

## **Ad hoc announcement pursuant to Art. 53 LR**

### **Initial information on fiscal year 2021**

## **Order intake almost doubled – significant increase in the order backlog – sales at the same level as in the previous year – further improvement in operating earnings – restructuring programme largely implemented**

**Rorschacherberg, 29 January 2021** – Starrag Group has today published initial information on the past financial year. The results are fully in line with the expectations expressed in the Half-Year Report of July 2021. The 2021 Annual Report with the full annual financial statements will be published on 4 March 2022.

### **Strong recovery after a difficult year**

In 2021, the relevant indicators showed a significant improvement compared with the previous year. The order intake shot up by 97% to CHF 379 million (96% at constant exchange rates) – almost twice that of the previous year – with the result that it was back within the parameters of the preceding years.

The sharp rise spanned all four customer sectors. In the case of Aerospace, new orders more than doubled thanks to its strong performance following the collapse of the aviation sector – which is of major significance for Starrag Group – in the previous year. Starrag has used the past two years to be as flexible as possible in focusing on the wishes of customers and strengthening competitive advantages. There were also significant increases in the other three customer sectors (Industrial, Transportation and Energy). The new Heckert compact series with a broad range of applications is generating considerable sales. Europe recorded the largest increase, followed by Asia and North America, where the sales structure was renewed and the local service organisation adjusted to cater for the stronger growth that is to be expected in the next few years.

### **Sales almost unchanged**

As already announced in the Half-Year Report, the sales revenue expected for the second half of the year exceeded that of the first half. The total amounted to CHF 293 million, almost equalling the figure for the previous year (-2%, the same at constant exchange rates), despite the lower level of new orders in 2020. At 1.29, the book-to-bill ratio (incoming orders to sales) was well above the level of 1 again (up from 0.65 in the previous year).

### **Significant increase in the order backlog**

Thanks to the encouraging performance of the order intake, the order backlog stood at 256 million at the end of 2021, up by 47% on the end of the previous year (and up by 36% on the middle of 2021). The high demand for highly efficient systems for processing major, high-precision parts for aerospace, as well as energy production, accounted for a significant share of this. This solid order backlog ensures capacity utilisation for the current year and beyond. It is also important to note that new equipment business always generates recurring demand for services. There was likewise strong growth in the service business as a result of the high quality of service and short intervention times.

### **Significant operational progress – restructuring expenses in 2021**

The improvement in the operating result (EBIT) that has been emerging since the second half of 2020 became more pronounced in the year under review, particularly in the second half of the year, meaning that the operating result for 2021 before restructuring costs was very positive. As reported in November 2021, however, restructuring expenses were exceptional owing to the downsizing of the Mönchengladbach site with a new focus on services and retrofit work, as well as the reorganisation in Bielefeld. The reconciliation of interests for Mönchengladbach was concluded with the decision of 27 January 2022. This meant that most of the required restructuring expenses were implemented. The cost of the reconciliation of interests (settlements, value adjustments and restructuring-related provisions) amounts to CHF 13.3 million, in line with expectations. This resulted in EBIT recording a negative, high single-digit million figure for Starrag after restructuring. Negotiations with the works council at the Bielefeld site are currently ongoing.

Thanks to the more consistent focus on what customers need most, the considerable improvement in operational excellence, the changes in the management team, greater application expertise and the streamlining of the structures, the “Starrag 2021” programme has largely been implemented. As a result, the conditions for optimising earnings in the long term, strengthening investment and innovation, and ensuring sustainable growth have continued to improve. Concentrating on the market segments and customers with the most exacting requirements has proved successful, especially in the difficult times experienced in the last two years.

### **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. Principal customers are internationally active companies in the Aerospace, Energy, Transportation and Industrial (Industrial Components, Luxury Goods, Med Tech) 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, TTL and WMW. Headquartered in Rorschach/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](http://www.starrag.com)

## Key figures for the 2021 fiscal year (preliminary, unaudited)

CHF million	2021	2020	Change	At constant exchange rates
Order intake	379	192	+97%	+96%
Order backlog	256	174	+47%	+49%
Sales revenue	293	297	-2%	-2%

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### Forthcoming events

- Annual Report 2021 4 March 2022
- Annual General Meeting 23 April 2022
- Half-Year Report 2022 28 July 2022

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