

Half-Year Results 2022

July 21, 2022

Disclaimer

The information in this presentation relating to the business performance of the Bystronic Group is of a summary nature only. The information published in the Annual Report 2020 of Conzzeta AG, the company that preceded Bystronic AG until the end of April 2021, the Annual Report 2021 of Bystronic AG, and the information on the website www.bystronic.com prevails.

Although the greatest possible care was taken during the preparation of this presentation, Bystronic accepts no responsibility for its completeness or correctness. Unless otherwise specified, the figures are based on the Annual Report for 2020 of Conzzeta AG, the company that preceded Bystronic AG, and on the Annual Report 2021 of Bystronic AG.

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Alex Waser

Financial review

Beat Neukom

Outlook 2022

Alex Waser

Q&A

Alex Waser
Beat Neukom

First half of 2022 in a nutshell



New Brand Experience Center in Korea



> 3,000 m² to showcase our solutions



Continued good customer activity

Order intake grew by 10% excl. China – for the group on last year's level ¹



Supply chain constraints impact sales performance

Sales +6.2% for the group ¹ - growth in all regions except China



Strong performance in our service business

11% sales growth – share of 24% of group sales provides resilience



Temporarily lower margins

EBIT margin of 2.3% down from 6.9% in the first half of 2021



Medium-term growth drivers intact

Progress in strategy implementation to reach medium-term targets

¹ At constant exchange rates

Focus on successfully managing intensified supply chain challenges



Our challenges

Availability of components

Higher procurement costs

Buildup of inventory

Inefficient installation process

Slow-down in China

Our mitigation measures

- Close contact to suppliers
- Second source where possible

- Further focus on local sourcing and production
- Repeated price increases for new orders of systems and services

- Deliver nearly-finished systems; strong customer-orientation
- Increase component inventory

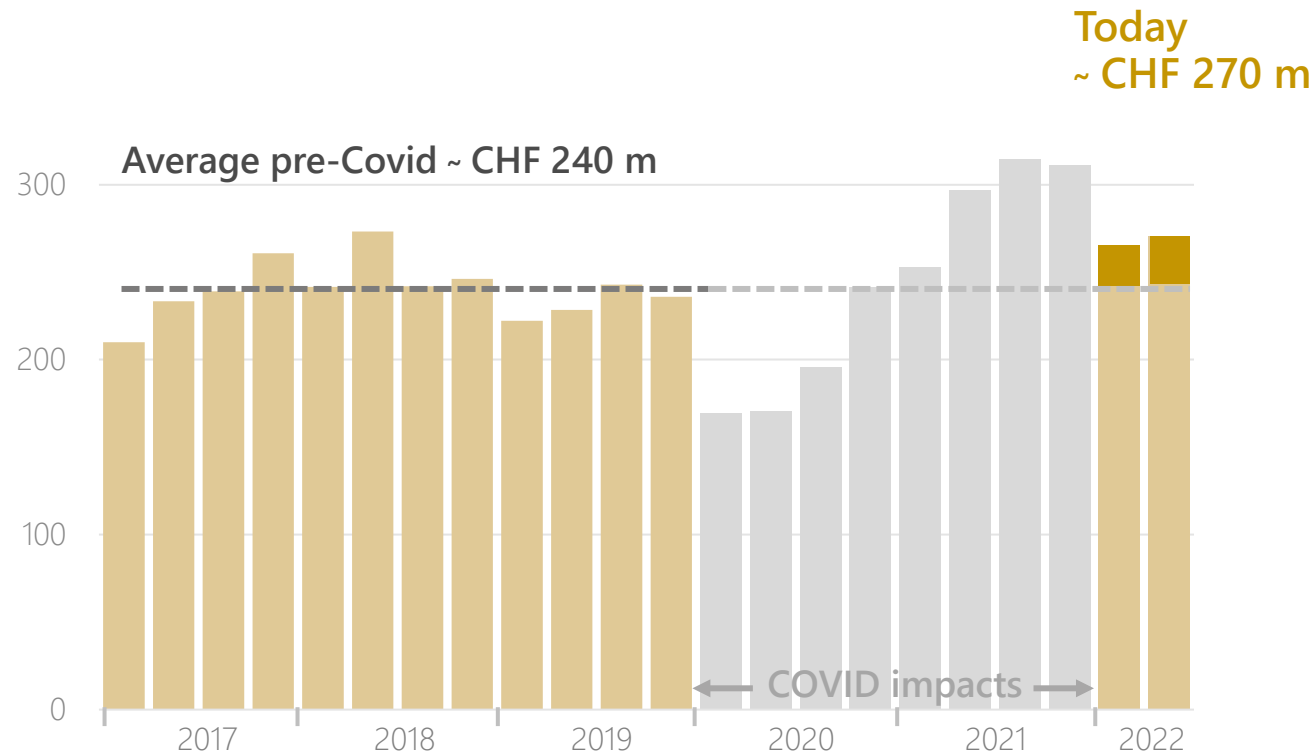
- Early installation at customer site
- Additional shipments

- Plants operational - not at full capacity
- Maintain close contacts to customers during lock downs

Continued high demand for our systems and solutions

Quarterly order intake

in CHF million



Quarterly order intake is >10% higher than pre-Covid levels

Good order intake +10% excl. China¹

Significant slow-down in China in the second quarter

Strong demand from



agriculture



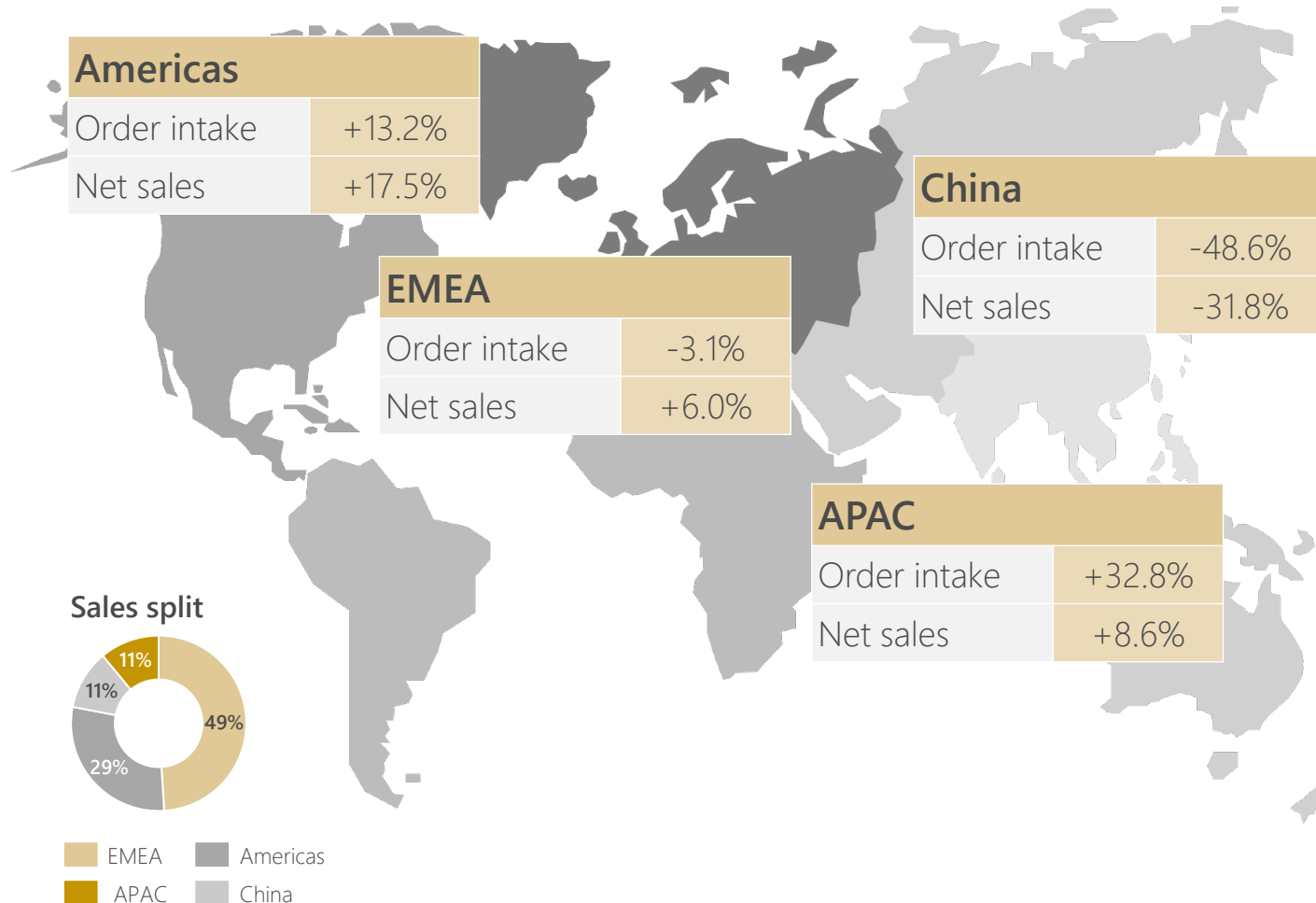
construction



semi-conductor and electronics

¹ At constant exchange rates

Good performance in most regions – China impacted by lock-downs and cautious sentiment



Figures as reported. For constant exchange rates refer to appendix

EMEA

- Stable demand even vs. strong catch-up effects in 2021
- Successful divestment of Russian operations (~2% of group sales)

Americas

- Strong demand for all applications, especially in gold segment
- Net sales growth driven by gold segment

China

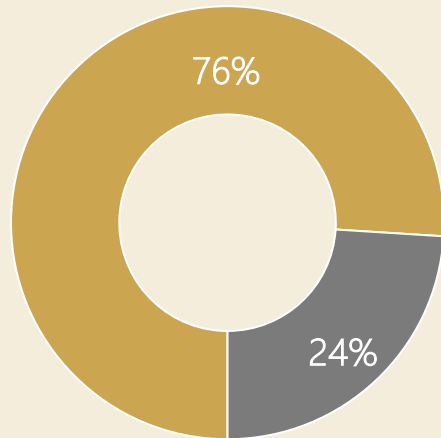
- Clouding of customer mood due to COVID restrictions
- Serving demand from APAC from our production site in Tianjin

APAC

- Continued good demand
- Solid growth especially in Korea and Australia

We implemented several price increases to protect our profitability

Price increases and sales split



- Systems business
- Service business

Systems business

- Implementation of several price increases from fall 2021 to today for new business
- Reduced discretion for discounts significantly
- No price increases on existing backlog
- Time lag of up to six to nine months
- Further price increases planned
- We adjusted terms and conditions to include an inflation-linked price component



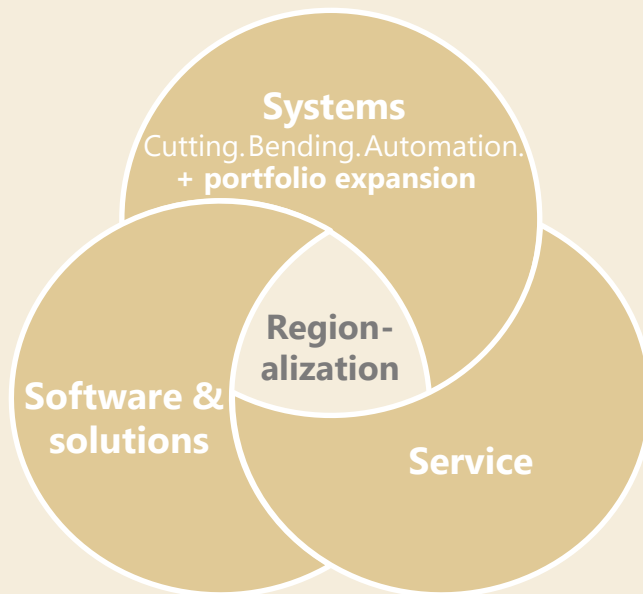
Service business

- Implementation of several price increases in 2021 and 2022
- Applicable to spare parts and hourly rates
- Immediate effect largely offsetting higher procurement costs and inflation



We are on track to reach our medium-term targets with our Strategy 2025

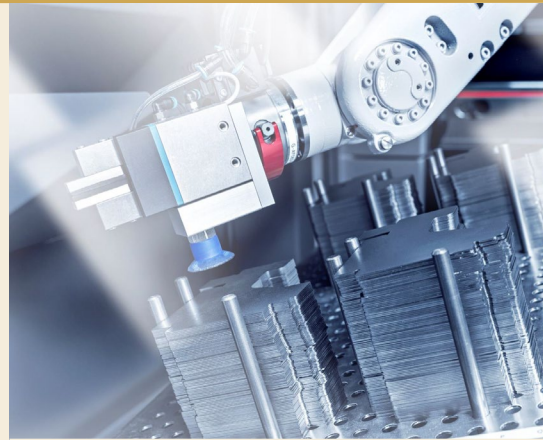
Strategy 2025



> **5%** annual organic sales growth

> **12%** EBIT margin

> **25%** RONOA



Systems

- Opening of Brand Experience Center in Korea
- Sold first Global DNE systems in entry-level segment
- Launch of new 20kW laser cutting system

Software & solutions

- Continuing trend towards larger and integrated solutions
- Ongoing successful tests of Smart Factory software with selected test customers
- Market launch at "EuroBLECH" in October

Service

- More than 95% of new systems sold with maintenance contracts
- 35 additional technicians in H1
- 11% sales growth proves strong offering

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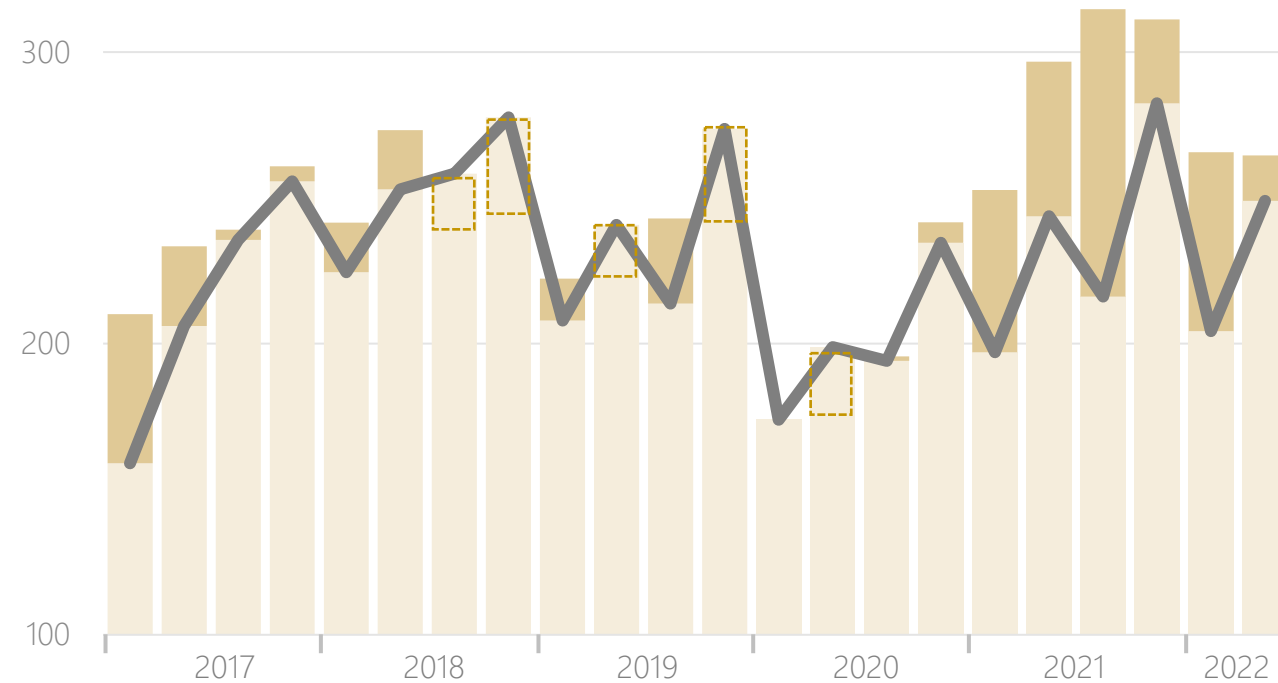
Key figures first half of 2022

in CHF million	H1 2022	H1 2021	Δ in %	Δ in % at CER
Order intake	536.1	549.5	(2.4)	0.5
Net sales	453.2	440.7	2.8	6.2
Systems business	343.1	340.6	0.7	-
Service business	110.1	99.2	10.8	-
Operating result (EBIT)	10.5	30.3	(65.4)	-
EBIT margin	2.3%	6.9%	-	-
Net result	7.0	23.3	(70.2)	-
Operating free cash flow	(52.5)	19.7	(>100)	-
RONOA (in %)	6.6%	20.0%	-	-

Strong demand paired with supply chain bottlenecks result in highest order backlog to date

Quarterly order intake and net sales

in CHF million



- Order intake absorbed by net sales
- Order intake above net sales
- Order intake below net sales
- Net sales

Our **backlog has continued to increase** since 2021 – proving structurally **solid demand** and **strong market position**

Delayed sales recognition amidst supply chain bottlenecks in the first half of 2022 further increases backlog

In H1 2022, **+6% sales growth** ¹

¹ At constant exchange rates

Good achievements in procurement offset by investments in service and higher transport costs

in CHF million	H1 2022	H1 2021	H2 2021	Δ in % year-over-year	
Net sales	453.2	440.7	498.6	2.8	
Other operating income	2.2	4.1	3.2	-	
Material expenses + changes in inventories and own work capitalized	(197.3)	(198.2)	(223.7)	(0.5)	Improved gross profit margin: positive mix impact and price increases – but partly offset by higher costs for components
<i>in % of sales (incl. Δ in inventories + own work)</i>	(43.5)%	(45.0)%	(44.9)%		
Personnel expenses <i>in % of sales</i>	(132.9) (29.3)%	(121.7) (27.6)%	(120.8) (24.2)%	9.2	Continued investments in service organization and production capacities
Depreciation and amortization <i>in % of sales</i>	(10.1) (2.2)%	(9.0) (2.0)%	(9.5) (1.9)%	12.2	
Other operating expenses <i>in % of sales</i>	(104.6) (23.1)%	(85.5) (19.4)%	(108.3) (21.7)%	22.3	+ CHF 4 m variable / volume + CHF 16 m other OPEX for sales, resumed travel and representation
Operating result (EBIT) <i>in % of sales</i>	10.5 2.3%	30.3 6.9%	39.8 8.0%	(65.4)	
Financial result	(1.9)	0.0	(0.9)	-	
Result before income taxes	8.6	30.3	38.9	-	
Taxes	(1.7)	(7.0)	(5.5)	-	
Net result	7.0	23.3	33.4	(70.2)	

Continued strong balance sheet – in spite of higher inventories due to supply chain challenges

in CHF million	June 30, 2022	Dec 31, 2021
Cash / liquid assets	338.4	495.7
Trade receivables	150.6	133.7
Inventories	325.8	249.1
Other current assets	58.3	79.9
Fixed assets	131.8	133.1
Other non-current assets	151.3	143.3
Total assets	1,156.2	1,234.8
Trade payables	70.0	79.5
Advance payments from customers	191.9	153.4
Other liabilities	198.5	186.7
Total liabilities	460.4	419.6
Total equity	695.8	815.2
Total equity and liabilities	1,156.2	1,234.8
Net Operating Assets (NOA)	281.2	234.9

Cash: Dividend distribution of ~ CHF 124 million in May

Inventories: Increase of ~ CHF 77 million, of which
 ~ CHF 28 million component inventory
 ~ CHF 49 million finished systems

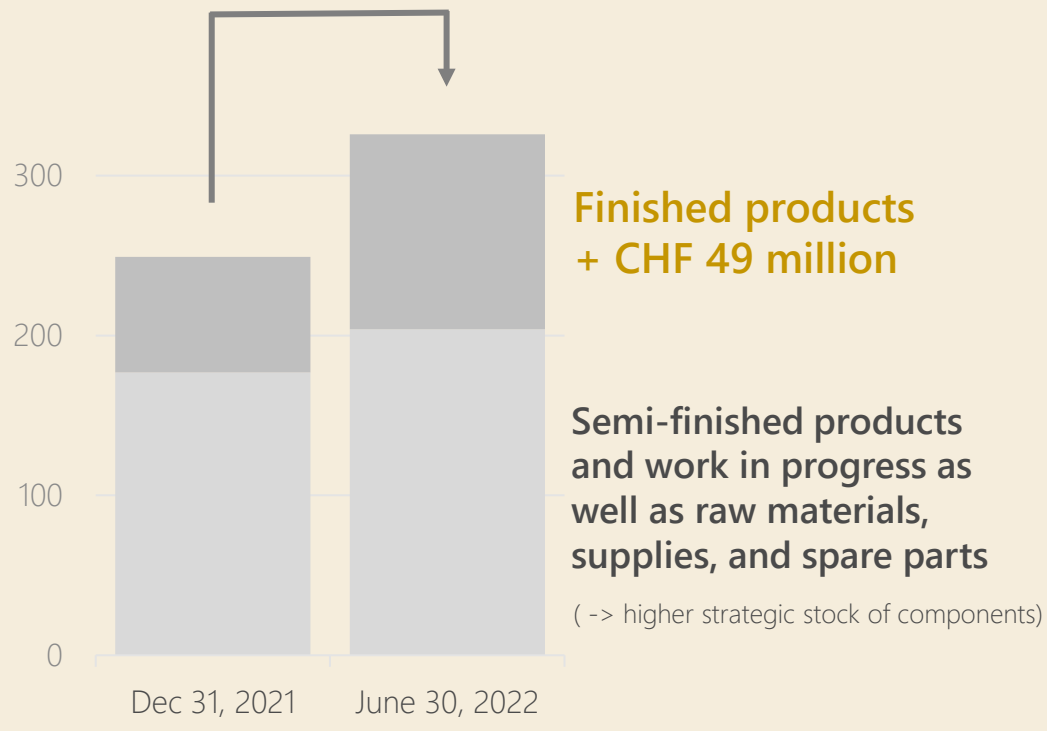
Advance payments: Increase of ~ CHF 40 million due to higher order intake

As a result, **NOA** increased by ~ CHF 50 million and **RONOA** stands at 6.6%

Considerable increase of finished products in inventories impacted sales growth and profitability

Inventory split

in CHF million



Finished systems: **Installation not yet completed and systems not yet operational** due to unavailability of certain components

Inventory still on the balance sheet of our sales entities

This translates in ~ **CHF 100 million in sales¹** and **corresponding EBIT**



in CHF million	H1 2022	... once installed
Net sales	453.2	↑ ↑
Other operating income	2.2	
Changes in inventories	37.2	↓ ↓
Material expenses	(234.5)	
Personnel expenses	(132.9)	
Depreciation and amortization	(10.1)	
Other operating expenses	(104.6)	
Operating result (EBIT)	10.5	↑ ↑

¹ Assuming a material quote of 45%

High inventories impacted our cash flow – an effect that will be reversed once sales are recognized

in CHF million	H1 2022	H1 2021	Δ in %
Net result	7.0	23.3	(70.2)
Change in inventory	(79.2) ¹	(49.3)	60.5
Other items	23.3	48.0	(51.2)
Operating cash flow	(48.9)	22.0	> (100%)
Capital expenditures (capex)	(8.2)	(7.7)	-
<i>in % of sales</i>	<i>1.8%</i>	<i>1.7%</i>	
Other investments / divestments	4.6	5.4	-
Operating free cash flow	(52.5)	19.7	> 100%
Liquid assets	338.4	480.8	(29.6)

Cash flow development

- Unfavorable effect from higher inventories of CHF 77 million
- Partly offset by advance payments from customers due to good order intake
- Effects from increasing inventories of finished systems expected to reverse

Mitigation measures

- Continue our customer-friendly approach to deliver almost finished systems
- Optimize installation capacities once components are available



¹ Difference between cash flow and balance sheet number due to exchange rates used

Financial key take-aways from our first half 2022 results

1

Higher inventories:

increase of finished products of CHF 49 million

2

Substantial delay in sales recognition:

impact of ~ CHF 100 million sales

3

Better gross profit margin:

favorable mix and positive impact from price increases

4

Growth strategy:

continued investments in service organization and for sales + marketing

5

Focus on margin improvements

initiated cost containment measures



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Promising prospects for medium-term targets – limited visibility for 2022



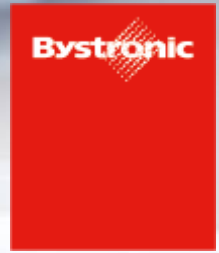
Bystronic is **well positioned** for further growth based on its **solid market position** and **strong portfolio** of systems, service and solutions.



Currently, **visibility** on the supply chain situation remains **limited**. Nevertheless, Bystronic **expects a better second half of 2022**.



The group is confident and on track to **reach its medium-term targets** based on its strong market position and **the industry's intact growth drivers**.



Questions & Answers

Appendix

Regional performance

	Order intake in CHF million				Net sales in CHF million			
	H1 2022	H1 2021	in %	in % at CER ¹	H1 2022	H1 2021	in %	in % at CER ¹
EMEA	261.0	269.4	(3.1)%	4.8%	222.3	209.7	6.0%	15.3%
Americas	168.4	148.7	13.3%	9.3%	131.4	111.8	17.5%	13.3%
China	42.9	83.4	(48.6)%	(50.6)%	50.6	74.2	(31.8)%	(34.6)%
APAC	63.8	48.0	32.8%	38.5%	48.9	45.0	8.6%	13.2%
Total	536.1	549.5	(2.4)%	0.5%	536.1	440.7	2.8%	6.2%

¹ At constant exchange rates

Key figures: Bystronic and total group

	Bystronic			Total Group	
in CHF million	H1 2022	H1 2021	Δ in %	H1 2022	H1 2021
Order intake	536.1	549.5	(2.4)		
Net sales	453.2	440.7	2.8	453.2	624.3
Operating result (EBIT)	10.5	30.3	(65.4)	10.5	(55.2)
EBIT margin	2.3%	6.9%	-	2.3	(8.8%)
Net result	7.0	23.3	(70.2)	7.0	(60.9)
Earnings per class A registered share	3.37	11.19	(69.9)	3.37	(29.50)
Number of employees	3,636	3,357	8.3		

Details of transformation during 2021

	Schmid Rhyner	FoamPartner	Mammut
Divestment effective on	Feb 28, 2020	March 31, 2021	June 30, 2021
Sales contribution	2 months in 2020	3 months in 2021	6 months in 2021
in 2020 in CHF m	6.9	256.9	218.4
in 2021 in CHF m	-	76.3	107.3
Cash inflow from divestment			
in 2020 in CHF m	73.4	-	-
in 2021 in CHF m	-	230.5	89.8
in 2022 in CHF m	-	19.7	-
Notes	<ul style="list-style-type: none"> • Divestment gain of CHF 47.4 m 	<ul style="list-style-type: none"> • Divestment loss of CHF 80.1 m • Recycling of goodwill with a significant negative impact on consolidated results of CHF 152.2 m • Recycling of translation differences with a negative impact on consolidated results of CHF 18.5 m 	<ul style="list-style-type: none"> • Divestment with a break-even impact on 2021 results (divestment loss of CHF 0.3 m) • Recycling of goodwill CHF 2.8 m • Recycling of translation differences of CHF 15.8 m • Vendor loan of CHF 60.0 m (maturity January 2027) • Interests on vendor loan of CHF 1.7 m

Financial calendar

2022

August 22	Half-year results roadshow in Zurich
September 19-25	Baader Helvea investor conference in Munich
September 21-22	Investora conference in Zurich
October 14	9M Trading Update
November 3-4	ZKB investor conference in Zurich
November 17	Credit Suisse Swiss Equity Forum in Zurich

2023

Februar 3	12M Trading Update
March 2	Full-year results
April 14	3M Trading Update
April 19	Annual General Meeting

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