € 2,209 compared to T € 2,414 in 2017.

The sales development shows an increase from T € 31,590 in 2017 to T € 33,851 in 2018.

The turnover per employee was € 133,797 in 2018 compared to € 126,360 in 2017.

The return on sales was 6.53% in 2018 and 7.64% in 2017.

In terms of capital resources, the share of own funds was 73.2% at the end of 2018 compared to 73.0% at the end of 2017.

Overall, the business development can be assessed as being favorable.

**2. Earnings, financial and asset position**

The company's earnings situation in 2018 deteriorated slightly compared to the previous year.

The annual surplus in 2018 was T € 2,209 compared to T € 2,414 in 2017.

Earnings-relevant for 2018 are the significantly increased personnel costs and the increased costs for raw materials and merchandise, which led to a corresponding deterioration in earnings despite the increase in sales and decreases in other operating expenses.

The cost of materials rose in part significantly in 2018 due to the good demand situation and a partial shortage of materials, the material usage rate is above the previous year's level.

Due to the development of material costs, the company's own sales prices were increased at the end of 2018, and individual condition adjustments were also made.

The average sales prices for in-house production are slightly below the previous year's level, as some customers bought less high-quality materials. The values for merchandise are slightly above the previous year's level, which is due to the increased sales of higher-quality materials, mainly in Germany.

The increases in personnel costs are due to the further increase in the number of employees. The company also invested in new employees in 2018 in order to be able to take advantage of future opportunities to expand the business.

The slight increase in depreciation can be attributed to the investments made in machinery and equipment as well as buildings in 2018.

In the area of other operating expenses, major savings were achieved in legal and consulting costs as well as in the areas of personnel leasing and advertising. There were higher expenses in the area of property leasing. The savings in the area of advertising are due to the one-off expenses for organizing the celebrations for the company's 150th anniversary in 2017.

The company had 253 employees on December 31, 2018. The number of employees will only change slightly in the 2019 financial year if the economic situation remains unchanged. A further increase in the number of employees is currently planned.

The main features of the investment activity in 2018 were the acquisition of a new CNC lathe, several injection presses, a system for cold deburring and new systems for finishing.

Furthermore, the construction of a new production building on the company property was completed.

The investment volume in 2018 was financed from cash flow and leasing. The construction of the new production building was financed through a KfW loan and from the cash flow.

The shareholder funds ratio (including the loan accounts of the shareholders) was 73.2% as of December 31, 2018 (previous year 73.0%).

Thanks to its good capital resources and liquidity situation, the company is always in a position to meet its payment obligations on time.

### 3. Future development with significant opportunities and risks

#### Future development

Due to the rapidly changing framework conditions, it is still difficult to make a realistic forecast for the following financial years.

From today's perspective, we consider the sales increase of 7% planned for 2019 to be realistic. We expect a uniform development over the year without any particular fluctuations.

As of the end of March 2019, the increase in sales was around 3% compared to the previous year.

In 2019, the intensification and restructuring of sales activities at home and abroad will continue to have top priority for the company in order to use the existing opportunities in our sales markets with optimized processes, expanded capacities and new products and services and to further increase the company's market share to expand.

The most important investments planned for 2019 are the acquisition of various new machines and systems in the production area. The investments are made against the background of the expansion of production capacities and as a rationalization investment for the purpose of increasing efficiency. In addition, further investments, especially in software, are planned.

The investment projects are financed from the cash flow and via leasing.

Due to the market and business situation that has prevailed in our industry to this day, we are currently assuming that we will be able to achieve a slightly improved result in 2019 compared to the previous year.

For 2019 and the following years, we expect further sales growth with unchanged framework conditions through the introduction of new products and services, the development of new customer sectors in Germany and the development of new foreign markets.

The costs for personnel, energy and services are expected to continue to rise in 2019.

The price increases for raw materials and finished goods are likely to be significantly higher in some areas than in previous years, as there are increasing signs of shortages and excess demand.

The company's business development continues to be rated as favorable overall for 2019.

#### Risks of future development

Experience in recent years shows that economic developments and cycles that lasted between 12 and 36 months a few years ago can now change fundamentally from quarter to quarter. The extremely rapid recovery after the severe crisis in 2009 and the overheating of the economy, especially in the first half of 2011, are examples here.

We are currently perceiving a stable and good business development with most of our customers. In many sectors, business is currently still going well, in other sectors we see clear signs of calming down, and viewed as a whole, there is a discernible risk of significant declines.

The opportunities and risks are presented in descending order. The order relates to the company's asset, financial and earnings position, taking into account the respective probability of the occurrence of risks.

The highly topical Brexit issue and the lack of clarity about the economic consequences are currently leading to great uncertainty. Larger and lasting growth impulses from the euro area can only be expected after a positive clarification of Brexit and the European elections, if further disintegration of the EU can be prevented.

We are also seeing the growth of protectionist economic policies and trade barriers around the world. It is currently not clear whether the current trade conflicts between the USA, China and Europe will lead to a trade war. If so, it would have a very negative impact on global economic growth.

The situation with regard to the euro / national debt crisis in Europe has hardly changed since previous years, even if the economic development in Europe is currently more positive.

The Russia / Ukraine conflict with the resulting sanctions and trade restrictions is having a noticeable impact on some of our customer industries, such as the oil and gas sector, and further developments are still not foreseeable here.

Significant declines in demand for capital goods resulting from the aforementioned points would have clearly negative effects on the company as a supplier, particularly to the German mechanical engineering industry.

On the basis of experience from the crisis year 2009, in the event of a cumulative occurrence of several crisis situations, in the worst case this could also be a decline in sales of 20% and more.

We see further risks for the company in procurement costs and the availability of certain raw materials that are crude oil-based and subject to speculative influences. In the long term, we see the shortage of skilled workers as a risk for the company's future growth prospects.

There are currently no identifiable risks for the company as a going concern.

#### Opportunities for future development

In order to meet the requirements according to DRS 20, the following is a list of external opportunities for future development. The chances of future development through own action have already been adequately described in the point "Future development".

Brexit could fail or be carried out in such an orderly manner that negative effects on economic development in the EU are avoided and this leads to a general market recovery.

The USA could give way in the trade disputes and thus give the global economy a positive boost by removing trade barriers.

Faster advances in digitization and automation could limit the negative effects of the skills shortage.

As a result, the company's opportunities and risks are still rated as favorable.

**Pinneberg, April 26, 2019**

## Development of fixed assets in the 2018 financial year

	Acquisition and production costs				As of
	As of 01/01/2018 EUR	Additions EUR	Disposals EUR	Rebookings EUR	December 31, 2018 EUR
Intangible assets					
Acquired concessions, industrial property rights and similar rights and values as well as licenses to such rights and values	1,527,553.27	94,138.60	0.00	0.00	1,621,691.87
Property, plant and equipment					
Land and buildings	14,507,664.28	0.00	0.00	2,511,948.26	17,019,612.54
Technical equipment and machinery	3,388,189.80	123,812.23	33,361.18	308,776.18	3,787,417.03
Other equipment, factory and office equipment	6,179,950.04	701,065.50	298,160.20	18,953.77	6,601,809.11
Payments on account and assets under construction	748,929.19	2,189,419.02		-2,839,678.21	98,670.00
	24,824,733.31	3,014,296.75	331,521.38	0.00	27,507,508.68
	26,352,286.58	3,108,435.35	331,521.38	0.00	29,129,200.55
		Accumulated depreciation			
	As of 01/01/2018 EUR	Additions EUR	Disposals EUR		As of December 31, 2018 EUR
Intangible assets					
Acquired concessions, industrial property rights and similar rights and values as well as licenses to such rights and values	1,389,144.27	127,415.60	0.00		1,516,559.87
Property, plant and equipment					
Land and buildings	4,779,395.02	490,206.26	0.00		5,269,601.28
Technical equipment and machinery	2,579,962.80	157,987.41	33,361.18		2,704,589.03
Other equipment, factory and office equipment	4,377,130.04	663,451.27	298,160.20		4,742,421.11
Payments on account and assets under construction		0.00	0.00	0.00	0.00
	11,736,487.86	1,311,644.94	331,521.38		12,716,611.42
	13,125,632.13	1,439,060.54	331,521.38		14,233,171.29
		Balance values			
	Book values December 31, 2018 EUR		Carrying amounts as of December 31, 2017 EUR		
Intangible assets					
Acquired concessions, industrial property rights and similar rights and values as well as licenses to such rights and values		105,132.00			138,409.00
Property, plant and equipment					
Land and buildings		11,750,011.26			9,728,269.26
Technical equipment and machinery		1,082,828.00			808,227.00
Other equipment, factory and office equipment		1,859,388.00			1,802,820.00
Payments on account and assets under construction		98,670.00			748,929.19
		14,790,897.26			13,088,245.45
		14,896,029.26			13,226,654.45

## INDEPENDENT AUDITOR'S REPORT

We have prepared the annual financial statements of C. Otto Gehrckens GmbH & Co. KG, Pinneberg, - consisting of the balance sheet as of December 31, 2018 and the income statement for the financial year from January 1 to December 31, 2018 as well as the notes, inclusive the presentation of the accounting and valuation methods - checked. In addition, we have audited the management report of C. Otto Gehrckens GmbH & Co. KG, Pinneberg, for the financial year from January 1 to December 31, 2018.

In our opinion, based on the knowledge gained during the audit

- the attached annual financial statements comply in all material respects with the German commercial law regulations applicable to corporations and, in compliance with the German principles of proper accounting, give a true and fair view of the company's assets and financial position as of December 31, 2018, as well as its earnings position for the financial year from January 1 to December 31, 2018.
- the attached management report gives an overall accurate picture of the company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and accurately presents the opportunities and risks of future development.

In accordance with Section 322, Paragraph 3, Clause 1 of the German Commercial Code (HGB), we declare that our audit has not led to any objections to the correctness of the annual financial statements and the management report.

Hamburg, April 26, 2019

**Baker Tilly GmbH & Co. KG**  
**auditing company**  
**Düsseldorf**

*O. Ebeneow, auditor*

*M. Carius, auditor*

**Other part of the report**

**Approval of the annual financial statements**

The annual financial statements were approved on October 21, 2019.

---