

# PRESS RELEASE

## **Nanogate: 2017 Operating Result Increase Remarkable and 2018 Expected to be Another Record Year**

Page 1/3

- Sales grow by more than 65 % to EUR 186.2 million
- EBITDA increases by around 74 % to EUR 21.5 million
- The EBITDA margin rises to 11.6 %
- Dividend proposal of EUR 0.11 per share
- Forecast confirmed for 2018: Sales of more than EUR 220 million and an operating result (EBITDA) of at least EUR 24 million are expected

**Göttelborn, Germany, April 26, 2018. Nanogate SE, a leading global specialist for design-oriented high-tech surfaces and components, looks back at the best year in the company's history, having increased the operating result (EBITDA) more strongly than sales in 2017. EBITDA increased by about 74 %, while sales rose by more than 65 %. The EBITDA margin improved to 11.6 %. The dividend is expected to amount to EUR 0.11 again. The Group is similarly optimistic about 2018 and expects an additional increase in sales to at least EUR 220 million. The operating result (EBITDA) should reach at least EUR 24 million in 2018.**

CEO Ralf Zastrau: "Nanogate continued its long-standing success story in 2017 and once again more than lived up to its reputation as a growth stock. The Group developed further at all levels and expanded its market position. As a result, we achieved new record levels in our number of employees, sales and operating result. Our new majority-owned subsidiary Nanogate Jay Systems also contributed to this. At the same time, we further strengthened the technology portfolio and in the meantime launched our comprehensive innovation offensive. We intend to use this to increase our sales potential, primarily in industrial business."

### **EBITDA Increases by Around 74 % to EUR 21.5 Million**

Thanks to the high level of demand, primarily in the strategic growth fields of advanced metals and advanced polymers, as well as the newly acquired U.S. subsidiary Nanogate Jay Systems, sales increased by more than 65 % from EUR 112.5 million to EUR 186.2 million. Export sales increased by about 90 % to EUR 112 million (previous year: EUR 59 million), equivalent to an export rate of 60 % (previous year: 52 %). The overall performance (sales, changes in inventories, own work capitalized plus other operating income) increased accordingly by about 63 % to EUR 190.9 million (previous year: EUR 116.9 million). The gross profit margin of 60.5 % (previous year: 62.7 %) reflects the Group's strategy of focusing increasingly on the business of developing and producing high-quality components.

#### **Contact**

##### **Christian Dose**

Financial Press and Investors  
WMP Finanzkommunikation GmbH  
Tel. +49 69 57 70 300 21  
nanogate@wmp-ag.de

##### **Juliane Wernet**

Nanogate SE  
Zum Schacht 3  
66287 Göttelborn | Germany  
Tel. +49 6825 9591 223  
juliane.wernet@nanogate.com

www.nanogate.com  
twitter.com/nanogate\_se

## PRESS RELEASE

Page 2/3

The operating result (EBITDA) rose particularly strongly compared to sales by about 74 % to EUR 21.5 million (previous year: EUR 12.4 million). Despite costs involved in the course of expansion and significant transaction and integration costs, the EBITDA margin improved to 11.6 % (previous year: 11.0 %). The EBITDA margin would have been much higher without these significant costs. The anticipated increase in depreciation and amortization reflects the high level of investment. Consolidated EBIT nevertheless grew by about 57 % to EUR 7.3 million (previous year: EUR 4.6 million). While earnings per share amounted to EUR 0.64 (previous year: EUR 0.70) in view of the higher number of shares, consolidated net income increased to EUR 2.8 million (previous year: EUR 2.5 million) despite expansion-related costs and investments.

### **Continued Strong Financial Position**

With the new majority-owned subsidiary Nanogate Jay systems in the U.S. and other investments, the Group's balance sheet total increased by about 50 % to EUR 235.1 million (previous year: EUR 156.4 million). Despite the course of expansion, the equity ratio remained at a high level at 39.9 % (previous year: 42.1 %). As of the reporting date, the Group had cash and cash equivalents of EUR 20.3 million (previous year: EUR 22.6 million) despite implementation of the growth strategy. Given the greater business volume, the cash flow from operating activities increased to EUR 14.9 million (previous year: EUR 10.8 million).

### **Forecast: Further Growth Leap Expected in 2018**

Nanogate expects persistently dynamic business growth in the current fiscal year. Following a strong start to the year and thanks to both newly acquired subsidiaries, Nanogate Slovakia and Nanogate Electronic Systems, the Group expects a rise in sales to at least EUR 220 million. In parallel, the operating result (EBITDA) is expected to rise to over EUR 24 million despite transaction and integration costs. Given the innovation offensive that has been launched, the Group is planning to invest over EUR 20 million during the course of this year in expanding its technology leadership and increasing its capacities. Accordingly, consolidated net income will continue to be characterized by increasing depreciation and borrowing costs. Alongside this, the Group would like to adjust the organizational structure in accordance with the increased internationality.

"The aim of our expansion strategy is to lay the foundation for growth over the coming years. Our systems and applications under the N-Glaze® and N-Metals® brands target lucrative markets and provide us with an ever-growing order base. Furthermore, we are expanding our international presence and opening up additional markets by acquiring the plastics operations of the Austrian company HTI High Tech Industries AG. The area

#### **Contact**

##### **Christian Dose**

Financial Press and Investors  
WMP Finanzkommunikation GmbH  
Tel. +49 69 57 70 300 21  
nanogate@wmp-ag.de

##### **Juliane Wernet**

Nanogate SE  
Zum Schacht 3  
66287 Götterborn | Germany  
Tel. +49 6825 9591 223  
juliane.wernet@nanogate.com

www.nanogate.com  
twitter.com/nanogate\_se

# PRESS RELEASE

of integrated smart surfaces could provide another sales boost over the medium term. Alongside the expansion of the technology portfolio and the further international market development, external growth remains one of the pillars of our expansion. Nanogate is optimally equipped to open up its target markets with a volume worth billions," explains CEO Zastrau about the forecast.

## Nanogate SE

Nanogate (ISIN DE000A0JKHC9) is a leading global specialist for design-oriented high-tech surfaces and components of very high optical quality. The Group employs around 1,500 people. Nanogate develops and produces design-oriented surfaces and components and enhances them with additional properties (e.g. nonstick, scratchproof, anticorrosive). The Group has first-class references (e.g. Airbus, Audi, August Brötje, BMW, BSH Hausgeräte, Daimler, FILA, Ford, Fresenius, GM, Jaguar, Junghans, Porsche and Volkswagen). Several hundred mass production projects for customers have already been implemented successfully. The Nanogate Group is represented on both sides of the Atlantic with its own production facilities.

True to its slogan "A world of new surfaces", Nanogate is a long-standing innovation partner who opens up the diverse possibilities offered by new materials to companies in a wide range of industries. It aims to improve customers' products and processes and to provide environmental benefits by using multifunctional surfaces, such as those made of plastic or metal, and innovative plastic components. The Group focuses on attractive applications, primarily for its target industries, which are the automotive, aviation, home appliances, interior, leisure, and medical sectors. As a systems provider, Nanogate offers the entire value chain materials development for surface systems, series coating of various different substrates as well as the production and enhancement of complete plastic components. The main value drivers are the opening up of international markets, the development of new applications, particularly for the strategic areas of glass-like (N-Glaze) and metallized (N-Metals) surfaces, as well as external growth.

## Disclaimer

This publication constitutes neither an offer to sell nor an invitation to buy securities. The shares in Nanogate SE (the "Shares") may not be offered or sold in the United States or to or for the account or benefit of "U.S. persons" (as such term is defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act")). No offer or sale of transferable securities is being made to the public.

### Contact

#### Christian Dose

Financial Press and Investors  
WMP Finanzkommunikation GmbH  
Tel. +49 69 57 70 300 21  
nanogate@wmp-ag.de

#### Juliane Wernet

Nanogate SE  
Zum Schacht 3  
66287 Götterborn | Germany  
Tel. +49 6825 9591 223  
juliane.wernet@nanogate.com