

Ad hoc announcement pursuant to article 53 LR

Order intake according to plan, delayed commissioning burdens the result, Cyber attack after the balance sheet date

Schlitteren, 15 August 2024. In the first half of 2024, the Schlatter Group recorded a slightly lower order intake of CHF 57.4 million compared to the same period of the previous year (1st half of 2023: CHF 62.4 million). At CHF 61.8 million, net sales in the first half of the year were down on the prior-year period (CHF 67.4 million). At CHF 69.4 million, the order backlog as at 30 June 2024 was slightly below the level at the end of 2023 (31 December 2023: CHF 73.9 million). Delayed commissioning of customer projects in the Welding segment led to additional costs and provisions had to be recognised for impending contractual penalties. The operating result (EBIT) for the first half of 2024 therefore totalled CHF 1.3 million (EBIT margin: 2 %) compared to CHF 3.7 million (EBIT margin: 5.4 %). Without these additional costs and provisions, the operating result would have been roughly on a par with the previous year. For the first half of the year, the Schlatter Group reported a positive consolidated result of CHF 1.6 million (1st half of 2023: CHF 3.3 million).

Demand for Schlatter products developed according to plan in the first half of 2024. While order intake for industrial mesh systems increased further, demand for rail welding and weaving machines normalised. Orders for systems for the production of reinforcing wire mesh remained at the previous year's level. The volume in the After Sales segment was maintained at a high level. The order backlog as at 30 June 2024 remained high in the Welding segment compared to the end of the year, while it declined in the Weaving segment. The Schlatter Group closed the first half of the year with a high order backlog, which will utilise capacity for the current financial year. The second half of 2024 has continued to start with orders on schedule.

Welding segment 1st half of 2024

Key figures

Order intake: CHF 49.4 million (first half of 2023: CHF 50.9 million)

Net sales: CHF 48.9 million (first half of 2023: CHF 51.5 million)

Order backlog: CHF 57.3 Mio. (31 December 2023: CHF 56.7 million).

Order intake in the Welding segment exceeded expectations in the first half of the year and roughly corresponded to the segment's existing capacities. While order intake for systems for the production of reinforcing mesh only recovered slightly, order intake for systems for the production of industrial mesh were well above expectations. In the rail welding product area, order intake normalised following the exceptionally high demand in the previous year. The order backlog remains very high at CHF 57.3 million (31.12.2023: CHF 56.7 million). It took longer than expected to reduce delivery delays, particularly for systems for the production of reinforcing wire mesh. As a result, commissioning took considerably longer. This resulted in considerable additional costs and provisions had to be recognised for contractual penalties.

Welding segment outlook

With the current order backlog, the existing capacities in the Welding segment are well utilised for the 2024 financial year and the order intake is proceeding according to plan. The backlog in the processing of customer projects could not be made up as planned in the first half of 2024; this is now to be done in the second half of the year. The aim is to build on the previous year's results in the second half of 2024 and achieve a significant increase in earnings compared to the first half of the year.

Weaving segment 1st half of 2024

Key figures

Order intake: CHF 7.9 Mio. (first half of 2023: CHF 11.5 Mio.)

Net sales: CHF 13.0 Mio. (first half of 2023: CHF 15.9 Mio.)

Order backlog: CHF 12.2 Mio. (31 December 2023: CHF 17.2 Mio.).

Capacity utilisation in the Weaving segment is secured until the end of 2024, and initial orders for deliveries have also been acquired for the 2025 financial year. Order intake has normalised, but there is a good chance of generating sufficient follow-up projects for the 2025 financial year. Overall, the Münster site has become significantly more profitable, and the measures implemented at the Münster site have achieved the desired effects on earnings.

Outlook for the weaving segment

The Weaving segment is starting the second half of 2024 with a high order backlog. Including the welding modules for reinforcing mesh systems and machines for the production of mobile fencing produced in Münster, the site is well utilised for the 2024 financial year. Profitability at the Münster site increased significantly in the first half of the year. The challenge is to maintain and sustainably increase this. To this end, a comprehensive package of measures has been developed and is currently being implemented. Following the above-average order intake in previous periods, the order volume has normalised. The aim now is to acquire sufficient follow-up orders for the coming financial year.

Outlook Schlatter Group

Overall, the Schlatter Group was able to acquire orders as planned in the first half of the year, ensuring capacity utilisation for the 2024 financial year. The focus remains on realising customer projects on schedule. The situation on the procurement markets has normalised, meaning that an end to the backlog in the welding segment is in sight. After additional costs were incurred in the first half of the year due to the delays and provisions had to be recognised for impending contractual penalties, the focus is now on increasing profitability. Other priorities include implementing innovations and securing and expanding expertise in various areas of the Welding segment.

The Schlatter Group is aiming for an increase in the operating result (EBIT) in the second half of the year. Nevertheless, it will not be possible to make up for the shortfall in the first half of the year, meaning that the annual result will be significantly lower than in the previous year.

Event after the balance sheet date

In the media release of 12 August 2024, it was announced that Schlatter's IT network had been attacked with malware. The ICT experts are working intensively with external experts to make all systems available and functional again as quickly as possible. The financial damage and the impact on the annual result cannot yet be quantified.

The full 2024 half-year report can be downloaded from the Schlatter Group website:

http://www.schlattergroup.com/en/investor-relations/annual_and_semester_reports/

Further Information

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Agenda

15.08.2024	Publication of half-year report 2024
23.01.2025	Publication of first financial data for the financial year 2024
28.03.2025	Publication of the detailed annual result for 2024 through a media information and publication of the annual report on the company's website
06.05.2025	Annual General Meeting

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.

Key figures of the Schlatter Group

		1. Halbjahr 2024	1. Halbjahr 2023	2. Halbjahr 2023	2023
Nettoerlös	CHF Mio.	61.8	67.4	61.3	128.6
Veränderung zum Vorjahr	%	-8.3	31.3	3.6	16.4
Betriebsleistung¹	CHF Mio.	64.3	66.7	59.7	126.3
Veränderung zum Vorjahr	%	-3.6	28.3	-1.1	12.5
Betriebsergebnis (EBIT)	CHF Mio.	1.3	3.7	3.4	7.1
in % vom Nettoerlös	%	2.0	5.4	5.5	5.5
Konzernergebnis (inkl. Minderheiten)	CHF Mio.	1.6	3.3	2.0	5.1
in % vom Nettoerlös	%	2.6	4.9	3.2	4.0
Konzernergebnis (exkl. Minderheiten)	CHF Mio.	1.5	3.5	2.4	5.9
in % vom Nettoerlös	%	2.4	5.2	3.9	4.6
Konzernergebnis je Namenaktie	CHF	1.35	3.15	2.18	5.33
Bestellungseingang	CHF Mio.	57.4	62.4	50.7	113.1
Auftragsbestand am Periodenende	CHF Mio.	69.4	84.4	73.9	73.9
Free Cashflow²	CHF Mio.	-1.7	0.8		
Mitarbeiterbestand am Periodenende³	FTE	362	374	368	
Durchschnittlicher Mitarbeiterbestand	FTE	367	364	367	
		30/06/2024	31/12/2023		
Verzinsliches Fremdkapital	CHF Mio.	5.3	5.4		
Nettofinanzguthaben/(-verschuldung)⁴	CHF Mio.	4.9	8.0		
Gearing⁵	%	0.0	0.0		
Umlaufvermögen	CHF Mio.	65.5	65.8		
Anlagevermögen	CHF Mio.	19.2	18.4		
Fremdkapital	CHF Mio.	48.4	48.7		
Eigenkapital (inkl. Minderheiten)	CHF Mio.	36.3	35.4		
Eigenkapital (exkl. Minderheiten)	CHF Mio.	36.0	35.9		
Eigenfinanzierungsgrad (inkl. Minderh.)	%	42.8	42.7		

¹ Operating performance: net sales from goods and services plus other operating income plus change in inventories of finished/unfinished goods, work in progress

² Free cash flow: cash flow from operating activities less purchase of tangible, intangible and financial assets, plus sale of tangible, intangible and financial assets

³ Total full-time positions incl. Temporary employees, excluding apprentices

⁴ Net financial assets (debt): cash and cash equivalents less interest-bearing liabilities

⁵ Gearing: Net debt divided by equity