



# QUARTERLY REPORT I

2017



**Eckert & Ziegler**  
*Contributing to saving lives*

# KEY DATA ECKERT & ZIEGLER

		1-3/2017	1-3/2016	Change
Sales	€ million	37.6	35.8	+ 5 %
Return on revenue before tax	%	15	11	+ 32 %
EBITDA	€ million	7.7	6.3	+ 21 %
EBIT	€ million	5.5	4.3	+ 29 %
EBT	€ million	5.5	4.0	+ 39 %
Net income before other shareholder's interests	€ million	3.8	2.7	+ 42 %
Profit	€ million	3.7	2.5	+ 47 %
Earnings per share (basic)	€	0.69	0.47	+ 47 %
Operational cash flow	€ million	4.7	0.8	+ 513 %
Depreciation and amortization on non-current assets	€ million	2.1	2.1	+ 5 %
Staff as end of period	Persons	669	675	- 1 %

# BUSINESS DEVELOPMENT OF THE ECKERT & ZIEGLER GROUP

## 2017 BEGAN WITH SALES GROWTH AND JUMP IN INCOME

At € 37.6 million Group sales were 5 % above the prior year's level (€ 35.8 million) at the end of the first quarter of 2017. After adjustment for exchange rate effects, growth stood at € 1.3 million or 3 %. The nominal growth was based largely on organic growth.

The Radiopharma segment remains on the growth course it began in 2016 and significant sales growth was seen particularly in the U.S. Compared with the prior year's period, sales increased by € 1.6 million or 17 % to € 11.3 million.

By contrast, sales in the Radiation Therapy segment declined slightly by € 0.5 million or 6 % to currently € 6.0 million.

The Isotope Products segment continues to increase, growing € 0.6 million or 3 % to € 20.4 million.

Earnings per share rose to € 0.69 per share, increasing compared with the prior year's quarter by € 0.22 per share or 47 %. This value is significantly above budget.

The improved financial performance is the result of lower costs and increased sales with profitable products. In line with the sales growth, the gross profit margin rose by € 0.4 million.

Costs were consistently reduced in the prior year, and unprofitable activities were discontinued or sold. This allowed administrative costs during the comparative period to be reduced by € 0.6 million or 9 %. Net financial income increased by € 0.5 million, caused by extraordinary effects from the prior year negatively impacting profit. The consistent repayment of loans reduced the interest burden by 44 % to € 0.2 million.

With a result for the period of € 0.2 million, the Radiation Therapy segment again recorded a profit and improved its resulting profit for the year by € 0.5 million compared with the comparative quarter of the prior year. Temporary supply difficulties of radioactive prostate implants at the beginning of the year, caused by raw material bottlenecks, were made up for during the quarter, with the result that sales are in fact currently higher than planned. Good sales remain anticipated in this area over the course of the year. Sales in the HDR Afterloader segment on the other hand continue to present problems due to a persistently weak overall market.

Sales in the Isotope Products segment saw a currency-related rise of 2 % in the first quarter of 2017 compared with the prior year. However, sales were supported in the prior year by a one-time demand peak in the energy sector. This exceptional effect was not apparent in the first quarter of 2017. This makes the continued robust sales and financial performance all the more pleasing. Compared with 2016, earnings per share improved by € 0.05 or 13 % to € 0.45 per share. There are no losses in 2017 from the discontinued operations of Isotope Products Vitalea (VSU).

## LIQUIDITY

Cash flow from operating activities increased by € 4.0 million or 513 % to € 4.7 million. The € 1.2 million higher profit for the period is crucial. By contrast, the liabilities and provisions were reduced by € 1.0 million, and by € 2.2 million in the same period last year. Receivables increased € 2.6 million, having already increased € 1.4 million in the same period last year. The inflow of liquidity from the reduction in other current assets amounted to € 1.0 million. This item led to cash outflow of € 0.5 million in the same period last year.

At € 1.2 million, the capital outflow from investment activities is above the prior year's level of € 0.8 million. The cash was almost exclusively used to acquire assets. The largest individual investment was in the continued modernization of the site in Los Angeles at € 0.3 million.

The existing loans continued to be paid back on schedule. € 3.3 million was used for this purpose in the first quarter of 2017, with € 1.0 million being repaid in the comparable prior-year period. Another € 0.2 million were used in the first three months of 2016 for the distribution of minority interests. No distribution was carried out in the reporting period.

Overall, cash and cash equivalents as of March 31, 2017, increased by € 0.1 million since the end of 2017 to a current € 36.7 million.

## BALANCE SHEET

The balance sheet total as of the end of March 2017 rose from € 199.5 million as against the end of 2016 to € 199.9 million. The slight increase comprises several partly contrary items, including the previously mentioned rise in receivables of € 2.5 million and in other non-current assets of € 0.4 million. By contrast, current assets declined € 1.8 million. The decline in assets caused by depreciation and amortization amounted to € 0.9 million.

The increase in provisions from € 45.0 million to € 48.7 million on December 31, 2016, predominates on the liabilities side. The current loan liabilities were reduced by € 1.0 million and the non-current loan liabilities were reduced by another € 2.3 million. Equity rose by € 0.4 million. The equity ratio improved from 57 % to 55 %.

## EMPLOYEES

The Eckert & Ziegler Group had a total of 669 employees worldwide as of March 31, 2017, 400 of whom worked in Germany. The number of employees fell by six compared with the prior year. The decrease is entirely due to the restructuring of the Radiation Therapy segment, which was concluded in mid 2016.

## OUTLOOK

In 2017, earnings are expected to increase and could exceed € 2.00 per share, assuming that exchange rates remain stable and excluding acquisitions and the sale of divisions. Sales of just under € 150 million are expected.

## CONSOLIDATED INCOME STATEMENT

€ thousand	Quarterly Report I/2017 1-3/2017	Quarterly Report I/2016 1-3/2016
<b>Continued operations</b>		
Revenues	37,627	35,816
Cost of sales	– 20,016	– 18,562
<b>Gross profit on sales</b>	<b>17,611</b>	<b>17,254</b>
Selling expenses	– 5,721	– 5,796
General and administrative expenses	– 5,875	– 6,348
Other operating income	309	338
Other operating expenses	– 908	– 815
<b>Profit from operations</b>	<b>5,416</b>	<b>4,633</b>
Results from shares measured at equity	–	–
Other financial results	90	– 376
<b>Earnings before interest and taxes (EBIT)</b>	<b>5,506</b>	<b>4,257</b>
Interest received	22	24
Interest paid	– 16	– 302
<b>Profit before tax</b>	<b>5,512</b>	<b>3,979</b>
Income tax expense	– 1,736	– 1,314
<b>Net income/loss from continued operations</b>	<b>3,776</b>	<b>2,665</b>
Results from discontinued operations, net	–	– 169
<b>Net income</b>	<b>3,776</b>	<b>2,496</b>
Profit/loss attributable to minority interests	– 109	– 3
<b>Profit attributable to the shareholders of Eckert &amp; Ziegler AG</b>	<b>3,667</b>	<b>2,493</b>
<b>Earnings per share from continued and discontinued operations</b>		
Basic	0.69	0.47
Diluted	0.69	0.47
<b>Earnings per share</b>		
Basic	0.69	0.50
Diluted	0.69	0.50
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/2017 1–3/2017	Quarterly Report I/2016 1–3/2016
<b>Profit for the period</b>	<b>3,776</b>	<b>2,496</b>
Of which attributable to other shareholders	109	3
Of which attributable to shareholders of Eckert & Ziegler AG	3,667	2,493
<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	– 329	– 1,607
Amount reposted to income statement	0	0
<b>Adjustment of amount recorded in shareholders' equity (Currency translation)</b>	<b>– 329</b>	<b>– 1,607</b>
<b>Total of value adjustments recorded in shareholders' equity</b>	<b>– 329</b>	<b>– 1,607</b>
Of which attributable to other shareholders	0	– 2
Of which attributable to shareholders of Eckert & Ziegler AG	– 329	– 1,605
<b>Total from net income and value adjustments recorded in shareholders' equity</b>	<b>3,447</b>	<b>889</b>
Of which attributable to other shareholders	109	1
Of which attributable to shareholders of Eckert & Ziegler AG	3,338	888

## GROUP STATEMENT OF CASH FLOWS

€ thousand	Quarterly Report I/2017 1/1 – 3/31/2017	Quarterly Report I/2016 1/1 – 3/31/2016
<b>Cash flows from operating activities:</b>		
Profit for the period	3,777	2,494
Adjustments for:		
Depreciation and value impairments	2,149	2,054
Non-cash release of deferred income from grants	– 21	– 18
Gains (–)/losses on the disposal of non-current assets	– 4	2
Change in the non-current provisions, other non-current liabilities	151	206
Change in other non-current assets and receivables	19	– 265
Miscellaneous	1,481	249
Changes in current assets and liabilities:		
Receivables	– 2,630	– 1,386
Inventories	– 168	172
Accruals, other current assets	1,025	– 493
Change in the current liabilities and provisions	– 1,031	– 2,240
<b>Cash inflows generated from operating activities</b>	<b>4,748</b>	<b>775</b>
<b>Cash flows from investing activities:</b>		
Purchase (–)/sale of non-current assets	– 1,091	– 821
Acquisitions of consolidated enterprises (deducting acquired cash positions)	– 84	–
<b>Cash inflows/outflows from investment activity</b>	<b>– 1,175</b>	<b>– 821</b>
<b>Cash flows from financing activities:</b>		
Distribution of shares of third parties	–	– 168
Change in long-term borrowing	– 960	– 593
Change in short-term borrowing	– 2,333	– 457
<b>Cash outflows from financing activities</b>	<b>– 3,293</b>	<b>– 1,218</b>
Effect of exchange rates on cash and cash equivalents	– 99	– 466
<b>Increase/reduction in cash and cash equivalents</b>	<b>181</b>	<b>– 1,730</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>36,567</b>	<b>31,466</b>
<b>Cash and cash equivalents at end of period</b>	<b>36,747</b>	<b>29,736</b>

## GROUP BALANCE SHEETS

€ thousand

March 31, 2017

Dec 31, 2016

## ASSETS

## Non current assets

Goodwill	40,175	40,422
Other intangible assets	11,763	12,542
Property, plant and equipment	37,674	37,823
Investments valued according to the equity method	2,832	2,872
Deferred tax	9,309	9,000
Other non-current assets	3,300	2,860
<b>Total non-current assets</b>	<b>105,053</b>	<b>105,519</b>

## Current assets

Cash and cash equivalents	36,747	36,567
Trade accounts receivable	25,709	23,208
Inventories	25,131	25,100
Other current assets	7,264	9,071
<b>Total current assets</b>	<b>94,851</b>	<b>93,946</b>

## Total assets

199,904 199,465

## EQUITY AND LIABILITIES

## Capital and reserves

Subscribed capital	5,293	5,293
Capital reserves	53,500	53,500
Retained earnings	48,664	44,997
Other reserves	1,099	1,427
Own shares	- 27	- 27
<b>Portion of equity attributable to the shareholders of Eckert &amp; Ziegler AG</b>	<b>108,529</b>	<b>105,190</b>
Minority interests	4,995	4,887
<b>Total shareholders' equity</b>	<b>113,524</b>	<b>110,077</b>

## Non-current liabilities

Long-term borrowings	3,178	4,138
Deferred income from grants and other deferred income	1,503	1,524
Deferred tax	3,812	3,297
Retirement benefit obligations	11,835	11,802
Other provisions	31,755	31,515
Other non-current liabilities	3,422	3,481
<b>Total non current liabilities</b>	<b>55,505</b>	<b>55,757</b>

## Current liabilities

Short-term borrowings	5,188	7,520
Trade accounts payable	5,697	6,390
Advance payments received	543	1,441
Deferred income from grants and other deferred income	147	147
Current tax payable	2,848	2,307
Current tax payable	3,743	3,743
Other current liabilities	12,709	12,083
<b>Total current liabilities</b>	<b>30,875</b>	<b>33,631</b>

## Total equity and liabilities

199,904 199,465



## STATEMENTS OF SHAREHOLDERS' EQUITY

	Subscribed capital				Cumulative other equity items						
	Number	Nominal value	Capital reserve	Retained reserves	Unrealized profit securities	Unrealized profit pension commitments	Foreign currency exchange differences	Own shares	Equity attributable to shareholders' equity	Minority shares	Group share holders' equity
	Piece	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand
<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	- 774	953	0	179	0	179
Net profit for the year				9,550					9,550	236	9,786
Total income for the period	0	0	0	9,550	0	- 774	953	0	9,729	236	9,965
Dividends paid/resolved				- 3,173					- 3,173	0	- 3,173
Purchase/sale of minority interests				- 1,061					- 1,061	- 322	- 1,383
<b>As of December 31, 2016</b>	<b>5,292,983</b>	<b>5,293</b>	<b>53,500</b>	<b>44,997</b>	<b>0</b>	<b>- 3,056</b>	<b>4,483</b>	<b>- 27</b>	<b>105,190</b>	<b>4,887</b>	<b>110,077</b>
<b>As of January 1, 2017</b>	<b>5,292,983</b>	<b>5,293</b>	<b>53,500</b>	<b>44,997</b>	<b>0</b>	<b>- 3,056</b>	<b>4,483</b>	<b>- 27</b>	<b>105,190</b>	<b>4,887</b>	<b>110,077</b>
Total of expenditures and income directly entered in equity	0	0	0	0	0	0	- 328	0	- 328	- 1	- 329
Net profit for the year				3,667					3,667	109	3,776
Total income for the period	0	0	0	3,667	0	0	- 328	0	3,339	108	3,447
<b>As of March 31, 2017</b>	<b>5,292,983</b>	<b>5,293</b>	<b>53,500</b>	<b>48,664</b>	<b>0</b>	<b>- 3,056</b>	<b>4,155</b>	<b>- 27</b>	<b>108,529</b>	<b>4,995</b>	<b>113,524</b>

## SEGMENTAL REPORT

€ thousand	Isotope Products		Radiation Therapy		Radiopharma		Holding		Elimination		Total	
	Q1/2017	Q1/2016	Q1/2017	Q1/2016	Q1/2017	Q1/2016	Q1/2017	Q1/2016	Q1/2017	Q1/2016	Q1/2017	Q1/2016
Sales to external customers	20,383	19,759	5,998	6,406	11,243	9,649	3	3	0	0	37,627	35,817
Sales to other segments	703	804	24	7	0	0	1,290	1,162	- 2,017	- 1,973	0	0
Total segment sales	21,086	20,563	6,023	6,413	11,243	9,649	1,293	1,165	- 1,056	- 1,973	37,627	35,817
Segment profit before interest and profit taxes (EBIT)	3,549	3,516	322	- 416	2,008	1,520	- 24	- 363	- 7	0	5,847	4,257
Interest expenses and revenues	- 9	- 36	- 68	- 85	- 179	- 209	- 85	52	7	0	- 335	- 278
Income tax expense	- 1,109	- 1,049	- 28	- 27	- 598	- 373	0	135	0	0	- 1,736	- 1,314
Results from discontinued operations, net	0	- 169	0	0	0	0	0	0	0	0	0	- 169
Profit before minority interests	2,430	2,262	226	- 528	1,230	938	- 109	- 176	0	0	3,777	2,496

## SEGMENTAL REPORT

€ thousand	Isotope Products		Radiation Therapy		Radiopharma		Others		Total	
	Q1/2017	Q1/2016	Q1/2017	Q1/2016	Q1/2017	Q1/2016	Q1/2017	Q1/2016	Q1/2017	Q1/2016
Segmental assets	109,238	105,200	46,673	50,137	43,780	37,936	103,408	91,963	303,099	285,236
Elimination of inter-segmental shares, equity investments and receivables									- 103,195	- 90,913
Consolidated total assets									199,904	194,323
Segmental liabilities	- 48,103	- 59,162	- 14,572	- 23,711	- 30,875	- 29,416	- 4,362	- 2,615	- 97,912	- 114,904
Elimination of intersegmental liabilities									11,531	26,138
Consolidated liabilities									- 86,381	- 88,766
Investments (without acquisitions)	593	529	250	54	220	208	27	30	1,090	821
Depreciation	- 836	- 842	- 211	- 530	- 553	- 543	- 103	- 139	- 1,703	- 2,054
Non-cash income (+)/expenses (-)	- 470	- 242	- 119	178	- 1,014	312	303	2,121	- 1,300	2,369

## SALES BY REGIONS

	Q1/2017		Q1/2016	
	€ million	%	€ million	%
Europe	18.6	49	17.5	50
North America	13.8	37	13.0	36
Asia/Pacific	2.7	7	2.8	8
Others	2.5	7	2.5	7
<b>Total</b>	<b>37.6</b>	<b>100</b>	<b>35.8</b>	<b>101</b>

# NOTES TO THE INTERIM FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

These unaudited interim financial statements as of March 31, 2017 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 2016, the consolidated financial statements (interim financial statements) of Eckert & Ziegler AG as of March 31, 2017 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 2016 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

In mid-March 2016, the Executive Board made a decision regarding the discontinuation of CGU Isotope Products (VSU). This segment offered radio carbon dating services and generated sales of € 20 thousand and a loss of € 0.2 million in the first three quarters of 2016. The operations were entirely discontinued as of December 31, 2016, and as a result there were no effects on earnings in the comparable period of 2017. Expenses and income were eliminated from the income statement in 2016. The losses are reported in the loss from discontinued operations.

The net cash flows from discontinued operations are as follows:

- from operating activities: € 0.0 million (Q1 2016: € – 0.1 million),
- from investing activities: € 0.0 million (Q1 2016: € 0.4 million),
- from financing activities: € – 0.0 million (Q1 2016: € – 0.1 million).

With effect from August 1, 2016, ECKERT & ZIEGLER BRASIL COMERCIAL LTDA. acquired 100 % of the shares of Brazilian company BR-77 TRANSPORTES DE MEDICAMENTOS LTDA. The company specializes in the sale of products in the field of nuclear medicine.

With effect from August 26, 2016, Eckert & Ziegler BEBIG SA acquired 100 % of the shares in BrachySolutions BVBA. The company, which is based in Leuven, Belgium, is one of the largest European distributors of prostate seeds. Its main markets are Benelux and Portugal.

This had a material impact on the Group's net assets and results of operations as against the first three months of 2016, 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, 2017	Exchange rate Dec 31, 2016	Average rate Jan 1–Mar 31, 2017	Average rate Jan 1–Mar 31, 2016
USA	USD	1.0691	1.0541	1.0648	1.1020
Czech Republic	CZK	27.0300	27.0210	27.0213	27.0395
Great Britain	GBP	0.8555	0.8562	0.8601	0.7704
Poland	PLN	4.2265	4.4103	4.3206	4.3652
Russia	RUB	3.3800	3.4305	3.3468	4.3041
Brazil	BRL	60.3130	64.3000	62.5218	82.4506
India	INR	69.3965	71.5935	71.2842	74.4270

#### 6. OWN SHARES

Eckert & Ziegler AG held 4,818 own shares as of March 31, 2017. 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, 2016 for details on material transactions with related parties.

Berlin, May 2, 2017



Dr. Andreas Eckert  
Chairman of the Executive Board



Dr. Harald Hasselmann  
Chairman of the Executive Board



Dr. André Heß  
Chairman of the Executive Board

## FINANCIAL CALENDAR

May 9, 2017	Quarterly Report I/2017
May 10, 2017	DVFA Spring Conference in Frankfurt
May 31, 2017	Annual Shareholder Meeting in Berlin
August 2, 2017	Quarterly Report II/2017
November 9, 2017	Quarterly Report III/2017
November 2017	German Equity Forum in Frankfurt

## CONTACT

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## IMPRINT

### PUBLISHER

Eckert & Ziegler  
Strahlen- und Medizintechnik AG

### LAYOUT

Ligaturas – Reportdesign, Berlin, Germany

### PHOTO

Cover: istockphoto