



Q1 INTERIM REPORT 2018

ROY Ceramics SE: The results of the first quarter reflect the trend and costs of the planned projects

Hungen, 31 May 2018 – During the course of the first three months of the financial year 2018, Roy Ceramics SE generated a scheduled loss.

The scheduled net loss of EUR 3.3 million for the first three months of 2018 essentially reflects overhead costs for the depreciation on the sanitary ware machines placed in storage. No revenue was generated in the first quarter in the sanitary ware segment. The property business area is developing positively as expected. The first quarter saw rental income of EUR 665 thousand being realised.

As a consequence of the relocation of the ROY Ceramics SE sanitary ware production, no revenue could be generated in the first three months of the financial year 2018. ROY Ceramics SE is currently looking into the possibility of production in Europe with a focus on smart toilets. Considerable investment costs are anticipated for this. In addition, ROY is working with an OEM manufacturer in Thailand to deliver high-quality sanitary ware. In the property business area, ROY Ceramics SE is planning further investment in promising property projects in the USA, in particular in the field of project development.

Financial position

The fixed assets of ROY Ceramics SE amounted to EUR 72.9 million as at the end of the first quarter 2018 (31 December 2017: EUR 77.8 million). The assets are predominantly made up of immovables and property, plant and equipment. The current



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assets amounting to EUR 42.8 million are primarily bank balances. The Group's equity amounts to EUR 106.4 million as of 31 March 2018. (31 December 2017: EUR 109.7 million).

Forecast

The information in the 2017 group management report continues to apply to ROY Ceramics SE.

Post balance sheet date events

Personnel

The management board of ROY Ceramics SE appointed Mr Robert Huyck to the post of managing director of ROY Ceramics SE in April 2018.

Real estate

ROY participated in another real estate project in April 2018. The project in Jurupa Valley, California, has a total investment value of USD 61.8 million, and the plan is to build 97 single-family homes and 118 multi-family homes spread over several construction phases over a period of three years on a plot of approx. 10 hectares. ROY is investing USD 5 million in the project in exchange for a 55% majority stake in the project company.

On 01 May 2018, ROY signed a contract to participate in the project development of an apartment block in Houston, Texas. The project includes the construction of a high-rise building with approx. 328 apartments and approx. 1,380 sqm of commercial space. The building lies in a central location in Houston, Texas. The construction



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period until completion is estimated to take two years and the achievement of substantial occupancy is expected within two years after completion. The overall costs of the project amount to approx. USD 130 million, to which ROY is contributing equity amounting to USD 29 million. The construction costs are secured via a guaranteed maximum price contract.

About ROY Ceramics SE

Until the sale of the operating subsidiaries in China, ROY Ceramics SE was a manufacturer of high-quality sanitary and bathroom fittings for use in the medium- and high-priced premises. ROY Ceramics SE is once again planning to renew its activities in sanitary ware with its own production. Since 2017, the property area has been the second business segment. The focus of property projects is particularly in Houston, Texas (USA) and Los Angeles, California (USA).

For further information please contact us at:

ROY Ceramics SE

Gießener Str. 42

D-35410 Hungen

Tel.: +49 (0)69 710455155

E-mail: ir@roykeramik.de

Or visit: www.roykeramik.de