

# Full-year 2023 results

Zurich, February 29, 2024

Alex Waser, CEO  
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## Agenda

Business update

Alex Waser

Financial review

Beat Neukom

Outlook

Alex Waser

Q&A

Alex Waser  
Dr. Heinz O. Baumgartner  
Beat Neukom

**CHF 930.1m**

**Net sales**

Net sales down 8.4% –  
mainly because of the strong  
Swiss franc



**CHF 54.4m**

**EBIT**

EBIT margin of 5.8%  
vs. 4.7% in 2022



**CHF 794.0m**

**Order intake**

Order intake declines by 21.4%  
(-15.9% at constant exchange  
rates)



**14.2%**

**RONOA**

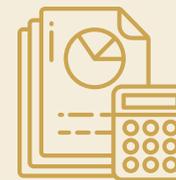
vs. 15.1% in 2022



**CHF 12.00**

**Dividend per class A share**

Proposal to the Annual  
General Meeting 2024



**CHF 348.9m**

**Cash and securities**

Solid cash generation leads  
to higher liquid assets



# 2023 highlights across our markets



## USA

Americas Sales increased by 60% in last 5 years

First local assembly of laser cutting machine in Gold segment



## Switzerland

Launch of innovative new machine features, e.g. mixed gas cutting



## Europe

Various Open Days and customer journeys instead of exhibitions



## China

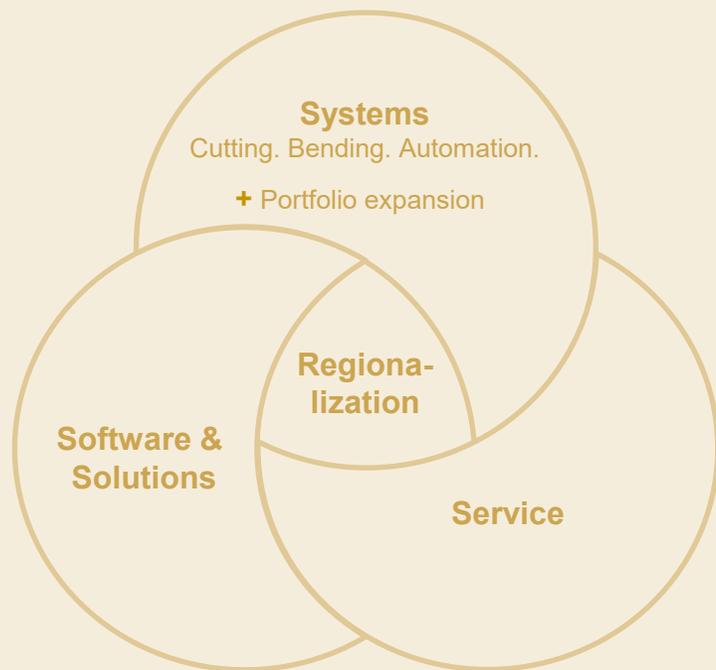
Successful Competence Days face-to-face with customers



## India

Opening of new facility and Experience Center

# Highlights of our strategy execution



## Systems

- Compact new bending machine to fit in any production hall – new features to automatize measurements of bending angles and increased speed



Launch of our new ByBend Star 120

## Service

- Investments show impact: strong sales growth of 12%<sup>1</sup> with flat number of technicians



Service Talent Development Program 2023

## Software & solutions

- Closed 12 projects
- Strengthened organization in 3 main hubs – more than 100 employees



Two waves of software campaigns during 2023

<sup>1</sup> at constant exchange rates

## Looking back on the past five years, we have significantly strengthened our business

	 <b>Past</b> <b>Single-machine producer</b>	 <b>Today</b> <b>Full-service provider</b>
<b>Automation offering</b>	<b>Limited</b>	<b>Comprehensive</b>
<b>% of sales from service<sup>1</sup></b>	<b>17%</b>	<b>26%</b>
<b>Importance of Americas region<sup>1</sup></b>	<b>CHF 206 m</b>	<b>CHF 335 m</b>
<b>Software offering</b>	<b>Small</b>	<b>Integrated</b>
<b>Sustainability approach</b>	<b>No</b>	<b>Integrated</b>
<b>Customer proximity</b>	<b>Centrally managed</b>	<b>Regionalisation</b>
<b>... but also: Business in China</b>	<b>High-margin</b>	<b>Price pressure</b>

<sup>1</sup> Years 2018 vs. 2023

## Together with our customer VDL we have executed on their vision of a smart factory

### About the customer

- VDL Leegte Metaal in Hapert, Netherlands
- Founded in 1953, operates with 160 employees
- Bystronic customer since 2020
- Specialized in sheet metal processing



### About the smart factory

- 37 towers and 2 elevators - height of 9.5 metres
- Input stations can process 24 metric tons of material per hour
- Automated Guided Vehicles transport parts between manufacturing process steps
- Factory includes both Bystronic machines as well as machines from competitors

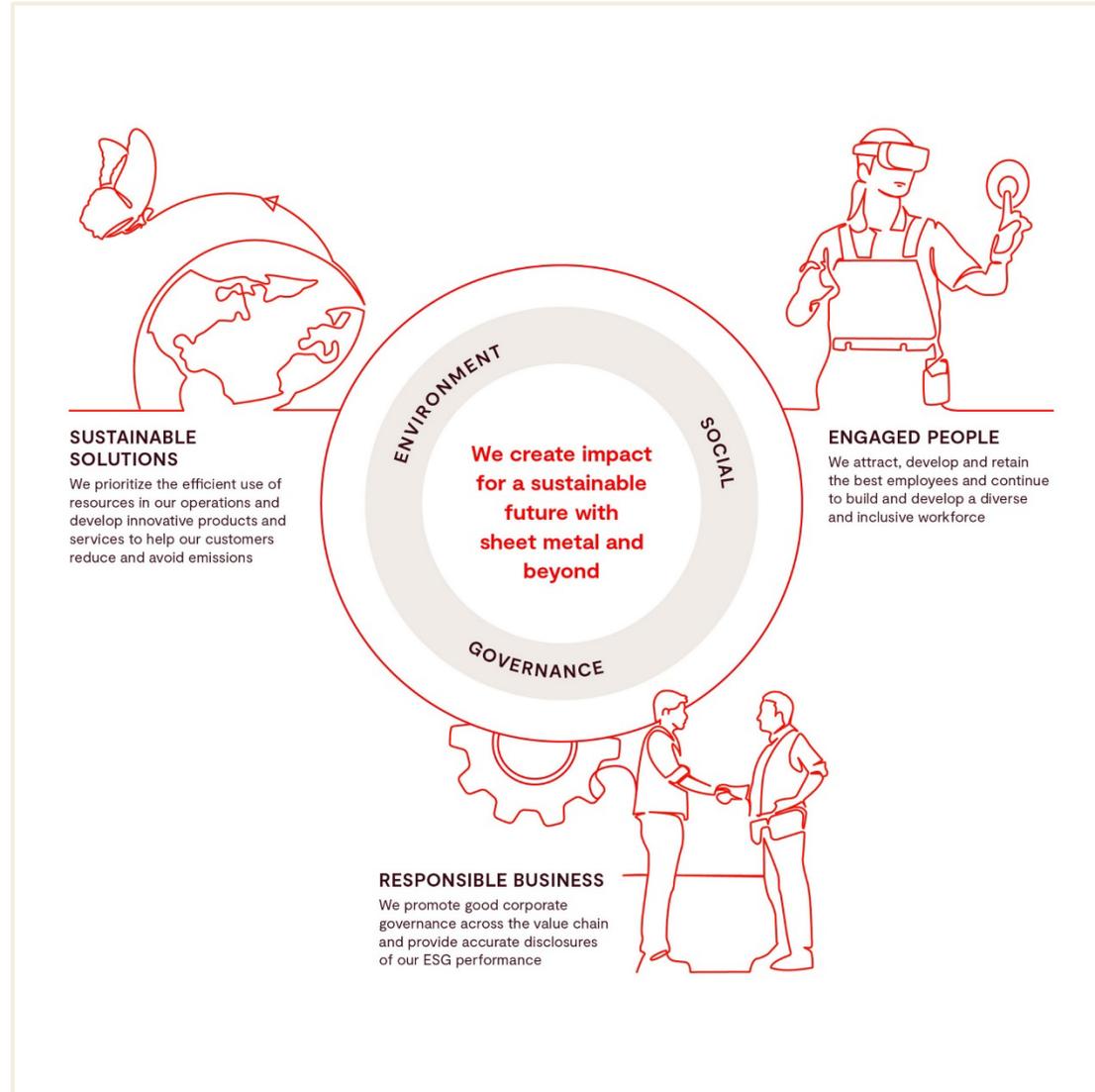


### What it means for Bystronic

- Long-term customer relationship
- Proof-of-concept for our software and smart factory solutions
- Reference project for future customers



# We have committed to ambitious mid-term ESG targets



## Our ESG targets until 2030

1. Reduce Scope 1 + 2 carbon emissions by **42%** 
2. Reduce Scope 3 carbon emissions by **25%** 
3. Reduce waste by **20%**
4. Achieve **25%** share of females in n-3
5. Health & safety TRI <sup>1</sup> ≤ 0.8



 Recently achieved CDP rating of «B»

<sup>1</sup> Total Recordable Injuries = annual number of injuries for 100 full-time employees

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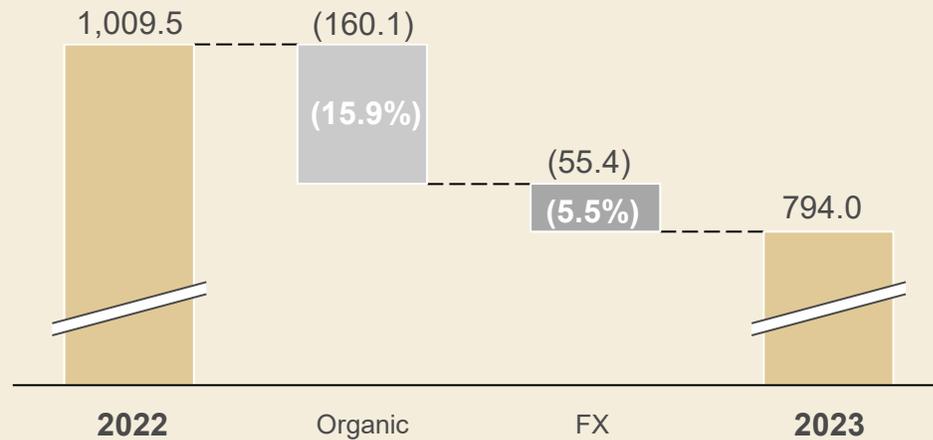
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Q&A

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# Cautious customer behaviour leads to lower order intake

## Strong Swiss franc reduces order intake...



## ... plus subdued market environment



**Geopolitical uncertainties**  
**High Inflation**  
**Increased interest rates**

## EMEA: cool-down during 2023

- Order intake slightly stabilizing in last quarters at constant exchange rates, but down versus previous year
- Still solid performance in markets with leading position

## Americas: continued solid performance

- Order intake on level of previous year at constant exchange rates
- Some cool-down in Q4 amidst economic uncertainties

## China: challenging market with intensified competition

- Characterized by over-capacities and high price-sensitivity
- Stabilizing order intake in past four quarters at low levels

## APAC: different picture from market to market

- Solid performance in more mature markets
- Overall declining orders

## Improved profitability despite slightly lower sales thanks to efficiency gains, pricing and cost savings

in CHF million	2023	2022	Δ in %	
<b>Net sales</b>	<b>930.1</b>	<b>1,015.9</b>	<b>(8.4)</b>	Sales decline of CHF 86m, thereof CHF 63m FX related and CHF 23m organic
Other operating income	5.1	5.5	(7.3)	
Material expenses + changes in inventories	(404.9)	(469.3)	(13.7)	Improved gross margin from pricing, higher share of service sales and better sourcing conditions
<i>in % of sales</i>	(43.5)%	(46.2)%	-	
Personnel expenses	(251.9)	(260.0)	(3.1)	Reduced average number of FTEs by 3% Overcompensating inflation adjustments for salaries
<i>in % of sales</i>	(27.1)%	(25.6)%	-	
Other operating expenses	(203.1)	(222.1)	(8.6)	Strict cost control in sales, marketing and administration; and reduction in line with lower sales
<i>in % of sales</i>	(21.8)%	(21.9)%	-	
Depreciation and amortization	(21.0)	(21.8)	(3.4)	
<i>in % of sales</i>	(2.3)%	(2.1)%	-	
<b>Operating result (EBIT)</b>	<b>54.4</b>	<b>48.1</b>	<b>13.0</b>	
<i>in % of sales</i>	5.8%	4.7%	-	
Financial result	0.7	(2.7)	-	Improved interest rates
<b>Result before income taxes</b>	<b>55.1</b>	<b>45.4</b>	<b>21.2</b>	
Taxes	(13.1)	(8.9)	-	Unfavorable country mix
<b>Net result</b>	<b>41.9</b>	<b>36.6</b>	<b>14.7</b>	

## Strong working capital management amidst lower order intake and lower advance payments

in CHF million	Dec 31, 2023	Dec 31, 2022
Cash and securities	348.8	341.6
Trade receivables	117.5	167.2
Inventories	237.9	287.7
Other current assets	57.3	66.0
Fixed / intangible assets	135.2	145.2
Other non-current assets	127.4	134.9
<b>Total assets</b>	<b>1,024.1</b>	<b>1,142.5</b>
Trade payables	52.2	69.9
Advance payments from customers	95.3	158.7
Other liabilities	146.0	189.7
Total liabilities	293.5	418.3
Total equity	730.6	724.2
<b>Total equity and liabilities</b>	<b>1,024.1</b>	<b>1,142.5</b>
<b>Net Operating Assets (NOA) <sup>1</sup></b>	<b>291.0</b>	<b>288.0</b>

**Cash:** On last year's level thanks to solid cash flow net of dividend payment

**Inventories:** successfully reduced finished as well as semi-finished goods

**Advance payments:** considerable decline due to lower order intake

As a result, **NOA** remained stable and **RONOA** stands at 14.2% (vs. 15.1% in 2022)

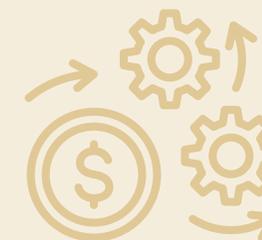
<sup>1</sup> Excludes Mammut Vendor Loan (to be repaid in January 2027 the latest)

## Successful working capital management results in improved cash flow

in CHF million	2023	2022
<b>Net result</b>	<b>41.9</b>	<b>36.6</b>
Depreciation and amortization	21.0	21.8
Increase/decrease in:		
inventories	30.2	(49.3)
trade receivables	38.1	(41.1)
advance payments from customers	(54.3)	11.0
trade payables	(14.0)	(7.7)
Other items	(9.3)	12.2
<b>Cash flow from operating activities</b>	<b>53.6</b>	<b>(16.5)</b>
Investments in fixed and intangible assets	(19.4)	(23.4)
<i>in % of sales</i>	<i>2.0%</i>	<i>2.3%</i>
Other investments / divestments	(0.2)	(0.7)
<b>Operating free cash flow</b>	<b>34.0</b>	<b>(40.6)</b>

### Cash flow development

- Successful focus on working capital management: cash collection and reduced inventory
- As expected, lower advance payments from lower order intake
- Lower than usual capex-to-sales ratio to protect cash flow performance – reinvestment ratio of 0.9x



## Balanced approach towards dividends with a proposal of CHF 12 per share<sup>1</sup>



Equity ratio  
of 71%<sup>2</sup>



Liquid assets  
> CHF 320 million<sup>2</sup>



Dividend proposal of  
CHF 12 per share<sup>1</sup>

- Rewards shareholders for a solid performance in 2023
- In line with our dividend policy: payout of one-third to one-half of net profit – while taking into account the liquidity situation and future requirements

<sup>1</sup> For class A registered shares. Dividend of CHF 2.40 for class B registered shares. Subject to approval by the AGM on April 17, 2024

<sup>2</sup> After dividend distribution, assuming balance sheet values as of Dec 31, 2023

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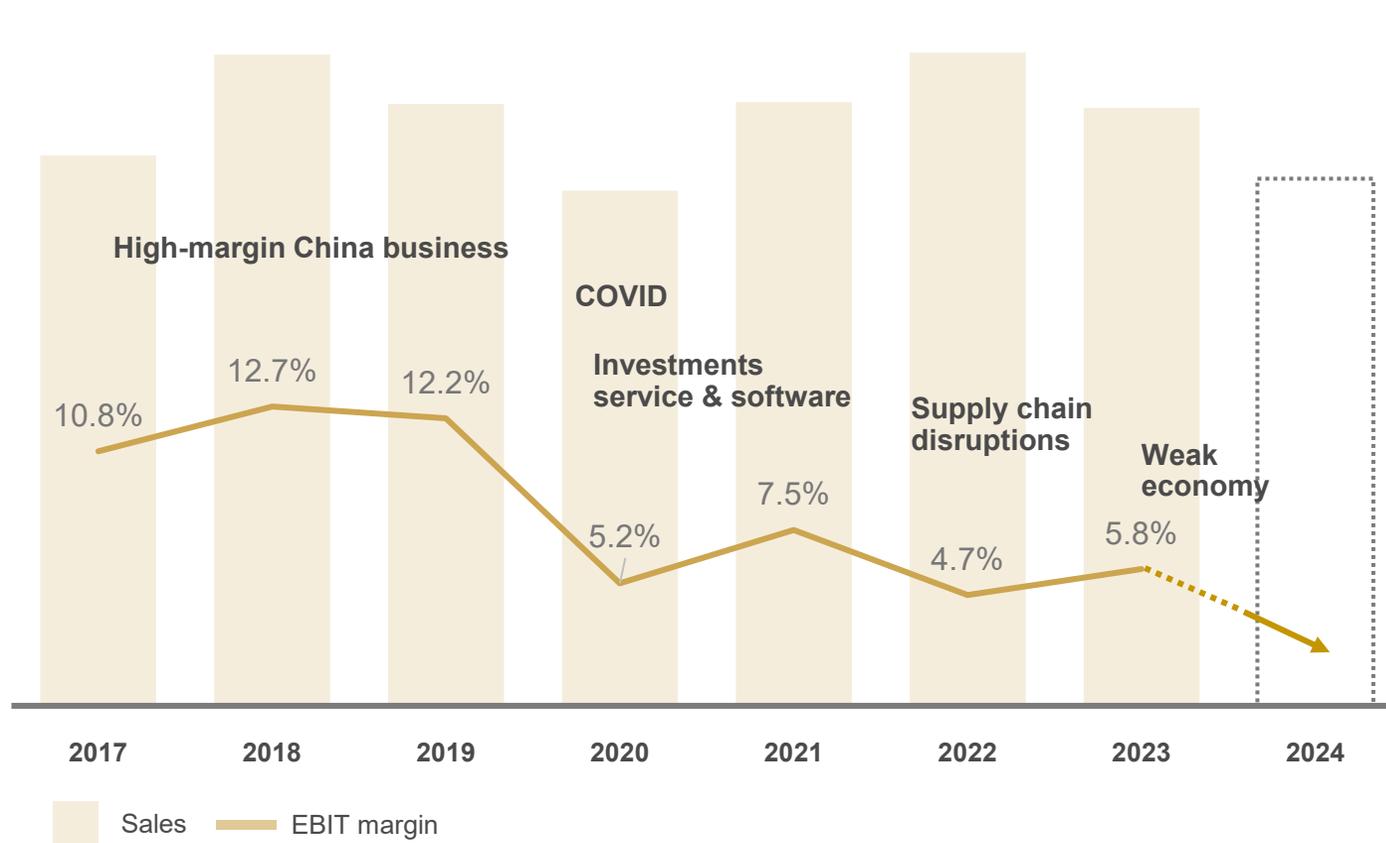
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# Market disruptions have led to lower profitability in recent years

## Key drivers for sales and profitability



We are taking measures to **structurally improve our profitability** while continuing to execute on our strategy

# To improve our profitability, we launch a cost optimization program

		Details	Timing	Impact <sup>1</sup>
Structural	<b>Organization</b> 	<ul style="list-style-type: none"> <li>• Reduce management layers and increase span of control</li> <li>• Reduce overhead</li> <li>• Establish readiness for next economic upswing</li> </ul>	<ul style="list-style-type: none"> <li>• Implemented in 2024</li> <li>• Full positive impact by 2025</li> </ul>	<p><b>~ CHF 50 million</b> /</p> <p><b>-210 FTEs</b></p>
	<b>Efficiency</b> 	<ul style="list-style-type: none"> <li>• Efficiency gains in procurement, new product design and focused sales incentives</li> <li>• Leverage capabilities of our near-shore Center of Excellence</li> <li>• Optimize and streamline back-office processes</li> </ul>		
Volume-related	<b>Resources</b> 	<ul style="list-style-type: none"> <li>• Short-term work in production and related functions</li> <li>• Optimize service and installation capacities</li> </ul>	<b>2024</b>	

<sup>1</sup> Partially off-set by around CHF 10 million of one-time costs related to the program in 2024



## Market environment to remain muted

- Cautious investment behaviour from clients
- Order intake on level of previous quarters
- Strong CHF against all major currencies
- Further growth in service business, but at lower rate



## Impacts on our operating result

- Negative operating leverage and some wage inflation
- Strict cost optimization program launched to improve profitability
- One-time costs related to cost optimization program

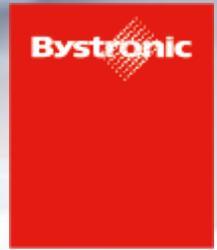


## Conclusion

Due to the strength of the Swiss franc and the lower order backlog compared to last year, the company expects to have declining sales with lower profitability.

The group anticipates a weak beginning of the year and improvement over the course of the year.





# Questions & Answers

# Appendix



## Key figures

in CHF million	2023	2022	Δ in %	Δ in % at CER <sup>1</sup>
<b>Order intake</b>	794.0	1,009.5	(21.4)	(15.9)
<b>Net sales</b>	930.1	1,015.9	(8.4)	(2.3)
Systems business	692.7	788.7	(12.2)	(6.3)
Service business	237.4	227.2	4.5	11.7
<b>Operating result (EBIT)</b>	54.4	48.1	13.0	-
EBIT margin	5.8%	4.7%	-	-
<b>Net result</b>	41.9	36.6	14.7	-
<b>Operating free cash flow</b>	34.0	(40.6)	-	-
<b>RONOA (in %)</b>	14.2%	15.1%	-	-
<b>Average FTE <sup>2</sup></b>	3,573	3,679	(2.9)	-
<b>Dividend (in CHF per share) <sup>3</sup></b>				
Class A registered share	12.00	12.00	-	-

<sup>1</sup> at constant exchange rates  
<sup>2</sup> full time equivalents  
<sup>3</sup> proposal to the AGM on April 17, 2024

## Regional performance

	Order intake in CHF million				Net sales in CHF million			
	2023	2022	in %	in % at CER <sup>1</sup>	2023	2022	in %	in % at CER <sup>1</sup>
EMEA	368.5	508.8	(27.6)	(22.9)	453.3	500.1	(9.4)	(3.7)
Americas	290.3	308.7	(5.9)	(0.1)	335.1	315.9	6.1	12.4
China	65.4	77.4	(15.6)	(5.9)	63.5	83.3	(23.8)	(15.1)
APAC	69.8	114.7	(39.1)	(33.8)	78.2	116.5	(32.9)	(27.0)
Total	794.0	1,009.5	(21.4)	(15.9)	930.1	1,015.9	(8.4)	(2.3)

<sup>1</sup> At constant exchange rates

## Financial calendar

### 2024

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March 5 Full-year results roadshow in Zurich

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April 15 3M Trading Update

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April 17 Annual General Meeting

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June 12 Stifel Swiss Equities Conference

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July 19 Half-year results 2024 in Zurich

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