

**ISRA VISION AG: 2014/2015 financial year – Preliminary figures again confirm the guidance for the full year: revenues + 10%, EBT + 14%**

**Successful 2014/2015 financial year: After 100+ again double-digit growth**

- Revenue growth of 10% to 112.2 million euros (FY 13/14: 102.5 million euros)
- EBT plus 14% to 21.8 million euros (FY 13/14: 19.1 million euros)
- Increased profitability referenced to total output:
  - EBITDA margin at 26% (FY 13/14: 25%); plus 12%
  - EBIT margin at 18% (FY 13/14: 17%); plus 13%
  - EBT margin at 18% (FY 13/14: 17%); plus 14%
- EBT margin to revenues at 19% (FY 13/14: 19%); plus 14%
- Gross margin at high level of previous quarters at 61% to total output; for the entire year, slight increase to 61% (FY 13/14: 60%)
- Order backlog over 80 million euros (PY: approx. 57 million euros)
- Double-digit revenue contribution of service business
- Earnings per share (EPS) rise to 3.39 euros (FY 13/14: 2.97 euros)

ISRA VISION AG (ISIN: DE 0005488100), one of the world's top companies for industrial image processing (Machine Vision) as well as globally leading in surface inspection of web materials and 3D machine vision applications, once again reached the forecasted annual target – after audited, but not yet certified figures – and concluded the financial year with a strong fourth quarter. With a revenue growth of 10 percent to 112.2 million euros (FY 13/14: 102.5 million euros), the company underscores its robust strategic positioning and profits from the expected economies of scale after reaching the revenue goal of 100+ in the 2013/2014 financial year. An increase of EBT (Earnings Before Taxes) by 14 percent to 21.8 million euros (FY 13/14: 19.1 million euros) serves as the basis for continuing further profitable growth. The EBT margin referenced to total output improves by one percentage point to 18 percent (FY 13/14: 17%), referenced to revenues it is at 19 percent, the same value as in the previous year. Given the continued high level of equity and the available credit lines, ISRA is equipped with solid capital resources. Earnings per share after taxes (EPS) increase to 3.39 euros (FY 13/14: 2.97 euros).

In the financial year 2014/2015, the company further strengthened itself structurally and strategically. With 35.9 million euros, the revenues in Q4 are 10 percent higher compared to the same period of the previous year (FY 13/14: 32.7 million euros). The annual revenues also increase by 10 percent to 112.2 million euros (FY 13/14: 102.5 million euros). With a plus of 12 percent, the EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) reaches 32.4 million euros (FY 13/14: 28.8 million euros), which results in an increase of the EBITDA margin by one percentage point to 26 percent referenced to total output (FY 13/14: 25%). EBIT (Earnings Before Interest and Taxes) also improves by 13 percent to 22.6 million euros (FY 13/14: 20.0 million euros), which corresponds to an EBIT margin of 18 percent referenced to total output (FY 13/14: 17%). EBT (Earnings Before Taxes) climbs by 14 percent to 21.8 million euros (FY 13/14: 19.1 million euros). The gross margin (total output minus cost of materials and cost of labor in production and engineering) rises by 9 percent to 61 percent (FY 13/14: 60%) and confirms the tendency

of the previous quarters. The order entries in the fourth quarter and the cash demand associated with it for production resulted in a lower operative cash flow of 12.4 million euros (FY 13/14: 19.8 million euros) as of the reporting date. Overall, the 2014/2015 financial year ends with a net cash flow of 3.9 million euros (FY 13/14: 1.6 million euros).

The developments in the different regions continue the positive tendencies of preceding quarters. In America, ISRA recorded a significant growth, driven by the good order situation from the United States as a result of intensive sales activities. For the upcoming months, the company anticipates a continued positive course of business in the American markets. The demand from China was successfully supported by extensive measures in marketing and sales. Together with Taiwan and Korea, China contributes to increase Asia's revenue share with double-digit growth to approx. 40 percent. In Europe, ISRA achieved revenues at the high level of the previous year – Management expects an increase in demand from individual strategic countries in the next quarters. The regional expansion and the reinforcement of international locations remain an important part of the company strategy. In this context, the infrastructure of the presence in Shanghai is being extended and the market entry in Mexico has started.

Also in the 2014/2015 financial year, ISRA further expanded its market position in the two segments Industrial Automation and Surface Vision. The Surface Vision segment shows a growth of 11 percent, resulting in a revenue growth to 85.6 million euros (FY 13/14: 77.4 million euros). EBIT improves by 15 percent to 17.2 million euros (FY 13/14: 15.0 million euros), which corresponds to a margin increase by one percentage point to 18 percent referenced to total output. The Plastics unit is one of the major growth drivers in the financial year and contributed profitably with double-digit rates to the annual result due to a consistent expansion of the application portfolio to new materials. A similar strong development comes from the solar business which continues the high revenue level of the previous quarters with a growth in order entries – particularly from Asia. The company records an increased demand not only on the North-American market, but also on the Chinese market – ISRA currently expects the written order for a framework contract regarding quality control of solar cells in the lower single-digit million range. The order dynamics in the metal industry show a significantly positive development due to activities in marketing and sales; strategic large-scale orders from China confirm the trend. After the successful market launch of the expanded Print product portfolio and the acquisition of Vision Experts, additional investments in marketing and sales will further strengthen the market position in this sector. With the advanced diversification of the product range for the inspection of security paper, the company expects new revenue impulses from strategically important key customers in China and the United States in the short-term. The still new semiconductor business, which started successfully with a follow-up order by the first customer, will be strengthened by the initial setup of the sales department. In this stage, the first focus will lie on European markets. Given the double-digit share in revenues, Support and Service remain a strategic growth area with significant potentials in all regions.

The revenues in the Industrial Automation segment, whose customer base particularly consists of premium car manufacturers, were increased by an additional 6 percent. With 26.6 million euros (FY 13/14: 25.0 million euros), they are at the high level of the previous year. Order entries, on the other hand, show strong double-digit growth rates. The EBIT of the segment increases by 7 percent to 5.3 million euros (FY 13/14: 5.0 million euros), thereby reaching a margin of 19 percent referenced to total output (FY 13/14: 18%). Besides the business with optical solutions for 3D measurement and the Plug & Automate product family, particularly the demand from customers in the automotive industry showed a significant increase. This was confirmed, among other things, by a large-scale order from a Chinese joint venture. Currently, new growth impulses can be outlined from orders coming from the United States and Asia.

# Press Release

December 15, 2015



Besides the growth in the core markets, acquisitions are an important part of ISRA's company strategy. After the acquisition of Vision Experts GmbH in August 2015, additional acquisition targets are currently being analyzed in order to develop new revenue potentials. Provided that the outcome is positive, the conclusion of a project is planned for the current 2015/2016 financial year.

ISRA started successfully into the first quarter of 2015/2016 with an again high order backlog of over 80 million euros (PY: approx. 57 million euros). The company responds to the inconsistent developments in various regions or segments by intensifying the marketing and sales measures as well as innovations. In addition to the expansion of new, strategically important customer markets, optimizing the cash flow as well as the working capital remains at the center of the management activities. The Executive Board assumes that a dividend at least in the same amount of the previous year will be paid. For the current financial year, ISRA anticipates a continued profitable growth in the double-digit percentage range. In terms of profits, plans provide for further optimization of the margins, while at least maintaining the current high level. Similar to the previous years, the company will publish a detailed forecast in February 2016. By focusing on innovations and efficiency as well as strengthening individual regions, ISRA is actively preparing for the medium-term targeted revenue dimension of 150 million euros.

## Company profile

ISRA VISION AG, together with its subsidiaries, is worldwide leading in surface inspection of web materials. Furthermore, it is one of the globally leading providers of machine vision programs, specialising in the area of 3D machine vision, in particular for "3D robot vision".

The core competence of the company is the ISRA-BrainWARE<sup>®</sup>, an innovative software for intelligent machine vision systems. Here, the scientific know-how from the fields of optics, lighting technology, surveying technology, physics, image processing and classification algorithms and a complex system design are combined. Machine vision is a key technology for visualising systems that imitate the human eye. Today's ISRA applications focus primarily on the automation of production and quality assurance of goods and products supplied to large, future-oriented markets such as energy, healthcare, food, mobility and information. The customers mainly include renowned global players from the respective sectors. With more than 25 locations worldwide, ISRA offers customer proximity everywhere and ensures optimum service and support.

In the past seventeen years, ISRA has shown profitable growth with an annual average increase in sales of approx. 25 percent. Currently the company employs approx. 600 people worldwide.

Further information are available at [www.isravision.com](http://www.isravision.com).

## Consolidated Total Operating Revenue EBITDA-EBIT statement <sup>4)</sup>

from October 1, 2014 to September 30, 2015 in € k

(in € k)	FY 2014/2015 <sup>1)</sup>		FY 2013/2014 <sup>2)</sup>		FY 2014/2015 3 months		FY 2013/2014 3 months	
	(Oct. 1, 2014 - Sept. 30, 2015)		(Oct. 1, 2013 - Sept. 30, 2014)		(Jul. 1, 2015 - Sept. 30, 2015)		(Jul. 1, 2014 - Sept. 30, 2014)	
Net sales	112,235	90%	102,477	89%	35,867	90%	32,670	88%
Capitalized work	11,999	10%	12,089	11%	4,190	10%	4,543	12%
Total output	124,235	100%	114,566	100%	40,058	100%	37,213	100%
Cost of materials	25,082	20%	24,154	21%	8,664	22%	8,743	23%
Cost of labour excluding depreciation	23,874	19%	21,262	19%	7,145	18%	5,846	16%
Cost of production excluding depreciation	48,956	39%	45,416	40%	15,810	39%	14,589	39%
Gross profit	75,278	61%	69,150	60%	24,248	61%	22,624	61%
Research and development Total	18,928	15%	18,253	16%	6,008	15%	6,445	17%
Sales and marketing costs	20,576	17%	19,083	17%	5,969	15%	6,792	18%
Administration	4,462	4%	4,746	4%	1,274	3%	1,363	4%
Sales and administration costs excluding depreciation	25,038	20%	23,829	21%	7,243	18%	8,155	22%
Other revenues	1,096	1%	1,740	2%	186	0%	863	2%
EBITDA	32,409	26%	28,808	25%	11,184	28%	8,887	24%
Depreciation and amortization	9,849	8%	8,795	8%	3,171	8%	2,252	6%
Total costs	53,814	43%	50,877	44%	16,421	41%	16,852	45%
EBIT	22,560	18%	20,013	17%	8,013	20%	6,635	18%
Interest income	35	0%	59	0%	22	0%	24	0%
Interest expenses	-757	-1%	-927	-1%	-285	-1%	-356	-1%
Financing result	-722	-1%	-868	-1%	-263	-1%	-332	-1%
EBT	21,838	18%	19,145	17%	7,750	19%	6,303	17%
Income taxes	7,059	6%	6,017	5%	2,661	7%	2,103	6%
Consolidated net profit	14,779	12%	13,128	11%	5,088	13%	4,200	11%
Of which accounted to non-controlling shareholders	-42	0%	129	0%	-133	0%	33	0%
Of which accounted to shareholders of ISRA VISION AG	14,821	12%	12,999	11%	5,221	13%	4,167	11%
Earnings per share in € before income taxes <sup>3)</sup>	5.00		4.37		1.77		1.44	
Earnings per share in € <sup>3)</sup>	3.39		2.97		1.19		0.95	
Shares issued	4,371,041 <sup>5)</sup>		4,380,373		4,370,636 <sup>5)</sup>		4,378,671	

<sup>1)</sup> Audited in accordance with IFRS and released, but not confirmed

<sup>2)</sup> IFRS audited and confirmed

<sup>3)</sup> Per-share result undiluted and diluted

<sup>4)</sup> This pro forma statement is an additional presentation based on the comprehensive presentation given in previous years and not part of the IFRS consolidated financial statements

<sup>5)</sup> Weighted number of shares

## Consolidated Income Statement <sup>4)</sup>

from October 1, 2014 to September 30, 2015 in € k

(in € k)	FY 2014 / 2015 <sup>1)</sup>		FY 2013 / 2014 <sup>2)</sup>		FY 2014 / 2015 3 months		FY 2013 / 2014 3 months	
	(Oct. 1, 2014 - Sept. 30, 2015)		(Oct. 1, 2013 - Sept. 30, 2014)		(Jul. 1, 2015 - Sept. 30, 2015)		(Jul. 1, 2014 - Sept. 30, 2014)	
Net sales	112,235	100%	102,477	100%	35,867	100%	32,670	100%
Cost of sales	49,650	44%	45,944	45%	16,018	45%	14,711	45%
Gross operating result (gross profit)	62,585	56%	56,533	55%	19,850	55%	17,959	55%
Research and development	15,206	14%	13,506	13%	4,521	13%	3,852	12%
Total costs	18,928	17%	18,253	18%	6,008	17%	6,446	20%
Depreciation and amortization	8,428	8%	7,674	7%	2,752	8%	1,949	6%
Grants	-151	0%	-332	0%	-48	0%	0	0%
Capitalized work	-11,999	-11%	-12,089	-12%	-4,190	-12%	-4,543	-14%
Sales and marketing costs	21,173	19%	19,557	19%	6,143	17%	6,944	21%
Administration	4,592	4%	4,864	5%	1,311	4%	1,392	4%
Sales and administration costs	25,765	23%	24,421	24%	7,454	21%	8,336	26%
Other revenues	945	1%	1,408	1%	138	0%	863	3%
Interest income	35	0%	59	0%	22	0%	24	0%
Interest expenses	-757	-1%	-927	-1%	-285	-1%	-356	-1%
Financing result	-722	-1%	-868	-1%	-263	-1%	-332	-1%
Earnings before taxes (EBT)	21,838	19%	19,145	19%	7,750	22%	6,302	19%
Income taxes	7,059	6%	6,017	6%	2,661	7%	2,103	6%
Consolidated net profit	14,779	13%	13,128	13%	5,088	14%	4,200	13%
Of which accounted to shareholders of ISRA VISION AG	14,821	13%	12,999	13%	5,221	15%	4,167	13%
Of which accounted to non-controlling shareholders	-42	0%	129	0%	-133	0%	33	0%
Earnings per share in € before income taxes <sup>3)</sup>	5.00		4.37		1.77		1.44	
Earnings per share in € <sup>3)</sup>	3.39		2.97		1.19		0.95	
Shares issued	4,371,041 <sup>5)</sup>		4,380,373		4,370,636 <sup>5)</sup>		4,378,671	

<sup>1)</sup> Audited in accordance with IFRS and released, but not confirmed

<sup>2)</sup> IFRS audited and confirmed

<sup>3)</sup> Per-share result undiluted and diluted

<sup>4)</sup> The Company's annual consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB). In the year under review the IFRS and SICs which must compulsorily be applied were followed.

<sup>5)</sup> Weighted number of shares

## Consolidated Balance Sheet <sup>3)</sup>

at September 30, 2015 in € k

(in € k)	Sept. 30, 2015 <sup>1)</sup>	Sept. 30, 2014 <sup>2)</sup>
<b>ASSETS</b>		
<b>Assets</b>		
<b>Short-term assets</b>		
Inventories	30,703	27,963
Trade receivables	86,838	70,191
Cash and cash equivalents	15,056	10,924
Financial assets	3,585	3,778
Other receivables	2,453	789
Income tax receivables	1,534	605
<b>Total short-term assets</b>	<b>140,169</b>	<b>114,250</b>
<b>Long-term assets</b>		
Intangible assets	105,391	98,043
Tangible assets	6,199	5,865
Cash and cash equivalents	105	315
Financial assets	1,168	1,210
Deferred tax claims	3,038	2,777
<b>Total long-term assets</b>	<b>115,901</b>	<b>108,210</b>
<b>Total assets</b>	<b>256,070</b>	<b>222,460</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Short-term liabilities</b>		
Trade payables	11,799	8,681
Financial liabilities to banks	50,103	31,974
Other financial liabilities	10,979	12,135
Other accruals	1,624	1,177
Income tax liabilities	1,028	2,282
Other liabilities	1,258	608
<b>Total short-term liabilities</b>	<b>76,791</b>	<b>56,857</b>
<b>Long-term liabilities</b>		
Deferred tax liabilities	31,913	25,176
Financial liabilities to banks	0	8,025
Pension provisions	3,090	2,888
<b>Total long-term liabilities</b>	<b>35,003</b>	<b>36,089</b>
<b>Total liabilities</b>	<b>111,794</b>	<b>92,946</b>
<b>Equity</b>		
Issued capital	4,381	4,381
Capital reserves	38,623	38,623
Profit brought forward	82,406	71,111
Net profit accounted to the shareholders of ISRA VISION AG	14,821	12,999
Other comprehensive income	2,668	1,224
Own shares	83	-162
<b>Share of equity capital held by ISRA VISION AG shareholders</b>	<b>142,982</b>	<b>128,176</b>
Equity capital accounted to non-controlling shareholders	1,294	1,338
<b>Total equity</b>	<b>144,276</b>	<b>129,514</b>
<b>Total equity and liabilities</b>	<b>256,070</b>	<b>222,460</b>

<sup>1)</sup> Audited in accordance with IFRS and released, but not confirmed

<sup>2)</sup> IFRS audited and confirmed

<sup>3)</sup> The Company's annual consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB). In the year under review the IFRS/IASs and SICs which must compulsorily be applied were followed.

## Consolidated Cash flow Statement <sup>3)</sup>

from October 1, 2014 to September 30, 2015 in € k

(in € k)	Oct. 1, 2014 - Sept. 30, 2015 <sup>1)</sup>	Oct. 1, 2013 - Sept. 30, 2014 <sup>2)</sup>
<b>Consolidated net profit</b>	<b>14,779</b>	<b>13,129</b>
Income tax payments	4,160	2,570
Changes in deferred tax assets and liabilities	6,476	2,046
Changes in accruals	637	696
Depreciation and amortization	9,849	8,795
Changes in inventories	-2,245	-2,115
Changes in trade receivables and other assets	-18,455	-7,147
Changes in trade payables and other liabilities	-3,571	1,435
Interest income	-35	-59
Interest expenses	757	927
Other non-cash changes	45	-483
<b>Cash flow from operating activities</b>	<b>12,396</b>	<b>19,794</b>
Payments for investments in tangible assets	-1,104	-1,444
Payments for investments in intangible assets	-13,344	-12,786
Company acquisition	-2,192	-750
<b>Cash flow from investment activities</b>	<b>-16,640</b>	<b>-14,980</b>
Payments to company owners through acquisition of own shares	0	-154
Dividend payouts	-1,705	-1,533
Deposits from sales of own shareholdings	246	0
Acquisition of minority interests in subsidiaries	0	-200
Deposits from the assumption of financial liabilities	13,654	3,030
Repayments of financial liabilities	-3,550	-3,550
Interest income	35	59
Interest expenses	-757	-927
<b>Cash flow from financing activities</b>	<b>7,922</b>	<b>-3,275</b>
Exchange rate-based value changes of the financial resources	244	44
<b>Change of financial resources</b>	<b>3,922</b>	<b>1,584</b>
<b>Net cash flow</b>		
Financial resources on 30.09.2014	11,239	9,655
Financial resources on 30.09.2015	15,161	11,239

<sup>1)</sup> Audited in accordance with IFRS and released, but not confirmed

<sup>2)</sup> IFRS audited and confirmed

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## Segment Reporting by Division <sup>3)</sup>

for selected positions of the consolidated income statement in € k

(in € k)	Industrial Automation Division		Surface Vision Division	
	Oct. 1, 2014 - Sept. 30, 2015 <sup>1)</sup>	Oct. 1, 2013 - Sept. 30, 2014 <sup>2)</sup>	Oct. 1, 2014 - Sept. 30, 2015 <sup>1)</sup>	Oct. 1, 2013 - Sept. 30, 2014 <sup>2)</sup>
Revenues	26,590	25,038	85,645	77,439
EBIT	5,345	5,016	17,215	14,997

<sup>1)</sup> Audited in accordance with IFRS and released, but not confirmed

<sup>2)</sup> IFRS audited and confirmed

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### Additional Information

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