

Press Release



Financial Results First Quarter 2015

Slow but robust start into 2015

- Net Sales of EUR 46.0 million (Q1/2014: EUR 48.4 million)
- Investments lead to EBITDA Margin of 6.5% (Q1/2014: 10.3%)
- Promising project pipeline strengthens management's confidence for the year

Luxembourg, 04 May 2015 – 06.30 p.m. – exceet started slow but robust into 2015. Revenue for the first three months 2015 reached EUR 46.0 million (Q1 2014: EUR 48.4 million) representing a decline of 5.0%. The first quarter 2015 was as expected below the strong first quarter of the prior year and in addition influenced by the postponement of loyalty card projects in the volume of about EUR 1.5 million.

As announced earlier, exceet continued its investments in human capital to develop the business activities for instance in industrial Internet of Things (IoT), multi identity solutions and e-health as well as into product development and the strengthening of the sales force. In combination with the lower sales level exceet achieved an EBITDA of EUR 3.0 million (6.5% of net sales) compared to EUR 5.0 million (10.3% of net sales) in Q1 2014.

Electronic Components, Modules & Systems (ECMS) contributed 71.9% to overall Group sales. The Net Sales decreased slightly to EUR 33.1 million during the first three month of 2015, against EUR 33.7 million during the first three month of 2014. The ECMS segment achieved an EBITDA of EUR 4.3 million, accounting for an EBITDA margin of 13.1%, compared to 5.7 million or a margin of 16.9% in the same period of the previous year.

ECMS strengthened its market position in the field of products with high reliability and comprehensive documentation requirements. ECMS rolled out the Product-Lifecycle-Management (PLM) solution "Polarion". The documentation software perfectly supports approval processes and certifications, e.g.

FDA compliance. ECMS improves its position for upcoming projects and will also be able to acquire new customers by offering PLM as a service for their own development projects.

In Q1 ECMS received different follow-up orders from Biovotion. They supplement the order of 2014 for the development, industrialization and production of the new Biovotion bodymonitor. ECMS also received an order from SoNovum AG for the development of electronic components and industrialization of a mobile stroke diagnosis device. Besides development and industrialization, ECMS will support the certification process which is expected to be already finalized in 2015. except was also assigned to develop a prototype for a new implantable cardioverter defibrillator. The customer is one of the largest suppliers in this market.

ID Management & Systems (IDMS) accounted for 22.6% of the group-wide sales. The revenue in Q1 2015 amounted to EUR 10.4 million, which represents a decrease of 19.5% compared to EUR 12.9 million in Q1 2014. IDMS reported an EBITDA of EUR 0.5 million for the first quarter 2015 which results in an EBITDA Margin of 4.8%. In the same period of the previous year the segment achieved an EBITDA of EUR 0.9 million (representing 6.9% EBITDA Margin).

IDMS intensified the activities in the loyalty segment; some large projects have been postponed to the second half-year. A new loyalty project with ARAL was started and will be used to further increase marketing and sales activities in this profitable market segment. The ARAL collectible cards campaign is a project with promising volumes. IDMS expects first follow-up orders in the coming quarter and will supply high quality printed cards and cash-back functionality.

except Secure Solutions (ESS) accounted for 5.5% of total group sales. In Q1 2015 the segment generated revenues of EUR 2.5 million. This reflects an improvement compared to Q1 2014 of EUR 0.7 million. The EBITDA for this reporting period reached minus EUR 0.1 million (Q1 2014: minus EUR 0.2 million). This included all the ongoing costs to develop the described markets.

In the reporting period ESS received follow-up orders in context with the German electronic health card (eGK) and could already execute some of them in Q1 2015. Furthermore ESS was assigned to deliver Hardware Security Modules (HSM) including implementation and related consulting services for a smart meter project of E.ON in UK. The segment also won another HSM project and received an order from a large worldwide automotive supplier. ESS will deliver the hardware and related services. The solution will be used for secure electrical locking systems for the automotive industry. These HSM projects will positively impact the industrial IoT activities of ESS.

Outlook for 2015

Industrial IoT and wearable solutions demand extreme levels of precision, miniaturization and security. The positive market perspectives for these segments make exceet's management strongly confident to be able to participate in the substantial growth potential that lies in the structural transformation of the relevant sectors. The ongoing sales and market development efforts and the promising project pipeline of the card business will allow a profitable growth for 2015 based on exceet's portfolio of product solutions and competences. However, as the group has substantial operations in Switzerland, exceet faces some uncertainties concerning the impact of a stronger CHF against the EUR in some of its markets.

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 Q1 2015

Complete [Interim Management Report](#) on the first three month 2015 and [actual Investor Relation Presentation](#) available at www.exceet.lu

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exceet will announce half-year results for 2015 on 07 August 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)	1st Quarter		
	2015	2014	Change
Income Statement			
Net Sales	46.0	48.4	-5.0%
- ECMS ^{1), 2)}	33.1	33.7	-1.8%
- IDMS ^{1), 3)}	10.4	12.9	-19.4%
- ESS ^{1), 4)}	2.5	1.8	+38.9%
Gross Profit	7.6	9.2	-17.4%
EBITDA	3.0	5.0	-39.9%
<i>in % of Net Sales</i>	6.5%	10.3%	-3.8 pp
- ECMS	4.3	5.7	-24.6%
- IDMS	0.5	0.9	-44.4%
- ESS	(0.1)	(0.2)	+50.0%
EBIT	0.4	2.5	-84.0%
<i>in % of Net Sales</i>	0.9%	5.2%	-4.3 pp
Net Income	(4.0)	0.4	n.a.
- per Class A Share	EUR (0.12)	0.01	n.a.
- per Class B/C Share	EUR (0.12)	0.01	n.a.
Backlog ⁵⁾	85.4	103.6	-17.6%
Cash Flow Statement			
Cash flow from operations			
before change in net working capital	2.2	4.4	-50.0%
Change in net working capital ⁶⁾	(1.6)	(0.2)	-700.0%
Cash flow from operations	(2.0)	3.5	-157.1%
Capex (incl. finance lease agreements)	(2.6)	(1.9)	+36.8%
Free Cash Flow	(4.1)	1.8	-327.8%
Balance Sheet			
(in EUR million, expenses & cash out in parentheses)	31.03.2015	31.12.2014	Change
Total Assets	194.1	182.9	+6.1%
Cash	28.0	31.0	-9.7%
Net Financial Debt	15.5	9.4	+64.9%
Goodwill	40.6	38.1	+6.6%
Shareholders' equity	104.7	101.0	+3.7%
Employees (full-time-equivalent)	979	969	+1.0%

- 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