InTiCa Systems

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

PRESSRELEASE

InTiCa Systems AG publishes 9M report 2017 – Strong third quarter fuels revenue growth

Industrial Electronics sales increased significantly

Customer-induced delays at the facility in Mexico affect profitability

Revenue outlook for FY 2017 confirmed at the upper end

Passau, November 23, 2017 – InTiCa Systems AG (Prime Standard, ISIN DE0005874846, ticker IS7) today published the interim report for the first nine months of 2017. Thanks to a good third quarter, sales growth in the reporting period was 10.6%. While growth in the Automotive Technology segment continued at a single-digit rate, the Industrial Electronics segment increased sales by more than 30%.

"Looking at our segments, the very good development of Industrial Electronics should be highlighted. This was due to strong demand for inverters in the third quarter. The high sales also enabled this segment to report clearly positive EBIT again. The coming quarters will show whether this was a one-off effect. In any case, we are working to continue the positive trend. The Automotive Technology segment also contributed to sales as planned in the reporting period. In addition, borrowing at low interest rates has enabled us to further optimize our financing structure and we have been able to use the low-interest phase to refinancing our long-term investment in further growth", comments InTiCa Systems' Board of Directors the business development in the first nine months of 2017.

Earnings position

Compared with the first nine months of 2016, Group sales rose 10.6% to EUR 37.3 million (9M 2016: EUR 33.7 million). The Automotive Technology segment grew sales 5.9% to EUR 29.1 million (9M 2016: EUR 27.5 million) and the Industrial Electronics segment increased sales by 31.4% to EUR 8.2 million (9M 2016: EUR 6.2 million) as demand for inverters was particularly high compared with the previous year.

The ratio of material costs to total output was 54.9% in the reporting period, which was slightly above the prior-year level (9M 2016: 54.4%). At the same time, the personnel expense ratio increased from 22.7% to 23.0% due to the increase in headcount.

There was only a slight rise in EBITDA (earnings before interest, taxes, depreciation and amortization) to EUR 4.3 million (9M 2016: EUR 4.2 million). As a result, the EBITDA margin dropped from 12.5% to 11.6%. EBIT (earnings before interest and taxes) increased considerably year-on-year to EUR 1.1 million (9M 2016: EUR 0.9 million). The EBIT margin was slightly higher than in the prior-year period at 2.8% (9M 2016: 2.7%). At segment level, Automotive Technology reported EBIT of EUR 0.75 million in the first nine months of 2017 (9M 2016: EUR 0.95 million). Customer-induced delays increased start-up expenses at the facility in Mexico, which held back this segment's earnings. Moreover, further agency staff had to be taken on at the production facility in the Czech Republic as a result of high capacity utilization. InTiCa however, will take effective action to resolve the situation and assumes that the customer will take steps to resolve the issues in Mexico in the fourth quarter. The Industrial Electronics segment lifted EBIT to EUR 0.3 million (9M 2016: minus EUR 0.03 million).

The financial result was minus EUR 0.3 million in the first nine months of 2017 (9M 2016: minus EUR 0.3 million). As a result, the pre-tax profit was EUR 0.7 million (9M 2016: EUR 0.6 million). Taking into account higher tax expense of EUR 232 thousand (9M 2016: EUR 56 thousand), the net profit for the first nine months of 2017 was EUR 0.5 million (9M 2016: EUR 0.5 million). Earnings per share were EUR 0.12 (9M 2016: EUR 0.13).

The operating cash flow was EUR 1.3 million in the reporting period (9M 2016: EUR 3.8 million). Due to new long-term bank loans, the company recorded a positive overall cash flow of EUR 1.2 million in the reporting period (9M 2016: EUR 2.1 million) despite further investment and scheduled repayment instalments. The equity ratio remains solid at 39% (December 31, 2016: 40%).

Outlook

Business performance in the first nine months of 2017 was in line with the Board of Directors' expectations so it is retaining its outlook for fiscal 2017. At the end of the first nine months of 2017, orders on hand were well above the prior-year level at EUR 57 million (September 30, 2016: EUR 40.0 million). EUR 48 million of this amount was attributable to the Automotive Technology segment (September 30, 2016: EUR 34 million).

In view of the performance to date, the Board of Directors is therefore confirming its guidance for 2017: it expects sales to be at the upper end of the range of EUR 47 million to EUR 50 million, while the EBIT margin should be around 3%.

The complete interim report for the first nine months of 2017 is available for download from the Investor Relations section of InTiCa Systems' website at www.intica-systems.com.

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 590 employees at its sites in Passau (Germany), Prachatice (Czech Republic) and Silao (Mexico).

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.