

**BIG ENOUGH  
TO COMPETE –  
SMALL ENOUGH  
TO CARE.**

**REPORT 3rd QUARTER  
2017/2018**

# Report 3rd Quarter BY 2017/2018

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# Group Management Report 3rd Quarter BY 2017/2018:

01.07.2017-31.03.2018

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After three quarters in BY 2017/18, a slight increase can be reported by a turnover of 59.2 million EUR compared to previous year figure of 59.1 million EUR. Turnover in the segment of data visualization of 38.9 million EUR was slightly above last year, whereas turnover in the segment power supplies of 20.3 million EUR was a bit below last year's figure. In spite of an increase of the sales quantities up to 17%, the price regulation between 10-12% could not be completely compensated by the actual limitation of stock capacities. The investment of a modern and larger stock planned by the management board is the basis for future growth. The property was purchased in fall 2017 which adds on tangible fixed assets in balance report. The ground breaking was in April 2018.

Due to very positive results during first and third quarter, an EBIT of 4.8 million EUR was achieved. Thus, an EBIT margin of 8.2 % (PY 6.2%) could be obtained. Third quarter generated 2.3 million EUR (PY 1.8 million EUR) which equivalentens an EBIT margin of 10.2%. The operative business continued to be very prosperous gaining a raw margin of 30.7% same as during successful BY 2016/17. Again, the EBIT could be improved due to lower costs of personnel and decreased other operating expenses as a result of the measures taken to upgrade synergies. During period of July 2017 till March 2018, the period's net income of the FORTEC group could be increased to 3.3 million EUR (PY 2.7 million EUR).

Due to the fact that during report period the EUR again has become stronger towards the Dollar, liabilities due to currency exchange differences of 621 TEUR are reported upon preparation of the total result. These are amounts of current exchange rates of participations in the U.S.A and Switzerland.

Therefore, after three quarters, a total result of 2.7 million EUR and a result per share of 1.12 EUR are obtained.

In order to guarantee delivery capacities in spite of rising times of delivery and compared to June 30<sup>th</sup>, 2017, stock increased from 17.5 million EUR to 19.7 million EUR and liabilities from deliveries and services from 3.6 million EUR to 4.4 million EUR. Other liabilities increased due to accruals among others based on an ongoing proceeding of customs authorities at Emtron.

Company capital augmented from 28.0 million EUR to 28.9 million EUR; own capital quota however decreased from 69.4 % to 66.5% due to balance sheet extension.

Order backlog of 40 million EUR continues to be a solid basis for coming months.

The management board appreciates the positive development in business during these first nine months and estimates a similar EBIT result as in BY 2016/17.

## Consolidated Balance Sheet per 31.03.2018 according to IAS/IFRS

ASSETS in Euro	31.03.2018	30.06.2017	EQUITY/LIABILITIES in Euro	31.03.2018	30.06.2017
<b>A. Non-current assets</b>	<b>8.323.203</b>	<b>8.041.964</b>	<b>B. Company capital</b>	<b>28.930.112</b>	<b>28.019.646</b>
I. Goodwill	5.050.653	5.224.921	I. Subscribed capital	2.954.943	2.954.943
II. Intangible assets	225.781	254.094	II. Capital reserve	8.689.364	8.689.364
III. Tangible assets	2.670.725	2.063.248	III. Currency exchange differences	355.808	976.883
IV. Financial assets	95.780	95.780	IV. Other comprehensive income	13.625.491	11.138.580
V. Long-term receivables	72.781	74.601	V. Period net income	3.304.506	4.259.877
VI. Deferred taxes	207.483	329.320			
<b>B. Current assets</b>	<b>35.179.565</b>	<b>32.356.762</b>	<b>B. Long-term liabilities</b>	<b>4.379.991</b>	<b>4.677.263</b>
I. Inventories	19.725.269	17.545.046	I. Long-term bank/credit liabilities	3.933.328	4.166.664
II. Accounts receivables: deliveries/services	8.409.422	7.122.347	II. Long-term provisions	219.867	203.567
III. Tax receivables	940.670	1.484.298	III. Deferred taxes	226.796	307.032
IV. Other assets	710.929	549.580			
V. Cash on hand and cash equivalents	5.393.274	5.655.491	<b>B. Short-term liabilities</b>	<b>10.192.665</b>	<b>7.701.816</b>
			I. Bank/credit liabilities	833.336	416.668
			II. Trade payables: deliveries/services	4.448.058	3.556.986
			III. Tax accruals	1.474.725	1.592.653
			IV. Other provisions	262.237	215.332
			V. Other liabilities/accruals	3.174.309	1.920.178
<b>Total Assets</b>	<b>43.502.768</b>	<b>40.398.726</b>	<b>Total Equity/Liabilities</b>	<b>43.502.768</b>	<b>40.398.726</b>

## Consolidated Statement of Comprehensive Income per 31.03.2018: uncertified, according to IAS/IFRS

in Euro	Consolidated P&L 01.07.17-31.03.18	Consolidated P&L 01.07.16-31.03.17
<b>Sales revenues</b>	<b>59.205.140</b>	<b>59.054.302</b>
Increase of stock unfinished products	367.780	-
Other operating income	784.329	849.673
Material expenses	41.048.272	40.864.200
Personnel expenses	8.971.738	9.430.053
Depreciation	431.922	392.746
Other operating expenses	5.065.377	5.564.144
<b>Operating result (EBIT)</b>	<b>4.839.940</b>	<b>3.652.832</b>
Income from investments	-	148.038
Other interest and similar income/expenses	-30.565	-33.504
Tax from income and revenue	1.504.869	1.057.248
<b>Period's net income</b>	<b>3.304.506</b>	<b>2.710.118</b>
Other result*	-621.075	-121.213
<b>Total result</b>	<b>2.683.432</b>	<b>2.588.905</b>
Earning per share	1,12	0,92
Shares in total	2.954.943	2.954.943

\*Other result exclusively includes success-neutral currency exchange differences.

# Explanatory Remarks

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## Basics as regards the preparation of the quarter report

This shortened group management quarter report does not contain all necessary information and data for a group's financial statement and therefore, has to be read in combination with the group's financial statement and management annual report dated 30.06.2017.

The group management quarter report was neither examined nor verified by a certified financial auditor.

The report is made up in Euro. The charts and data may have rounding differences due to mathematical reasons.

## Disclaimer of Warranty

This report contains certain future data, which are based on current visible and available information, expectations and prospects of the management of FORTEC Elektronik AG. There are solely for informational purpose and are marked by terms like "believe", "expect", "forecast", "intend", "will", "plan", "estimate" or "attempt". These terms are only valid for the date of their publication. Certain known or unknown risks, uncertainties and other facts may yield that the real results, the financial situation, the development and/or performance of the group differ from the prognoses stated herein. The FORTEC Elektronik AG takes no obligation whatsoever to carry forward such future data and to adjust to future occurrences or developments. A responsibility or warranty for actuality, correctness, integrity of these data and information will therefore be neither explicit nor implied.

# FORTEC

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