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PRESSRELEASE

InTiCa Systems SE: Interim Report for H1 2023 published – Improved demand in Q2, but uncertainty remains high

Group sales amount to EUR 45.4 million (H1 2022: EUR 48.7 million)

Strong growth in the Industry & Infrastructure segment

EBIT margin of 1.0% (H1 2022: 3.0%), but positive effects expected for the second half of the year

Strong rebound in orders on hand to EUR 111.9 million (H1 2022: EUR 110.7 million), offtake remains volatile

Passau, August 9, 2023 – InTiCa Systems SE (Prime Standard, ISIN DE0005874846, ticker IS7) today published the interim report for the first six months of 2023. Following the very subdued first quarter, business has recently stabilized to some extent. It was possible to slow the downturn in sales and order intake picked up considerably in the second quarter. Nevertheless, order offtake remains volatile and the macroeconomic framework challenging.

“The challenges are particularly high in the automotive industry. That highlights the importance of our strategy of leveraging synergies and strengthening the Industry & Infrastructure segment. The strong growth in this segment in the first quarter continued in the second quarter. In particular, there is increased demand for power electronics products for charging infrastructure and solar power. Even though net income was negative at the end of the first six months, there are various factors in addition to the increased order intake that make us optimistic that we can still achieve our profitability targets“, comments Dr. Gregor Wasle, CEO of InTiCa Systems SE the business development.

Earnings, asset and financial position

Group sales declined by 6.9% year-on-year to EUR 45.4 million in the first six months of 2023 (H1 2022: EUR 48.7 million). In the Automotive segment, sales dropped 15.6% year-on-year to EUR 31.5 million (H1 2022: EUR 37.3 million) while sales in the Industry & Infrastructure segment increased considerably, by 21.7%, to EUR 13.9 million (H1 2022: EUR 11.4 million).

At 61.4%, the ratio of material costs to total output in the reporting period was clearly below the prior-year level (H1 2022: 63.9%). Alongside optimization of production workflows, this was mainly due to a less material-intensive product mix. By contrast, the personnel expense ratio (including agency staff) increased significantly from 22.1% to 25.0% due to wage rises.

EBITDA (earnings before interest, taxes, depreciation and amortization) decreased to EUR 3.5 million (H1 2022: EUR 4.5 million), with the EBITDA margin amounting to 7.6% (H1 2022: 9.2%). At EUR 0.5 million, EBIT (earnings before interest and taxes) remained positive (H1 2022: EUR 1.5 million), giving an EBIT margin of 1.0% (H1 2022: 3.0%). At segment level, Automotive reported EBIT of minus EUR 0.1 million in the first six months of 2023 (H1 2022: positive EBIT of EUR 1.2 million) and the Industry & Infrastructure segment reported EBIT of EUR 0.5 million (H1 2022: EUR 0.3 million).

The financial result was minus EUR 0.6 million in the reporting period (H1 2022: minus EUR 0.3 million), with the increase in interest expense making itself visible. Tax income of EUR 8 thousand was recorded in the reporting period (H1 2022: tax expense of EUR 0.3 million). Group net income therefore amounted to minus EUR 0.1 million in the first six months (H1 2022: positive net income of EUR 0.9 million). Earnings per share were minus EUR 0.03 (H1 2022: EUR 0.20).

Due to the negative interim result and the considerable rise in interest and income tax expense compared with the prior-year period, the cash flow from operating activities was negative in the first six months of 2023. Due to continued investment activity, this applies to an even greater extent for the overall cash flow. The equity ratio slipped slightly in the reporting period but remains at a solid level.

Outlook

While orders on hand were still well below the high prior-year level of EUR 96.2 million at the end of the first quarter, they had improved significantly to EUR 111.9 million by the end of the second quarter (June 30, 2022: EUR 110.7 million). The increased significance of the Industry & Infrastructure segment is shown by the fact that only 74% of orders were attributable to the Automotive segment (H1 2022: 80%). The macroeconomic environment however remains challenging. Although there has been a sustained easing of supply chains and the availability of materials, and materials prices have stabilized, core inflation remains high and there is still no sign of an end to the war in Ukraine. Order offtake therefore remains highly volatile.

„The key elements of our corporate strategy remain intact and the high level of orders on hand shows that there is still strong demand for InTiCa's development expertise. The industrial scale-up for the third high-performance line for hybrid systems in the Czech Republic has been completed successfully and in Mexico, production started on schedule on the new line for actuators for chassis. To reduce fixed costs despite continued pay rises, internal projects are being implemented on an ongoing basis. In addition, the planned increase in inventories of finished goods by year-end should eliminate the impact on the margin of the negative change in inventories as of the reporting date. Moreover, lower raw material costs are now starting to become visible", comments Günther Kneidinger, Member of the Management Board, the outlook of the Group.

Taking into account the ongoing high uncertainty and knowledge of customers' current offtake situation, at present the Board of Directors still assumes that the targets for 2023 will be achieved. The forecast assumes that Group sales will be relatively stable at EUR 85.0 million to EUR 100.0 million, with an EBIT margin of between 2.5% and 3.5%. The EBIT margin is expected to be at the lower end of the forecast 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 2023 are that the coronavirus pandemic will not rekindle, the war in Ukraine will not escalate further and there will not be a sustained recession. 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 2023 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 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 more than 850 employees at its sites in Passau (Germany), Prachatice (Czech Republic), Silao (Mexico) and Bila Tserkva (Ukraine).

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