

Media release on Annual Report 2018

Mikron significantly increases sales and profitability

Biel, March 20, 2019, 7.00 a.m. – The Mikron Group significantly increased order intake and sales in 2018 compared with the previous year, while improving profitability. Both business segments contributed to this positive performance. Overall, the Group achieved sales of CHF 314.7 million (prior year: 248.5 million, + 26.6%) together with order intake of CHF 362.3 million (prior year: CHF 278.9 million, + 29.9%). The order backlog reached a record CHF 195.7 million on December 31, 2018 (end of 2017: CHF 157.2 million, + 24.5%). With EBIT at CHF 13.9 million (prior year: CHF 2.8 million, + 396.4%) the Group improved its EBIT margin from 1.1% in 2017 to 4.4%.

Both business segments in the Mikron Group were able to strengthen their market positions in the year under review. The Group's capacity utilization across all the sites improved steadily over the year. Both business segments had to deal with temporary supply bottlenecks in materials procurement. The high demand for its products meant that the Mikron Tool division reached its capacity limits.

Order intake

The Mikron Group reported order intake of CHF 362.3 million in 2018, representing an increase of 29.9% against the prior year (CHF 278.9 million). Europe (incl. Switzerland) remains Mikron's most important market, with approximately 49% of orders received in 2018 placed by European customers (previous year: 62%). The two strongest market segments are still the pharmaceutical/medtech industries with 40% and the automotive industry contributing 31% (prior year: both 31%) to the overall order intake. In North America, Mikron Automation made a significant contribution to the good order intake, while Mikron Machining Solutions remained below expectations with machine orders in this market. Compared with 2017, Mikron reported similar levels of order intake in Asia, mainly from the writing instruments and automotive industries.

Net sales and order backlog

Posting annual net sales of CHF 314.7 million, the Mikron Group exceeded the prior-year result (CHF 248.5 million, +26.6%) markedly. While Mikron Machining Solutions succeeded in increasing sales by 29.2%, the Automation business segment posted an increase of 24.6%. Some sites were still not fully utilized at the beginning of 2018. However, the situation improved steadily in the course of the year overall, with most companies reporting good capacity utilization by the end of 2018. The Tools and Services areas were experiencing overload, which is resulting in long delivery times. Mikron expects demand in this area to continue and has therefore increased the relevant capacities. At CHF 195.7 million, the Mikron Group's order backlog at the end of 2018 was 24.5% higher than the prior-year figure.

Profitability

In the 2018 business year, the Mikron Group reported a significantly improved EBIT of CHF 13.9 million (previous year: CHF 2.8 million). The EBIT profit of CHF 4.2 million (prior year: CHF -1.6 million) posted by the Machining Solutions business segment represents an improvement in profitability. The better profitability reflects the higher level of machine and service sales in 2018.

Mikron Automation reported an improved EBIT of CHF 8.4 million after the prior year's EBIT of CHF 3.1 million. The EBIT margin increased to 5.4% (prior year: 2.5%).

Net earnings

Mikron's net earnings for 2018 were CHF 12.2 million, compared to CHF 1.2 million in the prior year. Net earnings per share for the year 2018 came to CHF 0.74 (prior year: CHF 0.07). At the General Meeting on 25 April 2019, the Board of Directors of the Mikron Group will propose a distribution from capital contribution reserves of CHF 0.20 per share.

Outlook

The Mikron Group started 2019 with a record order backlog, particularly at Mikron Automation. Even though the general environment remains fragile, most of Mikron's key markets and, in particular, demand for services seem robust. The Group expects order intake to normalize on a somewhat lower level, however because certain large orders won in 2018 are not expected to be repeated in 2019. Overall, Mikron Group is expecting a further rise in sales and profitability.

Key figures for the Mikron Group

	2018	2017	+/-
CHF million*			
Order intake	362.3	278.9	29.9%
- Machining Solutions	162.2	152.9	6.1%
- Automation	200.9	126.0	59.4%
Net sales	314.7	248.5	26.6%
- Machining Solutions	160.3	124.1	29.2%
- Automation	155.2	124.6	24.6%
Order backlog	195.7	157.2	24.5%
- Machining Solutions	68.0	75.2	-9.6%
- Automation	128.2	82.2	56.0%
Number of employees	1,398	1,275	9.6%
- Machining Solutions	695	627	10.8%
- Automation	679	622	9.2%
EBIT	13.9	2.8	
- Machining Solutions	4.2	-1.6	
- Automation	8.4	3.1	
Profit for the year	12.2	1.2	
Operating cash flow	20.1	15.6	28.8%
Balance sheet total	289.5	265.7	9.0%
Equity ratio	56.8%	59.2%	-2.4%

*except number of employees and %

Publication of annual results for 2018

The annual results will be published at the same time as this media release in the form of the 2018 Annual Report: www.mikron.com/reports

Brief profile of the Mikron Group

The Mikron Group develops, produces and markets highly 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 automotive, pharmaceutical, medtech, consumer goods, writing instruments and watchmaking 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 Germany, Singapore, China and the USA. Mikron Holding AG shares are traded on SIX Swiss Exchange (MIKN). The Mikron Group employs a total workforce of around 1,400.

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Investor Relations Calendar

April 25, 2019, 04.00 p.m. – Annual General Meeting 2019
July 25, 2019, 07.00 a.m. – Media release: Semiannual results 2019

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

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