

Ad hoc announcement pursuant to Art. 53 LR:

Annual Report 2023

Mikron Group posts another significant increase in sales and profit

Biel, March 8, 2024, 7.00 a.m. – The Mikron Group again improved its earnings situation in the past financial year. Both business segments increased annual net sales and achieved good results. Strong demand in all of Mikron’s key markets, above-average growth in the Automation division, sales growth in the Machining division, and the Tool division’s good positioning were the key factors behind this performance. The Group’s net sales rose from CHF 309.4 million to CHF 370.2 million (+19.7%). At CHF 412.1 million, order intake surpassed the previous year’s record figure of CHF 408.0 million (+1.0%). The Group’s EBIT for 2023 amounts to CHF 35.3 million (2022: CHF 26.4 million, +33.7%), and the profit for the year is CHF 28.8 million (2022: CHF 24.2 million, +19.0%).

All three divisions of the Mikron Group again performed well in the 2023 financial year and achieved some important development targets on their way to realizing their growth and profitability ambitions on a sustainable basis. They made good use of the strong demand from their key target markets such as the pharmaceutical and medical technology industries, the watchmaking sector, and the writing industry. The importance of the combustion engine as a sales market for Mikron is now limited.

To counter rising inflation, all Mikron divisions regularly analyzed prices and made the necessary adjustments. Thanks to proactive discussions with suppliers and customers, the increases in raw material and energy prices did not have a significant impact on the Mikron Group’s profitability. Mikron also succeeded in mitigating the impact of exchange rate fluctuations on profitability. The fact that the restrictions on global supply chains eased significantly from the second half of 2023 also had a positive impact on Group’s net sales and profitability.

Order intake and net sales

The Mikron Group reported order intake of CHF 412.1 million in 2023, representing another increase of 1.0% compared with the prior year (CHF 408.0 million). Posting annual net sales of CHF 370.2 million, the Mikron Group exceeded the prior-year result of CHF 309.4 million by 19.7%. Europe remains Mikron’s most important market, with 59% (including Switzerland) of total net sales in 2023 (2022: 49% including Switzerland). Accounting for a share of 25%, North America remains in second place (previous year: 30%). The strongest market segment remains the pharmaceutical and medical technology sectors at 57% (previous year: 55%). The automotive industry contributed 7% (prior year: 12%) to total net sales.

Order backlog and capacity utilization

At CHF 304.3 million, the Mikron Group reported a high order backlog at the end of 2023, up 12.4% on the prior-year figure (end of 2022: CHF 270.7 million). Capacity utilization was high in all three divisions throughout the year.

Profitability

In the 2023 financial year, the Mikron Group again improved its EBIT and profit figures. Compared with the previous year, Mikron increased its EBIT from CHF 26.4 million to CHF 35.3 million (+33.7%). It includes a one-off positive effect of CHF 2.2 million resulting from the sale of a non-operating property in Nidau (Switzerland). The Group thus achieved an EBIT margin of 9.5% for 2023 (2022: 8.5%). The profit increased from CHF 24.2 million to CHF 28.8 million (+19.0%). Profit per share for 2023 came to CHF 1.73 (prior year: CHF 1.47). The Mikron Group's return on net assets (RONA) for the 2023 financial year is an impressive 23.8%.

Distribution to shareholders

At the General Meeting on April 23, 2024, the Board of Directors of the Mikron Group will propose a distribution to the shareholders of CHF 0.50 per share (previous year: CHF 0.40).

Outlook

The Mikron Group's progress is in line with the Group's medium-term planning and strategy. Mikron started the 2024 financial year in a good position with a sound cost structure, a solid order backlog in both business segments, and an intact demand trend in all key sales markets. However, it remains difficult to provide a forecast for fiscal 2024. The global economic situation remains unstable, particularly as the world is currently characterized by polarizing narratives, global conflicts, and armed clashes. The Mikron Group is expecting overall sales to remain stable in 2024 and a similar operating result margin to 2023.

Brief profile of the Mikron Group

The Mikron Group develops, produces and markets very precise, productive and adaptable automation solutions, machining systems and cutting tools. Rooted in the Swiss culture of innovation, Mikron is a global partner to companies in the pharmaceutical, medtech, consumer goods, automotive, and general engineering industries. The Mikron Group enables its customers to increase quality and industrial productivity. The Group has over 100 years of experience, state-of-the-art technologies, and a global service. The two business segments Mikron Automation and Mikron Machining Solutions are based in Switzerland (Boudry and Agno). Additional production sites are located in the USA, Germany, Singapore, China and Lithuania. Mikron Holding AG shares are traded on SIX Swiss Exchange (MIKN). The Mikron Group employs a total workforce of around 1,550.

Publication of annual results for 2023

The annual results will be published at the same time as this ad hoc announcement in the form of the 2023 Annual Report: www.mikron.com/reports. Online report, see: <https://report.mikron.com>.

Download ad hoc announcement pursuant to Art. 53 LR:

www.mikron.com/news

Key figures for the Mikron Group

| | 2023 | 2022 | +/- |
|--|--------------|--------------|---------------|
| CHF million ¹⁾ | | | |
| Order intake ²⁾ | 412.1 | 408.0 | 1.0% |
| - Machining Solutions | 136.1 | 169.0 | -19.5% |
| - Automation | 276.1 | 239.0 | 15.5% |
| Net sales | 370.2 | 309.4 | 19.7% |
| - Machining Solutions | 139.1 | 125.7 | 10.7% |
| - Automation | 231.2 | 183.8 | 25.8% |
| Order backlog ²⁾³⁾ | 304.3 | 270.7 | 12.4% |
| - Machining Solutions | 99.1 | 101.8 | -2.7% |
| - Automation | 205.1 | 168.8 | 21.5% |
| Number of employees ²⁾³⁾ | 1,548 | 1,414 | 9.5% |
| - Machining Solutions | 561 | 558 | 0.5% |
| - Automation | 961 | 832 | 15.5% |
| EBIT ²⁾ | 35.3 | 26.4 | 33.7% |
| - Machining Solutions | 11.8 | 9.3 | 26.9% |
| - Automation | 22.0 | 17.5 | 25.7% |
| Operating result | 33.4 | 25.8 | 29.5% |
| Profit for the year | 28.8 | 24.2 | 19.0% |
| Cash flow from operating activities | 10.5 | 27.6 | -62.0% |
| Balance sheet total ³⁾ | 374.2 | 345.9 | 8.2% |
| Equity ratio ²⁾³⁾ | 54.5% | 53.8% | 0.7% |

1) Except number of employees and %

2) Alternative performance measure, see 2023 Annual Report, pages 148 to 150, or www.mikron.com/apm

3) End of year

Contact

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Investor Relations Calendar

March 8, 2024, 10.30 a.m. – Media and analysts conference

April 23, 2024, 04.00 p.m. Annual General Meeting 2024

July 19, 2024, 07.00 a.m. Ad hoc announcement pursuant to Art. 53 LR, semiannual results 2024

Except for the historical information contained herein, the statements in this ad hoc announcement are forward-looking statements that involve risks and uncertainties.

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