



## Annual Results 2018

Press Conference – 14 March 2019

Alexander Hagemann (CEO) & Patric Schoch (CFO)


**cicor**

# Disclaimer

14 March 2019



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Alexander Hagemann

## The Cicor Group

# The Cicor Group

## At a glance



- The Swiss leader in design and manufacturing of advanced electronics
  - Advanced Microelectronics and Substrates (AMS) Division: Technology leader
  - Electronic Solutions (ES) Division: Full solution provider
- Milestones
  - 1966: Founded as manufacturer of Printed Circuit Boards (PCB)
  - 1998: Listed on the Swiss Stock Exchange
  - 2005-2008: Established the present service offerings through acquisitions
  - Since 2016: Focus on technology leadership, accelerated growth, operational excellence, lean organization
- 2,029 employees worldwide at 10 production sites in Europe and Asia



# Leading technologies for advanced electronics

An unparalleled offering of products and services



## AMS Division



### Hybrids & microelectronics

- High precision electronic substrates using a wide variety of materials and deposition processes
- Packaging and assembly of semiconductors and miniaturized electronic components

## ES Division



### Printed circuit boards (PCB)

- High-density and ultra-high-density PCB for miniaturized electronics

### Electronic manufacturing services (EMS)

- Engineering of advanced electronics
- PCB assembly, system assembly and box building
- High precision plastic injection molding and toolmaking

### Printed electronics (Aerosol Jet Printing)

- A revolutionary technology to manufacture electronic circuits
- First to market in Europe with application lab set up in Bronschhofen in 03/2019

# Case Study: 3D PLUS space applications



Printed circuit boards for highest integration and reliability



- 3D PLUS is a World-leading supplier of high-density micro-electronics with more than 100 000 modules in space
- Cicor enables miniaturization in aerospace, medical and industrial electronics



# Case study: Belimed Infection Control

Design and manufacturing of medical equipment



Belimed is a leading global supplier of cleaning, disinfection and sterilization solutions for medical and life science applications.

- Development of electronic control platform including all hardware and software
- Development and implementation of user interaction and graphics concepts
- Full lifecycle support: Industrialization, prototyping and mass production

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# Served markets

Partnering with market and technology leaders

cicor



Medical

Industrial

Aerospace

medela 

sivantos  
the hearing company

Belimed  
Infection Control

SIEMENS

BERNINA+

INFICON

THALES

plus  
a HEICO company

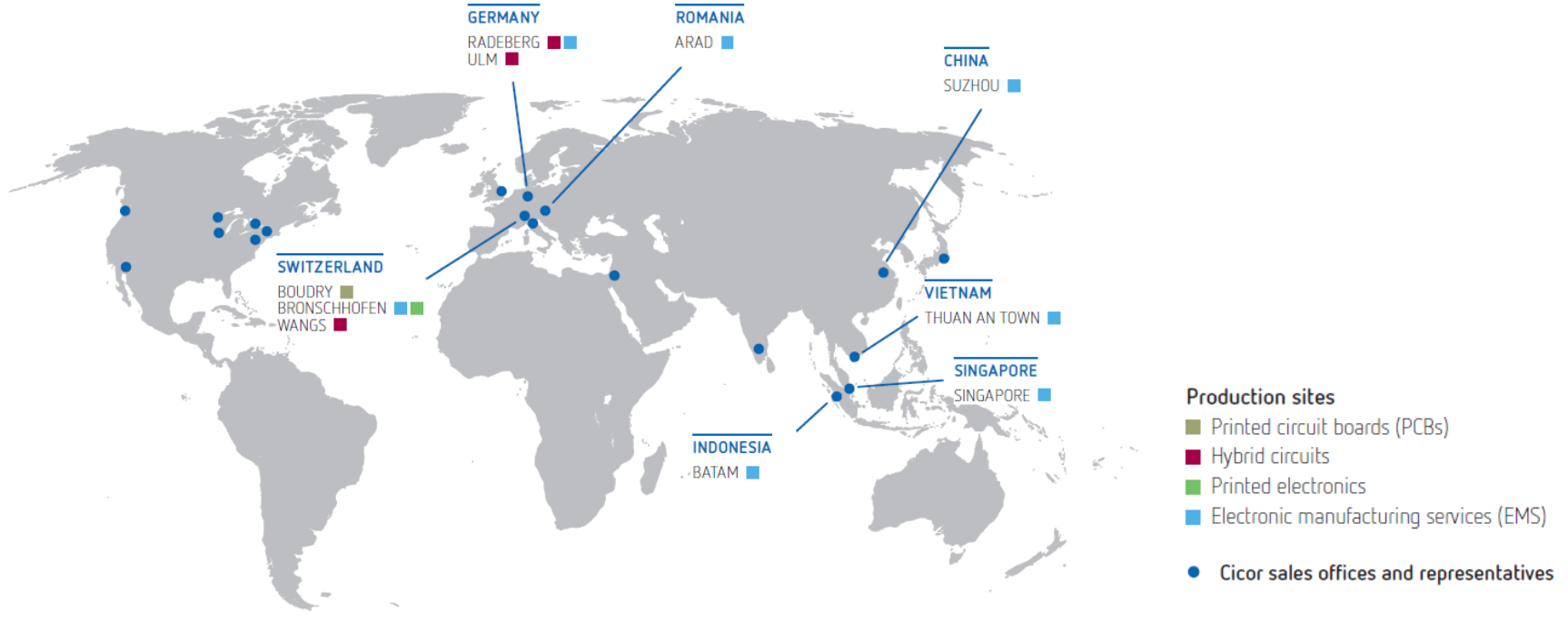
RUAG

... and many more



# Global footprint

High tech and competitiveness - close to the customer





Alexander Hagemann

**Cicor in 2018**

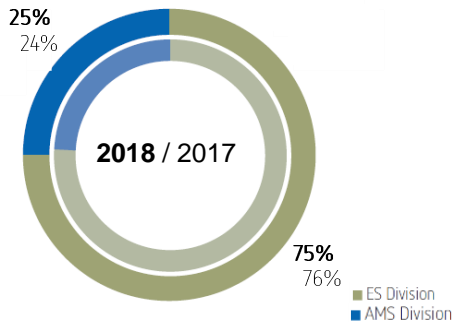
# Cicor in 2018



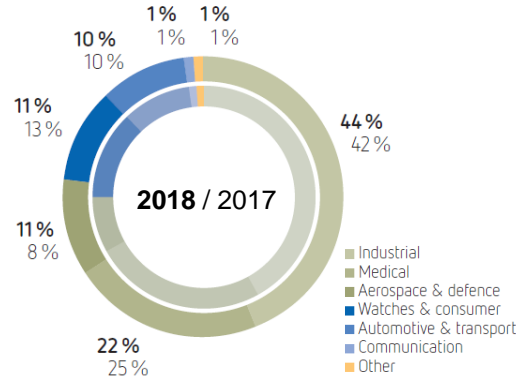
Year of high growth and successful projects

- AMS Division further increased its share of group sales to 25.4 % (2017: 24.4 %)
- Strategic markets very strong: Share of industrial, medical, aerospace & defence markets at 77.0 % (2017: 74.4 %)
- Acceleration in Europe, ROW mostly flat

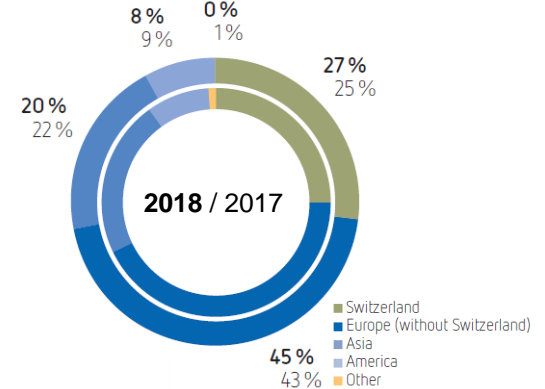
## Net sales by division



## Net sales by industry



## Net sales by export region



# Division AMS – growing strongly

AMS fully develops its margin potential



- 18% revenue growth as result of technology leadership and active market development
- 82% EBIT increase from improved capacity utilization and production processes
- 5-year contract above CHF 20m for thin film substrates for aerospace application

# Division ES – fit for the future

Acceleration of business towards the end of the year



- Arad (Romania) new factory project within schedule and budget, no supply disruptions during the move
- Acceleration in Asia during H2
- Batam (Indonesia) factory expansion and consolidation of plastic injection molding are in plan
- Higher inventories to secure customer deliveries while component shortage persists, affecting net working capital negatively



# New Romania factory – highlight for Division ES **cicor**

The most modern setup for electronics manufacturing in Europe



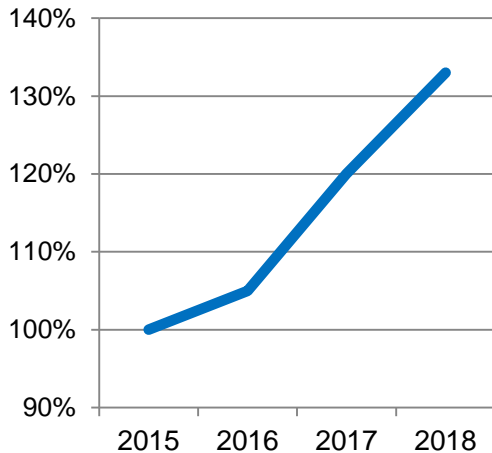
- Founded in 1996, Cicor Arad (Romania) has achieved average annual sales growth above 20% since 2013
- New state-of-the-art building with 13'500 sqm of space completed in 9 months, as scheduled
- Capital investment of high single-digit million EUR amount exactly in budget
- Termination of lease and return of old factory building without problem

# Improving operational excellence

35 % productivity improvement since 2015



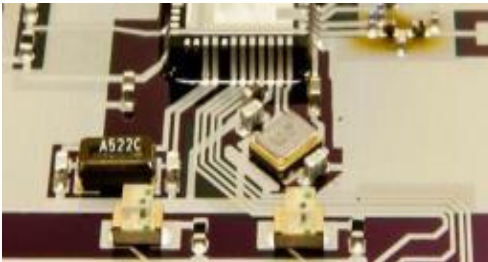
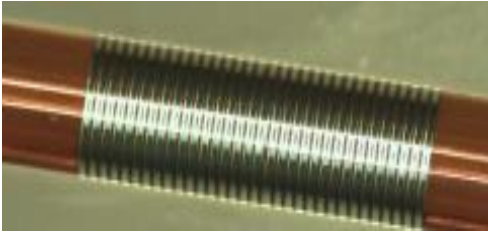
## Labor productivity



- Mix improvement through accelerated growth of the AMS Division
- Operational excellence and lean conversion progressing well in several factories
- Leveraging the existing production network
- Footprint optimization (i.e. Singapore)
- Cost discipline for overhead and fixed costs

# Expanding technology leadership

The most advanced platform for miniaturized substrates



- Experienced in 3-Dimensional Molded Interconnect Devices (3D-MID) since 2011
- A pioneer in printed electronics that will revolutionize electronics in the same way as 3D-Printing revolutionizes mechanics
- Installed application lab for Aerosol Jet Printing (AJP) in Bronschhofen (CH) by early March 2019
- Highly synergistic with Cicor offerings in PCB, Thin Film Substrates, Micro-Electronics, Precision Plastics
- Development projects with several leaders in the medical device and communication markets



Patric Schoch

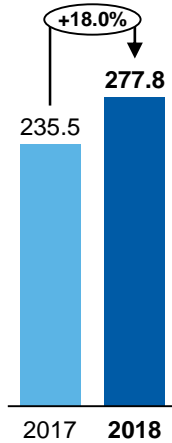
## Financial Results 2018

# Financial achievements 2018

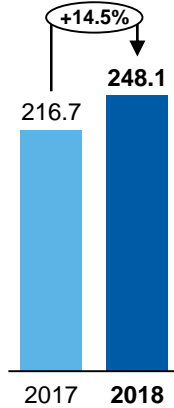
All figures at actual FX rates



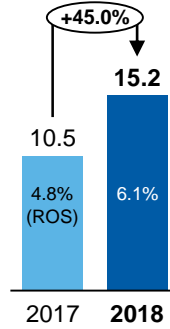
Orders received



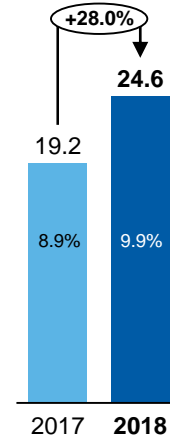
Net sales



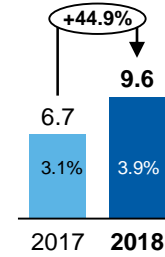
EBIT



EBITDA



Net profit

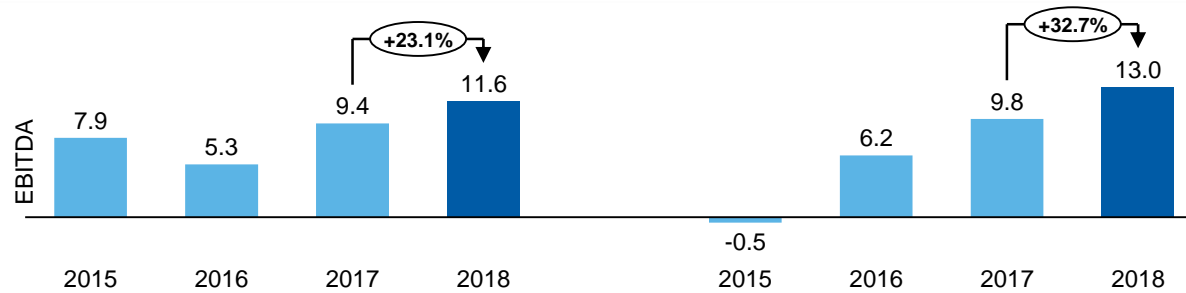
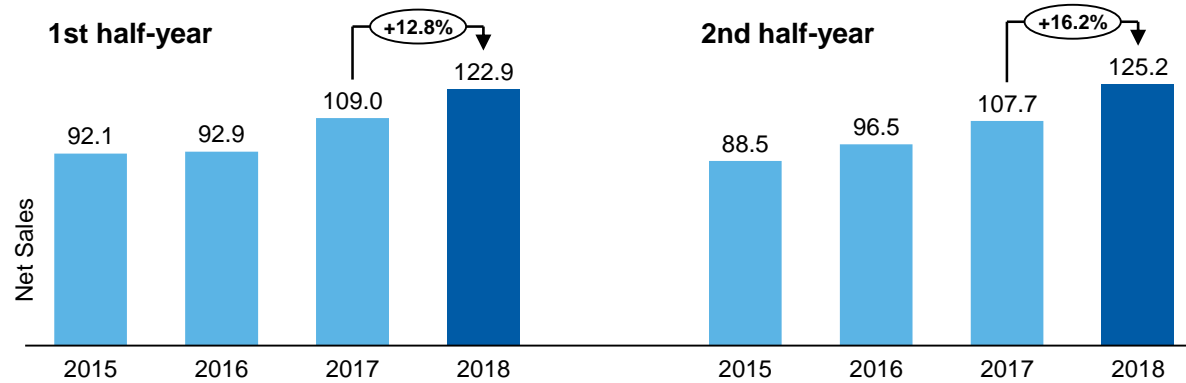


- 2018 Book-to-bill ratio of 1.12 (2017: 1.09)
- Sales growth of 12.7% in local currencies



# Half-year results 2015 - 2018

All figures at actual FX rates

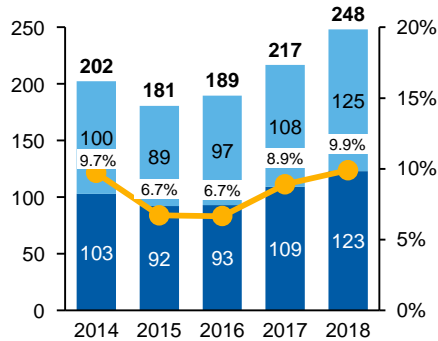


# Performance 2014 - 2018

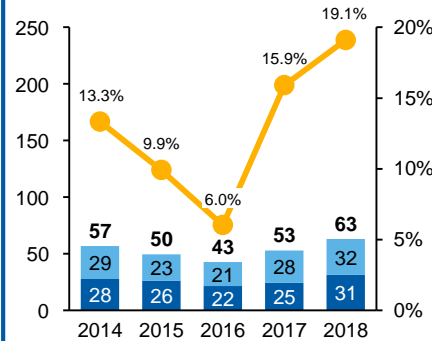
All figures at actual FX rates



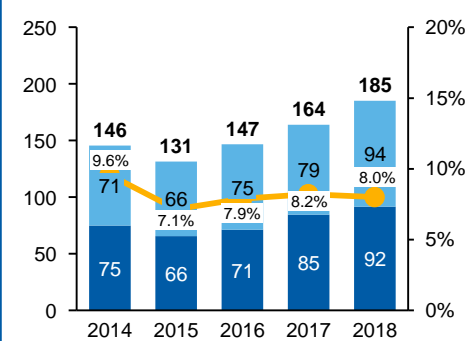
**Total Group** in mCHF



**AMS Division** in mCHF



**ES Division** in mCHF

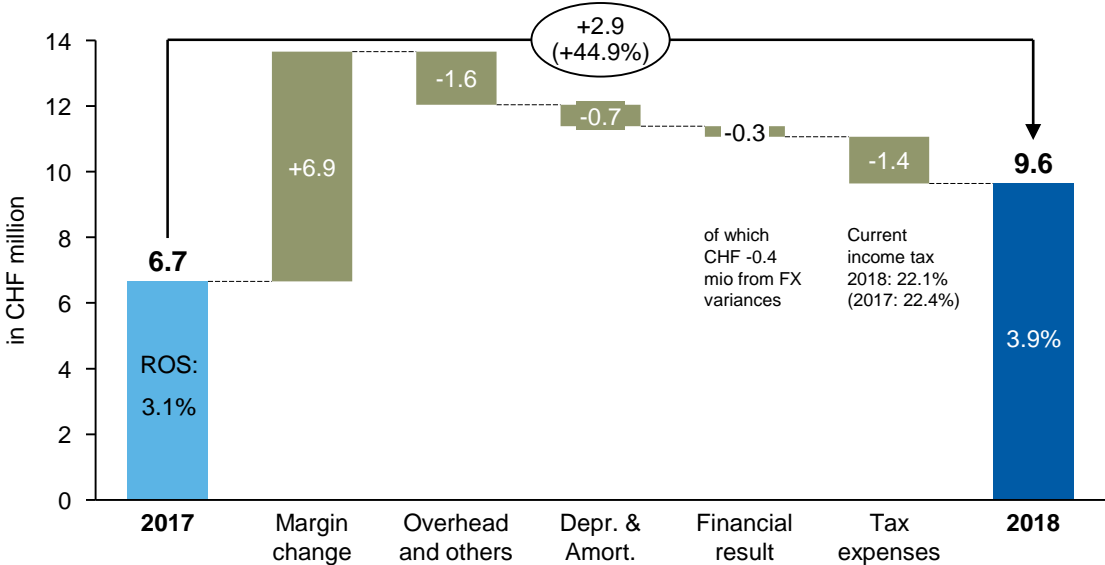


Group in TCHF	2017	2018	%YoY	AMS in TCHF	2017	2018	%YoY	ES in TCHF	2017	2018	%YoY
Sales	216 728	248 115	14.5%	Sales	52 972	62 977	18.9%	Sales	163 856	185 176	13.0%
EBITDA	19 243	24 630	28.0%	EBITDA	8 430	12 036	42.8%	EBITDA	13 442	14 868	10.6%
ROS%	8.9%	9.9%	+1.0%pt.	ROS%	15.9%	19.1%	+3.2%pt.	ROS%	8.2%	8.0%	-0.2%pt.

■ Sales H2 ■ Sales H1 — EBITDA% (before restructuring)

# Net Profit development

2018 vs. 2017

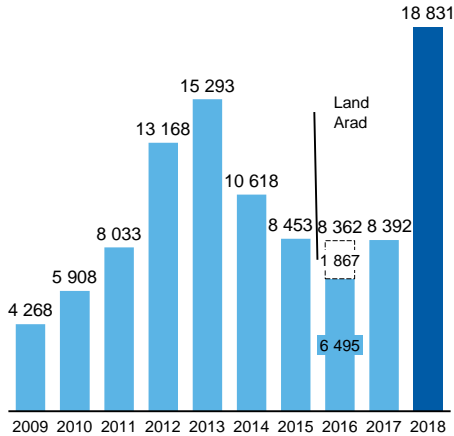


# Capex and depreciation for PPE\*

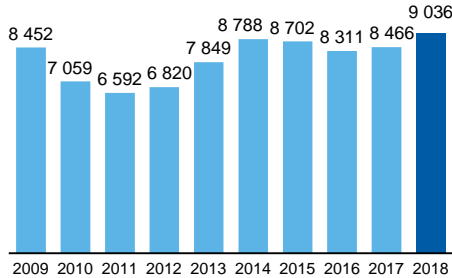
High capex for new plant in Arad in 2018



PPE Capex in TCHF

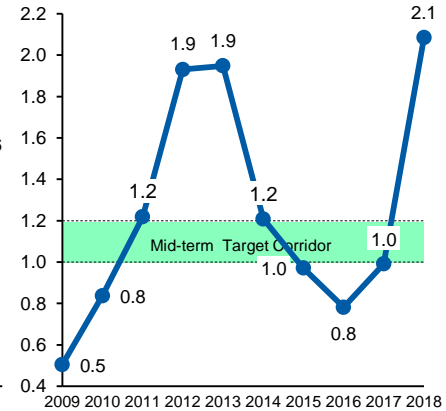


PPE Depreciation in TCHF



Capex / Depreciation ratio

Average 2009 – 2018 = 1.25



Excl. Land Arad

\* PPE = Property, Plant and Equipment

# Consolidated income statement

in TCHF



	Actual 2017	in %	Actual 2018	in %	%YoY
<b>Net sales</b>	<b>216 728</b>	<b>100.00</b>	<b>248 115</b>	<b>100.00</b>	<b>14.5</b>
Material expenses	-112 690	-52.0	-130 757	-52.7	16.0
Operating expenses	-84 795	-39.2	-92 728	-37.4	9.4
Restructuring	0	0	0	0	0
Depreciation and amortization	-8 738	-4.0	-9 396	-3.8	7.5
<b>EBIT</b>	<b>10 505</b>	<b>4.8</b>	<b>15 234</b>	<b>6.1</b>	<b>45.0</b>
Financial result	-1 872	-0.8	-2 191	-0.8	17.0
<b>EBT</b>	<b>8 633</b>	<b>4.0</b>	<b>13 043</b>	<b>5.3</b>	<b>51.1</b>
Income taxes	-1 979	-0.9	-3 403	-1.4	72.0
<b>Net profit / (loss)</b>	<b>6 654</b>	<b>3.1</b>	<b>9 640</b>	<b>3.9</b>	<b>44.9</b>



# Consolidated Balance Sheet

in TCHF



	Actual 2017	in %	Actual 2018	in %
Current assets	120 443	71.3	137 282	70.7
Non-current assets	48 606	28.7	56 924	29.3
<b>Total assets</b>	<b>169 049</b>	<b>100.0</b>	<b>194 206</b>	<b>100.0</b>
Current liabilities	49 673	29.3	61 759	31.8
Non-current liabilities	50 684	30.0	57 310	29.5
Equity	68 692	40.7	75 137	38.7
<b>Total liabilities and equity</b>	<b>169 049</b>	<b>100.0</b>	<b>194 206</b>	<b>100.0</b>
<b>Net Debt</b>	<b>19 580</b>		<b>27 980</b>	
Gearing ratio (net debt in % of equity)	28.5		37.2	
<b>Net debt / EBITDA</b>	<b>1.02</b>		<b>1.14</b>	
<b>Equity Ratio</b>	<b>40.7%</b>		<b>38.7%</b>	

# Cash Flow Statement

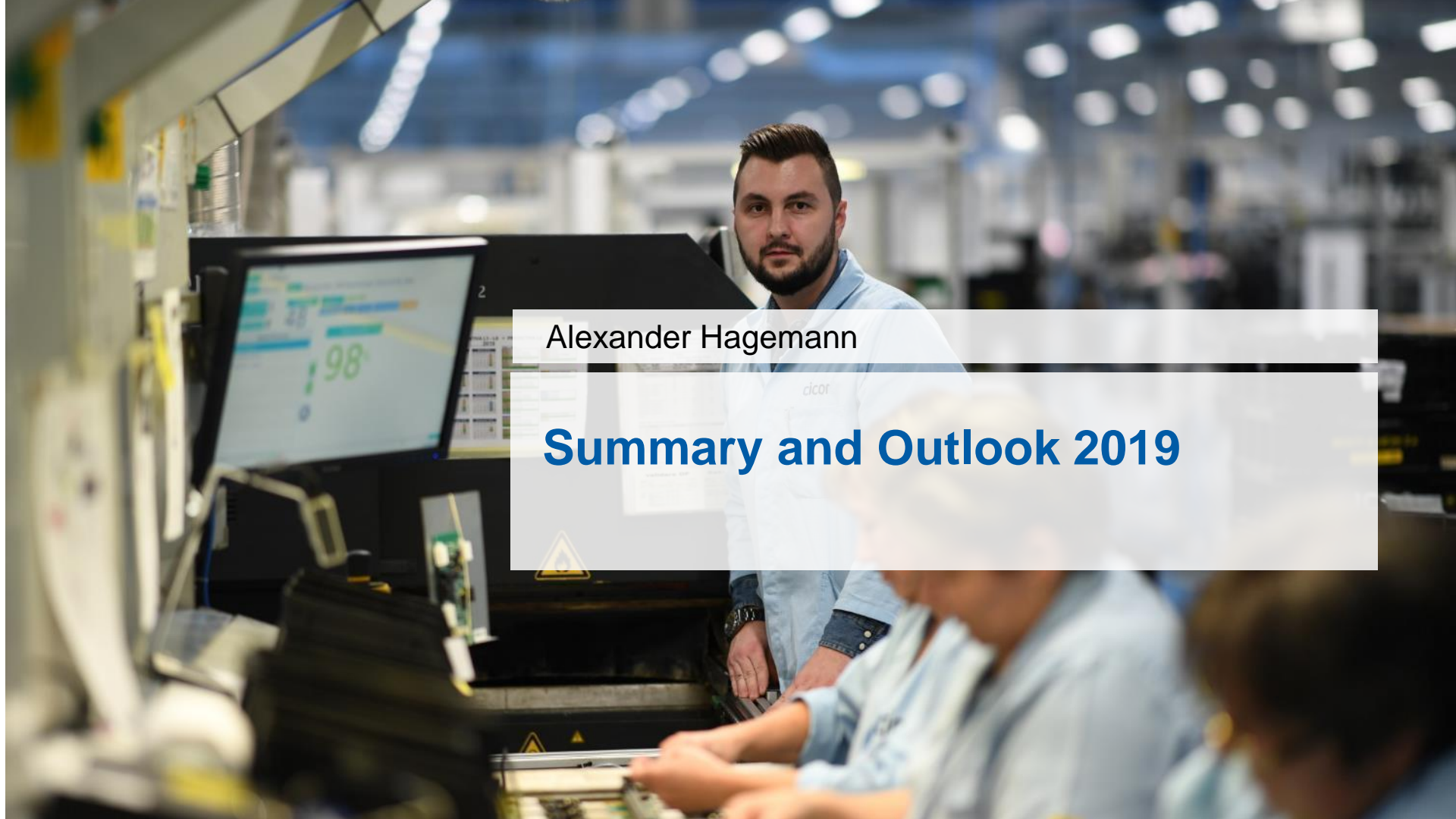
in TCHF



	Actual 2017	Actual 2018
Profit / (Loss) before tax	8 633	13 043
Non cash items	9 772	11 949
Changes in working capital <sup>1</sup>	-6 630	-12 237
Interest, tax paid / received	-2 697	-2 507
<b>Cash flow from operations</b>	<b>9 078</b>	<b>10 248</b>
Property, plant and equipment (net)	-6 349	-16 313
Intangible assets	-33	-544
<b>Cash flow from investments</b>	<b>-6 382</b>	<b>-16 857</b>
<b>Free Cash Flow</b>	<b>2 696</b>	<b>-6 609</b>
Net cash from / (used) in fin.act. <sup>2</sup>	-1 349	7 515
Currency translation effects	512	-363
<b>Cash flow</b>	<b>1 859</b>	<b>543</b>

<sup>1</sup> Working capital including other current assets and other current liabilities

<sup>2</sup> Actual 2018 including -2 031 TCHF distribution to shareholders from capital contribution reserves

A man with a beard, wearing a white lab coat with 'dicor' written on it, stands in a factory. He is looking towards the camera. In the background, there is a computer monitor displaying a large green '98' and other data. The factory floor is visible with other workers in the foreground, slightly out of focus.

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## Summary and Outlook 2019

# 2018 – a year of progress in most areas

Positive outlook despite slowdown of global GDP growth



- Record high order book and a good start into 2019 provide confidence for the coming months
- Deterioration of macroeconomic environment
- Important new customer wins in both divisions
- Cost of Romania factory move is now fully digested
- Taking all influences into account, Cicor expects some sales growth in 2019 and an increase of operating margins

# Distribution of earnings

2018



- Significantly increased results
- Healthy balance sheet with an equity ratio of 38.7%
- Net debt to EBITDA leverage at 1.14
- **The Board of Directors therefore will propose a tax free distribution from capital contribution reserves of CHF 1.00 per share (2017: CHF 0.70 per share) to the Annual Shareholders' Meeting on April 16, 2019**

This represents 30 % of the Group's net profit.




# Mid-term targets

Cicor Technologies Ltd.



Market Focus	Topline growth	EBIT target	Profit distribution
<b>Industrial Medical Aerospace</b>	<b>Above the growth of global electronics production</b>	<b>6 - 8%</b>	<b>Stable and increasing Dividends</b>

The image shows two men in light blue lab coats sitting at a white table in a factory. They are looking at several documents on the table. The man on the left is wearing glasses and has a beard. The man on the right is also looking down at the documents. The background is a busy factory floor with various equipment and lights.

Alexander Hagemann

## Agenda and Contacts

# Investor Relations

## Agenda 2019/2020



- Annual shareholder meeting 2019 16 April 2019 in Boudry NE
- Interim report 2019 15 August 2019
- Annual Report 2019 March 2020

# Investor Relations

## Contacts



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