



# QUARTERLY REPORT I

2016

# KEY DATA ECKERT & ZIEGLER

		1-3/2016	1-3/2015	Change
Sales	€ million	35.8	33.9	+ 6 %
Return on revenue before tax	%	11	14	- 22 %
EBITDA	€ million	6.3	7.1	- 11 %
EBIT	€ million	4.3	5.1	- 17 %
EBT	€ million	4.0	4.8	- 17 %
Net income before other shareholder's interests	€ million	2.7	3.1	- 14 %
Profit	€ million	2.5	2.7	- 7 %
Earnings per share (basic)	€	0.47	0.51	- 7 %
Operational cash flow	€ million	0.8	0.6	+ 31 %
Depreciation and amortization on non-current assets	€ million	2.1	1.9	+ 5 %
Staff as end of period	Persons	675	700	- 4 %



# MILESTONES

## ➔ LAUNCH OF NEW PROSTATE SEED

I-125 IsoSeed® S17plus for LDR prostate brachytherapy received the CE mark. The new seed combines the fundamental roots of LDR prostate brachytherapy by using a full-length silver marker in accordance with the most recent manufacturing standards and is available in a wider range of activities.



## ↑ ↓ FIRST MODULAR-LAB EAZY IN UZBEKISTAN

For the first time the synthesis device Modular-Lab Eazy has been installed in M. Fedorovich Clinic Sanatoriysi in Tashkent (Uzbekistan). Nuclear physicians use the system for the synthesis of radiodiagnostics.



## ↓ COOPERATION PROGRAM WITH DRUG DEVELOPERS

Eckert & Ziegler expands its cooperation program with promising drug developers in the field of nuclear medicine and will support Curasight (Denmark) in obtaining market clearance for its uPAR breast cancer diagnostic agent.



## ↓ FIRST HDR BRACHYTHERAPY AFTERLOADER FOR BARBADOS

The Queen Elizabeth Hospital in Bridgetown decided in favour of the SagiNova® HDR afterloader and therewith introduced the first and to date only brachytherapy system to Barbados.



# BUSINESS DEVELOPMENT OF THE ECKERT & ZIEGLER GROUP

## SALES GROWTH AND STRONG OPERATING RESULT

Compared to the same quarter in the prior year, sales rose from €33.9 million to €35.8 million (+6%). All segments registered organic growth, with Isotope Products showing the strongest growth at €+1.6 million, Radiopharma at €+0.6 million and Radiation Therapy at €+0.2 million. The slight change in the USD exchange rate led to growth of €+0.4 million. The disposal of the US implant division, however, had a negative impact on sales of €-0.9 million.

The other financial result contained a positive currency effect of €1.3 million compared to the prior-year quarter, while the first quarter of 2016 saw a currency loss of €-0.4 million. This €1.7 million change could not be offset by the increase in sales and cost savings, meaning that EBIT declined by €0.9 million to €4.3 million. Earnings after minority interests fell by €0.2 million to €2.5 million, or €0.47 per share.

As of 2016, the Isotope Products segment includes Environmental Services which was previously reported under the Others segment. For comparative purposes, the prior year's figures have also been adjusted accordingly. As described above, sales primarily grew organically. At slightly higher costs, EBIT was 5 % below the prior year at €3.5 million.

The Radiation Therapy segment was responsible for a decline in earnings in the past two years. However, the situation improved in the first quarter of 2016. As expected, sales declined due to the disposal of the US implant division. Organic growth was achieved with the new SagiNova® tumor irradiation device. After a long time, the segment achieved balanced operating results once again. One-off effects of €-0.3 million each for expenses from the disposal of the US division and a negative currency effect led to an EBIT of €-0.6 million.

Sales grew in the Radiopharma segment, particularly with gallium generators. The cyclotron division, on the other hand, registered a downward trend during the whole of 2015. However, this trend reversed in the first quarter of 2016. Sales and earnings generated with cyclotron products for diagnosing cancer and Alzheimer's disease almost achieved the level seen in the first quarter of 2015. EBIT rose by €0.1 million to €1.5 million.

The Others segment no longer includes Environmental Services, but only the expenses from the holding company Eckert & Ziegler AG and earnings from cost allocations to other segments. In operating terms, the segment is on par with the prior year's level. Due to a negative currency effect, EBIT deteriorated slightly by €-0.1 million to €-0.4 million.

## LIQUIDITY

Although net profit for the period was 11 % higher in the prior year's quarter, cash flow from operating activities increased by 31 % to €0.8 million. The reason for this is the currency gain of €1.3 million which was included in the prior year's income statement which is eliminated in the position "Other events not affecting payments". This was offset by the increase in net working capital. Receivables increased by €1.4 million and current liabilities and provisions were reduced by €2.2 million.

Taking into account the "Acquisition of shares of consolidated companies" item in Investments, cash flow from investing activities was exactly in line with the prior year at €0.8 million. The single largest investment was the modernization of the location in Los Angeles at USD 0.3 million.

Debt repayments accelerated. In total € 1.1 million was repaid while just € 0.2 million was repaid in the prior's year quarter.

All in all, financial holdings increased by € 1.7 million to € 29.7 million as of March 31, 2016 compared to the end of 2015.

## BALANCE SHEET

The balance sheet total as of the end of March 2016 fell from € 196.7 million to € 194.3 million compared to the annual financial statements for 2015. The decline is composed of several small items, including the described reduction in cash and cash equivalents and the decline in property, plant and equipment due to depreciation. This was offset by the increase in receivables.

On the liabilities side, the decline in loan liabilities and trade payables were the largest items. Shareholders' equity increased by € 0.9 million, meaning that the equity ratio rose from 53 % to 54 %.

## EMPLOYEES

The Eckert & Ziegler Group had a total of 675 employees worldwide as of March 31, 2016, 405 of whom worked in Germany. The number of employees declined by 17 compared to the end of 2015. This was fully attributable to the disposal of the US implant division.

## OUTLOOK

Compared to 2015, more or less constant sales of € 140 million are expected for 2016. Profit is likely to decline to around € 1.80 per share due to the absence of positive one-off effects.

## CONSOLIDATED INCOME STATEMENT

€ thousand	Quarterly Report I/2016 1-3/2016	Quarterly Report I/2015 1-3/2015
<b>Continued operations</b>		
Revenues	35,816	33,884
Cost of sales	– 18,562	– 17,236
<b>Gross profit on sales</b>	<b>17,254</b>	<b>16,648</b>
Selling expenses	– 5,796	– 5,894
General and administrative expenses	– 6,348	– 6,539
Other operating income	338	197
Other operating expenses	– 815	– 907
<b>Profit from operations</b>	<b>4,633</b>	<b>3,505</b>
Results from shares measured at equity	–	– 172
Other financial results	– 376	1,781
<b>Earnings before interest and taxes (EBIT)</b>	<b>4,257</b>	<b>5,114</b>
Interest received	24	16
Interest paid	– 302	– 318
<b>Profit before tax</b>	<b>3,979</b>	<b>4,812</b>
Income tax expense	– 1,314	– 1,698
<b>Net income/loss from continued operations</b>	<b>2,665</b>	<b>3,114</b>
Results from discontinued operations, net	– 169	– 320
<b>Net income</b>	<b>2,496</b>	<b>2,794</b>
Profit/loss attributable to minority interests	– 3	– 108
<b>Profit attributable to the shareholders of Eckert &amp; Ziegler AG</b>	<b>2,493</b>	<b>2,686</b>
<b>Earnings per share from continued and discontinued operations</b>		
Basic	0.47	0.51
Diluted	0.47	0.51
<b>Earnings per share</b>		
Basic	0.50	0.57
Diluted	0.50	0.57
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/2016 1–3/2016	Quarterly Report I/2015 1–3/2015
<b>Profit for the period</b>	<b>2,496</b>	<b>2,794</b>
Of which attributable to other shareholders	3	108
Of which attributable to shareholders of Eckert & Ziegler AG	2,493	2,686
<b>Items that could subsequently be reclassified into the income statement if certain conditions are met</b>		
Adjustment of balancing item from the currency translation of foreign subsidiaries	– 1,607	3,880
Amount reposted to income statement	0	0
<b>Adjustment of amount recorded in shareholders' equity (Currency translation)</b>	<b>– 1,607</b>	<b>3,880</b>
<b>Total of value adjustments recorded in shareholders' equity</b>	<b>– 1,607</b>	<b>3,880</b>
Of which attributable to other shareholders	– 2	9
Of which attributable to shareholders of Eckert & Ziegler AG	– 1,605	3,871
<b>Total from net income and value adjustments recorded in shareholders' equity</b>	<b>889</b>	<b>6,674</b>
Of which attributable to other shareholders	1	117
Of which attributable to shareholders of Eckert & Ziegler AG	888	6,557

## GROUP STATEMENT OF CASH FLOWS

€ thousand	Quarterly Report I/2016 1/1 – 3/31/2016	Quarterly Report I/2015 1/1 – 3/31/2015
<b>Cash flows from operating activities:</b>		
Profit for the period	2,494	2,794
Adjustments for:		
Depreciation and value impairments	2,054	1,947
Non-cash release of deferred income from grants	– 18	– 19
Gains (–)/losses on the disposal of non-current assets	2	1
Gains on the sale of shares measured at equity	–	–
Gains (–)/losses on the disposal of non-current assets	–	–
Change in the non-current provisions, other non-current liabilities	206	273
Change in other non-current assets and receivables	– 265	138
Miscellaneous	249	– 1,489
Changes in current assets and liabilities:		
Receivables	– 1,386	1,706
Inventories	172	– 1,032
Accruals, other current assets	– 493	158
Change in the current liabilities and provisions	– 2,240	– 3,885
<b>Cash inflows generated from operating activities</b>	<b>775</b>	<b>592</b>
<b>Cash flows from investing activities:</b>		
Purchase (–)/sale of non-current assets	– 821	– 721
Acquisitions of consolidated enterprises	–	–
Sale of shares measured at equity	–	–
Purchases and sales of available-for-sale securities	–	–
<b>Cash inflows/outflows from investment activity</b>	<b>– 821</b>	<b>– 721</b>
<b>Cash flows from financing activities:</b>		
Paid dividends	–	–
Distribution of shares of third parties	– 168	–
Change in long-term borrowing	– 593	– 479
Change in short-term borrowing	– 457	328
Aquisition of shares of consolidated companies	–	– 100
<b>Cash outflows from financing activities</b>	<b>– 1,218</b>	<b>– 251</b>
Effect of exchange rates on cash and cash equivalents	– 466	1,021
<b>Increase/reduction in cash and cash equivalents</b>	<b>– 1,730</b>	<b>641</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>31,466</b>	<b>21,824</b>
<b>Cash and cash equivalents at end of period</b>	<b>29,736</b>	<b>22,465</b>



## GROUP BALANCE SHEETS

€ thousand

March 31, 2016

Dec 31, 2015

## ASSETS

## Non current assets

Goodwill	39,262	40,029
Other intangible assets	12,996	14,092
Property, plant and equipment	34,526	35,973
Investments valued according to the equity method	2,659	2,780
Deferred tax	10,262	9,366
Other non-current assets	5,977	5,711
<b>Total non-current assets</b>	<b>105,682</b>	<b>107,951</b>

## Current assets

Cash and cash equivalents	29,736	31,466
Trade accounts receivable	23,788	21,391
Inventories	24,466	25,049
Other current assets	9,583	10,819
Assets held for sale	1,068	–
<b>Total current assets</b>	<b>88,641</b>	<b>88,725</b>

## Total assets

194,323 196,676

## EQUITY AND LIABILITIES

## Capital and reserves

Subscribed capital	5,293	5,293
Capital reserves	53,500	53,500
Retained earnings	42,174	39,681
Other reserves	– 357	1,248
Own shares	– 27	– 27
Portion of equity attributable to the shareholders of Eckert & Ziegler AG	100,583	99,695
Minority interests	4,974	4,973
<b>Total shareholders' equity</b>	<b>105,557</b>	<b>104,668</b>

## Non-current liabilities

Long-term borrowings	4,199	4,977
Deferred income from grants and other deferred income	1,573	1,588
Deferred tax	4,437	4,081
Retirement benefit obligations	10,539	10,494
Other provisions	27,830	27,762
Other non-current liabilities	3,823	3,820
<b>Total non current liabilities</b>	<b>52,401</b>	<b>52,722</b>

## Current liabilities

Short-term borrowings	9,819	10,551
Trade accounts payable	5,156	7,533
Advance payments received	1,412	398
Deferred income from grants and other deferred income	104	256
Current tax payable	3,151	2,134
Current tax payable	3,662	3,662
Other current liabilities	12,495	14,752
Prepaid expenses and other current assets	566	–
<b>Total current liabilities</b>	<b>36,365</b>	<b>39,286</b>

## Total equity and liabilities

194,323 196,676

## 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
<b>As of January 1, 2015</b>	<b>5,292,983</b>	<b>5,293</b>	<b>53,500</b>	<b>32,136</b>	<b>0</b>	<b>- 2,665</b>	<b>339</b>	<b>- 27</b>	<b>88,576</b>	<b>5,914</b>	<b>94,490</b>
Total of expenditures and income directly entered in equity	0	0	0	0	0	383	3,191	0	3,574	22	3,596
Net profit for the year				10,718					10,718	- 352	10,366
Total income for the period	0	0	0	10,718	0	383	3,191	0	14,292	- 330	13,962
Declared Dividend				- 3,173					- 3,173	- 611	- 3,784
<b>As of December 31, 2015</b>	<b>5,292,983</b>	<b>5,293</b>	<b>53,500</b>	<b>39,681</b>	<b>0</b>	<b>- 2,282</b>	<b>3,530</b>	<b>- 27</b>	<b>99,695</b>	<b>4,973</b>	<b>104,668</b>
<b>As of January 1, 2016</b>	<b>5,292,983</b>	<b>5,293</b>	<b>53,500</b>	<b>39,681</b>	<b>0</b>	<b>- 2,282</b>	<b>3,530</b>	<b>- 27</b>	<b>99,695</b>	<b>4,973</b>	<b>104,668</b>
Total of expenditures and income directly entered in equity	0	0	0	0	0	0	- 1,605	0	- 1,605	- 2	- 1,607
Net profit for the year				2,493					2,493	3	2,496
Total income for the period	0	0	0	2,493	0	0	- 1,605	0	888	1	889
Declared Dividend				0					0	0	0
<b>As of March 31, 2016</b>	<b>5,292,983</b>	<b>5,293</b>	<b>53,500</b>	<b>42,174</b>	<b>0</b>	<b>- 2,282</b>	<b>1,925</b>	<b>- 27</b>	<b>100,583</b>	<b>4,974</b>	<b>105,557</b>

## SEGMENTAL REPORT

€ thousand	Isotope Products		Radiation Therapy		Radiopharma		Holding		Elimination		Total	
	Q1/2016	Q1/2015	Q1/2016	Q1/2015	Q1/2016	Q1/2015	Q1/2016	Q1/2015	Q1/2016	Q1/2015	Q1/2016	Q1/2015
Sales to external customers	19,759	17,856	6,406	6,987	9,649	9,042	3	0	0	0	35,817	33,885
Sales to other segments	804	764	7	24	0	0	1,162	1,158	- 1,973	- 1,946	0	0
Total segment sales	20,563	18,620	6,413	7,011	9,649	9,042	1,165	1,158	- 1,973	- 1,946	35,817	33,885
Segment profit before interest and profit taxes (EBIT)	3,516	3,693	- 416	213	1,520	1,423	- 363	- 215	0	0	4,257	5,114
Interest expenses and revenues	- 36	- 43	- 85	- 114	- 209	- 319	52	174	0	0	- 278	- 302
Income tax expense	- 1,049	- 1,040	- 27	- 368	- 373	- 283	135	- 7	0	0	- 1,314	- 1,698
Results from discontinued operations, net	- 169	- 320	0	0	0	0	0	0	0	0	- 169	- 320
Profit before minority interests	2,262	2,290	- 528	- 269	938	821	- 176	- 48	0	0	2,496	2,794

## SEGMENTAL REPORT

€ thousand	Isotope Products		Radiation Therapy		Radiopharma		Others		Total	
	Q1/2016	Q1/2015	Q1/2016	Q1/2015	Q1/2016	Q1/2015	Q1/2016	Q1/2015	Q1/2016	Q1/2015
Segmental assets	105,200	105,930	50,137	54,095	37,936	36,603	91,963	86,983	285,236	283,611
Elimination of inter-segmental shares, equity investments and receivables									- 90,913	- 91,942
Consolidated total assets									194,323	191,669
Segmental liabilities	- 59,162	- 56,770	- 23,711	- 22,941	- 29,416	- 34,862	- 2,615	- 3,270	- 114,904	- 117,843
Elimination of intersegmental liabilities									26,138	27,338
Consolidated liabilities									- 88,766	- 90,505
Investments (without acquisitions)	529	393	54	195	208	109	30	24	821	721
Depreciation	- 842	- 814	- 530	- 524	- 543	- 465	- 139	- 144	- 2,054	- 1,947
Non-cash income (+)/expenses (-)	- 242	- 231	178	- 135	312	- 194	- 422	1,656	- 174	1,096

## SALES BY REGIONS

	Q1/2016		Q1/2015	
	€ million	%	€ million	%
Europe	17.5	49	17.5	57
North America	13.0	36	9.3	30
Asia/Pacific	2.8	8	2.7	9
Others	2.5	7	1.2	4
<b>Total</b>	<b>35.8</b>	<b>100</b>	<b>30.7</b>	<b>100</b>

# NOTES TO THE INTERIM FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

These unaudited interim financial statements as of March 31, 2016 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 2015, the consolidated financial statements (interim financial statements) of Eckert & Ziegler AG as of March 31, 2016 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 2015 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 US Seed business in the Radiation Therapy segment was sold at the end of 2015. This had a material impact on the Group's net assets and results of operations as against the first three months of 2015, impairing the comparability of the consolidated report with the prior year.

In mid-March 2016, the Executive Board made a decision regarding the discontinuation of CGU Isotope Products (VSU). The business offered radio carbon dating services and generated sales of € 157 thousand in the first quarter of 2015 and a loss of € 320 thousand. In the first quarter of 2016, it generated sales of € 20 thousand and a loss of € 169 thousand. Expenses and income were eliminated from the income statement. The losses are reported in the results of discontinued operations.

The net cash flows from discontinued operations are as follows:

- from operating activities: € – 47 thousand (Q1/2015: € – 316 thousand),
- from investing activities: € 0 thousand (Q1/2015: € – 2 thousand),
- from financing activities: € – 68 thousand (Q1/2015: € – 67 thousand).

#### 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, 2016	Exchange rate Dec 31, 2015	Average rate Jan 1–Mar 31, 2016	Average rate Jan 1–Mar 31, 2015
USA	USD	1.1385	1.0887	1.102	1.1261
Czech Republic	CZK	27.051	27.023	27.0395	27.6236
Great Britain	GBP	0.7916	0.734	0.7704	0.7434
Poland	PLN	4.2576	4.2639	4.3652	4.1926
Russia	RUB	76.3051	80.6736	82.4506	70.9608
Brazil	BRL	4.1174	4.3117	4.3041	3.2236
India	INR	75.4298	72.0215	74.427	–

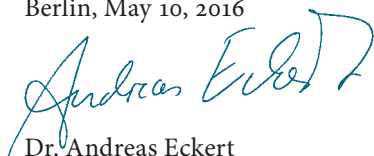
#### 6. OWN SHARES

Eckert & Ziegler AG held 4,818 own shares as of March 31, 2016. 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, 2015 for details on material transactions with related parties.

Berlin, May 10, 2016



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 11, 2016	DVFA Spring Conference in Frankfurt
June 8, 2016	Annual Shareholder Meeting in Berlin
August 2, 2016	Quarterly Report II/2016
November 3, 2016	Quarterly Report III/2016
November 2016 (subject to change)	German Equity Forum in Frankfurt

## CONTACT

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## IMPRINT

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Eckert & Ziegler archives