



QUARTERLY REPORT I

2019

KEY DATA

		1-3/2019	1-3/2018	Change
Sales	€ million	43.5	35.7	22 %
Return on revenue before tax	%	14	10	37 %
EBITDA	€ million	11.6	6.0	93 %
EBIT	€ million	8.8	3.9	125 %
EBT	€ million	8.6	3.7	131 %
Net income before other shareholder's interests	€ million	6.0	2.5	138 %
Profit	€ million	5.8	2.3	152 %
Earnings per share (basic)	€	1.14	0.44	159 %
Operational cash flow	€ million	7.7	1.3	492 %
Depreciation and amortization on non-current assets	€ million	2.8	2.1	34 %
Staff as end of period	Persons	803	790	2 %

BUSINESS DEVELOPMENT OF THE ECKERT & ZIEGLER GROUP

During the first quarter of 2019, the Eckert & Ziegler Group achieved an outstanding result, at €1.14 per share. Compared to the previous year, net profit rose by €0.70 per share. Drivers of growth were once again the Isotope Products segment and Radiopharma, while the Radiation Therapy segment and the Holding essentially closed at the same level as the comparable period of the previous year.

SALES

At the end of the first quarter of 2019, Group sales amounted to €43.5 million, and were therefore €7.8 million, or 22 %, higher than the prior year's level of €35.7 million. The greatest spurt of growth was recorded in the Pharma segment, which was essentially driven by continuing attractive sales of pharmaceutical radioisotopes to reach a level of €10.0 million, an increase of €3.4 million or 52 % year-on-year. The Isotope Products segment also achieved a clear increase in sales of 18 % or €4.2 million, reaching a total of €28.2 million. The Radiation Therapy segment, however, recorded a slight drop in sales, achieving €6.4 million, which represents a fall of around 6 % year-on-year.

INCOME (NET PROFIT)

The Group's earnings per share increased by €0.70 to €1.14 per share. Earnings per share were thus 159 % above the level of the prior year's quarter in which earnings per share of just €0.44 were generated with sales totaling €35.7 million. The causes of the higher net profit for the year were growth in sales and a more favorable product mix. In the Group's biggest segment, the Industrial segment, an increase in sales of low-margin products last year led to the segment achieving only a below-average €0.17 per share in total.

During the first quarter of 2019, however, the Isotope Products segment was once again able to sell significantly more high-margin products, so the gross margin rose disproportionately by €4.2 million to €12.5 million. Sales and administration costs rose year-on-year by approximately €0.6 million in each case. Development costs, other operational expenditures and income, and the financial result remained more or less at the same level as the prior year. Tax expenses rose by €0.5 million to €1.3 million. The segment achieved an overall result of €3.0 million and thus saw an increase of €2.1 million year-on-year.

With a result for the period of €0.4 million, the Radiation Therapy segment remained virtually unchanged year-on-year, once again showing a profit. With sales having fallen slightly, the gross margin likewise fell proportionately by €0.4 million. Sales and administration costs rose slightly by €0.5 million, while other operational expenditures and income and the financial result improved year-on-year with a total of €0.5 million. With regard to income tax, income of €0.3 million against expenditure of €0.1 million the prior year led to an improvement in the result of €0.4 million year-on-year. This result is based essentially on the one-time effect from the correction of taxes from previous years.

The Radiopharma segment, meanwhile, recorded an increase in sales revenues of €3.4 million year-on-year. At the same time, manufacturing costs grew at a disproportionately low level by €1.1 million, so a higher gross margin totaling €2.3 million was achieved year-on-year. Sales and administration costs rose slightly by €0.1 million in each case. Development costs, other operational expenditures and income and the financial result improved year-on-year by a total of €0.1 million. In contrast to this, tax expenditure rose by €1.1 million. The result of this segment thus increased compared to the first quarter of 2018 by a total of €1.1 million or 85 %.

LIQUIDITY

The operating cash flow rose significantly by € 6.4 million to € 7.7 million. Decisive factors here were the increase of € 3.5 million in the result for the period and the non-cash effects from the depreciation of assets, which rose by € 0.7 million. The operating cash flow in relation to tax on earnings amounted to € 1.3 million for the first quarter of 2019, compared to –€ 2.1 million in the same quarter of the prior year. Furthermore, there was a reduction of € 0.3 million year-on-year in the liquidity used for building up inventories. In trade receivables, cash inflows amounting to € 0.5 million have been generated since the start of the year, which amounts to a fall of € 1.3 million year-on-year.

With regard to cash flow for investment activities, € 1.4 million was used for the acquisition of investment assets, representing a fall of € 0.2 million year-on-year. In the prior year, € 1.0 million was spent on the acquisition of consolidated companies and € 2.5 million were paid out in the form of loans. Neither of these items were accrued during the first quarter of 2019.

Cash outflows from financing activities amounted to € 0.1 million in the prior year's quarter, which was due exclusively to the planned repayment of bank liabilities. Since the Eckert & Ziegler Group had essentially repaid all bank liabilities by December 31, 2018, there were no longer any cash outflows for this purpose during the first quarter of 2019. Based on the new standard for leasing accounting according to IFRS16, however, the payments incurred in connection with leasing relationships of this kind must be declared in the cash flow from financing activities. Financial resources amounting to € 0.7 million were used for this purpose during the first quarter of 2019.

Overall, cash and cash equivalents as of March 31, 2019 had increased by € 5.9 million since the end of 2018, and now amount to € 60.1 million.

BALANCE SHEET

The balance sheet total at the end of March 2019 increased significantly compared to the end of 2018 and now amounts to € 253 million (prior year: € 229 million). The significant increase in the balance sheet total is essentially due to the first application of leasing accounting according to IFRS16, which led to an increase in the value of intangible assets on the asset side of € 19 million. Correspondingly, the liabilities side increased by the long- and short-term leasing liabilities amounting to € 16 million and € 3 million.

Equity increased by € 7 million to € 131 million as of March 31, 2019. The increase is slightly higher than the net income for the period of € 6 million, since the translation of the subsidiaries compiling their reports in foreign currency resulted in an increase in the equity account of € 1 million. The equity ratio fell from 54 % to 52% due to the increase in the balance sheet total brought about by the application of IFRS16.

EMPLOYEES

The Eckert & Ziegler Group had a total of 803 employees worldwide as of March 31, 2019. Compared with the previous year, the number of employees thus increased by 13.

OUTLOOK

The figures of the first quarter show that the Eckert & Ziegler Group has made an exceptionally successful start to the financial year 2019. While sales have developed as planned, for example, the planned result has been exceeded significantly, partly because of higher sales of particularly high-margin products. The management is maintaining its projection that for the fiscal year 2019 earnings per share of approximately € 3.50 and sales of approximately € 180 million will be achieved. This outlook is based on the assumption that the euro exchange rate does not exceed \$ 1.20.

CONSOLIDATED INCOME STATEMENT

€ thousand	Quarterly Report I 1-3/2019	Quarterly Report I 1-3/2018
Revenues	43,549	35,738
Cost of sales	- 22,113	- 20,546
Gross profit on sales	21,436	15,192
Selling expenses	- 5,726	- 4,780
General and administrative expenses	- 6,777	- 5,879
Other operating income	729	505
Other operating expenses	- 1,146	- 838
Profit from operations	8,516	4,200
Results from shares measured at equity	-	-
Other financial results	278	- 325
Earnings before interest and taxes (EBIT)	8,794	3,875
Interest received	45	21
Interest paid	- 274	- 161
Profit before tax	8,565	3,735
Income tax expense	- 2,605	- 1,276
Net income/ loss from continuing operations	5,960	2,459
Results from discontinued operations, net	-	-
Net income	5,960	2,459
Profit (-)/loss (+) attributable to minority interests	- 146	- 114
Profit attributable to the shareholders of Eckert & Ziegler AG	5,814	2,345
Earnings per share		
Basic	1.14	0.44
Diluted	1.14	0.44
Earnings per share		
Basic	1.14	0.44
Diluted	1.14	0.44
Average number of shares in circulation (basic)	5,118	5,288
Average number of shares in circulation (diluted)	5,118	5,288

GROUP STATEMENT OF COMPREHENSIVE INCOME

€ thousand	Quarterly Report I 1-3/2019	Quarterly Report I 1-3/2018
Profit for the period	5,960	2,459
Of which attributable to other shareholders	146	114
Of which attributable to shareholders of Eckert & Ziegler AG	5,814	2,345
Items that could subsequently be reclassified into the income statement if certain conditions are met		
Adjustment of balancing item from the currency translation of foreign subsidiaries	378	- 1,183
Amount reposted to income statement	0	0
Adjustment of amount recorded in shareholders' equity (Currency translation)	378	- 1,183
Total of value adjustments recorded in shareholders' equity	378	- 1,183
Of which attributable to other shareholders	- 5	3
Of which attributable to shareholders of Eckert & Ziegler AG	383	- 1,186
Total from net income and value adjustments recorded in shareholders' equity	6,338	1,276
Of which attributable to other shareholders	141	117
Of which attributable to shareholders of Eckert & Ziegler AG	6,197	1,159

GROUP STATEMENT OF CASH FLOWS

€ thousand	Quarterly Report 1/1 – 3/31/2019	Quarterly Report 1/1 – 3/31/2018
Cash flows from operating activities:		
Profit for the period	5,960	2,459
Adjustments for:		
Depreciation and value impairments	2,821	2,103
Income tax expense	2,605	1,276
Income tax payments	– 1,352	– 3,335
Non-cash release of deferred income from grants	– 32	– 35
Gains (-)/losses on the disposal of non-current assets	– 9	– 7
Change in the non-current provisions, other non-current liabilities	314	227
Change in other non-current assets and receivables	941	– 203
Miscellaneous	– 509	172
Changes in current assets and liabilities:		
Receivables	495	1,840
Inventories	– 1,095	– 1,415
Accruals, other current assets	64	– 884
Change in the current liabilities and provisions	– 2,504	– 928
Cash inflows generated from operating activities	7,699	1,270
Cash flows from investing activities:		
Purchase (-)/sale of non-current assets	– 1,413	– 1,585
Acquisitions of consolidated enterprises	–	– 999
Outflow for the granting of loans	–	– 2,500
Cash inflows/outflows from investment activity	– 1,413	– 5,084
Cash flows from financing activities:		
Outflow for the repayment of loans and leasing liabilities	– 724	– 125
Cash outflows from financing activities	– 724	– 125
Effect of exchange rates on cash and cash equivalents	303	– 282
Increase/reduction in cash and cash equivalents	5,865	– 4,221
Cash and cash equivalents at beginning of period	54,186	57,707
Cash and cash equivalents at end of period	60,051	53,486

GROUP BALANCE SHEETS		
€ thousand	March 31, 2019	Dec 31, 2018
ASSETS		
Non current assets		
Goodwill	42,090	41,828
Other intangible assets	29,554	10,691
Property, plant and equipment	37,181	36,931
Investments valued according to the equity method	3,556	3,523
Deferred tax	9,874	9,921
Other non-current assets	5,771	4,016
Total non-current assets	128,026	106,910
Current assets		
Cash and cash equivalents	60,051	54,186
Trade accounts receivable	28,224	28,308
Inventories	30,039	28,759
Deferred tax asset	690	3,541
Other current assets	6,201	7,347
Total current assets	125,205	122,141
Total assets	253,231	229,051
Total assets		
Capital and reserves		
Subscribed capital	5,293	5,293
Capital reserves	53,625	53,625
Retained earnings	75,440	69,626
Other reserves	674	– 386
Own shares	– 5,519	– 5,519
Portion of equity attributable to the shareholders of Eckert & Ziegler AG	129,513	122,639
Minority interests	1,379	1,238
Total shareholders' equity	130,892	123,877
Non-current liabilities		
Long-term borrowings	16,470	–
Deferred income from grants and other deferred income	3,472	3,503
Deferred tax	3,298	2,252
Retirement benefit obligations	11,508	11,368
Other provisions	52,033	51,581
Other non-current liabilities	2,227	2,270
Total non current liabilities	89,008	70,974
Current liabilities		
Short-term borrowings	3,091	42
Trade accounts payable	4,681	6,490
Advance payments received	3,594	4,106
Deferred income from grants and other deferred income	123	137
Current tax payable	3,259	4,840
Current tax payable	3,474	3,474
Other current liabilities	15,109	15,111
Total current liabilities	33,331	34,200
Total equity and liabilities	253,231	229,051

STATEMENTS OF SHAREHOLDERS' EQUITY

	Subscribed capital				Cumulative other equity items						
	Number Piece	Nominal value € thousand	Capital reserve € thousand	Retained reserves € thousand	Unrealized profit securities € thousand	Unrealized profit pension commit- ments € thousand	Foreign currency exchange differences € thousand	Own shares € thousand	Equity attributable to sharehol- ders' equity € thousand	Minority shares € thousand	Group share holders' equity € thousand
As of January 1, 2018	5,292,983	5,293	53,500	56,208	0	- 2,849	216	- 27	112,341	5,176	117,517
Total of expenditures and income directly entered in equity	0	0	0	0	0	288	1,959	0	2,247	- 6	2,241
Net profit for the year				16,133					16,133	756	16,889
Total income for the period	0	0	0	16,133	0	288	1,959	0	18,380	750	19,130
Dividends paid/resolved				- 4,131					- 4,131	- 66	- 4,197
Purchase/sale of minority interests			125	0				- 8,698	- 8,573		- 8,573
Acquisition of noncontrolling interests				1,416				3,206	4,622	- 4,622	0
As of December 31, 2018	5,292,983	5,293	53,625	69,626	0	- 2,561	2,175	- 5,519	122,639	1,238	123,877
As of January 1, 2019	5,292,983	5,293	53,625	69,626	0	- 2,561	2,175	- 5,519	122,639	1,238	123,877
Total of expenditures and income directly recognized in equity	0	0	0	0	0	0	383	0	383	- 5	378
Net profit for the year				5,814					5,814	146	5,960
Total income for the period	0	0	0	5,814	0	0	383	0	6,197	141	6,338
Dividends paid/resolved				0					0	0	0
Purchase/sale of minority interests			0	0				0	0		0
As of March 31, 2019	5,292,983	5,293	53,625	75,440	0	- 2,561	2,558	- 5,519	128,836	1,379	130,215

SEGMENTAL REPORT

€ thousand	Isotope Products		Radiation Therapy		Radiopharma		Holding		Elimination		Total	
	Q1/2019	Q1/2018	Q1/2019	Q1/2018	Q1/2019	Q1/2018	Q1/2019	Q1/2018	Q1/2019	Q1/2018	Q1/2019	Q1/2018
Sales to external customers	27,186	22,441	6,364	6,703	10,000	6,594	0	3	0	0	43,549	35,741
Sales to other segments	974	1,532	0	65	0	0	5,892	1,290	-6,866	-2,017	0	870
Total segment sales	28,160	23,973	6,364	6,768	10,000	6,594	5,892	1,293	-6,866	-2,017	43,549	36,611
Segment profit before interest and profit taxes (EBIT)	4,630	1,770	142	612	3,831	1,663	141	-175	48	5	8,792	3,875
Interest expenses and revenues	-169	-72	-17	-23	0	-2	-41	-37	-1	-5	-229	-140
Income tax expense	-1,291	-776	227	-91	-1,462	-408	0	0	-79	0	-2,605	-1,276
Profit before minority interests	3,169	922	352	498	2,370	1,253	100	-212	-32	0	5,959	2,459

SEGMENTAL REPORT

€ thousand	Isotope Products		Radiation Therapy		Radiopharma		Others		Total	
	Q1/2019	Q1/2018	Q1/2019	Q1/2018	Q1/2019	Q1/2018	Q1/2019	Q1/2018	Q1/2019	Q1/2018
Segmental assets	158,705	129,466	48,975	48,906	36,895	30,697	109,438	107,098	354,013	316,167
Elimination of inter-segmental shares, equity investments and receivables									-100,782	-100,733
Consolidated total assets									253,231	215,434
Segmental liabilities	-92,015	-77,337	-14,635	-15,675	-17,110	-14,227	-2,967	-2,607	-126,727	-109,846
Elimination of intersegmental liabilities									4,388	13,205
Consolidated liabilities									-122,339	-96,641
Investments (without acquisitions)	625	339	212	94	558	1,108	19	44	1,414	1,585
Depreciation	-1,475	-1,055	-1,085	-683	-280	-300	-242	-64	-3,082	-2,102
Non-cash income (+)/expenses (-)	-272	98	201	-361	147	1,284	-1,829	489	-1,753	1,510

SALES BY REGIONS

	Q1/2019		Q1/2018	
	€million	%	€million	%
Europe	18.8	43	17.3	49
North America	17.9	41	11.1	31
Asia/Pacific	3.8	9	3.4	10
Others	3.2	7	3.9	10
Total	43.5	100	35.7	100

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

These unaudited consolidated interim financial statements as of March 31, 2019, comprise the financial statements of Eckert & Ziegler Strahlen- und Medizintechnik AG and its subsidiaries (hereinafter also referred to as “Eckert & Ziegler AG”).

2. ACCOUNTING AND MEASUREMENT METHODS

The consolidated financial statements (interim financial statements) of Eckert & Ziegler AG as of March 31, 2019, have been prepared in accordance with the International Financial Reporting Standards (IFRS), as were the 2018 annual financial statements. All the standards of the International Accounting Standards Board (IASB), London, applicable in the EU on the reporting date, as well as the valid interpretations of the International Financial Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC) have been taken into consideration. The accounting and measurement methods detailed in the notes to the 2018 annual financial statements have been applied without any changes.

For the preparation of the consolidated financial statements in accordance with IFRS, it is necessary to make estimates and assumptions which affect the amounts and reporting of the assets and liabilities as well as income and expenses recognized. The actual figures may differ from the estimates. Significant assumptions and estimates are made for the useful life and net realizable value of assets, the recoverability of receivables and the recognition and measurement of provisions.

This interim report contains all the necessary information and adjustments that are required to give a true and fair view of the net assets, financial position and results of operations of Eckert & Ziegler AG for the interim report. The results recorded during the current financial year are not necessarily indicative of future results.

3. GROUP OF CONSOLIDATED COMPANIES

The consolidated financial statements of Eckert & Ziegler AG include all companies in which Eckert & Ziegler AG is able to directly or indirectly influence the financial and business policies (control concept).

Acquisitions and disposals of companies

There were no acquisitions or disposals of companies during the first quarter of 2019.

4. CURRENCY TRANSLATION

The financial statements of companies outside the euro area are translated based on the functional currency concept. The following exchange rates were used for the currency conversion:

Country	Currency	Exchange rate 31/3/2019	Exchange rate 31/12/2018	Average rate 1/1–31/3/2019	Average rate 1/1–30/3/2018
USA	USD	1.1235	1.1450	1.1358	1.2292
Czech Republic	CZK	25.8020	25.7240	25.6830	25.4024
UK	GBP	0.8583	0.8945	0.8725	0.8834
Brazil	BRL	4.3865	4.4440	4.2775	3.9887
India	INR	77.7190	79.7298	80.0720	79.1264
Switzerland	CHF	1.1181	1.1269	1.1653	1.1653

5. PORTFOLIO OF TREASURY SHARES

As of March 31, 2019, Eckert & Ziegler AG held 145,460 treasury shares. This corresponds to 2.7 % of the company's share capital.

6. MATERIAL TRANSACTIONS WITH RELATED PARTIES

With regard to material transactions with related parties, we refer to the disclosures in the consolidated annual financial statements as at December 31, 2018.

Berlin, May 7, 2019

Dr. Andreas Eckert
Chairman of the Executive Board

Dr. Harald Hasselmann
Member of the Executive Board

Dr. Lutz Helmke
Member of the Executive Board

FINANCIAL CALENDAR

May 7, 2019	Quarterly Report I/2019
May 15, 2019	Spring Conference 2019 in Frankfurt/Main
May 29, 2019	Annual Shareholder Meeting in Berlin-Buch
August 13, 2019	Quarterly Report II/2019
November 12, 2019	Quarterly Report III/2019
November 2019	German Equity Forum in Frankfurt/Main

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IMPRINT

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LAYOUT

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PHOTO

istockphoto.com