

## Media Release

### Initial information on fiscal year 2020

## **Order intake, sales and income saw declines in 2020 as expected – Slight improvement in order intake and income in the second half of the year – Major progress in strengthening the Group internally**

**Rorschacherberg, 29 January 2021** - Starrag Group published today initial information on the previous financial year. The results are in line with the projections expressed in the half-yearly report. The 2020 Annual Report with the full annual financial statements will be published on 5 March 2021.

### **Financial year 2020 marked by coronavirus pandemic**

The coronavirus pandemic heavily impacted the development of the machine industry in 2020. The member companies of Swiss industry association Swissmem reported a decline in order intake of 9% and 12% lower sales in the first nine months. VDW, the German Machine Tool Builders' Association, recorded an even greater decrease in the new orders of its members at 33%. Starrag Group was also not left unscathed by the coronavirus in the previous financial year. Customers in all consumer industries and regions remained noticeably hesitant with investments due to the extremely uncertain outlook. Overall, new orders in 2020 came in at 44% under the previous year (down 42% at constant exchange rates) totalling CHF 192 million. The above-average decrease by sector comparison is primarily a result of the historic collapse of the aviation sector, which is of major significance for Starrag Group. The second half of the year fared better than the first, which together with the expected new orders in the first quarter of 2021, suggests a certain recovery.

The decline in 2020 spanned all consumer industries, above all Aerospace and Transportation. Industrial and Energy were less affected. In geographical terms, regions such as Asia and Europe, in particular, recorded major losses, but even orders from North America also dwindled.

### **Lower order backlog and sales as a result**

Based on this development in order intake, the order backlog decreased to CHF 174 million. This decline corresponds to a decrease of 39% compared with the end of 2019, and 19% against the end of June 2020 (CHF 213 million). The current order backlog ensures capacity utilisation for the ongoing year. Annual sales in 2020 of CHF 297 million fell short of the prior year's result by 29% (27% at constant exchange rates) due to the lower level of new orders.

### **Major progress in strengthening the Group internally**

In 2020, considerable progress was made in strengthening the Starrag Group internally, which will be reflected in the future results of the company. This relates firstly to operational excellence and here in project management, with optimised processes in particular. Secondly, the newly appointed management team has helped Starrag Group grow stronger together. The Distribution, Supply Chain Management and Production functions are now better coordinated Group-wide, eliminating previous duplications of work. Thirdly, in the past year Starrag Group has focussed more consistently on its previous strengths in application expertise, thus investing in sustainable and promising client relationships and markets.

Together with the measures to reduce expenditure already announced in the half-yearly reporting (staff costs, short-time working, operating expenses in the area of trade fairs and travel, reductions in the fixed remuneration of the Board of Directors and management), around CHF 20 million was saved in the reporting year.

### **A balanced result despite unfavourable environment**

As announced in the half-yearly report, the operating result EBIT for the year 2020 on the whole was clearly below that of the previous year, although a slight improvement was achieved in the second half of the year compared with the first half. For this reason we expect a balanced result for the year 2020. The company, which continues to be on solid financial footing, proved to be resilient even during the pandemic, and the management team is convinced that it is well equipped for the future recovery on the markets.

### **High-precision machine tools for greater productivity**

Starrag Group is a global technology leader in manufacturing high-precision machine tools for milling, turning, boring and grinding workpieces of metallic, composite and ceramic materials. Principle customers are internationally active companies in the Aerospace, Energy, Transportation and Industrial (Industrial Components, Luxury Goods, Med Tech) sectors. In addition to its portfolio of machine tools, Starrag Group provides integrated technology and maintenance services that significantly enhance customer quality and productivity.

The umbrella brand Starrag unites the product ranges Berthiez, Bumotec, Dörries, Droop+Rein, Ecospeed, Heckert, Scharmann, SIP, Starrag, TTL and WMW. Headquartered in Rorschach/Switzerland, the Starrag Group operates manufacturing plants in Switzerland, Germany, France, the UK and India and has established a network of sales and services subsidiaries in the most important customer countries.

The shares of Starrag Group Holding AG are listed on the SIX Swiss Exchange.

For further information: [www.starrag.com](http://www.starrag.com)

## Key figures for the 2020 fiscal year (preliminary, unaudited)

CHF million	2020	2019	Change	At constant exchange rates
Order intake	192	343	-44%	-42%
Order backlog	174	284	-39%	-37%
Sales revenue	297	418	-29%	-27%

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### Forthcoming events

- Annual report 2020 5 March 2021
- Annual General Meeting 23 April 2021
- Half year report 2021 29 July 2021
- Sales and orders 2021 28 January 2022

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The economic projections and predictions contained in this information relate to future facts. Such projections and predictions are subject to risks, uncertainties and changes which cannot be foreseen and which are beyond the control of the issuer. The Starrag Group is therefore not in a position to make any representations as to the accuracy of economic projections and predictions or their impact on the financial situation of the Starrag Group or the market in the securities of the Starrag Group.