

2024

Semiannual Report

Mikron Holding AG
Route du Vignoble 17
CH-2017 Boudry

Phone +41 32 321 72 00
Fax +41 32 321 72 01

ir.mma@mikron.com

Published in English

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

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Dear Shareholders,

In the first half of 2024, the Mikron Group confirmed the good results of the 2023 financial year and continued to perform well in both business segments.


After exceptional growth in the first half of last year, in the first half of 2024, Mikron Automation continued to grow mainly in Europe, with a temporary slowdown in the USA. Despite deteriorating market conditions, Mikron Machining Solutions maintained sales and continued to improve profitability.

Overall, the Group's net sales increased from CHF 178.3 million in the first half of 2023 to CHF 190.7 million (+7.0%) in the first half of 2024, operating profit amounted to CHF 14.9 million (first half of 2023: CHF 14.6 million, +2.1%) and the operating profit margin came to 7.8% of net sales (first half of 2023: 8.2%). The slight decline in the margin is due to the temporary weakness of the US markets and investments in strategic growth projects such as the digitalization of the product range.

We would like to thank our employees for their commitment, our customers for their confidence and you, our valued shareholders, for the trust you have placed in us.



Paul Zumbühl
Chairman of the Board of Directors



Marc Desrayaud
Chief Executive Officer

Key Figures for the First Half Year 2024

in CHF million	1.1.–30.6.2024		1.1.–30.6.2023		+/-	
Order intake and sales						
Order intake ¹⁾	220.9		248.7		-27.8	-11.2%
Automation	157.5		177.2		-19.7	-11.1%
Machining Solutions	63.5		71.5		-8.0	-11.2%
Order backlog ¹⁾ (end of period)	340.0		337.7		2.3	0.7%
Automation	247.2		236.7		10.5	4.4%
Machining Solutions	92.8		101.0		-8.2	-8.1%
Net sales	190.7		178.3		12.4	7.0%
Automation	117.4		106.0		11.4	10.8%
Machining Solutions	73.4		72.3		1.1	1.5%
Profitability						
EBITDA ¹⁾ , as % of net sales	19.6	10.3%	21.4	12.0%	-1.8	-8.4%
Operating profit, as % of net sales	14.9	7.8%	14.6	8.2%	0.3	2.1%
Automation	7.2	6.1%	8.7	8.2%	-1.5	-17.2%
Machining Solutions	8.6	11.7%	6.6	9.1%	2.0	30.3%
Net profit, as % of net sales	14.6	7.7%	13.9	7.8%	0.7	5.0%
Cash flow						
Free cash flow ¹⁾ , as % of net sales	17.2	9.0%	27.4	15.4%	-10.2	-37.2%
Balance sheet						
	30.6.2024		31.12.2023			
Total assets	374.7		374.2		0.5	0.1%
Current assets	269.2		271.5		-2.3	-0.8%
Cash and current financial assets	92.6		84.1		8.5	10.1%
Non-current assets	105.5		102.8		2.7	2.6%
Current liabilities	147.1		157.0		-9.9	-6.3%
Long-term liabilities	13.9		13.4		0.5	3.7%
Shareholders' equity, as % of total assets	213.7	57.0%	203.8	54.5%	9.9	4.9%

¹⁾ Alternative performance measure, see pages 16 and 17.

1.1.–30.6.2024

1.1.–30.6.2023

Net sales

Total amount CHF 190.7 million

CHF 178.3 million

By segment



62%
38%

Automation 59%
Machining Solutions 41%



By region



48%
14%
16%
21%
1%

Europe 45%
Switzerland 10%
Asia/Pacific 14%
North America 30%
Others 1%



By industry



7%
58%
4%
11%
20%

Automotive 7%
Pharma/Medtech 55%
Writing 5%
Consumer Goods 9%
Others 24%



Management Report

In the first half of 2024, the Mikron Group's strong performance continued. Group net sales increased to CHF 190.7 million (+7.0%) in the first half of 2024 (first half of 2023: CHF 178.3 million), operating profit amounted to CHF 14.9 million (first half of 2023: CHF 14.6 million, +2.1%) and the operating profit margin was 7.8% of net sales (first half of 2023: 8.2%). The sales growth was mainly due to the continued strong demand in Europe for automation solutions.

Development of key figures

Order intake and order backlog

At CHF 220.9 million, the Mikron Group's order intake for the first half of 2024 was 11.2% below the high level of the first half of 2023 (CHF 248.7 million). At CHF 340.0 million, however, the order backlog at the end of June 2024 was 0.7% higher than at the end of June 2023.

Sales

The Mikron Group's net sales increased by 7.0% in the first half of 2024: from CHF 178.3 million in the first half of 2023 to CHF 190.7 million. While the Automation business segment further increased its net sales in Europe, the demand in the USA has temporarily cooled somewhat. Machinig Solutions' net sales increased by 1.5% – a good result given the challenging market conditions, particularly in Germany.

With a 62% share of net sales, Europe (including Switzerland) remained the Mikron Group's principal sales market in the first half of 2024. Mikron increased net sales in Europe by 20.6% compared with the first half of 2023, and in Asia by 21.8%. In North America, net sales declined by 24.2%.

Profitability

Operating profit amounted to CHF 14.9 million in the first half of 2024 (first half of 2023: CHF 14.6 million, +2.1%). This corresponds to an operating profit margin of 7.8% for the first half of 2024 (8.2% for the first half of 2023). The slight decline in the margin is due to the temporary weakness of the US markets and investments in strategic growth projects such as the digitalization of the product range.

At CHF 14.6 million, net profit for the first half of 2024 is 5.0% higher than the 2023 half-year result (CHF 13.9 million). The 2023 half year net profit included a one-time positive effect of CHF 2.1 million, resulting from the sale of a non-operating property in Nidau (Switzerland).

Financing and equity ratio

The Mikron Group's equity ratio was 57.0% at the end of June 2024 (end of 2023: 54.5%). With a net cash position of CHF 89.2 million, the Group remains debt-free.

Cash flow

Free cash flow amounted to CHF 17.2 million in the first half of 2024 (first half of 2023: CHF 27.4 million). The fluctuation of free cash flow is mainly due to the timing of customer prepayments.

Sustainability

In the first half of 2024, Mikron completed its three-year investment cycle in its Swiss sites to improve sustainability and operational excellence. This included a building insulation project in Agno, which significantly improved energy efficiency and the working environment, and the installation of state-of-the-art solar panels, increasing Mikron's reliance on renewable energy and reducing its carbon footprint. Mikron has also implemented a comprehensive sustainability project in Boudry, underlining its commitment to environmentally responsible practices. These projects demonstrate Mikron's commitment to continuous improvement, innovation, and sustainability.

Business segments

Mikron Automation

In the Mikron Automation business segment, demand from its most important sales market, the pharmaceutical and medtech industries, remained sound. Capacity utilization was very good at the sites in Europe throughout the first half of 2024. The temporary weakening in demand in North America and unexpected project delays at Mikron's US site led to lower profitability in the business segment compared with the first half of 2023.

Key figures for Mikron Automation

At CHF 117.4 million, net sales in the Mikron Automation business segment were 10.8% higher than in the first half of the previous year (CHF 106.0 million). At CHF 157.5 million, Mikron Automation's order intake did not reach the exceptionally high level of 2023 (CHF 177.2 million for the first half). The resulting order backlog of CHF 247.2 million at the end of June 2024, however, is 4.4% higher than at the end of June 2023. Mikron Automation posted

an operating profit of CHF 7.2 million (first half of 2023: CHF 8.7 million) and an operating profit margin of 6.1% (first half of 2023: 8.2%). The margin reduction compared with the first half of 2023 is mainly due to some project delays at the US site.

Mikron Machining Solutions

In the Machining Solutions business segment, sales increased by 1.5%. This was achieved despite more difficult market conditions particularly in the important German market, and underlines Mikron's strong position in its niche markets. We expect the market uncertainties to persist into the second half of the year.

Key figures for Mikron Machining Solutions

Net sales for the Mikron Machining Solutions business segment increased from CHF 72.3 million in the first half of 2023 to CHF 73.4 million in the first half of 2024, with operating profit amounting to CHF 8.6 million (first half of 2023: CHF 6.6 million, +30.3%). At CHF 63.5 million, the Mikron Machining Solutions business segment's order intake for the first half of 2024 was CHF 8.0 million lower than in the first half of 2023. At the end of June 2024, the order backlog stood at CHF 92.8 million (end-June 2023: CHF 101.0 million).

Outlook

Forecasts for the second half of the year remain difficult due to the unpredictability of the global economy. Despite challenging market conditions particularly in Machining Solutions, Mikron expects a full year result in the range of the previous year.

Semiannual Financial Statements 2024

Consolidated income statement

Condensed, CHF 1,000	1.1.–30.6.2024		1.1.–30.6.2023	
Net sales	190,711	100.0%	178,298	100.0%
Change in work in progress/finished goods	-4,634		-928	
Material costs and subcontractors	-61,795		-63,377	
Personnel expenses	-78,426		-71,425	
Other operating expenses (net)	-26,252		-23,551	
Depreciation and amortization	-4,656		-4,424	
Operating profit	14,948	7.8%	14,593	8.2%
Financial result	1,055		-476	
Ordinary result	16,003	8.4%	14,117	7.9%
Non-operating result	16		2,279	
Profit before taxes	16,019	8.4%	16,396	9.2%
Income taxes	-1,421		-2,500	
Net profit	14,598	7.7%	13,896	7.8%
Net earnings per share (basic and diluted)	0.87		0.84	

The accompanying notes form an integral part of the semiannual financial statements.

Consolidated balance sheet

Condensed, CHF 1,000	30.6.2024		31.12.2023	
Cash and cash equivalents	42,524		33,960	
Current financial assets	50,059		50,109	
Receivables and prepaid expenses	33,894		40,138	
Inventories	80,392		81,514	
Net assets from customer projects	62,356		65,736	
Total current assets	269,225	71.8%	271,457	72.5%
Tangible assets	88,411		87,403	
Intangible assets	2,413		2,528	
Investment property	940		940	
Other non-current assets	13,735		11,882	
Total non-current assets	105,499	28.2%	102,753	27.5%
Total assets	374,724	100.0%	374,210	100.0%
Short-term financial liabilities	922		1,243	
Current liabilities and accrued expenses	52,193		51,152	
Net liabilities from customer projects	81,529		90,335	
Short-term provisions	12,432		14,294	
Total current liabilities	147,076	39.3%	157,024	42.0%
Long-term financial liabilities	2,516		2,550	
Long-term provisions	582		359	
Other long-term liabilities	10,844		10,472	
Total long-term liabilities	13,942	3.7%	13,381	3.5%
Total shareholders' equity	213,706	57.0%	203,805	54.5%
Total liabilities and shareholders' equity	374,724	100.0%	374,210	100.0%

The accompanying notes form an integral part of the semiannual financial statements.

Consolidated statement of cash flow

Condensed, CHF 1,000	1.1.–30.6.2024	1.1.–30.6.2023
Net profit	14,598	13,896
Non-cash items	847	2,523
Changes in net working capital	7,074	13,640
Cash flow from operating activities	22,519	30,059
Investments in tangible assets, net	-5,049	-2,513
Investments in intangible assets, net	-306	-133
Proceeds from sale of investment property	0	28,253
Divestments of (+) / investments in (-) financial assets, net	5	-4,874
Acquisition of consolidated company, net of cash acquired	-155	0
Interests received and other cash inflow from investing activities	534	171
Cash flow from investing activities	-4,971	20,904
Repayments of borrowings and finance lease liabilities	-1,324	-901
Distributions to shareholders	-8,273	-6,615
Purchase of treasury shares	0	-236
Interests paid	-50	-33
Cash flow from financing activities	-9,647	-7,785
Currency translation effect on cash and cash equivalents	663	-684
Net change in cash and cash equivalents	8,564	42,494
Cash and cash equivalents at beginning of period	33,960	29,203
Cash and cash equivalents at end of period	42,524	71,697

The accompanying notes form an integral part of the semiannual financial statements.

Consolidated statement of shareholders' equity

CHF 1,000	Share capital	Treasury shares	Capital reserves	Retained earnings		Total shareholders' equity
				Accumulated profits	Translation adjustments	
Balance at 1.1.2023	1,671	-1,654	94,814	94,892	-3,701	186,022
Net profit 1.1.–30.6.2023				13,896		13,896
Currency translation adjustments					-2,212	-2,212
Distribution to shareholders			-3,308	-3,308		-6,615
Change in treasury shares		787	248			1,035
Share-based compensation			-38			-38
Balance at 30.6.2023	1,671	-867	91,716	105,480	-5,913	192,088
Balance at 1.1.2024	1,671	-2,012	92,466	120,373	-8,693	203,805
Net profit 1.1.–30.6.2024				14,598		14,598
Currency translation adjustments					2,791	2,791
Distribution to shareholders			-4,137	-4,137		-8,273
Change in treasury shares		1,798	905			2,703
Share-based compensation			-1,858		-2	-1,860
Offset goodwill				-58		-58
Balance at 30.6.2024	1,671	-214	87,376	130,776	-5,904	213,706

The accompanying notes form an integral part of the semiannual financial statements.

Notes to the Consolidated Semiannual Financial Statements 2024

1. General information

Mikron Holding AG is a public limited company under Swiss law, domiciled in Boudry, Switzerland. Its shares are listed on SIX Swiss Exchange (symbol: MIKN). The Board of Directors approved the 2024 consolidated semiannual financial statements on 18 July 2024. The consolidated semiannual financial statements should be read in conjunction with the consolidated annual financial statements for the 2023 financial year, since they represent an update of the last full set of statements.

2. Accounting principles

The unaudited and condensed consolidated semiannual financial statements for the period from 1 January 2024 to 30 June 2024 have been prepared in accordance with the rules of Swiss GAAP FER 31 “Complementary recommendation for listed companies”, which – compared with the annual financial statements – permit shortened versions in terms of presentation and disclosure. The accounting principles set out in the 2023 consolidated financial statements have been applied unchanged. Additionally, the new FER 30 “Consolidated financial statements”

and the new FER 28 “Government Grants” effective for 2024 are applied but have no material impact on Mikron Group’s financial statements.

3. Scope of consolidation

The consolidated semiannual financial statements comprise the unaudited interim financial statements of Mikron Holding AG and its subsidiaries for the first six months. In February 2024, Mikron acquired 100% of the shares of DM2 S.r.l., a small Italian manufacturer of rotary transfer CNC machines. In the first consolidation, total assets of CHF 1.6 million were included, and CHF 58,000 goodwill resulted. The acquired company’s net sales for the first half of 2024 were CHF 0.5 million.

4. Events after the balance sheet date

No significant events have occurred after the balance sheet date.

5. Foreign currency translation

The most significant exchange rates into Swiss francs for the Group in the period under review are listed below (see chart Exchange rates).

Exchange rates

Currency	Average rate (income statement)		Closing rate (balance sheet)	
	1.1.–30.6.2024	1.1.–30.6.2023	30.6.2024	31.12.2023
1 EUR	0.97	0.99	0.96	0.94
1 USD	0.90	0.91	0.90	0.86
1 SGD	0.66	0.68	0.66	0.65
1 CNY	0.13	0.13	0.13	0.12

6. Information by business segment

CHF 1,000 / 1.1.–30.6.	Automation		Machining Solutions		Corporate/ Eliminations		Total Group	
	2024	2023	2024	2023	2024	2023	2024	2023
Net sales – third party	117,384	105,985	73,327	72,313	0	0	190,711	178,298
Net sales – Group	2	0	29	20	-31	-20	0	0
Total net sales	117,386	105,985	73,356	72,333	-31	-20	190,711	178,298
Operating profit	7,209	8,747	8,590	6,565	-851	-719	14,948	14,593

7. Non-operating result

Condensed, CHF 1,000	1.1.–30.6.2024	1.1.–30.6.2023
Non-operating income	101	3,014
Non-operating expense	-85	-610
Revaluation of investment property	0	-125
Non-operating result	16	2,279

The 2023 non-operating income included a gain on sale on investment property of CHF 2.1 million, net of transaction costs.

Alternative Performance Measures

In external communications, Mikron discloses performance measures that are not defined in Swiss GAAP FER. The description and, where applicable, the calculation from performance measures as per Swiss GAAP FER are listed below:

Order intake

Order intake includes all customer orders for goods and services received from customers, irrespective of whether the goods and services have been delivered or not. Blanket orders are only recognized as order intake when the goods are being called off.

Order backlog

The order backlog represents that part of the cumulative past order intake that has not yet been recognized as sales at the current balance sheet date. The order backlog equals the amount of sales that will, applying the current exchange rates of the orders, be realized when all open customer orders are concluded. The order backlog of customer projects managed applying the percentage of completion method corresponds to the order intake less the accrued sales according to the stage of completion of each project.

EBITDA

The earnings before interest, taxes, depreciation, and amortization (EBITDA) represent the total of the operating profit and non-operating result, adding back the depreciation for tangible assets, the amortization for intangible assets and the revaluation of the investment property.

CHF 1,000	1.1.–30.6.2024	1.1.–30.6.2023	Reference
Operating profit	14,948	14,593	Consolidated income statement
+ Non-operating result	16	2,279	Consolidated income statement
+ Depreciation and amortization	4,656	4,424	Consolidated income statement
+ Revaluation of investment property	0	125	Note 7
EBITDA	19,620	21,421	

Free cash flow

The free cash flow represents the total of the cash flow from operating activities minus the cash outflow for investments in tangible and intangible assets net of the cash inflow from the sale of fixed assets.

CHF 1,000	1.1.–30.6.2024	1.1.–30.6.2023	Reference
Cash flow from operating activities	22,519	30,059	Consolidated statement of cash flow
- Investments in tangible assets, net	-5,049	-2,513	Consolidated statement of cash flow
- Investments in intangible assets, net	-306	-133	Consolidated statement of cash flow
Free cash flow	17,164	27,413	

Net cash

The net cash is the difference between financial assets and financial liabilities.

CHF 1,000	30.6.2024	31.12.2023	Reference
+ Cash and cash equivalents	42,524	33,960	Consolidated balance sheet
+ Current financial assets	50,059	50,109	Consolidated balance sheet
+/- Derivative financial instruments	55	-50	Consolidated balance sheet
- Short-term financial liabilities	-922	-1,243	Consolidated balance sheet
- Long-term financial liabilities	-2,516	-2,550	Consolidated balance sheet
Net cash	89,200	80,226	

Equity ratio

The equity ratio corresponds to the Group's total equity divided by total assets.

CHF 1,000	30.6.2024	31.12.2023	Reference
Total shareholders' equity	213,706	203,805	Consolidated balance sheet
Total assets	374,724	374,210	Consolidated balance sheet
Equity ratio	57.0%	54.5%	Total shareholders' equity/ total assets

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 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, in Germany, Singapore, China, Lithuania, and Italy. Mikron Holding AG shares are traded on SIX Swiss Exchange (MIKN). The Mikron Group employs a total workforce of around 1,580.