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**Elma Interim Results 2023:  
Elma increases order income and net sales and continues  
transformation process despite lower profitability**

**CH-Wetzikon, August 15, 2023 – In the first half of 2023, the Elma Group continued its transformation process and significantly increased both order income and net sales. In order to ensure deliveries to serve the high demand for customized system solutions, inventories were deliberately built up and the headcount of new specialists and skills increased. On the other hand, the sharp fluctuations in production volumes due to unreliable supply chains, particularly in the Americas region, had a negative impact on the results.**

EBIT include expenses associated with the transformation and related adjustments to the organization and business processes. In order to benefit from the positive market environment, Elma intends to create scalable structures and drive forward the necessary digitalization with a new generation of IT tools (ERP, PDM, CRM). The higher costs associated with these investments led to lower profitability compared with the previous year. While the Europe and Asia regions made positive profit contributions to, the Americas region recorded a loss as a result of the still insufficient supply of important electronic components, higher purchase prices and significantly higher personnel costs. Overall, Elma closes the first half of 2023 with a lower profit compared with the previous year.

- Elma continues to grow thanks to unabated strong demand for customized system solutions
- Order income increased by 8.3% to CHF 97.4 million (previous year: CHF 89.9 million); adjusted for currency effects +12.3%
- Net sales of CHF 79.5 million increased by 6.3% (previous year: CHF 74.7 million); adjusted for currency effects +9.9%
- EBIT of CHF 0.7 million (previous year: CHF 1.0 million); profit of CHF 0.6 million (previous year: CHF 1.4 million)
- Net debts increased by CHF 5 million to CHF 15.6 million (December 31, 2022: CHF 10.6 million)
- Equity ratio of 47.3% (December 31, 2022: 51.7%)

**Market trends and market environment**

Elma benefited from good demand for advanced and integrated system solutions in the first half of 2023. This positive trend again confirmed Elma's strong market position. Especially in the Europe region, Elma recorded positive year-on-year growth in Germany and the UK.

Inventories in the Elma Group were further increased due to still persisting supply bottlenecks in the first six months of 2023 in order to ensure deliveries to customers as a matter of priority. Nevertheless, there were delivery delays, particularly in the Americas region, which caused strong fluctuations in production volumes.

The slowdown in the global economy and the continuing tense geopolitical situation also left their mark on the Swiss economy. As a consequence, demand for products from the Enclosures & Components and Rotary Switches product lines in the Swiss market was down. Customers filled their inventories in the wake of the Covid pandemic and the associated supply bottlenecks and orders have been more restrained to date.

In China, the consequences of the Corona pandemic are still tangible and the economic recovery got off to a slow start in the first half of 2023. In order to increase growth for the second half of 2023, Elma has stepped up its sales activities in China.

**Order income**

Elma again increased the order income significantly in the first half of 2023. Group-wide orders amounted to CHF 97.4 million and thus were up 8.3% (previous year: CHF 89.9 million); adjusted for currency effects the increase was even 12.3%. Higher demand was mainly recorded in the Europe region for system solutions as well as in the USA for electronic cabinets. Only orders with delivery within the next six months are recorded as order income.

Order income in the Europe region increased by 14.6% to CHF 51.8 million compared with the previous year (previous year: CHF 45.2 million); adjusted for currency effects, the increase was 19.3%. The Americas region recorded a rise of 4.1% to CHF 41.8 million (previous year: CHF 40.1 million); in local currency orders went up by 7.5%. Order income in the Asia region fell by 16.8% to CHF 3.8 million as a result of the ongoing soft demand due to the economic situation (previous year: CHF 4.5 million); adjusted for currency effects the decrease was 14.1%.

### **Net sales**

Net sales of the Elma Group by June 30, 2023 reached CHF 79.5 million and were thus 6.3% higher than in the previous year (previous year: CHF 74.7 million); adjusted for currency effects they improved by 9.9%. All three regions generated higher sales. The Europe region recorded net sales of CHF 39.2 million which is a growth of 6.1% (previous year: CHF 37.0 million); adjusted for currency effects sales increased by 9.7%. The Americas region improved their net sales by 7.5% to CHF 35.2 million (previous year: CHF 32.8 million); in local currency this represents a growth of 11.0%. Net sales in the Asia region of CHF 5.0 million were at the previous year's level (previous year: CHF 5.0 million); yet in local currency an increase of 3.9% was achieved.

Net sales of Elma's product range developed differently in 2023. All three regions recorded significantly higher year-on-year net sales for system solutions. In the first half of 2023, the System Solutions product line generated net sales of CHF 56.5 million (previous year: CHF 50.3 million) and were thus 12.3% higher than in the previous year; adjusted for currency effects the growth was 16.3%. The Enclosure & Components product line recorded 6.2% lower net sales of CHF 15.6 million (previous year: CHF 16.7 million); adjusted for currency effects the decrease was 3.8%. Sales of the Rotary Switches product line were down by 5.2% to CHF 7.4 million (previous year: CHF 7.8 million); adjusted for currency effects the decrease was 2.5%.

### **EBIT and profit**

The Europe region was successful with Elma's advanced system solutions, even though the profit contribution was below the previous year. The two US companies continued to be affected by the difficult conditions in the procurement of electronic components, which caused strong fluctuations in production volumes. The transformation of the US organization required hiring additional specialists in the manufacturing area and had a negative impact on the result. This resulted in a half-year loss, which, however, was significantly lower than in the same period of the previous year. In Asia, the economic upturn remains subdued, which led to a noticeable decline in orders; nevertheless, the Asia region was able to close the first half of 2023 with a positive operating result.

Overall, Elma closed the first half of 2023 with a year-on-year lower profit of CHF 0.6 million (previous year: CHF 1.4 million). Due to higher costs for hiring additional specialists, the EBITDA reached CHF 2.4 million (previous year: CHF 2.9 million), and the EBIT was CHF 0.7 million (previous year: CHF 1.0 million). Profit per share closed at CHF 2.45 (previous year: CHF 6.16). Cash has remained stable since the beginning of the year, mainly due to the higher utilization of the credit lines provided by banks.

### **Solid balance sheet**

As of June 30, 2023, the Elma Group reported total assets of CHF 111.4 million (December 31, 2022: CHF 104.2 million). Net debts increased by CHF 5 million to CHF 15.6 million due to the continuous inventory accumulation and the related higher utilization of credit lines (December 31, 2022: CHF 10.6 million). On closing date, the equity ratio stood at 47.3% (December 31, 2022: 51.7%).

### **Medium-term corporate objectives of the Elma Group**

Elma is adhering to its growth strategy. Despite the current geopolitical and economic challenges, the Group will continue the previously initiated strategic measures and investments.

### **With sustainability to success**

The implementation of ESG measures to achieve medium- and long-term sustainability goals is on track; information on progress made throughout the year will be provided in the new Sustainability Report 2023.

### **Outlook**

Elma starts the second half of 2023 with a high order backlog. Due to the ongoing geopolitical risks and the emerging global economic slowdown as well as the low visibility on the further development of energy and raw material prices, Elma refrains from a concrete forecast for the full year 2023.

**The complete 2023 Interim Report can be downloaded from Elma's website at**  
<https://www.elma.com/en/investors/reports/interim-report>

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

## Elma Group Key Figures

in CHF 1,000	30.06.2023	30.06.2022
Order income	97,353	89,875
Net sales	79,458	74,721
EBITDA	2,390	2,873
in % of net sales	3.0	3.8
EBIT	694	1,035
in % of net sales	0.9	1.4
Profit	560	1,407
in % of net sales	0.7	1.9
in % of average equity	1.1	2.7
Headcount end of period in FTE (incl. temporary employees)	820	811
in CHF 1,000	30.06.2023	31.12.2022
Balance sheet total	111,447	104,204
Shareholders' equity	52,672	53,873
in % of balance sheet total	47.3	51.7

The Alternative Performance Measures are described on page 16 of the 2023 Interim Report and on Elma's website at the following link:  
<https://www.elma.com/en/investors/company-profile/alternative-measures>

## Information for Investors

Elma registered shares		30.06.2023	31.12.2022
<b>Share capital</b>			
Number of registered shares issued		228,492	228,492
Average number of registered shares		228,492	228,492
Nominal value	in CHF	11.00	11.00
Nominal share capital	in CHF 1,000	2,513	2,513
<b>Stock market prices</b>			
Highest	in CHF	1,040.00	1,090.00
Lowest	in CHF	1,000.00	680.00
Closing price	in CHF	1,010.00	1,000.00
<b>Stock market capitalization</b>			
Balance sheet date	in Mio. CHF	231	228
		30.06.2023	30.06.2022
<b>Key figures</b>			
Equity per share	in CHF	230.52	230.14
Profit per share <sup>1</sup>	in CHF	2.45	6.16

<sup>1</sup> No dilution effects