Viscom AG: Business development remains modest in third quarter. Management confirms annual forecast.

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Viscom AG: Business development remains modest in third quarter. Management confirms annual forecast.

Revenue: EUR 60,709 thousand (previous year: EUR 65,032 thousand).
Incoming orders: EUR 61,188 thousand (previous year: EUR 72,741 thousand).
Order backlog: EUR 25,449 thousand (previous year: EUR 27,486 thousand).
EBIT: EUR 699 thousand (previous year: EUR 6,843 thousand).
EBIT-Margin: 1.2 % (previous year: 10.5 %)

Hanover, 12 November 2019 - Business performance at Viscom AG (ISIN DE0007846867) continued to develop modestly in the third quarter of the current financial year. Revenue was generated totalling EUR 18,314 thousand, putting cumulative revenue after the first nine months of the year at EUR 60,709 thousand, down 6.6 % from the corresponding figure for the previous year (EUR 65,032 thousand). This weaker revenue is due firstly to continually falling system sales, especially in X-ray inspection, and secondly to postponements of certain delivery dates.

Incoming orders of EUR 61,188 thousand (previous year: EUR 72,741 thousand) continue to be weighed down by the current economic situation, the associated reluctance of Viscom customers to invest, especially in the automotive supply sector, and global price pressure. However, orders for consumer electronics systems developed positively in the third quarter. An existing customer ordered nine systems from the X7056 product family here. Numerous new customers were also acquired, particularly in Asia.

Operating profit amounted to EUR 699 thousand in the first three quarters of 2019, down EUR 6,144 thousand on the corresponding period of the previous year. This corresponds to an EBIT-Margin of 1.2 % (previous year: 10.5 %). This result was reduced mainly by increased staff costs due to the capacity expansions, higher valuation allowances on inventories and a lower change in inventories. As an immediate cost-reduction measure, there was a significant reduction in temporary workers in production and production-related areas. In addition, investments were temporarily suspended or spread out over longer periods.

Europe was the Viscom Group's strongest region by some distance, accounting for around 62 % of total revenue. It generated revenue of EUR 37,476 thousand in the first nine months of the 2019 financial year (previous year: EUR 38,188 thousand) and was thus close to the previous year's level. Revenue in Germany amounted to EUR 21,220 thousand (previous year: EUR 18,541 thousand).

Segment earnings in the Europe region totalled EUR 238 thousand (previous year: EUR 5,333 thousand), corresponding to a margin of 0.6 % (previous year: 14.0 %). This decrease was attributable primarily to the effects already discussed under operating profit.

In the Americas region, customer demand continues to develop positively. However, demand among automotive customers is very mixed. Outside of the automotive sector, demand for inspection solutions continues to increase. Segment revenue in the region increased by around 32 % from EUR 6,690 thousand to EUR 8,807 thousand. Segment earnings were weighed down by increasing price pressure and lower cost allocation due to a lack of direct revenue and totalled EUR 112 thousand (previous year: EUR 226 thousand), corresponding to a margin of 1.3 % (previous year: 3.4 %).

Revenue in the Asia region amounted to EUR 14,426 thousand (previous year: EUR 20,154 thousand), and on account of the strong margin pressure, Viscom AG's lack of direct revenue in the region and the associated cost allocation, earnings amounted to only EUR 127 thousand (previous year: EUR 1,820 thousand) with a corresponding EBIT-Margin of 0.9 % (previous year: 9.0 %). The revenue generated was largely generated with customers from the automotive segment and the computer, communication and consumer industry. The service business also suffered under heavy margin pressure, as import tariffs on components such as camera modules were increased sharply in China in particular. The market situation is not expected to improve in the fourth quarter.

However, current analyses for the end of the year show that the Viscom Group will achieve the annual forecast adjusted on 30 July 2019 with revenue of between EUR 85 million and EUR 94 million and an EBIT-Margin of between 5 % and 9 %.

You can now find the Group Interim Report as at 30 September 2019 in the Investor Relations section of the website at www.viscom.com.

KEY GROUP FIGURES

Consolidated statement of comprehensive income		**1 Jan.-30 Sep. 2019**	**1 Jan.-30 Sep. 2018**
Revenue	KEUR	60,709	65,032
EBIT	KEUR	699	6,843
EBIT-Margin	%	1.2	10.5
Net profit for the period	KEUR	678	5,256
Earnings per share	EUR	0.08	0.59
Employees at quarter-end		484	471
Consolidated statement of financial position		**30 Sep. 2019**	**31 Dec. 2018**
Assets			
Current assets	KEUR	63,966	67,045
Non-current assets	KEUR	25,768	14,758
Total assets	KEUR	89,734	81,803
Liabilities			
Current liabilities	KEUR	19,579	18,659
Non-current liabilities	KEUR	13,950	3,846
Total shareholders' equity	KEUR	56,205	59,298
Total liabilities and shareholders' equity	KEUR	89,734	81,803
Equity ratio	%	62.6	72.5
Consolidated statement of cash flows		**1 Jan.-30 Sep. 2019**	**1 Jan.-30 Sep. 2018**
Cash flow from operating activities	KEUR	4,859	-2,312
Cash flow from investing activities	KEUR	-3,519	-3,497
Cash flow from financing activities	KEUR	-4,211	-5,379
Cash and cash equivalents	KEUR	-411	399

SEGMENT INFORMATION

		1 Jan.-30 Sep. 2019	1 Jan.-30 Sep. 2018
EUROPE			
Revenue	KEUR	37,476	38,188
EBIT	KEUR	238	5,333
EBIT-Margin	%	0.6	14.0
AMERICAS			
Revenue	KEUR	8,807	6,690
EBIT	KEUR	112	226
EBIT-Margin	%	1.3	3.4
ASIA			
Revenue	KEUR	14,426	20,154
EBIT	KEUR	127	1,820
EBIT-Margin	%	0.9	9.0
EBIT consolidation differences	KEUR	222	-536

About Viscom
Viscom AG develops, manufactures and sells high-quality inspection systems. Its product range covers the complete 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 has a presence around the world. Established in 1984, Viscom AG has been listed on the Frankfurt Stock Exchange since 2006 (ISIN: DE0007846867). You can find further information at www.viscom.com.

Any forecasts, expectations or statements concerning the future included in this release may be subject to risks or uncertainties. We thus cannot guarantee that the expectations will prove to be accurate. Actual results and performance may differ significantly from the expectations and assumptions expressed here. Factors that may result in these differences include changes to the general economic environment and the competitive situation, exchange rate and interest rate fluctuations and changes to national and international legislation. The company is not obliged to update the statements included in this release.

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