



## Financial Results First Half Year 2018

### Intact Outlook: Visible Progress of Profits

- 6M 2018 group Net Sales (including the exceet electronics activities) at EUR 78.4 million (6M 2017: EUR 71.1 million), plus 10.2% compared to prior year; Organic Growth Rate<sup>1)</sup> 6M 2018: plus 13.0% (6M 2017: plus 8.1%).
- 6M 2018 group EBITDA<sup>1)</sup> (including the exceet electronic activities) at EUR 7.7 million (6M 2017: EUR 4.5 million), up 71.0% versus 6M 2017, reaching 9.8% of Net Sales. 6M 2018 group Net Profit (including the exceet electronics activities) at EUR 1.1 million (6M 2017: EUR minus 10.3 million).
- On 30 June 2018, Order Backlog<sup>1)</sup> at EUR 51.3 million (plus EUR 4.3 million compared to 30 June 2017); Cash at EUR 25.7 million, Net Cash<sup>1)</sup> at EUR 0.1 million and Equity Ratio<sup>1)</sup> at 57.3%
- On 22 May 2018, exceet informed about its entry into a structured process to prepare a potential sale of its portfolio company AEMtec GmbH (Germany), containing the group's micro- and opto-electronic activities.
- On 30 July 2018, exceet completed the sale of its exceet electronics activities, out of the group's ECMS segment accounting for EUR 55.8 million of sales in the full year of 2017. The sales price amounted to EUR 30.8 million.

**Grevenmacher, 6 August 2018** – The Board of exceet Group SE decided on 29 June 2018 to sign an agreement to sell the exceet electronics activities (EE activities) of exceet. These activities are part of exceet's business segment Electronic Components, Modules & Systems (ECMS) and include the operating locations in Grossbettlingen (Germany), Ebbs (Austria) and Rotkreuz (Switzerland). As a consequence, the group's IFRS reporting will be split into "Continued Operations" and "Discontinued Operations" as of Q2 2018.

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1) See note 21 "Alternative Performance Measures (APM)" Page 31 - 34  
[www.exceet.com/Q2-2018-Report-APM](http://www.exceet.com/Q2-2018-Report-APM)

**Electronic Components, Modules & Systems (ECMS)** accounts, including the exceet electronics activities, for 94.1% of group sales and increased its external net sales by 11.3% to EUR 73.8 million during the first half-year of 2018 (6M 2017: EUR 66.2 million).

#### *Continued Operations ECMS*

The ECMS segment without the EE activities realized net sales of EUR 42.7 million (6M 2017: EUR 40.4 million), which is an increase by 5.8%. The EBITDA amounts to EUR 8.9 million (6M 2017: EUR 7.7 million) resulting in an EBITDA Margin of 20.8% (6M 2017: 19.1%).

Ongoing efforts in the development of new projects paid by the customers and higher volumes ordered by existing customers in a positive market environment supported the continuation of the positive business development of the ECMS activities in line with the outlook given previously. The gain of new customers validated the strategic approach to invest into the wafer backend process and as well into the semi-additive process for PCB's. These processes are strengthening the technology portfolio and know-how of ECMS which allows a further broadening of the customer base.

The project to optimize the floor area and related production flows at the location in Küssnacht (Switzerland) has started. This project will be realized aside the running businesses and will last till the end of 2019.

#### *Discontinued Operations*

The discontinued exceet electronics activities showed a good performance in the first half-year 2018 and increased its net sales by 21.6% to EUR 31.4 million (6M 2017: EUR 25.9 million). The EBITDA<sup>1)</sup> reached EUR 0.7 million, compared to the prior year (6M 2017: minus EUR 0.8 million) reflecting an EBITDA Margin<sup>1)</sup> of 2.3% (6M 2017: minus 3.1%).

This positive business development is driven by the actual high demand for microprocessor related product suites as well as customer-specific product bundles like control units and displays. In this supportive market environment, the sales team of the EE activities was able to win a growing number of projects and new customers. Other success factors are the long-term customer relationships with a sustainable development support for the customers and the favourable sales development of the operations in Ebbs. The good perspectives of the sales pipeline still offer an excellent outlook for the future, regarding revenue growth and margin development.

**exceet Secure Solutions (ESS)** contributed 5.9% to group sales (Total Group Basis). ESS generated external revenues of EUR 4.6 million after EUR 4.9 million in H1 2017 (minus 5.3%). The EBITDA for the first six months amounted to minus EUR 0.5 million versus minus EUR 1.3 million the year before.

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In the field of industry routers and customized gateways, the demand for connected solutions regarding remote services is still on a high level. The segment was able to win an automotive supplier in Europe as customer for its light-grid systems. The light-grids monitor the contours of plastic shipping containers and boxes. This leads to significant shorter processing and commissioning times and reduces transport costs on the customer's side. Additionally, ESS was able to win new projects in the rising market of renewable energy production

Based on the modular product suite "exceet connect" ESS offer - together with its partner Interxion - end2end security solutions that protect edge- and fog-computing environments as well as computing centres and public clouds, by giving clients the proper level of data security for each and every digital use case. This makes the segment an innovator and source of support in developing secure Industry 4.0 environments. But the further business development in this sector continues from a still moderate level.

## **Outlook**

The management of exceet reiterates its outlook as given in the Annual Report 2017 and confirmed in the first quarterly report 2018. The group is confident to achieve at least the envisaged mid-single digit top line growth on a comparable basis and gain further visible progress in profitability as measured by the EBITDA Margin. The actual Order Backlog of the continued operations (on 30 June 2018 EUR 51.3 million) is supporting a generally optimistic view on the second half of the current year. As already mentioned in earlier reports, certain electronic material shortages and longer lead times for specific electronic components continue to have an impact on business conditions in the electronics industry and are potentially putting constraints on exceet to execute some customer orders in the agreed time. Finally, the EBITDA Margin has entered a solid recovery process, but the project driven characteristics of exceet's business – as outlined several times before – can lead to a certain volatility of this figures on a quarterly basis.

The actual sale of the exceet electronics activities (completed on 30 July 2018) and the started sales process of its micro- and optoelectronic activities (announced on 22 May 2018) are part of exceet's targeted active portfolio management. The focus of the future capital allocation is to take opportunities of organic growth and acquisition prospects as well as the optimization of the shareholder value. Basic elements of this strategy are further investments in the development of the remaining electronic activities and the acquisition of technology driven companies notably within the healthcare market.

In the case of the potential sale of AEMtec GmbH, which contains the micro- and optoelectronic activities of the group, a broadly structured process has been initiated to create the pre-conditions for any possible transaction. But a decision as to whether and at which date a potential sale will take place has not yet been made.

**Annex: Performance and Structural Data first half year 2018**

Complete Interim Management Report on the first half year 2018 available at  
[www.exceet.com/Q2-2018-Report](http://www.exceet.com/Q2-2018-Report)

and Company Presentation at  
[www.exceet.com/Q2-2018-Presentation](http://www.exceet.com/Q2-2018-Presentation)

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**exceet will announce 9 months results 2018 on 5 November 2018**

(after closing of the market)

**About exceet**

exceet is a listed holding company focusing on technology corporations within the healthcare and electronics markets.

<b>exceet</b>						
Performance and Structural Data						
	<u>Continued Operations</u>			<u>Total Group Basis</u>		
	1 <sup>st</sup> Half-Year			1 <sup>st</sup> Half-Year		
(in EUR million, expenses & cash out in parentheses)	2018	2017	Change	2018	2017	Change
<b>Income Statement</b>						
Net Sales	46.9	45.3	+3.5%	78.4	71.1	+10.2%
- Electronic Components Modules & Systems (ECMS) <sup>1)</sup>	42.3	40.4	+4.7%	73.8	66.2	+11.3%
- exceet Secure Solutions (ESS) <sup>1)</sup>	4.6	4.9	-6.1%	4.6	4.9	-5.3%
Gross Profit	9.7	8.5	+14.1%	11.9	9.0	+32.2%
EBITDA <sup>2)</sup>	7.0	5.3	+32.1%	7.7	4.5	+71.0%
<i>in % of Net Sales</i>	14.8%	11.7%	+3.1pp	9.8%	6.3%	+3.5pp
- Electronic Components Modules & Systems (ECMS)	8.9	7.7	+15.6%	9.7	7.1	+40.6%
- exceet Secure Solutions (ESS)	(0.5)	(1.3)	+61.5%	(0.5)	(1.3)	+61.5%
EBIT	4.7	2.9	+62.1%	2.8	(10.1)	n.a.
<i>in % of Net Sales</i>	10.0%	6.4%	+3.6pp	3.6%	(14.2%)	+17.8pp
Net Income	3.2	2.4	+33.3%	1.1	(10.3)	n.a.
- per Class A Share	Euro 0.16	0.12	+33.3%	0.06	(0.51)	n.a.
<b>Backlog</b>	51.3	47.0	+9.1%	118.5	99.8	+18.7%
<b>Cash Flow Statement</b>						
Cash flow from operations before change in net working capital	6.6	5.7	+15.8%	7.5	5.0	+50.0%
Change in net working capital	(3.7)	(2.5)	-48.0%	(5.8)	(3.2)	-81.3%
Cash flow from operations	1.8	1.1	+63.6%	0.2	(0.1)	+300.0%
Capex (incl. finance lease agreements)	(1.4)	(1.8)	-22.2%	(1.9)	(2.1)	-9.5%
Free Cash Flow <sup>2)</sup>	0.4	(0.7)	+157.1%	(1.7)	(2.2)	+22.7%
Cash flow from discontinued operations (EE activities)	(2.4)	(0.7)	n.a.			
(in EUR million, expenses & cash out in parentheses)	<b>30.06.2018</b>	31.12.2017	Change	<b>30.06.2018</b>	31.12.2017	Change
<b>Balance Sheet</b>						
Total Assets	136.1	130.2	+4.5%	136.1	130.2	+4.5%
Cash	25.7	25.2	+2.0%	27.1	29.0	-6.6%
Net Financial Debt / (Cash) <sup>2)</sup>	(0.1)	0.7	n.a.	0.7	(0.7)	+200.0%
Goodwill	7.1	7.1	0.0%	11.3	12.7	-11.0%
Assets held for sale <sup>2)</sup> (EE activities), net	30.6		n.a.			
Shareholders' equity	78.0	74.7	+4.4%	78.0	74.7	+4.4%
<b>Employees (full-time-equivalent)</b>	407	412	-1.2%	644	637	+1.1%

1) 3<sup>rd</sup> party net sales only

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