

A collage of semi-transparent images related to technology and manufacturing, including a circuit board, a woman in a lab coat, and two men in lab coats reviewing documents.

Half-Year Results 2023

Cicor Technologies Ltd.

July 25, 2023

Alexander Hagemann (CEO)
Peter Neumann (CFO)

July 25, 2023

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Alexander Hagemann

The Cicor Group in H1 of 2023

Full-cycle electronic solutions for a safe, connected world



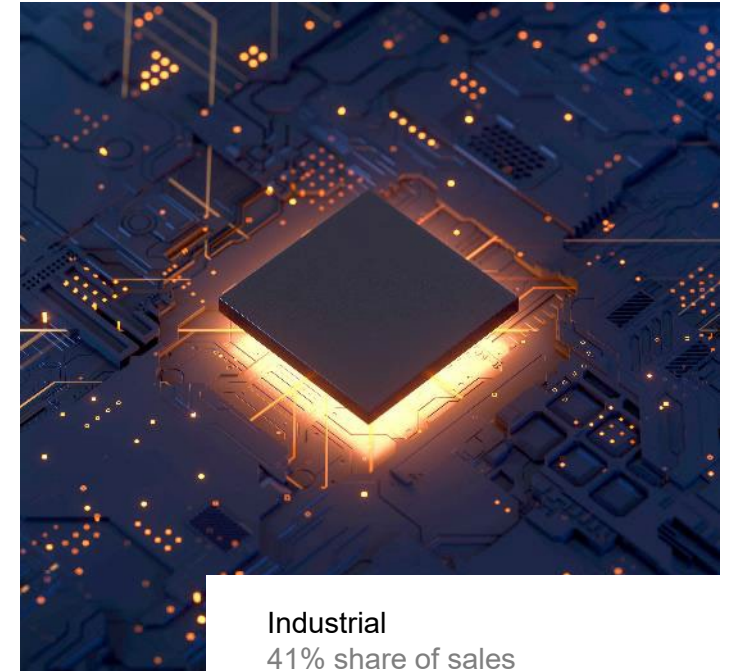
Medical Technology
27% share of sales

Cicor helps people hear better, enables progress in medical treatments and drug delivery



Aerospace and Defence
16% share of sales

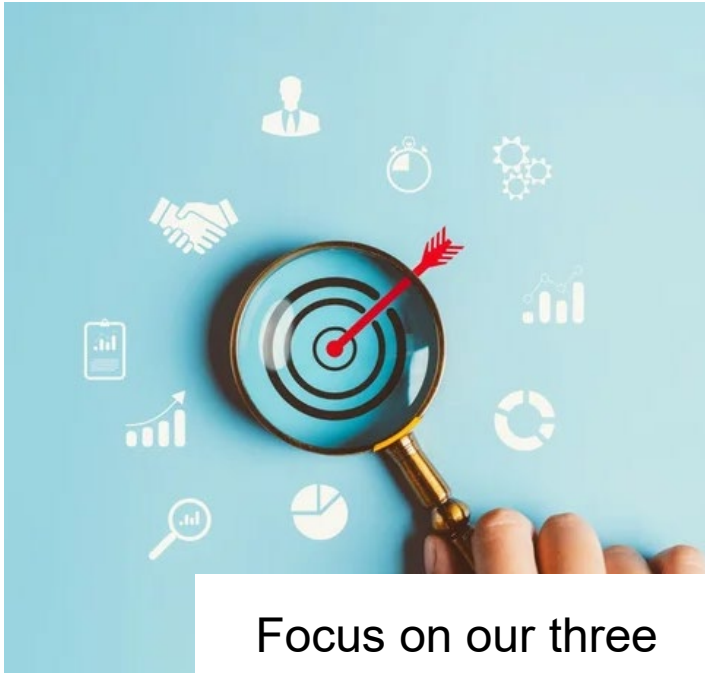
Cicor solutions make planes reliable, support space missions and protect lives



Industrial
41% share of sales

Cicor participates in latest generation semiconductor manufacturing, smart metering, building automation

A strong platform for organic growth and industry consolidation



Focus on our three **core markets** with highly profitable high-mix/low-volume businesses



Strategic customer relationships through excellent solution finding, differentiated technology portfolio and flawless execution



Active consolidation through **M&A**

Cicor is well positioned to thrive in the present environment

Megatrends accelerate EMS market growth from 2013-2022 CAGR of 4.8% to 2022-2030 CAGR of 6.9%



Cicor manufacturing infrastructure supports organic growth to CHF 500 million without further factory expansion

Downturn of cyclical markets in 2022-2023, volatile automotive market



Cicor actively avoids CCC (consumer, computer, communication) and automotive markets

Electronics manufacturing partially moves out of China and closer to end markets



Cicor has strengthened footprint in Southeast Asia, Romania with capacity reserves and Tunisia as new nearshoring location

Labor shortage in Europe and parts of Asia due to demographic shift



Cicor invests into automation and the digitization of business processes. New engineering center in Vietnam

Industry consolidation as customers reduce number of suppliers and require stronger set of capabilities



Cicor as one of the fastest growing and most profitable EMS providers actively drives consolidation with a focus on core markets

Key messages from first half-year

Strong underlying business with **9.5% organic growth** and book-to-bill-rate of 1.1

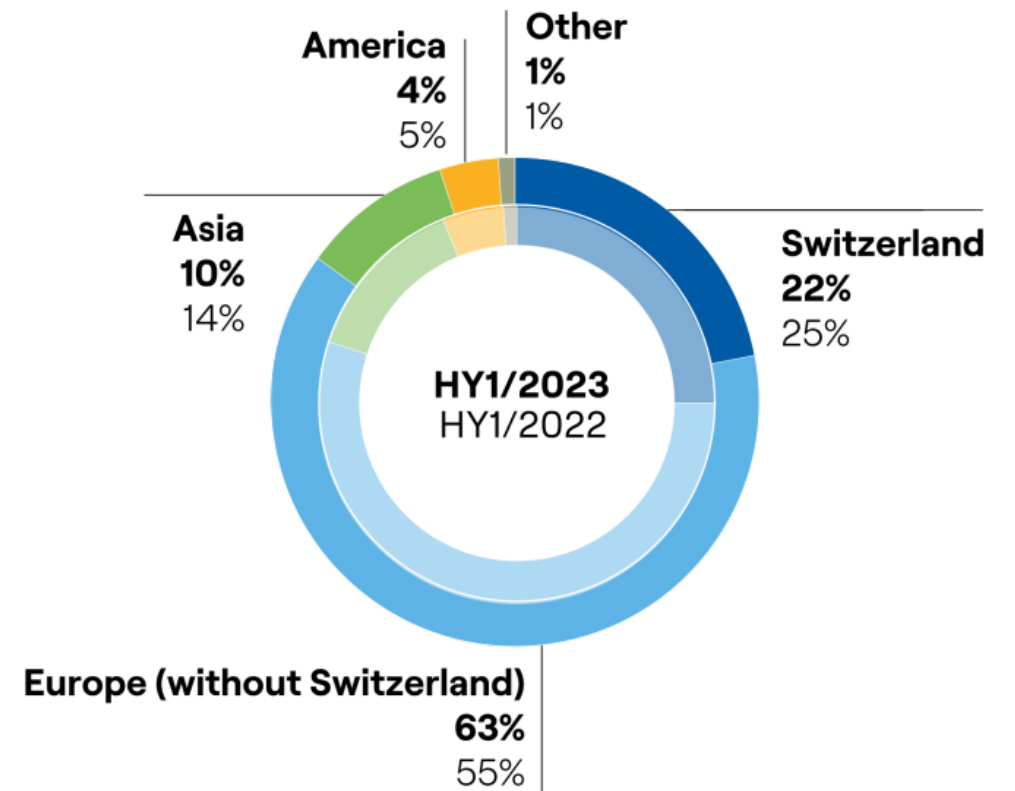
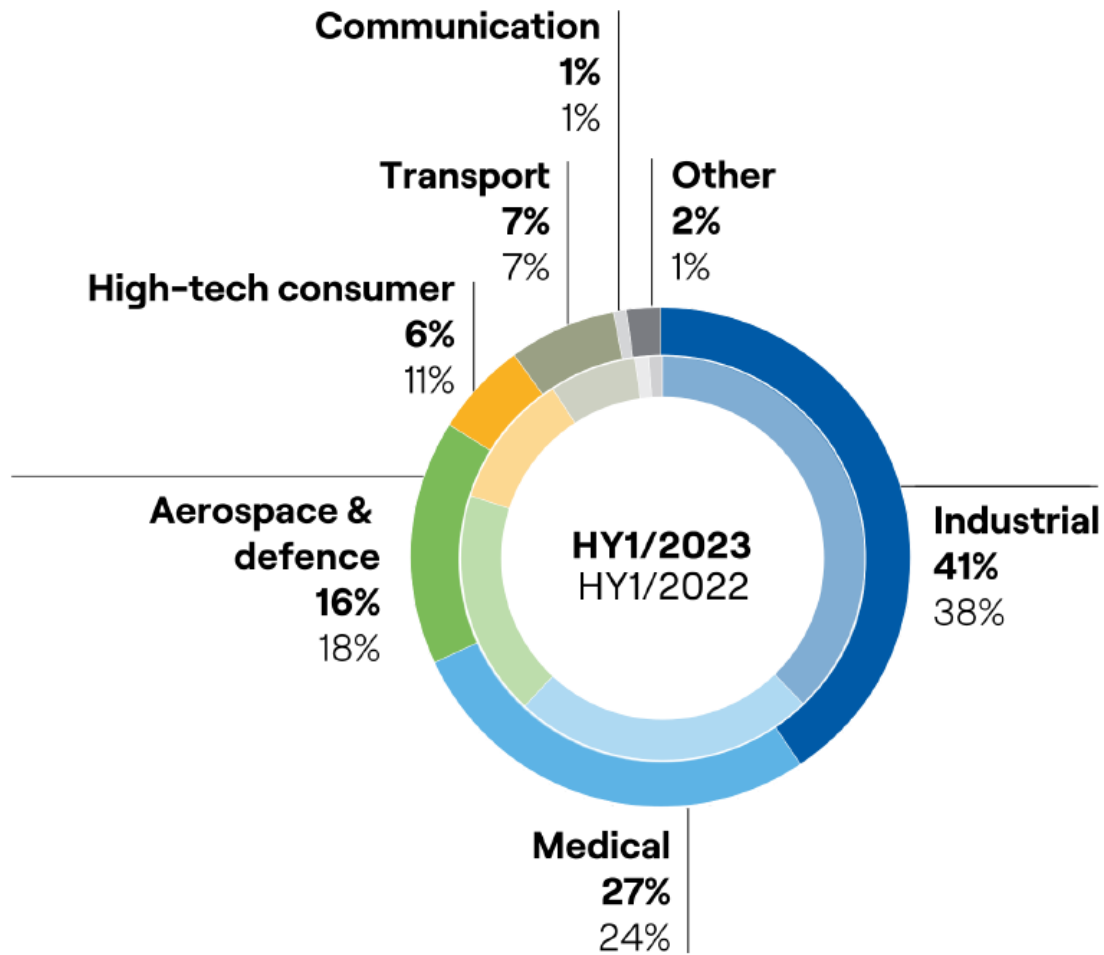
The **acquisition** of new Cicor companies in Germany lifts yoy **growth rate to 26.2%**

Operating margin at new all-time high of **10.7% EBITDA**

Supply chain tensions decreased and focus on net working capital reduction allowed return to positive **free cash flow of CHF 5.2 million** (before acquisitions)

Positive business momentum and strong order intake allows to raise full year outlook

Sales in strategic markets further increased from 80% to 84%



Electronic Manufacturing Services (EMS)

EMS Division

Growth strategy – M&A

Cicor Digital Elektronik

Acquired 1.1.2023, integration as planned, positive performance

Vietnam factory space

12'000 m²

Doubling of available capacity after acquisition of 2nd site

Net Sales

CHF 179m (+32.5%)

Sales run-rate in Germany

ca. EUR 100m

Making Cicor a strong player in Europe's largest market

Share of Cicor group sales

89.6%

EBITDA margin

11.4% (H1 2022: 10.2%)



Advanced Substrates (AS)

AS Division

Sales decline in H1



Reduced shipments of PCB to a medical customer, end of a multi-year contract for hybrid substrates

Add-on acquisition

AFT microwave

Acquired 1.3.2023 the thin film production assets

Net Sales

CHF 20.6m (-11.5%)

Positive outlook for H2



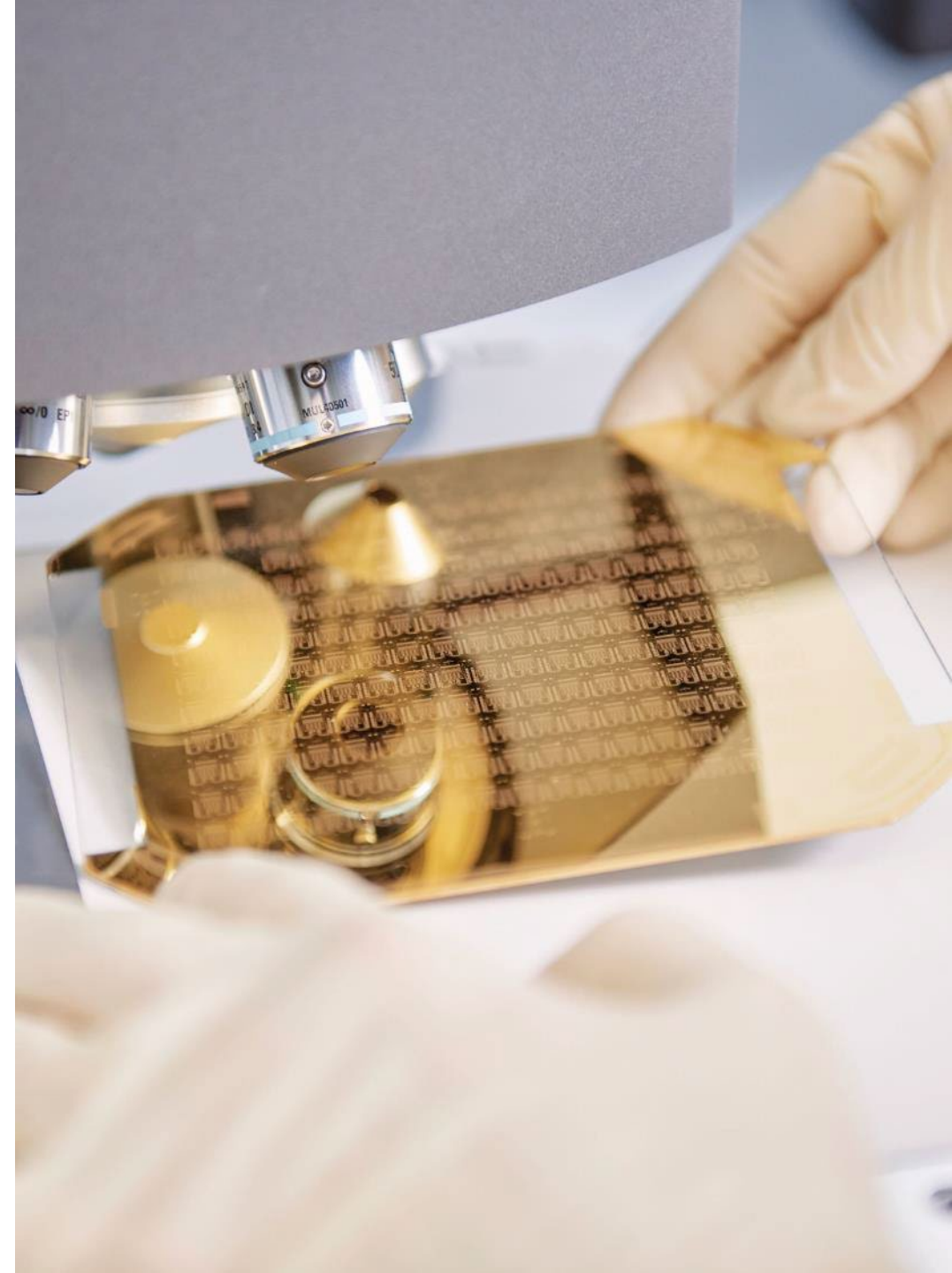
Increased demand from large medical customer for hybrid substrates

Share of Cicor group sales

10.4%

EBITDA margin

11.8% (H1 2022: 13.2%)

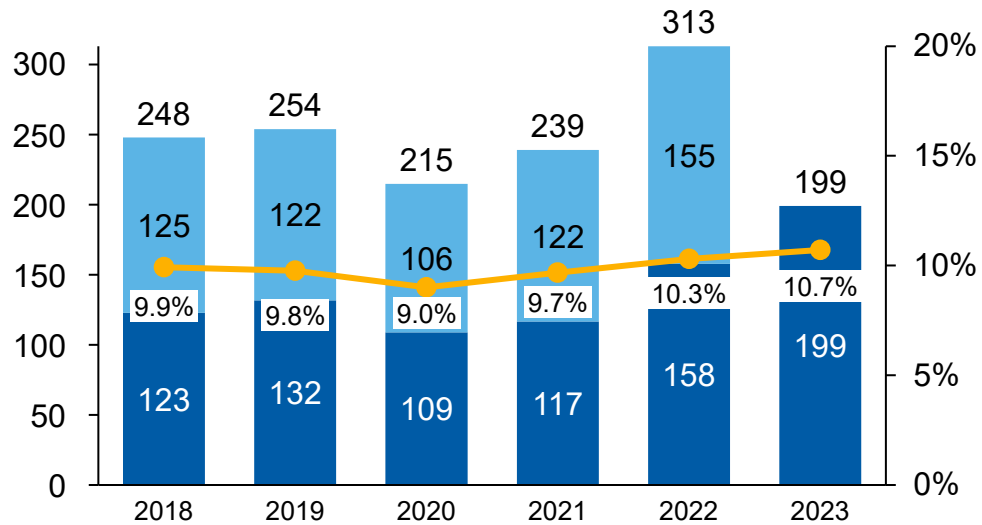


Peter Neumann

Financial Results H1 2023

Long-term view – Impact of Cicor growth strategy

Performance 2018 – 2023



- Cicor achieves best half-year results ever in terms of sales and EBITDA, demonstrating the success of its growth strategy
- Organic¹⁾ sales growth of 9.5%
- Profitable growth with 10% Sales CAGR and 13% EBITDA CAGR over the last five years

Group in TCHF	HY 22	HY 23	% YoY
Sales	157 747	199 152	26.2%
EBITDA	15 029	21 336	42.0%
ROS%	9.5%	10.7%	+120 bps

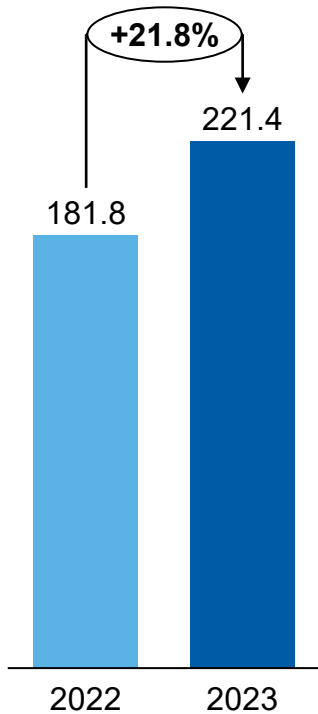
■ Sales H2 ■ Sales H1 ● EBITDA margin in %

1) Change in local currencies, adjusted for acquisitions

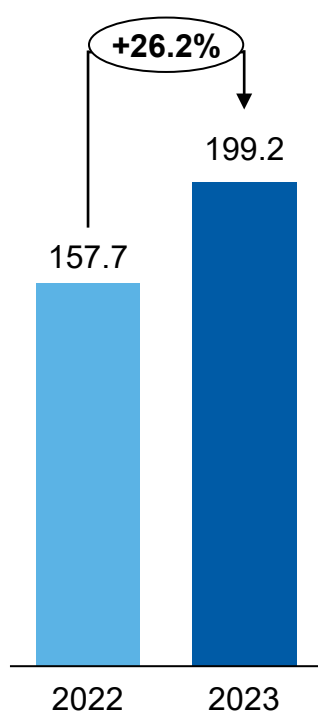
Record sales and core results from organic growth and acquisitions

Key figures H1/2023

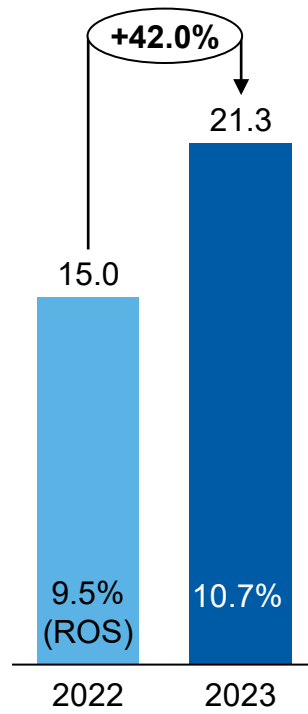
Orders received



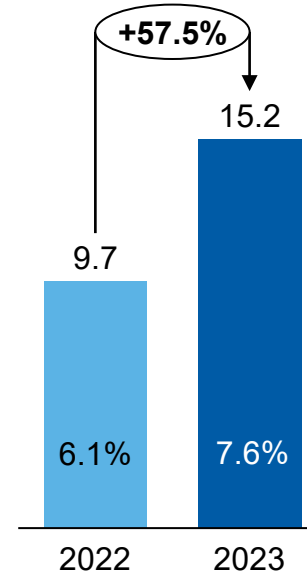
Net sales



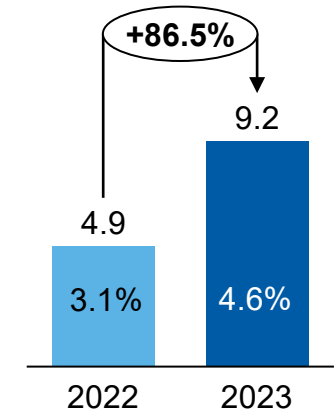
EBITDA



Core EBIT¹⁾



Core net profit¹⁾

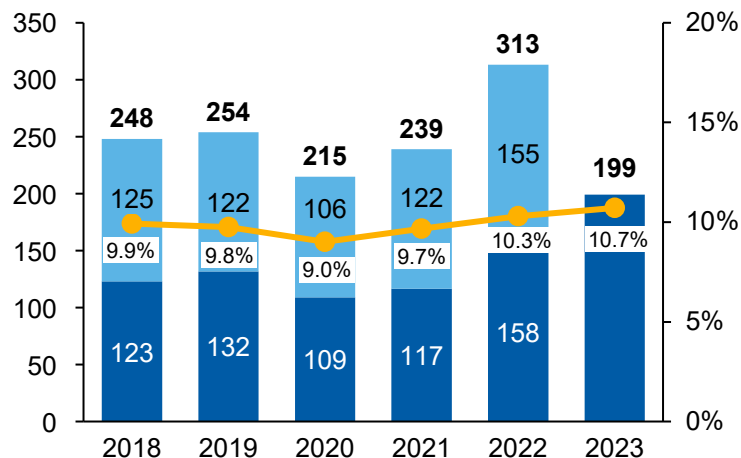


1) Before amortization of goodwill and intangible assets from acquisitions TCHF 4 677 (2022: TCHF 4 512). Adjusted for related income tax effects of TCHF -345 (2022: TCHF -376) for Core net profit.

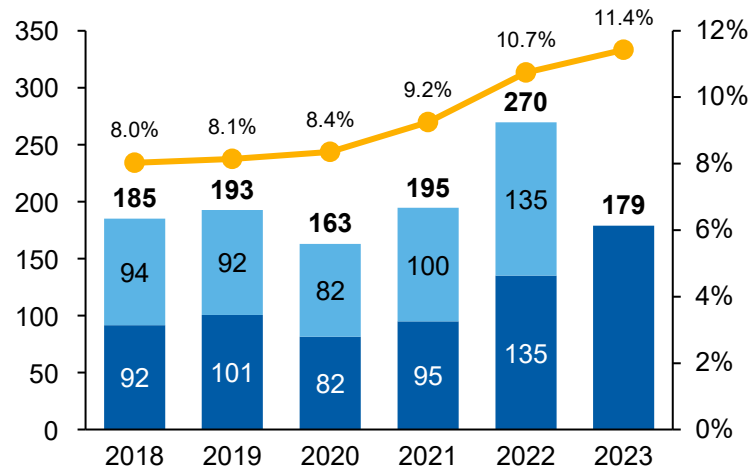
Performance 2018 – 2023

Profitable growth in EMS Division

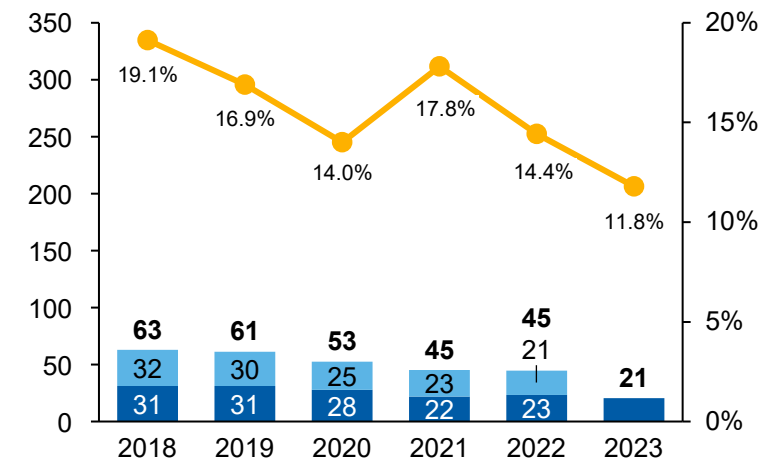
Cicor Group



EMS Division



AS Division



Group in TCHF	HY 22	HY 23	%YoY
Sales	157 747	199 152	26.2%
EBITDA	15 029	21 336	42.0%
ROS%	9.5%	10.7%	+120bps

EMS in TCHF	HY 22	HY 23	%YoY
Sales	135 086	178 997	32.5%
EBITDA	13 814	20 439	48.0%
ROS%	10.2%	11.4%	+120bps

AS in TCHF	HY 22	HY 23	%YoY
Sales	23 322	20 638	-11.5%
EBITDA	3 086	2 433	-21.2%
ROS%	13.2%	11.8%	-140bps.

■ Sales H2
 ■ Sales H1
 —●— EBITDA margin in %

RHe was newly allocated from AS into EMS as from 2021, prior years are not restated.

Consolidated Income Statement

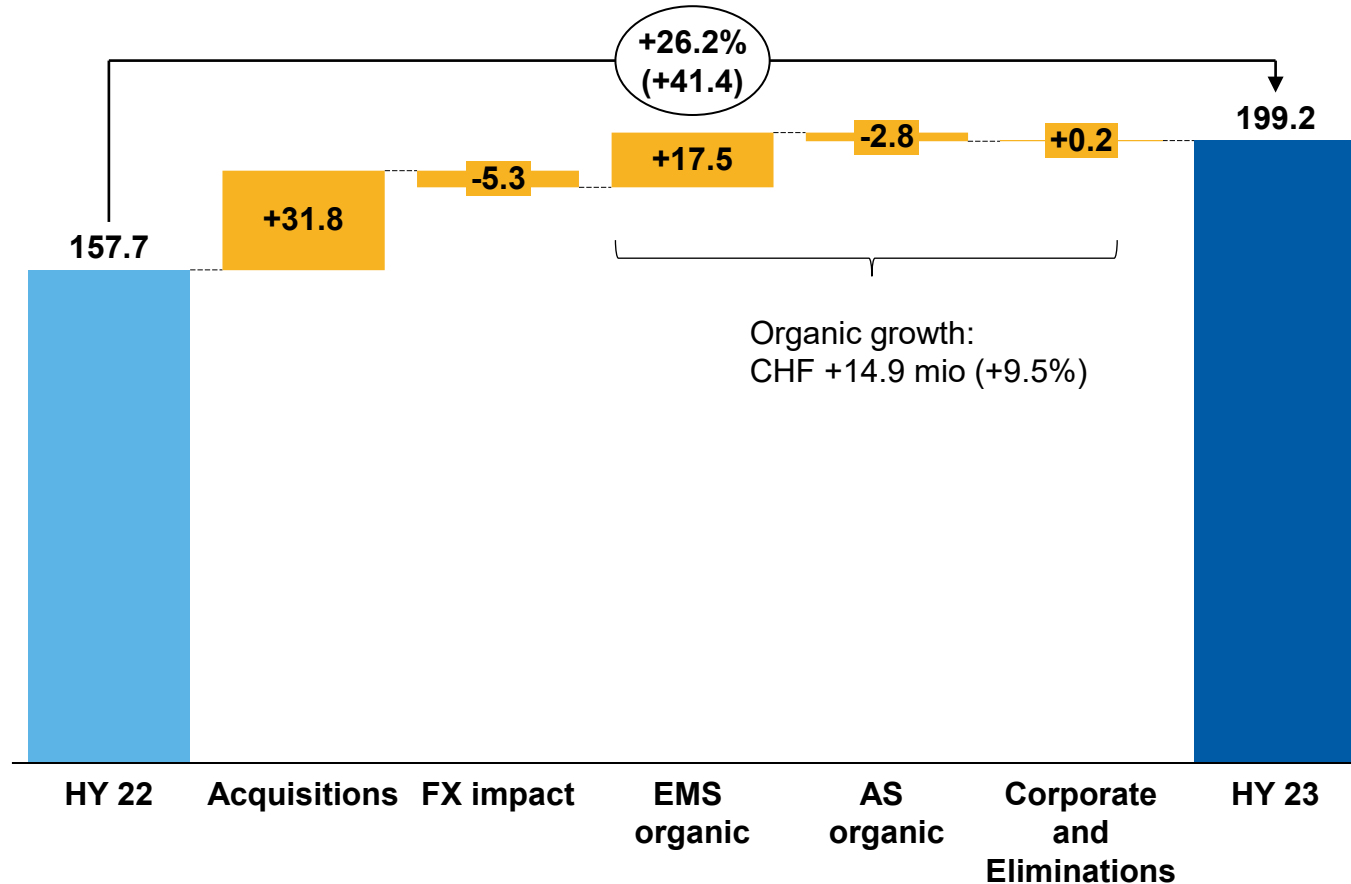
in TCHF

	HY 23 in %		HY 22 in %		%YoY
Net sales	199 152	100.0	157 747	100.0	26.2
Material expenses	-109 443	-55.0	-85 785	-54.4	27.6
Operating expenses	-68 373	-34.3	-56 933	-36.1	20.1
EBITDA	21 336	10.7	15 029	9.5	42.0
Depreciation and amortization	-6 121	-3.1	-5 366	-3.4	14.1
Amortization of M&A Goodwill and intang.	-4 677	-2.3	-4 512	-2.9	3.7
EBIT	10 538	5.3	5 151	3.3	104.6
Financial result	-2 599	-1.3	-2 694	-1.7	- 3.5
Income taxes	-3 045	-1.5	-1 645	-1.0	85.1
Net profit	4 894	2.5	812	0.5	502.7
Core EBIT	15 215	7.6	9 663	6.1	57.5
Core net profit	9 226	4.6	4 948	3.1	86.5

- Record high in Net sales and EBITDA
- Strong contribution from EMS division results in increased EBITDA margin of 10.7%
- Financial result affected by negative currency effects in both periods
- High M&A-related goodwill and intangibles amortization charges are excluded from core results
- Core EBIT margin increased to 7.6% driven by improved operating profitability

Sales contribution

HY 2023 in CHF million



- Strong organic sales growth in EMS division and good contribution from newly acquired companies
- Negative currency impact of -3.4% (CHF -5.3 mio) mainly due to the devaluation of GBP, RON and EUR vs. CHF
- Organic growth includes a decrease in broker sales (low margin sales), this understates EMS organic growth

Consolidated Balance Sheet

in TCHF

	Jun 2023	in %	Dec 2022	in %
Current assets	286'407	70.8	251'422	68.6
Non-current assets	118'286	29.2	115'313	31.4
Total Assets	404'693	100.0	366'735	100.0
Current liabilities	126'267	31.2	102'829	28.0
Non-current liabilities	124'630	30.8	115'015	31.4
Equity	153'796	38.0	148'891	40.6
Total Liabilities and equity	404'693	100.0	366'735	100.0
Net Debt	62'958		44'522	
Gearing ratio (net debt in % of equity)	40.9		29.9	
Net debt / EBITDA LTM	1.63		1.38	
Net debt / EBITDA LTM proforma	1.55		1.36	
Equity Ratio	38.0%		40.6%	

1) Acquisitions are included for twelve months pro forma as defined in the covenants agreed with the banking syndicate.

- All bank covenants are met as of June 2023 (equity ratio > 30.0% and leverage net debt / EBITDA < 2.75 including acquisition pro forma)
- Net debt of CHF 63.0 million increased by CHF 18.4 million, of which CHF 22.0 million was used for the acquisition of businesses

Consolidated Cash Flow Statement

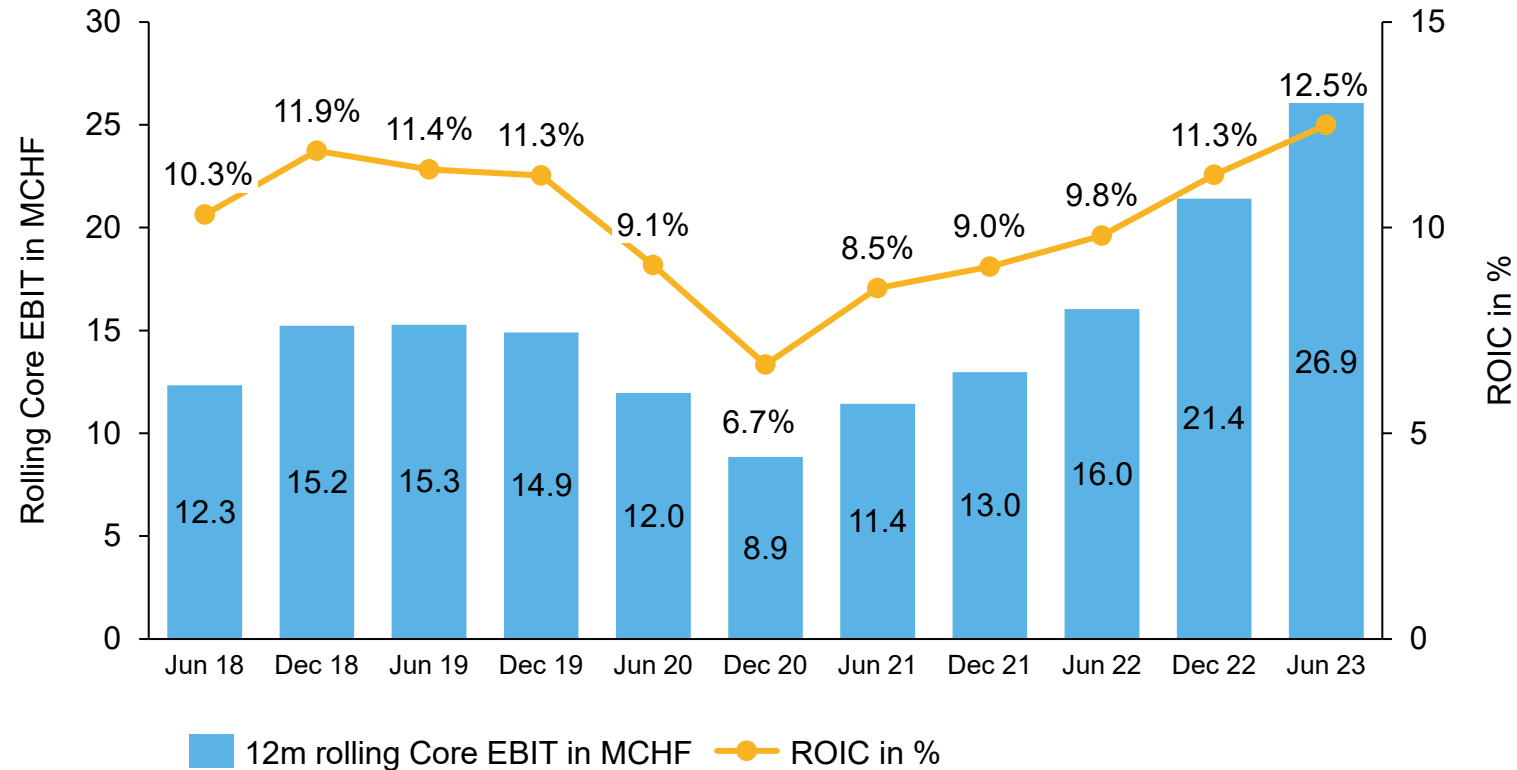
in TCHF

	HY 23	HY 22
Net profit	4 894	812
Depreciation, amortization and impairment	10 798	9 878
Other non cash items	2 597	696
Changes in working capital	-7 421	-28 101
Net cash from / (used in) operating activities	10 868	-16 715
Purchase of Property, plant and equipment (net)	-5 433	-4 956
Purchase of intangible assets	- 204	- 133
Acquisition of subsidiaries, net of cash acquired	-21 985	-13 984
Net cash used in investing activities	-27 622	-19 073
Free cash flow	-16 754	-35 788
Free Cash Flow excl. acquisitions	5 231	-21 804
Net cash from financing activities	5 545	5 704
Currency translation effects	- 113	- 550
Cash flow	-11 322	-30 634

- Positive cash flow from operating activities driven by strong net income performance and focus on working capital management
- Working capital is stabilized at a high level
- Positive free cash flow before acquisitions demonstrates value creation of Cicor's core business

Return on Invested Capital

ROIC



ROIC in % = Core EBIT (12m rolling) / Average Net Invested Capital (12m rolling)

Average Net Invested Capital (12m rolling) = Equity plus Financial liabilities minus Intangible assets out of business combinations

- ROIC in the first half of 2023 well above Cicor's weighted average cost of capital
- Increase in ROIC due to strong Core EBIT contribution in the last twelve months
- Increase in ROIC compared to prior period as adjusted core EBIT increased 68% while average net invested capital increased only 32%

Key Figures per Share

HY 2023 / HY 2022

		HY 23	HY 22	Change %
Number of registered shares issued	30.6.	3 411 169	3 409 542	+0.0%
Number of Treasury shares	30.6.	- 251 267	- 340 073	-26.1%
Number of outstanding registered shares	30.6.	3 159 902	3 069 469	+2.9%
Number of conditional shares for MCN	30.6.	1 267 116	421 052	+200.9%
Number of outs. and cond. MCN shares	30.6.	4 427 018	3 490 521	+26.8%
Average number of outst. and cond. MCN shares	period	4 429 695	3 460 189	+28.0%
Core Net profit (in TCHF)	period	9 226	4 948	+86.5%
Core Earnings per share (in CHF)	period	2.08	1.43	+45.6%
Share price (in CHF)	30.6.	43.00	45.70	-5.9%
Market capitalization (in TCHF)	30.6.	190 362	159 517	+19.3%

- Number of Treasury shares reduced in H2/2022 for settlement of an M+A related earn-out liability
- The conversion of the MCN will result in 1,267,116 additional shares until 2027. These shares are considered outstanding for both EPS and market capitalization purposes
- Increase in average number of outstanding and conditional MCN shares from the issuance of the second tranche of MCNs in October 2022
- Core Earnings per share increase driven by strong operating profitability

Acquisitions

Two acquisitions successfully completed in the first half of 2023

	HY 2023
Cash paid	24 866
Direct costs related to acquisition	578
Purchase consideration cash	25 444
less: Fair value of net assets acquired	-24 570
Goodwill	874
Non-current Assets	8 089
Current Assets	24 349
Non current liabilities	-450
Current liabilities	-7 418
Total fair value of net assets acquired	24 570
Purchase consideration cash	25 444
less: cash and cash equivalents acquired	-3 459
Cash outflow on acquisition during the year	21 985

Cicor Digital Elektronik

- Two sites in Thuringia (Germany) and one site in Borj-Cedria (Tunisia)
- Closing of share deal in January 2023 for a consideration of TCHF 23 919, resulting in a (preliminary) Goodwill of TCHF 662
- Integrated in Cicor's EMS division

AFT Microwave

- Cicor acquired the thin-film business of AFT microwave GmbH, Backnang (Germany), as part of an asset deal
- Closing of deal in March 2023 for a consideration of TCHF 1 525, resulting in a (preliminary) Goodwill of TCHF 212
- Integrated into Reinhardt Microtech GmbH, Ulm (Germany), which is part of the Cicor AS division

Alexander Hagemann
Outlook 2023

Continued growth expected in 2023 despite challenging environment

- The continued growth momentum in order intake and sales leads to higher expectations than previously communicated (If the geopolitical, economic and financial environment does not deteriorate further)
- Expect 2023 sales of CHF 380 - 410 million (previous guidance: CHF 360 – 400 million)
- Operating result (EBITDA) forecasted at CHF 40 – 45 million (previous guidance: Comparable EBITDA margin to 2022 which stood at 10.3%)



Agenda 2023

July 25	Interim Report 2023
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October 16	Business Update Q3/2023
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November 13	Cicor Capital Markets Event 2023, Zurich (Switzerland)
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September 13	Investora 2023, Zurich (Switzerland)
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November 27-29	Deutsches Eigenkapitalforum 2023, Frankfurt (Germany)
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Contacts



Alexander Hagemann
CEO



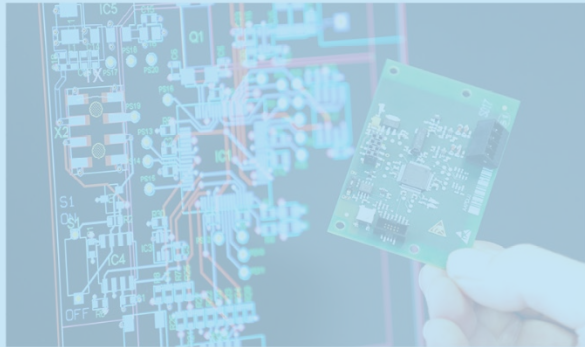
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Thank You



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