

6 MONTHS REPORT 2019



cenit

CENIT Aktiengesellschaft, Stuttgart		
At a glance – January 1 until June 30, 2019		
in EUR k	June 30 th , 2019	June 30 th , 2018
Sales	84,495	82,113
Gross profits	42,079	42,658
EBITDA	4,984	4,047
Operating returns (EBIT)	2,061	2,581
EBT	2,027	2,573
Net income of the group	1,397	1,793
Earnings per share (basic) in EUR	0.16	0.20
Earnings per share (diluted) in EUR	0.16	0.20
Number of employees at end of period	751	748
EBIT-Margin	2.4%	3.1%
Profit-Margin	1.7%	2.2%
in EUR k	June 30 th , 2019	December 31 st , 2018
Equity in ratio	36.9%	49.4%
Equity	35,171	39,102
Liabilities	60,223	39,973
Balance sheet total	95,394	79,075

RESPONSIBILITY STATEMENT FOR THE 6 Months Report

Statement in accordance with § 37y No. 1 WpHG [Securities Trading Act] in conjunction with § 297 Para. 2 Sentence 3 and § 315 Para. 1 Sentence 6 HGB [Commercial Code]:

“To the best of our knowledge and in accordance with the applicable reporting principles, we assert that the 6 Months Report provides a true and fair impression of the actual assets and liabilities and the financial and earnings situation of the group, and that the 6 Months Report describes the course of business, including the business result and the financial situation of the group, in such a way as to impart a true and fair impression of actual circumstances, as well as to describe the principal risks and opportunities associated with the anticipated development of the group.”

The Managing Board

August 2019

OVERVIEW OF 6 MONTHS FIGURES

During the first six months, CENIT group generated sales of EUR k 84,495 (prior year: EUR k 82,113/2.9%). EBITDA amounted to EUR k 4,984 (prior year: EUR k 4,047/23.2%) at EBIT of EUR k 2,061 (prior year: EUR k 2,581/-20.1%). Earnings per share were EUR 0.16 (prior year: EUR 0.20).

BREAKDOWN OF EARNINGS

In the PLM segment, CENIT achieved earnings of EUR k 76,720 (prior year: EUR k 75,190/2.0%) in the first six months. The EIM segment attained a sales total of EUR k 7,775 against EUR k 6,923 during the same period of 2018 (12.3%). Sales of third-party software totaled EUR k 52,601 (prior year: EUR k 50,504/4.2%), while sales of CENIT's proprietary software increased from EUR k 6,782 to EUR k 7,604/12.1%. Sales in the service and consulting segment amounted to EUR k 24,229 (prior year: EUR k 24,695/-1.9%). Other sales totaled EUR k 61 (prior year: EUR k 132/-53.9%).

COST DEVELOPMENT

Other expenses totaled EUR k 6,035 (prior year: EUR k 8,891).

INVESTMENTS

Investments expenditures in the first six months 2019 amounted to EUR k 709 (prior year: EUR k 894).

CHANGES IN MANAGING AND SUPERVISORY BODIES

None in the second quarter.

EVENTS OF SPECIAL SIGNIFICANCE WHICH MAY AFFECT THE RESULT OF BUSINESS ACTIVITY

None.

INTERIM DIVIDEND

No interim dividend has been disbursed.

DIVIDENDS PAID OR PROPOSED FOR PAYMENT

At the General Meeting of Shareholders on 24 May 2019, the Management Board and the Supervisory Board of CENIT proposed the payment of a dividend of EUR 0.60 for the 2018 business year. EUR k 5,021 were paid out to the CENIT AG shareholders.

ORDERS SITUATION

The group-wide order intake totaled EUR k 87.853 (prior year: EUR k 90,270/-8.5%). Orders in hand as at June 30th, 2019 amounted to EUR k 56,748 (prior year: EUR k 53,635/5.8%).

ORDERS OF SPECIAL SIGNIFICANCE

None.

LIQUID ASSETS AND SECURITIES

On the balance-sheet date, bank deposits totaled EUR k 22,964 (31 Dec. 2018: EUR k 18,041). On the other hand, there are current financial liabilities in amount of EUR k 0 (31 Dec. 2018: EUR k 3).

ASSET, FINANCIAL AND EARNINGS SITUATION

The balance-sheet total is EUR k 95,394. Trade receivables totaled EUR k 21,041. On the balance-sheet date, equity capital amounted to approx. EUR k 35,171 (31 Dec. 2018: EUR k 39,102) at an equity ratio of 36.9% (31 Dec. 2018: 49.4%). Operative cash flow totaled EUR k 10,958 (prior year: EUR k 10,375).

EMPLOYEES

On 30 June 2019, CENIT employed 751 staff group-wide (prior year: 748).

SUPPLEMENTARY, OPPORTUNITIES AND FORECAST REPORTS

For the current year, the CENIT Group expects sales of around EUR 170 million at the previous year's level and earnings (EBIT) of around EUR 10 million.

CENIT Aktiengesellschaft, Stuttgart		
CONSOLIDATED BALANCE SHEET (in accordance with IFRSs) (unaudited)		
in EUR k	June 30 th , 2019	December 31 st , 2018
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	12,950	13,518
Property, plant and equipment	2,508	2,653
Investment in Joint Venture	60	60
Right of Use related to leasing contracts	14,618	0
Other financial assets	2,500	2,500
Deferred tax assets	792	853
NON-CURRENT ASSETS	33,428	19,584
CURRENT ASSETS		
Inventories	31	30
Trade receivables	21,041	24,989
Receivables from Joint Venture	3,763	5,026
Current income tax assets	4,138	2,315
Other receivables	366	891
Cash and cash equivalents	22,964	18,041
Prepaid expenses	9,663	8,199
CURRENT ASSETS	61,966	59,491
TOTAL ASSETS	95,394	79,075

CENIT Aktiengesellschaft, Stuttgart		
CONSOLIDATED BALANCE SHEET (in accordance with IFRSs) (unaudited)		
in EUR k	June 30 th , 2019	December 31 st , 2018
EQUITY AND LIABILITIES		
EQUITY		
Issued capital	8,368	8,368
Capital reserve	1,058	1,058
Currency translation reserve	1,034	1,009
Statutory earnings reserve	418	418
Other earnings reserves	13,591	13,663
Profit carried forward	8,289	7,361
Net profit	1,359	5,948
Equity attributable to shareholders of CENIT AG	34,117	37,825
Non-controlling interests	1,055	1,277
TOTAL EQUITY	35,171	39,102
NON-CURRENT LIABILITIES		
Other liabilities	2,676	2,950
Deferred tax liabilities	260	277
NON-CURRENT LIABILITIES	2,936	3,227
CURRENT LIABILITIES		
Current bank liabilities	0	3
Trade liabilities	7,522	7,922
Liabilities due to Joint Venture	14	44
Other liabilities	27,057	14,058
Current income tax liabilities	251	789
Other provisions	154	137
Deferred income	22,289	13,793
CURRENT LIABILITIES	57,287	36,746
TOTAL EQUITY AND LIABILITIES	95,394	79,075

CENIT Aktiengesellschaft, Stuttgart			
CONSOLIDATED INCOME STATEMENT (in accordance with IFRSs) (unaudited)			
in EUR k		1 st Jan – 30 th June 2019	1 st Jan – 30 th June 2018
1. REVENUE		84,495	82,113
2. Increase/decrease in work of process		0	0
Total operating performance		84,495	82,113
3. Other income		545	743
Operating performance		85,040	82,856
4. Cost of materials	42,961		40,198
5. Personnel expenses	31,060		29,720
6. Amortization and depreciation of intangible assets and property, plant and equipment	2,923		1,466
7. Other expenses	6,035		8,891
		82,979	80,275
OPERATING RESULT (EBIT)		2,061	2,581
8. Other interest and similar income	0		0
9. Other interest and similar expenses	34		8
		-34	-8
RESULT BEFORE INCOME TAX (EBT)		2,027	2,573
10. Income taxes		630	780
NET INCOME OF THE GROUP FOR THE YEAR		1,397	1,793
thereof attributable to the shareholders of CENIT AG		1,359	1,672
thereof attributable to non-controlling interests		38	121
Earnings per share in EUR			
basic		0.16	0.20
diluted		0.16	0.20

CENIT Aktiengesellschaft, Stuttgart CONSOLIDATED INCOME STATEMENT (in accordance with IFRSs) (unaudited)			
in EUR k		2 nd Quarter 2019	2 nd Quarter 2018
1. REVENUE		43,257	41,179
2. Increase/decrease in work of process		0	0
Total operating performance		43,257	41,179
3. Other income		319	392
Operating performance		43,576	41,571
4. Cost of materials	22,311		20,422
5. Personnel expenses	15,573		14,511
6. Amortization and depreciation of intangible assets and property, plant and equipment	1,461		740
7. Other expenses	3,014		4,745
		42,359	40,418
OPERATING RESULT (EBIT)		1,217	1,153
8. Other interest and similar income	0		0
9. Other interest and similar expenses	15		4
		-15	-4
RESULT BEFORE INCOME TAX (EBT)		1,202	1,149
10. Income taxes		413	416
NET INCOME OF THE GROUP FOR THE YEAR		789	733
thereof attributable to the shareholders of CENIT AG		765	676
thereof attributable to non-controlling interests		24	57
Earnings per share in EUR			
basic		0.09	0.08
diluted		0.09	0.08

CENIT Aktiengesellschaft, Stuttgart		
CONSOLIDATED STATEMENT OF CASH FLOWS (in accordance with IFRS) (unaudited)		
in EUR k	1 st Jan – 30 th June 2019	1 st Jan – 30 th June 2018
Cash flow from operating activities		
Earnings before tax and net interest	2,061	2,581
Adjustments for:		
Amortization/depreciation of intangible assets and property, plant and equipment	2,923	1,466
Gains (-) and losses (+) on disposals of non-current assets	0	22
Increase/decrease in other non-current assets and liabilities and provisions	-283	-321
Interest paid	-34	-8
Interest received	0	0
Income tax paid	-2,273	-2,302
Cash flow before changes in net working capital	2,394	1,438
Increase/decrease in trade receivables and other current non-cash assets	3,675	4,144
Increase/decrease in inventories	-1	25
Increase/decrease in current liabilities and provisions	4,890	4,768
Net cash flows from operating activities	10,958	10,375
Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	-709	-894
Purchase of shares in fully consolidated entities (net cash outflow)	-137	-200
Purchase of shareholdings		-1,500
Income from the sale of property, plant and equipment	0	0
Net cash paid for investing activities	-846	-2,594
Cash flow from financing activities		
Dividends paid to shareholders	-5,021	-8,368
Dividends paid to non-controlling interests	-196	-147
Net cash paid for financing activities	-5,217	-8,515
Net increase/decrease in cash and cash equivalents	4,895	-734
Change in cash and cash equivalents due to foreign exchange differences	31	95
Cash and cash equivalents at the beginning of the reporting period	18,038	20,540
Cash and cash equivalents at the end of the reporting period	22,964	19,901

CENIT Aktiengesellschaft, Stuttgart			
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (in accordance with IFRS)			
(unaudited)			
In EUR k		1 st Jan – 30 th June 2019	1 st Jan – 30 th June 2018
Net income for the year		1,397	1,793
Other comprehensive income			
Items that will be reclassified to the income statement in the future under certain circumstances			
Currency translation reserve of foreign subsidiaries	25		91
Items that will not be reclassified to the income statement in the future			
Actuarial gains/losses from defined benefit obligations and similar obligations	0		0
Deferred taxes recognised on other comprehensive income	0		0
Other comprehensive income after tax		25	91
Total comprehensive income		1,422	1,884
Thereof attributable to the shareholders of CENIT AG		1,384	1,763
Thereof attributable to non-controlling interests		38	121

CENIT Aktiengesellschaft, Stuttgart									
STATEMENT OF CHANGES IN EQUITY (in accordance with IFRS) (unaudited)									
	Attributable to shareholders of CENIT AG								
in EUR k	Sub-scribed capital	Capital reserves	Currency translation reserve	Revenue reserves		Profit carried forward	Net income	Non-controlling interests	Total
				Legal reserve	Other reserves				
As of 1st January 2018	8,368	1,058	801	418	13,242	6,926	8,803	1,239	40,855
Net income prior year						8,803	-8,803	0	0
Total comprehensive income			208		-421		5,948	185	6,762
Dividend distribution						-8.368		-147	-8,515
As of 31st December 2018	8,368	1,058	1,009	418	13,663	7,361	5,948	1,277	39,102
Net income prior year						5,948	-5,948	0	0
Total comprehensive income			25			0	1,359	38	1,422
Dividends paid to non-controlling interests						-5,021		-196	-5,217
Acquisition of minorities					-72			-64	-136
As of 30th June 2019	8,368	1,058	1,034	418	13,591	8,289	1,359	1,055	35,171

CENIT Aktiengesellschaft
Segment Reporting by Business Unit (in accordance with IFRSs) unaudited

		EIM	PLM	Reconciliation	Group
in EUR k					
External revenue	Q1-Q2 2019	7,775	76,720	0	84,495
	Q1-Q2 2018	6,923	75,190	0	82,113
EBIT	Q1-Q2 2019	750	1,311	0	2,061
	Q1-Q2 2018	979	1,602	0	2,581
Share of profit of joint ventures	Q1-Q2 2019	0	0	0	0
	Q1-Q2 2018	0	0	0	0
Other interest result and financial result	Q1-Q2 2019	0	0	-34	-34
	Q1-Q2 2018	0	0	-8	-8
Income taxes	Q1-Q2 2019	0	0	630	630
	Q1-Q2 2018	0	0	780	780
Net income of the Group	Q1-Q2 2019	750	1,311	-664	1,397
	Q1-Q2 2018	979	1,602	-788	1,793
Segment assets	Q1-Q2 2019	5,265	62,176	27,893	95,334
	Q1-Q2 2018	5,211	52,511	23,913	81,636
Investment in a joint venture	Q1-Q2 2019	0	60	0	60
	Q1-Q2 2018	0	60	0	60
Segment liabilities	Q1-Q2 2019	4,182	46,236	9,805	60,223
	Q1-Q2 2018	6,943	39,708	820	47,471
Investments in property, plant equipment and intangible assets	Q1-Q2 2019	87	622	0	709
	Q1-Q2 2018	122	772	0	894
Amortization and depreciation	Q1-Q2 2019	343	2,580	0	2,923
	Q1-Q2 2018	228	1,238	0	1,466

EIM = Enterprise Information Management; PLM = Product Lifecycle Management

CENIT Aktiengesellschaft
Group Segment Report by Region (in accordance with IFRSs) unaudited

in EUR k		Germany	Switzerland	North America	Romania	France	Belgium	Netherlands	Japan	Reconciliation	Consolidation	Group
External revenue	Q1-Q2 2019	44,218	5,725	5,348	1,526	23,858	2,229	982	609	0	0	84,495
	Q1-Q2 2018	44,475	4,741	5,491	908	23,042	1,769	1,055	632	0	0	82,113
Longterm Segment assets	Q1-Q2 2019	24,652	217	389	270	9,673	179	95	20	791	-2,858	33,428
	Q1-Q2 2018	16,004	80	149	62	4,930	4	0	20	911	-2,728	19,432
Investment in a joint venture	Q1-Q2 2019	60	0	0	0	0	0	0	0	0	0	60
	Q1-Q2 2018	60	0	0	0	0	0	0	0	0	0	60
Investments in property, plant and equipment and intangible assets	Q1-Q2 2019	493	14	5	47	146	2	0	2	0	0	709
	Q1-Q2 2018	667	52	11	16	138	0	0	10	0	0	894

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