

AD HOC ANNOUNCEMENT pursuant to Art. 53 LR

Moutier, August 10, 2022, 7.00 a.m.

Report on the first half of 2022 for the Tornos Group:

Tornos confirms the good results of the previous year

- **Growth in net sales of 11%**
- **Order backlog further increased**
- **Various infrastructure projects advanced or completed**

The Tornos Group has carried the momentum of the previous year into 2022, and confirmed its good results for the first half of the year. Compared to the first half of 2021, net sales rose by another 11%. Tornos saw a significant increase in Europe and the United States in particular, while the operating conditions remained very challenging with frequent disruptions in the global supply chain for raw materials and supplier products. The restrictions imposed by the local authorities to combat the coronavirus pandemic were felt most keenly in Asia, above all in China.

Although the Group's order intake for the first half of 2022 did not quite reach the high figure for the same period of 2021, it still clearly exceeded the net sales (book-to-bill ratio: 1.05). The order backlog of the Tornos Group amounted to an impressive CHF 63.3 million as of June 30, 2022. This surpasses the already very high level of end-2021 by 6.7% (December 31, 2021: CHF 59.3 million). In terms of expenses, Tornos faced various cost increases for materials, energy and transportation in the first six months of 2022.

Development of key figures

Overall, Tornos posted order intake of CHF 98.3 million in the first half of 2022 (first half of 2021: CHF 104.6 million, -6.1%) and net sales of CHF 93.7 million (first half of 2021: CHF 84.4 million, +11.0%). EBIT²⁾ fell from CHF 11.1 million to CHF 8.8 million. Without the writeback of value adjustment provisions in the amount of CHF 4.6 million, EBIT²⁾ for the first six months of 2022 would come to CHF 4.2 million (first half of 2021: CHF 3.9 million, excluding a book gain from a property sale of CHF 0.7 million). As a result of the changed market conditions and the usability of its inventory, the Tornos Group has introduced a refined method for value adjustment provisions that takes even better account of the specific circumstances at Tornos. It is described in detail in the half-year report 2022 on pages 15 and 16.

Significant rise in orders in medical and dental technology

In the first half of 2022, the Tornos Group was particularly successful in its biggest sales market, medical and dental technology, increasing order intake from CHF 11.0 million to CHF 18.2 million (+65%). As was the case at the end of 2021, it thus remains Tornos' biggest market segment in terms of sales, followed by the automotive industry. Tornos also received more orders from the electronics and watchmaking industries in the first half of 2022 compared with the same period of 2021.

Significant rise in sales of SwissNano

The SwissNano Swiss-type automatic lathe, produced in Switzerland, again had considerably more customers in all sales markets in the first six months of 2022 than in the same period of the previous year. Demand for machines produced by Tornos in Taiwan also rose sharply. Due to the much stricter local coronavirus restrictions, the production of Tornos machines in China was severely limited in the first half of 2022.

Infrastructure projects

The Tornos Group completed or pressed ahead with a number of infrastructure projects in the first half of 2022, including in São Paulo (Brazil), where Tornos opened a 300 square-meter Customer Center, and in Kały Wrocławskie (Poland), where the Group brought a new production plant into operation. Here, it will primarily overhaul and modernize older DECO 10 systems. There are currently around 40 qualified employees working for Tornos in Poland. Some of them are active worldwide in order to ensure an efficient, high-quality global customer service.

In Taiwan, construction work has commenced on a new production building. This should be operational by the end of 2023 and create the ideal conditions for continuing the successful production of mid-priced and lower-priced Tornos machines in Taiwan.

Outlook

In view of the high order backlog, the Tornos Group remains optimistic regarding the second half of 2022. It is still not possible to provide any specific guidance due to the continuing unpredictability of the coronavirus pandemic and the war in Ukraine. Uncertainties remain regarding the availability of raw materials and supplier parts and their price development. With its product portfolio, which is excellently geared to customer needs, its steadily expanding services and its flexible structure, the Tornos Group remains well equipped for a wide variety of scenarios.

Unaudited key figures

Tornos Group (in CHF 1'000) ¹⁾	1st HY 2022 1.1.-30.6.2022	1st HY 2021 1.1.-30.6.2021	Difference	Difference in %
Order intake	98 297	104 640	-6 343	-6.1%
Net sales	93 677	84 389	9 288	11.0%
EBITDA ²⁾	10 651	13 182	-2 531	-19.2%
<i>in % of net sales</i>	11.4%	15.6%		
EBIT ²⁾	8 796	11 109	-2 313	-20.8%
<i>in % of net sales</i>	9.4%	13.2%		
Net result	8 782	11 644	-2 862	-24.6%
<i>in % of net sales</i>	9.4%	13.8%		
Cash flow from operating activities	5 931	18 581	-12 650	-68.1%
Cash flow from investing activities	-1 721	877	-2 598	-296.2%
Free cash flow ²⁾	4 210	19 458	-15 248	-78.4%
	30.6.2022	31.12.2021		
Net cash ²⁾	30 699	26 631	4 068	15.3%
Total equity	107 717	98 768	8 949	9.1%
<i>in % of total balance sheet</i>	70.2%	68.2%		
Total balance sheet	153 514	144 914	8 600	5.9%
Employees (full-time equivalents) ³⁾	662	640	22	3.4%

1) Unless otherwise stated

2) Non-GAAP financial measure, see <https://investors.tornos.com/en/content/publications>

3) Without apprentices

The report on the first half of 2022 for the Tornos Group is available for download at <https://investors.tornos.com/en>.

Upcoming publication dates

January 18, 2023	Order intake and sales 2022
March 6, 2023	Annual report 2022 / Media and analyst conference (10.00 a.m., audio webcast, Moutier)
April 5, 2023	Annual General Meeting, Moutier

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<https://investors.tornos.com/en>

Further information on Tornos can be found at www.tornos.com

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Company profile

Tornos Group is one of the global leaders for the development, production and distribution of Swiss-type automatic lathes and multispindle machines. The company's history dates back to 1880 and marked the beginning of Swiss-type lathe technology. The company primarily manufactures CNC sliding headstock Swiss-type automatic lathes, multispindle machines, and precision machining centers for complex parts. Tornos is headquartered in Switzerland. A worldwide sales and service network offers unique solutions to customers in the target automotive, medical and dental technology, micromechanics, and electronics industries. The Tornos Group employs around 660 persons (FTE's) in total.

In addition to historical information, this media release contains statements about the future which include risks and uncertainties.