

KROMI publishes H1 2018/2019 report

Hamburg, February 22, 2019 – KROMI Logistik AG, a manufacturer-independent expert in optimising tool availability and tool deployment in machining operations, has today published its report on the first six months of its 2018/2019 fiscal year (July 1 to December 31, 2018). The company generated revenues of EUR 35,476 thousand in the first half of the year (previous year: EUR 39,335 thousand). Profit from operations (EBIT) was burdened by non-operative one-off items and amounted to EUR -1,423 thousand (previous year: EUR -173 thousand). Adjusted for these one-off items, the operating result amounted to EUR -319 thousand. Isolated for the second quarter of 2018/2019, the operating result adjusted for one-off items was slightly positive.

The first half of the 2018/2019 financial year was characterised by major challenges, which were also reflected in the results. Nevertheless, KROMI was already able to compensate nearly half of the decline in revenues resulting from the termination of a contract with a major customer at the turn of the year 2017 / 2018. This was in particular due to the positive business development in other European countries. Outside Germany, operating business reported a successful trend with 14.4 percent revenue growth overall. Revenue generated in European countries outside Germany of EUR 14,526 thousand was up by around 19 percent compared with the previous year's level (EUR 12,246 thousand). In Brazil, sales in the local currency, the Brazilian Real, amounted to BRL 16,558 thousand, also representing 19 percent growth on the previous year (BRL 13,895 thousand). Due to the weakness of the Real, this growth when expressed in euros could not contribute to an improved revenue development. Revenues increased from EUR 3,689 thousand in the previous year to EUR 3,703 thousand.

Compared to the previous year, the cost of materials fell from EUR 29,442 thousand to EUR 27,600 thousand; the cost of materials ratio amounted to 77.8 percent (previous year: 74.9 percent). This reflected business with new customers and a higher share of foreign business, which historically entails a higher cost of materials ratio. The gross profit margin fell from 25.1 percent in the previous year to 22.2 percent.

Staff costs decreased from EUR 6,684 thousand in the previous year to EUR 6,117 thousand. This includes a special effect in the amount of EUR 631 thousand, which was formed in connection with the departure of a member of the Managing Board as of December 31, 2018. Adjusted for one-off items, the staff cost ratio amounted to 15.5 percent (previous year 13.8 percent).

A one-off effect on earnings arose in the reporting period, as an automotive supply sector customer filed for insolvency in self-administration. As part of this, KROMI, on the basis of commercial prudence, has written off the total amount of EUR 537 thousand of receivables from the customer. After these value adjustments, the aforementioned

special effect in staff cost as well as the imputed currency effects, the operating result amounted to EUR -319 thousand. Despite these one-off items, KROMI is retaining its forecast for the 2018/2019 fiscal year.

Bernd Paulini, Managing Board Chairman (CEO), comments: "Despite the existing challenges, we are firmly convinced that the measures we have initiated to further develop our business model will significantly strengthen our position in the market. As we offer a strong range of services, our core markets are intact, and the demand for integrated outsourcing solutions remains unbroken, we are confident that we will grow more profitably than ever in the long term."

Over the course of the day, KROMI will make its full (IFRS) report for the first six months of its 2018/2019 fiscal year available for downloading on its website at www.kromi.de within the Investor Relations area.

Company profile:

KROMI, Hamburg, is a manufacturer-independent expert in optimising tool availability and tool deployment in machining operations. As a reliable and transparent partner to industry, KROMI combines machining technology, data management and streamlined logistics processes to form compelling all-round solutions. Thanks to networked dispensers in customers' production areas in combination with digital inventory controlling, KROMI ensures the optimal utilisation and availability of the requisite working resources at the right time and in the right place. The activities of KROMI aim to always offer maximum value for customers' machining operations in its core markets of Europe and Brazil. This entails analysing processes on the customer side in detail and identifying opportunities and potential improvements, in order to optimally integrate tool supplies with all requisite services. KROMI currently has sites in Germany, Slovakia, the Czech Republic, Spain and Brazil. KROMI is also active in five further European countries.

Visit us on the Internet at: www.kromi.de

Investor relations contact:

cometis AG
Claudius Krause
Tel.: +49 (0)611-205855-28
Fax: +49 (0)611-205855-66
Email: krause@cometis.de