

Ad hoc announcement pursuant to Art. 53 LR

Results for the first half of 2023

Medium-term operating earnings target almost achieved -
Order intake maintained at a high level - Order backlog
remains solid - Sales increased significantly

- **EBIT in the first half of 2023 more than doubled to CHF 15.4 million (7.7% of sales revenue) compared to prior-year period**
- **Order intake maintained at a high level of CHF 183.4 million (-3.3% compared to prior-year period)**
- **Order backlog of CHF 307.5 million (-6.0% compared to the end of 2022) ensures capacity utilisation well into 2024**
- **Sales revenue in the first half-year increased by 43% to CHF 199.9 million compared to prior-year period**
- **Net income also more than doubled in total and per share**

Rorschacherberg, 27 July 2023 - Starrag Group has today announced its half-year results for 2023. The positive expectations expressed in March 2023 for the full year were more than fulfilled. The Group thus impressively confirms its profitable growth path.

Order intake remains at a high level - Strong increase in sales

After the strong increase of the last two years, incoming orders stabilised at CHF 183.4 million in the reporting period (-3.3% compared to prior-year period, -0.9% adjusted for currency effects).

At CHF 199.9 million, sales in the first six months of 2023 exceeded the previous year's figure by 43.3% (47.3% adjusted for currency effects). At 0.92, the book-to-bill ratio (incoming orders to sales) was below the previous year (1.36) due to the above-average growth in sales revenue.

The pleasing development of order intake in the past financial year is reflected in a continued high order backlog of CHF 307.5 million (+1.5% compared to prior-year period, +4.0% adjusted for currency effects). This solid order backlog ensures capacity utilisation until well into 2024.

By regions and customer industries

In regional terms, only new orders from European customers increased, representing 80% of the total order intake. North America (12%) maintained the previous year's level. Order intake from Asia (8%) was down, which can be explained by restrained investment activity due to weakened growth in China.

Thanks to a significant increase, Micromechanics, the largest customer industry, contributed significantly to the group-wide order intake. Transportation doubled its new orders. Aerospace held its own, while Industrial and Energy declined.

Lower cost basis boosts income

The positive effects of the structural cost reduction implemented in 2021 and the increase in Starrag Group's profitability could also be seen in the first half of 2023. In addition, the high order backlog was processed efficiently and profitably in the reporting period. The operating result EBIT increased by 152% to CHF 15.4 million (previous year period CHF 6.1 million). At 7.7 percentage points, this is nearly in the line with the Group's medium-term operating target of 8%. Ultimately, net income came to CHF 13.6 million (+170% compared to prior-year period) or 6.8% of sales; per share it amounted to CHF 4.05.

Strong balance sheet

Starrag Group's balance sheet remains solid and is characterised by high real estate assets and low debt. Thanks to a conservative depreciation policy for real estate and property, plant and equipment, the company has a high level of hidden reserves. At 49.8% at the end of June 2023, the equity ratio was slightly below the long-term average. At the end of the reporting semester, net debt was CHF

-13.1 million (end of previous year period CHF +20.1 million). In the 2022 financial year, cash flow from operating activities amounted to CHF 12.3 million, while it declined to CHF -22.5 million in the reporting period. The main influencing factors were the decline in advance payments for large machine orders and the general increase in business volume and the associated rise in trade receivables in the first half of 2023.

Confident outlook 2023

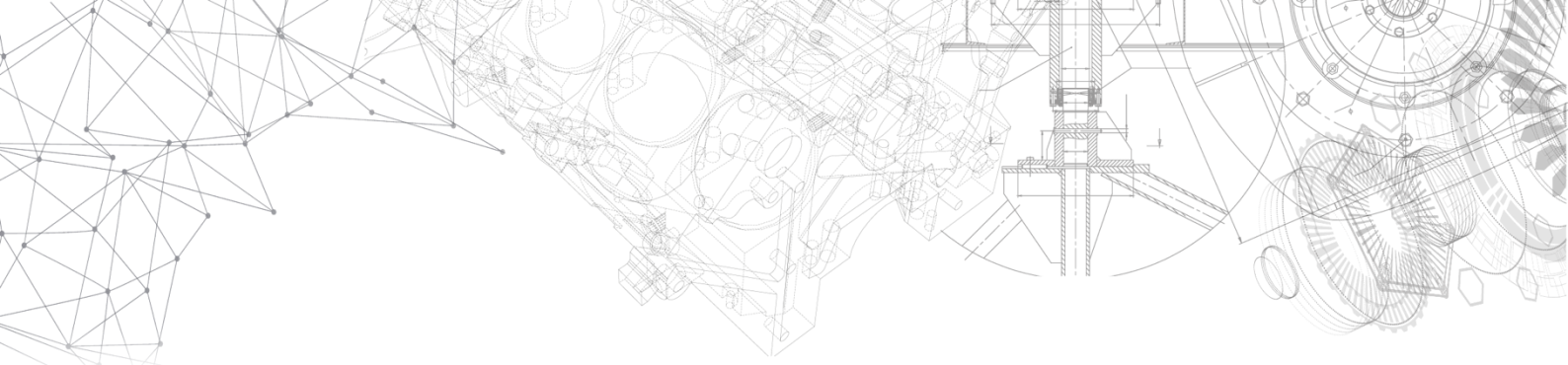
Starrag Group is confident about the remainder of the reporting year, provided that operating activities are not limited by external factors beyond its control. By substantially and permanently reducing the cost basis in the last two years, the company will move closer towards its medium-term profitability objective. In addition, it will continue to push ahead with reviewing the product portfolio, exploiting synergy potential and implementing measures to achieve operational excellence.

Strategically, the Group is consistently concentrating on the market segments that offer the best growth and earnings potential in view of its technological application expertise. The medium-term objectives still apply, defined as sales growth of 5% per year and an EBIT margin of 8%.

For the 2023 financial year, Starrag Group expects the order intake to be around the same level as in the previous year. Thanks to the strong order backlog and good first half of the year, sales are expected to significantly exceed the previous year's figure. Consequently, operating earnings and the associated margin are also expected to increase.

Starrag examines merger with Tornos

On 26 May 2023, Starrag Group's Board of Directors decided to examine the possibility of a merger with Tornos Group. Both groups of companies operate all over the world. They are excellently positioned in their target markets and have portfolios that are tailored to the customer's needs. The market performances of Starrag and Tornos would complement each other perfectly. The merger would strengthen the position of both partners and offer huge development potential in all areas of activity. The Starrag and Tornos brands would continue to operate in the event of a merger and no job cuts are envisaged. Checks are being made



and talks between Starrag and Tornos over a possible merger are ongoing. Starrag will issue an update on the next stages of the negotiations with Tornos at the appropriate time.

High-precision machine tools for greater productivity

Starrag Group is a global technology leader in manufacturing high-precision machine tools for milling, turning, boring and grinding workpieces of metallic, composite and ceramic materials. Principle customers are internationally active companies in the Aerospace, Energy, Industrial, Micromechanics and Transportation sectors. In addition to its portfolio of machine tools, Starrag Group provides integrated technology and maintenance services that significantly enhance customer quality and productivity.

The umbrella brand Starrag unites the product ranges Berthiez, Bumotec, Dörries, Droop+Rein, Ecospeed, Heckert, Scharmann, SIP, Starrag and TTL. Headquartered in Rorschacherberg, Switzerland, the Starrag Group operates manufacturing plants in Switzerland, Germany, France, the UK and India, and has established a network of sales and services subsidiaries in the most important customer countries.

The shares of Starrag Group Holding AG are listed on the SIX Swiss Exchange.

For further information: www.starrag.com

Key figures of Starrag Group

CHF million	2023 01.01.-30.06.	2022 01.01.-30.06.	Change	2022 01.01.-31.12.
Order intake	183.4	189.7	-3.3%	395.8
Sales revenue	199.9	139.5	43.3%	317.6
Operating result EBIT	15.4	6.1	152.1%	18.6
Net income	13.6	5.0	169.9%	11.1
EBIT as % of sales revenue	7.7%	4.4%	n/a	5.8%
Return on equity (ROE)	15.8%	6.0%	n/a	6.6%
Cash flow from operating activities	-22.5	-6.2	n/a	12.3
Capital expenditure	3.8	3.3	15.4%	7.0
Free cash flow	-26.2	-7.6	n/a	6.4
Earnings per share (in CHF)	4.05	1.50	169.5%	3.31
Employees (average full-time equivalents)	1'344	1'267	6.1%	1'280
CHF million	30.06.2023	31.12.2022	Change	30.06.2022
Order backlog	307.5	327.0	-6.0%	303.1
Total assets	358.6	333.9	7.4%	302.3
Net liquidity (+) / Net debt (-)	-13.1	20.1	n/a	6.4
Shareholders' equity	178.7	172.5	3.6%	168.0
Equity ratio	49.8%	51.7%	n/a	55.6%

See also „Additional definitions of performance indicators“ on page 70 of the Annual Report 2022.

The half-year report 2023 is available for download at:
https://investor.starrag.com/en-us/news/financial_reports

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Upcoming events

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| • Half-Year Report 2023 | 27 July 2023 |
| • Sales and orders 2023 | 26 January 2024 |
| • Key figures 2023 / Annual report | 8 March 2024 |
| • Annual General Meeting | 20 April 2024 |

The economic projections and predictions contained in this information relate to future facts. Such projections and predictions are subject to risks, uncertainties and changes which cannot be foreseen and which are beyond the control of the issuer. The Starrag Group is therefore not in a position to make any representations as to the accuracy of economic projections and predictions or their impact on the financial situation of the Starrag Group or the market in the securities of the Starrag Group.

Rorschacherberg



Vuadens



Chemnitz



Bielefeld

