

Ad hoc announcement pursuant to Art. 53 LR

Phoenix Mecano posts double-digit growth and doubles its operating result

The focus on megatrends and growth areas such as digitalisation and automation is paying off. All divisions recorded double-digit sales growth in financial year 2021 and the Group saw a disproportionate increase in profitability.

Kloten/Stein am Rhein, 17 February 2022. Based on provisional and unaudited results, the Phoenix Mecano Group increased its consolidated gross sales by 18.8% year-on-year from EUR 687.4 million to EUR 817.0 million. In organic, local-currency terms, sales rose by 17.7%.

Net sales increased from EUR 682.1 million to EUR 809.6 million (up 18.7%). Incoming orders climbed by 16.0% from EUR 766.0 million to EUR 888.9 million.

The growth also continued in the fourth quarter, when the Industrial Components and Enclosure Systems divisions again achieved year-on-year increases in sales and incoming orders that were well into double digits. In the DewertOkin Technology (DOT) Group, sales moved sideways and incoming orders fell short of the record level achieved in Q4 2020.

Operating result and result for the period under review

The unaudited operating cash flow (EBITDA) increased by 37% to around EUR 66 million, up from EUR 48.2 million the previous year.

The provisional operating result (EBIT) was around EUR 44 million, almost twice as high as the previous year. This substantial increase was achieved despite rising raw material prices and costly digitalisation initiatives.

The (as yet unaudited) figures indicate that the result of the period tripled from EUR 8.9 million to around EUR 30 million.

These key financials mean that the Phoenix Mecano Group's performance in financial year 2021 was well above that of its 2019 pre-crisis level.

Development of the Group's divisions

The **Dewert Okin Technology Group** division grew its sales by 22.7% to EUR 392.8 million. Pandemic-accelerated home working and cocooning trends supported structural growth in end markets for comfort furniture. On the other hand, huge hikes in the cost of steel, copper, aluminium, electronic components and freight capacity impacted the division's profitability. There were also COVID-related transport bottlenecks. The immediate introduction of cost-cutting programmes was unable to fully offset the increases in material costs, and there was a time lag before the higher purchase prices could be passed on to customers. In spite of this, the division made further investments in additional capacity and its digitalisation initiatives in this growth business. In this challenging environment, DewertOkin managed to gain additional market share and consolidate its leadership position. Boosting profitability will be a key focus in 2022.

The **Industrial Components** division generated sales of EUR 226.4 million (up 15.2%). All markets showed positive trends amid a cross-sector recovery from the pandemic-hit crisis year of 2020. Business activity increased significantly in mechanical engineering and the automation sector. Applications for railway and energy technology and the medical sector were also in high demand. With its innovative products, the division successfully opened up new business opportunities in up-and-coming sectors such as space and satellite technology and electromobility. The EBIT figures confirmed the sustainability of the division's turnaround following its realignment.

Thanks to its state-of-the-art industrial and electronic enclosures, the **Enclosure Systems** division posted a 15.9% increase in gross sales to EUR 197.8 million. All business areas grew significantly, although some orders were delayed due to supply chain issues affecting suppliers and customers. System solutions involving electronic enclosures for the renewable energy and electromobility sectors saw particularly high growth rates. Internationally, there were also high levels of innovation and development activity linked to the Internet of Things and industry digitalisation, which fuelled demand for integrated enclosure solutions.

Outlook

At the start of 2022, Western industrial markets are buoyant and the signs point to continued growth. Having begun the new year with full order books, the Phoenix Mecano Group is focusing on maintaining its ability to deliver to customers. This was key to its success last year.

As yet, there are only tentative signs of normalisation in global supply chains. For Phoenix Mecano, implementing necessary price increases in order to compensate for the rise in transport and raw material costs remains an objective.

Automation and digitalisation are major growth drivers for the Phoenix Mecano Group. The Industrial Components and Enclosure Systems divisions are benefiting from the trend towards smart factories, while the DOT Group offers innovative solutions for the fast-growing market of smart furniture. Across all its divisions, Phoenix Mecano is evolving from a pure component manufacturer to a provider of integrated system solutions.

The DOT division remains committed to investing in product innovation, digitalisation and production equipment in order to further consolidate its global market leadership.

Phoenix Mecano's Board of Directors and management expect the Group to continue growing its sales and profitability in 2022. A specific assessment of expectations for the financial year will follow on 21 April 2022, together with the annual report and the results for the first quarter of 2022.

About Phoenix Mecano

The Phoenix Mecano Group is a global player in the enclosures and industrial components segments and is a leader in many markets. Headquartered in Stein am Rhein, Switzerland, the Group employs around 8,000 people worldwide and generated sales of approximately EUR 817 million in 2021. It is geared towards the professional and cost-effective manufacture of niche products and system solutions for customers in the mechanical engineering, measurement and control technology, medical technology, aerospace technology, alternative energy, and home and hospital care sectors. Phoenix Mecano was founded in 1975 and has been listed on the Swiss stock exchange since 1988.

For more information, please contact:

Phoenix Mecano Management AG
Dr Rochus Kobler, CEO
Lindenstrasse 23, CH-8302 Kloten
Tel.: +41 (0)43 255 4 255
info@phoenix-mecano.com
www.phoenix-mecano.com