Viscom AG: Business development shaped by effects of COVID-19 pandemic. Third quarter remains modest.

Viscom AG / Key word(s): 9 Month figures
Viscom AG: Business development shaped by effects of COVID-19 pandemic. Third quarter remains modest.

12.11.2020 / 08:00
The issuer is solely responsible for the content of this announcement.

Viscom AG: Business development shaped by effects of COVID-19 pandemic. Third quarter remains modest.

Revenue: € 41,563 thousand (previous year: € 60,709 thousand)
Incoming orders: € 42,092 thousand (previous year: € 61,188 thousand)
Order backlog: € 16,468 thousand (previous year: € 25,449 thousand)
EBIT: € -6,964 thousand (previous year: € 699 thousand)

Hanover, 12 November 2020 - These are not easy times for Viscom AG (ISIN DE0007846867). The effects of the COVID-19 pandemic, the fear of a further dramatic spread or more specifically repeated lockdowns and the associated impact on sales markets have a firm grip on the global economy. The economic outlook is difficult to predict or evaluate in a reliable manner - many sectors of industry are fighting for survival, while others are facing rapid technological change. The economic activities of the Viscom Group have also been greatly restricted. Revenue amounted to only € 41,563 thousand in the first three quarters, 31.5 % lower than the previous year's figure (€ 60,709 thousand). The implemented cost reduction programs and savings measures were vigorously followed and enforced again in the third quarter. Positive effects in the second quarter due to the reversal of provisions, especially for warranty and subsequent work as well as remaining holiday and overtime, were not carried over in the past quarter. Increased market pressure and resulting margin pressure were reflected in lower contribution margins. In addition, the earnings of the third quarter were reduced by write-downs on inventories. Operating profit decreased to € -6,964 thousand in the first three quarters of 2020 (previous year: € 699 thousand). This corresponds to an EBIT-Margin of -16.8 % (previous year: 1.2 %).

On 3 November 2020, the management also declared that the effects of the ongoing COVID-19 pandemic on the business activity of Viscom AG, especially in the automotive sector, had resulted in the company adjusting the annual forecast last confirmed in Viscom AG's consolidated interim financial statements. The management of Viscom AG now expects consolidated revenue of between € 59 million and € 65 million for the 2020 financial year (previous forecast: € 65 million to € 80 million). The EBIT-Margin for the 2020 financial year is likely to be between -11.9 % and -7.7 % (previous forecast: between -7.7 % and +2.5 %), with EBIT of between € -7.0 million and € -5.0 million (previous forecast: between € -5.0 million and € +2.0 million). The economic

disruption caused by the pandemic is severely affecting the ability to make predictions and is thus resulting in considerable forecast uncertainty.

The management nevertheless sees light on the horizon. Viscom customers' and suppliers' production chains are slowly getting started again, and customer enquiries are increasing. Incoming orders in the third quarter alone amounted to € 16,788 thousand, up by around 79 % on the previous quarter (€ 9,376 thousand). Cumulatively, orders totalling € 42,092 thousand (previous year: € 61,188 thousand) were received in the first nine months of 2020. With infection rates rising sharply again and a second lockdown, however, there is some uncertainty over the further course of the economic recovery and incoming orders.

Viscom's inspection systems are represented all over the world in the automotive supplier segment within the electronics industry, one of the largest branches of industry. The automotive industry has been hit hard by the COVID-19 pandemic, having already been under assault for some years by the ongoing diesel crisis, problems with the introduction of the new WLTP emissions test standard and weakening export markets. This is aggravated by the fact that the COVID-19 pandemic has come in a time of upheaval for the automotive industry. For some years, the sector has been preoccupied by challenges such as the digitalisation of production, electromobility, autonomous and connected driving, and new mobility options, which confront it with fundamental changes. However, every crisis comes with opportunities. Companies are having to review efficiency in production and supply chains or to press ahead with the restructuring required in response to the megatrends. They should be assisted in this by the measures enacted in the government's stimulus package in June 2020 to encourage investment in innovation and future technologies, including zero-emission mobility. This is where the opportunity for Viscom now lies, because inspection systems help to improve and increase quality and thus efficiency in Viscom customers' production. In many cases, technological transformation and associated technical changes in customers' production lines call for new inspection systems in order to meet the expanded requirements. The management of the mechanical engineering firm from Lower Saxony also expects catch-up effects in the medium term.

The delivery of battery inspection systems for testing round cells scheduled for the third quarter of 2020 was carried out as planned. Several systems were delivered to the USA and integrated into an appropriate production line in order to realise fully automated testing. A prototype for testing pouch cells, which are used in electric cars, smartphones and tablets, was also built in the third quarter of 2020. A new software module in the Viscom vVision software will enable the inline 3D computed tomography of pouch cells. This guarantees Viscom customers high quality and security standards when using these battery cells. Customer delivery is expected before the end of 2020. The construction of the first system for the variant for testing large and heavy assemblies in the electromobility segment is already complete. Devices up to 40 kg such as inverters from electric vehicles can thus be subjected to inline X-ray inspection. Here, too, Viscom expects to deliver to the customer before the end of 2020. Overall, all envisaged members of the new X7059 AXI system family were thus advanced as planned.

In the field of optical 3D inspection, a sensor system for the 3D measurement of bonding wires has been developed. This means that even bonding wires with a diameter of less than 50 µm can now be measured in three dimensions.

The new customer care teams for the AOI, AXI, MXI, Bond Inspection/IBV, SPI, CCI product areas and the battery and equipment inspection application areas established themselves successfully in the third quarter of 2020. The new teams will provide our European customers with assistance and support in the selection of the right inspection solution, procurement, commissioning, training and maintenance. Through the integration of specialist sales, project management, application, service and the hotline in the customer care teams, nearly all queries and

incidents can be resolved directly in the team: customer proximity is increased and processing times are reduced.

Viscom's strategy of unlocking special revenue potential in the inspection of energy storage products - i.e. in battery inspection - was likewise implemented successfully in the third quarter. The company received a major order to supply X-ray inspection systems to a customer in the battery production sector. The order has a total volume of around € 4 million and will largely affect revenue in the 2021 financial year.

Viscom AG has used the last few months to review old structures and go in new directions. The management believes the Viscom Group is well positioned to return to sustainable and profitable growth after the crisis.

You can now find the Group Interim Report as at 30 September 2020 in the Investor Relations section of the website at www.viscom.com.

OPERATING FIGURES

Consolidated statement of comprehensive income		**1 Jan. to 30 Sep. 2020**	**1 Jan. to 30 Sep. 2019**
Revenue	K€	41,563	60,709
EBIT	K€	-6,964	699
EBIT-Margin	%	-16.8	1.2
Net profit for the period	K€	-7,181	678
Earnings per share	€	-0.81	0.08
Employees at end of quarter		467	484
Consolidated statement of financial position		**30 Sep. 2020**	**31 Dec. 2019**
Assets			
Current assets	K€	51,854	62,757
Non-current assets	K€	26,753	26,291
Total assets	K€	78,607	89,048
Equity and liabilities			
Current liabilities	K€	14,239	16,904
Non-current liabilities	K€	13,729	13,645
Equity	K€	50,639	58,499
Total shareholders' equity and liabilities	K€	78,607	89,048
Equity ratio	%	64.4	65.7
Consolidated statement of cash flows		**1 Jan. to 30 Sep. 2020**	**1 Jan. to 30 Sep. 2019**
Cash flow from operating activities	K€	6,924	4,859
Cash flow from investing activities	K€	-2,163	-3,519
Cash flow from financing activities	K€	-2,726	-4,211
Cash and cash equivalents	K€	2,993	-411

SEGMENT INFORMATION

		1 Jan. to 30 Sep. 2020	1 Jan. to 30 Sep. 2019
EUROPE			
Revenue	K€	29,852	37,476
EBIT	K€	-6,640	238
EBIT-Margin	%	-22.2	0.6
AMERICAS			
Revenue	K€	6,670	8,807
EBIT	K€	624	112
EBIT-Margin	%	9.4	1.3
ASIA			
Revenue	K€	5,041	14,426
EBIT	K€	-76	127
EBIT-Margin	%	-1.5	0.9
EBIT consolidation differences	K€	-872	222

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.

Contact:
Viscom AG
Investor Relations
Anna Borkowski
Carl-Buderus-Str. 9-15
30455 Hannover
Tel.: +49-511-94996-861
Fax: +49-511-94996-555
investor.relations@viscom.de

12.11.2020 Dissemination of a Corporate News, transmitted by DGAP - a service of EQS Group AG.
The issuer is solely responsible for the content of this announcement.

The DGAP Distribution Services include Regulatory Announcements, Financial/Corporate News and Press Releases.
Archive at www.dgap.de

Language:	English
Company:	Viscom AG Carl-Buderus-Strasse 9-15 30455 Hannover Germany
Phone:	+49 (0) 511 94 996 861
Fax:	+49 (0) 511 94 996 555
E-mail:	investor.relations@viscom.de
Internet:	www.viscom.de
ISIN:	DE0007846867
WKN:	784686
Listed:	Regulated Market in Frankfurt (Prime Standard), Hanover; Regulated Unofficial Market in Berlin, Dusseldorf, Munich, Stuttgart, Tradegate Exchange
EQS News ID:	1147218

End of News DGAP News Service

1147218 12.11.2020