Viscom AG: Business performance in the first half of 2019 falls short of expectations, forecast for 2019 adjusted

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Viscom AG: Business performance in the first half of 2019 falls short of expectations, forecast for 2019 adjusted

Revenue: EUR 42,395 thousand (previous year: EUR 42,892 thousand)
Incoming orders: EUR 40,044 thousand (previous year: EUR 48,789 thousand)
Order backlog: EUR 22,619 thousand (previous year: EUR 25,674 thousand)
EBIT: EUR 1,611 thousand (previous year: EUR 4,602 thousand)
EBIT-Margin: 3.8 % (previous year: 10.7 %)

Hanover, 13 August 2019 - The business performance of Viscom AG (ISIN DE0007846867) developed rather modestly in the first six months of the 2019 financial year. At EUR 40,044 thousand, incoming orders were down around 18 % from the previous year's figure of EUR 48,789 thousand. This reflects the caution and the associated investment restraint of customers in Viscom's core markets. This restraint was particularly tangible in the automotive supply sector and in consumer and household electronics. Nevertheless, revenue amounted to EUR 42,395 thousand and was therefore on a par with the previous year (EUR 42,892 thousand). The order backlog fell to EUR 22,619 thousand as at 30 June 2019 (previous year: EUR 25,674 thousand), corresponding to full capacity utilisation for around three months.

Operating profit (EBIT) amounted to EUR 1,611 thousand in the first half of 2019 (previous year: EUR 4,602 thousand). This corresponds to an EBIT-Margin of 3.8 % (previous year: 10.7 %) and was therefore below the previous year's figure. Operating profit was mainly reduced by increased staff costs due to the capacity expansion, higher valuation allowances on inventories and lower own work capitalised. Net profit for the period fell from EUR 3,578 thousand in the previous year to EUR 1,322 thousand.

Europe was the Viscom Group's strongest region by some distance, generating revenue of EUR 27,330 thousand in the first six months of the 2019 financial year (previous year: EUR 25,724 thousand) and accounting for around 64 % of total revenue. Revenue increased by around 6 % as against the previous year. This was primarily due to higher system sales. Revenue in Germany amounted to EUR 15,399 thousand (previous year: EUR 12,556 thousand). Segment earnings in the Europe region totalled EUR 1,372 thousand (previous year: EUR 3,740 thousand), corresponding to a margin of 5.0 % (previous year: 14.5 %). This decrease was primarily attributable to the effects already discussed under operating profit.

The Viscom Group continued to register good demand in Mexico, the USA and Canada. Propensity to invest fluctuated in the automotive supply industry; demand from Viscom customers remained high in the other sectors. In the Americas region, segment revenue increased from EUR 4,198 thousand to EUR 5,838 thousand. Segment earnings in the region totalled EUR 180 thousand (previous year: EUR 16 thousand), corresponding to a margin of 3.1 % (previous year: 0.4 %).

Revenue in the Asia region amounted to EUR 9,227 thousand in the first half of 2019 (previous year: EUR 12,970 thousand). The first six months of the 2019 financial year were characterised by customers' reluctance to invest and geographical relocations of orders already placed to Europe. In addition, lower demand was observed for services and replacement parts. These factors resulted in lower half-year earnings of EUR 5 thousand (previous year: EUR 1,126 thousand). The corresponding EBIT-Margin therefore amounted to 0.1 % (previous year: 8.7 %). Compared to the first quarter with EBIT of EUR -194 thousand, EBIT of EUR 199 thousand was achieved in the second quarter, primarily due to a revenue increase.

Viscom AG is currently expecting global economic growth to weaken. The much weaker industrial production, primarily in the automotive sector, is indicative of lower volumes and especially margins in the second half of 2019 - including for the Viscom Group. Against this backdrop and the business performance of the first six months of the current financial year, the originally forecast earnings margin of 10 % to 13 % is no longer achievable. The Executive Board of Viscom AG now expects an EBIT-Margin of between 5 % and 9 % with consolidated revenue of between EUR 85 million and EUR 94 million (previous forecast: EUR 94 million to EUR 100 million). The achievement of the adjusted targets in the second half of 2019 is to be ensured by the cost reduction measures already initiated and a further intensification of sales activities, especially in the computer, communication and consumer (3C) and battery inspection sectors.

The consolidated interim report as of 30 June 2019 is now available in the Investor Relations of the website *www.viscom.*com.

OPERATING FIGURES

Consolidated statement of comprehensive income		**1 Jan.-30 Jun. 2019**	**1 Jan.-30 Jun. 2018**
Revenue	KEUR	42,395	42,892
EBIT	KEUR	1,611	4,602
EBIT-Margin	%	3.8	10.7
Net profit for the period	KEUR	1,322	3,578
Earnings per share	EUR	0.15	0.40
Employees at end of quarter		483	458
Consolidated statement of financial position		**30 Jun. 2019**	**31 Dec. 2018**
Assets			
Current assets	KEUR	64,769	67,045
Non-current assets	KEUR	25,710	14,758
Total assets	KEUR	90,479	81,803
Liabilities			
Current liabilities	KEUR	19,658	18,659
Non-current liabilities	KEUR	14,129	3,846
Total shareholders' equity	KEUR	56,692	59,298
Total liabilities and shareholders' equity	KEUR	90,479	81,803
Equity ratio	%	62.7	72.5
Consolidated statement of cash flows		**1 Jan.-30 Jun. 2019**	**1 Jan.-30 Jun. 2018**
Cash flow from operating activities	KEUR	2,136	-5,779

Cash flow from investing activities	KEUR	-2,009	-2,634
Cash flow from financing activities	KEUR	-3,435	-5,342
Cash and cash equivalents	KEUR	-940	-2,189

SEGMENT INFORMATION

		1 Jan.-30 Jun. 2019	1 Jan.-30 Jun. 2018
EUROPE			
Revenue	KEUR	27,330	25,724
EBIT	KEUR	1,372	3,740
EBIT-Margin	%	5.0	14.5
AMERICAS			
Revenue	KEUR	5,838	4,198
EBIT	KEUR	180	16
EBIT-Margin	%	3.1	0.4
ASIA			
Revenue	KEUR	9,227	12,970
EBIT	KEUR	5	1,126
EBIT-Margin	%	0.1	8.7
EBIT consolidation differences	KEUR	54	-280

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 one of the world's leading providers in the field of component inspection for electronics production. Viscom's systems can be configured and connected according to specific customer requirements. The company's headquarters and production site are in Hanover, Germany. Viscom has an international presence with an extensive network of branches, application centres, service support centres and representatives. Formed in 1984, Viscom AG has been listed on the Frankfurt Stock Exchange (ISIN: DE0007846867) since 2006. Further information can be found at www.viscom.com.

Insofar as this report contains forecasts, expectations or statements relating to the future, these statements may involve risks and uncertainties. We therefore cannot guarantee that the expectations will prove correct. Actual results and developments may differ materially from the expectations and assumptions expressed. Factors that can cause such differences include changes in the general economic or competitive situation, fluctuations in exchange and interest rates, and reforms of national and international laws. The company assumes no obligation to update the statements included in this report.

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