

The logo for starrag, featuring the word "starrag" in white lowercase letters on a red rectangular background with a white diagonal line.

Engineering precisely what you value

# Financial Year 2022: Media and Analyst Conference

Rorschacherberg, 10 March 2023

# Agenda

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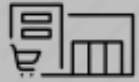
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# 1. BUSINESS DEVELOPMENT

Michael Hauser  
Chairman of the BoD

# Further increase in order intake – Sales up 9% – Operating income significantly increased



Order intake

(in CHF m)

395.8

+4.5%



Sales revenue

(in CHF m)

317.6

+8.5%



EBIT

(in CHF m)

18.6

+318.7%

EBIT

(in %)

5.8



Net debt

(in CHF m)

20.1

+14.2%

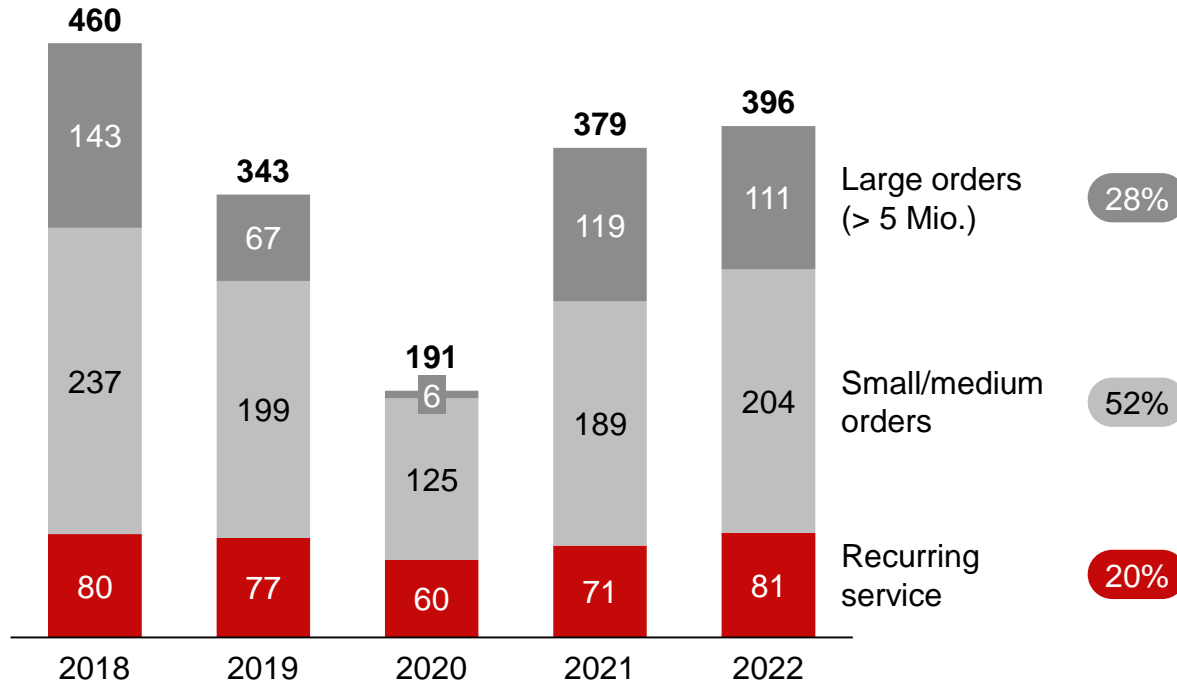
- ✔ Currency adjusted +8%
- ✔ excluding Ukraine/Rus. +12%
- ✔ Strong Industrial segment in 2022
- ✔ Positiv development of the luxury segment and the service business

- ✔ Currency adjusted +12%
- ✔ Book-to-bill ratio 1.25

- ✔ New products
- ✔ High-margin service business
- ✔ Lower cost base
- ✔ Starrag is clearly moving in direction of the set corporate targets

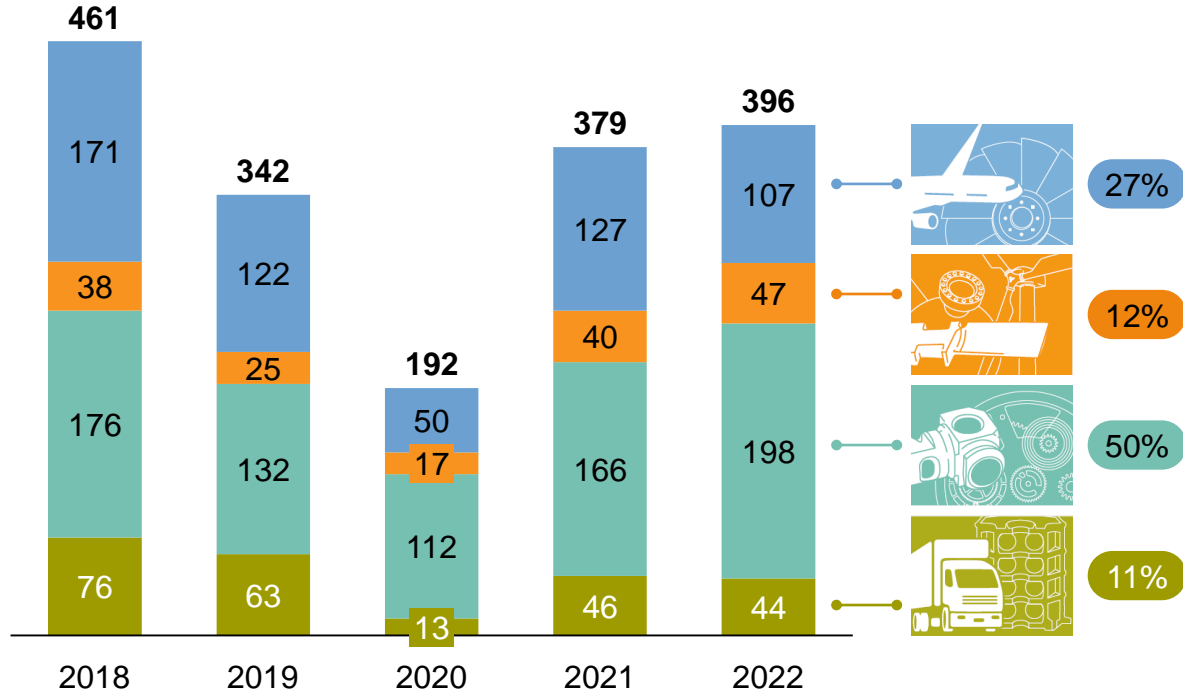
- ✔ Solid balance sheet
- ✔ Hidden reserves in the real estate
- ✔ Dividend

# Order intake by order size: Small/medium orders compensate for slight decline in large orders [CHF m]



- Large orders back in line with previous year (Ø 2018-2022 = CHF 75 million)
- Small/medium orders and especially recurring service with lower volatility = higher stability

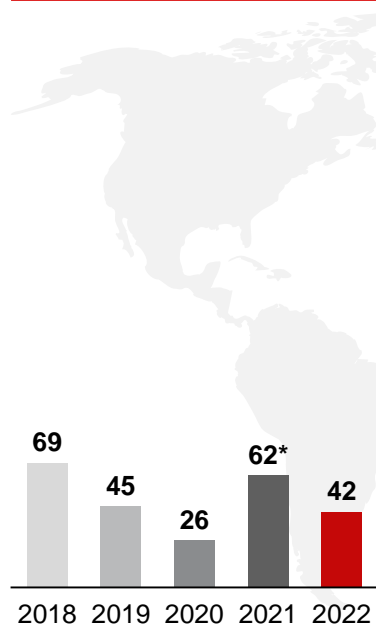
# Order intake by sector: Industrial rises strongly to all-time high [CHF m]



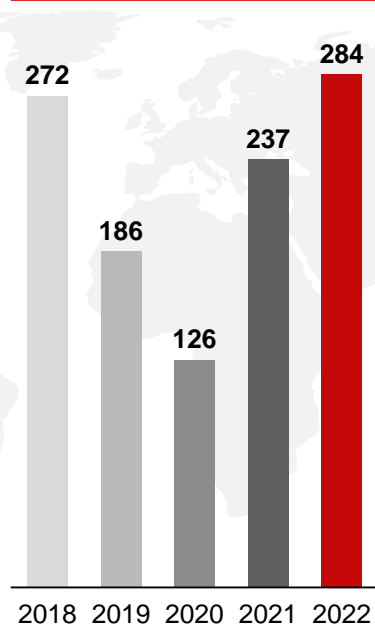
- Industrial: strong growth in Luxury Goods segment, as well as successes in medical technology
- Energy: attractive products for the energy market show first signs of growth

# Order intake by region: Europe with biggest plus [CHF m]

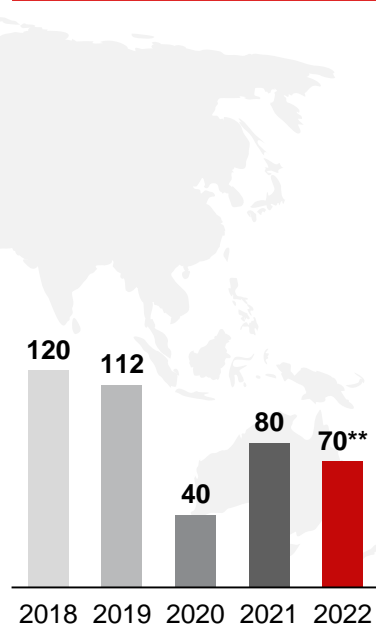
## Amerika (11%)



## Europe (72%)



## Asia (17%)



Strong European footprint compensates for slight declines in Asian and American markets

\* Influenced by large space order

\*\* Influenced by pandemic



# Bumotec 191<sup>neo</sup>

A new edition of the  
top model s191



## Multitasking – digital and ergonomic

Highly flexible: The Bumotec 191<sup>neo</sup> is not just a single machining solution, but is basically twelve different machines in one platform.

This diverse range is the only way to meet the specific requirements of typical users in the fields of medical technology, micromechanics and the luxury goods industry in an economical and technologically optimal way.



Pick-up unit operates  
12% faster than before

Tool change time is reduced  
by around 15%

# Heckert T55

The new 5-axis  
horizontal machining center



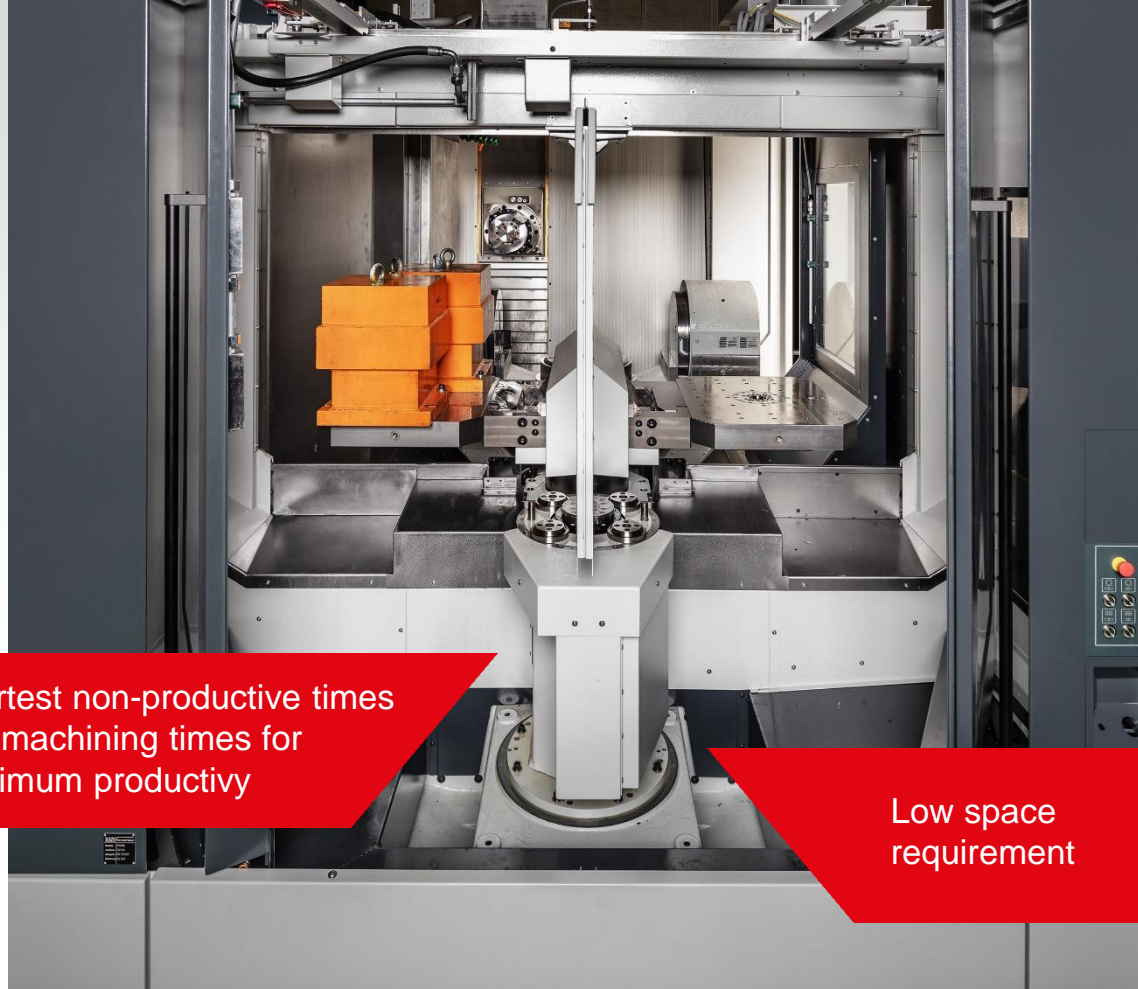
# One for all – Heckert T55

**Particularly suitable for multitasking  
complete machining of workpieces  
weighing up to 700 kilograms**

The Heckert T55 is a highly productive multifunctional talent with a very compact, robust machine design and a low-vibration rotary swivel unit specially designed for turning operations.

Shortest non-productive times  
and machining times for  
maximum productivity

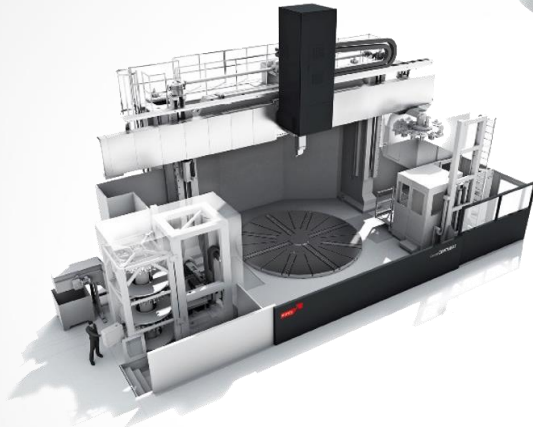
Low space  
requirement



# Perfect solutions for renewable energies

The efficient use of renewable energy sources also requires innovative solutions in the development of new production concepts.

Thanks to a clear focus on applications such as planetary carriers and large bearings, Starrag is increasingly concentrating on enabling measurable added value in the field of renewable energies.





# Aerospace Technology Days 2022

Aerospace and Turbine Competence Center attracts with manufacturing expertise.

# Aerospace Technology Days 2022

More than 200 participants from 22 countries attended the Technology Days, which took place at our location from 5 to 6 July 2022 after a 3-year interruption – due to Corona.

Together with its cooperation partner ZEISS, we demonstrated how production and measurement technology work closely together to increase productivity and quality.



Functional demonstration  
at 12 stations



starrag

- Berliner
- Burmeister
- Deines
- Dixons Heim
- Eckmann
- Hedert
- Schäfer
- SP
- Spring
- TU

Push your productivity

# It's Showtime

Starrag presented the latest developments at the IMTS in Chicago and AMB in Stuttgart.

Best solutions for  
Aerospace  
MedTech



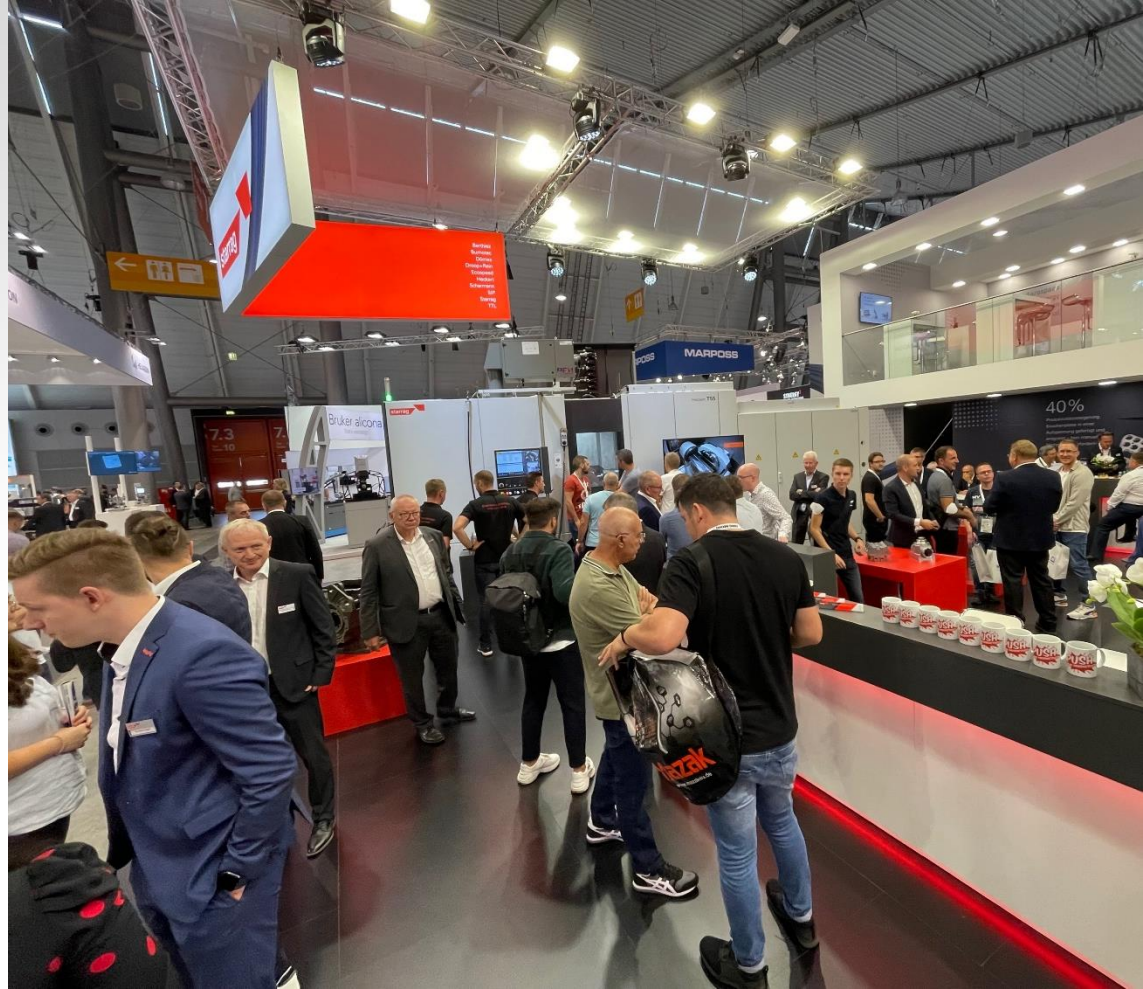
# Technology fairs 2022

## Innovation IMTS Chicago:

- Turbin blade machining center Starrag LX 021
- 5-axis mill-turn center Bumotec 191neo

## Innovation AMB Stuttgart:

- 5-axis mill-turn center Bumotec 191neo
- 5-axis machining center Heckert T55





# Investing in the future

Starrag doubles its training capacity at the Rorschacherberg site.

# New Starrag training center

Optimal conditions for competent, motivated employees.

Prevention of the shortage of skilled workers (a third of the workforce comes from our own training).

The trainees have completed their training with the best grades compared with other cantons .



Double the space, additional vocational trainers, expanded training competence

# Change in the Board of Directors



## **Christian Androschin**

has been a member of the Board of Directors of Starrag Group Holding AG since 23.04.2022.

Since 2005, he has been managing partner of Androschin & Partner Management Consulting GmbH (a consultancy focusing on mechanical and plant engineering as well as automation technology) based in Appenzell, Switzerland and is active in various advisory board of mechanical engineering companies. Christian Androschin is a proven expert in the machine tool industry. In the last 30 years, he has carried out more than 100 projects for about 50 companies in the global machine tool (supply) industry – mainly with a strong focus on strategic and organizational issues and a global context (e.g. regarding China).

Christian Androschin holds a degree in economics from the University of St. Gall (lic. oec. HSG).



## **Bernhard Iseli**

has been a member of the Board of Directors of Starrag Group Holding AG since 23.04.2022.

Since 2021 he has been Co-Founder and Managing Partner of scenarioC GmbH for innovation management and since 2008 he is also a member of the Board of Directors of Krämer AG, Bassersdorf. Previously, he, within GF Machining Solutions AG, was Managing Director Technical Unit Liechti from 2019 to 2021 and before that Managing Director of the "Technical Milling" business unit for over 10 years. In its role, he led the global milling machine business, including the establishment and management of the Chinese development and production site in Changzhou.

Bernhard Iseli completed his studies as a mechanical engineer (HTL) at the Engineering School, Berne and his postgraduate studies as a production engineer SIB/ISZ in Zurich.

# Changes in the Executive Board



**Martin Buyle**

will become CEO of Starrag Group as of 01.04.2023.

From 2020 to 2022, he was Managing Director at Starrag Technology GmbH, where he was responsible for the realignment of the Starrag Group's large machinery business and implemented the restructuring tasks. From 2014 to 2019, he was CEO of Orell Füssli Ltd, a listed mixed holding company. Prior to that, he was CEO of Jakob Müller AG, an internationally active Swiss textile machinery manufacturer, and Managing Director of Kramer Werke, a manufacturer of construction machinery.

Martin Buyle holds a degree in mechanical engineering and a MBA from IESE Business School.



**Rainer Hansjürgens**

has been Head of the Business Unit Large Parts Machining Systems since 01.11.2022, which comprises the Berthiez, Dörries and Droop+Rein product lines.

Previously he had worked at DMG MORI since 2017, first as Managing Director of Deutschland GmbH and then as Managing Director of Gildemeister Drehmaschinen GmbH. From 2012 to 2016, as Head of Production and Logistics, he was responsible for 3 production plants of ARI Armaturen GmbH & Co. KG. From 2006 to 2012 he headed the division Manufacturing Systems at ELHA Maschinenbau Liemke KG. From 2002 to 2005 he was production manager at Droop + Rein and from 1996 to 2002 he worked at ELHA Maschinenbau Liemke KG, first as a constructor and later as plant manager for assembly and production.

Rainer Hansjürgens is an Industrial Mechanic and Dipl.-Ing. Mechanical Engineering.



**Christian Kurtenbach**

has been Head of Business Unit High Performance Systems since 01.02.2023, which comprises the Starrag, Ecospeed and TTL product lines.

Before that, he had worked at Heller Maschinenfabrik GmbH since 2014. There he was responsible for various change projects in the production environment. Has integrated and is responsible for the global manufacturing strategy. In addition, he was division manager and CEO of Paatz Viernau GmbH. From 1991 to 2014 he was self-employed in the areas of contract manufacturing, component assembly, robotics, automation and robotics for school and training.

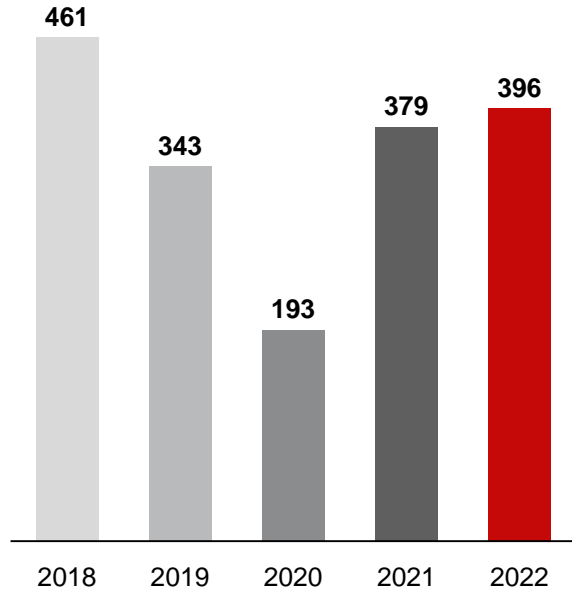
Christian Kurtenbach studied mechanical engineering and production technology at the Ulm University of Applied Sciences and is a master of precision mechanics.

## 2. Financial report

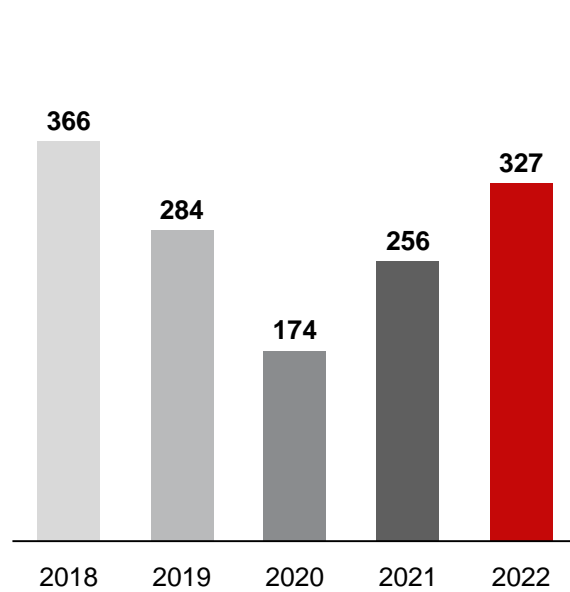
Thomas Erne  
CFO

# At a glance – 5-year comparison

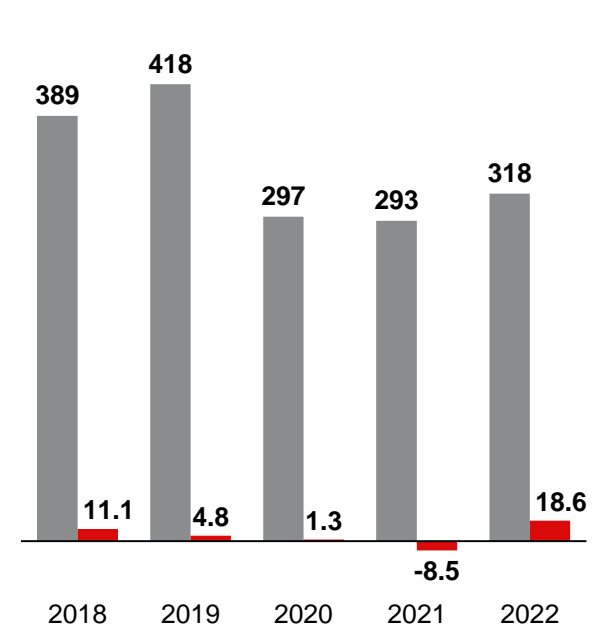
Order Intake  
[CHF m]



Order backlog  
[CHF m]

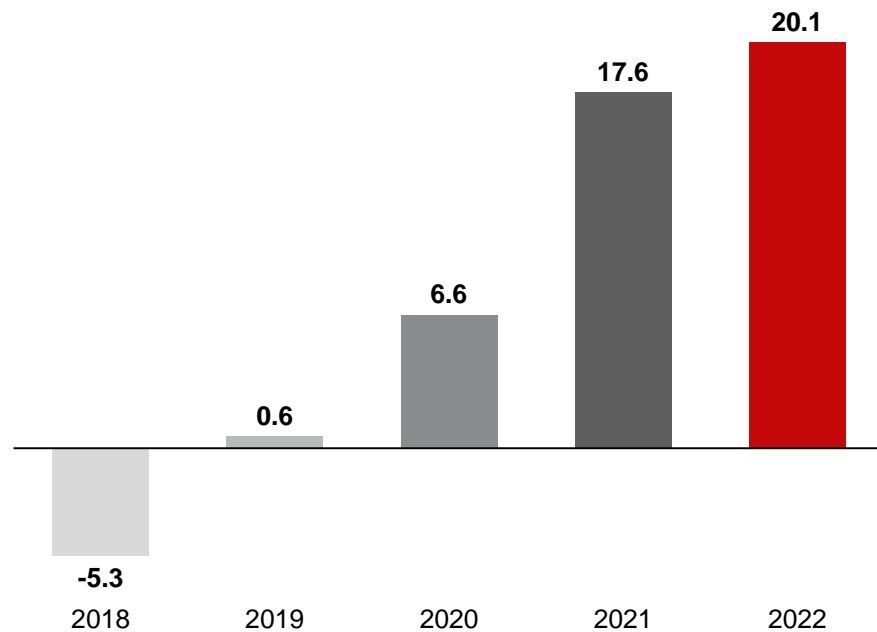


Sales / EBIT  
[CHF m]

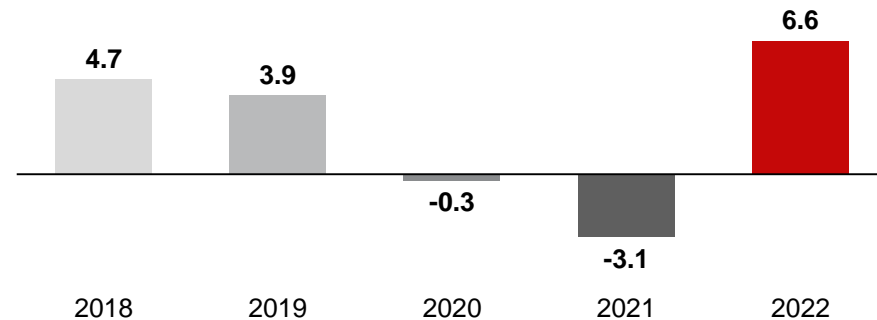


## At a glance – 5-year comparison

Net debt  
[CHF m]

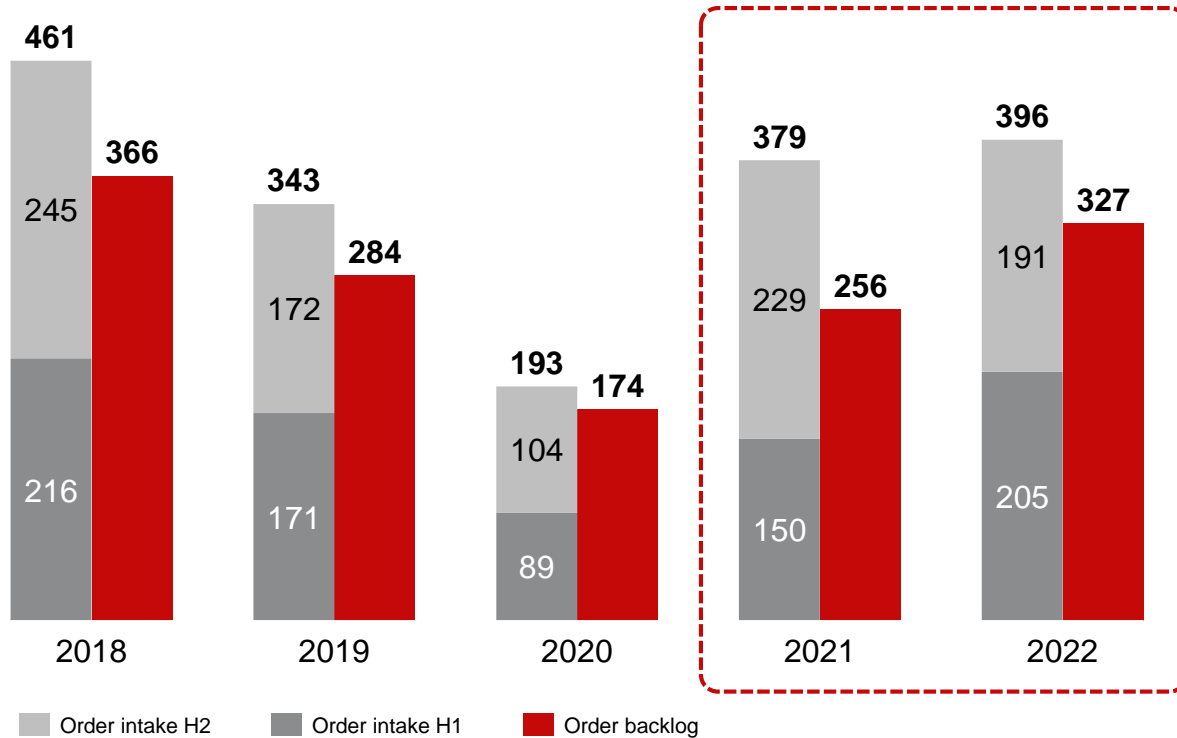


Return on equity  
[%]





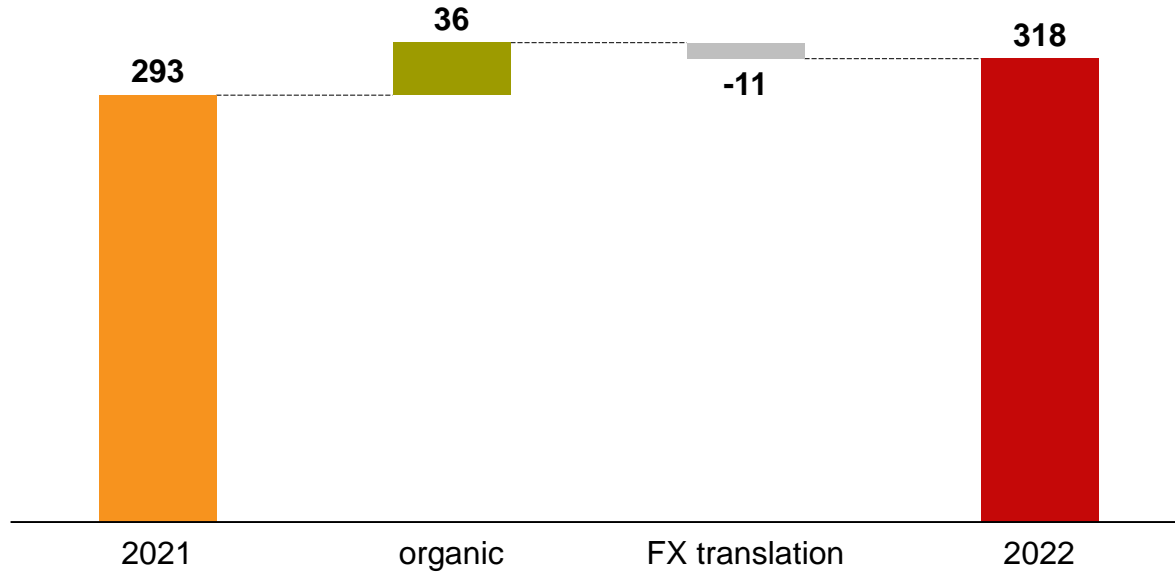
# Order backlog secures basic capacity utilisation [CHF m]



- Order intake 2022: +5% (currency adjusted +8%)
- Order backlog: +28% (currency adjusted +31%)  
→ capacity utilisation secured until well into 2024

# Development of sales despite currency effects +8.5%

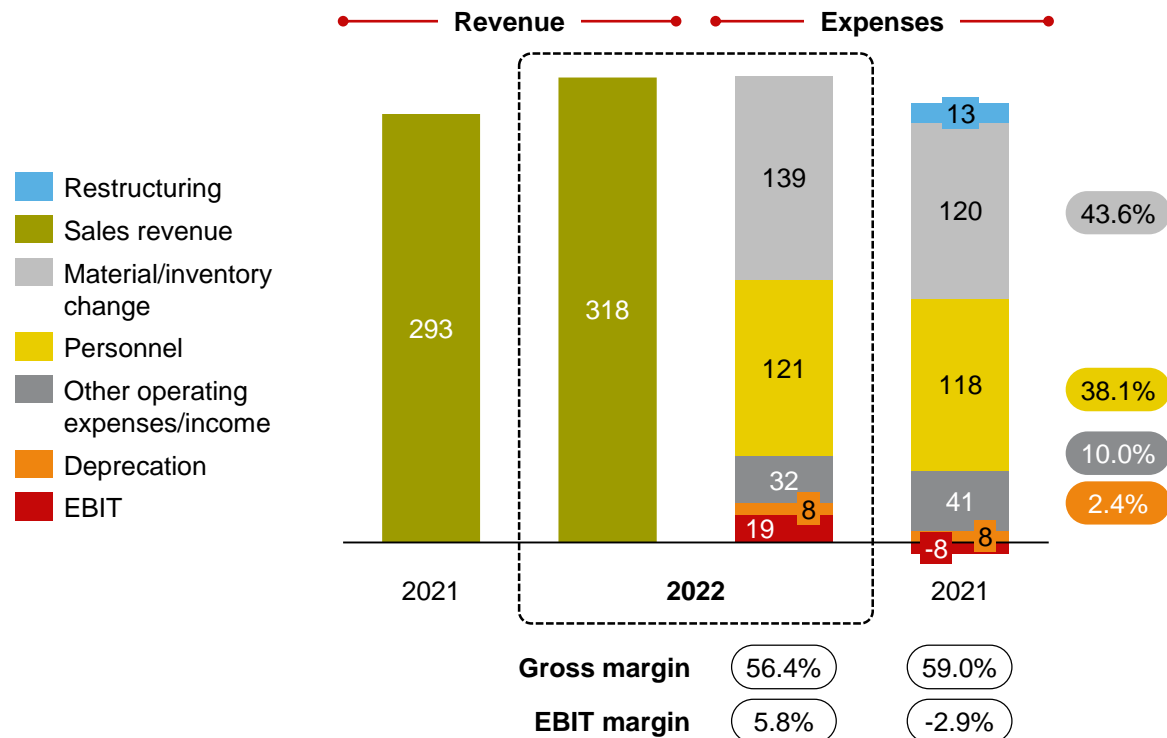
Sales +8.5%, currency adjusted +12.2% [CHF m]



Material effect from currency fluctuations

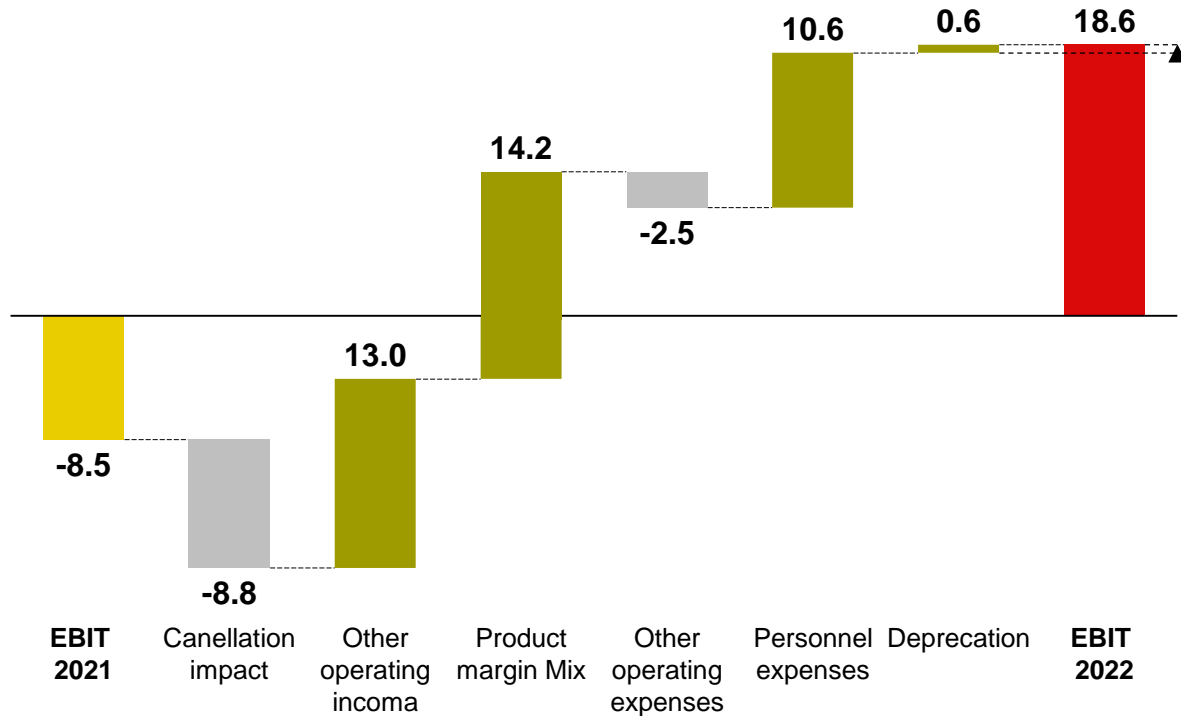
■ EUR/CHF exchange rate  
(2022: 1.0162, 2021: 1.0935)

# Income statement: Relief through savings programmes [CHF m]



Significantly increased sales and operating profit towards target margin of 8%.

# EBIT bridge [CHF m]

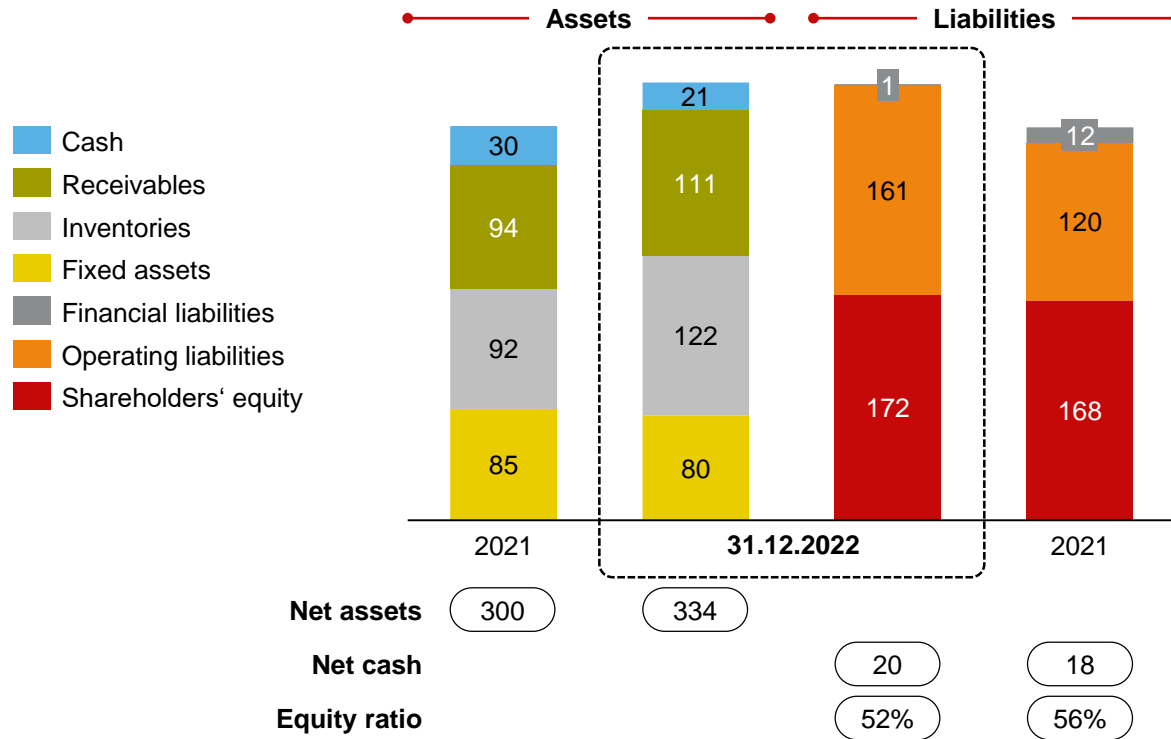


Significantly increased EBIT in 2022. Restructuring at the Mönchengladbach site was completed

## Financial result

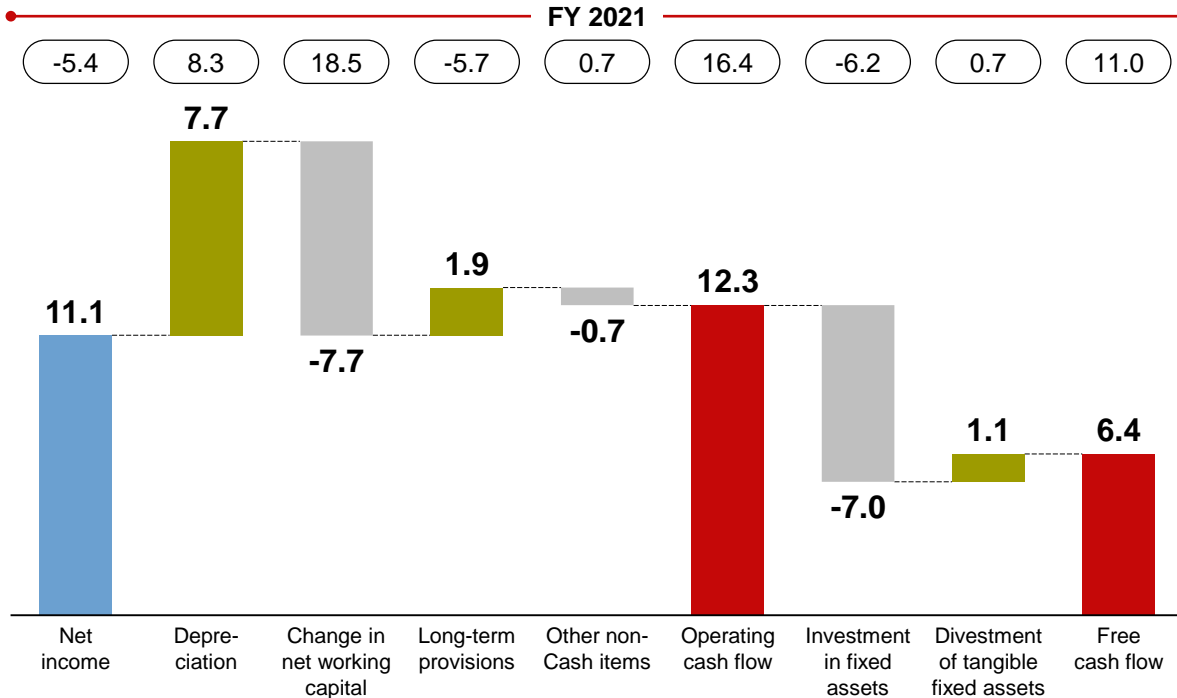
CHF m	2022	2021
<b>Operating result EBIT</b>	<b>18.6</b>	<b>-8.5</b>
Interest expenses, net	-0.3	-0.5
Other financial result	-0.2	1.3
Total financial result, net	-0.5	-0.9
<b>Income before taxes</b>	<b>18.1</b>	<b>-8.6</b>
Income tax expenses	-7.0	3.2
<b>Net income</b>	<b>11.1</b>	<b>-5.4</b>
<b>Earnings per share in CHF</b>	<b>3.31</b>	<b>-1.61</b>

# Balance sheet: Strong financial basis [CHF m]



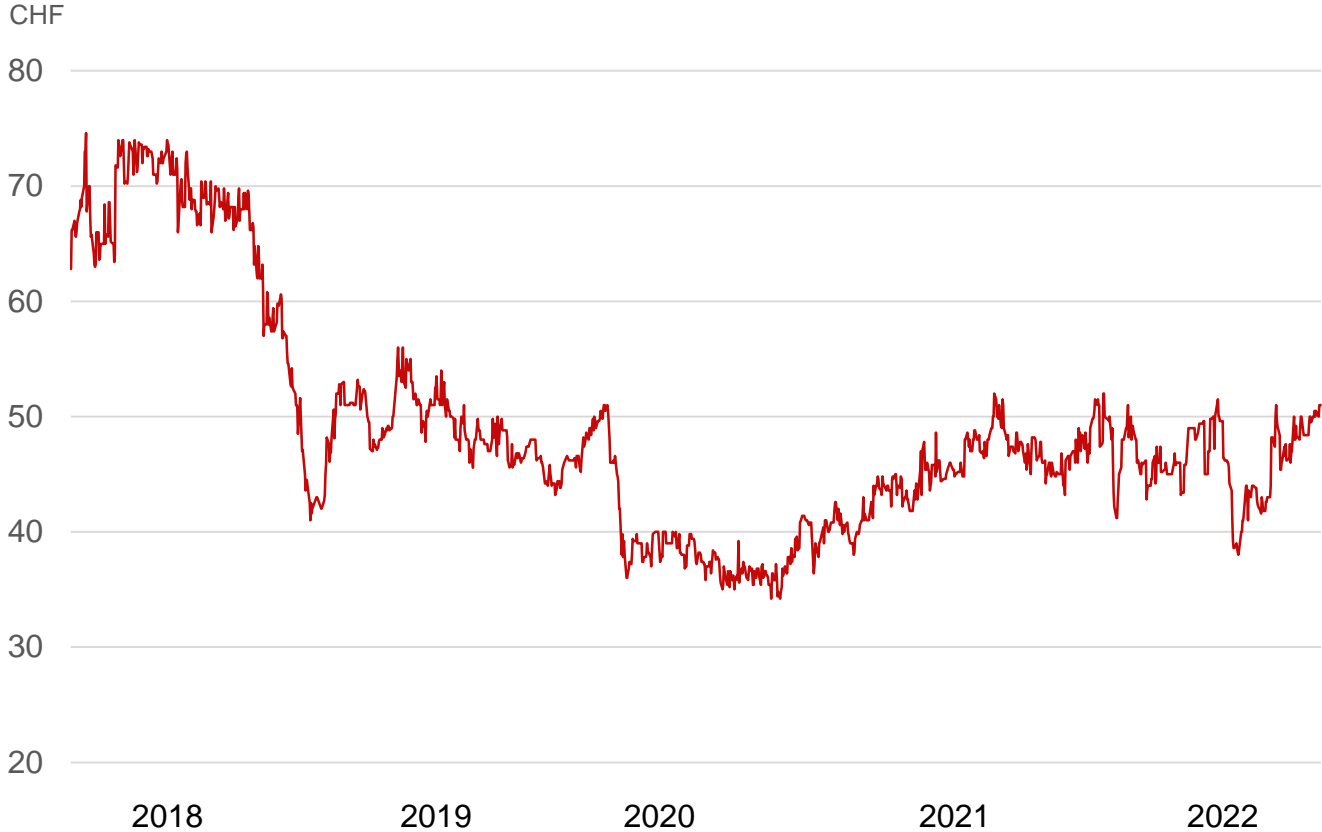
- ✓ Solid equity ratio of 52%; positive net liquidity of CHF 20 million
- ✓ Increase in balance sheet total due to higher inventories

# Intact free cash flow 2022 [CHF m]



- █ Solid cash flow despite increase in working capital
- █ Slightly increase in investment activity, asset sales due to restructuring at the Mönchengladbach site

# Share performance

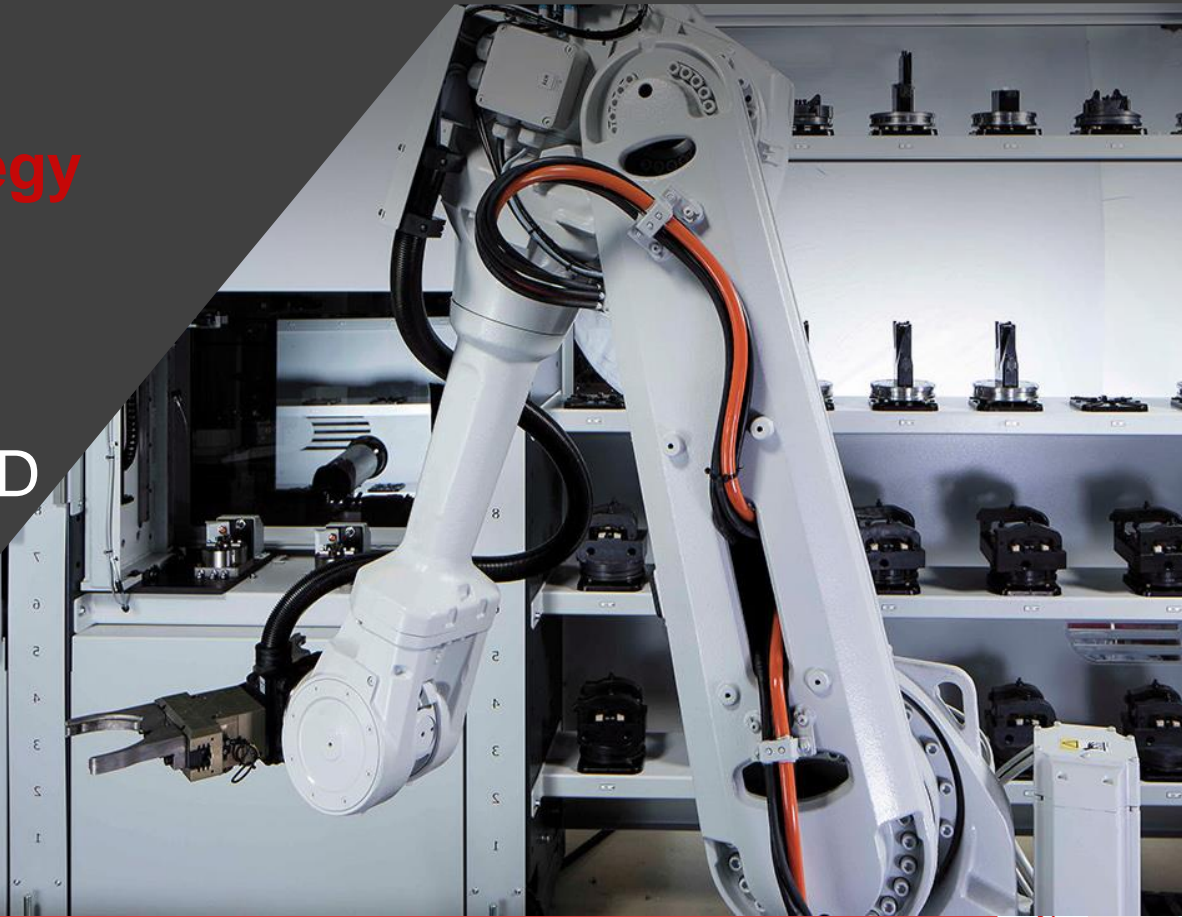


ISIN: CH0002361068  
Symbol: STGN



### 3. Outlook and strategy

Michael Hauser  
Chairman of the BoD



# Market trends by industry

## Key markets Aerospace and Industrial with sustainable perspective



↗ Aerospace 29%

- Further orders and strong trend towards single-aisle aircraft boost sales
- Increasing technical requirements (size, complexity, precision, alloys)
- China with high investment activity for own production of aircraft engines
- Defence industry expects release of funds

Percentage: average order intake 2020-2022



↗ Energy 11%

- Sustained investment in wind farms for the next few years generates longer-term demand
- Western power plant manufacturers with selective investments
- Oil & Gas: Gas with some growth



↗ Transportation 11%

- Agricultural machinery, like construction machinery, outlook remains positive
- On-road vehicles: transformation to e-mobility; new potentials through new frame structure components
- Trucks and off-highway vehicles: driven by emission regulations
- Defence industry expects release of funds



↗ Industrial 49%

- Good demand from mechanical engineering
- Share of and demand for automated solutions continues to grow
- Jewellery and watch market develops favourably
- MedTech (implants) somewhat weakened by pandemic, but rapid recovery expected
- Defence industry expects release of funds

# Guidance 2023

 <p>Order intake</p> <p>&gt; 2022</p>	 <p>Sales revenue</p> <p>&gt; 2022</p>	 <p>EBIT</p> <p>&gt; 2022</p>
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Prerequisites:

Financial year 2023 will not be affected by another pandemic or by any geopolitical aggravations..

# Continuation of the strategy implementation

## Focus



on the most attractive market/product segments and regions in order to better exploit the Group-wide growth and profit potential.

## Differentiation



Differentiation through application competence, technology, service competence and premium market presence.

## Portfolio



Better scaling of the existing product portfolio and competencies worldwide.

## Excellence



Increased focus on operational excellence across the entire value chain.

# Starrag adheres to medium-term financial targets



Sales revenue \*

plus 5% p.a.



Profitability \*

8% EBIT margin



Dividend ratio

35-50% of net profit

- Note for shareholders:
- Low price-to-book ratio
  - Low price-earnings ratio
  - Low property valuation
  - Solid balance sheet
  - Dividend paying capacity

\* In local currencies and as average over the business cycle

## Corporate calendar and contact details

- 21.04.2023 Annual General Meeting
- 27.07.2023 Half-year report 2023
- 26.01.2024 Sales and orders 2024
- 08.03.2024 Presentation of 2023 results for analysts and media
- 20.04.2024 Annual General Meeting

Thomas Erne, CFO

[investor@starrag.com](mailto:investor@starrag.com)

[www.starrag.com](http://www.starrag.com)

## 4. Q & A

Please ask your questions.



Thank you for your  
interest.

Stay healthy!

[www.starrag.com](http://www.starrag.com)