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PRESSRELEASE

InTiCa Systems AG publishes interim report for the first nine months of 2019

Rise of group sales by 39%

Significant improvement of EBIT-margin

Increasing focus on e-solutions

Passau, November 21, 2019 – InTiCa Systems AG (Prime Standard, ISIN DE0005874846, ticker IS7) today published the interim report for the first nine months of 2019. Despite a persistently difficult market environment, the business of InTiCa Systems AG developed very positively in the reporting period. As already published via an ad-hoc announcement, sales and earnings were significantly higher than the expectation of the management board:

„Thanks to the very good sales from serial production and projects in the e-solutions business Group, sales increased by nearly 39% year-on-year in the first nine months of 2019. Higher sales are also having a positive impact on our margins. For instance, the EBIT margin of 3.8% is also well above what we expected. Our positive performance in 2019 is attributable to our early focus on future-oriented technologies, together with the associated repositioning of the company as a substantial technology provider for e-solutions and e-mobility. In view of the international deterioration in the automotive market, it remains to be seen to what extent the new product lines can counter the critical market trend“, comments Dr. Gregor Wasle, CEO of InTiCa Systems AG on the business development in the first nine months of 2019.

Earnings, asset and financial position

Compared with the first nine months of 2018, Group sales rose 38.7% to EUR 50.8 million (9M 2018: EUR 36.6 million), with both segments contributing to this sales growth. In the Automotive Technology segment, sales grew 28.0% year-on-year to EUR 36.5 million (9M 2018: EUR 28.5 million) and in the Industrial Electronics segment sales increased by 76.2% to EUR 14.3 million (9M 2018: EUR 8.1 million). Here it should be noted that revenue from EMC filter technology, which is used in both stationary installations (Industrial Electronics) and vehicles (Automotive Technology) is currently allocated entirely to the Industrial Electronics segment.

Since inventories of finished goods and work in progress decreased far faster than in the prior-year period, the increase in total output from EUR 37.8 million to EUR 49.3 million lagged the increase in sales. The ratio of material costs to total output increased to 58.5% (9M 2018: 53.7%). At the same time, the personnel expense ratio dropped from 24.7% to 16.8% due to a reduction in the average headcount (excluding agency staff) in the reporting period. There was a year-on-year increase in other expenses from EUR 5.7 million to EUR 7.1 million. This was because expenses for agency staff at the production sites in Prachatice and Silao rose to EUR 2.4 million (9M 2018: EUR 1.2 million).

Year-on-year, EBITDA (earnings before interest, taxes, depreciation and amortization) rose faster than sales, increasing by 79.5% to EUR 5.8 million (9M 2018: EUR 3.2 million). The EBITDA margin therefore improved to 11.4% (9M 2018: 8.8%). EBIT (earnings before interest and taxes) was EUR 1.9 million (9M 2018: EUR 13 thousand) and the EBIT margin was 3.8% (9M 2018: 0.04%). In the Automotive Technology segment, EBIT was EUR 0.8 million (9M 2018: minus EUR 0.3 million), and in the Industrial Electronics segment it was EUR 1.2 million (9M 2018: EUR 0.3 million).

The financial result was minus EUR 0.5 million in the first nine months of 2019 (9M 2018: minus EUR 0.3 million) and tax expense was EUR 0.4 million (9M 2018: EUR 0.2 million). Group net income was therefore EUR 1.0 million in the reporting period (9M 2018: minus EUR 0.5 million). Earnings per share were EUR 0.23 (9M 2018: minus EUR 0.11).

The operating cash flow was EUR 2.1 million in the reporting period (9M 2018: EUR 3.8 million). As a result of further investment to extend and modernize production facilities and scheduled loan repayments, there was a total cash outflow of EUR 2.3 million in the reporting period (9M 2018: outflow of EUR 3.0 million). The equity ratio decreased to 29.3% (December 31, 2018: 33.5%).

Outlook

The escalating trade dispute between the USA and China, the enormous uncertainty caused by the threat of Brexit, and the general economic downturn caused a reduction in international output in the automotive industry and a drop in new vehicle registrations in the first nine months of 2019. Despite this difficult environment, InTiCa Systems AG posted a positive development in the reporting period. Looking forward, InTiCa Systems AG cannot decouple itself entirely from international market developments in the automotive industry. Therefore, future developments will show to what extent the new e-solutions product lines can counter the forecasted international downswing.

„In 2019, we expect that products classed as “e-solutions” will account for more than 40% of our total sales revenue. This is where we see the greatest potential for the future. While business with conventional vehicle platforms is flat, there is a growing market for alternative drives and other key technologies such as autonomous driving, connectivity and interactivity. New developments such as charging infrastructure, stator systems for hybrid vehicles and planar transformers for battery management systems offer tremendous opportunities for InTiCa“,

explains Günther Kneidinger, Member of the Management Board, the outlook for InTiCa Systems AG.

At the end of the first nine months of 2019, orders on hand amounted to EUR 118.0 million, far higher than in the prior-year period (September 30, 2018: EUR 83.0 million). 72% of orders were for the Automotive Technology segment (9M 2018: 84%). Based on business performance to date and the expectations for the fourth quarter, the Board of Directors has raised its forecast for 2019 as a whole. Instead of sales of between EUR 54 million and EUR 58 million and an EBIT margin of 1.5–2.0%, the Board of Directors now expects Group sales to come in at between EUR 65 million and EUR 68 million, with an EBIT margin of at least 3.0%.

The complete interim report for the first nine months of 2019 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 750 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.