

# Group Interim Report for the first six months of 2015



Record revenue for the first half-year

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Development of revenue positive – operating result  
is growing more than average

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Uzin Utz AG is confident about the second half-year of 2015

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## Uzin Utz AG

The Uzin Utz Group showed a solid development as of the half of the fiscal year 2015 and records a substantial increase in revenue and operating results. This positive development will also continue in the second half-year.

As of the half-year 2015 the revenue of the Uzin Utz Group is around € 123.7 million and is thus 9.2% above the level of the previous year. The earnings before tax come to € 7.1 million and are significantly higher than the previous year with a plus of 23.6%.

This development represents an important step within the framework of the intended growth process and brings the Uzin Utz Group closer to the goal to be a local provider with global experience, which develops and produces on site so the customers receive country-specific service packages for their individual needs.

## Interim management report

### Basic conditions

The German economy grew noticeably in the second quarter of 2015: The gross domestic product increased by 0.5% compared with the previous quarter.

The growth is mainly supported by the service sectors, which benefit from the continued strong private consumption. Risk factors such as the crisis in Greece, the scepticism of Great Britain towards the EU and the political tensions with Russia most recently inhibited the investment and demand behaviour of the German industry. Uncertainties also result from the slowing down of the economic growth in China. However, the German Institute for Economic Research is also expecting positive effects in the industry over the second half-year through the improved price competitiveness and the economic recovery in the Euro zone.

### Development of the industry:

The volatile development of the previous months with a principally positive upwards trend continued in the main building industry. The incoming orders (in terms of volumes) fell in the second quarter (-5.2% in April) after a strong start at the beginning of the year. The building permits also fell in April (-5.6%), however being still at a comparably high level. As a result of the low interest rates for housing construction loans, the housing construction even continued to increase. A continued positive development is to be expected here, in particular in multi-floor residential buildings.

The main association of the German construction industry as well as the central association of the German building industry are expecting an increase of the revenue in the main building industry for 2015 by 2% compared to the previous year with constant employment.

In the USA the construction sector is on a path of sustainable recovery whereas China is battling with a decline of new building projects and a stagnation in residential building. The economic prospects for the European building industry are favourable on the whole. Whereas France is still confronted with a decline in the order situation, positive growth rates are still expected for Great Britain, Poland, Belgium and the Netherlands.

## Income, asset and financial situation

All previous year's figures in brackets

### Income situation

The Uzin Utz Group was highly successful in the first half-year of 2015.

Turnover increased to around € 123.7 million, after € 113.3 million in the same period of the previous year. This represents a plus of 9.2%. Foreign sales rose from 56.5% to 58.9%.

Pre-tax\* profit increased in comparison to the previous year by 23.6% to € 7.1 million (5.7).

Profit after taxes is € 5.0 million (3.9). This represents a plus of 29.8% in comparison to the previous year.

Percentage materials usage within the Group decreased from 43.0% to 41.7%.

The level of depreciation rose from € 3.5 million to € 3.7 million in the first half year of 2015.

Other operating expenses went up from € 24.4 million in the same period of the previous year to € 28.2 million in the first half of this year. In absolute terms, other operating expenses increased by € 3.7 million.

Profit before depreciation, interest and tax\* is € 11.3 million (10.1).

Profit before interest and taxes\* increased by 14.8% to € 7.6 million in comparison to the previous year (6.6).

The financial result increased from € -0.9 million to € -0.5 million in comparison to the previous year.

### Employees

The average number of employees rose compared to the previous year, from 940 to 971. 28 young people are being trained (32).

Percentage personnel costs rose from 27.8% to 28.0%. In absolute terms, personnel costs increased from € 31.4 million to € 34.7 million.

\* taxes on income and other taxes

## Asset situation

For purposes of better comparability, all previous year comparisons refer to the balance sheet as of 30.06.2014.

The balance sheet total increased from € 205.8 million by € 21.7 million, amounting to € 227.5 million.

The share of group capital assets decreased from 60.6% to 60.0%. The remaining assets therefore make up 40.0% (39.4%) of the balance sheet total.

Receivables from customers rose from € 34.0 million to € 37.7 million.

Stocks on hand climbed from € 29.0 million to € 30.7 million.

Except for the investment properties, the complete assets continue to represent operationally necessary values.

The liquid assets increased from € 10.8 million to € 16.7 million.

## Financial situation

The equity capital rose from € 111.0 million to € 119.4 million, therefore making up 52.5% of the balance sheet total (53.9). The margin is still exceeding the industry average.

Short-term liabilities to banks decreased by € 5.0 million to € 24.9 million.

Trade payables climbed from € 10.2 million to € 10.5 million.

The total current provisions increased by € 1.4 million to € 12.0 million.

The share of short-term liabilities in the balance sheet total decreased from 27.1% to 23.9% in 2015.

The share of non-current liabilities in the balance sheet total has been increased from € 39.1 million to € 53.9 million (23.7%) in comparison to the previous year.

The preparation of the interim report in millions of Euros may cause rounding differences because the calculations for individual items are based on figures in Euros.

## **Outlook**

In the middle of the year the perspectives for a continued expansion in the world economy are intact; a moderate speed of growth is still expected. Uzin Utz AG is confident about the second half-year of 2015. Due to the established market and competitive strength the company will maintain its position in the volatile and challenging environment and achieve the set revenue and operating results targets as of the end of the year. The company will concentrate here on expanding the business in the defined focus countries as well as on innovations, portfolio optimisations and the general improvement in efficiency.

## Statement of profit and loss and other comprehensive income \*

	June 30, 2015	June 30, 2014
<b>Sales revenues</b>	<b>123,718</b>	<b>113,267</b>
Changes in inventory of finished and unfinished goods	-1,342	357
<b>Total output</b>	<b>122,376</b>	<b>113,624</b>
Other operating income	2,808	1,252
Costs of material	51,046	48,910
Personnel expenses	34,668	31,448
Depreciation/amortisation on tangible and intangible assets	3,731	3,517
Other operating expenses	28,161	24,417
<b>Operating income</b>	<b>7,558</b>	<b>6,584</b>
Revenues from investments in associates (equity method)	134	24
Financial result	-640	-900
<b>Result from ordinary activities</b>	<b>7,052</b>	<b>5,707</b>
Taxes on income	1,542	1,518
Other taxes	470	304
<b>Net income for the year</b>	<b>5,040</b>	<b>3,885</b>
Minority interests in profit	-22	5
<b>Consolidated net income for the year</b>	<b>5,018</b>	<b>3,889</b>
<b>Other comprehensive income, net of tax</b>	<b>June 30, 2015</b>	<b>June 30, 2014</b>
<b>Items that may be reclassified subsequently to profit or loss</b>	<b>3,656</b>	<b>229</b>
Exchange differences on translating foreign operations	4,589	229
corresponding deferred taxes	-933	-69
Items that will not be reclassified to profit or loss	134	36
Income from financial instruments	192	36
corresponding deferred tax	-58	-11
<b>Other comprehensive income - before minority interests</b>	<b>3,790</b>	<b>265</b>
Other comprehensive income - minority interests	-6	-1
<b>Other comprehensive income - after minority interests</b>	<b>3,784</b>	<b>264</b>
<b>Profit and loss and other comprehensive income</b>	<b>8,802</b>	<b>4,153</b>
	<b>June 30, 2015</b>	<b>June 30, 2014</b>
Earnings per share (in EUR)	1.00	0.77
average number of employees (incl. trainees)	1,001	997

\* according to IFRS, in TEUR, unaudited

## Balance Sheet Of Uzin Utz Group \*

Assets	June 30, 2015	31. 12. 2014	June 30, 2014
Intangible assets	32,497	32,244	32,547
Tangible assets	91,753	91,236	85,109
Subsidiaries measured at equity	1,476	1,365	1,031
Other non-current financial assets	5,315	5,052	1,769
Investment Properties	5,449	4,406	4,144
Income tax receivables	230	230	336
Deferred tax assets	2,145	2,170	1,600
Other non-current assets	258	181	193
<b>Non-current assets</b>	<b>139,124</b>	<b>136,883</b>	<b>126,730</b>
Inventories	30,704	30,082	29,019
Trade receivables	37,676	23,332	34,020
Income tax receivables	328	471	530
Other current assets	2,938	3,618	4,635
Cash and Cash equivalents	16,743	14,621	10,843
<b>Current assets</b>	<b>88,389</b>	<b>72,123</b>	<b>79,047</b>
<b>Balance sheet total</b>	<b>227,513</b>	<b>209,007</b>	<b>205,777</b>
<b>Liabilities</b>			
Subscribed capital	15,133	15,133	15,133
Capital reserve	26,827	26,827	26,827
Revenue reserve	77,461	73,209	69,109
Minority interests	22	8	-11
Own shares	-89	-89	-89
<b>Total equity</b>	<b>119,354</b>	<b>115,088</b>	<b>110,969</b>
Provisions for pensions and other similar obligations	4,844	4,264	2,792
Due to credit institutions long-term	37,999	35,197	28,067
Deferred tax liabilities	10,966	9,815	7,283
Other non-current liabilities	46	49	912
<b>Non-current liabilities</b>	<b>53,856</b>	<b>49,325</b>	<b>39,054</b>
Reserves	12,017	6,935	10,588
Due to credit institutions short-term	24,916	20,921	29,877
Advances received	6	70	5
Trade payables	10,460	8,027	10,172
Income tax liabilities	1,674	1,510	458
Other short-term liabilities	5,230	7,131	4,653
<b>Current liabilities</b>	<b>54,303</b>	<b>44,594</b>	<b>55,754</b>
<b>Balance sheet total</b>	<b>227,513</b>	<b>209,007</b>	<b>205,777</b>

\* according to IFRS, in TEUR, unaudited



## Consolidated cash flow statement \*

	June 30, 2015	June 30, 2014
<b>Net profit for the year</b>	<b>5,040</b>	<b>3,885</b>
+/- Depreciation and amortisation of fixed assets	3,731	3,517
+/- Change in provisions	5,040	4,248
+/- other non-cash expense and income items	-134	-24
-/+ Gain/loss on disposal of non-current assets	77	83
+/- Change in current assets (inventories, receivables)	-12,671	-9,979
+/- Change in liabilities	294	264
<b>Cashflow from operating activities</b>	<b>1,377</b>	<b>1,995</b>
+/- Proceeds from disposal of tangible assets/ Investments in tangible assets	-2,327	-6,522
+/- Proceeds from disposal of intangible assets/ Investments in intangible assets	-144	-72
+/- Proceeds from disposal of financial assets/ Investments in financial assets	100	-525
<b>Cashflow from investing activities</b>	<b>-2,372</b>	<b>-7,118</b>
- Payments to shareholders and minorities	-4,535	-4,031
+/- Proceeds to the issue of bond/ Repayment of bonds	2,398	1,208
<b>Cashflow from financing activities</b>	<b>-2,137</b>	<b>-2,823</b>
+/- Payment-related change in cash and cash equivalents	-3,131	-7,946
+/- Exchange-rate-related and other changes in cash and cash equivalents	1,125	215
+ Cash and cash equivalents at beginning of the period	4,733	851
<b>Cash and cash equivalents at the end of the period</b>	<b>2,726</b>	<b>-6,881</b>
<b>Cash and cash equivalents</b>		
Cash and cash equivalents	16,743	10,843
short-term liabilities due to credit institutions	-14,017	-17,724
<b>Cash and cash equivalents</b>	<b>2,726</b>	<b>-6,881</b>

\* according to IFRS, in TEUR, unaudited

## Statement of changes in equity \*

	Subscribed capital	Capital reserve	Retained earnings	
			Group net income	Translation differences
<b>Balance as of January 01, 2014</b>	<b>15,133</b>	<b>26,827</b>	<b>68,883</b>	<b>1,876</b>
Net profit of the year	0	0	3,885	0
Comprehensive income	0	0	0	229
<b>Profit and loss and other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>3,885</b>	<b>229</b>
Increase of capital	0	0	0	0
Own shares	0	0	0	0
Dividends paid	0	0	-4,031	0
Other changes	0	0	2,260	0
<b>Balance as of June 30, 2014</b>	<b>15,133</b>	<b>26,827</b>	<b>70,998</b>	<b>2,105</b>
<b>Balance as of January 01, 2015</b>	<b>15,133</b>	<b>26,827</b>	<b>75,967</b>	<b>2,502</b>
Net profit of the year	0	0	5,018	0
Comprehensive income	0	0	0	3,656
<b>Profit and loss and other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>5,018</b>	<b>3,656</b>
Increase of capital	0	0	0	0
Own shares	0	0	0	0
Dividends paid	0	0	-4,535	0
Changes in basis of consolidation	0	0	-21	0
<b>Balance as of June 30, 2015</b>	<b>15,133</b>	<b>26,827</b>	<b>76,429</b>	<b>6,158</b>

\* according to IFRS, in TEUR, unaudited

Reserve on own shares	Other trans- actions	Sum	Minority interests	Total Equity
<b>-4,029</b>	<b>-89</b>	<b>108,602</b>	<b>-15</b>	<b>108,587</b>
0	0	<b>3,885</b>	5	3,889
36	0	<b>265</b>	-1	264
<b>36</b>	<b>0</b>	<b>4,149</b>	<b>4</b>	<b>4,153</b>
0	0	<b>0</b>	0	0
0	0	<b>0</b>	0	0
0	0	<b>-4,031</b>	0	-4,031
0	0	<b>2,260</b>	0	2,260
<b>-3,993</b>	<b>-89</b>	<b>110,980</b>	<b>-11</b>	<b>110,969</b>
<b>-5,260</b>	<b>-89</b>	<b>115,080</b>	<b>8</b>	<b>115,088</b>
0	0	<b>5,018</b>	22	5,040
<b>134</b>	<b>0</b>	<b>3,790</b>	-6	3,784
<b>63</b>	<b>0</b>	<b>8,809</b>	<b>16</b>	<b>8,825</b>
0	0	<b>0</b>	0	0
0	0	<b>0</b>	0	0
0	0	<b>-4,535</b>	0	-4,535
0	0	<b>-21</b>	-2	-23
<b>-5,126</b>	<b>-89</b>	<b>119,332</b>	<b>22</b>	<b>119,354</b>

## Segment Reporting \*

	Germany				Western Europe	
	Installation systems		Surface care and enhancement			
	2015	2014	2015	2014	2015	2014
External sales	48,510	49,866	7,058	7,323	26,420	24,568
Intercompany sales	20,363	15,910	3,029	2,915	5,581	6,092
<b>Total sales</b>	<b>68,873</b>	<b>65,776</b>	<b>10,086</b>	<b>10,238</b>	<b>32,002</b>	<b>30,660</b>
<b>Segment Profit (EBIT)</b>	<b>2,110</b>	<b>2,595</b>	<b>1,031</b>	<b>557</b>	<b>2,068</b>	<b>2,174</b>

### Reconciliation \*

Reconciliation of the total segments' profit to profit before taxes \*\* is as follows:

	June 30, 2015	June 30, 2014
<b>Total segments profit</b>	<b>7,719</b>	<b>6,627</b>
Total segments profit, non operating segments	-1	0
Eliminations	-161	-43
<b>Group-EBIT</b>	<b>7,558</b>	<b>6,584</b>
Equity method results	134	24
Interest and similar income	38	37
Interest and similar expenses	678	937
<b>Group-EBT</b>	<b>7,052</b>	<b>5,707</b>

\* according to IFRS, in TEUR, unaudited; \*\* taxes on income and other taxes

South-/Eastern Europe		all other segments		Reconciliation		Total group	
2015	2014	2015	2014	2015	2014	2015	2014
5,373	5,252	36,356	26,257	0	0	123,718	113,267
1,335	468	3,155	1,948	-33,462	-27,333	0	0
<b>6,707</b>	<b>5,721</b>	<b>39,512</b>	<b>28,205</b>	<b>-33,462</b>	<b>-27,333</b>	<b>123,718</b>	<b>113,267</b>
<b>41</b>	<b>-23</b>	<b>2,470</b>	<b>1,323</b>	<b>-162</b>	<b>-43</b>	<b>7,558</b>	<b>6,584</b>

## Notes to the Six-Monthly Statement

### Financial reporting and valuation methods

This interim financial statement was prepared in accordance with the IAS 34 »Interim Financial Reporting« regulations. The interim financial statement as per June 30, 2015 and the comparative figures from the previous year were prepared by way of applying the financial reporting and valuation methods of the Group financial statement for 2014. A description of these principals is published in detail in the notes to the Group financial statement for 2014. They are also available on the internet at [www.uzin-utz.com](http://www.uzin-utz.com) in the field Investor Relations/Financial Reports.

The Group interim financial statements are not subject to any kind of review by auditors.

The preparation of the interim report in thousands of Euros may, due to additions, give rise to rounding differences because the calculations for individual items are based on figures in Euros.

### Consolidation Group

In the first six months of 2015, there were no changes in the consolidation group.

### Cash flow statement

The cash flow statement was prepared in accordance with IAS 7 by way of application of the indirect method for the cash flow from operating activities on the basis of the net profit. The cash flow statement is divided into three areas: operating, investing and financing activities.

## Segment reporting

The segment reporting is in accordance with the IFRS 8 Operating Segments.

The segments are shown according to their internal organisation and reporting structure and the legal units, although these were summarised taking into account regional areas of responsibility. The subsidiaries recognized as at equity are not taken into account for the reporting of the segments.

The segment result is shown as the result before taxes (taxes on income and other taxes) and interest.

## Appropriation of profits

The proposal to distribute part of the 2014 balance sheet total in the sum of 20,574,527.83 Euro was approved at the Annual General Meeting held on May 12, 2015. This distribution corresponds to a dividend of 0.90 Euro per individual share certificate (in total 4,539,887.10 Euro) on the share capital of 15,132,957.00 Euro.

## Earnings per share

Earnings per share have been determined on the basis of the Group result after taxes and the weighted average number of shares issued. The undiluted result per share is identical to the diluted result per share.

## Contingent liabilities and other financial obligations

Compared with December 31, 2014, the other financial obligations have largely remained unchanged.

## Related party relationships

There were no significant changes compared with December 31, 2014.

## Essential events in the reporting period

As of 1 January 2015 the machine division WOLFF was relocated from Uzin Utz AG. The plants for the machine production therefore passed to the subsidiary WOLFF GmbH & Co KG with registered seat in Ilsfeld. All employees of the plant of the WOLFF trademark – including the field sales force – were also accordingly taken over by WOLFF GmbH & Co. KG.

Løkken AS with the registered seat in Skien, Norway, has been operating under the corporate name Uzin Utz Group Norge AS since 12 January 2015.

It was announced on 30 January 2015 within the framework of the first event of the year of Uzin Utz AG that the company will be managed by a new Executive Board team from 1 January 2016. Dr. H. Werner Utz, who has been working in the management of Uzin Utz AG since 1978, is expected to leave the Executive Board of the company at the end of 2015. Thomas Müllerschön, a long-standing member of the Exe-

\* taxes on income and other taxes

cutive Board and responsible for the departments Finances, Sales, Operation and Logistics, Human Resources, Group Organisation and Central Purchasing, will take over the position of CEO of the group from 1 January 2016. Beat Ludin and Heinz Leibundgut will be newly appointed onto the Executive Board of Uzin Utz AG. Both have already been successfully working in the group for many years.

### **Significant events after the end of the first half-year**

There were no significant events following the conclusion of the first six months of 2015.

### **Assurance by the statutory representatives**

To the best of our knowledge, we hereby assure that the accounting principles that apply to the interim reporting of the Group interim financial statement give a true and fair view of the Group's net assets, financial position, results of operations and cash flows, and in the Group interim report the business development is stated such that it reflects the actual circumstances and the key opportunities and risks of the Group's likely development in the remaining financial year.

### **Disclaimer**

This report contains forward-looking statements that reflect management's current views with respect to future events. Such statements are subject to risks and uncertainties that are beyond Uzin Utz AG's ability to control or estimate precisely. Actual results may be materially different from those expressed or implied by these statements. Uzin Utz AG does not intend or assume any obligation to update any forward-looking statements to reflect events or circumstances after the date of these materials.

Ulm, August 2015  
Uzin Utz Aktiengesellschaft

Board of Directors



Dr. H. Werner Utz



Thomas Müllerschön

Frankness is our command:  
You are invited for the dialogue.

## Uzin Utz AG

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