



Half-year Results Conference 2024

Conference call and audio webcast for
media, analysts, and investors

Thursday, July 25, 2024 – 10:00

Shaping the future of the global metal-cutting machine tool industry

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Agenda

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Business review

Martin Buyle, CEO

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Financial review

Stéphane Pittet, CFO

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Outlook 2024

Martin Buyle, CEO

Business review

Martin Buyle, CEO

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StarragTornos Group records pleasingly stable order intake and temporary decline in sales and EBIT

- Marked increase in order intake in the Aerospace target market
- Promising product launches in both divisions
- Successful opening of the new production plant in Taiwan
- Synergy program on track

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Key figures

Unaudited, in CHF million ¹⁾	Interim Financial Statements			Pro forma ³⁾	
	2024 01.01. – 30.06.	2023⁴⁾ 01.01. – 30.06.	Change (%)	2023 01.01. – 30.06.	Change (%)
Order intake ²⁾	255.5	183.4	39.3%	263.0	-2.9%
Net sales	254.9	199.9	27.6%	295.6	-13.8%
EBIT ²⁾	9.5	15.4	-38.2%	23.4	-59.3%
Net profit	6.6	13.6	-51.8%	19.8	-66.9%
	30.06.2024	31.12.2023⁵⁾			
Order backlog ²⁾	350.1	340.8	2.7%		

1. Where not otherwise specified
2. Non-GAAP financial measure, see pages 12
3. Pro forma interim consolidated financial key figures representing the first half of 2023 of Starrag Group and Tornos Group
4. According to the interim financial statements of Starrag Group Holding AG
5. According to the annual financial statements of StarragTornos Group AG

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Order intake by target markets

	2024 01.01. – 30.06.	2023 01.01. – 30.06.	+/-%
Aerospace	41.2	24.7	+66.8%
Med Tech & Dental	18.2	24.9	-26.9%
Luxury Goods	41.0	64.5	-36.4%
Energy	11.5	3.5	+228.6%
Transportation	18.7	30.2	-38.1%
Industrial	55.6	47.7	+16.6%
Total Machines	186.2	195.5	-4.8%
Service	69.3	67.6	+2.5%
Total	255.5	263.1	-2.9%

Pro forma figures in CHF million (non-audited)

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Order intake by region

	2024 01.01. – 30.06.	2023 01.01. – 30.06.	+/-%
Europe	128.3	135.5	-5.3%
Switzerland	32.0	55.9	-42.8%
Americas	27.6	20.2	+36.6%
Asia	30.3	39.8	-23.9%
Total Machines	186.2	195.5	-4.8%
Service	69.3	67.6	+2.5%
Total	255.5	263.1	-2.9%

Pro forma figures in CHF million (non-audited)

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Net sales (machines and service)

	2024 01.01. – 30.06.	2023 01.01. – 30.06.	+/-%
Machines	191.5	229.2	-16.4%
Service	63.4	66.4	-4.5%
Total	254.9	295.6	-13.8%

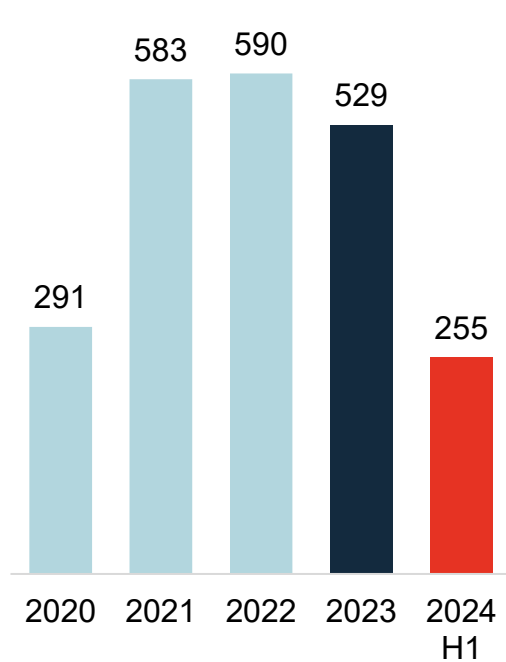
Financial review

Stéphane Pittet, CFO

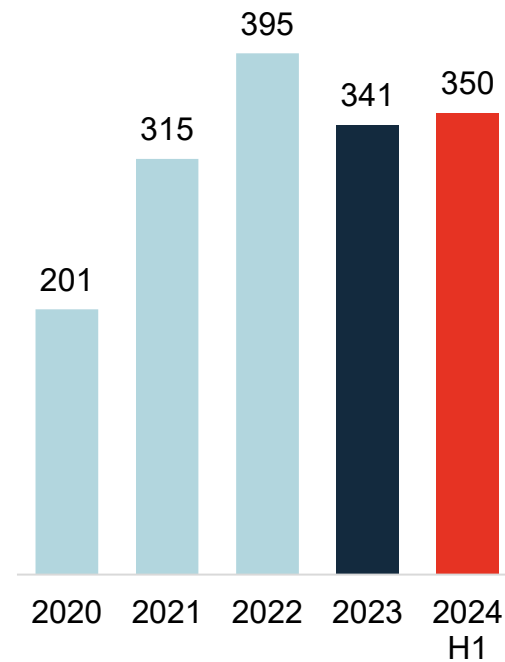
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At a glance – 5-year comparison

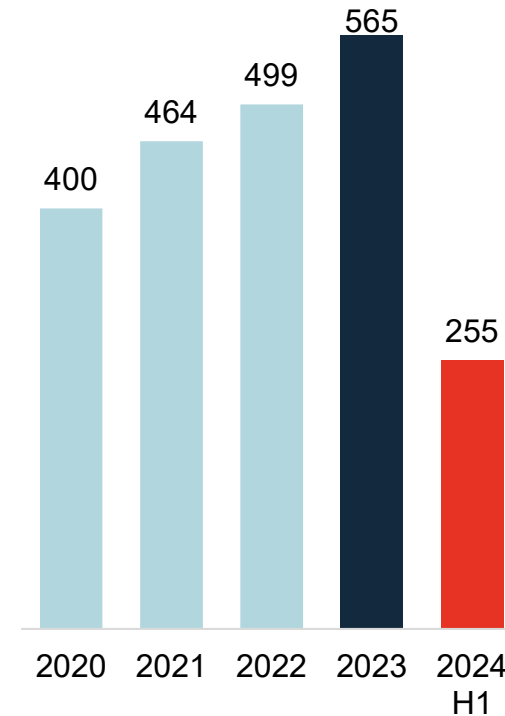
Order intake



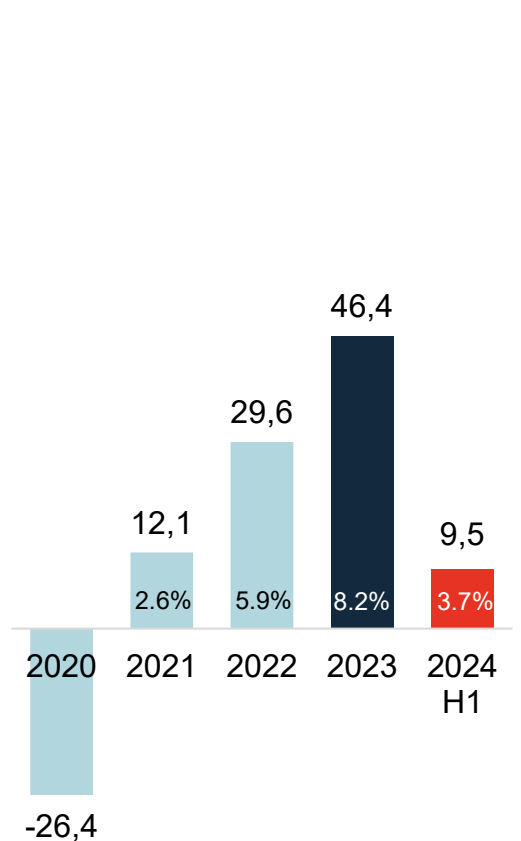
Order backlog



Net sales

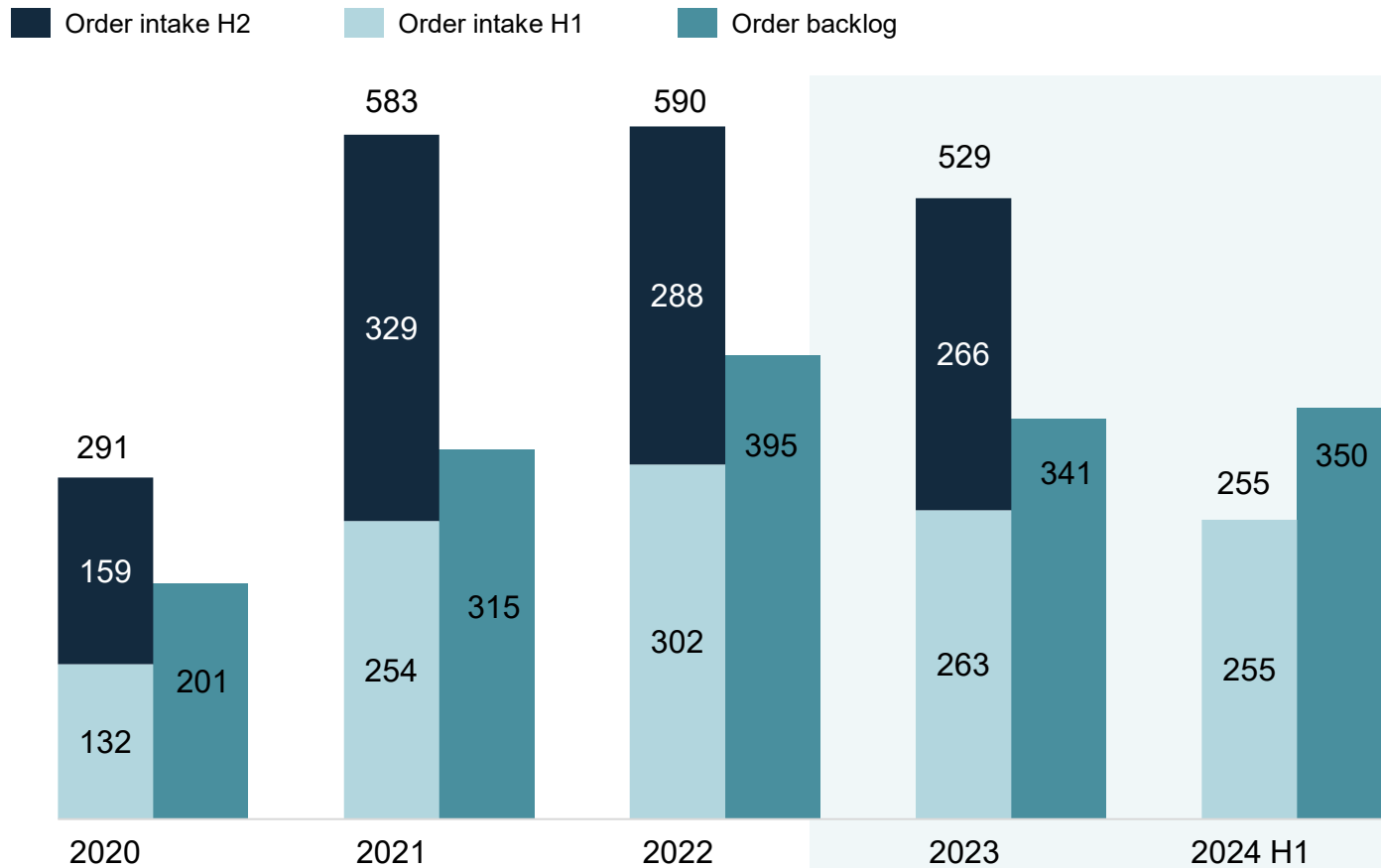


EBIT



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Order backlog ensures capacity utilization

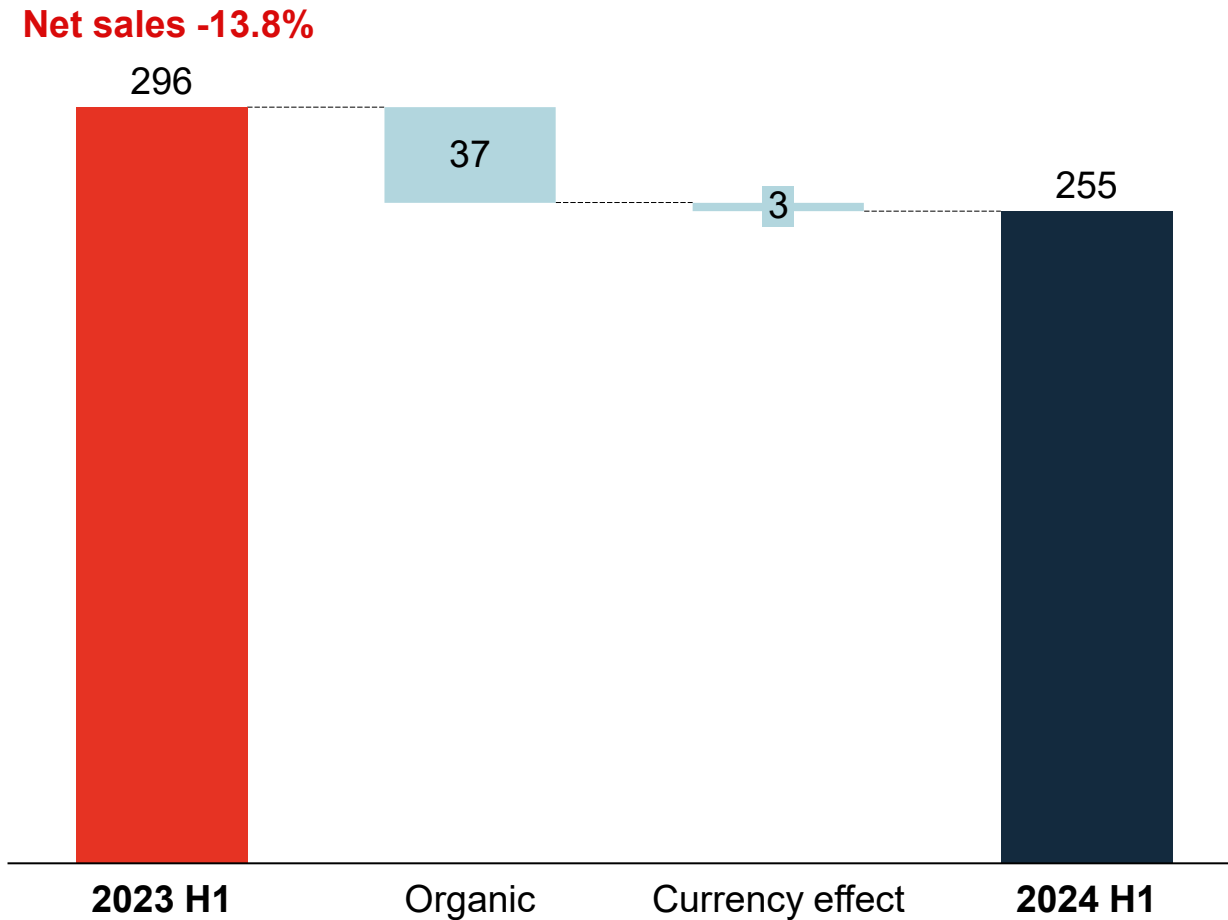


- **Order intake 2024:** Contrasted situation, with areas overperforming (e.g. Aerospace), and others affected by the economical downturn (e.g. Luxury Goods)
- **Order backlog:** Capacity utilization secured with a strong backlog at end of June 2024, ensuring a good resistance in the current economical turmoil

Pro forma figures in CHF million (non-audited)

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Shortfall in sales in 2024 -13.8%, foreign currency adjusted -12.6%

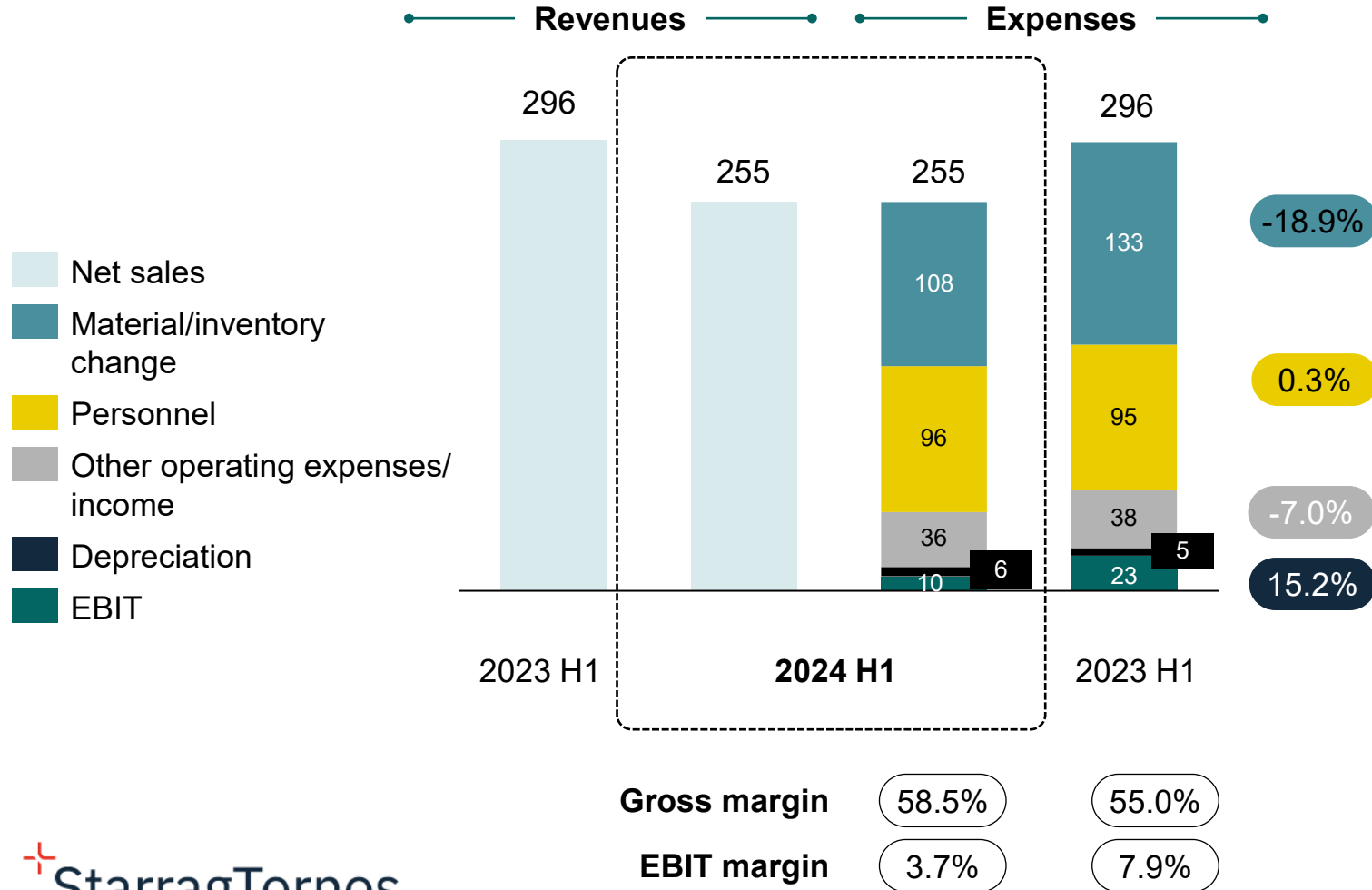


- Order entry overweighted in areas with long production cycles affects the sales in the short term
- Limited impact of currency evolution in the first half year

Pro forma figures in CHF million (non-audited)

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Income statement

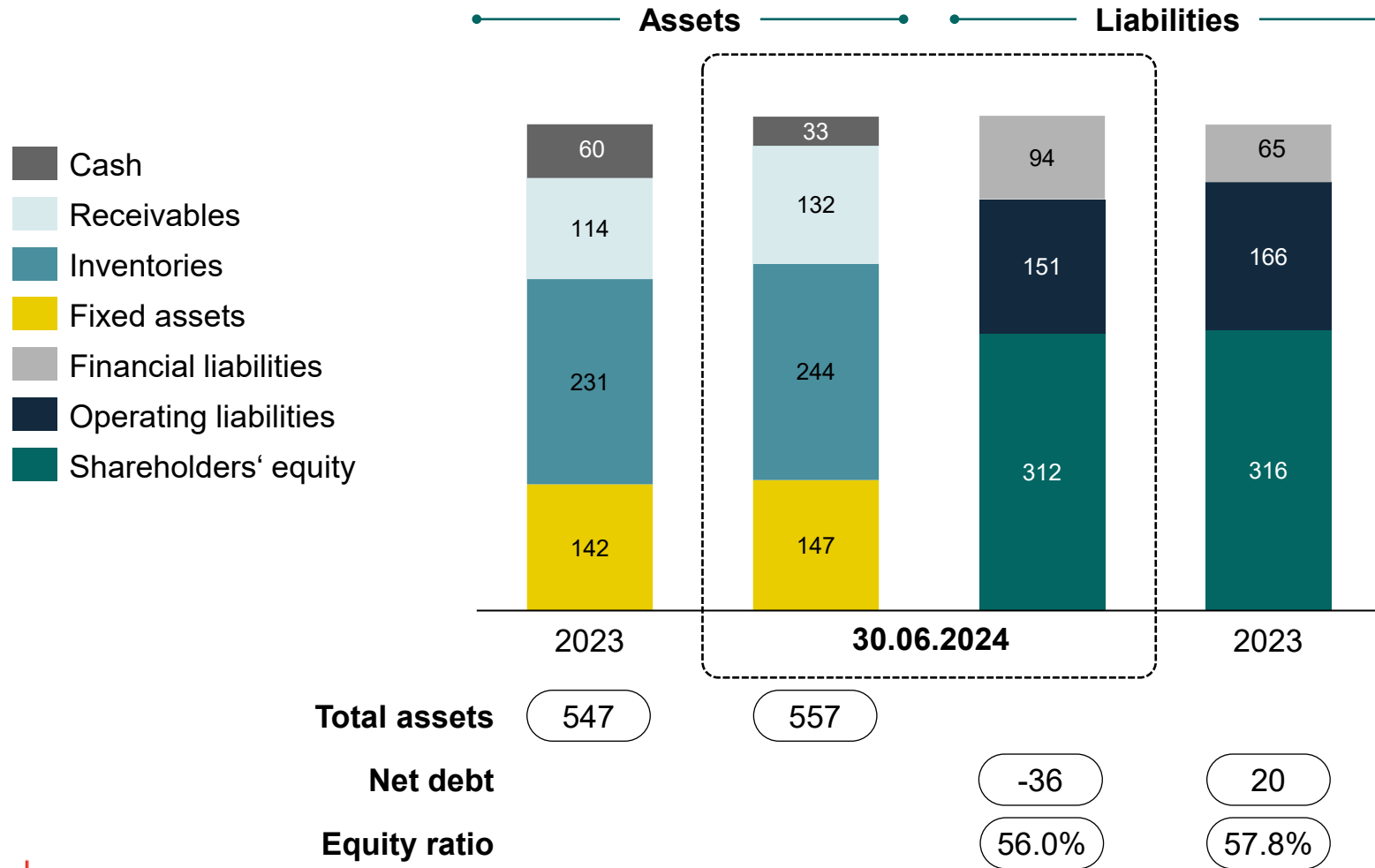


- Although sales are decreasing by 13.8%, the gross margin in percent has slightly increased
- Saving measures only marginally impact the first half year
- Reduction of sales impacts directly the EBIT due to the fix cost structure

Pro forma figures in CHF million (non-audited)

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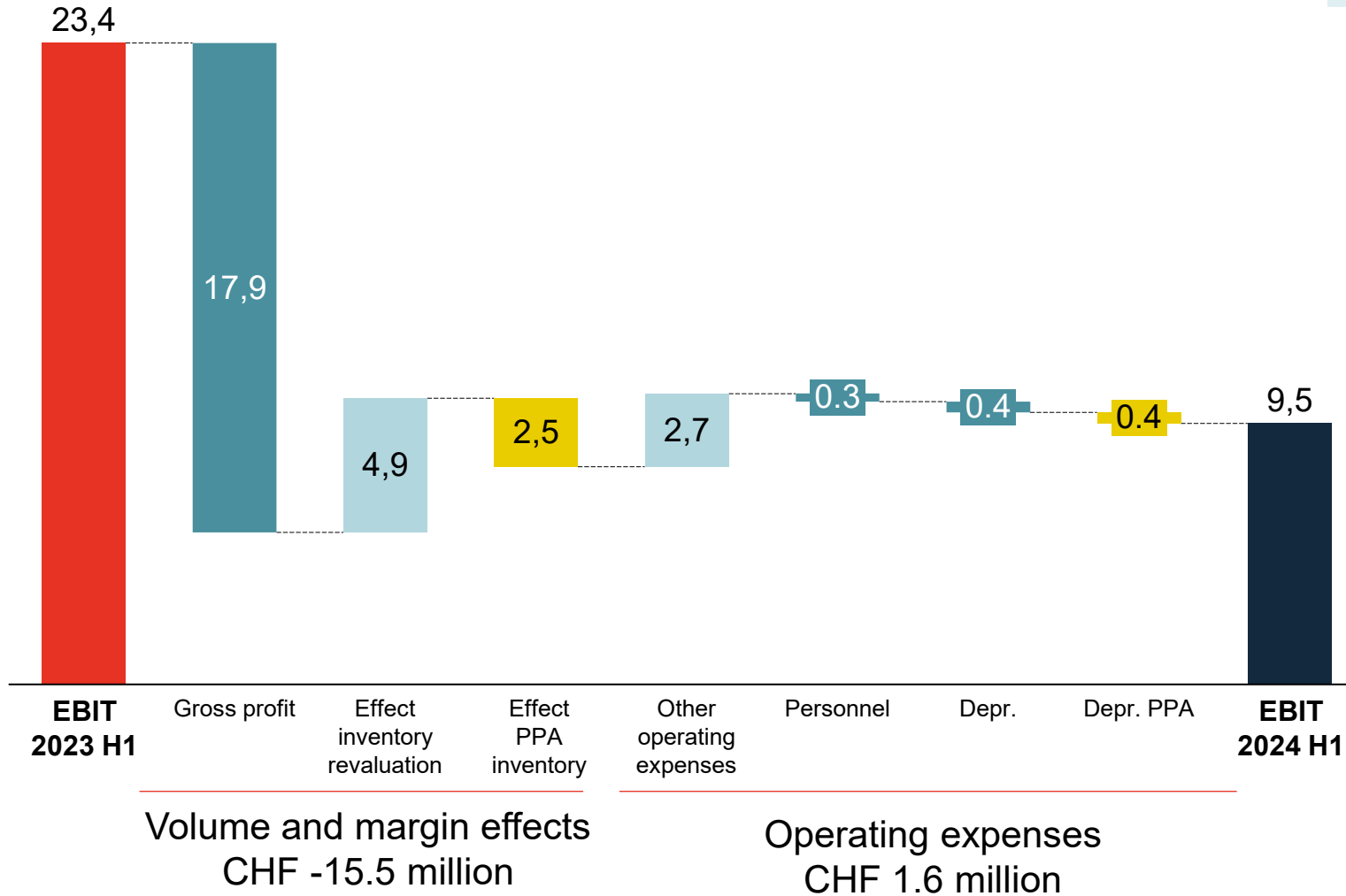
Balance sheet: Strong financial base



- Net debt evolution of CHF +36 million related to the sharp increase in working capital
- Part of the increase linked to finished products, giving an opportunity for a strong rebound
- Solid equity ratio with 56.0%

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EBIT bridge



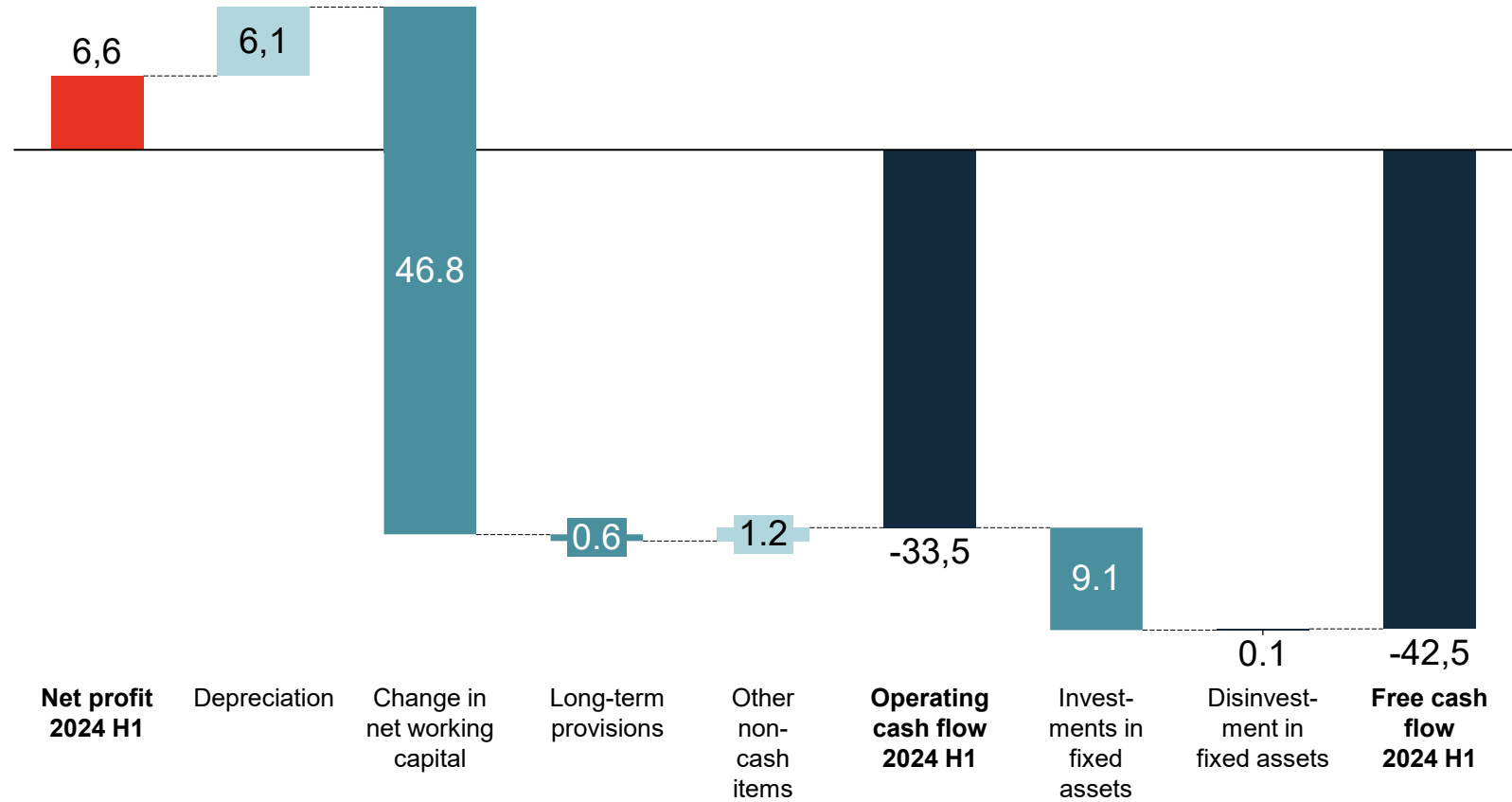
The EBIT is influenced by two extraordinary impacts:

- The methodology for the calculation of the depreciation on the inventory has been updated with a positive impact of CHF 4.9 million
- In relation with the merger, we have to book a depreciation for the markup (PPA) of the transaction with following impact:
 - H1 CHF -2.9 million
 - FY 2024 CHF -4.9 million
 - After 2024 appr. CHF -0.8 million p.a.

Pro forma figures in CHF million (non-audited)

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Free cashflow



- Operating cash flow strongly affected by the increase in working capital
- Trend to be reverted in the second half of the year
- Measures have been put in place

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In a nutshell

- Very good resistance in the order intake (-2.9% pro forma)
- Reduction in net sales (-13.8% pro forma) and EBIT (-59.3% pro forma)
- Extraordinary impacts of CHF +4.9 million related to the calculation of inventory and CHF -2.9 million related to the merger bookings
- Negative free cash flow with an increase of current liabilities related to inventory development, with a trend to be reverted in the second half of the year
- Strong equity ratio (56% of total assets)

Outlook 2024

Martin Buyle, CEO

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Outlook 2024

- Specific forecasts remain challenging due to unpredictable global economic developments
- Weakening demand in some target markets is expected to persist until the end of the year
- Order intake in the 2024 financial year is expected to be comparable to 2023
- Net sales and EBIT margin for the second half of 2024 are expected to be similar to the first half
- Our medium- and long-term targets remain unchanged
- The joint course of StarragTornos offers opportunities to significantly increase global market presence and expand attractive customer segments

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Corporate calendar

- January 30, 2025 **Order intake and net sales 2024**
- March 14, 2025 **Annual Report 2024 / Media and analyst conference, Zurich**
- April 17, 2025 **Annual General Meeting, Rorschach**

Martin Buyle, CEO

Stéphane Pittet, CFO

www.starragtornos.com

Thank you
for your attention

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