

2023 Annual report



Your best choice.

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Strategic milestones in the areas of digitalization and customer service

Macroeconomic uncertainties, geopolitical tensions, and high inflation shaped the market environment in the 2023 financial year. Despite these challenges, Bystronic made good progress in the three strategic growth areas of systems, software and service. The high order backlog at the beginning of the year worked in favor of sales, while the strong Swiss franc had a negative impact. Thanks to targeted measures, we increased profitability with overall slightly decreased sales and lower order intake. A highlight of the reporting year included the successful opening of a major European customer's Smart Factory, equipped with Bystronic systems and software. We also continued the successful expansion of our service business.

Lower demand due to macroeconomic uncertainties

Globally, economic growth came to a halt in 2023. Rising interest rates led to cautious investment behavior and consumption declined in many markets. Since sheet metal is in demand in a variety of industries, our customers generally continued to have high-capacity utilization. They also produce parts for everyday goods, which stabilized demand to a certain degree. Nevertheless, our customers were cautious when it came to implementing expansion plans or upgrading their production facilities. We felt this effect in Asia and Europe primarily.

Healthy growth was seen in the Americas region, where we have expanded our presence in recent years. One milestone was the construction of the new production location and Experience Center in Hoffman Estates in the greater Chicago area. This allows us to be perceived increasingly as a capable local partner by US customers. Due to this solid market position, we were able to benefit from the trend of reshoring in the United States and the large-scale infrastructure programs of the US government. The numbers prove this: Over the last five years, we increased sales in the region by an average of 10% per year. In 2023, we were able to realize a high order intake – equal to the previous year's level – at constant exchange rates, whereas this declined in the other regions. Globally, we recorded a decrease of 21% (-16% at constant exchange rates) to CHF 794 million.

Solid sales volume with higher profitability

Thanks to a good order backlog at the beginning of the year, sales at constant exchange rates remained at the previous year's solid level. Due to the strong Swiss franc, reported sales dropped by about 8% to CHF 930 million. The operating result (EBIT) increased by 13% to over CHF 54 million. The improved profitability underscores that the measures adopted earlier, which included price increases, improved efficiency, and reduced operating costs, made an impact.

Development of strategic growth areas

The trends of automation and digitalization continued to gain momentum in the 2023 financial year. We benefit from this because in addition to selling machines, we support our customers with automation solutions, software and service. We made healthy progress in all three strategic growth areas – systems, software and service.

In the systems business, we strengthened our market-leading position with additional product innovations. Among other things, we launched the Intelligent Cutting Process (ICP), a new smart feature. With this, a camera films the cutting process through a nozzle. So the system automatically detects interruptions in the cut and recuts the area if necessary.

A highlight in the area of software was the start-up of our Dutch customer VDL's Smart Factory. We worked together for two years to develop solutions to fully automate production and to digitally control it using our BySoft Suite. The productivity gains they have achieved are exemplary.

In the area of service, we again achieved double digit sales growth. More than 90% of our new machines in the gold and silver segments were sold with a service contract.

Focus on sustainability

In the last year, we established medium term sustainability goals for the first time. Among other things, we committed ourselves to significantly reduce emissions. In this regard, we are aligning ourselves with the Science Based Targets (SBT) and thus the CO₂ reduction targets of the Paris Agreement. By 2030, we want to lower direct and indirect CO₂ emissions (Scope 1 and 2) by 42%. The reduction target for CO₂ emissions resulting from the value chain (Scope 3) is set at 25%.

Dividends

The Board of Directors will propose to the Annual General Meeting on April 17, 2024, that a dividend of CHF 12.00 per class A registered share and of CHF 2.40 per class B registered share be distributed. In total, CHF 24.8 million will be distributed to shareholders. The proposal reflects the solid company performance in the reporting year and is in accordance with the dividend policy. This sets aside a payout range of between one third and one half of the net result, taking into account the company's liquidity situation and future needs.

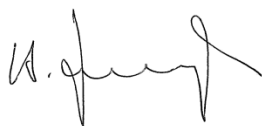
Change in company leadership

After more than ten years as CEO, Alex Waser has chosen to step down from his role. In that time, he successfully led the transformation of the company from a producer of individual sheet metal machines to a provider of complete solutions to our customers. The Board of Directors thanks him for his valuable contributions. Domenico Iacovelli, an experienced and successful leader in our industry, will assume the role of CEO mid-year.

Special appreciation

The high level of engagement and the team spirit of our employees made the progress in this reporting year possible. Our thanks also go to our business partners and our shareholders. We thank you for your trust and support.

Zurich, February 29, 2024



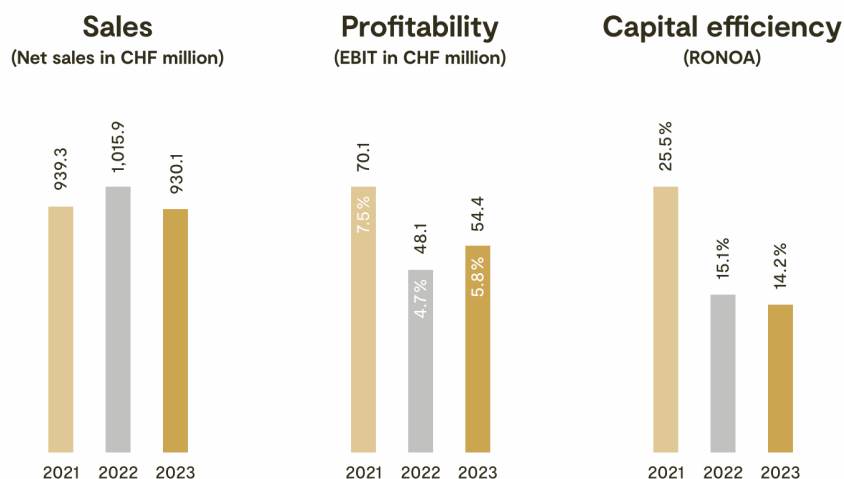
Dr. Heinz O. Baumgartner
Chairman of the Board of
Directors



Alex Waser
CEO

Performance indicators and key figures

Performance indicators



Key figures

CHF million	2023	2022
Order intake	794.0	1,009.5
Increase compared to prior year	-21.4%	-14.1%
Increase compared to prior year at constant exchange rates	-15.9%	-10.2%
Backlog	252.9	413.0
Net sales	930.1	1,015.9
Increase compared to prior year	-8.4%	8.1%
Increase compared to prior year at constant exchange rates	-2.3%	13.0%
EBITDA	75.4	69.9
in % of net sales	8.1%	6.9%
Operating result (EBIT)	54.4	48.1
in % of net sales	5.8%	4.7%
Net result	41.9	36.6
in % of net sales	4.5%	3.6%
Operating free cash flow	34.0	-40.6
CAPEX	18.4	23.4
Net operating assets (NOA)	291.0	288.0
Return on net operating assets (RONOA)	14.2%	15.1%
Equity	730.6	724.2
in % of total assets	71.3%	63.4%
Earnings per class A registered share in CHF	20.28	17.69
Average number of full-time equivalents	3,573	3,679
Dividend per class A registered share in CHF	12.00	12.00
Dividend per class B registered share in CHF	2.40	2.40



Innovative technologies for sheet metal processing

Bystronic is an industry leader

As a global leading technology company in sheet metal processing, Bystronic offers innovative laser cutting systems and press brakes as well as automation, software and service solutions. When it comes to cutting and bending sheet metal parts, our customers depend on the high quality, precision and efficiency of our systems.

Since its founding 35 years ago, Bystronic has made innovation its top priority. Today, we have nine development and production locations in Switzerland, Germany, Italy, China and the USA. Our network includes sales and service subsidiaries in more than 30 countries, as well as representative agents in additional countries.

Our portfolio is structured into three market segments: gold, silver, and entry-level. The products in these three groups differ primarily in terms of laser power, speed, degree of automation and additional features. This allows us to comprehensively meet the varying needs and budgets of our customers.

Sheet metal is an appealing material with a bright future

From agriculture and construction to the transport and food industries, almost every sector relies on sheet metal. The material is tried and tested, versatile in its applications, and offers numerous advantages. Metals such as steel or aluminum are robust, easy to handle, durable and recyclable. Without a doubt, sheet metal will remain a key building block in many different industries in the future. At the same time, new processes that do not rely on fossil fuels help make steel production more sustainable and contribute to the continuous improvement of the material's carbon footprint.

Our customers work in a variety of end markets

Our customers produce sheet metal parts either as contract manufacturers or for their own portfolios. Customers with their own portfolios are either original equipment manufacturers (OEMs), or they sell the parts they manufacture for subsequent finishing. Since sheet metal is a material with very diverse applications, Bystronic's customers are active in a variety of end markets. The parts produced with our systems are used, for example, in kitchen appliances, construction machinery, solar installations and wind turbines. Demand in these markets develops very differently depending on economic trends. Broad diversification in end markets reduces our dependency on economic trends and makes our business model more resilient.

Our strategy: growth across systems, service, and software

The Bystronic strategy is based on the growth areas of systems, service and software. In all three areas, we are positioned well to expand the business and increase market share.

In the area of systems, our innovative portfolio of products serves as a crucial driver for our growth. Bystronic generates almost half of its sales with products that have been on the market for less than three years. This demonstrates our innovation strength and shows how quickly our portfolio is expanding. In addition to offering established laser cutting and bending machines, we are focusing on automation solutions, for example for loading and sorting equipment. We are also consistently implementing our regionalization strategy, which calls for us to support our customers locally. On the one hand, we operate closer to where customers require us in their regions. On the other hand, local supply chains can provide faster and more reliable delivery.

In the area of service, we are enhancing structures, expertise and the workforce to promote our service business. Regular machine maintenance is crucial for our customers' productivity. Operational interruptions must be avoided as much as possible. To minimize down time in line with customer requirements, we offer a modular, globally standardized service program. This allows customers to select annual contracts with different services. The modules include, for example, the number of visits from service technicians, specific service level agreements, or warranty services. Since the program launched in early 2021, more than 90% of machines sold in our gold and silver segments included a service contract.

In terms of software, we are supporting our customers as they move their production in the direction of a Smart Factory. Many production plants are currently looking for ways to comprehensively network and control their production using software. Our solutions enable sheet metal processing companies to digitalize their production processes. We offer, for example, software modules for preparing quotes or for monitoring machine performance. Offering individual modules allows the customer to gradually augment their degree of digitalization, thereby achieving significant productivity improvements. We accompany our customers through their digital transformation one step at a time.

Our Markets

Close to our customers

Our country subsidiaries around the globe are crucial components of our regionalization strategy, which allows us to meet local requirements optimally.

One large emerging market is India, where we have had representation through a subsidiary since 2007. In recent years, the Indian manufacturing industry has grown rapidly due to the expansion of public infrastructure and India's improved connections to world markets. As there is a shortage of skilled workers, companies are looking for manufacturers that provide automation and have well-trained service technicians. Bystronic India therefore concentrates on providing cost-efficient solutions with higher operating times and productivity. To be even more closely engaged with the Indian sheet metal industry, we opened a new business office in the summer of 2023 in Pune, 150 kilometers southeast of Mumbai. This facility has a state-of-the-art demonstration center where we can present our solutions to customers.



The opening of our new site in Pune and the first Open House Day were important milestones to strengthen our presence in the Indian market.

We are also moving closer to our customers in China. In summer 2023, the region conducted its own Competence Days and presented product innovations. This included, for example, the automatic loading and unloading systems ByTrans Eco and ByTower Eco. Both systems are an indispensable part of the path to a highly productive Smart Factory.



We presented new product innovations to our Chinese customers.

Our focus is on the customer

Bystronic makes a clear claim: Our systems, services, and software solutions are meant to heighten productivity, efficiency and sustainability in the sheet metal industry. The design of customer interaction is a critical component of this. Our specialists – be they sales experts, service technicians, or service hotline operators – need to be knowledgeable about the customer’s current on-site situation: Which machines does the company operate? When was our last engagement with the customer? What upcoming maintenance work should be considered? Such information must be fully available at all times when communicating with customers. That is the only way to ensure that each subsequent communication ties seamlessly with previous contacts.

The foundation for such seamless communication is an effective customer relationship management (CRM) system. In late 2021, we decided to introduce the most modern CRM solution on the market for this purpose. We made the following improvements:

- To ensure that all information is available anytime to our customers and to us internally, we operate a system environment that is completely integrated and allows optimal data exchange between marketing, sales and service.
- The customer can choose how to contact us – through a sales representative, by telephone, or online. This allows us to communicate consistently in line with our motto “One Bystronic.”
- To ensure that the processes are optimally tailored to customer needs, we review all processes and make improvements during the installation.

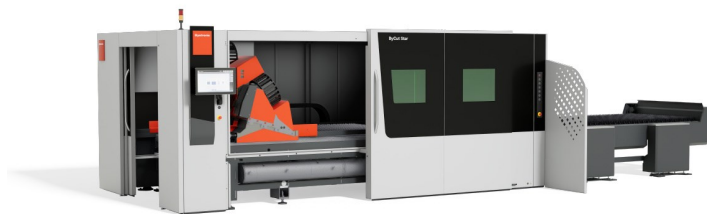
A project team consisting of employees from the sales, service, marketing, IT, procurement and finance departments, as well as external partners, managed to launch the CRM system in less than 16 months, from solution definition all the way to launch. The successful introduction ensures that we will continue to think about our products and services from the customer’s perspective in the future.

Innovation and Technology

Launch of a new product platform

To configure machines better for customer applications and to produce them faster and locally, we have developed a new platform concept: All systems for a specific application such as cutting or bending are now based on a single platform. From this uniform starting point, we can produce various machines and formats in configurations for both our gold and silver segments. This simplifies the product creation process, from development, procurement, and production right through to training and system maintenance. This enables us to reduce manufacturing costs while also enhancing the reliability of our machines.

In 2023, production based on this new concept began. For the first time, last summer the team in the USA, using the new platform, locally assembled and completed machines for the gold segment.



The new ByCut Star 3015 with front and side access.

New products

The laser power of cutting machines has made great advancements in recent years. Bystronic is involved at the forefront of the advanced development of fiber laser technology. Two years ago, we presented the ByCut Star 4020, a laser cutting system from the gold segment with a laser power of 30 kilowatts, currently the highest level of power available. This machine is already based on our new product platform; now we can quickly derive new formats from it.

In 2023, we launched the ByCut Star 3015, which likewise has a peak power of 30 kilowatts and is designed specifically for sheet metal with dimensions of 3 × 1.5 meters. The machine features our newest smart features, such as the Intelligent Cutting Process ICP. With this, a camera films the cutting process through a nozzle. The system automatically detects interruptions in the cut and recuts the area if necessary. In addition, our latest products come in a new design that makes them more user-friendly. This includes new front and/or side access, as well as multiple windows with direct views of the cutting process. The interior is significantly more accessible as a result.

Digitalization

Implementation of our Smart Factory solutions

With our modular software offerings, we enable our customers to network all of their processes and thus ultimately implement the Smart Factory vision. This requires software that acts as an interface to the systems they already have. This is precisely what the BySoft Suite makes possible. It consists of six software product families: Insight, Business, Shop Floor, CAD, CAM, and Cell Control. The integrated solution allows our customers to digitally monitor, manage and analyze data through every phase of the business process – from quotation to shipping of the finished product. Machines from third-party suppliers and IT solutions for business management can also be integrated into the software. Sheet metal processing companies can thus manage all their activities using a single platform and access comprehensive information about all enterprise operations at any time. This allows them to adapt more rapidly to the ever-changing market environment, make business decisions based on extensive and centralized data, improve productivity and grow, despite a shortage of skilled workers.

Our customers are using the BySoft Suite to advance digitalization. The Dutch company VD Leegte Metaal completed its Smart Factory in Eindhoven toward the end of 2023. The two-year project is a milestone in fully automated production. The main challenge for this flagship project was the software to completely network all components, including systems from competitors. The material flow between the warehouse and the shop floor happens automatically. Laser cutting systems and press brakes automatically order raw material from the warehouse, and automated guided vehicles (AGV) transport the materials to production stations. The BySoft Suite facilitates the management of the entire process, from the drawing to the finished part, including intralogistics solutions.



Lighthouse project in the Netherlands: factory opening at VD Leegte Metaal with top management from both VDL and Bystronic (for credit: VDL)



Higher profitability with slightly decreased sales

Macroeconomic uncertainties, geopolitical tensions, and high inflation in many regions shaped the market environment over the past year. Nevertheless, Bystronic increased its profitability despite slightly lower sales and continued to implement its strategy successfully. We launched new product innovations, achieved growth in the service business, and – together with a major European customer – made a Smart Factory a reality. In the USA, we extended our line of locally produced machines, and in China we expanded our Competence Center for automation solutions.

Order intake and sales development

Order intake decreased in 2023 by 21% (-16% at constant exchange rates) to CHF 794 million. This can be attributed to the fact that our customers were cautious with their investment decisions due to higher interest rates and were waiting until financing costs decrease. As a result, demand declined in the EMEA, APAC and China regions. The Americas region achieved an order volume on par with the previous year at constant exchange rates. Supporting factors that made a difference included the US trend of reshoring, US infrastructure programs and the expansion of our market position in the region.

Thanks to a high order backlog at the beginning of the year, Bystronic attained a sales volume just below that of the previous year at constant exchange rates. However, the strong appreciation of the Swiss franc had a significantly negative impact. As a result, reported sales decreased by 8% to CHF 930 million.

Operating result and profitability

Bystronic increased its operating result (EBIT) by 13% to CHF 54 million and improved its EBIT margin to 5.8% (2022: 4.7%). This is primarily attributable to three measures:

- We raised prices in certain areas to compensate for higher procurement costs of numerous components.
- We improved cost efficiency, particularly by introducing a standardized, scalable product platform for higher price segments.
- We focused on reducing operational costs, for example by optimizing transport and logistical costs, reducing the workforce, and decreasing marketing expenditures.

We were faced with considerable foreign exchange headwinds in 2023 due to the strong Swiss franc. In the EMEA and China regions, revenues and costs balanced each other out in local currency for the most part, and exchange losses were limited. In the Americas and APAC regions, however, revenues in local currency were higher than costs. Since we partially hedged the corresponding foreign exchange risk, we were able to mitigate the effect of the strong Swiss franc. Nevertheless, exchange losses in the mid-single-digit millions were a burden on the operating result.

Net result, cash flow, and dividend

The annual net result was CHF 42 million (2022: CHF 37 million). Earnings per class A registered share amounted to CHF 20.28.

After the supply chain challenges of recent years, a higher availability of components allowed us to expedite the finishing and shipping of mostly completed machines. We were also able to continue calling in outstanding payments from customers. As a result, operating free cash flow improved from CHF -41 million in the prior year to CHF 34 million. Cash and cash equivalents and securities remained at a very high level of CHF 349 million as of December 31, 2023. At 14.2%, RONOA reached a level similar to that of the prior year (2022: 15.1%).

The Board of Directors is proposing to the Annual General Meeting on April 17, 2024, that a dividend of CHF 12.00 per class A registered share and of CHF 2.40 per class B registered share be distributed. In total, CHF 25 million will be distributed to shareholders. The proposal reflects the solid performance of the prior financial year and is in accordance with the dividend policy. This sets aside between one third and one half of the net result for distribution, taking into account the company's liquidity situation and future needs.

Outlook

For 2024, Bystronic anticipates a continued challenging market environment and an order intake similar to that of previous quarters. 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.



EMEA region

Customers in the EMEA region (Europe, the Middle East and Africa) were cautious due to geopolitical tensions and high inflation, which also resulted in higher interest rates. Although many sheet metal processing companies continued to have high-capacity utilization, they were careful regarding new acquisitions and were waiting for more favorable financing costs with lower interest rates. Order intake dropped by 28% to CHF 369 million (-23% at constant exchange rates).

Thanks to a high order backlog at the beginning of the year, sales were CHF 453 million, which corresponds to a drop of 9% compared to prior year. The strong Swiss franc had a significant negative influence. The organic decrease, however, was only 4%.

In late 2023, the Dutch customer VDL opened its Smart Factory in Eindhoven. Working together with Bystronic over the past two years, the company was able to put fully automated production into practice. Our BySoft Suite, which completely networks all production and business processes, was used in this project, and enabled enormous productivity improvements.

Americas region

The Americas region is a very attractive market for Bystronic. Large-scale US infrastructure programs, as well as the reshoring trend happening there, have led to strong growth in recent years. Bystronic has expanded its local presence and has been on the ground and closer to customers in the USA with its own production location and an Experience Center since 2019. In 2023, the local team in Hoffman Estates in the greater Chicago area produced laser cutting systems for the gold segment based on our new, standardized product platform for the first time.

Bystronic's strong market position in the Americas region is evidenced by order intake, which was CHF 290 million, 6% below the previous year. However, this decrease can mainly be attributed to exchange rate effects. Organically, order intake was on par with the previous year's level, underscoring that the investments of the past few years have paid off.

Thanks to the high order backlog, the region increased sales by 6% to CHF 335 million. At constant exchange rates, growth was 12%.

China region

High overcapacity, competitive pressure, and restrained economic growth affected the Chinese market again in the 2023 financial year. Order intake decreased by 16% (-6% at constant exchange rates) to CHF 65 million and sales decreased by 24% (-15% at constant exchange rates) to CHF 64 million.

In China, in addition to the sales and service organization, Bystronic also operates three production sites:

- In Shenzhen, the Group develops and manufactures products for the entry-level segment under the DNE brand. Previously, Bystronic sold these products within the Chinese market. As increasing demand was reported for the entry-level segment worldwide, Bystronic decided in 2023 to also begin distributing DNE products globally through specialized partners.
- In Tianjin, Bystronic produces laser cutting systems and press brakes for the silver segment. From this site, the Group also services markets in the APAC region.
- Since the Shanghai site was established in late 2021, Bystronic has pursued the development of automation solutions there. The solutions are a decisively different from local competitors. Specialists have successfully advanced the development of its expertise in this field.

APAC region

Some of the fastest growing economies in the world are part of the APAC region (Asia Pacific). Nevertheless, growth in 2023 was restrained due to high inflation and rising interest rates. Customers have tended to defer the expansion of their production facilities. As soon as the situation improves, however, the region will benefit from high consumption in many APAC countries, as well as from the development of production capacity outside of China.

Due to the economic slowdown, order intake dropped by 39% to CHF 70 million (-34% at constant exchange rates) and sales by 33% (-27% at constant exchange rates) to CHF 78 million.

As part of its regionalization strategy, Bystronic seeks to position itself near its customers. As such, the Group expects to benefit from a market recovery in this region, particularly in India. The country is considered one of Asia's up-and-coming economies. Its industrial sector has shown strong growth, and its infrastructure is being developed. To maximize the region's market potential, in 2023 Bystronic opened a new site in Pune, 150 kilometers southeast of Mumbai. The site also includes a demonstration center, and currently, 30 employees work there in sales, service and administration.

Corporate Governance

Corporate Governance Report

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The following information is provided in accordance with the Directive on Information relating to Corporate Governance, published by the Swiss Stock Exchange, as valid on December 31, 2023. Bystronic AG also acts in accordance with the principles set forth by the Swiss Code of Best Practice for Corporate Governance of economiesuisse, which it implements in a manner commensurate with its size and structure. It consistently adheres to the statutory and regulatory requirements and requires its employees to comply with them.

Much of the following information has been taken from the Articles of Association and the Organizational Regulations of Bystronic AG. These two documents can be consulted on the [website of Bystronic AG](#).

1 Group structure and shareholders

1.1 Group structure

On December 31, 2023, the Bystronic Group consisted exclusively of the Bystronic business unit. Bystronic AG, which is based in Zurich, holds direct or indirect equity interests in the companies listed in [Section 4.3 of the Financial Report](#).

Bystronic AG is the only listed company. The Bystronic class A registered share (securities code number 24401750 and ISIN CH0244017502) is listed on the Swiss Stock Exchange. The stock market capitalization (Class A registered shares) on December 31, 2023, amounted to CHF 870,565,500, while the total capitalization (Class A registered shares plus Class B registered shares) amounted to CHF 986,355,000.

1.2 Significant shareholders

According to the disclosure reports made to the company pursuant to Art. 120 ff. of the Financial Market Infrastructure Act (FMIA), the shareholder group Auer, Schmidheiny, and Spoerry held more than 3% of the voting rights in Bystronic AG on the balance sheet date. The members of the shareholder group Auer, Schmidheiny, and Spoerry are listed in the Financial Report under [Notes to the Financial Statements of Bystronic AG](#). On June 3, 2023, a disclosure notification was made regarding a change in the composition of the shareholder group due to a death and the resulting inheritance. Disclosure notifications can be consulted on the [website of the Swiss Stock Exchange](#). On December 31, 2023, the share of voting rights of the shareholder group Auer, Schmidheiny, and Spoerry in Bystronic AG amounted to 51.0%. This takes into account that treasury shares do not carry voting rights and have been deducted from the total outstanding shares.

1.3 Cross-shareholdings

Bystronic AG does not have any cross-shareholdings with other companies that account for more than 5% of voting rights or capital.

2 Capital structure

2.1 Capital

According to Art. 3 of the Articles of Association of Bystronic AG, the share capital amounts to CHF 4,140,000, consisting of 1,827,000 Class A registered shares with a nominal value of CHF 2.00 each and 1,215,000 Class B registered shares with a nominal value of CHF 0.40 each. On December 31, 2023, the company did not have any conditional or authorized capital.

2.2 Changes in capital

There has been no change in the share capital of Bystronic AG in the last three reporting years.

2.3 Shares and participation certificates

Each share entitles to one vote at the General Meeting. According to Art. 15 of the Articles of Association of Bystronic AG, at least two representatives from each share class are entitled to a seat on the Board of Directors. The dividend entitlement of Class A registered shares and Class B registered shares (voting shares, unlisted) corresponds to the ratio between the nominal values of the two share classes. The company endeavors to distribute a proportion of between one third and one half of the annual result, taking into account the company's liquidity situation and future needs. The share capital has been fully paid up.

The company has not issued any participation certificates.

2.4 Dividend-right certificates

Bystronic AG has not issued any dividend-right certificates.

2.5 Limitations on transferability and nominee registrations

Shares in the company are not subject to any restrictions on transfer. Accordingly, nominees are also entered in the share register.

2.6 Convertible bonds and options

Bystronic AG has no outstanding convertible bonds, and neither the company itself nor its Group companies have issued options on Bystronic shares.

2.7 Shares of the company

	Class A registered shares, nominal value CHF 2.00	Class B registered shares, nominal value CHF 0.40	Total
Number of shares	1,827,000	1,215,000	3,042,000
Share capital in CHF	3,654,000	486,000	4,140,000

3 Board of Directors

3.1 Members of the Board of Directors

According to Art. 14 of the Articles of Association, the Board of Directors of Bystronic AG consists of between five and eight members. On December 31, 2023, it was composed of the following eight members:

Name	Function on the Board of Directors	Function on the Audit Committee	Function on the Human Resources Committee	Year of appointment
Dr. Heinz O. Baumgartner	Chairman			2021
Dr. Roland Abt	Member	Chairman		2014
Dr. Matthias Auer	Member	Member		1996
Inge Delobelle	Member		Member	2022
Urs Riedener	Member		Chairman	2014
Felix Schmidheiny	Member			2023
Robert F. Spoerry	Member		Member	1996
Eva Zauke	Member			2023

As of the date of the Annual General Meeting held on April 25, 2023, Jacob Schmidheiny resigned following 46 years of membership on the Board of Directors – including 30 years as president – due to age. At the same meeting, Felix Schmidheiny and Eva Zauke were elected as new members of the Board of Directors.

Heinz O. Baumgartner was a member of the Human Resources Committee up until the Annual General Meeting held on April 25, 2023. His mandate was taken over by Inge Delobelle.

3.2 Curriculum vitae, other activities and vested interests



Dr. Heinz O. Baumgartner

Dr. oec. HSG, born in 1963, a Swiss national, was Chief Executive Officer of Schweiter Technologies from 2008 to 2022 and has been a member of its Board of Directors since 2020 as well as Chairman since 2023. From 1996 to 2013, he was Chief Financial Officer of Schweiter Technologies. From 1992 to 1995, he was Controller at ABB Switzerland. Heinz O. Baumgartner is a member of the Board of Directors of the United Grinding Group. Further mandates are listed in [Section 7.1 of the Compensation Report](#).



Dr. Roland Abt

Dr. oec. HSG, born in 1957, a Swiss national, is a member of the Board of Directors of Swisscom AG, Bern, and Chairman of the Board of Directors of Aargau Verkehr AG (AVA), Aarau. Previously, between 2004 and 2017, he was Chief Financial Officer of Georg Fischer Ltd., Schaffhausen, which he joined in 1996, initially as Chief Financial Officer of the Agie Charmilles Group (1997 to 2004). He held various positions at the Eternit Group in Switzerland and in Venezuela (1987 to 1996). Further mandates are listed in [Section 7.1 of the Compensation Report](#).



Dr. Matthias Auer

Dr. iur., born in 1953, a Swiss national, has worked as an independent attorney and notary public in the Swiss canton of Glarus since 1981. Further mandates are listed in [section 7.1 of the Compensation Report](#).



Inge Delobelle

Lic. oec. KU Leuven, born in 1969, a Belgian national, has been Executive Vice President and Divisional CEO Industry at Grundfos, Bjerringbro, Denmark, since 2024. Previously, she was Chief Executive Officer of the BU Europe Africa at TK Elevator GmbH, Düsseldorf from 2018 to 2023. She joined the ThyssenKrupp Group in 2001 and held various management positions in the services, steel, and elevator divisions. Among other things, as CFO and later CEO, she was responsible for the steel service activities of TK Service Acier (France) and the global access solutions business of TK Elevator. Prior to 2001, she was an investment banking consultant with the Metzler private bank, Frankfurt, for seven years.



Robert F. Spoerry

Dipl. Masch.-Ing. ETH, MBA, born in 1955, a Swiss national, is Chairman of the Board of Directors of Mettler-Toledo International Inc., which he also headed as CEO from 1993 to 2007, and of Sonova Holding Ltd., Stäfa.



Urs Riedener

Lic. oec. HSG, born in 1965, a Swiss national, was Chief Executive Officer at Emmi, Lucerne, from 2008 until the end of 2022. Until 2008, he headed the marketing department and was a member of the General Directorate of the Federation of Migros Cooperatives MGB in Zurich. From 1992 until 2000, he worked for Kraft Jacobs Suchard and the Lindt & Sprüngli Group in various management roles. Urs Riedener is Chairman of the Board of Directors of the Emmi Group, a member of the Board of Directors of Sandoz Group AG, and a member of the Advisory Board of Schwarz Unternehmenstreuhand KG. In addition, he is a member of the Executive Committee of the Institute for Marketing and Customer Insight at the University of St. Gallen (HSG).



Felix Schmidheiny

Master's degree in international business and law, born in 1984, a Swiss national, is a member of the Board of Directors of Piazza AG. Further mandates are listed in [Section 7.1 of the Compensation Report](#).



Eva Zauke

Degrees in computer science and business management, born in 1964, a German national, has been Executive Vice President in SAP product engineering since 2020, with responsibilities including quality of the software, localisation of all SAP software products globally and the enablement of SAP users. She joined SAP in 2005 and has held various leadership positions along the value chain. She launched her career with leadership and consulting roles at Oracle and Deutsche Post DHL Group. Further mandates are listed in [Section 7.1 of the Compensation Report](#).

No member of the Board of Directors has worked in an executive role for Bystronic within the last four years, and no member and no enterprise or organization represented by the members has any significant business relationship with the Group, other than the status of a shareholder (see Financial Report, [Notes to the Financial Statements of Bystronic AG](#)).

When filling future vacancies, attention will continue to be paid to ensuring that the Board has a diverse composition in terms of experience, industry know-how, geographical origin, and gender.

3.3 Rules contained in the Articles of Association Regarding the Number of Permitted Roles

According to Art. 28 of the Articles of Association of the company, no member of the Board of Directors may accept more than ten additional mandates, including no more than four in listed companies. These restrictions do not apply to:

- mandates in companies controlled by the company or that control the company;
- mandates taken up by a member of the Board of Directors on the instructions of the company. No member of the Board of Directors may accept more than ten such appointments; and
- mandates in associations, charitable foundations, and pension foundations. No member of the Board of Directors may accept more than ten such appointments.

Mandates include appointments in the respective highest management body, executive board, or on the advisory board of another company with economic purpose. Mandates in different legal entities under joint control or with the same economic beneficiary are regarded as a single mandate.

3.4 Elections and terms of office

The date of first election to the Board of Directors of each member is listed in the table under [Section 3.1 "Members of the Board of Directors."](#) There are no limitations on the term of office. The Articles of Association do not contain any rules concerning the appointment of the Chairman, the members of the Compensation Committee, and the independent proxy that deviate from those prescribed by law.

3.5 Organization and definition of areas of responsibility

The powers and tasks of the Board of Directors are determined by law and the Articles of Association along with the Organizational Regulations of Bystronic AG. These can be found on the [company's website](#), the latter not including the annexes.

Board of Directors

The Board of Directors of Bystronic AG bears responsibility for the overall management, supervision, and control of the Group and its management, and it monitors compliance with the applicable legal provisions. It decides on the strategic targets of the Group and the financial and human resources necessary in order to achieve the targets. In doing so, the Board reviews strategy and targets, particularly in the context of Bystronic's sustainability endeavors (ESG). In addition, the Board of Directors determines the values and standards of the Group and ensures that the duties towards shareholders and other stakeholders are complied with. Specifically, the Board of Directors is vested with the following tasks in particular:

- Overall management of the company and the setting of targets relating to corporate policy and culture; approval of the Group strategy and the strategic priorities of the individual business units;
- Approval of the strategic and financial targets;
- Risk assessment for the Group;
- Decisions on the creation of new business units or the discontinuation of existing business units; approval of significant acquisitions, mergers, sales or individual projects;
- Adoption of resolutions relating to contracts under which Bystronic AG acts as a party to mergers, spin-offs, transformations, or transfers of assets under the Mergers Act;
- The structuring of the accounting, financial control, and financial planning and the structuring of a comprehensive reporting system in line with the strategy;
- Approval of the applicable accounting standards, the framework for financial control, and the internal control system along with any significant changes to the same;
- Annual assessment and approval of the budget and the strategic financial planning;
- Review and approval of the (Annual and Half-Year) Financial Statements and reporting;
- Compilation of the Annual Report and the Compensation Report;
- Notification of the court in the event of overindebtedness;
- Monitoring of the liquidity and the solvency of the company;
- Determination of the organization and the issuance of Organizational Regulations for the Group;
- Review and approval of the management principles, Group guidelines, and the Group management structure;

- Overall supervision of the persons entrusted with managing the company, including with regard to compliance with laws, the Articles of Association, and regulations, and the implementation of the resolutions of the Board of Directors and of the General Meeting;
- Appointment and dismissal of members of the Executive Committee;
- Calling of Annual General Meetings and extraordinary General Meetings;
- Adoption of resolutions on proposals presented to shareholders;
- Implementation of resolutions adopted by shareholders.

On the basis of the Organizational Regulations, the Board of Directors has delegated the operational management of business to the Executive Committee under the leadership of the CEO. The members of the Executive Committee are responsible for the comprehensive operational management of their fields. They manage them in accordance with the strategy approved by the Board of Directors, the strategic financial planning, and the annual budget.

Important transactions that exceed a certain financial threshold must be presented to the Board of Directors in advance for approval, such as in particular decisions concerning the incorporation or sale of subsidiaries, the acquisition or sale of equity interests, restructuring projects, investments, acquisitions, divestments, the purchase and sale of real estate, the conclusion of rental agreements and leases, consultancy contracts, cooperations and strategic partnerships, major projects (e.g. in the field of IT, development, and organization), and financial obligations, the threshold values for which lie between CHF 3 and 10 million, depending on the transaction.

The Board of Directors is authorized to pass resolutions on all matters not delegated or reserved to the General Meeting.

The Board of Directors convenes as often as business requires, but no fewer than five times a year. The CEO, the CFO, and the General Counsel, who also serves as the Secretary to the Board of Directors, are included in meetings of the Board of Directors, unless decided otherwise by the Board of Directors in relation to individual agenda items. In addition, members of the Executive Committee, the Extended Executive Committee, and other executives, as well as, on an occasional basis, external consultants are consulted on specific topics. In the reporting year, no representatives of external consultants were invited to meetings.

Chairman of the Board of Directors

The Chairman of the Board of Directors is elected by the Annual General Meeting. He coordinates the work of the Board of Directors, issues invitations to the meetings of the Board of Directors, determines the agenda, prepares the meetings together with the CEO, and chairs the meetings. He monitors the implementation of resolutions of the Board of Directors and the General Meeting.

Cooperation between the Board of Directors and its Committees

The Board of Directors may establish committees, unless such a right is vested by law in the General Meeting. It has established an Audit Committee with tasks relating to finances and auditing and a Human Resources Committee with tasks relating to personnel and remuneration.

Subject to legal provisions, the Board of Directors determines the duties of the committees. The overall responsibility for the tasks transferred to the committees remains with the Board of Directors. However, if the Board of Directors has granted a committee decision-making powers in areas that lie outside the non-transferable powers of the Board of Directors, the committee concerned bears sole responsibility for such decisions. Ordinarily, no specific decision-making responsibilities are transferred to the committees. They thus bear responsibility for the preparation of decision-making and for the detailed examination of the matters they are to handle, and they submit proposals to the Board of Directors or inform the Board of Directors of their conclusions. The Human Resources Committee and the Audit Committee report on their activities as well as their results and proposals at the next Board of Directors meeting. The Board of Directors is informed immediately of important events. Minutes are taken concerning the meetings of the committees and their decisions, which are also presented to the other members of the Board of Directors.

Human Resources Committee

The Human Resources Committee consists of those members of the Compensation Committee appointed to the task in the course of the Annual General Meeting held on April 25, 2023; see [Section 3.1 "Members of the Board of Directors."](#) In addition to its members, the Chairman of the Board of Directors, the CEO, and the Chief HR Officer of the Group generally also participate in meetings of the Human Resources Committee in an advisory capacity, albeit, in the case of the latter two, not when it comes to the determination of their own salaries.

In addition to the tasks outlined in a general manner in Art. 21 of Bystronic AG's Articles of Association, the Compensation Committee, acting in its capacity as the Human Resources Committee, executes additional tasks. Its tasks, which are described in the Organizational Regulations, essentially comprise the following:

- Proposals to the Board of Directors concerning rules on the compensation of the Board of Directors and the Executive Committee;
- Examination of all remuneration as to its permissibility;
- Recommendation to the Board of Directors concerning proposals to the Annual General Meeting on remuneration;
- Proposal to the Board of Directors concerning the annual compensation of the members of the Board of Directors, the CEO, and the other members of the Executive Committee;
- Preparation of the Compensation Report and discussion of the report with the auditors; presentation of proposals to the Board of Directors;
- Assessment of share and option plans in addition to bonus plans and other performance-related compensation with regard to compliance with the relevant provisions of the Articles of Association, and the payment of variable remuneration in cash or as options and shares to members of the Board of Directors and the Executive Committee; presentation of proposals to the Board of Directors;
- Proposal to the Board of Directors concerning the definition of the principles applicable to the selection procedure for candidates for election to the Board of Directors or the Executive Committee and preparation of a candidate shortlist;
- Preparation of medium- to long-term succession planning for members of the Board of Directors and members of the Executive Committee;
- Recommendation concerning nominations of members of the Executive Committee for the attention of the Board of Directors;
- Monitoring of diversity across all management levels within the Group, focusing on the promotion of female leaders on management and Executive Committee level as well as future Board mandates;
- Monitoring of training and personnel development measures;
- Assessment and promotion of management staff and internal talent;
- Assessment of staff retirement benefits;
- Recommendations, if necessary, and monitoring of compliance with Group objectives in relation to personnel;
- Responsibility for the rules relating to permitted external mandates of Executive Committee members; presentation of relevant proposals to the Board of Directors.

The Human Resources Committee convenes at least twice a year.

Additional details can be found in the activity report of the Human Resources Committee ("[Human Resources Committee Report](#)").

Audit Committee

In addition to its members (see [Section 3.1 "Members of the Board of Directors"](#)), the Chairman of the Board of Directors, the CEO, and the CFO generally also attend the meetings of the Audit Committee in an advisory capacity. Upon invitation by the Chairman, the company's external auditors and internal auditors may also attend meetings or participate in the deliberations on individual items on the agenda. The essential tasks of the Audit Committee are described in the Organizational Regulations. They include in particular:

- Review and proposal to the Board of Directors concerning the organization of the accounting, financial control, and financial planning systems;
- Critical analysis of individual company and Group Financial Statements (Annual and Half-Year Financial Statements); discussion of these Financial Statements with the CFO and the external auditors; presentation of proposals to the Board of Directors concerning these Financial Statements;
- Assessment of the efficacy and performance of the external auditors and their fee, as well as their independence; decision regarding the granting of additional mandates to the external auditors other than the auditing mandate; preparation of the proposal of the Board of Directors to the General Meeting regarding the election of the external auditors; proposals to the Board of Directors concerning the structure of the auditing mandate; assessment of the reports of the external auditors (in particular of the audit report and the comprehensive report pursuant to Art. 728b CO) and the discussion of these reports with the external auditors;

- Assessment of the functional capability of the internal control system, taking account of risk management, compliance, and internal auditing; deliberation and definition of the audit program for the internal auditors; acceptance of reports from internal auditors and deliberation of these reports with the internal auditors; reporting to the Board of Directors;
- Approval of the method used for assessing acquisitions within the Group and individual assessment of major acquisitions for the attention of the Board of Directors;
- Assessment of pension plans and the associated risks;
- Assessment of further Group solutions relating to finance, such as treasury, taxation, and dividend payments by the direct subsidiaries of Bystronic AG, etc.;
- Assessment of initiatives by the Board of Directors relating to finance and accounting such as the achievement of specific financial targets and key performance indicators (KPI); reporting to the Board of Directors on the fulfillment of targets;
- Preparation of reporting in the area of ESG (Environmental, Social, Governance); presentation of proposals to the Board of Directors.

The Audit Committee meets upon invitation by its Chairman as often as required by business, but no less than three times a year. At its meetings, it deliberates, among other things, any annually recurring issues in accordance with the description of tasks provided above and on the basis of a standard agenda. Additional information can be found in the activity report of the Audit Committee ["Report of the Audit Committee"](#).

Meetings of the Board of Directors and attendance

The Board of Directors and its committees hold regular meetings. These can be supplemented by additional meetings (in person or via video/telephone conference call). The meetings of the Board of Directors are called by the Chairman or at the request of a member of the Board of Directors. An outline of the various agenda items for each meeting is sent to all members in advance so that they can consider the matters to be discussed prior to the meeting.

As a general principle, the meetings of the Board of Directors include a closed session excluding the CEO and CFO or any other persons. Minutes of the Board of Directors’ deliberations and the adopted resolutions are kept in writing.

The following table shows the number of meetings of the Board of Directors and its regular committees held in 2023, the average duration of the meetings, and the attendance of the individual members of the Board of Directors.

Meetings of the Board of Directors and attendance	Prior to the 2023 AGM			After the 2023 AGM				
	Meeting	Video conference	Audit Committee	Human Resources Committee	Meeting	Video conference	Audit Committee	Human Resources Committee
Average duration (hours)	7.2	-	4.0	3.0	6.75	1.0	3.5	3.0
Number of meetings	1	-	1	2	4	2	4	3
Meetings attended								
Dr. Heinz O. Baumgartner	1	-	1	2	4	2	3	3
Dr. Roland Abt	1	-	1	-	4	2	4	-
Dr. Matthias Auer	1	-	1	-	4	1	4	-
Inge Delobelle	1	-	-	-	4	2	-	3
Urs Riedener	1	-	-	2	4	2	-	3
Jacob Schmidheiny	1	-	-	-	-	-	-	-
Felix Schmidheiny	-	-	-	-	4	2	-	-
Robert F. Sperry	1	-	-	2	4	2	-	3
Eva Zauke	-	-	-	-	4	2	-	-

3.6 Information and control instruments vis-à-vis the Executive Committee

Bystronic has a sophisticated planning and information system. It is built from the bottom up with increasing consolidation.

The Board of Directors is informed in writing and orally of the strategies, plans, and results of the company. The Board of Directors receives a consolidated monthly statement outlining the key figures and commentaries on the relevant occurrences. In addition, the Board of Directors has access to the more detailed quarterly reports on the consolidated accounts for the Group. Each year, the Board of Directors is presented with the strategic financial planning and the annual operational plans for approval.

As a general rule, at each meeting, the CEO informs the Board of Directors of the current business performance along with important developments, projects, and risks. In urgent cases, the Board of Directors is informed immediately.

In the reporting year, in addition to periodic deliberations on the business development in the individual regions and the business units, the Board of Directors focused on other topics, such as:

- Strategy regarding research and development
- Cash, investment, and diversification strategy
- Environmental, social, and governance goals (ESG)
- DNE China strategy
- Situation and activities in the APAC and China regions
- Segment marketing
- Software as a business model
- Artificial intelligence and its relevance for Bystronic
- Successes and challenges in global purchasing

Bystronic applies methodological processes which the Board of Directors uses as a basis for assessing the business outlook and strategic, financial, and operational risks. Alongside the financial reports and analyses, these constitute the internal control system and the strategic and operational risk management system. The Board of Directors receives an annual report concerning the risk situation drawn up by the CEO in consultation with the CFO and the General Counsel. This report is based on individual risk analyses conducted with each member of the Executive Committee and the Extended Executive Committee.

Please refer to [Section 3.7 “Risk management”](#) for information on the risk management process. Each year, the Board of Directors also receives the management letter from the external auditors and the comprehensive report of the external auditors for the Board of Directors.

The internal audit function was carried out in the reporting year by the auditing company Deloitte. The internal auditors perform the internal operational audit function within the Group. They report to the Chairman of the Audit Committee. The coordination of the implementation of audit tasks has been delegated to the CFO. The internal auditors carry out audits within the Group in accordance with the audit plan proposed by the Audit Committee and approved by the Board of Directors. The audits cover the following topics on a rolling basis:

- Effectiveness of selected operational processes at Group level, in the regions, and of selected Group companies;
- Effectiveness of governance and risk management guidelines and processes;
- Effectiveness of internal control processes;
- Reliability and comprehensiveness of financial and operational information;
- Compliance with legal, statutory, and internal regulations.

The internal auditors draw up reports containing recommendations for the local management and the Audit Committee. The local management states its position regarding the recommendations and, where it agrees with the recommendations, promptly implements corrective measures. If the local management rejects a recommendation whilst the internal auditors and the CEO wish to pursue it, it is implemented on the instructions of the Audit Committee. During the reporting year, eight internal inspections were carried out by Deloitte. The internal auditors attended three out of the five meetings of the Audit Committee.

Please refer to Section 3.5 for details regarding the CEO and the CFO's attendance of meetings of the committees of the Board of Directors.

3.7 Risk management

Bystronic promotes an entrepreneurial mindset and a systematic focus on innovation and sustainable value for the customer, while carefully managing risks, fully complying with the binding rules set out in the Code of Conduct, and taking appropriate account of the interests of all stakeholders. As is the case every year, the internal audit program was implemented in the reporting year. In 2023, the Board of Directors again undertook an integral Group-wide risk assessment based on the management reporting and the separate Group Risk Report, which covers the risk assessment process and the most significant risks. The risk management process, which has been implemented throughout the Group, encompasses the identification, evaluation, and qualitative appraisal of operational, financial, and strategic risks. It is combined with risk monitoring, action plans, and standardized reporting.

In the reporting year, the following risks were the main focus at Group level:

- Economic cycles and competitiveness: dependence on economic cycles, risks of high inflation and recession, shortage of key components, dependence on single suppliers, effects of the war in Ukraine
- Competition from low-cost suppliers from China: Chinese vendors increase their capacities and expand their low-price segments worldwide, which can lead to additional pricing pressure
- Technology: risk of missing out on new trends in technology; furthermore, products are becoming increasingly complex
- Software/IT security/data protection: risk of cyber attacks against Bystronic and its customers, ransomware attacks, protection of customer data, and compliance with data protection regulations
- Employees: competing to recruit and retain talent, culture and dynamics in the aftermath of the Covid pandemic
- Decoupling United States/China: deterioration of the economic relations between the US and China with the resulting increase in state control and regulation
- Transformation from a vendor of individual machines to a solutions provider: transition from a stand-alone machine business to complex solutions with software and service; strong growth in automation creates challenges in capacity, delivery times, and quality
- Counterparty risk in investment: risk of keeping financial assets with a limited number of financial institutions

In addition, other topics are systematically taken into account at Group level and at the level of the country subsidiaries, in particular with regard to environmental, social, and governance (ESG) issues.

4 Executive Committee

4.1 Members of the Executive Committee

The members of the Executive Committee report directly to the CEO. The CEO reports to the Board of Directors. On December 31, 2023, the Executive Committee was composed of the following persons:

Name	Function	In function since
Alex Waser	CEO	2013
Beat Neukom	CFO	2021
Johan Elster	President Region EMEA	1996
John-Paul Surdo	President Region Americas	2023
Norbert Seo	President Region APAC	2015
Dr. Song You	President Region China	2016
Eamon Doherty	Chief Service Officer	2016
Alberto Martinez	Chief Digital Officer	2018



Alex Waser

Automotive engineer HTL, MBA, born in 1967, a Swiss national. From 2010 until joining Bystronic, Alex Waser managed the majority of European markets for Ecolab, a US provider of systems solutions for the food industry, working from Ecolab's European headquarters at Ecolab Europe GmbH, Wallisellen. Between 1994 and 2010, he worked for the SPX Group, a company that offers workshop equipment and diagnostic systems for the automotive industry worldwide. During this time, he performed a number of management functions in Europe and in the United States, including most recently as President of Service Solutions responsible for the Europe, Middle East, and Africa regions at SPX Europe GmbH, Hainburg (Germany). Alex Waser is a member of the Board of Directors of Reishauer Beteiligungen AG, as well as a member of the committee for machine tools at Swissmem and Swiss Delegate at the European association CECIMO. He will step down as CEO of Bystronic effective July 2024.



Beat Neukom

Business economist HWV/ Certified Management Accountant (CMA), born in 1970, a Swiss national. Beat Neukom joined Bystronic as Chief Financial Officer in May 2021, also taking over responsibility for the global IT organization in January 2022. Prior to joining Bystronic, he worked for the Merz Pharma Group, Germany, where he was group CFO from 2014 to 2021, responsible for finance, IT, and strategic sourcing. In addition, he was responsible for Merz Pharma's commercial operations in Latin America. Previously, Beat Neukom was CFO of two startup companies in the life sciences industry, one of which he co-founded. From 1997 to 2008, he worked for the medical technology company Johnson & Johnson in Switzerland, the Netherlands, and the US.



Johan Elster

Dipl.-Ing. ETH (mechanical engineering), born in 1964, a Norwegian national. Johan Elster is responsible for all European Group entities. In addition, he holds the position of Chief Sales Officer, responsible for global sales. Johan Elster joined Bystronic in October 1996 as Managing Director of Bystronic Scandinavia. From 2007 to 2008, he was Head of Market Region Northern Europe and from 2009 to 2012, President of Market Division NAFTA and Europe North. Between 2013 and 2020, he was President of Business Unit Markets, responsible for all markets except China. Prior to joining Bystronic, Johan Elster was Commissioning and Startup Manager at Ems Inventa AG. Johan Elster has more than 25 years of sales and service experience in the sheet metal processing industry. He will retire effective April 2024.



John-Paul Surdo

MBA (University of Wisconsin), born in 1984, American citizen, joined Bystronic in June 2023. John-Paul Surdo has been responsible for the Market Region Americas since October 2023. In this position, he is responsible for the sales and service subsidiaries as well as the manufacturing subsidiary in the North and South American market. Prior to joining Bystronic, John-Paul Surdo worked in various management positions, most recently as Chief Operating Officer, Europe, at the NCH Corporation, a leading global marketer of industrial maintenance products in London. He has more than 15 years of experience in sales, marketing, and management.



Norbert Seo

Master's degree in electrical engineering and communications technology, born in 1964, a German national. Norbert Seo joined Bystronic in January 2015 as Senior Vice President of Market Division Asia & Australia. He is responsible for the expansion of Bystronic's activities in the Asia and Pacific region with the objective of increasing Bystronic's customer proximity in Asia and increasing the expertise of the sales and service organization in the region. Prior to joining Bystronic, he was President of FFG Asia Pacific. Norbert Seo has 25 years of experience in the machine tools sector, including various management positions in Asia with Hwacheon and DMG.



Dr. Song You

Doctorate in robotics and automation, MBA, born in 1970, a US national. Dr. Song You joined Bystronic in March 2016 as Representative Director and President of Bystronic China. Since then, his responsibilities have included sales, services, marketing, R&D, strategic development, and production in China. Prior to joining Bystronic, Dr. Song You held various management positions with the Delphi Corporation and the SPX Corporation in the USA and China. Most recently, he held the position of Vice President of the SPX Corporation, in charge of the Asia Pacific region. He has a record of success with a variety of responsibilities ranging from R&D to operations and general management functions.



Eamon Doherty

Degrees in business administration, born in 1968, an Irish national. Eamon Doherty assumed the role of Chief Service Officer with responsibility for the Services business unit on January 1, 2021. This role covers commercial aspects including customer satisfaction and improvements across all technologies. Joining Bystronic in 2016, he took over the responsibility for commercial excellence, supporting the organization on its journey towards world-class service. From 1994 to 2016, he worked for Ecolab Inc., a global organization that develops and offers services, technology, and systems for the chemical industry. During this time, he held various management positions, most recently as Vice President of North & Western Europe.



Alberto Martinez

Computer engineer (University of Deusto), MBA (IESE Business School), born in 1971, a Spanish national. Alberto Martinez has headed the Competence Center Software Services since September 2018 and the Solution Center since August 2020, initially as a member of the Extended Executive Committee and since January 2022 as a member of the Executive Committee. From August 2020 until December 2021 he also headed the global IT department. Prior to joining Bystronic, Alberto Martinez worked as a software engineer for Lantek, from 1999 as Chief Technical Officer (CTO) and from 2004 to 2018 as CEO. He has profound knowledge of the sheet metal processing industry and more than 25 years of experience in the field of software.

4.2. Rules contained in the Articles of Association Regarding the Number of Permitted Roles

According to Art. 28 of the Articles of Association of the company, no member of the Executive Committee¹ may accept more than four mandates, of which no more than two may be in companies listed on the stock exchange. Any such mandate must be approved by the Board of Directors.

These restrictions do not apply to:

- mandates in companies controlled by the company or that control the company;
- mandates taken up by a member of the Executive Board on the instruction of the company. No member of the Executive Board may take up more than ten such mandates; and
- mandates in associations, charitable foundations, and pension foundations. No member of the Executive Board may take up more than ten such mandates.

Mandates include appointments in the respective highest management body, executive board, or on the advisory board of another company with economic purpose. Mandates in different legal entities under joint control or with the same economic beneficiary are regarded as a single mandate.

¹⁾ The term "Executive Board" used in the Articles of Association refers to the group of individuals designated in the Annual Report, in the Organizational Regulations, on the website of the Bystronic Group, and elsewhere as the Executive Committee.

4.3 Management contracts

Bystronic AG has not concluded any management contracts with companies or individuals from outside the Group.

5 Compensation, shareholdings, and loans

5.1 Content and procedure for the determination of compensation and shareholding programs

Regarding compensation and shareholdings of members of the Board of Directors and the Executive Committee, along with the content of, responsibility for, and the procedures for the determination of the compensation and shareholding programs and any loans, credit, or retirement benefits, please refer to the [Compensation Report](#).

5.2 Rules contained in the Articles of Association

According to Art. 25 of the Articles of Association of Bystronic AG, the company may pay the members of the Executive Board a performance-related remuneration in addition to their fixed remuneration. The performance-related remuneration paid in any given year may not exceed 150% of the fixed remuneration for that year.

The performance-related remuneration is determined in accordance with company targets. It may particularly take the following elements into account:

1. the achievement of planned targets within the area of responsibility;
2. the sustainable further development of the company;
3. staff management and development;
4. the development of the company's share price compared to the market.

The remuneration of the Board of Directors and the performance-related remuneration of the Executive Board may be paid out in cash or by the allocation of shares in the company as well as through conditional subscription rights to these shares. The shares must be acquired on the market.

The remuneration may be paid out by the company or by companies controlled by it.

According to Art. 24 of the Articles of Association of Bystronic AG, the company or the companies controlled by it are empowered to pay an additional amount of up to 35% of the relevant approved total amount for the duration of the remuneration periods already approved to any member who joins the Executive Board or is promoted within the Executive Board after remuneration has been approved by the General Meeting.

According to Art. 27 of the Articles of Association of Bystronic AG, the company or companies controlled by it may arrange for alternative retirement benefits for members of the Executive Board who do not or who only partially benefit from Swiss pension funds.

The company or companies controlled by it may grant members of the Executive Board loans up to the value of their annual remuneration.

The Articles of Association do not contain any rules on loans, credits or retirement benefits with respect to members of the Board of Directors.

The General Meeting has the non-transferable power to approve the remuneration of the Board of Directors and the Executive Board (Art. 9 sec. 5 of the Articles of Association of Bystronic AG). According to Art. 23 of the Articles of Association, the General Meeting approves the proposals of the Board of Directors concerning the maximum total amounts a) of the direct and indirect remuneration of the Board of Directors for the period until the next Annual General Meeting; b) of the direct and indirect remuneration of the Executive Board for the following financial year.

The Board of Directors may present additional or differing proposals relating to the same period or other periods for approval by the General Meeting.

6 Participation rights of shareholders

6.1 Restrictions on voting rights and representation

Each class A registered share and each class B registered share is entitled to one vote at the General Meeting of the company (Art. 13 para. 1 of the Articles of Association). The shares of Bystronic AG are not subject to any restrictions on voting rights per the Articles of Association.

Pursuant to Art. 689b CO, a shareholder may represent his or her own shares at the General Meeting or arrange for them to be represented by a third party. According to Art. 689c CO, shareholders may also authorize the independent proxy to exercise their voting rights. In addition, according to Art. 13 of the Articles of Association, the Board of Directors issues rules of procedure concerning participation in and representation at the General Meeting. The company recognizes only one representative per share.

The Articles of Association of Bystronic AG do not contain rules on issuing instructions to the independent proxy.

According to Art. 13 para. 4 of the Articles of Association, the General Meeting may be held by electronic means, without a meeting venue, by order of the Board of Directors. In this case, the Board of Directors ensures the following:

1. the identities of participants are established;
2. votes in the General Meeting are transmitted directly;
3. each participant can submit proposals and participate in the discussion;
4. voting results cannot be falsified.

6.2 Quorums stipulated in the Articles of Association

According to Art. 11 of the Articles of Association of Bystronic AG, a resolution by the General Meeting requires the agreement of at least two-thirds of the votes represented and an absolute majority of the nominal value of shares represented for the objects designated accordingly by law as well as for the following under any circumstances:

- any amendment of the Articles of Association;
- any change to the share capital;
- any restriction or cancellation of the subscription right;
- the dissolution of the company.

Except as provided by Art. 704 CO, the General Meeting passes all other resolutions and conducts elections by an absolute majority of the votes cast, excluding blank and invalid votes.

6.3 Calling of the General Meeting

According to Art. 8 of the Articles of Association of Bystronic AG, invitations to Annual General Meetings and extraordinary General Meetings are issued no later than 20 days prior to the date of the meeting by the Board of Directors or, where applicable, by the external auditors, by a notice published in the Swiss Official Gazette of Commerce, which must state the agenda items and the proposals of the Board of Directors and, where applicable, of the shareholders who requested that a General Meeting be held or that a specific item be placed on the agenda. Proposals from the Board of Directors must be briefly justified, while those from shareholders may be briefly justified. The Board of Directors may amend excessively long or inappropriate justifications from shareholders after a deadline.

Shareholders representing at least 5% of the share capital or votes may request that a General Meeting be called.

6.4 Inclusion of items on the agenda

Art. 8 of the Articles of Association of Bystronic AG stipulates that shareholders representing at least 0.5% of the share capital or votes may request that a specific item be placed on the agenda. The request must be filed with the company at least 40 days before the General Meeting.

6.5 Entries in the share register

According to Art. 13 para. 2 of the Articles of Association of Bystronic AG, the Board of Directors issues rules of procedure concerning participation in and representation at the General Meeting. The Board of Directors has resolved to set the cut-off date for participation in a General Meeting at five working days before the date of the meeting. The cut-off date is announced in the invitation to the shareholders. No entries may be made in the share register between the cut-off date and the date of the meeting. There are no rules that allow any exceptions to be granted.

7 Change of control and defensive measures

7.1 Duty to make an offer

According to Art. 6 of the Articles of Association of Bystronic AG, purchasers of shares in the company are not obligated to submit a public purchase offer in accordance with Art. 135 para. 1 of the Financial Market Infrastructure Act (FMIA) (opting-out).

7.2 Change of control clauses

No agreements or plans contain any change of control clauses in favor of the members of the Board of Directors. Regarding the share rights granted to certain employees of Bystronic (restricted share units), a change of control at the level of Bystronic AG, its merger with an unrelated company or the disposal of the entirety or majority of a business unit to an unrelated company would trigger the early transformation of the entitlement to Bystronic shares, although in the latter case only for those employees whose employment relationship with a company of the Bystronic Group has ended for this reason or has been transferred to the new owner. The vesting periods for the Bystronic shares allocated to the members of the Executive Committee also terminate under the same circumstances.

8 Auditors

8.1 Duration of the mandate and term of office of the chief auditor

After the Board of Directors issued a new invitation to tender for the external auditors' mandate in 2022, PricewaterhouseCoopers, Zurich, was selected as the new external auditor for the 2023 financial year at the Annual General Meeting held on April 25, 2023. The chief auditor is Blazenka Kovács.

Previously, the external auditors' mandate had been carried out by KPMG AG in Zurich, since 1939.

8.2 Auditing fee

The auditing company PricewaterhouseCoopers charged the following fees for the reporting year:

- Auditing fees related to Bystronic: CHF 934,000;
- Additional fees for audits relating to organizational, tax and legal advice: CHF 13,000.

8.3 Information tools pertaining to the external auditors

The Audit Committee, which was established by the Board of Directors to deal with financial and auditing matters, assesses the efficacy, performance, fees, and independence of the auditors, and reports to the Board of Directors on these matters on an annual basis. This assessment by the Audit Committee, in particular also regarding the quality of the auditing, is made during a discussion conducted following the presentation by the external auditors concerning the interim audit and the audit of the Annual Financial Statements. Without due cause, the Board of Directors does not carry out any further assessment.

When relevant to the subject matter, the auditors are invited to the meetings of the Audit Committee. During the reporting year, they attended four out of five meetings. In particular, the Audit Committee and the external auditors deliberate the interim audit report, the Annual Financial Statements, the management letter, and the comprehensive report to the Board of Directors. The Chairman of the Audit Committee and the CFO inform the Board of Directors of the external auditors' reports, of their own assessment of the issues raised, and the measures taken. Together with the auditors, the Audit Committee establishes the key points of the audit for the attention of the Board of Directors.

The CFO prepares the matters in collaboration with the external auditors for deliberation by the Audit Committee and approval by the Board of Directors and he implements the recommended improvement measures.

With respect to non-audit services, attention is paid to ensuring that PricewaterhouseCoopers is not awarded any contracts that could lead to a conflict of interest with the audit mandate or to an impairment of its independence.

Please refer to [Section 3.6 "Information and control tools vis-à-vis the Executive Committee"](#) for further details regarding the information tools available to the internal auditors.

9 Information policy

According to Art. 32 of the Articles of Association of Bystronic AG, the publication organ of the company is the Swiss Official Gazette of Commerce. In the cases prescribed by law, the company sends written notices to the shareholders or usufructuaries registered at the time of the notice by conventional mail to the address recorded in the share register or, in accordance with instructions from the shareholders, to their e-mail address recorded in the share register.

The company publishes an Annual Report for the period ending December 31 and a Half-Year Report for the period ending June 30, and releases information on order intake and consolidated revenues for the previous end of quarter in April and October. Interested parties can access the relevant media releases on Bystronic AG's website ([pull service](#)) or subscribe to an e-mail distribution list ([push service](#)). A media and analysts' conference is held for journalists and capital market participants in connection with the publication of the Annual Report and the Half-Year Report as per June 30. The Consolidated Financial Statements in accordance with Swiss GAAP FER provide a true and fair view.

This information and further details about the company, upcoming events, and contacts can be found on the [website](#) of the Bystronic Group.

10 Trading blackout periods

In accordance with the internal regulations on insider trading, general trading blackouts apply during the following periods:

- December 1 until the day after the publication of the Annual Financial Statements of Bystronic AG
- July 1 until the day after the publication of the Half-Year Financial Statements of Bystronic AG

These general blackout periods apply to the Board of Directors, the Executive Committee, the Extended Executive Committee, the employees of Group Finance, and their support staff (e.g. assistants, consultants, and auditors).

In the context of special projects (primarily major acquisitions and divestments), the announcement of which could have a significant impact on the Bystronic share price, the CEO and CFO determine the point in time from which the persons involved are no longer permitted to trade Bystronic securities. The General Counsel maintains a list of insiders for the duration of the blackout period, which he updates in the event of changes and of which he notifies the insiders.

Report of the Human Resources Committee



“Significant progress in systematic human resources work in 2023.”

Urs Riedener
Chairman of the Human Resources Committee

In 2023, the Human Resources Committee convened five times, while also maintaining regular contact throughout the year. The Human Resources Committee comprises Urs Riedener (Chairman), Robert F. Spoerry, and, since being elected at the 2023 Annual General Meeting, Inge Delobelle. Generally, the Chairman of the Board of Directors, the CEO, and the Group CHRO also participate in meetings in an advisory capacity, albeit not when their own compensation is discussed.

The guidelines for further development in human resources and compensation are based on the three areas of action included in Bystronic AG's medium-term strategy:

- In the area of Culture & Leadership, performance and learning culture, diversity and inclusion, employer branding, and the development of leadership competencies are being addressed.
- In Talent Management & Performance Management, the focus is on recruitment, talent development and retention, career advancement opportunities, succession planning, and employee engagement.
- Efficiency & Effectiveness is being addressed through the optimization of existing HR processes and the development of new ones (e.g. compensation models), through standardization, the improvement of HR systems, use of data analytics, and the provision of knowledge databases.

Bystronic made significant progress in the ongoing development of the company's global HR processes. A significant focus in 2023 was succession-planning. Using an evaluation matrix, the necessary competencies and experience required in analyzed positions were collected and aligned with future requirements. In addition, measures were introduced to systematically develop and promote employees across all levels.

The appointment of a new head of the Americas region contributed to the rejuvenation and expansion of the Executive Committee.

In the area of employer branding, the development of a clear employer value proposition and the launch of an attractive career webpage, laid an important foundation for talent acquisition and retention.

Employees continue to be highly engaged as confirmed by a response rate of 90% on the global employee survey in Summer 2023.

The important area of diversity, equity, and inclusion was advanced through various training sessions and workshops.

In the 2022 financial year, initial compensation elements, particularly the STI (Short-Term Incentive), were linked more closely to Bystronic's business success. In addition to the four performance components of sales, EBIT, operating free cash flow, and individual goal achievement, the Executive Committee included the achievement of ESG targets with a weight of 10% in 2023. Furthermore, a common STI approach has been introduced group-wide for senior management.

In 2023, the model for the LTI (Long-Term Incentive) developed the previous year went into effect for the first time. This change was conceptualized to better align the interests of shareholders and management, to appropriately compensate challenging performance conditions, and to achieve a higher level of commitment from the participants to the long-term success of the company. This model calls for PSUs (Performance Share Units) to be issued as part of annual compensation in the form of grants. These PSUs have a three-year vesting period and are converted into vested PSUs based on the performance of EPS (Earnings Per Share) and TSR (Total Shareholder Return) compared to their target values. Participants are obliged to retain 60% of their acquired shares for at least two years. The first group of participants comprise the Executive Committee and the Extended Executive Committee. The initial plan cycle began in 2023 with the first allocation of PSUs with a three-year term. The implementation of this plan will be monitored by the Human Resources Committee, and the necessary decisions will be submitted to the Board of Directors in accordance with the Organizational Regulations.

The compensation system for the Board of Directors remained unchanged in the reporting year.

The regular review and further development of our compensation system is undertaken through an ongoing dialogue with different stakeholders and in consideration of our business strategy, best practices and market trends.

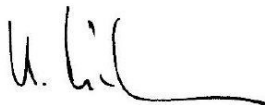
Objectives were defined for human resources in the Bystronic Group's first Sustainability Report. The company certified that it meets the equal-pay requirement mandated in Switzerland.

Competency and diversity were elevated in importance with the election of Eva Zauke and Felix Schmidheiny to the Board of Directors.

The performance targets set at the beginning of the year were assessed, and the compensation for the Executive Committee and the Board of Directors was determined and submitted to the respective committees.

The compensation budgets for the Board of Directors and the Executive Committee approved at the 2022 and 2023 Annual General Meetings were adhered to in accordance with the Articles of Association. At the 2024 Annual General Meeting, the shareholders will decide on the future compensation budgets for the Board of Directors and the Executive Committee, and express their opinion on the 2023 Compensation Report by way of a consultative vote.

Our goal is to enhance people's interest in Bystronic and to deliver a performance that aligns with the interests of our shareholders and generates sustainable added value.



Urs Riedener
Chairman of the Human
Resources Committee



This report sets out the principles, programs, and the governance framework for the compensation of the Board of Directors and members of the Executive Committee of the Bystronic Group. In addition, the report contains detailed information on the compensation programs and compensation paid to the Board of Directors for the 2023/2024 term of office and to the Executive Committee for the 2023 financial year.

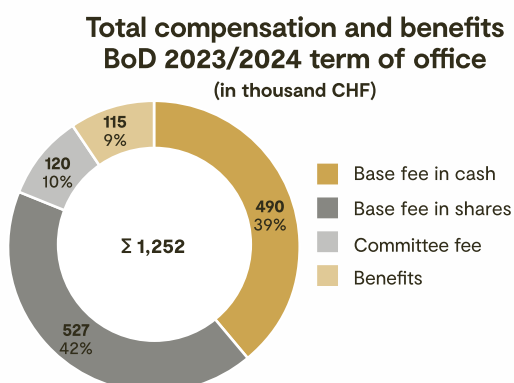
The report conforms to the relevant regulatory provisions, i.e. the revised law on companies limited by shares¹⁾, the SIX Swiss Exchange Directive on Information relating to Corporate Governance, and the Swiss Code of Best Practice for Corporate Governance published by the Swiss corporate union economiesuisse.

¹⁾ The revised law on companies limited by shares superseded the provisions of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (ERCO) and has been in effect since January 1, 2023.

1 Compensation at a glance

1.1 Compensation of the Board of Directors

The total compensation and benefits of the Board of Directors (BoD), consisting of eight members, for the 2023/2024 term of office was comprised as shown below and will be paid out no later than ten days after the Annual General Meeting on April 17, 2024.

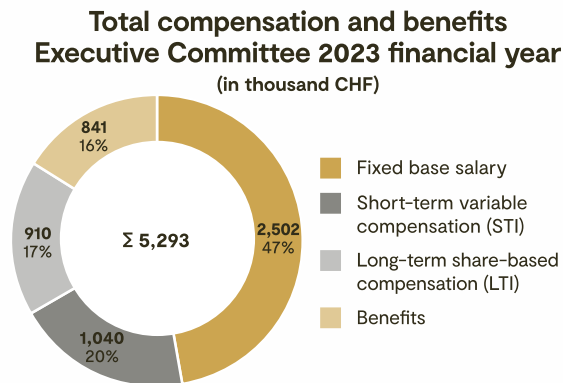


The shares remain restricted for a period of four years from the date of transfer. In total, 1,133 class A registered shares will be transferred to the members of the Board of Directors in April 2024, at a share price of CHF 465.27 (average share price from November 1, 2023, to January 31, 2024).

In order to ensure the independence of the members of the Board of Directors in the exercise of their supervisory function, their compensation does not contain any performance-related elements.

1.2 Compensation of the Executive Committee

The Executive Committee consisted of the same eight members in the first half of the reporting year. John-Paul Surdo joined the committee as an additional member, on June 26, 2023, as the successor to Robert St. Aubin (President Region Americas), who, in turn, retired on December 31, 2023. The information below incorporates the total compensation of the Executive Committee, including John-Paul Surdo and Robert St. Aubin, for the reporting year.



For information on performance during the reporting year, please refer to [Section 5.2](#).

A new Long-Term Incentive Plan (LTI) was introduced in the reporting year. This replaces both plans previously in use. The new plan is a Performance Share Unit (PSU) Plan. The performance criteria are profit growth and total shareholder return in relation to the companies of the “Swiss Performance Index SPI® Industrials”. Annual grants are allocated to the members of the Executive Committee. The performance period is three years. The number of allocated PSUs is multiplied by a factor between 0% and 200%, depending on results achieved during the performance period to determine the number of owed shares. The fair value of PSUs allocated on April 1, 2023, to members of the Executive Committee amounts to CHF 910,000 in total, of which CHF 242,000 are for the CEO.

2 Governance framework for compensation

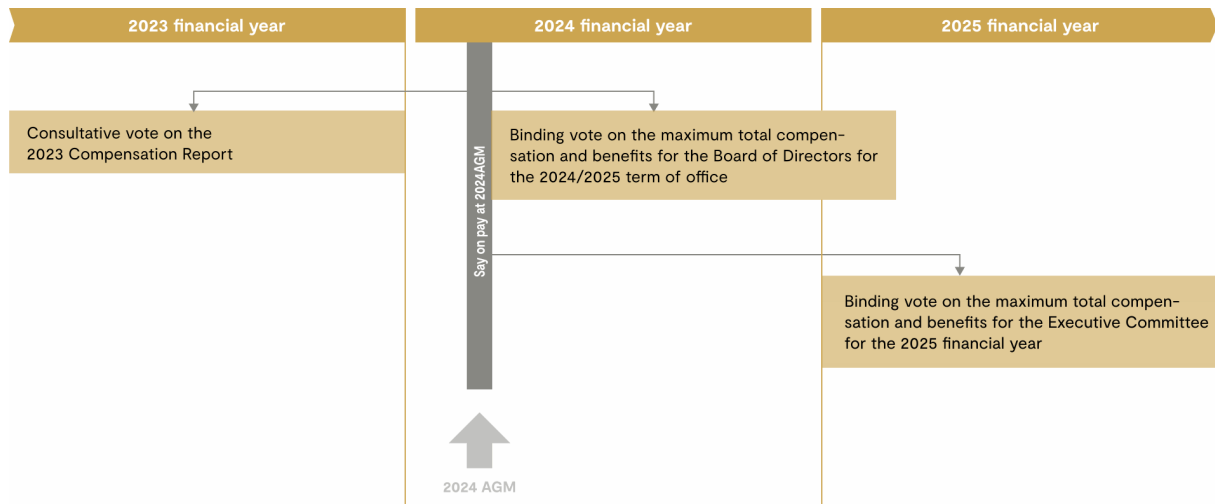
2.1 Involvement of the shareholders

Over the past few years, the shareholders have played an increasingly important role in matters relating to compensation. In particular, the General Meeting approves the Articles of Association and their compensation-related provisions. These are available [here](#) and cover the following:

- Election for a one-year term of office of the members of the Compensation Committee (Art. 21)
- Approval of the maximum total compensation and benefits of the members of the Board of Directors for the next term of office (Art. 23 para. 1 lit. a)
- Approval of the maximum total compensation and benefits of the members of the Executive Committee for the following financial year (Art. 23 para. 1 lit. b)
- Additional compensation for new members of the Executive Committee (Art. 24)
- Principles governing the variable, performance-related compensation of the Executive Committee and Board of Directors (Art. 25)
- Provisions regarding employment contracts of members of the Executive Committee (Art. 26)
- Rules concerning loans and retirement benefits for members of the Executive Committee (Art. 27)

Although not required by provisions of the Articles of Association, the Board of Directors also submits the Compensation Report to the Annual General Meeting each year for a consultative vote.

The following chart illustrates how the General Meeting (GM) exerts its “say on pay”:



2.2 Compensation Committee

2.2.1 Organization and tasks

The Compensation Committee consists of three members of the Board of Directors. The General Meeting individually elects the members of the Compensation Committee for the term of office until the conclusion of the next Annual General Meeting. In its function as the Human Resources Committee, the Compensation Committee also assumes other responsibilities. At the Annual General Meeting on April 25, 2023, Urs Riedener (Chairman), Robert F. Spoerry, and Inge Delobelle were elected to the Compensation Committee.

The Compensation Committee convenes as often as business requires, but at least three times a year. The tasks and responsibilities of the Compensation Committee comprise the following:

- Periodic review of Bystronic's compensation policy and principles
- Review of the compensation system, the resulting payments to the Executive Committee, and the compliance of these with the Articles of Association
- Annual review of the individual compensation of the CEO, the members of the Executive Committee, and the members of the Board of Directors as well as regular benchmarking with regard to compensation
- Review, adaptation, and approval of the performance assessment of the CEO and the other members of the Executive Committee
- Preparation of the Compensation Report and discussion of the report with the external auditors

As a general rule, the Chairman of the Board of Directors, the CEO, and the Chief Human Resources Officer (CHRO) participate in meetings of the Compensation Committee in an advisory capacity. The Committee Chairman may also invite other individuals as appropriate. The CEO and the CHRO do not participate in the meeting when their own compensation is under discussion.

After each meeting, the Chairman of the Compensation Committee reports to the Board of Directors on the activities of the committee. The minutes of the committee meetings are made available to all members of the Board of Directors.

The following table summarizes the decision-making powers for the most important compensation-related topics as stipulated by the Articles of Association and the Organizational Regulations of Bystronic AG:

Decision-making powers	CEO	Compensation Committee	Board of Directors	Annual General Meeting
Topic				
Compensation policy		proposes	approves	
Maximum total compensation and benefits of the Board of Directors		proposes	proposes	approves (binding vote)
Individual compensation of the members of the Board of Directors		proposes	approves	
Maximum total compensation and benefits of the Executive Committee		proposes	proposes	approves (binding vote)
Individual compensation and terms of employment of the CEO		proposes	approves	
Individual compensation and terms of employment of the members of the Executive Committee	proposes	proposes	approves	
Compensation Report		proposes	approves	approves (consultative vote)

The approval of the actual compensation of the Board of Directors and the Executive Committee within the limits of the maximum compensation approved by the General Meeting is the responsibility of the Board of Directors.

2.2.2 Focus topics in the reporting year

In the reporting year, the Compensation Committee held five meetings in accordance with a predefined annual schedule focusing on the following topics:

Review of the compensation strategy, policy, and governance
Motion to the Board of Directors on the compensation policy for members of the Board of Directors and of the Executive Committee
Introduction of the new Long-Term Incentive Plan (Performance Share Unit) for the members of the Executive Committee and Extended Executive Committee
Revision of the new Short-Term Incentive Plan for the members of the Executive Committee and Extended Executive Committee
Review and adaptation of the compensation system for the Executive Committee, focusing on the compensation mix and the alignment with environmental, social, and governance (ESG) criteria
Preparation of motions to the Annual General Meeting on the maximum total compensation and benefits of the Board of Directors and Executive Committee for the attention of the Board of Directors
Preparation of the Compensation Report for approval by the members of the Board of Directors
Compensation of the Board of Directors
Proposal of compensation for the next term of office
Compensation of the Executive Committee
Determination of management KPIs and objectives
Review and assessment of performance targets and target compensation
Benchmark studies related to the compensation mix

Additional information about the tasks and activities of the Human Resources Committee/Compensation Committee are described in the Corporate Governance Report, [Section 3.5 “Organization and definition of areas of responsibility”](#) and in the [“Human Resources Committee Report”](#).

3 Compensation system and elements

3.1 Compensation of the Board of Directors

3.1.1 Principles of the compensation policy

The compensation of the Board of Directors is guided by the market situation and specific tasks. In order to ensure the independence of the members of the Board of Directors in the exercise of their supervisory function, the compensation of the Board of Directors does not contain any performance-related elements. The compensation is based on the term-of-office compensation system and is partially paid out in the form of Bystronic AG shares, which remain restricted for a period of four years. This long-term vesting is aimed at ensuring sustainable corporate governance and aligning compensation with the interests of the shareholders.

The structure and amount of the compensation of the Board of Directors are periodically reviewed on the basis of publicly available information on comparable Swiss companies. Comparable companies are defined as globally active companies listed in Switzerland of similar size (market capitalization, sales, number of employees) and complexity. No such review was carried out in the reporting year.

3.1.2 Compensation mix

The compensation of the members of the Board of Directors is comprised as follows:

Base fee in cash
+ Base fee in shares
+ Committee fee
= Total compensation
+ Benefits
= Total compensation and benefits

3.1.3 Description of compensation elements

Base fee in cash

The annual base fee in cash is CHF 175,000 for the Chairman of the Board of Directors and CHF 45,000 for the other members of the Board. It is paid out annually for the previous term of office no later than ten days after the Annual General Meeting.

Base fee in shares

The annual base fee in the form of restricted shares is CHF 175,000 for the Chairman of the Board of Directors and CHF 50,000 for the other members of the Board.

The number of shares allocated is calculated on the basis of the regulatory entitlement divided by the average share price from November 1 to January 31 of the corresponding term of office (rounded up to the next whole number of shares). The transfer takes place no later than ten days after the Annual General Meeting. The allocated shares remain restricted for a period of four years. In the event that a member of the Board of Directors steps down, the allocated shares remain restricted until the four-year period has expired.

The allocated shares are repurchased on the market or taken from the company's treasury shares.

Committee fee

The annual committee fee is CHF 30,000 for the Chairman of the committee and CHF 15,000 for the other members. The Board of Directors has established two committees; the Audit Committee and the Human Resources Committee. The committee fee is paid out annually in cash no later than ten days after the Annual General Meeting.

Benefits

The benefits comprise the employee's share of the statutory Swiss social-security contributions on the total compensation (monetary benefit), the employer's share of the statutory social-security contributions, insofar as these are pension-forming, as well as lump-sum expenses. The latter amount is CHF 6,000 per year for the Chairman of the Board of Directors and CHF 5,000 per year for the other members. The Board of Directors' fees are not insured in the pension fund of Bystronic AG.

The chart below provides a summary of the compensation model:

Board of Directors compensation per year / term of office (in thousand CHF)				
Position	Base fee in cash	Base fee in shares	Committee fee in cash	Lump-sum expenses
Chairman of the Board of Directors	175	175		6
Member of the Board of Directors	45	50		5
Chairman of the Audit Committee			30	
Member of the Audit Committee			15	
Chairman of the HR Committee			30	
Member of the HR Committee			15	

3.2 Compensation of the Executive Committee

3.2.1 Principles of the compensation policy

The principles of Bystronic’s compensation policy support performance orientation within the company, a strategy geared toward profitable and capital-efficient growth, and the core values of responsibility, innovation, respect, and financial soundness. The principles comprise the following:

<p>Market orientation</p> <p>The compensation level must be competitive and in line with the relevant market environment. Competitiveness is systematically reviewed on a regular basis.</p>	<p>Performance orientation</p> <p>A significant portion of the compensation must be linked to the financial success of the company, the successful implementation of the strategy, and the individual performance.</p>
<p>Sustainability and long-term value creation</p> <p>A substantial portion of compensation must be paid in the form of shares in order to align the interests of the management with those of the shareholders. In addition, the compensation must incentivize and reward responsible behavior towards other stakeholders – in particular customers, employees, suppliers, and the general public.</p>	<p>Transparency and fairness</p> <p>The compensation must be structured in a comprehensible, transparent, and fair manner.</p>

When determining the target compensation for the members of the Executive Committee, the level of compensation paid by other international industrial companies based in Switzerland is taken into consideration, insofar as these companies are comparable in terms of complexity, size (market capitalization, sales, number of employees), and geographical reach.

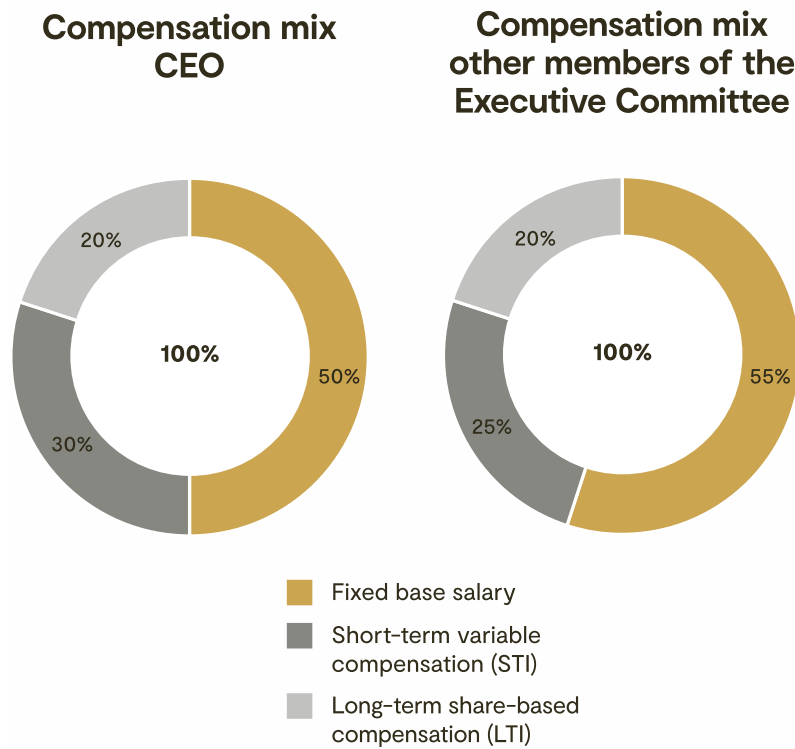
For this purpose, the compensation of the Executive Committee is periodically reviewed on the basis of compensation studies conducted by third-party providers or publicly available data such as the compensation disclosure in the annual reports of relevant companies. No such review was carried out in the reporting year.

3.2.2 Compensation mix and overview of the variable compensation plans

The annual compensation of the members of the Executive Committee is comprised as follows:

Fixed base salary
+ Short-term variable compensation (Short-Term Incentive STI)
+ Long-term share-based compensation (Long-Term Incentive LTI)
= Total (target) compensation
+ Social security and pension plans
+ Fringe Benefits
= Total (target) compensation and benefits

The following chart shows the composition of the total target compensation for the CEO and the other members of the Executive Committee in the reporting year.



The structure of the variable compensation plans plays a key role in the compensation policy. The following overview summarizes this structure for the members of the Executive Committee; the plans are described in detail in the following Section 3.2.3:

	Short-Term Incentive (STI) Plan	(New) Long-Term Incentive (LTI) Plan
Purpose	<ul style="list-style-type: none"> - Incentivization of individual performance - Achievement of overriding financial results 	<ul style="list-style-type: none"> - Alignment of Executive Committee member interests with shareholder interests - Participation in Bystronic profit development - Retention of Executive Committee members to Bystronic
Eligible participants	All members of the Executive Committee	All members of the Executive Committee
Target value in % of total target compensation	<ul style="list-style-type: none"> - CEO: 30% - Other members: 25% 	<ul style="list-style-type: none"> - CEO: 20% - Other members: 20%
Maximum value (cap) in % of target value	150%	200% ²
Maximum value (cap) in % of annual base salary ¹	<ul style="list-style-type: none"> - CEO: 90% - Other members: 68% 	<ul style="list-style-type: none"> - CEO: 80%² - Other members: 73%²
Minimum value in % of target value	0%	0%
Key performance indicators (KPIs)	<ul style="list-style-type: none"> - Net sales (group and regions) - Operating result (group and regions) - Operating free cash flow (group and regions) - ESG targets (group) - Individual, qualitative targets 	<ul style="list-style-type: none"> - Compound average annual growth rate of earnings per share (EPS CAGR) - Relative total shareholder return (rTSR)
Payout type	In cash	In Bystronic AG shares
Payout date	In April of the following year	After the 3-year vesting period
Effect of termination of employment and retirement	<ul style="list-style-type: none"> - Resignation by an employee and ordinary termination by the employer: employee retains pro-rata entitlement; maximum payout factor at 100% - Termination with good cause by the employer: employee entitlement forfeited - Retirement: employee retains pro-rata entitlement 	<ul style="list-style-type: none"> - Resignation by an employee and termination with good cause by the employer: forfeiture of all unvested PSUs - Ordinary termination by the employer: pro-rata entitlement (until the end of the employment contract with regard to the vesting period) for PSUs allocated more than 12 months prior to the end of the employment contract - Retirement: pro-rata entitlement (until the end of the employment contract with regard to the vesting period) for all allocated PSUs
Clawback clause	Yes	Yes

¹ The performance-related compensation (STI + LTI) provided for in any given year may not exceed 150% of the fixed compensation for that year, according to Art. 25 of the Articles of Association.

² Excluding any rise in share price during the vesting period. With regard to the share price increasing, no maximum value (cap) is specified.

3.2.3 Description of compensation elements

Fixed base salary

The fixed base salary is paid out monthly in cash and is based on the following factors:

- Scope and responsibilities of the respective function (job profile)
- Market value of the role (competitiveness)
- Internal peer comparisons (internal equity)
- Individual profile of the employee (skills, expertise, experience, and performance)

Short-term variable compensation (STI)

Bystronic's short-term variable compensation incentivizes both the achievement of the annual financial targets in terms of profit, sales/growth, and capital employed at Group and regional levels, as well as the achievement of ESG and individual performance targets. All targets are agreed in writing at the beginning of the year. In addition to quantitative targets, qualitative targets of a strategic nature can also be applied as individual targets, such as the implementation of important projects relating to market, product, and human resources development, as well as M&A activities.

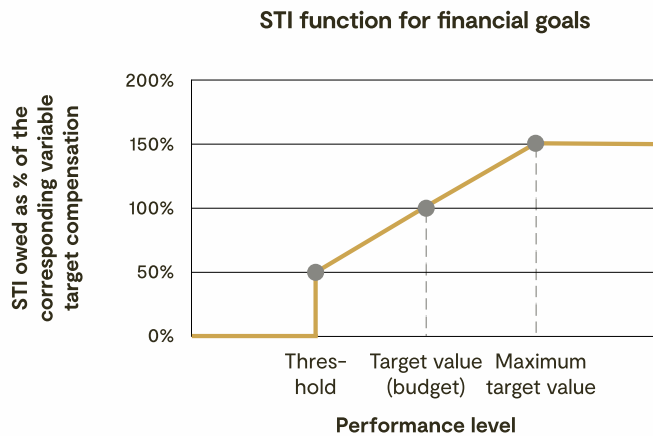
The short-term variable target compensation amounts to 30% of the total target compensation for the CEO and 25% for the other members of the Executive Committee.

The weighting of financial targets for members of the Executive Committee is 80%; the weighting of ESG targets is 10% and the remaining 10% relate to individual targets. The targets are set annually within the framework of the budget and/or the individual target agreement process. The financial performance parameters for the CEO and CFO refer exclusively to the consolidated values of Bystronic. Those for the regional heads of EMEA, Americas, APAC, and China refer in equal parts to Bystronic and to the corresponding region. Those for the heads of Global Service (Chief Service Officer) and Global Solutions (Chief Digital Officer) refer approximately 60% to Bystronic and 40% to the corresponding global segment.

Financial performance measurement was based on the following performance parameters (KPIs):

- Net sales
- Operating result (EBIT)
- Operating free cash flow

For the financial targets, the target value generally reflects the budget target and is paid out at 100% upon target attainment. For each individual parameter, any deviations from the budget cause upward or downward adjustments using the following linear function, so that payments may vary between 0% and 150% (cap).



Based on the results achieved, the payment factor is determined for each agreed performance indicator. The weighted average of all payment factors will be multiplied by the short-term variable target compensation in order to derive the actual STI amount owed.

For further information on target values and results from the reporting year, please refer to Section 5.2.1.

Long-term share-based compensation (LTI)

In this reporting year, the new Performance Share Unit (PSU) Plan was applied for the first time for members of the Executive Committee. This replaces both previous participation plans, specifically the Restricted Share Plan (RSP) and the Restricted Share Unit (RSU) Plan. The RSP was previously used for the CEO and the RSU Plan for the other members of the Executive Committee. For a more in-depth description of both plans, please refer to the 2022 Compensation Report. Section 5.6 provides detailed information on the status of all ongoing and settled plans.

The aim of the new plan is better alignment of the interests of members of the Executive Committee with those of shareholders. In particular, the plan is meant to reward high entrepreneurial achievement, foster long-term, sustainable corporate governance, and ensure that members of the Executive Committee are involved in the share capital of the company for the long term.

Under the new plan, members of the Executive Committee will be granted a specific number of Performance Share Units (PSU) annually. One PSU entitles the plan participant to receive one share in the future, provided certain conditions are fulfilled at the end of the vesting period. The number of allocated PSUs is based on the target LTI value guaranteed by the employment contract. The target LTI value amounts to 20% of the total target compensation for all Executive Committee members, including the CEO. The target LTI value divided by the fair value of the PSUs on the day of allocation yields the number of PSUs granted, whereby fractions are rounded up to the next whole number. The fair value of the PSUs will be determined by a specialized consulting firm according to internationally recognized methods. Grant date is April 1 each year, for the first time during the reporting year.

The granted PSUs vest after three years; for each vested PSU, the plan participant is entitled to a class A registered share of Bystronic AG. The number of PSUs actually vested depends on the fulfillment of two specific performance targets over the three-year performance period. The following two performance factors are calculated based on actually achieved results:

- Earnings per share factor (EPS factor)
- Relative total shareholder return factor (rTSR factor)

Both factors have a weight of 50% in the calculation of the performance factor; accordingly, the performance factor is the simple average of the EPS and rTSR factors. Both factors lie between a minimum of 0% and a maximum of 200%.

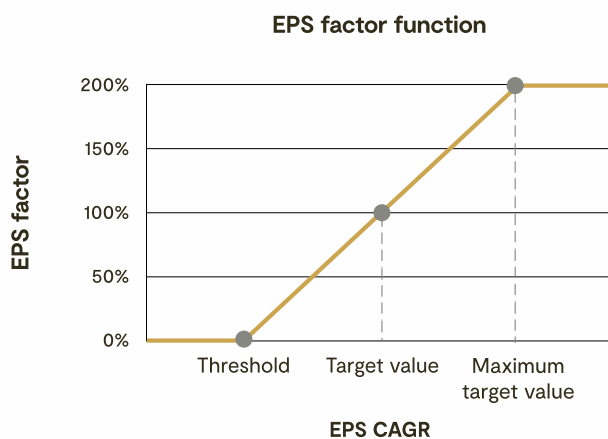
EPS factor

The average annual EPS growth rate (EPS CAGR) is calculated by comparing the EPS in the third year of the performance period with the EPS of the financial year preceding the allocation of PSUs.

The Board of Directors determines the target values (target value, minimum target value, maximum target value) for profit growth in view of the medium- and long-term corporate strategy.

If only the threshold value is reached or if the threshold value is not reached, the EPS factor is 0%; when the target value is attained, the EPS factor is 100%; and if the maximum target value is achieved or exceeded, the EPS factor is 200%. The EPS factor for all results between the target values is determined through linear interpolation.

The EPS factor function is thus modeled as follows:



Bystronic is committed to disclosure of target achievement and the corresponding payouts at the end of each vesting period.

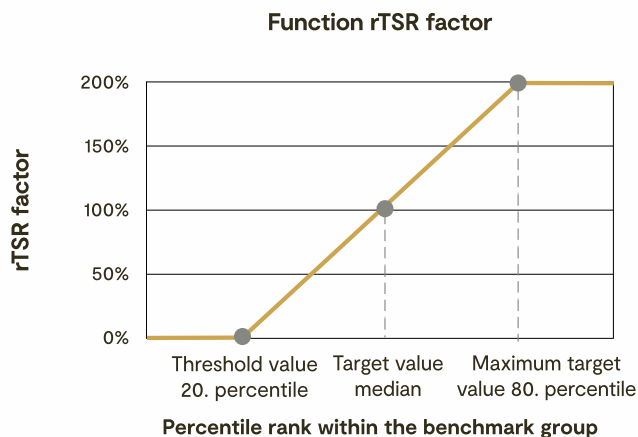
rTSR factor

The rTSR factor refers to the total shareholder return (TSR) achieved in comparison to TSRs of other Swiss industrial companies (=“benchmark group”). The benchmark group consists of all companies that are part of the “Swiss Performance Index SPI® Industrials”. Performance is measured by means of a percentile ranking.

The total shareholder return expressed as a percentage is determined through the division of the volume-weighted average price (VWAP) during the month of December in the last financial year of the performance period with the volume-weighted average price during the month of December in the financial year preceding PSU allocation. In addition to share price development, the TSR calculation takes into account dividends paid out during the performance period. To this end, it is assumed that these were reinvested in shares of the corresponding company at the time of distribution. All calculations for rTSR will be carried out by an independent consulting firm specializing in this matter.

The target value (rTSR factor 100%) is attained when the total shareholder return of the company corresponds to the median TSR within the benchmark group. The maximum target value (rTSR factor 200%) is achieved when the total shareholder return of the company reaches or exceeds the 80th percentile within the benchmark group. The threshold value (rTSR factor 0%) is met when the total shareholder return of the company reaches or falls below the 20th percentile within the benchmark group. The rTSR factor for all results between the target values is determined through linear interpolation.

Independently from the percentile ranking attained, the rTSR factor is limited to 100% if the TSR of the company over the course of the performance period is negative.



Conditions in the case of termination of employment

If the employment relationship with the plan participant is terminated prior to the expiration of the vesting period due to resignation by the plan participant or due to termination for cause by the employer, all unvested PSUs are forfeited as of the end of the employment contract. All vested restricted shares remain blocked until the end of the regular blocking period.

If the employment relationship with the plan participant is terminated prior to the expiration of the vesting period due to ordinary termination by the employer, all PSUs granted less than 12 months prior to the end of the employment contract are forfeited. For all PSUs granted more than 12 months prior to the end of the employment contract, the plan participant retains a pro-rata entitlement based on the period from the day of grant up until the end of the employment contract. The performance factor is determined based on interim results and is capped at 100%. The settlement is paid out in cash at the end of the employment contract. In contrast, all vested restricted shares remain blocked up until the end of the regular blocking period.

If the employment relationship with the plan participant is terminated prior to the expiration of the vesting period due to retirement, the plan participant retains a pro rata entitlement to all granted PSUs based on the period from the day of grant up until the end of the employment contract. The settlement is paid out regularly after the expiration of the vesting period and based on the actual results for the performance factor. The settlement is paid out in shares. Of the transferred shares, 60% will be blocked for two years starting from the day of vesting.

Social security and pension plan

The members of the Executive Committee are covered by social security in accordance with the legal regulations and they participate in the social security and pension plans available in their country of employment. The primary purpose of this is to ensure a reasonable standard of living for the members of the Executive Committee and their dependents after retirement or in the event of sickness, disability, or death.

The salaries of members of the Executive Committee with Swiss employment contracts are insured up to a defined limit through the regular pension fund for employees in Switzerland, as well as through a separate pension plan for additional amounts. The plan benefits exceed the statutory provisions of the Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG) and correspond to the standard market practice of other industrial companies in Switzerland.

Members of the Executive Committee with an employment contract outside of Switzerland are insured according to local market practice and legislation.

Fringe benefits

In addition, members of the Executive Committee are entitled to certain fringe benefits that are customary in the respective country of employment, such as a company car and other benefits in kind. Executive Committee members in Switzerland also receive a lump sum expense allowance in line with the applicable expense regulations approved by the tax authorities.

3.3 Contractual terms for members of the Executive Committee

The employment contracts of members of the Executive Committee are concluded for an indefinite period and stipulate a notice period of twelve months for the CEO and as a general rule six months for the remaining members of the Executive Committee. They do not contain any agreement on severance payments or change-of-control clauses.

4 Compensation of the Board of Directors

The following tables in Sections 4.1 and 4.2 list the compensation of individual members of the Board of Directors for the 2023/2024 (8 members) and 2022/2023 (7 members) terms of office.

4.1 Compensation of the Board of Directors for the 2023/2024 term of office

Compensation of Board of Directors for the 2023/2024 term of office (audited)	Base fee in cash	Base fee in shares ¹	Committee fee	Benefits	Total compensation and benefits ²
	CHF thousand	CHF thousand	CHF thousand	CHF thousand	CHF thousand
Dr. Heinz O. Baumgartner Chairman of the Board of Directors	175.0	175.4	0.0	42.1	392.5
Dr. Roland Abt Chairman of the Audit Committee	45.0	50.2	35.0 ³	11.7	141.9
Dr. Matthias Auer Member of the Audit Committee	45.0	50.2	15.0	9.6	119.8
Inge Delobelle Member of the Human Resources Committee	45.0	50.2	15.0	5.0	115.2
Urs Riedener Chairman of the Human Resources Committee	45.0	50.2	40.0 ⁴	19.3	154.5
Felix Schmidheiny	45.0	50.2	0.0	14.7	109.9
Robert F. Spoerry Member of the Human Resources Committee	45.0	50.2	15.0	7.4	117.6
Eva Zauke	45.0	50.2	0.0	5.0	100.2
Total	490.0	526.8	120.0	114.8	1,251.6

¹ In total, 1,133 shares will be transferred to members of the Board of Directors in April 2024, at the average share price of CHF 465.27; the transferred shares will remain restricted for a period of four years.

On April 17, 2023, the blocking on a total of 669 shares belonging to members of the Board of Directors at the time, as well as former members, was lifted; these were transferred in 2019.

² The total compensation will be paid out to members of the Board of Directors in April 2024.

³ The transition from Conzeta to Bystronic required the Board of Directors to oversee operational processes. To compensate for this additional workload, the Board of Directors granted its member Dr. Roland Abt an additional fee of CHF 5,000.

Dr. Roland Abt has been Chairman of the Board of Trustees of the Conzeta Pension Fund since 2022. This function entitles him to a gross annual fee of CHF 15,000, which is not included in the amount disclosed.

⁴ To compensate for additional workload as chairman of the Human Resources Committee, the Board of Directors granted Urs Riedener an additional fee of CHF 10,000.

4.2 Compensation of the Board of Directors for the 2022/2023 term of office

Compensation of Board of Directors for the 2022/2023 term of office (audited)	Base fee in cash	Base fee in shares ¹	Committee fee	Benefits	Total compensation and benefits ²
	CHF thousand	CHF thousand	CHF thousand	CHF thousand	CHF thousand
Dr. Heinz O. Baumgartner Chairman of the Board of Directors	175.0	175.1	15.0	43.7	408.8
Dr. Roland Abt Chairman of the Audit Committee	45.0	50.6	40.0 ³	12.1	147.7
Dr. Matthias Auer Member of the Audit Committee	45.0	50.6	15.0	9.7	120.3
Inge Delobelle	45.0	50.6	0.0	5.0	100.6
Urs Riedener Chairman of the Human Resources Committee	45.0	50.6	30.0	18.2	143.8
Jacob Schmidheiny	45.0	50.6	0.0	8.8	104.4
Robert F. Spoerry Member of the Human Resources Committee	45.0	50.6	15.0	9.5	120.1
Total	445.0	478.7	115.0	107.0	1,145.7

¹ In total, 719 shares were transferred to members of the Board of Directors in April 2023, at the average share price of CHF 665.63; the transferred shares will remain restricted for a period of four years.

On April 25, 2022, the blocking on a total of 488 shares belonging to members of the Board of Directors at the time, as well as former members, was lifted; these had been transferred in 2018.

² The total compensation was paid out to members of the Board of Directors in April 2023.

³ The transition from Conzzeta to Bystronic required the Board of Directors to oversee operational processes. To compensate for this additional workload, the Board of Directors had granted its member Dr. Roland Abt an additional fee of CHF 10,000.

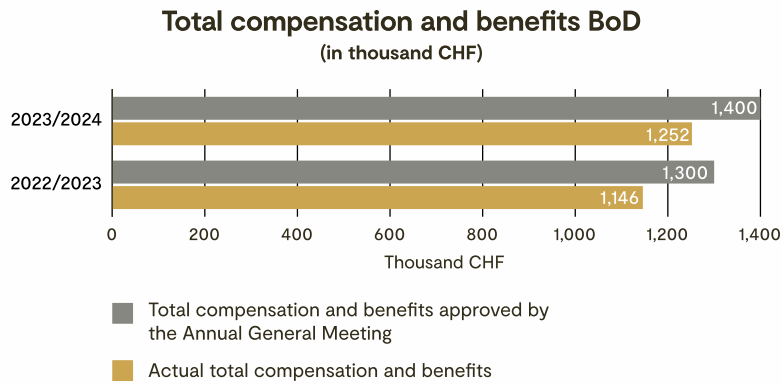
Dr. Roland Abt has been Chairman of the Board of Trustees of the Conzzeta Pension Fund since 2022. This function entitles him to a gross annual fee of CHF 15,000, which is not included in the amount disclosed.

4.3 Development of compensation paid to the Board of Directors

The total compensation for the Board of Directors increased by CHF 105,900 in this reporting year compared to the prior year. The increase is attributed to the fact that the Board of Directors includes one additional member as of the 2023/2024 term of office. No adjustments were made to the fees for the Board of Directors during the reporting year.

4.4 Compliance of compensation paid to the Board of Directors

At the Annual General Meeting on April 25, 2023, a maximum amount of CHF 1.40 million was approved for the total compensation and benefits for the Board of Directors for the 2023/2024 term of office; the actual total compensation and benefits of the members of the Board of Directors amounted to CHF 1.25 million (previous year: CHF 1.15 million).



The compensation is in accordance with Swiss law, the provisions of the Articles of Association, and the regulations for the compensation of the Board of Directors.

No loans or credits were granted to members of the Board of Directors or related parties in the reporting year.

5 Compensation of the Executive Committee

The following tables in Sections 5.1 and 5.3 show the compensation of the members of the Executive Committee in the reporting year and in the previous year, including the highest individual compensation.

5.1 Compensation of the Executive Committee for the 2023 financial year

Compensation of the Executive Committee for the 2023 financial year (audited)	Fixed compensation	Variable compensation		Benefits		Total compensation and benefits
	Base salary	Short-term variable compensation	Long-term share-based compensation ¹	Social security and pension plan ²	Fringe benefits	
	CHF thousand	CHF thousand	CHF thousand	CHF thousand	CHF thousand	CHF thousand
Executive Committee (9 members)³	2,501.7	1,039.8⁴	910.0	508.8	332.2	5,292.5
Highest individual amount: CEO, A. Waser	603.6	297.1	241.9 ⁵	159.7	39.4	1,341.7

¹ This figure refers to the Performance Share Units (PSU) granted in the reporting year. The disclosed value corresponds to the fair value of the allocated PSUs (1 PSU = CHF 668.10). The disclosed value is accompanied by a vesting period of three years.

In the reporting year, a total of 107 Restricted Share Units (RSU) belonging to active members of the Executive Committee were vested as part of the Restricted Share Unit Plan, which was in effect up until 2022; of these, 47 RSUs were settled by means of a cash payment in lieu of a transfer of shares. The RSUs were granted in 2020.

² These figures include all employer contributions to compulsory and supplementary social-security plans made in the reporting year. They are therefore not associated with the disclosed amounts for variable compensation.

Due to the social nature of public insurance plans, a significant portion of the reported contributions does not result in benefits for the members concerned.

³ The Executive Committee consisted of the same eight members in the first half of the reporting year; in the second half, there were nine members due to the entry of John-Paul Surdo as President Region Americas. The predecessor of John-Paul Surdo, Robert St. Aubin, retired on December 31, 2023. The disclosed amounts include the compensation of both for the reporting year.

The contractually agreed total target compensation of the members of the Executive Committee was adjusted as part of the redesign of the compensation with effect from January 1, 2023.

⁴ This figure refers to the expected variable compensation for the reporting year as per assessment in January 2024 (payment in April 2024) and includes two one-time payments. One of the two payments was directed towards the new member of the Executive Committee and is associated with the forfeiture of deferred compensation from the previous employer.

⁵ On April 17, 2023, the blocking on 365 shares belonging to the CEO was lifted. These shares were transferred to him in 2019 as part of the Restricted Share Unit Plan.

5.2 Disclosure of performance in the reporting year

5.2.1 Performance relating to short-term variable compensation

On Bystronic group level, the payout factors (referring to the proportionate variable compensation) per target are as follows:

Performance parameter/ target	Threshold value (=payout factor 50%)	Target value (=payout factor 100%)	Maximum target value (=payout factor 150%)
Bystronic Group			
Net sales (86%)		●	
Operating result (54%)	●		
Operating free cash flow (89%)		●	

● Payout factor for 2023 based on consolidated group results

At the regional and functional levels (Service and Solutions), the payout factors fall between 16% and 102% for the total of the financial performance parameters.

The payout factors for the financial targets amount to less than 100% because the sales figures achieved are below the respective budgets. This in turn also influenced the target values for EBIT and operating free cash flow. The sales trend can be attributed the following circumstances:

- Continuous strengthening of the Swiss franc, particularly against the US dollar
- Generally cautious investment activity among customers
- A weak economic situation in Asia and particularly in China

With respect to the group-wide ESG targets, which are weighted with 10%, the payout factor comes to 125%. Among other achievements, the successful reduction of CO₂ emissions (scope 1 and 2) and improvements in the area of diversity, equality & inclusion (DEI) were rewarded. For the individual qualitative targets, which are weighted with another 10%, the payout factors fall between 88% and 114%.

The average payout factor for all active members of the Executive Committee is 23% below the target value (previous year: 51% below the target value). The short-term variable compensation for the members of the Executive Committee thus amounts to between 27% and 49% of the fixed base salary in 2023 (previous year: between 16% and 28%), or between 60% and 89% of the contractually agreed variable target compensation (previous year: between 39% and 68%).

5.2.2 Performance relating to long-term share-based compensation

Due to the adjustment of the plan design in the reporting year, there are no relevant KPIs for long-term share-based compensation for the 2023 financial year. The EPS and rTSR factors achieved will be reported after the end of the vesting period.

5.3 Compensation of the Executive Committee for the 2022 financial year

Compensation of the Executive Committee in the 2022 financial year (audited)	Fixed compensation		Variable compensation		Benefits		Total compensation and benefits CHF thousand
	Base salary		Short-term variable compensation CHF thousand	Long-term share-based compensation CHF thousand	Social security and pension plan ¹ CHF thousand	Fringe benefits CHF thousand	
	CHF thousand						
Active Executive Committee (8 members) ²	2,327.8	528.3 ³	543.3 ⁴	519.6	390.2	4,309.2	
Former Executive Committee (2 members) ⁵	180.8	75.3 ⁵	45.2	46.0	25.9	373.2	
Total active and former Executive Committee	2,508.6	603.6	588.5	565.6	416.1	4,682.4	
Highest individual amount: CEO, A. Waser	533.2	150.9 ⁶	0.0 ⁶	154.9	29.4	868.4	

¹ These figures include all employer contributions to compulsory and supplementary social security plans made in the reporting year. They are therefore not associated with the disclosed amounts for variable compensation.

Due to the social nature of public insurance plans, a significant portion of the reported contributions does not result in benefits for the individual members.

² The contractually agreed total target compensation of the members of the Executive Committee (including the CEO) was adjusted once in the 2022 financial year with effect from January 1, 2022.

One member was appointed to the Executive Committee with effect from January 1, 2022. The composition of the Executive Committee remained unchanged during the 2022 financial year.

³ This figure refers to the variable compensation for the 2022 financial year, according to estimates from January 2023. Payment was made in April 2023 and amounted to CHF 544,300 in total. (+CHF 16,000 compared to the disclosed amount).

⁴ This figure refers to the Restricted Share Units (RSU) allocated during the 2022 financial year. The EPS factor (calculated based on the result from the previous year) was 120%; at an allocation price of CHF 1,278.40, this resulted in a grant of 425 RSUs in total on April 1, 2022. The RSUs are forfeitable for a period of three years starting from the date of allocation.

In the 2022 financial year, a total of 187 Restricted Share Units belonging to active members of the Executive Committee vested; the RSUs were granted in 2019. Of these, 83 RSUs were settled by means of a cash payment in lieu of a transfer of shares.

⁵ The employment contracts of two members of the Conzzeta Executive Committee, who departed in April 2021, expired on March 31, 2022. These figures refer to the regular, fixed base salary and the pro-rata entitlement to short-term and long-term variable compensation. The figure under "Fringe benefits" includes a one-time special compensation amounting to CHF 14,500 for losses in connection with the discontinuation of the Conzzeta pension plan for executive-level staff.

⁶ This figure refers to the Restricted Share Plan (RSP). The EPS factor (calculated based on the result from business year 2022) in the Restricted Share Plan is 0%, meaning that the CEO was not entitled to a share allocation.

The blocking on 118 shares belonging to the CEO was lifted on March 25, 2022. These shares were transferred to him in 2018.

5.4 Development of compensation paid to the Executive Committee

The total compensation for the active Executive Committee increased by CHF 983,300 in this reporting year compared to the previous year. The increase is attributed to the following reasons:

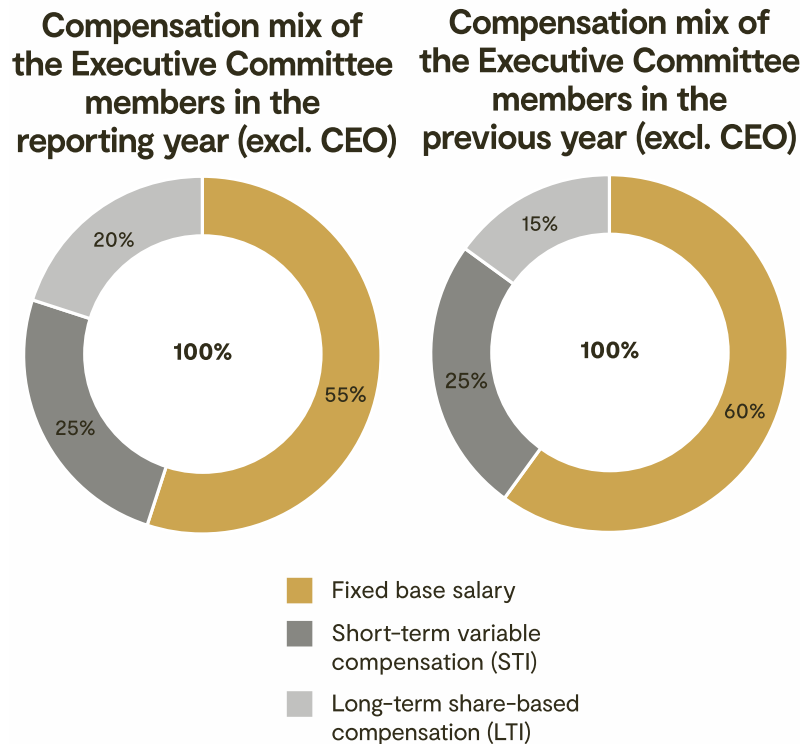
1. Number of members in the Executive Committee

The Executive Committee included one additional member in the second half of 2023 due to the temporary double staffing for the position of President Americas.

2. Higher value for long-term share-based compensation

The shared-based compensation increased by CHF 366,700 compared to the previous year. This is due to higher target LTI values as well as that there was no shared-based compensation for the CEO in the previous year.

The Performance Share Unit (PSU) Plan introduced in the reporting year contains greater risks of loss for Executive Committee members compared to the previous Restricted Share Unit (RSU) Plan. While plan participants in the previous RSU Plan were always granted 100% of the target LTI value in the form of RSUs when the EPS target value was not attained, and the only condition for vesting was remaining in the company, under the new PSU Plan, in addition to departure from the company, the failure to meet minimum target values can lead to a total loss of vested PSUs or shares. Furthermore, 60% of the allocated shares will now be restricted for two years starting from the day of vesting. In recompense for the heightened risk to plan participants (excluding the CEO) and to further adjust the compensation mix in favor of variable compensation, the target LTI values were increased on January 1, 2023. Increasing target LTI values, while maintaining base salaries, resulted in the following change in the compensation mix for Executive Committee members (excluding the CEO).



The introduction of the new LTI Plan changed reporting. The figure shown for the reporting year now corresponds to the target LTI value or the fair value of the allocated PSUs, irrespective of the three-year vesting period during which the number of vested PSUs will be determined, based on the measurement of performance. In contrast, up until 2022, the values were reported for transferred, directly vested shares for the CEO. For the other members of the Executive Committee, the values were reported for PSUs, for which the only condition posed for vesting was remaining in the company. The increase in target LTI values versus the previous year is not fully reflected, because members of the Executive Committee received RSUs worth 120% of the target LTI value in 2021.

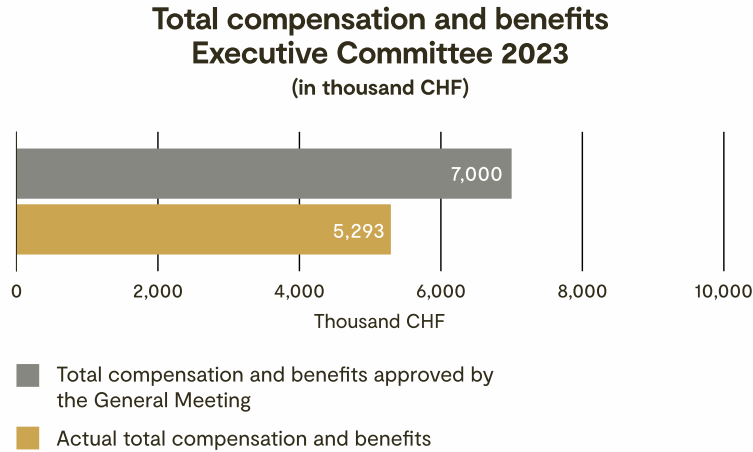
While the CEO was not entitled to any allocation of restricted shares in the previous year due to the EPS (earnings per share) attained, the fair value of the allocated, forfeitable PSUs is being transferred to him for the reporting year, with a value of CHF 242,000.

3. Higher values for short-term variable compensation

The short-term variable compensation increased in the reporting period compared to the previous year by CHF 511,500. The increase is due to a 8% higher variable target compensation and due to a higher average payout factor of 77% for the target compensation. Furthermore, the reported amount includes two one-time payments.

5.5 Compliance of compensation to the Executive Committee

For the 2023 financial year, the active and former members of the Executive Committee received total compensation and benefits amounting to CHF 5.3 million (previous year: CHF 4.7 million). This complied with the maximum total compensation for the Executive Committee of CHF 7.0 million approved at the Annual General Meeting in April 2022.



The compensation paid out is in accordance with Swiss law and the law of the country of employment, the provisions of the Articles of Association, and internal regulations.

On December 31, 2023, there were no open loan or credit contracts between the company and members of the Executive Committee or related third parties.

5.6 Overview of LTI plans: disclosure of outstanding and settled entitlements

5.6.1 Restricted Share Plan (RSP)

The Restricted Share Plan (RSP) replaced during the reporting year was in effect for the CEO up until the 2022 financial year. The number of granted shares was dependent on the achievement of EPS targets. More information on the plan can be found in the Compensation Report 2022.

The following table provides an overview of the allocation of restricted shares since 2018 and shows the development of the value of allocated shares during the four-year blocking period (provided this has already ended). The last restricted shares will be released on March 31, 2026.

Restricted Share Plan (RSP)		Allocation of restricted shares			Release of restricted shares			
Plan participant	Transfer date	Transferred restricted shares (vested)	Share price on allocation date in CHF	LTI allocation value in thousand CHF	Release date	Share price on release date in CHF	LTI value on release date in thousand CHF	Performance of allocated restricted shares
CEO	26.03.2018	118	1,146.00	135.2	25.03.2022	960.00	113.3	-16%
	17.04.2019	365	914.00	333.6	16.04.2023	667.00	243.5	-27%
	23.04.2020	111	861.00	95.6	22.04.2024	-	-	-
	01.04.2021	0	-	-	-	-	-	-
	01.04.2022	194	946.00	183.5	31.03.2026	-	-	-
	01.04.2023	0	-	-	-	-	-	-
Total		788		747.9			356.8	

5.6.2 Restricted Share Unit Plan (RSU)

The Restricted Share Unit (RSU) Plan replaced during the reporting year was applied for the members of the Executive Committee, excluding the CEO, until the 2022 financial year. The number of granted RSUs was depended on the achievement of EPS targets. More information on the plan can be found in the Compensation Report 2022.

The following table provides an overview of the allocation of Restricted Share Units (RSU) since 2019 and shows the development of the value of granted RSUs during the three-year vesting period (provided this has already ended).

Restricted Share Unit Plan (RSU)		Grant of RSUs			Vesting of RSUs				
Plan participants	Grant date	Granted RSUs (forfeitable)	Share price on grant date in CHF	LTI grant value in thousand CHF	Vesting date	Vested RSUs on 31.12.2023	Share price on vesting date in CHF	LTI value on vesting date in thousand CHF	Performance of allocated RSUs
Executive Committee excluding CEO (7 members)	01.04.2019	187	815.00	152.4	31.03.2022	187	955.0	178.6	+17%
	01.04.2020	107	760.00	81.3	31.03.2023	107	660.0	70.6	-13%
	01.04.2021	230	1,200.00	276.0	31.03.2024	-	-	-	-
	01.04.2022	425	946.00	402.1	31.03.2025	-	-	-	-
Total		949		911.8		294		249.2	

5.6.3 Performance Share Unit Plan (PSU)

The following table provides an overview of the previously allocated Performance Share Units (PSU) and shows the development of the value of allocated PSUs during the three-year vesting period (provided this has already ended).

Performance Share Unit Plan (PSU)		Grant of PSU			Vesting of PSU					
Plan participants	Grant date	Granted PSUs (forfeitable)	Fair value per PSU on grant date in CHF	LTI grant value in thousand CHF	Vesting date	Performance factor	Vested PSUs on 31.12.2023	Share price on vesting date in CHF	LTI value on vesting date in thousand CHF	Performance of allocated PSUs
Executive Committee (9 members, incl. CEO)	01.04.2023	1,362	668.10	910.0	31.03.2026	-	-	-	-	-
Total		1,362		910.0						

6 Information on shareholdings

6.1 Equity holdings of the members of the Board of Directors

The shareholdings of the members of the Board of Directors are verified by the external statutory auditors within the scope of the audit of the statutory Annual Financial Statements of Bystronic AG. The following table lists the shareholdings of the individual members of the Board of Directors and of related parties.

(audited) Member of the Board of Directors	Since	31.12.2023			Class B registered shares ² freely tradable	31.12.2022			Class B registered shares ² freely tradable
		freely tradable	blocked ³	total		freely tradable	blocked ³	total	
Dr. Heinz O. Baumgartner Chairman	2021	0	303	303	0	0	40	40	0
Dr. Roland Abt Member	2014	257	217	474	0	196	202	398	0
Dr. Matthias Auer Member	1996	22,681	217	22,898	1,008	22,409	202	22,611	1,008
Inge Delobelle Member	2022	0	76	76	0	0	0	0	0
Urs Riedener Member	2014	257	217	474	0	196	202	398	0
Felix Schmidheiny Member	2023	41,000	0	41,000	0	41,000	0	41,000	0
Robert F. Spoerry Member	1996	7,404	217	7,621	148	7,343	202	7,545	148
Eva Zauke Member	2023	0	0	0	0	0	0	0	0
Total members of the Board of Directors		71,599	1,247	72,846	1,156	71,144	848	71,992	1,156

¹ Class A registered shares have a par value of CHF 2.00, carry one voting right, and are traded on the SIX Swiss Exchange.

² Class B registered shares have a par value of CHF 0.40, carry one voting right, and are not traded on the SIX Swiss Exchange.

³ These figures refer to the shares allocated as a base fee over the past four terms of office. They carry voting and dividend rights.

Dr. Matthias Auer, Felix Schmidheiny, and Robert F. Spoerry hold further registered shares under a shareholder agreement within the Auer, Schmidheiny, and Spoerry shareholder group.

The terms of ownership according to the share ownership guidelines are fully met by all members of the Board of Directors.

6.2 Equity holdings of the members of the Executive Committee

The shareholdings of the members of the Executive Committee are verified by the external statutory auditors within the scope of the audit of the statutory Annual Financial Statements of Bystronic AG. The following table indicates the shareholdings of the individual members of the Executive Committee and of related parties.

(audited) Member of the Executive Committee	Since ¹	31.12.2023			Entitlement to class A registered shares / PSU & RSU ³ vested	31.12.2022			Entitlement to class A registered shares / RSU ⁴ vested
		Class A registered shares ²		total		Class A registered shares ²		total	
		freely tradable	blocked				freely tradable		blocked
Alex Waser (CEO)	2013	943	305 ⁵	1,248	362	578	670 ⁵	1,248	0
Beat Neukom (CFO)	2021	0	0	0	296	0	0	0	88
Johan Elster	2021	92	0	92	217	69	0	69	120
John-Paul Surdo	2023	0	0	0	94	0	0	0	0
Robert St. Aubin ⁶	2021	0	0	0	110	0	0	0	112
Norbert Seo	2021	0	0	0	213	0	0	0	96
Dr. Song You	2021	0	0	0	285	0	0	0	148
Eamon Doherty	2021	52	0	52	211	33	0	33	106
Alberto Martinez	2022	50	0	50	215	32	0	32	106
Total		1,137	305	1,442	2,003	712	670	1,382	776

¹ Year of joining the Group Executive Board of Bystronic and Conzzeta.

² Class A registered shares have a nominal value of CHF 2.00 and carry one voting right; they are traded on the SIX Swiss Exchange.

³ These figures pertain to the entitlements granted under the new Performance Share Unit (PSU) Plan and the entitlements granted under the replaced Restricted Share Unit (RSU) Plan during the reporting year. For a description of the conditions for the vesting of PSUs, please see Section 3.2.3.

Restricted Share Units (RSU) represent a conditional right to receive one registered share free of charge at the end of a three-year vesting period, provided that the employment relationship is ongoing. For a detailed description of the plan, please refer to the 2022 Compensation Report.

Both PSUs and RSUs do not confer any voting or dividend rights and cannot be traded.

⁴ These figures pertain to entitlements granted under the Restricted Share Unit (RSU) Plan, which was replaced this reporting year. RSUs represent a conditional right to receive one registered share free of charge at the end of a three-year vesting period, provided that the employment relationship is ongoing. For a detailed description of the plan, please refer to the 2022 Compensation Report. The RSUs do not confer any voting or dividend rights and cannot be traded.

⁵ This figure pertains to shares allocated under the Restricted Share Plan (RSP). They carry voting and dividend rights.

⁶ Robert St. Aubin stepped down from his position as of 31.12.2023. The information about his right for shares from PSU and RSU as of 31.12.2023 relate to his remaining entitlement.

7 Information on functions in other companies and associations

7.1 Functions of the members of the Board of Directors in other companies and associations

The following table lists all functions of the individual members of the Board of Directors in other companies and associations that pursue an economic purpose.

(audited)	Companies and associations	Country	Function	Function since
Dr. Heinz O. Baumgartner Chairman	Schweiter Technologies AG	Switzerland	Chairman of the Board of Directors	2023
	United Grinding Group AG	Switzerland	Member of the Board of Directors	2018
	Bluearbre AG	Switzerland	Member of the Board of Directors	2020
Dr. Roland Abt Member	Swisscom AG	Switzerland	Member of the Board of Directors, Chairman of the Audit Committee	2016
	Aargau Verkehr AG	Switzerland	Chairman of the Board of Directors	2017
	Limmat Bus AG ¹	Switzerland	Chairman of the Board of Directors	2017
	Eisenbergwerk Gonzen AG	Switzerland	Chairman of the Board of Directors	2008
	Raiffeisenbank Zufikon Genossenschaft	Switzerland	Member of the Board	2013
Dr. Matthias Auer Member	Auer Meier Zopfi AG	Switzerland	Chairman of the Board of Directors	2017
	Kalkfabrik Netstal AG	Switzerland	Vice-Chairman of the Board of Directors	1981
	Elggis Kraft AG	Switzerland	Chairman of the Board of Directors	1991
	GTLM Immobilien AG	Switzerland	Vice-Chairman of the Board of Directors	1985
	Stucki AG, Bauunternehmung	Switzerland	Chairman of the Board of Directors	1984
	Fritz Landolt AG	Switzerland	Member of the Board of Directors	2015
	Schwert AG	Switzerland	Member of the Board of Directors	1994
Urs Riedener Member	Emmi AG	Switzerland	Chairman of the Board of Directors	2023
	Sandoz Group AG	Switzerland	Member of the Board / Chairman of Human Capital & ESG Committee	2023
	Institut für Marketing und Customer Insight, Universität St. Gallen	Switzerland	Member of the Executive Committee	2006
	Schwarz Unternehmenstreuhand KG	Germany	Member of the Advisory Board	2022
Felix Schmidheiny Member	Plazza AG	Switzerland	Member of the Board of Directors	2019
	JAB Value Holding Pte. Ltd.	Singapore	Member of the Board of Directors	2018
	Jabea Pte. Ltd.	Singapore	Member of the Board of Directors	2020
	Les Verts Pommiers SA	Switzerland	Member of the Board of Directors	2019
	FP Swiss AG	Switzerland	Managing Director	2017

(audited)	Companies and associations	Country	Function	Function since
Robert F. Spoerry Member	Mettler Toledo International Inc.	USA	Chairman of the Board of Directors	1998
	Sonova Holding AG	Switzerland	Chairman of the Board of Directors	2011
Eva Zauke Member	Universität Heidelberg	Germany	Member of the University Council	2020
	SAP UK Limited	UK	Member of the Board of Directors	2022

¹ Subsidiary of Aargau Verkehr AG

Inge Delobelle does not have any functions in other companies or associations as of 31.12.2023. Since 2024, she is Executive Vice President and divisional CEO Industry at Grunfos, Bjerringbro, Denmark.

7.2 Functions of the members of the Executive Committee in other companies and associations

The following table lists all functions of the members of the Executive Committee in other companies and associations that pursue an economic purpose.

(audited)	Companies	Country	Function	Function since
Alex Waser, CEO	Reishauer Beteiligungen AG	Switzerland	Member of the Board of Directors	2023
	Swissmem	Switzerland	Member of the Machine Tool Committee	2015
	CECIMO (European Association of the Machine Tool Industries and related Manufacturing Technologies)	Belgium	Swiss delegate	2020

The remaining members of the Executive Committee do not have any functions in other companies or associations.

Report of the statutory auditor

to the General Meeting of Bystronic AG

Zurich

Report on the audit of the compensation report

Opinion

We have audited the compensation report of Bystronic AG (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to article 734a-734f CO in the tables marked 'audited' on pages 48 to 59 of the compensation report.

In our opinion, the information pursuant to article 734a-734f CO in the compensation report complies with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the compensation report' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The compensation report of Bystronic AG for the year ended 31 December 2022 were audited by another statutory auditor who expressed an unmodified opinion on that compensation report on 27 February 2023.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked 'audited' in the compensation report, the consolidated financial statements, the financial statements and our auditor's reports thereon.

Our opinion on the compensation report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the compensation report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the compensation report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the compensation report

The Board of Directors is responsible for the preparation of a compensation report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a compensation report that is free from material misstatement, whether due to fraud or error. It is also responsible for designing the compensation system and defining individual compensation packages.

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PricewaterhouseCoopers AG is a member of the global PricewaterhouseCoopers network of firms, each of which is a separate and independent legal entity.

Auditor's responsibilities for the audit of the compensation report

Our objectives are to obtain reasonable assurance about whether the information pursuant to article 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this compensation report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the compensation report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

PricewaterhouseCoopers AG



Blaženka Kovács-Vujević
Licensed audit expert
Auditor in charge



Tobias Handschin
Licensed audit expert

Zürich, 27 February 2024



Sustainability as part of corporate strategy

Introduction

Bystronic takes a holistic approach to sustainability. This is based on our principle of “Creating impact for a sustainable future with sheet metal and beyond.” ESG criteria (Environmental, Social, Governance) are an integral part of our business strategy. Our goal is to make sheet metal a material of the future. We are driving sustainable and digital change to make a decisive contribution – for our company, our customers, the environment and our ecosystem.

We strive to lead our industry towards zero emissions. We are working hard to improve energy and resource efficiency. We are proud that our employees propose and implement initiatives that drive our sustainability forward. We also look externally for innovative solutions and work with start-ups to make sheet metal processing more sustainable. We are exploring new possibilities, such as the use of less energy-intensive materials, and we are developing solutions for a longer service life with reduced energy requirements.

The year 2023 was an important milestone on our sustainability journey. By integrating and operationalizing ESG into all areas of our organization, we were able to make tremendous progress. Aligned with the United Nations Sustainable Development Goals (SDGs) and our key themes, we established an ESG strategy with eight pillars and launched more than 20 initiatives.

In our ongoing efforts to make a difference more quickly, we set five ambitious sustainability targets for the year 2030 (baseline 2021):

- 42% reduction in Scope 1 and Scope 2 carbon emissions
- 25% reduction in Scope 3 emissions
- 25% women in management positions
- Industry leader in occupational safety (TRI¹ ≤ 0.8)
- 20% reduction of waste

These targets underline our commitment to sustainability, and we are pleased to be on this journey towards a more sustainable future. To ensure that we achieve our goals, we are measuring our progress with our own ESG performance management system.

¹⁾The total rate of reportable accidents is the number of accidents per 100 full-time employees.

Highlights

In 2023, we made significant progress in our sustainability efforts. We installed additional solar panels at our headquarters in Niederönz. They will generate 570 MWh of energy annually, which corresponds to 14% of our electricity consumption at that location. As part of our "Strategy to phase out fossil fuels," we also renovated the heating system in Niederönz and installed a heat pump.

The R&D department standardized the calculation of the life cycle assessment of new products and improved the accuracy of energy consumption measurements over the life of our products. Our Global Supply Chain department carried out a risk assessment relating to child labor and conflict minerals and began conducting training courses on human rights. We also introduced a new code of conduct for suppliers.

We were pleased to have exceeded our environmental targets in 2022 compared to 2021. Sustainability data for 2023 has not yet been finalized, but will be published in our 2023 Sustainability Report, which will be released in July 2024:

- Scope 1 & 2 CO₂ eq emissions: -11%
- Scope 3 CO₂ eq (products & supply chain): -12%
- 18% of all energy consumed in 2022 came from renewable sources (compared to 4% in 2021)

We are actively promoting diversity, equality and inclusion. The entire management team took part in company-wide training sessions on these topics in the past year.

Report on non-financial matters

Articles 964a –964c of the Swiss Code of Obligations (CO) define reporting obligations with regard to ESG matters. The Code applies for the first time to the 2023 financial year, with the first report to be published in 2024. The report on non-financial matters shall cover environmental matters, in particular CO₂ targets, social issues, employee matters, respect for human rights and the fight against corruption.

Articles 964j –964l of the Swiss CO define the companies' due diligence and reporting obligations regarding conflict minerals and child labor. A detailed, Group-wide analysis of the relevant risks was carried out in collaboration with an external provider. In assessing the due diligence and transparency requirements regarding minerals and metals and child labor (DDoTr), we have concluded that Bystronic is exempt from these obligations.

This section of the Annual Report is intended to provide an overview of the disclosures in connection with Articles 964a –964c and 964j –964l of the Swiss CO. It is supplemented by the principles and commitments in Bystronic's Code of Conduct and by disclosures in the Bystronic Sustainability Report 2023. The sustainability report is prepared using GRI standards.²

Bystronic routinely updates its materiality matrix through a dual materiality assessment that evaluates business impacts as well as broader environmental, social and governance (ESG) considerations. The following topics have been identified as material:

- Energy and climate change
- Resource efficiency and the circular economy
- Diversity, inclusion and human rights
- Attracting and developing talent
- Health and safety in the workplace
- Innovation and digitalization

Further information can be found in the materiality section GRI 3-1, "Process for identifying material topics," and 3-2, "List of material topics" in the sustainability report.

²GRI Standard: <https://www.globalreporting.org/how-to-use-the-gri-standards/gri-standards-english-language/>

		Overview: Bystronic's core topics and topics covered by the OR				
		Environmental issues	Social issues	Employee-related issues	Respect for human rights	Combating corruption
Material topics	Energy and climate change	X				
	Resource efficiency and circular economy	X				
	Diversity, inclusion and human rights		X	X	X	
	Talent management and development			X		
	Health and safety in the workplace		X	X		
	Innovation and digitalization	X				
	Corporate governance ¹					X

¹ Corporate governance was part of the ESG assessment but was not identified as a material topic.

0. Description of Bystronic's business model

Bystronic is a leading global supplier of laser cutting, bending and automation systems for the sheet metal industry. The company's products are used in many sectors, including the automotive, aerospace and electronics industries.

I. Environmental matters

A. Policies and due diligence

Bystronic applies due diligence in environmental matters. Relevant impacts, risks and opportunities are regularly assessed, and policies implemented. The company's environmental strategy and guidelines define goals and obligations as well as measures and responsibilities in relation to a range of environmental issues. Measures are taken to reduce negative impacts on the environment. Bystronic has key performance indicators (KPIs) for environmental issues that are monitored on a regular basis.

Bystronic wants to minimize its impact on the environment. With its environmental strategy, it wants to reduce energy consumption and the amount of waste generated. The goal is to achieve a net zero across all scopes.

The company's environmental goals include:

- Reduce greenhouse gas emissions in all scopes in line with the net zero roadmap
- Reduce energy consumption and become a climate-neutral company
- Increase the energy efficiency of its products to assist with the decarbonization of customers
- Develop sustainable products and services to reduce/avoid greenhouse gas (GHG) emissions
- Improve resource efficiency and reduce waste by using circular processes

Bystronic is committed to reducing its environmental footprint in line with the "Science Based Targets" initiative. This includes ambitious mid-term environmental targets (base year 2021):

- 42% reduction in Scope 1 and Scope 2 emissions by 2030
- 25% reduction in Scope 3 emissions by 2030
- 20% reduction in waste by 2030

The company's environmental policy is outlined in the "Corporate Responsibility" chapter of the Bystronic Code of Conduct. The results are published annually in the Bystronic Sustainability Report.

B. Measures and effectiveness

Bystronic is implementing a range of measures to reduce its environmental footprint in line with the "Science Based Targets" initiative.

- Installation of solar panels at the key production sites
- Conversion to green electricity in the largest plants, where possible
- Introduction of life cycle analyses (LCAs) and eco-design in the development of product portfolios

Bystronic tracks how effective these initiatives are based on key annual measures. The data comes from Enterprise Resource Planning (ERP) or the ESG contacts in the subsidiaries. The Chief ESG Officer reports directly to the CEO on ESG matters. Further information can be found in the GRI Index under 3-3, "Management of material topics" and in the section on TCFD³ reporting in Bystronic's sustainability report. The effectiveness of the measures is also reported there.

³TCFD – Task force on climate related financial disclosures: <https://www.fsb-tcfd.org/>

C. Impacts and main risks

As part of the double materiality assessment, Bystronic evaluates the potential positive and negative impacts its business activities have on the environment. For example, our manufacturing processes consume energy and generate waste. And the Bystronic systems and solutions used by customers also consume energy and resources during sheet metal processing.

The most important risks to the environment are:

- Rising energy costs
- Stricter environmental regulations
- Availability of raw materials and spare parts

Bystronic also sees a number of environmental opportunities, such as:

- The development of new, energy-efficient technologies
- Rising demand for environmentally friendly products
- The growing popularity of circular economy principles

Bystronic has integrated climate-related risks into its risk management. Further information can be found in the section on TCFD reporting in the sustainability report and in the “Risk management” chapter in the annual report.

D. Key performance indicators

Bystronic tracks KPIs that relate to environmental sustainability:

- Energy consumption
- Consumption of renewable energy
- Greenhouse gas emissions: Scope 1, 2, 3, intensity of greenhouse gas emissions
- Waste generation, hazardous waste and disposal methods, waste intensity
- Water consumption
- Number of refurbished machines

Further information can be found in the GRI Index, 305 “Emissions” and GRI 306 “Waste”, as well as in the data and performance table in the sustainability report.

Detailed data on individual performance indicators and the method used to calculate them can be found in the “Data and Performance Report 2022” and in “Data Calculation Methodology 2022”, which are published at the following link: <https://sustainability.bystronic.com/en/downloads>

The data relates to the 2022 financial year and prior years. Data for the 2023 financial year will be published together with the 2023 Sustainability Report.

II. Social issues

A. Policies and due diligence

Bystronic regularly exchanges ideas and opinions on the topic of sustainability with the following stakeholder groups: customers, suppliers, investors, non-governmental organizations, communities, rating agencies and start-ups. Further information on relationships with stakeholder groups can be found in the GRI Index⁴ under 2-28, “Membership in associations and interest groups” and 2-29, “Approach to stakeholder engagement” in the sustainability report.

Bystronic applies due diligence in social matters. Relevant impacts, risks and opportunities are regularly assessed, and measures implemented. The company's social strategy and principles lay out its objectives and commitments, as well as measures and responsibilities related to a range of social issues. There are measures aimed at reducing negative social impacts. The company sets KPIs for social issues, which are reviewed regularly.

Bystronic sees itself as a corporate citizen and values its role as a responsible member of society. The company has established several social goals and principles, for example:

- Attracting, developing and retaining the best employees
- Continuing to build and develop a diverse and inclusive workforce
- Continuously improving workplace safety and mental health wellness for all employees
- Supporting human rights and ethical procurement practices
- Providing customers with safe technologies and high-quality products.

Bystronic's social policy is defined in the guideline, "Conduct towards employees and colleagues" and in the chapters, "We are committed to our customers" and "We conduct our business fairly and do not tolerate bribery" in the Bystronic Code of Conduct. The results are published annually in the sustainability report.

⁴⁾GRI Standard: <https://www.globalreporting.org/how-to-use-the-gri-standards/gri-standards-english-language/>

B. Measures and effectiveness

Bystronic implements measures that promote diversity and integration in the workplace:

- Training on unconscious bias for all employees
- Offering flexible work arrangements to promote work-life balance
- Promoting a culture of respect, diversity, and inclusion

Various programs promote a responsible procurement policy and responsible supply chain management:

- Suppliers must comply with the company's Code of Conduct
- Supplier audits are carried out to ensure compliance with the Code of Conduct
- Collaboration with suppliers to identify and mitigate environmental and social risks in their operations

Other programs promote customer safety, including:

- Customer training on safety measures related to the operation of the machines
- Proactive maintenance and a 360° customer advisory service.

Bystronic reviews the effectiveness of these initiatives on an ongoing basis. Indicators from various sources (employee surveys, information from whistleblowers, supplier audits, customer reports) are compiled for this purpose and clear management responsibilities are defined. The Head of Human Resources reports to the CEO on employee matters. The Head of Global Supply Chain reports to the Chief Operating Officer on supply chain matters. The Head of Global Services reports to the CEO on customer matters. Further information can be found in the GRI Index 3-3, "Management of material topics" in the Bystronic Sustainability Report, where the effectiveness of the measures is also reviewed.

C. Impacts and main risks

As part of the double materiality test, Bystronic assesses the potential positive and negative impacts its business activities have on social issues. For example, there is a risk that our suppliers do not pay their employees a living wage or that they violate human rights. In addition, our systems and solutions could cause injury to customer employees or lead to problems with data protection. The main risks in connection with social issues include:

- Software/IT security/data protection: Risk of cyber-attacks against Bystronic and its customers, protection of customer data and compliance with data protection regulations;
- Employees: Battle for talent, the culture and dynamics after the COVID pandemic.

Further information is in the Corporate Governance Report under [section 3.7 "Risk management"](#).

D. Key performance indicators

Bystronic has several KPIs related to social responsibility, including:

- Employee satisfaction
- Employee engagement
- Key figures on diversity and integration
- Suppliers on the Ecovadis platform ⁵
- Monitoring of suppliers according to the ESG risk method
- ESG rating of the company
- Customer satisfaction
- Whistleblowing process: tracking ESG complaints in the supply chain.

Further information can be found in the GRI Index under 401 “Employment”, 403 “Occupational health and safety”, 405 “Diversity and equal opportunity”, 416 “Customer health and safety” and in the data and performance table in the sustainability report.

Detailed data on individual performance indicators are published at the following link: <https://sustainability.bystronic.com/en/downloads>

The data relates to the 2022 financial year and prior years. Data for the 2023 financial year will be published together with the 2023 Sustainability Report.

⁵EcoVadis is a sustainability rating agency www.ecovadis.com

III. Employee-related issues

A. Policies and due diligence

Bystronic is obligated to deal with employee concerns. Relevant impacts, risks and opportunities are regularly assessed and appropriate measures implemented. The objectives and obligations as well as measures and responsibilities are set out in the Code of Conduct and the HR strategy. Measures are in place to reduce negative impacts on employees. Bystronic regularly measures KPIs on employee-related topics.

Bystronic wants to create a positive and supportive work environment for all employees. To ensure this, we have set ambitious medium-term goals:

- The proportion of women in management positions is to be increased to 25% by 2030
- The Total Recordable Injury Rate should be lower than 0.8 (number of injuries per 100 full-time employees) by 2030

Bystronic’s guidelines regarding employees are defined in the “Conduct towards employees and colleagues” section of the Bystronic Code of Conduct. The results are communicated annually in the sustainability report.

B. Measures and effectiveness

To support employees, Bystronic has numerous Human Resource (HR) guidelines and practices in place, including:

- Competitive remuneration and service packages
- Training and development programs, including on-the-job, classroom and online training
- International experiences for qualified employees
- Leadership courses for young and experienced talents
- A performance management system is designed to help employees realize their full potential
- Open communication and feedback culture: Bystronic encourages its employees to share their ideas and concerns and provide feedback to their supervisors
- Internal communication channels, such as town hall meetings and an employee intranet, allow employees to stay informed about news and developments within the company.

Bystronic is committed to a safe and healthy workplace for all employees. Measures promoting the health and safety of employees include:

- Occupational health and safety management (OHS): A comprehensive program promotes the health and safety of employees with a focus on ergonomics and safety in the workplace
- Safety initiatives: These include the provision of safety equipment and training in how to use the machinery.

Bystronic is committed to ensuring that employees achieve a healthy work-life balance. Various work-life balance initiatives are offered to promote this:

- Flexible work arrangements: Bystronic offers remote work and flexible working hours. This allows employees to better align their professional and private responsibilities.
- Vacation: All Bystronic employees are allowed vacation time based on what is customary in their respective countries.

The effectiveness of these initiatives is monitored using indicators from the employee survey, safety inspections and by defining clear responsibilities: The Head of Human Resources reports to the CEO about employee-related topics. Further information can be found in the GRI Index 3–3, “Management of material topics” in the Bystronic Sustainability Report, which also reviews the effectiveness of the measures.

C. Impacts and main risks

As part of the double materiality test, Bystronic assessed the potential positive and negative effects its business activities have on employee-related matters.

Various scenarios are taken into consideration: For example, Bystronic could be faced with a shortage of skilled workers, or the fluctuation rate could increase due to a lack of promotion opportunities. There is a risk of redundancies in the event of an economic downturn. And, employees could injure themselves on the job or there could be problems with data protection.

Among the main risks associated with employee issues include:

- Software/IT security/data protection: the risk of cyberattacks on Bystronic and its employees, protection of employee data and compliance with data protection regulations
- Employees: The battle for talent, culture and the post-COVID pandemic dynamic.

Further information can be found in the Corporate Governance report under [section 3.7 “Risk management”](#).

D. Key performance indicators

With regard to social responsibility towards employees, Bystronic measures several KPIs, including

- Employee satisfaction
- Employee engagement
- Key figures on diversity and integration
- Indicators of psychological safety
- Health and safety indicators in the workplace.

Further information can be found in the GRI Index 401, “Employment”, 403 “Occupational health and safety”, 405 “Diversity and equal opportunity”, as well as in the data and performance table in the sustainability report.

Detailed information on the specific KPIs is published at the following link: <https://sustainability.bystronic.com/en/downloads>

The data is from the financial year 2022 as well as prior years. Data for financial year 2023 will be published with our 2023 Sustainability Report.

IV. Safeguarding human rights

A. Policies and due diligence

Bystronic is committed to respecting human rights in all its business activities. Policies and practices ensure that operations are conducted in a manner that respects human rights. These commitments include:

- Human Rights Policy: Bystronic's commitment to respecting human rights is set out in its Code of Conduct, which states that the company will not tolerate human rights abuses in its operations or supply chain. The policy also outlines the company's commitment to:
 - Offer fair working conditions and assurance of fair wages
 - Eliminate child or forced labor
 - Guarantee freedom of assembly and the right to collective bargaining
 - Address grievances
 - Protect against discrimination and harassment.
- Due diligence: Bystronic follows a due diligence approach when dealing with human rights issues. Relevant impacts, risks and opportunities are assessed on an ongoing basis and measures implemented. Bystronic is working on a human rights strategy and corresponding guidelines and is making progress in defining goals, measures and responsibilities related to a range of human rights issues. Measures are also being developed to reduce negative impacts on human rights. The company defines measurable KPIs on human rights issues.
- Reporting with regard to the Ordinance on Due Diligence and Transparency with respect to Minerals and Metals from Conflict-Affected Areas and Child Labor (DDoTr): Based on the detailed analysis conducted and the ordinance's criteria, Bystronic has concluded that the company is exempt from due diligence and reporting obligations with regard to both conflict minerals and child labor.
- Transparency: Bystronic is committed to transparency with regard to human rights.

Bystronic's human rights policy is set out in the chapter, "We support and respect human rights and freedom of association" in its Code of Conduct. The results are published annually in the sustainability report.

B. Measures and effectiveness

Bystronic has practices aimed at protecting human rights, including:

- Signing of the Code of Conduct: Bystronic requires suppliers to agree to and sign the Code of Conduct.
- Monitoring supplier performance: Bystronic continuously refines supply chain audits with regard to human rights.
- Remediation: Bystronic has a process in place to address human rights violations that occur in its operations or supply chain. The process for remedying violations includes, among other things:
 - Investigation of allegations of human rights violations: Bystronic will promptly and thoroughly investigate all allegations of human rights abuses in its operations or supply chain.
 - Take corrective action: if an investigation reveals that a human rights violation has occurred, Bystronic will take appropriate corrective action. This may include suspending or terminating supplier relationships or requiring suppliers to take corrective action.

C. Impacts and main risks

Bystronic has begun a risk assessment in human rights: The last audit that looked for child labor or risk materials in the supply chain did not find any issues. As Bystronic sources components from many countries around the world, the company is working to develop a robust risk management system and improve remediation and prevention processes.

D. Key performance indicators

Bystronic has KPIs related to human rights, including:

- Suppliers on the Ecovadis platform ⁶
- Monitoring of suppliers according to the ESG risk method, including ESG issues
- ESG rating of the company
- Whistleblowing process: tracking human rights complaints in the supply chain

Further information can be found in the data and performance table in our sustainability report.

⁶ EcoVadis is a sustainability rating agency that assesses a company's impact on sustainability using documented evidence - www.ecovadis.com

V. Combating corruption

A. Policies and due diligence

Bystronic fights corruption in all areas of its business activities. A number of policies and practices are in place to prevent and detect corruption, including:

- Anti-corruption policy: Bystronic’s Code of Conduct includes a comprehensive anti-corruption policy that describes the company’s commitment to ethical and transparent business practices. The policy prohibits all forms of bribery and other corrupt practices.
- Due diligence: Bystronic carefully examines suppliers and business partners to ensure that they are not involved in corrupt practices. This includes reviewing supplier documentation, conducting audits and verifying supplier certifications.

The company’s anti-corruption policy is set out in the chapters, “Conduct towards customers, suppliers and business partners” and “Conduct towards competitors,” of the Bystronic Code of Conduct. The results are published annually in the sustainability report.

B. Measures and effectiveness

The company applies various practices to prevent corruption, including:

- Training: Bystronic trains all employees on anti-corruption policies and procedures. The training covers topics such as recognizing and reporting corruption, whistleblowing procedures and the consequences of corruption.
- Monitoring: Bystronic monitors its business activities and relationships with suppliers and business partners for signs of corruption. This includes reviewing transactions, conducting internal investigations, and receiving and investigating whistleblower complaints.
- Review: Bystronic regularly reviews its policies and practices and makes adjustments where necessary.
- Reporting: Bystronic investigates any suspicion of corruption.

C. Impacts and main risks

Corruption can have a negative impact on financial results, reputation, brand image and productivity. It can undermine fair competition, increase legal risks and affect social well-being. This applies to Bystronic and its stakeholders.

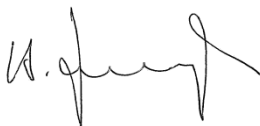
The following areas are most exposed to the risk of corruption: Bribery, kickbacks, contracts, gifts and hospitality, political and charitable donations and sponsorships. None of these areas were deemed as a main risk in the annual report.

Bystronic conducts risk analyses to identify and minimize corruption risks in its business activities.

D. Key performance indicators

Bystronic measures KPIs related to corruption. The central KPI related to corruption is the number of whistleblowing reports: Complaints about corruption in the supply chain and with partners are collected and tracked. Further information can be found in the sustainability report.

Zurich, February 29, 2024



Dr. Heinz O. Baumgartner
Chairman of the Board of
Directors



Dr. Roland Abt
Chairman of the Audit
Committee

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Report of the Audit Committee



“The tender for the internal audit mandate has been successfully completed.”

Dr. Roland Abt
Chairman of the Audit Committee

In 2023, the Audit Committee continued to be comprised of Matthias Auer and Roland Abt (Chairman). In the reporting year, four regular meetings were convened, as well as one special meeting for the assessment of audit firms participating in the tender for the internal audit mandate. In addition to the members of the Audit Committee, the Chairman of the Board of Directors, the CEO, and the CFO of the Group generally also attend regular meetings in an advisory capacity. When items of relevance to the external auditors are on the agenda, their representatives are also present. In addition to the Audit Committee’s typical responsibilities, primarily the analysis of the Annual and Half-Year Financial Statements, the following topics were covered in depth.

The last time a contract was awarded to an external audit firm for the internal audit mandate was in 2015. The Audit Committee was convinced that a new tender for this mandate would be sensible and appropriate. All large audit firms were invited to tender, except for PricewaterhouseCoopers, which holds the external auditors’ mandate as of this year. At a separate meeting in November, the invited firms presented their services in this area. Subsequently, the Audit Committee analyzed the individual offers and selected the firm EY. The firm will begin its work in the first quarter of 2024.

The new requirements for transparency over non-financial matters (Art. 964a ff. CO) need to be fulfilled for the first time for the 2023 financial year. The Audit Committee oversaw the preparations for this new reporting section of the Annual Report.

The Accounting Manual was reviewed to assess whether it was up to date and appropriate. This led to various proposals from the finance department for adjustments in the areas of hedge accounting, share-based payments, provisions for customer financing, and value adjustments on customer receivables. All proposals were approved. They do not lead to any significant changes in the corresponding balance sheet items. The adjustments relate primarily to specifications of the valuation methodology.

The internal audit function, which was carried out by the auditing firm Deloitte, once again performed valuable work in the reporting year. Eight internal audits were carried out, and the Audit Committee discussed the reports in detail. The audit schedule for 2024 with the new internal audit will be discussed and approved in the first quarter. The Audit Committee regularly monitors management’s progress in addressing follow-up items identified during the audits.

The Audit Committee periodically apprises itself of the tax situation. The global minimum tax, which will be in effect in Switzerland as of 2024, is not expected to result in any significant changes in the tax burden of the Bystronic Group, although not all aspects of this matter are known in detail at this time.

A handwritten signature in black ink, appearing to read 'Roland Abt', written in a cursive style.

Dr. Roland Abt
Chairman of the
Audit Committee

Consolidated income statement

CHF million	Note	2023	2022
Net sales	1.1	930.1	1,015.9
Other operating income	1.3	5.1	5.5
Changes in inventories of unfinished and finished goods		-33.1	19.1
Material expenses	1.4	-371.8	-488.4
Personnel expenses	1.4	-251.9	-260.0
Other operating expenses	1.4	-203.1	-222.1
Depreciation and impairment on fixed assets	2.3	-14.4	-14.6
Amortization and impairment on intangible and financial assets	2.4/2.5	-6.6	-7.1
Operating result (EBIT)		54.4	48.1
Financial income	3.3	7.7	3.3
Financial expenses	3.3	-7.0	-6.0
Result before income taxes		55.1	45.4
Income taxes	1.5	-13.1	-8.9
Net result		41.9	36.6
Attributable to shareholders of Bystronic AG		41.9	36.6
Earnings per class A registered share in CHF (diluted/basic)	1.6	20.28	17.69
Earnings per class B registered share in CHF (diluted/basic)	1.6	4.06	3.54

Consolidated balance sheet

CHF million	Note	12/31/2023	12/31/2022
ASSETS			
Current assets			
Cash and cash equivalents	3.1	224.6	216.6
Securities	3.1	124.3	125.0
Trade receivables	2.2	117.5	167.2
Prepayments to suppliers		4.6	6.0
Other receivables	2.2	38.4	46.0
Inventories	2.2	237.9	287.7
Prepaid expenses and accrued income		14.4	14.0
Total current assets		761.6	862.5
Non-current assets			
Fixed assets	2.3	124.4	134.2
Intangible assets	2.4	10.8	11.0
Financial assets	2.5	104.9	110.6
Deferred tax assets	1.5	22.4	24.2
Total non-current assets		262.6	280.0
TOTAL ASSETS		1,024.1	1,142.5
LIABILITIES			
Current liabilities			
Short-term financial liabilities		1.7	0.5
Trade payables		52.2	69.9
Advance payments from customers	2.2	95.3	158.7
Other short-term liabilities	2.2	18.9	34.3
Short-term provisions	2.6	22.6	28.3
Accrued expenses and deferred income	2.2	68.5	83.7
Total current liabilities		259.1	375.4
Non-current liabilities			
Pension fund liabilities	5.1	0.5	0.6
Long-term provisions	2.6	16.7	22.1
Deferred tax liabilities	1.5	17.1	20.3
Total non-current liabilities		34.3	42.9
Total liabilities		293.5	418.3
Equity			
Share capital	3.2	4.1	4.1
Capital reserves		-31.5	-31.4
Treasury shares	3.2	-1.6	-2.2
Retained earnings		759.6	753.7
Total equity		730.6	724.2
TOTAL LIABILITIES AND EQUITY		1,024.1	1,142.5

Consolidated statement of changes in shareholders' equity

CHF million	Note	Share capital	Capital reserves	Treasury shares	Goodwill offset ¹	Translation differences	Cash flow hedges	Other retained earnings ¹	Retained earnings	Total equity
Total equity December 31, 2021		4.1	-30.8	-2.3	-95.9	-66.9	0.4	1,006.7	844.2	815.2
Net result								36.6	36.6	36.6
Dividends								-124.1	-124.1	-124.1
Changes of cash flow hedging							4.3		4.3	4.3
Purchase of treasury shares	3.2			-1.0						-1.0
Share-based compensation			-0.6	1.0						0.4
Recycling of translation differences from sale of business units	4.1					1.4			1.4	1.4
Translation differences						-9.4		0.7	-8.7	-8.7
Total equity December 31, 2022		4.1	-31.4	-2.2	-95.9	-74.9	4.7	919.9	753.7	724.2
Net result								41.9	41.9	41.9
Dividends								-24.8	-24.8	-24.8
Changes of cash flow hedging							0.7		0.7	0.7
Purchase of treasury shares	3.2			-0.5						-0.5
Share-based compensation			-0.0	1.1						1.1
Translation differences						-10.6		-1.4	-12.0	-12.0
Total equity December 31, 2023		4.1	-31.5	-1.6	-95.9	-85.5	5.4	935.6	759.6	730.6

¹ The previous year's figures have been adjusted. The goodwill offset is now shown separately, whereas in the previous year it was included under "Other retained earnings". This has no impact on total equity.

Consolidated cash flow statement

CHF million	Note	2023	2022
Net result		41.9	36.6
Depreciation and impairment on fixed assets		14.4	14.6
Amortization and impairment on intangible and financial assets		6.6	7.1
Gain/loss on disposal of non-current assets		0.0	-0.1
Gain/loss on disposal of investments	4.1		1.4
Change in provisions, deferred taxes and non-current customer loans		-10.7	-3.2
Usage of employer contribution reserve	5.1	5.3	
Share-based compensation	3.2	1.1	0.8
Other non-cash items		13.6	8.1
Increase/decrease in:			
inventories		30.2	-49.3
trade receivables		38.1	-41.1
prepayments to suppliers		1.0	0.2
other receivables, prepaid expenses and accrued income		4.5	-8.2
trade payables		-14.0	-7.7
advance payments from customers		-54.3	11.0
other liabilities, accrued expenses and deferred income		-24.4	13.3
Cash flow from operating activities		53.6	-16.5
Investment in fixed assets	2.3	-13.2	-18.1
Divestment of fixed assets		1.2	0.2
Investment in intangible assets	2.4	-6.2	-5.3
Divestment of intangible assets		0.0	0.0
Investment in financial assets and securities		-126.3	-126.3
Divestment of financial assets and securities		125.7	30.4
Sale of business activities	4.1		19.1
Cash flow from investing activities		-18.9	-99.9
Cash flow from operating and investing activities		34.7	-116.4
Purchase of treasury shares	3.2	-0.5	-1.0
Dividends paid to shareholders of Bystronic AG		-24.8	-124.1
Increase/repayment in short-term financial liabilities		1.3	-3.4
Increase/repayment in long-term financial liabilities		0.0	-1.7
Increase/repayment in other long-term liabilities		-0.0	-0.0
Cash flow from financing activities		-24.0	-130.1
Effect of currency translation on cash and cash equivalents		-2.7	-2.5
Change in cash and cash equivalents		8.0	-249.1
Reconciliation of change in cash and cash equivalents			
Cash and cash equivalents at beginning of period		216.6	465.7
Cash and cash equivalents at the end of period		224.6	216.6

Notes to the consolidated financial statements

Information on the report

General information

The consolidated financial statements comprise the individual financial statements of the group companies of Bystronic AG for the financial year from January 1, 2023, to December 31, 2023. They were prepared in accordance with uniform guidelines and comply with Swiss GAAP FER (Accounting and Reporting Recommendations), including Swiss GAAP FER 31 “Complementary Recommendations for listed entities” and Swiss law. With the exception of derivative financial instruments, which are measured at fair value, the consolidated financial statements are based on historical costs. The same accounting and valuation principles have been used as in the previous year. The principle of individual valuation has been applied to assets and liabilities. Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided. All ratios and variances are calculated using the underlying amount rather than the rounded amount presented.

The consolidated financial statements were approved for publication by the Board of Directors on February 27, 2024. They are also subject to approval by the General Assembly.

Changes in accounting principles

The Swiss GAAP FER Commission approved the new recommendation “Swiss GAAP FER 28 – Government Grants” (FER 28) in November 2021 and the revised recommendation “Swiss GAAP FER 30 – Consolidated financial statements” (FER 30) in May 2022. Both recommendations are applicable to annual financial statements beginning on January 1, 2024. Early adoption is possible.

The provisions in FER 28 define the accounting treatment and disclosure of government grants. Based on an assessment, Bystronic assumes that the application of FER 28 will not have a material impact on the consolidated financial statements.

The amendments in FER 30 specify in particular the accounting treatment of step-acquisitions, goodwill and translation differences related to equity-like loans. Under the new recommendation, intangible assets, which were not previously recognized by the acquired subsidiary and are relevant to the decision to acquire a company, are to be identified and recognized. For the initial application of FER 30, new provisions related to goodwill are not applied retrospectively.

An early application of FER 28 and FER 30 (revised) was not made. No further changes of standards have been published.

Scope and method of consolidation

The consolidated financial statements include the financial statements of Bystronic AG and of all group companies directly or indirectly controlled by Bystronic AG, through investments with more than 50% of the votes or by other means. These group companies are fully consolidated. The share of the minority shareholders in the net assets and net result is disclosed separately. Intragroup receivables and payables as well as expenses and income are offset against each other and intragroup profits have been eliminated.

The assets and liabilities of companies, which are included in consolidation for the first time, are measured at fair value. Goodwill arising from this revaluation is offset against equity. First-time consolidations are included from the date on which control is acquired and deconsolidations from the date on which control is relinquished. When companies are sold or liquidated, the goodwill offset against equity is reflected in the income statement.

Investments in associated companies or entities (of at least 20%, but less than 50% of the voting rights) are accounted for under the equity method. Securities held as non-current assets are valued at acquisition cost, less any necessary value adjustments.

Currency translation

The consolidated financial statements of Bystronic AG are presented in Swiss francs (CHF). The financial statements of foreign companies are prepared in their respective functional currencies and translated into Swiss francs for consolidation purposes. The resulting currency effects are recognized in equity. Foreign currency gains and losses on long-term equity-like loans to group companies are also recorded in equity. Following the sale or liquidation of companies, these effects are reflected in the income statement. All gains and losses resulting from foreign currency transactions and adjustments to foreign currency balances at the balance sheet date are recognized in the income statement.

Significant estimates made by management

In preparing the consolidated financial statements, certain assumptions are made that affect the accounting basis to be used and the amounts reported as assets, liabilities, income and expenses and the presentation of these amounts. The assumptions are set out in the following notes:

- Income taxes – [note 1.5](#)
- Inventories – [note 2.2](#)
- Fixed assets – [note 2.3](#)
- Intangible assets – [note 2.4](#)
- Provisions – [note 2.6](#)

Definition of alternative performance measures

Where relevant for the reader, Bystronic has included specific subtotals, which can be found in the relevant table. Furthermore, Bystronic uses the following key figures in its external financial communications:

- Order intake – [note 1.1](#)
- Backlog – [note 1.2](#)
- Net operating assets and return on average net operating assets (RONOA) – [note 2.1](#)
- Operating free cash flow – [note 2.1](#)

Events after the balance sheet date

There are no events after the balance sheet date that either require a value adjustment to the assets and liabilities recognized in the balance sheet or require disclosure.

1 Performance

1.1 Segment information: order intake/net sales

Order intake¹

Order intake is an important performance indicator. An order is recognized when a sales contract is signed, an initial down payment received and the customer's product orders placed at the production plants.

CHF million	2023	2022
EMEA	368.5	508.8
Americas	290.3	308.7
China	65.4	77.4
APAC	69.8	114.7
Order intake	794.0	1,009.5

¹ Order intake was not subject to the audit.

Net sales

CHF million January - December 2023	Net sales third parties	Net sales interregion	Total net sales
EMEA	453.3	181.8	635.1
Americas	335.1	3.6	338.7
China	63.5	41.9	105.4
APAC	78.2	3.8	82.0
Eliminations		-231.1	-231.1
Net sales	930.1		930.1

CHF million January - December 2022	Net sales third parties	Net sales interregion	Total net sales
EMEA	500.1	222.1	722.2
Americas	315.9	4.5	320.4
China	83.3	77.0	160.3
APAC	116.5	3.6	120.1
Eliminations		-307.1	-307.1
Total	1,015.9		1,015.9

With reference to the recommendation for listed companies (FER 31/8), Bystronic refrains from disclosing segment results in the interest of the shareholders for the following reasons:

- Impairment of negotiating positions:
The disclosure of segment results would allow conclusions to be drawn about pricing, which could significantly affect Bystronic's negotiating position.
- Competitive disadvantage compared to competitors:
Bystronic's competitors do not disclose segment information and detailed segment results. Thus, the disclosure of segment results would put Bystronic at a competitive disadvantage compared to its competitors as the results allow conclusions to be drawn about the margin and cost situation per segment.

Accounting principles

External segment reporting is based on the internal reporting used by the Executive Committee and the Board of Directors for corporate management purposes. There are four regional segments at Bystronic: EMEA, Americas, China and APAC.

Machine sales are recognized when the risks and rewards of ownership have been transferred to the buyer. Hence, revenue is recognized upon completion of the installation and when the machine is ready for operation. This is generally recorded in an acceptance protocol. The revenue is recognized separately for transactions with separable components. Services rendered are recognized as revenue based on their stage of completion if this can be reliably estimated. Net sales correspond to the expected value of the services provided, net of sales and value-added taxes, sales deductions such as sales bonuses, rebates and discounts granted as well as value adjustments and currency effects on trade receivables.

1.2 Backlog¹

The backlog at the end of the period equals the backlog at the end of the previous period, adjusted for foreign currency effects, plus the order intake of the reporting period minus net sales of the reporting period.

CHF million	12/31/2023	12/31/2022
Backlog	252.9	413.0

¹ Backlog was not subject to the audit.

1.3 Other operating income

Other operating income includes proceeds from the sale of fixed assets and obsolete materials and income from subsidies and insurance payments.

1.4 Operating expenses

Material expenses

Material expenses include all expenses for raw, auxiliary and operating materials as well as expenses for the external manufacture, processing or treatment of own products (external services).

Compared to the decrease in net sales of 8.4%, material expenses dropped disproportionately by 13.7%, taking into account the changes in inventories of unfinished and finished goods. The ratio of the adjusted material expenses to net sales (materials ratio) amounted to 43.5%, 2.7 percentage points lower than in the previous year. The lower materials ratio compared to the previous year is due on one hand to a higher share of sales from the service business and on the other hand to savings in procurement and sales price increases.

Personnel expenses

CHF million	2023	2022
Wages and salaries	202.2	210.2
Social security benefits	43.5	42.4
Other personnel expenses	6.2	7.3
Total personnel expenses	251.9	260.0
Average number of full-time equivalents	3,573	3,679

Bystronic's personnel expenses decreased by 3.1% compared to the previous year. In relation to sales, personnel expenses increased by 1.5 percentage points to 27.1%.

Some Bystronic companies received short-time working compensation or similar personnel-related state subsidies. These were credited to personnel expenses and amounted to CHF 0.3 million (previous year: CHF 0.1 million).

The average number of employees sank by 2.9% to 3,573 full-time equivalents. The decrease was seen in particular production as a result of an economy-related decline in demand.

Other operating expenses

CHF million	2023	2022
Direct costs of sold products	81.5	88.7
Purchased services ¹	49.2	49.3
Maintenance, rent, leasing and energy	30.2	30.1
Sales, marketing and administration	28.5	36.4
Sundry operating expenses	13.6	17.5
Total other operating expenses	203.1	222.1

¹ Purchased services include consulting and audit, IT, research and development and insurances, among others.

Compared to the previous year, other operating expenses of Bystronic decreased by 8.6%. Both the direct costs of goods sold and the costs of purchased services and for exhibitions dropped. In relation to net sales, other operating expenses decreased by 0.2 percentage points to 21.8%.

1.5 Income taxes

CHF million	2023	2022
Current income taxes	14.8	13.2
Deferred taxes	-1.7	-4.3
Total income taxes	13.1	8.9

Current income taxes include taxes paid and still owed on the taxable income of the individual companies.

	Tax rate 2023	Income taxes 2023	Tax rate 2022	Income taxes 2022
Average applicable tax rate and income taxes	22.2%	12.2	20.0%	9.1
Effect of non-recognition of tax losses in current year	2.8%	1.6	1.4%	0.7
Use of unrecognized tax loss carryforwards	-0.2%	-0.1	-1.2%	-0.6
Reassessment of tax loss carryforwards	0.8%	0.5	-1.1%	-0.5
Other influences	-1.9%	-1.1	0.5%	0.2
Effective tax rate and income taxes	23.8%	13.1	19.5%	8.9

The expected tax rate for Bystronic of 22.2% (previous year: 20.0%) corresponds to the weighted average of tax rates in the respective tax jurisdictions. The effective tax rate is 23.8% (previous year: 19.5%) on the ordinary income before taxes. The increase from the average applicable tax rate to the effective tax rate is mainly due to the non-recognition of tax losses in the current year.

Bystronic calculates deferred taxes at the tax rates actually expected to apply to the temporary differences in the individual companies. This was weighted on average 19.8% (previous year: 18.0%). Deferred tax assets from loss carryforwards amounted to CHF 4.0 million (previous year: CHF 3.3 million).

Loss carryforwards of CHF 28.6 million (previous year: CHF 22.5 million) were not capitalized.

Significant estimates made by management

Significant estimates have to be made to determine the amount of current and deferred income tax assets and liabilities. Some of these estimates are based on the interpretation of existing tax legislation and regulations. Various internal and external factors may have favorable or unfavorable effects on income tax assets and liabilities. These factors include, but are not limited to, changes in tax legislation and regulations and their interpretation, changes in tax rates and in the overall level of earnings before taxes. Such changes may impact the current and deferred income tax assets and liabilities recognized in future reporting periods.

Accounting principles

Income taxes include current and deferred income taxes. All tax liabilities are accrued, irrespective of their maturity. The expected taxes on the valuation differences between the group's carrying amounts and the tax bases are accrued at the expected income tax rates for the companies. The change in these deferred taxes is recognized through tax expenses. The deferred tax assets from offsetting loss carryforwards and temporary valuation differences are only capitalized if it is highly probable that future taxes on profits can be offset.

Bystronic is within the scope of the OECD BEPS 2.0 Pillar Two Model Rules. Due to the complexity in applying the legislation and calculating the GloBE ETR (effective tax rate according to GloBE), the quantitative impact of the legislation enacted or entered into force cannot yet be conclusively assessed. As numerous countries have postponed the enactment and the effects of the provision cannot yet be conclusively assessed, no adjustment has been made to deferred taxes. However, as the legislation had not yet come into force at the reporting date, there was no impact on current income taxes in the reporting year. It is likely that the safe harbour rules will apply for the majority of cases in the future. Despite of this, there could be tax implications even for companies with an effective tax rate of over 15%. Bystronic is monitoring further developments and is currently working with tax specialists to assist with the analysis of the impact.

1.6 Earnings per share

CHF	2023	2022
Net result attributable to shareholders of Bystronic AG	41,947,000	36,584,000
Average number of class A registered shares (nominal value: CHF 2.00)	1,825,567	1,825,040
Average number of class B registered shares (nominal value: CHF 0.40)	1,215,000	1,215,000
Earnings per class A registered share in CHF (diluted/basic)	20.28	17.69
Earnings per class B registered share in CHF (diluted/basic)	4.06	3.54

Share-based payments do not lead to a dilution of earnings per share.

Accounting principles

Earnings per share category were calculated on the basis of the portion of net income attributable to the shareholders of Bystronic AG, based on their portion of the share capital and the average number of outstanding shares (issued shares less treasury shares).

2 Invested capital

2.1 Net operating assets and operating free cash flow

Bystronic uses the key figures “Net operating assets”, “Return on net operating assets (RONOA)” and “Operating free cash flow” to manage its operating performance, among others.

Net operating assets and return on net operating assets

CHF million	12/31/2023	12/31/2022
Trade receivables	117.5	167.2
Prepayments to suppliers	4.6	6.0
Other receivables (without derivatives)	28.1	33.9
Inventories	237.9	287.7
Prepaid expenses and accrued income	14.4	14.0
Fixed assets	124.4	134.2
Intangible assets	10.8	11.0
Long-term receivables and loans	20.7	24.2
Deferred tax assets	22.4	24.2
Trade payables	-52.2	-69.9
Advance payments from customers	-95.3	-158.7
Other liabilities (without derivatives)	-17.3	-31.5
Accrued expenses and deferred income	-68.5	-83.7
Short-term and long-term provisions	-39.2	-50.4
Deferred tax liabilities	-17.1	-20.3
Net operating assets (NOA)	291.0	288.0
Net operating assets (NOA), average	289.5	253.4
Operating result (EBIT)	54.4	48.1
Applied tax rate	24.6%	20.3%
Return on net operating assets (RONOA) after tax	14.2%	15.1%

For the calculation of the net operating assets (NOA) effects from the disposals of discontinued operations are not taken into account. Therefore, in the calculation of the NOA, financial assets (non-current receivables and loans) are reduced by CHF 64.3 million (previous year: CHF 62.5 million). The interest on the vendor loan of CHF 1.7 million (previous year: CHF 1.7 million) is also not taken into account when calculating the allowable tax expense or the applied tax rate.

Return on net operating assets (RONOA) after tax is calculated from the operating profit (EBIT) after deduction of the chargeable tax expense in relation to the average net operating assets between January 1 and the relevant balance sheet date.

Operating free cash flow

CHF million	2023	2022
Cash flow from operating activities	53.6	-16.5
Investment in fixed assets	-13.2	-18.3
Divestment of fixed assets	1.2	0.2
Investment in intangible assets	-6.2	-5.1
Investment in financial assets	-2.0	-1.3
Divestment of financial assets	0.7	0.4
Operating free cash flow	34.0	-40.6
in % of net sales	3.7%	-4.0%
Sale of business activities		19.1
Purchase of marketable securities	-124.3	-125.0
Sale of marketable securities	125.0	30.0
Free cash flow	34.7	-116.4

Operating free cash flow is calculated on the basis of cash flows from operating activities less selected items of cash flows from investment activities. Compared to free cash flow, operating free cash flow excludes changes in marketable securities and money market instruments with a maturity of more than 90 days as well as the acquisition and divestment of business activities.

2.2 Net working capital**Trade receivables**

CHF million	12/31/2023	12/31/2022
Gross values	129.5	176.7
Value adjustments	-12.0	-9.5
Net values	117.5	167.2

Specific and general value adjustments were recognized for receivables at risk. The general value adjustment is based on empirical values.

Other receivables

Other receivables mainly include recoverable value-added taxes, the positive market values of open derivative financial instruments as of the balance sheet date as well as other tax refund claims.

Inventories

CHF million	12/31/2023	12/31/2022
Raw materials, supplies and spare parts	143.5	145.4
Semi-finished goods and work in progress	26.6	45.2
Finished goods	123.1	148.2
Value adjustment on inventories	-55.4	-51.2
Total inventories	237.9	287.7

Due to the reduction of backlog and the decline in incoming orders, inventories decreased by CHF 49.8 million during the reporting year.

Advance payments from customers

After placing their orders, customers make corresponding advance payments. These decreased in the reporting year due to a decline in incoming orders and delayed machine acceptances in the previous year.

Other short-term liabilities

This position includes taxes owed, social security contributions, customers with credit balances and negative market values of open derivative financial instruments as of the balance sheet date. The decrease compared to the previous year is primarily due to the reduction in VAT owed.

Accrued expenses and deferred income

CHF million	12/31/2023	12/31/2022
Accruals for personnel expenses	18.7	20.6
Deferred income	14.7	20.7
Accruals and deferrals for current income taxes	15.1	19.5
Other accruals and deferrals	19.9	22.9
Total accrued expenses and deferred income	68.5	83.7

Accrued expenses and deferred income include amounts from the accrual of expenses and deferred income. Other accruals and deferrals include goods and services purchased from third parties but not yet invoiced commissions, consulting, audit as well as installation and service costs.

Significant estimates made by management

In assessing the recoverability of inventories, estimates are made on the basis of expected consumption, price trends (lower of cost or market principle) and loss-free valuation. The estimates used to determine value adjustments on inventories are reviewed annually and amended as necessary.

Accounting principles

Trade and other receivables are stated at nominal value, less value adjustments for doubtful accounts.

Inventories are valued at the lower of cost or market. Production costs are calculated without imputed interest. Risks arising in connection with inventories difficult to sell or with a long storage period are accounted for by means of value adjustments.

Liabilities are recognized in the balance sheet at nominal value.

2.3 Fixed assets

CHF million	Factory buildings	Plant and machinery	Tooling, furniture, vehicles	Assets under construction	Undeveloped real estate	Total fixed assets
Cost at 12/31/2021	107.9	93.5	29.6	15.6	8.2	254.7
Additions	2.7	10.0	3.3	2.2		18.1
Disposals		-3.1	-1.3	-0.1		-4.6
Changes in scope of consolidation		-0.0	-0.1	-0.0		-0.2
Reclassifications	10.0	3.3	1.2	-14.5		
Currency translation effects	-1.6	-1.8	-1.0	-0.4	0.1	-4.7
Cost at 12/31/2022	119.0	101.9	31.6	2.7	8.3	263.4
Additions	0.8	8.3	1.6	1.8		12.4
Disposals		-2.3	-0.6	-0.5		-3.4
Reclassifications	1.6	-1.1	1.4	-1.8		
Currency translation effects	-5.7	-2.7	-1.5	-0.1	-0.5	-10.5
Cost at 12/31/2023	115.6	104.1	32.5	2.1	7.8	262.0
Accumulated depreciation at 12/31/2021	42.8	57.1	21.8			121.6
Ordinary depreciation	3.4	7.0	3.8			14.2
Impairments		0.3	0.1			0.4
Disposals		-3.1	-1.4			-4.5
Changes in scope of consolidation		-0.0	-0.1			-0.2
Currency translation effects	-0.6	-1.0	-0.7			-2.3
Accumulated depreciation at 12/31/2022	45.5	60.2	23.5			129.3
Ordinary depreciation	3.6	6.9	3.4			13.9
Impairments		0.0	0.0	0.5		0.5
Disposals	0.0	-1.2	-0.6	-0.5		-2.2
Reclassifications		-0.2	0.2			0.0
Currency translation effects	-1.2	-1.5	-1.1			-3.8
Accumulated depreciation at 12/31/2023	47.9	64.3	25.5			137.7
Net book value of fixed assets at 12/31/2022	73.5	41.6	8.1	2.7	8.3	134.2
Net book value of fixed assets at 12/31/2023	67.7	39.9	7.0	2.1	7.8	124.4

Additions to fixed assets in 2023 mainly relate to investments in operating facilities at the production sites in Niederönz (Switzerland) and Gotha (Germany), where a company-owned energy center was built for more sustainable energy production.

Significant estimates made by management

The recoverability of fixed assets is assessed when there are indications of impairment. If there are indications of impairment, the recoverable amount is calculated. If the carrying amount of an asset exceeds its recoverable amount, an additional value adjustment is recognized. The calculation of the recoverable amount includes the estimation of future cash flows, the determination of the discount factor and the growth rate based on forecasted expectations. Actual cash flows may differ from the discounted future cash flows based on these estimates. Likewise, useful lives may be shortened or values may decline as a result of changes in use due to the relocation or abandonment of sites or if sales are lower than expected in the medium term.

Accounting principles

Land is carried at acquisition cost less any value adjustments. Other fixed assets are valued at acquisition or production cost less any necessary depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. The useful lives are as follows:

Factory buildings	30 to 40 years
Plant and machinery	5 to 12 years
Tooling, furniture and vehicles	2 to 8 years

2.4 Intangible assets

CHF million	Software	Other intangible assets	Total intangible assets
Cost at 12/31/2021	41.6	2.1	43.8
Additions	5.4	0.0	5.3
Disposals	-6.2		-6.2
Currency translation effects	-0.2	-0.0	-0.3
Cost at 12/31/2022	40.5	2.1	42.7
Additions	5.9		5.9
Disposals	-1.6	-0.6	-2.2
Reclassifications	0.0	-0.0	
Currency translation effects	-0.5	-0.0	-0.5
Cost at 12/31/2023	44.4	1.5	45.9
Accumulated depreciation at 12/31/2021	30.9	1.4	32.5
Ordinary depreciation	5.5	0.3	5.8
Disposals	-6.2		-6.2
Currency translation effects	-0.2	-0.0	-0.3
Accumulated depreciation at 12/31/2022	30.1	1.6	31.7
Ordinary depreciation	5.5	0.2	5.7
Impairments	0.2		0.2
Disposals	-1.6	-0.5	-2.1
Currency translation effects	-0.4	-0.0	-0.4
Accumulated depreciation at 12/31/2023	33.8	1.3	35.1
Net book value of intangible assets at 12/31/2022	10.5	0.5	11.0
Net book value of intangible assets at 12/31/2023	10.6	0.2	10.8

The additions basically relate to investments in the digitalization and automation of business processes. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. The useful lives are as follows:

Software	3 to 5 years
Other intangible assets	3 to 5 years

Goodwill

Theoretical capitalization of goodwill would result in the following effects on the consolidated financial statements:

Theoretical assets' analysis of goodwill:

CHF million	2023	2022
Cost at 1/1	85.4	90.8
Currency translation effects	-8.2	-5.4
Cost at 12/31	77.2	85.4
Accumulated depreciation at 1/1	82.6	81.6
Ordinary depreciation	2.3	6.1
Currency translation effects	-8.2	-5.1
Accumulated depreciation at 12/31	76.8	82.6
Net book value of goodwill at 1/1	2.8	9.2
Net book value of goodwill at 12/31	0.4	2.8

Theoretical impact on income statement:

CHF million	2023	2022
Operating result (EBIT)	54.4	48.1
EBIT margin in %	5.8%	4.7%
Amortization of goodwill	-2.3	-6.1
Theoretical operating result (EBIT) incl. amortization of goodwill	52.0	42.0
Theoretical EBIT margin in %	5.6%	4.1%
Net result	41.9	36.6
Amortization of goodwill	-2.3	-6.1
Theoretical net result incl. amortization of goodwill	39.6	30.5

Theoretical impact on balance sheet:

CHF million	12/31/2023	12/31/2022
Equity as per balance sheet	730.6	724.2
Theoretical activation of net book value of goodwill	0.4	2.8
Theoretical equity incl. net book value of goodwill	731.0	727.0
Shareholders' equity in % of total assets	71.3%	63.4%
Theoretical equity incl. net book value of goodwill in % of total assets	71.4%	63.5%

Significant estimates made by management

The recoverability of intangible assets (including goodwill) is assessed when there are indications of impairment. If there are such indications, the recoverable amount is calculated. If the carrying amount of an asset or the cash-generating unit to which the asset belongs exceeds its recoverable amount, an additional impairment loss is recognized. The calculation of the recoverable amount includes the estimation of future cash flows, the determination of the discount factor and the growth rate based on forecasted expectations. Actual cash flows may differ from the discounted future cash flows based on these estimates.

Accounting principles

Intangible assets are carried at acquisition cost less any value adjustments. Amortization is calculated on a straight-line basis over the estimated useful lives of the assets, which is normally between three and five years for software.

Research and development costs are reflected in the income statement.

Goodwill resulting from acquisitions of control is offset against retained earnings at the time of acquisition. On disposal or liquidation of a business unit, the goodwill previously offset against equity is reflected in the income statement. For shadow accounting purposes, goodwill is generally amortized on a straight-line basis over its useful life, which is normally five years.

2.5 Other financial assets

CHF million	12/31/2023	12/31/2022
Assets from employer contribution reserves	16.0	20.4
Long-term receivables and loans	85.0	86.8
Securities held as non-current assets	4.0	3.4
Total financial assets	104.9	110.6

Further details on the change in assets from employer contribution reserves can be found in [note 5.1](#). Non-current receivables and loans include long-term customer loans, deposits for rents and the granting of a vendor loan (including accrued interest) of CHF 64.3 million (previous year: CHF 62.5 million) in connection with the sale of Mammot Sports Group, which must be repaid by the buyer by January 2027 at the latest. Financial assets are value adjusted by CHF 3.2 million (previous year: CHF 3.7 million). There are value adjustments on long-term customer loans due to outstanding payments of CHF 3.0 million (previous year: CHF 2.4 million) and on non-recoverable securities of CHF 0.2 million (previous year: CHF 1.3 million).

Accounting principles

Financial assets are recorded at acquisition cost, less any value adjustments.

2.6 Provisions and contingent liabilities

CHF million	Warranty	Litigation	Other	Total provisions
Provisions at 12/31/2021	23.5	4.6	20.1	48.2
Additions	27.0	0.1	2.1	29.2
Use	-18.7	-0.0	-0.7	-19.5
Release	-3.9	-1.8	-0.4	-6.2
Changes in scope of consolidation	-0.0			-0.0
Currency translation effects	-0.9	-0.0	-0.4	-1.3
Provisions at 12/31/2022	26.9	2.8	20.6	50.4
Additions	27.0	0.1	3.0	30.1
Use	-26.4	-0.1	-3.5	-30.0
Release	-3.6	-1.1	-4.5	-9.1
Currency translation effects	-1.5	-0.0	-0.6	-2.2
Provisions at 12/31/2026	22.5	1.7	15.0	39.2
of which short-term 2022	22.4	0.0	5.9	28.3
of which short-term 2023	18.0	0.0	4.6	22.6

Warranty provisions relate to the sale of products and are based on empirical values. Experience shows that the corresponding cash outflow occurs evenly over the warranty period of one to five years.

Provisions for litigations mainly relate to legal cases arising from intellectual property rights and potential guarantees and indemnities in connection with the sale of discontinued operations, where the timing of the cash outflow of the liabilities is uncertain as it depends on the progress of negotiations or proceedings.

Other provisions include in particular those for long-service awards and retirement benefits that do not qualify as employee benefit obligations, provisions for impending losses on purchase commitments under master purchase agreements and provisions for tax liabilities.

Contingent liabilities

In connection with customer financing, there were repurchase obligations for machines to leasing companies for CHF 27.4 million (previous year: CHF 31.2 million). Bystronic companies guarantee to beneficiary leasing companies that it will take the machines back if the lessees fail to pay the agreed installments.

Significant estimates made by management

The amount of provisions is primarily determined by the estimated future costs. The calculation for warranty claims is based on sales of products, contractual agreements and empirical values. In addition to the lump-sum calculation, individual provisions are taken into account for claims that have occurred or have been reported based on the management's assessment. The lump-sum provision is reduced by the individual provision.

Accounting principles

Provisions are recognized when an event has occurred prior to the balance sheet date that gives rise to a probable obligation where the amount and/or timing is uncertain but can be estimated. This obligation may be based on legal or factual grounds.

3 Financing and risk management

3.1 Cash, cash equivalents and securities

Cash and cash equivalents include cash on hand, bank account balances, time deposits and interest-bearing bonds with a remaining maturity of 90 days or less.

Securities include time deposits with a remaining maturity of more than 90 days.

3.2 Shareholders' equity

Share capital

The share capital of CHF 4.1 million is divided into 1,827,000 class A registered shares with a nominal value of CHF 2.00 each and 1,215,000 class B registered shares with a nominal value of CHF 0.40 each.

Treasury shares/Share-based compensation

CHF million		12/31/2023	12/31/2022
Treasury shares held			
Class A registered shares	Number	2,093	1,951
Average purchase price	CHF	768	1,145
Acquisition for participation program			
		2023	2022
Class A registered shares	Number	1,000	1,000
Average purchase price	CHF	504	981
Disposal of treasury shares			
		2023	2022
to the Board of Directors, Executive Committee and other members of the management	Number	858	864
Average transaction price ¹	CHF	663	911
Cash value	CHF million	0.6	0.8

¹ The transaction price corresponded to the market value.

The basic compensation of the members of the Board of Directors is paid in cash and in shares (approx. 50% each). The shares are subject to a four-year vesting period. Neither discounts nor performance components are taken into account for the calculation of the share allocation to members of the Board of Directors. The average share price over three months from November 1 to January 31 of the respective term of office is used.

In the reporting year, a new long-term incentive (LTI) plan was introduced for members of the Group Executive Board. This is a performance share unit plan (PSU). One PSU entitles the plan participant to receive one share in the future, provided certain conditions are fulfilled at the end of the vesting period. The number of allocated PSUs is based on the target LTI value guaranteed by the employment contract. The target LTI value amounts to 20% of the total target compensation for all Executive Committee members, including the CEO. The target LTI value divided by the fair value of the PSUs on the day of allocation yields the number of PSUs granted, whereby fractions are rounded up to the next whole number. The fair value of the PSUs is determined by a specialized consulting firm according to internationally recognized methods. Allocation takes place on April 1 each year, for the first time during the reporting year. The allocated PSUs are vested after three years; for each vested PSU, the plan participant is entitled to a class A registered share of Bystronic AG. The number of PSUs actually vested depends on the fulfillment of two specific performance targets over the three-year performance period. The first share allocation under this plan will be transferred in 2026. Further information on the plan can be found in the [compensation report](#).

There was a deferred share-based performance component (long-term incentive) for the CEO until the end of 2022. The sole performance parameter was earnings per share (EPS) for the current financial year, whereby the shares were allocated in the following year. Depending on the actual EPS target achievement, the cash value of the share allocation could vary between 0% and a maximum of 150% (cap) of the target LTI value. The calculated monetary value was divided by the average share price from November 1 of the current period to January 31 of the following period to determine the number of shares allocated at a discount of 10%. The prerequisite for a share allocation was an employment relationship that has not been terminated at the allocation time. The transferred shares transferred remain blocked for four years. In the event of disability, death or employment termination following a change of control, the blocking period does not apply.

The remaining members of the Executive Committee were entitled to participate in the share-based LTI program until the end of 2022. This was a "restricted share unit" (RSU) plan. The target LTI value for members of the Executive Committee (excluding the CEO) was 15% of the total target compensation. The first allocation of share rights (RSUs) took place at the end of March 2018. The actual LTI value for the management level mentioned above depends on earnings per share (EPS) and could vary between 100% and 150% of the target LTI value. The calculated monetary value was divided by the average share price from November 1 of the previous period to January 31 of the current period to determine the number of RSUs granted, without discount. The RSUs are subject to a vesting period of three years, starting on the grant date and ending on the vesting date. The conversion of the vested RSUs into shares of Bystronic AG (conversion ratio of 1:1) takes place at the vesting date, provided that there is a continuing employment relationship at that time. The shares transferred to the plan participant can be freely disposed of by the same and are in their name, carrying voting and dividend rights. The last share allocations to members of the Group Executive Board (excluding the CEO) under the RSU plan will be transferred in April 2025. A complete overview of the current RSU plans can be found in the [compensation report](#).

The RSU plan remains in place for selected executives.

For the share-based compensation component for the reporting year, personnel expenses of CHF 1.1 million (previous year: CHF 0.8 million) were recognized.

Compensation and shareholdings

The compensation paid to the Board of Directors and the Executive Committee is disclosed in the Compensation Report, which forms an integral part of this annual report. Their holdings in Bystronic AG are disclosed in the [notes to the financial statements of Bystronic AG](#).

Non-distributable reserves

As of the balance sheet date, the non-distributable reserves of the holding company Bystronic AG amount to CHF 2.4 million (previous year: CHF 3.1 million). Included therein are CHF 1.6 million related to treasury shares (previous year: CHF 2.2 million) and non-distributable reserves of CHF 0.8 million (previous year: CHF 0.8 million).

Accounting principles

Treasury shares are recognized at cost at the time of acquisition. Treasury shares are recognized as a negative item in equity. In the event of a subsequent resale, the profit or loss is credited to legal capital reserves.

Share-based compensation to members of the Board of Directors and the Executive Committee is measured at fair value at grant date and charged to personnel expenses in the period in which the service is rendered.

3.3 Financial result

CHF million	2023	2022
Financial income	7.7	3.3
Financial expenses	-7.0	-6.0
Total financial result	0.7	-2.7

Financial income includes interest income of CHF 6.5 million (previous year: CHF 3.2 million), a positive performance on the assets of the employer contribution reserve of CHF 0.9 million and a gain on marketable securities of CHF 0.3 million (previous year: CHF 0.1 million).

Financial expenses include interest and currency hedging costs (interest rate difference) for the financing of foreign group companies in foreign currencies of CHF 5.7 million (previous year: CHF 3.5 million) and foreign exchange losses of CHF 1.3 million (previous year: CHF 1.2 million). The foreign exchange losses include currency effects from the valuation of cash and cash equivalents, short-term loans between group companies and other financial assets. In the previous year, a negative performance on the assets of the employer contribution reserve of CHF 1.2 million was realized.

3.4 Operating lease

Maturity of operating lease contracts in CHF million	12/31/2023	12/31/2022
Under 1 year	6.0	5.3
1 to 5 years	7.1	6.8
Total operating lease contracts	13.2	12.1

3.5 Other commitments and pledged assets

At balance sheet date, there were no off-balance sheet commitments and no pledged assets.

3.6 Financial risk management

Through its business activities, Bystronic is exposed to financial risks such as in particular currency, credit, liquidity and interest rate risks. Risk management is focused on the unpredictability of developments in the financial markets and aims to minimize the potential negative impact on the group's financial position. Risk management is carried out by Bystronic's finance department in accordance with guidelines approved by the Board of Directors. They define the use of derivatives as well as the handling of foreign currency risks, interest rate risks and credit risks. The guidelines are binding for all Bystronic companies.

Risk	Source	Risk management
Currency risks	Bystronic operates internationally and is therefore exposed to currency risks, which may affect operating profit and the financial result, as well as the Group's equity.	<ul style="list-style-type: none"> - Natural hedging is used by purchasing goods in the currency they will be sold in. - Currency risks are hedged using derivative financial instruments.
Credit risks arising from business operations and financial transactions	The credit risk is the risk of suffering a financial loss if a counterparty is unable to meet its contractual obligations. Credit risks may arise from receivables, financial assets, credit balances with financial institutions, securities and derivative financial instruments.	<ul style="list-style-type: none"> - Independent ratings of financial institutions are periodically reviewed. - Risks of liquid assets are further reduced by using different financial institutions instead of a single bank. - Cluster risks of receivables and financial assets are reduced through broad geographical distribution and a large number of customers. - Customers' creditworthiness is assessed taking account of specific checks and past experience.
Liquidity risks	A liquidity risk results from the risk of being unable to meet financial obligations when they fall due.	<ul style="list-style-type: none"> - A prudent liquidity management includes holding sufficient reserves of liquid funds, which are constantly monitored, and the option of financing through lines of credit.
Interest rate risks	Interest rate risks arise from changes in future interest payments due to fluctuations of market interest rates and from interest-related risks due to changes in market value.	<ul style="list-style-type: none"> - Bystronic does not have any assets and liabilities that would be substantially affected by significant changes in the interest rate environment.

Conversion rates

Currency	Unit	Closing rate		Average rate	
		12/31/2023	12/31/2022	2023	2022
EUR	1	0.9260	0.9847	0.9759	1.0064
USD	1	0.8380	0.9232	0.9028	0.9539
CNY	100	11.7948	13.3823	12.7711	14.2287

Derivative financial instruments

CHF million	12/31/2023	12/31/2022
Contract or nominal values (gross)	317.4	407.4
Positive replacement values	10.3	12.1
Negative replacement values	1.6	2.8

The contracts were concluded to hedge currency risks arising from operating activities in various currencies.

Accounting principles

All open derivatives are recognized at fair value as of the balance sheet date and reported gross in the balance sheet under other receivables or other liabilities. Changes in the value of derivatives used to hedge recognized underlying transactions are recognized in the same way as the underlying transaction. Changes in the value of derivatives used to hedge future cash flows are recognized in equity until the underlying transaction is settled. At the time the hedged item is recognized in the balance sheet, the gain or loss recognized in equity is transferred to the income statement.

4 Group structure

4.1 Disposals

There were no disposals in 2023.

As of June 8, 2022, Bystronic sold the group company OOO Bystronic Laser, Moscow (Russia). The year 2022 includes net sales and operating profit until June 8, 2022. The transaction resulted in a loss on sale of CHF 1.4 million, related to translation differences, which is included in "Other operating expenses".

CHF million	Bystronic OOO Bystronic Laser June 8, 2022
Current assets	0.6
Non-current assets	
Assets	0.6
Current liabilities	0.6
Liabilities	0.6
Net assets divested	0.0
Selling price	0.0
Net assets divested	-0.0
Transaction costs	-0.0
Recycling of translation differences	-1.4
Loss on disposal	-1.4
Selling price received	0.0
Transaction costs paid	-0.0
Cash and cash equivalents disposed of	-0.6
Settlement of intercompany receivables and debts	0.0
Net cash flow 2022	-0.6
Total net cash flow	-0.6

4.2 Changes in the scope of consolidation

Changes in current year

- As of January 1, 2023, Conzzeta Management AG, Zürich (Switzerland) was merged with Bystronic AG, Zürich (Switzerland).

Changes in previous year

- As of January 1, 2022, FMG Verfahrenstechnik AG, Sulgen (Switzerland) was merged with Bystronic Laser AG, Niederönz (Switzerland).
- On June 8, 2022, Bystronic sold the company OOO Bystonic Laser, Moscow (Russia).

4.3 Group companies

Company, domicile	Notes	Country	Company capital	Investment in % direct	Investment in % indirect
Bystronic					
EMEA					
Bystronic Laser AG, Niederönz		CH	CHF 50,000	100	
Bystronic Scandinavia AB, Rosersberg		SE	SEK 200,000		100
Bystronic Maschinenbau GmbH, Gotha		DE	EUR 3,400,100		100
Bystronic Italia S.r.l., Pieve Emanuele		IT	EUR 900,000		100
Bystronic France SAS, Les Ulis		FR	EUR 2,500,000		100
Bystronic Deutschland GmbH, Heimsheim		DE	EUR 52,000		100
Bystronic Ibérica, S.A., San Sebastián de los Reyes		ES	EUR 262,000		100
Bystronic Austria GmbH, Pasching		AT	EUR 300,000		100
Bystronic Benelux B.V., Meerkerk		NL	EUR 18,151		100
Bystronic UK Ltd., Coventry		UK	GBP 1,200,000		100
Bystronic Sales AG, Niederönz		CH	CHF 200,000		100
Bystronic Polska Sp. z o.o., Komorów		PL	PLN 1,000,000		100
Bystronic Czech Republic s.r.o., Brno		CZ	CZK 6,000,000		100
Bystronic Lazer ve Bükme Makineleri Sanayi ve Ticaret Ltd Şti, Istanbul		TR	TRY 660,000		100
OOO Bystronic Laser, Moscow	1	RU			
S.C. Bystronic Laser S.R.L., Brasov		RO	RON 3,277,000		100
LLC Bystronic Ukraine, Kyiv		UA	UAH 15,900,873		100
FMG Verfahrenstechnik AG, Sulgen	2	CH			
Bystronic Magyarország Kft., Budaörs		HU	HUF 25,000,000		100
Bystronic Automation Technology S.p.A., San Giuliano Milanese		IT	EUR 250,000		100
Bystronic Tube Processing S.p.A., Cazzago San Martino		IT	EUR 750,000		100
Kurago Software, S.L., Bilbao		ES	EUR 3,000		100
Americas					
Bystronic Inc., Hoffman Estates		US	USD 250,000		100
Bystronic Mexico, S.A. de C.V., Apodaca		MX	MXN 106,500,000		100
Bystronic do Brasil Ltda., Colombo		BR	BRL 9,000,000		100
Bystronic Canada Ltd., Mississauga		CA	CAD 100,000		100
Bystronic Manufacturing Americas, LLC, Hoffman Estates		US	USD 1,000,000		100
China					
Bystronic Co., Ltd. (Shanghai), Shanghai		CN	CNY 43,406,070		100
Bystronic (Tianjin) Laser Ltd., Tianjin		CN	CNY 76,792,070		100
Bystronic (Shenzhen) Laser Technology Co., Ltd., Shenzhen		CN	CNY 44,600,000		100
Bystronic (Shanghai) Automation Technology Co., Ltd., Shanghai		CN	CNY 30,000,000		100
APAC					
Bystronic Pte. Ltd., Singapore		SG	SGD 4,050,000		100
Bystronic Korea, Ltd., Incheon		KR	KRW 14,800,000,000		100
Bystronic Laser India Private Ltd., Pune		IN	INR 602,420		100
Bystronic Japan, Ltd., Tokyo		JP	JPY 100,000,000		100
Bystronic International Laser Ltd., New Taipei City		TW	TWD 5,000,000		100

Bystronic Australia Pty Ltd, Cranbourne West	AU	AUD	100,000	100
Bystronic Vietnam Co., Ltd., Ho Chi Minh City	VN	VND	33,165,000,000	100
Bystronic (Thailand) Co., Ltd., Bangkok	TH	THB	15,000,000	100
Kurago Asia Ltd., Changwon	KR	KRW	101,000,000	100

Corporate entities

Bystronic Holding Deutschland AG, Leverkusen	DE	EUR	6,000,000	100
Conzzeta Management AG, Zurich	³	CH		
Bystronic Grundstücksverwaltungs GmbH, Leverkusen	DE	EUR	50,000	100
Bystronic Vermögensverwaltungs GmbH & Co. KG, Leverkusen	DE	EUR	100,000	100
Kureta GmbH, Leverkusen	DE	EUR	100,000	100

¹ Divested as per June 8, 2022

² Merger with Bystronic Laser AG as per January 1, 2022

³ Merger with Bystronic AG as per January 1, 2023

5 Other notes

5.1 Employee benefit plans

CHF million	Balance 12/31/2023	Balance 12/31/2022	Result in personnel expenses 2023	Result in financial income 2023	Result in personnel expenses 2022	Result in financial income 2022
Employer contribution reserves						
Employer-funded pension fund Bystronic	16.0	20.4	-5.3	0.9		-1.2

There is no waiver of use of the employer contribution reserve. In the reporting year, CHF 5.3 million of pension fund contributions were offset against the employer contribution reserve (previous year: none). The use of the employer contribution reserve of Bystronic Laser AG led to lower personnel expenses in its statutory financial statements. This led to a reduction in the other financial assets and additional personnel expenses in the consolidated financial statements in the same amount. The net effect on the consolidated financial statements is zero. The change of CHF 0.9 million resulted from the positive performance on the assets of the employer contribution reserve, which was allocated to the financial result. In the previous year, a negative performance of CHF 1.2 million was achieved.

CHF million	Surplus/ deficit 12/31/2023	Economic benefit/ obligation 12/31/2023	Economic benefit/ obligation 12/31/2022	Currency translation effect/use 2023	Change to prior year - affecting result 2023	Contribu- tions to be allocated to reporting period 2023	Current service cost in personnel expenses 2023	Current service cost in personnel expenses 2022
Economic benefit/ obligation and current service cost								
Employer-funded pension fund	3.2							
Pension funds without surplus/deficit						7.0	7.0	6.8
Pension funds with deficit	-0.5	-0.5	-0.6	0.0		0.8	0.8	0.8
Total	2.7	-0.5	-0.6	0.0		7.7	7.7	7.7

In the previous year, the net surplus amounted to CHF 2.4 million and the contributions accrued for the reporting period amounted to CHF 7.7 million.

The reported surplus from free reserves of the employer's pension plan is not intended for economic use by the group.

Accounting principles

The pension obligations of the group companies for retirement, death or disability are based on the regulations and practices applicable in the respective countries. Contributions are made on an ongoing basis. The income statement includes the pension and benefit payments and outstanding benefits during the accounting period and the regular contributions to the various pension funds. The private pension plans in Switzerland are designed to build up retirement assets with conversion into fixed retirement pensions and supplementary risk benefits. The actual economic effects of pension plans on the company are calculated as of the balance sheet date. An economic benefit is capitalized if it will be used for the company's future pension expenses. An economic obligation is recognized as a liability if the conditions for recognizing a provision are met. Separately existing, freely available employer contribution reserves are recognized as assets. The difference between the economic benefits and obligations determined each year and the change in the employer contribution reserve is recognized in the income statement.

Employees of the Swiss subsidiaries are insured in the "GEMINI Collective Foundation". This pension fund is legally independent and financed by contributions from employers and employees. Any surplus or deficit is determined on the basis of the pension fund's provisional annual financial statements prepared in accordance with Swiss GAAP FER 26.

Some subsidiaries abroad have local pension plans. These are treated in the same way as the Swiss plan in terms of accounting, i.e. the amounts paid are generally recognized as an expense. The surplus or deficit is determined using actuarial methods.

5.2 Related-party transactions

As in the previous year, there were no transactions with related parties and companies at Bystronic in 2023.

Report of the statutory auditor to the General Meeting of Bystronic AG

Zurich

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Bystronic AG and its subsidiaries (the Group), which comprise the consolidated income statement for the year ended 31 December 2023, the consolidated balance sheet as at 31 December 2023, the consolidated statement of changes in shareholder's equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies


In our opinion, the accompanying consolidated financial statements (pages 73 to 102) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

<p>Overview</p> 	<p>Overall Group materiality: CHF 2.4 million</p> <p>We concluded full scope audit work at 16 reporting units in 9 countries. In addition, specified procedures were performed on another production unit. These reporting units represent approximately 72% of the Group's net sales.</p> <p>As key audit matter the following area of focus has been identified:</p> <p>Revenue recognition of machine sales in the correct period</p>
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Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall Group materiality	CHF 2.4 million
Benchmark applied	Result before income taxes
Rationale for the materiality benchmark applied	We chose result before income taxes as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured. Additionally, result before income taxes is a generally accepted benchmark for materiality considerations.

We agreed with the Audit Committee that we would report to them misstatements above CHF 0.1 million identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group comprises one division, which operate across four geographical regions – EMEA, Americas, China and APAC. The Group’s financial statements are a consolidation of 43 reporting units, including the Group’s operating businesses as well as central service functions. Each unit is considered a component for audit purposes.

We identified 16 reporting units that, in our view, required a full scope audit and one reporting unit that required specified procedures owing to their size and risk characteristics. These 17 reporting units contribute approximately 72% of the Group’s net sales.

The remaining 28% of the Group’s net sales are represented by a large number of smaller reporting units. None of these units individually contributes more than 5% to the Group’s net sales.

Where the work was performed by component auditors, we determined the necessary level of our further involvement in the audit work in addition to providing our instructions. This consisted of inquiries of component audit teams, inspecting their work in selected areas, conducting planning and closing calls, or reviewing their final reporting.

Further specific audit procedures on central service functions, Group consolidation and areas of significant judgement (including taxation, treasury and litigation) were carried out under the direct supervision of the Group audit team.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Revenue recognition of machine sales in the correct period

Key audit matter

Net sales represent an important basis for assessing Bystronic's performance and is therefore in the focus of the company's internal targets and external communication towards shareholders and other stakeholders. Therefore, the pressure that may arise to achieve net sales targets leads to an increased risk with respect to recognising net sales in the correct period.

Bystronic recognises machine sales when the risk and rewards of ownership have been transferred to the buyer. Hence, revenue is recognised upon completion of the installation and when the machine is ready for operation. This is generally recorded in an acceptance protocol, but in exceptional cases, revenue can be recognised also in absence of an acceptance protocol if certain criteria are fulfilled cumulatively.

For the accounting principles we refer to section 1.1 in the notes to the consolidated financial statements.

How our audit addressed the key audit matter

We have performed the following audit procedures to conclude on the appropriate recognition of revenue in the correct period:

- Obtain an understanding of the revenue & receivable process, in particular in relation to revenue recognition and associated key controls.
- Audit occurrence and accuracy of revenue based on a sample throughout the year. For each sample we agreed order confirmation, delivery note, invoice, proof of payment and the most important the acceptance protocol.
- Audit appropriate recognition of revenue in the correct period at year-end based on a sample. For each sample we agreed order confirmation, delivery note, invoice, proof of payment and the most important the acceptance protocol.
- We verified that machines sales without an acceptance protocol, have only been recognised as revenue when the risk and rewards of ownership have been transferred to the buyer.
- Audit of credit notes after the period-end.

We consider the approach to recognise revenue of machine sales in the correct period as reasonable.

Other matter

The consolidated financial statements of Bystronic AG for the year ended 31 December 2022 were audited by another statutory auditor who expressed an unmodified opinion on those consolidated financial statements on 27 February 2023.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the compensation report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERT-suisse's website: <http://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the consolidated financial statements.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG



Blaženka Kovács-Vujević
Licensed audit expert
Auditor in charge



Tobias Handschin
Licensed audit expert

Zürich, 27 February 2024



Income statement Bystronic AG

CHF 1,000	2023	2022
Income from investments	20,496	40,000
Financial income	18,454	8,159
Other operating income	278	217
Total income	39,228	48,376
Financial expenses	-8,439	-3,975
Other operating expenses	-5,872	-5,253
Income taxes	-872	-133
Total expenses	-15,183	-9,361
Net result	24,045	39,015

Balance sheet Bystronic AG

CHF 1,000	12/31/2023	12/31/2022
ASSETS		
Current assets		
Cash and cash equivalents	205,654	184,849
Securities	124,260	125,000
Other receivables		
from third parties	11,487	12,474
from investments	364	1,329
Prepaid expenses and accrued income	1,314	310
Total current assets	343,079	323,962
Non-current assets		
Financial assets		
from investments	339,852	348,463
from third parties	64,288	62,544
Investments	118,281	118,381
Total non-current assets	522,421	529,388
TOTAL ASSETS	865,500	853,350
LIABILITIES		
Current liabilities		
Interest-bearing liabilities		
to investments	49,594	35,407
Other payables		
to third parties	1,499	1,810
to associates	156	156
to investments	5,470	7,102
Accrued expenses and deferred income	2,216	1,593
Total current liabilities	58,935	46,068
Equity		
Share capital	4,140	4,140
Legal capital reserves		
Reserve from capital contributions	72	72
Other capital reserves	97,074	97,635
Legal retained earnings	828	13,409
Voluntary retained earnings	650,000	650,000
Retained earnings	56,059	44,260
Treasury shares	-1,608	-2,234
Total equity	806,565	807,282
TOTAL LIABILITIES AND EQUITY	865,500	853,350

Notes to the financial statements of Bystronic AG

Principles

General remarks

The financial statements 2023 of Bystronic AG have been prepared in accordance with the provisions of the Swiss Code of Obligations. The significant accounting policies applied but not required by law are described below.

The financial statements were approved for publication by the Board of Directors on February 27, 2024. They are also subject to approval by the General Assembly.

Financial assets

Financial assets consist of investments with a long-term investment purpose. Loans granted in foreign currencies are valued at the current closing rate.

Derivative financial instruments

Foreign exchange hedging transactions are entered to hedge currency risks arising from operating activities. All open derivatives are recognized at fair value as of the balance sheet date and reported gross in the balance sheet under other receivables or other current liabilities. Changes in the value of derivatives used to hedge recognized underlying transactions are recognized in the income statement in the same way as the underlying transactions.

Interest-bearing liabilities

Interest-bearing liabilities are recognized at nominal value.

Treasury shares

Treasury shares are recognized at cost at the time of acquisition. Treasury shares are recognized as a negative item in equity. In the event of subsequent resale, the gain or loss is credited to legal capital reserves.

Share-based compensation

Share-based compensation to members of the Board of Directors is measured at fair value at the grant date and charged to other operating expenses in the period in which the service is rendered.

Disclosures on income statement and balance sheet items

Income

Dividend payments of the subsidiaries are determined depending on retained earnings and capital requirements. Financial income includes interest income on receivables from investments of CHF 12.9 million (previous year: CHF 6.1 million), interest income from third parties of CHF 5.3 million (previous year: CHF 2.1 million) and a gain on marketable securities of CHF 0.3 million. Other operating income of CHF 0.3 million (previous year: CHF 0.2 million) is related to brokerage fees from insurance companies CHF 0.2 million (previous year: CHF 0.2 million) and further other operating income of CHF 0.1 million.

Expenses

Financial expenses result from interest on liabilities to investments of CHF 2.3 million (previous year: CHF 0.5 million), currency hedging costs (interest differences) of balance sheet items in foreign currencies of CHF 5.3 million (previous year: CHF 2.4 million) and other hedging costs of CHF 0.4 million, commitment fees for bank loans of CHF 0.3 million (previous year: CHF 0.4 million) and foreign exchange losses on cash and cash equivalents and on receivables from investments of CHF 0.1 million (previous year: CHF 0.3 million). In the previous year, this position also included negative interest on bank balances of CHF 0.4 million. Other operating expenses include current administrative and project costs, capital taxes as well as the fees of the Board of Directors amounting to CHF 1.3 million (previous year: CHF 1.0 million).

Current assets

Cash and cash equivalents comprise bank deposits and interest-bearing bonds with a remaining maturity of 90 days or less, mostly in Swiss francs. Marketable securities include time deposits in Swiss francs with a remaining maturity of more than 90 days. Other receivables from third parties include recoverable input and withholding taxes as well as taxes at source of CHF 1.2 million (previous year: CHF 0.3 million) and balances from foreign exchange hedging transactions with banks of CHF 10.3 million (previous year: CHF 12.1 million). In the previous year, receivables from social insurances of CHF 0.1 million were included. Other receivables from investments include the credit balances from currency hedging transactions of CHF 0.3 million (previous year: CHF 0.8 million) and further other receivables from investments of CHF 0.1 million (previous year: CHF 0.5 million).

Non-current assets

Financial assets consist of investments with a long-term investment purpose. Receivables from investments decreased by CHF 8.6 million in the reporting year. Other financial assets from third parties relate to a vendor loan in connection with the sale of Mammut Sports Group AG, which must be repaid by the buyer by January 2027 at the latest. Due to the merge of Conzetta Management AG with Bystronic AG, investments decreased by CHF 0.1 million.

Liabilities

Other short-term liabilities mainly include liabilities from currency hedging transactions to banks of CHF 1.4 million (previous year: CHF 1.8 million) and to investments of CHF 5.5 million (previous year: CHF 7.1 million).

Equity

The share capital of CHF 4.1 million (previous year: CHF 4.1 million) is divided into 1,827,000 class A registered shares and 1,215,000 class B registered shares. At the end of 2022, the company held 1,951 class A registered shares at an average purchase price of CHF 1,145 each. For the participation program, 1,000 class A registered shares were acquired in the reporting year at an average transaction price of CHF 504 each. The Board of Directors was allocated 719 class A registered shares at an average transaction price of CHF 664 each. Members of the Executive Committee and other members of management were allocated 139 class A registered shares at an average transaction price of CHF 658 each. These costs were invoiced to the group companies with which these persons have an employment relationship. The transaction price corresponded to the market value in each case. As of December 31, 2023, 2,093 class A registered shares are held at an average purchase price of CHF 768 each.

Further disclosures

Full-time positions

No employees are employed at Bystronic AG.

Contingent liabilities

CHF 1,000	2023	2022
Sureties and guarantee obligations for subsidiaries	103,209	105,119
Effective obligations	19,865	17,884

Investments

The investments are listed in [note 4.3 of the consolidated financial statements](#). The voting shares correspond to the capital shares.

Significant shareholders

Auer, Schmidheiny and Spoerry shareholder group	2023	2022
Capital rights	28.9%	28.9%
Voting rights	51.0%	51.0%

The Auer, Schmidheiny and Spoerry shareholder group consists of Dr. Matthias Auer, Martin Byland, Rudolf Byland, Christina Byland, Caliza Holding AG, Marina Marti-Auer, Marina Milz, Adrian and Annemarie Herzig-Büchler, Sven and Rosmarie Mumenthaler-Sigrist, Jacob Schmidheiny, Margrit Schmidheiny, Felix Schmidheiny, Helen Schmidheiny, Kathrin Spoerry, Christina Spoerry, Heinrich Spoerry-Niggli, Robert F. Spoerry, Ursula Oggenfuss und Jürg Spoerry.

Shareholdings held by members of the Board of Directors and Executive Committee and by related persons

Number	Class A registered shares 12/31/2023	Class A registered shares 12/31/2022	Class B registered shares 12/31/2023	Class B registered shares 12/31/2022
Board of Directors				
Dr. Heinz O. Baumgartner, Chairman	303	40		
Dr. Roland Abt, Member	474	398		
Dr. Matthias Auer, Member	22,898	22,611	1,008	1,008
Inge Delobelle, Member	76			
Urs Riedener, Member	474	398		
Felix Schmidheiny, Member	41,000	41,000		
Robert F. Spoerry, Member	7,621	7,545	148	148
Eva Zauke, Member				

Dr. Matthias Auer, Felix Schmidheiny and Robert F. Spoerry hold further registered shares under a shareholder agreement within the Auer, Schmidheiny and Spoerry shareholder group.

Number	Class A registered shares 12/31/2023	Class A registered shares 12/31/2022
Executive Committee		
Alex Waser (CEO)	1,248	1,248
Johan Elster	92	69
Eamon Doherty	52	33
Alberto Martinez	50	32

Compensation paid to members of the **Board of Directors** and **Executive Committee** is shown in the compensation report.

Share-based compensation

The basic compensation of the members of the Board of Directors is paid in cash and in shares (approx. 50% each) with a four-year vesting period. Neither discounts nor performance components are taken into account for the calculation of the Board of Directors' share allocation. The average share price over three months from November 1 to January 31 of the respective term of office is used.

In 2023, a total of 719 class A registered shares were allocated to the Board of Directors for the previous year. The valuation was made using a share price of CHF 664 and amounted to CHF 0.5 million. For the share-based compensation component for the reporting year, an expense accrual in the amount of CHF 0.5 million (previous year: CHF 0.3 million) is included in other operating expenses.

Events after the balance sheet date

There are no events after the balance sheet date that require a value adjustment to the assets and liabilities recognized in the balance sheet or that require disclosure.

Proposal of the Board of Directors on the appropriation of retained earnings and legal retained earnings of Bystronic AG

CHF	2023
The Board of Directors proposes to the Annual General Meeting on April 17, 2024, that the total sum available for appropriation, consisting of:	
Net result	24,045,178
Retained earnings carried forward from previous year	32,013,788
Retained earnings	56,058,966
Treasury shares (held directly)	1,608,044
Total retained earnings available for appropriation	54,450,922
be appropriated as follows:	
Dividend of CHF 12.00 per class A registered share	21,924,000
Dividend of CHF 2.40 per class B registered share	2,916,000
Total dividend	24,840,000
Retained earnings to be carried forward	31,218,966

If the proposal is approved, the dividend payment for the year 2023 will be:

CHF	Gross dividend	35% withholding tax	Net dividend
Per class A registered share	12.00	4.20	7.80
Per class B registered share	2.40	0.84	1.56

The dividend will be paid out with the value date of April 23, 2024.

Report of the statutory auditor

to the General Meeting of Bystronic AG

Zurich

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Bystronic AG (the Company), which comprise the income statement for the year ended 31 December 2023, the balance sheet as at 31 December 2023, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 99 to 100 and 107 to 112) comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	CHF 1'000'000
Benchmark applied	Total equity
Rationale for the materiality benchmark applied	We chose total equity as the benchmark because it is a relevant and generally accepted benchmark for materiality considerations relating to a holding company.

We agreed with the Audit Committee that we would report to them misstatements above CHF 100'000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

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Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Key audit matters

We have determined that there are no key audit matters to communicate in our report.

Other matter

The financial statements of Bystronic AG for the year ended 31 December 2022 were audited by another statutory auditor who expressed an unmodified opinion on those financial statements on 27 February 2023.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the compensation report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website: <http://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.



Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the financial statements.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG



Blaženka Kovács-Vujević
Licensed audit expert
Auditor in charge



Tobias Handschin
Licensed audit expert

Zürich, 27 February 2024



Five-year summary

		2023	2022	2021	2020	2019
Bystronic¹						
Order intake	CHF m	794.0	1,009.5	1,175.5	777.4	929.4
Backlog	CHF m	252.9	413.0	435.2	206.8	242.3
Net sales	CHF m	930.1	1,015.9	939.3	801.3	935.8
EBITDA	CHF m	75.4	69.9	88.5	60.1	129.6
Operating result (EBIT)	CHF m	54.4	48.1	70.1	42.0	114.4
Net operating assets	CHF m	291.0	288.0	218.9	231.4	244.7
Discontinued operations						
Net sales	CHF m			183.6	482.3	637.4
Operating result (EBIT)	CHF m			-88.8	37.7	52.7
Net operating assets	CHF m				276.4	306.0
Consolidated income statement						
Net sales	CHF m	930.1	1,015.9	1,122.9	1,283.5	1,573.2
Operating result (EBIT)	CHF m	54.4	48.1	-18.7	79.7	167.2
Net result	CHF m	41.9	36.6	-27.8	66.9	136.8
Consolidated balance sheet						
Current assets	CHF m	761.6	862.5	958.4	813.5	889.1
Non-current assets	CHF m	262.6	280.0	276.4	337.2	377.0
Short-term liabilities	CHF m	259.1	375.4	372.0	313.8	329.8
Long-term liabilities	CHF m	34.3	42.9	47.6	40.8	56.1
Shareholders' equity	CHF m	730.6	724.2	815.2	796.1	880.1
Total assets	CHF m	1,024.1	1,142.5	1,234.8	1,150.6	1,266.0
Shareholders' equity as % of total assets	%	71.3	63.4	66.0	69.2	69.5
Employees						
Average number of full-time equivalents	Number	3,573	3,679	4,051	4,711	5,086
Net sales per full-time equivalent	CHF 1,000	260.3	276.1	277.2	272.5	309.3
Personnel expenses per full-time equivalent	CHF 1,000	70.5	70.7	72.0	72.3	74.5
Share information						
Share capital	CHF m	4.1	4.1	4.1	4.1	4.1
Number of shares issued on 12/31						
Class A registered shares	Number	1,827,000	1,827,000	1,827,000	1,827,000	1,827,000
Class B registered shares	Number	1,215,000	1,215,000	1,215,000	1,215,000	1,215,000
Market prices of class A registered share						
High	CHF	770	1,332	1,370	1,176	1,174
Low	CHF	427	495	1,086	716	714
Year-end	CHF	477	641	1,282	1,088	1,156
Total dividend	CHF m	24.8	24.8	124.2	124.2	149.0 ²

			2023	2022	2021	2020	2019
Key indicators per share							
Earnings	per class A registered share	CHF	20.28	17.69	-13.81	31.46	60.85
	per class B registered share	CHF	4.06	3.54	-2.76	6.29	12.17
Cash flow from operating activities	per class A registered share	CHF	25.91	-7.99	23.89	38.07	48.43
	per class B registered share	CHF	5.18	-1.60	4.78	7.61	9.69
Shareholders' equity	per class A registered share	CHF	353.21	350.18	394.05	384.28	423.37
	per class B registered share	CHF	70.64	70.04	78.81	76.86	84.67
Gross dividend	per class A registered share	CHF	12.00 ³	12.00	60.00	60.00	72.00 ⁴
	per class B registered share	CHF	2.40 ³	2.40	12.00	12.00	14.40 ⁵

¹ The continuing operations consist of Bystronic and the historical Conzzeta segment "Others"

² Including special distribution of CHF 49.7 million and special dividend of CHF 62.1 million

³ As proposed by the Board of Directors

⁴ Including special distribution of CHF 24.00 and special dividend of CHF 30.00

⁵ Including special distribution of CHF 4.80 and special dividend of CHF 6.00

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