Media Release

Initial information on fiscal year 2019

Expectedly lower order intake and higher sales with a lower EBIT margin – order book remains high

- **Order intake minus 26% to CHF 343 million, minus 24% in local currency**
- **Sales plus 7% to CHF 418 million, plus 9% in local currency**
- **Order backlog of CHF 284 million ensures a solid rate of utilization**
- **Operating result (EBIT) declined y-o-y as expected, but significant improvement in the second half**
- **"Starrag 2021" program delivers the initial positive results**

Rorschacherberg, 24 January 2020 – Starrag Group Holding AG (SIX: STGN), a global technology leader offering a wide range of high-precision machine tools for milling, turning, boring and grinding workpieces made of metallic, composite and ceramic materials, today published preliminary results for the past fiscal year. The results are in line with the guidance given during the publication of Starrag Group's first-half results. The annual report for 2019 with the full financial results will be published at the analysts and media conference in Zurich on 6 March 2020.

Normalization of order intake

When appraising Starrag Group's order intake, the long-term nature of its business as a manufacturer of capital equipment must always be taken into consideration. Order intake for any given period can be strongly influenced by large orders, as was the case in the first half of 2018, which then led to a full-year order intake of CHF 461 million, the second-highest figure ever reported in the history of Starrag Group. Incoming new orders during the period under review of CHF 343 million (minus 26%, at constant exchange rates minus 24%) can thus be viewed as a normalization. Orders from the Aerospace and Industrial industries declined the most, followed by the Energy sector, whereas Transportation orders were virtually unchanged from the prior-year level. Viewed by geographic segmentation, order intake weakened the most in Europe, followed by North America, whereas orders from Asia were only marginally below the prior-year level.

Order backlog still equivalent to about a year of production

The order backlog of CHF 284 million at the end of 2019 is in line with the historical average. Considering that the backlog for the previous year was a record high CHF 366 million puts the year-on-year decline of 22% into perspective. With the current backlog, a solid rate of capacity utilization is still ensured over the medium term. It is also noted that Starrag's business always entails a substantial amount of recurring services activities.

Sales increased

Full-year sales of CHF 418 million exceeded the figure for the prior year by 7%, as forecast (plus 9% in local currency). This sales growth was mainly driven by the high order backlog from 2018, but numerous measures taken during the year under review to improve project management that resolved delays in project execution from the previous year were also a contributing factor.

Lower EBIT margin expected

As already announced in the mid-year report for 2019, consolidated EBIT for the year as a whole will be well below the figure from 2018, but a significant improvement was observed during the second half compared to the first half, thanks not least to a sharp reduction in restructuring costs.

Initial positive effects of “Starrag 2021” program

The “Starrag 2021” program initiated in the spring of 2019 with the objective of achieving a substantial as well as lasting improvement in profitability has delivered the initial anticipated results. Optimization of the product portfolio, the full realization of synergy potential, more effective management structures (in place as of 1 July 2019) and improved project management are the aims of this program.

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, 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

Key figures for the 2019 fiscal year (preliminary, unaudited)

CHF million	2019	2018	Change	At constant exchange rates
Order intake	343	461	-26%	-24%
Order backlog	284	366	-22%	-20%
Sales revenue	418	389	+7%	+9%

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Forthcoming events

- Annual report 2019 — 6 March 2020
- Annual General Meeting 2020 — 25 April 2020
- Half year report 2020 — 23 July 2020
- Sales and orders 2020 — 29 January 2021
