

# UNITED POWER TECHNOLOGY

Interim statement 9 months 2016



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## REVENUES AND EARNINGS POSITION

United Power's revenue decreased by 27.8% to EUR 65.96 million in the nine-month period of 2016 compared with EUR 91.30 million for the same period last year. In terms of RMB, which is our functional currency, revenue decreased by 23.1% over the same period of last year in a prolonged industrial contraction, both commercial sector and residential sector declined greatly, with the later being affected worsely.

Our cost of sales decreased by 25.5% from EUR 77.01 million for the nine-month period of 2015 to EUR 57.38 million for the comparable period of 2016 following sale decrease; it added faster than sale because of rising fixed cost per units due to reduced volume.

Gross profit decreased slightly by 39.9% from EUR 14.29 million for the nine-month period of 2015 to EUR 8.59 million for the same period this year. Compared to the same period last year, United Power's gross profit margin decreased by 2.6 percentage points to 13.0% in the nine-month period of 2016, mainly due to the higher cost of sales compared to the revenues, which was influenced by RMB price adjustment to retain customers.

Our EBIT for the nine-month period of 2016 decreased by 69.2% to EUR 3.13 million (9M 2015: EUR 10.13 million). The decrease was mainly due to the lower gross margin. As a result, our EBIT margin decreased to 4.7% (9M 2015: 11.10%) for the nine-month period of 2016.

United Power's profit for the period decreased by 77.4% from EUR 6.72 million for the nine-month period of 2015 to EUR 1.52 million in the comparable period of 2016.

As a percentage of revenues, profit for the period decreased from 7.36% for the nine-month period of 2015 to 2.30% for the comparable period of 2016.

The earnings per share (EPS) in the nine-month period of 2016 were EUR 0.12, a decrease of 77.4% year-on-year.

## **ASSETS AND LIABILITIES POSITION**

### **Current assets**

Current assets decreased by 9.1%, mainly due to contracted sale.

Cash and cash equivalents amounted to EUR 25.01 million as at 30 September 2016, which represented an increase of 26.4% from EUR 19.78 million as at 31 December 2015 due to our operation continued to generate cash flow while we lessen investment.

Cash and cash equivalents comprise bank balances mainly held in RMB at international commercial banks in China with some balances in Hong Kong and Germany.

### **Non-current assets**

Non-current assets, which mainly comprises of property, plant and equipment, decreased by 8.1% from EUR 118.89 million as of 31 December 2015 to EUR 109.28 million as of 30 September 2016, mainly due to currency effects of a stronger Euro compared to the RMB.

### **Liabilities**

Liabilities decreased by 32.5%, mainly due to partial repayment of loan and contracted purchase.

### **Equity to total assets ratio**

The total equity decreased by 3.7% from EUR 136.75 million as of 31 December 2015 to EUR 131.67 million as of 30 September 2016 as translation loss exceeded profit for the reporting period.

The equity to total assets ratio changed from 82.95% as of 31 December 2015 to 87.17% as of 30 September 2016.

## **RISK AND OPPORTUNITY MANAGEMENT**

There have been no significant changes in the opportunities or risks of United Power Technology AG in the third quarter of 2016. We therefore refer to the disclosures in the risk report included in the group management report of the annual report for the fiscal year 2015.

## **REPORT ON POST-BALANCE SHEET EVENTS**

There were no transactions or other events of special significance after the balance sheet date of 30 September 2016.

## **OUTLOOK**

There is no change of our guidance since last quarter, for further information we refer to the half-year report 2016.

## **IMPRINT**

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