



# Annual Results 2021

Cicor Technologies Ltd.

March 10, 2022

Alexander Hagemann (CEO)

Peter Neumann (CFO)

# Disclaimer

March 10, 2022

The information in this presentation does not constitute an offer or invitation and may not be construed as a recommendation by us to purchase, hold or sell shares of Cicor Technologies Ltd. This information or any copy thereof may not be sent or taken to or distributed in any jurisdiction in which such transmission or distribution is unlawful. This document may contain certain 'forward-looking' statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual outcomes and results may differ materially from any outcomes or results expressed or implied by such forward-looking statements.

# cicor

Alexander Hagemann

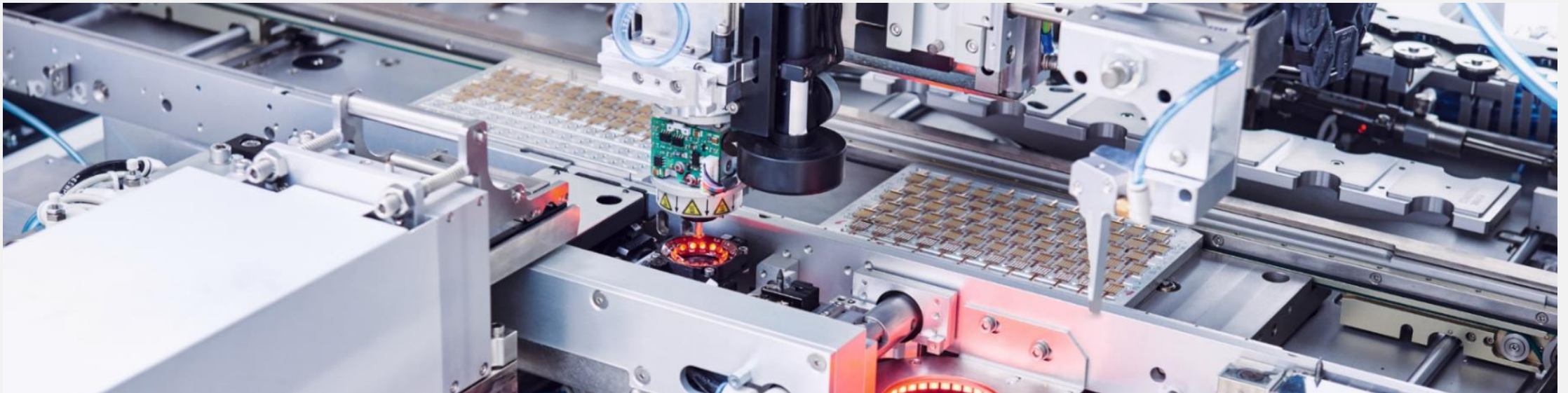
## The Cicor Group



# The Cicor Group

Your technology partner

- Globally active provider of full-cycle electronics solutions from research and development to manufacturing and supply chain management
- Swiss leader in customer specific development solutions, high-tech components as well as electronic device manufacturing in the medical, industrial, aerospace & defence markets
- 2'200 employees worldwide at 11 operating sites in Europe and Asia
- Pioneering microelectronics since 1966 – listed at SIX Swiss Exchange since 1998



# Leading technologies for high-end electronics

Unrivalled offering of products and value adding services

## Advanced Microelectronics and Substrates



### High precision substrates:

- Thin-film and thick-film substrates
- High density printed circuit boards (PCB)

*From 2022: Advanced Substrates (AS) Division*

### Microelectronics:

- Packaging of active components
- Microelectronic assemblies

*From 2022: Electronic Manufacturing Services (EMS) Division*

## Electronic Solutions



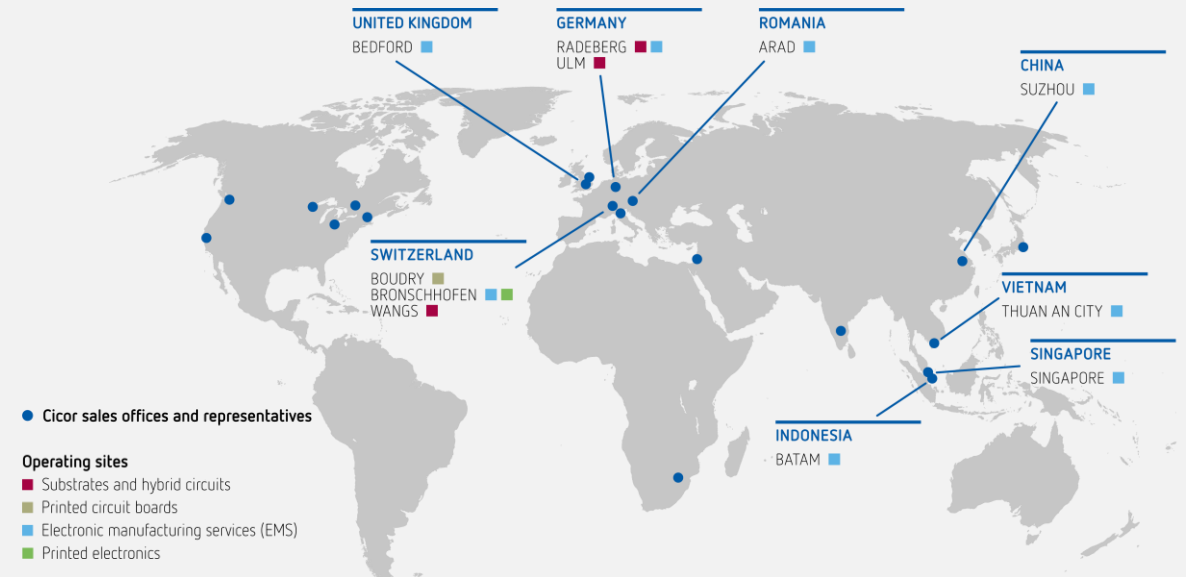
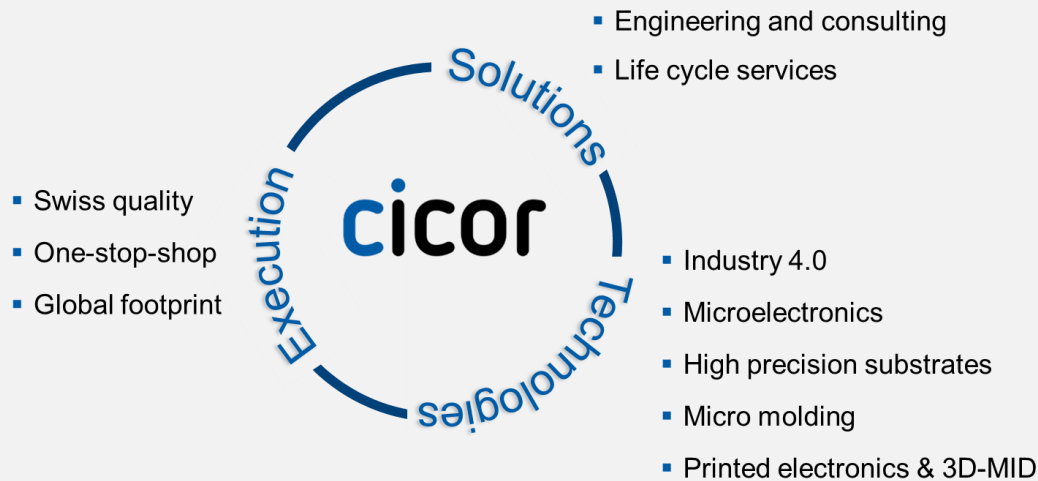
### Realization of advanced electronic devices:

- Engineering – from concept to mass production
- Assembly services
- Printed electronics
- Supply chain integration through high precision plastic injection molding and toolmaking

# Unique selling propositions in a growth market

Strategy to develop from no. 1 electronics manufacturer in Switzerland to become a European leader

- Growth drivers: Electronification of everything, increased share of outsourcing, nearshoring, alternatives to China
- Focus on medical, industrial, aerospace & defence with high margin potential and customer loyalty
- Global footprint: Customer intimacy combined with cost-competitive locations
- One-stop shop with strong synergies: 20% of sales to customers of both divisions



# cicor

Alexander Hagemann

## Cicor in 2021

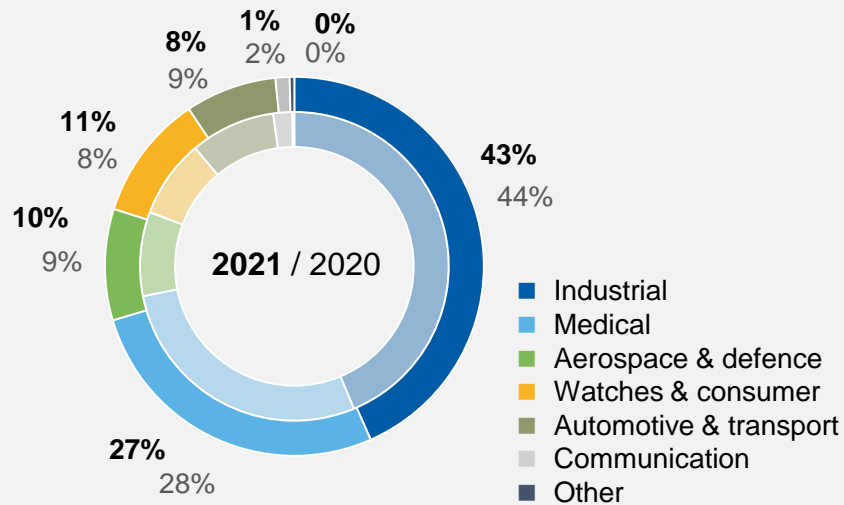


# Cicor in 2021

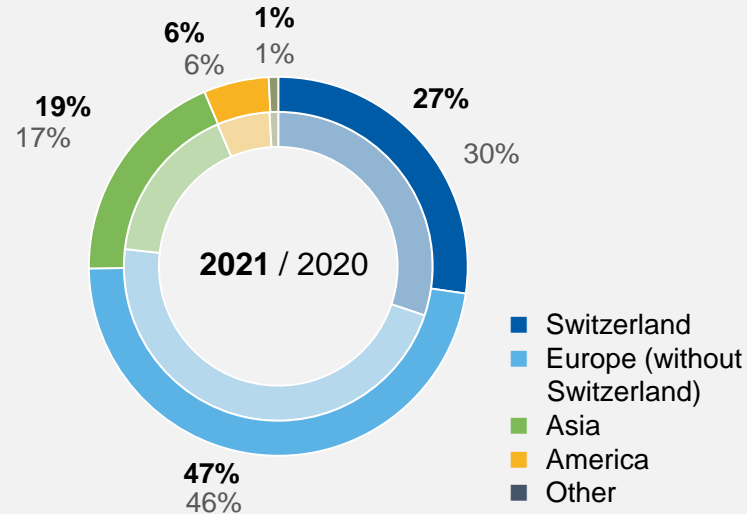
## Solid recovery from Covid crisis despite strong headwinds

- Order in-take at all time high of CHF 286.6 million (+32.7% and book-to-bill ratio 1.2)
- Reported revenue growth to CHF 239 million (+11.2%) despite ongoing Covid related restrictions and supply chain shortages
- EBITDA margin reached 9.7% with EBITDA +19.3% generating CHF 23.1 million

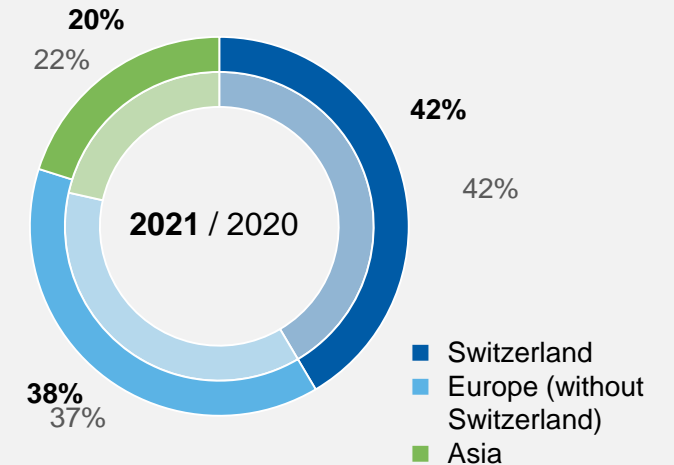
Net sales by industry



Net sales by export region



Net sales by production region





# Acquisition of Axis Electronics Ltd

First step in implementing the Cicor growth strategy

- Consolidated since 30 November 2021, making Cicor a European top 5 supplier for aerospace & defence electronics manufacturing
- A&D represents ca. 20% of revenue post transaction (pro-forma CY 2021)
- With integration progressing well, Cicor will further strengthen its position in the UK and focus on growing in European A&D markets
- Integration of Axis significantly strengthens Cicor's financial profile:

CY 2021 (CHF million)	Cicor (reported)	Cicor + Axis (pro-forma)*
Net sales	239.0	277.3
EBITDA	23.1 (9.7%)	31.4 (11.3%)

\* Memo – Pro-forma 2021 including full 12 month results of Axis (unaudited)



# Advanced Microelectronics and Substrates (AMS)

Profitability above pre-crisis levels



- Sales increase of 11.7% to CHF 58.7 million (2020: CHF 52.5 million)
  - Excellent performance of thin film activities in Ulm, Germany and Wangs, Switzerland
  - Certain target markets as civil aviation only recovered in 2<sup>nd</sup> Half of 2021, preventing even stronger growth
- Book-to-bill ratio of 1.2 (order intake in 2021 of CHF 69.6 million). Strong order backlog enabling strong start into 2022
- Progress in operational excellence at printed circuit board facility in Boudry, Switzerland
- EBITDA margin at 17.5% (2020: 14.0%) exceeding pre-crisis levels. EBITDA generation CHF 10.3 million (+39.6% increase)

# Electronic Solutions (ES)

Strategically strengthened and with record order backlog



- Sales increased 11.1% to CHF 181.2 million (2020: CHF 163.1 million)
- Fierce head-winds from supply shortage of semiconductor components, interrupted logistic chains and plant closure in Vietnam
- Record order intake of CHF 217.9 million resulting from longer-term orders and robust new business pipeline
- EBITDA margin continued to increase to 8.7%, generating CHF 15.8 million (2020: CHF 13.6 million)
- Axis acquisition strategically strengthens ES division in European aerospace & defence market

# Laying the foundation to accelerate growth

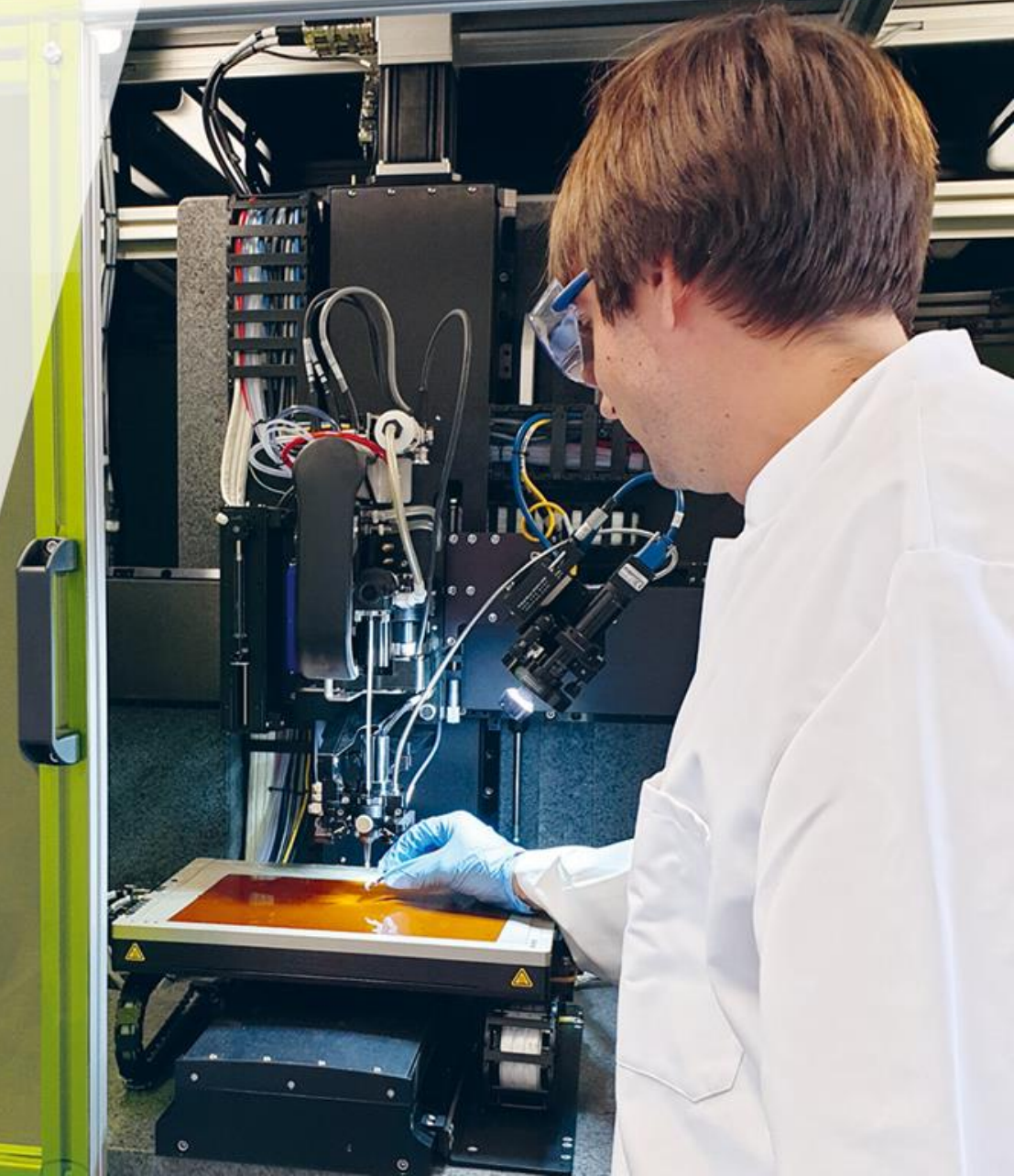
All elements in place to develop Cicor into a European leader in electronics manufacturing

- Sale of ca. 29.35% shareholding from HEB Swiss Investment to One Equity Partners (OEP) with a clear growth mandate
- Election of new Board Members with strong industry experience and corporate governance focus
- Strengthened ESG orientation with first time publishing of sustainability report
- Alignment of management with shareholder interests by extending LTI program to more than 30 Cicor managers and the introduction of a management incentive plan (fully funded by OEP, aligned with all shareholder's interests and solely administered by Cicor BoD)
- Significantly strengthened equity by successful issuance of Mandatory Convertible Bond (MCB) in an initial amount of CHF 20 million and an option to reopen the MCB to a total amount of CHF 60 million, fully backstopped by OEP

cicor

Peter Neumann

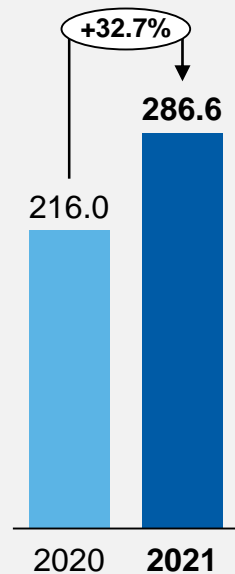
# Financial Results 2021



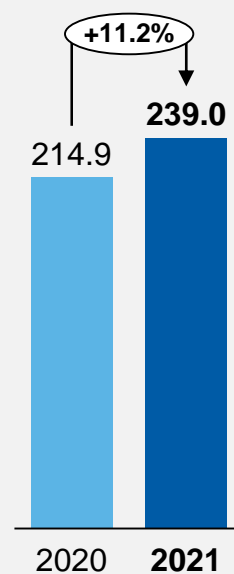
# Financial achievements 2021

(all figures in CHF mio at actual FX rates)

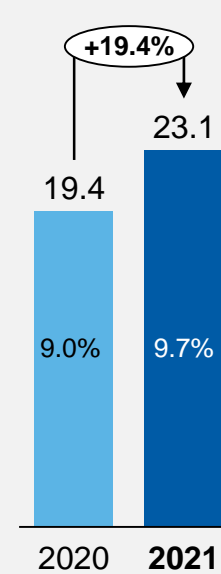
## Orders received



## Net sales



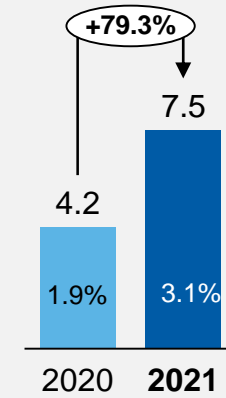
## EBITDA



## EBIT before Amortization Goodwill and Intangibles out of business combinations



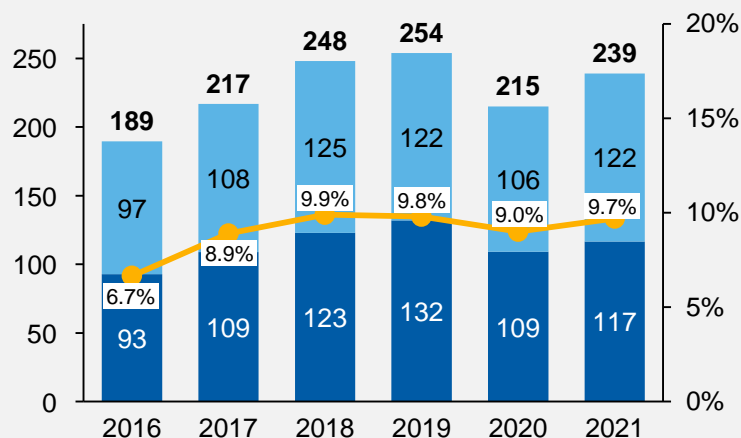
## Net profit



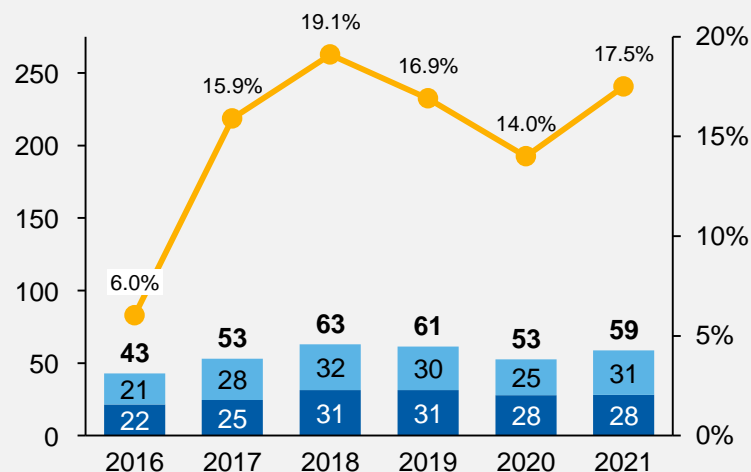
# Performance 2016 – 2021

All figures in CHF million at actual FX rates

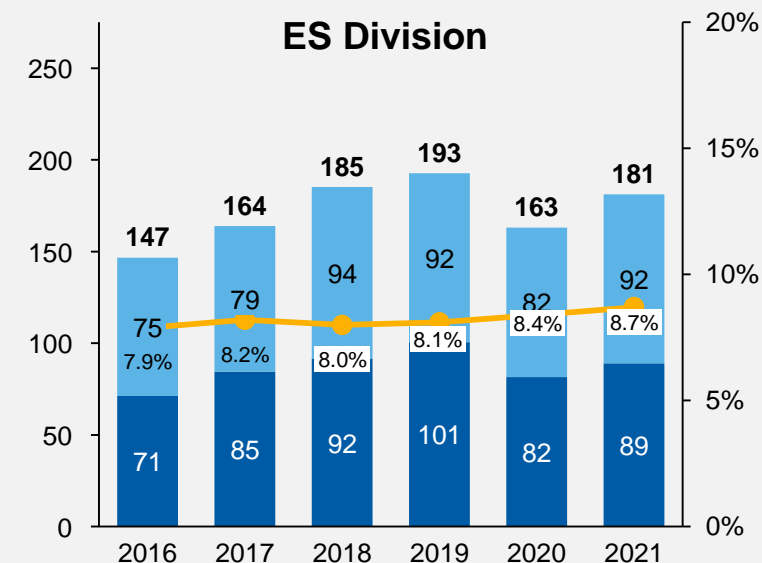
### Total Group



### AMS Division



### ES Division



Group in TCHF	2020	2021	%YoY
Sales	214 891	239 044	+11.2%
EBITDA	19 362	23 122	+19.4%
ROS%	9.0%	9.7%	+70bps

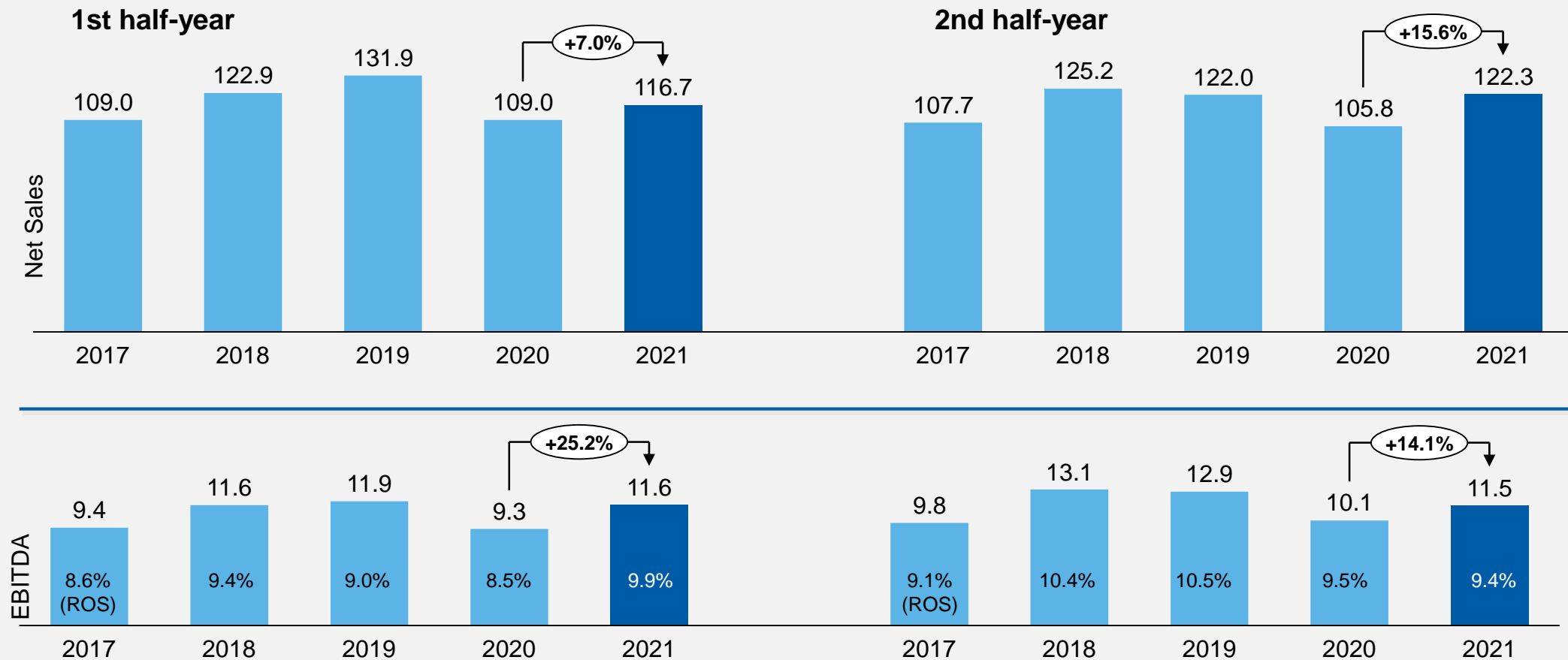
AMS in TCHF	2020	2021	%YoY
Sales	52 521	58 678	+11.7%
EBITDA	7 352	10 263	+39.6%
ROS%	14.0%	17.5%	+350bps

ES in TCHF	2020	2021	%YoY
Sales	163 055	181 203	+11.1%
EBITDA	13 621	15 780	+15.9%
ROS%	8.4%	8.7%	+30bps

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

# Half year results 2017 - 2021

All figures in CHF million at actual FX rates





# Axis acquisition

Change in scope of consolidation as of 30 November 2021

## Purchase Considerations

in CHF 1 000	2021
Cash paid	54 071
Direct costs related to acquisition	2 179
<b>Purchase considerations cash</b>	<b>56 250</b>
Capital increase	9 705
Earn-out	8 858
Issuance stamp tax and securities transfer tax	326
<b>Purchase considerations non-cash</b>	<b>18 889</b>
<b>Total purchase considerations</b>	<b>75 139</b>

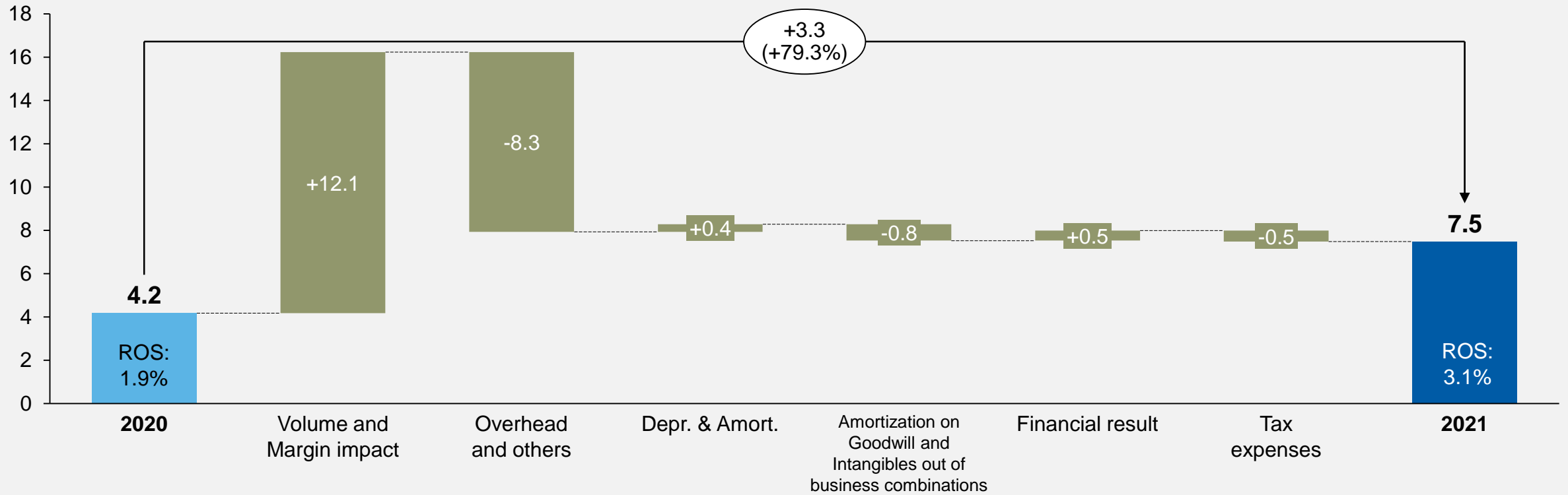
## Key Opening Balance Sheet positions

Goodwill	25 233
Cash and cash equivalents	11 244
Trade accounts receivable	7 079
Inventories	10 563
Property, plant and equipment	3 093
Intangible assets	43 617
Trade payables	-11 605
Other current liabilities	-4 535
Short-term financial liabilities	-354
Long-term financial liabilities	-456
Short-term provision	-56
Deferred Tax liabilities	-8 684
<b>Total fair value of net assets acquired</b>	<b>49 906</b>

- Negative 2022 impact «amortization goodwill and intangibles out of business combinations» of CHF 9.2 million due to Axis acquisition.

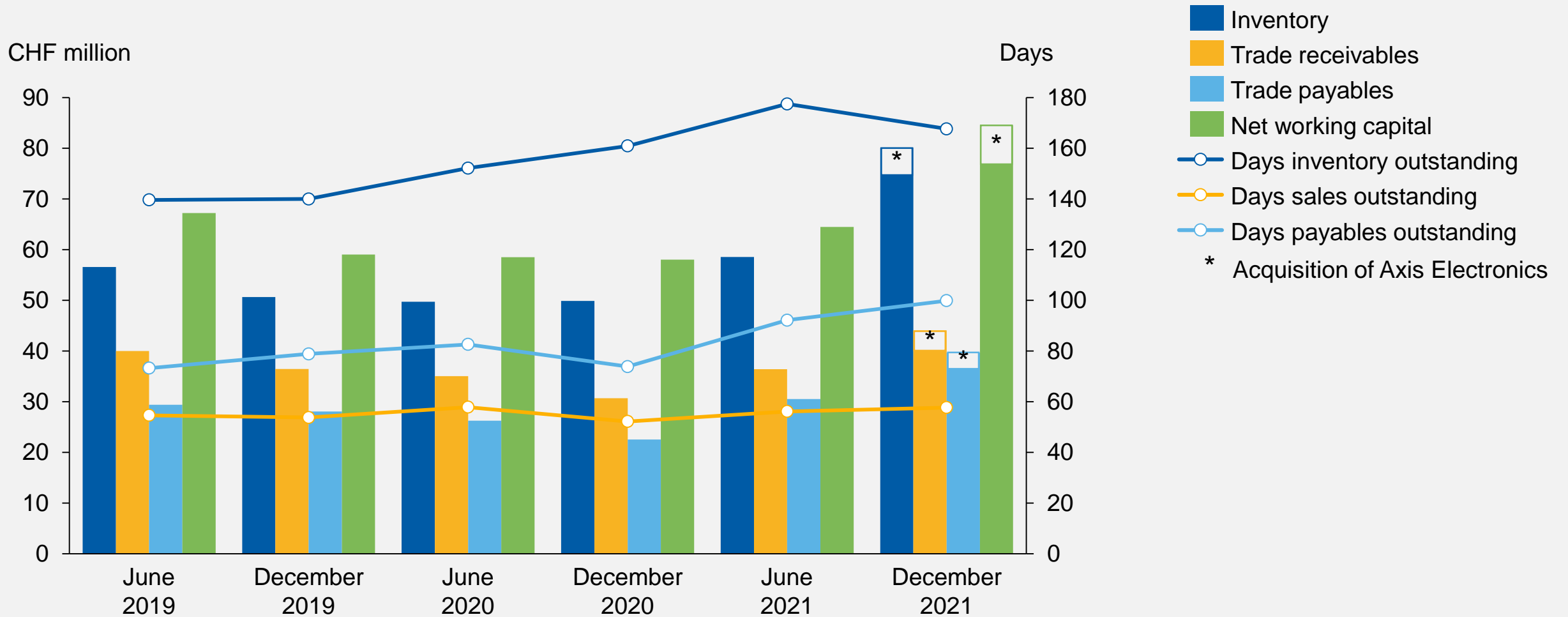
# Net profit performance 2021

All figures in CHF million



# Net Working Capital development

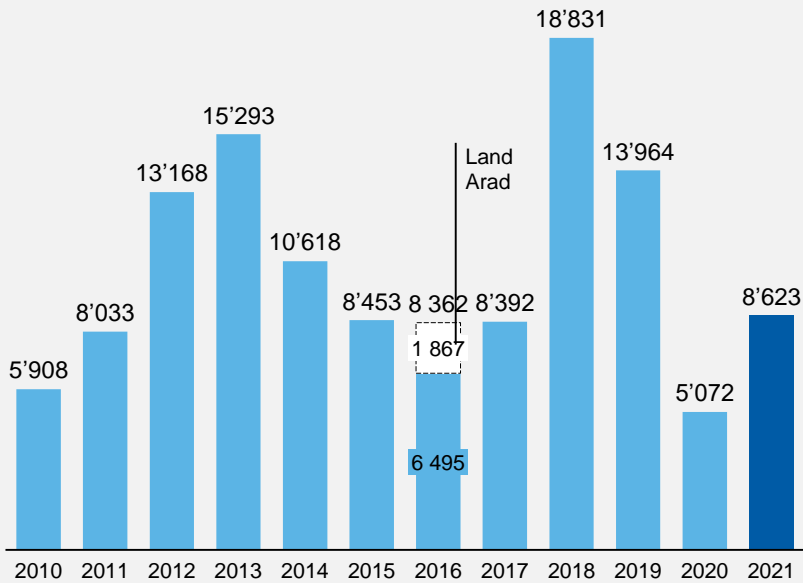
Inventory increased to respond to threatening raw material shortage



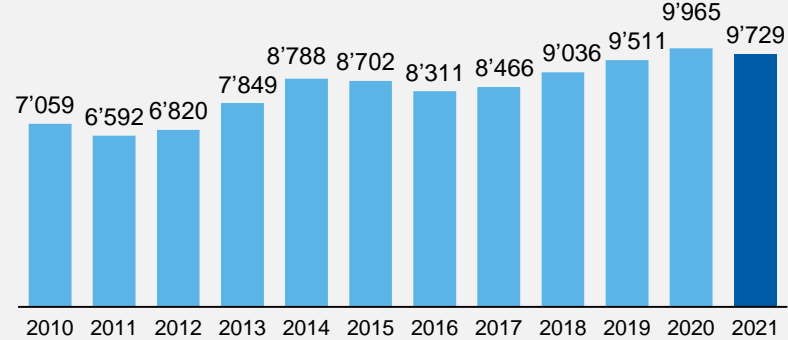
# Capex and Depreciation for PPE\*

Capex investments remained low in 2021

### PPE Capex in TCHF

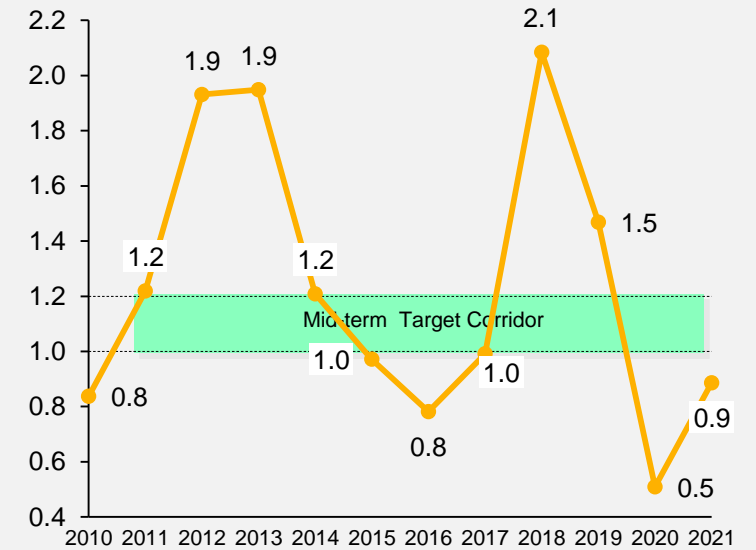


### PPE Depreciation in TCHF



### Capex / Depreciation ratio

Average 2010 – 2021 = 1.19



Excl. Land Arad

\* PPE = Property, Plant and Equipment

# Consolidated 2021 Income Statement

in TCHF

	Actual 2019	in %	Actual 2020	in %	Actual 2021	in %	%YoY
<b>Net sales</b>	<b>253 909</b>	<b>100.0</b>	<b>214 891</b>	<b>100.0</b>	<b>239 044</b>	<b>100.0</b>	<b>11.2</b>
Material expenses	-136 263	-53.7	-112 216	-52.2	-123 806	-51.8	10.3
Operating expenses	-92 865	-36.6	-83 313	-38.8	-92 116	-38.5	10.6
<b>EBITDA</b>	<b>24 781</b>	<b>9.8</b>	<b>19 362</b>	<b>9.0</b>	<b>23 122</b>	<b>9.7</b>	<b>19.4</b>
Depreciation and amortization	-9 880	-3.9	-10 511	-4.9	-10 159	-4.2	-3.3
<b>EBIT before Amortization of Goodwill and Intangibles out of Business Combinations</b>	<b>14 901</b>	<b>5.9</b>	<b>8 851</b>	<b>4.1</b>	<b>12 963</b>	<b>5.4</b>	<b>46.5</b>
Amortization of Goodwill and Intangibles out of Business Combinations	0	0.0	0	0.0	-759	-0.3	n/a
<b>EBIT</b>	<b>14 901</b>	<b>5.9</b>	<b>8 851</b>	<b>4.1</b>	<b>12 204</b>	<b>5.1</b>	<b>37.9</b>
Financial result	-3 040	-1.2	-2 455	-1.1	-1 994	-0.8	-18.8
Income taxes	-3 447	-1.4	-2 224	-1.0	-2 728	-1.1	22.7
<b>Net profit / (loss)</b>	<b>8 414</b>	<b>3.3</b>	<b>4 172</b>	<b>1.9</b>	<b>7 482</b>	<b>3.1</b>	<b>79.3</b>

# Consolidated Balance Sheet

in TCHF

	Actual 2020	in %	Actual 2021	in %
Current assets	129 340	71	200 631	62
Non-current assets	52 710	29	121 258	38
<b>Total Assets</b>	<b>182 050</b>	<b>100</b>	<b>321 889</b>	<b>100</b>
Current liabilities	46 573	26	104 103	32
Non-current liabilities	59 143	32	128 899	40
Equity	76 334	42	88 887	28
<b>Total Liabilities and equity</b>	<b>182 050</b>	<b>100</b>	<b>321 889</b>	<b>100</b>
<b>Net Debt</b>	<b>13 617</b>		<b>61 059</b>	
Gearing ratio (net debt in % of equity)	17.8		68.7	
<b>Net debt / EBITDA</b>	<b>0.7</b>		<b>2.6</b>	
<b>Net debt / EBITDA (Axis pro-forma included)</b>			<b>2.0</b>	
<b>Equity Ratio</b>	<b>41.9%</b>		<b>27.6%</b>	

# Cash Flow Statement

in TCHF

	Actual 2020	Actual 2021
Net profit	4 172	7 482
Non cash items	11 208	12 111
Changes in working capital <sup>1</sup>	-1 763	-10 324
Interest, tax paid / received	159	-35
<b>Cash flow from operations</b>	<b>13 776</b>	<b>9 234</b>
Property, plant and equipment (net)	-6 613	-7 789
Intangible assets	-11	-262
Acquisition of subsidiaries net of cash acquired	-	-45 006
<b>Cash flow from investments</b>	<b>-6 624</b>	<b>-53 057</b>
<b>Free Cash Flow incl. Acquisition Price (cash elements)</b>	<b>7 152</b>	<b>-43 823</b>
<b>Free Cash Flow excl. Acquisition Price (cash elements)</b>	<b>n/a</b>	<b>1 183</b>
Net cash from / (used) in fin.act. <sup>2</sup>	3 080	70 792
Currency translation effects	-757	-1 307
<b>Cash flow</b>	<b>9 475</b>	<b>25 662</b>

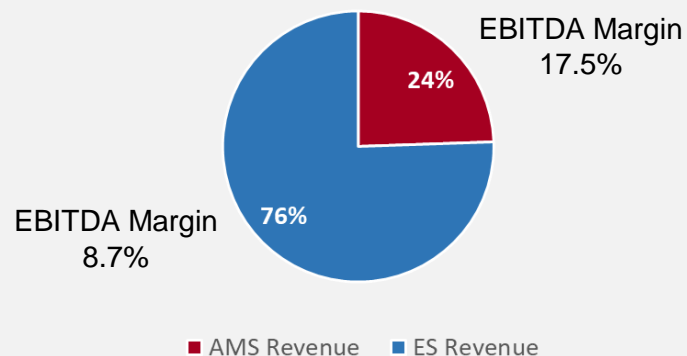
<sup>1</sup> Working capital including other current assets and other current liabilities

<sup>2</sup> Actual 2021 incl. -2 902 TCHF distribution to shareholders from free reserves (Actual 2020: -4 339 TCHF)

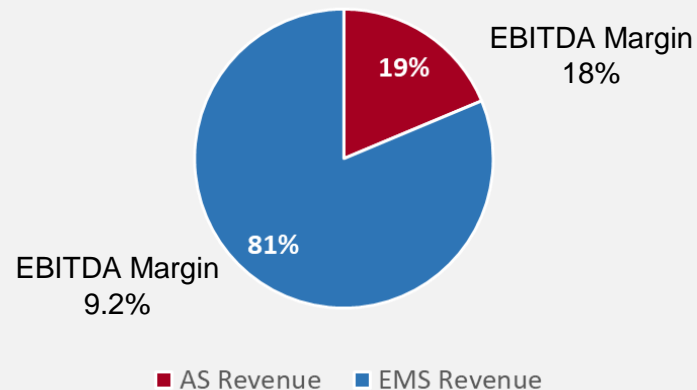
# New Cicor divisional structure

Adaptation to current business model

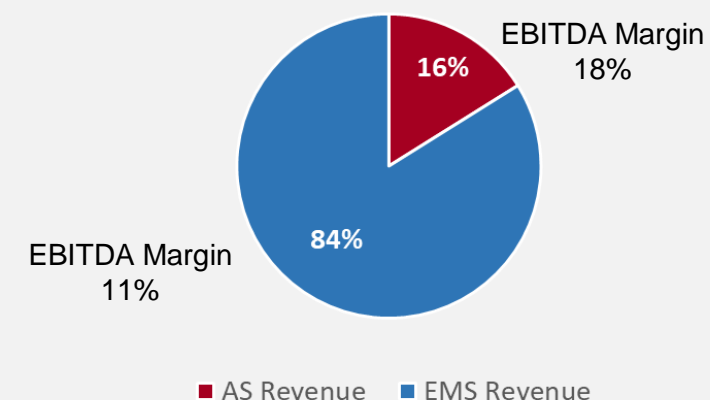
## Previous divisional structure AMS vs ES \*



## New divisional structure AS vs EMS \*



## New divisional structure Including Axis Pro-forma \*\*



\* Memo – Pro-Forma illustration based on 2021 Reported Results (non-audited)

\*\* Memo – Pro-forma including full 12 month results of Axis (non-audited)

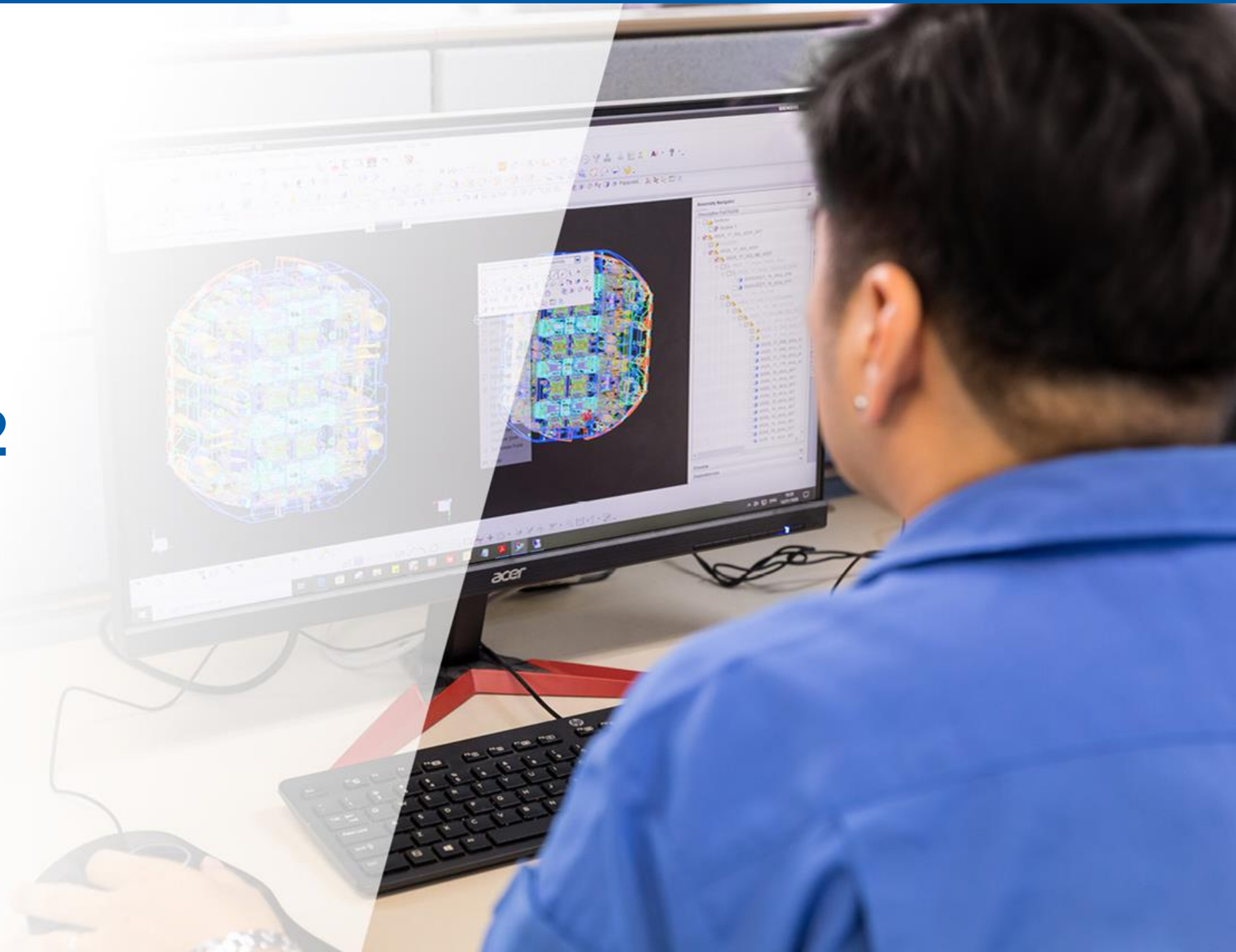
- In 2022 Cicor adapts its divisional structure that remained unchanged since 2014.
- Cicor will report going forward Advanced Substrates (AS) and Electronic Manufacturing Services (EMS) as divisions.
- RHEs Microsystems (based in Radeberg, Germany) will move from AS to EMS division. Its core business shifted from thick-film manufactured circuits to being a provider of manufacturing services for complex electronics assemblies.
- Axis will be consolidated in the new EMS division and increase the divisional margin >11% (if Axis pro-forma included for 12 months in 2021).



# cicor

Alexander Hagemann

## Outlook 2022



# Outlook 2022

Further significant growth expected despite continued headwinds



- Full order book and Axis integration to drive significant growth in 2022
- Major uncertainties make a quantified guidance impossible at this time:
  - Escalating geopolitical tensions
  - Continued semiconductor shortages
  - Inflationary pressures on labor, materials and energy
  - Renewed volatility of CHF exchange rates
- Strengthened balance sheet with CHF 20 million equity-like funds from convertible bond (MCB) and optional CHF 40 million extension provides flexibility for further acquisitions
- Proceeding to acquire Dresden, Germany, based SMT Elektronik GmbH, realizing strong synergies with nearby RHE Microsystems in Radeberg, Germany

# Investor Relations

## Agenda 2022/2023

- Annual Report 2021 March 10, 2022
- Annual Shareholder's Meeting 2022 April 12, 2022
- Interim Report 2022 August 11, 2022
- Annual Report 2022 March, 2023
  
- Kepler Chevreux Swiss Digital Seminar March 31, 2022
- Investora 2022 September 21/22, 2022 in Zurich (Switzerland)
- Deutsches Eigenkapitalforum November 28-30, 2022 in Frankfurt
- Baader Swiss Equities Conference January, 2023

# Investor Relations

## Contacts



**Alexander Hagemann**  
CEO



**Peter Neumann**  
CFO



**Michael Götti**  
VP Corporate Marketing & Communications

Cicor Management AG  
Gebenloostrasse 15  
9552 Bronschhofen  
Switzerland

investor@cicor.com  
+41 71 913 73 00

# Thank you for your attention

[www.cicor.com/investors](http://www.cicor.com/investors)



[info@cicor.com](mailto:info@cicor.com)

