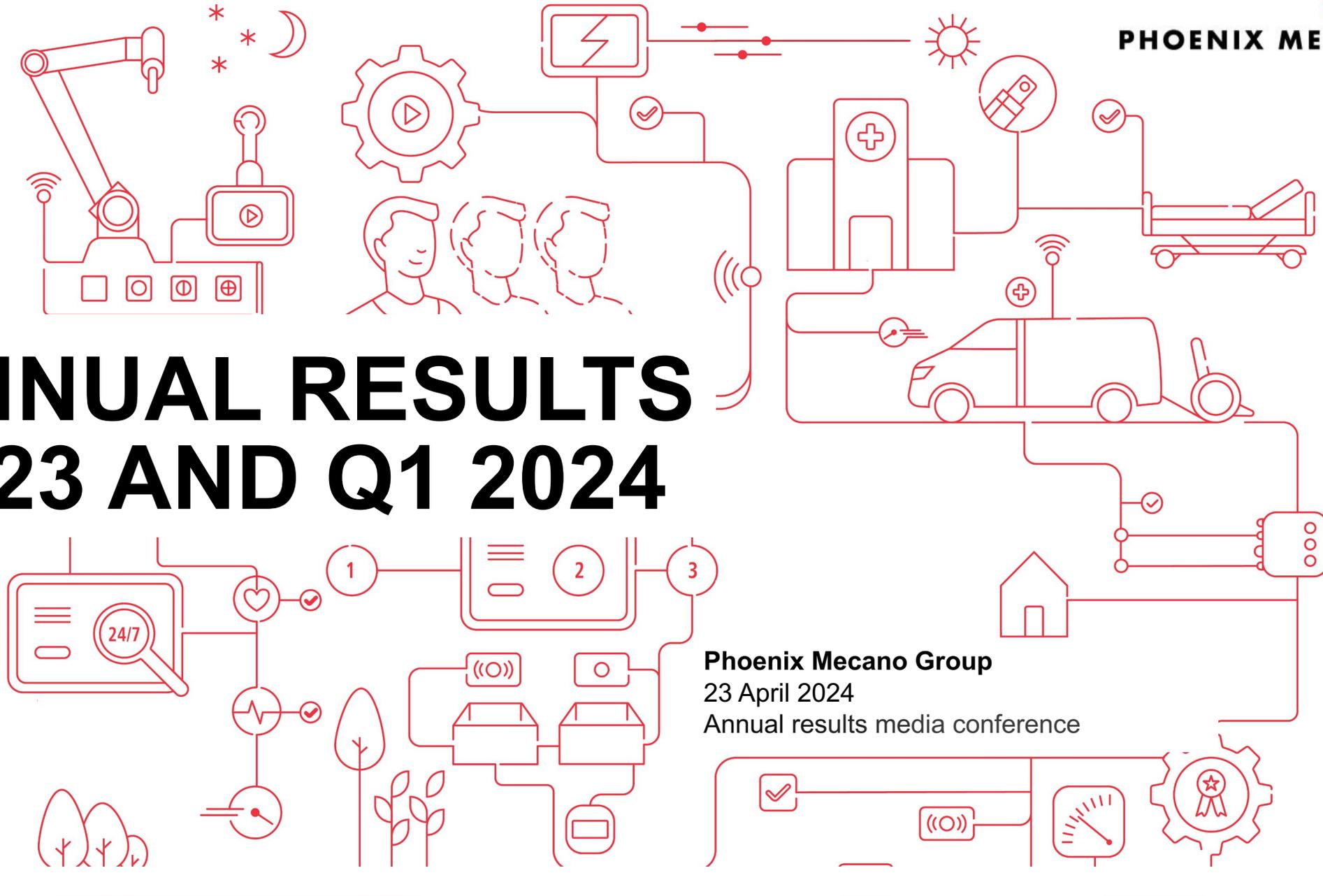




PHOENIX MECANO

ANNUAL RESULTS 2023 AND Q1 2024

Phoenix Mecano Group
23 April 2024
Annual results media conference



AGENDA

11:00	Highlights 2023 and Update on Sustainability	Rochus Kobler
11:10	Business Performance 2023 and Q1 2024	René Schäffeler
11:35	Strategic Focus and Outlook	Rochus Kobler
11:45	Q & A	

**A GLOBAL
TECHNOLOGY GROUP
WITH LEADING POSITIONS
IN PROFITABLE MARKETS
OF THE FUTURE**



Introduction

HIGHLIGHTS 2023



HIGHLIGHTS 2023

- Steady sales despite disposals
- Divestment of Rugged Computing business area
- Clear improvement in margins and cash flows
- Successful turnaround of DewertOkin Technology Group
- Opening of new industrial park in Jiaxing

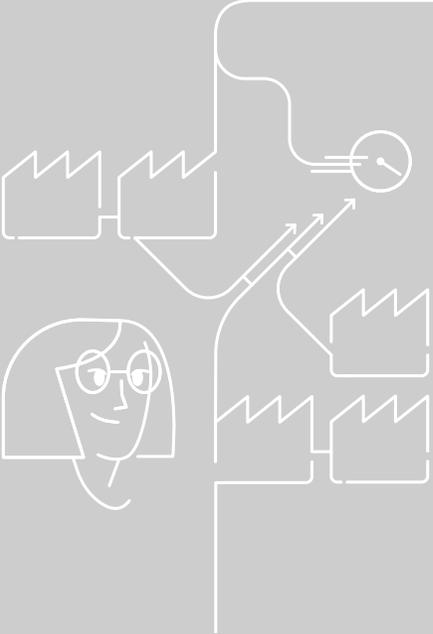
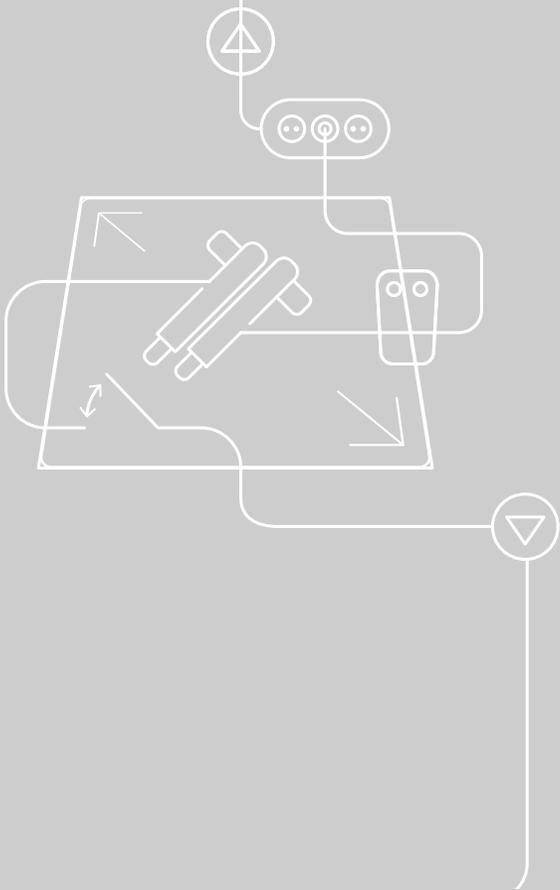


德沃康科创园
DEWERT OKIN INDUSTRIAL PARK



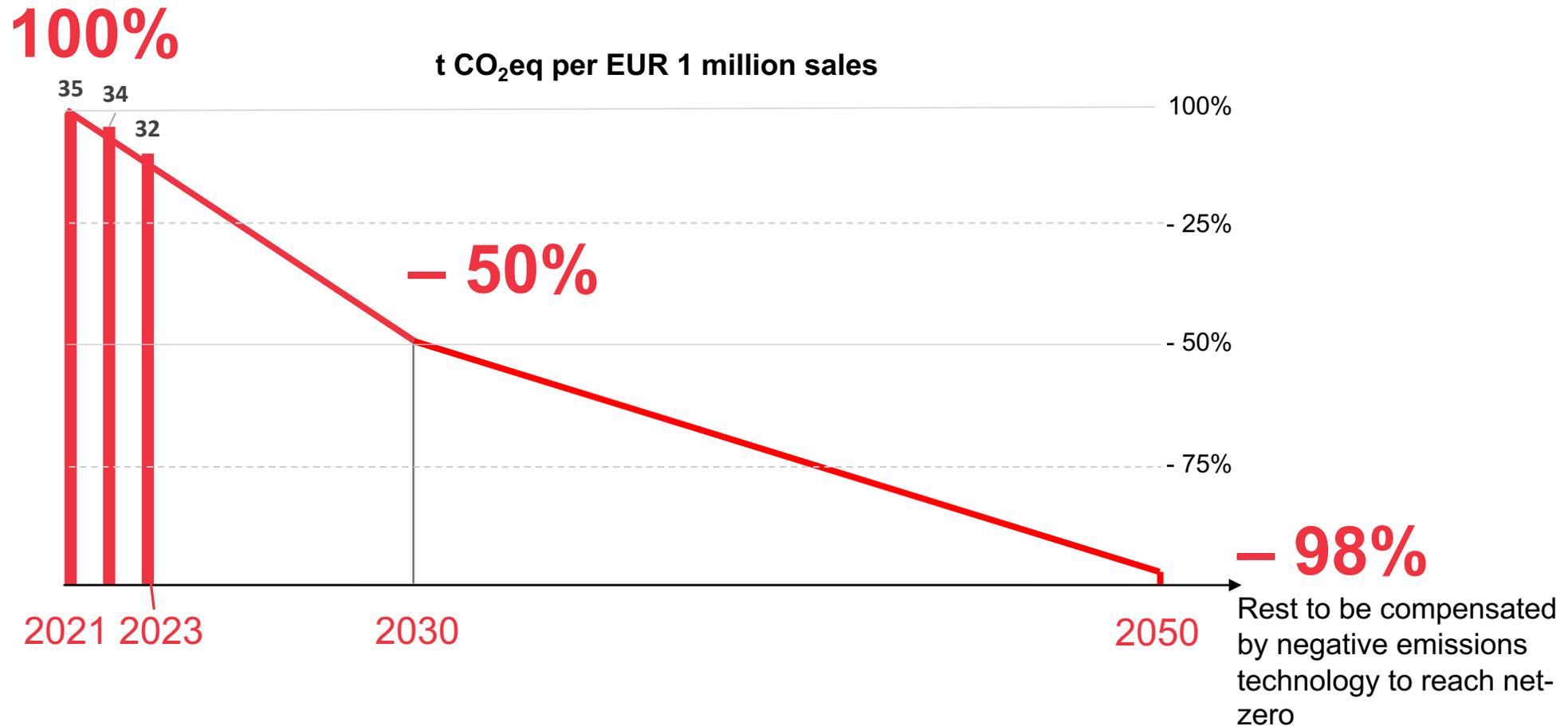
SUSTAINABILITY

UPDATE ON SUSTAINABILITY





TARGET: HALVING EMISSIONS BY 2030, REACH NET ZERO BY 2050 (SCOPE 1 AND 2)



SUSTAINABILITY HIGHLIGHTS

- CO₂ emissions reduced year-on-year by 7% in absolute terms and by 5% relative to sales
- CO₂ savings across the Group partially offset by insourcing of production processes at new industrial park in Jiaxing. Without this effect, CO₂ emissions relative to sales would have declined 15% year-on-year
- Sustainability measures led to significant savings in energy costs in 2023
- 6 GWh of annual solar power generation capacity already installed at Phoenix Mecano sites (12 GWh total capacity planned)

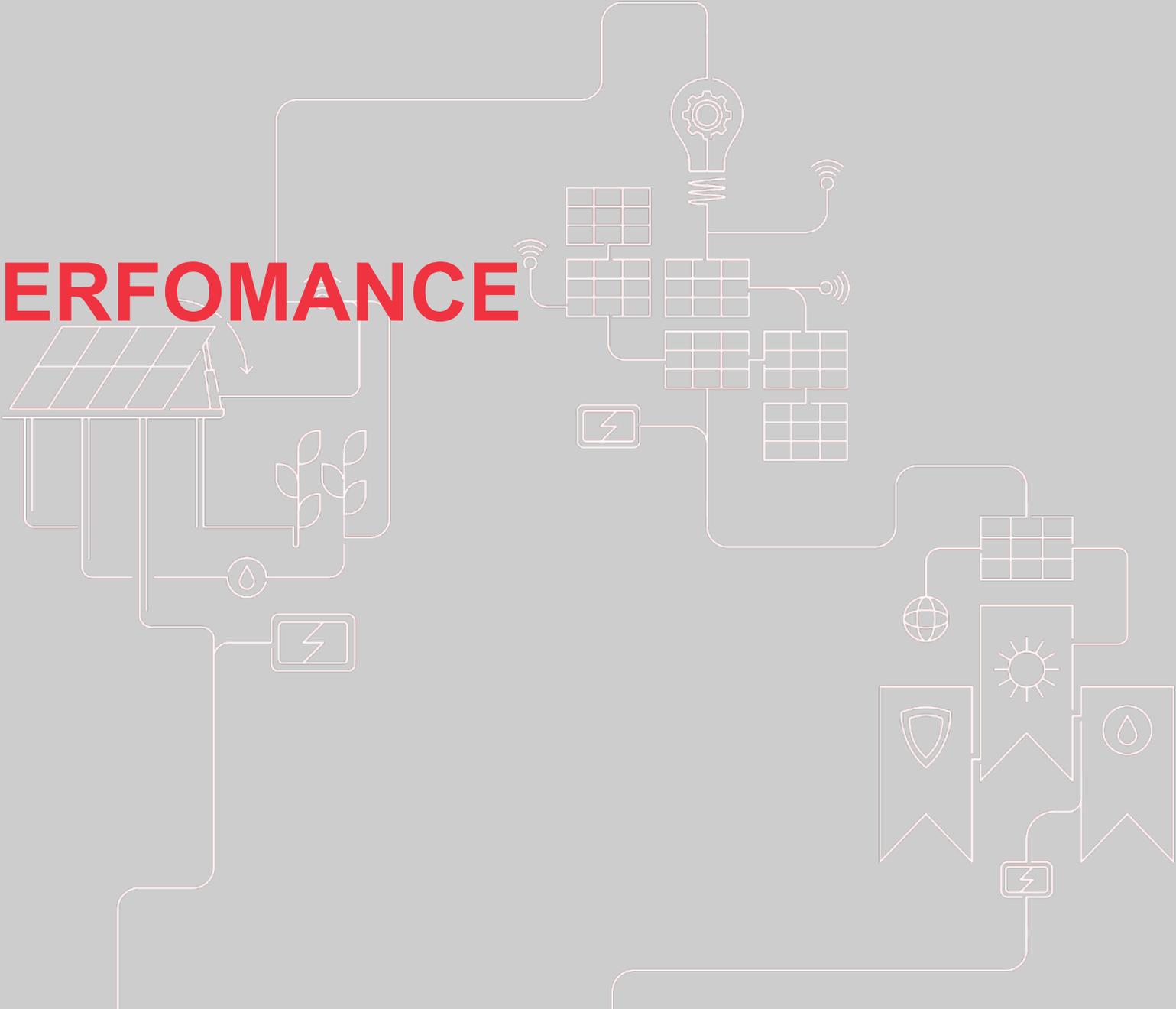
SOLAR POWER PLANT AT JIAXING INDUSTRIAL PARK

- Online since January 2024
- Production 2.2 GWh / year
- Solar power generation covers 1/3 of site's total electricity use
- CO₂ savings: 1300 t / year
- Payback time: 4.1 years



Current Financials

BUSINESS PERFORMANCE 2023



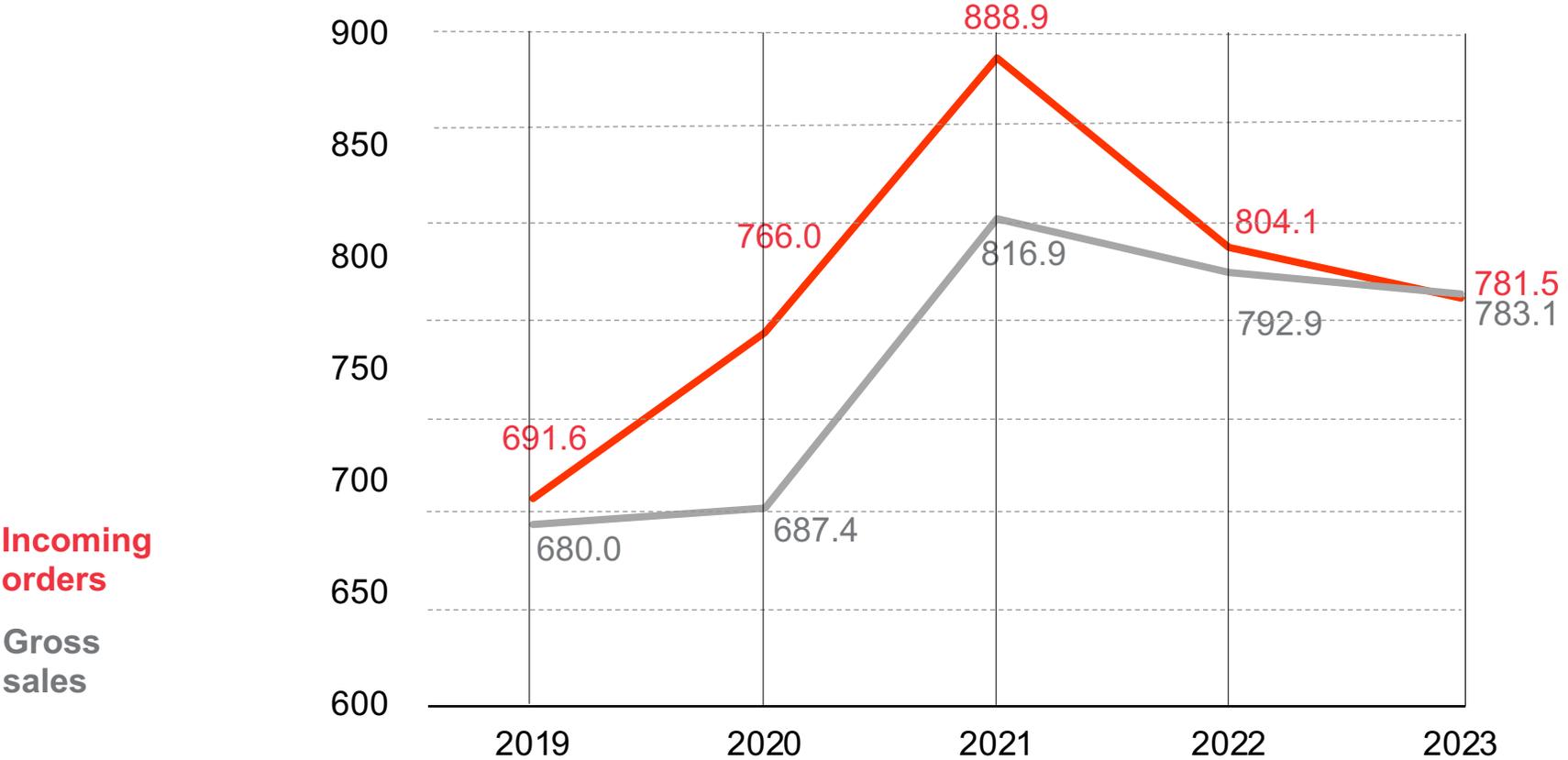
CONSOLIDATED RESULTS

- Recovery in furniture sector bolsters incoming orders
- Organic sales growth
- Another record operating result and operating cash flow
- Net liquidity

EUR million	2022	2023	+/-
Gross sales	792.9	783.1	-1.2%
Operating result before one-off effects	53.6	59.0	+10.1%
Operating result after one-off effects	53.6	62.1	+15.8%
in % of sales	6.8%	7.9%	+1.1pp
ROCE	15.6%	21.9%	+6.3pp
Result of the period	39.0	45.5	+16.5%

INCOMING ORDERS AND GROSS SALES

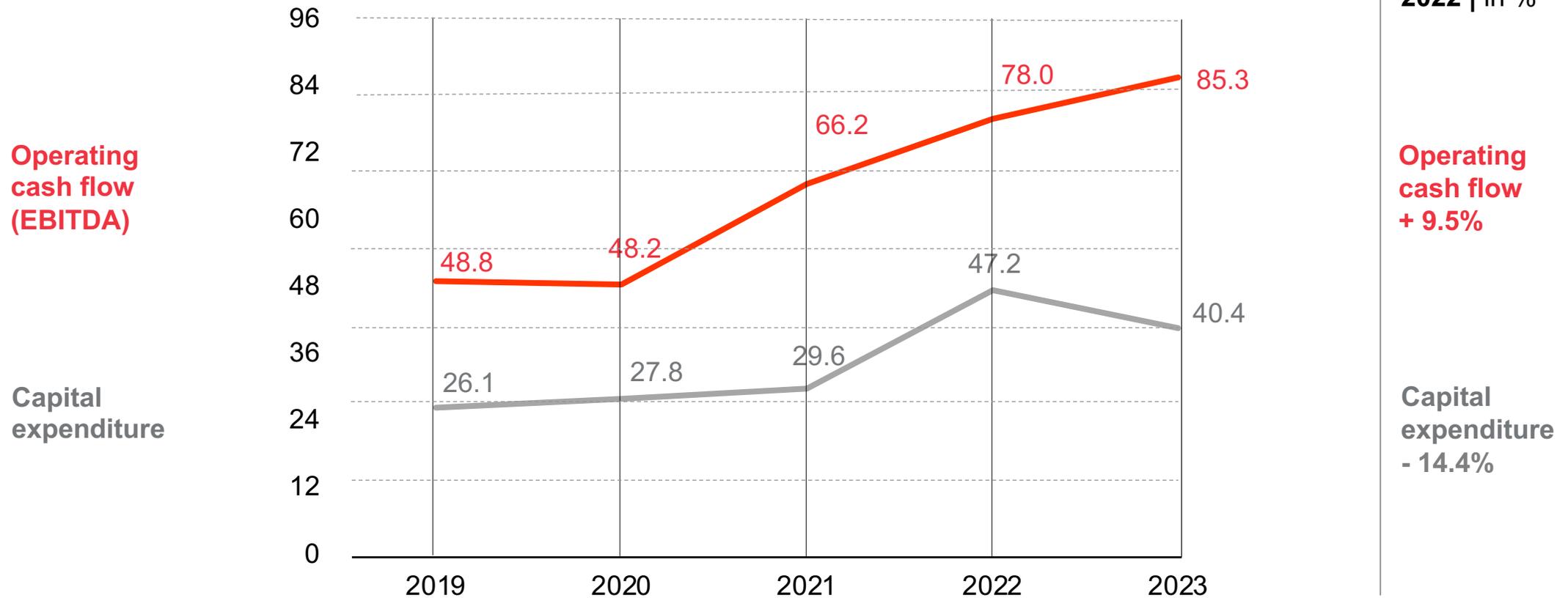
EUR million



Book-to-bill ratio:
2023: 99.8%
2022: 101.4%

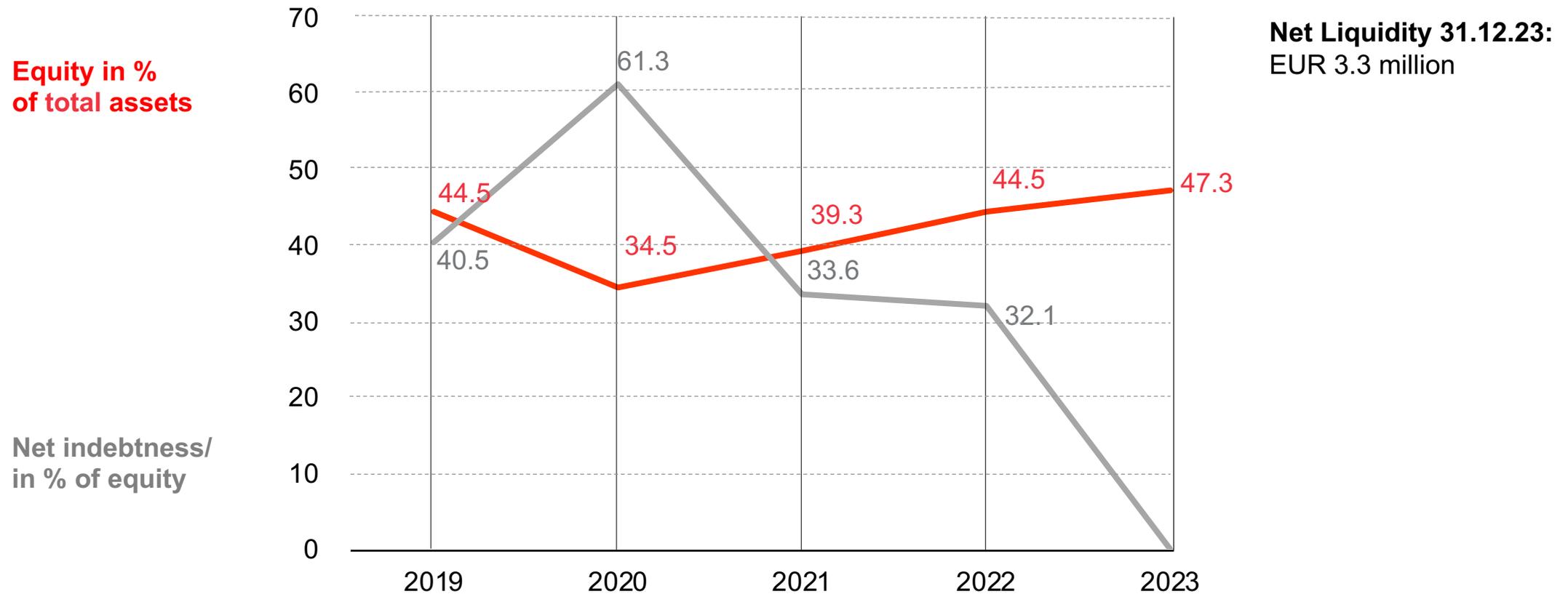
OPERATING CASH FLOW AND CAPITAL EXPENDITURE

EUR million



EQUITY RATIO AND GEARING

in %



PROPOSED DIVIDEND

The Board of Directors proposes to the Annual General Meeting on 24 May 2024:

- to increase the ordinary dividend from CHF 16.50 to CHF 18.00 per share
- to distribute a special dividend of CHF 12.00

Total distribution CHF 30.00 per share corresponds to a dividend return of 6,9 % based on share price end of 2023

DEWERTOKIN TECHNOLOGY GROUP

- Thanks to an upturn in demand in the furniture market, the sharp slump of the previous year was partially offset by an increase in incoming orders (up 23.2%) and sales
- Growth in sales and cost reductions led to a significant improvement in the operating result

EUR million	2022	2023	+/-
Gross sales	310.3	330.4	+6.5%
Operating result before one-off effects	-2.6	11.6	+540.5%
Operating result after one-off effects	-2.6	7.2	+373.2%
in % of sales	-0.8%	2.2%	+3.0pp
ROCE	-2.7%	8.6%	+11.3pp

INDUSTRIAL COMPONENTS

- In a challenging market environment, the division was able to maintain its organic sales (+0,8 %) and operating results
- The disposal of the Rugged Computing business area means that the division can focus on its core business

EUR million	2022	2023	+/-
Gross sales	255.8	223.1	-12.8%
Operating result before one-off effects	24.4	16.6	-31.7%
Operating result after one-off effects	24.4	24.1	-1.0%
in % of sales	9.5%	10.8%	+1.3pp
ROCE	17.1%	25.9%	+8.8pp

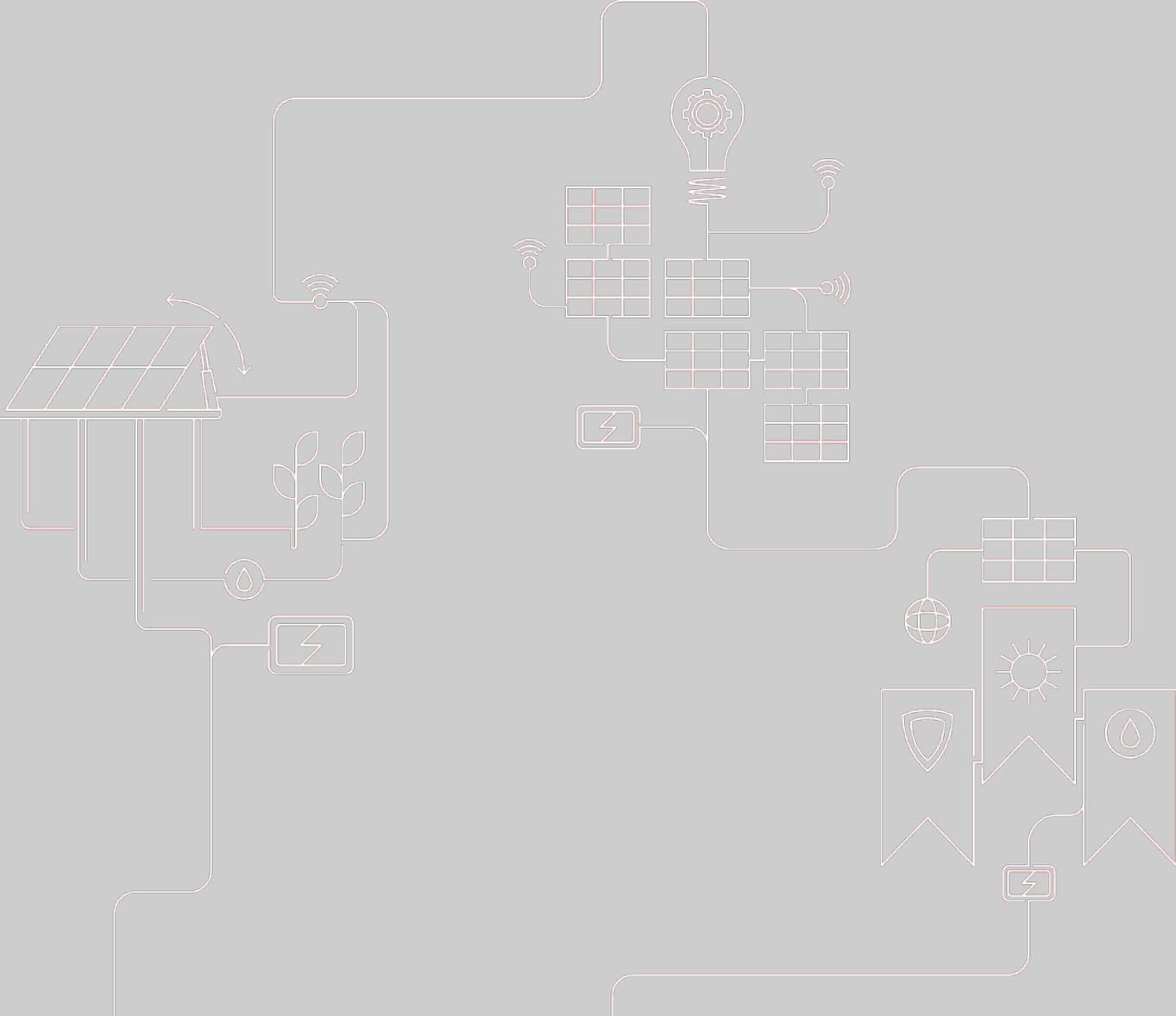
ENCLOSURE SYSTEMS

- The division defied the downturn in industrial demand and is focusing on growth areas such as system integration and renewable energies
- The key financials were only slightly down on the previous year and significantly above those of prior years

EUR million	2022	2023	+/-
Gross sales	226.8	229.7	+1.3%
Operating result	35.2	34.3	-2.5%
in % of sales	15.5%	14.9%	-0.6pp
ROCE	34.2%	33.8%	-0.4pp

Current Financials

Q1 2024



CONSOLIDATED RESULTS

- Group sales declined partly due to divestment of Rugged Computing business area
- DOT Group confirmed turnaround with continued growth while Industrial Components and Enclosure Systems divisions felt the lower demand of industrial customers and could not compensate in full the lower capacity utilisation by adjusting capacities

EUR million	Q1 2023	Q1 2024	+/-
Gross sales	208.9	191.5	-8.3%
Operating result	15.6	12.4	-20.8%
in % of sales	7.5%	6.5%	-1.0pp
Result of the period	10.5	8.2	-21.8%

DEWERTOKIN TECHNOLOGY GROUP

- Important export business picked up in Asian markets
- Sluggish demand in Europe and in Chinese domestic market

EUR million	Q1 2023	Q1 2024	+/-
Gross sales	79.3	84.1	+6.0%
Operating result	0.2	2.4	+904.1%
in % of sales	0.3%	2.9%	+2.6pp

INDUSTRIAL COMPONENTS

- Restrained order intake in the Automation Modules and Electrotechnical Components business areas
- Continued high demand from energy infrastructure sector

EUR million	Q1 2023	Q1 2024	+/-
Gross sales	65.0	46.9	-27.8%
Operating result	5.8	3.4	-40.8%
in % of sales	8.9%	7.3%	-1.6pp

ENCLOSURE SYSTEMS

- Declining sales due to weak industrial economy
- Dynamic order intakes for explosion-proof enclosures and industrial PCs

EUR million	Q1 2023	Q1 2024	+/-
Gross sales	64.6	57.5	-11.0%
Operating result	10.6	8.1	-23.5%
in % of sales	16.4%	14.1%	-2.3pp

Business Strategy

OUR STRATEGIC FOCUS



OUR STRATEGIC FOCUS

**Streamlining
Portfolio**

**Focus on
Profitability**

- 1** Leading positions in two growth areas
- 2** Three clearly focused divisions
- 3** Proven customer-centric business model
- 4** Growth aspirations and profitability targets
- 5** DewertOkin Technology Group with potential for additional value creation

BALANCED PORTFOLIO

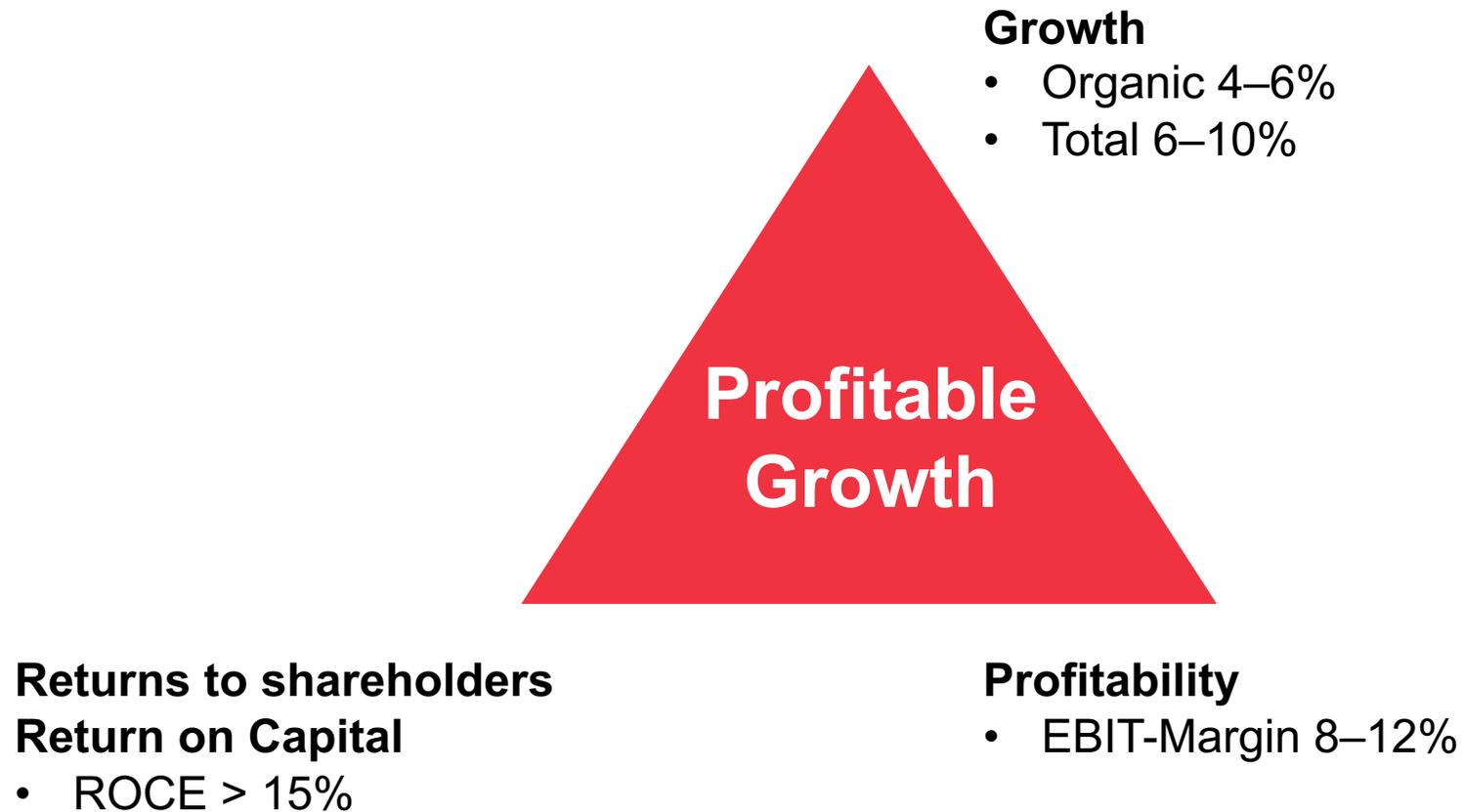
THREE CLEARLY FOCUSED DIVISIONS – TWO GROWTH AREAS

GROWTH AREAS	Industrial Solutions		Smart Furniture
FOCUSED DIVISIONS with LEADING POSITIONS	Industrial Components 29% of sales	Enclosure Systems 29% of sales	DewertOkin Technology Group 42% of sales
DRIVING MEGATRENDS	<ul style="list-style-type: none"> Industrial Automation and Robotics Decarbonization Industrial Digitalization 		<ul style="list-style-type: none"> Demographic changes Smart Home Digital Health
TARGETS 2026	<ul style="list-style-type: none"> Sales growth: GDP+ Double-digit EBIT margins ROCE >15% 		<ul style="list-style-type: none"> Sales growth: >10% High single-digit EBIT margin ROCE >15%

GROWTH ASPIRATIONS AND PROFITABILITY TARGETS

Group-level

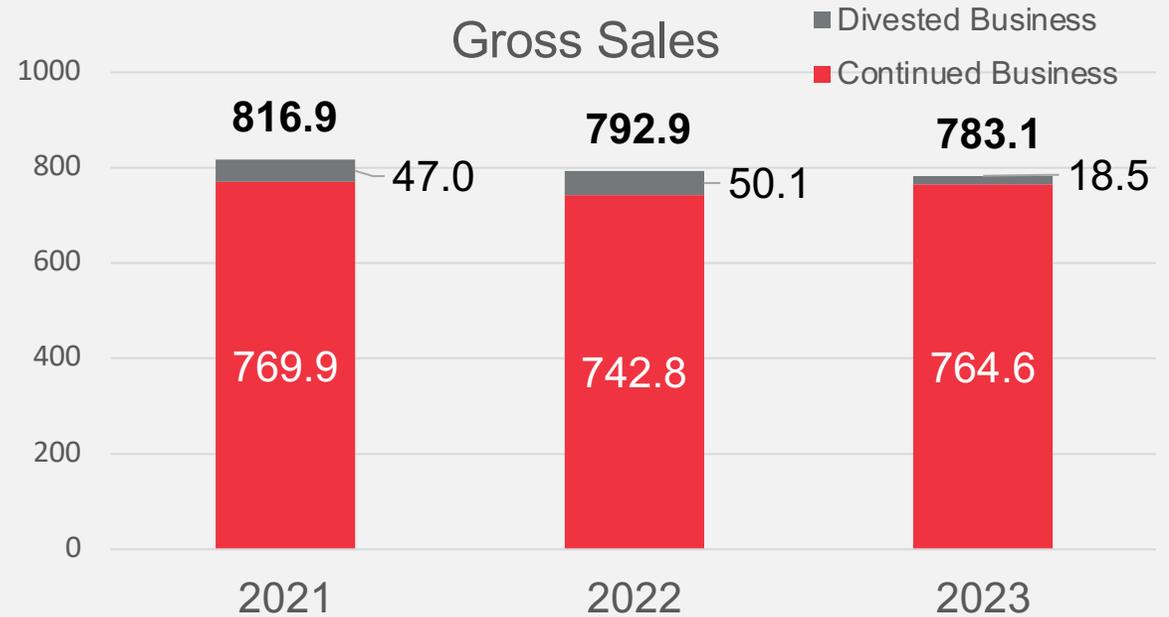
Strategic mid-term targets 2026



OUR STRATEGIC FOCUS

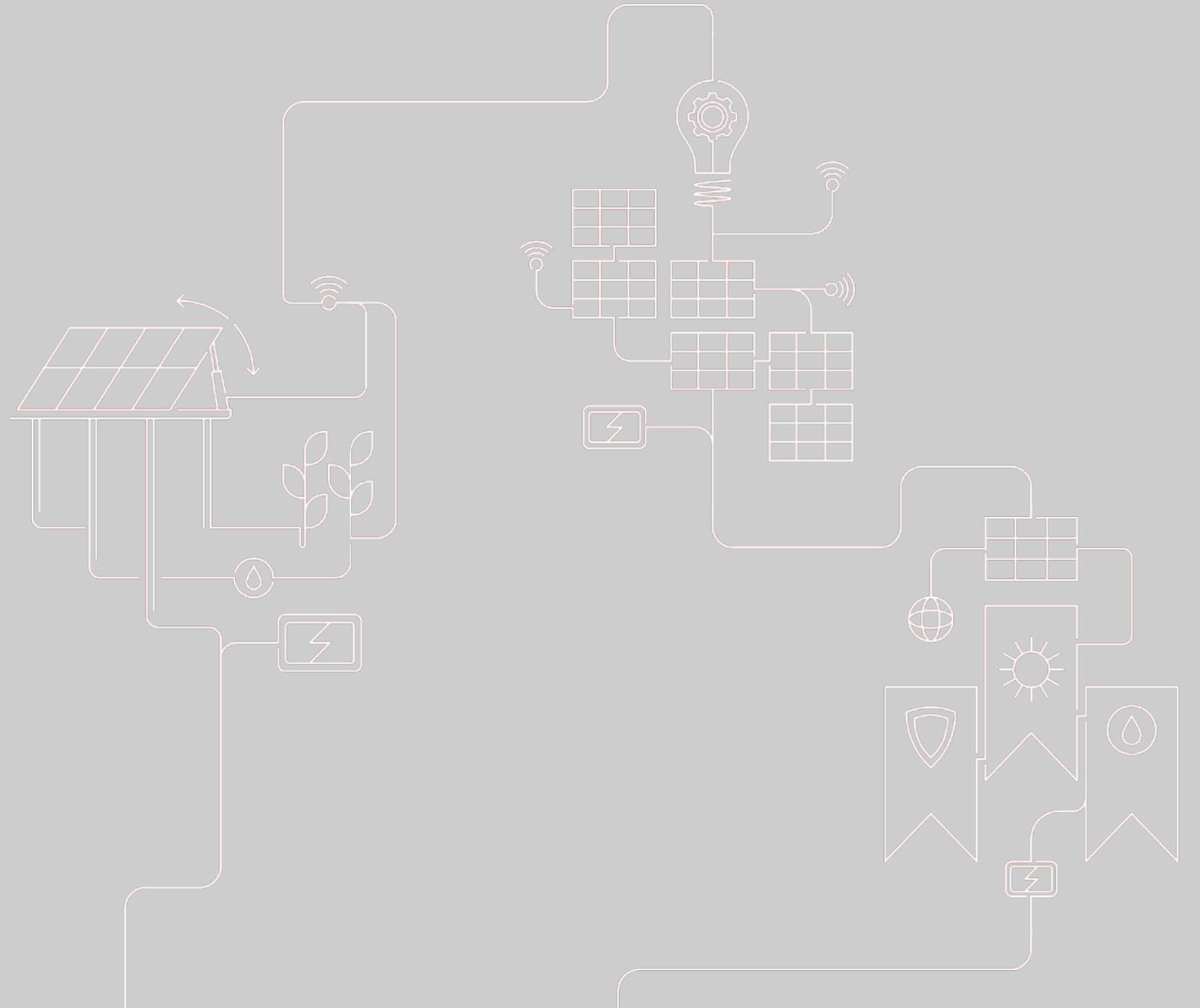
**Streamlining
Portfolio**

**Focus on
Profitability**



	2021	2022	2023
EBIT	44.3	53.6	62.1
EBIT margin	5.4%	6.8%	7.9%

OUTLOOK



OUTLOOK

- Demand for industrial products in Europe, particularly in Germany, is currently declining
- Decline partially compensated by order backlogs and structural demand driven by megatrends
- First signs of economic recovery and Phoenix Mecano expects upturn to continue
- Visibility is low and numerous uncertainty factors remain
- Guidance: Results on par with previous year



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