

CH-Wetzikon, August 14, 2018

Interim Result as of June 30, 2018 Elma achieves solid results

The Elma Group achieved good results in the first six months of the current business year, increasing net sales and net profit year-on-year.

- **Net sales increased by 4.9% to CHF 72.5 million**
- **Profitability further improved with an EBIT of CHF 3.3 million (previous year: CHF 2.6 million) and a net profit of CHF 2.4 million (previous year: CHF 1.5 million)**
- **Net debts reduced by CHF 1.3 million and equity ratio raised to 40.1% (31.12.2017: 35.6%)**
- **Order income with CHF 73.1 million close on previous year's level**

Market Trends

The Elma Group looks back on a successful first half of 2018. Sales and profitability increased compared with the previous year. In addition, the equity ratio was improved and net debts were further reduced. Order income in the first half of 2018 almost matched the previous year's level despite various delays in technically demanding customer projects. During the reporting period, Elma continued to advance Automation at their production sites and Digitalization of processes in all three regions.

Net Sales

In the first six months of this year, Elma successfully implemented many innovative and demanding customer projects. Accordingly, sales developed positively and increased by 4.9% to CHF 72.5 million versus CHF 69.1 million in the previous year; adjusted for currency translation effects the growth was 4.1%.

The Europe region increased net sales by 12.4% to CHF 36.5 million (previous year: CHF 32.5 million); adjusted for currency translation effects a plus of 8.3% was achieved, which is mainly attributable to the good business performance of the German entity. With the exception of the French subsidiary, all European companies recorded higher sales than in the previous year. In the Americas region, net sales declined by 2.9% to USD 30.6 million (previous year: USD 31.5 million) due to project delays at some key customers; in Swiss Francs, the decrease was 5.1%. The Asia region increased net sales by 16.6% to CHF 6.4 million (previous year: CHF 5.5 million); adjusted for currency translation effects, this corresponds to a growth of 19.3%.

The three product lines convinced with their innovative solutions and achieved positive results in the first half of 2018. The product line System Solutions improved net sales by 6.5% to CHF 51.4 million compared with the previous year of CHF 48.2 million; adjusted for currency translation effects, the increase was 5.6%. The product line Enclosures & Components generated net sales of CHF 14.5 million (previous year: CHF 14.7 million) and thus closed almost on the previous year's level; adjusted for currency translation effects, they were lower by 1.1%. Rotary Switches increased net sales by 6.8% to CHF 6.6 million (previous year: CHF 6.1 million); adjusted for currency translation effects, the growth was 5.3%.

EBIT and Net Profit

The Elma Group closes the first six months of 2018 with a higher net profit of CHF 2.4 million (previous year: CHF 1.5 million). EBITDA rose to CHF 4.7 million (previous year: CHF 3.9 million) and EBIT to CHF 3.3 million (previous year: CHF 2.6 million). The profit per share amounted to CHF 10.43 (previous year: CHF 6.36).

The Americas and Europe regions posted higher profits in the first half of 2018, contributing to the improved profitability. The development in the Americas region was notable as profitability increased despite lower net sales due to reduced functional costs. In the Europe region, profitability improved disproportionately to the increase in net sales thanks to higher capacity utilization.

Balance Sheet

As of June 30, 2018, Elma reported total assets of CHF 82.8 million (31.12.2017: CHF 85.6 million). The equity ratio increased from 35.6% as of December 31, 2017 to 40.1% as of June 30, 2018 thanks to the profit achieved as well as a lower balance sheet total. Net debts dropped by a further CHF 1.3 million to CHF 19.5 million as a result of the improved operational cash flow (31.12.2017: CHF 20.8 million).

Order Income

Order income - with delivery within the next six months - was almost at the previous year's mark in the first half of 2018 despite delays in customer projects in the USA. Order income closed 1.8% lower at CHF 73.1 million (previous year: CHF 74.4 million); adjusted for currency translation effects, the decline was 2.5%.

Order income in the Americas region softened; in Swiss Francs the decline was at 12.8%, in local currency at 10.8% and reached USD 31.1 million (previous year: USD 34.9 million). The Europe region exceeded the order income by 6.1% compared with the previous year and stood at CHF 36.9 million (previous year: CHF 34.8 million); adjusted for currency translation effects, this corresponds to an increase of 2.3%. The Asia region posted a 18% increase in order income of CHF 6.1 million (previous year: CHF 5.2 million); adjusted for currency translation effects, the order income was up 20.7%.

Outlook

Elma is well positioned to benefit from the continued solid growth momentum in its markets. Although it is difficult to predict how the trade conflict with the US will affect the global economy, Elma expects the good business trend to continue in the second half of 2018. The goal for the business year 2018 remains to increase net sales and improve net profit over the previous year.

The complete 2018 Interim Report can be downloaded from our website at <https://www.elma.com/en-eu/investors/reports>

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This Media Release is published in German and in English. Should the English translation differ from the German original, the German version is binding.

Elma Group Key Figures

in CHF 1,000	30.06.2018	30.06.2017
Order income	73,084	74,429
Net sales	72,493	69,123
EBITDA	4,720	3,891
EBIT	3,274	2,586
in % of net sales	4.5	3.7
Net profit	2,384	1,454
in % of net sales	3.3	2.1
in % of average equity (ROE)	7.5	5.2
Headcount end of period (FTE)	732	722

in CHF 1,000	30.06.2018	31.12.2017
Balance sheet total	82,829	85,559
Shareholders' equity	33,182	30,460
in % of balance sheet total	40.1	35.6

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.

Elma registered shares	30.06.2018	31.12.2017
Share capital		
Number of registered shares issued	228,492	228,492
Average number of registered shares	228,492	228,492
Nominal value	in CHF 11.00	11.00
Nominal share capital	in CHF 1,000 2,513	2,513
Stock market prices		
Highest	in CHF 424.00	423.00
Lowest	in CHF 382.00	340.00
Closing price	in CHF 416.00	415.00
Stock market capitalization		
Balance sheet date	in CHF million 95	95
	30.06.2018	30.06.2017
Key figures		
Equity per share	in CHF 145.22	122.58
Profit per share	in CHF 10.43	6.36