



Quarterly Release
Q1/2019

January 1 to March 31, 2019

SFC ENERGY AG, BRUNNTHAL CONSOLIDATED KEY FIGURES

	in k €		
	01/01 – 03/31/2019	01/01 – 03/31/2018	Change in %
Sales	16,457	16,758	-1.8%
Gross profit	5,716	5,907	-3.2%
Gross margin	34.7%	35.2%	-
EBITDA	778	973	-20.0%
EBITDA margin	4.7%	5.8%	-
EBITDA underlying	1,553	1,818	-14.6%
EBITDA margin underlying	9.4%	10.8%	-
EBIT	-19	705	n.a.
EBIT margin	-0.1%	4.2%	-
EBIT underlying	756	1,550	-51.2%
EBIT margin underlying	4.6%	9.2%	-
Consolidated net loss of period	-320	326	n.a.
Net loss per share, not diluted	-0.03	0.03	n.a.
Net loss per share, diluted	-0.03	0.03	n.a.
	31.03.2019	03/31/2018	Change in %
Order backlog	13,653	16,914	-19.3%
	03/31/2019	12/31/2018	Change in %
Equity	18,068	18,204	-0.7%
Equity ratio	35.4%	43.3%	-
Balance sheet total	50,991	42,065	21.2%
Cash (freely available)	4,512	7,520	-40.0%
	03/31/2019	03/31/2018	Change in %
Permanent employees	280	263	6.5%
EFFECT OF IFRS 16 ON EARNINGS FIGURE			
EBITDA (underlying)	560		
EBIT (underlying)	37		
Consolidated net results	-25		

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INTERIM REPORT ON BUSINESS DEVELOPMENT AS OF MARCH 31, 2019

Brunnthal, May 15, 2019

SFC Energy AG (ISIN: DE0007568578), a leading international supplier of stationary and mobile hybrid power generation plants based on fuel cells, is publishing its interim statement on the first quarter of 2019 today, including explanations of its business development and significant events for the period from January 1 to March 31, 2019.

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

Segment reporting

In the 2018 financial year, the Management Board managed the Group based on the "Defense & Security", "Industry", "Oil & Gas" and "Clean Energy & Mobility" segments. These segments represent the Group's most important sales markets.

New Standard IFRS 16

IFRS 16 regulates the recognition, measurement, reporting and disclosures in the notes for leases for IFRS preparers.

With few exceptions, the Standard requires that the Group recognizes all lease assets (Right-of-use assets) and liabilities in its statement of financial position. In the Group Profit and Loss Statement instead of lease costs, depreciation and interest expense are shown. It is effective for the first time for the 2019 reporting period.

The effects of IFRS 16 are shown.

EARNINGS AND FINANCIAL POSITION

The SFC Energy Group generated sales of €16,457k in the period from January to March 2019 – a minor reduction of 1.8% compared to the prior-year figure of €16,758k. Thus, the previous year's sales level was almost matched even though no single major orders were received (as compared to the order worth €3.6 million in the Defense & Security segment in the same period of the previous year).

The sales by segment for the first three months of the 2019 financial year compared to the previous year are as follows:

SALES BY SEGMENT (UNAUDITED)						in €	
Segments	Sales		Gross profit		EBITDA		
	01/01 – 03/31/2019	01/01 – 03/31/2018	01/01 – 03/31/2019	01/01 – 03/31/2018	01/01 – 03/31/2019	01/01 – 03/31/2018	
Clean Energy & Mobility	2,994,404	2,351,962	1,317,299	909,827	100,590	-138,229	
Industry	4,278,732	3,914,968	1,292,431	1,051,827	350,576	-316,764	
Oil & Gas	6,225,590	6,162,912	1,826,996	1,803,664	494,962	321,544	
Defense & Security	2,957,823	4,328,212	1,279,762	2,142,176	-168,368	1,106,781	
Total	16,456,549	16,758,054	5,716,487	5,907,494	777,759	973,332	
Depreciation/Amortization					-797,146	-268,481	
Operating loss (EBIT)					-19,387	704,851	

Performance by segment

Oil & Gas

As in the previous year, the overall performance in the Oil & Gas segment was positive again. After weakening towards the end of the 2018 calendar year, the price of oil climbed back above USD 60 per barrel in the first quarter of 2019 and is continuing to rise. This was reflected in customers' investment and spending behavior, resulting in growth of 1.0% from €6,163k in the same period of the previous year to €6,226k in the first quarter of 2019.

There was once again growth in sales and margins in EFOY applications business among our customers in the Oil & Gas segment.

Industry

The Industry segment also had a very good start into the year with a year-on-year revenue growth of 9.3% in the first quarter.

As in the previous year this growth was mainly driven by strong demand from existing customers for analytical equipment.

In addition the market success of the new semi-standardized product platform for customers in the laser industry contributed positively to the strong sales increase.

At the same time margins improved further due to the increased sales, an optimized cost-structure as a result from a higher proportion of production in the Cluj plant, Romania and an overall more attractive margin- and product mix development.

Defense & Security

The Defense & Security business is, given the procurement cycles of the customers in this segment, a traditionally strong year-end business with a slow first quarter. The internationalization strategy has yielded results in the first quarter, as the customer base expanded and a number of orders from international defense customers were delivered. With revenues of € 2,958k the first quarter still came in € 1,370k lower than the first quarter in the previous year, when sale amounted to €4,328k, as revenues in the first quarter of 2018 were dominated by on major order from the German armed forces with a total volume of € 3.6 Mio.

Clean Energy & Mobility

Sales in civilian fuel cell business were up 27.3% year-on-year at €2,994k in the first three months of 2019 compared to first quarter 2018 with €2,352k. This was essentially thanks to the greater sales volume with major customers in the industry sub-segment. Sales were also higher than in the previous year in the consumer sub-segment.

Sales by Region

Sales by region developed as follows:

SALES BY REGION	in €	
	01/01 – 03/31/2019	01/01 – 03/31/2018
North America	6,301,835	6,228,231
Europe (without Germany)	5,428,173	4,574,055
Germany	1,770,908	4,981,498
Asia	1,814,619	785,571
Rest of the world	1,141,014	188,699
Total	16,456,549	16,758,054

Sales in North America include Simark's sales in the Oil & Gas segment. SFC operated almost exclusively in the Europe, Asia and rest of world regions. PBF operates almost exclusively in Europe.

RESULTS, BALANCE SHEET, OUTLOOK

Earnings figures

The profitability of the SFC Energy Group in the first three months of the 2019 financial year can be described as good, and was in line with expectations.

Gross profit was down 3.2% year-on-year in the first quarter of the current financial year at €5,716k (€5,907k). At 34.7%, the gross margin effectively matched the previous year's level of 35.2%. The anticipated margin reduction in the Defense & Security segment was almost entirely compensated by an improvement in the Industry and Clean Energy & Mobility segments.

EBITDA was positive at €778k in the first three months of 2019 as against €973k in the same period of the previous year. EBITDA adjusted for non-recurring effects was positive at €1,553k (previous year: €1,818k).

In the first three months of the current financial year, EBIT was negative at €-19k after a positive figure of €705k in the same period of the previous year. EBIT adjusted for non-recurring effects was positive at €756k in the reporting period (previous year: €1,550k).

Non-recurring effects amounted to €775k in total (previous year: €845k):

	in k€	
	01/01 – 03/31/2019	01/01 – 03/31/2018
Expenses for the SAR program	775	450
Restructuring costs	0	395

Earnings after taxes went from a positive figure of €326k in the first three months of the previous year to a negative figure of €-320k in the same period of 2019. Earnings per share (basic and diluted) amounted to €-0.03 in the 2019 reporting period. By comparison, earnings per share (basic and diluted) in the same period of the previous year were positive at €0.03.

Effect of IFRS 16 on earnings figures

The effects of the adoption of IFRS 16 were as follows, these effects are already included in the presented figures (depreciation and interest expense instead of lease expense):

	in k€
Effect on EBITDA	560
Effect on EBIT	37
Effect on net income	-25

Balance sheet and employees

Available cash funds amounted to €4,512k as of March 31, 2019 (December 31, 2018: €7,520k). The equity ratio declined to 35.4% as of the end of the first quarter of 2019, essentially as a result of the adoption of IFRS 16 (December 31, 2018: 43.3%).

The SFC Group had 280 permanent employees as of March 31, 2019 (March 31, 2018: 263).

The order backlog amounted to €13,653k as of the end of March 2019, a decline of 19.3% as against the previous year (€16,914k).

Guidance for 2019

The Management Board of SFC Energy AG is confirming its forecast of consolidated sales of between €67 million and €74 million and a further significant increase in profitability, with adjusted EBITDA of between €4.5 million and €7 million and adjusted EBIT of between €3.5 million and €6 million in the 2019 financial year.

This forecast was prepared without taking into account the effects of the adoption of IFRS 16.

SFC ENERGY AG, BRUNNTHAL CONSOLIDATED INCOME STATEMENT FROM JANUARY 1 TO MARCH 31, 2019

	in €	
	01/01 – 03/31/2019	01/01 – 03/31/2018
Sales	16,456,549	16,758,054
Production costs of work performed to generate sales	-10,740,062	-10,850,560
Gross profit	5,716,487	5,907,494
Sales costs	-3,374,455	-2,682,630
Research and development costs	-920,461	-821,861
General administration costs	-1,504,750	-1,372,593
Other operating income	75,219	208,525
Other operating expenses	-11,426	-139,369
Restructuring costs	0	-394,715
Operating profit	-19,387	704,851
Interest and similar income	0	2
Interest and similar expenses	-225,919	-219,929
Result from ordinary operations	-245,306	484,924
Income taxes	-74,255	-158,574
Consolidated net result	-319,561	326,350
NET LOSS PER SHARE		
undiluted	-0.03	0.03
diluted	-0.03	0.03

SFC ENERGY AG, BRUNNTHAL CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FROM JANUARY 1 TO MARCH 31, 2019

	in €	
	01/01 – 03/31/2019	01/01 – 03/31/2018
Consolidated net result	-319,561	326,350
OCI items that may be reclassified to profit or loss in the future:		
Result from currency translations	183,217	-279,161
Total other results	183,217	-279,161
Total comprehensive income	-136,343	47,189

SFC ENERGY AG, BRUNNTHAL
CONSOLIDATED BALANCE SHEET
AS OF MARCH 31, 2019

	in €	
	03/31/2019	12/31/2018
Current Assets	27,503,207	28,288,672
Inventories	9,219,614	9,753,129
Trade accounts receivables	11,015,006	9,665,357
Receivables from contracts with customers	723,192	492,281
Income tax receivables	2	2
Other short-term assets and receivables	1,747,915	572,594
Cash and cash equivalents	4,511,859	7,519,689
Cash and cash equivalents with limitation on disposal	285,620	285,620
Non-current assets	23,488,266	13,776,317
Intangible assets	12,066,635	11,496,977
Property, plant and equipment	10,612,901	1,595,740
Financial assets	71	71
Deferred tax assets	808,659	683,529
Assets	50,991,472	42,064,989

SFC ENERGY AG, BRUNNTHAL CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2019

	in €	
	03/31/2019	12/31/2018
Current liabilities	20.203.333	18.864.822
Provisions for taxes	10,595	32,257
Other provisions	943,868	939,310
Liabilities to banks	4,939,098	4,585,244
Liabilities from prepayments	188,473	27,144
Trade accounts payable	6,890,884	7,093,371
Liabilities from finance leases	2,217,631	43,653
Liabilities from contracts with customers	0	24,581
Liabilities from financing	1,958,874	2,568,811
Other short-term liabilities	3,053,911	3,550,452
Non-current liabilities	12,720,321	4,996,007
Other long-term provisions	1,119,659	1,063,737
Liabilities to banks	1,609,131	1,710,006
Liabilities under finance leases	6,918,065	53,736
Other long-term liabilities	4,444	4,383
Other liabilities from financing	2,121,467	1,346,469
Deferred tax liabilities	947,556	817,676
Equity	18,067,818	18,204,161
Subscribed capital	10,249,612	10,249,612
Capital surplus	79,497,706	79,497,706
Foreign exchange translation reserve	-839,767	-1,022,986
Consolidated net loss	-70,839,733	-70,520,171
Liabilities and shareholders' equity	50,991,472	42,064,989

SFC ENERGY AG, BRUNNTHAL CONSOLIDATED CASH FLOW STATEMENT FROM JANUARY 1 TO MARCH 31, 2019

	in €	
	01/01 – 03/31/2019	01/01 – 03/31/2018
Cash flow from ordinary operations		
Result from ordinary operations	-245,306	484,924
+ Net interest income	225,919	219,926
+ Amortization/depreciation of intangible assets and property, plant and equipment	797,144	268,481
+/- Income/expenses from SAR Plan/transaction bonus	774,997	450,060
- Changes in allowances	-6,307	-152,306
+ Other non-cash expenses/income	-90,042	-2,716
Changes to operating result before working capital	1,456,405	1,268,369
-/+ Changes to provisions	55,801	32,589
+/- Changes to trade accounts receivables	-1,211,234	-7,008,195
+/- Changes to inventories	651,165	298,445
+ Changes to other receivables and assets	-1,383,900	356,844
- Changes to trade accounts payables	-298,398	927,590
+/- Changes to other liabilities	-441,536	1,443,236
Cashflow from ordinary operations before taxes	-1,171,696	-2,681,122
-/+ Income tax refunds/-payments	-493,034	-9,154
Cash flow from ordinary operations	-1,664,730	-2,690,276

SFC ENERGY AG, BRUNNTHAL CONSOLIDATED CASH FLOW STATEMENT FROM JANUARY 1 TO MARCH 31, 2019

	in €	
	01/01 – 03/31/2019	01/01 – 03/31/2018
Cash flow from investment activity		
- Investments in intangible assets from development projects	-475,482	-326,313
- Investments in other intangible assets	-10,882	-4,635
- Investments in property, plant and equipment	-144,042	-88,759
+ Interest and similar income	0	3
Cash flow from investment activity	-630,406	-419,704
Cash flow from financial activity		
- Repayment of financial debt	-784,486	-588,306
+ Changes to current account liabilities	278,940	1,141,883
- Repayment of liabilities under finance leases	0	-13,414
- Interest paid and other expenses	-207,150	-133,826
Cash flow from financial activity	-712,696	406,337
Net change in cash and cash equivalents	-3,007,831	-2,703,643
Net change in cash and cash equivalents		
Cash and cash equivalents at beginning of period	7,519,689	4,408,398
Cash and cash equivalents at end of period	4,511,859	1,704,755
Net change in cash and cash equivalents	-3,007,831	-2,703,643

CONSOLIDATED SEGMENT REPORTING FROM JANUARY 1 TO MARCH 31, 2019

	Clean Energy & Mobility		Industry		Oil & Gas		Defense & Security		Consolidated financial statement		in €
	01/01 – 03/31/2019	01/01 – 03/31/2018	01/01 – 03/31/2019	01/01 – 03/31/2018	01/01 – 03/31/2019	01/01 – 03/31/2018	01/01 – 03/31/2019	01/01 – 03/31/2018	01/01 – 03/31/2019	01/01 – 03/31/2018	
Sales	2,994,404	2,351,962	4,278,732	3,914,968	6,225,590	6,162,912	2,957,823	4,328,212	16,456,549	16,758,054	
Production costs of work performed to generate sales	-1,677,105	-1,442,135	-2,986,301	-2,863,140	-4,398,594	-4,359,248	-1,678,061	-2,186,036	-10,740,062	-10,850,560	
Gross profit	1,317,299	909,827	1,292,431	1,051,828	1,826,996	1,803,664	1,279,762	2,142,176	5,716,487	5,907,494	
Sales Costs	-927,015	-790,586	-295,455	-258,262	-1,263,123	-1,063,407	-888,862	-570,375	-3,374,455	-2,682,630	
Research and development costs	-136,749	-124,086	-542,340	-534,399	-55,980	-49,179	-185,392	-114,197	-920,461	-821,861	
General administration costs	-379,232	-289,036	-320,401	-284,766	-246,532	-269,216	-558,585	-529,575	-1,504,750	-1,372,593	
Other operating income	6,830	78,148	0	-3	61,515	17,130	6,874	113,250	75,219	208,525	
Other operating expenses	-2,675	-4,894	0	0	-6,059	-127,383	-2,692	-7,093	-11,426	-139,370	
Other income/expenses	4,155	73,254	0	-3	55,456	-110,253	4,182	106,157	63,793	69,155	
Restructuring cost	0	0	0	-394,715	0	0	0	0	0	-394,715	
Operating result (EBIT)	-121,542	-220,627	134,234	-420,317	316,817	311,609	-348,896	1,034,186	-19,387	704,851	
Adjustments EBIT	206,535	135,467	0	394,715	98,368	66,482	470,094	248,111	774,997	844,775	
EBIT underlying	84,993	-85,160	134,234	-25,602	415,185	378,091	121,198	1,282,297	755,610	1,549,626	
Depreciation/amortization	-222,132	-82,399	-216,341	-103,555	-178,145	-9,933	-180,528	-72,595	-797,146	-268,482	
EBITDA	100,590	-138,228	350,576	-316,762	494,962	321,542	-168,368	1,106,781	777,759	973,332	
Adjustments EBITDA	206,535	135,467	0	394,715	98,368	66,482	470,094	248,111	774,997	844,775	
EBITDA underlying	307,125	-2,761	350,576	77,953	593,330	388,024	301,726	1,354,892	1,552,756	1,818,108	
Betriebsergebnis									-19,387	704,851	
Financial result									-225,919	-219,927	
Result before tax									-245,306	484,924	
Income taxes									-74,255	-158,574	
Consolidated net result									-319,561	326,350	

FINANCIAL CALENDAR 2019

May 15, 2019	Interim Disclosure Q1 2019 / Conference Call (9 o'clock)
May 16, 2019	Annual General Meeting
August 20, 2019	Q2 Report 2019
November 15, 2019	Interim Disclosure Q3 201
November 25–27, 2019	German Equity Forum, Frankfurt

SHARE INFORMATION

Bloomberg Symbol	F3C
Reuters Symbol	CXPNX
WKN	756857
ISIN	DE0007568578
Number of shares	10,249,612
Stock Category	No-par value shares
Stock segment	Prime Standard, Renewable Energies
Stock exchange	Frankfurt, FWB
Designated Sponsors	mwb fairtrade Wertpapierhandelsbank AG

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Zukunftsgerichtete Aussagen

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.