

The logo for MBB, consisting of the letters 'MBB' in white, bold, sans-serif font, centered within a solid black square.

MBB

QUARTERLY FINANCIAL REPORT  
MARCH 31, 2015

MBB SE, Berlin

## MBB in figures

Three months (unaudited)	2015	2014	Δ 2015 / 2014
	IFRS	IFRS	
<b>Earnings figures</b>	<b>€ thou</b>	<b>€ thou</b>	<b>%</b>
<b>Revenue</b>	<b>60,241</b>	<b>55,618</b>	8.3
Operating performance	59,579	55,883	6.6
Total performance	61,333	56,249	9.0
Cost of materials	-37,248	-33,759	10.3
Staff costs	-13,873	-13,123	5.7
EBITDA	6,449	5,532	16.6
<i>EBITDA margin</i>	<i>10.8%</i>	<i>9.9%</i>	
EBIT	4,622	4,015	15.1
<i>EBIT margin</i>	<i>7.8%</i>	<i>7.2%</i>	
EBT	4,363	3,820	14.2
<i>EBT margin</i>	<i>7.3%</i>	<i>6.8%</i>	
<b>Consolidated net profit after non-controlling interests</b>	<b>3,102</b>	<b>3,211</b>	-3.4
Number of shares	6,600,000	6,600,000	
eps in €*	0.47	0.50	-6.0
<b>Figures from the statement of financial position</b>	<b>31 Mar</b>	<b>31 Dec</b>	<b>%</b>
	<b>€ thou</b>	<b>€ thou</b>	
Non-current assets	75,602	75,593	0.0
Current assets	129,683	121,098	7.1
there of cash and equivalents**	52,774	58,672	-10.1
Issued capital (share capital)	6,595	6,600	-0.1
Other equity	75,923	71,953	5.5
Total equity	82,518	78,553	5.0
<i>Equity ratio</i>	<i>40.2%</i>	<i>39.9%</i>	
Non-current liabilities	55,137	53,459	3.1
Current liabilities	67,630	64,679	4.6
<b>Total assets</b>	<b>205,285</b>	<b>196,691</b>	<b>4.4</b>
Net debt (-) or net cash (+)**	15,696	24,345	-35.5
<b>Employees</b>	<b>1,161</b>	<b>1,152</b>	<b>0.8</b>

\* Based on the average number of shares outstanding as at 31 March.

\*\* This figure includes physical gold stocks and securities.

## Contents

MBB in figures	1
Contents	2
Interim Group Management Report	3
Business and economic conditions	3
Results of operations, financial position and net assets	3
Segment performance	3
Employees	4
Report on risks and opportunities	4
Changes under company law	4
Executive Management	4
Share buy-back programme	4
Report on expected developments	4
IFRS interim consolidated financial statements for Q1 2015	5
Notes to the interim consolidated financial statements	11
Accounting	11
Accounting policies	11
Segment reporting	11
Dividend	11
Changes in contingent liabilities	12
Related party transactions	12
Events after the end of the reporting period	12
Review	12
Responsibility statement	12
Financial Calendar	13
Contact	13
Legal notice	13

## Interim Group Management Report

MBB SE is a family-owned, medium-sized corporation that forms the MBB Group together with its subsidiaries.

### Business and economic conditions

In Germany the current low price of oil and the strong depreciation of the euro are enabling an upswing. The IMF is forecasting growth in 2015 of 1.6% for Germany and 1.5% for the euro area. However, the lingering geopolitical risks in Ukraine and the Middle East should also not be forgotten for the western economies heavily dependent on the global economy.

The trend on the sub-markets relevant to MBB is generally positive and stable. In particular, according to figures by the German Association of the Automotive Industry (VDA), all three major car markets – the US, China and Europe – posted growth. Western Europe saw the strongest demand for cars in five years. The biggest rise in growth again happened in China, where 11% more new cars were sold in the first three months than in the previous year.

Overall, our subsidiaries have sufficient order backlogs and constant incoming orders, though at MBB Fertigungstechnik in particular this was slightly more moderate than in previous years.

### Results of operations, financial position and net assets

The Group's results of operations, net assets and financial position are positive. In the first three months of the 2015 financial year, the consolidated revenue of the MBB Group was up 8.3% year-on-year at €60.2 million (previous year: €55.6 million).

Other operating income of €1.8 million (previous year: €0.6 million) includes income from sales of securities of €1.1 million, income from currency translation of €0.4 million and other income of €0.3 million.

The ratio of cost of materials to the total operating performance of €59.6 million in the first three months of 2015 (previous year: €55.8 million) climbed from 60.4% in the previous year to 62.5%.

EBITDA (earnings before interest, taxes, depreciation and amortisation) increased by 16.6% to €6.4 million (previous year: €5.5 million). After depreciation and amortisation of €1.8 million, EBIT (earnings before interest and taxes) for the MBB Group was €4.6 million (previous year: €4.0 million). Adjusted for net finance costs of €0.3 million, EBT (earnings before taxes) amounted to €4.4 million (previous year: €3.8 million). The consolidated net profit after non-controlling interests was €3.1 million (previous year: €3.2 million) or €0.47 per share (based on an average of 6,599,557 shares outstanding) in the first three months. The consolidated net profit is lower than in the previous year even though EBITDA and EBIT were up year-on-year as the first quarter of 2014 still benefited from tax concessions for investing activities in Poland.

The consolidated statement of financial position as at 31 March 2015 reported equity of €82.5 million (31 December 2014: €78.6 million). Based on total consolidated assets of €205.3 million, the equity ratio was therefore 40.2% after 39.9% as at 31 December 2014.

As at 31 March 2015, the MBB Group had financial liabilities of €37.1 million (31 December 2014: €34.3 million) and cash and cash equivalents including securities and physical gold reserves of €52.8 million (31 December 2014: €58.7 million). Accordingly, net cash from the above liabilities and cash positions of the MBB Group amounted to €15.7 million compared to €24.3 million as at 31 December 2014. The reduction in net cash reflects the increase in receivables in the statement of financial position as at 31 March 2015, and results from the repayment of liabilities in the first quarter of 2015 from the acquisition of two operating properties at the end of 2014.

### Segment performance

The following segments are reported:

- Technical Applications
- Industrial Production
- Trade & Services

In the Technical Applications segment revenue and EBIT are almost at the same high level. In the first three months of 2015 the segment's external revenue amounted to €30.0 million (previous year: €30.2 million) and its EBIT to €3.5 million (previous year: €3.6 million).

In the Industrial Production segment there was significant growth in revenue as a result of investments made in the previous year. External revenue for the period from 1 January to 31 March 2015 amounted to €21.0 million after €14.6 million in the same period of 2014, while EBIT was higher than in the previous year at €1.3 million after €0.7 million.

Revenue in the Trade & Services segment decreased slightly year-on-year to €7.2 million (previous year: €8.8 million). Segment EBIT also fell to minus €297 thousand (previous year: minus €40 thousand).

### **Employees**

The number of people employed by the MBB Group increased slightly from 1,152 as at 31 December 2014 to 1,161 as at 31 March 2015.

### **Report on risks and opportunities**

The risks and opportunities for the business development of the MBB Group are described in the Group management report for the 2014 financial year, which is available on our website. There have been no significant changes in the risks and opportunities presented since 31 December 2014. The risk management system of MBB SE is appropriate for detecting risks at an early stage and taking immediate countermeasures.

### **Changes under company law**

The change in legal form of MBB Industries AG to MBB SE that was resolved by the Annual General Meeting on 30 June 2014 was entered in the commercial register of the Charlottenburg District Court on 9 March 2015 under HRB 165458 and the company name "MBB SE".

### **Executive Management**

On 24 March 2015, the Board of MBB SE appointed the long-standing members of management, Anton Breitkopf (Chief Financial Officer), Dr Gerrit Karalus (Chief Investment Officer) and Klaus Seidel (Chief Technical Officer), as additional of the Executive Management and appointed Dr Christof Nesemeier as the Chief Executive Officer. The terms of all the members of the Executive Management run until 30 June 2018.

### **Share buy-back programme**

MBB SE implemented a share buy-back programme for the period from 18 March to 7 May 2015. 13,225 shares were bought back at an average price of €23.55. 5,412 of these shares were bought by 31 March 2015.

### **Report on expected developments**

For 2015 the Executive Management are forecasting total revenue of between €240 and €250 million with earnings of at least €1.75 per share.

The Executive Management consider the Group's equity and liquidity situation to be important factors in enabling it to grow in the current market environment, both organically and through the acquisition of new equity investments, while ensuring that it remains in a position to act at all times and even in the event of new global crises.

Berlin, 29 May 2015

The Executive Management

## IFRS interim consolidated financial statements for Q1 2015

IFRS consolidated statement of comprehensive income (unaudited)	1 Jan – 31 Mar 2015 € thou	1 Jan – 31 Mar 2014 € thou
<b>Revenue</b>	<b>60,241</b>	<b>55,618</b>
Increase (+) / decrease (-) in finished goods and work in progress	-662	265
<b>Operating performance</b>	<b>59,579</b>	<b>55,883</b>
Other operating income	1,754	366
<b>Total performance</b>	<b>61,333</b>	<b>56,249</b>
Cost of raw materials and supplies	-28,098	-27,109
Cost of purchased services	-9,150	-6,650
<b>Cost of materials</b>	<b>-37,248</b>	<b>-33,759</b>
Wages and salaries	-10,330	-9,671
Social security and pension costs	-3,543	-3,452
<b>Staff costs</b>	<b>-13,873</b>	<b>-13,123</b>
Other operating expenses	-3,763	-3,835
<b>Earnings before interest, taxes, depreciation, and amortisation (EBITDA)</b>	<b>6,449</b>	<b>5,532</b>
Amortisation and depreciation expense	-1,827	-1,517
<b>Earnings before interest and taxes (EBIT)</b>	<b>4,622</b>	<b>4,015</b>
Other interest and similar income	159	107
Interest and similar expenses	-418	-302
<b>Net finance costs</b>	<b>-259</b>	<b>-195</b>
<b>Earnings before taxes (EBT)</b>	<b>4,363</b>	<b>3,820</b>
Income tax expense	-1,185	-497
Other taxes	-64	-44
<b>Profit or loss for the period</b>	<b>3,114</b>	<b>3,279</b>
Non-controlling interests	-12	-68
<b>Consolidated net profit</b>	<b>3,102</b>	<b>3,211</b>
Earnings per share (in €)	0.47	0.50

IFRS consolidated statement of comprehensive income (unaudited)	1 Jan - 31 Mar 2015 € thou	1 Jan - 31 Mar 2014 € thou
<b>Consolidated net profit</b>	<b>3,102</b>	<b>3,211</b>
Non-controlling interests	12	68
<b>Profit or loss for the period</b>	<b>3,114</b>	<b>3,279</b>
Items that may be subsequently reclassified to profit and loss		
Currency translation differences	761	-112
Available for sale financial assets	235	220
<b>Other comprehensive income after taxes</b>	<b>996</b>	<b>108</b>
<b>Comprehensive income for the reporting period</b>	<b>4,110</b>	<b>3,387</b>
there of attributable to:		
- Shareholders of the parent company	4,118	3,319
- Non-controlling interests	-8	68

Statement of financial position	31 Mar 2015	31 Dec 2014
Assets (IFRS)	unaudited	audited
	€ thou	€ thou
<b>Non-current assets</b>		
Concessions, industrial property rights and similar rights	5,522	5,691
Goodwill	1,816	1,816
Advance payments	36	37
<b>Intangible assets</b>	<b>7,374</b>	<b>7,544</b>
Land and buildings		
including buildings on third-party land	28,687	28,586
Technical equipment and machinery	18,035	18,387
Other equipment, operating and office equipment	4,089	4,092
Advance payments and assets under development	972	543
<b>Property, plant and equipment</b>	<b>51,783</b>	<b>51,608</b>
Investment securities	10,240	9,507
Other loans	94	101
<b>Financial assets</b>	<b>10,334</b>	<b>9,608</b>
<b>Deferred tax assets</b>	<b>6,111</b>	<b>6,833</b>
	<b>75,602</b>	<b>75,593</b>
<b>Current assets</b>		
Raw materials and supplies	8,006	6,356
Work in progress	2,998	2,613
Finished goods	9,205	9,913
Advance payments	2,393	1,344
<b>Inventories</b>	<b>22,602</b>	<b>20,226</b>
Trade receivables	21,644	20,560
Receivables from construction contracts	37,608	26,561
Other current assets	5,295	4,586
<b>Trade receivables and other current assets</b>	<b>64,547</b>	<b>51,707</b>
Gold and commodities	1,979	1,724
Securities	12,284	10,048
<b>Available-for-sale financial assets</b>	<b>14,263</b>	<b>11,772</b>
Cash in hand	16	16
Bank balances	28,255	37,377
<b>Cash in hand, bank balances</b>	<b>28,271</b>	<b>37,393</b>
	<b>129,683</b>	<b>121,098</b>
<b>Total assets</b>	<b>205,285</b>	<b>196,691</b>



Statement of financial position Equity and liabilities (IFRS)	31 Mar 2015 unaudited € thou	31 Dec 2014 audited € thou
<b>Equity</b>		
Issued capital	6,595	6,600
Capital reserve	17,657	17,779
Legal reserve	61	61
Retained earnings	54,721	50,603
Non-controlling interests	3,484	3,510
	<b>82,518</b>	<b>78,553</b>
<b>Non-current liabilities</b>		
Liabilities to banks	25,480	24,847
Trade payables	366	395
Other liabilities	1,804	1,887
Pension provisions	22,483	22,386
Other provisions	851	692
Deferred tax liabilities	4,153	3,252
	<b>55,137</b>	<b>53,459</b>
<b>Current liabilities</b>		
Due to banks	9,628	7,449
Advance payments received	5,845	2,806
Trade payables	19,593	19,637
Other liabilities	4,421	7,137
Provisions with the nature of a liability	9,614	8,210
Tax provisions	720	2,983
Other provisions	17,809	16,457
	<b>67,630</b>	<b>64,679</b>
<b>Total equity and liabilities</b>	<b>205,285</b>	<b>196,691</b>

Consolidated statement of cash flows (unaudited)	1 Jan - 31 Mar 2015	1 Jan - 31 Mar 2014
	€ thou	€ thou
<b>1. Cash flow from operating activities</b>		
<b>Earnings before interest and taxes (EBIT)</b>	<b>4,622</b>	<b>4,015</b>
<b>Adjustments for non-cash transactions</b>		
Write-downs on non-current assets	1,827	1,517
Increase (+) / decrease (-) in provisions	1,608	-4,261
Other non-cash expenses / income	-122	-107
	<b>3,313</b>	<b>-2,851</b>
<b>Change in working capital:</b>		
Increase (-) / decrease (+) in inventories, trade receivables and other assets	-15,216	-2,600
Decrease (-) / increase (+) in trade payables and other liabilities	1,571	461
	<b>-13,645</b>	<b>-2,139</b>
Income taxes paid	-1,889	-351
Interest received	159	107
	<b>-1,730</b>	<b>-244</b>
<b>Cash flow from operating activities</b>	<b>-7,440</b>	<b>-1,219</b>
<b>2. Cash flow from investing activities</b>		
Investments (-) / divestments (+) intangible assets	28	-28
Investments (-) / divestments (+) property, plant and equipment	-1,102	-2,452
Investments (-) / divestments (+) financial assets	7	251
Investments (-) / divestments (+) of available-for-sale financial assets and securities	-2,989	-1,090
<b>Cash flow from investing activities</b>	<b>-4,056</b>	<b>-3,319</b>
<b>3. Cash flow from financing activities</b>		
Payments to Non-Controlling Interests	-18	0
Share buy back programme	-127	3,528
Proceeds from borrowing financial loans	3,133	2,701
Repayments of financial loans	-321	0
Interest payments	-373	-302
<b>Cash flow from financing activities</b>	<b>2,294</b>	<b>5,927</b>
<b>Cash and cash equivalents at end of period</b>		
Change in cash and cash equivalents (Subtotal 1-3)	-9,202	1,389
Effects of changes in foreign exchange rates (non-cash)	80	-5
Cash and cash equivalents at start of reporting period	37,393	36,703
<b>Cash and cash equivalents at end of period</b>	<b>28,271</b>	<b>38,087</b>
<b>Composition of cash and cash equivalents</b>		
Cash in hand	16	20
Bank balances	28,255	38,067
<b>Reconciliation to liquidity reserve on 31 Mar</b>		
Cash and cash equivalents at end of period	28,271	38,087
Gold	1,979	1,645
Securities	22,524	17,892
<b>Liquidity reserve on 31 Mar</b>	<b>52,774</b>	<b>57,624</b>

Statement of changes in consolidated equity (unaudited)										
	Issued capital	Capital reserve	Legal reserve	Currency translation difference	Retained earnings			Share of shareholders of MBB SE	Non-controlling interests	Consolidated equity
	€ thou	€ thou	€ thou	€ thou	Available for sale financial assets	Pension reserve	Generated consolidated equity	€ thou	€ thou	€ thou
<b>1 Jan 2014</b>	<b>6,456</b>	<b>14,395</b>	<b>61</b>	<b>-218</b>	<b>1,179</b>	<b>6</b>	<b>43,057</b>	<b>64,936</b>	<b>2,853</b>	<b>67,789</b>
Payments to shareholders	0	0	0	0	0	0	-3,630	-3,630	-93	-3,723
<b>Subtotal</b>	<b>6,456</b>	<b>14,395</b>	<b>61</b>	<b>-218</b>	<b>1,179</b>	<b>6</b>	<b>39,427</b>	<b>61,306</b>	<b>2,760</b>	<b>64,066</b>
Amounts recognised in other comprehensive income	0	0	0	0	266	-2,693	0	-2,427	-15	-2,442
Currency translation difference	0	0	0	-398	0	0	0	-398	31	-367
Consolidated net profit	0	0	0	0	0	0	13,199	13,199	569	13,768
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-398</b>	<b>266</b>	<b>-2,693</b>	<b>13,199</b>	<b>10,374</b>	<b>585</b>	<b>10,959</b>
Non-Controlling Interests Hanle Tissue	0	0	0	0	0	0	-165	-165	165	0
Sale of treasury shares	144	3,384	0	0	0	0	0	3,528	0	3,528
<b>31 Dec 2014</b>	<b>6,600</b>	<b>17,779</b>	<b>61</b>	<b>-616</b>	<b>1,445</b>	<b>-2,687</b>	<b>52,461</b>	<b>75,043</b>	<b>3,510</b>	<b>78,553</b>
Payments to shareholders	0	0	0	0	0	0	0	0	-18	-18
<b>Subtotal</b>	<b>6,600</b>	<b>17,779</b>	<b>61</b>	<b>-616</b>	<b>1,445</b>	<b>-2,687</b>	<b>52,461</b>	<b>75,043</b>	<b>3,492</b>	<b>78,535</b>
Amounts recognised in other comprehensive income	0	0	0	0	235	0	0	235	0	235
Currency translation difference	0	0	0	781	0	0	0	781	-20	761
Consolidated net profit	0	0	0	0	0	0	3,102	3,102	12	3,114
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>781</b>	<b>235</b>	<b>0</b>	<b>3,102</b>	<b>4,118</b>	<b>-8</b>	<b>4,110</b>
Treasury shares	-5	-122	0	0	0	0	0	-127	0	-127
<b>31 Mar 2015</b>	<b>6,595</b>	<b>17,657</b>	<b>61</b>	<b>165</b>	<b>1,680</b>	<b>-2,687</b>	<b>55,563</b>	<b>79,034</b>	<b>3,484</b>	<b>82,518</b>

## Notes to the interim consolidated financial statements

### Accounting

The three-month financial report of the MBB Group for the period 1 January to 31 March 2015 was prepared on the basis of the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) as adopted in the EU. It was prepared in accordance with IAS 34.

### Accounting policies

The accounting policies adopted are the same as those of the consolidated financial statements as at 31 December 2014. The preparation of the financial statements is influenced by accounting policies and assumptions and estimates affecting the amount and reporting of recognised assets, liabilities, contingent liabilities and income and expense items. Matters relating to revenue are deferred intra-year.

### Segment reporting

The management of the MBB Group classifies the segments as reported in the interim Group management report.

1 Jan - 31 Mar 2015 (unaudited)	Technical applications	Industrial production	Trade & services	Reconciliation	Group
	€ thou	€ thou	€ thou	€ thou	€ thou
Revenue from third parties	32,016	21,024	7,201	0	60,241
Other segments	6	2	56	-64	0
<b>Total revenue</b>	<b>32,022</b>	<b>21,026</b>	<b>7,257</b>	<b>-64</b>	<b>60,241</b>
<b>Earnings (EBIT)</b>	<b>3,524</b>	<b>1,259</b>	<b>-289</b>	<b>128</b>	<b>4,622</b>
Amortisation and depreciation	607	889	321	10	1,827
Investments	265	538	271		
<b>Segment assets</b>	<b>82,221</b>	<b>50,929</b>	<b>9,584</b>		
<b>Segment liabilities</b>	<b>62,323</b>	<b>14,045</b>	<b>3,423</b>		

1 Jan - 31 Mar 2014 (unaudited)	Technical applications	Industrial production	Trade & services	Reconciliation	Group
	€ thou	€ thou	€ thou	€ thou	€ thou
Revenue from third parties	32,188	14,613	8,817	0	55,618
Other segments	8	37	46	-91	0
<b>Total revenue</b>	<b>32,196</b>	<b>14,650</b>	<b>8,863</b>	<b>-91</b>	<b>55,618</b>
<b>Earnings (EBIT)</b>	<b>3,557</b>	<b>705</b>	<b>-40</b>	<b>-207</b>	<b>4,015</b>
Amortisation and depreciation	580	657	269	11	1,517
Investments	667	1,465	348		
<b>Segment assets</b>	<b>70,947</b>	<b>41,035</b>	<b>8,637</b>		
<b>Segment liabilities</b>	<b>50,070</b>	<b>9,582</b>	<b>4,252</b>		

Segment liabilities do not include any liabilities from taxes, finance lease liabilities or liabilities to banks.

### Dividend

At the Annual General Meeting to be held in Berlin on 30 June 2015 the Executive Management and the Board of MBB SE will propose a dividend of €0.57 per entitled share for the 2014 financial year.

### **Changes in contingent liabilities**

There were no changes in contingent liabilities as against 31 December 2014.

### **Related party transactions**

Business transactions between fully consolidated Group companies and unconsolidated Group companies are conducted at arm's-length conditions.

### **Events after the end of the reporting period**

There have been no significant events since the end of the reporting period.

### **Review**

The condensed interim consolidated financial statements as at 31 March 2015 and the interim Group management report were neither audited in accordance with section 317 of the German Commercial Code (HGB) nor reviewed by an auditor.

### **Responsibility statement**

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the consolidated interim financial statements give a true and fair view of the net assets, financial position and results of operations of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Berlin, 29 May 2015

The Executive Management

## Financial Calendar

### Annual General Meeting

30 June 2015

at Ludwig Erhard Haus,

Fasanenstrasse 85, 10623 Berlin, Germany

### Half-year financial report 2015

31 August 2015

### Analyst Conference German Equity Forum

Frankfurt/Main

23 - 25 November 2015

### Quarterly report Q3 2015

30 November 2015

### End of the financial year

31 December 2015

We would like to take this opportunity to mention our **RSS** feed, with which you can subscribe to and read the latest news from the company on your computer screen free of charge. This is a quick and convenient way of staying up-to-date: [www.mbb.com/RSS](http://www.mbb.com/RSS)

We would also like to draw your attention to our **MBB newsletter**, which you can subscribe to at [www.mbb.com/newsletter](http://www.mbb.com/newsletter). You will then always receive the latest news from MBB SE by e-mail.

## Contact

MBB SE

Joachimsthaler Strasse 34

10719 Berlin

Tel.: +49 (0) 30 844 15 330

Fax: +49 (0) 30 844 15 333

[www.mbb.com](http://www.mbb.com)

[request@mbb.com](mailto:request@mbb.com)

## Legal notice

© MBB SE

Joachimsthaler Strasse 34

10719 Berlin

