



# **Capital Markets Event 2023**

## **Cicor Technologies Ltd.**

Zurich – December 4, 2023

December 4, 2023

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<b>On our way</b>	04:30 PM
Opening and Strategy Update	-
Alexander Hagemann	05:00 PM
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<b>Value creation through M&amp;A</b>	05:00 PM
Cicor's M&A Strategy, Execution & Results	-
Peter Neumann	05:30 PM
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<b>Doing more with less</b>	05:30 PM
Driving returns through operational excellence	-
Marco Kechele	05:50 PM
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<b>Strategic collaboration</b>	05:50 PM
Cicor and Clayens - a perfect match	-
Eric Pisani (Clayens) & Alexander Hagemann	06:20 PM
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<b>Conclusion</b>	06:20 PM
Alexander Hagemann	-
	06:30 PM

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**On our way**  
Opening and Strategy Update

Alexander Hagemann (CEO)

Alexander Hagemann

# **The Cicor Group**

## High-tech Electronics CDMO\*

Sales growth YTD Q3/2023

**25%** to **CHF 294.5M**

Organic growth of 10.2%  
Sales 2023E CHF 380-410M

Sales to strategic markets

**84%**

Industrial, Medical,  
Aerospace & Defence

**15**

Production sites, resilient  
setup in Europe and Asia

EBITDA margin 1HY23

**10.7% (+120bp)**

Market position Europe (EMS)

**No 9, goal top 1-3**

In each of Cicor's core markets

**2,500**

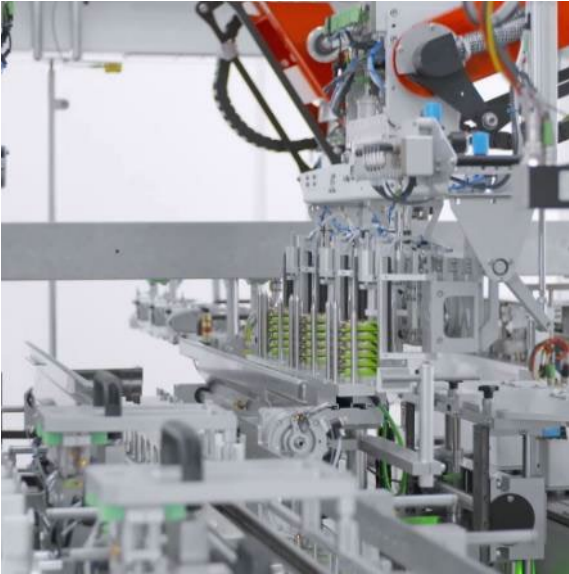
Cicor employees

\*) CDMO: Contract Development and Manufacturing Organization, also referenced as Electronics Manufacturing Services (EMS)

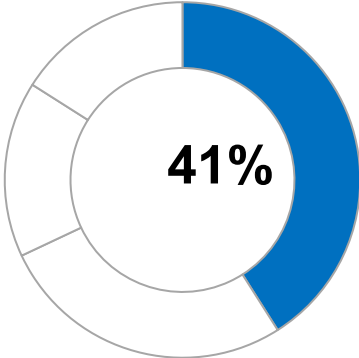


Electronification of everything

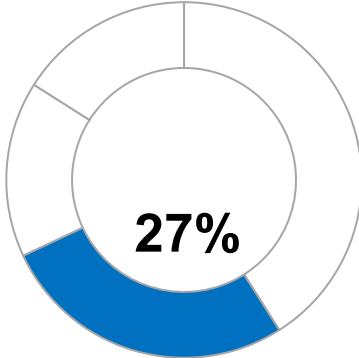
# “Cicor inside” in three core markets



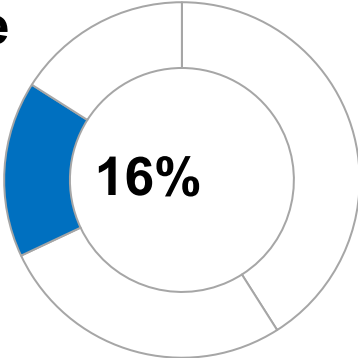
**Industrial**



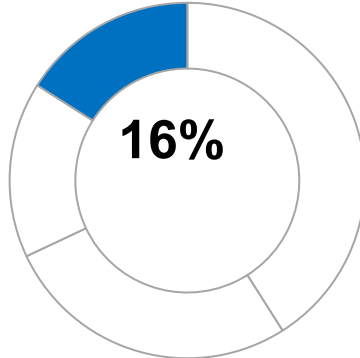
**Medical**



**Aerospace & Defense**

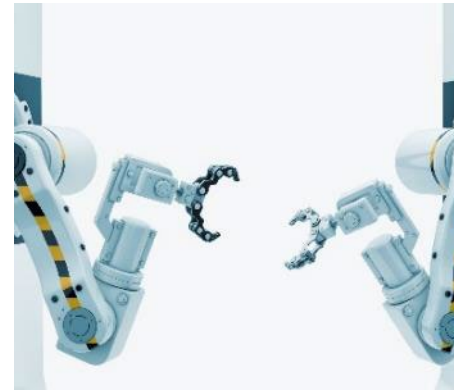
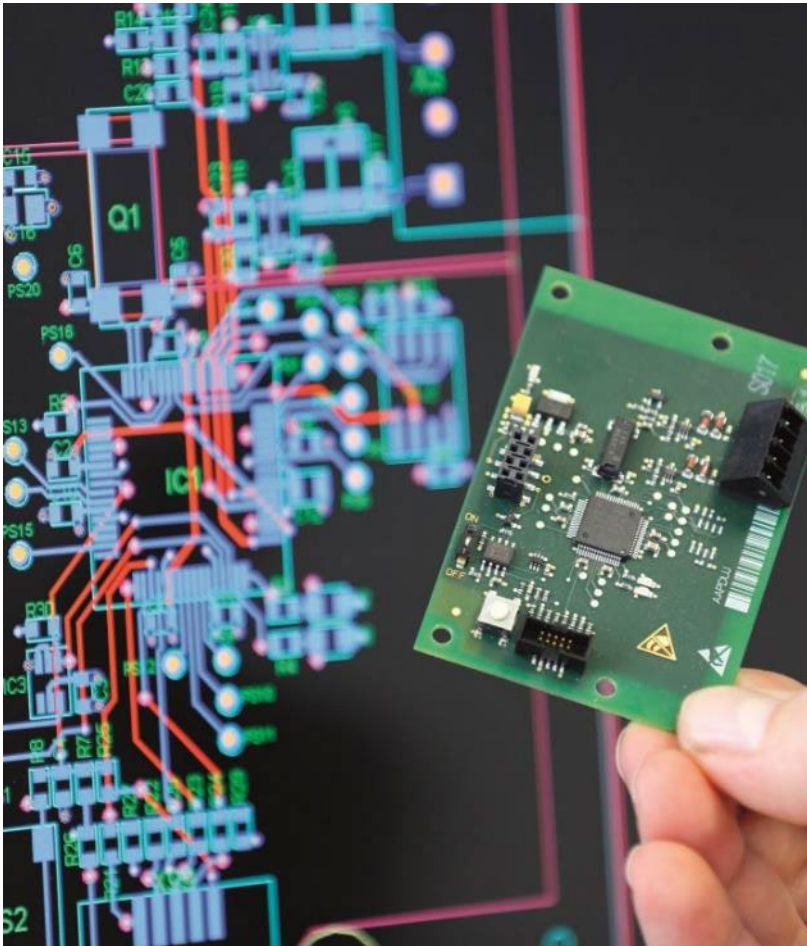


**Other**



H1 2023 share of net sales

# Industrial – sense, control, automate

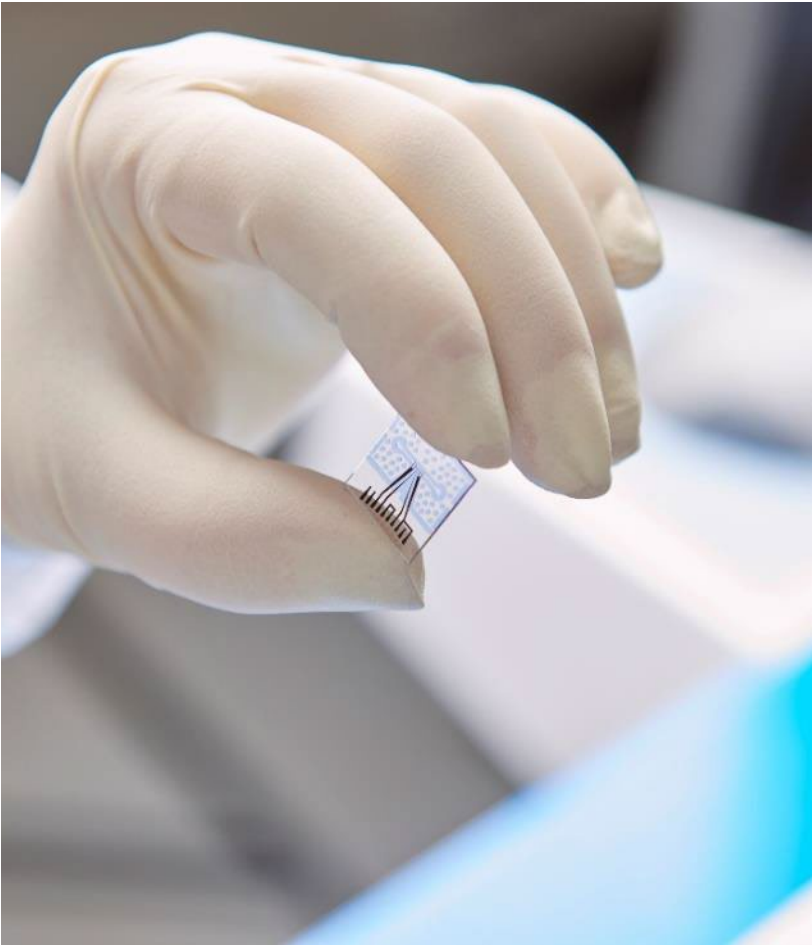


## Application examples

- Semiconductor equipment
- Test, measurement, control systems
- Robotics
- Sensors
- Smart building



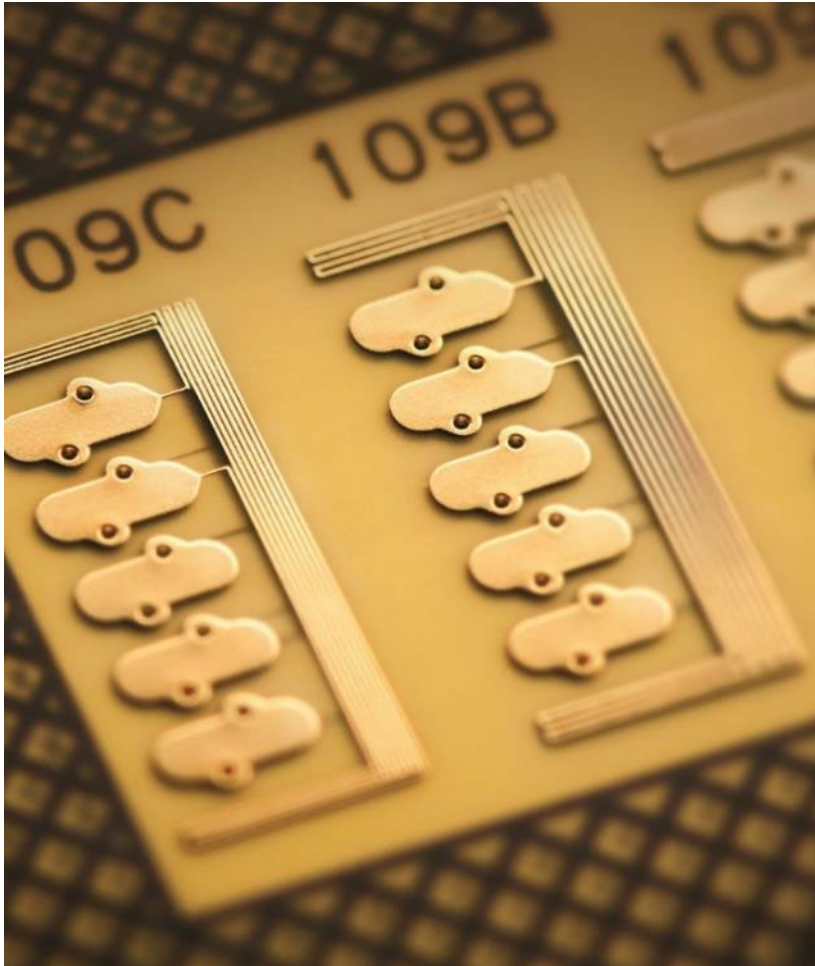
## Medical – Improving global healthcare



### Application examples

- Hearing aids
- Surgery robots
- Pacemakers and defibrillators
- Medical imaging systems
- Smart drug delivery devices
- Neurostimulators

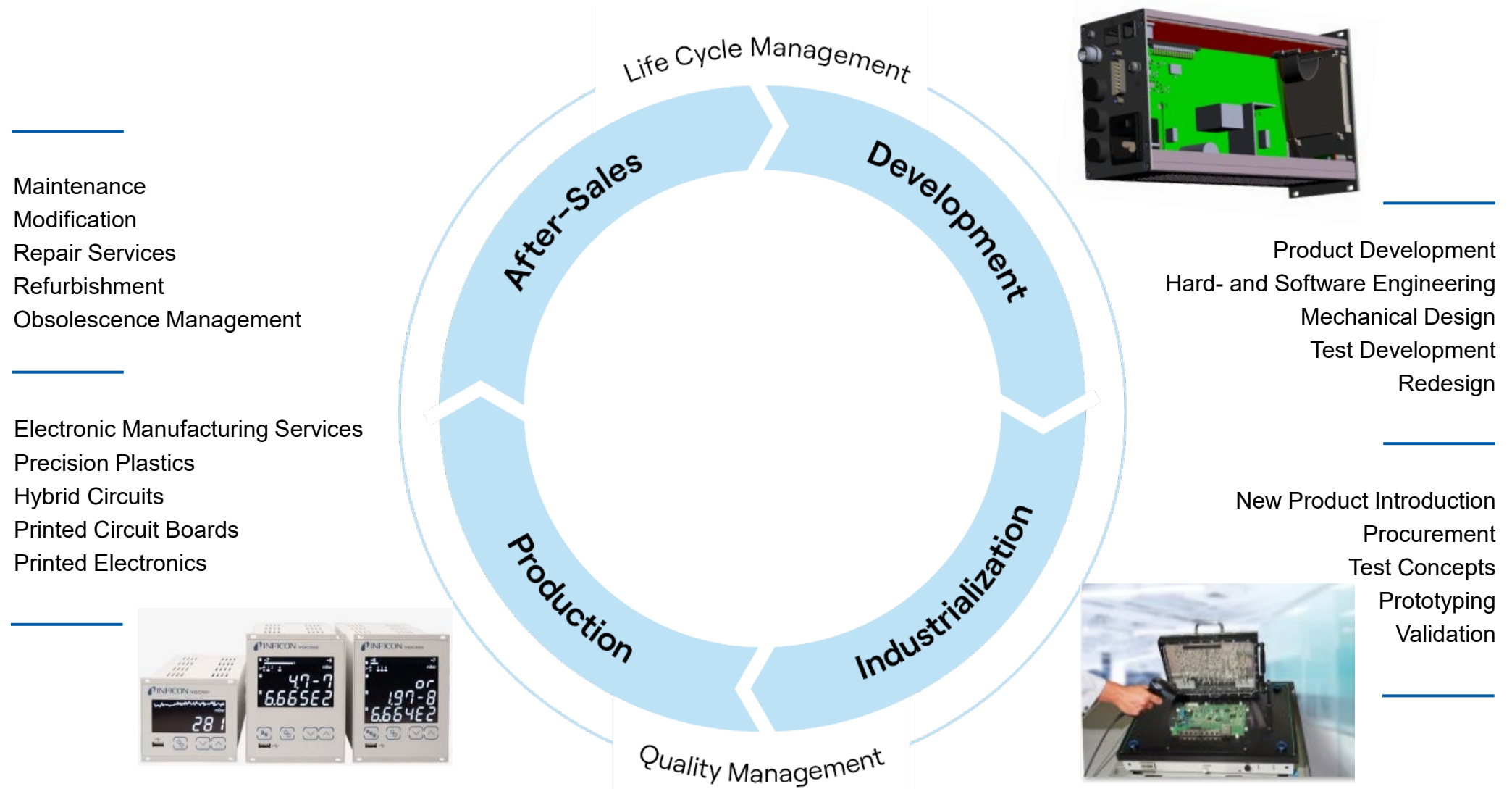
# Aerospace & Defence – The space is Cicor's limit



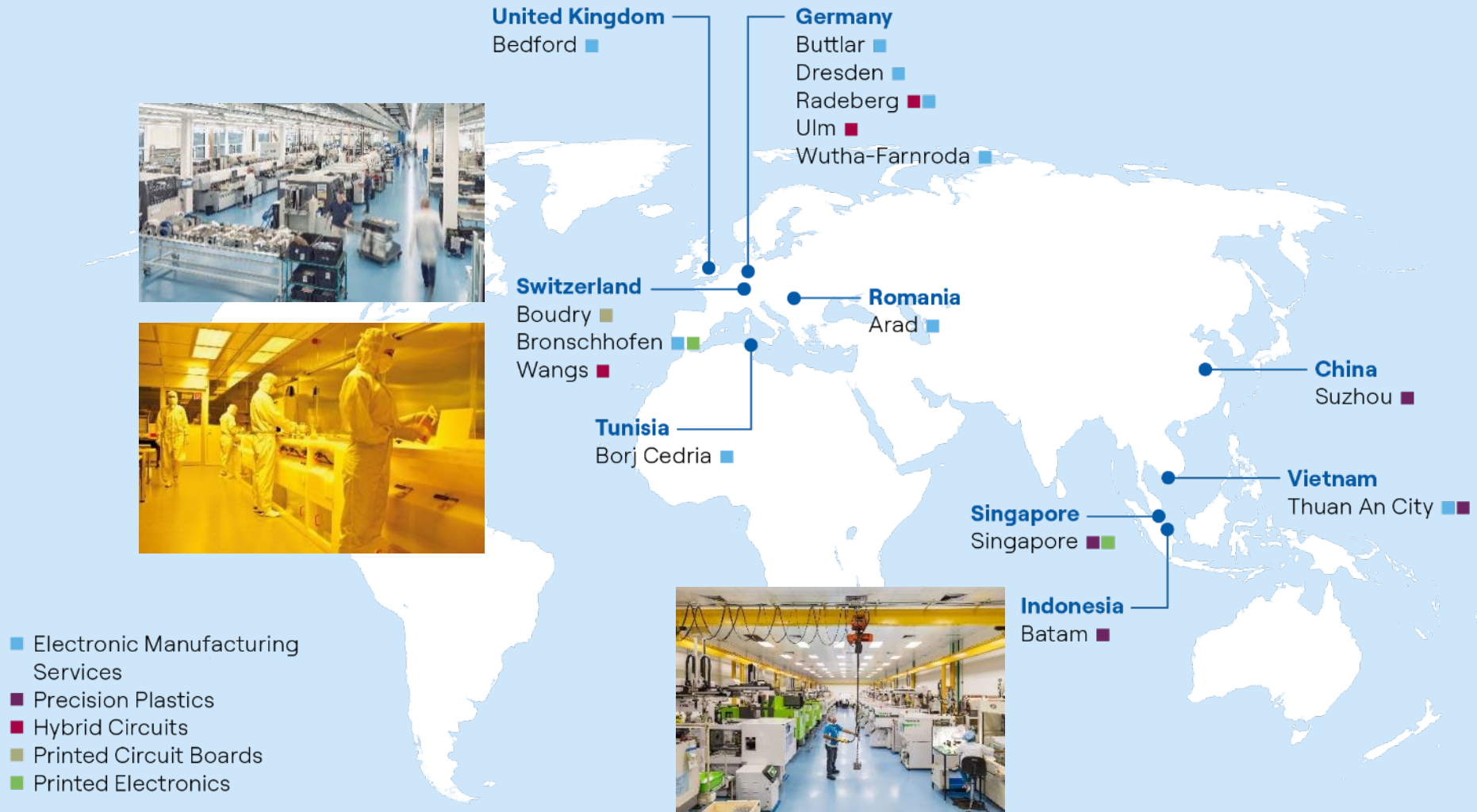
## Application examples

- Communication modules for satellites
- T/R modules for radar systems
- Camera systems for Mars robot
- High-end aerospace electronics
- Passenger aircraft entertainment systems

# One stop shop – from design to finished product



# Close to customers and competitive - footprint for CHF 500m sales

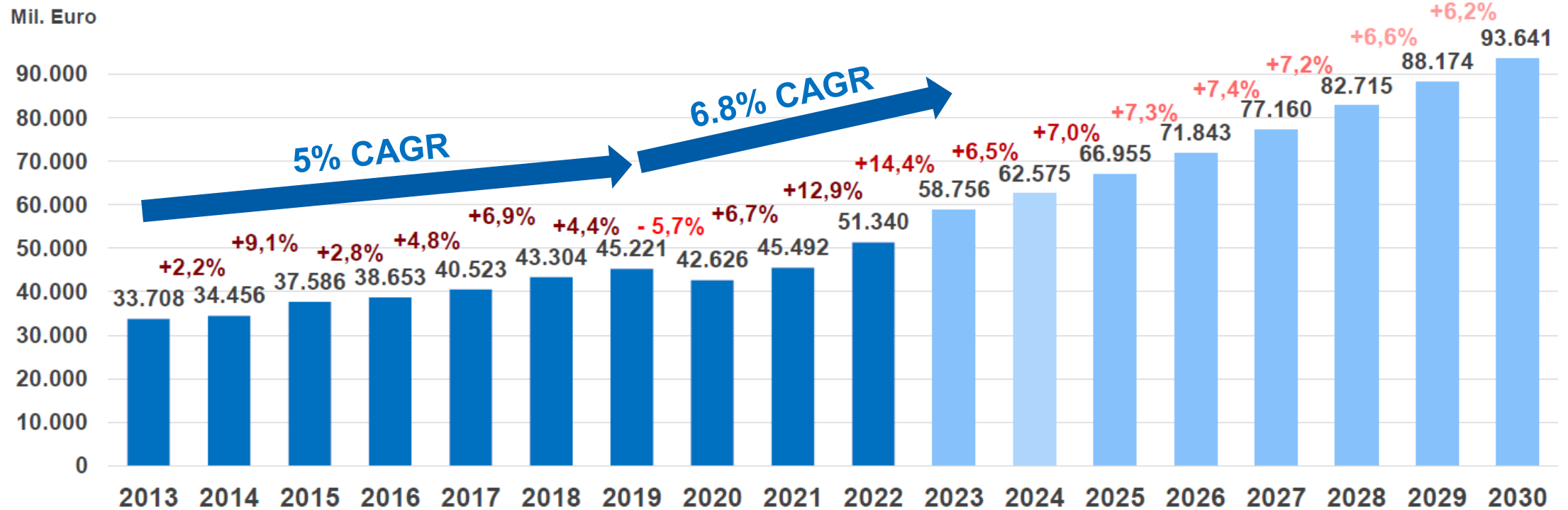


Alexander Hagemann

# Strategy Update

# A good market to be in

## European EMS market with inherent structural growth



In Mil. USD	44.768	45.775	41.701	42.782	45.781	51.142	50.173	47.819	52.679	54.199	63.456*	67.581	72.312	77.591	83.332	89.332	95.228	101.132
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Source: Weiss Engineering (in4ma) September 8, 2023

## Megatrends drive momentum – 8-10% growth of addressed market

**Electronics market growth** driven by automation, connectivity and electronification\*

~ 5% CAGR

+

OEM focus on core competencies and **outsource development and production\*\***

~ 2% CAGR

+

**Near- / reshoring trend** – Clients looking for alternatives to China

~ 1 - 3% CAGR

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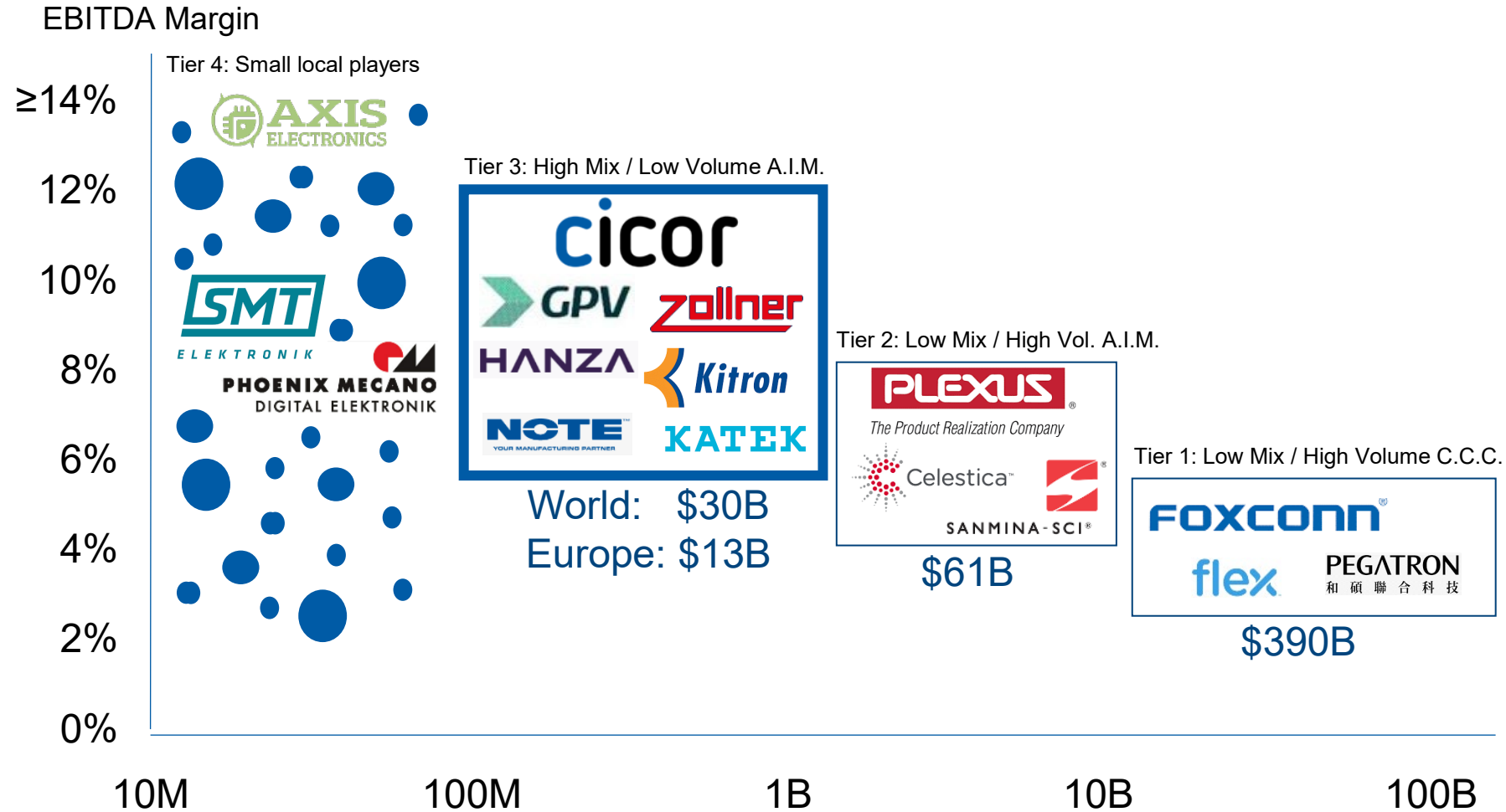
~ 8 - 10 % CAGR

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\*) Volume growth in USD. Source: New Venture Research Corporation, 2023; \*\* Outsourcing expected to rise from 36% to 39% 2021 – 2026 - share of electronics manufactured by EMS. Source: New Venture Research Corp., 2023

Positioned in the most attractive segment of electronics manufacturing

# Cicor operates in the sweet-spot of scale at attractive margins



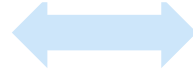
A.I.M.: Aerospace & Defense, Industrial, Medical. CCC: Consumer, Computer, Communication

Annual sales in USD



# Cicor is well positioned to benefit from megatrends

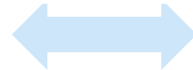
## Capacity to 'own the trend'



Megatrends accelerate EMS market growth to CAGR of 6.9%

Cicor manufacturing infrastructure supports organic growth to CHF 500 million without further factory expansion

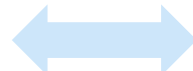
## On the safe side of the economic cycle



Downturn of cyclical markets in 2022-2023, volatile automotive market

Cicor avoids CCC (consumer, computer, communication) and automotive markets

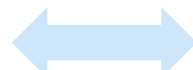
## Global decoupling – Cicor already there



Electronics manufacturing partially moves out of China and closer to end markets

Cicor has strengthened footprint in Southeast Asia, Romania; capacity reserves and Tunisia as new nearshoring location

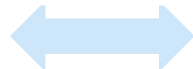
## Automation everywhere



Labor shortage in Europe and parts of Asia due to demographic shift

Cicor invests into automation and the digitization of business processes. New engineering center in Vietnam

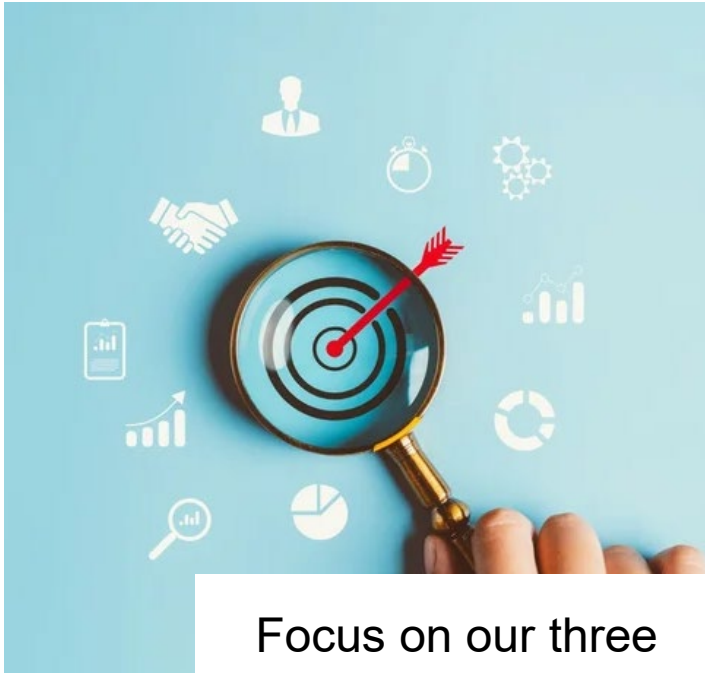
## Dry powder



Industry consolidation: customers reduce number of suppliers, require stronger set of capabilities

Cicor as one of the fastest growing and most profitable EMS providers drives consolidation with a focus on core markets

# A strong platform for organic growth and industry consolidation



Focus on our three **core markets** with highly profitable high-mix/low-volume businesses



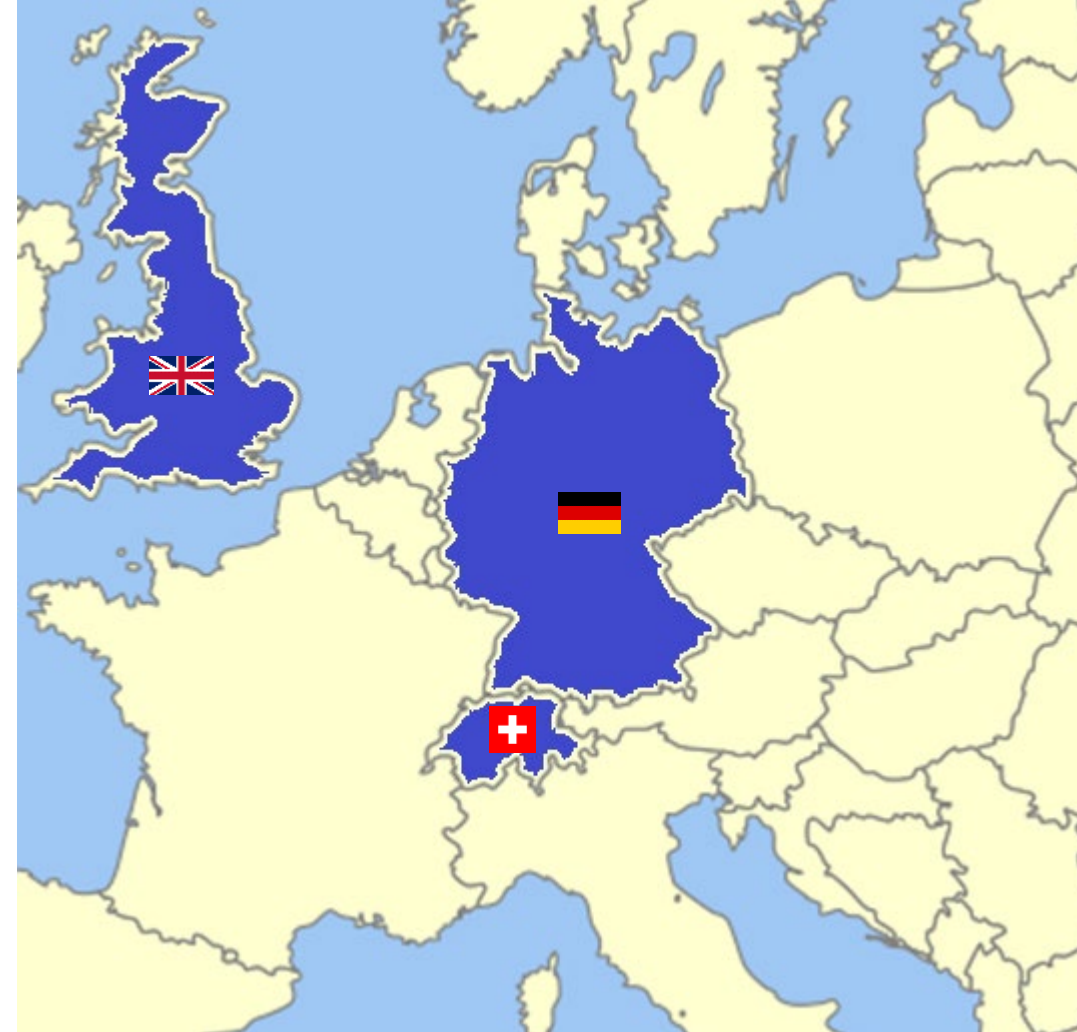
**Strategic customer relationships** through excellent solution finding, differentiated technology portfolio and flawless execution










Active consolidation through **M&A**

# Making Cicor a European leader one country at a time

- UK market leader with focus on Aerospace & Defense after acquisition of Axis Electronics (11/2021) and STS Defence (signing in 11/2023 with closing expected within coming months)
- Strong position in Germany after acquisition of SMT Elektronik (04/2022) and Phoenix Mecano Digital Electronic (01/2023)
- Significant expansion of addressed market
- Latest acquisition establishes Tunisia as additional best cost country for manufacturing
- AFT Microwave carve-out (03/2023) strengthens business of hybrid substrates



# Clients choose Cicor as one-stop shop

	Industries				Solutions						
	Medical	Industrial	A&D	Automotive	Engineering Services	EMS	Precision Plastics	Metalwork	Hybrid Circuits	PCB	Printed Electronics
	●	●	●		●	●	●		●	●	●
	●	●	●	●	●	●		●			
	●	●			●	●					
	●	●	●	●	●	●					
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	●	●		●	●	●					
	●	●		●	●	●					

Alexander Hagemann

# **Business Update & Outlook**

## 25% year-to-date sales growth and positive outlook

### YTD (9 months) figures:

- Sales of CHF 294.5 million (09/2022: CHF 235.6 million)
- Organic growth of 10.2%
- Order intake of CHF 329.4 million (09/2023: CHF 283.4million)
- Book-to-bill ratio of 1.12

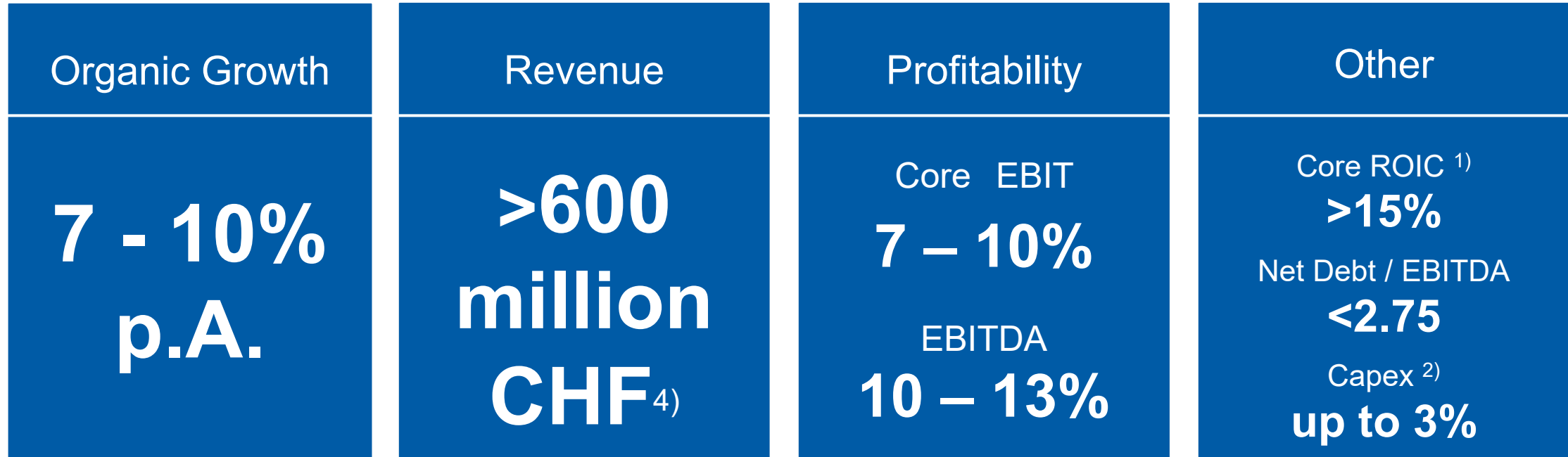


## Robust sales and earnings growth

- 5:1 ratio of new customers won vs. customers lost
- YTD book-to-bill ratio of 1.12 – orderbook covering almost one year
- Full year 2023 guidance:
  - Net sales of CHF 380 - 410 million
  - Operating result (EBITDA) of CHF 40 – 45 million



## Continuing on the growth trajectory



- Cicor is well positioned to face economic headwinds due to its strategic markets being more resilient.
- Acquisitions will continue to play an important role as we see attractive opportunities with high returns.
- Dividends to be considered once Cicor delivering sustainable positive net cash flows. <sup>(3)</sup>

1) ROIC in % = Core EBIT (12m rolling) / Average Net Invested Capital (12m rolling)

Average Net Invested Capital (12m rolling) = Equity plus Financial liabilities minus Intangible assets out of business combinations

2) CAPEX guidance expressed as % of revenue excluding major footprint expansions

3) Positive operating cash flows higher than negative investment cash flows (incl M&A) and financing cash flows (incl repayments) in at least two consecutive years.

4) The current mid-term guidance includes some moderate level of acquisitions.



## Cicor – an asset for your portfolio

- **Market with resilient growth** driven by megatrends of electrification, outsourcing and nearshoring
- **Strategy targeting the most profitable segments of the market:** Industrial, Medical, Aerospace & Defense
- **Value accretive buy and build strategy** with disciplined approach and integration playbook
- **Management with track-record** for successful organic and inorganic growth



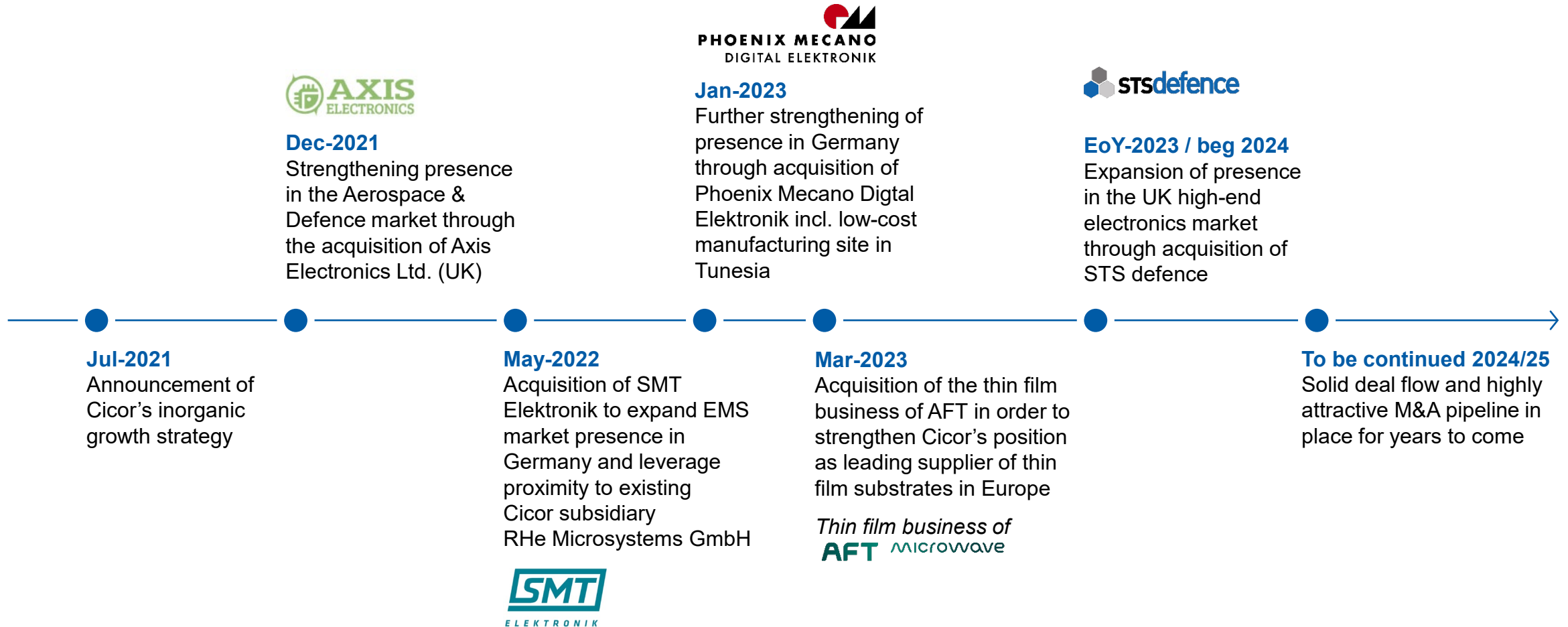


# **Value creation through M&A**

## **Cicor's M&A Strategy, Execution & Results**

Peter Neumann (CFO)

# Since launch of its active M&A strategy, Cicor has successfully signed one acquisition within its core business every 6 months



Note: Dates in timeline refer for acquisitions to month as of when companies were included in Cicor consolidation scope

# The EMS market is a highly fragmented and growing market, predestined for consolidation through M&A

## Highly fragmented market

- **1.700 EMS companies** in Europe (thereof many smaller owner-led EMS companies looking for succession options).
- Top 10 companies representing **only 50%** of the total market.
- To date, **no clear winners** or players with clear leadership position.

Source: Clearwater International, 2017  
Source: Weiss Engineering (in4ma), 2023

## Large, growing market

- EMEAs EMS market has a size of **>CHF 55B** (2023) and a forecasted CAGR of 8-10% until 2030.
- Cicor's core segments (Medical, Aerospace & Defence & High End Industrial) represent around 25% of EMS market.

Source: Weiss Engineering (in4ma), 2023  
Source: Global Insight Services, 2023

## High customer loyalty

- Cicor operate in markets with high customer loyalty / retention.
- **High entry barriers** for competitors in **mission-critical applications** through engineering partnerships, validation cycles and government regulations.
- High mix / low volume EMS players with a **history of consistently higher margins** than commoditized low mix / high volume segments.

## Clear economies of scale

- Clear **economies of scale** and **competitive advantages** of larger players.
- **High synergy potential** in terms of revenue, cost savings and cash benefits.
- Customers are actively searching for a **consolidated and reliable supply base**.

## Long-term market development

A consolidated market with significantly increased profitability of the leading EMS players

# Clear strategy to establish Cicor as leading EMS solutions provider for A&D, Medical and High-End Industrial



Driving industry consolidation in Europe with a focus on well-managed manufacturers and highly attractive customer portfolios within Cicor's core business segments.

**What we do**

Expand into segments with lower customer retention like consumer or automotive.

Enter into technologies that are not critical for winning in our core segments.

Acquisitions without clear synergies  
Paying above market multiples.

**What we don't do**

## Selected qualitative acquisition criteria

- **EMS customer verticals:** corresponding to Cicor's target markets, i.e.: **high-mix/low-volume** applications for Industrial, MedTech, and Aerospace & Defence
- **Cultural fit** and manageable **integration risks**
- **Strong management** and senior leadership
- Attractiveness of **gross margin** (indicator of customer intimacy)
- **Regional focus:** Europe; strategic investments in other regions
- Attractive **customer portfolio**
- **Growth potential** and cost / cash **synergies** with Cicor Group

## Selected financial acquisition criteria

- **Value-accretive** transaction for Cicor shareholders (Reasonable EV / EBITDA multiples, EPS accretive in less than 2 years, topline / cash / cost synergies etc.)
- **Size:** Above CHF 20M (Revenue); smaller deals based on strategic rationale and synergies

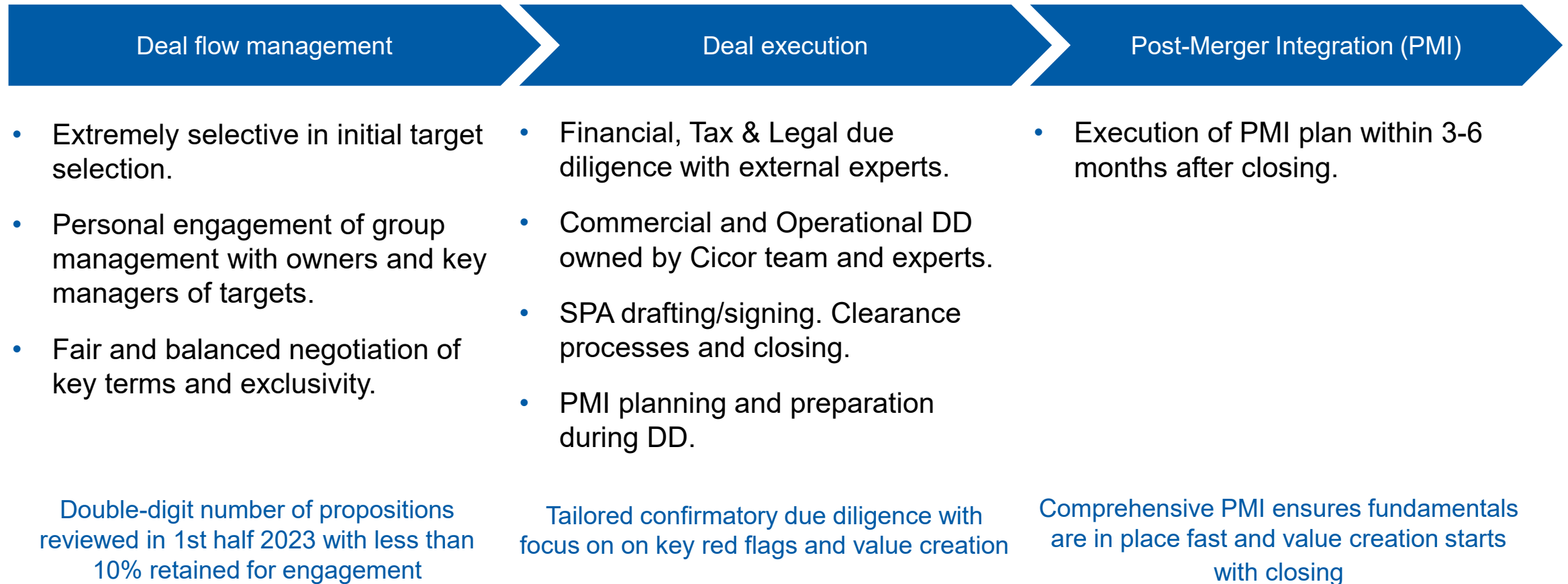
## Strong Financial foundation – Announced Increased Financing

MCHF	Previously	New	Change
Revolving Credit Facility	80	120	40
Acquisition Line - Existing*	75	75	0
Acquisition Line - New		50	50
<b>Total Financing</b>	<b>155</b>	<b>245</b>	<b>90</b>
Optional Acquisition Line		75	75

- Refinancing provides flexibility for future operational and acquisition requirements at attractive conditions
- Unchanged: Interests linked to SARON with margin grid depending on Cicor leverage (net debt / EBITDA)
- Net debt / EBITDA ratio at 1.56 (H1/2023) with free cash flow generation reducing leverage.

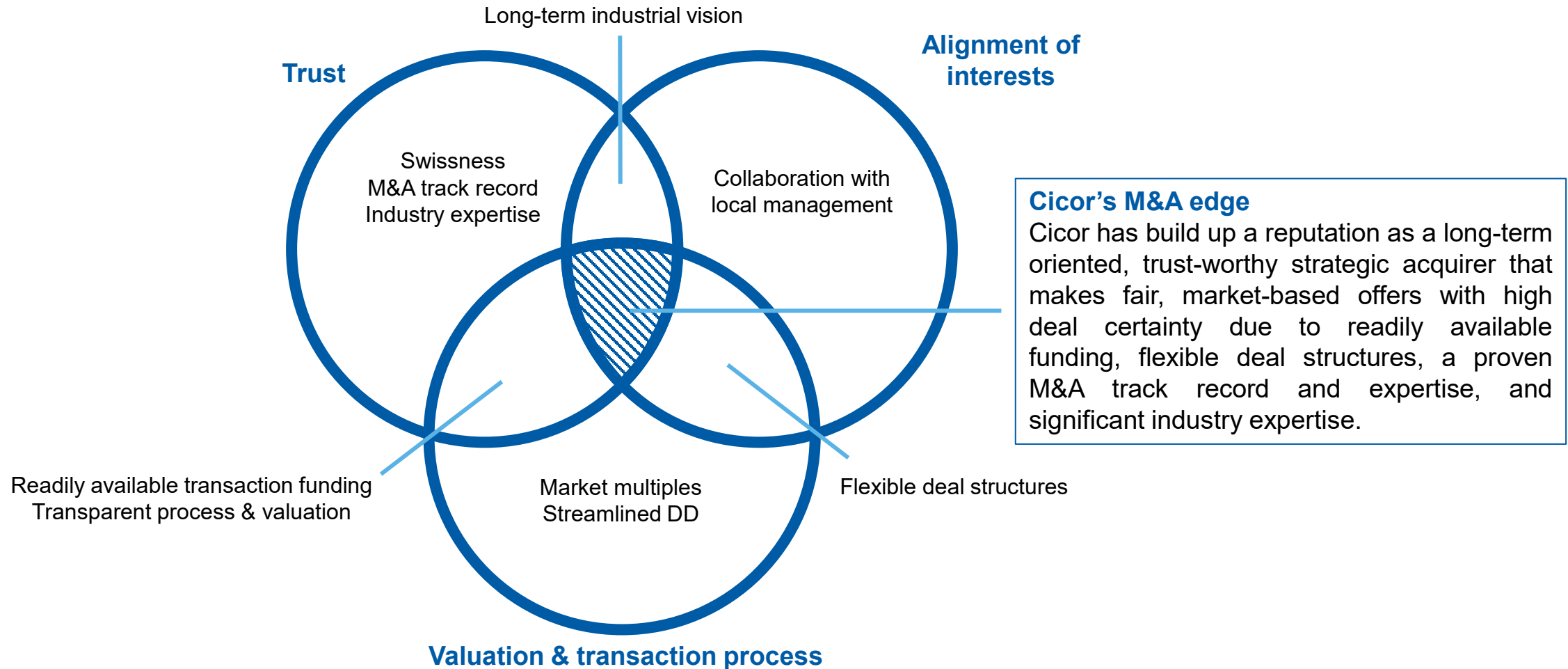
\*Existing Acquisition Line CHF 75M already partially amortised;  
CHF 48.75M remaining as per Oct-23.

# Cicor follows a disciplined, streamlined and proven M&A process



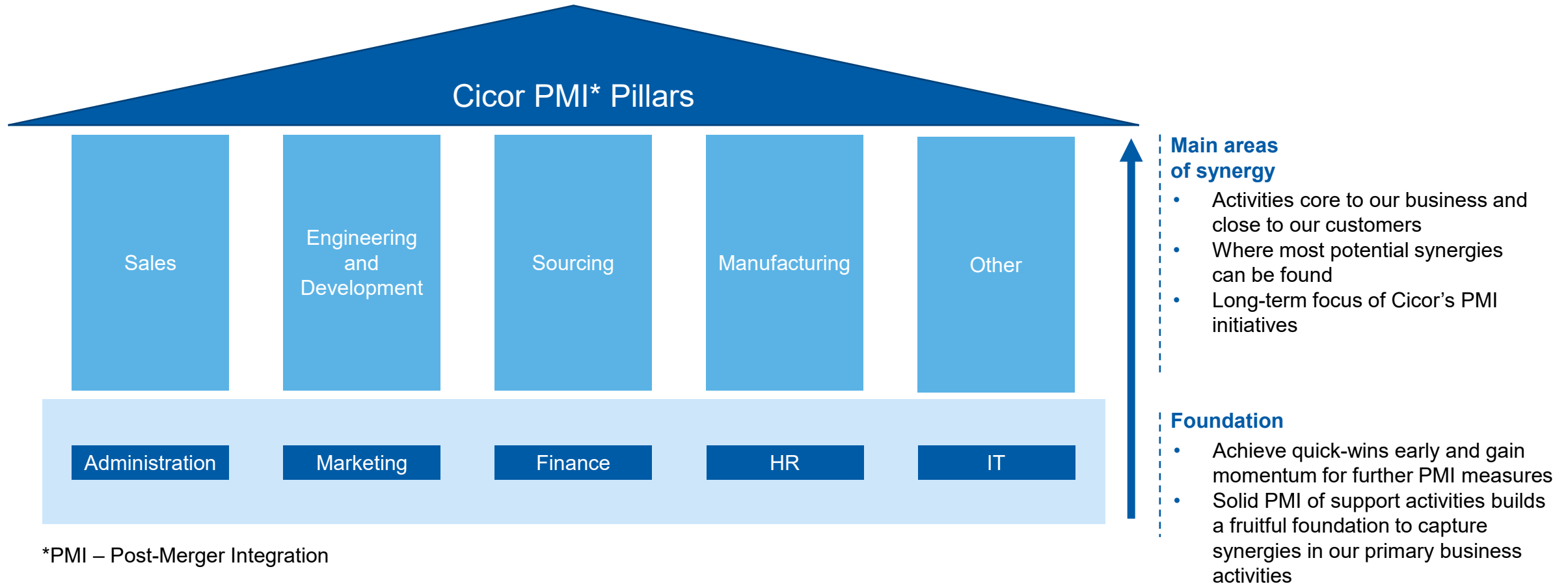
Why sellers choose Cicor

# Cicor often acquirer of choice for sellers





# Cicor employs a comprehensive PMI approach, ensuring a solid foundation to leverage synergies across all business activities



# Key areas of M&A Synergies

## Areas of synergies

## Results (examples)

### Revenue

- Customers can give more business to Cicor group.
- Geographically expanded production network for customers.
- Comprehensive tech portfolio.
- Ability to unlock supply chain constraints within Group.

*Axis achieved major multi-year business for a total value of around CHF 30M*

### Cost savings

- Synergies as Cicor leverages shared resources.
- Purchasing savings through scale and strategic sourcing capabilities.
- Implementation of Cicor's operational excellence tools.
- Supply network optimization.
- Corporate finance benefits (tax, refinancing, FX management etc.).

*EUR 0.5M savings in Dresden through combined SMT / RHE leadership (>200bps EBITDA margin pickup for acquired business).*

### Cash benefits

- Improved payment terms with key suppliers due to Group framework contracts.
- Improved working capital management.

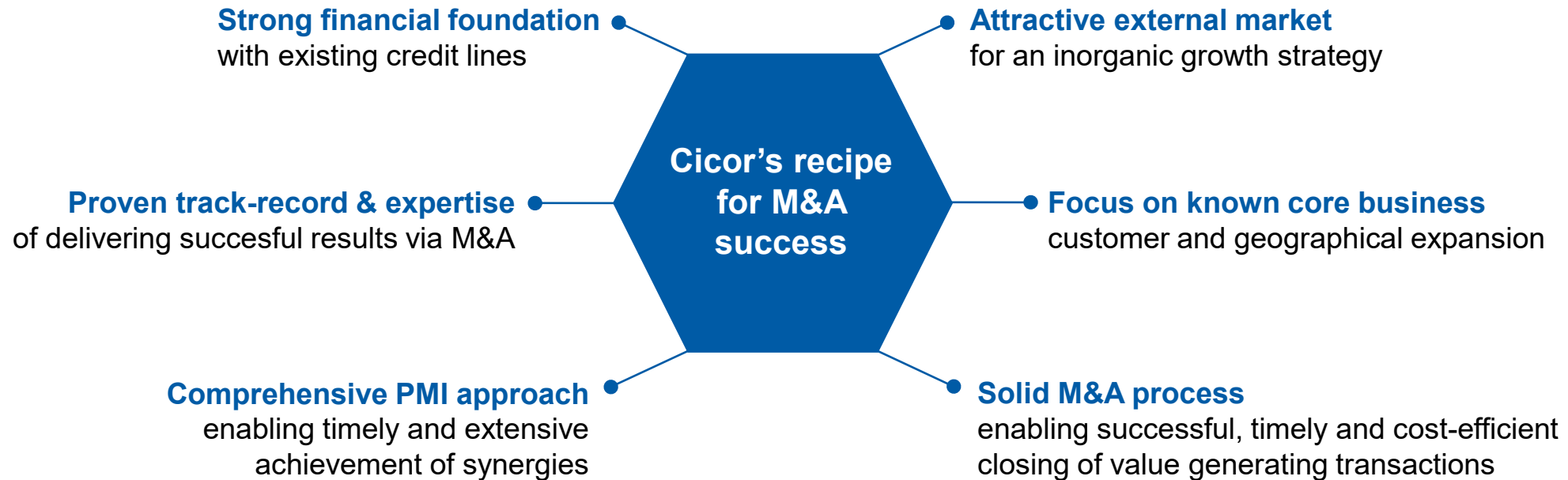
*Cicor has usually 30-60 days longer payment terms vs smaller stand-alone EMS players.*

# Cicor's acquisitions deliver excellent results

	Axis Electronics	SMT Elektronik	Phoenix Mecano Digital Elektronik	Thin film business of AFT	STS Defence
Date of completion	Nov 2021	May 2022	Jan 2023	March 2023	expected in 2023
Core geography	UK	Germany	Germany/Tunesia	Germany	UK
Core industry	A&D	Industrial / Medtech	Industrial / Medtech	Industrial / A&D	A&D
Pro forma Sales	GBP 33M in 2021	EUR 20M in 2021	EUR 32M 2022	EUR 2M 2022	GBP 27.5M LTM June 23
Complexity of integration	★☆☆	★★★	★★★	★★★	★★★
Integration status	completed	completed	ongoing	completed	preparation

- Since 2021 Cicor acquired CHF 95.1M revenue and CHF 14.8M EBITDA (investment case / pro-forma references excl. STS Defence) with 4-7 EV/EBITDA multiples (not forward looking multiples).
- Acquired businesses perform extremely well and forecasted 2023 CHF revenue +24% and EBITDA +37% vs pro forma values from investment cases despite negative FX.
- Order book on acquired business end October extremely strong (>1.5 times annual 2023 sales).

# Cicor's unique position to create value through M&A



The background of the slide is a stylized, glowing circuit board. It features a complex network of lines in shades of blue and orange, creating a sense of depth and connectivity. The lines are layered, with some appearing in the foreground and others receding into the background, giving it a three-dimensional appearance.

# Doing more with less

## Driving returns through operational excellence

Marco Kechele (EVP Operations)

# Wide range of Manufacturing Services



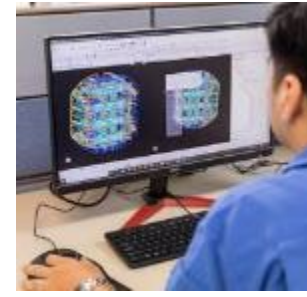
**NPI**



**Mold Design**



**Test Engineering**



**Product Design**

## Global Processes

- Product Design
- Process Engineering
- Global Sourcing
- New Product Introduction (NPI)



**Adv. Substrates**



**Plastics**



**Electronics**



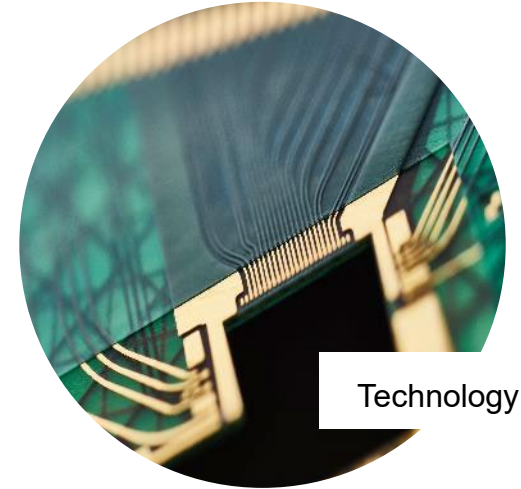
**Box building**

Customer

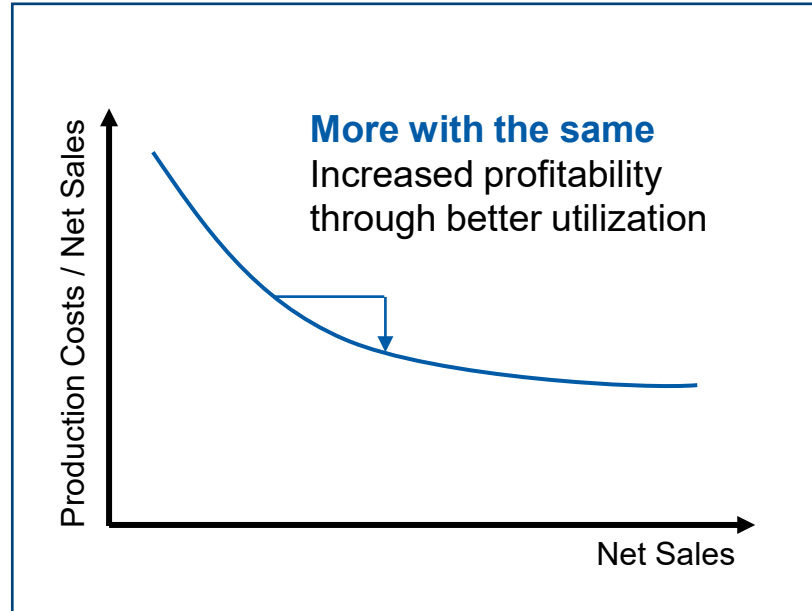
# How to accelerate growth



Digitalization



Technology



Operational  
Excellence



Footprint

How to accelerate growth

# Digitalization



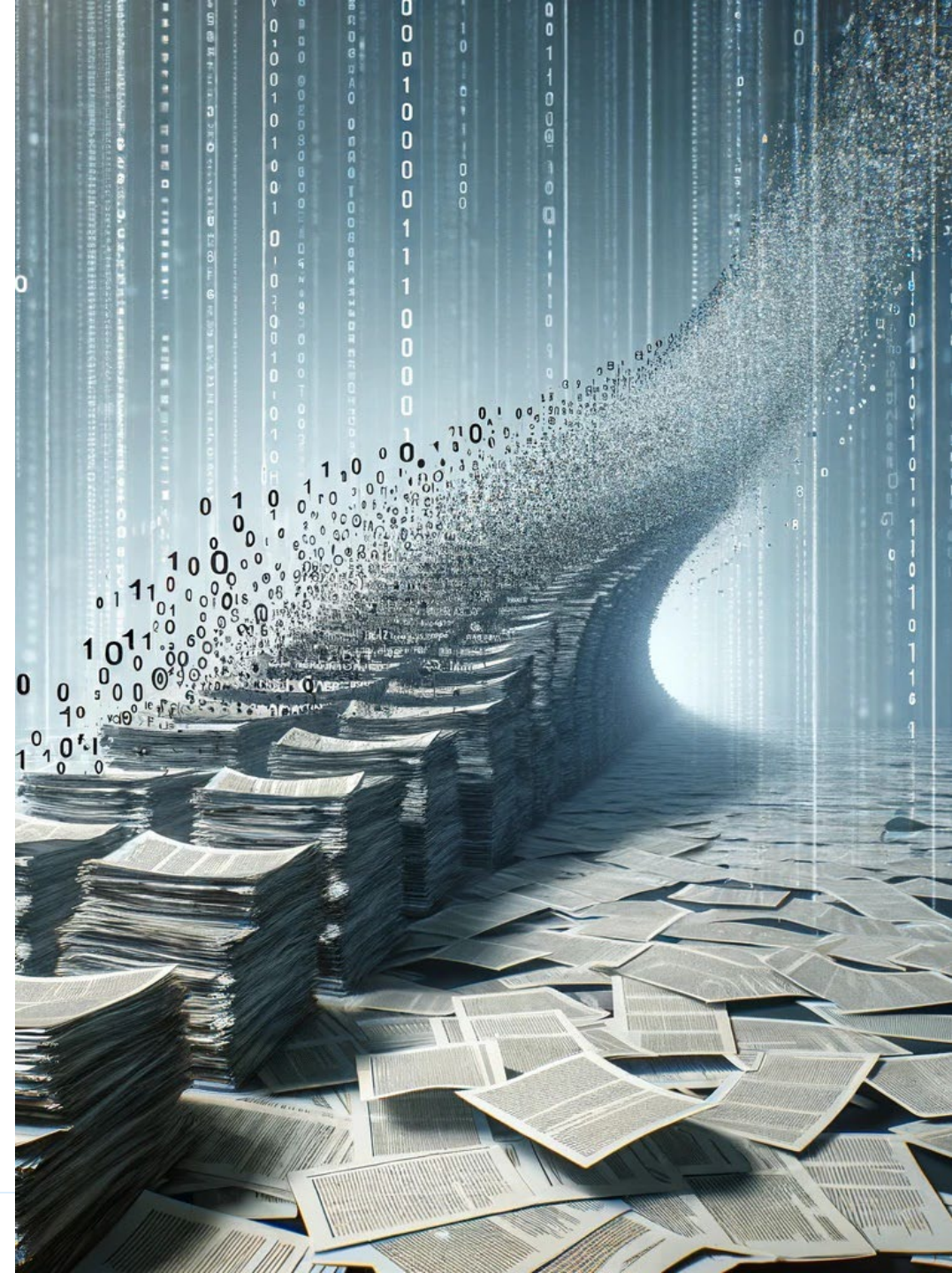
## ERP Process Automation with AI

- Implementation for automated invoice approval (approx. 100,000 p.a.) → complete
- Expansion to include purchase orders and goods receipts → scheduled for 2024



## Quotation Process Automation with AI

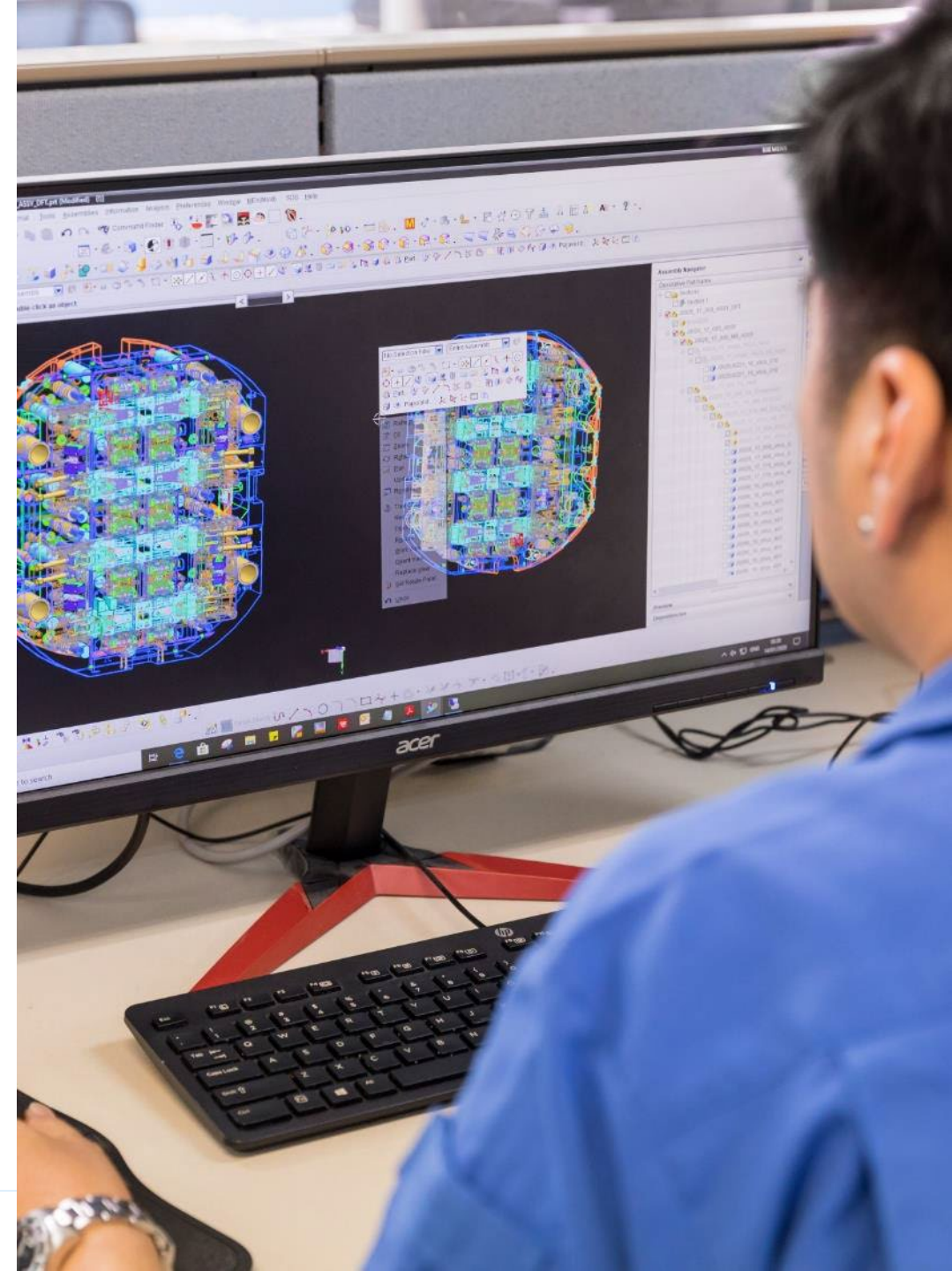
- Implementation for semi-automated calculation and quoting
- 60% faster, 30% less effort (savings ≈ CHF 900k p.a.)
- Pilot phase successfully completed
- Roll-out to all relevant EMS sites → scheduled for 2024





# Technology

- Continuous investment in leading-edge technologies
  - Leading position: thin-film technology (structures  $<10\mu\text{m}$ )
  - PCB manufacturing: lines/spaces down to  $25\mu\text{m}$
  - Aerosol Jet Printing: 2D/3D printed electronics  $< 10\mu\text{m}$
- Engineering Services
  - From co-design to the development of complete devices
  - Strong in medical technology with DHR/DMR documentation, experience in device registration (MDR, FDA)
  - Building up engineering competencies in Vietnam under the guidance of the development center in Switzerland
- Continuous adaptation of our quality standards
  - ISO 13485 (Medical), 15378 (Pharma), EN9100 (Aerospace)
  - ISO 9001, 14001, 18001 as basic



# Operational Excellence @Cicor

## Specialization

- Switzerland and Germany with a strong customer focus as the backbone of the company
- Arad (Europe) and Vietnam (Asia) as volume production sites for electronics
- Batam (Indonesia) with Singapore as a competence center for precision plastics
- Specialization on regulatory markets (Aerospace and Defense) in UK factories

## Facility Layout & Flow

- Investments in Cleanrooms for Electronics, Plastics, Microelectronics, and Box build
- Value stream mapping and space optimization programs in Germany, China and Indonesia deliver growth potential of between 40 and 70 %

## SMART Factory

- Integrated process controls
- Industry-benchmark Traceability system
- Digitalized quality management system
- Flexible automation with Cobots and NC connections

# Investments and acquisitions have further strengthened footprint

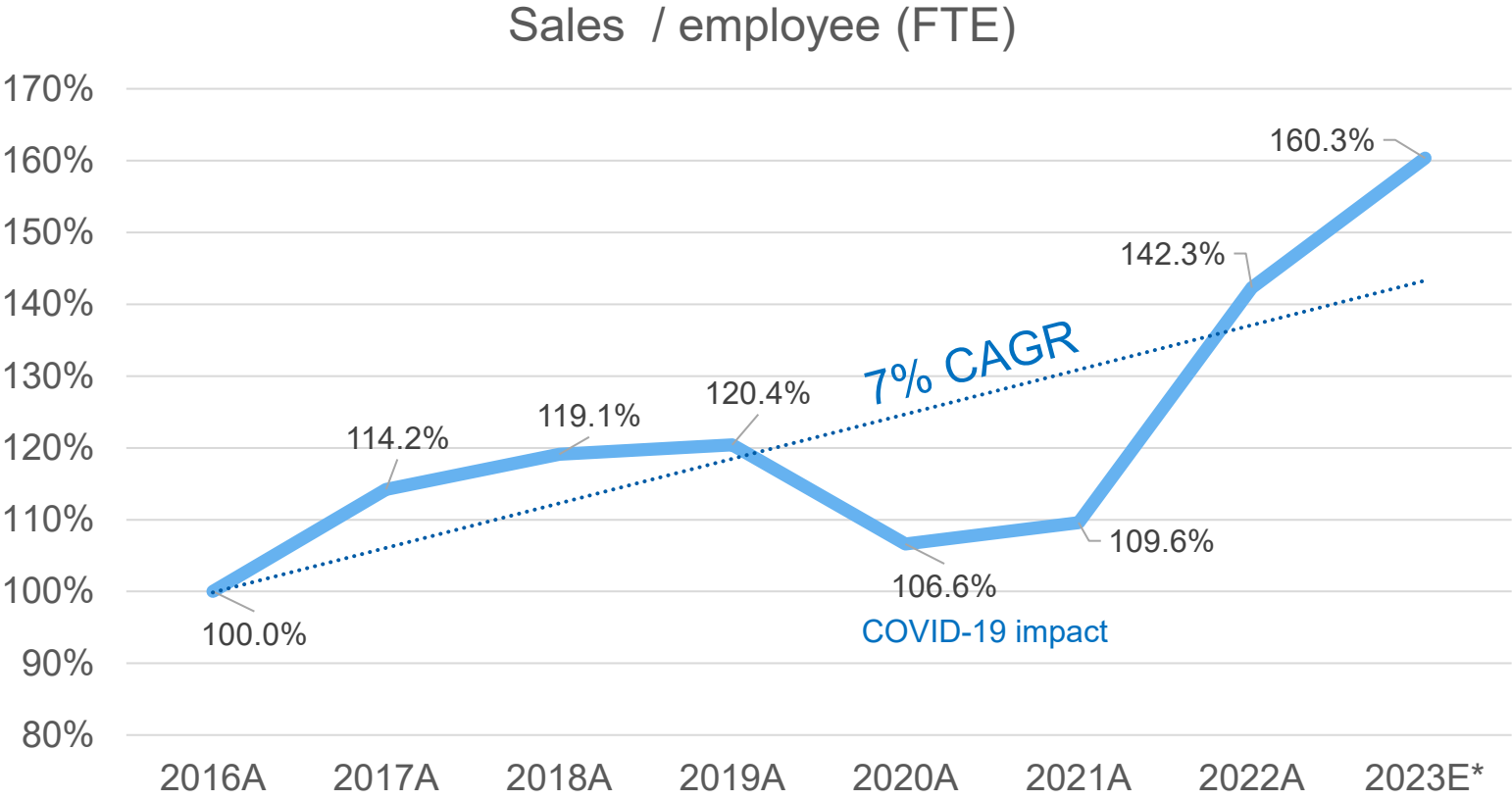
**Vietnam:** Doubling of manufacturing floorspace

**Tunisia:** Attractive location for PCBA, box building, cable assembly

**Germany:** Competence center for cable assembly



# Operating Performance



including external / temporary workforce (FTE)  
\* 2023E = half year sales extrapolated (x2)

The background of the slide is a blurred image of a factory floor. On the left, a robotic arm is positioned over a green printed circuit board (PCB) with various electronic components. On the right, there is a large, complex industrial machine with many pipes and components, possibly a part of a manufacturing or testing process.

# Strategic collaboration

## Cicor and Clayens - a perfect match

Eric Pisani (CEO of the Clayens Group)

Alexander Hagemann (CEO of the Cicor Group)

# Our Partnership Vision



**Alexander Hagemann**  
CEO Cicor Group

“This partnership does not only offer significantly larger scale and footprint to our customers, but it’s also about delivering smarter, more efficient, and infinitely more capable solutions.

By offering our combined capabilities, we're creating a one-stop-shop for innovation, quality, and efficiency, from concept to market, regardless of complexity.”

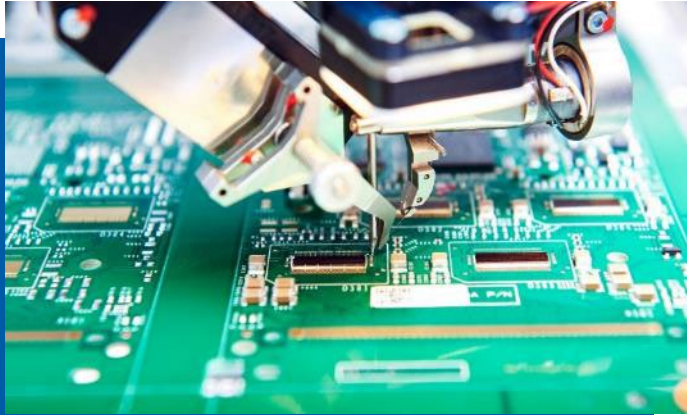


**Eric Pisani**  
CEO Clayens Group

“Our partnership goes beyond a simple collaboration; we’re creating a one stop solution partner that combines the best of both worlds—plastic and electronic—to better serve our clients.

It's a combination of visions, talents, and ambitions, aimed at creating unparalleled value for our clients and stakeholders.”

# Key Facts at a Glance



**2 500**

Employees

**15**

Sites

**11**

Cleanrooms

- Electronic Manufacturing Services in Europe and Asia
- Electronic Engineering in Europe and Asia
- Precision Plastics in Asia
- Tool design and fabrication in Asia



**5 000**

Employees

**31**

Sites

**9**

Cleanrooms

- Plastics Manufacturing Services in EMEA and North America
- Development from concept to market
- 5 Engineering Centers in EMEA & USA

# A Perfect Match

- **One-Stop CDMO, with unmatched know-how in both plastics and electronics**  
Customized and integrated technical solutions, from concept to market
- **Global complementary manufacturing capabilities**  
7 500 people, 46 plants and 20 cleanrooms
- **Accelerated innovation**  
Combining complementary skills and technologies
- **Quality assurance & regulatory support**  
Compliance with all stringent international standards
- **Market expertise**  
Know-how in our customer markets expectation

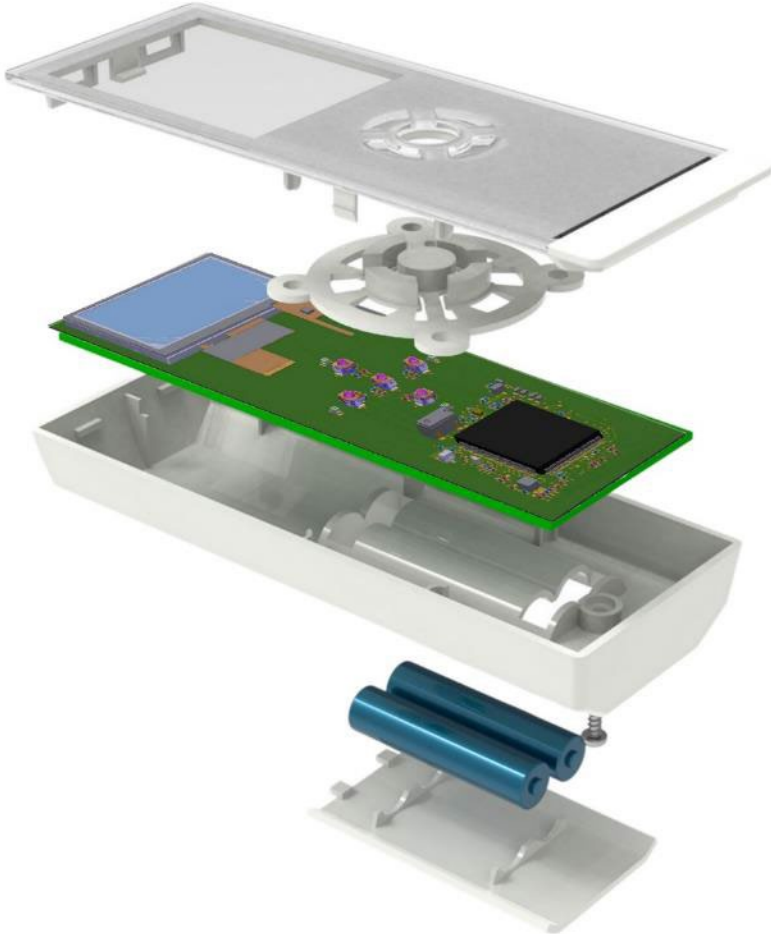




# Unmatched know-how in both plastics and electronics

## Cicor

- Product Development / Electronic
- Hybrid Circuits
- Printed Circuit Boards
- Printed Electronics
- Test Engineering
- Electronic Manufacturing Services



## CLAYENS

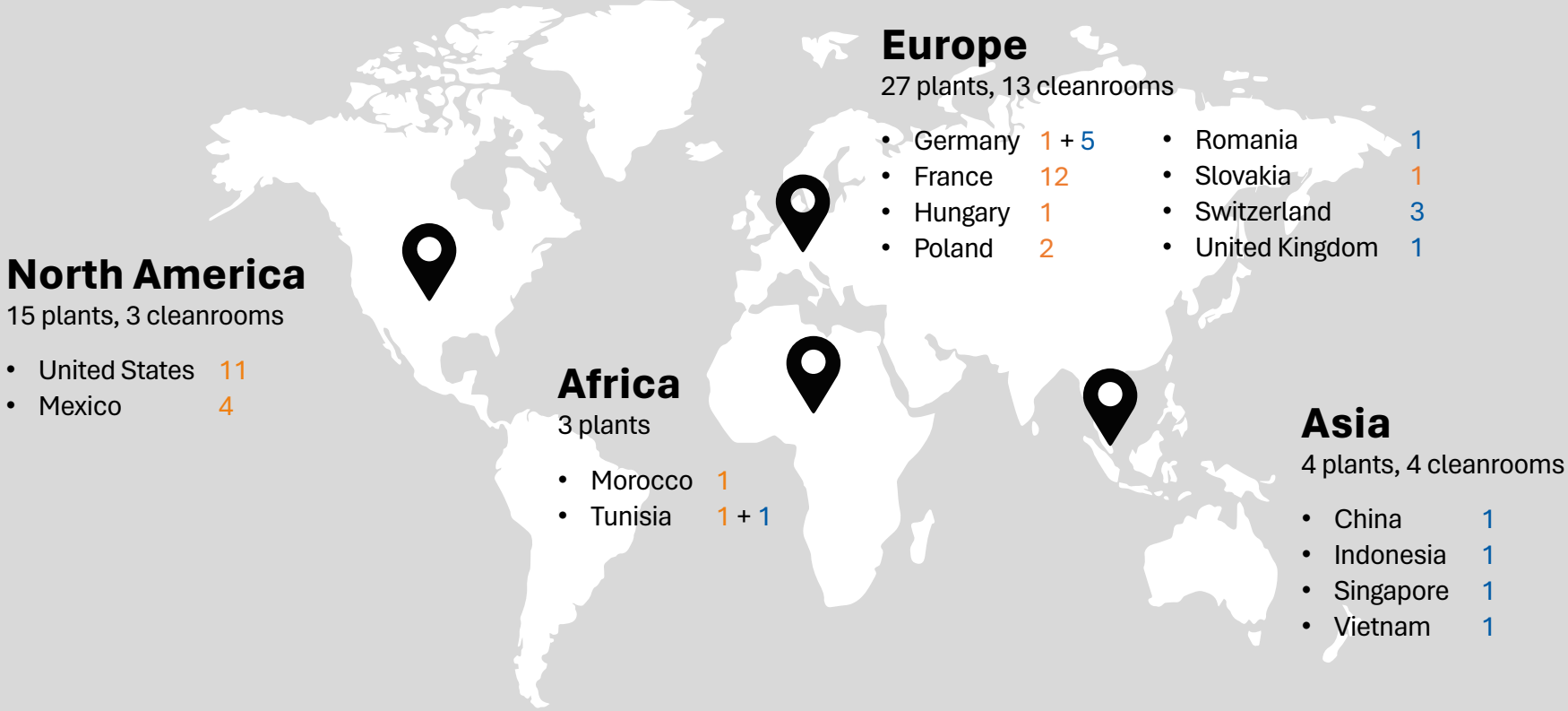
- Product Development / Mechanic
- Thermoplastic / Composite
- Plastic machining
- Thermoset
- Metalloplastics
- Metal manufacturing

# Global complementary manufacturing capabilities

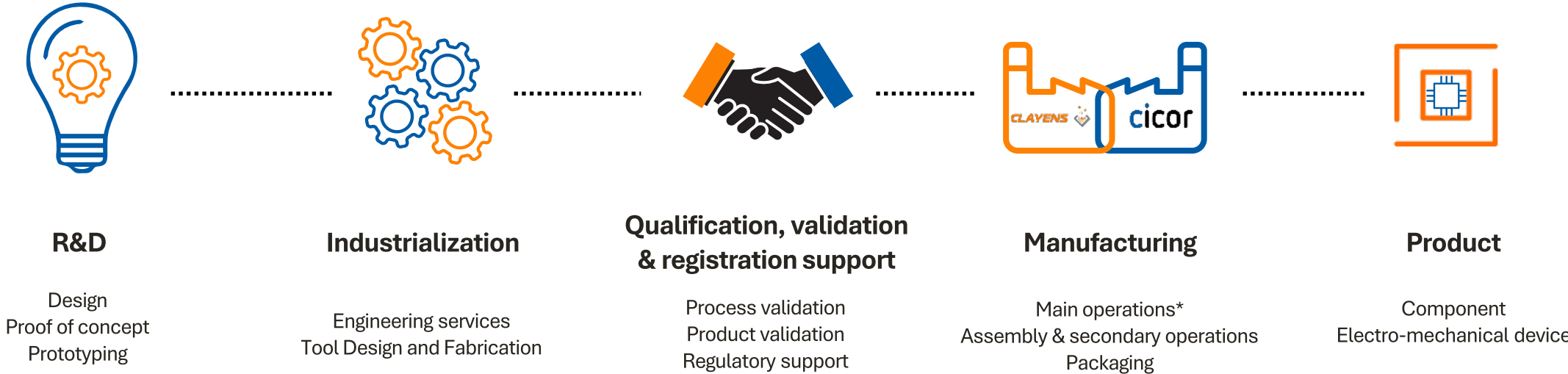
**7 500** People

**46** Plants

**20** Cleanrooms

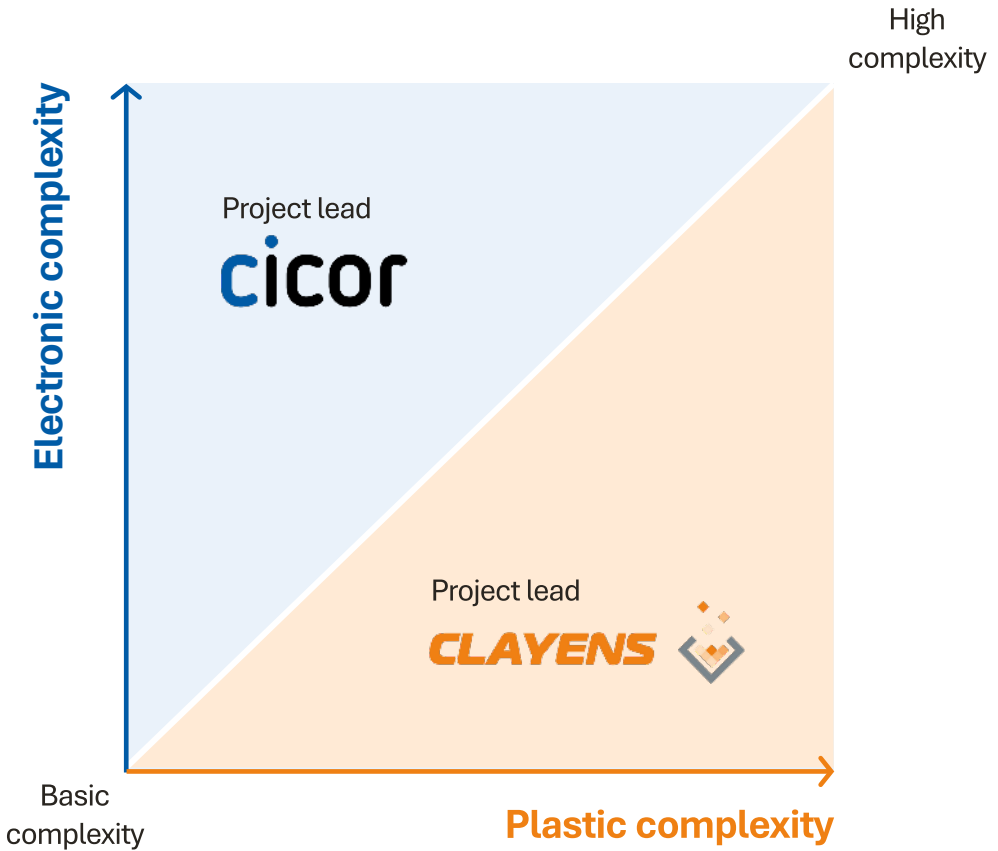
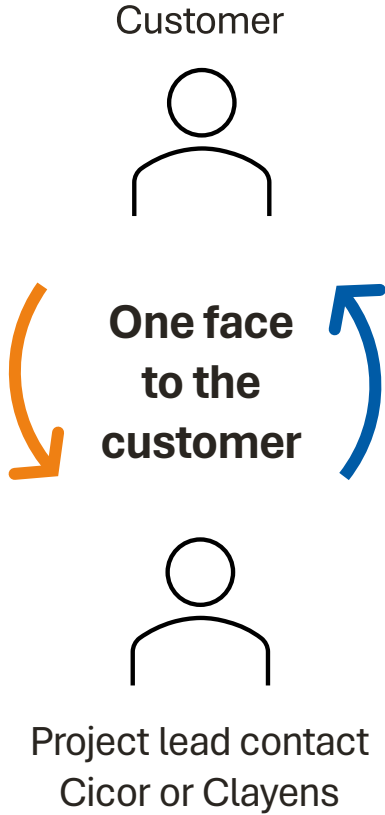


## Customized and Integrated Solutions, from concept to market launch



\* Main operations: • Electronic Manufacturing Services / Printed Circuit Boards (PCB) / Substrates and Hybrid Circuits / Printed Electronics  
• Injection Molding / Overmolding / 2K Molding / Micromolding / Plastic machining / Additive manufacturing / Thixomolding

# One face to the customer



Basic complexity



High complexity

**Independent Expertise, Unified Goal**

Each company works on its specialties—plastics for Clayens and electronics for Cicor—but always with a unified project goal in mind.

**Teamwork**



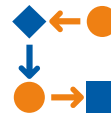
**Cross-Functional Teamwork**

Each company contributes a dedicated team of experts in plastics and electronics to work in tandem, ensuring seamless integration of both specialties.

**Separate but Aligned Project Management**

While each company manages its own project segment, key milestones and deliverables are coordinated to ensure seamless integration and timely completion.

**Project management**



**Unified Project Management**

Utilize a single, shared project management platform or interface to coordinate all activities, from initial design to final delivery, streamlining communication and decision-making.

**Localized Resource Utilization**

Each company leverages its own global resources for R&D, material sourcing, and manufacturing, but shares best practices for optimal results.

**Resource Utilization**

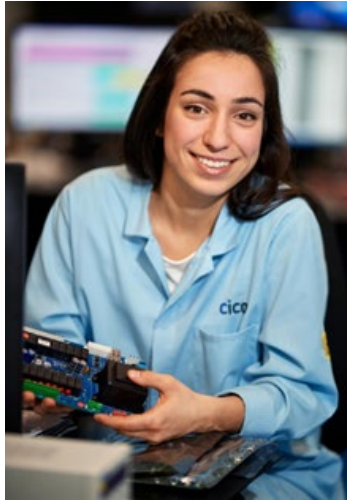


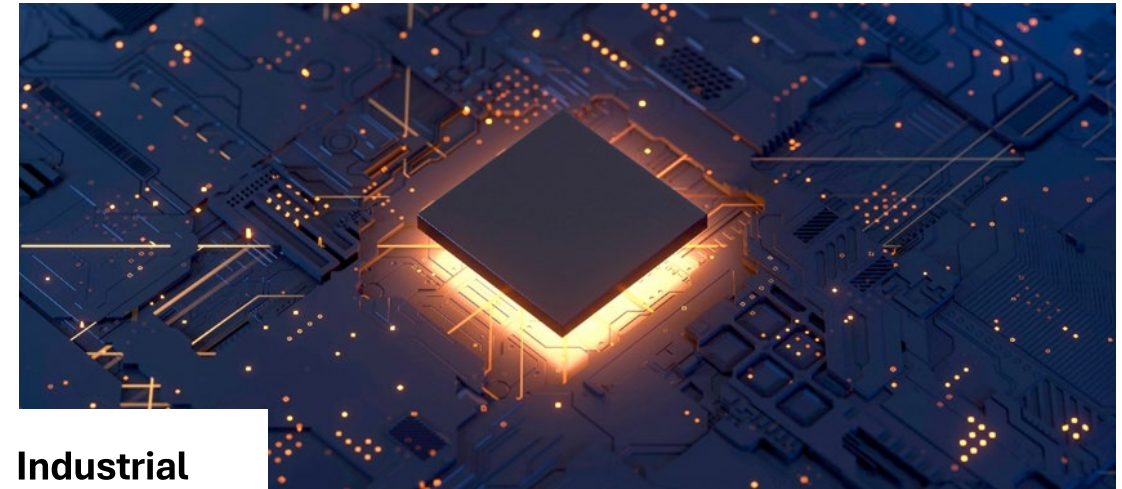
**Global Resource Utilization**

Leverage the combined geographical footprint and capabilities of both companies to source materials, conduct R&D, and deliver products, optimizing for cost-effectiveness and speed to market.

# Quality Assurance & Regulatory Support

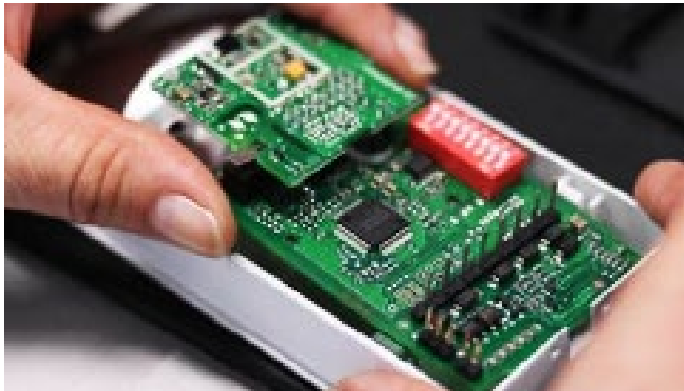
	cicor	CLAYENS 
<b>ISO 13485</b> Medical Products		
<b>ISO 15378</b> Primary Packaging Materials for Medicinal Products		
<b>IATF 16949</b> Automotive Industry		
<b>EN 9100</b> Aerospace Industry		
<b>JOSCAR</b> Joint Supply Chain, Accreditation Register		
<b>OHSAS 18001</b> Occupational Health and Safety Management System		
<b>AQAP 2110</b> Defense		
<b>ISO 14001</b> Environmental Management System		





**Full-cycle electronic and plastic solutions for a safe, connected world**  
Cicor and Clayens are both very well positioned in the medical technology and industrial markets. Thanks to the overlapping services, synergies can now be used, from which the customers benefit.

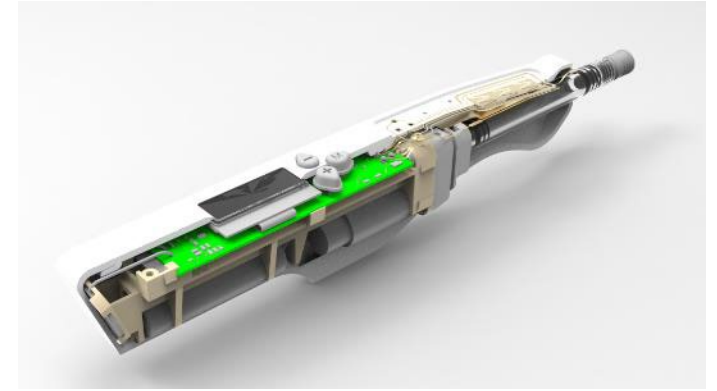
## Remote control



**Workstream Cicor**  
Main customer contact  
System engineering  
Electronic development  
PCBA manufacturing  
Box build

**Workstream Clayens**  
Coordination of external industrial designer  
System integration  
Mechanical design  
Manufacturing of the plastic parts

## Smart drug delivery device







# Conclusion

## Cicor Capital Markets Event 2023

Alexander Hagemann (CEO)



**Thank you for your participation**



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