

9 MONTHS REPORT 2016

CENIT Aktiengesellschaft, Stuttgart

At a glance – January 1 until September, 30, 2016

in EUR k	September 30, 2016	September 30, 2015
Sales	90,319	89,424
Gross profits	55,516	56,762
EBITDA	9,244	9,203
Operating returns (EBIT)	7,519	7,633
EBT	7,514	7,661
Netincome of the group	5,378	5,490
Earnings per share (basic) in EUR	0.64	0.66
Earnings per share (diluted) in EUR	0.64	0.66
Number of employees at end of period	616	632
EBIT-Margin	8.3%	8.5%
Profit-Margin	6.0%	6.1%
in EUR k	September 30, 2016	December 31, 2015
Equity in ratio	58.6%	59.6%
Equity	37,768	39,843
Liabilities	26,710	27,030
Balance sheet total	64,478	66,873

DEVELOPMENT OF RESULTS

After nine months, CENIT AG was able to slightly increase its sales. The company recorded more significant sales growth in its own software (+6%) and third-party software (+13.3%).

OVERVIEW OF 6 MONTHS FIGURES

During the first 9 months, CENIT group generated sales of EUR k 90,319 (prior year: EUR k 89,424/1.0%). EBITDA amounted to EUR k 9,244 (prior year: EUR k 9,203/0.5%) at EBIT of EUR k 7,519 (prior year: EUR k 7,633/-1.5%). Earnings per share were EUR 0.64 (prior year: EUR 0.66).

BREAKDOWN OF EARNINGS

In the PLM segment, CENIT achieved in the first 9 months earnings of EUR k 75,297 (prior year: EUR k 71,962/4.6%). The EIM segment attained a sales total of EUR k 15,022 against EUR k 17,462 during the same period of 2015 (-14.0%). Sales of third-party software totaled EUR k 44,964 (prior year: EUR k 39,695/13.3%), while sales of CENIT's proprietary software increased from EUR k 11,027 to EUR k 11,687/6.0%. Sales in the service and consulting segment amounted to EUR k 33,538 (prior year: EUR k 38,505/-12.9%). Other sales totaled EUR k 130 (prior year: EUR k 197/-33.9%).

COST DEVELOPMENT

Other operating expenses totaled EUR k 10,344 (prior year: EUR k 10,959).

INVESTMENTS

Investments expenditures in the first 9 months 2016 amounted to EUR k 695 (prior year: EUR k 1,378).

CHANGES IN MANAGING AND SUPERVISORY BODIES

None in the second quarter.

EVENTS OF SPECIAL SIGNIFICANCE WHICH MAY AFFECT THE RESULT OF BUSINESS ACTIVITY

None.

INTERIM DIVIDEND

No interim dividend has been disbursed.

DIVIDENDS PAID OR PROPOSED FOR PAYMENT

At the General Meeting of Shareholders on 6 May 2016, the Managing Board and the Supervisory Board of CENIT proposed the payment of a dividend of EUR 1.00 for the 2015 business year. The General Meeting approved this proposal. A total amount of approx. EUR k 8,368 was paid out to the CENIT AG shareholders.

ORDERS SITUATION

The group-wide order intake totaled EUR k 84,520 (prior year: EUR k 87,774/-3.7%). Orders in hand as at 30 September 2016 amounted to EUR k 30,759 (prior year: EUR k 33,193/-7.3%).

ORDERS OF SPECIAL SIGNIFICANCE

None.

LIQUID ASSETS AND SECURITIES

On the balance-sheet date, bank deposits totaled EUR k 31,179 (31 Dec. 2015: EUR k 33,941). The enterprise is free of debt.

ASSET, FINANCIAL AND EARNINGS SITUATION

The balance-sheet total is EUR k 64,478. Trade receivables totaled EUR k 16,073. On the balance-sheet date, equity capital amounted to approx. EUR k 37,768 (31 Dec. 2015: EUR k 39,843) at an equity ratio of 58.6% (31 Dec. 2015: 59.6%). Operative cash flow totaled EUR k 6,737 (prior year: EUR k 8,594).

EMPLOYEES

On 30 September 2016, CENIT employed 616 staff group-wide (prior year: 632).

SUPPLEMENTARY, OPPORTUNITIES AND FORECAST REPORTS

For the current year, the CENIT Group is still anticipating a sales growth by 5%. On the whole, CENIT is anticipating a high single-digit rise in earnings (EBIT).

CENIT Aktiengesellschaft, Stuttgart CONSOLIDATED BALANCE SHEET (in accordance with IFRSs) (unaudited)		
in EUR k	September 30, 2016	December 31, 2015
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	5,178	3,381
Property, plant and equipment	2,284	2,656
Investment in Joint Venture	53	53
Income tax receivable	0	85
Deferred tax assets	422	400
NON-CURRENT ASSETS	7,937	6,575
CURRENT ASSETS		
Inventories	241	76
Trade receivables	16,073	17,947
Receivables from Joint Venture	2,688	3,112
Current income tax assets	989	611
Other receivables	96	164
Cash and cash equivalents	31,179	33,941
Prepaid expenses	5,275	4,447
CURRENT ASSETS	56,541	60,298
TOTAL ASSETS		
	64,478	66,873

CENIT Aktiengesellschaft, Stuttgart CONSOLIDATED BALANCE SHEET (in accordance with IFRSs) (unaudited)		
in EUR k	September 30, 2016	December 31, 2015
EQUITY AND LIABILITIES		
EQUITY		
Issued capital	8,368	8,368
Capital reserve	1,058	1,058
Currency translation reserve	1,013	1,096
Statutory earnings reserve	418	418
Other earnings reserves	14,807	14,807
Unappropriated retained earnings	11,060	14,096
Equity attributable to shareholders of CENIT AG	36,724	39,843
Non-controlling interests	1,044	0
TOTAL EQUITY	37,768	39,843
NON-CURRENT LIABILITIES		
Other liabilities	2,279	2,512
Deferred tax liabilities	742	774
NON-CURRENT LIABILITIES	3,021	3,286
CURRENT LIABILITIES		
Trade liabilities	1,327	2,788
Liabilities due to Joint Venture	0	37
Other liabilities	10,756	12,148
Current income tax liabilities	275	403
Other provisions	174	360
Deferred income	11,157	8,008
CURRENT LIABILITIES	23,689	23,744
TOTAL EQUITY AND LIABILITIES		
	64,478	66,873

CENIT Aktiengesellschaft, Stuttgart CONSOLIDATED INCOME STATEMENT (in accordance with IFRSs) (unaudited)			
in EUR k		1 st Jan – 30 th September 2016	1 st Jan – 30 th September 2015
1. REVENUE		90,319	89,424
2. Increase/decrease in work of process		0	0
Total operating performance		90,319	89,424
3. Other operating income		817	1,523
Operating performance		91,136	90,947
4. Cost of materials	35,620		34,185
5. Personnel expenses	35,928		36,600
6. Amortization and depreciation of intangible assets and property, plant and equipment	1,725		1,570
7. Other operating expenses	10,344		10,959
		83,617	83,314
OPERATING RESULT		7,519	7,633
8. Other interest and similar income	3		37
9. Other interest and similar expenses	8		9
		-5	28
RESULT FROM ORDINARY ACTIVITIES		7,514	7,661
10. Income taxes		2,136	2,171
NET INCOME OF THE GROUP FOR THE YEAR		5,378	5,490
thereof attributable to the shareholders of CENIT AG		5,332	5,490
thereof attributable to non-controlling interests		46	0
Earnings per share in EUR			
basic		0.64	0.66
diluted		0.64	0.66

CENIT Aktiengesellschaft, Stuttgart CONSOLIDATED INCOME STATEMENT (in accordance with IFRSs) (unaudited)			
in EUR k		3rd Quarter 2016	3rd Quarter 2015
1. REVENUE		28,895	30,241
2. Increase/decrease in work of process		0	0
Total operating performance		28,895	30,241
3. Other operating income		153	239
Operating performance		29,048	30,480
4. Cost of materials	11,539		11,871
5. Personnel expenses	10,778		11,822
6. Amortization and depreciation of intangible assets and property, plant and equipment	486		530
7. Other operating expenses	3,404		3,489
		26,207	27,712
OPERATING RESULT		2,841	2,768
8. Other interest and similar income	2		6
9. Other interest and similar expenses	4		3
		-2	3
RESULT FROM ORDINARY ACTIVITIES		2,839	2,771
10. Income taxes		902	863
NET INCOME OF THE GROUP FOR THE YEAR		1,937	1,908
thereof attributable to the shareholders of CENIT AG		1,926	1,908
thereof attributable to non-controlling interests		11	0
Earnings per share in EUR			
basic		0.23	0.23
diluted		0.23	0.23

CENIT Aktiengesellschaft, Stuttgart
CONSOLIDATED STATEMENT OF CASH FLOWS (in accordance with IFRS) (unaudited)

in EUR k	1 st Jan – 30 th September 2016	1 st Jan – 30 th September 2015
Cash flow from operating activities		
Earnings before tax and net interest	7,519	7,633
Adjustments for:		
Amortization/depreciation of intangible assets and property, plant and equipment	1,725	1,570
Gains (-) and losses (+) on disposals of non-current assets	-5	-5
Other non-cash income and expenses		
Increase/decrease in other non-current assets and liabilities and provisions	-227	-103
Interest paid	-8	-9
Interest received	3	37
Income tax paid	-3,047	-2,727
Net operating income before changes in net working capital	5,960	6,396
Increase/decrease in trade receivables and other current non-cash assets	1,790	1,450
Increase/decrease in inventories	-165	-23
Increase/decrease in current liabilities and provisions	-848	771
Net cash flows from operating activities	6,737	8,594
Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	-695	-1,378
Purchase of shares in fully consolidated entities (net cash outflow)	-351	0
Income from the sale of property, plant and equipment	5	23
Net cash paid for investing activities	-1,041	-1,355
Cash flow from financing activities		
Dividends paid to shareholders	-8,368	-7,531
Net cash paid for financing activities	-8,368	-7,531
Net increase/decrease in cash and cash equivalents	-2,672	-292
Change in cash and cash equivalents due to foreign exchange differences	-90	302
Cash and cash equivalents at the beginning of the reporting period	33,941	33,250
Cash and cash equivalents at the end of the reporting period	31,179	33,260

CENIT Aktiengesellschaft, Stuttgart CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (in accordance with IFRS) (unaudited)			
In EUR k		1 st Jan – 30 th September 2016	1 st Jan – 30 th September 2015
Net income for the year		5.378	5,490
Other comprehensive income			
Items that will be reclassified to the income statement in the future under certain circumstances			
Currency translation reserve of foreign subsidiaries	-83		467
Items that will not be reclassified to the income statement in the future			
Actuarial gains/losses from defined benefit obligations and similar obligations	0		0
Deferred taxes recognised on other comprehensive income	0		0
Other comprehensive income after tax		-83	467
Total comprehensive income		5,295	5,957
Thereof attributable to the shareholders of CENIT AG		5,249	5,957
thereof attributable to non-controlling interests		46	0

CENIT Aktiengesellschaft, Stuttgart
STATEMENT OF CHANGES IN EQUITY (in accordance with IFRS) (unaudited)

	Attributable to shareholders of CENIT AG							
in EUR k	Subscribed capital	Capital reserves	Currency translation reserve	Revenue reserves		Retained earnings	Non-controlling interests	Total
				Legal reserve	Other reserves			
As of 1 st January 2015	8,368	1,058	549	418	14,648	14,311	0	39,352
Total comprehensive income			547		159	7,316	0	8,022
Dividend distribution						-7,531	0	-7,531
As of 31 st December 2015	8,368	1,058	1,096	418	14,807	14,096	0	39,843
Total comprehensive income			-83		0	5,332	46	5,295
Acquisition of a subsidiary							998	998
Dividend distribution						-8,368	0	-8,368
As of 30 September 2016	8,368	1,058	1,013	418	14,807	11,060	1,044	37,768

CENIT Aktiengesellschaft
Segment Reporting by Business Unit (in accordance with IFRSs) unaudited

		EIM	PLM	Reconciliation	Group
in EUR k					
External revenue	Q1 2016	4,221	25,407	0	29,628
	Q1 2015	6,349	24,077	0	30,426
EBIT	Q1 2016	-337	2,431	0	2,095
	Q1 2015	307	2,095	0	2,402
Share of profit of joint ventures	Q1 2016	0	0	0	0
	Q1 2015	0	0	0	0
Other interest result and financial result	Q1 2016	0	0	-2	-2
	Q1 2015	0	0	23	23
Income taxes	Q1 2016	0	0	483	483
	Q1 2015	0	0	543	543
Net income of the Group	Q1 2016	-337	2,431	-483	1,610
	Q1 2015	307	2,095	-521	1,882
Segment assets	Q1 2016	8,098	25,811	40,265	74,174
	Q1 2015	9,320	22,177	43,349	74,846
Investment in a joint venture	Q1 2016	0	53	0	53
	Q1 2015	0	54	0	54
Segment liabilities	Q1 2016	8,133	22,166	1,637	31,936
	Q1 2015	10,558	21,231	1,212	33,001
Investments in property, plant and equipment and intangible assets	Q1 2016	38	167	0	205
	Q1 2015	69	183	0	252
Amortization and depreciation	Q1 2016	134	516	0	650
	Q1 2015	136	363	0	499

EIM = Enterprise Information Management; PLM = Product Lifecycle Management

CENIT Aktiengesellschaft
Group Segment Report by Region (in accordance with IFRSs) unaudited

in EUR k		Germany	Switzerland	North America	Romania	France	Japan	Reconciliation	Consolidation	Group
External revenue	Q1-Q3 2016	66,097	9,425	11,867	1,404	380	1,146	0	0	90,319
	Q1-Q3 2015	67,371	9,003	10,662	1,241	344	803	0	0	89,424
Segment assets	Q1-Q3 2016	29,893	3,357	3,053	308	536	561	33,000	-6,283	64,425
	Q1-Q3 2015	27,919	2,969	4,168	409	176	269	35,314	-4,636	66,588
Investment in a joint venture	Q1-Q3 2016	53	0	0	0	0	0	0	0	53
	Q1-Q3 2015	54	0	0	0	0	0	0	0	54
Investments in property, plant and equipment and intangible assets	Q1-Q3 2016	588	13	56	31	4	3	0	0	695
	Q1-Q3 2015	1,195	4	65	18	96	0	0	0	1,378

DIRECTORS' HOLDING:

Number of shares as at September 30th, 2016

Total number of shares : 8,367,758

Management Board:

Kurt Bengel: 6,000

Matthias Schmidt: 1,670

Supervisory Board:

Andreas Schmidt: 108,792

Hubert Leypoldt: 1,600

Andreas Karrer: 1,000

Financial Calendar:

November 21st-23rd, 2016 German Equity Forum, Frankfurt



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