



2015

Quarterly Report I



Eckert & Ziegler

Key data Eckert & Ziegler

		01-03/2015	01-03/2014	Change
Sales	€ million	34.0	30.7	+ 11 %
Return on revenue before tax	%	13 %	8 %	+ 58 %
EBITDA	€ million	6.7	4.7	+ 43 %
EBIT	€ million	4.8	3.0	+ 59 %
EBT	€ million	4.5	2.6	+ 73 %
Net income before other shareholder's interests	€ million	2.8	1.5	+ 81 %
Profit	€ million	2.7	1.6	+ 68 %
Earnings per share (basic)	€	0.51	0.30	+ 68 %
Operational cash flow	€ million	0.6	- 1.7	+ 136 %
Depreciation and amortization on non-current assets	€ million	1.9	1.7	+ 15 %
Staff as end of period	Persons	700	679	+ 3 %

Business development of the Eckert & Ziegler Group

POSITIVE START TO THE YEAR

Eckert & Ziegler started 2015 with a bang, recording quarterly sales of € 34.0 million. Compared to the same quarter in the prior year, sales rose by € 3.3 million or 11 %. Gains from the US dollar and euro exchange rate played a key role in this rise, generating a positive effect of € 2.6 million in nominal sales growth. The remaining € 0.7 million of the sales growth is fully attributable to the acquisition of the Isotope Products segment in Brazil, which took place at the end of 2014.

EBIT rose by a disproportionately high amount of € 1.8 million, or 59 %, to € 4.8 million. This resulted in a 68 % rise in profit for the period to € 2.7 million or € 0.51 per share.

The Isotope Products segment benefited the most from the weak euro, while also recording a positive acquisition effect. This caused sales to rise by 10 % to € 16.0 million. However, these effects did not result in any increase in profit, meaning that EBIT remained constant at € 3.7 million.

The Radiation Therapy segment fell short of average development in the past year. However, the situation improved in the first quarter of 2015. Implant sales rose organically, above and beyond currency effects. Afterloader sales may have declined, but the recently obtained market clearance for the new SagiNova® equipment offers potential for a major rise in sales here. Due to restructuring measures and a positive currency effect, EBIT came in at break even according to the 2015 plan.

The Radiopharma segment was the shining light of our business, recording further sales growth in the equipment division and with the new gallium generators. It also benefited from the currency effects. Figures even exceeded the disproportionately strong first quarter of 2014 by a considerable margin, with EBIT rising by 21 % to € 1.4 million.

The Others segment successfully reduced the loss in the waste disposal division through price increases, while a rise in costs allocated to other segments led to a break-even result at the holding company. All in all, the segment's losses were cut by half year on year. EBIT increased by € 0.4 million to € - 0.5 million.

LIQUIDITY

Cash flow from operating activities was much improved year on year at € 0.6 million (first quarter of 2014: € 1.7 million). However, cash flow from operating activities was lower than the pleasing profit for the period suggests. The main reasons for this were the reduction of liabilities and provisions and the processing of advance payments. In addition, the profit for the period includes non-cash income offsetting depreciation of € 1.5 million, which was largely attributable to currency effects.

Investment activities were restricted predominantly to minor maintenance investments. Investments in the Warsaw site have been completed.

The change in the US dollar exchange rate resulted in a € 1.0 million appreciation in cash held in US dollars.

All in all, financial holdings increased by € 0.6 million to € 22.5 million as against the end of 2014.

BALANCE SHEET

The change in the euro-dollar exchange rate also had an impact on the balance sheet. Fixed and current assets increased in value, meaning that total assets rose by 2 % to € 191.7 million. The currency effects had an even greater effect on equity. Equity rose by 7 % to € 101.2 million due to the translation of the relatively high retained earnings at US companies and, of course, the positive first quarter of 2015.

EMPLOYEES

The Eckert & Ziegler Group had a total of 700 employees worldwide as of March 31, 2015, 396 of whom worked in Germany. The number of employees fell by 11 compared to the end of 2014. This was fully attributable to the decline in the number of employees in the Radiation Therapy segment at the Berlin site.

OUTLOOK

Sales are expected to rise to over € 133 million in 2015, while an improvement in earnings to over € 1.71 per share is also being targeted. The current US dollar exchange rate is providing major support in the achievement of this sales target.

BUSINESS DEVELOPMENT OF THE ECKERT & ZIEGLER GROUP

€ thousand	Quarterly Report I/2015 01–03/2015	Quarterly Report I/2014 01–03/2014
Revenues	34,041	30,702
Cost of sales	– 17,454	– 15,367
Gross profit on sales	16,587	15,335
Selling expenses	– 5,920	– 5,192
General and administrative expenses	– 6,769	– 6,274
Other operating income	202	250
Other operating expenses	– 907	– 1,008
Profit from operations	3,193	3,111
Results from shares measured at equity	– 172	– 78
Results of financial investments measured at fair value	–	– 39
Other financial results	1,781	31
Earnings before interest and taxes (EBIT)	4,802	3,025
Interest received	16	23
Interest paid	– 326	– 445
Profit before tax	4,492	2,603
Income tax expense	– 1,698	– 1,061
Net income	2,794	1,542
Profit/loss attributable to minority interests	– 108	57
Profit attributable to the shareholders of Eckert & Ziegler AG	2,686	1,599
Earnings per share		
Basic	0.51	0.30
Diluted	0.51	0.30
Average number of shares in circulation (basic)	5,288	5,288
Average number of shares in circulation (diluted)	5,288	5,288

GROUP STATEMENT OF COMPREHENSIVE INCOME

€ thousand	Quarterly Report I/2015 01–03/2015	Quarterly Report I/2014 01–03/2014
Profit for the period	2,794	1,542
Of which attributable to other shareholders	108	– 57
Of which attributable to shareholders of Eckert & Ziegler AG	2,686	1,599
Items that could subsequently be reclassified into the income statement		
Adjustment of balancing item from the currency translation of foreign subsidiaries	3,880	82
Amount reposted to income statement	0	0
Adjustment of amount recorded in shareholders' equity (Currency translation)	3,880	82
Total of value adjustments recorded in shareholders' equity	3,880	82
Of which attributable to other shareholders	9	– 1
Of which attributable to shareholders of Eckert & Ziegler AG	3,871	83
Total from net income and value adjustments recorded in shareholders' equity	6,674	1,624
Of which attributable to other shareholders	117	– 58
Of which attributable to shareholders of Eckert & Ziegler AG	6,557	1,682

GROUP STATEMENT OF CASH FLOWS

€ thousand	Quarterly Report I/2015 1/1 – 3/31/2015	Quarterly Report I/2014 1/1 – 3/31/2014
Cash flows from operating activities:		
Profit for the period	2,795	1,543
Adjustments for:		
Depreciation and value impairments	1,947	1,698
Non-cash release of deferred income from grants	– 19	– 9
Gains (–)/losses on the disposal of non-current assets	1	1
Gains (–)/losses on the disposal of non-current assets	–	–
Change in the non-current provisions, other non-current liabilities	273	376
Gains (–)/losses on the disposal of non-current assets	138	– 731
Gains (–)/losses on the disposal of non-current assets	– 1,489	84
Changes in current assets and liabilities:		
Receivables	1,706	– 1,686
Inventories	– 1,032	– 1,543
Accruals, other current assets	158	– 179
Change in the current liabilities and provisions	– 3,886	– 1,204
Cash inflows generated from operating activities	592	– 1,650
Cash flows from investing activities:		
Purchase (–)/ sale of non-current assets	– 721	– 1,745
Acquisitions of consolidated enterprises	–	
Cash outflows from investment activity	– 721	– 1,745
Cash flows from financing activities:		
Paid dividends	–	–
Distribution of shares of third parties	–	–
Change in long-term borrowing	– 479	– 781
Change in short-term borrowing	328	– 103
Aquisition of shares of consolidated companies	– 100	–
Cash outflows from financing activities	– 251	– 884
Effect of exchange rates on cash and cash equivalents	1,021	1
Increase / reduction in cash and cash equivalents	641	– 4,278
Cash and cash equivalents at beginning of period	21,824	29,414
Cash and cash equivalents at end of period	22,465	25,136

GROUP BALANCE SHEETS

€ thousand

March 31, 2015

Dec 31, 2014

Assets

Non current assets

Goodwill	40,327	38,321
Other intangible assets	17,343	17,297
Property, plant and equipment	36,889	36,119
Investments valued according to the equity method	5,472	5,323
Trade receivables	–	368
Deferred tax	9,414	9,465
Other non-current assets	2,423	2,501
Total non-current assets	111,868	109,394

Current assets

Cash and cash equivalents	22,465	21,824
Trade accounts receivable	22,989	23,401
Inventories	26,420	24,322
Other current assets	6,965	7,426
Prepaid expenses and other current assets	962	962
Total current assets	79,801	77,935

Total assets

191,669 187,329

Equity and liabilities

Capital and reserves

Subscribed capital	5,293	5,293
Capital reserves	53,500	53,500
Retained earnings	34,822	32,136
Other reserves	1,545	– 2,326
Own shares	– 27	– 27
Portion of equity attributable to the shareholders of Eckert & Ziegler AG	95,133	88,576
Minority interests	6,031	5,914
Total shareholders' equity	101,164	94,490

Non-current liabilities

Long-term borrowings and finance lease obligations	6,861	7,279
Deferred income from grants and other deferred income	664	680
Deferred tax	3,227	2,728
Retirement benefit obligations	10,949	11,094
Other provisions	24,312	23,637
Other non-current liabilities	4,631	4,632
Total non current liabilities	50,644	50,050

Current liabilities

Short-term borrowings and finance lease obligations	11,786	11,426
Trade accounts payable	6,023	8,220
Advance payments received	930	3,090
Deferred income from grants and other deferred income	115	117
Current tax payable	2,075	2,142
Current tax payable	3,600	3,600
Other current liabilities	15,332	14,194
Total current liabilities	39,861	42,789

Total equity and liabilities

191,669 187,329

STATEMENTS OF SHAREHOLDERS' EQUITY

	Subscribed capital				Cumulative other equity items						
	Number Piece	Nominal value	Capital reserve	Retained reserves	Unrealized profit securities	Unrealized profit pension commit- ments	Foreign currency exchange differences	Own shares	Equity attributable to sharehol- ders' equity	Minority shares	Group share holders' equity
		€ thousand	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand
As of January 1, 2014	5,292,983	5,293	53,500	28,534	2	- 833	- 2,977	- 27	83,492	6,773	90,265
Total of expenditures and income directly entered in equity	0	0	0	0	- 2	- 1,832	3,316	0	1,482	- 13	1,469
Net profit for the year				6,775					6,775	- 278	6,497
Total income for the period	0	0	0	6,775	- 2	- 1,832	3,316	0	8,257	- 291	7,966
Dividends paid				- 3,173					- 3,173	- 568	- 3,741
As of December 31, 2014	5,292,983	5,293	53,500	32,136	0	- 2,665	339	- 27	88,576	5,914	94,490
As of January 1, 2015	5,292,983	5,293	53,500	32,136	0	- 2,665	339	- 27	88,576	5,914	94,490
Total of expenditures and income directly entered in equity	0	0	0	0	0	0	3,871	0	3,871	9	3,880
Net profit for the year				2,686					2,686	108	2,794
Total income for the period	0	0	0	2,686	0	0	3,871	0	6,557	117	6,674
As of March 31, 2015	5,292,983	5,293	53,500	34,822	0	- 2,665	4,210	- 27	95,133	6,031	101,164

SEGMENTAL REPORT

€ thousand	Isotope Products		Radiation Therapy		Radiopharma		Others		Elimination		Total	
	Q1/2015	Q1/2014	Q1/2015	Q1/2014	Q1/2015	Q1/2014	Q1/2015	Q1/2014	Q1/2015	Q1/2014	Q1/2015	Q1/2014
Sales to external customers	16,044	14,532	6,987	6,496	9,042	8,090	1,968	1,584	0	0	34,041	30,702
Sales to other segments	783	467	24	42	0	39	1,304	1,149	- 2,110	- 1,697	0	0
Total segment sales	16,827	14,999	7,011	6,538	9,042	8,129	3,272	2,733	- 2,110	- 1,697	34,041	30,702
Segment profit before interest and profit taxes (EBIT)	3,655	3,688	213	- 928	1,423	1,172	- 489	- 907	0	0	4,802	3,025
Interest expenses and revenues	- 23	- 39	- 114	- 165	- 319	- 292	146	74	0	0	- 310	- 422
Income tax expense	- 1,143	- 1,156	- 368	328	- 283	- 346	96	113	0	0	- 1,698	- 1,061
Profit before minority interests	2,489	2,493	- 269	- 765	821	534	- 247	- 720	0	0	2,794	1,542

SEGMENTAL REPORT

€ thousand	Isotope Products		Radiation Therapy		Radiopharma		Others		Total	
	Q1/2015	Q1/2014	Q1/2015	Q1/2014	Q1/2015	Q1/2014	Q1/2015	Q1/2014	Q1/2015	Q1/2014
Segmental assets	97,050	97,424	54,095	57,639	36,603	36,440	95,863	97,572	283,611	289,075
Elimination of inter-segmental shares, equity investments and receivables									- 91,942	- 110,707
Consolidated total assets									191,669	178,368
Segmental liabilities	- 46,986	- 46,580	- 22,941	- 23,384	- 34,862	- 35,364	- 13,054	- 7,923	- 117,843	- 113,251
Elimination of intersegmental liabilities									27,338	27,134
Consolidated liabilities									- 90,505	- 86,117
Investments (without acquisitions)	336	298	195	501	109	647	81	299	721	1,745
Depreciation	- 700	- 573	- 524	- 574	- 465	- 325	- 258	- 226	- 1,947	- 1,698
Non-cash income (+) / expenses (-)	157	- 162	- 135	400	- 194	- 513	1,268	- 4	1,096	- 279

SALES BY REGIONS

	Q1/2015		Q1/2014	
	€ million	%	€ million	%
Europe	18.0	53	17.5	57
North America	10.9	32	9.3	30
Asia/Pacific	3.0	9	2.7	9
Others	2.1	6	1.2	4
Total	34.0	100	30.7	100

Notes to the interim financial statements

1. GENERAL INFORMATION

These unaudited interim financial statements as of March 31, 2015 contain the financial statements of Eckert & Ziegler Strahlen- und Medizintechnik AG and its subsidiaries (hereinafter referred to as "Eckert & Ziegler AG").

2. ACCOUNT AND VALUATION METHODS

As with the annual financial statements for 2014, the consolidated financial statements (interim financial statements) of Eckert & Ziegler AG as of March 31, 2015 have been prepared in accordance with International Financial Reporting Standards (IFRS). All standards of the International Accounting Standards Board (IASB), London, applicable in the EU at the reporting date, as well as the relevant interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC) have been taken into account. The accounting and valuation methods explained in the notes to the annual financial statements for 2014 have been applied unchanged.

When preparing the consolidated financial statements in accordance with IFRS, it is necessary to make estimates and assumptions that impact the amount and disclosure of recognized assets and liabilities, revenues and expenses. Actual amounts may differ from the estimates. Significant assumptions and estimates are made concerning useful lives, income achievable from property, plant and equipment, recoverability of receivables and the accounting and measurement of provisions.

This interim report includes all information and adjustments required to provide a true and fair view of the net assets, financial position and results of operations of Eckert & Ziegler AG as of the reporting date. The interim results for the current fiscal year do not necessarily allow conclusions to be drawn about the development of future earnings.

3. SCOPE OF CONSOLIDATION

The consolidated financial statements of Eckert & Ziegler AG include all companies where Eckert & Ziegler AG is able, either indirectly or directly, to determine the company's financial and business policies (control concept).

Acquisitions and sales of companies

Please refer to the explanations given in section 4 for details on the acquisitions and sales of companies.

4. LIMITED COMPARABILITY OF THE CONSOLIDATED FINANCIAL STATEMENTS WITH THE PRIOR YEAR

The Isotope business unit of REM Indústria e Comércio Ltda. (REM), which is based in São Paulo, Brazil, was acquired effective September 1, 2014.

These had a material impact on the Group's net assets and results of operations as against the first three months of 2014, impairing the comparability of the consolidated report with the prior year.

5. CURRENCY TRANSLATION

The financial statements of companies outside the European Monetary Union are translated pursuant to the functional currency concept. The following exchange rates were used for the currency translation:

Country	Currency	Exchange rate Mar 31, 2015	Exchange rate Dec 31, 2014	Average rate Jan 1–Mar 31, 2015	Average rate Jan 1–Mar 31, 2014
USA	USD	1.0759	1.2141	1.1261	1.372
Tschechien	CZK	27.533	27.735	27.6236	27.4284
Großbritannien	GBP	0.7273	0.7789	0.7434	0.8154
Polen	PLN	4.0854	4.2732	4.1926	4.1779
Russland	RUB	62.44	72.3370	70.9608	47.9417
Brasilien	BRL	3.4958	3.2207	3.2236	3.2316

6. OWN SHARES

Eckert & Ziegler AG held 4,818 own shares as of March 31, 2015. This equates to a 0.1 % share of the Company's subscribed capital.

7. MATERIAL TRANSACTIONS WITH RELATED PARTIES

Please refer to the consolidated financial statements as of December 31, 2014 for details on material transactions with related parties.

Berlin, May 5, 2015



Dr. Andreas Eckert
Chairman of the Executive Board



Dr. Edgar Löffler
Member of the Executive Board



Dr. André Heß
Member of the Executive Board

Financial calendar

May 6, 2015	DVFA Spring Conference in Frankfurt
June 3, 2015	Annual Shareholder Meeting in Berlin
August 4, 2015	Quarterly Report II/2015
November 5, 2015	Quarterly Report III/2015
November 2015	German Equity Forum in Frankfurt

Contact

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PHOTO

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