

Press release

Cicor remains profitable even in a difficult economic environment

Bronschhofen, August 13, 2020 – After the steady growth in previous years, Cicor (SIX Swiss Exchange: CICN) recorded a 17.3 % decline in sales to CHF 109.0 million in the first half-year 2020 (1st half-year 2019: CHF 131.9 million) due to the effects of the global coronavirus pandemic. This decline in sales is in line with the outlook given on May 18, 2020 and affected both the Advanced Microelectronic and Substrates (AMS) Division with a decrease of 11.0 % and the Electronic Solutions (ES) Division, which reported a decrease of 18.9 %. The currency effect compared with the first half of the previous year was around 4.5 %. Currency-adjusted sales amounted to CHF 114.0 million, a decline of 13.6 % compared with the first half-year 2019. The EBIT margin for the first half-year 2020 was 3.7 % and thus above the May outlook.

Cicor reacted very quickly to the looming crisis and was able to ensure its ability to deliver to customers at all times thanks to consistently implemented protective measures. These measures led to temporary reductions in production capacity. Nevertheless, existing customer projects were continued without exception, albeit in some cases with delays.

The Order intake for the first half-year 2020 was CHF 92.6 million (1st half-year 2019: CHF 111.8 million), a decline of 17.2 %. The low order intake reflects on one hand the wait-and-see attitude of many customers due to the COVID-19 pandemic and on the other hand the customers' efforts to secure liquidity by reducing inventories, although well-known customers are already signaling a return to rising market demand. The order intake in relation to sales results in a book-to-bill ratio of 0.85 (1st half-year 2019: 0.85). The order backlog as at 30 June 2020 was CHF 125.0 million (June 30, 2019: CHF 166.8 million), reflecting an order backlog of around 7 months (1st half-year 2019: 7.6 months).

The Cicor Group is profitable even in the difficult current economic environment. Thanks to the quickly introduced measures and the high cost awareness throughout the company, a positive operating result (EBIT) was achieved in the first half-year 2020. EBIT for the first half-year 2020 amounted to CHF 4.1 million (1st half-year 2019: CHF 7.0 million). The EBIT margin for the first half-year 2020 was 3.7 %, compared with 5.3 % in the first half-year 2019. Despite the difficult business environment in the first half-year 2020, the net profit of the Group is nevertheless positive at CHF 1.7 million (1st half-year 2019: CHF 3.8 million). Cicor's balance sheet remains very solid and net working capital is stable. The free cash flow for the first half-year 2020 was CHF 0.7 million (1st half-year 2019: CHF 2.5 million).

Advanced Microelectronics and Substrates (AMS) Division

In the first half-year 2020, the AMS Division generated sales of CHF 28.0 million (1st half-year 2019: CHF 31.4 million). This represents a decline of 11.0 % compared to the first half-year 2019. The operating result at EBIT level fell to CHF 2.5 million (1st half-year 2019: CHF 3.7 million). The EBIT margin was 8.9 % (1st half-year 2019: 11.8 %).

Electronic Solutions (ES) Division

The sales of the ES Division amounted to CHF 81.5 million in the first half-year 2020 (1st half-year 2019: CHF 100.5 million) and was thus 18.9 % lower than in the same period of the previous year due to the effects of the corona pandemic. EBIT for the first half-year 2020 fell to CHF 2.2 million (1st half-year 2019: CHF 4.1 million), corresponding to an EBIT margin of 2.8 % (1st half-year 2019: 4.0 %).

Outlook for the second half of 2020

Cicor's customers are extremely careful in their planning due to the rising number of COVID-19 infections as well as in an effort to secure liquidity and are still holding back with the placement of orders. At the same time, the demand of end customers in important target markets is rising again, so that catch-up effects are expected. Assuming there are no further lockdowns in our customers' markets, Cicor expects a recovery of the business from the fourth quarter of 2020 onwards. Therefore, sales for the full year 2020 will be 15-20 % lower than in 2019. An EBIT margin of 3-4 % is expected. The outlook is based on a stable currency situation compared to the first half-year 2020.

The mid-term outlook remains positive despite the current situation. The record-high pipeline with new projects should lead to further growth in market share for the Cicor Group in the coming years. Cicor is in a much stronger financial and operational position than many of its competitors and should therefore emerge from the current crisis as a winner.

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 2020 half-year report for the Cicor Group is online available.

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

Webcast for analysts and investors

Thursday, 13 August 2019 from 2 pm CET

Registrations: [LINK](#)

The logon information will be provided when registering.

Key Figures

in CHF 1 000 unless otherwise specified				
	1.1.-30.6.2020	in %	1.1.-30.6.2019	in %
Net sales	109 047	100.0	131 915	100.0
Change compared to previous year (%)	-17.3		7.3	
EBITDA	9 267	8.5	11 924	9.0
Change compared to previous year (%)	-22.3		3.1	
Operating profit (EBIT)	4 074	3.7	7 015	5.3
Profit before taxes (EBT)	3 136	2.9	5 502	4.2
Income taxes	-1 467	-1.4	-1 654	-1.3
Net profit	1 669	1.5	3 848	2.9
Earnings per share (CHF)	0.58		1.33	
	30.6.2020	in %	31.12.2019	in %
Non-current assets	55 768	30.4	59 202	32.0
Current assets	127 919	69.6	125 744	68.0
Total assets	183 687	100.0	184 946	100.0
Equity	74 183	40.4	78 805	42.6
	30.6.2020		30.6.2019	
Number of employees (FTEs at end of period)	1 863		2 129	

Segment results

Advanced Microelectronics & Substrates Division				
	1.1.-30.6.2020	in %	1.1.-30.6.2019	in %
– Sales to external customers	27 807	99.4	31 398	100.0
– Intersegment sales	165	0.6	18	0.0
– EBITDA	4 690	16.8	5 739	18.3
ES Division				
– Sales to external customers	81 240	99.7	100 517	100.0
– Intersegment sales	273	0.3	23	0.0
– EBITDA	5 248	6.4	6 913	6.9

The Cicor Group is a globally active development and manufacturing partner with innovative technology solutions for the electronics industry. With about 1900 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.