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Winterthur, November 5, 2024

Burckhardt Compression continues to deliver strong growth and increased profitability

- **Burckhardt Compression delivered strong results in the first half of fiscal year 2024:**
  - **Order intake of CHF 615.2 mn, up 5.8% year-on-year**
  - **Sales of CHF 436.8 mn, up 7.1% year-on-year**
  - **Increased gross margin from 26.7% to 29.3%**
  - **Increased EBIT margin from 11.0% to 11.8%**
  - **Operating income (EBIT) of CHF 51.7 mn, up 15.2% year-on-year**
  - **RONOA of 28.6%, at a similar level to the previous year**
- **The Group confirms its guidance for the fiscal year 2024**
  - **Sales between CHF 1.0 bn and CHF 1.1 bn**
  - **EBIT margin at a similar level to the fiscal year 2023**
- **The sustainability roadmap on track:**
  - **New applications related to the energy transition**
  - **Strong increase in renewable electricity usage**

Burckhardt Compression delivered strong growth in order intake, sales, and operating income in the first half of fiscal year 2024. The Company continues to demonstrate its operational strength and competitive positioning in markets transitioning towards a sustainable energy future. "Both Divisions successfully grew revenue and increased profitability. This strong performance amid continued macroeconomic challenges underscores the Group's resilience and remarkable dedication of our employees," said Fabrice Billard, CEO of Burckhardt Compression.

Significant growth in order intake, sales, operating profit, and net income
In the first half of fiscal year 2024, Burckhardt Compression expanded its order backlog with a strong order intake of CHF 615.2 mn, representing 5.8% growth over the previous year period. Growth was again affected by the stronger Swiss Franc, amounting to 6.4% net of currency translation effects. The strong sales growth of 7.1% to CHF 436.8 mn (7.7% net of currency translation effects) reflects the substantial ramp-up of deliveries in the Systems Division and increased revenue in the Services Division. Both Divisions increased gross margins, yielding a total gross margin of 29.3% (previous year: 26.7%). The resulting gross profit of CHF 127.9 mn was 17.4% above the prior year period. Research & Development expenses increased by CHF 0.5 mn to CHF 13.8 mn (3.2% of sales) as Burckhardt Compression continues to develop innovative solutions for the Marine and Hydrogen Mobility and Energy markets as well as Digital Products and Services. Overall, the consolidated operating income (EBIT) increased by 15.2% to CHF 51.7 mn, leading to an increased EBIT margin of 11.8% (previous year: 11.0%). With slightly higher financial expenses compared to the previous year period and a lower tax rate of 24.8% (previous year: 25.3%), the Group's net income increased to CHF 37.2 mn (+14.8% year-on-year). Additionally, the Group continues to effectively leverage its asset base to create value, as demonstrated by the high Return on Net Operating Assets (RONOA) of 28.6%, clearly above the mid-range guidance of >25%. On the financing side, the CHF 100 mn bond, which expired on September 30, 2024, was renewed and increased to CHF 150 mn.

End markets in Systems growing again, driven by energy mega-trends

Following a year of normalization, the overall market has trended positively in the first half of the fiscal year 2024, driven by the global need for more energy related to GDP growth and the ongoing transition towards new energies. Against this backdrop, the Systems Division achieved a strong order intake of CHF 452.8 mn, representing a growth of 10.6% (11.2% net of currency translation effects). In particular, the demand for Hyper Compressors continued at a high level, driven by expectations for strong solar panel demand growth and the increase of living standards in Asia. The markets for LPG ships remained very high, buoyed by the rising global energy demand, while the expected substantial rise of green ammonia transport by ship has provided additional impulses, as evidenced by orders secured by the company for compressors for very large Ammonia Carriers. Conversely, the Hydrogen Mobility and Energy market has been temporarily softening due to uncertainty created by elections in Europe and the USA and the delay in releasing final regulations and subsidies. Given hydrogen’s significance in the transition towards more secure and sustainable energies, the Company expects this market to recover in the coming two years.

Stable service market, with disparities between regions
The global service market was stable, with regional disparities reflecting the local economic situation. Europe, the USA, and India remained steady. The Middle East, Central Asia, and Eastern Europe grew, while China softened temporarily due to uncertain macroeconomic conditions. Order intake for the Services Division fell by 5.6% (-5.1% net of currency translation effects) to CHF 162.3 mn. The main reason for the decrease was the closing of 3 service centers in the USA to focus on higher-margin locations. On the other hand, the Company’s strategy to support customers in their digitalization and sustainability journey continued to generate additional orders. In particular, the Services Division won larger revamp projects in Poland, Egypt, and South Korea. In addition, the Division grew its dry-dock activities in the Marine segment.

On track to reach the sustainability targets
Burckhardt Compression made clear progress on key projects in its sustainability roadmap. For instance, solar panels installed at the Group’s Winterthur factory are expected to produce 363 MWh of clean energy per year. The Company also secured renewable energy agreements in the U.S. and Germany to decarbonize its operations further. To reduce the environmental impact of its compressors in operation, the Company launched a program based on eco-design principles and continues to roll out its BC ACTIVATE service globally. Additionally, Burckhardt Compression advanced on its Health and Safety engagement with the roll-out of global minimum standards.

Outlook confirmed for fiscal year 2024
With the strong order intake of the first half year, the Company’s backlog continues to grow, providing additional visibility and confidence in delivering on its fiscal year 2024 guidance. As previously communicated, Burckhardt Compression expects the second half of fiscal year 2024 to be stronger than the first half in terms of Group sales and EBIT due to the distribution of project deliveries. The Group confirms its guidance for the fiscal year 2024:

- Group sales of CHF 1.0 bn to 1.1 bn
- EBIT margin at a similar level to the previous fiscal year (12.4%)

Amid the ever-changing global geopolitical backdrop, the Group will continue to actively monitor the situation and any potential impact it may have on its business.

The Half-Year Report 2024 is available on www.burckhardtcompression.com/financial-reports.

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Burckhardt Compression

Burckhardt Compression creates leading compression solutions for a sustainable energy future and the long-term success of its customers. With its brands Burckhardt Compression, PROGNOST, SAMR Métal Rouge and Shenyang Yuanda Compressor, the Group covers a full range of reciprocating compressor technologies and services. Founded in 1844 as an engineering workshop in Basel, Burckhardt Compression developed its first single-stage and dry-running reciprocating compressor in 1883. Since then, the Group has continually developed and reinvented itself, adapting to the developments of its key markets petrochemical/chemical industry, gas transport and storage, hydrogen mobility and energy, industrial gas, refinery, as well as gas gathering and processing.
With its headquarters in Winterthur, Switzerland, Burckhardt Compression is represented on all continents with 36 subsidiaries, three manufacturing and five assembly sites worldwide.

SIX Swiss Exchange: BCHN
Further information at www.burckhardtcompression.com, LinkedIn