



Ad hoc announcement pursuant to Art. 53 LR
Heerbrugg, March 4, 2022

SFS achieves record results in a dynamic market environment

In a dynamic market environment characterized by high demand, supply chain bottlenecks and the ongoing COVID-19 pandemic, the SFS Group seized opportunities that arose in each of its segments to boost its sales by 11.0% to CHF 1,893.1 million in the year 2021, an outcome based on its ability to fill customer orders. All end markets and regions contributed to this good growth. The result was a high level of production capacity utilization that strengthened profitability and generated an EBIT margin of 15.9%. Net income came to CHF 248.0 million.

The COVID-19 pandemic continued to be the defining theme for the SFS Group in 2021 again. The market environment had already begun showing signs of recovery in the third quarter of 2020 and this recovery continued unabated during the first half of 2021. The first half of the year saw growth of 23.8% compared to the same period of the previous year, which was dominated by the lockdown. In the second half of the year, production slowdowns – yet another of the consequences of the COVID-19 pandemic – increasingly resulted in global supply chain disruptions as well as shortages of semiconductors and other raw materials, some of which also had an impact on call-offs at SFS. Despite sales declining slightly by 2.3% in the second half the year compared to the first half of 2021, total sales increased substantially by 11.0% to CHF 1,893.1 million in the period under review. Growth was broadly based across all segments and regions and nearly exclusively organic in nature. Consolidation effects contributed +0.8% to growth and currency translation effects had a negative effect of –0.1%. As a result, sales clearly exceeded the 2019 figures and confirm SFS's good positioning throughout the cycle.

Profitability increased through high capacity utilization

Strong yet occasionally volatile market demand resulted in good overall utilization of production capacities. Phases of high utilization as well as targeted, forward-looking cost management resulted in a record-high operating profit (EBIT) of CHF 301.7 million and an EBIT margin of 15.9% of net sales (previous year 13.3%). Net income of CHF 248.0 million corresponds to 13.1% of net sales and the equity ratio amounts to 78.9%.



Income statement CHF million	2021	2020	2019	2018	2017
Third party sales	1,893.1	1,704.9	1,781.4	1,738.6	1,632.7
Change to previous year in %	11.0	-4.3	2.5	6.5	13.7
thereof currency impact	-0.1	-4.1	-1.3	1.4	0.5
thereof change in scope	0.8	3.0	4.4	0.8	5.8
thereof organic growth	10.3	-3.2	-0.6	4.3	7.4
Net sales	1,897.3	1,707.1	1,782.1	1,736.9	1,634.8
EBITDA	407.1	327.6	331.7	332.8	323.5
As a % of net sales	21.5	19.2	18.6	19.2	19.8
Operating profit (EBIT)	301.7	227.4	236.3	243.1	197.7
As a % of net sales	15.9	13.3	13.3	14.0	12.1
Operating profit (EBIT) adjusted	298.6	225.3	239.1	243.1	233.3
As a % of net sales	15.7	13.2	13.4	14.0	14.3
Net income	248.0	184.8	206.5	193.9	159.1
As a % of net sales	13.1	10.8	11.6	11.2	9.7
Balance sheet in CHF million					
Assets	1,839.1	1,684.1	1,638.6	1,619.3	1,519.0
Net cash (+)/(-debt) (-)	279.1	144.3	68.7	59.1	34.7
Average Capital Employed	1,143.6	1,134.0	1,134.9	1,070.8	947.4
Invested Capital ²	2,194.0	2,149.5	2,153.2	2,058.3	1,960.9
Equity	1,450.4	1,278.2	1,237.2	1,204.6	1,087.0
As a % of assets	78.9	75.9	75.5	74.4	71.6

Investments in future growth continued

Growth-related expenditure on property, plant, equipment, hardware and software amounted to CHF 121.4 million (previous year: CHF 104.1 million). This was driven by the construction of the new production hall in Heerbrugg (Switzerland) for the Automotive division, ongoing efforts to switch to S/4HANA (the new generation ERP system), the strong commitment to cybersecurity and other project-specific investments.

Top priority was also given to sustainability-related projects and developments. A milestone was reached with the adoption of a roadmap defining specific, ambitious targets for reducing CO₂ emissions. The annual sustainability report contains more detailed information regarding the targets and progress made.

Engineered Components segment – high level of capacity utilization and profitability

Performance in the Engineered Components segment was characterized by pent-up demand in the automotive and industrial areas as well as persistently strong demand in the Electronics division. Semiconductor shortages put a damper on recovery in the second half of the year and caused sales to decline by 1.8% compared with the first half. Overall, the segment generated sales of CHF 975.2 million, representing growth of 8.6% compared to the previous year. Sales growth was almost exclusively organic in nature, foreign currency and consolidation effects had minor impacts of -0.5% and +1.2%, respectively.

Profitability benefited from the generally high level of production capacity utilization that resulted from the good demand situation and the EBIT margin rose by 160 basis points to 17.1%.



Key figures Engineered Components

In CHF million

	2021	+/- PY	2020	2019
Third party sales	975.2	8.6%	898.3	957.1
Sales growth comparable		7.9%		
Net sales	985.0	8.2%	910.4	964.2
EBITDA	244.1	15.8%	210.8	210.1
As a % of net sales	24.8		23.2	21.8
Operating profit (EBIT)	168.2	19.1%	141.2	147.0
As a % of net sales	17.1		15.5	15.2
Operating profit (EBIT) adjusted ¹	168.2	19.1%	141.2	164.1
As a % of net sales	17.1		15.5	17.0
Average capital employed	736.5	2.2%	720.5	700.4
Investments	89.1	7.2%	83.1	94.1
Employees (FTE)	7,008	-3.9%	7,293	7,153
ROCE (%) ²	22.8		19.6	23.4

¹ 2019 adjusted for relocation costs Nantong (China) CHF 17.1 million

² EBIT adjusted in % of average capital employed

Fastening Systems segment – record results achieved

The exceptional demand situation that the Fastening Systems segment had already successfully leveraged in the first half of the year to generate record results continued in the second half, albeit at a slightly lower level. The good market position and robust supply chains enabled the segment to reliably serve customers and profit from strong demand. The segment succeeded in boosting its sales in this environment by 17.4% year over year to CHF 574.9 million. Consolidation effects and currency translation effects contributed +0.5% and +0.3%, respectively, to sales growth.

The segment took advantage of the strong growth and generated a record EBIT margin of 17.4%, 5.5 percentage points higher than in the prior-year period.

Key figures Fastening Systems

In CHF million

	2021	+/- PY	2020	2019
Third party sales	574.9	17.4%	489.7	498.3
Sales growth comparable		16.6%		
Net sales	589.6	17.8%	500.7	511.5
EBITDA	120.4	53.2%	78.6	67.5
As a % of net sales	20.4		15.7	13.2
Operating profit (EBIT)	102.3	71.4%	59.7	47.1
As a % of net sales	17.4		11.9	9.2
Operating profit (EBIT) adjusted ¹	102.3	77.6%	57.6	47.1
As a % of net sales	17.4		11.5	9.2
Average capital employed	263.0	-2.9%	270.9	297.4
Investments	9.9	-9.2%	10.9	17.4
Employees (FTE)	2,510	3.0%	2,438	2,429
ROCE (%) ²	38.9		21.3	15.8

¹ 2020 adjusted for book gains from the disposal of non-operating assets of CHF 2.1 million

² EBIT adjusted in % of average capital employed



Distribution & Logistics segment – good initial situation from first half of year exploited

Thanks to stable market demand in all areas of application and good overall availability of materials, sales in the Distribution & Logistics segment were increased to CHF 343.0 million during the period under review, up +8.2% over the previous year. Stable growth of +8.1% and +8.3% in the first and second halves of the year, respectively, was achieved compared to the prior-year period. +0.2% was attributable to foreign currency effects.

The strong sales growth resulted in an EBIT of CHF 32.6 million, which corresponds to an EBIT margin of 9.4%.

Key figures Distribution & Logistics

In CHF million

	2021	+/- PY	2020	2019
Third party sales	343.0	8.2%	316.9	326.0
Sales growth comparable		8.0%		
Net sales	347.9	8.2%	321.6	330.9
EBITDA	37.7	10.6%	34.1	46.5
As a % of net sales	10.8		10.6	14.1
Operating profit (EBIT)	32.6	13.6%	28.7	40.5
As a % of net sales	9.4		8.9	12.3
Operating profit (EBIT) adjusted ¹	32.6	13.6%	28.7	26.2
As a % of net sales	9.4		8.9	7.9
Average capital employed	130.4	2.8%	126.9	132.8
Investments	4.1	0.0%	4.1	2.3
Employees (FTE)	606	1.3%	598	622
ROCE (%) ²	25.0		22.6	19.7

¹ 2019 adjusted for book gains on the disposal of non-core assets CHF 14.3 million

² EBIT adjusted in % of average capital employed

Internationalizing the Distribution & Logistics segment with the inclusion of Hoffmann

The planned inclusion of Hoffmann SE lends the D&L segment an internationally strong position in the attractive area of quality tools. Hoffmann is a leading international systems partner for quality tools that is well-known on European markets and serves more than 100,000 customers with a product range comprising around 500,000 items. Customers appreciate not only the company's comprehensive range of products but also its high level of product and logistics expertise, which will be strengthened even further through the commissioning of the new LogisticCity in Nuremberg (Germany), Europe's most high-performance logistics center for quality tools.

The joining of forces marks a milestone and the companies' complementary positioning opens up attractive development opportunities. Together they will be able to exploit advantages in the areas of cross selling, digitalization, logistics, software and purchasing. Access to LogisticCity will further strengthen the logistics of the Distribution & Logistics and Fastening Systems segments.

The transaction is subject to the usual closing conditions and is expected to be concluded in the first half of 2022.

Personnel changes in the Board of Directors and Group Executive Board

At the Annual General Meeting 2021, the Board of Directors of the SFS Group appointed Manuela Suter, currently CFO of Bucher Industries and a member of its Group Executive Board, to the Board of Directors. Volker Dostmann succeeded Rolf Frei as CFO following the Annual General Meeting 2021.



Once the transaction with Hoffmann SE has been concluded, Hoffmann will be embedded into the SFS organization as the second division within the Distribution & Logistics segment. Hoffmann's current CEO, Martin Reichenecker, will then join the Group Executive Board of SFS.

Outlook for the 29th Annual General Meeting on April 27, 2022

The Board of Directors of SFS Group AG proposes to the Annual General Meeting on April 27, 2022, that Thomas Oetterli, born 1969, be appointed to succeed Heinrich Spoerry as Chairman of the Board of Directors. Heinrich Spoerry will retire from the Board of Directors after reaching the age limit as defined in the Articles of Association. Thomas Oetterli has served as an independent member of the SFS Group's Board of Directors since 2011 and has chaired the Audit Committee since 2014. Through his many years of service on the SFS Group's Board of Directors, Thomas Oetterli has gained in-depth knowledge of the Group.

The Board of Directors would like to take this opportunity to thank the outgoing Chairman of the Board of Directors for his enormous achievements and for his many years of outstanding collaboration.

The Board of Directors also proposes the election of Dr. Peter Bauschatz, currently the Chairman of the Supervisory Board of Hoffmann SE, to SFS's Board of Directors. The election of Dr. Peter Bauschatz is subject to the condition precedent of the closing of the acquisition of Hoffmann SE. Hoffmann's inclusion at various levels of the SFS organization establishes continuity and lays the basis for the successful future development.

In view of the good earnings and balance sheet, the outlook for future business activity and the upcoming financing of the Hoffmann transaction, the Board of Directors will propose a dividend of CHF 2.20 per share (previous year CHF 1.80 per share).

In accordance with the Swiss Federal Council's ordinance on measures to combat the COVID-19 pandemic, SFS Group's Annual General Meeting will be held without the physical presence of shareholders, as was the case in the previous year. This decision was taken already prior to the cancellation of pandemic-related restrictions, in agreement with the partner company with whom SFS usually split the organizational efforts that arise in connection with the operation of the infrastructure required for the Annual General Meeting. In order to exercise voting rights, the Board of Directors has instructed that shareholders cast their votes and issue proxies to the independent proxy either in writing or electronically. The Annual General Meeting will be held at the headquarters of SFS Group AG in Heerbrugg (Switzerland) in the presence of the independent proxy and the company's external auditor. Further information will be distributed to shareholders with the invitation to the Annual General Meeting.

Outlook for the financial year 2022

Performance will remain characterized by major uncertainties as a result of smoldering geopolitical developments such as the current war in Ukraine, trade conflicts and sustained disruptions in supply chains. Uncertainties in international supply chains, which should gradually subside as the COVID-19 pandemic abates, are expected to persist until early 2023. In this environment, ensuring the highest possible focus on customers takes top priority. Investments in the selective expansion of our production capacity and thus the implementation of ambitious growth projects will continue.

SFS expects product call-offs to be partly subdued in the first half of the 2022 financial year but for these to pick up over the course of the year. Given the solid project pipeline, SFS is confident that the development will be positive in all end markets. Based on that, SFS expects standalone sales growth of 3–6% at an EBIT margin of 13–16%. The outlook will be updated once the transaction with Hoffmann has been closed.



About the SFS Group

SFS is a leading global provider of mechanical fastening systems and precision-molded parts. SFS Group AG is made up of the three segments Engineered Components, Fastening Systems and Distribution & Logistics, which represent the company's corresponding business models. In the **Engineered Components** segment, SFS partners with customers to develop and manufacture customer-specific precision-molded parts, fastening solutions and assemblies. Engineered Components comprises four divisions: Automotive, Electronics, Industrial and Medical. In the **Fastening Systems** segment, which consists of the Construction and Riveting divisions, SFS develops, manufactures and markets application-specific mechanical fastening systems. In the **Distribution & Logistics** segment, SFS is a leading partner for fasteners, tools, architectural hardware and innovative logistics solutions in Switzerland. SFS Group is a global player with manufacturing sites and distribution companies at more than 100 locations in 26 countries around the world. It generated sales of CHF 1,893 million in the 2021 financial year with a workforce of approximately 10,500 (FTE).

For more information go to www.sfs.com.

Media contact:

SFS Group AG
Benjamin Sieber
Valentina Dönz
Rosenbergsaustrasse 8
9435 Heerbrugg
Switzerland

Direct: +41 71 727 62 48

E-mail: corporate.communications@sfs.com

Stock information

Security no.	23.922.930
ISIN	CH 023 922 930 2
SIX Swiss Exchange AG	SFSN