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PRESSRELEASE

InTiCa Systems SE: Interim Report for H1 2024 published – Sluggish business performance continued in the second quarter

Group sales amount to EUR 39.4 million (H1 2023: EUR 45.4 million)

Mobility segment relatively stable, Industry & Infrastructure segment registers visible decline in sales

Material cost ratio significantly reduced, EBIT margin of 1.1% (H1 2023: 1.0%)

Passau, August 8, 2024 – InTiCa Systems SE (Prime Standard, ISIN DE0005874846, ticker IS7) today published the interim report for the first six months of 2024. The sluggish business performance continued in the second quarter. In the Industry & Infrastructure segment, in particular, business remained at a low level due to the persistently low market demand for charging points and energy supply units. There is currently no sign of a market upturn in the near future. The Mobility segment posted a respectable performance in the reporting period. Above all, demand for new products such as stator coils for mild-hybrid applications and antennas was basically stable. However, margins are still under pressure and volatility remains high.

„Unsatisfactory but not unexpected: that is probably the best way of summing up the past six months. Unsatisfactory, because a drop in sales of more than 10% is naturally not our goal. Nor are an EBIT margin of 1.1% and a loss for the period. That said, based on ongoing market developments, it was foreseeable that this would be a difficult year. High uncertainty and extreme volatility in order offtake – in the area of charging points, the European market for our products has slumped by 80% – makes planning of materials and warehousing more difficult, which in turn increases liquidity requirements and puts greater pressure on margins. This makes it all the more pleasing, that we even improved our gross margin and EBITDA margin thanks to continuous process optimization and a less material-intensive product mix“, comments Dr. Gregor Wasle, CEO of InTiCa Systems SE the business development.

Earnings, asset and financial position

Group sales declined by 13.1% year-on-year to EUR 39.4 million in the first six months of 2024 (H1 2023: EUR 45.4 million). While sales in the Mobility segment dropped only slightly year-on-year, by 1.1% to EUR 31.2 million (H1 2023: EUR 31.5 million), the Industry & Infrastructure segment saw significant postponements or even cancellation

of orders by some customers. Compared to the very strong prior-year period, this resulted in a 40.5% decline in sales to EUR 8.2 million (H1 2023: EUR 13.9 million).

At 54.3%, the ratio of material costs to total output in the reporting period was clearly below the prior-year level (H1 2023: 61.4%). Alongside optimization of production workflows, this was mainly due to a less material-intensive product mix. The personnel expense ratio (including agency staff) also decreased slightly from 25.0% to 24.5%.

Contrary to declining sales, EBITDA (earnings before interest, taxes, depreciation and amortization) increased to EUR 3.7 million (H1 2023: EUR 3.5 million), with the EBITDA margin improving significantly to 9.4% (H1 2023: 7.6%). EBIT (earnings before interest and taxes) amounted to EUR 0.5 million (H1 2023: EUR 0.5 million), and the EBIT margin was in line with expectations at 1.1% (H1 2023: 1.0%). At segment level, Mobility reported EBIT of minus EUR 0.3 million in the first six months of 2024 (H1 2023: minus EUR 0.1 million) and the Industry & Infrastructure segment reported EBIT of EUR 0.7 million (H1 2023: EUR 0.5 million).

The financial result was minus EUR 1.0 million in the reporting period (H1 2023: minus EUR 0.6 million), with increased use of overdraft facilities and higher interest expense making themselves visible. Tax income was EUR 53 thousand in the reporting period (H1 2023: EUR 8 thousand). Group net income was therefore minus EUR 0.5 million in the first six months (H1 2023: minus EUR 0.1 million). Earnings per share were minus EUR 0.11 (H1 2023: minus EUR 0.03).

Although capital spending was reduced as planned, the total cash flow was clearly negative in the first six months of 2024. By contrast, the operating cash flow was only slightly negative despite the loss for the period and a significant closing-date-related increase in receivables. The equity ratio slipped slightly in the reporting period but remains at a solid level.

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 six months, orders on hand were well below the prior-year level at EUR 82.3 million (June 30, 2023: EUR 111.9 million). 90% of orders were for the Mobility segment (H1 2023: 74%). Based on the available information, both from the market and directly from customers, there is presently no sign of a recovery in the short term. The Mobility segment assumes that there will be a further reduction in order call-offs in the second half of the year, while in the Industry & Infrastructure segment demand remains low in the area of photovoltaics and the downturn in charging points was unexpectedly sharp.

„In the light of the continued changes in order offtake, optimizing liquidity and inventories has top priority for us at present. Measures discussed include modifying delivery terms, reducing the inventory buffer and implementing cost savings. Despite the negative sentiment, there have also been positive developments. In particular, demand in the new area of “Tailored Solutions” has developed very well. Since the beginning of August, the speciality product offer has been promoted by a separate micro-site on the InTiCa homepage. We are convinced that our strategic expansion of the product portfolio and repositioning of the segments positions InTiCa optimally for future growth“, comments Bernhard Griesbeck, Member of the Management Board, the outlook of the Group.

At present, the Board of Directors still assumes that, taking into account the ongoing high uncertainty, Group sales will be between EUR 80.0 million EUR 95.0 million in 2024, while the EBIT margin will be between 0.0% and 2.5%. Sales are expected to be at the lower end of the range. Where possible, the material cost ratio should be optimized further in both segments and the equity ratio should remain stable. The assumptions underlying the forecast for 2024 are that the cyclical trend will not deteriorate further and geopolitical conflicts will not escalate. Unforeseeable negative effects could affect suppliers, have a direct impact on InTiCa Systems, or affect its customers, resulting in an inability to meet expectations.

The complete interim report for H1 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.