

Press Release



Financial Results 2014 (Annual Report)

Continuous improvement of profitability

- Slightly lower net sales of EUR 185.3 million
- Gross profit margin improved from 16.9% to 17.8%
- Double digit EBITDA-margin at 10.3% (2013: 9.6%)
- Promising exceet Secure Solutions segment increased net sales driven by industrial M2M and e-health projects

Luxembourg, 27 February 2015 – 06.30 p.m. – As a direct result of exceet's highly acknowledged cross-sectional technological expertise in its core markets Health, Industry and Security, the company was able to extend the share of higher margin business thus improving profitability further in 2014. This is reflected in the Gross Profit Margin of EUR 33.1 million or 17.8% (2013: EUR 32.3 million or 16.9%) and the EBITDA-Margin of EUR 19.0 million or 10.3% (2013: EUR 18.3 million or 9.6%). The group focused on its unique selling points, e.g. the cross-sectional technology expertise, and combined this strategy with the streamlining of the organization, strengthening of the portfolio in the area of intelligent electronics and concentration on promising niches. This enabled exceet to cope with an overall challenging economic environment characterized by still subdued investment activities. But comprehensive security know-how combined with technological skills and top-level capacities in the field of miniaturization makes exceet become more often the partner of choice for the fast growing market of smart connected products.

Group sales in 2014 decreased slightly by 2.9%, reaching EUR 185.3 million against EUR 190.8 million (organic decline -3.4%) for the same period of the previous year. The development was positively affected by the exchange rates of the Swiss Franc and the US-Dollar versus the Euro by which consolidated net sales increased by 0.3%. On 31 December 2014 exceet's order backlog amounted to EUR 87.3 million, 17.8% below the level as of 31 December 2013 (EUR 106.1 million). This relates into a book-to-bill ratio of 0.90 (2013: 1.03) reflecting the currently very cautious customer

behavior on placing delivery orders out of existing framework agreements and running development projects.

Electronic Components, Modules & Systems (ECMS) has strengthening its market position by concentrating on projects with high end-to-end responsibility. ECMS has won for example an industrialization and production order from Biovotion AG for a new body wearable for comprehensive patient monitoring. A final prototype and the certification are likewise scheduled for beginning of 2015. Series production will start in 2016. With this project ECMS will expand the portfolio in the field of consumer healthcare and digital health and thereby consistently pursues the strategy of steadily broadening and improving the range of products and services in this segment.

ID Management & Systems (IDMS) will deliver the smart cards for the Stuttgart Service project. The Stuttgart Service Card enables easy access to mobility solutions and other services. By this project Stuttgart and the region become SmartCity pioneers. IDMS is involved into a major part of the project. The project will positively impact revenues in the upcoming quarters. A positive impact on sales performance and cost reduction within the IDMS segment is also expected due to the operational merge of Inplastor Graphische Produkte GmbH into exceet card Austria GmbH at the end of 2014.

exceet Secure Solutions (ESS) has successfully implemented a major part of the German health telematics infrastructure in 2014. Hereby, ESS underlines its high suitability as a partner for upcoming projects, e.g. the development of applications for the electronic health card (eGK). In December 2014 exceet Group acquired 100% of shares in Lucom GmbH Elektrokomponenten & Systeme, a leading provider of industrial routers known for its strong portfolio of standardized products. Lucom will be an integral part of ESS, which allows ESS to offer standard and customized devices for IoT (Internet-of-Things) projects. This will positively impact the sales cycle for new customers, due to lower initial costs for pilot projects.

Outlook for 2015

In 2015 exceet will continue to be focused on achieving competitive advantages in the field of intelligent electronics. Additionally, the company is in the process of optimizing and expanding its sales force to improve efficiency and extend the global reach. The management is confident that in 2015 the combination of an optimized project mix and a further streamlining of the organization will support growth and improving margins.

As the group has substantial operations in Switzerland, exceet has to face some uncertainties concerning the impact of a stronger CHF against the EUR in some of its markets. However, as a part of a set of measurements over the last years to improve profitability, the group has realized flexible and cost-efficient access to production capacities within its own European network of plants, thus

cushioning possible impacts of exchange rates on costs. The top-line development will be positively affected by the consolidation in EUR. On the other hand foreign exchange losses will be generated out of the revaluation of the group internal financing procedures thus affecting the financial result and net income of the group.

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 a potential transaction.

Annex: Performance and Structural Data full year 2014

[Complete Annual Report 2014](#) and [actual Investor Relation Presentation](#) available at www.exceet.lu

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exceet will announce first quarter results for 2015 on 4 May 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.

exceet						
Performance and Structural Data						
(in EUR million, expenses & cash out in parentheses)	4 th Quarter		Full Year			
	2014	2013	2014	2013	Change	
Income Statement						
Net Sales	45.2	49.0	185.3	190.8	-2.9%	
- ECMS ^{1), 2)}	30.0	33.7	129.1	140.7	-8.2%	
- IDMS ^{1), 3)}	13.4	13.8	48.3	45.6	+5.9%	
- ESS ^{1), 4)}	1.8	1.5	7.9	4.4	+79.5%	
Gross Profit	7.1	6.7	33.1	32.3	+2.5%	
EBITDA	3.9	3.9	19.0	18.3	+3.9%	
in % of Net Sales	8.7%	7.9%	10.3%	9.6%	+7.3%	
- ECMS	3.8	4.1	20.1	20.2	-0.5%	
- IDMS	1.5	1.0	3.8	2.5	+52.0%	
- ESS	(0.5)	0.0	(0.7)	(0.3)	-133.3%	
EBIT	1.3	0.8	8.9	7.8	+14.1%	
Net Income	0.9	0.0	4.4	7.5	-41.3%	
- per Class A Share	EUR	0.04	0.00	0.21	0.37	-43.2%
- per Class B/C Share	EUR	0.00	0.00	0.01	0.01	0.0%
Backlog ⁵⁾			87.3	106.1	-17.7%	
Cash Flow Statement						
Cash flow from operations						
before change in net working capital	5.0	3.0	19.2	17.4	+10.3%	
Change in net working capital ⁶⁾	2.8	(5.3)	(1.5)	3.5	+142.9%	
Cash flow from operations	6.9	8.8	12.1	18.3	-33.9%	
Capex (incl. finance lease agreements)	(2.3)	(3.4)	(5.5)	(11.3)	-51.3%	
Free Cash Flow	4.7	5.4	6.6	6.9	-4.3%	
(in EUR million, expenses & cash out in parentheses)			31.12.2014	31.12.2013	Change	
Balance Sheet						
Total Assets			182.9	182.8	+0.1%	
Cash			31.0	31.2	-0.6%	
Net Financial Debt			9.4	7.0	+34.3%	
Goodwill			38.1	35.4	+7.6%	
Shareholders' equity			101.0	98.7	+2.3%	
Employees (full-time-equivalent)			969	954	+1.6%	

- 1) 3rd party net sales only
- 2) Electronic Components Modules & Systems
- 3) ID Management & Systems
- 4) exceet Secure Solutions
- 5) Twelve month basis (rolling)
- 6) Increase / (Decrease); excluding interest and tax payments