

## **Cicor grows despite economic headwind**

**Bronschhofen, March 12, 2020 – 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), continued to grow in the 2019 reporting year by gaining market share in a difficult economic environment. In 2019, Cicor's net sales grew to CHF 253.9 million (2018: CHF 248.1 million), a growth of 2.3 percent compared to the previous year. 2019 was the third year in a row in which Cicor significantly gained market share.**

Driven by pull-in effects stemming from the component shortages of 2018 and as a result of the record high order backlog at the beginning of the year, the net sales in the first half-year 2019 was very strong, followed by a slowdown in the second half-year due to the change in the economic environment. The order intake was also affected by pull-in effects due to the component shortages: In order to safeguard deliveries in 2020, customers had placed orders with a volume of approximately CHF 20 million already in 2018. That helps to explain the low order intake in 2019 of CHF 208.9 million (2018: CHF 277.8 million) and the book-to-bill ratio of 0.83: adjusted for the effects of customers placing 2020 orders in 2018 to safeguard delivery in 2020, order intake would have declined by 11.2 percent and the book-to-bill ratio would have been 0.89. EBIT fell slightly in the year under report to CHF 14.9 million (2018: CHF 15.2 million). A net result of CHF 8.4 million was posted (2018: CHF 9.6 million). The Cicor Board of Directors will propose to the General Assembly that a distribution be made amounting to CHF 1.50 per share (2018: CHF 1.00 per share).

### **Uneven performance within the AMS Division**

While the microelectronics operations showed a positive sales and profit performance in the financial year, printed circuit board production suffered from weak demand of the watchmaking and automotive industries. Compared to the previous year, this resulted in an overall slight decrease in net sales by 2.6% to CHF 61.3 million (2018: CHF 63.0 million) and a decrease in EBIT of 18.9 percent to CHF 6.2 million (2018: CHF 7.6 million). The EBIT margin declined to 10.1% (2018: 12.1%) and was therefore at the lower end of the EBIT target range of 10% to 12% for the AMS Division.

### **ES Division with gains in market share**

In a declining market, the ES Division's net sales rose by a good 4.1 percent to CHF 192.7 million (2018: CHF 185.2 million). This further gain in market share was achieved with existing as well as new customers. The operating result at EBIT level of CHF 10.0 million was almost unchanged from the previous year (2018: CHF 9.9 million), whilst the EBIT margin fell slightly from 5.4% to 5.2%. Negative one-off effects from the introduction of SAP at the Asian locations and the bankruptcy of a long-standing Swiss customer in the first semester were partially offset by positive one-off effects during the second semester.

### **Milestone in medical technology**

Thanks to its unique portfolio of services, Cicor was able to win a significant number of new customer projects in medical technology as well as in other demanding applications for customers in Europe and the USA. The majority of these projects will go into mass production in 2020 and 2021 and will then contribute significantly to Group sales. Cicor is thereby consolidating its position as the leading development and production partner for sophisticated electronic solutions in Switzerland. Cicor was selected as a production partner for a new type of drug delivery system. The order for the approval phase 2020 has already been placed. In 2021, Cicor plans to manufacture the pre-series products with an order volume in the high single-digit million Swiss franc range. In the subsequent high-volume phase, Cicor

sees the potential to deliver products from its Asian locations with an annual order volume in the double-digit million Swiss Franc range to the customer. The project is a milestone in the further development of the Cicor Group: it demonstrates how Cicor, as a technology partner, can solve complex challenges with the combined expertise of engineering, electronics production, precision plastic injection molding and box building. With its technology center in Switzerland and its network of production sites in Europe and Asia, Cicor offers a highly attractive overall package.

#### **Strong balance sheet through reduction of working capital**

Net working capital (NWC) was significantly reduced by 14 percent to CHF 59.0 million in 2019 (2018: CHF 68.8 million). This is primarily due to the inventory reduction measures introduced and the good accounts receivable management. As a result, Cicor generated a strong positive free cash flow of CHF 13.7 million (2018: CHF –6.6 million) despite high investments into new processes and equipment. As a result the ratio of net debt to EBITDA was reduced significantly to 0.7 (2018: 1.1) compared to the previous year. Thanks to the achieved reduction in working capital and net debt, the equity ratio of the Cicor Group rose to good 42.6% in 2019 (2018: 38.7% ).

#### **Higher profit distribution requested due to high free cash flow**

Due to the good results achieved in the financial year 2019, the excellent free cash flow generated, the good balance sheet quality and because of the positive future business prospects, the profit distribution for 2019 shall be increased significantly compared to the previous year, in order to allow the Cicor shareholders to participate in the success via withholding tax-free dividends from existing capital contribution reserves. The Board of Directors will therefore propose to the Annual General Meeting on 16 April 2020 for the financial year 2019 a distribution of CHF 1.50 per share (2018: CHF 1.00 per share) from capital contribution reserves. This represents 52 percent of the Group's net profit for the year. The dividend consists of a regular dividend of CHF 1.00 per share plus an additional CHF 0.50 per share due to the high free cash flow generated in 2019.

#### **Uncertainty due to the COVID-19 pandemic – very good mid-term prospects**

According to the latest findings, the coronavirus pandemic will have a much greater impact on supply chains than originally assumed. Although many companies in China resumed operations in mid-February 2020, they did so with significantly reduced capacity due to a lack of returning personnel. Especially the lack of availability of printed circuit boards, which nowadays are mainly produced in China, is leading to production downtimes along the entire value chain. Transportation capacity, not only within China but also to Europe, is also severely affected by the pandemic. As things stand today, it can be assumed that the coronavirus pandemic will also have an impact on Cicor's 2020 results. The exact impact cannot be estimated at the moment.

The major new projects that are ramping up and the catch-up effects from the situation in China indicate significant growth in the second half of 2020, but Cicor overall still expects slightly lower net sales in 2020 compared to 2019.

Cicor offers the right solutions to participate in the growth markets for example new treatment methods in medicine and through miniaturized electronics in general. The trend to diversify supply chains, in particular the shift of production out of China to Southeast Asia ("China plus 1" strategy) and Eastern Europe ("nearshoring") is accelerating. This has already led to a significant growth in new project enquiries as Cicor is very well positioned with locations in Romania, Vietnam and Indonesia. With a full project pipeline, Cicor is expected to continue to grow faster than the market in the future.

Cicor Group's long-term EBIT margin target remains unchanged in the range of 6% to 8 %. Due to the current situation in China and the potential impact on the global economy and on Cicor, it is however impossible to provide an accurate guidance for the expected operating margin in 2020.

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The financial statement 2019 can be downloaded from the website at <https://annualreport.cicor.com>.

**Media and analysts' conference for the 2019 financial year**

March 12, 2020 at 2 p.m. per Webcast

You will receive the registration data by e-mail at [corporatecommunications@cicor.com](mailto:corporatecommunications@cicor.com)

**General Assembly**

April 16, 2020 at Cicor Management AG in Bronschhofen

**Interim report 2020**

August 13, 2020

## Key Figures

in CHF 1 000 unless otherwise specified	2019	in %	2018	in %
<b>Net sales</b>	<b>253'909</b>	100.0	<b>248'115</b>	100.0
Change compared to previous year (%)	2.3		14.5	
<b>EBITDA</b>	<b>24'781</b>	9.8	<b>24'630</b>	9.9
Change compared to previous year (%)	0.6		28	
<b>Operating profit (EBIT)</b>	<b>14'901</b>	5.9	<b>15'234</b>	6.1
<b>Earnings before taxes (EBT)</b>	<b>11'861</b>	4.7	<b>13'043</b>	5.3
Income taxes	-3'447	-1.4	-3'403	-1.4
<b>Net profit</b>	<b>8'414</b>	3.3	<b>9'640</b>	3.9
Earnings per share	2.90		3.32	
<b>Non-current assets</b>	<b>59'202</b>	32.0	<b>56'924</b>	29.3
<b>Current assets</b>	<b>125'744</b>	68.0	<b>137'282</b>	70.7
<b>Total assets</b>	<b>184'946</b>	100.0	<b>194'206</b>	100.0
<b>Equity</b>	<b>78'805</b>	42.6	<b>75'137</b>	38.7
<b>Number of employees (FTEs at end of period)</b>	<b>2'036</b>		<b>2'029</b>	

## Division results

<b>Advanced Microelectronics &amp; Substrates Division</b>				
- Sales	<b>61'344</b>	100.0	<b>62'977</b>	100.0
- EBITDA	<b>10'362</b>	16.9	<b>12'036</b>	19.1
<b>ES Division</b>				
- Sales	<b>192'708</b>	100.0	<b>185'176</b>	100.0
- EBITDA	<b>15'681</b>	8.1	<b>14'868</b>	8.0

The Cicor Group is a globally active development and manufacturing partner with innovative technology solutions for the electronics industry. With about 2000 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 the website [www.cicor.com](http://www.cicor.com).