

# Q1

**QUARTERLY FINANCIAL REPORT**  
FOR THE PERIOD FROM  
1 JANUARY TO 31 MARCH 2020

# AT A GLANCE

## GROUP KEY FIGURES

| in KEUR                              | Q1 2020    | Q1 2019    |
|--------------------------------------|------------|------------|
| Revenue                              | 29,235     | 28,701     |
| Gross profit                         | 10,795     | 10,742     |
| Gross profit margin                  | 36.9 %     | 37.4 %     |
| EBITDA <sup>1</sup>                  | 1,009      | 3,083      |
| EBIT <sup>1</sup>                    | -124       | 2,720      |
| Consolidated net income <sup>1</sup> | -373       | 2,031      |
| Operating cash flow after taxes      | 1,002      | -3,779     |
| Employees (average)                  | 403        | 308        |
|                                      | 31/03/2020 | 31/12/2019 |
| Total assets                         | 101,842    | 100,936    |
| Equity                               | 67,001     | 67,213     |
| Equity ratio                         | 65.8 %     | 66.6 %     |
| Cash and cash equivalents            | 27,381     | 27,974     |

<sup>1</sup> 2019 amounts normalised

## STEMMER IMAGING IN FIGURES



**+1.8 per cent revenues**

compared to corresponding period previous year



**EUR 31.8 m incoming orders**



**EUR – 0.06 Earnings per share**



**65.8 per cent equity ratio**



**>5,000 customers**



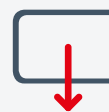
**> 400 employees, of which 70 per cent with technical background**

(as at 31/03/2020)



**15 subsidiaries represented in >20 countries**

(as at 31/03/2020)



This report, results from previous financial years and English language versions are available for download at [www.stemmer-imaging.com](http://www.stemmer-imaging.com)

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Rounding may mean that individual figures given in this report do not add up exactly to the given total and that percentages are not the exact result of the figures presented.

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Due to the change of the financial year to the calendar year effective 1 January 2020 the Q1 2019 figures refer to the period 1 January 2019 – 31 March 2019.

# CONSOLIDATED INTERIM MANAGEMENT REPORT

## NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

### NET ASSETS AND FINANCIAL POSITION

The total assets of STEMMER IMAGING amounted to EUR 101.8 million as at 31 March 2020, a slight increase compared to 31 December 2019 (EUR 100.9 million). Non-current assets went down to EUR 42.1 million as at 31 March 2020 (31 December 2019: EUR 42.8 million). The decrease was caused by the depreciation of property, plant and equipment and intangible assets, including the value of leases, in accordance with IFRS 16. These were only countered by a low level of investment.

Current assets, on the other hand, went up to EUR 59.7 million as at the end of the reporting period (31 December 2019: EUR 58.1 million). This was largely due to inventories increasing by EUR 1.1 million and trade receivables increasing by EUR 0.7 million.

Equity totalled EUR 67.0 million as at 31 March 2020 (31 December 2019: EUR 67.2 million). With an equity ratio of 65.8 per cent (31 December 2019: 66.6 per cent), STEMMER IMAGING is in a sound financial position.

Non-current liabilities came to EUR 12.8 million as at 31 March 2020 (31 December 2019: EUR 13.6 million). This drop was caused by EUR 0.5 million in long-term bank loan repayments and repayments of EUR 0.2 million towards non-current liabilities related to finance leases. Current liabilities rose from EUR 20.1 million to EUR 22.0 million, largely as a result of the EUR 1.9 million increase in trade payables reported under current liabilities.

Operating cash flows came to EUR 1.0 million in the first quarter of the 2020 fiscal year (1 January 2019 to 31 March 2019: EUR –3.8 million).

Investment totalled EUR 0.1 million, a lower figure than in the previous year. Cash flow from financing activities amounted to EUR –1.1 million (31 March 2019: EUR 0 million). This cash outflow was caused by bank loan repayments and repayments towards liabilities related to finance leases.

### RESULTS OF OPERATIONS

STEMMER IMAGING generated EUR 29.2 million in revenue over the first three months of the 2020 fiscal year, a 1.8 per cent increase on the previous year's figure (1 January to 31 March 2019: EUR 28.7 million). The overall growth was characterised by the consolidation of the Infaimon Group together with stable or even increasing revenues in France, Denmark, the Netherlands and Switzerland, while weak order call-offs in the UK, Sweden and Germany led to an overall decline in revenues. Organic revenue growth was largely in line with the levels reported by the German Association of Machine and Plant Builders (VDMA) at the beginning of the year.

The gross profit margin was 36.9 per cent in the first quarter of the 2020 fiscal year, a slight decrease from 37.4 per cent in the corresponding period of the previous year. This was caused by a shift in revenue shares between different countries and their typical margins within the Group.

Personnel expenses came to EUR 6.8 million in the first three months of the 2020 fiscal year (1 January to 31 March 2019: EUR 5.4 million). As a result, the ratio of personnel expenses went up from 18.9 per cent to 23.4 per cent for STEMMER IMAGING.

Other operating expenses amounted to EUR 3.6 million (1 January to 31 March 2019: EUR 2.8 million). This increase was driven by inorganic growth and higher administrative expenses (largely related to IT infrastructure enhancements). Other factors included exchange rate related effects (EUR 0.5 million) and the first-time adoption of IFRS 9 (additional expense of EUR 0.2 million) and IFRS 16 (rental expenses reduced by EUR 0.5 million, countered by depreciation of property, plant and equipment being increased by EUR 0.5 million).

EBITDA came to EUR 1.0 million in the first quarter of the 2020 fiscal year (EBITDA margin: 3.5 per cent), a significant downturn compared to the normalised figure from the previous year of EUR 3.1 million (normalised EBITDA margin: 10.7 per cent). Parts of the effects are related to the change in accounting practices caused by the adoption of IFRS 16 (EUR 0.5 million). EBIT came to EUR –0.1 million for the first three months of the year (normalised figure for 1 January to 31 March 2019: EUR 2.7 million). The EBIT margin went down from 9.5 per cent in the previous year to –0.4 per cent. The consolidated net income of STEMMER IMAGING was EUR –0.4 million for the first quarter of the 2020 fiscal year (normalised figure for 1 January to 31 March 2019: EUR 2.0 million).

## REPORT ON EXPECTED DEVELOPMENTS

The Executive Board of STEMMER IMAGING AG expects the measures being taken to stop the spread of coronavirus (SARS-CoV-2) to have a negative impact on supply chains and the core markets. STEMMER IMAGING has also taken steps to protect the health of its employees and business partners, adjust its costs and resources in light of the order situation over the short to medium term and ensure that it can continue operations. More information is available in the report on expected developments for the 2019 short fiscal year.

STEMMER IMAGING still expects revenue for the 2020 fiscal year to be within the forecast range of EUR 105 to 120 million. Profit (EBITDA) is also still expected to be between EUR 3.0 and 7.0 million.

Based on the performance of STEMMER IMAGING over the first three months of the 2020 fiscal year and the development of market conditions, the Executive Board has no reason to adjust the given forecast.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

### ASSETS

in KEUR

|   | 31/03/2020     | 31/12/2019     |
|---|----------------|----------------|
| <b>Non-current assets</b>                         |                |                |
| Property, plant and equipment                     | 7,607          | 7,973          |
| Goodwill  | 23,850         | 23,850         |
| Other intangible assets                           | 9,711          | 10,086         |
| Investments accounted for using the equity method | 595            | 600            |
| Other investment securities                       | 34             | 34             |
| Deferred tax assets                               | 316            | 293            |
| <b>Total non-current assets</b>                   | <b>42,113</b>  | <b>42,836</b>  |
| <b>Current assets</b>                             |                |                |
| Inventories                                       | 12,251         | 11,156         |
| Trade receivables                                 | 17,270         | 16,610         |
| Contract assets                                   | 220            | 180            |
| Other financial assets                            | 311            | 200            |
| Income tax receivables                            | 1,438          | 1,157          |
| Other assets and prepaid expenses                 | 858            | 823            |
| Cash and cash equivalents                         | 27,381         | 27,974         |
| <b>Total current assets</b>                       | <b>59,729</b>  | <b>58,100</b>  |
| <b>Total assets</b>                               | <b>101,842</b> | <b>100,936</b> |

**EQUITY AND LIABILITIES**  
in KEUR

|  | <b>31/03/2020</b> | <b>31/12/2019</b> |
|--|-------------------|-------------------|
| <b>Capital and reserves</b>                                  |                   |                   |
| Subscribed capital   | 6,500             | 6,500             |
| Capital reserve  | 47,495            | 47,495            |
| Revenue reserves   | 13,006            | 13,218            |
| <b>Total equity</b>  | <b>67,001</b>     | <b>67,213</b>     |
| <b>Non-current liabilities</b>                               |                   |                   |
| Non-current loans  | 7,006             | 7,508             |
| Provisions for pensions and similar obligations              | 58                | 58                |
| Other financial liabilities                                  | 3,282             | 3,527             |
| Other liabilities  | 258               | 251               |
| Other provisions   | 193               | 206               |
| Deferred tax liabilities                                     | 2,007             | 2,084             |
| <b>Total non-current liabilities</b>                         | <b>12,804</b>     | <b>13,634</b>     |
| <b>Current liabilities</b>                                   |                   |                   |
| Current loans  | 2,031             | 2,048             |
| Other provisions   | 35                | 32                |
| Trade payables   | 10,997            | 9,102             |
| Contract liabilities and advance payments received on orders | 155               | 482               |
| Other financial liabilities                                  | 2,467             | 2,452             |
| Liabilities to affiliated companies                          | 94                | 0                 |
| Income tax liabilities                                       | 823               | 768               |
| Other liabilities  | 5,436             | 5,205             |
| <b>Total current liabilities</b>                             | <b>22,037</b>     | <b>20,089</b>     |
| <b>Total liabilities</b>                                     | <b>34,841</b>     | <b>33,723</b>     |
| <b>Total equity and liabilities</b>                          | <b>101,842</b>    | <b>100,936</b>    |

## CONSOLIDATED INCOME STATEMENT

DEVELOPMENT FROM 1 JANUARY TO 31 MARCH 2020  
in KEUR

|  | Q1 2020       | Q1 2019       |
|--|---------------|---------------|
| Revenue  | 29,235        | 28,701        |
| Other own work capitalized                                   | 0             | 34            |
| Cost of materials  | -18,440       | -17,993       |
| <b>Gross profit</b>  | <b>10,795</b> | <b>10,742</b> |
| Other operating income                                       | 690           | 154           |
| Personnel expenses   | -6,839        | -5,433        |
| Other operating expenses                                     | -3,637        | -2,802        |
| <b>EBITDA</b>  | <b>1,009</b>  | <b>2,661</b>  |
| Depreciation and impairment of property, plant and equipment | -736          | -240          |
| <b>EBITA</b>   | <b>273</b>    | <b>2,422</b>  |
| Amortisation of intangible assets                            | -396          | -124          |
| <b>EBIT</b>  | <b>-124</b>   | <b>2,298</b>  |
| Associates' share of profit or loss                          | -5            | -8            |
| Finance income   | 4             | 51            |
| Finance costs  | -90           | -9            |
| <b>Profit before income taxes</b>                            | <b>-215</b>   | <b>2,331</b>  |
| Taxes on income  | -158          | -722          |
| <b>Consolidated net income</b>                               | <b>-373</b>   | <b>1,609</b>  |
| Of which:  |               |               |
| Shareholders of the parent company                           | -373          | 1,609         |
| Number of shares (weighted average)                          | 6,500,000     | 6,500,000     |
| Earnings per share in EUR (diluted and basic)                | -0.06         | 0.25          |



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

DEVELOPMENT FROM 1 JANUARY TO 31 MARCH 2020  
in KEUR

|   | Q1 2020     | Q1 2019      |
|---|-------------|--------------|
| Consolidated net income                                       | -373        | 1,609        |
| Other comprehensive income                                    |             |              |
| Items that may be subsequently reclassified to profit or loss |             |              |
| Exchange rate differences during the reporting period         | 161         | 118          |
| Other comprehensive income after income taxes                 | 161         | 118          |
| <b>Total comprehensive income</b>                             | <b>-212</b> | <b>1,727</b> |
| Of which:   |             |              |
| Shareholders of the parent company                            | -212        | 1,727        |

## CONSOLIDATED STATEMENT OF CASH FLOWS

FROM 1 JANUARY 2020 TO 31 MARCH 2020  
in KEUR

|  | Q1 2020       | Q1 2019       |
|--|---------------|---------------|
| <b>Cash flow from operating activities</b>   |               |               |
| Consolidated net income  | -373          | 1,609         |
| Income tax expense recognised in profit or loss  | 158           | 721           |
| Finance costs/income recognised in profit or loss  | 85            | -42           |
| Amortisation and depreciation of intangible assets, property, plant and equipment, and investment securities | 1,133         | 365           |
| (Decrease)/increase in provisions  | -8            | -97           |
| Other non-cash expenses/income   | -11           | -149          |
| Gain/loss on the disposal of fixed assets  | -2            | 0             |
| (Increase)/decrease in inventories, trade receivables and other assets                                       | -2,336        | -2,586        |
| (Increase)/decrease in liabilities and other liabilities   | 2,820         | -3,534        |
| Interest received  | 4             | 51            |
| <b>Cash flow from operating activities</b>   | <b>1,470</b>  | <b>-3,662</b> |
| Income taxes paid  | -468          | -117          |
| <b>Net cash flow from operating activities</b>   | <b>1,002</b>  | <b>-3,779</b> |
| <b>Cash flow from investing activities</b>   |               |               |
| Payments for intangible assets   | -22           | -43           |
| Proceeds from the disposal of fixed assets   | 17            | 0             |
| Payments for investments in property, plant and equipment  | -133          | -208          |
| Payments for investments in financial assets   | 0             | -1,387        |
| Proceeds from financial investments as part of short-term treasury management                                | 0             | 13,353        |
| <b>Net cash flow from investing activities</b>   | <b>-138</b>   | <b>11,715</b> |
| <b>Cash flow from financing activities</b>   |               |               |
| Repayment of loans   | -1,041        | -16           |
| Proceeds from grants received  | 11            | 0             |
| Interest paid  | -86           | -10           |
| <b>Net cash outflow for financing activities</b>   | <b>-1,116</b> | <b>-26</b>    |
| <b>Net decrease/increase in cash and cash equivalents</b>  | <b>-252</b>   | <b>7,910</b>  |
| <b>Cash and cash equivalents at the beginning of the reporting period</b>                                    | <b>27,974</b> | <b>13,734</b> |
| Changes in cash due to exchange rate movements and remeasurements  | -341          | 74            |
| <b>Cash and cash equivalents as at the first half of the year</b>  | <b>27,381</b> | <b>21,718</b> |
| of which: cash in hand and bank balances   | 27,381        | 21,718        |

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FROM 1 JANUARY TO 31 MARCH  
in KEUR

|                         | Subscribed capital | Capital reserve | Retained earnings                  |                              |               | Total  | Total  |
|-------------------------|--------------------|-----------------|------------------------------------|------------------------------|---------------|--------|--------|
|                         |                    |                 | Reserve for actuarial gains/losses | Currency translation reserve | Miscellaneous |        |        |
| As at 01/01/2020        | 6,500              | 47,495          | 10                                 | -81                          | 13,289        | 13,218 | 67,213 |
| Consolidated net income | 0                  | 0               | 0                                  | 0                            | -373          | -373   | -373   |
| Currency adjustments    | 0                  | 0               | 0                                  | 161                          | 0             | 161    | 161    |
| As at 31/03/2020        | 6,500              | 47,495          | 10                                 | 80                           | 12,916        | 13,006 | 67,001 |
| As at 01/01/2019        | 6,500              | 47,495          | 37                                 | -301                         | 15,323        | 15,059 | 69,054 |
| Consolidated net income | 0                  | 0               | 0                                  | 0                            | 1,609         | 1,609  | 1,609  |
| Currency adjustments    | 0                  | 0               | 0                                  | 118                          | 0             | 118    | 118    |
| As at 31/03/2019        | 6,500              | 47,495          | 37                                 | -183                         | 16,932        | 16,786 | 70,781 |

## NOTES TO THE QUARTERLY FINANCIAL STATEMENTS FOR THE QUARTER ENDING 31 MARCH 2020

### KEY CHANGES IN THE CURRENT REPORTING PERIOD

#### SIGNIFICANT EVENTS AND TRANSACTIONS

CTO Martin Kersting stepped down from the Executive Board on 31 March 2020 for personal reasons and has chosen to leave the company. He will continue to assist STEMMER IMAGING in an advisory capacity.

#### EVENTS AFTER THE END OF THE REPORTING PERIOD

The Supervisory Board of STEMMER IMAGING AG appointed Uwe Kemm to the Executive Board of the company with effect from 1 April 2020. As COO, he will be responsible for operational organisational units and the development and implementation of important corporate strategic initiatives.

## FINANCIAL CALENDAR<sup>1</sup>

|   |   |   |
|---|---|---|
| <p>Monday</p> <p><b>22/06</b></p> <p>2020</p> <p><b>(VIRTUAL) ANNUAL GENERAL MEETING, PUCHHEIM</b></p>                  | <p>Tuesday–Thursday</p> <p><b>30/06–02/07</b></p> <p>2020</p> <p><b>SPRING CONFERENCE, FRANKFURT AM MAIN</b></p>                    | <p>Wednesday</p> <p><b>12/08</b></p> <p>2020</p> <p><b>PUBLICATION OF INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER OF 2020 AND 2020 HALF-YEARLY FINANCIAL REPORT</b></p> |
| <p>Monday–Wednesday</p> <p><b>21/–23/09</b></p> <p>2020</p> <p><b>BERENBERG GERMAN CORPORATE CONFERENCE, MUNICH</b></p> | <p>Thursday</p> <p><b>12/11</b></p> <p>2020</p> <p><b>PUBLICATION OF INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER OF 2020</b></p> | <p>Monday–Wednesday</p> <p><b>16/–18/11</b></p> <p>2020</p> <p><b>GERMAN EQUITY FORUM, FRANKFURT AM MAIN</b></p>  |

<sup>1</sup> Dates may change at short notice.

## IMPRINT

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The STEMMER IMAGING AG quarterly report is available in German and English.  
The German version is legally binding.