

# Press Release



## Financial Results First Quarter 2014

### Good Start into 2014

- Net Sales EUR 48.4 million (Q1 2013: EUR 43.1 million), plus 12.3% (12.4% organic)
- Order Backlog increased by 7.5% (book to bill ratio of 1.04)
- EBITDA Margin 10.3% (Q1 2013: 6.6%)
- Free Cash Flow of EUR 1.8 million (3.7% of Net Sales)
- The outlook for the coming 2014 quarters remains optimistic
- Greenock S.à r.l., a major shareholder of exceet has recently informed the company that it is currently assessing its strategic options related to its shareholding in the company

**Luxembourg, 2 May 2014 - 06.30 p.m.** exceet started promising into 2014. Group sales in Q1 2014 increased by 12.3%, reaching EUR 48.4 million against EUR 43.1 million for Q1 2013. On a like-for-like basis sales grew by 12.4%, whereby the impact from foreign currencies was limited to 0.1 percentage points. On 31 March 2014 exceet's order backlog amounted to EUR 103.6 million which is 7.5% higher as of 31 March 2013 (EUR 96.4 million) and reflects a book-to-bill ratio of 1.04 (Q1 2013: 0.96).

The continuous focus on higher margin products in all segments supported the gross profit margin improvement from 15.5% in Q1 2013 to 18.9% in Q1 2014. This represents an increase from EUR 6.7 million to EUR 9.2 million (+37.2%). exceet achieved an EBITDA of EUR 5.0 million (10.3% of net sales) in Q1 2014 compared to EUR 2.9 million (6.6% of net sales) in Q1 2013.

*Electronic Components, Modules & Systems (ECMS)*, exceet's largest segment, increased net sales by 5.0% to EUR 33.7 million against EUR 32.1 million during the same period of the previous year. In Q1 2014, EBITDA reached EUR 5.7 million against EUR 3.4 million in Q1 2013. The EBITDA margin improved accordingly from 10.5% in Q1 2013 to 16.9% in Q1 2014 due to the strong customer demand for intelligent electronics especially in the health sector and attractive development orders paid by the customers.

To reinforce its development capabilities, exceet signed an agreement to purchase Valtronic Technologies Romania Srl a Romanian development company. The highly skilled team of eleven engineers will mainly strengthen exceet's development resources in the field of electronics for medical applications.

*ID Management & Systems (IDMS)* was able to increase net sales by 26.6% to EUR 12.9 million (Q1 2013: EUR 10.2 million) and to move the product mix towards higher margin products improving the EBITDA margin from 5.1% to 6.9% with an EBITDA of EUR 0.9 million (Q1 2013: EUR 0.5 million).

The revenue increase was positively impacted by major shipments to a large European loyalty program provider, which the group has already announced in the previous reports.

*exceet Secure Solutions (ESS)*, the re-branded former Embedded Security Solutions Segment, achieved sales of EUR 1.8 million during the reporting period (Q1 2013: EUR 0.8 million). This significant sales improvement is clearly driven by the work of ESS for conceptualizing, developing and implementing the heart (encryption) of the telematics infrastructure for the German electronic health card (eGK).

Furthermore, ESS initiated major strategic changes and is now focusing on two clearly defined growth markets: Secure Communication (with a specific focus on Machine-to-Machine Communication) and *exceet's* Multi-Identity Solution (eMIS). eMIS has been developed over the past year and is a multifunctional, multi-access and highly secure mobile access solution.

*exceet's* profit for the period of EUR 0.4 million (Q1 2013: EUR 3.2 million) includes a loss of EUR 1.0 million which was a result of the revaluation of warrants (Q1 2013: gain of EUR 3.4 million). The adjusted profit for the period excluding the warrant revaluation improved significantly to EUR 1.4 million (Q1 2014: loss of EUR 0.2 million).

The generated free cash flow of EUR 1.8 million (Q1 2013: minus EUR 3.4 million) reduced net debt further to EUR 5.1 million (31.12.2013: EUR 7.0 million).

## **Outlook for 2014**

The outlook for the coming quarters remains optimistic. The management is certain that further growth and profitability margin improvement can be accomplished.

Greenock S.à r.l., a major shareholder of *exceet* Group SE, has recently informed the company that it is currently assessing its strategic options related to its shareholding in *exceet* Group SE, including a possible disposal of such shareholding to a third party. Pursuant to the information provided by Greenock S.à r.l., no final decision has yet been taken regarding the form and timing of the potential transaction. In the interest of *exceet* Group SE, the company's board of directors intends to cooperate with Greenock S.à r.l. in the course of such transaction.

**Annex: Performance and Structural Data Q1 2014**

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

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**exceet will announce half-year results for 2014 on 8 August 2014 (after closing of the market).**

**About exceet:**

*exceet is an international technology group specialized in the development and manufacturing of intelligent, mission critical and secure electronics with small and mid-size volumes. The group provides highly sophisticated solutions and distinguishes through its technical skill set in embedded intelligent electronics with a leading position in the health, industry & security markets. exceet consists of 6 manufacturing sites in the heart of Europe and 7 technical sales & development centers for customer proximity to ensure smooth and close communication for innovative solutions and attractive time-to-market for the customer.*

<b>exceet</b>			
Performance and Structural Data			
(in EUR million, expenses & cash out in parentheses)	Q1/2014	Q1/2013	Change
<b>Income Statement</b>			
Net Sales	48.4	43.1	+12.3%
- ECMS 1)	33.7	32.1	+5.0%
- IDMS 2)	12.9	10.2	+26.5%
- ESS 3)	1.8	0.8	+125.0%
Gross Profit	9.2	6.7	+37.3%
EBITDA	5.0	2.9	+72.4%
in % of Net Sales	10.3%	6.6%	+56.1%
- ECMS	5.7	3.4	+67.6%
- IDMS	0.9	0.5	+80.0%
- ESS	(0.2)	(0.1)	+100.0%
EBIT	2.5	0.4	+525.0%
Net Income	0.4	3.2	-87.5%
- per Class A Share	EUR 0.01	0.15	-93.3%
- per Class B/C Share	EUR 0.01	0.01	0.0%
Backlog	103.6	96.4	+7.5%
<b>Cash Flow Statement</b>			
Cash flow from operations			
before change in net working capital	4.4	2.8	+57.1%
Change in net working capital 4)	(0.2)	(2.4)	+91.7%
Cash flow from operations	3.5	(1.5)	n/a
Capex (incl. finance lease agreements)	(1.9)	(2.0)	-5.0%
Free Cash Flow	1.8	(3.4)	+152.9%
(in EUR million, expenses & cash out in parentheses)	31.03.2014	31.12.2013	Change
<b>Balance Sheet</b>			
Total Assets	188.7	182.8	+3.2%
Cash	34.4	31.2	+10.3%
Net Debt	5.1	7.0	-27.1%
Goodwill	35.6	35.6	0.0%
Shareholders' equity	99.4	98.7	+0.7%
Employees (full-time-equivalent)	943	954	-1.2%

- 1) Electronic Components Modules & Systems
- 2) ID Management & Systems
- 3) exceet Secure Solutions
- 4) Increase / (Decrease); excluding interest and tax payments