euromicron

Press release

euromicron AG publishes report on the third quarter of 2018

- Structural deficits lead to weaker than expected Group sales and operating EBITDA
- Operating cash flow improved by EUR 11.7 million
- Working capital declined by EUR 13.6 million and the working capital ratio by 3.1 percentage points
- Order backlog for continuing core business up EUR 1.1 million from previous year
- Forecast for fiscal year 2018 adjusted

Frankfurt/Main, November 8, 2018 euromicron AG, a medium-sized technology group and specialist for the "Internet of Things" (IoT), published its report for the third quarter of 2018 today.

In the first nine months of 2018, revenues amounted to EUR 233.0 million (previous year: EUR 244.0 million), EUR 11.0 million lower than in the same period of the previous year. Adjusted for sales effects from operations that have since been sold or discontinued (EUR 4.5 million), sales in continuing core business saw a decline (EUR -6.5 million) in the reporting period. At the same time, euromicron generated operating EBITDA of EUR 4.8 million in the first nine months of 2018 (previous year: EUR 7.2 million). Structural deficits in individual business areas of the "Smart Buildings" segment in particular led to declines in sales and earnings in the third quarter. Accordingly, the consolidated net loss for the period ended September 30, 2018, was EUR -7.8 million, EUR 4.0 million higher than in the same period of the previous year (EUR -3.8 million).

euromicron significantly improved its operating cash flow adjusted for factoring effects by EUR 11.7 million to EUR -3.9 million in the reporting period (previous year: EUR -15.6 million), largely attributable to positive effects from the working capital reduction. Working capital before factoring was significantly reduced by EUR 13.9 million, from EUR 84.4 million on September 30, 2017, to EUR 70.5 million on September 30, 2017. This illustrates the continued success of the Group-wide program aimed at reducing working capital. As a result, euromicron significantly improved its working capital ratio by 2.7 percentage points from 24.6% to 21.9%.

Bettina Meyer, Spokeswoman of the Executive Board, comments: “The improvement in operating cash flow shows that we have made noticeable progress towards our strategic goal of “cash before sales.” At the same time, we have taken further steps toward sustainably optimizing the Group’s processes and structures. The plan of action we have initiated will be implemented in the current fiscal year 2018 to create the conditions for significantly improved profitability in 2019.”

At EUR 243.4 million, new orders from the euromicron Group’s continuing core business in the first nine months of 2018 were EUR 15.6 million down on the comparative figure for the previous year (EUR 259.0 million), exclusively attributable to a decline in incoming orders in the “Smart Buildings” segment. Nevertheless, the order backlog of continuing core business rose by EUR 1.1 million to EUR 140.6 million, compared with EUR 139.5 million in the same period of the previous year.

Jörn Trierweiler, Member of euromicron’s Executive Board, explains: “By implementing sustainable structures, we are creating the conditions for exploiting our growth potential and increasing our profitability. We are increasingly supporting our customers with individual, integrated IoT solutions, better enabling them to tackle the digitalization of their business models.”

Due to the deviation in sales and earnings from the figures originally planned for the reporting period and in light of the additional structural adjustments planned in the fourth quarter of 2018, euromicron AG’s Executive Board corrected its previous forecast for fiscal year 2018. Sales of EUR 310 million to EUR 330 million and an operating EBITDA margin of 2.0% to 4.0% are now expected for the full year. Extraordinary costs are expected to have a one-off impact of up to EUR 5 million on earnings. The original expectations were EUR 340 million to EUR 360 million for revenues, 4.0% to 5.0% for the operating EBITDA margin and up to EUR 2 million for special costs.

euromicron’s Executive Board is currently adjusting its company strategy once again, aligning it even closer to the Group’s sustainable strengths. A more detailed medium-term strategy is to be published in the spring of 2019. The focus will remain in the future on the sustainable increase in profitability and cash flow.

The full report for the third quarter of 2018 is available as of today on the company’s website at www.euromicron.de in the section “Investor Relations/Publications/ Financial Reports.”

About euromicron AG:
euromicron AG (www.euromicron.de) is a medium-sized technology group. As a German specialist for the Internet of Things (IoT), euromicron enables its customers to network business and production processes and successfully move to a digital future. With its solutions for Digital Buildings, Smart Industry and Critical Infrastructures, flanked by Smart Services, the euromicron Group is the partner to small and medium-sized enterprises, large companies and public-sector organizations. Tailor-made, innovative technology solutions are a core competence of euromicron. With its expertise in sensors, devices, infrastructure, software and services, euromicron is in a position to offer its customers networked and comprehensive solutions from a single source. In this way, euromicron helps its customers to increase flexibility and efficiency as well as to develop new business models.

The euromicron Group comprises a total of 16 subsidiaries, including the brand names ELABO, LWL-Sachsenkabel, MICROSENS and telent. 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. euromicron AG generated total sales of EUR 332.9 million in fiscal year 2017.

Social media profile und RSS feeds:
www.euromicron.de/aktuelles/social-media

Press contact euromicron AG:
euromicron AG
Investor & Public Relations
Zum Laurenburger Hof 76
60594 Frankfurt/Main
Germany
Phone: +49 69 631583-0
Fax: +49 69 631583-17
IR-PR@euromicron.de
www.euromicron.de
ISIN DE000A1K0300
WKN A1K030