

## **Elma – Solid results, Growth and Transformation on track, proposal for unchanged Dividend Payment**

**CH-Wetzikon, February 28, 2023 – The year 2022 was challenging for the Elma Group due to geopolitical and economic uncertainties. Nevertheless, the business transformation towards profitable growth was driven forward with additional customer orders and awards for innovative system solutions. In 2022, the Elma Group again increased both order income and net sales. The challenges in the global supply chains and increasing material and energy prices reduced the company's profit. Elma was still able to close the business year with a solid result and the Board of Directors will propose to the Annual General Meeting the same dividend payment as last year.**

- **Order income of CHF 167.8 million increased by 4.7% (adjusted for currency effects: 4.5%, previous year: CHF 160.3 million)**
- **Net sales of CHF 154.7 million grew by 3.6% (adjusted for currency effects: 3.0%, previous year: CHF 149.3 million)**
- **Significant improvement in profitability in the second half of 2022**
- **For full year lower EBIT of CHF 4.6 million (previous year: CHF 9.1 million) and net profit of CHF 4.2 million (previous year: CHF 7.5 million)**
- **Net debts reduced by 3.7 million to CHF 10.6 million (previous year: CHF 14.3 million)**
- **Equity ratio of 51.7% (December 31, 2021: 51.8%)**
- **Board of Directors proposes the Annual General Meeting a dividend payment of CHF 2.00 per share (previous year: CHF 2.00 per share)**
- **Partnerships with technology partners strengthened**

### **Order income**

The positive trend in recent years for orders received continued in 2022. The Elma Group increased again orders by 4.7% to CHF 167.8 million (previous year: CHF 160.3 million); adjusted for currency effects, they improved by 4.5%. This was mainly due to the high demand of innovative system solutions in the Europe region. Orders are recorded as order income only if delivery will take place within the next six months.

In the Europe region, a noticeably higher demand was recorded in Switzerland, Germany, France, the UK, and Israel in 2022. Order income in the Europe region - which accounts for almost half of the group-wide order intake - rose by 8.5% to CHF 83.4 million (previous year: 76.8 million); adjusted for currency effects, the increase was even 12.3%. The Americas region recorded a 3.5% increase in orders; in local currency, orders were down slightly by 0.5% at USD 76.3 million (previous year: USD 76.7 million). In the Asia region, which contributes around 7% to the total order intake of the Elma Group, orders fell by 10.7% to CHF 11.9 million (previous year: CHF 13.3 million) due to the two-months lockdown in China in April and May 2022 and the still tense Covid situation in the second half of 2022; adjusted for currency effects, this corresponds to a decline of 14.2%.

### **Net sales**

Net sales 2022 of the Elma Group grew by 3.6% to CHF 154.7 million (previous year: CHF 149.3 million); adjusted for currency effects, a global growth of 3.0% was achieved. The growth is mainly due to the high demand in Europe. The Europe region recorded higher net sales across Elma's entire product range: System Solutions, Enclosures & Components, and Rotary Switches. The region improved net sales by 15.5% to CHF 72.3 million (previous year: CHF 62.5 million); adjusted for currency effects, the increase was 19.2%.

The Americas and Asia regions were severely impacted by the difficult conditions in the procurement of electronic components, the shortage of qualified staff and production downtime in China (lockdown). Despite a solid order pipeline, this led to delays in deliveries and thus to lower net sales. In the Americas region, net sales decreased by 2.4%; in local currency, the decline was 6.2% to USD 76.1 million (previous year: USD 81.1 million). In the Asia region, net sales dropped 20.1% to CHF 10.1 million (previous year: CHF 12.6 million); adjusted for currency effects, they decreased by 23.2%.

The System Solutions product line closed the business year with net sales of CHF 107.2 million (previous year: CHF 101.6 million), exceeding the previous year by 5.5%; adjusted for currency effects, growth was 4.8%. While net sales of System Solutions increased strongly in Europe, they declined in the USA and Asia. After a good start into 2022 for the Enclosures & Components product line, demand dropped in the second half of the year. Net sales decreased by 3.0% to CHF 33.0 million (previous year: CHF 34.1 million). Adjusted for currency effects, the decline was 4.0%, which is mainly attributable to the lockdown at the Shanghai factory. The Rotary Switches product line continued the growth path of recent years, particularly in Switzerland and Germany, and improved net sales by 5.9% to CHF 14.4 million (previous year: CHF 13.6 million); adjusted for currency effects, the increase was 7.1%.

### **EBIT und net profit**

Thanks to operational improvements and higher profitability in the second half of 2022, the Elma Group closed the business year 2022 with a net profit of CHF 4.2 million (previous year: CHF 7.5 million), even though net profit at June 30, 2022 was reported at CHF 1.4 million only. EBITDA stood at CHF 8.3 million with an EBITDA margin of 5.4% (previous year: CHF 12.3 million or 8.2%) and EBIT was CHF 4.6 million with a margin of 3.0% (previous year: CHF 9.1 million or 6.1%). Earnings per share amounted to CHF 18.19 (previous year: CHF 32.99).

### **Strong balance sheet**

As of December 31, 2022, the Elma Group reported total assets of CHF 104.2 million (previous year: CHF 97.6 million). The equity ratio remained stable at 51.7% (previous year: 51.8%). Net debts were reduced by 3.7 million to CHF 10.6 million (previous year: CHF 14.3 million); bank liabilities of CHF 1.3 million were repaid, while cash increased by CHF 2.4 million compared with the previous year.

### **Operating cash flow**

The operating cash flow amounted to CHF 6.9 million and thus closed CHF 1.2 million higher than in the previous year (previous year: CHF 5.7 million).

### **Long-term dividend payment**

Elma strives for a sustainable and stable dividend policy and intends to distribute funds to its shareholders which are not required for the further development and expansion of business activities. In recent years, the Board of Directors set three requirements for a dividend payment: improved balance sheet structure, reduced net debts and an equity ratio of over 50%. All three conditions were met in 2021 and 2022. Therefore, the Board of Directors will again propose a dividend payment of CHF 2.00 per share to the Annual General Meeting in April 2023.

### **Medium-term corporate goals**

Elma is adhering to its growth strategy and will continue the previously initiated strategic measures and investments. This will strengthen the Elma Group and create potential for profitable growth in all regions. Elma aims to be an attractive employer for its employees and a reliable solution partner for its customers. In order to attract talented graduates and experts, Elma strives for an enhanced cooperation with technical colleges and universities.

### **Sustainability**

Elma is committed to sustainability and will comply with ecological, economic, social and corporate standards (ESG factors) in the interests of sustainable development of the company. Elma is committed to ensuring the safety of its employees, respecting human rights and thus also preventing child labor, conserving natural resources and reducing environmental impact. To underline its commitment to renewable energy, Elma has become one of the main sponsors for "SolarButterfly", a self-sufficient solar powered mini-house that, using the power of the sun to travel around the world during 2022 to 2025.

### **Annual General Meeting 2023**

The five current members of the Board of Directors Martin Wipfli, Walter Häusermann, Peter Hotz, Fred Ruegg and Bruno Cathomen will all stand for re-election at the 2023 Annual General Meeting. It will be the last term in office for Peter Hotz as he will not stand for re-election in 2024. Due to the Corporate law reform, which has been in force since January 1, 2023, there is a need to amend the company's articles of association. The Board of Directors will therefore submit the revision of the articles of association to its shareholders for approval; the wording of the amendment will be published in the invitation to the Annual General Meeting.

### **Outlook**

Elma started the 2023 business year with a high order backlog and will continue the business transformation process. Geopolitical uncertainties, a global economic slowdown expected for 2023, high inflation rates and the low visibility on the development of energy and raw material prices make a reliable forecast difficult. Elma therefore refrains from providing an outlook.

**The complete 2022 Annual Report can be downloaded from Elma's website at [www.elma.com/en/investors/reports](http://www.elma.com/en/investors/reports)**

### **Contact:**

Elma Electronic AG  
Hofstrasse 93  
CH-8620 Wetzikon

Thomas Herrmann  
CEO Elma Group  
Tel. +41 44 933 43 04  
thomas.herrmann@elma.ch

Edwin Wild  
CFO Elma Group  
Tel. +41 44 933 42 45  
edwin.wild@elma.ch

### **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**

*This communication contains statements that constitute "forward-looking statements". In this communication, such forward-looking statements include, without limitation, statements relating to our financial condition, results of operations and business and certain of our strategic plans and objectives. Because these forward-looking statements are subject to risks and uncertainties, actual future results may differ materially from those expressed in or implied by the statements. Many of these risks and uncertainties relate to factors which are beyond Elma's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behaviour of other market participants, the actions of governmental regulators and other risk factors detailed in Elma's past and future filings and reports and in past and future filings, press releases, reports and other information posted on Elma Group companies' websites. Readers are cautioned not to put undue reliance on forward-looking statements, which speak only of the date of this communication. Elma disclaims any intention or obligation to update and revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

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

# 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				
	2022	2021	2020	2019	2018
<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 235.78	221.35	186.40	175.37	156.96
Profit per share	in CHF 18.19	32.99	24.44	22.37	24.57
<b>Stock market prices</b>					
Highest	in CHF 1'090.00	705.00	490.00	446.00	424.00
Lowest	in CHF 680.00	482.00	434.00	326.00	340.00
Closing price	in CHF 1'000.00	705.00	490.00	438.00	350.00
<b>Stock market capitalization<sup>1</sup></b>					
Year-end value	in CHF million 228	161	112	100	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.

## Multi-year overview Elma Group

in CHF 1,000	Swiss GAAP FER				
	2022	2021	2020	2019	2018
Order income	167'849	160'308	153'288	158'994	148'626
Net sales	154'665	149'277	147'036	151'155	145'981
EBITDA	8'305	12'280	9'938	9'552	10'221
EBITA	4'572	9'053	6'555	6'408	7'236
EBIT	4'572	9'053	6'555	6'408	7'236
Net profit	4'156	7'539	5'584	5'111	5'613
in % of average equity (ROE)	8	16.2	13.5	13.5	16.9
Depreciation of tangible assets	3'019	3'021	3'258	3'057	2'780
Amortization of intangible assets	713	206	126	87	204
Investments in tangible assets	1'788	1'718	1'872	14'175	2'448
Investments in intangible assets	519	1'740	1'348	44	1
Cash flow from operating activities	6'913	5'739	10'326	7'774	5'713
Cash flow from investment activities	-2'651	-3'087	-2'919	-14'206	-2'393
Free Cash Flow	4'262	2'652	7'407	-6'432	3'320
Cash flow from financing activities	-1'740	-6'686	-3'713	6'837	-3'823
Non-current assets	27'821	28'087	27'439	28'886	18'387
thereof tangible assets	20'941	22'137	23'426	26'131	15'469
Current assets	76'383	69'493	64'364	65'184	63'445
thereof cash and cash equivalents	8'939	6'496	10'619	7'223	6'905
Balance sheet total	104'204	97'580	91'803	94'070	81'832
Shareholders' equity	53'873	50'577	42'591	40'071	35'865
in % of balance sheet total	51.7	51.8	46.4	42.6	43.8
Non-current liabilities	20'517	19'973	21'823	23'797	19'013
Current liabilities	29'814	27'031	27'389	30'201	26'954
Total financial liabilities	19'503	20'786	27'502	31'209	24'383
Net financial debts (financial liabilities less cash balances)	10'564	14'290	16'883	23'986	17'478
ROCE (EBIT/Capital Employed) in %	6.1	12.8	10.2	10.0	13.2
Indebtedness factor (net interest-bearing liabilities/EBITDA)	1.3	1.2	1.7	2.5	1.7
Headcount (FTE) end year	813	805	778	773	766
Headcount (FTE) average	803	783	772	773	751
Net sales per employee (average)	193	191	191	196	194

The Alternative Performance Measures are described on page 92 of the 2022 Annual Report on Elma's website at the following link: <https://www.elma.com/en/investors/company-profile/alternative-measures>