

CH-Wetzikon, March 16, 2017

## **Elma increases Order Income, Net Sales and EBIT**

- **All regions posted higher order income and net sales**
- **Order income was up 25.2% to CHF 144.8 million (adjusted for currency translation effects: +23.8%; adjusted for currency translation and acquisition effects: +11.8%)**
- **Net sales increased by 9.4% year-on-year to CHF 130.3 million (adjusted for currency translation effects: +8.3%; adjusted for currency translation and acquisition effects: –3.3%)**
- **Operating result (EBIT) improved by 21.3% to CHF 3.5 million**
- **Net profit of CHF 2.3 million on last year's level**
- **Equity ratio rose from 35.2% to 36.1%**
- **Operational integration of Trenew Electronic AG completed**

### **Order income**

Order income developed favorably in all regions. In the Americas region, orders rose in Swiss Francs by 20.2%; in local currency an increase of 17.4% to USD 69.0 million was achieved. The Europe region increased by 32.8% to CHF 66.4 million in the reporting year; adjusted for currency translation effects, order income rose by 33.4%, adjusted for currency translation and acquisition effects, the increase was 5.1%. Order income in the Asia region increased by 13.9% to CHF 10.2 million; adjusted for currency translation effects, this represents growth of 11.2%.

### **Net sales**

The Americas region increased its consolidated net sales in Swiss Francs by 2.7%; adjusted for currency translation effects, sales rose by 0.3% to USD 60.1 million. The Europe region posted net sales of CHF 61.5 million, equivalent to a growth of 18.4%; adjusted for currency translation effects the increase was 19.0%, adjusted for currency translation and acquisition effects there was a decline of 7.9%. This development is due in particular to the acquisition of Trenew Electronic AG, which contributed a share of CHF 16.1 million to net sales in the 2016 financial year. In the Asia region, net sales in Swiss Francs rose by 0.8% year-on-year to CHF 9.5 million; adjusted for currency translation effects, a decrease of 1.5% was posted.

### **EBIT and net profit**

The Elma Group closed the 2016 financial year with EBITDA of CHF 6.4 million (previous year: CHF 5.5 million). EBIT reached CHF 3.5 million, corresponding to an EBIT margin of 2.7% (previous year: CHF 2.9 million with an EBIT margin of 2.4%). Elma reported a net profit on previous year's level of CHF 2.3 million.

### **Balance sheet**

As of December 31, 2016, Elma reported total assets of CHF 76.8 million (previous year: CHF 72.5 million). The equity ratio rose to 36.1% (previous year: 35.2%). Net debts rose by CHF 4.4 million to CHF 22.5 million (previous year: CHF 18.1 million) as a result of investments in net working capital.

### **Dividend policy**

Elma's long-term objectives are:

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

The achievement of these objectives provides the basis for a distribution of dividends. Elma has already achieved visible progress in recent years and is confident that they shall be able to achieve these goals. The Board of Directors will propose to the shareholders at the Annual General Meeting on April 27, 2017, to forego dividend payments for the 2016 financial year.

### **Market trends**

In order to continue its growth strategy, Elma has acquired the Swiss company Trenew Electronic AG in November 2015. The integration of Trenew into the Elma Group was of high priority in 2016 and the operational consolidation of the two companies was successfully completed by end of the year. The additional know-how in the fields of engineering, computing and power supply has been incorporated into Elma's existing product portfolio. The synergy effects of focusing on shared target markets and the worldwide distribution of the expanded product portfolio did not yet impact net sales in 2016, but they did produce a positive effect on order income. Elma expects a positive impact of the acquisition during the 2017 financial year.

In the Americas region, the first half of 2016 was initially influenced by significant delays with projects for key customers. However, deliveries picked up substantially in the second half of the year. In the Europe region, the acquisition of Trenew Electronic AG resulted in a positive contribution to the year-on-year improvements in net sales and results. The Asia region was again affected by a slowdown in the economic development and these results thus fell short of expectations.

### **Innovation, research and development**

Elma offers technical expertise and innovative solutions for the design and production of critical electronic systems for large numbers of applications. In 2016, Elma has successfully launched numerous new product developments. The System Solutions product line developed new high-speed systems for industrial automation, railways, defense and aerospace sectors as well as for complex telecom applications. Power supply solutions have been added to the product portfolio. The Enclosures & Components product line expanded its successful and award-winning design housing range with the iD-Case 18. With the Shapebox22, Elma offers customized plastic enclosures for electronic packaging. Rotary Switches expanded the established type E33 encoder switch for safety-related mobile applications and developed a multi-function rotary switch type MR50 for use in portable devices.

### **Group Executive Board renamed as Group Management**

As of January 1, 2017, the Board of Directors redefined the management structure. The existing Group Executive Board was renamed Group Management comprising of the CEO and CFO. Since the start of the new 2017 financial year, the CEO therefore is operationally responsible for all regions and companies of the Elma Group. Financial and operational reporting continues to be based on the three regions Americas, Europe and Asia as well as on the three product lines System Solutions, Enclosures & Components and Rotary Switches.

### **Outlook**

Given the backdrop of political reorientations in several industrialized nations and the ensuing uncertainties about the potential economic impact, overall economic conditions are set to remain challenging in 2017. After the UK's decision to leave the EU (Brexit) and in view of the forthcoming presidential and parliamentary elections in France and Germany, Europe is facing new political challenges with no certainty as to the outcome. In the US, it is still difficult to assess the future orientation of the new government's economic and trade policy and the related impact on industry. Given the recovery in the markets over recent months, Elma is looking to the 2017 financial year with optimism.

**The complete 2016 Annual Report as well as the Executive Summary 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](http://www.elma.com)

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## Multi-year overview Elma Group

in CHF 1,000	Swiss GAAP FER				
	2016	2015	2014	2013	2012
Net sales	130,308	119,109	118,079	113,010	111,111
EBITDA	6,369	5,496	6,596	5,383	5,021
EBITA	3,525	2,905	4,093	2,799	2,512
EBIT	3,525	2,905	4,093	2,799	2,512
Net profit	2,335	2,340	2,296	838	788
in % of average equity (ROE)	8.8	8.9	9.2	3.8	3.6
Depreciation of tangible assets	2,563	2,245	2,148	1,967	1,867
Amortization of intangible assets	281	346	355	617	642
Investments in tangible assets	3,078	2,872	2,088	1,794	2,303
Investments in intangible assets	138	145	60	223	157
Cash flow from operating activities	-1,063	5,489	5,342	2,391	2,596
Cash flow from investment activities	-3,179	-9,333	-2,139	-2,015	-2,944
Free cash flow	-4,242	-3,844	3,203	376	-348
Cash flow from financing activities	1,619	4,300	-2,970	-2,250	1,800
Non-current assets	19,923	19,006	19,118	18,795	19,283
thereof tangible assets	15,208	14,771	14,265	14,125	14,371
Current assets	56,865	53,514	48,458	46,784	45,306
thereof cash and cash equivalents	4,874	7,575	7,069	6,544	8,454
Balance sheet total	76,788	72,520	67,576	65,579	64,589
Shareholders' equity	27,755	25,521	27,210	22,576	21,995
in % of balance sheet total	36.1	35.2	40.3	34.4	34.1
Non-current liabilities	22,505	24,286	23,013	25,463	27,884
Current liabilities	26,528	22,713	17,353	17,540	14,710
Total financial liabilities	27,336	25,680	21,380	24,350	26,600
Net financial debts (financial liabilities less cash balances)	22,462	18,105	14,311	17,806	18,146
ROCE (EBITA)/(equity plus net interest-bearing liabilities) in %	7.0	6.7	9.9	6.9	6.3
Indebtedness factor (net interest-bearing liabilities/EBITDA)	3.5	3.3	2.2	3.3	3.6
Headcount (FTE) end year	712	722	683	682	682
Headcount (FTE) average	709	683	688	677	679
Net sales per employee (average)	184	174	172	167	164

## 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				
	2016	2015	2014	2013	2012
<b>Share capital</b>					
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
Nominal share capital	in CHF 1,000	2,513	2,513	2,513	2,513
Number of treasury shares	-	-	-	-	-
<b>Conditional capital</b>					
Number of registered shares	-	-	-	-	-
<b>Key figures</b>					
Equity per share	in CHF	121.47	111.69	119.09	98.80
Profit (loss) per share	in CHF	10.22	10.24	10.05	3.67
Dividend (pay-out) per share	in CHF	-	-	-	-
Pay-out ratio	in %	-	-	-	-
<b>Stock market prices</b>					
Highest	in CHF	369.50	398.00	403.00	418.75
Lowest	in CHF	340.25	335.00	367.75	379.75
Closing price	in CHF	350.00	369.50	384.50	397.25
<b>Stock market capitalization<sup>1</sup></b>					
Year-end value	in CHF million	80	84	88	91

<sup>1</sup> 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 27, 2017**  
Annual General Meeting  
**August 15, 2017**  
Half-Year Report at June 30