

KROMI publishes FY 2018/2019 financial statement

Hamburg, October 2, 2019 – KROMI Logistik AG today publishes its financial statement for the 2018/2019 fiscal year (July 1, 2018 to June 30, 2019). In the past fiscal year, KROMI generated revenue of EUR 74.8 million (previous year: EUR 80.4 million) and an EBIT of EUR -0.9 million. This EBIT includes three non-operative special effects totaling EUR 0.9 million. Adjusted for these special effects, a balanced EBIT was achieved for the past fiscal year, already being clearly positive in the second half-year.

The 2018/2019 fiscal year was marked by major challenges, which also impacted revenue and earnings. In particular, the effects of the termination of a contract with a major customer at the 2017/2018 turn of the year were clearly evident. Thanks to business development in the rest of Europe, where KROMI achieved 13.5 % revenue growth, the company has already compensated for just under half of the resulting revenue decline in the 2018/2019 fiscal year. Overall, total revenues of around EUR 74.8 million were 7 % down on the previous year, as expected. The EBIT was impacted by three non-operative special effects resulting from the conclusion of a termination agreement with a former member of the Executive Board, the insolvency of a customer in the automotive supply industry and currency effects in connection with business in Brazil. Adjusted for these special effects, KROMI achieved a balanced EBIT in fiscal year 2018/2019.

The cost of materials ratio was 77.8 % in 2018/2019, up on the previous year's 77.2 %. The increase arose from the termination of a contract with a major customer and a high proportion of new customer business, as lower gross profit margins were achieved in the start-up phase due to the business model applied to date. Accordingly, the gross profit margin amounted to 22.2 %, below the previous year's 22.8 %.

The staff cost ratio stood at the previous year's level of 15.4 % (previous year: 15.4 %). In the previous year, staff costs were burdened to a greater extent by the resignation of the former CEO. This year staff costs include a special effect in the amount of EUR 631 thousand in connection with the CFO's departure as of December 31, 2018.

Under the brand claim "Tooling - One step ahead", KROMI further developed its business model in the 2018/2019 fiscal year with the aim of strengthening its competitive position and consistently tapping market potential in Germany and abroad. The result: KROMI achieves maximum value for its customers – in line with how such customer values change over time – thanks to a service portfolio that can be flexibly adapted to reflect customer relationships. This service portfolio encompasses our four areas of expertise in TOOLS, TECHNOLOGY, LOGISTICS and DATA. The type and scope of KROMI's services can be individually adapted to ensure optimised processes, ideally matched tools and

maximum flexibility at all times. The advantage for the customer is a tailor-made offering with differentiated pricing according to the services required.

Bernd Paulini, Managing Board Chairman (CEO), comments: "As expected, the past fiscal year was a transitional year for us in operational terms due to the loss of our largest customer. However, our core markets are intact and demand for integrated outsourcing solutions continues unabated. We offer our customers a strong range of services, which has become even more attractive thanks to the further development of our business model. This is already reflected this year in the expansion of business with existing customers and the successful acquisition of new customers. For this reason, we are convinced that we will grow profitably in the long term."

For the 2019/2020 fiscal year, the Managing Board anticipates an increase in revenue of around 10 % and a slightly positive EBIT. Currency effects in connection with the business in Brazil are not taken into consideration due to the lack of predictability.

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

Company profile:

KROMI, headquartered in 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

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