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 SE: Interim Report for 9M 2024 published – Business conditions remain challenging, strategic measures starting to have an impact

Group sales amounted to EUR 55.4 million (9M 2023: EUR 67.5 million), both segments affected by the negative environment

Negative EBIT of minus EUR 0.4 million (9M 2023: EUR 0.3 million) due to currency effects which essentially do not affect cash flows

Cost-cutting measures take effect, operating cash flow was clearly positive at EUR 4.7 million (9M 2023: minus EUR 0,2 Mio.)

Orders on hand were EUR 86 million (September 30, 2023: EUR 106 million), demand for new products is stable

Passau, November 29, 2024 – InTiCa Systems SE (Prime Standard, ISIN DE0005874846, ticker IS7) today published the interim report for the first nine months of 2024. Business performance, which was already subdued in the first half of the year, has recently deteriorated further. The Mobility segment in particular had to cope with a significant reduction in order offtake in the third quarter. However, the measures taken to reduce costs are beginning to have a growing impact. Both, the gross margin and the EBITDA margin therefore improved and operating cash flow was clearly positive in the first nine months.

„Due to the persistently negative business conditions in both segments, InTiCa suffered a broadly based downturn in the third quarter. Order call-offs were repeatedly altered at the last moment. In particular, there was far lower demand for components for battery electric vehicles such as our on-board chargers. In addition, exchange losses on the currencies used by our foreign locations led to a significant rise in other operating expenses. Essentially, these currency effects do not affect cash flows though. Without this, EBIT would have been positive in both the third quarter and the first nine months, as intensive price negotiations with suppliers and customers, lowered inventories and a further significant improvement in quality costs are increasingly making themselves visible“, comments Dr. Gregor Wasle, CEO of InTiCa Systems SE the business development.

Earnings, asset and financial position

Group sales declined by 18.0% year-on-year to EUR 55.4 million in the first nine months of 2024 (9M 2023: EUR 67.5 million). The Industry & Infrastructure segment in particular saw significant postponements or even cancellation of orders by some customers in the reporting period. Compared to the very strong prior-year period, this resulted in a 40.9% decline in sales to EUR 11.7 million (9M 2023: EUR 19.8 million). Demand in the Mobility segment was also significantly lower in the third quarter. Overall, segment sales dropped by 8.5% year-on-year to EUR 43.7 million (9M 2023: EUR 47.7 million).

At 55.0%, the ratio of material costs to total output in the reporting period was still clearly below the prior-year level (9M 2023: 62.4%). Alongside optimization of production workflows, this was mainly due to a less material-intensive product mix and a compensation payment from a larger customer. The personnel expense ratio (including agency staff) increased slightly from 24.6% to 25.1%.

While EBITDA (earnings before interest, taxes, depreciation and amortization) increased in the first half of the year, it fell to EUR 4.6 million after nine months (9M 2023: EUR 4.8 million). As the percentage decline was lower than the fall in sales, the EBITDA margin nevertheless improved to 8.2% in the reporting period (9M 2023: 7.2%). As a result of considerable negative currency effects, which did not affect cash flows, EBIT (earnings before interest and taxes) slipped to minus EUR 0.4 million (9M 2023: positive EBIT of EUR 0.3 million). At segment level, Mobility reported EBIT of minus EUR 0.8 million in the first nine months of 2024 (9M 2023: minus EUR 0.7 million) and the Industry & Infrastructure segment reported EBIT of EUR 0.4 million (9M 2023: EUR 1.0 million).

The financial result was minus EUR 1.4 million in the reporting period (9M 2023: minus EUR 1.0 million), with increased use of overdraft facilities and higher interest expense making themselves visible. Tax income was EUR 75 thousand in the reporting period (9M 2023: EUR 6 thousand). Group net income was therefore minus EUR 1.7 million in the first nine months (9M 2023: minus EUR 0.7 million). Earnings per share were minus EUR 0.40 (9M 2023: minus EUR 0.16).

In view of the increased pressure on liquidity, liquidity management has very high priority. Intensive price negotiations are being conducted with suppliers and customers, inventories have been lowered and capital spending reduced as planned. As a result, operating cash flow improved significantly and at EUR 4.7 million was clearly positive in the first nine months (9M 2023: minus EUR -0,2 million). However, due to the negative cash flow from financing activities as a result of increased repayment of loans, total cash flow at minus EUR 0.3 million was slightly negative (9M 2023: minus EUR 6,6 million). The equity ratio slipped slightly to 29.8% in the reporting period but remains at a solid level (December 31, 2023: 30.8%).

Outlook

The macroeconomic environment is still dominated by numerous risk factors. This is also reflected in orders on hand. At the end of the first nine months, orders on hand were well below the prior-year level at EUR 86 million (September 30, 2023: EUR 106 million). 92% of orders were for the Mobility segment (9M 2023: 74%). One reason for the decline is that many customers are entering orders in the systems far later. Very high volatility is to be expected in the coming months, too. In December, in particular, it can be anticipated that customers will endeavour to shift the acceptance of goods to the coming year.

„In parallel with the ongoing efforts to reduce costs, InTiCa is driving forward the reorganization of its business areas. Rising enquiries indicate that this is a promising approach. For example, engineering plastics have been identified as a new area of focus. There is high demand for these, especially in the North American market. Therefore, we are currently concentrating on expanding our plastics competence at our Mexico site and have already started production of several orders. In the new area of Tailored Solutions, an initial large order has successfully been completed and we are continuously extending our market presence. However, this strategy will only yield real results in the medium term. In the short term, we assume that the situation for Germany industry and especially the automotive industry will remain extremely challenging“, comments Bernhard Griesbeck, Member of the Management Board, the outlook of the Group.

Due to the persistently negative business environment, InTiCa Systems SE reviewed its forecast for the current financial year at the end of October and revised its guidance for 2024. Instead of Group sales at the lower end of the EUR 80.00 million to EUR 95.0 million range, sales are now expected to be between EUR 70.0 million and EUR 75.0 million. Despite optimization of inventories and cost savings, the lower sales are putting pressure on earnings. Whereas previously, a positive EBIT margin of between 0% and 2.5% had been anticipated, at present the Board of Directors assumes an operating loss with EBIT ranging between minus EUR 1.0 million and minus EUR 2.0 million. The wide range is due to the difficulty of estimating currency effects.

The complete interim report for 9M 2024 is available for download from the Investor Relations section of InTiCa Systems' website at www.intica-systems.com.

InTiCa Systems SE

The Board of Directors

About InTiCa Systems

InTiCa Systems SE is an international provider of electronic components and systems. Its innovative solutions for the automotive industry, renewable energy, industrial applications and other sectors make a contribution to a more sustainable, networked future. You can find further information at www.intica-systems.com.

Forward-looking statements and predictions

This press release contains statements and forecasts referring to the future development of InTiCa Systems SE 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.