
CH-Wetzikon, March 17, 2016

Elma – Net profit 2015 on previous year's level

- **Net sales increased by 0.9% year-on-year to CHF 119.1 million (adjusted for currency translation and acquisition effects: -1.1%)**
- **Europe region up; down in the Americas and Asia regions**
- **Order income down by 5.7% to CHF 115.7 million (adjusted for currency translation and acquisition effects: -7.8%)**
- **Operating result (EBIT) CHF 2.9 million by 29.0% below previous year primarily due to weak rotary switch exports from Switzerland to Asia**
- **Net profit CHF 2.3 million on previous year's level due to positive impact on income taxes**
- **System business in Switzerland strengthened with the acquisition of Treenew Electronic AG on November 9, 2015**
- **Equity ratio dropped from 40.3% to 35.2% due to the offset of goodwill**
- **Net debts up by CHF 3.8 million to CHF 18.1 million due to the acquisition**

Net sales

The Elma Group posted net sales of CHF 119.1 million in the financial year 2015 (previous year: CHF 118.1 million). This represents a growth of 0.9%; adjusted for currency translation effects, net sales rose by 0.9%, adjusted for currency translation and acquisition effects, net sales fell by 1.1%. Each of the three regions developed differently during the 2015 financial year. The Americas region, with a 48% share of net sales the Elma Group's largest region, reported a decline of 1.0%; adjusted for currency translation effects, sales fell by 5.7% to USD 59.9 million. The Europe region, which contributed 44% to the Group's net sales, increased sales by 4.2% to CHF 51.9 million; adjusted for currency translation effects, net revenue grew by 5.9%, adjusted for currency translation and acquisition effects they were down 0.4%. In the Asia region, which accounts for 8% of the total net sales, they fell by 5.0% to CHF 9.4 million; adjusted for currency translation effects, this represents a decrease of 9.5%.

As of the beginning of the business year 2015, the revenue of electronic cabinets has been allocated to the product line Enclosures & Components, rather than to the product line System Solutions as in the past. To ensure comparability with the previous year's figures, they have been restated accordingly. Elma increased their net sales with systems, backplanes and storage modules in the System Solutions product line to CHF 79.0 million year-over-year (previous year: CHF 71.0 million). Net sales for the Enclosures & Components product line amounted to CHF 27.5 million (previous year: CHF 29.5 million), while the Rotary Switches contributed CHF 12.6 million (previous year: CHF 17.5 million).

Order income

Especially in the second half of the year, order income was weaker than expected in all three regions. The Elma Group received orders totaling CHF 115.7 million (previous year: CHF 122.6 million), equivalent to a downturn of 5.7%; adjusted for currency translation effects, order income fell by 5.8%, adjusted for currency translation and acquisition effects the decline was 7.8%. In the Americas region, order income dropped by 5.4% year-over-year; in local currency it fell by 9.9% to USD 58.8 million. The Europe region posted a decrease of 6.8% to CHF 50.0 million; adjusted for currency translation effects, the reduction was 6.8%, adjusted for currency translation and acquisition effects the downturn was 6.1%. Order income in the Asia region fell by 0.7% to CHF 8.9 million; adjusted for currency translation effects, this represents a year-over-year decrease of 5.3%.

EBIT and net profit

Although the Europe region achieved a year-over-year increase in net sales for 2015, the operating result of the Elma Group was negatively influenced by the poor investment demand of the Swiss company's customers, especially in the fourth quarter. The positive developments in Germany, the UK and Israel could not compensate for the decrease. Structural changes and cost-optimization measures were immediately initiated - in particular in Switzerland - to align the organization to the new market conditions and to improve profitability.

The Elma Group closed the 2015 financial year with EBITDA of CHF 5.5 million (previous year: CHF 6.6 million). EBIT reached CHF 2.9 million (previous year: CHF 4.1 million). The provisions of the new accounting legislation in Switzerland were applied for the first time in the statutory accounts of the 2015 financial year. This legislation now stipulates individual valuation of subsidiaries instead of group valuation as in the past. This changeover had a substantial positive impact on income taxes and net profit for the Elma Group. Elma reports a net profit on previous year's level of CHF 2.3 million (previous year: CHF 2.3 million).

Balance sheet

As of 31 December 2015, Elma reported total assets of CHF 72.5 million (previous year: CHF 67.6 million). The equity ratio was 35.2% (prior year: 40.3%) due to the offset of goodwill. Net debts rose by CHF 3.8 million to CHF 18.1 million (previous year: CHF 14.3 million) as a consequence of the acquisition of Trenew Electronic AG. This acquisition was financed by a bank loan that was not tied to any financial covenants. The private placement of CHF 10 million with a group of private investors was extended prematurely by another five years until 2022 with reduced interest conditions.

Dividend policy

Elma continues to adhere to their long-term objectives, which are:

- improve the balance-sheet structure
- reduce net debts
- attain an equity ratio of over 50%

The achievement of these targets provides the basis for a distribution of dividends. Elma has achieved progress over recent years and shall continue to pursue their objectives. Therefore, the Board of Directors will again propose to the shareholders at the General Meeting on April 21, 2016 to forgo dividend payments for 2015.

Market trends

After an initial positive start, growth dynamics in the Americas region slowed down in the second half of 2015. Governmental authorities remained under financial and cost pressure and they remained cautious in awarding major projects during the reporting year. This trend became stronger towards the end of the financial year. The slowing of China's growth momentum also prompts Elma to be cautious. On the other hand, economic growth in Europe has shown a generally encouraging development during the reporting year. A revival of investment activities among customers was particularly evident in Germany and the UK. There was a noticeable revitalization in the defense sector in Israel which had a positive impact on the local company. By contrast, the Swiss economy posted only moderate growth for the year as a whole, with a perceptible economic slowdown in the second half of the year that led to a decrease in order placements towards the end of the fourth quarter of 2015, especially in the export sector.

Despite the challenges in individual markets, the Elma Group continued their growth strategy in 2015 by developing and expanding the system business. On November 9, 2015 the Swiss company Trenew Electronic AG headquartered in Rüti (Canton of Zurich) was acquired. The company has been consolidated as of November 2015. Elma expects to see a positive impact on the Group's net sales and net profit in 2016.

Innovation, research and development

All three product lines launched new products in the market in 2015. The System Solutions product line, for example, introduced the new ProSys family which features high computing power for industrial automation. As a qualified Solution Technology Integrator (STI partner) for Cisco, Elma offers a range of rugged, embedded computing systems designed for deployment in harsh environments. The Enclosures & Components product line includes the 19" enclosure cases type 38 with convincing features such as modular construction, robustness and stability. Elma extended their product range with the Shapebox 22, a customized plastic enclosure for electronic packaging which is manufactured with a tool-free method and an innovative cost-saving production process. Rotary Switches is offering its new Uni Selector, a versatile multi-deck selector switch designed for bounce sensitive, analog switching applications - the ideal choice for high-end audio products. Elma also extended their product portfolio with an extremely small yet robust, multifunctional rotary switch, the MR50. This new switch is primarily designed for portable devices, outdoor applications and for the defense sector.

Objectives

The overall economic environment is expected to remain challenging worldwide in 2016. Global economic growth will be impacted by a further slowdown in growth in China, uncertainties about further monetary policy steps in the US and the EU and risks emanating from geopolitical tensions that are still unresolved. Elma shall adhere to their objectives to increase net sales and to improve the operating result (EBIT).

The complete 2015 Annual Report can be downloaded from our website at

<http://www.elma.com/en-eu/investors/reports/>

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Elma Electronic is a worldwide provider of solutions for the construction of enclosure systems for electronics. The product range extends from electronic packaging components to modular enclosures, cabinets and backplanes through to complete system platforms. Elma also produces rotary switches for electronic applications. The flexibility that allows customer requirements to be met and our many years of experience in the development and production of components and systems for complex applications distinguish Elma as a reliable partner.

Please visit our website: www.elma.com

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Multi-year overview Elma Group

in CHF 1,000	Swiss GAAP FER				
	2015	2014	2013	2012	2011
Net sales	119,109	118,079	113,010	111,111	117,718
EBITDA	5,496	6,596	5,383	5,021	6,853
EBITA	2,905	4,093	2,799	2,512	4,498
EBIT	2,905	4,093	2,799	2,512	4,498
Net profit	2,340	2,296	838	788	1,826
in % of average equity (ROE)	8.9	9.2	3.8	3.6	9.0
Depreciation of tangible assets	2,245	2,148	1,967	1,867	1,695
Amortization of intangible assets	346	355	617	642	660
Investments in tangible assets	2,872	2,088	1,794	2,303	1,709
Investments in intangible assets	145	60	223	157	88
Cash flow from operating activities	5,489	5,342	2,391	2,596	2,318
Cash flow from investment activities	-9,333	-2,139	-2,015	-2,944	-1,592
Free cash flow	-3,844	3,203	376	-348	726
Cash flow from financing activities	4,300	-2,970	-2,250	1,800	-200
Non-current assets	19,006	19,118	18,795	19,283	19,316
thereof tangible assets	14,771	14,265	14,125	14,371	14,045
Current assets	53,514	48,458	46,784	45,306	46,742
thereof cash and cash equivalents	7,575	7,069	6,544	8,454	7,063
Balance sheet total	72,520	67,576	65,579	64,589	66,058
Shareholders' equity	25,521	27,210	22,576	21,995	21,198
in % of balance sheet total	35.2	40.3	34.4	34.1	32.1
Non-current liabilities	24,286	23,013	25,463	27,884	26,142
Current liabilities	22,713	17,353	17,540	14,710	18,718
Total financial liabilities	25,680	21,380	24,350	26,600	24,800
Net financial debts (financial liabilities less cash balances)	18,105	14,311	17,806	18,146	17,737
ROCE (EBITA)/(equity plus net interest-bearing liabilities) in %	6.7	9.9	6.9	6.3	11.6
Indebtedness factor (net interest-bearing liabilities/EBITDA)	3.3	2.2	3.3	3.6	2.6
Headcount (FTE) end year	722	683	682	682	706
Net sales per employee (average)	174	172	167	164	167

Information for Investors

The registered shares of Elma Electronic AG with a nominal value of CHF 11 per share are listed on SIX Swiss Exchange and have been traded there since December 4, 1996.

Security number 531916
ISIN CH0005319162
SIX ticker symbol ELMN
Reuters ELMN.S
Bloomberg ELMN:SW

Elma registered shares	Swiss GAAP FER				
	2015	2014	2013	2012	2011
Share capital					
Number of registered shares issued	228,492	228,492	228,492	228,492	228,492
Average number of registered shares	228,492	228,492	228,492	228,492	228,492
Nominal value	in CHF 11.00	11.00	11.00	11.00	11.00
Nominal share capital	in CHF 1,000 2,513	2,513	2,513	2,513	2,513
Number of treasury shares	-	-	-	-	-
Conditional capital					
Number of registered shares	-	-	-	-	-
Key figures					
Equity per share	in CHF 111.69	119.09	98.80	96.26	92.77
Profit (loss) per share	in CHF 10.24	10.05	3.67	3.45	7.99
Dividend (pay-out) per share	in CHF -	-	-	-	-
Pay-out ratio	in % -	-	-	-	-
Stock market prices					
Highest	in CHF 398.00	403.00	418.75	435.00	440.00
Lowest	in CHF 335.00	367.75	379.75	390.00	405.00
Closing price	in CHF 369.50	384.50	397.25	406.00	430.00
Stock market capitalization¹					
Year-end value	in CHF million 84	88	91	93	98

1. The stock-exchange-listed capitalization is equivalent to the share closing price, multiplied by the number of shares at the year end.

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Financial Calendar

April 21, 2016
Annual General Meeting
August 16, 2016
Half-Year Report at June 30