

CH-Wetzikon, February 25, 2019

Elma with further improved results in 2018

- **Order income grew by 3.8% to CHF 148.6 million**
- **Net sales increased by 1.4% to CHF 146.0 million**
- **Profitability further improved resulting in an EBIT of CHF 7.2 million (previous year: CHF 7.0 million) and a net profit of CHF 5.6 million (previous year: CHF 3.0 million)**
- **Net debts reduced by 3.3 million to CHF 17.5 million**
- **Equity ratio increased by 8.2% to 43.8% (31.12.2017: 35.6%)**

The positive growth momentum of recent years continued in 2018. Supported by the favorable global economic development, the Elma Group again surpassed the results of the previous year. Elma closes 2018 with an order income at record levels, higher net sales and a significantly increased net profit.

Order income

The Elma Group improved order income in the calendar year 2018 year-on-year by 3.8% to CHF 148.6 million (previous year: CHF 143.2 million); adjusted for currency translation effects, order income was up 3.3%. Elma reached a record level. In the Americas region, order income increased in Swiss Francs by 7.1%; adjusted for currency translation orders rose by 7.5% to USD 68.2 million. The Europe region improved order income in the reporting year by 3.0% to CHF 71.1 million; adjusted for currency translation effects, the increase was 1.7%. The Asia region posted lower order income by 9.2% to CHF 10.9 million due to restrained contracting by a main customer in Southeast Asia; adjusted for currency effects, the decline was 8.8%.

Net sales

Net sales increased by 1.4% to CHF 146.0 million (previous year: CHF 144.0 million); adjusted for currency translation effect they grew by 0.9%. The European business contributed a significant part to the positive performance. In this region, sales were improved by considerable 6.1% to CHF 71.7 million; adjusted for currency translation effects growth was 4.7%. In the Asia region, net sales improved year-on-year by 0.3% to CHF 11.6 million; adjusted for currency translation effect the region posted higher sales by 0.7%. The Americas region however posted 3.3% lower net sales due to various project delays; adjusted for currency translation effect they declined by 2.9% to USD 64.2 million (previous year: USD 66.1 million).

All three product lines showed continued growth in the 2018 business year. The product line System Solutions increased net sales compared to the previous year by 0.9% to CHF 104.3 million (previous year: CHF 103.4 million); adjusted for currency translation effects the plus was 0.4%. The product line Enclosures & Components posted sales of CHF 28.7 million (previous year: CHF 28.4 million) and thus closed the year with a plus of 1.0%; adjusted for currency translation effect they rose by 1.0%. The product line Rotary Switches improved net sales by encouraging 6.2% to CHF 12.9 million (previous year: CHF 12.2 million); adjusted for currency translation effect they were up 5.6%.

EBIT and net profit

In 2018, EBIT was improved to CHF 7.2 million with a margin of 5.0% (previous year: CHF 7.0 million with an EBIT margin of 4.8%). Elma closed 2018 with a significantly higher net profit of CHF 5.6 million (previous year: CHF 3.0 million). All product lines achieved a profit.

Balance sheet

As of December 31, 2018, the Elma Group reported total assets of CHF 81.8 million (previous year: CHF 85.6 million). The equity ratio rose to 43.8% (previous year: 35.6%). Net debts declined by 3.3 million to CHF 17.5 million (previous year: CHF 20.8 million) due to an improved operating cash flow and lower investments compared with the previous year.

Dividend policy

Elma's dividend policy is guided by the following factors:

- Improve balance sheet structure
- Reduce net debts
- Equity ratio of over 50%

In recent years, Elma has succeeded in getting closer to the requirements for a dividend distribution. For the time being, the Board of Directors will however propose to the shareholders at the Annual General Meeting on April 25, 2019 to forego dividend payments for the 2018 business year.

Market trends

The Elma Group looks back on a successful 2018 business year. The solid and targeted work of recent years, the efforts to enter new markets, the investments made to consolidate the competitive position in various industries as well as an increasingly friendly business environment have all contributed to a significant performance improvement.

Elma has made progress in all three regions. An encouraging progress was achieved in the European market, where almost 50% of the Group's 2018 revenue was generated. In addition to the companies in Germany and the UK, business in Switzerland, which had long suffered from the appreciation of the Swiss Franc, also made a positive contribution to the company. The Americas region continued to have a strong demand from the Defense industry, but also Elma's market offensive in other industries has gained ground. Due to temporary delays by customers in some complex projects, the net sales were lower than in the previous year. Also the Asia region benefited from the investments of recent years and showed a solid performance. By steadily expanding capacities in China and India, Elma has created a solid foundation for growth over the next years.

Innovation, research and development

Innovation is one of Elma's key success factors to deliver market-driven products to customers and support profitable growth in all three regions and product lines. Elma works closely with customers when developing new products, system solutions and services. This enables Elma to understand customers' needs and develop customized, innovative solutions. Elma is "Your Solution Partner".

Elma offers solutions from components to integrated systems. In 2018, Elma successfully implemented many innovative and complex customer projects. In addition, new products were developed and successfully launched in the market. Elma has added four new, robust modules to its portfolio of power solutions; the PCI-104 based power supplies can be used as a module in any PC/104 Express Embedded System. PC/104 is a standard form factor of the electronics industry for PC-compatible modules. For the growing broadband communications market, Elma's Slimkit 10 FTTx offers new housing solutions for fiber optics. The Rotary Switches product line has developed a number of coded switch product extensions designed specifically for safety-critical mobile devices, while maintaining future product activities at a high level.

Outlook

Elma made further progress in 2018 in all regions and product lines. Elma will continue to focus on customer-oriented innovations, an important competence that is anchored in Elma's corporate culture. As part of the Vision 2020, Elma will strengthen the production site in Atlanta, USA, with the purchase of a new campus in 2019 and in particular invest in modern industrial manufacturing. Elma anticipates that the implementation of the Vision 2020 will improve its competitiveness in the US significantly. Overall, Elma is well positioned in its markets and expects to see a positive business trend in 2019.

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

Contacts

Elma Electronic AG
Hofstrasse 93
CH-8620 Wetzikon

Fred Ruegg
CEO Elma Group
Tel. +41 44 933 43 04
fred.ruegg@elma.com

Edwin Wild
CFO Elma Group
Tel. +41 44 933 42 45
edwin.wild@elma.ch

About Elma

Elma Electronic is a global manufacturer of electronic packaging products for the embedded systems market – from components, backplanes, power supply solutions, storage boards and chassis platforms to fully integrated systems. To ensure our integrated solutions are optimized to our customers' needs, Elma partners with leading board manufacturers in the industry. Elma also provides enclosure solutions and rotary switches for demanding applications for electronic companies. The company has a broad base of proven standard products which can be tailored to individual applications: Elma offers services from the initial concept to volume production. Elma's reliable solutions, flexibility, and design expertise are key reasons why the leading companies in the world choose Elma time and again.

Please visit our website: www.elma.com

Disclaimer

This communication contains statements that constitute "forward-looking statements". In this communication, such forward-looking statements include, without limitation, statements relating to our financial condition, results of operations and business and certain of our strategic plans and objectives. Because these forward-looking statements are subject to risks and uncertainties, actual future results may differ materially from those expressed in or implied by the statements. Many of these risks and uncertainties relate to factors which are beyond Elma's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behaviour of other market participants, the actions of governmental regulators and other risk factors detailed in Elma's past and future filings and reports and in past and future filings, press releases, reports and other information posted on Elma Group companies' websites. Readers are cautioned not to put undue reliance on forward-looking statements, which speak only of the date of this communication. Elma disclaims any intention or obligation to update and revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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

Multi-year overview Elma Group

| in CHF 1,000 | Swiss GAAP FER | | | | |
|--|----------------|---------|---------|---------|---------|
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| Net sales | 145,981 | 143,978 | 130,308 | 119,109 | 118,079 |
| EBITDA | 10,221 | 9,687 | 6,369 | 5,496 | 6,596 |
| EBITA | 7,236 | 6,951 | 3,525 | 2,905 | 4,093 |
| EBIT | 7,236 | 6,951 | 3,525 | 2,905 | 4,093 |
| Net profit | 5,613 | 3,009 | 2,335 | 2,340 | 2,296 |
| in % of average equity (ROE) | 16.9 | 10.3 | 8.8 | 8.9 | 9.2 |
| Depreciation of tangible assets | 2,780 | 2,517 | 2,563 | 2,245 | 2,148 |
| Amortization of intangible assets | 204 | 219 | 281 | 346 | 355 |
| Investments in tangible assets | 2,448 | 3,166 | 3,078 | 2,872 | 2,088 |
| Investments in intangible assets | 1 | 86 | 138 | 145 | 60 |
| Cash flow from operating activities | 5,713 | 4,815 | -1,063 | 5,489 | 5,342 |
| Cash flow from investment activities | -2,393 | -3,186 | -3,179 | -9,333 | -2,139 |
| Free cash flow | 3,320 | 1,629 | -4,242 | -3,844 | 3,203 |
| Cash flow from financing activities | -3,823 | 911 | 1,619 | 4,300 | -2,970 |
| Non-current assets | 18,387 | 19,395 | 19,923 | 19,006 | 19,118 |
| thereof tangible assets | 15,469 | 15,908 | 15,208 | 14,771 | 14,265 |
| Current assets | 63,445 | 66,164 | 56,865 | 53,514 | 48,458 |
| thereof cash and cash equivalents | 6,905 | 7,416 | 4,874 | 7,575 | 7,069 |
| Balance sheet total | 81,832 | 85,559 | 76,788 | 72,520 | 67,576 |
| Shareholders' equity | 35,865 | 30,460 | 27,755 | 25,521 | 27,210 |
| in % of balance sheet total | 43.8 | 35.6 | 36.1 | 35.2 | 40.3 |
| Non-current liabilities | 19,013 | 20,792 | 22,505 | 24,286 | 23,013 |
| Current liabilities | 26,954 | 34,307 | 26,528 | 22,713 | 17,353 |
| Total financial liabilities | 24,383 | 28,216 | 27,336 | 25,680 | 21,380 |
| Net financial debts (financial liabilities less cash balances) | 17,478 | 20,800 | 22,462 | 18,105 | 14,311 |
| ROCE (EBITA)/(equity plus net interest-bearing liabilities) in % | 13.6 | 13.6 | 7.0 | 6.7 | 9.9 |
| Indebtedness factor (net interest-bearing liabilities/EBITDA) | 1.7 | 2.1 | 3.5 | 3.3 | 2.2 |
| Headcount (FTE) end year | 745 | 729 | 712 | 722 | 683 |
| Headcount (FTE) average | 735 | 718 | 709 | 683 | 688 |
| Net sales per employee (average) | 199 | 201 | 184 | 174 | 172 |

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 | | | | |
|--|----------------|---------|---------|---------|---------|
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| 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 |
| Nominal share capital | in CHF 1,000 | 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 | 156.96 | 133.31 | 121.47 | 111.69 |
| Profit (loss) per share | in CHF | 24.57 | 13.17 | 10.22 | 10.24 |
| Dividend (pay-out) per share | in CHF | - | - | - | - |
| Pay-out ratio | in % | - | - | - | - |
| Stock market prices | | | | | |
| Highest | in CHF | 424.00 | 423.00 | 369.50 | 398.00 |
| Lowest | in CHF | 340.00 | 340.00 | 340.25 | 335.00 |
| Closing price | in CHF | 350.00 | 415.00 | 350.00 | 369.50 |
| Stock market capitalization¹ | | | | | |
| Year-end value | in CHF million | 80 | 95 | 80 | 84 |

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

Contact

Elma Electronic AG
Hofstrasse 93
CH-8620 Wetzikon
Phone +41 44 933 41 11
Fax +41 44 933 42 15
www.elma.com

Investor Relations

Edwin Wild, CFO
Phone +41 44 933 42 45
Fax +41 44 933 43 81
edwin.wild@elma.ch

Shareholders' Register

Jasmine Loetscher
Phone +41 44 933 42 91
Fax +41 44 933 43 81
jasmine.loetscher@elma.ch

Financial Calendar

April 25, 2019
Annual General Meeting
August 12, 2019
Half-Year Report at June 30