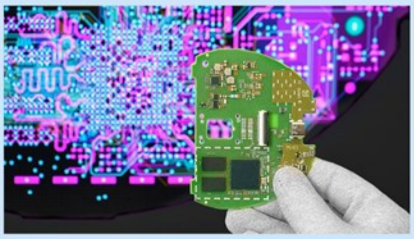
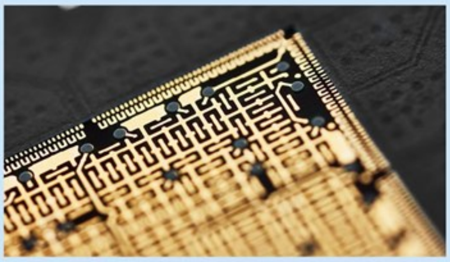




2024

Cicor Technologies Ltd.
Half-Year Report

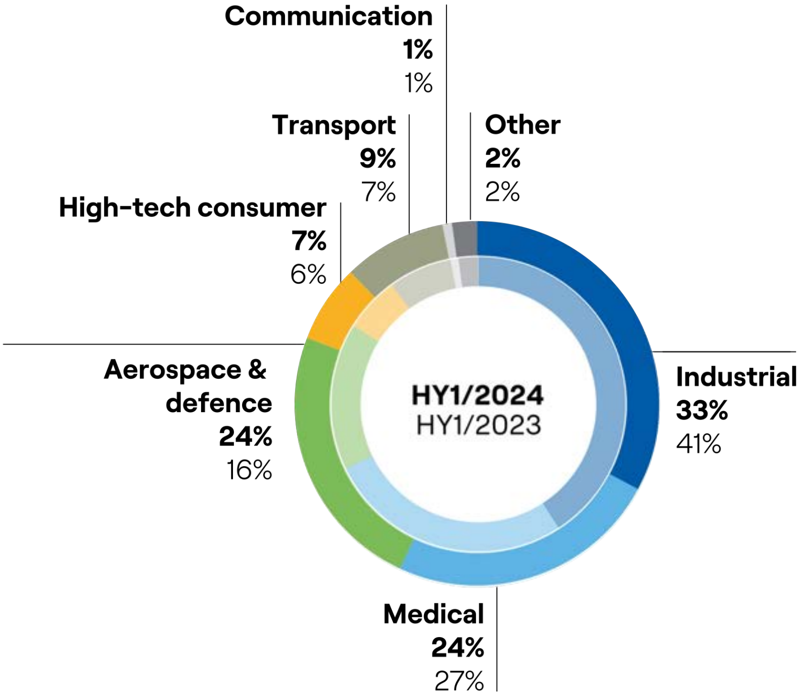
Key Figures

Cicor Group Income Statement

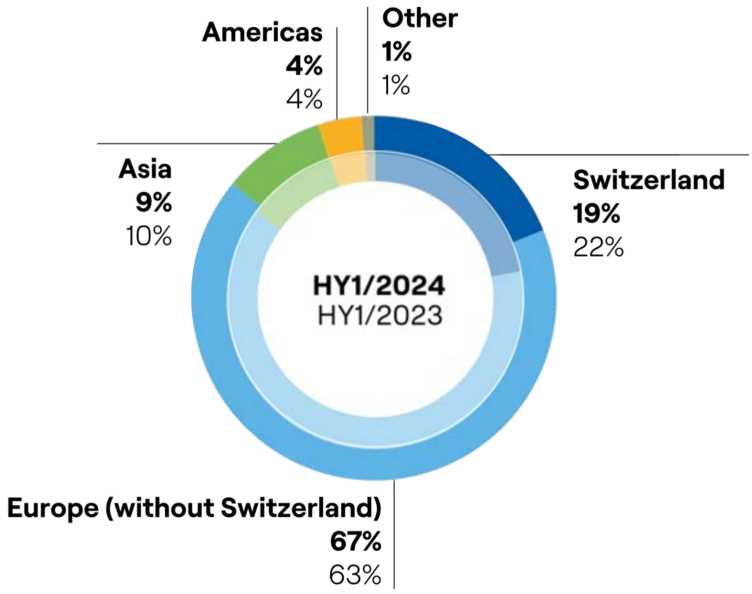
in CHF 1 000	01.01. - 30.06.2024	in %	01.01. - 30.06.2023 restated	in %
Order entry	201 091	86.9	221 399	111.2
Net sales	**231 297**	**100.0**	**199 152**	**100.0**
Change to previous year (%)	16.1		26.2	
Organic growth (%) [1]	−4.4		9.5	
EBITDA	**24 729**	**10.7**	**21 336**	**10.7**
Change to previous year (%)	15.9		42.0	
Operating profit (EBIT)	**15 116**	**6.5**	**13 366**	**6.7**
Net profit	**11 886**	**5.1**	**7 722**	**3.9**
Earnings per share (in CHF)	2.69		1.74	
Number of employees (FTEs as per 30 June)	3 301		2 530	
CAPEX for tangible assets	5 627	2.4	4 572	2.3

[1] Change in local currencies, adjusted for acquisitions.

Sales by Industry



Sales by Region



Divisional Income Statement

in CHF 1 000	01.01. - 30.06.2024	in %	01.01. - 30.06.2023	in %
Net sales EMS Division	208 524	100.0	178 997	100.0
EBITDA EMS Division	24 109	11.6	20 439	11.4
Net sales AS Division	23 868	100.0	20 638	100.0
EBITDA AS Division	3 436	14.4	2 433	11.8

Cicor Group Balance Sheet

in CHF 1 000	30.06.2024	in %	31.12.2023 restated	in %
Non-current assets	115 288	27.6	92 626	26.9
Current assets	302 705	72.4	251 896	73.1
Total assets	**417 993**	**100.0**	**344 522**	**100.0**
Equity	131 056	31.4	131 489	38.2
Financial liabilities	130 161	31.1	101 335	29.4
Cash and cash equivalents	50 518	12.1	57 851	16.8
Net debt	**79 643**	**19.1**	**43 484**	**12.6**
Financial leverage (Net debt / EBITDA[1])	1.50		0.96	
Operating inventories[2]	121 387	29.0	105 419	30.6
Operating trade receivables[2]	74 644	17.9	49 497	14.4
Operating trade payables[2]	–50 373	–12.1	–36 723	–10.7
Operating net working capital	**145 658**	**34.8**	**118 193**	**34.3**
in % of LTM net sales[1]	29.3		30.3	

1) Acquisitions are included for full twelve months pro-forma.
2) Refer to note "3 Definition of non-GAAP measures" for the definition of operating net working capital.






Management Report

Daniel Frutig and Alexander Hagemann

Dear Shareholders

Cicor has continued to grow significantly in the first half of 2024, advancing into the top tier of European electronics manufacturers. Net sales reached CHF 231.3 million, an increase of 16.1% compared to CHF 199.2 million for the first half of 2023. Despite negative one-off effects from acquisitions, the operating margin remained constant at 10.7%, while EBITDA rose by 15.9% to CHF 24.7 million (first half of 2023: CHF 21.3 million). Net profit grew disproportionately, resulting in earnings per share of CHF 2.69 (first half of 2023: CHF 1.74). The outlook for the second half of the year remains positive despite the challenging environment.

The newly acquired companies contributed 22.1% to sales growth in the first half of the year. Currency effects had a negative impact of -1.5%, while organic sales decreased by -4.4%. This decline is the result of weak demand in the industrial electronics market due to economic conditions and a several-month delay of a major project in the aerospace and defence sector. This was only partially offset by growth in the medical technology and transport segments.

The order backlog of the Cicor Group remains at around one year's worth of sales and was significantly influenced by two factors during the first half of the year. Firstly, the large orders typical for the aerospace and defence sector are awarded acyclically, and STS Defence, acquired in January 2024, had received such large orders shortly before consolidation. Secondly, after the end of the material shortages that lasted two years, several major customers in Germany have reduced their order horizons back to a normal level of approximately one year. Aside from these effects, Cicor recorded solid order intake. Overall, new orders amounted to CHF 201.1 million (first half of 2023: CHF 221.4 million), corresponding to a ratio of new orders to sales of 0.87 (first half of 2023: 1.11).

"Significant growth and robust operational performance"

In recent years, it has become standard practice for listed companies applying Swiss GAAP FER to offset goodwill against equity. For this reason, and to facilitate comparability with other listed companies, Cicor offsets goodwill from acquisitions directly against shareholders' equity at the time of acquisition, as from 1 January 2024, per the accounting policy choice provided in Swiss GAAP FER 30. Intangible assets from acquisitions, such as brand value, customer relationships, or intellectual property, will continue to be capitalised on the balance sheet and amortised over their expected useful lives. These changes in financial reporting are applied for the first time in this Half-Year Report, and the comparative period of the previous year has been adjusted accordingly.

The operating units of the Cicor Group made significant progress in operational excellence. Consequently, despite the decline in organic revenue, the operating margin for both EBITDA and EBIT before acquisitions increased. The acquisitions resulted in an overall dilution due to the relatively low margin of the acquired TT Electronics IoT companies compared to the rest of the Group. Additionally, the acquisitions completed in the first half of 2024 had a one-time negative impact of CHF 1.7 million (0.8% of net sales) on the Group's EBITDA and EBIT, as accounting standards require that net assets acquired in a business combination be recognised in the consolidated balance sheet at fair value rather than book value. This effect was fully reflected in the reported results, with no adjustments made. Against this backdrop, Cicor considers the EBITDA margin of 10.7% during the reporting period (unchanged from the first half of 2023) and the EBIT margin of 6.5% (first half of 2023: 6.7%) as highly positive.

The net result benefited from a depreciation of the Swiss franc against Cicor's key foreign currencies since 31 December 2023, resulting in a slightly positive financial result despite deducting of interest costs. The tax rate was also significantly lower at 23% compared to the first half year of 2023 (28.3%). Consequently, net profit increased by 53.9% to CHF 11.9 million (first half of 2023: CHF 7.7 million). Earnings per share, which already account for the shares reserved for the conversion of the mandatory convertible bond, rose significantly by CHF 0.95 to CHF 2.69 compared to the previous year period (CHF 1.74).

Important progress was made in reducing net working capital. In particular, inventory levels were further reduced. This contributed to a free cash flow before acquisitions of CHF 21.1 million in the first half of the year, a fourfold increase compared to the previous year (first half of 2023: CHF 5.2 million). For the three acquisitions completed during the reporting period, Cicor invested CHF 51.0 million (first half of 2023: CHF 22.0 million), resulting in a negative free cash flow after acquisitions of CHF -30.0 million (first half of 2023: CHF -16.8 million).

The balance sheet of Cicor as of 30 June 2024 remains solid. The high net result and the increase in free cash flow before acquisitions had a positive impact. The Group's equity changed only slightly to CHF 131.1 million (31 December 2023: CHF 131.5 million) because the goodwill from acquisitions completed in the first half of the year was offset against equity. The equity ratio thus reached 31.4% (31 December 2023: 38.2%). Cicor's leverage (net debt relative to EBITDA) increased from 0.96 as of 31 December 2023 to 1.50 as of 30 June 2024 because of the transactions of the past months.

Progress in Strategy Implementation

The focus on strategic customer relationships in markets with high entry barriers has continued to pay off, enabling Cicor to organically gain market share in a cyclically contracting market. The acquisitions completed since the beginning of the year have allowed Cicor to advance into the top tier of European electronics manufacturers and significantly strengthens its strategic position.

The acquisition of STS Defence Ltd (Gosport, UK, completed in January 2024) has strengthened both market share and development expertise in the UK aerospace and defence (A&D) market.

With the acquisition of the TT Electronics IoT Solutions Ltd. at the end of March 2024, with locations in Newport and Hartlepool (both UK) as well as Dongguan (China), Cicor has achieved market leadership in electronics manufacturing in the UK and has become the market leader in A&D amongst European EMS providers. This acquisition also strengthens the geographic footprint with a facility in China, allowing for local customer support in this market.

The integration of Evolution Medtec Srl (Bucharest, Romania) doubles Cicor's development resources in the medical technology sector and is therefore a key step in strengthening the company as a leading development partner for its customers.

EMS Division – Growth Driver with Leading Profitability

In line with strategy, the Electronic Manufacturing Services Division is the growth driver of Cicor Group, with sales in the reporting period of CHF 208.5 million, an increase of 16.5% over the CHF 179.0 million achieved in the first half of 2023. This growth was driven by the acquisitions, contributing 24.3%. Conversely, organic revenue declined by -6.2%, as previously mentioned. Foreign currency effects contributed -1.7%.

The progress in operational excellence of the existing units is very positive and enabled a slight increase in the EBITDA margin from 11.4% in the first half of 2023 to 11.6% in the reporting period. The newly integrated STS Defence contributed positively to margin development, whereas the TT Electronics IoT companies delivered an unchanged mid-single-digit margin contribution in the first three months of integration.

Management is focusing on rapid integration of the acquired companies as well as aligning the operating margin of the TT Electronics IoT companies with Cicor's target level and is highly confident that significant progress in this direction will be evident by the end of 2024.

AS Division – Technology Leader with Regained Strength

The results of the Advanced Substrates Division are entirely positive. All units contributed to the organic sales growth of 14.3%. In medical technology, market share increased, and new customers were acquired, while demand from the aerospace and defence market was higher. The contribution from acquisitions was 1.8%, and the appreciation of the Swiss franc had a negative impact of -0.5%. Overall, sales in the reporting period increased by 15.7% to CHF 23.9 million (first half of 2023: CHF 20.6 million).

The successful implementation of a multi-year excellence programme in printed circuit board manufacturing has significantly strengthened the Cicor site in Boudry, Switzerland (Cicorel SA). Consequently, the division recorded an increase in the EBITDA margin to 14.4% in the first half of 2024 (first half of 2023: 11.8%).

Cicor's management will continue to leverage organic growth opportunities in the AS Division and aims to further improve profitability.

Outlook for the Second Half and Full Year 2024

The expected increase in order intake and sales in the existing business and the progress in integrating newly acquired companies lead to a higher guidance than previously communicated. Provided there are no significant changes in the economic and geopolitical situation or exchange rates, Cicor anticipates annual sales for 2024 to be between CHF 470 and 510 million (previous guidance: CHF 460 to 500 million) and an operating result at the EBITDA level of CHF 50 to 60 million (previous guidance: EBITDA margin in the target range of 10-13%).

The Board of Directors and Management of Cicor will continue to pursue their strategy of becoming a leading European provider of development and manufacturing services for high-end electronics in the medical technology, industrial electronics, and aerospace & defence segments, aiming to achieve significantly above-average growth rates in revenue, operating income, and earnings per share.

On behalf of the Board of Directors and Group Management, we would like to thank everyone who contributed to the development of the Cicor Group during this very positive first half of 2024, despite the challenging environment: our employees, as well as our customers, suppliers, shareholders, and other partners.

Daniel Frutig
Chairman of the Board of Directors

Alexander Hagemann
CEO

About Cicor

The Cicor Group is a globally active provider of full-cycle electronic solutions from research and development to manufacturing and supply chain management.

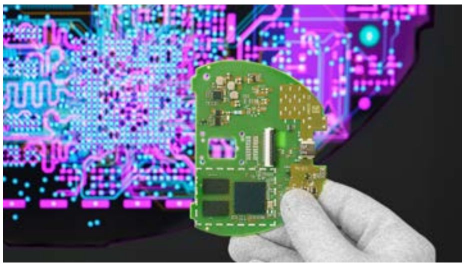
Cicor's approximately 3,300 employees at 19 sites are serving leaders from the medical, industrial and aerospace & defence industries. Cicor creates value to its customers through the combination of customer-specific development solutions, high-tech components, as well as electronic device manufacturing.

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

Global Footprint

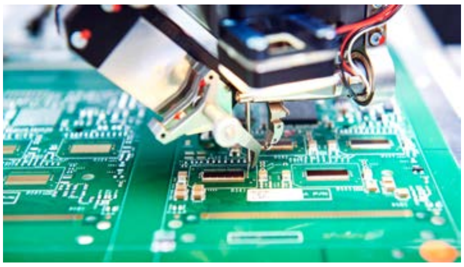
Its global presence and proximity to customers is a key success factor for Cicor.

Services



Engineering Services

At the Cicor Group, more than 200 well-trained engineers work on customer projects and make the engineering department a unique selling point of the company thanks to their interdisciplinary competencies. Using efficient methods and tools, they support Cicor customers in the areas of hardware and software engineering, PCB layout and component selection, test engineering, tool design, printed electronics, and process and quality management throughout the entire product life cycle.



Electronic Manufacturing Services

Cicor creates added value for its customers by combining customer-specific engineering services and the manufacturing of electronic boards and devices. With a broad manufacturing spectrum in the areas of printed circuit board assembly including microelectronics assembly, cable assembly as well as box building, Cicor offers individual outsourcing solutions from the idea to the finished electronic product from a single source.

Precision Plastics

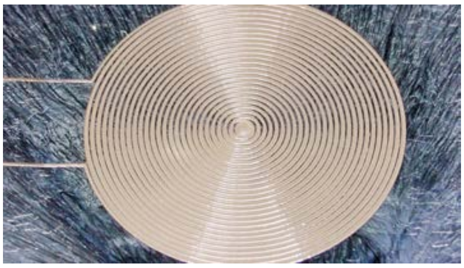
Leading companies in the medical technology and industrial sectors trust in Cicor as a production partner for high-precision plastic injection molded parts and mechanical assemblies. Cicor supports customers with regard to tool design and fabrication through to series production of high-precision plastic parts and complete devices including electronic assemblies. The efficient cooperation of the development engineers with the production departments results in a close exchange of knowledge and technology.

Hybrid Circuits

Thin-film substrates are used where conventional PCB technologies cannot provide an adequate technical solution. Cicor manufactures rigid and flexible multilayer circuits with highest resolution (10 µm) on ceramic or organic materials. In thick-film technology, the conductor tracks are applied by screen printing and then burned in. A thick-film circuit is clearly superior to the standard PCB in terms of temperature resistance and service life.

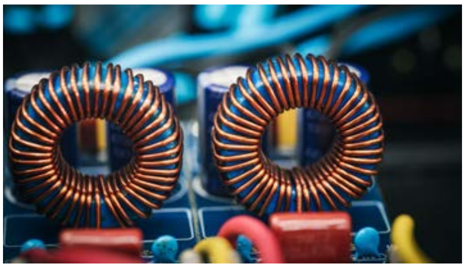
Printed Circuit Boards

For over 50 years, Cicor has been developing and producing sophisticated flexible, rigid-flexible and rigid printed circuit boards (PCBs). Thanks to a comprehensive expertise in multilayer boards (MLBs) and high-density interconnects (HDIs), Cicor develops innovative and reliable solutions for demanding applications. Thin materials and line width and spacing down to 25 μm enable extreme miniaturization and ultra-HDI advanced solutions. DenciTec® technology opens up completely new possibilities. Innovative circuits can be produced by combining our PCB processes with our thin-film technology.



Printed Electronics

The unique printing technology used by Cicor enables a wide range of conductive, non-conductive and biocompatible materials to be printed on a wide range of substrates and shapes. Compared to the methods used today to produce such three-dimensional circuit carriers, the technology chosen by Cicor offers a significantly wider variety of printed and printable materials. Devices for medical, aerospace and IoT applications can be significantly reduced in size by using this technology.



Power Supply

Cicor offers top-tier AC/DC and DC/DC power solutions, specialising in both medical and industrial grade applications. Power supply services include engineering support, custom modifications, and full design cycle assistance, ensuring seamless integration and reliability.

Key Markets

Medical Technology

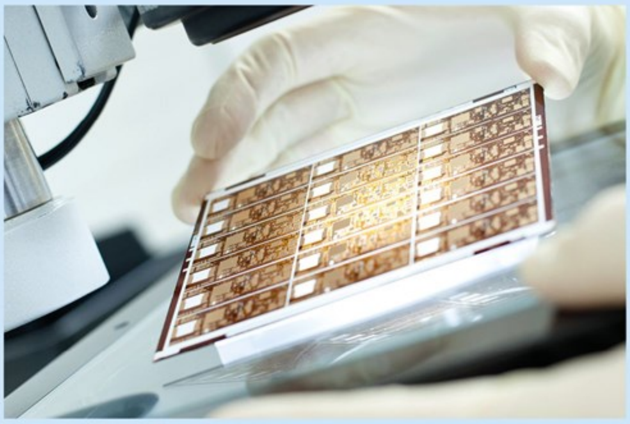
Medical devices are essential for improving healthcare worldwide. Wearables enable people around the world to hear, see and live better. Cicor has been developing and manufacturing medical devices for decades, combining increasingly sophisticated functions in the smallest possible space.

Industrial

For over 50 years, Cicor has been supporting its customers in the development and production of complex solutions for industrial electronics and building technology products that meet the high demands of today and tomorrow. Thanks to its global footprint, integrated planning systems and flexible logistics models, Cicor is always close to its customers.

Aerospace and Defence

Highly reliable equipment is crucial for mission and life critical applications. For over 30 years, Cicor has supported strategic international programs and collaborated with market-leading prime and tier one companies.



Financial Report

Consolidated Balance Sheet

in CHF 1 000	30.06.2024	in %	31.12.2023 restated	in %
Assets				
Property, plant and equipment	62 514	15.0	57 157	16.6
Intangible assets	46 652	11.2	31 850	9.2
Other non-current assets	518	0.1	496	0.1
Deferred tax assets	5 604	1.3	3 123	0.9
Non-current assets	**115 288**	**27.6**	**92 626**	**26.9**
Inventories	157 213	37.6	135 365	39.3
Trade accounts receivable	78 506	18.8	51 108	14.8
Other accounts receivable	11 556	2.8	3 929	1.1
Prepaid expenses and accruals	4 912	1.2	3 643	1.1
Cash and cash equivalents	50 518	12.1	57 851	16.8
Current assets	**302 705**	**72.4**	**251 896**	**73.1**
Total assets	**417 993**	**100.0**	**344 522**	**100.0**
Liabilities and shareholders' equity				
Share capital	34 786	8.3	34 112	9.9
Mandatory convertible note	55 925	13.4	59 069	17.1
Capital reserves	115 635	27.7	113 208	32.9
Treasury shares	–5 736	–1.4	–2 775	–0.8
Retained earnings	–69 554	–16.6	–72 125	–20.9
Total equity	**131 056**	**31.4**	**131 489**	**38.2**
Long-term provisions	6 706	1.6	3 588	1.0
Deferred tax liabilities	11 679	2.8	8 165	2.4
Long-term financial liabilities	104 281	24.9	84 628	24.6
Liabilities for post-employment benefits	1 719	0.4	1 663	0.5
Non-current liabilities	**124 385**	**29.8**	**98 044**	**28.5**
Short-term financial liabilities	25 880	6.2	16 707	4.8
Trade accounts payable	52 040	12.4	37 050	10.8
Other current liabilities	53 392	12.8	39 652	11.5
Accruals	23 961	5.7	16 301	4.7
Short-term provisions	3 296	0.8	2 194	0.6
Income tax payable	3 983	1.0	3 085	0.9
Current liabilities	**162 552**	**38.9**	**114 989**	**33.4**
Total liabilities	**286 937**	**68.6**	**213 033**	**61.8**
Total equity and liabilities	**417 993**	**100.0**	**344 522**	**100.0**

Consolidated Income Statement

in CHF 1 000	01.01. - 30.06.2024	in %	01.01. - 30.06.2023 restated	in %
Net Sales	**231 297**	**100.0**	**199 152**	**100.0**
Change in inventory of finished and unfinished goods	–730	–0.3	4 811	2.4
Material costs	–118 676	–51.3	–114 254	–57.4
Personnel costs	–65 474	–28.3	–51 200	–25.7
Other operating income	332	0.1	644	0.3
Other operating expenses	–22 020	–9.5	–17 817	–8.9
EBITDA	**24 729**	**10.7**	**21 336**	**10.7**
Depreciation and impairment	–6 065	–2.6	–5 765	–2.9
Amortization and impairment	–3 548	–1.5	–2 204	–1.1
Operating profit (EBIT)	**15 116**	**6.5**	**13 366**	**6.7**
Financial income	7 027	3.0	3 135	1.6
Financial expenses	–6 716	–2.9	–5 734	–2.9
Profit before tax (EBT)	**15 427**	**6.7**	**10 767**	**5.4**
Income tax	–3 541	–1.5	–3 045	–1.5
Net profit	**11 886**	**5.1**	**7 722**	**3.9**
Earnings per share (in CHF)				
- basic	2.69		1.74	
- diluted	2.64		1.73	

Consolidated Cash Flow Statement

in CHF 1 000	01.01. - 30.06.2024	01.01. - 30.06.2023 restated
Net profit	11 886	7 722
Depreciation	6 065	5 765
Amortization	3 548	2 204
Interest income	–248	–150
Interest expenses	2 593	1 776
Tax expenses	3 541	3 045
Change in provisions	–157	130
Change in other non-current assets	12	–12
Other non-cash-items	–904	1 384
Subtotal before working capital changes	**26 336**	**21 865**
Change in working capital	6 549	–7 421
Income tax paid	–4 418	–2 132
Interest paid	–2 187	–1 582
Interest received	249	138
Net cash from operating activities	**26 529**	**10 868**
Purchase of property, plant and equipment	–5 464	–5 512
Proceeds from sale of property, plant and equipment	34	79
Purchase of intangible assets	–20	–204
Acquisition of subsidiaries, net of cash acquired	–51 035	–21 985
Net cash used in investing activities	**–56 485**	**–27 622**
Transaction costs on conversion of MCNs	–43	-
Purchase of treasury shares (net)	–3 279	–427
Repayment of finance lease liabilities	–187	–242
Proceeds from borrowings short-term	7 778	-
Proceeds from borrowings long term	42 186	17 217
Repayment of borrowings short-term	–25 097	–11 003
Net cash from financing activities	**21 358**	**5 545**
Currency translation effects	1 265	–113
Net increase in cash and cash equivalents	**–7 333**	**–11 322**
Cash and cash equivalents at the beginning of the period	**57 851**	**75 491**
Cash and cash equivalents at the end of the period	**50 518**	**64 169**

Consolidated Statement of Changes in Equity

in CHF 1 000	Share capital	Mandatory convertible note	Capital reserves	Treasury shares	Retained earnings: Goodwill offset	Retained earnings: CF hedging reserve	Retained earnings: Other	Trans-lation reserve	Total equity
Balance at 1 January 2023 reported	**34 095**	**59 069**	**113 162**	**–2 422**	**–**	**–58**	**–38 916**	**–16 039**	**148 891**
Restatement	–	–	–	–	–126 280	–	101 651	2 813	–21 816
Balance at 1 January 2023 restated	**34 095**	**59 069**	**113 162**	**–2 422**	**–126 280**	**–58**	**62 735**	**–13 226**	**127 075**
Net profit	–	–	–	–	–	–	7 722	–	7 722
Share-based payments	–	–	–	67	–	–	527	–	594
Change in Cash Flow Hedging	–	–	–	–	–	–27	–	–	–27
Goodwill offset [1]	–	–	–	–	–874	–	–	–	–874
Purchase of treasury shares	–	–	–	–1 013	–	–	–	–	–1 013
Sale of treasury shares	–	–	–	594	–	–	–8	–	586
Capital increase, creation of reserve shares [2]	17	–	46	–63	–	–	–	–	–
Translation adjustment	–	–	–	–	–	–	–	–437	–437
Balance at 30 June 2023 restated	**34 112**	**59 069**	**113 208**	**–2 837**	**–127 154**	**–85**	**70 976**	**–13 663**	**133 626**

in CHF 1 000	Share capital	Mandatory convertible note	Capital reserves	Treasury shares	Retained earnings: Goodwill offset	Retained earnings: CF hedging reserve	Retained earnings: Other	Trans-lation reserve	Total equity
Balance at 1 January 2024 reported	**34 112**	**59 069**	**113 208**	**–2 775**	**–**	**–**	**–31 815**	**–23 719**	**148 080**
Restatement	–	–	–	–	–127 407	–	107 328	3 488	–16 591
Balance at 1 January 2024 restated	**34 112**	**59 069**	**113 208**	**–2 775**	**–127 407**	**–**	**75 513**	**–20 231**	**131 489**
Net profit	–	–	–	–	–	–	11 886	–	11 886
Share-based payments	–	–	–	347	–	–	564	–	911
Change in Cash Flow Hedging	–	–	–	–	–	164	–	–	164
Goodwill offset [1]	–	–	–	–	–15 062	–	–	–	–15 062
Purchase of treasury shares	–	–	–	–4 490	–	–	–	–	–4 490
Sale of treasury shares	–	–	–	1 182	–	–	29	–	1 211
Conversion of mandatory convertible note [2]	674	–3 204	2 530	–	–	–	–	–	–
Transaction costs on conversion of mandatory convertible note	–	60	–103	–	–	–	–	–	–43
Translation adjustment	–	–	–	–	–	–	–	4 990	4 990
Balance at 30 June 2024	**34 786**	**55 925**	**115 635**	**–5 736**	**–142 469**	**164**	**87 992**	**–15 241**	**131 056**

[1] Refer to note "5 Change in Scope of Consolidation".
[2] Refer to note "6 Equity".

Notes 1–7

1 Principles of Consolidation and Valuation

These consolidated interim financial statements of the Cicor Group as of 30 June 2024 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 2023. 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 2023 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 23 July 2024.

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.

The group has adopted the following new accounting standards in financial year 2024.

Adoption of FER 30 (revised 2022) – Consolidated Financial Statements

The Group applied Swiss GAAP FER 30 (revised 2022) for the first time in the financial year 2024. The revised standard defines the accounting principles and disclosure for consolidated financial statements. Cicor determined that the revision of FER 30 did not have a material impact on the consolidated financial statements.

Adoption of FER 28 – Government Grants

The Group applied Swiss GAAP FER 28 for the first time in the financial year 2024. The new standard defines the accounting treatment and disclosure of government grants. Cicor determined that the application of FER 28 did not have a material impact on the consolidated financial statements.

2 Change to the Consolidation and Valuation Principles – Accounting for Goodwill

In recent years, it has become standard practice for listed companies applying Swiss GAAP FER to offset goodwill against equity. For this reason, and to facilitate comparability with other stock listed companies, the Board of Directors of Cicor Technologies Ltd. (Cicor) has decided that, from 1 January 2024, goodwill from acquisitions will be offset directly against equity at the time of acquisition, using the accounting policy choice provided in Swiss GAAP FER 30 "Consolidated financial statements". The impact of theoretical capitalization and amortization, including any impairment arising from the assessment of recoverability, will be disclosed in the notes to the consolidated financial statements.

Previously goodwill was capitalized and amortized over its estimated useful life. As this is a change in accounting policy, prior periods have been restated accordingly. Cicor previously reported the alternative performance measures "Core EBIT", "Core net profit" and "Core earnings per share", which excluded the amortization of goodwill and other intangible assets that were capitalized as part of an acquisition. These Core results will no longer be reported. The revised consolidation and valuation principles are described below.

Goodwill from the acquisition of companies and businesses is equivalent to the difference between the total consideration (purchase price plus transaction costs) and the interest in revalued net assets of the acquired company and can be positive or negative. Goodwill is offset against equity at the date of acquisition. The impact of theoretical capitalization and amortization of goodwill is disclosed in the notes to the consolidated financial statements. In an acquisition achieved in stages (step acquisition), the goodwill of each separate transaction is determined.

Minority interests acquired are likewise measured using the purchase method. The difference between the total consideration and proportionate equity is offset as goodwill against equity.

Companies and businesses sold during the year are excluded from the consolidated financial statements from the date of sale. Where interests in fully consolidated companies or companies accounted for using the equity method are sold, goodwill acquired at an earlier date and offset against equity is recognized in the income statement at original cost for the purpose of calculating the gain or loss resulting from the sale.

Financial effects of the change to the consolidation and valuation principles

in CHF 1 000	Reported	Restatement	Restated
Balance sheet 1 January 2023			
Intangible assets	58 342	–21 816	36 526
Retained earnings	–55 013	–21 816	–76 829
Balance sheet 1 January 2024			
Intangible assets	48 441	–16 591	31 850
Retained earnings	–55 534	–16 591	–72 125
Income statement 1 January - 30 June 2023			
Amortization and impairment	–5 033	2 829	–2 204
Operating profit (EBIT)	10 538	2 829	13 366
Net profit	4 894	2 829	7 722
Earnings per share 1 January - 30 June 2023 in CHF			
- basic	1.10	0.64	1.74
- diluted	1.10	0.63	1.73

Goodwill from acquisitions (shadow accounting)

The goodwill from the acquisition of companies and businesses or the purchase of interests in associates or joint ventures is offset against equity at the date of acquisition. The theoretical capitalization of goodwill and its amortization over the expected useful life of usually 5 years would have the following effects on the consolidated interim financial statements as at 30 June 2024.

Theoretical movement schedule for goodwill

in CHF 1 000	2024	2023
Acquisition costs		
Balance at 1 January	123 396	123 413
Additions	15 062	874
Translation adjustment	2 123	409
Balance at 30 June	**140 581**	**124 696**
Accumulated amortization		
Balance at 1 January	–106 805	–101 597
Amortization	–4 374	–2 829
Translation adjustment	–653	–100
Balance at 30 June	**–111 832**	**–104 526**
Theoretical net book value of goodwill		
1 January	16 591	21 816
30 June	**28 749**	**20 170**
Equity as per balance sheet 30 June	131 056	133 626
Theoretical capitalization of goodwill	28 749	20 170
Theoretical equity incl. goodwill	**159 805**	**153 796**
Equity in % of total assets	31.4	34.8
Theoretical equity incl. goodwill in % of total assets	**35.8**	**38.0**
Net profit	11 886	7 722
Goodwill amortization	–4 374	–2 829
Theoretical net profit incl. amortization of goodwill	**7 512**	**4 894**

3 Definition of Non-GAAP Measures

Cicor uses the below non-GAAP measures in the financial reporting.

EBITDA / EBIT

EBITDA as a subtotal includes EBIT before deduction of depreciation and impairment of tangible assets as well as amortization and impairment of intangible assets. EBIT as a subtotal includes all income and expenses before addition/deduction of financial income, financial expenses and income taxes.

Operating net working capital

The Cicor Group uses Operating net working capital as a measure to monitor net working capital. Operating net working capital considers Inventories, Trade receivables and Trade payables, as well as Prepayments from customers and to suppliers.

in CHF 1 000	**Balance sheet allocation**	**30.06.2024**	**31.12.2023**
Inventories	Inventories	157 213	135 365
Prepayments to suppliers for inventory	Other accounts receivable	1 849	781
Prepayments from customers for inventory	Other current liabilities	–37 675	–30 727
Operating inventory		**121 387**	**105 419**
Trade accounts receivable	Trade accounts receivable	78 506	51 108
Prepayments from customers other	Other current liabilities	–3 862	–1 611
Operating trade receivables		**74 644**	**49 497**
Trade accounts payable	Trade accounts payable	–52 040	–37 050
Prepayments to suppliers other	Other accounts receivable	1 667	327
Operating trade payables		**–50 373**	**–36 723**
Operating net working capital		**145 658**	**118 193**

4 Segment Reporting

in CHF 1 000	EMS Division	AS Division	Total reportable segments	Corporate and eliminations	Group
Income statement 01.01. - 30.06.2024					
Sales to external customers	208 503	22 794	231 297	–	231 297
Intersegment sales	21	1 074	1 095	–1 095	-
Total Net Sales	208 524	23 868	232 392	–1 095	231 297
EBITDA	24 109	3 436	27 545	–2 816	24 729
Balance sheet 30.06.2024					
Intangible assets	46 315	337	46 652	–	46 652
Other than intangible assets	328 072	38 321	366 393	4 948	371 341
Total assets	374 387	38 658	413 045	4 948	417 993
Total liabilities	258 362	19 462	277 824	9 113	286 937
Other segment information 01.01. - 30.06.2024					
Capital expenditures for property, plant and equipment	4 618	1 009	5 627	–	5 627

in CHF 1 000	EMS Division	AS Division	Total reportable segments	Corporate and eliminations	Group
Income statement 01.01. - 30.06.2023					
Sales to external customers	178 901	20 251	199 152	–	199 152
Intersegment sales	96	387	483	–483	-
Total Net Sales	178 997	20 638	199 635	–483	199 152
EBITDA	20 439	2 433	22 872	–1 536	21 336
Balance sheet 30.06.2023 restated					
Intangible assets	35 308	438	35 746	–	35 746
Other than intangible assets	300 421	36 330	336 751	12 026	348 777
Total assets	335 729	36 768	372 497	12 026	384 523
Total liabilities	216 682	20 759	237 441	13 456	250 897
Other segment information 01.01. - 30.06.2023					
Capital expenditures for property, plant and equipment	3 997	575	4 572	–	4 572

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 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 defense sectors, while the Advanced Substrates (AS) division provides its customers with high-quality printed circuit boards as well as thin-film substrates.

For 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.

Sales by Region and by Industry

in CHF 1 000	01.01. - 30.06.2024	in %	01.01. - 30.06.2023	in %
Switzerland	43 457	18.8	43 530	21.9
Europe (without Switzerland)	155 857	67.4	125 738	63.1
Asia	22 269	9.6	20 499	10.3
Americas	8 515	3.7	7 616	3.8
Other	1 199	0.5	1 769	0.9
Total	**231 297**	**100.0**	**199 152**	**100.0**
Industrial	77 001	33.3	81 668	41.0
Medical	55 887	24.2	54 719	27.5
Aerospace & defence	56 508	24.4	31 150	15.6
High-tech consumer	15 026	6.5	11 969	6.0
Transport	19 783	8.6	14 473	7.3
Communication	2 135	0.9	2 003	0.9
Other	4 957	2.1	3 170	1.6
Total	**231 297**	**100.0**	**199 152**	**100.0**

Major Customers

Cicor Group's biggest customer contributed less than 5% (2023: less than 7%) to the Group's consolidated sales.

5 Change in Scope of Consolidation

Acquisitions in 2024

Effective 24 January 2024, Cicor Group acquired 100% of the shares of STS Defence Ltd (STS), located in Gosport, England, for a total consideration of GBP 27.8 million (CHF 30.7 million). The site was integrated into the organizational unit “Cicor UK” of the Electronic Manufacturing Services (EMS) Division. The preliminary purchase price allocation resulted in goodwill of GBP 19.3 million (CHF 21.3 million) which has been offset against equity.
The company was consolidated as of 24 January 2024. Net sales from 1 January 2024 to 23 January 2024 amounted to GBP 1.3 million (CHF 1.4 million) and net sales from 24 January 2024 to 30 June 2024 amounted GBP 20.8 million (CHF 23.4 million).

Effective 28 February 2024, Cicor Group acquired 100% of the shares of Evolution Medtec Srl (EM), located in Bucharest, Romania, for a total consideration of RON 9.7 million (CHF 1.9 million). The site was integrated into the organizational unit “Cicor Europe” of the Electronic Manufacturing Services (EMS) Division. The preliminary purchase price allocation resulted in goodwill of RON 6.8 million (CHF 1.3 million) which has been offset against equity.
Evolution Medtec was consolidated as of 1 March 2024. Net sales from 1 January to 28 February 2024 amounted to RON 2.0 million (CHF 0.4 million) and net sales from 1 March to 30 June 2024 amounted RON 3.1 million (CHF 0.6 million).

Effective 31 March 2024, Cicor Group acquired 100% of the shares of TT Electronics IoT Solutions Ltd (IoT) for a total consideration of GBP 21.3 million (CHF 24.2 million). The transaction includes a total of seven companies, thereof two production sites in England (Newport and Hartlepool) that were integrated into the organizational unit “Cicor UK” and one production site in China (Dongguan) that became part of "Cicor Asia", all in the Electronic Manufacturing Services (EMS) Division. The preliminary purchase price allocation resulted in a bargain purchase of GBP -6.6 million (CHF -7.5 million) which has been offset against equity.
The IoT business was consolidated as of 31 March 2024. Net sales from 1 January to 31 March 2024 amounted to GBP 16.1 million (CHF 18.1 million) and net sales from 1 April to 30 June 2024 amounted to GBP 17.4 million (CHF 19.6 million).

Preliminary financial information on the transactions as per the acquisition date is disclosed in below table.

in CHF 1 000	STS [1]	EM [2]	IoT [3]	Total
Purchase consideration paid	29 680	1 356	25 218	56 254
Purchase consideration deferred	–	382	–2 277	–1 895
Total purchase consideration	**29 680**	**1 738**	**22 941**	**54 359**
Direct costs related to acquisition paid	985	124	1 071	2 180
Direct costs related to acquisition deferred	–	–	220	220
Total consideration	**30 665**	**1 862**	**24 233**	**56 759**
Less: Fair value of net assets acquired	–9 407	–553	–31 737	–41 697
Goodwill	**21 258**	**1 309**	**–7 504**	**15 062**
Property, plant and equipment	574	6	3 540	4 120
Intangible assets	12 967	–	3 249	16 215
Inventories	4 237	16	26 888	31 141
Trade accounts receivable	4 765	303	10 294	15 362
Other accounts receivable, prep. exp. and accruals	560	49	3 303	3 912
Cash and cash equivalents	1 265	349	5 786	7 400
Deferred Tax assets / liabilities	–3 604	10	2 421	–1 174
Long-term financial liabilities	–	–	–11	–11
Long-term provisions	–	–	–3 128	–3 128
Short-term financial liabilities	–3 617	–	–6	–3 622
Short-term provisions	–76	–	–1 113	–1 189
Trade payables	–3 062	–101	–7 864	–11 028
Other current liabilities and accruals	–4 361	–38	–11 349	–15 748
Income tax payable	–241	–40	–273	–554
Total fair value of net assets acquired	**9 407**	**553**	**31 737**	**41 697**
Total consideration paid	30 665	1 480	26 289	58 434
Less: cash and cash equivalents acquired	–1 265	–349	–5 786	–7 400
Cash outflow on acquisitions during the year	**29 400**	**1 132**	**20 503**	**51 035**

[1] Acquisition of STS Defence Ltd, Gosport (United Kingdom).
[2] Acquisition of Evolution Medtec Srl, Bucharest (Romania).
[3] Acquisition of TT Electronics IoT Solutions Ltd (United Kingdom and China).

6 Equity

Share capital

The ordinary share capital was increased by 67 447 ordinary shares with a par value of CHF 10.00 each out of conditional capital according to Art. 5 bis of the Company's Articles of Association in the period under review. The increase was caused by the conversion of Mandatory Convertible Notes (MCNs) with a nominal value of CHF 3.2 million.

The ordinary share capital as of 30 June 2024 consisted of 3 478 616 registered shares with a par value of CHF 10.00 each (31 December 2023: 3 411 169 registered shares with a par value of CHF 10.00 each).

Mandatory convertible note

On 20 January 2022, Cicor issued a five-year, interest-free mandatory convertible note (MCN) with a principal amount of CHF 20.0 million. On 27 September 2022 Cicor exercised its option to reopen the issuance of the MCN in the amount of an additional CHF 40.2 million and to sell these additional notes to OEP, resulting in a total of CHF 60.2 million of MCNs outstanding.

The conversion price is fixed at CHF 47.50 per share, subject to subsequent adjustment for anti-dilution events. Shares to be delivered upon conversion of a MCN are new shares issued from the conditional capital according to Art. 5 ter of the Company's Articles of Association. No fractions will be delivered, and no cash payments will be made to the holders.

The MCNs contain the following early conversion option for holders: Each holder may elect to early convert MCNs during the optional conversion period starting 730 days after issuance up to ten days prior to maturity or following the formal announcement of a take-over bid to Cicor’s shareholders.

Until 30 June 2024, MCNs with a nominal value of CHF 3.2 million were converted into 67 447 new ordinary shares with a par value of CHF 10.00 that were created from the conditional capital according to Art. 5 ter of the Company's Articles of Association.

Upon occurrence of certain predefined events, the MCNs will be subject to an accelerated conversion and will be mandatorily converted on the maturity date, unless previously converted under the early conversion options or following an accelerated conversion. In accordance with Cicor’s accounting policy for interest-free mandatorily convertible notes, the MCN is classified as an equity instrument in its entirety, as it does not contain any obligations to deliver cash and does not require settlement in a variable number of the Group’s equity instruments.

7 Subsequent Events

There were no events between 30 June 2024 and 23 July 2024 that would require an adjustment to the carrying amounts of assets and liabilities or need to be disclosed under this heading.

Imprint

Published by
Cicor Technologies Ltd.
Route de l’Europe 8
2017 Boudry
Switzerland

Photos: © Cicor Technologies Ltd.

This Half-Year Report can be accessed on the internet at report.cicor.com.

Contact

Cicor Management AG
Gebenloostrasse 15
9552 Bronschhofen
Switzerland

Phone +41 71 913 73 00
investor@cicor.com