

Press Release



Financial Results First Half-Year 2014

Positive business development in cautious markets

- Net Sales H1 2014 reached EUR 92.9 million plus 2.3%; all organic growth
- EBITDA-margin level of 9.6% for H1 2014
- Cautious markets caused slight slowdown in Q2 2014
- exceet's outlook remains on track for FY 2014 expectations

Luxembourg, 8 August 2014 - 06.30 p.m. - The revenue of the first six months 2014 reached EUR 92.9 million (H1 2013: EUR 90.8 million) representing an increase of 2.3% which was mainly driven by a strong Q1 2014 and reflects the organic growth as well. Due to the cautious market environment in Q2 2014 and the project related variability of IDMS sales, the revenue decreased in Q2 2014 by 6.8% to EUR 44.5 million (Q2 2013: EUR 47.8 million).

The continuous focus on higher margin products in all segments supported the gross profit margin improvement from 17.6% in H1 2013 to 18.1% in H1 2014. The margin of 17.1% in Q2 2014 is driven by the current product-mix and reduced leverage due to lower sales.

In combination with the benefits of a moderate cost development EBITDA increased in the first half-year 2014 by EUR 0.7 million to EUR 8.9 million (H1 2013: EUR 8.2 million). The Q2 2014 EBITDA of EUR 3.9 million is representing 8.8% of net sales (Q2 2013: EUR 5.3 million or 11.2% of net sales).

On 30 June 2014 exceet's order backlog amounted to EUR 100.6 million (30.06.2013: EUR 102.3 million) and reflects with a book-to-bill ratio of 1.01 the outlook of exceet for FY 2014. The backlog supports exceet's expectation to compensate the projects related dip of IDMS sales in Q2 2014 as well.

Electronic Components, Modules & Systems (ECMS), net sales declined by 3.4% to EUR 67.0 million during the first six months of 2014, against EUR 69.4 million in H1 2013 which is mainly caused by the cautious order behavior of customers in the current uncertainty of the market during Q2 2014. Revenues for the second quarter of 2014 declined by EUR 3.9 million to EUR 33.4 million (Q2 2013: EUR 37.3 million). Therefore ECMS represents 72% of the overall Group sales.

The EBITDA for the first six months of 2014 reached EUR 10.9 million (16.3% margin) compared to EUR 9.8 million (14.1% margin) in H1 2013. The decline of sales reduced the EBITDA in Q2 2014 to EUR 5.3 million (Q2 2013: EUR 6.4 million) with a margin of 15.8% (Q2 2013: 17.2%).

With several development projects we were able to further strengthen ECMS's position as leading provider of opto-electronical products for exceet's key markets. In the health market, these developments enable ECMS to supply products which allow a new level of quality in resolution of medical images by increasing the detector efficiency. The recently acquired exceet Medtec Romania S.R.L. is specialized in miniaturized electronics for implants.

ID Management & Systems (IDMS), the IDMS revenue within the first six months of 2014 amounted to EUR 22.2 million, which represents an increase of 12.4% compared to EUR 19.7 million in H1 2013. IDMS achieved an EBITDA of EUR 0.8 million for H1 2014 (H1 2013: EUR 0.5 million) representing 3.6% EBITDA margin (H1 2013: 2.4%). IDMS continues to execute its initiated efficiency programs to support a profitable revenue growth.

The segment accounts for 24% of the group-wide sales. Revenues for the second quarter of 2014 declined by 2.8% to EUR 9.2 million (Q2 2013: EUR 9.5 million). The EBITDA reached EUR -0.1 million compared to EUR 0.0 million in Q2 2013.

exceet Secure Solutions (ESS), is continuously investing in exceet's core markets of Health, Industry and Security with solutions for Machine-to-Machine (M2M) communication, identification and data security. Substantial parts of the ongoing project development work are multifunctional, multi-access and highly secure mobile access solutions.

During the reporting period, the segment ESS generated revenues of EUR 3.9 million in H1 2014 (H1 2013: EUR 1.9 million), accounting for 4% of the total group sales. This reflects a strong improvement by doubling the sales compared to H1 2013. Clear driver of this positive development is the ongoing telematics project for the German health card (eGK).

Due to the initial efforts related to the further development of the described technologies, the EBITDA of H1 2014 reached EUR -0.4 million (H1 2013: EUR -0.2 million).

Outlook for 2014

Despite the slight slowdown of the market environment, exceet's outlook remains for the time being positive for further organic growth and profitability margin improvement.

Greenock S.à r.l. a major shareholder of exceet Group SE had informed the company in Q1 2014 that they are assessing their strategic options related to their shareholding in exceet Group SE, including a possible disposal of such shareholding to a third party. Pursuant to the updated information provided by Greenock S.à r.l., no final decision has still been taken regarding the form and timing of the potential transaction.

Annex: Performance and Structural Data H1 2014

The [complete Interim Management Report](#) on the first half-year 2014 and the actual [Investor Relation Presentation](#) are available at www.exceet.lu

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exceet will announce nine months results for 2014 on 3 November 2014 (after closing of the market).

About exceet:

exceet is an international technology group, which is specialized in the development and production of intelligent, complex and secure electronics.

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Performance and Structural Data					
(in EUR million, expenses & cash out in parentheses)	2 nd Quarter		1 st Half-Year		
	2014	2013	2014	2013	Change
Income Statement					
Net Sales	44.5	47.8	92.9	90.8	+2.3%
- ECMS ¹⁾	33.4	37.3	67.0	69.4	-3.5%
- IDMS ²⁾	9.2	9.5	22.2	19.7	+12.7%
- ESS ³⁾	2.1	1.1	3.9	1.9	+105.3%
Gross Profit	7.6	9.3	16.8	16.0	+5.0%
EBITDA	3.9	5.3	8.9	8.2	+8.5%
in % of Net Sales	8.8%	11.2%	9.6%	9.0%	+6.7%
- ECMS	5.3	6.4	10.9	9.8	+11.2%
- IDMS	(0.1)	0.0	0.8	0.5	+60.0%
- ESS	(0.2)	(0.1)	(0.4)	(0.2)	+100.0%
EBIT	1.4	2.9	3.9	3.3	+18.2%
Net Income	0.8	1.8	1.2	5.0	-76.0%
- per Class A Share	EUR 0.04	EUR 0.09	EUR 0.05	EUR 0.24	-79.2%
- per Class B/C Share	EUR 0.00	EUR 0.00	EUR 0.01	EUR 0.01	0.0%
Backlog ⁴⁾			100.6	102.3	-1.7%
Cash Flow Statement					
Cash flow from operations					
before change in net working capital	3.7	5.2	8.1	8.0	+1.3%
Change in net working capital ⁵⁾	(3.2)	(1.7)	(3.4)	(4.1)	+17.1%
Cash flow from operations	(2.4)	2.5	1.1	1.0	-10.0%
Capex (incl. finance lease agreements)	(0.9)	(2.7)	(2.8)	(4.7)	-40.4%
Free Cash Flow	(3.3)	(0.3)	(1.5)	(3.7)	+59.5%
(in EUR million, expenses & cash out in parentheses)			30.06.2014	31.12.2013	Change
Balance Sheet					
Total Assets			185.7	182.8	+1.6%
Cash			29.7	31.2	-4.8%
Net Financial Debt			8.7	7.0	+24.3%
Goodwill			35.6	35.4	+0.6%
Shareholders' equity			99.4	98.7	+0.7%
Employees (full-time-equivalent)			950	954	-0.4%

- 1) Electronic Components Modules & Systems
- 2) ID Management & Systems
- 3) except Secure Solutions
- 4) Twelve month basis (rolling)
- 5) Increase / (Decrease); excluding interest and tax payments