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PRESSRELEASE

InTiCa Systems AG: Interim report for H1 2022 published – Good performance continued, proactive risk management strengthened

Group sales amounted to EUR 48.7 million (H1 2021: EUR 53.7 million)

EBIT margin of 3.0% in line with expectations (H1 2021: 4.4%)

High orders on hand; order offtake has remained largely stable so far

Proactive measures taken to counter growing uncertainty

Passau, August 11, 2022 – InTiCa Systems AG (Prime Standard, ISIN DE0005874846, ticker IS7) today published the interim report for the first half of 2022. The company's performance in the second quarter was similar to that of the first three months. Volume sales and earnings remained at a good level, but were slightly lower than in the first half of 2021, which was dominated by catch-up effects and the economic recovery. Given the global economic trend, Group sales of EUR 48.7 million and an EBIT margin of 3.0% highlight the resilience of InTiCa's business model.

Dr. Gregor Wasler, CEO of InTiCa Systems AG comments as follows on the business development: "The business performance in the reporting period highlights InTiCa's good market position, which enables us to benefit from the end-to-end electrification, digitalization and automation of the automotive sector, industry and infrastructure. Despite the difficult economic situation, sales and earnings are fully within the expected range. Various new orders for actuators and stators for e-mobility as well as for power components for storage solutions and electric charging stations have been acquired in recent months and are helping to secure the sales volume planned for 2022 and achieve the medium-term targets."

Earnings, asset and financial position

While the first half of 2021 was characterized by pent-up demand and economic recovery, the first half of this year was impacted by supply bottlenecks, price increases and the threat of recession as a result of the war in Ukraine and the ongoing pandemic. In this environment, Group sales declined by 9.3% year-on-year to EUR 48.7 million in the first six months of 2022 (H1 2021: EUR 53.7 million). In the Automotive segment, sales dropped 7.2% year-on-year to EUR 37.3 million (H1 2021: EUR 40.2 million) while

sales in the Industry & Infrastructure segment decreased by 15.6% to EUR 11.4 million (H1 2021: EUR 13.5 million).

The ratio of material costs to total output remained relatively high in the reporting period at 63.9% but was slightly lower than in the prior-year period (H1 2021: 64.6%) despite the substantial rises in the price of raw materials and industrial starting products. Alongside successful action to pass on higher prices, this was mainly due to a less material-intensive product mix. By contrast, the personnel expense ratio (including agency staff) increased slightly from 20.7% to 22.1%. At the same time, other expenses decreased from EUR 7.8 million in the prior-year period to EUR 6.6 million. This was principally because expenses for agency staff, which are included in other operating expenses, dropped to EUR 2.2 million (H1 2021: EUR 3.6 million).

EBITDA (earnings before interest, taxes, depreciation and amortization) decreased year-on-year to EUR 4.5 million (H1 2021: EUR 5.2 million). The EBITDA margin was, however, only slightly below the previous year's level at 9.2% (H1 2021: 9.8%). EBIT (earnings before interest and taxes) was also clearly positive again at EUR 1.5 million (H1 2021: EUR 2.3 million) and the EBIT margin of 3.0% was in line with expectations (H1 2021: 4.4%). At segment level, Automotive reported EBIT of EUR 1.2 million in the first six months of 2022 (H1 2021: EUR 1.6 million) and the Industry & Infrastructure segment reported EBIT of EUR 0.3 million (H1 2021: EUR 0.7 million).

The financial result was minus EUR 0.3 million in the reporting period (H1 2021: minus EUR 0.2 million) and tax expense was EUR 0.3 million (H1 2021: EUR 0.5 million). Group net income therefore amounted to EUR 0.9 million in the first six months (H1 2021: EUR 1.6 million). Earnings per share were EUR 0.20 (H1 2021: EUR 0.36).

The net cash flow for operating activities was EUR 0.2 million in the first six months of 2022 (H1 2021: EUR 0.8 million). In addition to the lower interim profit, the year-on-year decline was mainly due to the non-cash net exchange gain and the reduction in trade payables. Since capital expenditures have been ramped up as planned after two years of restraint, the total cash flow was predictably negative in the first six months of 2022 at minus EUR 2.1 million (H1 2021: minus EUR 2.6 million) despite cash inflows of EUR 3.4 million from the utilization of two project-related loans. The equity ratio remained solid at 32.4% (December 31, 2021: 33.7%).

Outlook

The business environment is currently dominated by exceptional challenges. Economic research institutes like the Kiel Institute for the World Economy (ifw Kiel) have already revised their forecasts for the current year downwards and the German Automotive Industry Association (VDA) now predicts far fewer new registrations in all major markets compared with its forecast at the start of the year. Uncertainty on the markets served has recently even increased further. More and more customers and suppliers are postponing planned deliveries and altering their planning and offtake volumes at short notice. There has recently been a considerable reduction in order call-offs on a monthly basis. In most cases, customers have postponed order offtake to the third or fourth quarter, so orders on hand remain very high. The reliability of these figures is being monitored continuously. In line with the current situation and as a precaution for the months ahead, InTiCa has reduced personnel at its location in the Czech Republic and reintroduced short-time working on a limited scale in Passau in August.

“These are temporary measures as part of our proven proactive risk management to enable the company to respond promptly to reductions in order offtake. However, we permanently monitor opportunities as well as risks. There is growing demand for storage technology and charging infrastructure in particular, and this is likely to increase in the future. In the area of sensor technology InTiCa has also generated major orders for vehicle access systems, which will be produced from the second quarter of 2023. Moreover, InTiCa is currently working on several product developments that should give rise to customer orders in the short term. Despite the challenging environment, we are looking forward with confidence,” says Günther Kneidinger of the Board of Directors.

This confidence is supported by orders on hand, which reflect customers’ requirements for a period of 18 months. As of June 30, 2022, orders on hand amounted to EUR 110.7 million, which was between the level of three months ago (March 31, 2022: EUR 105.1 million) and the high prior-year figure (June 30, 2021: EUR 117.0 million). 80% of orders were for the Automotive segment (H1 2021: 81%). At present, the Board of Directors therefore still assumes that, taking into account the particular challenges and the currently available customer data for 2022, Group sales will be between EUR 85.0 million and EUR 100.0 million, while the EBIT margin will be between 2.5% and 3.5%. However, 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 2022 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 and Industry & Infrastructure segments and has about 800 employees at its sites in Passau (Germany), Prachatice (Czech Republic) and Silao (Mexico).

The Automotive 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' Industry & Infrastructure 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.