



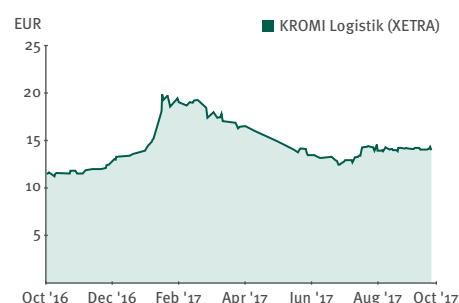
## **3-month report 2017 / 2018**

## Key share data 3M 2017 / 2018

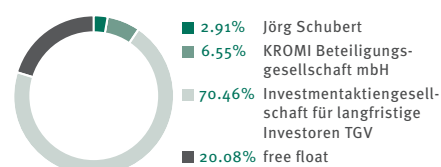
Ticker / ISIN	K1R / DE000AOKFJ5
Number of shares	4,124,900
Closing price (September 30, 2017)*	EUR 14.01
High / low*	EUR 19.91 / EUR 11.25
Market capitalisation (September 30, 2017)	EUR 57.8 million

\*Closing prices, XETRA trading system of Deutsche Börse AG

## Share chart



## Shareholder structure



## Events 2017

November 27, 2017	German Equity Forum in Frankfurt a.M.
December 7, 2017	Annual Shareholders' Meeting in Hamburg

Dear shareholders,

Dear employees and business partners,



LTR: Jörg Schubert (CEO), Bernd Paulini (COO), Axel Schubert (CIO), Uwe Pfeiffer (CFO)

In the first three months of the new financial year 2017 / 2018, we were again able to build on the successful growth of the company in 2016 / 2017, and we therefore see KROMI Logistik as on course to deliver further profitable growth. We maintained the trend both at home and abroad in all our main branches of industry. As well as good growth in Germany and European countries outside Germany, our Brazilian subsidiary once again displayed very dynamic performance. In view of an economic environment in Brazil that is becoming increasingly stable, the very successful work we conducted in the past in winning new customers is now paying dividends. We succeeded in increasing sales in the local currency BRL by 57.8 percent by comparison with the previous year — and we even managed a disproportionately high improvement in gross earnings of around 72 percent.

As a result of this very pleasing state of the business, total sales in the first three months stand at EUR 19,162 thousand, a year-on-year increase of around 12.7 percent. With this growth in sales, KROMI Logistik is far above the market average for precision or machining tools. This is all the more remarkable as the first quarter of KROMI's financial year is always affected by the summer holiday phase in which manufacturing industry normally performs weakly. Our operating earnings (EBIT) grew significantly faster than sales: We succeeded in more than tripling EBIT by comparison with the same quarter in the previous year, with the figure rising to EUR 627 thousand. This, together with an improved gross profit margin of 25.4%, underlines the sound profitability and sustainability of our business model.

Buoyed by these exceptionally good results over the first three month, we see KROMI Logistik on course for further growth. We will consistently exploit future opportunities. We consider ourselves to be well equipped to do so in view of the successful opening of our third facility in Brazil, the growth investment made in our staff and organization as well as the continuing alignment of our range of goods and services with Industry 4.0. Altogether, we are very satisfied with the development of our business after the first three months, and we see the foundations as laid for achieving our goals set for the 2017 / 2018 financial year.

Your Managing Board

## Key figures at a glance (IFRS)

KEUR	3M 2017 / 2018 (1/7/17 – 30/9/17)	3M 2016 / 2017 (1/7/16 – 30/9/16)
Revenue	19,162	17,004
Earnings before interest and tax (EBIT)	627	199
Net operating earnings before currency effects	516	85
Group net profit or loss	123	9
Number of shares in fiscal year	4,124,900	4,124,900
Result per share in EUR	0.03	0.00
Equity ratio in %	52.9	50.5
Cash flow from operating activities	2,733	-2,838
Cash flow from investing activities	-112	-126
Cash flow from financing activities	-2,091	2,824
Employees at end of period (excluding Managing Board)	180	164

## Framework Conditions

The Kiel Institute for the World Economy (IfW) paints a positive picture of global economic developments. Global production growth is expected to rise from 3.1% in the previous year to 3.7% this year and 3.8% in the following year. The economic recovery is also holding up in the Eurozone with growth rates of 2.2% this year and 2.1% in the coming year. As far as Germany is concerned, the IfW's economic experts expect to see growth of 2.0% which is likely to accelerate to 2.2% in 2018. Economic experts are expecting growth of 0.6 percent for Brazil in 2017. With a look to 2018, growth is expected to firm up and of further in 2018 and reach 1.6%.

The following scenarios are cast for the main target sectors of KROMI Logistik AG: According to information published by the German Engineering Federation (VDMA), global machine sales are growing more strongly than expected. A price-adjusted increase of 6% is now anticipated for 2017. Sector growth in 2018 is likely to stand at 4%. The Federation sees machine production in Germany rising by 3% in real terms in 2017 and 2018.

Long-term positive growth is expected for the aerospace industry. In its current passenger forecast, the UN aviation authority IATA is expecting

annual passenger growth of 3.6%. By 2036, airline passengers can be expected to nearly double from 4 bn this year to 7.8 bn. The positive trend in the automotive industry is continuing according to information from the German Association of the Automotive Industry (VDA). With regard to Germany, the Association is forecasting sales rising by 4% in 2017, reaching a figure of around 3.5 million new cars. The Association describes the prospects for the global market in 2017 as satisfactory, and the previous crisis countries of Brazil and Russia, in particular, are slowly picking up. The global market for passenger cars in 2017 can be expected to grow by 2% to reach 84.5 million cars.

## Business Development

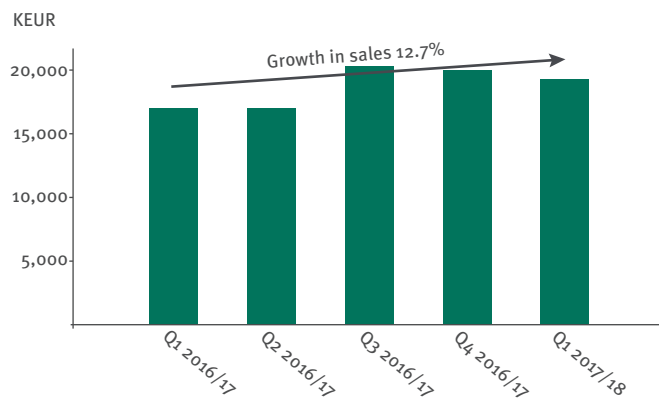
### Sales development

KROMI Logistik was able to increase sales in the reporting period to EUR 19,162 thousand (previous year: EUR 17,004 thousand). Growth in all the major target sectors contributed towards the increase in sales of 12.7 %, and in the process KROMI Logistik grew considerably faster than the market.

In Germany, KROMI Logistik not only succeeded in expanding its business with existing customers in the reporting period but was also able to win new customers in different sectors at the same time.

Sales in its home market in the first three months of 2017 / 2018 were up by 6.4 %, increasing from EUR 10,655 thousand in the previous year to EUR 11,341 thousand. Outside Germany, the operating business also showed good growth. Sales abroad reached EUR 6,027 thousand which represented an increase of around 16.3 % over the previous year (EUR 5,183 thousand). The same trend was also evident in Brazil where KROMI Logistik was able to lift sales from EUR 1,166 thousand in the previous year to EUR 1,794 thousand.

### Sales development



- With a growth in sales of 12.7 % yoy, KROMI Logistik is far above the market average
- Positive sales development at home and abroad in all main branches of industry
- Significant growth in sales in Brazil of 57.8 % (in BRL)

## Expenditure items and depreciation

The cost of materials increased to EUR 14,302 thousand (previous year: EUR 12,713 thousand) although the cost of materials ratio improved slightly in the reporting period, standing at 74.6% (previous year: 74.8%). This results in a corresponding improvement in the gross margin on sales (gross profit margin) of 25.4% (previous year: 25.2%).

Personnel costs edged up from EUR 2,615 thousand in the same period in the previous year to EUR 2,692 thousand. The personnel cost ratio improved markedly to 14.0% (previous year: 15.4%).

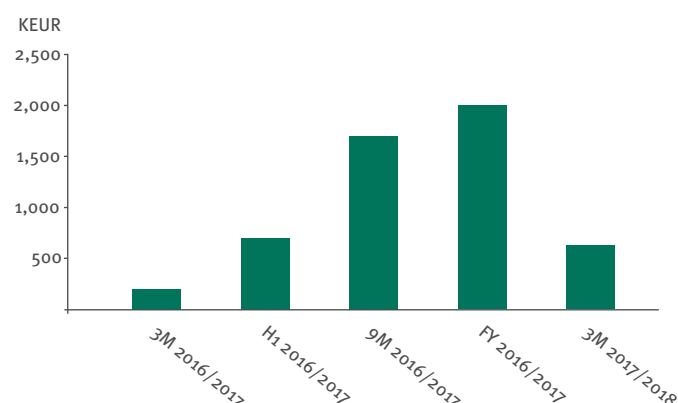
Depreciation amounting to EUR 183 thousand was slightly below the level for the previous year, following EUR 199 thousand in the first three months of 2016 / 2017. Other operating expenses increased to EUR 1,594 thousand (previous year: EUR 1,497 thousand). Among other things, this

item also contains unrealized exchange rate differences amounting to EUR 6 thousand (previous year: EUR 34 thousand) which do not result from business transactions but from imputed currency translation of the parent company's investment with regard to its Brazilian subsidiary.

## Operating profit and consolidated earnings

KROMI Logistik posted a significantly improved operating result (EBIT) of EUR 627 thousand for the first three months of 2017 / 2018 following an EBIT figure of EUR 199 thousand in the previous year. The tax audit for the years 2011 to 2015 led to an additional income tax liability and therefore to higher income taxes totaling EUR 393 thousand (previous year: EUR 76 thousand). The first three months of 2017 / 2018 show improved consolidated earnings of EUR 123 thousand (previous year: EUR 9 thousand).

## Earnings before interest and taxes (EBIT)



- Cost of materials ratio and personnel cost ratio improved compared to previous year
- Unrealized exchange rate differences amounting to EUR 6 thousand (previous year: EUR 34 thousand)
- EBIT more than tripled by comparison with the same quarter in the previous year

## Supplementary Report

No events of special significance have occurred since the end of the reporting period.

## Outlook

With a look to the 2017/2018 fiscal year, the Managing Board is assuming stable year-on-year sales growth in the upper-single-digit percentage range, as for the previous year. This means the Group's budget lies above the VDMA's 3% forecast for the precision tools sub-sector for the calendar year 2017. The Board is forecasting a gross profit margin at the level of the present financial year despite the fact that strong new business normally has a negative effect on the gross profit margin. Efficiency enhancing measures addressing warehousing stock, inventory turnover as well as outstanding debtor periods and levels, have been defined and are being implemented. With regard to the current year, the Board is therefore expecting to see these supporting metrics take a slight turn for the better.

In this context, the Board also expects a continuous, marked improvement in its operating earnings (EBIT) by comparison with the previous year. Economic developments, and consequently KROMI customers' production levels, will constitute especially decisive factors for our earnings trends.

## Risk and Opportunities Report

There are no major changes to the statements made regarding risks and opportunities for KROMI Logistik which were described in detail in the management report in the consolidated financial statements as at 30 June 2017.

## Balance sheet (unaudited)

<b>Assets</b> KEUR	<b>30/9/2017</b>	<b>30/6/2017</b>
<b>Non-current assets</b>		
Intangible assets	567	555
Other property, plant and equipment	3,538	3,541
Other non-current assets	1,403	1,338
Deferred taxes	717	722
<b>Total non-current assets</b>	<b>6,225</b>	<b>6,156</b>
<b>Current assets</b>		
Inventories	21,306	21,244
Trade receivables	17,933	20,320
Other current receivables	782	802
Income tax receivables	5	3
Cash and cash equivalents	1,205	675
<b>Total current assets</b>	<b>41,231</b>	<b>43,044</b>
	<b>47,456</b>	<b>49,200</b>
<b>Equity and liabilities</b> KEUR	<b>30/9/2017</b>	<b>30/6/2017</b>
<b>Equity</b>		
Subscribed capital	4,125	4,125
Share premium	15,999	15,999
Retained earnings	1,007	1,007
Other reserves	789	780
Net retained profits	3,239	3,116
<b>Equity attributable to the shareholders</b>	<b>25,159</b>	<b>25,027</b>
Minority interests	-50	-50
<b>Total Equity</b>	<b>25,109</b>	<b>24,977</b>
<b>Total non-current liabilities</b>		
Provisions for pensions and other post employment benefits	2,355	2,316
Non-current interest-bearing loans	875	900
Other non-current liabilities	94	110
Deferred taxes	34	34
<b>Total non-current liabilities</b>	<b>3,358</b>	<b>3,360</b>
<b>Current liabilities</b>		
Income tax liabilities	601	318
Other interest-bearing loans	10,958	12,908
Trade payables	5,198	5,305
Other current liabilities	2,232	2,332
<b>Total current liabilities</b>	<b>18,989</b>	<b>20,863</b>
<b>Total liabilities</b>	<b>22,347</b>	<b>24,223</b>
	<b>47,456</b>	<b>49,200</b>

## Income statement (unaudited)

KEUR	3M 2017 / 2018 (1/7/2017 – 30/9/2017)	3M 2016 / 2017 (1/7/2016 – 31/9/2016)
<b>Revenue</b>	<b>19,162</b>	<b>17,004</b>
Other operating income	236	219
Cost of material	14,302	12,713
Staff costs	2,692	2,615
Depreciation / amortisation	183	199
Other operating expenses	1,594	1,497
<b>Profit from operations</b>	<b>627</b>	<b>199</b>
Finance costs	117	129
Other financial income	6	15
<b>Earnings before tax</b>	<b>516</b>	<b>85</b>
Income taxes	393	76
<b>Company net profit</b>	<b>123</b>	<b>9</b>

## Cash flow (unaudited)

KEUR	3M 2017 / 2018 (1/7/2017 – 30/9/2017)	3M 2016 / 2017 (1/7/2016 – 30/9/2016)
<b>Cash flow from operating activities</b>		
Company net profit	123	9
+ Income tax expense	393	76
+ Interest expenses and interest income	111	114
+/- Interest received / paid	108	199
+/- Increase / decrease in fixed assets	-105	-216
+/- Income tax payments	-319	-216
+/- Increase / decrease in inventories	-62	-2,107
+/- Increase / decrease in trade receivables	2,387	1,151
+/- Increase / decrease in other assets	-45	558
+/- Increase / decrease of trade liabilities	-108	-2,476
+/- Increase / decrease in other liabilities	250	70
<b>Net cash from operating activities</b>	<b>2,733</b>	<b>-2,838</b>
<b>Investitionstätigkeit</b>		
– Payments for the acquisition of non-current assets	-118	-141
+ Cash inflow from interests	6	15
<b>Net cash used in investing activities</b>	<b>-112</b>	<b>-126</b>
<b>Cash flow from financing activities</b>		
+ Cash inflow from loans	-1,949	2,978
– Payments for the repayment of lease liabilities	-25	-25
– Interest payments	-117	-129
<b>Net cash used in financing activities</b>	<b>-2,091</b>	<b>2,824</b>
Net in-/outflow cash and cash equivalents	530	-140
+ Cash and cash equivalents – start of period	675	1,550
<b>Cash and cash equivalents – end of period</b>	<b>1,205</b>	<b>1,410</b>

## *Imprint*

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The 3-month report is also available in English. In the case of discrepancies, the German version shall prevail. The digital versions of the Annual Report of KROMI Logistik AG as well as the interim reports are posted on the Internet and are available at [www.kromi.de](http://www.kromi.de) under the Investor Relations heading.

## *Disclaimer*

This report includes forward-looking statements that reflect the current views of KROMI Logistik AG's management with regard to future events. As a rule, these are shown by words such as "should", "expect", "assume", "anticipate", "intend", "estimate", "aim", "have the aim of", "forecast", "will be", "desire", "outlook", and similar expressions. Forward-looking statements are based on the currently valid budget, estimates and expectations. They are subject to risks and uncertainties that are difficult to estimate and outside KROMI Logistik AG's control.

These also include factors that have an impact on costs and income, for example, regulatory requirements, competition that is more intense than expected, changes in technology, litigation, and development under supervisory law. If these or other risks and uncertainties should occur, or if the assumptions on which the statements in this report are based prove to be incorrect, the actual results of KROMI Logistik AG could differ greatly from the results that are expressed or implied in the statement. KROMI Logistik AG does not assume any guarantee that the forward-looking expectations and assumptions included in this report will actually occur. In addition, KROMI Logistik AG declines all responsibility for updating forward-looking statements by taking into account new information or future events.