



Quarterly release Q1/2017

January 1 to March 31, 2017

SFC ENERGY AG CONSOLIDATED KEY FIGURES

	in k €		
	01/01 – 03/31/2017	01/01 – 03/31/2016	Change in %
Sales	13,112	10,298	27.3 %
Gross profit	3,644	3,222	13.1 %
Gross margin	27.8 %	31.3 %	–
EBITDA	–333	–448	25.7 %
EBITDA margin	–2.5 %	–4.4 %	–
EBITDA underlying	–313	–543	42.4 %
EBITDA margin underlying	–2.4 %	–5.3 %	–
EBIT	–816	–998	18.2 %
EBIT margin	–6.2 %	–9.7 %	–
EBIT underlying	–614	–838	26.7 %
EBIT margin underlying	–4.7 %	–8.1 %	–
Consolidated net result	–991	–1,017	2.6 %
Net loss per share, undiluted and diluted	–0.11	–0.12	8.3 %
	03/31/2017	03/31/2016	Change in %
Order backlog	16,112	10,165	58.5 %
	03/31/2017	12/31/2016	Change in %
Equity	12,306	13,339	–7.7 %
Equity ratio	36.5 %	39.5 %	–
Balance sheet total	33,679	33,793	–0.3 %
Cash (freely available)	2,401	1,756	36.7 %
	03/31/2017	03/31/2016	Change in %
Permanent employees	233	231	0.9 %

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INTERIM REPORT ON THE BUSINESS DEVELOPMENT OF THE FIRST QUARTER 2017

Brunnthal, May 11, 2017

SFC Energy AG (ISIN: DE0007568578), a leading international supplier of stationary and mobile hybrid power generation plants based on fuel cells, publishes today its interim statement on the first quarter 2017 including explanations on its business development and significant events for the period January 1 to March 31, 2017.

The Group comprises SFC Energy AG, Brunnthal (SFC), PBF Group BV, Almelo, Netherlands, and its subsidiaries (PBF) and Simark Controls Ltd., Calgary, Canada (Simark).

BUSINESS DEVELOPMENT AND TRENDS

In the period January to March 2017, the Group generated sales of € 13,112k, compared to € 10,298k during the prior year period. This figure reflects a growth of 27.3% in sales revenue and is mainly based on the strong performance in both the Oil & Gas as well as Security & Industry segments.

The sales by segment for the first three months of the financial year 2017 compared to the prior year period are as follows:

SEGMENTS	Sales		Gross profit		EBITDA		in €
	01/01 – 03/31/2017	01/01 – 03/31/2016	01/01 – 03/31/2017	01/01 – 03/31/2016	01/01 – 03/31/2017	01/01 – 03/31/2016	
Oil & Gas	5,817,861	4,022,038	1,236,249	937,302	- 120,485	- 284,679	
Security & Industry	6,197,502	4,979,626	2,272,450	1,901,005	111,449	- 77,564	
Consumer	1,096,657	1,296,435	135,799	383,405	- 323,845	- 85,764	
Total	13,112,020	10,298,099	3,644,498	3,221,712	- 332,881	- 448,007	
Depreciation/ Amortization					- 482,889	- 549,677	
Operating loss (EBIT)					- 815,770	- 997,684	

Performance by segment

Oil & Gas

The oil price remained above USD 50 in the first quarter 2017 and the customers continued to further ease investment and spending patterns. With a growth of 44.6% quarter on quarter, the Oil & Gas segment developed very well. In addition the average size of customer requests continues to grow which confirms the positive outlook.

While cost control continues to be important in order to increase profitability in the Oil & Gas segment, selected investments, in particular into additional sales people, were made during the reporting period.

Security & Industry

The Security & Industry segment continues to be the largest segment in the Group. With a growth of 24.5% in the first quarter 2017 compared to the prior year period it had a very good start into the year.

The increase in sales resulted both from the commercial fuel cell business and the Power Electronics Business (PBF). PBF was able to continue its growth from 2016 with an increase in sales by 19.3% to €3,600k compared to the same period of the previous year (€3,018k). This stable growth is based on both established and new customers.

The commercial fuel cell business grew by 107.7% to €2,110k in the first three months of 2017 compared to €1,016k in the same period of the previous year. This growth is based on both large orders from Singapore as well as broad customer interest among existing and new customers, in particular with regards to surveillance applications.

The Defense & Security business is in general a year-end business. However, in 2016 the first quarter was strong due to a large order from an international defense force. The Defense & Security business therefore decreased from €943k in the first quarter 2016 to €483k in the first three months 2017, however, was above expectations.

Consumer

The Consumer segment decreased by 15.4% from €1,296k in the first quarter of 2016 compared to €1,097k in the first three months of 2017. This decrease relates to one-off-effects in the first quarter 2016 as well as lower sales in France, Germany and Sweden while Norway returned to growth.

EBITDA/EPS

The profitability of the SFC Energy Group improved significantly in the first three months of 2017. Gross profit increased by 13.1 % from €3,222k in the first quarter of 2016 to €3,644k in the first quarter of the current financial year. Gross margin decreased due to the changed product mix.

EBITDA improved in the first three months to minus €333k, compared to minus €448k in the prior year period. EBITDA adjusted for non-recurring effects was minus €313k (prior year: minus €543k).

In the first three months of the current financial year EBIT improved to € minus 816k, compared to minus €998k in the same period of the previous year. EBIT adjusted for non-recurring effects was minus €614k in the reporting period (prior year: minus €838k).

Earnings after taxes improved in the first three months of 2017 to minus €991k compared to minus €1,017k in the same period of the previous year. Earnings per share under IFRS (undiluted and diluted) amounted to minus €0.11 in the reporting period 2017, while earnings per share (undiluted and diluted) amounted to minus €0.12 in the prior year period.

Balance sheet and employees

Available cash and cash equivalents totalled €2,401k as of March 31, 2017 (December 31, 2016: €1,756k). As of the end of the first quarter of 2017, the equity ratio was down to 36.5% (December 31, 2016: 39.5%). As of March 31, 2017, the SFC Group had 233 permanent employees (March 31, 2016: 231).

OUTLOOK 2017

Given the strong start into the year 2017 and an order backlog at the end of March 2017 of €16,112k, which represents an increase of 58.5% compared to the prior year, the Management Board of SFC Energy AG reconfirms its guidance of €50 to 55 million consolidated sales and a further significant improvement in profitability in financial year 2017.

SFC ENERGY AG, BRUNNTHAL CONSOLIDATED INCOME STATEMENT FROM JANUARY 1 TO MARCH 31, 2017

	in €	
	01/01 – 03/31/2017	01/01 – 03/31/2016
Sales	13,112,020	10,298,099
Production costs of work performed to generate sales	-9,467,522	-7,076,386
Gross profit	3,644,498	3,221,713
Sales costs	-2,509,500	-2,287,080
Research and development costs	-908,076	-878,392
General administration costs	-1,185,785	-1,055,027
Other operating income	170,836	24,953
Other operating expenses	-27,743	-23,851
Operating loss	-815,770	-997,684
Interest and similar income	7	23
Interest and similar expenses	-223,128	-120,099
Loss from ordinary operations	-1,038,891	-1,117,760
Income taxes	47,959	100,395
Consolidated net result	-990,932	-1,017,365
NET LOSS PER SHARE		
undiluted and diluted	-0,11	-0,12

SFC ENERGY AG, BRUNNTHAL CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FROM JANUARY 1 TO MARCH 31, 2017

	in €	
	01/01 – 03/31/2017	01/01 – 03/31/2016
Consolidated net result	-990,932	-1,017,365
OCI items that may be recycled to profit or loss in the future		
Result from currency translations	-42,023	138,490
Total other results	-42,023	138,490
Total comprehensive income	-1,032,955	-878,875

SFC ENERGY AG, BRUNNTHAL CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2017

	in €	
	03/31/2017	12/31/2016
Current Assets	20,369,058	20,055,653
Inventories	7,737,456	7,717,500
Trade accounts receivable	8,500,895	8,638,153
Receivables from Percentage-of-Completion	427,990	614,819
Income tax receivables	144,126	155,996
Other short-term assets and receivables	872,185	888,184
Cash and cash equivalents	2,400,786	1,756,001
Cash and cash equivalents with limitation on disposal	285,620	285,000
Non-current assets	13,309,840	13,737,302
Intangible assets	11,461,768	11,854,560
Property, plant and equipment	1,172,740	1,204,876
Financial assets	71	71
Deferred tax assets	675,261	677,795
Assets	33,678,898	33,792,955

SFC ENERGY AG, BRUNNTHAL CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2017

	in €	
	03/31/2017	12/31/2016
Current liabilities	12,407,652	13,335,382
Provisions for taxes	105,253	85,928
Other provisions	563,463	560,119
Liabilities to banks	3,136,738	4,316,886
Liabilities from prepayments	12,552	101,629
Trade accounts payable	5,615,271	5,789,615
Liabilities under finance leases	42,642	42,986
Other short-term liabilities	462,004	262,871
Income tax liabilities	2,469,729	2,175,348
Non-current liabilities	8,965,529	7,118,901
Other long-term provisions	1,441,394	1,458,776
Liabilities to banks	1,725,112	0
Liabilities under finance leases	20,682	20,849
Other long-term financial liabilities	5,013,940	4,861,199
Other liabilities	56,539	1,315
Deferred tax liabilities	707,862	776,762
Equity	12,305,717	13,338,672
Subscribed capital	9,047,249	9,047,249
Capital surplus	73,132,012	73,132,012
Other changes in equity not affecting profit or loss	-531,927	-489,904
Consolidated net loss	-69,341,617	-68,350,685
Liabilities and shareholders' equity	33,678,898	33,792,955

SFC ENERGY AG, BRUNNTHAL CONSOLIDATED CASH FLOW STATEMENT FROM JANUARY 1 TO MARCH 31, 2017

	in €	
	01/01 – 03/31/2017	01/01 – 03/31/2016
Cash flow from ordinary operations		
Result before taxes	- 1,038,891	- 1,117,760
+ Net interest income	223,121	120,076
+ Amortization/depreciation of intangible assets and property, plant and equipment	482,889	549,679
+/- Income/expenses from SAR Plan/transaction bonus	16,456	- 122,770
- Changes in allowances	- 73,273	- 124,125
- Losses/gains from disposal of property, plant and equipment	- 3,620	- 11,489
+ Other non-cash expenses/income	24,889	19,727
Changes to operating result before working capital	- 368,429	- 686,662
-/+ Changes to provisions	- 14,038	20,586
+/- Changes to trade accounts receivable	109,327	- 1,491,964
+/- Changes to inventories	36,090	- 198,533
+ Changes to other receivables and assets	198,660	254,713
- Changes to trade accounts payables	- 152,297	- 637,675
+/- Changes to other liabilities	448,830	- 462,800
Cash flow from ordinary operations before taxes	258,143	- 3,202,335
-/+ Income tax payments/refunds	- 186	51,092
Cash flow from ordinary operations	257,957	- 3,151,243

SFC ENERGY AG, BRUNNTHAL CONSOLIDATED CASH FLOW STATEMENT FROM JANUARY 1 TO MARCH 31, 2017

	in €	
	01/01 – 03/31/2017	01/01 – 03/31/2016
Cash flow from investment activity		
- Investments in intangible assets from development projects	- 44,532	- 158,107
- Investments in other intangible assets	0	- 4,777
- Investments in property, plant and equipment	- 76,662	- 206,989
+ Interest and similar income	7	40
- Payments for acquisition of bank deposits with limitation on disposal	- 620	0
+ Proceeds from disposal of property, plant and equipment	3,621	12,179
Cash flow from investment activity	- 118,186	- 357,654
Cash flow from financial activity		
- Repayment of financial debt	- 168,366	- 157,305
+ Proceeds from issuance of convertible bonds	0	1,485,000
- Expenses from issuance of convertible bonds	0	- 5,530
+ Changes to current account liabilities	743,904	722,618
- Interest paid and other expenses	- 70,387	- 49,631
Cash flow from financial activity	505,151	1,995,152
Net change in cash and cash equivalents	644,922	- 1,513,745
Currency effects on cash and cash equivalents	- 138	- 1,527
Net change in cash and cash equivalents		
Cash and cash equivalents at beginning of period	1,756,001	3,277,066
Cash and cash equivalents at end of period	2,400,786	1,761,794
Net change in cash and cash equivalents	644,923	- 1,513,745

FINANCIAL CALENDAR 2017

May 17, 2017	Annual General Meeting
August 3, 2017	Q2 Report 2017
November 9, 2017	Q3 Interim Disclosure 2017
November 27 – 29, 2017	German Equity Forum

SHARE INFORMATION

Bloomberg Symbol	F3C
Reuters Symbol	CXPNX
WKN	756857
ISIN	DE0007568578
Number of shares	9,047,249
Stock Category	No-par value shares
Stock segment	Prime Standard, Renewable Energies
Stock exchange	Frankfurt, FWB
Designated Sponsors	Hauck & Aufhäuser Privatbankiers KGaA

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Statements about the future

This interim report contains statements and information about the future. Such passages contain such word as "expect", "intend", "plan", "believe", "aim", "estimate", etc. Such statements about the future are based on current expectations and certain assumptions. They therefore also contain a number of risks and uncertainties. A multitude of factors, many of which are beyond the control of SFC, affect our business, our success, and our results. These factors can lead the Group's actual results, success, and performance to deviate from the results, success, and performance in the statements made explicitly or implicitly about the future. SFC assumes no obligation to update any forward looking statements.

