Viscom AG: Revenue and earnings impacted by effects of COVID-19 pandemic

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Revenue: € 15,616 thousand (previous year: € 19,715 thousand)
Incoming orders: € 15,928 thousand (previous year: € 19,844 thousand)
Order backlog: € 16,251 thousand (previous year: € 25,099 thousand)
EBIT: € -2,464 thousand (previous year: € 348 thousand)

Hanover, 13 May 2020 - Business performance at Viscom AG (ISIN DE0007846867) remained muted in the first quarter of the current financial year.

The slump in demand triggered by the effects of the COVID-19 pandemic, initially mainly in the Asia region, had already spread to weaker sales markets, including in the automotive supply industry in particular. At the start of the year, initially only China was forced to take swingeing measures to combat the further spread of coronavirus. In addition, to curfews, this also included the suspension of production work. This caused demand in general to nosedive dramatically. Since the middle of March, rising infection figures in Europe and the US have also led to the partial or full lockdown of production facilities in these territories. Thus, the COVID-19 pandemic has spread to all regions.

The COVID-19 pandemic has also clearly affected the Viscom Group, and its business activities have been greatly curtailed. Efforts to combat the global pandemic have disrupted supply chains and caused orders to slump. Total revenue amounted to € 15,616 thousand, 20.8 % less than the previous year's figure (€ 19,715 thousand).

The current economic situation and the associated investment restraint on the part of Viscom's customers are weighing on incoming orders, which amount to € 15,928 thousand (previous year: € 19,844 thousand). Operating profit amounted to € -2,464 thousand in the first three months of the current financial year, down on the figure for the same period of the previous year (previous year: € 348 thousand). The main reason for the change as against the previous year was the drop in total operating revenue. Offsetting this, the cost of materials decreased by € 2,573 thousand to € 7,613 thousand (previous year: € 10,186 thousand). In addition to the slight decline in staff costs, earnings benefited in particular from the reduction of € 473 thousand in other operating expenses.

Europe was the Viscom Group's strongest region by some margin, accounting for around 75 % of total revenue. It generated revenue of € 11,783 thousand in the first three months of the 2020 financial year (previous year: € 13,795 thousand) and was thus 14.6 % below the previous year's

level. Revenue in Germany amounted to € 6,880 thousand (previous year: € 8,907 thousand). Segment earnings in the Europe region totalled € -2,180 thousand (previous year: € 494 thousand), corresponding to a margin of
-18.5 % (previous year: 3.6 %).

The Americas region began 2020 with a variety of activities, including the IPC Apex Expo, which proved highly successful with good attendance figures and a large number of potential clients. The spread of coronavirus led to investment restraint on the part of some customers, above all those in the automotive supply industry. By contrast, some other industries continued to push ahead with their investments, including the research sector in particular. Even in the age of coronavirus, interest in inspection systems is unabated in all industries and regions of North America. Several customers in North America are using the time to catch up and continue their research so as to be ready when things go back to normal. Segment revenue in the region increased by around 17 % from € 2,475 thousand to € 2,898 thousand. Segment earnings totalled € 191 thousand (previous year: € 83 thousand), corresponding to a margin of 6.6 % (previous year: 3.4 %).

With Chinese New Year falling early in January, and being followed almost immediately by the COVID-19 lockdown in China, demand for products from Viscom's customers - cars especially - has crashed. This is reflected in both revenue and earnings in the Asia region. Revenue in the Asia region amounted to € 935 thousand (previous year: € 3,445 thousand) with an operating result of € -335 thousand (previous year: € -194 thousand), equivalent to an EBIT-Margin of -35.8 % (previous year: -5.6 %). The fact that production has been starting up again in certain sectors since the beginning of March is seen as a positive signal. This positive signal is expected to grow stronger in the second quarter and, together with the cost-cutting measures initiated, an improvement is anticipated.

In close coordination with the Works Council, and having weighed the capacity necessary to process orders, reduced working hours were agreed at the Hanover site. By waiving some of their salary, the Executive Board and the first management level of Viscom AG are also doing their part to protect jobs at the Hanover site. The necessary distancing and hygiene regulations are being implemented and adhered to for the employees working at our sites. Thanks to our state-of-the-art IT equipment, many employees were able to begin home office immediately, ensuring the continuation of business and ongoing customer support.

The forecast for the current year is still subject to a great deal of uncertainty. The development of incoming orders and revenue in 2020 will largely depend on the overall economic situation, particularly in the automotive industry, and how the coronavirus pandemic unfolds. Viscom expects to see a sharp economic downturn this year with catch-up effects on the customer side. The company believes it is well positioned to return to sustainable and profitable growth after the current crisis situation, and to achieve the forecast for the year released in April.

The Group interim report as at 31 March 2020 is available now in the Investor Relations section of the website at www.viscom.com.

KEY GROUP FIGURES

Consolidated statement of comprehensive income		**1 Jan. to 31 Mar. 2020**	**1 Jan. to 31 Mar. 2019**
Revenue	K€	15,616	19,715
EBIT	K€	-2,464	348
EBIT-Margin	%	-15.8	1.8
Net profit for the period	K€	-2,578	141

Earnings per share	€	-0.29	0.02
Employees at end of quarter		487	484
Consolidated statement of financial position		**31 Mar. 2020**	**31 Dec. 2019**
Assets			
Current assets	K€	60,285	62,757
Non-current assets	K€	27,437	26,291
Total assets	K€	87,722	89,048
Equity and liabilities			
Current liabilities	K€	16,899	16,904
Non-current liabilities	K€	14,797	13,645
Equity	K€	56,026	58,499
Total equity and liabilities	K€	87,722	89,048
Equity ratio	%	63.9	65.7
Consolidated statement of cash flows		**1 Jan. to 31 Mar. 2020**	**1 Jan. to 31 Mar. 2019**
Cash flow from operating activities	K€	3,628	2,307
Cash flow from investing activities	K€	-723	-722
Cash flow from financing activities	K€	-817	-724
Cash and cash equivalents	K€	3,160	3,258

SEGMENT INFORMATION

		1 Jan. to 31 Mar. 2020	1 Jan. to 31 Mar. 2019
EUROPE			
Revenue	K€	11,783	13,795
EBIT	K€	-2,180	494
EBIT-Margin	%	-18.5	3.6
AMERICAS			
Revenue	K€	2,898	2,475
EBIT	K€	191	83
EBIT-Margin	%	6.6	3.4
ASIA			
Revenue	K€	935	3,445
EBIT	K€	-335	-194
EBIT-Margin	%	-35.8	-5.6
EBIT consolidation differences	K€	-140	-35

About Viscom

Viscom AG develops, manufactures and sells high-quality inspection systems. Its product range covers the full range of optical inspection and X-ray inspection. The company is a leading global

provider in the field of assembly inspection for electronics manufacturing. Viscom's systems can be configured for each individual customer and networked. Its headquarters and manufacturing site are in Hanover. With a large network of branches, application centres, service centres and representatives, Viscom is represented all over the world. Established in 1984, Viscom AG has been listed on the Frankfurt Stock Exchange since 2006 (ISIN: DE0007846867). Further information can be found at www.viscom.com.

Any forecasts, expectations or statements concerning the future included in this release may be subject to risk or uncertainty. We therefore cannot guarantee that the expectations will prove correct. Actual results and developments may differ significantly from the expectations and assumptions expressed. The factors that could cause such deviations include changes in the general economic and competitive situation, exchange rate and interest rate fluctuations and changes in national and international law. The company assumes no obligation to update the forward-looking statements in this release.

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