

Ad hoc announcement pursuant to Art. 53 LR of November 2, 2021

Half-year results with significantly higher order intake and higher profit margins, sales lower in line with expectations

- **Significantly higher order intake of CHF 450.7 mn (+48.7%, excluding the effects of currency translation +47.3%) – Systems Division +78.0%, Services Division +11.2%, previous year CHF 303.0 mn**
- **Sales decreased -9.1% (excluding the effects of currency translation -10.0%) from CHF 295.2 mn to CHF 268.5 mn**
- **Increased EBIT margin from 8.8% to 9.8%, EBIT of 26.3 mn at prior year level (CHF 26.0 mn)**
- **Earnings per share significantly increased from CHF 4.73 to CHF 5.25**
- **Strong increase in activities in hydrogen mobility and energy**
- **Some supply chain and logistic challenges are expected to continue into calendar year 2022**
- **Strong second half-year expected, guidance for full fiscal year 2021: sales between CHF 620 mn to CHF 650 mn., higher profit margins compared with the previous year**
- **Medium-term targets on Group level for fiscal year 2022 confirmed**

The first half of the fiscal year 2021 (April to September) was marked by a significant increase in order intake as well as higher profit margins, both at gross profit and EBIT levels. As guided, sales did not match the previous half-year level because of the corona-related lower order intake of the first half of last year. EBIT and return on sales (ROS) were higher while net income was below last year's level, due to higher financial expenses. Earnings per share (EPS) attributable to Burckhardt Compression shareholders increased significantly due to the reduction in minority interests.

Global markets affected in different ways

Markets continued to recover in the wake of the various lockdowns imposed in all parts of the world during last year. Asian markets, especially China, but also Central Asia, continued to recover. The European business regained momentum as well, leading to some attractive orders. The US investment climate was still weak in the markets relevant to us, except for clean fuel technologies, such as hydrogen, which showed accelerating activities.

Group: significantly higher order intake

The Group's order intake came to CHF 450.7 mn in the first half of the fiscal year 2021, representing a 48.7% increase compared to the previous year (excluding the effects of currency translation +47.3%). Sales were -9.1% lower than a year earlier at CHF 268.5 mn (excluding the effects of currency translation -10.0%). Despite lower sales, gross profit of CHF 82.5 mn was higher. The significantly higher share of the service business in Group sales as well as the higher capacity utilization in the service business resulted in a higher gross profit margin of 30.7% (prior-year 25.0%).

The operating income (EBIT) at Group level increased slightly to CHF 26.3 mn (prior-year CHF 26.0 mn), yielding an EBIT margin of 9.8% (prior-year 8.8%). The Group's net profit of CHF 17.9

mn was CHF -1.1 mn lower than a year before (CHF 19.0 mn). The reasons for this are higher financial expenses resulting from the CHF 100 mn bond issued in September 2020 as well as currency effects. Earnings per share attributable to Burckhardt Compression shareholders increased significantly from CHF 4.73 to CHF 5.25.

Global selling costs were higher compared to the previous year, due to increased market activity, especially for hydrogen applications as well as a slight increase in business travelling. Total selling, marketing and general administrative expenses came to CHF 51.9 mn (19.3% of sales), an increase of CHF 7.9 mn compared to last year. The first half of fiscal year 2020 included cost deductions in the amount of CHF 2.0 mn from Government subsidies in six countries. Research and development expenses rose by CHF 2.4 mn to CHF 9.3 mn in the first half year, due to the higher number of ongoing projects including innovative applications such as hydrogen-based mobility and energy.

Total assets at the end of September 2021 amounted to CHF 837.9 mn, 5.1% higher than at the end of March (close of 2020 fiscal year). This increase is mainly attributable to the higher cash position. The net financial position at the end of the reporting period improved to CHF -51.4 mn (CHF -82.4 mn at the close of 2020 fiscal year). The capital invested in work in progress and advance payments to suppliers is fully financed by advance payments from customers, leaving a positive balance of CHF 50.4 mn, compared to CHF 11.5 mn at the end of last March. The equity ratio came to 25.9% at the end of September, slightly less than the 27.5% at the end of fiscal year 2020. By the end of fiscal year 2021, we aim to achieve an equity ratio of about 30%.

Systems Division: higher order intake, lower sales and EBIT

Order intake at the Systems Division increased 78.0% to CHF 303.0 mn. Business with the Petrochemical/Chemical, Gas Transport and Storage and Energy/Industrial Gases industries has recovered and exceeded the pre-pandemic level. Burckhardt Compression continued to receive orders in the maritime sector (LNGM and LPGM) in the period under review and were again successful with the newly developed compact marine compressor. Activities in the hydrogen (H₂) business – an application area that is of growing importance for Burckhardt Compression – continued to increase strongly, demonstrated by a contract to supply compressors for the world's largest hydrogen liquification plant. Sales of CHF 140.1 mn were, as expected, well below the strong prior-year level (-27.8%). The gross profit margin improved from 18.9% in the prior year to 19.8% while gross profit declined by CHF 8.9 mn to CHF 27.7 mn. The EBIT margin reached 4.1% (prior-year 8.8%).

For the second half of the fiscal year, Burckhardt Compression expects the Systems Division to achieve sales well above the level of the first half of the fiscal year. Based on the order backlog and the resulting higher capacity utilization, the company also expects a higher EBIT margin for the second half of the year.

Services Division: higher order intake, sales and EBIT

The Services Division's order intake amounted to CHF 147.7 mn, an increase of 11.2% compared to the previous year (CHF 132.8 mn). The previous year included a long-term marine service contract over a period of ten years in the low double-digit million euro range. Corona-related travel restrictions continued to affect business, especially in Field Services and Engineering/Revamp/Repair. The midstream business of Arkos Field Services in the USA improved slowly, while the downstream business saw further improvements. Sales at the Services Division rose by 26.7% to CHF 128.4 mn. Gross profit went up from CHF 37.1 mn in the prior year to CHF 54.8 mn. The gross profit margin increased from 36.7% to 42.7%, mainly as a result of higher capacity utilization. The EBIT margin rose to 18.6% (prior-year 10.3%).

Based on the current order backlog, Burckhardt Compression believes sales at the Services Division to be significantly higher in the second half of the fiscal year. For the full year, the company expects the EBIT margin to be at last year's level.

Outlook for fiscal year 2021 as a whole

Some supply chain and logistic challenges have increased during the first half of the fiscal year and are not expected to normalize before mid-2022. Based on expected delivery dates for orders received during the years 2019 and 2020, Burckhardt Compression currently expects group sales of CHF 620 mn to CHF 650 mn and higher profit margins for full fiscal year 2021. This assumes that there will be no further serious outbreaks of coronavirus in markets relevant to Burckhardt Compression and that the economy continues to recover.

Key figures for the first half of fiscal 2021 (April – September 2021)

KEY FIGURES

in CHF '000	April–Sept. 2021	April–Sept. 2020	Change 2021/2020	Fiscal year 2020
Order intake	450'666	303'023	48.7%	676'631
– Systems Division	302'987	170'221	78.0%	404'572
– Services Division	147'679	132'802	11.2%	272'059
Sales	268'480	295'221	–9.1%	658'580
Gross profit	82'511	73'719	11.9%	166'157
Operating income (EBIT)	26'297	25'973	1.2%	60'816
Net income	17'910	18'985	–5.7%	47'201
Total assets	837'901	853'483	–1.8%	797'497
Total equity	217'370	290'917	–25.3%	219'603
Earnings per share (in CHF)	5.25	4.73	11.0%	13.00
FTEs as per Sept. 30 / March 31	2'603	2'575	1.1%	2'538

Additional information can be found on our website: www.burckhardtcompression.com/financial-reports

Further information:

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About Burckhardt Compression

Burckhardt Compression is the worldwide market leader for reciprocating compressor systems, and the only manufacturer and service provider that covers a full range of reciprocating compressor technologies and services. Its customized compressor systems are used in the gas gathering and processing, gas transport and storage, refinery, chemical, petrochemical as well as in the hydrogen mobility and energy and industrial gas sectors. Burckhardt Compression's leading technology, broad portfolio of compressor components and the full range of services help customers around the world to find the optimized solution for their reciprocating compressor systems. Since 1844 its highly skilled workforce has crafted superior solutions and set the benchmark in the gas compression industry.

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Further information at www.burckhardtcompression.com.
