

CH-Wetzikon, March 2, 2021

## **Elma – Solid results in a challenging year**

- **Order income of CHF 153.3 million increased by 0.7% adjusted for currency effects (previous year: CHF 159.0 million)**
- **Net sales of CHF 147.0 million 1.5% higher adjusted for currency effects (previous year: CHF 151.2 million)**
- **EBIT of CHF 6.6 million (previous year: CHF 6.4 million) and net profit of CHF 5.6 million (previous year: CHF 5.1 million) improved due to significantly lower sales and other operating expenses**
- **All three regions with a positive profit contribution**
- **Operating cash flow increased by nearly 25% to CHF 10.3 million**
- **Net debts reduced by CHF 7.1 million to CHF 16.9 million (previous year: CHF 24.0 million)**
- **Equity ratio improved to 46.4% (December 31, 2019: CHF 42.6%)**
- **A high level of innovation with significant product developments for the healthcare sector and five Technology Innovation Awards received**

The year 2020 was impacted by the global Covid-19 pandemic which posed considerable challenges for companies. In this economically and entrepreneurially demanding environment, the Elma Group succeeded in slightly increasing order income as well as net sales adjusted for currency effects, improving profitability, and closing the financial year with a slightly higher net profit than last year.

### **Order income**

Demand from customers in the defense segment remained lively and made a significant contribution to the overall positive development in order income. Order income closed at CHF 153.3 million (previous year: CHF 159.0 million), which is a decrease of 3.6%; however, adjusted for currency effects, a slight plus of 0.7% compared with the previous year was achieved. Orders are recorded as order income only if delivery is affected within the next six months.

Order income developed particularly well in the Asia region and went up 12.4% to CHF 11.8 million; adjusted for currency effects, they even rose by 19.3%. The Americas region increased order income in local currency by 2% to USD 82.0 million; in Swiss Francs, however, there was a decline of 3.9%. In the Europe region, orders income fell by 5.7% to CHF 64.7 million; adjusted for currency effects, the decrease was 3.6%. Orders in Germany and France developed positively with an increase compared with the previous year. The entities in Switzerland, UK and Israel were confronted with a pronounced slowdown, which led to lower order income.

### **Net sales**

Production in 2020 was maintained as well as possible in compliance with strict protective measures. Despite the postponements of orders by customers as a result of the Covid-19 pandemic, the consolidated revenue in local currency slightly increased. Short-term orders were executed to fill capacity. In the US, which is strongly driven by the systems business, net sales grew by 3%. Also the Asia region reported an increased demand, while activities in the Europe region were hampered by the weaker economic dynamics and the related project delays in Germany, France and the UK.

In 2020, the Elma Group realized net sales totaling CHF 147.0 million (previous year: CHF 151.2 million), which corresponds to a decrease of 2.7%; adjusted for currency effects, net sales rose by 1.5%. The Americas region increased net sales by 3.0% to USD 73.5 million (previous year: USD 71.3 million); in Swiss Francs they were down 2.9%. In the Europe region, net sales fell by 6.8% to CHF 65.9 million (previous year: CHF 70.7 million); adjusted for currency effects, the decrease was 4.8%. In the Asia region, net sales increased by 28.8% to CHF 12.4 million (previous year: CHF 9.6 million); adjusted for currency effects, the growth was even 36.7%.

The System Solutions product line closed the 2020 business year with sales on previous year's level, thanks to the successful project business in the USA and Asia, which compensated for the decline in demand in Europe. The net sales amounted to CHF 108.8 million (previous year: CHF 108.5 million); adjusted for currency effects, an increase of 4.9% was achieved. The Enclosures & Components product line generated net sales of CHF 26.2 million (previous year: CHF 29.7 million), which is a minus of 11.7%; adjusted for currency effects, sales fell by 8.5%. The Rotary Switches product line achieved sales of CHF 12.0 million, a drop of 7.5% (previous year: CHF 13.0 million); adjusted for currency effects, the decrease was 4.3%.

### **EBIT and net profit**

The Elma Group closed the 2020 business year with a net profit of CHF 5.6 million (previous year: CHF 5.1 million). EBITDA reached CHF 9.9 million or 6.8% (previous year: CHF 9.6 million or 6.3%) and EBIT was CHF 6.6 or 4.5% (previous year: CHF 6.4 million or 4.2%). The profit per share amounted to CHF 24.44 (previous year: CHF 22.37). The improved profitability is due to the fact that sales and other operating expenses were significantly lower than in the previous year.

### **Solid balance sheet**

As of December 31, 2020, the Elma Group reported total assets of CHF 91.8 million (previous year: CHF 94.1 million). The equity ratio stood at 46.4% (previous year: 42.6%). Net debts fell by CHF 7.1 million to CHF 16.9 million (previous year: CHF 24.0 million).

### **Operating cash flow**

The operating cash flow amounted to CHF 10.3 million and thus was CHF 2.6 million above previous year (previous year: CHF 7.7 million). This good result made allowed to finance all investments by own funds, to repay bank debts in the amount of CHF 3.7 million and to increase cash by CHF 3.4 million. The strong operating cash flow was possible due to a higher net profit, lower stocks and reduced accounts receivable, trade and other liabilities.

### **Dividend policy**

Elma's dividend policy depends on the following factors:

- Improved balance sheet structure
- Reduced net debts
- Equity ratio of over 50%

Elma made further progress in the last year to allow a dividend payment. Not all factors have been met yet and the Board of Directors will propose to the General Annual Meeting on April 15, 2021 to forego a dividend payment for 2020 and to continue to invest the generated funds into the company.

### **Market trends**

Elma's performance in 2020 was strongly influenced by the ongoing Covid-19 pandemic. Elma's customers reduced their capacities during the lockdowns ordered by their respective governments. Elma had to adjust their production capacities accordingly and introduced short-time work in some cases. Covid-19 vaccines are now available and a return to the "new normal" seems to be slowly coming into view. The stimulative policies by governments as well as the catch-up demand among consumers and the execution of postponed projects by companies support the economic recovery phase.

### **Innovation, research and development**

Elma offers solutions from components to integrated systems. Innovation is one of the key success factors to deliver market-driven products to customers and to ensure profitable growth in all three regions and product lines. Elma works closely with customers when developing new products, system solutions and services. This enables Elma to understand the customer's needs and develop customized, innovative solutions. Elma is "Your Solution Partner".

Elma realized various innovative and demanding customer projects in 2020 that are for instance used in the healthcare sector to contain the Covid-19 pandemic. In the USA, Elma received five Military & Aerospace Engineering Technology Innovation Awards. This is the fourth year in a row that Elma products have been selected by this important awards program. Honorees of the Technology Innovation Awards have made a pioneering contribution to the defense and aerospace industry and are recognized as leaders with innovative solutions and products.

## **Change of Board of Directors in 2021**

Rudolf W. Weber has been a non-executive member of the Board of Directors since 2004. In 2020 he reached the age limit stipulated in Elma's by-laws. He will therefore resign from the Board of Directors after the completion of the Annual General Meeting on April 15, 2021. The Board of Directors has decided in its meeting on February 25, 2021 that the position will not be replaced for the time being and thus the Board will consist of four members after the 2021 Annual General Meeting. The entire Board of Directors thanks Rudolf W. Weber for his successful work of many years and his great contribution to the Elma Group as a member of the Board of Directors and Chairman of the Compensation Committee.

## **Annual General Meeting 2021**

Based on Art. 27 of Ordinance 3 of the Federal Council on measures to combat the coronavirus (COVID-19) of June 19, 2020 (in the version of February 8, 2021), the Elma Board of Directors decided to conduct the Annual General Meeting 2021 without the physical presence of the shareholders. For the upcoming Annual General Meeting on April 15, 2021, the shareholders will have the opportunity to vote and provide instructions to the independent proxy, either in writing or electronically via the online platform of Share Comm Service AG (shareholder's register). Details regarding voting and instructions to the independent proxy for the 2021 Annual General Meeting will be explained in the invitation to the General Meeting.

## **Outlook**

Elma started the 2021 business year with a solid order backlog. The further development of the Covid-19 pandemic and its effects on the global economy remain unpredictable from today's perspective. For this reason, Elma refrains from providing an outlook for the 2021 business year.

**The complete 2020 Annual Report in German can be downloaded from our website at <http://www.elma.com/en/investors/reports/>**

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**This Media Release is published in German and in English. Should the English translation differ from the German original, the German version is binding.**

## **About Elma**

Elma Electronic is a global manufacturer of electronic packaging products for the embedded systems market – from components, backplanes, power supply solutions, storage boards and chassis platforms to fully integrated systems. To ensure our integrated solutions are optimized to our customers' needs, Elma partners with leading board manufacturers in the industry. Elma also provides enclosure solutions and rotary switches for demanding applications for electronic companies. The company has a broad base of proven standard products which can be tailored to individual applications: Elma offers services from the initial concept to volume production. Elma's reliable solutions, flexibility, and design expertise are key reasons why the leading companies in the world choose Elma time and again.

Please visit our website: [www.elma.com](http://www.elma.com)

## **Disclaimer**

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## Multi-year overview Elma Group

| in CHF 1,000   | Swiss GAAP FER |         |         |         |         |
|--|----------------|---------|---------|---------|---------|
|  | 2020           | 2019    | 2018    | 2017    | 2016    |
| Order income   | 153,288        | 158,994 | 148,626 | 143,201 | 144,777 |
| Net sales  | 147,036        | 151,155 | 145,981 | 143,978 | 130,308 |
| EBITDA   | 9,938          | 9,552   | 10,221  | 9,687   | 6,369   |
| EBITA  | 6,555          | 6,408   | 7,236   | 6,951   | 3,525   |
| EBIT   | 6,555          | 6,408   | 7,236   | 6,951   | 3,525   |
| Net profit   | 5,584          | 5,111   | 5,613   | 3,009   | 2,335   |
| in % of average equity (ROE)                                   | 13.5           | 13.5    | 16.9    | 10.3    | 8.8     |
| Depreciation of tangible assets                                | 3,258          | 3,057   | 2,780   | 2,517   | 2,563   |
| Amortization of intangible assets                              | 126            | 87      | 204     | 219     | 281     |
| Investments in tangible assets                                 | 1,872          | 14,175  | 2,448   | 3,166   | 3,078   |
| Investments in intangible assets                               | 1,348          | 44      | 1       | 86      | 138     |
| Cash flow from operating activities                            | 10,326         | 7,774   | 5,713   | 4,815   | -1,063  |
| Cash flow from investment activities                           | -2,919         | -14,206 | -2,393  | -3,186  | -3,179  |
| Free cash flow   | 7,407          | -6,432  | 3,320   | 1,629   | -4,242  |
| Cash flow from financing activities                            | -3,713         | 6,837   | -3,823  | 911     | 1,619   |
| Non-current assets   | 27,439         | 28,886  | 18,387  | 19,395  | 19,923  |
| thereof tangible assets  | 23,426         | 26,131  | 15,469  | 15,908  | 15,208  |
| Current assets   | 64,364         | 65,184  | 63,445  | 66,164  | 56,865  |
| thereof cash and cash equivalents                              | 10,619         | 7,223   | 6,905   | 7,416   | 4,874   |
| Balance sheet total  | 91,803         | 94,070  | 81,832  | 85,559  | 76,788  |
| Shareholders' equity   | 42,591         | 40,071  | 35,865  | 30,460  | 27,755  |
| in % of balance sheet total                                    | 46.4           | 42.6    | 43.8    | 35.6    | 36.1    |
| Non-current liabilities  | 21,823         | 23,797  | 19,013  | 20,792  | 22,505  |
| Current liabilities  | 27,389         | 30,201  | 26,954  | 34,307  | 26,528  |
| Total financial liabilities                                    | 27,502         | 31,209  | 24,383  | 28,216  | 27,336  |
| Net financial debts (financial liabilities less cash balances) | 16,883         | 23,986  | 17,478  | 20,800  | 22,462  |
| ROCE (EBIT/Capital Employed) in %                              | 10.2           | 10.0    | 13.2    | 13.6    | 7.0     |
| Indebtedness factor (net interest-bearing liabilities/EBITDA)  | 1.7            | 2.5     | 1.7     | 2.1     | 3.5     |
| Headcount (FTE) end year                                       | 778            | 773     | 766     | 735     | 720     |
| Headcount (FTE) average  | 772            | 773     | 751     | 725     | 715     |
| Net sales per employee (average)                               | 191            | 196     | 194     | 198     | 182     |

**The Alternative Performance Measures are described in Note 35 on page 80 of the 2020 Annual Report and on Elma's website at the following link:**

<https://www.elma.com/en/investors/company-profile/alternative-measures>

# Information for Investors

The registered shares of Elma Electronic AG with a nominal value of CHF 11 per share are listed on SIX Swiss Exchange and have been traded there since December 4, 1996.

**Security number** 531916  
**ISIN** CH0005319162  
**SIX ticker symbol** ELMN  
**Reuters** ELMN.S  
**Bloomberg** ELMN:SW

| Elma registered shares                          | Swiss GAAP FER     |         |         |         |         |
|---|--------------------|---------|---------|---------|---------|
|   | 2020               | 2019    | 2018    | 2017    | 2016    |
| <b>Share capital</b>                            |                    |         |         |         |         |
| Number of registered shares issued              | 228'492            | 228'492 | 228'492 | 228'492 | 228'492 |
| Average number of registered shares             | 228'492            | 228'492 | 228'492 | 228'492 | 228'492 |
| Nominal value                                   | in CHF 11.00       | 11.00   | 11.00   | 11.00   | 11.00   |
| Nominal share capital                           | in CHF 1,000 2'513 | 2'513   | 2'513   | 2'513   | 2'513   |
| Number of treasury shares                       | -                  | -       | -       | -       | -       |
| <b>Key figures</b>                              |                    |         |         |         |         |
| Equity per share                                | in CHF 186.40      | 175.37  | 156.96  | 133.31  | 121.47  |
| Profit (loss) per share                         | in CHF 24.44       | 22.37   | 24.57   | 13.17   | 10.22   |
| <b>Stock market prices</b>                      |                    |         |         |         |         |
| Highest   | in CHF 490.00      | 446.00  | 424.00  | 423.00  | 369.50  |
| Lowest  | in CHF 434.00      | 326.00  | 340.00  | 340.00  | 340.25  |
| Closing price                                   | in CHF 490.00      | 438.00  | 350.00  | 415.00  | 350.00  |
| <b>Stock market capitalization <sup>1</sup></b> |                    |         |         |         |         |
| Year-end value                                  | in CHF million 112 | 100     | 80      | 95      | 80      |

<sup>1</sup> The stock-exchange-listed capitalization is equivalent to the share closing price, multiplied by the number of shares at the year end.

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## Financial Calendar

**April 15, 2021**  
Annual General Meeting  
**August 11, 2021**  
Half-Year Report at June 30