



cicor

Halbjahresbericht 2022
Interim Report 2022

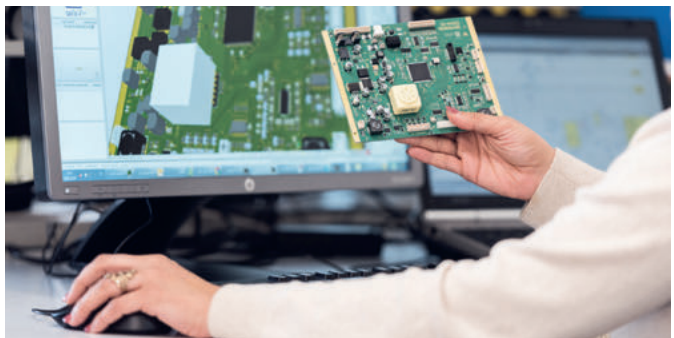
FORTSCHRITTE IN DER WACHSTUMSSTRATEGIE

Cicor hat im ersten Halbjahr 2022 weitere Fortschritte in der Umsetzung der organischen und anorganischen Wachstumsstrategie gemacht.

Die erfolgreiche Integration der im November 2021 und April 2022 akquirierten Unternehmen Axis Electronics (Grossbritannien) und SMT Elektronik (Deutschland), die hohe Nachfrage von neuen und bestehenden Kunden sowie die bestmögliche Bewältigung der aktuellen Herausforderungen entlang der Lieferkette haben im ersten Halbjahr 2022 gemeinsam zum Wachstum der Cicor Gruppe beigetragen. Dank des rekordhohen Auftragseingangs und des hohen Auftragsbestands blickt Cicor, trotz anhaltender Engpässe bei Rohmaterialien und Komponenten, positiv in die Zukunft.

Führende Unternehmen aus den Bereichen Medizintechnik, Industrie sowie Luft- und Raumfahrt & Verteidigung schätzen den Mehrwert, den Cicor durch die Kombination aus kundenspezifischen Entwicklungs-, Herstellungs- und Logistiklösungen entlang der gesamten Wertschöpfungskette von elektronischen Geräten bietet.

Der Aktionärsbrief auf den Seiten 6 und 7 gibt einen detaillierten Einblick in das erste Halbjahr 2022.



PROGRESS IN THE GROWTH STRATEGY

Cicor has continued to make progress in the implementation of its organic and inorganic growth strategy in the first half-year of 2022.

The successful integration of Axis Electronics (United Kingdom) and SMT Elektronik (Germany), acquired in November 2021 and April 2022 respectively, the high demand from new and existing customers, as well as the best possible management of current challenges along the supply chain, collectively contributed to Cicor Group's growth in the first half-year of 2022. Thanks to the record-high order intake and the high order backlog, Cicor is looking positively into the future, despite ongoing shortages of raw materials and components.

Leading companies in the medical, industrial and aerospace & defence sectors appreciate the added value Cicor provides through its combination of customized development, manufacturing and logistics solutions along the entire value chain of electronic devices.

The Letter to Shareholders on pages 8 and 9 provides a detailed insight into the first half-year of 2022.

ÜBER UNS

CICOR – IHR TECHNOLOGIEPARTNER

Die Cicor Gruppe ist ein weltweit tätiger Anbieter elektronischer Gesamtlösungen, von der Forschung und Entwicklung über die Produktion bis hin zum Supply Chain Management. Mit rund 2'200 Mitarbeiterinnen und Mitarbeitern an zwölf Standorten in Europa und Asien bedient Cicor führende Unternehmen aus den Bereichen Medizin, Industrie sowie Luft- und Raumfahrt & Verteidigung. Durch die Kombination von kundenspezifischen Entwicklungslösungen, Hightech-Komponenten und der Herstellung von elektronischen Geräten schafft Cicor einen Mehrwert für ihre Kunden. Die Erfolgsfaktoren für Cicor sind die Spezialisierung, die globale Präsenz und die Nähe zu den Kunden.

Die Aktien der Cicor Technologies Ltd. werden an der SIX Swiss Exchange gehandelt (CICN).

Kontakt

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ABOUT US

CICOR – YOUR TECHNOLOGY PARTNER

The Cicor Group is a globally active provider of full-cycle electronic solutions from research and development to manufacturing and supply chain management. Cicor's approximately 2,200 employees at twelve locations in Europe and Asia are serving leaders from the medical, industrial and aerospace & defence industries. Cicor creates value to its customers through the combination of customer-specific development solutions, high-tech components as well as electronic device manufacturing. Keys to success for Cicor are its specialty capabilities, global footprint and proximity to its customers.

The shares of Cicor Technologies Ltd. are traded at the SIX Swiss Exchange (CICN).

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KENNZAHLEN

in CHF 1 000	1.1. - 30.6.2022	in %	1.1. - 30.6.2021	in %
Nettoerlös aus Lieferungen und Leistungen ¹⁾	157 747	100,0	116 712	100,0
Veränderung gegenüber Vorjahr (%)	35,2		7,0	
Veränderung gegenüber Vorjahr ohne Akquisitionen (%)	15,4		7,0	
EBITDA ¹⁾	15 029	9,5	11 602	9,9
Veränderung gegenüber Vorjahr (%)	29,5		25,2	
EBIT	5 151	3,3	6 648	5,7
Core EBIT ²⁾	9 663	6,1	6 648	5,7
Gewinn	812	0,5	5 160	4,4
Core-Gewinn ²⁾	4 948	3,1	5 160	4,4
Ergebnis je Aktie (in CHF)	0,23		1,78	
Core-Ergebnis je Aktie (in CHF) ²⁾	1,43		1,78	
Beschäftigte (Vollzeitäquivalente per 30.6.)	2 238		1 990	
Investitionen in Sachanlagen	4 331		3 654	
in % des Nettoerlöses	2,7		3,1	

1) Die Gesellschaft SMT Elektronik GmbH, Dresden (Deutschland) ist ab 1. Mai 2022 in Cicor enthalten. Wäre die Akquisition per 1. Januar 2022 erfolgt, hätte Cicor in den ersten 6 Monaten 2022 einen pro forma Nettoerlös aus Lieferungen und Leistung von CHF 163 993 und einen pro forma EBITDA von CHF 15 620 erwirtschaftet.

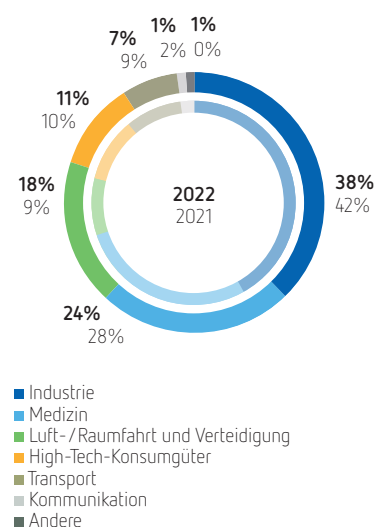
2) Vor Amortisation von aktiviertem Goodwill (2022: TCHF 2 530) und aktivierten Immateriellen Anlagen (2022: TCHF 1 982) aus Akquisitionen. Für Core-Gewinn und Core-Ergebnis je Aktie zusätzlich bereinigt um Steuereffekte (2022: TCHF -376).

in CHF 1 000	30.6.2022	in %	31.12.2021	in %
Anlagevermögen	121 421	36,8	121 258	37,7
Umlaufvermögen	208 951	63,2	200 631	62,3
Total Aktiven	330 372	100,0	321 889	100,0
Eigenkapital	104 406	31,6	88 887	27,6
Finanzielle Verbindlichkeiten	118 193	35,8	129 856	40,3
Zahlungsmittel und Zahlungsmitteläquivalente	38 163	11,6	68 797	21,4
Nettoverschuldung	80 030	24,2	61 059	19,0
Gearing ratio (Nettoverschuldung in % des Eigenkapitals)	76,7		68,7	
Vorräte	104 088	31,5	80 109	24,9
Forderungen aus Lieferungen und Leistungen	56 911	17,2	44 080	13,7
Verbindlichkeiten aus Lieferungen und Leistungen	-44 685	-13,5	-39 691	-12,3
Nettoumlaufvermögen	116 314	35,2	84 498	26,3

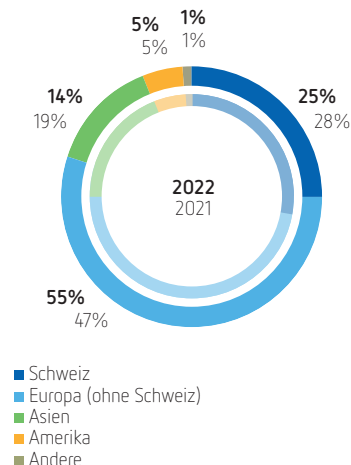
2022 / 2021

NETTOERLÖS

NACH BRANCHE



NACH REGION



KEY FIGURES

in CHF 1 000	1.1. - 30.6.2022		1.1. - 30.6.2021	
		in %		in %
Net sales ¹⁾	157 747	100.0	116 712	100.0
Change compared to previous year (%)	35.2		7.0	
Change compared to previous year excl. acquisitions (%)	15.4		7.0	
EBITDA ¹⁾	15 029	9.5	11 602	9.9
Change compared to previous year (%)	29.5		25.2	
EBIT	5 151	3.3	6 648	5.7
Core EBIT ²⁾	9 663	6.1	6 648	5.7
Net profit	812	0.5	5 160	4.4
Core net profit ²⁾	4 948	3.1	5 160	4.4
Earnings per share (in CHF)	0.23		1.78	
Core earnings per share (in CHF) ²⁾	1.43		1.78	
Number of employees (FTEs at end of period)	2 238		1 990	
Capex for tangible assets	4 331		3 654	
in % of net sales	2.7		3.1	

1) The company SMT Elektronik GmbH, Dresden (Germany) is included in Cidor as from 1 May 2022. If the acquisition would have been effective as of 1 January 2022, Cidor would have reported pro forma net sales of TCHF 163 993 and pro forma EBITDA of TCHF 15 620 for the first six months 2022.

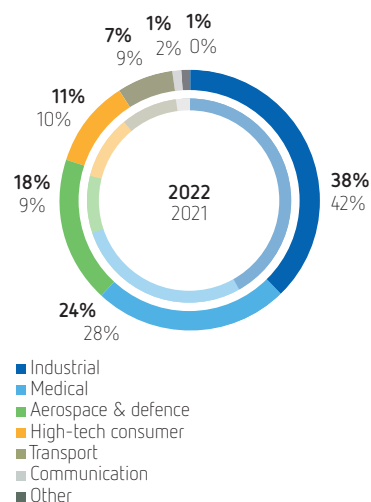
2) Before amortization of capitalized goodwill (2022: TCHF 2 530) and intangible assets (2022: TCHF 1 982) from acquisitions. Adjusted for related income tax effects (2022: TCHF -376) for Core net profit and Core earnings per share.

in CHF 1 000	30.6.2022		31.12.2021	
		in %		in %
Non-current assets	121 421	36.8	121 258	37.7
Current assets	208 951	63.2	200 631	62.3
Total assets	330 372	100.0	321 889	100.0
Equity	104 406	31.6	88 887	27.6
Financial liabilities	118 193	35.8	129 856	40.3
Cash and cash equivalents	38 163	11.6	68 797	21.4
Net debt	80 030	24.2	61 059	19.0
Gearing ratio (net debt in % of equity)	76.7		68.7	
Inventories	104 088	31.5	80 109	24.9
Trade receivables	56 911	17.2	44 080	13.7
Trade payables	-44 685	-13.5	-39 691	-12.3
Net working capital	116 314	35.2	84 498	26.3

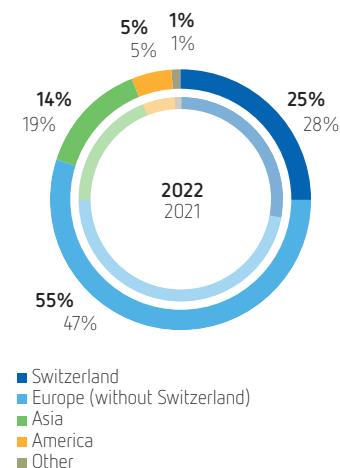
2022 / 2021

NET SALES

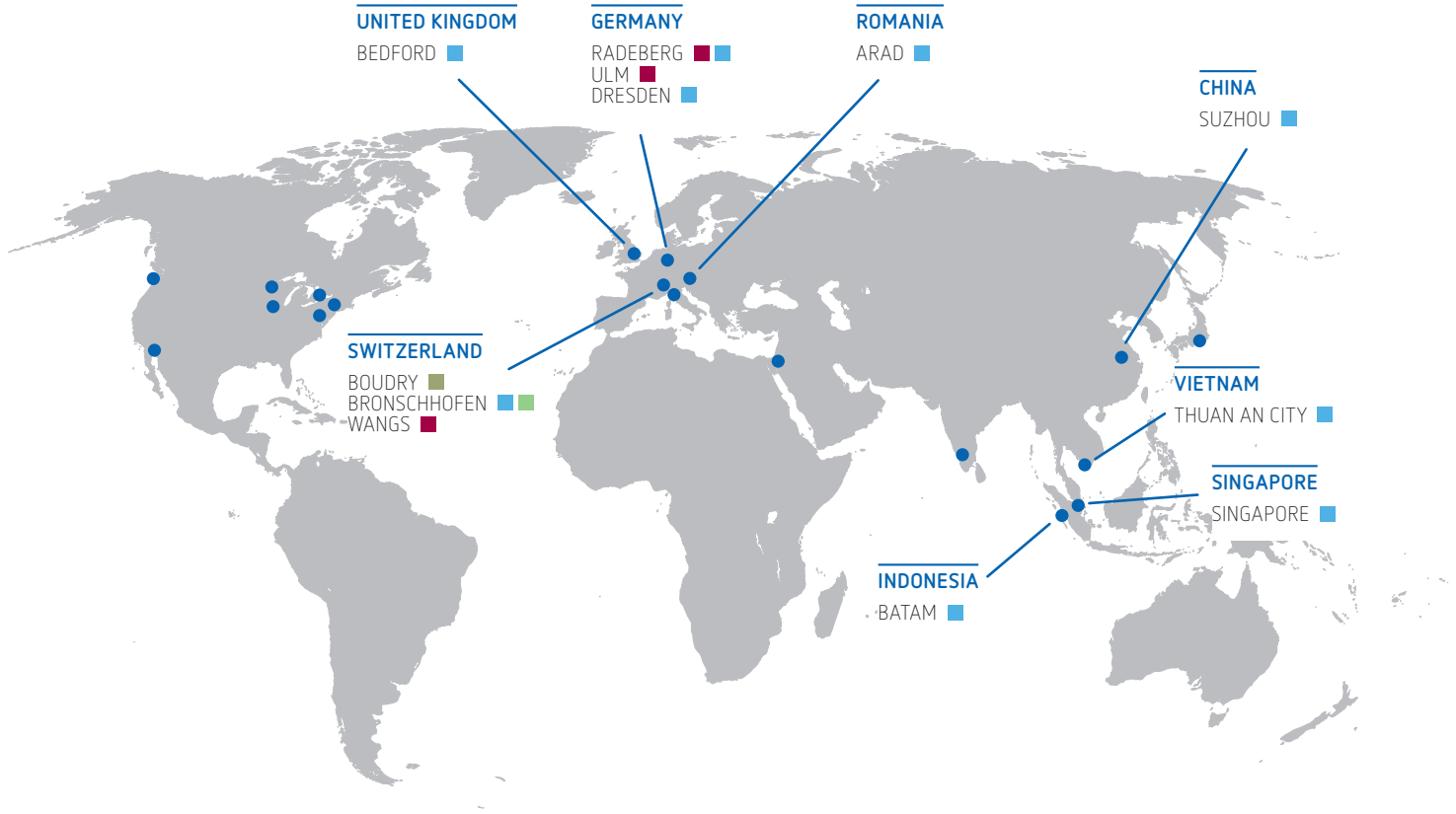
BY INDUSTRY



BY EXPORT REGION



PROFIL / PROFILE



- Cidor Verkaufsbüros und Vertretungen
Cidor sales offices and representatives

Produktionsstandorte / Production sites

- Electronic Manufacturing Services
Electronic manufacturing services
- Leiterplatten
Printed circuit boards
- Hybridschaltungen
Hybrid circuits
- Gedruckte Elektronik
Printed electronics

«Die globale Aufstellung und die Kundennähe von Cidor erweisen sich als Schlüssel zum Erfolg.»

“The keys to success for Cidor are its global positioning and the proximity to its customers.”

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SEHR GEEHRTE AKTIONÄRINNEN SEHR GEEHRTE AKTIONÄRE

Cicor hat Umsatz und Gewinn im ersten Halbjahr 2022, als Ergebnis der im vergangenen Jahr angekündigten Wachstumsstrategie, deutlich gesteigert: Der Nettoumsatz wuchs im ersten Semester 2022 trotz vielfältiger externer Herausforderungen um 35,2% gegenüber der Vorjahresperiode auf CHF 157,7 Mio. (1. Halbjahr 2021: CHF 116,7 Mio.). In Lokalkwährungen betrug das Umsatzwachstum 38,3%. Neben dem Beitrag der neu akquirierten Unternehmen wurde ein organisches Wachstum von 15,4% erzielt. Das operative Ergebnis vor Zinsen, Steuern, Abschreibungen und Amortisationen (EBITDA) legte im ersten Semester 2022 ebenfalls deutlich um 29,5% auf CHF 15 Mio. zu (1. Halbjahr 2021: CHF 11,6 Mio.). Sowohl beim Umsatz als auch beim EBITDA wurden damit die besten Ergebnisse der Unternehmensgeschichte erzielt.

Das wirtschaftliche Umfeld in der Berichtsperiode blieb herausfordernd: Eine hohe Kundennachfrage traf auf mangelnde Produktionskapazitäten vieler Chiphersteller, die Auswirkungen der COVID-19-Pandemie, mit Lockdowns, insbesondere in China, Konjunkturrückgang aufgrund der geopolitischen Situation sowie eine galoppierende Inflation. Cicor konnte durch gemeinsame Anstrengungen mit Lieferanten und Kunden sowie eine flexible Produktion die Bedarfe der Kunden weitgehend bedienen, was zu dem zweistelligen organischen Wachstum beitrug. Cicor verbuchte im Berichtszeitraum neue Aufträge von CHF 181,8 Mio. (1. Halbjahr 2021: CHF 139,8 Mio.), entsprechend einem Wachstum von 30%. Das Verhältnis neuer Aufträge zum Umsatz (Book-to-Bill Rate) von 1,15 (Vorjahr: 1,20) spiegelt einerseits das langfristige Bestellverhalten vieler Kunden und andererseits die Erfolge von Cicor im Markt wider.

Das operative Ergebnis auf EBITDA-Ebene erreichte mit CHF 15 Mio. und einer soliden EBITDA-Marge von 9,5% einen neuen Rekordwert. Während die EBITDA-Marge der EMS Division sich auf höchst zufriedenstellende 10,2% verbesserte (1. Halbjahr 2021: 8,9%), litt die AS Division unter Kostensteigerungen, die nur mit Zeitverzögerungen im Markt weitergereicht werden können, was zu einem Rückgang der EBITDA-Marge auf 13,2% führte (Vorjahr: 18,4%).

Der Core-EBIT¹⁾ stieg überproportional um 45,4% auf CHF 9,7 Mio. (1. Halbjahr 2021: CHF 6,6 Mio.), entsprechend einer Marge von 6,1% (Vorjahr: 5,7%). Neben dem Akquisitionseffekt von Axis Electronics ist diese positive Entwicklung auch auf die gestiegene Produktionsauslastung der EMS Division zurückzuführen.

Der Core-Gewinn¹⁾ ging im Vergleich zum Vorjahreszeitraum leicht auf CHF 4,9 Mio. (1. Halbjahr 2021: CHF 5,2 Mio.) zurück. Dies ist vor allem auf die starke Aufwertung des Schweizer Frankens gegenüber dem Euro seit Anfang des Jahres und die gestiegenen Finanzierungskosten zurückzuführen.

Cicor hat die Divisionsstruktur per 1. Januar 2022 umgestellt. Da das Geschäft mit Dickfilmsubstraten bei RHe Microsystems (Radeberg, Deutschland) nur noch eine untergeordnete Rolle spielt und der Umsatz massgeblich von den EMS Dienstleistungen im Mikroelektronikbereich getragen wird, entspricht diese Neuordnung dem aktuellen Geschäftsmodell. Die EMS Division (Electronic Manufacturing Services) trug im Berichtszeitraum 85,6% zum Gruppenumsatz bei, die AS Division (Advanced Substrates, bestehend aus der Entwicklung und Produktion von Leiterplatten und Dünnschichtsubstraten) lieferte 14,4% des Gruppenumsatzes.

EMS DIVISION IST WACHSTUMSTREIBER

Cicor hat sich zum Ziel gesetzt, einer der führenden Anbieter elektronischer Entwicklungs- und Fertigungsdienstleistungen in Europa zu werden, sowohl in Bezug auf den Umsatz als auch auf die operative Marge. Im Berichtszeitraum wurden erste Ergebnisse sichtbar: Durch die Akquisition von Axis Electronics (Bedford, UK, konsolidiert seit Dezember 2021) sowie der SMT Elektronik (Dresden, Deutschland, konsolidiert seit Mai 2022) wurde zusammen mit einem signifikanten organischen Wachstum der Divisionsumsatz um 42,2% auf CHF 135,1 Mio. (Vorjahr: CHF 95,0 Mio.) gesteigert. Die Integration der beiden Unternehmen verläuft plangemäss und trägt zu einem bedeutenden operativen Gewinn bei, was zu einer Steigerung des operativen Ergebnisses auf Stufe EBITDA um 63,9% auf CHF 13,8 Mio. führt (1. Halbjahr 2021: CHF 8,4 Mio.). Dies wurde erreicht, obwohl Zeitverzögerungen bei der Weitergabe von Kostensteigerungen an den Markt sowie das Durchreichen von Zusatzkosten in der Materialbeschaffung ohne nennenswerte Marge einen dämpfenden Einfluss auf das Ergebnis hatten.

Mit dem Umzug des Singapur Engineering- und Verkaufszentrums von Changi in ein neues «Green Building» in Woodlands konnte die Umstrukturierung der Fertigung von Präzisionskomponenten für die Medizintechnikindustrie abgeschlossen werden. Die Produktionskapazitäten in Batam (Indonesien) werden noch erweitert, um die starke Nachfrage bestehender und neuer Kunden befriedigen zu können. Gleichzeitig wurde mit dem Aufbau eines Engineeringteams am Standort Thuan An City (Vietnam) begonnen.

¹⁾ Vor Amortisation von aktiviertem Goodwill (2022: TCHF 2 530) und aktivierten Immateriellen Anlagen (2022: TCHF 1 982) aus Akquisitionen. Für Core-Gewinn zusätzlich bereinigt um Steuereffekte (2022: TCHF – 376).

«Die EMS Division ist Cicors Wachstumstreiber.»

AS DIVISION MIT ERGEBNISRÜCKGANG AUFGRUND VON KOSTENINFLATION

Die AS Division erzielte im ersten Halbjahr 2022 mit CHF 23,3 Mio. (1. Halbjahr 2021: CHF 22,1 Mio.) einen um 5,5% leicht gesteigerten Umsatz, getragen insbesondere durch einen erfreulichen Anstieg der Nachfrage nach Leiterplatten für die Medizintechnik. Das operative Ergebnis EBITDA lag mit CHF 3,1 Mio. um 24,1% unter dem Vorjahresergebnis von CHF 4,1 Mio. Deutliche Erhöhungen der Material- und Energiekosten, die nur zeitverzögert an die Kunden weitergegeben werden können, führten zu den niedrigeren AS-Ergebnissen des ersten Halbjahres 2022.

UMSETZUNG DER WACHSTUMSSTRATEGIE

Cicor hat durch die Akquisition von Axis Electronics den Anteil der strategischen Zielmärkte (Medizin, Industrie, Aerospace & Defence) am Gesamtumsatz leicht auf 80% des Gruppenumsatzes (Vorjahr: 79%) gesteigert. Insbesondere der Markt für Luft- und Raumfahrt sowie Verteidigung trägt inzwischen 18% zum Gruppenumsatz bei (Vorjahr: 9%). Damit ist Cicor zu einem wichtigen Lieferanten der europäischen Aerospace & Defence Industrie geworden und wird in den nächsten Jahren einen entsprechenden Beitrag zum Ausbau der europäischen Sicherheitsstrukturen leisten.

Bei der erfolgreichen Ausgabe der Pflichtwandelanleihe im ersten Halbjahr 2022 hat Cicor ein Emissionsvolumen von CHF 20,0 Mio. realisiert. Durch eine vertragliche Vereinbarung hat Cicor bis im Januar 2023 die Möglichkeit, die Pflichtwandelanleihe neu zu öffnen, wobei sich der Hauptaktionär OEP verpflichtet hat, weitere Pflichtwandelanleihen im Umfang von bis zu CHF 40,2 Mio. zu übernehmen. Diese Backstop-Regelung erhöht die finanzielle Flexibilität von Cicor für zukünftige Akquisitionen. Zudem hat Cicor mittels Kapitalerhöhung 340 000 neue Namenaktien mit einem Nennwert von je CHF 10,00 aus genehmigtem Kapital geschaffen, wobei das Bezugsrecht im Hinblick auf potenzielle Akquisitionen entzogen wurde. Durch die Möglichkeit der Wiedereröffnung der Pflichtwandelanleihe und die 340 000 echten Reserveaktien verfügt Cicor über ausreichende Finanzierungskapazität, um die Wachstumsstrategie bei massvoller Verschuldung weiterzuführen. Neben dem für organisches Wachstum erforderlichen Aufbau des Net Working Capital stehen auch Mittel für weitere wertsteigernde Akquisitionen im Kerngeschäft zur Verfügung.

VERÄNDERUNGEN IM VERWALTUNGSRAT

Die ordentliche Generalversammlung vom 12. April 2022 wählte Denise Koopmans als neue Verwaltungsrätin und Nachfolgerin von Andreas Dill und Erich Haefeli, die sich nicht mehr zur Wiederwahl stellten. Der Verwaltungsrat dankt Andreas Dill und Erich Haefeli herzlich für ihr langjähriges Engagement und ihren nachhaltigen Beitrag zur Entwicklung der Cicor Gruppe. Gleichzeitig heisst der Verwaltungsrat das neu gewählte Mitglied Denise Koopmans herzlich willkommen.

AUSBLICK AUF DAS ZWEITE HALBJAHR UND DAS GESAMTJAHR 2022

Die Cicor-Einheiten verzeichnen eine Normalisierung des Bestellungseingangs, während die anhaltende Verknappung gewisser elektronischer Komponenten ein schnelleres Wachstum verhindert. Der hohe Auftragsbestand und die gut gefüllte Projektpipeline sollten diese negativen Effekte im weiteren Verlauf des Jahres 2022 jedoch kompensieren.

Aufgrund der aktuellen Situation erwartet Cicor für das Gesamtjahr 2022 einen Umsatz von CHF 300–320 Mio. und eine EBITDA-Marge, die sich nicht wesentlich von derjenigen des ersten Halbjahres unterscheidet.

Im Namen des Verwaltungsrats und der Geschäftsleitung danken wir allen, die in diesem sehr anspruchsvollen ersten Halbjahr 2022 ihren Beitrag zur Entwicklung der Cicor Gruppe geleistet haben: unseren Mitarbeiterinnen und Mitarbeitern sowie auch unseren Kunden, Lieferanten, Aktionären und weiteren Geschäftspartnern.



Daniel Frutig
Präsident des Verwaltungsrats



Alexander Hagemann
CEO

DEAR SHAREHOLDERS

Cicor significantly increased sales and profit in the first half of 2022 as a result of the growth strategy announced last year: net sales grew by 35.2% year-on-year to CHF 157.7 million in the first half of 2022 (1st half-year 2021: CHF 116.7 million) despite a variety of external challenges. In local currencies, sales growth amounted to 38.3%. In addition to the contribution from the newly acquired companies, organic growth of 15.4% was achieved. Operating earnings before interest, taxes, depreciation and amortization (EBITDA) also increased significantly by 29.5% to CHF 15 million in the first half of 2022 (1st half-year 2021: CHF 11.6 million). The best results in the company's history were thus achieved both in terms of sales and EBITDA.

The economic environment in the reporting period remained challenging: high customer demand faced a lack of production capacity at many chip manufacturers, the impact of the COVID-19 pandemic, with lockdowns especially in China, economic fears due to the geopolitical situation and galloping inflation. Cicor was able to largely meet customers' needs through joint efforts with suppliers and customers as well as flexible production, which contributed to the double-digit organic growth. Cicor booked new orders of CHF 181.8 million in the reporting period (1st half-year 2021: CHF 139.8 million), corresponding to a growth of 30%. The ratio of new orders to sales (book-to-bill rate) of 1.15 (1st half-year 2021: 1.20) reflects on the one hand the long-term ordering behavior of many customers and on the other hand Cicor's success in the market.

The operating result at EBITDA level reached new record levels at CHF 15 million with a solid 9.5% EBITDA margin. While the EBITDA margin of the EMS Division improved to highly satisfactory 10.2% (1st half-year 2021: 8.9%), the AS Division suffered from cost increases that can only be passed on to the market with a time lag, which led to a decline in the EBITDA margin to 13.2% (1st half-year 2021: 18.4%).

Core EBIT¹⁾ increased disproportionately by 45.4% to CHF 9.7 million (1st half-year 2021: CHF 6.6 million), corresponding to a margin of 6.1% (1st half-year 2021: 5.7%). In addition to the acquisition effect of Axis Electronics, this positive development is also attributable to the increased production capacity utilization of the EMS Division.

Core net profit¹⁾ decreased slightly year-on-year to CHF 4.9 million (1st half-year 2021: CHF 5.2 million). This was mainly due to the strong appreciation of the Swiss franc against the Euro since the beginning of the year and increased financing costs.

Cicor has reorganized the divisional structure as of January 1, 2022. Since the thick-film substrates business at RHe Microsystems (Radeberg, Germany) now only plays a minor role and sales are largely driven by EMS services in the microelectronics sector, this reassignment is in line with the current business model. The EMS Division (Electronic Manufacturing Services) contributed 85.6% of Group sales in the reporting period, while the AS Division (Advanced Substrates, consisting of the development and production of printed circuit boards and thin-film substrates) delivered 14.4% of Group sales.

EMS DIVISION IS GROWTH DRIVER

Cicor has set itself the goal of becoming one of the leading providers of electronic development and manufacturing services in Europe, both in terms of sales and operating margin. The first results became visible during the reporting period: the acquisition of Axis Electronics (Bedford, UK, consolidated since December 2021) and SMT Elektronik (Dresden, Germany, consolidated since May 2022), together with significant organic growth, increased divisional sales by 42.2% to CHF 135.1 million (1st half-year 2021: CHF 95.0 million). The integration of the two companies is proceeding according to plan, and they contribute significant operating profits, resulting in a 63.9% increase in the operating result at EBITDA level to CHF 13.8 million (1st half-year 2021: CHF 8.4 million). This was achieved despite the fact that time delays in passing on cost increases to the market and the passing through of additional costs in materials procurement without any significant margin had a dampening effect on the result.

With the relocation of the Singapore engineering and sales center from Changi to a new "Green Building" in Woodlands, the restructuring of the production of precision components for the medical technology industry was completed. Production capacity in Batam (Indonesia) is still being expanded to meet strong demand from existing as well as new customers. At the same time, work began on setting up an engineering team at the Thuan An City site (Vietnam).

AS DIVISION WITH DECLINE IN EARNINGS DUE TO COST INFLATION

The AS Division achieved sales of CHF 23.3 million in the first half of 2022 (1st half-year 2021: CHF 22.1 million), a slight increase of 5.5%, driven in particular by a pleasing increase in demand for printed circuit boards for medical technology. The operating result EBITDA of CHF 3.1 million was 24.1% below the previous year's result of CHF 4.1 million. Significant increases in material and energy costs, which can only be passed on to customers with a time lag, led to the lower AS results for the first half-year 2022.

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.

“The EMS Division is Cicor's growth driver.”

IMPLEMENTATION OF THE GROWTH STRATEGY

Through the acquisition of Axis Electronics, Cicor slightly increased the share of the strategic target markets (Medical, Industrial, Aerospace & Defence) in total sales to 80% of Group sales (1st half-year 2021: 79%). In particular, the Aerospace & Defence market now accounts for 18% of Group sales (1st half-year 2021: 9%). Cicor has thus become an important supplier to the European Aerospace & Defence industry and will make a corresponding contribution to the expansion of European security structures in the coming years.

In the successful issuance of the mandatory convertible bond in the first half of 2022, Cicor realized an issuance volume of CHF 20.0 million. Through a contractual agreement, Cicor has the option to reopen the mandatory convertible bond until January 2023, whereby the main shareholder OEP has committed to underwrite additional mandatory convertible bonds in the amount of up to CHF 40.2 million. This backstop arrangement increases Cicor's financial flexibility for future acquisitions. In addition, Cicor has created 340 000 new registered shares with a nominal value of CHF 10.00 each from authorized capital by means of a capital increase, whereby the subscription right was withdrawn in view of potential acquisitions. The possibility of reopening the mandatory convertible bond and the 340 000 true reserve shares provide Cicor with sufficient financing capacity to continue its growth strategy while maintaining a moderate level of debt. In addition to the build-up of net working capital required for organic growth, funds are also available for further value-enhancing acquisitions in the core business.

CHANGES IN THE BOARD OF DIRECTORS

The Annual General Meeting of 12 April 2022 elected Denise Koopmans as new Board member and successor to Andreas Dill and Erich Haefeli, who did not stand for re-election. The Board of Directors expresses its sincere thanks to Andreas Dill and Erich Haefeli for their many years of commitment and their lasting contribution to the development of Cicor Group. At the same time, the Board of Directors warmly welcomes the newly elected member Denise Koopmans.

OUTLOOK FOR THE SECOND HALF AND FULL YEAR OF 2022

The Cicor units report a normalization in order intake while the continuing shortage of certain electronic components hinders faster growth. The high order backlog and the bulging new project pipeline should however compensate for these negative effects during the remainder of 2022.

Based on the current situation, Cicor expects to achieve sales of CHF 300–320 million in the full year 2022 with an EBITDA margin not significantly different from the first half of the year.

On behalf of the Board of Directors and the Group Management, we would like to thank everyone who has contributed to the development of the Cicor Group in this very challenging first half of 2022: our employees as well as our customers, suppliers, shareholders and other business partners.



Daniel Frutig
Chairman of the Board of Directors



Alexander Hagemann
CEO

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(unaudited)

CONSOLIDATED BALANCE SHEET

in CHF 1 000	30.06.2022	in %	31.12.2021	in %
Assets				
Property, plant and equipment	52 408	15.9	49 553	15.4
Intangible assets	65 737	19.9	68 547	21.3
Deferred tax assets	3 276	1.0	3 158	1.0
Non-current assets	121 421	36.8	121 258	37.7
Inventories	104 088	31.5	80 109	24.9
Trade accounts receivable	56 911	17.2	44 080	13.7
Other accounts receivable	6 920	2.1	5 924	1.8
Prepaid expenses and accruals	2 574	0.8	1 721	0.5
Marketable securities	295	0.1	–	0.0
Cash and cash equivalents	38 163	11.6	68 797	21.4
Current assets	208 951	63.2	200 631	62.3
Total assets	330 372	100.0	321 889	100.0
Liabilities and shareholders' equity				
Share capital	34 095	10.3	30 695	9.5
Mandatory convertible note	18 963	5.7	–	0.0
Capital reserves	109 024	33.0	109 024	33.9
Treasury shares	– 3 404	–1.0	– 6	–0.0
Retained earnings	– 42 160	–12.8	– 43 156	–13.4
Translation reserve	– 12 112	–3.7	– 7 670	–2.4
Total equity	104 406	31.6	88 887	27.6
Long-term provisions	3 538	1.1	3 596	1.1
Deferred tax liabilities	8 035	2.4	8 895	2.8
Long-term financial liabilities	101 270	30.7	114 502	35.6
Liabilities for post-employment benefits	1 848	0.6	1 906	0.6
Non-current liabilities	114 691	34.7	128 899	40.1
Short-term financial liabilities	16 923	5.1	15 354	4.8
Trade accounts payable	44 685	13.5	39 691	12.3
Other current liabilities	16 711	5.1	23 130	7.2
Accruals	18 319	5.5	13 355	4.1
Short-term provisions	14 181	4.3	12 067	3.7
Income tax payable	456	0.1	506	0.2
Current liabilities	111 275	33.7	104 103	32.3
Total liabilities	225 966	68.4	233 002	72.4
Total equity and liabilities	330 372	100.0	321 889	100.0

CONSOLIDATED INCOME STATEMENT

in CHF 1 000	1.1. – 30.6.2022	in %	1.1. – 30.6.2021	in %
Net Sales	157 747	100.0	116 712	100.0
Change in inventory of finished and unfinished goods	1 716	1.1	2 085	1.8
Material costs	-87 501	-55.5	-61 693	-52.9
Personnel costs	-42 311	-26.8	-34 907	-29.9
Other operating income	200	0.1	583	0.5
Other operating expenses	-14 822	-9.4	-11 178	-9.6
EBITDA	15 029	9.5	11 602	9.9
Depreciation and impairment	-5 165	-3.3	-4 847	-4.2
Amortization and impairment	-4 713	-3.0	-107	0.0
EBIT	5 151	3.3	6 648	5.7
Financial income	2 921	1.9	3 229	2.8
Financial expenses	-5 615	-3.6	-3 450	-3.0
Profit before tax (EBT)	2 457	1.6	6 427	5.5
Income tax	-1 645	-1.0	-1 267	-1.1
Net profit	812	0.5	5 160	4.4
Earnings per share (CHF)				
– basic and diluted	0.23		1.78	

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

in CHF 1 000	11. – 30.6.2022	11. – 30.6.2021
Net profit	812	5 160
Depreciation, amortization and impairment	9 878	4 954
Interest income	-3	-226
Interest expenses	1 328	438
Tax expenses	1 645	1 267
(Decrease) / increase in provisions	-292	391
Other expenses / (income) that do not affect the fund	575	883
Subtotal before working capital changes	13 943	12 867
Increase in working capital	-28 101	-9 626
Income tax paid	-982	-994
Interest paid	-1 578	-341
Interest received	3	17
Net cash (used in) / from operating activities	-16 715	1 923
Purchase of property, plant and equipment	-5 015	-3 572
Proceeds from sale of property, plant and equipment	59	40
Purchase of intangible assets	-133	-231
Acquisition of subsidiaries, net of cash acquired	-13 984	-
Net cash used in investing activities	-19 073	-3 763
Purchase of treasury shares	-45	-
Issuance of mandatory convertible note	18 963	-
Payment to shareholders from capital contribution reserves	-	-2 902
Repayment of finance lease liabilities	-260	-3
Proceeds from borrowings	4 608	-
Repayment of borrowings	-17 562	-2 426
Net cash from / (used in) financing activities	5 704	-5 331
Currency translation effects	-550	326
Net decrease in cash and cash equivalents	-30 634	-6 845
Cash and cash equivalents at the beginning of the period	68 797	43 135
Cash and cash equivalents at the end of the period	38 163	36 290

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in CHF 1 000	Share capital	Mandatory convertible note	Capital reserves	Treasury shares	Retained earnings	Translation reserve	Total equity
Balance at 1 January 2022	30 695		109 024	-6	-43 156	-7 670	88 887
Net profit					812		812
Share-based payments				47	184		231
Purchase of treasury shares				-45			-45
Issuance of mandatory convertible note		20 000					20 000
Transaction costs on issuance of mandatory convertible note		-1 037					-1 037
Capital increase, creation of reserve shares	3 400			-3 400			-
Translation adjustment						-4 442	-4 442
Balance at 30 June 2022	34 095	18 963	109 024	-3 404	-42 160	-12 112	104 406
in CHF 1 000	Share capital		Capital reserves	Treasury shares	Retained earnings	Translation reserve	Total equity
Balance at 1 January 2021	29 022		103 894	-6	-50 864	-5 712	76 334
Net profit					5 160		5 160
Share-based payments					157		157
Dividend / capital contribution paid to shareholders			-2 902				-2 902
Translation adjustment						909	909
Balance at 30 June 2021	29 022		100 992	-6	-45 547	-4 803	79 658

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(unaudited)

1. PRINCIPLES OF CONSOLIDATION AND VALUATION

These consolidated interim financial statements of the Cicor Group as of 30 June 2022 are prepared in accordance with Swiss GAAP FER 31 "Complementary recommendation for listed companies" (GAAP= Generally Accepted Accounting Principles / FER= Fachempfehlungen zur Rechnungslegung). They do not include all of the information and disclosures required for full annual financial statements and should be read in conjunction with the Group's annual report as at 31 December 2021. Furthermore, the accounting complies with the Swiss company law. The consolidated financial statements of the Group as at and for the year ended 31 December 2021 are available at www.cicor.com or upon request from the company's registered office.

These consolidated interim financial statements were approved by the Board of Directors on 10 August 2022.

When preparing the consolidated interim financial statements, Management is required to make estimates and assumptions. Any alterations to these estimates and assumptions are adjusted in the reporting period in which the estimates and assumptions are changed. Income taxes are calculated based on an estimate of the income tax rate expected for the whole year.

2. SEGMENT REPORTING

in CHF 1 000	EMS Division	AS Division	Total reportable segments	Corporate and eliminations	Group
Income statement	1.1.–30.6.2022	1.1.–30.6.2022	1.1.–30.6.2022	1.1.–30.6.2022	1.1.–30.6.2022
Sales to external customers	134 991	22 756	157 747	–	157 747
Intersegment sales	95	566	661	–661	–
EBITDA	13 814	3 086	16 900	–1 871	15 029
Balance sheet	30.6.2022	30.6.2022	30.6.2022	30.6.2022	30.6.2022
Total assets	290 083	39 488	329 571	801	330 372
Total liabilities	147 281	22 847	170 128	55 838	225 966
Other segment information	1.1.–30.6.2022	1.1.–30.6.2022	1.1.–30.6.2022	1.1.–30.6.2022	1.1.–30.6.2022
Depreciation, amortization and impairment	8 396	1 482	9 878	–	9 878
Capital expenditures for property, plant and equipment	2 805	1 526	4 331	–	4 331
in CHF 1 000	EMS Division	AS Division	Total reportable segments	Corporate and eliminations	Group
Income statement (restated)	1.1.–30.6.2021	1.1.–30.6.2021	1.1.–30.6.2021	1.1.–30.6.2021	1.1.–30.6.2021
Sales to external customers	94 829	21 883	116 712	–	116 712
Intersegment sales	165	225	390	–390	–
EBITDA	8 426	4 066	12 492	–890	11 602
Balance sheet (restated)	30.6.2021	30.6.2021	30.6.2021	30.6.2021	30.6.2021
Total assets	145 889	42 332	188 221	1 994	190 215
Total liabilities	91 709	24 807	116 516	–5 959	110 557
Other segment information (restated)	1.1.–30.6.2021	1.1.–30.6.2021	1.1.–30.6.2021	1.1.–30.6.2021	1.1.–30.6.2021
Depreciation, amortization and impairment	3 399	1 552	4 951	3	4 954
Capital expenditures for property, plant and equipment	2 845	809	3 654	–	3 654

Cicor defines its reportable segments based on the internal reporting to its Board of Directors. They base their strategic and operational decisions on these monthly distributed reports, which include the aggregated financial data for the Group and for the Divisions. The two Divisions, EMS and AS, have been identified as the two reportable segments. The segment result used to steer the business is EBITDA.

As the German EMS manufacturer RHe Microsystem's business with thick-film manufactured circuits has been significantly reduced, the company is today predominantly an EMS manufacturer. Cicor has therefore changed the divisional structure as of 1 January 2022: instead of the previous divisions Advanced Microelectronics and Substrates (AMS) and Electronic Solutions (ES), Cicor now reports the divisions Advanced Substrates (AS) and Electronic Manufacturing Services (EMS). The company RHe Microsystem was moved from the AS division into the EMS division as of 1 January 2022. The prior-year financial information in the segment reporting has been restated.

The Electronic Manufacturing Services (EMS) Division provides full-cycle electronic solutions from research and development to manufacturing and supply chain management for customers in the medical, industrial and aerospace and defence sectors, while the Advanced Substrates (AS) Division provides its customers with high-quality printed circuit boards as well as thin-film substrates.

For the internal reporting and therefore the segment reporting, the applied principles of accounting and valuation are the same as in the consolidated financial statements. Intersegment sales are recognized at arm's length.

in CHF 1 000	11. – 30.6.2022	11. – 30.6.2021
Reconciliation of total reportable segment result		
Total reportable segment result (EBITDA)	16 900	12 492
Other corporate expenses	-1 871	-890
Depreciation and impairment	-5 165	-4 847
Amortization and impairment	-4 713	-107
Financial income	2 921	3 229
Financial expenses	-5 615	-3 450
Consolidated profit before tax	2 457	6 427

in CHF 1 000	11. – 30.6.2022	%	11. – 30.6.2021	%
Sales by destination				
Switzerland	38 955	24.7	32 624	28.0
Europe (without Switzerland)	86 743	55.0	55 306	47.4
Asia	21 959	13.9	21 596	18.5
America	7 926	5.0	6 277	5.4
Other	2 164	1.4	909	0.7
Total	157 747	100.0	116 712	100.0

Sales by industry				
Industrial	60 226	38.2	48 771	41.8
Medical	37 751	23.9	32 429	27.8
Aerospace & defence	28 344	18.0	10 652	9.1
High-tech consumer	18 088	11.5	11 364	9.7
Transport	11 534	7.3	10 341	8.9
Communication	808	0.5	2 918	2.5
Other	996	0.6	237	0.2
Total	157 747	100.0	116 712	100.0

Major customers

Cicor Group's biggest customer group contributes less than 10% (1st half-year 2021: less than 8%) to the Group's consolidated sales.

3. CHANGE IN SCOPE OF CONSOLIDATION

Effective as of 27 April 2022, Cicor Technologies Ltd., Boudry (Switzerland) acquired 100% of the shares of SMT Elektronik GmbH, Dresden (Germany), which reported net assets of CHF 11.8 million. SMT Elektronik GmbH provides electronic manufacturing services predominantly for clients in the medical and industrial industry and is included in the EMS Division.

The covenants are net debt/EBITDA ratio of a maximum of 2.75 times at year-end and 3.00 times during the year and a minimum equity ratio of 35% at all times. EBITDA is calculated before restructuring costs, possible acquisitions can be added pro forma. The interest bases on SARON added by a variable margin depending on the net debt/EBITDA ratio.

4. SYNDICATED BANK LOAN AGREEMENT

On 18 June 2021, the Group signed a new syndicated bank loan agreement on a total line of CHF 80 million plus allowance of an external basket of CHF 20 million valid for four years, beginning on 26 July 2021, with two extension options of one additional year each, therefore running for a maximum term of six years. The new credit agreement also contains an optional acquisition credit line in the amount of CHF 75 million, which, in the event of a future acquisition, is to be used to finance the purchase price and the working capital of the company to be acquired.

On 29 November 2021, Cicor made use of the acquisition credit line of CHF 75 million. In context with this, the covenants were temporarily adjusted as follows: minimum equity ratio reduced to 30% until 31 December 2023, net debt / EBITDA ratio increased to 3.25 times until 31 December 2022. The respective bank covenants were fulfilled on all reporting dates except for the equity covenant per 31 December 2021, however a waiver from the bank syndicate has been obtained as the breach of the equity ratio was healed within January 2022.

5. MANDATORY CONVERTIBLE NOTE

On 20 January 2022, Cicor issued a five-year, interest-free mandatory convertible note (MCN) with a principal amount of CHF 20 million. The MCN is subject to a reopening clause allowing Cicor to increase the principal amount of the MCN up to a maximum principal amount of CHF 60.2 million within the twelve-months reopening period without prior consent or permission of the holders through the issue of further fungible MCNs fully allocated to its main shareholder OEP, under its agreement to provide Cicor a fully underwritten standby equity facility.

The conversion price is fixed at CHF 47.50 per share, subject to subsequent adjustments for anti-dilution events. Shares to be delivered upon conversion of a MCN will be new shares to be issued from the conditional capital of the issuer with the same entitlements as the other outstanding shares. No fractions will be delivered to, and no cash payments will be made to the holders. The MCN contains the following conversion option for holders: each holder may elect to early convert MCNs during the optional conversion period starting 730 days after issuance up to the ten days prior to maturity or following the formal announcement of a takeover bid to Cicor's shareholders.

6. ISSUED CAPITAL

Ordinary share capital

Effective as of 14 April 2022, 340 000 new registered shares with a par value of CHF 10.00 each were created from the authorized capital according to Art. 5 sexies of the company's Articles of Association. The subscription rights of the 340 000 newly created true reserve shares have been withdrawn in view of potential acquisitions. The Cicor Group thus secures the flexibility to use the newly created shares at any time and at short notice to partially finance future acquisitions.

The ordinary share capital as of 30 June 2022 consists of 3 409 542 registered shares with a par value of CHF 10.00 each.

Conditional capital

At the Annual General Meeting of Shareholders' on 12 April 2022, the Shareholders decided to extend the conditional capital according to Art. 5 bis of the company's Articles of Association as follows: the share capital may be conditionally increased by a maximum of CHF 1200 000 by issuing up to 120 000 fully paid-in registered shares with a nominal value of CHF 10.00 each through the exercise of option rights granted to directors, officers, senior executives and employees of the company or its subsidiaries, according to plans established by the Board of Directors.

At the Annual General Meeting of Shareholders' on 16 December 2021, the Shareholders decided to create conditional capital according to Art. 5 ter of the company's Articles of Association as follows: the share capital of the company may be increased by an additional maximum amount of CHF 13 303 750 by issuing up to 1 330 375 fully paid-in registered shares with a nominal value of CHF 10.00 each through the exercise or compulsory exercise of

conversion, exchange, option or similar subscription rights granted to shareholders or third parties, alone or in connection with bonds, loans, options, warrants or other financial market instruments or contractual obligations, subscription or similar share subscription rights, granted to shareholders or third parties, alone or in connection with bonds, loans, options, warrants or other financial market instruments or contractual obligations of the Company or one of its subsidiaries.

7. DIVIDEND

At the Shareholders' Meeting on 12 April 2022, the shareholders decided that no dividend will be paid for the financial year 2021.

8. RELATED-PARTY DISCLOSURES

OEP, the main shareholder, and Cicor entered into an agreement as part of the issuance of the MCN under which OEP provides a fully underwritten stand-by equity facility to Cicor (backstop). Under the agreement OEP suspends its preferential subscription rights to acquire MCNs until the reopening and in addition stands ready to acquire all remaining MCNs up to the maximum principle amount of the MCN. OEP is compensated by a backstop fee of 150 bps of the backstopped amount, i.e. the percentage offered to other shareholders. The backstop fee is based on market rates for such services and payable under normal payment terms. In the reporting period backstop fees of TCHF 652 were paid to OEP under this agreement.

9. SUBSEQUENT EVENTS

There were no events between 30 June 2022 and 10 August 2022 that would require an adjustment to the carrying amounts of assets and liabilities or need to be disclosed under this heading.

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AGENDA

Annual Report 2022: March 2023
Annual Shareholders' Meeting: April 2023
Interim Report 2023: August 2023

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