

Press release

euromicron AG records stable sales figures and new orders after the first nine months of 2015 - ongoing strategic realignment

- At € 242.7 million, consolidated sales are almost on par with the previous year's level; increase in sales of 1.6% in this third quarter of 2015 by comparison with the previous year
- New orders up by 1.3% to € 253.8 million
- Operative EBITDA margin is 2.4% after the first nine months
- As part of the strategic realignment, costs burden EBITDA and EBIT at € 3.2 million and € 5.1 million respectively

Frankfurt/Main, 06.11.2015 – euromicron AG, a leading provider of complete infrastructure solutions for communications, transport, data and security networks with a comprehensive branch network in Germany and various European locations, today publishes the business figures for the first nine months of the 2015 financial year. euromicron has systematically pursued its strategic realignment also in the third quarter. Whilst a stable sales development was achieved in the first nine months with a slight rise in new orders, the result was essentially burdened by the necessary investments in the future.

Sales in the first nine months of 2015 totalled € 242.7 million and were therefore virtually on par with the figures for the previous year (9M 2014: € 243.5 million). Whilst sales were down by -1.3% as at 30 June 2015, euromicron recorded an increase in sales of 1.6% for the third quarter of 2015 compared with the previous year's period. The new orders rose slightly in the period under review by 1.3% to € 253.8 million (9M 2014: € 250.5 million).

Bettina Meyer, spokeswoman for the Executive Board, is convinced of the path taken: "The trend in new orders is a good starting point for the development of business. Founded on solid basic business and a broad customer structure in a dynamic market, we have continued to steadfastly pursue the reorganisational measures also in the third quarter of 2015 and have achieved important milestones. The result after the first nine months of 2015 has been influenced by operative effects and reorganisation costs."

Adjusted for the reorganisation costs, the operative EBITDA in the reporting period totalled € 5.5 million following € 9.8 million in the previous year's period, corresponding to an adjusted EBITDA margin of 2.4%. The adjusted operative EBIT was € -1.2 million (9M 2014: € 2.3 million). This decline in the result is attributable to several factors: significant monetary inflows will first arise with the final account for the completion of old projects within the system house business of the segments "North" and "South" which were already carried loss-free. This will then have a positive effect on the Group's liquidity. The scheduled development of future-oriented business fields in the system house business of the "WAN services" segment burdened the result. Shifts in orders in the manufacturer area and outstanding export licences for disproportionately high-margin orders had a negative impact. These effects are expected to partly disappear as early as the fourth quarter of 2015.

Concerning the reorganisation costs which had impact on the EBITDA and EBIT with € 3.2 Mio. and € 5.1 Mio. respectively the earnings before interest, taxes, depreciation and amortisation (EBITDA) after the first nine months of 2015 totalled € 2.5 million (9M 2014: € 9.8 million). The earnings before interest and taxes (EBIT) amounted to € -6.3 million after € 2.3 million in the comparable period of the previous year. "The steps taken as part of the reorganisation will sustainably increase the operative profitability of the Group starting from 2016 and will lead euromicron back to profitable growth. We will continue to follow our strategic aims of innovation, efficiency and profitability", adds Jürgen Hansjosten.

Accordingly, the holding structures have already been streamlined through mergers. Together with euromicron Deutschland GmbH and telent GmbH, the euromicron Group now has two large systems houses which concentrate on the future markets of "Critical Infrastructures" and "Smart Building Technology" in accordance with the strategic realignment. In the third quarter of 2015 the processes within euromicron Deutschland GmbH have also been harmonised, IT systems brought together and HR and property structures in individual regional units of the company optimised. Since the high-loss core business of Avalan GmbH no longer aligns with the new strategic orientation of the euromicron Group, euromicron will be discontinuing business operations of Avalan GmbH at the end of the financial year.

As at 30 September 2015, equity of € 101.9 million was € 8.5 million below the level at 31 December 2014 (€ 110.4 million). This produces an equity ratio of 34.0 % after 38.4 % as at 31 December 2014. "As far as we are concerned, the strategic realignment of the Group and the successful completion of the ongoing reorganisation measures are paramount in our current activities. We have postponed the restructuring of finance originally planned for the second half of 2015 to the next financial year in close dialogue with our partner banks", explains Bettina Meyer.

Against the background of technological change, the Executive Board will continue to systematically align business activities with the strategic future market of "Internet of Things". Jürgen Hansjosten comments: "Particularly in the fields of "Smart Building Technology" and "Critical Infrastructures" new digital solutions are being created through the synergies between our system houses and technology companies with which we distinguish ourselves from other market players and can further extend the share in high-margin solution business." ELABO GmbH has developed a "Smart Factory", for example, which is specially tailored to the working conditions of medium sized production businesses. The flanking IT security concept is provided here by euromicron Deutschland GmbH. euromicron therefore offers a new digital solution from a single source in this promising future market.

The operative prospects for the fourth quarter which is traditionally the most profitable quarter of the year for euromicron are good. The Executive Board is therefore expecting a significant rise in the contribution to profits in the fourth quarter. However, in view of the fact that profits currently lag behind those recorded in the previous year, euromicron is assuming that the operative EBITDA margin will be within a corridor of 4 % to 5 % for the year and therefore below the forecast. The implementation of future-oriented reorganisational measures is expected to burden the EBITDA margin by one to two percentage points. As a result of the reorganisation and the strategic realignment of the Group, the operative profitability of the Group is to be increased on a sustainable basis again starting as early as in 2016.

The complete report for the first nine months of 2015 is available from today on the corporate website at euromicron.de in "Investor Relations/Financial Publications".

euromicron AG (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 fibre-optic technologies. euromicron builds leading applications, such as security, control, healthcare or surveillance systems, on the basis of these cutting-edge network infrastructures.

Founded on its expertise as a developer and producer of fibre-optic components, euromicron AG is a strongly growing, highly profitable group that is listed on the stock market, has a medium-sized character and focuses on operational growth, integration and further market penetration, internationalisation and expansion.

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