Viscom: Annual Financial Statement 2016

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Dirk Schwingel
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Content Overview

Contents:

- Vision Technology, Strategy and Market
- Key Company Figures 2016
- Technology and Outlook
Grow with technology!

- Further expansion of competitive position
- Leverage of growth perspectives offered by megatrends
- Sustained increase of shareholder value
Inspection Solutions for the Electronics Industry

- X-ray inspection AXI
- Solder joint inspection AXI/MXI
- Computer tomography CT
- Solder paste inspection SPI
- Conformal coating inspection CCI
- Wire bond inspection AOI
Growth Strategy

Strategic core elements:

- **Strengthen strengths**: Consolidate and expand market position in automotive sector
- **Close gaps**: Expand market position
  - into high-volume production
  - especially in Asian region
- **Open new fields**: Tap new application areas
  - Battery production – efficiency and safety
  - Scouting in new areas
On-Site Sales

Locations and presence

- Headquarters in Hanover
- Additional branch offices in Europe, Africa and America
- Strong network of representatives
- Service and support centers
- Customer contact directly on site
  - Trade fairs: APEX, NEPCONs and SMT/Productronica
  - Annual Technology Forum with Users' Meeting
  - Customer events worldwide
Focus on the Asian Market

Chinese market as draught horse in mass segment

- Branches in Singapore and Shanghai
- Increased sales through local distributors in China
- Participation in leading Chinese trade fairs
  - NEPCON Shanghai
  - NEPCON Shenzhen
- Steadily running benchmarks and evaluations
Develop what the Market Demands

Intensive market analysis

- Evaluation of customer requirements
  - Direct sales
  - Competitive analyses
  - Observing trade fairs
  - Tight partnership with customers and users

Out of many international firms, Viscom is recognized as the partner for analyzing new inspection tasks!
Highly qualified employees

- Numerous specialists on board, e.g.:
  - 50 engineers/physicists
  - Over 40 applications specialists
  - Over 70 technicians
- Tight partnership with customers and users
- Joint future-oriented projects with partners including
  - Leibniz-University, Hanover
  - University of Applied Sciences, Hanover
  - TU Munich
Strong, Highly Qualified Team

**Individual performance and team spirit**

- Individual support of qualifications
- Reinforcing team spirit
  - Summer fete, Christmas party
  - Special business unit activities
- Binding employees through efforts such as:
  - Company daycare
  - Cafeteria
  - Fitness program
Viscom in a Global World

Master complexity

Evaluation starts when order initiated

Viscom HQ

Viscom wins and receives order

System production in Hanover

Internal communication

Viscom internal communication

Delivery and installation of system

Machine ready for use at customer's location

Need for an inspection system in the plant

Viscom in Atlanta branch

Viscom in Shanghai branch

Viscom in Singapore branch

Internal communication

Viscom internal communication

Viscom in Atlanta branch

Viscom in Shanghai branch

Viscom in Singapore branch

Viscom HQ

Viscom wins and receives order
Viscom in a Global World

Viscom – at any time and anywhere

- Leading technology
- Worldwide customer proximity
- Long-term collaborative partnership
- Strong international service
- Comprehensive service packages
- Highly qualified employees
Content Overview

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Incoming orders and order backlog

Incoming orders

<table>
<thead>
<tr>
<th>FY 2015</th>
<th>FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>67,173</td>
<td>83,498</td>
</tr>
</tbody>
</table>

+24.3% in K€

Order backlog*

<table>
<thead>
<tr>
<th>FY 2015</th>
<th>FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>11,816</td>
<td>18,069</td>
</tr>
</tbody>
</table>

+52.9% in K€

* due date 12/31/
### Incoming orders according to regions

<table>
<thead>
<tr>
<th>Region</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incoming orders</td>
<td>K€ 67,173</td>
<td>K€ 83,498</td>
<td>24.3%</td>
</tr>
<tr>
<td>thereof Europe</td>
<td>K€ 43,366</td>
<td>K€ 55,017</td>
<td>26.9%</td>
</tr>
<tr>
<td>thereof Americas</td>
<td>K€ 12,028</td>
<td>K€ 11,578</td>
<td>-3.7%</td>
</tr>
<tr>
<td>thereof Asia</td>
<td>K€ 11,779</td>
<td>K€ 16,903</td>
<td>43.5%</td>
</tr>
<tr>
<td>Order backlog*</td>
<td>K€ 11,816</td>
<td>K€ 18,069</td>
<td>52.9%</td>
</tr>
</tbody>
</table>

*due date 12/31*/
Group revenue by years

Guidance for 2016 in revenue exceeded
EBIT and EBIT-Margin

Guidance for 2016 fulfilled with the realised EBIT-Margin
Segment information for business units

**SP**
Optical and X-ray series inspection systems

- FY 2015: 47,121
- FY 2016: 52,102

**NP**
Special optical and X-ray series inspection systems

- FY 2015: 9,602
- FY 2016: 13,260

**Service**
Service and After-Sales

- FY 2015: 12,666
- FY 2016: 11,883

Relative change:
- SP: +10.6%
- NP: +38.1%
- Service: -6.2%
## Segment information for regions

<table>
<thead>
<tr>
<th>Region</th>
<th>2015</th>
<th>2016</th>
<th>Change</th>
<th>2015</th>
<th>2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue T€</td>
<td>43,020</td>
<td>50,553</td>
<td>17.5%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Part of group revenue %</td>
<td>62.0</td>
<td>65.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBIT* T€</td>
<td>7,881</td>
<td>8,113</td>
<td>2.9%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBIT-Margin* %</td>
<td>18.3</td>
<td>16.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Americas</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue T€</td>
<td>13,019</td>
<td>10,530</td>
<td>-19.1%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Part of group revenue %</td>
<td>18.8</td>
<td>13.6</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBIT T€</td>
<td>1,420</td>
<td>780</td>
<td>-45.1%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBIT-Margin %</td>
<td>10.9</td>
<td>7.4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asia</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue T€</td>
<td>13,350</td>
<td>16,162</td>
<td>21.1%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Part of group revenue %</td>
<td>19.2</td>
<td>20.9</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBIT T€</td>
<td>1,239</td>
<td>1,536</td>
<td>24.0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBIT-Margin %</td>
<td>9.3</td>
<td>9.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* without consideration of consolidation differences in EBIT
Employees

Employees as of 31.12.

- 2015: 362
  - Europe: 293
  - Americas: 17
  - Asia: 52

- 2016: 382
  - Europe: 310
  - Americas: 20
  - Asia: 52

Revenue per employee*

- 2012: 176
- 2013: 168
- 2014: 198
- 2015: 195
- 2016: 206

* referred to annual average

in K€
## Core indicators of consolidated income statement

<table>
<thead>
<tr>
<th></th>
<th>K€</th>
<th>% to Gr</th>
<th>K€</th>
<th>% to Gr</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group revenue (Gr)</strong></td>
<td>69,389</td>
<td>100.0%</td>
<td>77,245</td>
<td>100.0%</td>
<td>11.3%</td>
</tr>
<tr>
<td><strong>Total output</strong>*</td>
<td>73,583</td>
<td>106.0%</td>
<td>78,234</td>
<td>101.3%</td>
<td>6.3%</td>
</tr>
<tr>
<td>Cost of materials</td>
<td>-26,396</td>
<td>-38.0%</td>
<td>-26,022</td>
<td>-33.7%</td>
<td>-1.4%</td>
</tr>
<tr>
<td>Staff cost</td>
<td>-24,342</td>
<td>-35.1%</td>
<td>-26,918</td>
<td>-34.8%</td>
<td>10.6%</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>-13,449</td>
<td>-19.4%</td>
<td>15,550</td>
<td>-20.1%</td>
<td>15.6%</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>10,157</td>
<td>14.6%</td>
<td>10,497</td>
<td>13.6%</td>
<td>3.3%</td>
</tr>
<tr>
<td><strong>Net profit for the period</strong></td>
<td>3,529</td>
<td>5.1%</td>
<td>7,129</td>
<td>9.2%</td>
<td>102.0%</td>
</tr>
</tbody>
</table>

*Total output = Group revenue + changes in finished goods and work in progress + other capitalised company-produced assets
# Core indicators of balance sheet and cash flow statement

### Consolidated balance sheet

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>11,868</td>
<td>6,517</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>12,539</td>
<td>12,047</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>1,934</td>
<td>2,298</td>
</tr>
<tr>
<td>Interest-bearing liabilities</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total shareholders´equity</td>
<td>48,657</td>
<td>52,292</td>
</tr>
</tbody>
</table>

### Consolidated cash flow statement

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from operating activities</td>
<td>5,955</td>
<td>95</td>
</tr>
<tr>
<td>Cash flow from investing activities</td>
<td>-2,359</td>
<td>-1,968</td>
</tr>
<tr>
<td>Cash flow from financing activities</td>
<td>-8,943</td>
<td>-3,554</td>
</tr>
<tr>
<td>-----------------------------------------</td>
<td>------------</td>
<td>------------</td>
</tr>
<tr>
<td><strong>Return on equity</strong></td>
<td>7.3 %</td>
<td>13.6 %</td>
</tr>
<tr>
<td>Net profit for the period / shareholder’s</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Return on Investment (ROI)</strong></td>
<td>5.6 %</td>
<td>10.7 %</td>
</tr>
<tr>
<td>Net profit for period / total assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Return on sales</strong></td>
<td>13.5 %</td>
<td>13.6 %</td>
</tr>
<tr>
<td>EBT / revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Return on Capital Employed (ROCE)</strong></td>
<td>26.2 %</td>
<td>21.8 %</td>
</tr>
<tr>
<td>EBIT / (total assets – cash and cash equivalents – current liabilities and provisions)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Equity ratio</strong></td>
<td>77.1 %</td>
<td>78.5 %</td>
</tr>
<tr>
<td>Equity / total assets</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Dividend proposal

- Dividend policy: Dividend payout ratio of at least 50 % of the net profit
- Dividend proposal for 2016 € 0.45 per dividend-bearing share, which equates to a dividend payout ratio of about 56 %
- Dividend yield of 3.4 % regarding the closing price of 2016

<table>
<thead>
<tr>
<th>Share</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings per share</td>
<td>0.80 €</td>
</tr>
<tr>
<td>Dividend per share</td>
<td>0.45 €</td>
</tr>
</tbody>
</table>
### Viscom-Share

<table>
<thead>
<tr>
<th>Listing</th>
<th>Regulated market (Prime Standard)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ISIN</td>
<td>DE 000 7846867</td>
</tr>
<tr>
<td>Share capital in units</td>
<td>9,020,000</td>
</tr>
<tr>
<td>Number of voting shares</td>
<td>8,885,060</td>
</tr>
<tr>
<td>Market capitalisation as of 31.12.2015*</td>
<td>€ 119.97 million</td>
</tr>
<tr>
<td>Highest share price*</td>
<td>15.60 €</td>
</tr>
<tr>
<td>Lowest share price*</td>
<td>11.56 €</td>
</tr>
<tr>
<td>Share price as of 31.12.2015*</td>
<td>13.30 €</td>
</tr>
</tbody>
</table>

*) All share price information is based on XETRA daily closing prices

#### Shareholder structure

- Shareholders of long standing: 50.6%
- Freefloat: 29.4%
- Allianz: 9.5%
- Viscom AG: 15.0%
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100 % Reliability for Electronics Production

Each inspection system is assessed on the basis of detection reliability:

- Rate of false "good" decision (defect escape)
- Rate of false "bad" decision (false call)

Over the medium term, the 3D technology, optical and with X-ray technology, will make it possible for the decisions to be up to 100 % certain!

Advantages:

- The number of operators for a machine park drops
- Repairs are eliminated – defective electronic assemblies are disposed of
- Production quality rises
3D AOI: Inspection System S3088 *ultra gold*

The Viscom standard system for error-free inspection

- In-line system for highest throughput demands
  - Inspection speed up to 65 cm²/s
  - Viscom FastFlow Handling: Assembly change in 2 seconds
- Simple inspection program generation with vVision
- Short system amortization time
- 3D analysis with high-throughput, high-performance camera technology XMplus
3D AOI: High-Performance Evaluation Software

3D analysis processes for highest reliability:

- Component presence and offset
- Measurement of component height
- Solder joint inspection and measurement
- Measurement of solder menisci
- Detection of tombstones and coplanarity
- Detection of lifted leads
Capturing 3D geometry with structured light projection

- 4 to 8 angled cameras and 1 projector mean high expense for apparatus
  - Advantage: Parallel acquisitions mean high speed
  - Advantage: High-resolution cameras (12 MP) bring high analysis quality

- High-performance electronics for data transfer to powerful computer
- Special efficient evaluation software for 3D calculation
3D AOI with 360-Degree View

Use of angled cameras to record texture of component sides

- Realistic surface display of all component surfaces
- Covers additional defect features
- More visual information at the verification station
- View beneath the component and between the leads

Competitor

Viscom TOTAL 3D with 360View
AXI: The New In-Line System X7056 II

High-speed data AXI system

- 7056-II with about 4 s handling time
- AOI and AXI combination system
- Can be used as 2D and 3D AXI system
- vVision user interface
- High-powered AXI sensor technology through XXL FPD with up to 6 MP
- Presentation at SMT trade fair in May 2017
Comparison of 2D AXI and 3D AXI

2D AXI

Overlaid assembly on front and rear sides

3D AXI

Separation of front and rear sides by 3D analysis
Volume reconstruction of each solder joint from several views

- Reliable recognition of defect locations even within a solder joint:
  - Voids
  - Connection surface to pad too small
  - Not enough or too much solder
- Inspection of printed circuit boards populated on both sides
3D X-Ray Inspection: Planar CT in the X8068 System

3D inspection of complete electronic assemblies:
Control unit with components, connectors, solder joints

- For detecting the most minuscule defects without destruction
- Max. 80 x 80 mm object size
- Actual geometric resolution to about 10 µm
- Result display in 3D and/or slice images
- Semi- or fully automatic inspection
- Time needed per assembly: About 4 min.
3D X-ray Inspection: Inspecting Lithium-Ion Batteries

Increasing significance for electromobility, mobile devices, etc. – but high danger potential due to risk of fire!

- Measurement of Li-ion cell internal structure
- Inspecting for minimum distances between electrical potentials
- Evaluation through CT inspection of cell edge area

Overhanging anode/cathode
Distance anode – housing
Outlook

- The electronics market and megatrends offer secure growth perspectives.
  - Autonomous driving vehicles
  - Electromobility
  - Miniaturization of electronic components

- Further growth potential in global accounts

- Winning evaluations always in focus
  - Positioning on Approved Vendor List (AVL)

- Dividend policy: Payout rate of at least 50 % of result

2017 Annual Forecast

Revenue target: € 80 to 85 million
EBIT-Margin: 13 to 15 %
Thank you for your attention!

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