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PRESSRELEASE

InTiCa Systems SE: Annual report for 2023 published – Conformation of estimates

Group sales amounted to EUR 86.9 million (2022: EUR 90.7 million)

EBIT margin of 0.3% (2022: 2.6%)

Orders on hand were EUR 99.3 million as of December 31, 2023 (December 31, 2022: EUR 94.7 million)

Passau, June 7, 2024 – InTiCa Systems SE (Prime Standard, ISIN DE0005874846, ticker IS7) today published the complete annual report for fiscal 2023. With consolidated sales of EUR 86.9 million and an EBIT margin of 0.3%, the revised forecast from November 2023 was confirmed. Thanks to the for a long time strong performance of the Industry & Infrastructure segment and continuous endeavours in the area of lean management, InTiCa Systems managed to keep the drop in sales to 4.3% and to generate a small operating profit.

Dr. Gregor Wasle, CEO of InTiCa Systems SE, on the company's business performance: "2023 was a challenging year. Order offtake patterns were more volatile than they had been for a long time and there is an increasing divergence between the award of contracts and offtake volumes. Dealing with this situation requires highly flexible management of production, personnel and materials. At the same time, pressure on liquidity and margins is increasing. Increasing the degree of automation creates headroom in view of the skills shortage and rising wage costs. To reduce dependence on individual products and areas of industry, in 2023 we also worked intensively to extend our existing competencies to further market segments."

Earnings, asset and financial position

Group sales declined slightly year-on-year, slipping 4.3% to EUR 86.9 million in 2023 (2022: EUR 90.7 million). This was mainly due to the phasing out of the previous year's best-selling product. In all, sales were within the most recently forecast range of between EUR 85 million and EUR 90 million. While sales in the Automotive segment declined significantly to EUR 61.4 million (2022: EUR 68.7 million), the Industry & Infrastructure segment posted sustained high demand for e-solutions. In this segment, sales were EUR 25.5 million and therefore clearly exceeded the good prior-year level (2022: EUR 22.0 million).

As in the previous year, the gross profit was EUR 33.8 million in the reporting period (2022: EUR 33.8 million) with the gross profit increasing from 37.3% to 38.9%. EBITDA (earnings before interest, taxes, depreciation and amortization) was down 22.1% year-on-year at EUR 6.5 million (2022: EUR 8.4 million). As a result, the EBITDA margin decreased to 7.5% (2022: 9.2%). EBIT (earnings before interest and taxes) amounted to EUR 0.3 million in the reporting period (2022: EUR 2.3 million). At 0.3% (2022: 2.6%), the EBIT margin was within the revised forecast range of -1.0% to +0.5%. The lower profitability was principally due to significant rises in costs caused by rising wages and logistics expenses and persistently high material prices. Although it was possible to pass some of the price rises on to customers, in most cases there were time lags and it was not possible to recoup all of the increase.

The financial result was minus EUR 1.5 million in the reporting period (2022: minus EUR 0.6 million), reflecting the increased use of overdraft facilities and the increase in interest expense. While financial expense amounted to EUR 1.5 million (2022: EUR 0.6 million), financial income was negligible in both 2023 and 2022. The pre-tax loss was EUR 1.2 million in the reporting period (2022: pre-tax profit of EUR 1.7 million). Taking into account tax revenue of EUR 0.1 million (2022: tax expense of EUR 0.9 million), the Group posted a net loss of EUR 1.1 million (2022: net profit of EUR 1.6 million). Earnings per share were therefore minus EUR 0.27 (2022: EUR 0.38).

The altered earnings situation and the difficulty of planning inventories given the volatility of offtake by customers also affected liquidity requirements. The operating cash flow was nevertheless still clearly positive at EUR 1.6 million in 2023 (2022: EUR 7.4 million). Alongside the significant difference in earnings, the reduction compared to the previous year was mainly caused by lower trade payables on the reporting date. After investing and financing activities, there was a negative cash flow of minus EUR 8.4 million in 2022 (2022: positive cash flow of EUR 1.3 million). Cash and cash equivalents were EUR 0.9 million as of December 31, 2023 (December 31, 2022: EUR 3.2 million). The situation is continuously being optimized and an additional liquidity cushion has been achieved by increasing overdraft facilities by EUR 4.0 million. The equity ratio of 30.8% as of the reporting date shows that the company is still soundly financed.

Outlook

The macroeconomic environment is still dominated by numerous risk factors. At present there is no sign of an end to the war in Ukraine or the conflict in the Middle East and the US elections are also contributing to the uncertainty. That is reflected in an increase in tied capital as a result of inventories to safeguard the reliability of supply. Together with higher interest rates, that results in persistently high liquidity requirements. The core inflation rate is still high. Although global price levels for raw materials and semi-finished products have stabilized, they are still well above historical levels. Cross-site wage rises are increasing the pressure on margins. At the end of the first quarter of 2024, orders on hand were below the prior-year level at EUR 86.1 million (March 31, 2023: EUR 96.2 million). 89% of orders were for the Automotive segment (Q1 2023: 78%).

Bernhard Griesbeck of the Board of Directors on the outlook for the InTiCa Systems Group: “From the fourth quarter of 2023, increasing restraint was evident, especially in the Industry & Infrastructure segment in respect of e-charging infrastructure and products for the photovoltaics industry from the fourth quarter. By contrast, the offtake situation in the Automotive segment is currently somewhat better than in 2023. Overall, demand for InTiCa Systems' development expertise remains high and we see substantial potential in access to new areas of industry and the establishment of the speciality products business. Product innovations should also help drive internationalization and gain access to additional markets in the future."

At present, the Board of Directors 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%. 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 annual report 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 about 700 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

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.