CONTACT Dr. Gregor Wasle | CEO
TEL +49 (0) 851 – 966 92 – 0
FAX +49 (0) 851 – 966 92 – 15
EMAIL investor.relations@intica-systems.de

PRESSRELEASE

InTiCa Systems AG: Nine-month results in line with expectations

Revenues increased by 9.2% to EUR 33.5 million (9M 2014: EUR 30.7 million)

EBIT margin of 2.4% (9M 2014: 3.2%)

Net result of EUR 0.4 million (9M 2014: EUR 0.6 million)

Operating cash flow was clearly positive

Passau, November 19, 2015 – InTiCa Systems AG (ISIN DE0005874846, ticker IS7), which is listed in the Prime Standard on Frankfurt Stock Exchange, published today the results of the first nine months 2015. The overall development with a significant increase in sales and a clearly positive nine-month result is still pleasing and meets the expectations of the Board of Directors.

„By developing innovative new products for our customers and continuously raising our own value added, we are extending our systems competence and bringing about a lasting reduction in our dependency. One pleasing result is that revenues from our automotive operations rose by around 35 percent in the first nine months of this year. Also the lean project introduced in the first half of 2015 is starting to have a positive effect. In the first months after its launch, thorough analyses were undertaken and the necessary measures were defined. Implementation is now in full swing. Therefore our assessment of the progress in implementing our strategic goals is correspondingly positive, despite some exceptional factors InTiCa Systems AG will be faced with in the fourth quarter“, said Dr. Gregor Wasle, Spokesman for the Board of Directors of InTiCa Systems AG.

Sales and earnings trend

In view of the continued dynamic growth in the Automotive Technology segment, Group revenue increased by around 9.2% year-on-year to EUR 33.5 million (9M 2014: EUR 30.7 million). The Automotive Technology segment grew sales 34.7% to EUR 27.3 million (9M 2014: EUR 20.2 million), while revenue from the restructured Industrial Electronics segment, which has included the former Communication Technology segment since the start of this year, fell 40.4% to EUR 6.2 million (9M 2014: EUR 10.4 million).

While the ratio of material costs to total output dropped slightly year-on-year to 58.0% (9M 2014: 58.2%), the personnel expense ratio increased from 18.1% to 19.8% as a result of an increase in the number of employees. As a consequence of higher transport costs in the Automotive Technology segment and consultancy expenses in connection with the introduction of modern lean production principles, other expenses increased from EUR 3.6 million in the prior-year period to EUR 4.3 million. The other operating expenses include expenses of EUR 0.3 million (9M 2014: EUR 0.3 million) for agency staff at the Prachatice site.

In all, EBITDA contracted by 3.1% to EUR 4.1 million in the first nine months of 2015 (9M 2014: EUR 4.3 million). Given the concurrent sales growth, the EBITDA margin also declined in the reporting period, dropping from 14.0% to 12.4%. The picture was similar for EBIT: Group EBIT declined from EUR 1.0 million to EUR 0.8 million, resulting in a year-on-year drop in the EBIT margin from 3.2% to 2.4%. In the Automotive Technology segment, EBIT increased to EUR 1.6 million in the first nine months of 2015 (9M 2014: EUR 1.3 million) but in the restructured Industrial Electronics segment it remained negative at minus EUR 0.8 million (9M 2014: minus 0.3 million).

The financial result was minus EUR 0.3 million, as in the prior-year period, and tax expense was also unchanged. Group net income was therefore EUR 0.4 million at the end of the first nine months, down from EUR 0.6 million in the first nine months of 2014. Earnings per share were EUR 0.09 (9M 2014: EUR 0.14).

The operating cash flow was clearly positive at EUR 1.5 million in the first nine months (9M 2014: EUR 0.5 million). This was principally due to the slower rise in receivables and inventories, while trade payables declined slightly in the reporting period. Overall, InTiCa Systems AG registered a cash outflow of around EUR 8.1 million in the reporting period (9M 2014: outflow of EUR 5.0 million) due to far higher capital expenditure for property, plant and equipment, mainly for the Automotive Technology segment, and repayment instalments on loans and leasing. Cash and cash equivalents (less overdrafts) were minus EUR 9.4 million as of September 30, 2015 (September 30, 2014: minus EUR 4.4 million). In the reporting period, InTiCa Systems AG had assured credit facilities which could be drawn at any time totalling EUR 9.6 million. In October and November, these credit facilities were increased by EUR 5.3 million to EUR 14.9 million. The equity ratio declined to 42% in the reporting period (December 31, 2014: 46%).

Outlook

„The development of sales and earnings in the first nine months was in line with the Board of Directors expectations. 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, and the segment will make a perceptible contribution to securing sales growth“, confirms Günther Kneidinger, Member of the Management Board. Due to the fallout from the insolvency of a major customer, tougher competition from suppliers of transmission technology, and the postponement of an order from an international customer in the Industrial Electronics segment, this segment is unlikely to match the previous year's performance.

Overall, the Board of Directors believes that InTiCa Systems AG will continue to develop positively in line with its corporate objectives both in 2015 and in 2016. Orders on hand in the Automotive Technology segment increased from EUR 32 million in the previous year to EUR 34 million. Taking into account the influences on the Industrial Electronics segment discussed above, orders on hand on September 30, 2015 totalled around EUR 38 million, slightly below the very high level in the prior-year period (9M 2014: EUR 42 million).

However, sales and earnings will be monitored closely in the fourth quarter of 2015 due to exceptional factors. Firstly, a major customer in the automotive sector has cut its forecast for outstanding order call-offs in the fourth quarter of 2015. Since the forecast for the first half of 2016 has been confirmed, this effect should be confined to the fourth quarter of 2015. Secondly, the company is confronted with a customer complaint that could result in a considerable increase in quality costs for a limited period.

Assuming that impact of the exceptional factors outlined above on revenue and earnings is not unexpectedly high in the fourth quarter of 2015, from the present perspective the Board of Directors assumes that the company will report a further rise in Group revenue to around EUR 44 million in 2015 as a whole, together with a positive operating result.

The full interim report for the first nine 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.