



Press release

Cicor closes challenging year with solid result

Ad hoc announcement pursuant to Art. 53 LR

Bronschhofen, March 11, 2021 - Cicor (SIX Swiss Exchange: CICN), a leading international technology company in the fields of printed circuit boards and hybrid circuits, printed electronics, microelectronics as well as EMS (Electronic Manufacturing Services), based in Boudry (Switzerland), reported a sales decrease of 15.4 percent year-on-year to CHF 214.9 million in 2020 (2019: CHF 253.9 million), due to the ordering behavior of selected major customers during the COVID 19 pandemic, which is at the upper end of guidance due to a pick-up in business towards the end of the year. In local currencies, the decrease in sales amounted to 11.9 percent. With an order intake of CHF 216.0 million (2019: CHF 208.9 million), the previous year was exceeded by 3.4 % and a positive book-to-bill ratio of 1.01 was achieved.

With the onset of the COVID-19 pandemic, it was possible to flexibly adjust costs to the decline in sales. This cost discipline, coupled with financial support for short-time work in Switzerland, Germany and Singapore, enabled the operating profit margin at EBITDA level (operating profit before interest, taxes, depreciation and amortization) to be maintained at a satisfactory 9.0 % (2019: 9.8 %). The EBITDA generated thus amounted to CHF 19.4 million (2019: CHF 24.8 million). Due to slightly higher depreciation of fixed assets, EBIT decreased to CHF 8.9 million (2019: CHF 14.9 million), corresponding to a margin of 4.1 % (2019: 5.9 %) and thus slightly above guidance. In 2020, the net result was again burdened by the appreciation of the Swiss franc - in particular against the US dollar in the reporting year. Nevertheless, a clearly positive net result of CHF 4.2 million (2019: CHF 8.4 million) was achieved. Net working capital was reduced once again, resulting in a satisfactory free cash flow of CHF 7.2 million (2019: CHF 13.7 million).

Further strengthening of strategic target markets

The focus on the strategic applications of medical technology, industrial electronics and aerospace & defence proved beneficial, as the decline in sales was significantly less pronounced in these markets: Sales in the automotive & transportation, watches & consumer, communications and other sectors declined by 24.6 %, whereas the strategic sectors performed better with a decrease of 12.8 %, thus further increasing their share of Group sales to 80.7 % (2019: 78.3 %) in line with the strategy. In particular, demand from the medical technology sector remained stable compared to the previous year despite a pandemic-related slump in sales to hearing-aid customers.

Division AMS - Ready for the upswing

The printed circuit board (PCB), thin-film substrate and microelectronics businesses were affected by the Corona pandemic in very different ways. A large part of the PCB customers reduced their demand drastically at times during the year under review, mostly from the hearing-aid sector, the watch business and the automotive market. Demand recovered markedly towards year-end, partly due to catch-up effects. Business development in thin-film substrates, which generate the highest sales in the medical technology and aerospace & defence segments, was quite different. Cicor's microelectronic assembly was affected on the one hand by a decline in demand from the aerospace business, and on the other hand by pandemic-related additional demand in medical technology.

Overall, the division's sales decreased by 14.4 % to CHF 52.5 million (2019: CHF 61.3 million). The EBITDA margin declined to a still robust 14.0 % (2019: 16.9 %) due to the overall lower production utilization of the division. Due to the high asset intensity and the associated depreciation of plant and machinery, the EBIT decline was disproportionate. CHF 2.8 million were achieved (2019: CHF 6.2 million), corresponding to a margin of 5.3 % (2019: 10.1 %).

Despite the impact of the COVID-19 pandemic, further operational improvements were achieved, important investment projects were pursued and innovations were driven forward. The remedy of short-time working helped to completely avoid staff reductions at the division's sites in Switzerland and Germany.

Division ES significantly strengthened in Asia

The globally operating division suffered at the beginning of the COVID-19 pandemic from the closure of the Suzhou site during the hard lockdown in China. In the second quarter, plant closures by suppliers and customers in Italy led to a marked decline in demand. Despite the restrictions, we succeeded in meeting customer requirements at all times.

The division's sales reached CHF 163.1 million in the year under review, a decline of 15.4 % from the previous year's sales of CHF 192.7 million. The sum of the measures implemented enabled an increase in operating profitability at EBITDA level to 8.4 % (2019: 8.1 %) despite the significant decline in sales. At EBIT level, the result was CHF 7.7 million (2019: CHF 10.0 million), corresponding to a margin of 4.7 % after 5.2 % in the previous year. With a full project pipeline, operational improvements in Asia, and available production capacities in Romania and in Asia, the ES Division is excellently positioned for the future.

Customer benefits through collaboration and technology leadership

Since the more direct organizational and management structure was introduced in September 2016, cooperation within the Cicor Group and between the divisions has been significantly intensified, which has also led to greater customer focus. This has created a unique service offering that is rewarded by customers and has thus contributed significantly to the market share gains of recent years as well as the strongly growing project pipeline. Around 20 % of Cicor's Group sales are now generated with customers who purchase services from both divisions or whose products pass through both divisions during the manufacturing process.

This uniqueness is coupled with high technological competence, as evidenced by more than 150 internal engineers worldwide. As a technology leader, Cicor can solve highly complex tasks and thus win attractive new business in strategic target markets. Due to the project duration of two years on average until the start of series production, these successes are now becoming visible for the first time.

Robust balance sheet with positive liquidity development

Measures to safeguard liquidity were already initiated in the first quarter of 2020 and thus at the beginning of the COVID-19 pandemic. As a result, customer receivables were reduced disproportionately and no bad debts were recorded. Overall, net working capital fell further to CHF 58.0 million at the end of the reporting year (31.12.2019: CHF 59.0 million). Net debt was reduced again to CHF 13.6 million (31.12.2019: CHF 16.7 million). As a result, the net debt/EBITDA ratio (0,7 times) remained mostly unchanged compared to the previous year. The equity ratio decreased slightly to 41.9 % (31.12.2019: 42.6 %) and free cash flow was again clearly positive after an excellent previous year. It reached very satisfactory CHF 7.2 million (2019: CHF 13.7 million).

Tax-free profit distribution from capital contribution reserves

Based on the robust results in the 2020 financial year, the low level of debt, the satisfactory free cash flow and the positive future business outlook, Cicor shareholders are to participate in the success as in previous years via withholding tax-free dividends from capital contribution reserves. The Board of Directors will therefore propose to the Annual General Meeting on 15 April 2021, a distribution from the capital contribution reserve of CHF 1.00 per share (2019: CHF 1.50 per share) for the financial year 2020, which corresponds to a payout ratio of approximately 70 percent of the Group's net income.

Cautiously optimistic outlook for 2021

Cicor has coped well with the second wave of the pandemic with only minimal business disruptions and robust customer demand. However, the further course of the COVID-19 pandemic remains uncertain. A renewed shortage of certain raw materials and components is seen as a further risk, leading to delivery time extensions. Based on the positive development of order intake as well as the well-filled pipeline of new projects, Cicor is cautiously optimistic for the new fiscal year 2021. Sales are expected to increase compared to the reporting year and the results of the operational improvements will be reflected in an increased operating margin.

The medium-term targets of an operating margin at EBIT level of 6 to 8 % remain unchanged due to the overall positive outlook, and Cicor should be able to reach the positive results of the previous two years by 2022 at the latest.

Change in the Board of Directors

Robert Demuth, member of the Board of Directors of Cicor since 2008 and Chairman of the Board since November 2020, has decided not to apply for re-election. With his profound know-how and many years of experience in Cicor's core markets, Robert Demuth has been a significant contributor to the company's positive development. The Board of Directors thanks him for his valuable contributions to Cicor.

With the sale of approximately 29.35% of the shares by the long-time anchor shareholder HEB Swiss Investment AG to the new major shareholder One Equity Partners (subject to the usual conditions), a new chapter in the development of Cicor as a leading European manufacturer of high-tech electronics begins. At the Annual General Assembly on April 15, 2021, the Board of Directors will, in accordance with the proposal of the major shareholder HEB Swiss Investment AG Zurich, propose for election Mr. Daniel Frutig as Board Member and Chairman of the Board of Directors and Dr. Rüdiger Merz as Board Member for a term of office of one year. The two current Board members Andreas Dill and Erich Haefeli will stand for re-election at the Annual General Assembly.

Daniel Frutig (CH, 1962) studied building technologies/energy at the Lucerne University of Applied Sciences and Arts and graduated from the University of St.Gallen (HSG) with an Executive Master in Business Administration (EMBA). After starting his career with the industrial group Sulzer AG, he served as CEO of Swisscom Immobilien AG and subsequently spent 12 years abroad with Accenture and Compass Group PLC. In 2011, he was appointed as CEO of Arbonia AG. In 2015, Mr. Frutig joined Medela Holding AG as CEO before founding EvolutionF AG in 2018.

Dr. Rüdiger Merz (D, 1967) studied law at the universities of Bonn, Freiburg and Munich. 3 years after starting his career in a law firm, he joined Haindl Papier as corporate counsel. After the sale of Haindl Papier in 2002, he founded a family office for a part of the owning family Haindl, which he is managing since then.

Contact

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

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

Cicor Management AG
Gebenloostrasse 15
9552 Bronschhofen
Switzerland

The financial statement 2020 can be downloaded from the website at <https://annualreport.cicor.com>.

Media and analysts' conference for the 2020 financial year

March 11, 2021 at 2 p.m. per Webcast

You will receive the registration data by e-mail at corporatecommunications@cicor.com

General Assembly (without an audience)

April 15, 2021 at Cicor Management AG in Bronschhofen

Interim report 2021

August 12, 2021

Key Figures

in CHF 1 000 unless otherwise specified

	2020	in %	2019	in %
Net sales	214'891	100.0	253'909	100.0
Change compared to previous year (%)	-15.4		2.3	
EBITDA	19'362	9.0	24'781	9.8
Change compared to previous year (%)	-21.9		0.6	
Operating profit (EBIT)	8'851	4.1	14'901	5.9
Earnings before taxes (EBT)	6'396	3.0	11'861	4.7
Income taxes	-2'224	-1.1	-3'447	-1.4
Net profit	4'172	1.9	8'414	3.3
Earnings per share	1.44		2.90	
Non-current assets	52'710	29.0	59'202	32.0
Current assets	129'340	71.0	125'744	68.0
Total assets	182'050	100.0	184'946	100.0
Equity	76'334	41.9	78'805	42.6

Number of employees (FTEs at end of period)	1'901	2'036
--	--------------	--------------

Division results

Advanced Microelectronics & Substrates Division

- Sales	52'521	100.0	61'344	100.0
- EBITDA	7'352	14.0	10'362	16.9

ES Division

- Sales	163'055	100.0	192'708	100.0
- EBITDA	13'621	8.4	15'681	8.1

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 the website www.cicor.com.