

Full-Year Results 2021

March 15, 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 for 2021 of Bystronic AG.

This presentation also contains forward-looking statements, which are subject to uncertainty and risks. Actual future results may differ materially from those expressed in or implied by these statements. Some of these uncertainties and risks relate to factors that are beyond Bystronic's ability to control or predict precisely, such as, in particular, future market conditions, currency fluctuations, or the behavior of other market participants, suppliers, and transport companies as well as potential impacts due to the war in Ukraine and the associated sanctions. Readers are cautioned not to put undue reliance on forward-looking statements, since these relate only to the date of this communication. Bystronic disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or any other factors.

Agenda

Highlights 2021

Alex Waser

Market environment and strategy execution

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Financial review

Beat Neukom

Outlook 2022

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Q&A

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Note: unless indicated otherwise, all figures refer to Bystronic's continuing operations



Order intake

+51.2% to CHF 1.2 billion



Net sales

+17.2% to CHF 939.3 million



EBIT

+67.0% to CHF 70.1 million



Free cash flow

+32.0% to CHF 64.8 million

Positive market dynamics in 2021 despite supply chain challenges

European Machine Tool Industries ¹



Strong catch-up effects for orders

High order intake in regions and industries

Swiss exports of machine tools +18.1% in 2021

World Container Index ²



Increasing input costs

Significant impacts due to tense supply chain situation since the middle of the year

Higher costs for transport and components – longer lead times

China's Manufacturing PMI ³



Challenging environment in China

Increasing uncertainties in the manufacturing industry

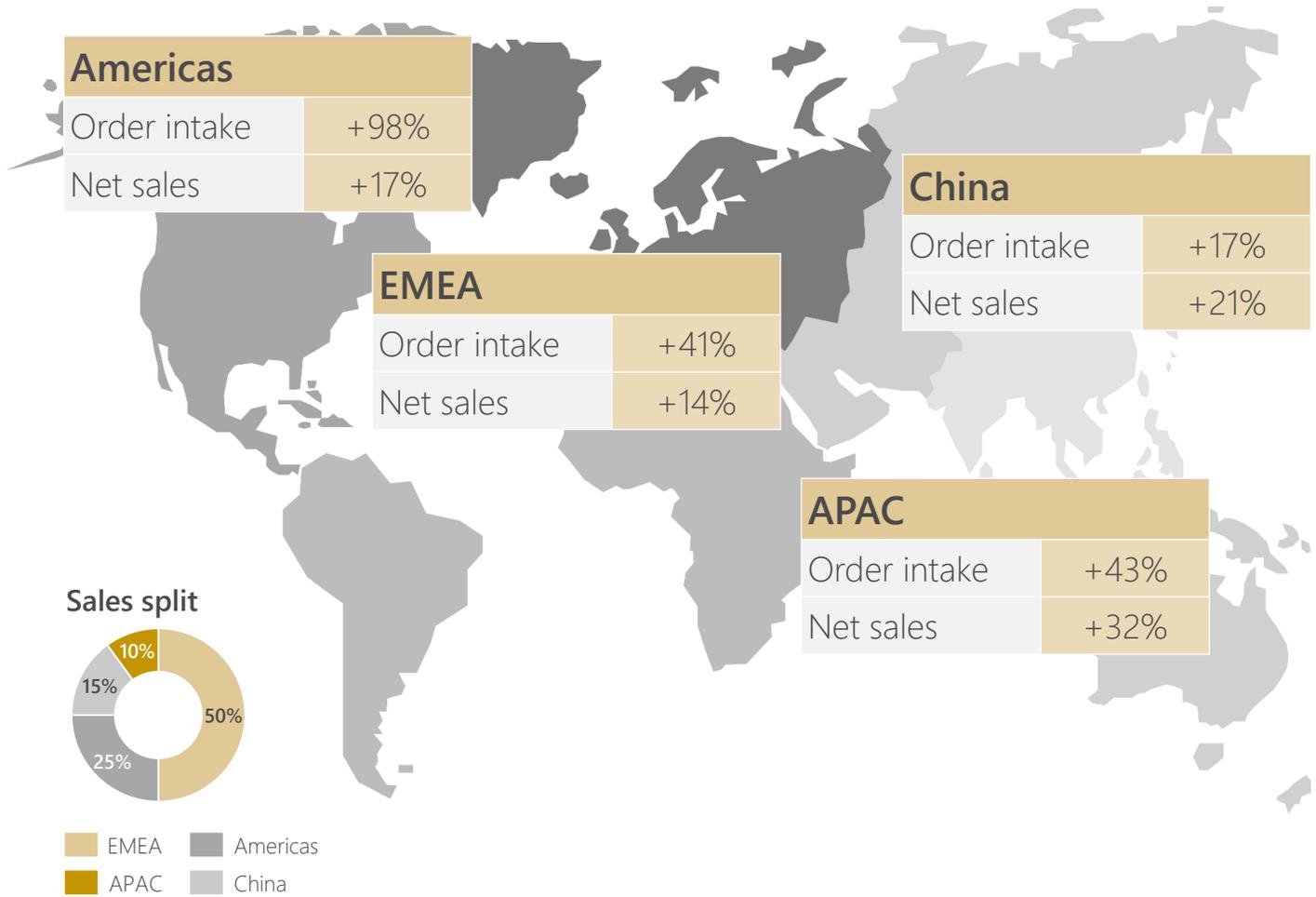
Impacts of lockdowns and production bottlenecks

¹ Source: CECIMO economic and statistical toolbox, total orders forecast (smoothed average), downloaded February 2022 and EZV (Eidgenössische Zollverwaltung)

² Source: Drewry Supply Chain Advisors, downloaded February 2022

³ Source: Statista, downloaded February 2022

We achieved strong organic sales growth in all regions



Industries

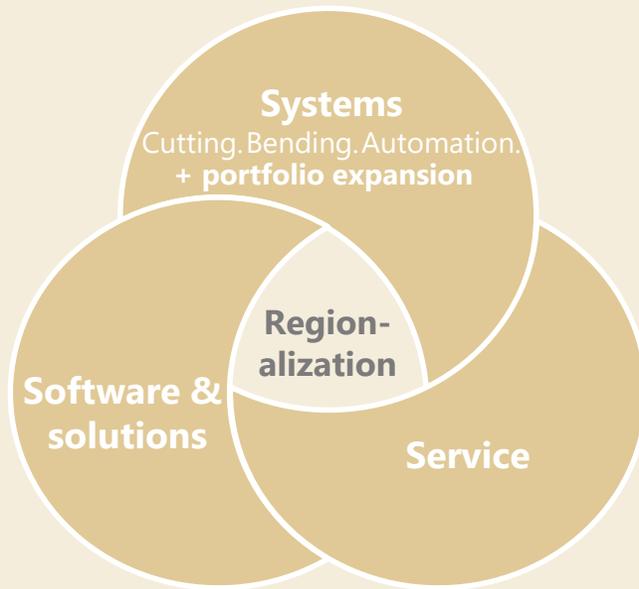
- Strong demand from the agricultural, construction, steel processing services, machinery and semi-conductor sectors
- Slower recovery only in the automotive industry

Regions

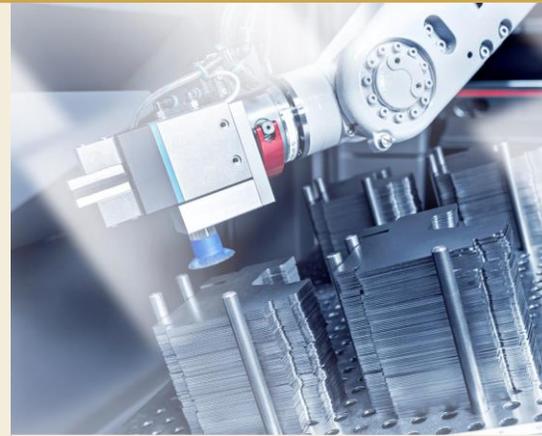
- **EMEA:** Broad-based growth in most countries – market share gains in automated and high-power cutting
- **Americas:** Increased local presence is paying off – strong performance in automation and solutions
- **China:** Solid recovery, but challenging market environment in second half-year
- **APAC:** Strongest sales growth of the group – mixed performance in individual markets

We diligently implemented our strategy with regard to all growth pillars

Strategy 2025



- > **5%** annual organic sales growth
- > **12%** EBIT margin
- > **25%** RONOA



Systems

- Focus on innovation and automation
- New production facility and Brand Experience Center in the US
- Expansion in all market segments, especially silver and entry-level

Software & solutions

- Focus on software for stronger automation and digitization of our customers' processes
- Successful tests of the new Smart Factory Software with seven customers
- Market launch in H1 2022

Service

- Dedicated service organization established
- Launch of modular service packages
- 80 additional service technicians hired

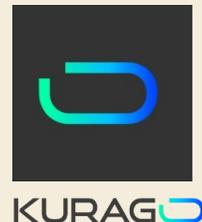
Our targeted M&A activities are on track – and we are ambitious for more

March 2021

Acquisition of **100%** following the successful innovation partnership

Joint development of software solutions to **digitize the sheet metal processing industry**

Bystronic will **launch the Smart Factory Software Suite** in 2022



November 2021

Acquisition of the remaining **30% minority stake**

Strengthening of the portfolio for **automation solutions** for laser cutting systems

Leverage know-how to develop additional **automation solutions for the silver and entry-level** segments – as we did for laser cutting and bending systems



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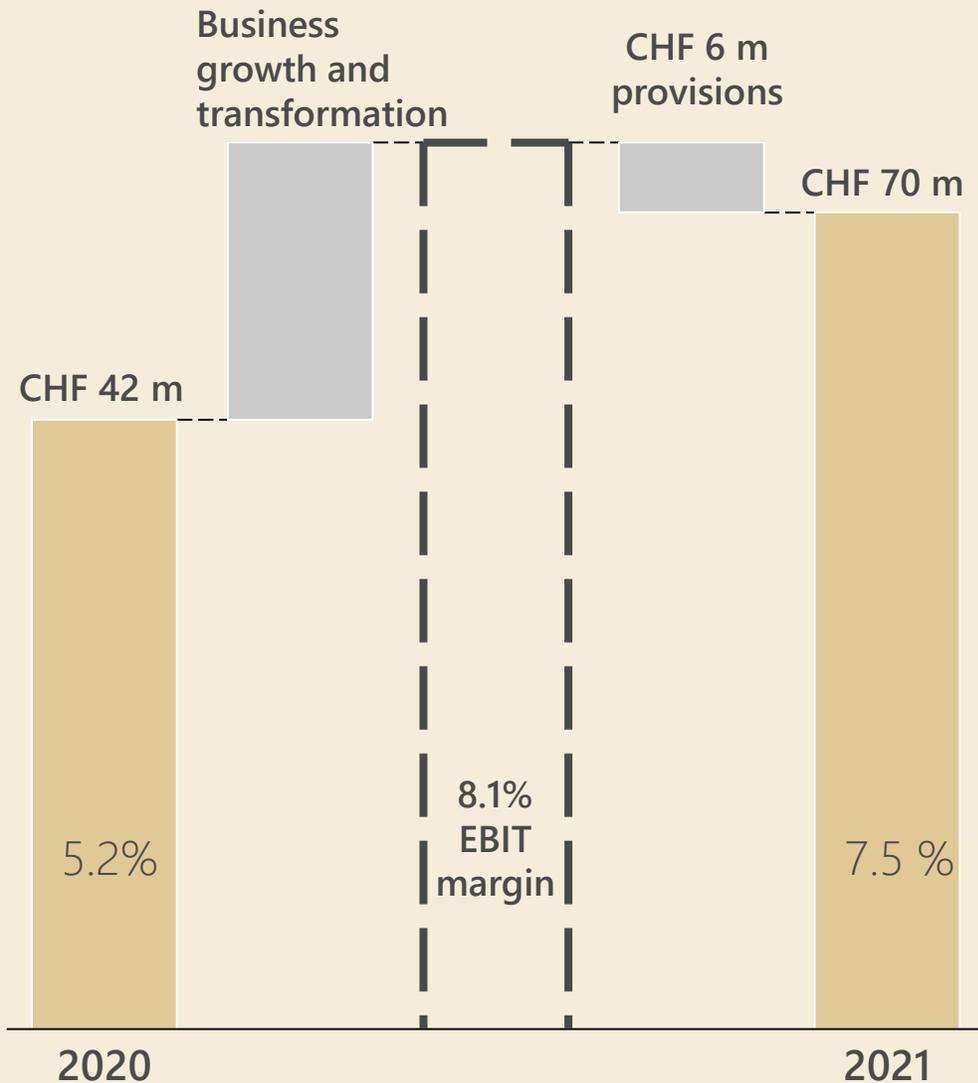
Note: unless indicated otherwise, all figures refer to Bystronic's continuing operations

We report strong growth for all key figures

in CHF million	2021	2020	Δ in %	Δ in % at CER
Order intake	1,175.5	777.4	51.2	51.3
Net sales	939.3	801.3	17.2	16.6
Systems business	733.9	642.9	14.2	-
Service business	205.4	158.4	29.7	-
Operating result (EBIT)	70.1	42.0	67.0	-
EBIT margin	7.5%	5.2%	-	-
Net result	56.8	28.5	99.2	-
Operating free cash flow	64.8	49.1	32.0	-
RONOA (in %)	25.5%	11.7%	-	-
Dividend (in CHF per share) ¹				
Class A registered share	60.0	60.0	-	-
Class B registered share	12.0	12.0	-	-

¹ As proposed to the AGM in April 2022

We achieved higher EBIT and profitability despite supply chain constraints



Strong EBIT growth of 67.0%



Profitability improved to 7.5%
vs. 5.2% in 2020

Development of profitability

- Investments in service business – additional 80 service technicians hired
- Supply chain constraints led to higher costs for components and transport
- Provision of CHF 6 million from re-assessments

Supply chain constraints impacted our performance – especially in H2

in CHF million	2021	2020	Δ in %	H1 2021	H2 2021
Net sales	939.3	801.3	17.2	440.7	498.6
Other operating income	7.3	5.9	-	4.1	3.2
Material expenses + changes in inventories and own work capitalized <i>in % of sales</i>	1 (421.9) (44.9)%	(379.0) (47.3)%	11.3	(198.2) (45.0)%	(223.7) (44.9)%
Personnel expenses <i>in % of sales</i>	(242.5) (25.8)%	(215.6) (26.9)%	12.5	(121.7) (27.6)%	(120.8) (24.2)%
Depreciation and amortization <i>in % of sales</i>	(18.5) (2.0)%	(18.1) (2.3)%	2.2	(9.0) (2.0)%	(9.5) (1.9)%
Other operating expenses <i>in % of sales</i>	2 (193.8) (20.6)%	(152.4) (19.0)%	27.2	(85.5) (19.4)%	(108.3) (21.7)%
Operating result (EBIT) <i>in % of sales</i>	70.1 7.5%	42.0 5.2%	67.0	30.3 6.9%	39.8 8.0%
Financial result	(0.9)	0.3	-	0.0	(0.9)
Result before income taxes	69.2	42.2	64.0	30.3	38.9
Taxes	3 (12.5)	(13.7)	(8.8)	(7.0)	(5.5)
Net result	56.8	28.5	99.2	23.3	33.5

Material costs

- 1** Stable material quote in H2 vs. expected improvements: savings in procurement offset by higher costs for components

Other operating expenses

- 2** CHF 41 m higher, thereof
 ~ CHF 23 m volume-driven
 ~ CHF 12 m higher other OPEX
 ~ CHF 6 m one-time provisions

Variable costs

- Installation capacity and transport
- Increase of ~CHF 5 m in H2 for transport in addition to sales growth

Other OPEX

- Expansion of infrastructure
- Sales costs, resumed travel and representation

Tax rate

- 3** Tax rate of 18%: lower than 2020 due to corporate tax reform in Switzerland and favorable country mix

Our asset-light business model results in a strong operating free cash flow

in CHF million	2021	2020	Δ in %
Operating cash flow	83.2	54.3	53.2
Capital expenditures (capex)	(28.8)	(13.3)	-
<i>in % of sales</i>	3.0%	1.7%	
Other investments / divestments	10.4	8.1	-
Operating free cash flow	64.8	49.1	32.0
Acquisitions	0.7	(1.7)	-
Divestments	320.3	73.4	-
Purchase of securities	(30.0)	-	
Free cash flow	355.8	120.8	> 100
Liquid assets	495.7	255.1	94.3

Cash flow development

- Strong cash flow growth due to solid net working capital management and business model based on advance payments from customers
- Low capex-to-sales ratio of 3.0%
- Capex in 2021 mainly related to expansion in China and Asia (Korea)



We maintain low net operating assets thanks to our well-established payment policy

Continued strong balance sheet

in CHF million	2021	2020
Cash / liquid assets	495.7	255.1
Trade receivables	133.7	111.9
Inventories	249.1	179.5
Other current assets	80.0	209.6 ¹
Fixed assets	133.1	122.0
Other non-current assets	143.3	83.0
Total assets	1,234.8	961.2
Trade payables	79.5	78.9
Advance payments from customers	153.4	48.7
Other liabilities	186.7	148.8
Total liabilities	419.6	276.0
Total equity	815.2	685.2
Total equity and liabilities	1,234.8	961.2
Net Operating Assets (NOA)	218.9	231.4

NOA slightly lower despite high sales growth – based on advance payments from customers from strong order intake

RONOA at **25.5%** vs. 12% in 2020

Equity ratio proves solid balance sheet and M&A potential

66% vs. 71% in 2020

¹ Including net receivables to discontinued operations of CHF 158.4 million

Our shareholders are paid out a part of the excess liquidity



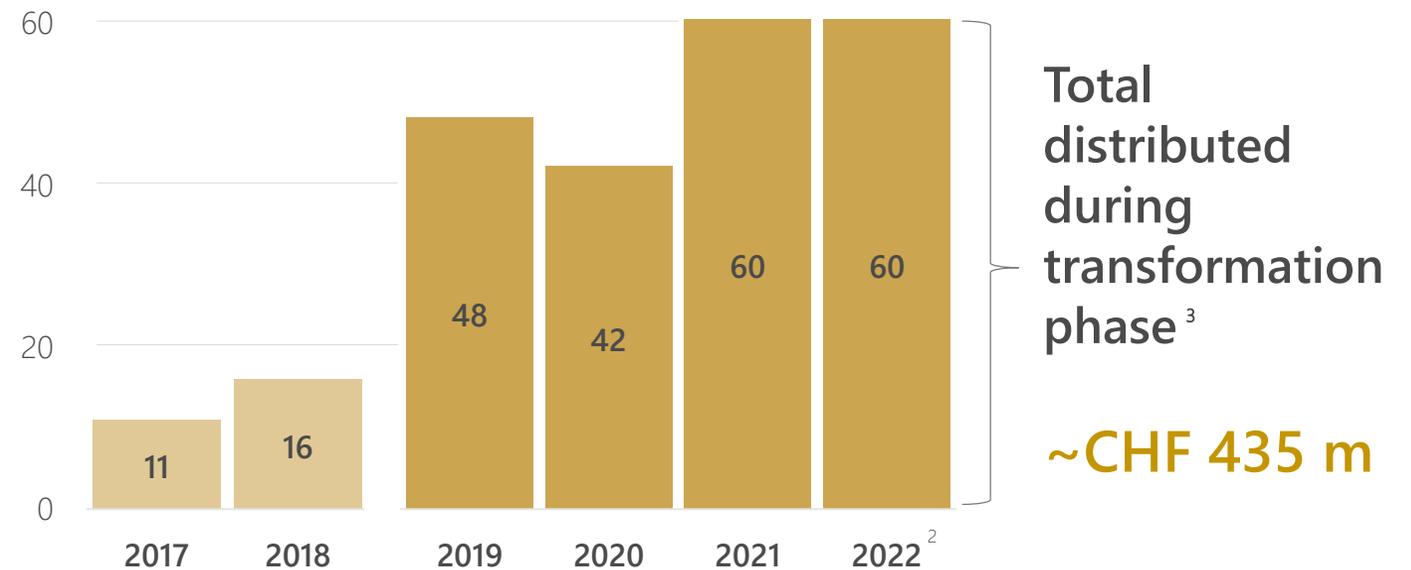
**27% return
from dividends**
on shares purchased at
the beginning 2019 ¹



**Future
dividend policy**
Payout of one-third to
one-half of net profit
following the
transformation

Dividend history

Per year of distribution, in CHF per class A registered share



¹ Total of dividends from 2019 to 2022 divided by share price on January 1, 2019 for class A registered share

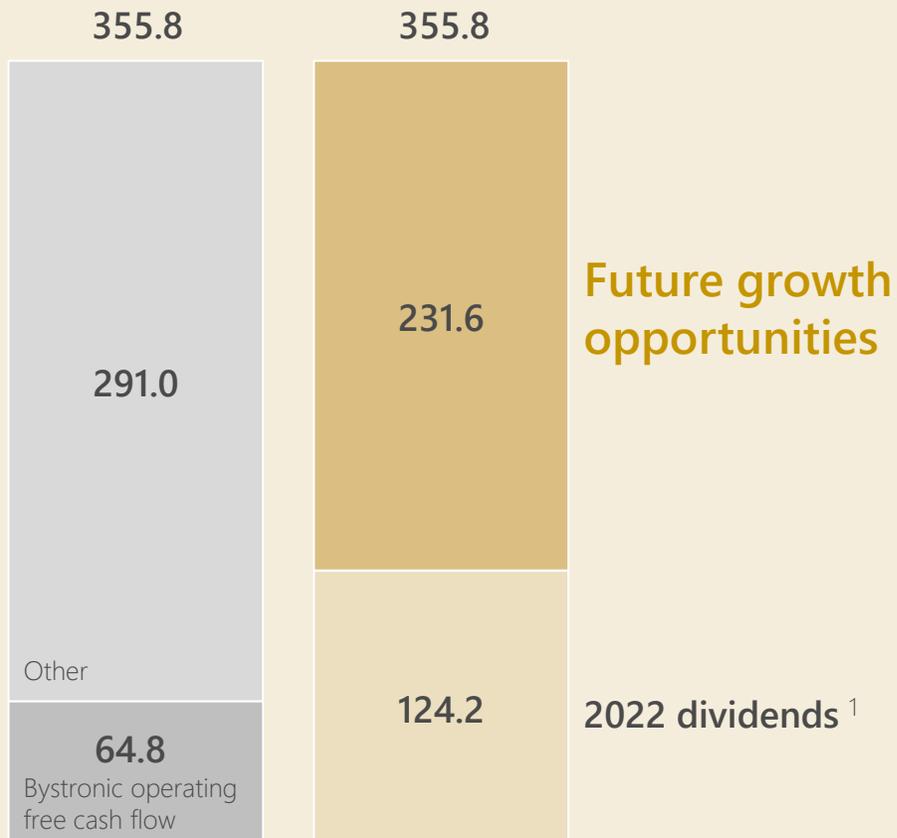
² Proposal by the Board of Directors, subject to approval by AGM in April 2022

³ Sum of distributions for class A and B registered shares

Bystronic remains well capitalized to pursue further organic growth and M&A opportunities

Free cash flow Capital allocation

2021, in CHF million



¹ Subject to approval by AGM in April 2022



We maintain high **liquidity** for Bystronic of **~CHF 370 m**



Continued strong **equity ratio** of **62%** after the dividend payment



M&A strategy: **portfolio expansion** by means of **bolt-on** and **medium-sized** targets

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We are confident to achieve further growth in 2022 – despite challenging procurement markets

Market environment

- Longer sourcing and delivery times coupled with higher costs
- Implementation of price increases with a time lag – especially given the high order backlog
- Geopolitical uncertainties

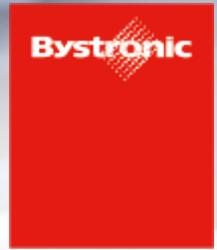
Outlook 2022

Bystronic aims to achieve **sales growth of 10-12%** and an **EBIT margin between 8-9%** – under the assumption that procurement markets normalize during the course of 2022

Financial indications	2022	Mid-term 2025
Order intake (growth in %)	< 2021 levels due to high catch-up effects last year	n.a.
Sales (growth in %)	10-12%	> 5% organically per year
FX impact (net sales translation impact)	(2-4)%	n.a.
EBIT margin (in % of net sales)	8-9%	> 12%
Capex (in % of net sales)	~ 3%	~ 3%

The logo consists of a diamond shape formed by a grid of small white squares on a red background. The word "Bystronic" is written in white, bold, sans-serif font across the center of the diamond.

Bystronic



Questions & Answers

The background of the page is a close-up photograph of a white industrial robotic arm. The arm is positioned diagonally from the top left towards the center. It has a blue protective cap on its end effector and is surrounded by various metal components and wiring. The lighting is bright, creating a clean, industrial atmosphere.

Appendix

Key figures: continuing operations and total group

	Bystronic			Total Group		
in CHF million	2021	2020	Δ in %	2021	2020	Δ in %
Order intake	1,175.5	777.4	51.2	-	-	-
Net sales	939.3	801.3	17.2	1,122.9	1,283.5	(12.5)
Operating result (EBIT)	70.1	42.0	67.0	(18.7)	79.7	(123.5)
EBIT margin	7.5%	5.2%	-	(1.7)%	(6.2)%	-
Net result	56.8	28.5	99.2	(27.8)	66.9	(141.6)
Earnings per class A registered share	27.08	12.89	110.1	(13.81)	31.46	(143.9)
Number of employees	3,543	3,074	15.3	-	-	-

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	-	20.0	-
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 of 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 0.8 m

Financial calendar

2022

March 21-22, 2022 2021 Full-Year results roadshow

March 30, 2022 Kepler Swiss Equities Conference

April 14, 2022 Trading update Q1

April 26, 2022 Annual General Meeting

June 1, 2022 Swiss Equities Conference Interlaken

July 7, 2022 Credit Suisse ESG Forum

July 20, 2022 2022 Half-Year 2022 results

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