

Ad hoc announcement pursuant to Art. 53 LR

Adval Tech Group stabilizes total income under difficult conditions

Niederwangen, August 25, 2023, 7.00 a.m. – Under very challenging conditions, the Adval Tech Group succeeded in stabilizing total income¹⁾ at CHF 91.2 million in the first half of 2023 (first half of 2022: CHF 90.9 million, +0.4%). The Group posted operating earnings before interest, tax, depreciation and amortization (EBITDA¹⁾) of CHF 3.6 million (first half of 2022: CHF 5.3 million, -31.9%) and operating earnings before interest and taxes (EBIT¹⁾) of CHF -0.1 million (first half of 2022: CHF +1.5 million) and a net result of CHF -1.9 million (first half of 2022: CHF 0.0 million).

As in 2022, the massive disruptions in global supply and logistics chains had an extremely negative impact on the Adval Tech Group in the first half of 2023. The lack of availability of electronic components has caused some long-term customer projects to expire earlier than originally planned, or even to be canceled. For example, one customer was forced to dispense with a subassembly from Adval Tech that was equipped with an electronically controlled actuator. Unpredictable production interruptions on the customer side also continued to require extreme flexibility and agility from the Adval Tech Group's employees. The effects of the price increases could only be partially passed on to customers in the first half of 2023 as well. In addition, one customer had to file for insolvency. All of this had a negative impact on profitability.

Even under these circumstances, the Adval Tech Group was able to maintain its total income in the first half of 2023 at the level of the corresponding period of the previous year. In terms of EBITDA, EBIT and net result, the Adval Tech Group is in a slightly lower position than in the first half of 2022, but somewhat better than in the second half of the previous year. Cash flow from operating activities decreased from CHF 0.9 million to CHF 0.2 million compared with the first half of 2022.

Total income¹⁾ and net turnover

In the first half of 2023, the Adval Tech Group generated total income¹⁾ of CHF 91.2 million (first half of 2022: CHF 90.9 million, +0.4%). Net turnover from the sale of components, tools and high-speed presses increased from CHF 86.0 million to CHF 88.1 million (+2.5%). At 73%, the Adval Tech Group generated most of its net turnover in the first half of 2023 with customers in Europe (first half of 2022: 75%). Asian customers accounted for 10% of net turnover (first half of 2022: 10%), Latin American customers for 12% (first half of 2022: 9%) and North American customers for 5% (first half of 2022: 6%). New orders for high-speed presses will not have an impact on Adval Tech's turnover and total income until the second half of 2023.

Profitability

Under the very difficult conditions prevailing in the first half of 2023, the Adval Tech Group achieved an EBITDA margin of 4.0% (first half of 2022: 5.8%). Adjusted for currency effects, EBITDA¹⁾ for the first half of 2023 amounted to CHF 3.7 million and EBIT¹⁾ to CHF 0.07 million. The net result for the first half of 2023 is CHF -1.9 million (first half of 2022: CHF 0.0 million).

Outlook

It is still extremely difficult to make economic forecasts. Adval Tech is therefore refraining from providing a specific outlook for the second half of the year. The Group remains cautious with regard to costs and capital expenditure. Its focus is on continuing to play an active role in shaping the transformation process in the automotive industry, ramping-up the acquired projects correctly the first time, and not overstretching liquidity. With its motivated employees, the Adval Tech Group will continue to respond in a flexible and agile way to market changes and customer requirements in the second half of 2023, while at the same time consistently pursuing its long-term strategic projects.

Key figures	1 st half of 2023	2 nd half of 2022	1 st half of 2022
Total income ¹⁾ (CHF million)	91.2	96.6	90.9
Net turnover (CHF million)	88.1	92.4	86.0
EBITDA ¹⁾ (CHF million)	3.6	3.0	5.3
EBIT ¹⁾ (CHF million)	-0.1	-0.9	1.5
Net result (CHF million)	-1.9	-2.3	0.0
Free cash flow ¹⁾ (CHF million)	-2.1	-0.8	-0.7
Number of employees (full-time equivalents) as at balance sheet date	1,166	1,185	1,140

¹⁾ Alternative Performance Measure, see note 3, page 85 of the Annual Report 2022

Background information about the Adval Tech Group

Adding value through innovation – that's what Adval Tech stands for. The Adval Tech Group is a global industrial supplier of technologically sophisticated components and subassemblies made of metal and plastic. It focuses on selected activities, especially in its main target market, the automotive industry. As a supplier and value-adding partner, Adval Tech covers the entire value chain from product development to prototyping, to mold and tool development, and through to component production and assembly. Headquartered in Switzerland, the Adval Tech Group operates a total of nine production plants. These are located in Switzerland, Germany, Hungary, China, Malaysia, Mexico and Brazil.

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Publication of 2023 Semi-annual report

The Semi-Annual Report 2023 is published simultaneously with this ad hoc announcement: www.advaltech.com/en/group/investors/reports

Agenda

April, 2024 – Conference on the 2023 financial statements; publication of the 2023 Annual Report
May 16, 2024 – General Meeting of Shareholders 2024

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