

Cicor Group achieved record sales and operating results from organic growth and acquisitions

Ad hoc announcement pursuant to Art. 53 LR

Bronschhofen, 11 August 2022 - Cicor Group (SIX Swiss Exchange: CICN) increased its sales by 35.7% to CHF 157.7 million in the first half-year of 2022 (1st half-year 2021: CHF 116.7 million). In addition to the contribution from the newly acquired companies, organic growth of 15.4% was achieved. Operating earnings before interest, taxes, depreciation and amortization (EBITDA) increased significantly by 29.5 % in the first half of 2022, reaching CHF 15 million (1st half-year 2021: CHF 11.6 million). The best results in the company's history were thus achieved both in terms of sales and EBITDA.

The economic environment in the reporting period remained challenging: high customer demand faced a lack of production capacity at many chip manufacturers, the impact of the COVID-19 pandemic, with lockdowns especially in China, economic fears due to the geopolitical situation and galloping inflation. Cicor was able to largely meet customers' needs through joint efforts with suppliers and customers as well as flexible production, which contributed to the double-digit organic growth. Cicor booked new orders of CHF 181.8 million in the reporting period (1st half-year 2021: CHF 139.8 million), corresponding to a growth of 30%. The ratio of new orders to sales (book-to-bill rate) of 1.15 (1st half-year 2021: 1.20) reflects on the one hand the long-term ordering behavior of many customers and on the other hand Cicor's success in the market.

The operating result at EBITDA level reached new record levels at CHF 15 million with a solid 9.5% EBITDA margin. While the EBITDA margin of the EMS Division improved to highly satisfactory 10.2% (1st half-year 2021: 8.9%), the AS Division suffered from cost increases that can only be passed on to the market with a time lag, which led to a decline in the EBITDA margin to 13.2% (1st half-year 2021: 18.4%).

Core EBIT¹⁾ increased disproportionately by 45.4% to CHF 9.7 million (1st half-year 2021: CHF 6.6 million), corresponding to a margin of 6.1% (1st half-year 2021: 5.7%). In addition to the acquisition effect of Axis Electronics, this positive development is also attributable to the increased production capacity utilization of the EMS Division.

Core net profit¹⁾ decreased slightly year-on-year to CHF 4.9 million (1st half-year 2021: CHF 5.2 million). This was mainly due to the strong appreciation of the Swiss franc against the Euro since the beginning of the year and increased financing costs.

Cicor has reorganized the divisional structure as of January 1, 2022. Since the thick-film substrates business at RHe Microsystems (Radeberg, Germany) now only plays a minor role and sales are largely driven by EMS services in the microelectronics sector, this reassignment is in line with the current business model. The EMS Division (Electronic Manufacturing Services) contributed 85.6% of Group sales in the reporting period, while the AS Division (Advanced Substrates, consisting of the development and production of printed circuit boards and thin-film substrates) delivered 14.4% of Group sales.

1) Before amortization of capitalized goodwill (2022: TCHF 2 530) and intangible assets (2022: TCHF 1 982) from acquisitions. Adjusted for related income tax effects (2022: TCHF -376) for Core net profit.

EMS division is growth driver

The acquisition of Axis Electronics (Bedford, UK, consolidated since December 2021) and SMT Elektronik (Dresden, Germany, consolidated since May 2022), together with significant organic growth, increased divisional sales by 42.2% to CHF 135.1 million (1st half-year 2021: CHF 95.0 million). The integration of the two companies is proceeding according to plan, and they contribute significant operating profits, resulting in a 63.9% increase in the operating result at EBITDA level to CHF 13.8 million (1st half-year 2021: CHF 8.4 million).

AS division with decline in earnings due to cost inflation

The AS Division achieved sales of CHF 23.3 million in the first half of 2022 (1st half-year 2021: CHF 22.1 million), a slight increase of 5.5%, driven in particular by a pleasing increase in demand for printed circuit boards for medical technology. The operating result EBITDA of CHF 3.1 million was 24.1% below the previous year's result of CHF 4.1 million. Significant increases in material and energy costs, which can only be passed on to customers with a time lag, led to the lower AS results for the first half-year 2022.

Outlook for the second half and full year of 2022

The Cicor units report a normalization in order intake while the continuing shortage of certain electronic components hinders faster growth. The high order backlog and the bulging new project pipeline should however compensate for these negative effects during the remainder of 2022.

Based on the current situation, Cicor expects to achieve sales of CHF 300–320 million in the full year 2022 with an EBITDA margin not significantly different from the first half of the year.

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The full 2022 interim report for the Cicor Group is online available.

<https://www.cicor.com/investors/reports-news>

Webcast for analysts and investors

Thursday, 11 August 2022 from 2 pm CET

[Link](#) to the webcast.

[Register](#) for the Q&A conference call

Key Figures

in CHF 1 000 unless otherwise specified	1.1.-30.6.2022	in %	1.1.-30.6.2021	in %
Net sales¹⁾	157 747	100.0	116 712	100.0
Change compared to previous year (%)	35.2		7.0	
EBITDA¹⁾	15 029	9.5	11 602	9.9
Change compared to previous year (%)	29.5		25.2	
Operating profit (EBIT)	5 151	3.3	6 648	5.7
Core EBIT²⁾	9 663	6.1	6 648	5.7
Net profit	812	0.5	5 160	4.4
Core net profit²⁾	4 948	3.1	5 160	4.4
Earnings per share (CHF)	0.23		1.78	
Core earnings per share (CHF) ²⁾	1.43		1.78	
	30.6.2022	in %	31.12.2021	in %
Non-current assets	121 421	36.8	121 258	37.7
Current assets	208 951	63.2	200 631	62.3
Total assets	330 372	100.0	321 889	100.0
Equity	104 406	31.6	88 887	27.6
Net debt	80 030	24.2	61 059	19.0
	30.6.2022		30.6.2021	
Number of employees (FTEs at end of period)	2 238		1 990	

Segment results

	1.1.-30.6.2022	in %	1.1.-30.6.2021	in %
AS Division				
– Sales to external customers	22 756	97.6	21 883	99.0
– Intersegment sales	566	2.4	225	1.0
– EBITDA	3 086	13.2	4 066	18.4
EMS Division				
– Sales to external customers	134 991	99.9	94 829	99.8
– Intersegment sales	95	0.1	165	0.2
– EBITDA	13 814	10.2	8 426	8.9

1) The company SMT Elektronik GmbH, Dresden (Germany) is included in Cicor as from 1 May 2022. If the acquisition would have been effective as of 1 January 2022, Cicor would have reported pro forma net sales of TCHF 163 993 and pro forma EBITDA of TCHF 15 620 for the first six months 2022.

2) Before amortization of capitalized goodwill (2022: TCHF 2 530) and intangible assets (2022: TCHF 1 982) from acquisitions.
Adjusted for related income tax effects (2022: TCHF -376) for Core net profit and Core earnings per share.

The Cicor Group is a globally active provider of full-cycle electronic solutions from research and development to manufacturing and supply chain management. Cicor's approximately 2,200 employees at twelve locations in Europe and Asia are serving leaders from the medical, industrial and aerospace & defence industries. Cicor creates value to its customers through the combination of customer-specific development solutions, high-tech components, as well as electronic device manufacturing. The shares of Cicor Technologies Ltd. are traded at the SIX Swiss Exchange (CICN). For further information please visit the website www.cicor.com.