

## Press Release

### **Realignment of euromicron AG leads to stable operational performance in the second quarter of 2015 – Half year results 2015 in line with expectations**

- Incoming orders of EUR 167.7 million 2.2 % above the previous year – significant increase of 35.5 % compared to last year in the second quarter of 2015
- Revenues at EUR 156.8 million virtually unchanged
- Operational EBITDA margin of 2.5 % for the first half of 2015 – increased in the second quarter to 3.2 % after 1.8 % in the first quarter
- Reorganization measures as part of the realignment burden EBITDA in the amount of EUR 1.3 million in the first half of the year

**Frankfurt/Main, August 7, 2015** – euromicron AG, a leading supplier of complete infrastructure solutions for communications, transport, security and data networks with a comprehensive network of subsidiaries in Germany and at various European sites, published its figures for the first six months of 2015 today.

According to the figures, the business developed in the first half 2015 in line with expectations for the full year. In addition, basic strategic measures aimed at realigning the euromicron Group were initiated by the new Executive Board of euromicron AG since it took office on April 1, 2015. The primary goal is to guide the business back to profitable growth. Based on solid basic business and a broad customer base, euromicron will focus on the strategic future market of the “Internet of Things,” and, in particular, the areas of “smart buildings” and “critical infrastructures”.

Bettina Meyer, spokeswoman for the Executive Board, on the main idea behind the new strategy: “We are pursuing a clear focus on profitability and on improving operating cash flow. Sales growth per se is not a strategic objective for us.” In the first half of 2015, revenues were virtually unchanged at EUR 156.8 million (H1 2014: EUR 158.9 million). Declines in sales in the system house segment, which resulted, in particular, from waiving large-scale projects with low margins, were thereby partly compensated for by the positive sales trend in the manufacturing and distribution sector. Adjusted for factoring effects, cash flow improved from EUR -12.3 million (H1 2014) by EUR 3.8 million to EUR -8.5 million (H1 2015).

Critical success factors for the strategic realignment of euromicron AG are innovation and efficiency. This requires, among other things, aligning the corporate structures to be consistent with the strategic objectives. In the first months of 2015, a number of measures aimed at optimizing personnel structures as well as more efficient and cost-effective property structures have already been initiated or implemented. In addition, the company has been working intensively on restructuring Group financing, which should be completed by the end of the third quarter 2015. These necessary reorganization measures reduced euromicron Group’s earnings by around EUR 1.3 million in the first half of 2015. Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR 2.6 million. Excluding reorganization costs, operating EBITDA amounted to EUR 3.9 million after EUR 5.9 million in the same period last year. The decrease is mainly due to the effect of lower sales volumes, which were partially offset by the improved materials ratio. In addition, increased personnel expenses were largely due to the personnel structure needed to process the high order backlog in the field of production. The Group’s adjusted EBITDA margin for the first half of 2015 was 2.5 % compared to 3.7 % in the same period of the previous year. A look at the quarters in detail shows the positive development in the second quarter 2015: After an

operating EBITDA margin of 1.8 % in the first quarter of 2015, this increased significantly in the second quarter of 2015 to 3.2 %.

Order intake in the first half of 2015 amounted to EUR 167.7 million, slightly above the previous year's level (H1 2014: EUR 164.1 million). After a slow start in the first quarter of 2015, euromicron has succeeded in improving incoming orders considerably mainly by resolving contract shifts in the field of production: new orders increased by 35.5 % compared to the second quarter of 2014.

Equity was EUR 106.5 million on June 30, 2015, EUR 3.9 million below the level of December 31, 2014 (EUR 110.4 million). This results in an unchanged solid equity ratio of 35.5 % after 38.4 % on December 31, 2014.

In light of technological change, the Executive Board will continue to pursue the strategic realignment of euromicron Group that began several months ago. In this context, the agreement on the merger of the two major regional system houses in the south (euromicron solutions GmbH) and the north (euromicron systems GmbH) and euromicron networks GmbH to form the new company 'euromicron Deutschland GmbH' was signed in early August. Jürgen Hansjosten explains the merger in the context of the overall strategy: "We will have two large system houses in the future: telent GmbH that covers the area 'critical infrastructures' and euromicron Deutschland GmbH, which will focus on the market segment 'smart buildings'." In addition, the company intends to divest from investments that are making losses or are not strategically relevant by the end of the year. Jürgen Hansjosten considers the associated reorganization costs in the current year to be investments in the future of the euromicron Group: "Besides a unified national market presence, the merger of the system house companies will lead to standardization of processes and IT systems. This will bring greater transparency into business processes and allow more direct control. Over time, this will help to create profitable growth."

The positive order trend, in particular, provides a good basis for the continued business development in the second half of 2015. Therefore, the Board confirms its forecast for the full year 2015. Sales and EBITDA are expected to be at the lower end of the corridors issued.

The full report on the first half of 2015 is available on the company's website at [euromicron.de](http://euromicron.de) in the section "Investor Relations / Financial Publications" as of today.

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**euromicron AG** ([www.euromicron.de](http://www.euromicron.de)) is an all-round solution provider for communications, transport, data and security. euromicron's network infrastructures integrate voice, video and data transport wirelessly, via copper cable and by means of fiber-optic technologies. euromicron builds leading applications such as security, control, healthcare and surveillance systems on the basis of these cutting-edge network infrastructures. Founded on its expertise as a developer and producer of fiber-optic components, euromicron AG is a fast growing, highly profitable group that is listed on the stock market, has a medium-sized character and focuses on operational growth, integration, further market penetration, internationalization and expansion.

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