

Ad hoc announcement pursuant to article 53 LR

Order intake on track, delayed commissioning weighs on earnings

Schlieren, 28 March 2025. In the 2024 financial year, the Schlatter Group generated net sales of CHF 113.2 million (2023: CHF 128.6 million) and order intake of CHF 101.6 million (2023: CHF 113.1 million). The order backlog as at 31.12.2024 amounts to CHF 61.4 million (31.12.2023: CHF 73.9 million). The operating result (EBIT) for the reporting period totalled CHF 2.0 million (2023: CHF 7.1 million). The result in the Weaving segment at the Münster site developed positively. The additional costs in the Welding segment weighed heavily on the operating result. Consolidated net income totalled CHF 1.7 million (2023: CHF 5.1 million).

Demand for Schlatter products developed in line with expectations in the year under review. Sales of systems for the production of industrial mesh increased again, while demand for reinforcing mesh machines continued to decline. Business with rail welding machines normalized and sales of weaving machines declined slightly. The after-sales business almost maintained the high level of the previous year despite the severe underutilization of our reinforcing mesh customers in Europe. Delays in the start-up of customer projects in the welding segment led to high additional costs and penalties. In addition, there were negative one-off costs in related to the cyber-attack on Schlatter in the summer 2024.

Net sales decreased to CHF 113.2 million (2023 financial year: CHF 128.6 million). Operating profit (EBIT) was significantly lower at CHF 2.0 million (2023 financial year: CHF 7.1 million). The Schlatter Group closed the 2024 financial year with a high order backlog, so that the capacities for the current business year 2025 are already well utilized.

Welding segment 2024

Order intake: CHF 85.9 million (2023: CHF 95.0 million)

Net sales: CHF 91.3 million (2023: CHF 100.8 million)

Order backlog: CHF 50.4 million (31.12.2023: CHF 56.7 million)

Order intake in the welding segment developed according to plan. While order intake for systems for the production of reinforcing mesh remained at a low level as expected and even declined slightly, incoming orders for systems for the production of industrial mesh exceeded expectations. In the rail welding segment, order intake normalized.

It took longer than expected to reduce the backlog of deliveries, particularly for systems for the production of reinforcing mesh. As a result, commissioning took significantly longer and caused considerable additional costs. Substantial provisions had to be made for contractual penalties, which weighed heavily on the Schlatter Group's result.

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 2024

Order intake: CHF 15.7 million (2023: CHF 18.1 million)

Net sales: CHF 21.9 million (2023: CHF 27.8 million)

Order backlog: CHF 11.0 million (31.12.2023: CHF 17.2 million)

As expected, order intake for weaving machines for the paper industry were down on the previous year. A general reticence can be observed in the western markets and the market has consolidated further due to customer mergers. The geopolitical situation has led to a shift in supply chains and to new customers entering the production of paper machine clothing in regions where there was previously no in-house production. Schlatter was able to benefit from this in the reporting year and was awarded a major contract to equip an entire factory in Turkey. Schlatter acquired significant orders in the wire weaving sector in the reporting year.

Outlook for the Schlatter Group

Overall, the Schlatter Group closed the 2024 financial year with a good order backlog, which largely ensures capacity utilization for the 2025 financial year; priority is given to the timely implementation of customer projects, quality in all areas and innovation. The Schlatter Group anticipates lower sales for the 2025 financial year but is aiming to increase its operating result (EBIT).

The Board of Directors will propose to the Annual General Meeting on May 6, 2025, a total distribution of CHF 1.00 per share for the 2024 financial year, consisting of a dividend of CHF 0.50 (gross) per share and a distribution from capital reserves of CHF 0.50 per share (previous year: CHF 1.00 repayment of par value).

The full 2024 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

- 28.03.2025 Publication of the detailed annual result for 2024 by an ad hoc announcement and publication of the annual report on the company's website
- 06.05.2025 Annual General Meeting
- 14.08.2025 Publication of half-year report 2025

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 Sparks 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

| | | 2024 | 2023 |
|--|-------------|------------------|------------------|
| Net sales | CHF million | 113.2 | 128.6 |
| Change compared to previous year | % | -12.0 | 16.4 |
| Operating result (EBIT) | CHF million | 2.0 | 7.1 |
| in % of net sales | % | 1.8 | 5.5 |
| Net result (incl. minority interests) | CHF million | 1.7 | 5.1 |
| in % of net sales | % | 1.5 | 4.0 |
| Net result (excl. minority interests) | CHF million | 1.5 | 5.9 |
| in % of net sales | % | 1.4 | 4.6 |
| Order intake | CHF million | 101.6 | 113.1 |
| Order backlog | CHF million | 61.4 | 73.9 |
| Headcount as at December 31 | FTEs | 371 | 368 |
| Annual average | FTEs | 367 | 366 |
| Interest-bearing liabilities | CHF million | 5.2 | 5.4 |
| Net financial position (debt)¹ | CHF million | -2.6 | 8.0 |
| Gearing² | % | 7.1 | 0.0 |
| Free cash flow³ | CHF million | -9.1 | 6.8 |
| Current assets | CHF million | 57.9 | 65.8 |
| Non-current assets | CHF million | 18.7 | 18.4 |
| Liabilities | CHF million | 40.7 | 48.7 |
| Equity (incl. minority interests) | CHF million | 35.9 | 35.4 |
| Equity (excl. minority interests) | CHF million | 35.6 | 35.9 |
| Equity ratio (incl. minorities) | % | 46.5 | 42.7 |
| Return on equity (ROE)⁴ | % | 4.7 | 15.3 |
| Key share figures | | | |
| Share capital as at December 31 | CHF 1000 | 1 105 | 17 675 |
| Total registered shares | Number | 1 104 704 | 1 104 704 |
| Of which entitled to dividend payments | Number | 1 104 704 | 1 104 704 |
| Net result per registered share ⁵ | CHF | 1.40 | 5.33 |
| Equity per registered share ⁵ | CHF | 32.26 | 32.57 |
| Dividend per registered share ⁶ | CHF | 1.00 | 1.00 |
| Payout ratio ⁶ | % | 71.50 | 18.76 |
| Share price development | | | |
| High | CHF | 28.00 | 26.00 |
| Low | CHF | 20.00 | 21.00 |
| Year-end | CHF | 21.60 | 25.80 |
| Market capitalization | | | |
| High | CHF million | 30.9 | 28.7 |
| Low | CHF million | 22.1 | 23.2 |
| Year-end | CHF million | 23.9 | 28.5 |

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

² Gearing: net debt divided by equity

³ Cash flow from operations less purchases of tangible assets and intangible assets plus sale of tangible assets and intangible assets

⁴ Net result divided by average equity

⁵ Determined on the basis of dividend-entitled shares

⁶ In accordance with the proposal submitted to the Annual General Meeting of May 6, 2025