

Press Release



Financial Results Third Quarter 2014 Report

Continuous improvement of operational margins

- EBITDA-margin level of 10.8% for 9M 2014; 13.1% in Q3 2014
- Net income before warrant valuation increased by 11%
- exceet's outlook remains on track for FY 2014 expectations

Luxembourg, 3 November 2014 - 06.30 p.m. - The revenue of the first nine months of 2014 reached EUR 140.1 million (9M 2013: EUR 141.8 million) representing a decrease of 1.2% (organic decline -1.4%) which was mainly driven by the cautious market environment since Q2 2014 and the product mix within the segment for electronic components, modules & systems (ECMS). The quarterly revenue decreased in Q3 2014 by 7.4% to EUR 47.2 million (Q3 2013: EUR 50.9 million).

The continuous focus on higher margin products in all segments supported the gross profit margin improvement from 18.0% in 9M 2013 to 18.6% in the first nine months of 2014. The gross profit margin of 19.5% in Q3 2014 (Q3 2013: 18.7%) is driven by a favorable product mix.

The operating result before depreciation and amortization (EBITDA) for the first nine months of 2014 reached EUR 15.1 million (10.8% margin) which represents an increase of 5%. The EBITDA for Q3 2014 of EUR 6.2 million represents 13.1% of net sales (Q3 2013: EUR 6.2 million or 12.1% of net sales).

On 30 September 2014 exceet's order backlog amounted to EUR 92.5 million (30.09.2013: EUR 101.6 million) and reflects with a book-to-bill ratio of 0.97 the actual cautious customer behavior on placing requests for delivering out of existing framework agreements and running development projects.

Electronic Components, Modules & Systems (ECMS) is challenged by the cautious order behavior of customers in the current uncertainty of the market and a project related lower share of traded electronic components. Net sales declined by 7.5% to EUR 99.2 million during the first nine months of 2014, against EUR 107.3 million in 9M 2013. Revenues for the third quarter of 2014 declined by EUR 5.7 million to EUR 32.2 million (Q3 2013: EUR 37.9 million). ECMS represents 71% of the overall Group sales.

The EBITDA in this segment for the first nine months of 2014 reached EUR 16.2 million (16.3% margin) compared to EUR 16.1 million (15.0% margin) in 9M 2013. For the third quarter 2014 EBITDA amounts to EUR 5.3 million (Q3 2013: EUR 6.4 million) with a margin of 16.4% (Q3 2013: 16.8%).

The geographic expansion is showing the first positive results: French business development activities resulted in new medical projects, e.g. exceet engages in the complete development and production of a portable blood analysis device for usage outside the laboratory and a X-ray doses recorder. Recent investments into production equipment allow ECMS to further decrease the size of the printed circuit boards (PCB's) structure (decrease line and space). This enables ECMS to drive developments in the area of medical implants. The recently acquired exceet Medtec Romania S.R.L. is specialized in these miniaturized electronics for implants.

ID Management & Systems (IDMS) raised within the first nine months of 2014 the revenue to EUR 35.0 million, which represents an increase of 9.7% compared to EUR 31.9 million in 9M 2013. IDMS achieved an EBITDA of EUR 2.3 million for the first three quarters of 2014 (9M 2013: EUR 1.5 million) representing 6.6% EBITDA margin (9M 2013: 4.6%). The previously initiated efficiency programs continue to support the profitable revenue growth. The segment accounts for 25% of the group-wide sales. Revenues for the third quarter of 2014 increased by 5.8% to EUR 12.8 million (Q3 2013: EUR 12.1 million) which is due to the project related variability of exceet's IDMS business development. The EBITDA reached EUR 1.5 million compared to EUR 1.0 million in Q3 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 ESS segment generated revenues of EUR 6.1 million in 9M 2014 (9M 2013: EUR 2.9 million), accounting for 4% of the total group sales. This reflects a strong improvement by doubling the sales compared to 9M 2013. Clear driver of this positive development is the ongoing telematics project for the German health card (eGK).

Due to the initial efforts required for the further development of the described technologies, the EBITDA of 9M 2014 reached EUR -0.2 million (9M 2013: EUR -0.3 million).

Outlook for 2014

Despite the economic slowdown of the market environment, exceet's outlook remains for the time being positive for further improvement of the operational margins on a full year basis.

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 first nine months 2014

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

Please contact for further information:

Wolf-Günter Freese, CFO
investor.relations@exceet.lu

exceet Group SE
115 avenue Gaston Diderich
L-1420 Luxembourg
Phone +352 26 29 91 22

ISIN LU0472835155 (Public Shares), Regulated Market, Prime Standard, Frankfurt/Main
ISIN LU0472839819 (Public Warrants), Regulated Market, General Standard, Frankfurt/Main

exceet will announce full year results for 2014 on 27 February 2015 (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.

except					
Performance and Structural Data					
(in EUR million, expenses & cash out in parentheses)	3 rd Quarter		3 rd Quarter YtD		
	2014	2013	2014	2013	Change
Income Statement					
Net Sales	47.2	50.9	140.1	141.8	-1.2%
- ECMS ¹⁾	32.2	37.9	99.2	107.3	-7.5%
- IDMS ²⁾	12.8	12.1	35.0	31.9	+9.7%
- ESS ³⁾	2.2	0.9	6.1	2.9	+110.3%
Gross Profit	9.2	9.5	26.0	25.5	+2.0%
EBITDA	6.2	6.2	15.1	14.4	+5.0%
in % of Net Sales	13.1%	12.1%	10.8%	10.1%	+6.9%
- ECMS	5.3	6.4	16.2	16.1	+0.6%
- IDMS	1.5	1.0	2.3	1.5	+53.3%
- ESS	0.2	0.0	(0.2)	(0.3)	+33.3%
EBIT	3.7	3.7	7.6	7.0	+8.6%
Net Income	2.3	2.6	3.5	7.6	-53.9%
- per Class A Share	EUR 0.12	EUR 0.13	EUR 0.17	EUR 0.37	-54.1%
- per Class B/C Share	EUR 0.00	EUR 0.00	EUR 0.01	EUR 0.01	0.0%
Backlog ⁴⁾			92.5	101.6	-9.0%
Cash Flow Statement					
Cash flow from operations					
before change in net working capital	6.1	6.3	14.2	14.4	-1.4%
Change in net working capital ⁵⁾	(0.9)	2.3	(4.3)	(1.8)	-138.9%
Cash flow from operations	4.1	8.4	5.2	9.4	-44.7%
Capex (incl. finance lease agreements)	0.7	3.5	3.5	8.3	-57.8%
Free Cash Flow	3.4	5.2	1.9	1.4	+35.7%
(in EUR million, expenses & cash out in parentheses)			30.09.2014	31.12.2013	Change
Balance Sheet					
Total Assets			182.7	182.8	-0.1%
Cash			26.5	31.2	-15.1%
Net Financial Debt			11.1	7.0	+58.6%
Goodwill			35.7	35.4	+0.8%
Shareholders' equity			101.5	98.7	+2.8%
Employees (full-time-equivalent)			972	954	+1.9%

- 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