

Ad hoc announcement pursuant to Art. 53 LR

## 2022 financial year

Further increase in order intake - Continued increase in order backlog - Sales up 9% - Operating income significantly improved - Dividend proposed

- **Order intake up 5% to CHF 396 million, currency-adjusted up 8%**
- **Order backlog of CHF 327 million (plus 28%) ensures capacity utilisation well into 2024**
- **Sales up 9% to CHF 318 million, currency-adjusted up 12%**
- **Net income CHF 11.1 million, earnings per share CHF 3.31**
- **Dividend of CHF 2.00 per registered share proposed**

**Rorschacherberg, 10 March 2023** - Starrag Group today published its 2022 financial statements and annual report. In the 2022 financial year, it successfully continued its course to further strengthen the company. All relevant key figures exceeded the previous year's values, which is particularly true for earnings.

### Order intake - new orders further increased

After almost doubling in the previous year, incoming orders increased by another 5% to CHF 396 million in the reporting year (currency-adjusted plus 8%). Excluding the CHF 13 million in cancellations (Ukraine/Russia effect) already communicated in the half-year report, growth was around 12% adjusted for currency effects. By far the largest share of new orders came from the main customer segment Industrial, with incoming orders from the luxury segment in particular developing very positively.

### Success with numerous innovations

With the launch of the new Bumotec 191<sup>neo</sup>, for example, the company has succeeded in developing a turning/milling machining center for the luxury goods (watches/jewellery) and medical technology segments that fully meets the extremely high demands of these target customers in terms of precision and surface finish as well as productivity in conjunction with the requirement for autonomous (automated) production.

Sales of the compact machines in the new H-series of the Heckert product division have developed equally well. The positive market response, a high proportion of repeat customers and the imminent launch of further product variants make us confident for the future.

As the Starrag Group offers complete solutions in the area of wind turbines, important orders were also won here. The Berthiez, Droop+Rein and Dörries product areas benefited most from this.

In the aerospace sector (space, civil aviation, defence), strategically important orders were also booked. The machines of the STC series from Starrag in Rorschach were particularly well received by the market. The product transfer of the Ecospeed line from Mönchengladbach to Rorschacherberg was completed in the year under review, and the first machines are being successfully installed.

The service business contributed disproportionately to the Group's growth with an increase of 14%. A historic high in the order book guarantees good capacity utilisation for 2023.

### Sales up 9%

Compared to the previous year, sales rose by 9% to CHF 318 million (currency-adjusted plus 12%). The book-to-bill ratio (ratio of incoming orders to sales) of 1.25 was again well above the value of one (previous year 1.29).

### Significant operational progress

In the reporting year, the operating income is now clearly moving in the direction of the targeted return of 8%; this is mainly due to the sustainably reduced cost

base, the profitable service business and the market success of the new products mentioned above. While in the previous year, before restructuring, an operating EBITR of CHF 4.8 million was achieved, with an EBITR margin of 1.6%, the year 2022 closes with an EBIT of CHF 18.6 million and an EBIT margin of 5.8%. Starrag Group is thus moving very clearly in the direction of the targeted return of 8%. At CHF 11.1 million, the net income for 2022 is also significantly higher than in the previous year, when a net loss of CHF 5.4 million was posted.

#### **Continued solid balance sheet**

At 51.7%, the equity ratio was lower than in the previous year (56.0%), but remained within the long-term average. Net liquidity increased by CHF 2.5 million to CHF 20.1 million in 2022 (previous year CHF 17.6 million). Free cash flow amounted to CHF 6.4 million (previous year CHF 11.0 million).

#### **Changes in the Board of Directors and Executive Board**

The 2022 General Assembly elected Christian Androschin and Bernhard Iseli as new members of the Board of Directors. They replace the long-standing members Christian Belz and Erich Bohli. The Board of Directors and the Executive Board owe them a great debt of gratitude, as they have repeatedly provided valuable impetus to the Starrag Group during their term of office.

As announced in December 2022, Christian Walti was relieved of his duties as CEO at the end of the financial year after deciding to leave the company for personal reasons. The Board of Directors appointed Martin Buyle, who has many years of experience in the management of medium-sized industrial companies, as his successor as of 1 April 2023. He has already been working for our Group for the last two years as Managing Director of Starrag Technology GmbH, where he was responsible for the realignment of the large-scale machine business and successfully implemented the restructuring tasks.

Since 1 November 2022, Rainer Hansjürgens has been the new Head of the Large Parts Manufacturing Systems (LPMS) business unit and Managing Director of Starrag Technology GmbH. In December, Christian Kurtenbach was presented as the successor to Bernhard Bringmann as the future head of the High Performance Systems (HPS) business unit and, at the same time, a member

of the Executive Board. He was originally scheduled to take up his post on 1 July 2023 at the latest, but this was brought forward to 1 February 2023.

### Higher Dividend

Due to the further improvement of the earnings situation in the 2022 business year, the Board of Directors will propose to the Annual General Meeting on 21 April 2023 an increased dividend of CHF 1.00 to CHF 2.00 per share, which corresponds to a payout ratio of 60.5%. For the shareholders, this results in a pleasing total return (price gain plus dividend) of 11.6%.

### Positive outlook 2022

Assuming that business activity in 2023 will not be affected by external factors beyond our control, such as geopolitical turbulence, we are also positive about the current year 2023. The restructuring measures of the last two years, with the resulting lower cost base, will continue to bear fruit in 2023 on the way to the medium-term target return.

In the current 2023 business year, the focus is on sustainability, both in terms of management and the orientation of our Group. We have started the certification according to ISO 14001 and orient our actions towards sustainable environmental management within the framework of this standard. The management has been sustainably strengthened by the two new business unit heads Christian Kurtenbach and Rainer Hansjürgens as well as the appointment of Martin Buyle as the new CEO.

In addition to the aforementioned structural changes, the strengthening of operational excellence will further advance our Group. The focus is on optimising the product portfolio and realising internal synergy potential.

Therefore, the previous medium-term goals, i.e. sales growth of 5% and an operating margin of 8% - which we came a big step closer to in the reporting year - apply all the more. Together with our technological application expertise and in consistent pursuit of our strategy of concentrating on the market segments with the strongest growth and earnings, we are therefore convinced that we will achieve our objectives as planned.



After the pleasing new orders of the two previous years, we expect order intake for 2023 to be in line with 2022. Sales should exceed the previous year's figure due to the comfortable order backlog. We expect further improvements in the operating result and the corresponding margin.

#### 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, 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](http://www.starrag.com)

## Key figures of Starrag Group

| CHF million                                       | 2022               | 2021  | Change |
|---|--------------------|-------|--------|
| Order intake                                      | 395.8              | 378.7 | 4.5%   |
| Order backlog at year-end                         | 327.0              | 255.8 | 27.8%  |
| Sales revenue                                     | 317.6              | 292.6 | 8.5%   |
| Operating result (EBIT)                           | 18.6               | -8.5  | 318.7% |
| Net income  | 11.1               | -5.4  | na.    |
| EBIT as % of sales revenue                        | 5.8%               | -2.9% | na.    |
| Cash flow from operating activities               | 12.3               | 16.4  | -33.8% |
| Capital expenditure in non-current assets         | 7.0                | 6.2   | 13.5%  |
| Free cash flow                                    | 6.4                | 11.0  | -42.2% |
| Employees as an annual average (full-time)        | 1'280              | 1'316 | -2.7%  |
| Total assets                                      | 333.9              | 300.4 | 11.2%  |
| Net debt  | 20.1               | 17.6  | 14.2%  |
| Shareholders' equity                              | 172.5              | 168.3 | 2.5%   |
| Equity ratio                                      | 51.7%              | 56.0% | na.    |
| Return on equity (ROE)                            | 6.6%               | -3.1% | na.    |
| Earnings per share (CHF)                          | 3.31               | -1.61 | na.    |
| Profit distribution per share (CHF) <sup>1)</sup> | 2.00 <sup>2)</sup> | 1.00  | na.    |

<sup>1)</sup> Each 50% is to be paid out in the form of a distribution of capital contribution reserves free of withholding tax (1.00 CHF) and from retained earnings (1.00 CHF).

<sup>2)</sup> Proposal by the Board of Directors to the Annual General Meeting.

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

The Annual Report 2022 is available for download at:  
[https://investor.starrag.com/en-us/news/financial\\_reports](https://investor.starrag.com/en-us/news/financial_reports)

## For further information please contact

Thomas Erne  
CFO  
[investor@starrag.com](mailto:investor@starrag.com)

## Upcoming events

|                                    |                 |
|------------------------------------|-----------------|
| • Annual General Meeting           | 21 April 2023   |
| • Ex date dividend pay-out         | 25 April 2023   |
| • Record date dividend pay-out     | 27 April 2023   |
| • Payment date dividend pay-out    | 28 April 2023   |
| • Half-Year Report 2022            | 27 July 2023    |
| • Sales and orders 2022            | 26 January 2024 |
| • Key figures 2022 / Annual report | 8 March 2024    |
| • Annual General Meeting           | 20 April 2024   |

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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

