



## Financial Results 2020 (Annual Report)

### Sustainable Business with Growth Expectation

- Net Sales grew to EUR 45.4 million (2019: EUR 43.7 million); increase of 4.1%. FX Adjusted Growth Rate<sup>1)</sup> for 2020: plus 1.7% (2019: 2.2%).
- Recurring EBITDA<sup>1)</sup> of EUR 7.8 million (2019: EUR 7.4 million) with stable EBITDA Margin<sup>1)</sup> at 17.1% (2019: 17.0%).
- Net Profit of EUR 3.1 million (2019: EUR 2.5 million).
- Strong Order Backlog<sup>1)</sup> at EUR 14.9 million (2019: EUR 13.9 million).

**Grevenmacher, 18 March 2021** – exceet’s 2020 business development started in Q1 strong in healthcare due to high orders of single customers before mid of Q2 first negative impacts of COVID-19 pandemic influenced the business. While existing Software business remained stable in 2020, the relaunch of new software product “exceet connect” were more or less blocked by COVID-19 pandemic. Healthcare customers reduced respectively delayed their orders, because COVID-19 pandemic decreased the demand of their end customers. Short time working has been in place until third quarter to mitigate the negative effects. Since October 2020 the business recovered significantly and exceet could finish 2020 with good results.

exceet’s revenue of EUR 45.4 million (2019: EUR 43.7 million) increased by 4.1%. The FX Adjusted Organic Growth Rate<sup>1)</sup> was of 1.7% (2019: 2.2%). The business of exceet Group was seasonal: in 2020, the Group achieved net sales of EUR 13.8 million in Q1, EUR 11.1 million in Q2, EUR 9.5 million in Q3 and EUR 11.0 million in the fourth quarter.

Gross Margin remained stable with EUR 11.0 million which was 24.2% of net sales (2019: EUR 11.0 million or 25.2%). The slightly decrease of Gross Margin is caused by the product mix in 2020, which was very favorable in 2019 as the Gross Margin increased from 23.9% in 2018.

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1) See exceet Group Consolidated Financial Statements 2020 note 31 “Alternative Performance Measures (APM)” Pages 102 - 105  
<https://www.exceet.com/AnnualReport-2020-APM>

The EBITDA<sup>1)</sup> amounted to EUR 7.8 million or 17.1% of net sales (2019: EUR 6.8 million or 15.6%). The positive effect on the EBITDA Margin<sup>1)</sup> was completely driven by reductions of the administrative costs by EUR 0.8 million. Restructuring costs of EUR 0.6 million as one off costs in 2019 were the most significant part of savings.

Depreciations and amortizations charge in the amount of EUR 3.4 million increased by EUR 0.3 million (2019: EUR 3.1 million). EUR 2.6 million (2019: EUR 2.3 million) relate to the depreciation of tangible assets based on investment in new production equipment, EUR 0.8 million (2019: EUR 0.8 million) relate to the amortization of intangible assets.

The increase of Group's 2020 net result by EUR 0.6 million to EUR 3.1 million (2019: EUR 2.5 million) is mainly driven by these effects: Administrative costs decreased by EUR 0.6 million one off restructuring costs in 2019 while financial result increased by EUR 0.3 million and income tax expenses increased by EUR 0.3 million.

On 31 December 2020, exceet's Order Backlog<sup>1)</sup> amounted to EUR 14.9 million which is EUR 1.0 million higher than on 31 December 2019 (EUR 13.9 million).

As of 31 December 2020, the total assets of exceet Group amounted to EUR 57.2 million, compared to EUR 89.6 million as of 31 December 2019. As of 31 December 2020, exceet Group's equity amounted to EUR 40.6 million, against EUR 73.6 million as of 31 December 2019. This represents an Equity Ratio<sup>1)</sup> of 70.9 % (2019: 82.2%).

The cash and cash equivalents amounted as of 31 December 2020 to EUR 16.6 million (31.12.2019: EUR 51.5 million). The decrease of EUR 34.9 million is mainly caused by the payment of a special distribution to the shareholders in the amount of EUR 35.1 million in June 2020.

Cashflow from operating activities contributed EUR 7.4 million (2019: EUR 5.4 million), investing cashflow amounted of EUR 6.7 million (2019: EUR 5.2 million) payments.

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## Healthcare Segment

The segment is focused on the development and production of innovative and miniaturized printed circuit boards (PCB) in close cooperation with its customers for high-end electronic functionalities in healthcare and medtech devices, particularly in hearing aids, cochlear implants and other medtech implants. The hearing aid market represents a stable growing segment within the healthcare market and offers favorable business conditions for the segment's competence and know-how in miniaturization with strong quality requirements. In many cases, innovative PCB architectures are crucial for the realization of the features demanded by the customers. The 2020 performance of the segment was overall driven by typical small to medium size production characteristics. The sizes of series are generally limited and can experience visible volatility on a quarterly basis due to the short-term orders from customers and due to the specific product mix having an impact out of differently priced PCBs. The volume of produced PCBs increased by over 35% to 24.4 million units in 2020 compared to 18.0 million units in 2019.

The investment program started in 2019 to enlarge the production site in Küssnacht (Switzerland) by additional 20% capacity for further growth and has been finished in 2020. This step is the basis for growth of the PCB activities by further optimizing the production process and separating the clean-room areas for the Ultra HDI Printed Circuit Board (Ultra HDI PCBs) production which started by the end of 2020.

The segment realized net sales of EUR 36.1 million (2019: EUR 34.6 million) representing 79.5% of Group sales and an increase by 4.4%. The EBITDA<sup>1)</sup> amounted to EUR 9.5 million (2019: EUR 9.2 million) – plus 2.7% - and resulting in an EBITDA Margin<sup>1)</sup> of 26.2% (2019: 26.6%).

## Software Segment (including IoT)

Secure connectivity in data-critical IT environments such as eHealth architectures and industrial internet of things (IoT) is the focus of this segment.

The segment continued its efforts to extend the existing partner network to advance market reach of exceet's expertise in secure edge computing applications. Edge computing follows the trend of decentralized data processing close to the device, allowing data computations to be available faster, network traffic to be reduced and pre-processed data to be sent to the cloud. With "exceet connect", the segment has developed a promising market solution, which provides easy implementation and a comprehensive lifecycle management dedicated to guarantee the chosen security level on a long-term basis.

The segment represented 20.5% of Group sales generated external revenues of EUR 9.3 million in 2020 after EUR 9.1 million in 2019 (plus 3.0%). The EBITDA<sup>1)</sup> amounted to EUR 0.0 million (2019: minus EUR 0.1 million).

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## Outlook

Business environment 2021 will be driven by COVID-19 pandemic. Even if the vaccine against COVID-19 has been faster developed than expected, there is still a long way to go, before the economy comes back to former strength. exceet's short term business development is more difficult to forecast than in prior years. Despite of the situation that currently the second wave of the COVID-19 pandemic is worse than expected and influencing the economy sharply, the management is confident that exceet's business is resistant enough and will not be as negatively impacted as other sectors. Currently the positive development in the final quarter of 2020 went on at the beginning of 2021. The Order Backlog<sup>1)</sup> as of 31 December 2020 amounts to EUR 14.9 million compared to EUR 13.9 million (+7.4%) versus one year ago.

exceet started in 2021 with news in both segments: The Healthcare Segment with the Swiss based PCB business invested in 2020 in new infrastructure and equipment to improve the internal processes and to develop and deliver high technologized PCBs. This investment was finished end of 2020. For 2021 the first sales in ultra-high-dense flexible boards with existing and new customers are planned with accelerating potential in the next years.

The Software business is focused on the development and sale of router, gateways and additionally infrastructure and related services. The ongoing investments in IT infrastructure and IT security is a positive trend for exceet.

For 2021 exceet's Management is aiming for an increased EBITDA and EBITDA Margin compared to 2020.

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**Annex: Performance and Structural Data full year 2020**

Complete Annual Report 2020 available at

<https://www.exceet.com/AnnualReport-2020>

and Company Presentation at

<http://www.exceet.com/Company-Presentation-2020>

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**exceet will announce first quarter results 2021 on 6 May 2021**

(after closing of the market)

**About exceet**

exceet is a listed holding company and pursuing an opportunistic investment approach without a defined investment strategy. The investment focus is on seizing attractive risk / reward profiles without restrictions regarding the asset class, structure or duration of such investments.

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