

Media Release

No attendance in person at the 2020 Annual General Meeting – Proposal to waive the dividend – Impact of the coronavirus crisis on the financial year 2020

Rorschacherberg, 30 March 2020 – In accordance with the Swiss Federal Council's ordinance on measures to combat the coronavirus (COVID-19 Ordinance 2) of 16 March, Starrag Group's Board of Directors has decided to hold this year's Annual General Meeting, which is due to take place on 25 April, without shareholders attending in person. Shareholders can instruct the independent voting representative in writing or electronically to authorise a proxy vote for them. They will be informed about this in the next few days, giving them sufficient time to act.

The rock-solid balance sheet, the high equity ratio of more than 50% and the existing liquidity reserves, as well as the credit lines available, will allow Starrag Group to absorb the current global decline in demand and put it in the best possible position for the recovery following the crisis. Despite this, the Board of Directors has decided to propose to the Annual General Meeting that the dividend to be distributed to shareholders, which had originally been envisaged to be CHF 1.00, be waived. This is intended to be a precautionary business measure in the interests of all stakeholders.

The fulfilment of our obligations resulting from the order backlog of around nine months in a cost-efficient way and without delay, as well as compliance with the agreed intervention times and quality in customer service are basically guaranteed by Starrag without restriction. Restrictions may be possible depending on the situation, including official directives. The current situation will have an impact on the expectations published at the beginning of March regarding the order intake, sales and results for the financial year 2020, which cannot currently be gauged.

In addition to the restructuring measures already carried out in 2019, further measures are currently being examined and will be implemented as soon as possible in order to flexibly adapt the cost structure to the acquisition of orders, which will remain more difficult in the next few months. Consequently, against the background of plant closures at various customers and suppliers at all locations, capacities will be adjusted in line with supply and demand, for example by reducing time credits and introducing short-time working. It goes without saying that all safety precautions to protect employees and customers will be strictly adhered to at all times.

At the same time, various innovations for further improvements in the efficiency of products are being realised in close cooperation with customers in our individual sectors of Aerospace, Energy, Transportation and Industrial (Industrial Components, Luxury Goods, Med Tech).

As a result of all these measures, Starrag Group is confident that it will emerge from the current situation with greater competitive strength.

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, 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, Scharmman, 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.

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Forthcoming events

- Annual General Meeting (without shareholders attending in person) 25 April 2020
- Half-year report 2020 23 July 2020
- Sales and orders 2021 29 January 2021
- Key figures 2020 / Annual report 5 March 2021
- Annual General Meeting 23 April 2021

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.