



Interim Report 2022

Cicor Technologies Ltd.

August 11, 2022

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Peter Neumann (CFO)

Disclaimer

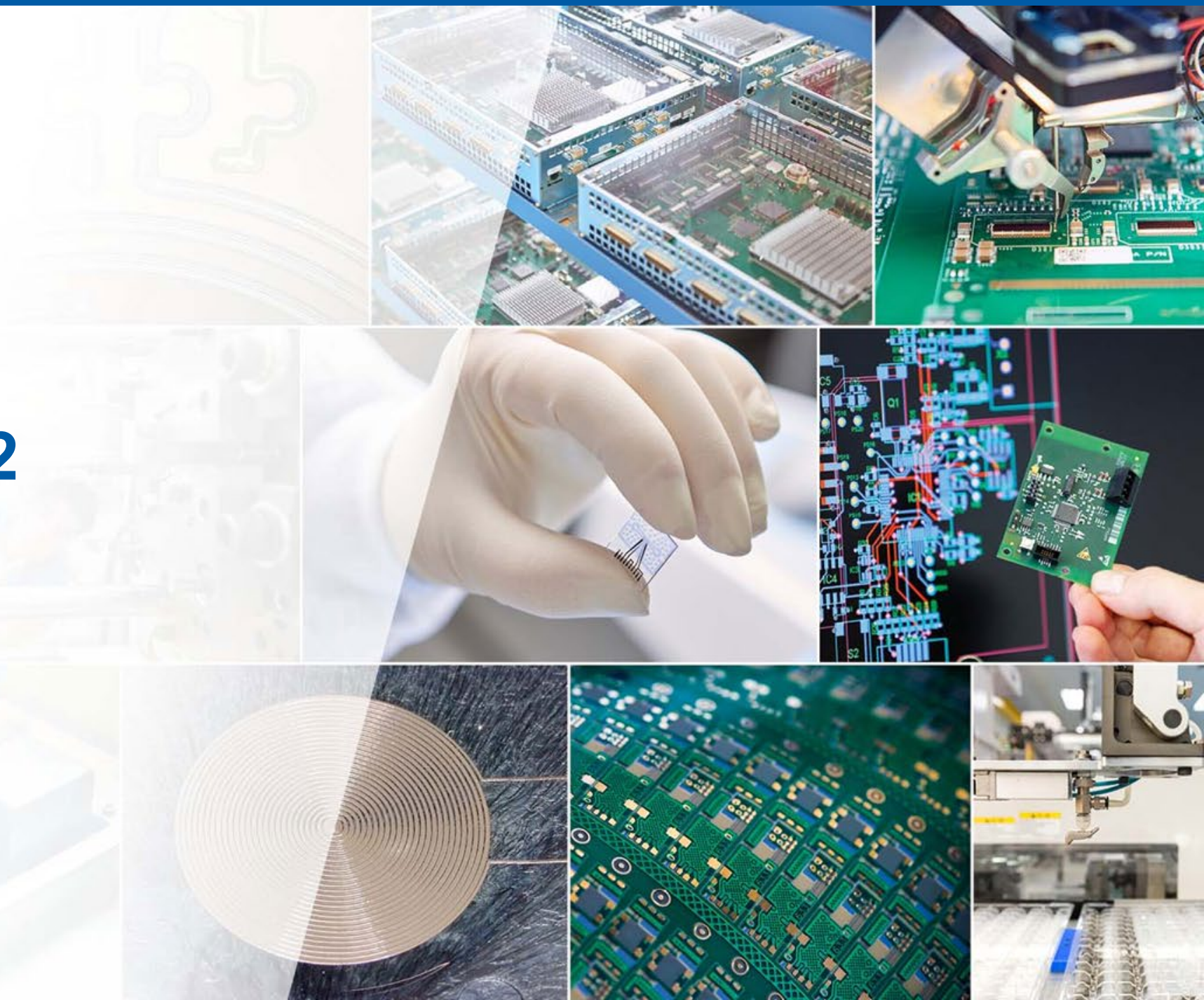
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Cicor in H1/2022



Electronic solutions for a world driven by technological progress

Cicor application examples

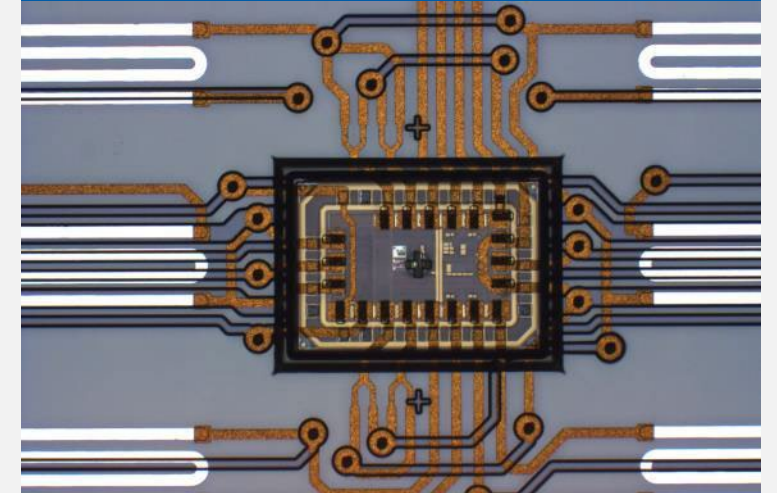
30% of hearing aids use Cicor technology to help people hear better



50% of satellites operate reliably with solutions made by Cicor



Cicor supports the drive to ever higher performing computer chips



Cicor is a globally active provider of full-cycle electronic solutions

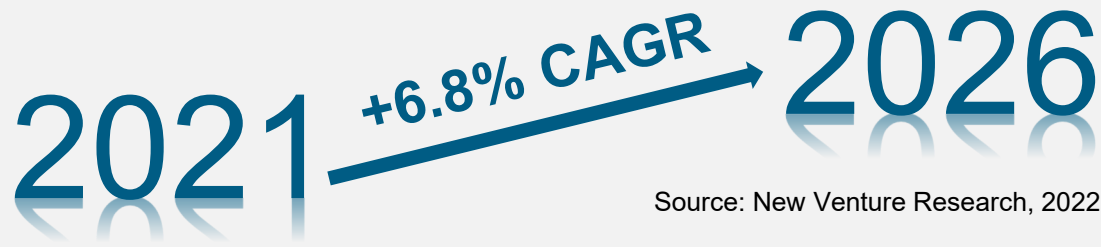
Short profile



- Best-in-class services from research and development to manufacturing and supply chain management
- Trusted outsourcing partner for leaders in attractive markets: Medical, Industrial, Aerospace & Defence
- 2'200 employees at 12 sites in Europe and Asia serving the European and American customer base
- Market leader in Switzerland, fast evolving position in Europe
- Operating in two Divisions:
 - Electronic Manufacturing Services (EMS – 85% of sales)
 - Advanced Substrates (AS – 15% of sales)

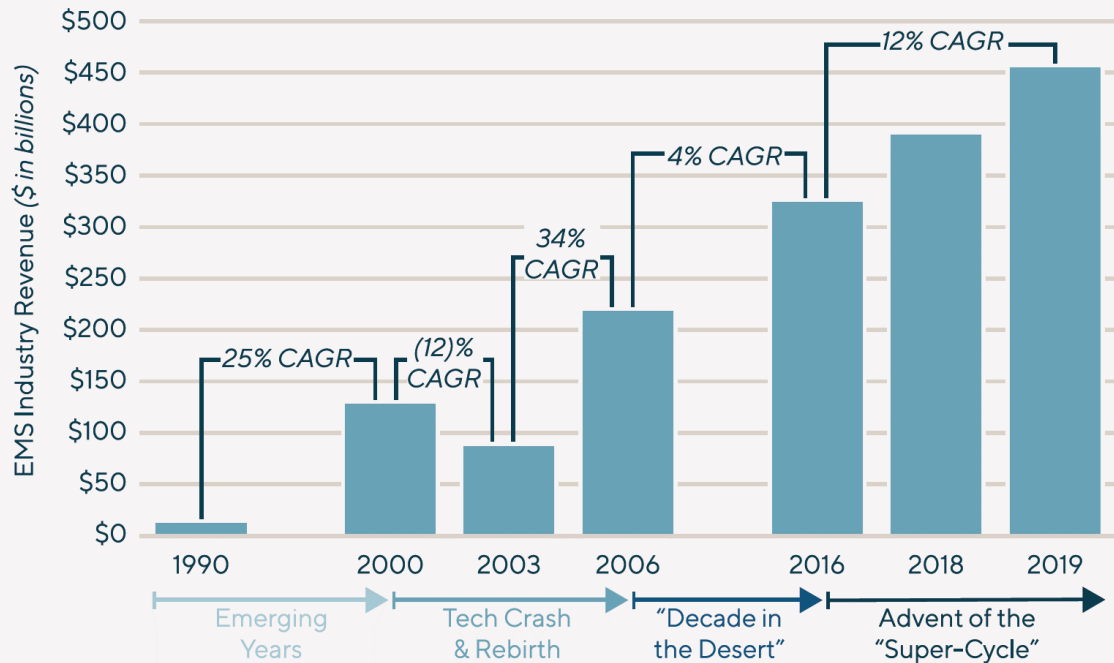
Megatrends drive growth of EMS market

Trends are accelerated by geopolitical situation and supply chain challenges



Source: New Venture Research, 2022

- Ever growing demand for electronics and digital devices worldwide
- OEM focusing on their core competency, share of outsourced manufacturing increases
- Nearshoring, Reshoring and alternatives to China: Cicor is in the most attractive locations (Romania, Southeast Asia)
- Projected market growth of 6.8% CAGR (in USD) from 2021 to 2026 driven by all segments



Source: Lincoln International, June 2020

Cicor's growth strategy to establish a European leader in EMS

Progress is demonstrated with organic growth and first acquisitions



a **cicor** company

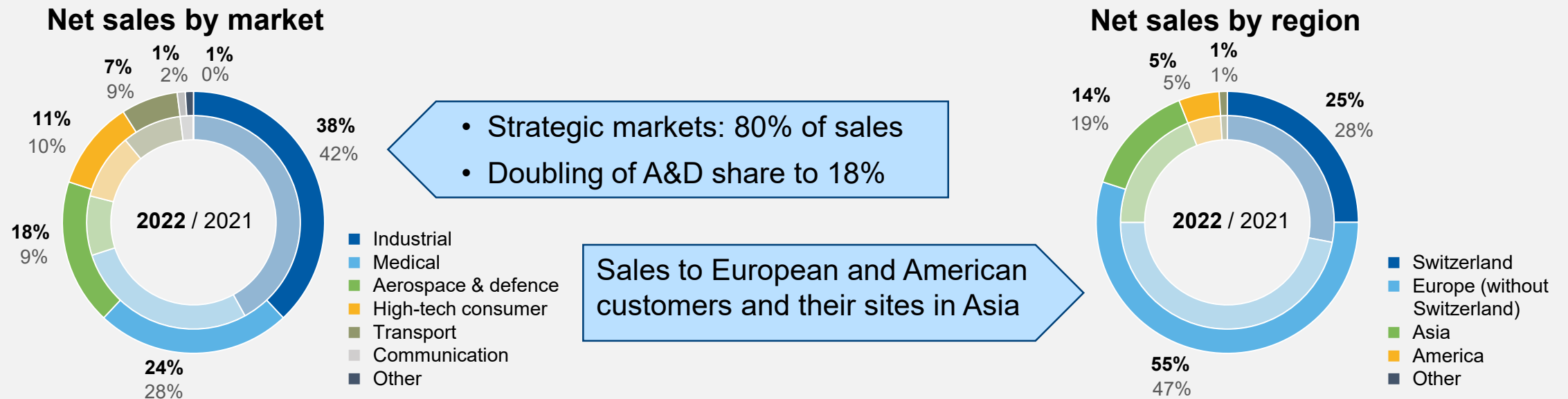


- Organic growth is driven by the largest ever pipeline of new projects combined with the ability to deliver despite supply chain constraints
- Targeting acquisition of well-managed and profitable European EMS providers supporting Cicor's strategy in core markets
- Axis Electronics integration delivers results:
 - Excellent operational and financial performance
 - Strengthened visibility in U.K. market and in the A&D sector in general are a foundation for accelerated growth of Axis
- SMT Elektronik integration has already led to cost savings:
 - Organizational integration right after closing with annualized savings well above CHF 500k
 - Strong footprint and scale in Dresden drives further synergies

Cicor delivers on the growth strategy announced in 2021

H1 of 2022: Record orders, sales and EBITDA

- Sales increase by 35.5% to CHF 157.7 million – growth of 38.3% in local currencies
- Organic growth of 15.4% from strong demand of existing/new customers and ability to deliver
- EBITDA of CHF 15 million – 9.5% margin (PY: 9.9%) with main contribution from EMS division
- Continued strong momentum with order intake up 30% to CHF 181.8 million (B2B ratio: 1.15)



Electronic Manufacturing Services (EMS) division is the growth driver

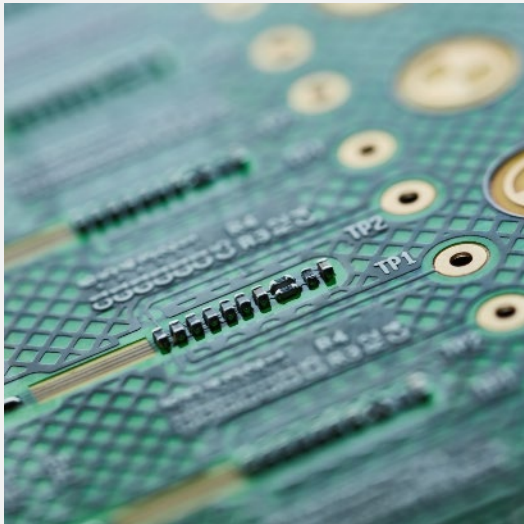
Progress achieved in H1 of 2022



- Sales growth of 42.2% to CHF 135.1 million (H1/2021: CHF 95.0 million) driven by organic growth and acquisitions
- EBITDA increased 63.9% to CHF 13.8 million (H1/2021: CHF 8.4 million), achieving record high margin of 10.2%
- Dampening effect on margin from delayed pass-through of cost increases and broker costs not generating a significant margin
- Relocation of Singapore engineering and sales center to a new green building completes restructuring of precision plastics operations
- Continued expansion of capacity to meet strong customer demand at Batam (Indonesia) site
- Setting up engineering resources at the Thuan An City (Vietnam) site

AS Division with earnings decline due to cost inflation

Key developments in H1 of 2022



- Sales growth of 5.5% to CHF 23.3 million (H1/2021: CHF 22.1 million) from increased demand for PCB for medical devices
- EBITDA decreased by 24.1% to CHF 3.1 million (H1/2021: 4.1 million)
- Material and energy cost inflation as major contributor to margin reduction – price increases to our customers with time lag
- Aligning of divisional structure to business model: RHe Microsystems now part of the EMS division as the thick-film substrate business has become immaterial and micro assembly as a service is now the dominant part of RHe's business

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Financial results H1/2022



Interim Report 2022

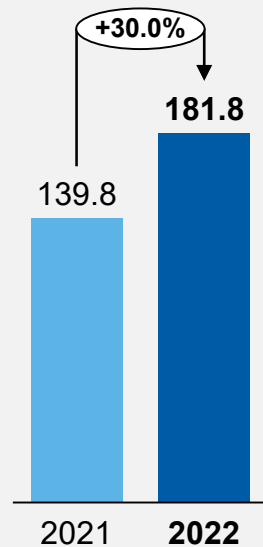
Basis for preparation

- Preparation according to Swiss GAAP FER 31 “Complementary recommendation for listed companies” (FER = Fachempfehlungen zur Rechnungslegung).

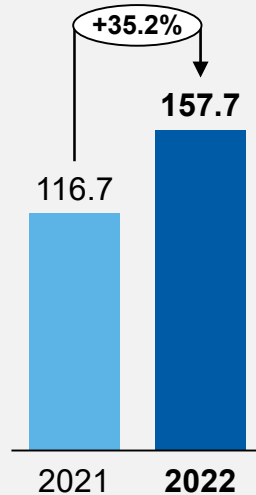
Record sales and core results from organic growth and acquisitions

Key figures H1/2022

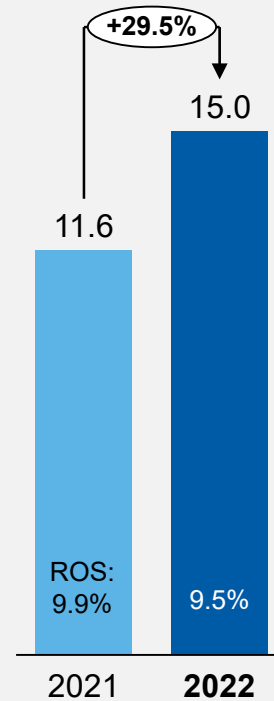
Orders received



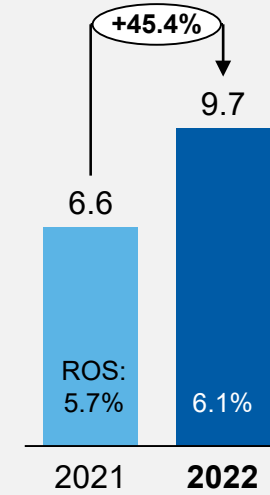
Net sales



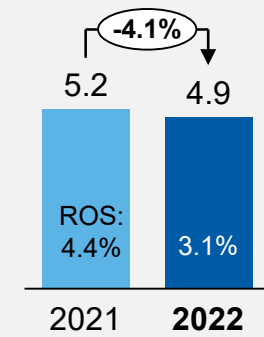
EBITDA



Core EBIT ¹⁾



Core net profit ¹⁾



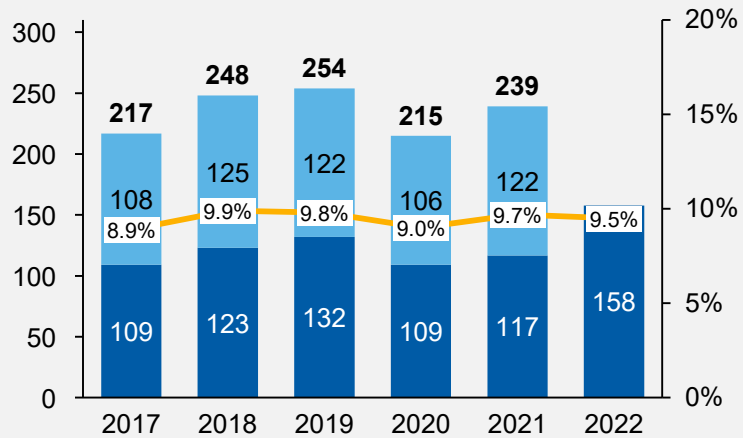
All figures in CHF million at actual FX rates

1) Before amortization of capitalized goodwill (2022: TCHF 2'530) and intangible assets (2022: TCHF 1'982) from acquisitions. Adjusted for related income tax effects (2022: TCHF -376) for Core net profit.

Long-term view – Impact of Cicor growth strategy

Performance 2017 – 2022

Cicor Group



| Group in TCHF | H1/2021 | H1/2022 | %YoY |
|------------------|---------|---------|--------|
| Sales | 116 712 | 157 747 | +35.2% |
| EBITDA | 11 602 | 15 029 | +29.5% |
| ROS% | 9.9% | 9.5% | -40bps |

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

All figures in CHF million at actual FX rates

- Cicor achieved highest ever 1st half-year results across sales and EBITDA – growth strategy delivering.
- Change in sales excl. acquisitions: +15.4%
- Change in sales at constant fx rates: +38.3%
- Margin dilution due to invoicing of broker costs to customers and AS performance offset by positive margin of Axis.

Consolidated income statement

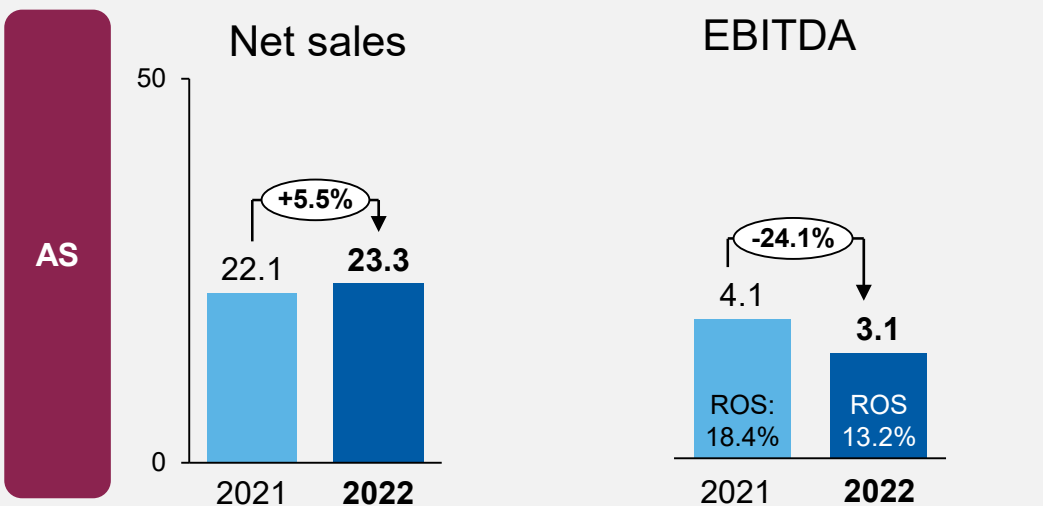
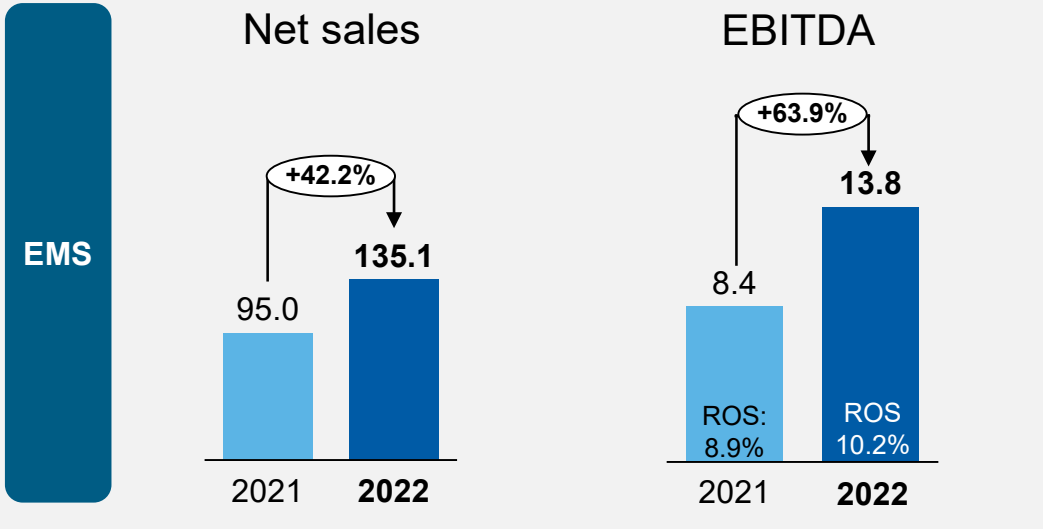
in TCHF

| | H1/2021 | in % | H1/2022 | in % | %YoY |
|---|----------------|--------------|----------------|--------------|---------------|
| Net sales | 116 712 | 100.0 | 157 747 | 100.0 | 35.2 |
| Material expenses | -61 693 | -52.9 | -90 272 | -57.2 | 46.3 |
| Operating expenses | -43 417 | -37.2 | -52 446 | -33.2 | 20.8 |
| EBITDA | 11 602 | 9.9 | 15 029 | 9.5 | 29.5 |
| Depreciation, amortization and impairment | -4 954 | -4.2 | -9 878 | -6.3 | 99.4 |
| EBIT | 6 648 | 5.7 | 5 151 | 3.3 | - 22.5 |
| Financial result | - 221 | -0.2 | -2 694 | -1.7 | 1 119.0 |
| Income taxes | -1 267 | -1.1 | -1 645 | -1.0 | 29.8 |
| Net profit | 5 160 | 4.4 | 812 | 0.5 | - 84.3 |
| Core EBIT | 6 648 | 5.7 | 9 663 | 6.1 | 45.4 |
| Core net profit | 5 160 | 4.4 | 4 948 | 3.1 | - 4.1 |
| Core Earning per share (in CHF) | 1.78 | | 1.43 | | |

- Record Net Sales (CHF 157.7 million) and EBITDA levels (CHF 15 million)
- Strong EMS EBITDA margin progression offset by soft AS EBITDA margins and broker surcharges
- Financial result negatively impacted by unfavorable FX development and additional interest expenses
- Increase in core taxes and in core tax rate due to unfavorable change in regional profit mix
- Core EPS reduced because of FX. Excluding FX impacts EPS would have increased 2022 vs 2021

Cicor segment performance

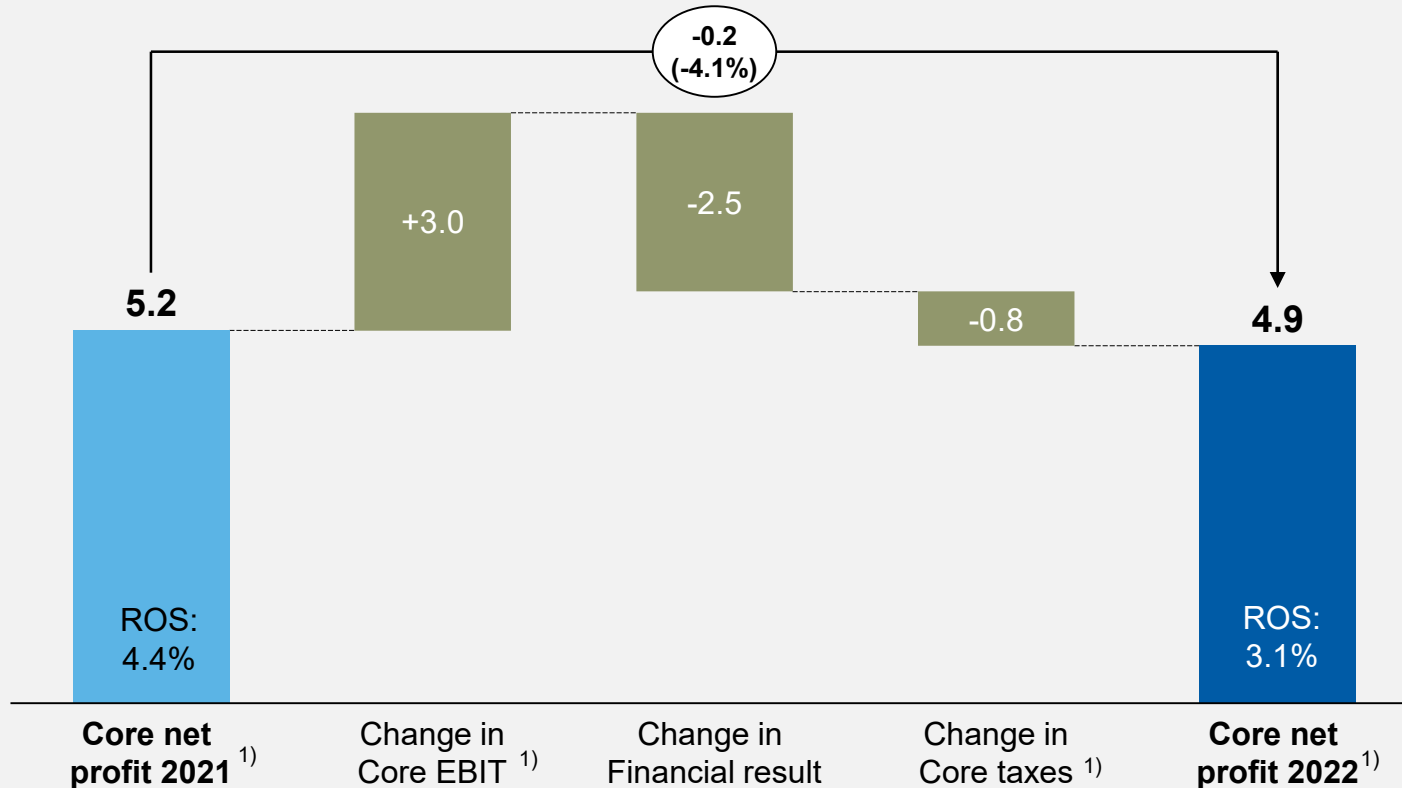
All figures in CHF million



- EMS Division (86% of revenue):
 - Revenue growth +42.4%
 - EBITDA growth +63.9%
 - % Margin increased from 8.9% to 10.2%
- AS Division (14% of revenue):
 - Revenue growth +5.5%
 - EBITDA growth -24.1%
 - % Margin reduced from 18.4% to 13.2%
- Corporate costs increased by CHF 1.0 million due to people costs (majority one time in nature) and post Covid spending normalization (Marketing, physical AGM etc.)

Core net profit performance YTD 2022

All figures in CHF million



- Increase in core EBIT due to strong EBIT performance of strategic acquisitions
- Financial result negatively impacted by unfavorable FX development and additional interest expenses
- Increase in core taxes and in core tax rate due to unfavorable change in regional profit mix

1) Before amortization of capitalized goodwill (2022: TCHF 2'530) and intangible assets (2022: TCHF 1'982) from acquisitions. Adjusted for related income tax effects (2022: TCHF -376) for Core net profit.

Consolidated balance sheet

in TCHF

| | Dec 2021 | in % | June 2022 | in % |
|--|----------------|--------------|----------------|--------------|
| Current assets | 200 631 | 62.3 | 208 951 | 63.2 |
| Non-current assets | 121 258 | 37.7 | 121 421 | 36.8 |
| Total Assets | 321 889 | 100.0 | 330 372 | 100.0 |
| Current liabilities | 104 103 | 32.3 | 111 275 | 33.7 |
| Non-current liabilities | 128 899 | 40.0 | 114 691 | 34.7 |
| Equity | 88 887 | 27.6 | 104 406 | 31.6 |
| Total Equity and Liabilities | 321 889 | 100.0 | 330 372 | 100.0 |
| Net Debt | 61 059 | | 80 030 | |
| Gearing ratio (net debt in % of equity) | 68.7 | | 76.7 | |
| Net debt / EBITDA (LTM) | 2.6 | | 3.0 | |
| Net debt / EBITDA (LTM, Acqu. pro forma) ¹⁾ | 2.0 | | 2.5 | |
| Equity Ratio | 27.6% | | 31.6% | |

- Solid performance end June across the core bank covenants (equity ratio 31.6% and leverage net debt / EBITDA of 2.5 including acquisition pro forma).
- Net debt CHF 80 million up CHF 19 million due to operating Net Working Capital increases and SMT Acquisition, partially offset by MCB cash inflow

1) Acquisitions are included for twelve months pro forma as defined in the covenants agreed with the banking syndicate.

Consolidated cash flow statement

in TCHF

| | H1/2021 | H1/2022 |
|---|---------------|----------------|
| Net profit | 5 160 | 812 |
| Depreciation, amortization and impairment | 4 954 | 9 878 |
| Other non cash items | 1 435 | 696 |
| Changes in working capital ¹ | -9 626 | -28 101 |
| Net cash from / (used in) operating activities | 1 923 | -16 715 |
| Purchase of Property, plant and equipment (net) | -3 532 | -4 956 |
| Purchase of intangible assets | - 231 | - 133 |
| Acquisition of subsidiaries, net of cash acquired | | -13 984 |
| Net cash used in investing activities | -3 763 | -19 073 |
| Free cash flow | -1 840 | -35 788 |
| Net cash (used in) / from financing activities | -5 331 | 5 704 |
| Currency translation effects | 326 | - 550 |
| Cash flow | -6 845 | -30 634 |

- Working capital (mainly inventory) increased in H1 and had a major negative impact on our operating cash flow
- Acquisition major investment
- Financing activities capture balance of mandatory convertible bond cash inflow, offset by repayment of facility B outflow

¹ Working capital including other current assets and other current liabilities

Positive impact of acquisitions - Pro-forma performance

All figures in CHF million

| Half Year 2022 | | Reported | Pro-Forma |
|-------------------|---------|----------|-----------|
| | Revenue | 157.7 | 164.0 |
| EBITDA | 15.0 | 15.6 | |
| % Margin | 9.5% | 9.5% | |

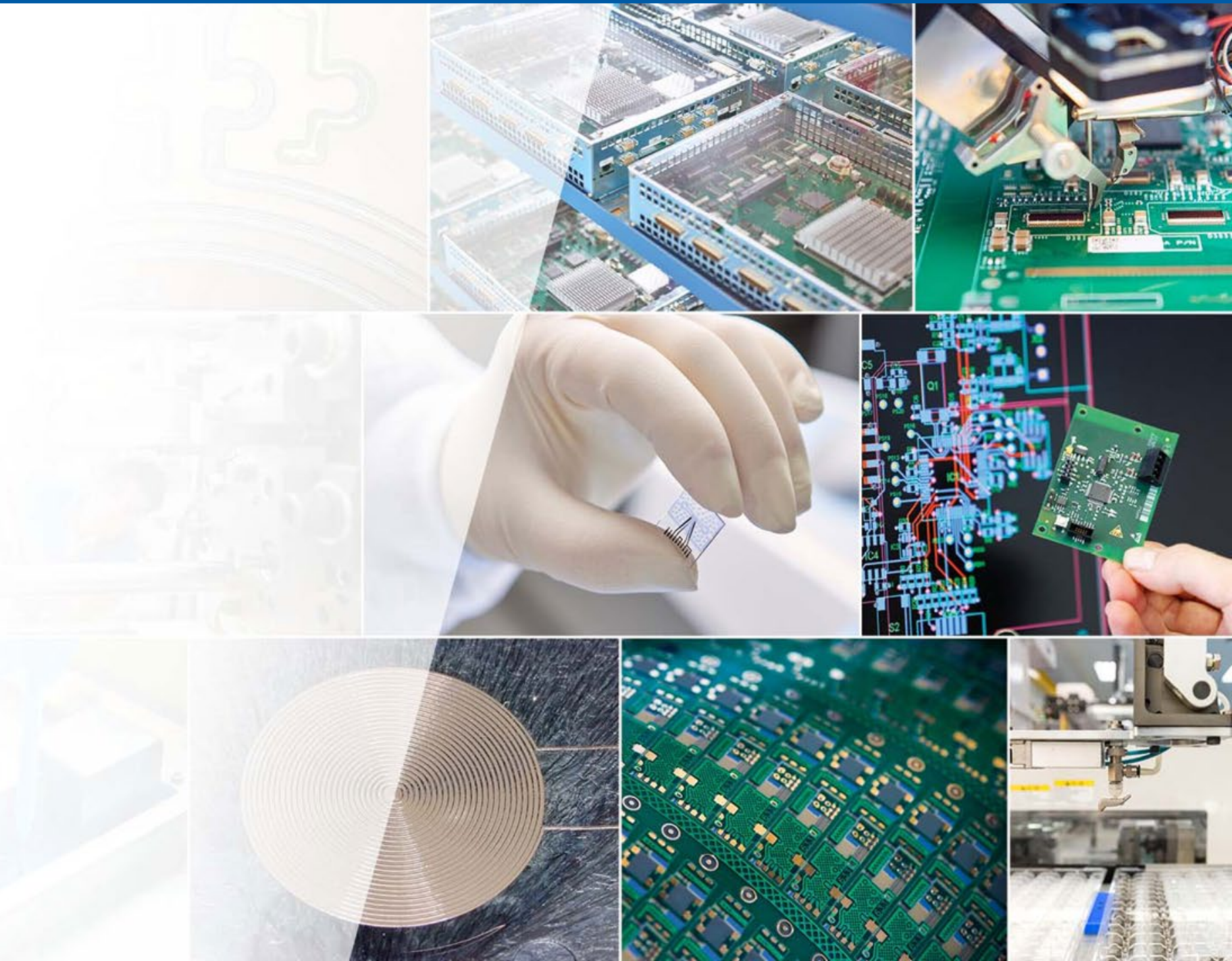
| Last Twelve Months (LTM) | | Reported | Pro-Forma |
|-----------------------------------|---------|----------|-----------|
| | Revenue | 280.1 | 316.3 |
| EBITDA | 26.5 | 32.3 | |
| % Margin | 9.5% | 10.2% | |

- Acquisition of Axis (Consolidation as of December 2021) and SMT (consolidation as of May 2022) significantly impact our half-year and last twelve month results
- Including Axis and SMT pro-forma for half-year and last twelve month highlights true underlying size and contributions of new Cicor Group
- Cicor will continue with its growth strategy to grow both organically as well as pursuing attractive acquisitions

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Alexander Hagemann

Outlook 2022



Outlook

Expectations for 2022



- Normalization of order intake as result of global uncertainties
- Continuing shortage of electronic components hinders faster growth
- The high order backlog and the bulging new project pipeline should at least partially compensate for these negative effects, but we nevertheless expect a slowdown in organic growth
- Cicor expects to achieve sales of CHF 300 - 320 million in 2022 with a slightly changed EBITDA margin compared to the first half of the year

Investor Relations

Agenda 2022/2023

- Investora 2022 September 22, 2022 in Zurich-Stettbach (Switzerland)
- Deutsches Eigenkapitalforum November 28 - 30, 2022 in Frankfurt (Germany)

- Annual Report 2022 March 2023
- Annual Shareholder's Meeting 2023 April 2023
- Interim Report 2023 August 2023

Investor Relations

Contacts



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Thank you for your attention

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