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## PRESSRELEASE

### **InTiCa Systems AG publishes interim report for the first half of 2018 – Solid growth in tougher industry environment**

Sales increases in both segments

Strong operating cash flow as a basis for high investments

Significant increase in orders on hand

**Passau, August 23, 2018** – InTiCa Systems AG (Prime Standard, ISIN DE0005874846, ticker IS7) today published the half year report for the first six months of 2018. Though conditions in the automotive industry have become tougher since the start of the year, InTiCa Systems AG achieved sales growth of 5.6% to EUR 25.9 million in the first half of 2018 along with an EBIT margin of 2.8%.

“Market dynamics also made themselves felt at InTiCa Systems in the reporting period. Order call-off patterns by customers have become more cautious and in some cases there was a shift in call-off volumes. At our new facility in Mexico, in particular, this has led to delays in the ramp-up of production. However, we assume that most of the obstacles will be overcome during the remainder of the year. Particularly, the timely refocusing of the company on future technologies is paying off. Orders on hand increased significantly and investment in e-mobility makes us far less susceptible to fluctuations“, comments Dr. Gregor Wasle, CEO of InTiCa Systems AG the business development in the first six months of 2018.

#### **Earnings, asset and financial position**

Compared with the first six months of 2017, Group sales rose 5.6% to EUR 25.9 million (H1 2017: EUR 24.6 million). While the Industrial Electronics segment was the growth driver in the first quarter with high demand for inverters, the Automotive Technology segment was back in the driving seat in the second quarter. In total, sales increased 0.5% to EUR 19.9 million (H1 2017: EUR 19.8 million) in the Automotive Technology segment and 26.8% to EUR 6.0 million (H1 2017: EUR 4.8 million) in the Industrial Electronics segment. The ratio of material costs to total output was reduced to 53.0% in the reporting period (H1 2017: 54.9%). At the same time, the personnel cost ratio rose from 22.7% to 23.4% due to the increase in the average number of employees in the reporting period.

EBITDA (earnings before interest, taxes, depreciation and amortization) remained virtually unchanged at EUR 2.9 million (H1 2017: EUR 2.9 million). EBIT (earnings

before interest and taxes) increased slightly year-on-year to EUR 0.74 million (H1 2017: EUR 0.71 million). At 2.8%, the EBIT margin was slightly below the previous year's level (H1 2017: 2.9%). At segment level, profitability in Automotive Technology segment was adversely affected by start-up costs in Mexico and general market conditions in the first half of 2018. At EUR 0.3 million, EBIT was significantly below the previous year's figure (H1 2017: EUR 0.7 million). By contrast, the Industrial Electronics segment grew EBIT to EUR 0.45 million (H1 2017: EUR 48 thousand).

As in the prior-year period, the financial result was minus EUR 0.2 million in the first half of 2018 (H1 2017: minus EUR 0.2 million). Tax expenses also remained constant in the reporting period at EUR 0.1 million (H1 2017: EUR 0.1 million). Group net income was therefore EUR 0.4 million in the reporting period (H1 2017: EUR 0.3 million). Earnings per share were EUR 0.09 (H1 2017: EUR 0.08).

As in the first quarter, InTiCa Systems AG again generated a clearly positive operating cash flow in the second quarter of 2018. Overall, the net cash flow from operating activities amounted to EUR 2.3 million in the first half of 2018, almost twice as high as in the same period of the previous year (H1 2017: EUR 1.2 million). Strong investment in the plants in Mexico and the Czech Republic resulted in a total cash outflow of EUR 1.9 million in the reporting period (H1 2017: inflow of EUR 0.2 million), despite the raising of further loans. The equity ratio was 38% (December 31, 2017: 42%).

At the end of the first half of 2018 orders on hand were well above the prior-year level at EUR 55.2 million (June 30, 2017: EUR 47.8 million). 89% of orders were for the Automotive Technology segment (June 30, 2017: 80%). From current requests for quotations, it is clear that unit volumes are rising especially fast in the e-mobility sector. Overall, the Board of Directors expects orders on hand to rise in both the Automotive Technology segment and the Industrial Electronics segment.

## **Outlook**

“We assume that call-off patterns will improve in the second half of the year. In addition, a third production line has now been completed in Mexico for an additional customer, and is scheduled to come into operation before year-end. In spring, the first steps were taken to build up a new sales office to acquire new customers in NAFTA, especially Mexico. This underscores the ambitious and longer-term growth prospects here. The investment in expanding production capacity and optimizing production workflows at the plant in the Czech Republic, has reduced material costs and overcome capacity bottlenecks. Alongside EMC filters, which are used in both market segments, the Industrial Electronics segment is focusing on inverter technology and the growing market for energy storage systems. Here, the positive trend seen in 2017 has continued“, comments Günther Kneidinger, Member of the Management Board.

Based on this, as of now the Board of Directors is confirming its forecast for 2018 as a whole. However, in view of the delayed start-up of high-volume serial production in Mexico and the macroeconomic and sector-specific uncertainties, the increase is more likely to be at the lower end of the expected range of EUR 53 million to EUR 56 million for sales and 3.0% to 3.5% for the EBIT margin.

The complete interim report for the first half of 2018 is available for download from the Investor Relations section of InTiCa Systems' website at [www.intica-systems.com](http://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 600 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.