

Press release

Good result despite special effects

Bronschhofen, August 15, 2019 – Cicor (SIX Swiss Exchange: CICN), a leading international technology company in the field of printed circuit boards and hybrid circuits, printed electronics, microelectronics as well as EMS (Electronic Manufacturing Services) with its head office located in Boudry (Switzerland), was able to achieve a further sales growth of 7.3 % to CHF 131.9 million (1st half-year 2018: CHF 122.9 million). In the first half-year, the order intake was CHF 111.8 million, representing a drop compared with the previous year of 19.2 % and a book-to-bill ratio of 0.85. The development of the Group net result was specially influenced by the significant appreciation in value of the Swiss franc in recent months. This, together with the consequences of the corporate tax reform in Switzerland, led to a decline in the net profit in the first half-year 2019 by 18 % to CHF 3.8 million. (1st half-year 2018: CHF 4.7 million).

Supply shortages of electronic components in the previous years caused many customers of the ES Division in 2018 to place their orders with significantly longer lead times. This was the main reason behind the high level of orders compared with sales (book-to-bill ratio) in 2018. As the availability of materials improved, relatively fewer orders were placed in the reporting period. In the first half-year, the order intake was CHF 111.8 million, representing a drop compared with the previous year of 19.2 % and a book-to-bill ratio of 0.85. Customers were increasingly cautious in a weakening economic environment. This – and some project postponements – contributed to the lower order intake. As of June 30 2019 the order backlog is worth a good CHF 166.8 million, which is only around 6 % lower than on June 30 2018 when it was very high at CHF 178.1 million. Operating earnings (EBIT) have grown slightly compared with the corresponding period by 0.7 % to CHF 7.0 million. The entities combined in the AMS Division were able to continue their successful progress to higher profitability. Higher than anticipated expenditure in connection with the transfer of production from Singapore to Batam (Indonesia), plus the introduction of SAP in Singapore and Batam (Indonesia) and the need for value adjustment resulting of CHF 0.3 million from the totally unexpected bankruptcy of a long-standing Swiss customer impacted the financial performance negatively. This resulted in a lower EBIT margin of 5.3 % in the first half-year of 2019 compared to 5.7 % in the first half-year of 2018.

Further margin growth in the AMS Division

With half-year sales practically unchanged at CHF 31.4 million (1st half-year 2018: CHF 31.3 million) the AMS Division was once again able to increase the EBIT margin significantly to 11.8 % (1st half-year 2018: 10.6 %). With 18.3 % in the first half of 2019 (1st half-year 2018: 17.9 %) the EBITDA margin has reached a very pleasing level. All production sites have made a considerable contribution to the results.

ES Division grows significantly – transformation in Asia

The Electronic Solutions Division has grown faster than the market again, succeeding in increasing sales in the first half-year by 9.7 % to CHF 100.5 million (1st half-year 2018: CHF 91.6 million). The very high order backlog from the previous year was thus partially reduced and has meanwhile returned to normal levels. Growth was essentially driven by European production sites. The operating performance of the Division's European sites is encouraging, with the positive effects of the modernization of the production and infrastructure particularly visible. Set against that, the ES Division

in Asia was influenced by the implementation of SAP, the transfer activities from relocating production and investment activities in Singapore and Batam (Indonesia). This, together with the mentioned value adjustment of CHF 0.3 million from the bankruptcy of a long-standing Swiss customer, led to one-off charges for the operating result, which fell in terms of EBIT by 7.8 % to CHF 4.1 million (1st half-year 2018: CHF 4.4 million), corresponding to a margin of 4.0 % after 4.8 % in the comparable period. At EBITDA level, a growth of 3.0 % to CHF 6.9 million (1st half-year 2018: CHF 6.7 million) was registered.

Outlook for the second half of 2019

After the significant growth of the first half-year 2019, Cicor anticipates that, compared with the previous year, sales in the second half-year 2019 will decline. Sales for the whole of 2019 are therefore expected to achieve a low single-figure growth rate. The strains caused by the implementation of SAP at several Asian sites and the cost of the transfer activities from Singapore to Batam (Indonesia) have now largely been absorbed, which is why only a slight fall in the EBIT margin is expected for the whole year 2019 compared with 2018. This outlook is based on a largely unchanged economic development and a stable currency situation compared to the first half of 2019.

Contact

Alexander Hagemann
CEO
Phone +41 71 913 73 00
Email: media@cicor.com

Patric Schoch
CFO
Phone +41 71 913 73 00
Email: media@cicor.com

Cicor Management AG
Gebenloostrasse 15
9552 Bronschhofen
Switzerland

The full 2019 half-year report for the Cicor Group is also available online.
<https://www.cicor.com/investors/reports-news>

Analyst and investor telephone conference

Thursday, 15 August 2019 from 10 am CET

Registrations: <https://www.cicor.com/investors/financial-information/agenda/#event-1651>

The logon information will be provided when registering.

2020 Annual Shareholders' Meeting

16 April 2020 in Boudry NE

Key Figures

<small>in CHF 1000 unless otherwise specified</small>	1.1.-30.6.2019	in%	1.1.-30.6.2018	in%
Net sales	131 915	100.0	122 943	100.0
Change compared to previous year (%)	7.3		12.8	
EBITDA	11 924	9.0	11 565	9.4
Change compared to previous year (%)	3.1		23.1	
Operating profit (EBIT)	7 015	5.3	6 966	5.7
Profit before taxes (EBT)	5 502	4.2	6 248	5.1
Income taxes	-1 654	-1.3	-1'551	-1.3
Net profit	3 848	2.9	4'697	3.8
Earnings per share (CHF)	1.33		1.62	

	30.6.2019	in%	30.6.2018	in%
Non-current assets	59 228	31.7	57 187	30.8
Current assets	127 638	68.3	128 500	69.2
Total assets	186 866	100.0	185 687	100.0
Equity	75 306	40.3	71 260	38.4

	30.6.2019	30.6.2018
Number of employees (FTEs at end of period)	2 129	1 993

Division results

Advanced Microelectronics & Substrates Division	1.1.-30.6.2019	in%	1.1.-30.6.2018	in%
– Sales to external customers	31 398	100.0	31 323	100.0
– Intersegment sales	18	0.0	5	0.0
– EBITDA	5 739	18.3	5 604	17.9

ES Division	1.1.-30.6.2019	in%	1.1.-30.6.2018	in%
– Sales to external customers	100 517	100.0	91 620	100.0
– Intersegment sales	23	0.0	-	0.0
– EBITDA	6 913	6.9	6 712	7.3

The Cicor Group is a globally active development and manufacturing partner with innovative technology solutions for the electronics industry. With about 2100 employees at ten production sites, Cicor offers highly complex printed circuit boards, hybrid circuits and printed electronics as well as comprehensive electronic manufacturing services (EMS) including microelectronic assembly and plastic injection molding. Cicor supplies customized products and services from design to the finished product from one source. The shares of Cicor Technologies Ltd. are listed on the SIX Swiss Exchange (CICN). For further information, please visit www.cicor.com.