

## Press release

### euromicron AG publishes 2018 Annual Report and outlook for 2019

- Final figures for 2018 align with previously-published preliminary numbers
- Forecast 2019: Consolidated revenues between EUR 325 and EUR 345 million, EBITDA margin between 4.0% and 5.5%

**Frankfurt am Main, 11 April 2019** – euromicron AG, a medium-sized technology group and specialist for networking business and production processes, is publishing its Annual Report for fiscal year 2018 today.

In 2018, euromicron had consolidated revenues of EUR 318.0 million (previous year: EUR 332.9 million), which was within the range of the most recent adjusted revenue forecast. Simultaneously, the company had an operating EBITDA of EUR 6.5 million (previous year EUR 13.5 million) in 2018. Structural deficits were identified among individual business units in the “Smart Buildings” segment and corresponding adjustments were made to personnel structures and sales management, which were finalized by the end of fiscal year 2018. Those measures and further modifications that were likewise necessary in the “Central Services” segment led to special EBITDA-affecting costs in the amount of EUR 4.6 million. As of December 31, 2018, the consolidated net loss for the period totaled EUR -11.5 million (previous year: EUR -3.8 million).

Bettina Meyer, Spokeswoman of the Executive Board, states: “In fiscal year 2018, we made solid progress with respect to our ‘cash before sales’ premise. The improved positive operating cash flow and the increased margin quality in our orders show how we are on the right path. We have also remained consistent in orienting our corporate structures and processes toward the digital market and have made specific investments in future fields for sustained growth – be it in our Industry 4.0 solutions, software solutions for smart buildings, or in the field of predictive maintenance.”

During the reporting period, euromicron generated a positive operating cash flow of EUR 3.3 million, representing a EUR 4.9 million improvement over the previous year (EUR -1.6 million). The euromicron Group additionally made progress in reducing working capital. At EUR 28.7 million in fiscal year 2018, working capital was significantly reduced by -14.3 million, compared to 43.0 million as of December 31, 2017. Significant contributions to the reduction in working capital were made by the decline in inventories and contract assets. Accordingly, euromicron tangibly improved its working capital ratio to 9.0% (previous year: 12.9%).

The euromicron Group had EUR 336.4 million in incoming orders in 2018, which is EUR 3.0 million higher than in the previous year (EUR 333.4 million). Simultaneously, the order backlog increased by EUR 22.1 million to EUR 148.6 million after EUR 126.5 million in the previous year. All three operating segments reported higher order backlogs than in the previous year.

Dr. Frank Schmitt, who has been a member of the Executive Board as Chief Technical Officer (CTO) since February 2019, comments. “Through consistent orientation toward the digitalization market, euromicron is increasingly developing from a producer of technical components into a provider of digital software-based solutions. We are placing more focus on offering our customers comprehensive solutions with digital services. That also leads us to consciously pursue those projects that match our strategic guidelines or otherwise meet our margin requirements.”

Since reorganization of the euromicron Group was finalized with the most recent structural adjustments performed in late 2018, Jörn Trierweiler will now be leaving the Executive Board effective April 30, 2019, as planned.

Against the background of the dynamic development taking place in digitalization, the euromicron AG Executive Board has brought on new members and is currently carrying out further adjustments to the Group’s strategic scope. After conclusion of the strategic planning sessions, the Executive Board will announce a medium-term strategy marked by further intensification.

For 2019, the Executive Board expects to see group revenues in a bandwidth between EUR 325 and EUR 345 million, as well as an EBITDA margin between 4.0% and 5.5%. Those figures were calculated for 2019 without adjustments for special costs and without accounting for the EBITDA changes from the IFRS 16 “Leases” standard. Continuous improvement to profitability is an objective for the upcoming years. Accordingly, the EBITDA margin is to be improved around one percentage point per year in upcoming years to reach an EBITDA margin in excess of 8.0% in the medium term.

The full 2018 Annual Report is available as of today on the company’s website at [www.euromicron.de](http://www.euromicron.de) in the section “Investor Relations/Publications/Financial Reports.”

**About euromicron AG:**

euromicron AG ([www.euromicron.de](http://www.euromicron.de)) is a medium-sized technology group that unites 16 companies from the fields of Smart Buildings, Smart Industry, Critical Infrastructures and Smart Services. Rooted in Germany, euromicron operates internationally with its around 1,900 employees at 40 locations. Backed by its expertise in sensor systems, terminal devices, infrastructures, platforms, software and services, euromicron is able to offer its customers end-to-end solutions from a single source. As a result, euromicron helps small and medium-sized enterprises, large companies and public-sector organizations enhance their agility and efficiency, prevent security risks and develop new business models. As a German specialist for the Internet of Things (IoT), euromicron enables its customers to network business and production processes and successfully achieve digitalization. euromicron AG generated total sales of €318.0 million in fiscal year 2018.

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