

Ad hoc announcement pursuant to Art. 53 LR

Phoenix Mecano benefits from balanced business portfolio – Guidance and medium-term targets confirmed

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The Phoenix Mecano Group was able to keep consolidated gross sales in the first nine months of 2024 just below the previous year's level. In organic, local-currency terms, sales grew by 1.7%. The DewertOkin Technology Group division continued to grow, largely offsetting the decline in sales in the two industrial divisions. The change in business mix led to uneven capacity utilisation and slightly lower profitability. Incoming orders and a book-to-bill ratio of just above 1 indicate an improvement in business development. Phoenix Mecano confirms its guidance and medium-term targets through to 2026.

In the first three quarters of 2024, the Phoenix Mecano Group's consolidated gross sales fell slightly by 1.5% from EUR 600.6 million to EUR 591.7 million. Organic growth in local currency was 1.7%. Net sales totalled EUR 585.1 million (previous year: EUR 594.6 million). The book-to-bill ratio for the first nine months was 1.02. Incoming orders rose by 2.8% from EUR 586.9 million to EUR 603.3 million, with organic growth of 6.3%. In the third quarter, incoming orders were up 15.3% year-on-year.

The operating cash flow declined by 8.8% compared with the same period the previous year, to EUR 59.0 million. The operating result was down 13.5% year-on-year, at EUR 41.7 million.

The result of the period was EUR 28.0 million, down 17.7% from the previous year (EUR 34.1 million).

Division performance

In the **Enclosure Systems** division, gross sales in the first three quarters of 2024 fell by 7.8% to EUR 165.5 million. Organically, the decline was 7.7%. Incoming orders were down 4.9% at EUR 162.9 million. The operating cash flow was EUR 28.2 million (down 15.9%), while the operating result fell from EUR 28.6 million to EUR 22.9 million (down 19.7%).

Strong demand for explosion-proof enclosures – particularly in Asia – offered a glimmer of light in a rather difficult economic climate overall. A new enclosure series for embedded systems and Internet of Things applications featuring a metal base, cooling fins and a radio-permeable plastic cover attracted a great deal of interest at various trade fairs.

Gross sales in the **Industrial Components** division fell by 17.3% to EUR 144.0 million (previous year: EUR 174.2 million), due in part to the sale of the Rugged Computing business area. Incoming orders were down 7.1% at EUR 155.8 million (previous year: EUR 167.7 million). In organic and local-currency terms, gross sales fell by 11.3%, while incoming orders rose by 1.2%. The operating cash flow was down 32.6% at EUR 11.9 million, while the operating result declined by 41.8% to EUR 7.6 million.

The division is holding up remarkably well despite recessionary trends in the Phoenix Mecano Group's principal markets. Product areas such as current transformers and measuring systems for high-voltage direct current (HVDC) transmission are benefiting from the expansion of electricity grids in connection with renewable energies. Other business lines have been hit hard by declining demand and are gradually beginning to bottom out. Short-time working was selectively introduced or extended at some locations and capacities were continuously adjusted at large production sites. The division will continue with its investment programmes and innovation initiatives in order to benefit fully from the next upturn.

In the **DewertOkin Technology Group** (DOT Group) division, gross sales in the first three quarters of 2024 were up 11.5% at EUR 275.3 million. Adjusted for acquisitions and measured in local currency, the increase was 14.0%. Incoming orders rose by 11.9% to EUR 277.4 million. The operating cash flow totalled EUR 23.2 million (previous year: EUR 15.5 million) and the operating result was EUR 17.3 million (previous year: EUR 9.6 million).

The DOT Group continued to grow over the course of the year, with the division's sales climbing for the fifth quarter in a row. The increase in incoming orders suggests that the positive momentum will continue. DewertOkin is on a long-term growth path and economies of scale are becoming increasingly effective as volumes grow. The division's focus is on further boosting profitability.

Outlook

The outlook for the fourth quarter of 2024 and the start of 2025 reflects a mixture of cautious optimism and challenges.

Despite a difficult economic environment, especially in Europe, fields of application such as industrial automation and electrification are holding up well, while the automotive industry and mechanical and plant engineering continue to suffer from a sluggish economy and reluctance to invest. In Germany and other key European industrial markets, the downturn is expected to continue beyond the end of 2024.

Short-term growth expectations for industrial activities in the fourth quarter of 2024 are correspondingly subdued.

Phoenix Mecano expects its largest division, the DOT Group, to continue growing. The main growth drivers are increasing demand for integrated furniture drives and intelligent drive solutions for the smart home market. Meanwhile, a further recovery in key end markets can be expected if falling inflation and interest rates boost consumer spending on home furniture.

In light of this outlook, Phoenix Mecano's management and Board of Directors confirm the guidance of an operating result somewhere between the previous year's level and 20% below this. The medium-term targets communicated at the end of 2022, namely an EBIT margin of 8% to 12% and a ROCE of over 15% by 2026, are also confirmed.

About Phoenix Mecano

The Phoenix Mecano Group is a global player in the enclosures and industrial components segments and is a leader in many markets. Headquartered in Stein am Rhein, Switzerland, the Group employs around 7,000 people worldwide and generated sales of EUR 783.1 million in 2023. It is geared towards the manufacture of niche products and system solutions for customers in the mechanical engineering, measurement and control technology, medical technology, aerospace technology, alternative energy, and home and hospital care sectors. Phoenix Mecano was founded in 1975 and has been listed on the Swiss stock exchange since 1988.

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Results Q1 – Q3 2024 (in EUR million)

	<u>1-9 2023</u>	<u>1-9 2024</u>	<u>in %</u>
Incoming orders	586.9	603.3	2.8
Gross sales	600.6	591.7	-1.5
per division:			
Enclosure Systems	179.6	165.6	-7.8
Industrial Components	174.2	144.0	-17.3
DewertOkin Technology Group	246.8	275.3	11.5
Other	0.0	6.8	
Net sales	594.6	585.1	-1.6
Operating cash flow	64.6	59.0	-8.8
Margin	10.8%	10.0%	
Operating result	48.2	41.7	-13.5
Margin	8.0%	7.1%	
per division:			
Enclosure Systems	28.6	22.9	-19.7
	15.9%	13.9%	
Industrial Components	13.1	7.6	-41.8
	7.5%	5.3%	
DewertOkin Technology Group	9.6	17.3	79.8
	3.9%	6.3%	
Other	-3.1	-6.1	-100.7
Result of the period	34.1	28.0	-17.7
Margin	5.7%	4.7%	

Results Q3 2024 (in EUR million)

	<u>7-9 2023</u>	<u>7-9 2024</u>	<u>in %</u>
Incoming orders	186.5	215.0	15.3
Gross sales	191.6	205.5	7.3
per division:			
Enclosure Systems	55.0	54.1	-1.5
Industrial Components	53.4	49.5	-7.1
DewertOkin Technology Group	83.2	99.9	20.0
Other	0.0	2.0	
Net sales	189.8	203.0	7.0
Operating cash flow	23.4	21.3	-9.2
Margin	12.2%	10.4%	
Operating result	18.0	15.5	-13.8
Margin	9.4%	7.5%	
per division:			
Enclosure Systems	8.7	7.1	-18.0
	15.8%	13.2%	
Industrial Components	4.3	3.3	-23.5
	8.1%	6.7%	
DewertOkin Technology Group	5.8	7.4	27.5
	7.0%	7.4%	
Other	-0.8	-2.3	-202.8
Result of the period	13.6	9.8	-27.3
Margin	7.1%	4.8%	