

## Ad hoc announcement pursuant to article 53 LR

### Schlatter increases net sales and earnings in 2023 financial year

**S c h l i e r e n, 28 March 2023. In the 2023 financial year, the Schlatter Group generated net sales of CHF 128.6 million (2022: CHF 110.5 million) and order intake of CHF 113.1 million (2022: CHF 128.1 million). The order backlog as at 31.12.2023 stood at CHF 73.9 million (31.12.2022: CHF 89.4 million). The operating result (EBIT) for the period under review was positive at CHF 7.1 million (2022: CHF 5.5 million). Consolidated net profit stood at CHF 5.1 million (2022: CHF 3.5 million).**

Demand for Schlatter products normalized in the 2023 financial year. In particular, demand for reinforcing mesh production systems and weaving machinery for the paper industry dropped following a period of market overheating. By contrast, after-sales volumes continued to grow, while the number of industrial mesh production systems and rail welding systems sold increased significantly. Suppliers' delivery problems eased in the second half of the year, but the resulting backlogs weighed on productivity and gave rise to substantial additional costs. Prices of sourced materials largely stabilized at a higher level, while further appreciation of the Swiss franc put additional pressure on earnings.

Net sales were 16.4% higher year on year and the operating result (EBIT) was also higher at CHF 7.1 million (financial year 2022: CHF 5.5 million). The Schlatter Group closed the 2023 financial year with a high order backlog, with the result that capacities in the 2024 financial year will largely be utilized.

### Welding segment 2023

In the 2023 financial year, the welding segment achieved order intake of CHF 95.0 million (2022: CHF 99.9 million) and net sales of CHF 100.8 million (2022: CHF 96.0 million). The order backlog as at 31.12.2023 stood at CHF 56.7 million (31.12.2022: CHF 62.5 million).

The segment recorded lower yet satisfactory order intake on a year-on-year basis. The fall-off in orders for reinforcing mesh production systems was sufficiently offset by good order intake in rail welding machinery as well as industrial mesh production systems. Given the current order backlog, existing capacities in the 2024 financial year are already well utilized. The welding segment should contribute to a further increase in net earnings for the financial year.

### **Weaving segment**

The weaving segment recorded order intake of CHF 18.1 million (2022: CHF 28.2 million) and net sales of CHF 27.8 million (2022: CHF 14.5 million). The order backlog as at 31.12.2023 stood at CHF 17.2 million (31.12.2022: CHF 26.9 million).

The above-average level of demand in previous periods was driven by orders from China. The Chinese market is now in a saturation phase, and incoming orders have returned to normal. Despite significantly higher material costs and increases in official wage rates, the Münster site increased its sales and earnings in the 2023 financial year. The Münster site is already operating at full capacity for the 2024 financial year. To boost productivity, a comprehensive package of measures was devised.

### **Outlook for the Schlatter Group**

The Schlatter Group has successfully launched product innovations, stepped up its marketing effort and expanded its service business. The Group expects net sales to be slightly lower in the 2024 financial year. On the other hand, Schlatter aims to increase its operating result (EBIT).

At the annual general meeting on 7 May 2024, the Board of Directors will propose the payment of capital reserves of CHF 1.00 per share for the 2023 financial year, instead of a dividend (previous year: dividend of CHF 0.50).

The full 2023 Annual Report can be downloaded from the Schlatter Group website:

<http://www.schlattergroup.com/de/investor-relations/geschaefts- und semesterberichte>

**Further information**

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**Agenda**

- 28.03.2024 Publication of the detailed annual result for 2023 by an ad hoc announcement and publication of the annual report on the company's website
- 07.05.2024 Annual General Meeting
- 16.08.2024 Publication of half-year report 2024

**Schlatter Group (www.schlattergroup.com)**

The Schlatter Group is one of the leading specialists in plant engineering for resistance welding systems as well as weaving and finishing equipment for the production of paper machine clothing, wire fabrics and wire mesh. Thanks to its many years of experience in the field of plant technology, its innovative strength and its reliable service, the Schlatter Group – which is listed on the Swiss Reporting Standard of SIX Swiss Exchange – guarantees its customers a range of powerful and high-quality production equipment.

This media information contains certain forward-looking statements, e.g. statements using the words "believes," "assumes," "anticipates," or formulations of a similar nature. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which could lead to substantial differences between the actual future results, the financial situation, the development or performance of the Company and those either expressed or implied by such statements. Such factors include, among other things: competition from other companies, the effects and risks of new technologies, the Company's continuing capital requirements, financing costs, delays in the integration of acquisitions, changes in the operating expenses, the Company's ability to recruit and retain qualified employees, unfavorable changes in the applicable tax laws, and other factors identified in this communication. In view of these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company accepts no obligation to continue to report or update such forward-looking statements or adjust them to future events or developments.

## Schlatter Group Key figures

		2023	2022
<b>Net sales</b>	CHF million	<b>128.6</b>	<b>110.5</b>
Change compared to previous year	%	<b>16.4</b>	<b>16.7</b>
<b>Operating result (EBIT)</b>	CHF million	<b>7.1</b>	<b>5.5</b>
in % of net sales	%	<b>5.5</b>	<b>5.0</b>
<b>Net result (incl. minority interests)</b>	CHF million	<b>5.1</b>	<b>3.5</b>
in % of net sales	%	<b>4.0</b>	<b>3.1</b>
<b>Net result (excl. minority interests)</b>	CHF million	<b>5.9</b>	<b>3.4</b>
in % of net sales	%	<b>4.6</b>	<b>3.1</b>
<b>Order intake</b>	CHF million	<b>113.1</b>	<b>128.1</b>
<b>Order backlog</b>	CHF million	<b>73.9</b>	<b>89.4</b>
<b>Headcount as at December 31</b>	FTEs	<b>368</b>	<b>357</b>
Annual average	FTEs	<b>366</b>	<b>338</b>
<b>Interest-bearing liabilities</b>	CHF million	<b>5.4</b>	<b>7.2</b>
<b>Net financial position (debt)<sup>1</sup></b>	CHF million	<b>8.0</b>	<b>1.7</b>
<b>Gearing<sup>2</sup></b>	%	<b>0.0</b>	<b>0.0</b>
<b>Free cash flow<sup>3</sup></b>	CHF million	<b>6.8</b>	<b>-6.5</b>
<b>Current assets</b>	CHF million	<b>65.8</b>	<b>61.7</b>
<b>Non-current assets</b>	CHF million	<b>18.4</b>	<b>19.1</b>
<b>Liabilities</b>	CHF million	<b>48.7</b>	<b>49.5</b>
<b>Equity (incl. minority interests)</b>	CHF million	<b>35.4</b>	<b>31.3</b>
<b>Equity (excl. minority interests)</b>	CHF million	<b>35.9</b>	<b>31.2</b>
<b>Equity ratio (incl. minorities)</b>	%	<b>42.7</b>	<b>38.5</b>
<b>Return on equity (ROE)<sup>4</sup></b>	%	<b>15.3</b>	<b>11.6</b>
<b>Key share figures</b>			
Share capital as at December 31	CHF 1000	<b>17 675</b>	<b>17 675</b>
Total registered shares	Number	<b>1 104 704</b>	<b>1 104 704</b>
Of which entitled to dividend payments	Number	<b>1 104 704</b>	<b>1 104 704</b>
Net result per registered share <sup>5</sup>	CHF	<b>5.33</b>	3.10
Equity per registered share <sup>5</sup>	CHF	<b>32.57</b>	28.20
Dividend per registered share <sup>6</sup>	CHF	<b>1.00</b>	0.50
Payout ratio <sup>6</sup>	%	<b>18.75</b>	16.11
<b>Share price development</b>			
High	CHF	<b>26.00</b>	30.60
Low	CHF	<b>21.00</b>	20.20
Year-end	CHF	<b>25.80</b>	25.00
<b>Market capitalization</b>			
High	CHF million	<b>28.7</b>	33.8
Low	CHF million	<b>23.2</b>	22.3
Year-end	CHF million	<b>28.5</b>	27.6

<sup>1</sup> Net financial position (debt): cash and cash equivalents less interest-bearing liabilities

<sup>2</sup> Gearing: net debt divided by equity

<sup>3</sup> Cash flow from operations less purchases of tangible assets and intangible assets plus sale of tangible assets and intangible assets

<sup>4</sup> Net result divided by average equity

<sup>5</sup> Determined on the basis of dividend-entitled shares

<sup>6</sup> Instead of a dividend, the Board of Directors will propose a capital reduction at the Annual General Meeting on 7 May 2024 with the release of funds for the distribution of capital reserves.