InTiCa Systems

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PRESSRELEASE

H1 report published – InTiCa Systems AG affirms the positive development of the first three months

Revenues increased by 15% to EUR 22.6 million (H1 2014: EUR 19.7 million)

EBIT margin of 2.9% (H1 2014: 3.2%)

Net result of EUR 0.40 million (H1 2014: EUR 0.41 million)

Operating cash flow was clearly positive

Outlook for FY2015 confirmed

Passau, August 20, 2015 – InTiCa Systems AG (ISIN DE0005874846, ticker IS7), which is listed in the Prime Standard on Frankfurt Stock Exchange, in the first half of 2015 advanced a fair way towards its strategic and operative goals. The Company had already achieved a considerable growth of revenues and the return to profitability in Q1 and could continue the success in the second quarter. Group sales totalled EUR 22.6 million in the first six months of 2015 (H1 2014: EUR 19.7 million). The operative result (EBIT) was EUR 0.7 million (H1 2014: EUR 0.6 million), giving an EBIT margin of 2.9% (H1 2014: 3.2%). Therefore InTiCa Systems is on track to achieve its revenue´s and earning´s targets for fiscal 2015.

Commenting on the company's business performance in the first half of 2015, Dr. Gregor Wasle, Spokesman for the Board of Directors of InTiCa Systems AG, said: "We are currently very positive about the company's development. The Automotive Technology segment once again posted above-average growth and more than offset the decline in revenue from the solar business. We have invested a considerable amount in recent years to increase production space and machinery. To support this, we have been systematically aligning our production site in Prachatice to lean principles since the start of this year. This should greatly improve production efficiency and – together with rising sales revenues – bring an increase in earnings."

Sales and earnings trend

Group sales totalled EUR 22.6 million in the first six months of 2015, about 14.9% above the prior-year period (H1 2014: EUR 19.7 million). The significant sales growth was driven by the sustained growth momentum in the Automotive Technology segment, which grew sales 42.8% to EUR 18.6 million (H1 2014: EUR 13.0 million). By contrast, sales in the newly structured Industrial Electronics segment, which has included the former Communication Technology segment since the beginning of 2015, dropped 39.9% to EUR 4.0 million (H1 2014: EUR 6.6 million). This decrease was caused by the loss of a major customer in 2014, which has been discussed in detail at the AGM.

Having dropped considerably in recent periods, the ratio of material costs to total output increased slightly to 58.8% in the first six months of 2015 (H1 2014: 56.9%). The personnel cost ratio also increased from 18.6% to 19.4% as a result of an increase in the headcount. Other operating expenses rose from EUR 2.4 million in H1 2014 to EUR 2.9 million in H1 2015. This was mainly due to an increase in transport costs in the Automotive Technology segment and to consultancy expenses relating to the restructuring of production for modern lean principles. Other operating expenses also include expenses for agency staff at the Prachatice site, which amounted to EUR 0.2 million in the reporting period (H1 2014: EUR 0.2 million).

Group EBITDA increased by 2.4% to EUR 2.9 million in the first six months of 2015 (H1 2014: EUR 2.8 million). Since sales revenue rose even faster, the EBITDA margin dropped slightly from 14.2 % to 12.7%. The picture was similar for operating income: Group EBIT increased slightly from EUR 0.6 million to EUR 0.7 million, while the EBIT margin dropped to 2.9%, down from 3.2% in the first six months of 2014. While EBIT in the Automotive Technology segment rose to EUR 1.2 million in the reporting period (H1 2014: EUR 0.8 million), EBIT in the realigned Industrial Electronics segment remained negative at minus EUR 0.5 million (H1 2014: minus EUR 0.2 million).

The financial result was minus EUR 0.2 million in the reporting period, virtually the same as in the first six months of 2014. As tax expenses increased to EUR 60 thousand (H1 2014: EUR 27 thousand), interim net income for the first half year of 2015 amounted to EUR 0.4 million (H1 2014: EUR 0.4 million). Earnings per share were EUR 0.09 (H1 2014: EUR 0.10).

The operating cash flow was clearly positive at EUR 1.4 million in the first six months (H1 2014: minus EUR 0.5 million). This was mainly attributable to the lower rise in trade receivables, accompanied by a considerable increase in trade payables. Overall, higher capital expenditure for property, plant and equipment, mainly for the Automotive Technology segment, loan repayment instalments and leasing payments resulted in a cash outflow of around EUR 5.4 million in the reporting period (H1 2014: outflow of EUR 4.4 million). The equity ratio declined to 41% in the first six months of 2015 (December 31, 2014: 46%).

Outlook

The business trend in the first six months was in line with the Board of Directors' expectations so it is retaining its outlook for fiscal 2015.

„The Automotive Technology segment will remain InTiCa Systems' main driving force in 2015, supported by capital expenditures to raise capacity that have already been undertaken or are currently planned. The segment will therefore make a perceptible contribution to securing sales growth“, confirms Günther Kneidinger, Member of the Management Board. By contrast, in view of the insolvency of one of its major customers and tougher competition in the transmission technology market, the Industrial Electronics segment is highly unlikely to match last year's performance. In the medium term, however, new products should enable this segment to make a considerable contribution to sales again. For example, a well-known new customer with an international distribution and development network has been acquired for its photovoltaic products.

Overall, the Board of Directors therefore believes that in terms of costs and products InTiCa Systems AG is well positioned for 2015. Orders on hand as of June 30, 2015 were close to the previous year's good level at around EUR 37 million (with the Automotive Technology segment accounting for around EUR 33 million). Assuming at least moderate overall growth, from the present viewpoint the Board of Directors therefore still expects sales to rise further and earnings to improve in 2015. Specifically, the Board of Directors expects Group sales in 2015 to be around EUR 44 million, with an EBIT margin of around 2.5%.

The full interim report for the first six months of 2015 is available for download from the Investor Relations section of InTiCa Systems' website at www.intica-systems.de.

InTiCa Systems AG

The Board of Directors

About InTiCa Systems:

InTiCa Systems is a European leader in the development, manufacture and commercialization of inductive components, passive analogue switching technology and mechatronic assemblies. It operates in the Automotive Technology and Industrial Technology segments and has more than 500 employees at its sites in Passau (Germany) and Prachatice (Czech Republic).

The Automotive Technology segment focuses on innovative products that raise the comfort and safety of cars, improve the performance of electric and hybrid vehicles and reduce carbon emissions. InTiCa Systems' Industrial Electronics segment develops and manufactures mechatronic assemblies for the solar industry and other industrial applications.

Forward-looking statements and predictions

This press release contains statements and forecasts referring to the future development of InTiCa Systems AG which are based on current assumptions and estimates by the management that are made using information currently available to them. If the underlying assumptions do not materialize, the actual figures may differ substantially from such estimates. Future developments and results are in fact dependent on a large number of factors; they contain different risks and imponderables and are based on assumptions that may not be accurate. We neither intend nor assume any obligation to update forward-looking statements on an ongoing basis as these are based exclusively on the circumstances prevailing on the date of publication.