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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 interim report for H1 2020 – Corona pandemic defines Q2, medium-term outlook remains confident**

Group sales at prior-year level

Earnings in Q2 disproportionately burdened by corona effects

Production in the Czech Republic has been restarted

Reliable outlook for fiscal 2020 still not possible

**Passau, August 13, 2020** – InTiCa Systems AG (Prime Standard, ISIN DE0005874846, ticker IS7) today published the interim report for the first half of 2020. The first half of 2020 was overshadowed by the impact of the coronavirus pandemic. As a result of the very good first quarter, sales however were still around the prior-year level. By contrast, Group net income was far lower than in H1 2019.

„While we were able to present very pleasing figures in our report on the first quarter despite the coronavirus pandemic, the crisis reached InTiCa in the second quarter. Given the historic scale of the global economic downturn, InTiCa’s first-half figures are comparatively good. Our liquidity situation in particular is secured from the present viewpoint, even in stress scenarios. That is partly because we introduced wide-ranging measures right at the start of the pandemic. In addition, we obtained a loan of EUR 6 million from the German reconstruction and development bank (KfW) through our banks in July without having to provide any security for this. We therefore consider that we are well-positioned to emerge strengthened from the present unprecedented situation and that we will soon be back on our growth trajectory“, comments Dr. Gregor Wasle, CEO of InTiCa Systems AG the business development.

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

Group sales were around the prior-year level in the first half of 2020 at EUR 29.5 million, which was a slight drop of 0.4% (H1 2019: EUR 29.6 million). In the Automotive Technology segment, which has been particularly badly affected by the coronavirus pandemic, sales fell 1.9% compared with the first half of 2019 to EUR 21.4 million (H1 2019: EUR 21.8 million). By contrast, the Industrial

Electronics segment posted a slight improvement of 3.7% year-on-year to EUR 8.1 million (H1 2019: EUR 7.8 million).

The ratio of material costs to total output was 59.5% in the reporting period, which was above the prior-year level (H1 2019: 56.5%). By contrast, the personnel expense ratio (including agency staff) decreased slightly from 23.8% to 23.3%. At the same time, other expenses increased from EUR 4.1 million in the prior-year period to EUR 5.0 million. This was principally due to the sharp depreciation of the Czech koruna and Mexican peso at the start of the coronavirus pandemic, resulting in significant exchange losses, although these had no impact on the cash flow.

EBITDA (earnings before interest, taxes, depreciation and amortization) declined by 29.4% year-on-year to EUR 2.3 million (H1 2019: EUR 3.3 million). The EBITDA margin was also lower than in the first half of 2019 at 7.8% (H1 2019: 11.1%). EBIT (earnings before interest and taxes) was negative at minus EUR 0.5 million, whereas in the first half of 2019 EBIT was positive at EUR 0.7 million. At segment level, Automotive Technology reported EBIT of minus EUR 0.4 million in the first six months of 2020 (H1 2019: EUR 0.4 million) and the Industrial Electronics segment reported EBIT of minus EUR 0.03 million (H1 2019: EUR 0.3 million).

As in the prior-year period, the financial result was minus EUR 0.3 million (H1 2019: minus EUR 0.3 million). While the Group reported tax expense of EUR 0.1 million in the first half of 2019, in the reporting period, there was tax income of EUR 0.03 million. The result was a net loss of EUR 0.7 million in the first six months of 2020 (H1 2019: profit of EUR 0.3 million). Earnings per share were minus EUR 0.17 (H1 2019: EUR 0.06).

The cash flow from operating activities was EUR 0.7 million in the first six months of 2020 (H1 2019: EUR 2.8 million). The year-on-year decline was mainly due to the net loss for the period, the non-cash net exchange loss and the reduction in trade payables. As communicated in the Q1 report, investment in property, plant and equipment was reduced due to the special challenges resulting from the coronavirus pandemic. Following planned loan repayments (H1 2019: EUR 1.3 million) and EUR 0.4 million for lease payments, this resulted in a total cash outflow of EUR 2.4 million in the reporting period (H1 2019: outflow of EUR 1.1 million). The equity ratio declined to 29.9% as of June 30, 2020 (December 31, 2019: 32.5%).

## **Outlook**

While the first quarter was hardly affected, order call-off has declined substantially since April and orders are increasingly being postponed until the second half of the year. That is also visible in the development of orders on hand. At the end of the first quarter of 2020 orders on hand were well above the prior-year level at EUR 112.5 million (March 31, 2019: EUR 88.0 million). At the end of the first six months, the situation had reversed: total orders on hand were EUR 98 million as of June 30, 2020, a clear reduction compared with the prior-year level (June 30, 2019: EUR 119 million). The proportion of orders allocated to the Automotive Technology segment increased from just under 66% to over 80%. At the present state of the pandemic, it is not possible to estimate accurately the extent of order

uptake by customers in the remainder of the year. The Board of Directors cannot rule out a further reduction in the second half of the year.

„As production has restarted in Germany and at other major industrial locations, there are signs of a slight recovery in order call-off at InTiCa Systems. Our upfront investment especially in the e-strategy, is now paying off because the present crisis will reinforce the macroeconomic transformation process. That is evident from the German government's economic stimulus packages. Those who are only just starting to react will find it hard. At InTiCa, we have already invested considerably in the future and we are benefiting from our good competitive position, because in economically challenging times, it is efficient and environment-friendly new technologies that are in demand. For example, the number of electric cars registered in Germany nearly doubled in the first six months of 2020, increasing their share of the total market to 8.6%“, comments Günther Kneidinger, Member of the Management Board.

Despite the first signs of normalization, there is still enormous uncertainty about how the market will develop. The temporary production shutdown at InTiCa's site in the Czech Republic ordered by the authorities there has made this particularly clear. Having received the official go-ahead, production has gradually been restarted, but every week in which InTiCa cannot operate at full capacity translates into lost sales of up to EUR 1.5 million. Whether the shortfall can be recouped by the end of the year depends on the extent to which the official measures affect logistics and staff availability. It is therefore difficult to assess the impact on sales and earnings.

Therefore, at this time the Board of Directors is still not able to issue specific guidance for the 2020 fiscal year. At present it is not possible to give a stable and reasonably reliable forecast for the current fiscal year based on target ranges in line with past practice. However, we have to assume that sales and earnings at the end of the year will be below the 2019 level. As soon as the economic situation stabilizes and reliable planning for the 2020 fiscal year is possible, InTiCa Systems AG will publish a detailed forecast for the 2020 fiscal year.

The complete interim report for H1 2020 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 700 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.