

Press Release

euromicron AG publishes 2015 Annual Report and outlook for 2016

- Consolidated sales (€345 million) and operating EBITDA margin (4 %) within forecast range
- Reorganization costs of €13.2 reduce earnings in 2015
- Strategic realignment toward the future market of the Internet of Things
- Working capital ratio improved by 1.4 percentage points
- Cash flow from operating activities increased by €3.1 million to €6.1 million
- Outlook for 2016: Increase in operating profitability expected

Frankfurt/Main, March 24, 2016 – euromicron AG, a medium-sized high-tech group and specialist for the Internet of Things, is today publishing its Annual Report for the fiscal year 2015. After the discovery of mistakes in and correction of the consolidated financial statements for 2012 and 2013 and the departure of the former management, the new Executive Board conducted a comprehensive analysis of the Group's economic situation and immediately took incisive measures to put the Group on a sustainable and forward-looking footing and lay the basis for solid earnings strength moving ahead.

Sales in fiscal 2015 were €344.9 million, almost at the level of the previous year (€346.3 million) despite the reorganization. Before the non-recurring special effects of the reorganization, which reduced the EBITDA margin by 2.0%, the Group posted an operating EBITDA of €13.8 million, giving an EBITDA margin of 4.0%.

Bettina Meyer, Spokeswoman of the Executive Board, comments: "2015 was one of the toughest years in our company's history. Despite the numerous challenges, we achieved our stated objective of sales of €340 to €360 million and an operating EBITDA margin of between 4 % and 5 %. We're by no means satisfied with that. That's why we also accepted necessary reductions in earnings so as to be able to be profitable again in future with our realigned euromicron. We've achieved initial successes in one of our key areas of focus, namely improving our cash flow from operating activities: The working capital ratio is 17.8 %, well below the previous year's figure of 19.2 %, while the cash flow from operating activities is €6.1 million and so well up on last year's €3.0 million."

In connection with the reorganization, the Group's structure was streamlined by merging of the intermediate holding companies, while loss-making and not strategically relevant enterprises were eliminated from the investment portfolio. The 14 operating subsidiaries were pooled in the segments "Smart Buildings", "Critical Infrastructures" and "Distribution". One of the most important measures was the foundation of euromicron Deutschland GmbH, which operates as a system integrator in the segment of "Smart Buildings" and caters nationwide for the German market.

All the stated reorganization measures were absolutely necessary to reposition euromicron as a technology group for the future. The negative impact on earnings from these reorganization measures was €13.2 million, a figure that includes €6.3 million in non-cash charges. The reported EBITDA was thus €6.9 million.

In fiscal 2016, the company will gear its core business to the target markets of “Digital Buildings”, “Critical Infrastructures” and “Smart Industry”. These markets demand holistic solutions so that formerly autonomous technologies and infrastructures are able to interact. “The realignment means we can develop new digital IoT solutions thanks to synergies between our system integrators and technology companies. We feel sure these solutions will help boost our profitability lastingly,” states Jürgen Hansjosten from euromicron’s Executive Board.

The reorganization measures will have positive effects on operating business as early as the current year. The Executive Board expects moderate sales growth in the medium single-digit percentage range and an operating EBITDA margin between 4.5 % and 5.5 % for fiscal 2016. Jürgen Hansjosten is convinced the Group will reap success in the medium term as well: “We aim to achieve average annual sales growth of 5 % to 6 % and return to our medium-term EBITDA target corridor of 8 % to 11 % by 2018.”

The full 2015 Annual Report is available as of today on the company’s website at euromicron.de in the section “Investor Relations/Publications/Financial Reports”. The company is expected to publish its report on the first quarter of 2016 in mid-May 2016.

euromicron AG (www.euromicron.de) unites medium-sized high-tech companies from the fields of Digital Buildings, Critical Infrastructures and Smart Industry. As a German specialist for the Internet of Things, euromicron enables its customers to network business and production processes and successfully move to a digital future. From design and implementation, operation, to related services – euromicron implements customized solutions and creates the IT, network and security infrastructures required for them. As a result, euromicron lets its customers migrate existing infrastructures gradually to the digital age. euromicron’s expertise helps the company’s customers increase their agility and efficiency, as well as develop new business models that lay the foundation for commercial success down the road.

The technology group is headquartered in Frankfurt/Main, has been listed on the stock exchange since 1998 and employs around 1,800 people at 30 locations. The euromicron Group comprises a total of 14 subsidiaries, including the brand names Elabo, LWL-Sachsenkabel, MICROSENS and telent. euromicron AG generated total sales of €350 million in fiscal year 2015.

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