

Press Release

euromicron AG intensifies transformation process

- Operating cash flow considerably improved after nine months
- Sales and earnings burdened by extraordinary factors
- Guidance 2018 lowered
- Structural adjustments lay solid foundation for profitable growth

Frankfurt/Main, 5 November 2018 – euromicron AG, a medium-sized technology group and specialist for the “Internet of Things” (IoT), further intensified its measures to transform the group during the third quarter 2018 and will continue on that path throughout the remaining months of the current fiscal year. With that, sales and earnings have been temporarily negatively impacted by extraordinary factors while the operating cashflow improved significantly. According to preliminary figures, sales thus decreased by 4.5 % from EUR 244.0 million to EUR 233.0 million for the nine-months period, the operating EBITDA stood at EUR 4.8 million after EUR 7.2 million last year. The operating cash flow improved significantly by EUR 11.7 million to EUR -3.9 million. As announced, euromicron will publish its complete nine-month report on 8 November 2018.

Due to the deviance of sales and earnings from the originally planned figures for that period and in light of planned additional structural adjustments throughout the fourth quarter management lowered its guidance for 2018. As per now, sales are anticipated to amount to between EUR 310 million and EUR 330 million for the entire year and the operating EBITDA-margin is expected to lay between 2.0 % and 4.0 %. Extraordinary costs of up to EUR 5 million will burden earnings thereby. Initial expectations had been at between EUR 340 million and EUR 360 million for sales, at between 4.0% and 5.0% for the operating EBITDA-margin and at up to EUR 2 million for extraordinary costs.

In Q3 2018, structural deficits in selected business areas of the “Digital Buildings” segment led to shortcoming sales and earnings. Thereby, certain management as well as sales and staff structures of the Digital Buildings segment have been identified as not fitting to future requirements. A comprehensive package of measures is currently being implemented by the end of 2018 in order to increase profitability in 2019 distinctly.

Bettina Meyer, Spokeswoman for the Executive Board, comments: “Otherwise than expected, we will finish the optimization of operating structures just until the end of the current fiscal year. As identifying further need for action in the third quarter of 2018, we responded immediately. We have instantly initiated appropriate measures needing to complement with additional corrections in the fourth quarter as well in order to get started with full speed in 2019.”

“Our integrated and holistic IoT-Solutions respond to the immensely increasing demands of our customers”, adds Jörn Trierweiler, Board Member of euromicron, and continues: “The implementation of sustainable structures allows us to exploit our growth potential fully and profitably. At the same time, we are working on a strategy for a sharpened company profile.”

After consultation with all committees, the sharpened medium-term strategy will be published in detail in spring 2019. The company continues to focus on a rapid and at the same time sustainable increase in profitability and cash flow.

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 €332.9 million in fiscal year 2017.

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