



Half-Year Results Fiscal Year 2024

November 5, 2024, Winterthur, Switzerland

Compressors for a Lifetime™



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Agenda

1. Key Highlights and Market Developments

2. Operational Review

3. Financial Review

4. Outlook

Key Highlights and Market Developments

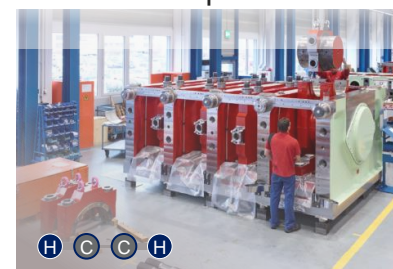
Fabrice Billard
CEO

Strong growth, profitability increase and value creation

1HY FY 2024 highlights (CHF mn)

Order intake	615.2 (+5.8%)	<ul style="list-style-type: none"> • Overall market growing again • 2nd highest ever half-year, increasing backlog • FX impact of -0.6pp
Sales	436.8 (+7.1%)	<ul style="list-style-type: none"> • Further ramp-up of deliveries in SYST • Moderate growth in SERV • FX impact of -0.6pp
EBIT	51.7 (+15.2%)	<ul style="list-style-type: none"> • Clear margin expansion in both divisions • EBIT margin of 11.8%, +0.8pp vs prior year
Net income	37.2 (+14.8%)	<ul style="list-style-type: none"> • Slightly higher financial expenses • Slightly lower tax rate
RONOA	28.6% (-0.2pp)	<ul style="list-style-type: none"> • Strong value creation thanks to high asset productivity combined with profitability increase
2024 guidance	Ontrack	<ul style="list-style-type: none"> • Sales: CHF 1.0 – 1.1 bn • EBIT margin similar to FY 2023 • Stronger H2 vs H1

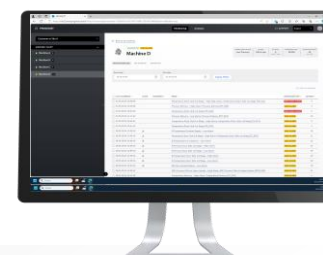
Solar panels



Green ammonia



Up! Insight



Value engineering



Systems market growing again following year of normalization

1HY FY 2024 market trends

Petrochemical/ Chemical Industry

- Capacity building for EVA production lines continues, driven by expected solar panel demand growth in next years
- EVA Hyper projects won in China and Saudi Arabia
- Growth of middle class in Asia continues to support demand for plastics (LDPE, PP, PE...). Indian market growing

Gas Transport & Storage

- LNG market stronger: Import terminals, LNG tankers, LNG-fueled ships, LNG bunker ships
- Liquefied petroleum gas (LPG) tanker market remains high due to raising energy consumption in Asia
- Green Ammonia tankers as additional market driver. First offer for liquid CO₂ transportation ships

H₂ mobility & energy

- Temporary slow-down. Market recovery expected in coming two years
- Impacted by upcoming elections and uncertainty over implementation of legislation in the US and Europe
- Several projects received in China & for hydrogen cavern storage in Europe

Industrial Gas

- Capacity building for solar-panel grade polysilicon in China remains low. New countries start to invest, e.g. India
- Rest of market remains stable

Refinery

- Slow investment decisions on new refineries due to decreasing refinery margins globally
- Sustainable aviation fuels (SAF) & Ethanol-to-jet projects close to decision

Gas Gathering & Processing

- Good activity level for traditional projects in Middle-East & Africa
- Active pipeline for biogas projects in India & Europe.
- New applications: First project for e-methane (synthetic gas) quoted. Pipeline for CCUS projects starting to build up

Green ammonia tankers - A fast growing market for Burckhardt Compression

Ammonia as green energy carrier over large distances

- **Low emission hydrogen demand expected to grow from ~1Mt in 2023, to ~6Mt in 2030¹**; efficient transport across regions required
- **Ammonia easier to transport** than hydrogen due to its physical properties; most hydrogen expected to be transported in ammonia form in 2030¹
- **Hydrogen can be converted into ammonia** through ammonia synthesis (Haber-Bosch process) & reversed through cracking

Ammonia's physical properties
Higher density & boiling point benefit transportation vs hydrogen



	Hydrogen (H ₂)	Ammonia (NH ₃)
Molecule		
Boiling point ²	-253°C	-33°C
Energy density as liquid	8.5MJ/L	11.5MJ/L

VLACs⁴ emergence opens new market opportunities for BC

- **Number of ordered VLACs⁴ has surged, from 21 in 2023 to 34 in 2024 YTD³.**
- These ships are very **almost identical to LPG vessels**
- **To handle tank boil-off gas**, ammonia carriers need compressors
- Burckhardt Compression **K-Laby compressor is the proven standard** for ammonia boil-off gas on ships

K-Laby compressor for large ammonia carrier BOG⁵

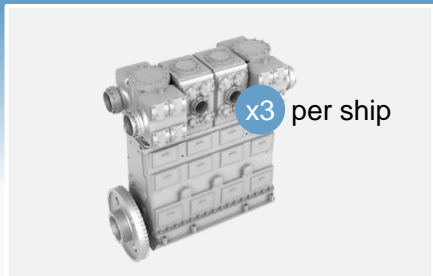










Illustration of HD Hyundai VLAC



Burckhardt Compression is market leader in this growing market

Tangible progress on our sustainability roadmap

8 material topics in focus of our sustainability roadmap

Material topics	FY 2027 target	Status FY 2024	Comments
 Climate	CO ₂ emission intensity: -50%	n/a	<ul style="list-style-type: none"> Installing solar panels on roof of our China factory Reduced number of diesel vehicles in the USA
 Energy	Renewable electricity: >75%	n/a	<ul style="list-style-type: none"> Switched to 100% renewable electricity in BC USA & Germany Solar panels on Swiss factory roof installed & running
 Longevity/cyclability	Revamp & upgrade growth: +100%	n/a	<ul style="list-style-type: none"> Over 30 new upgrade & revamp projects executed or in pipeline with energy efficiency or emission reduction impacts
 Application purpose	OI supporting energy transition.: 40%	n/a	<ul style="list-style-type: none"> Solar panel related applications remain strong Green ammonia as new application. Growing pipeline for biogas
 Working conditions	Engagement score: >4.0	n/a	<ul style="list-style-type: none"> Engagement survey workshops finalized Intermediate «pulse survey» conducted, with high response rate
 Health & safety	LTIR: <0.7	On track: 0.52	<ul style="list-style-type: none"> Started roll-out of global minimum standards Roadmap for mental health & well-being under preparation
 Product safety	0 incidents	On track: 0	<ul style="list-style-type: none"> Test center extensions in China (SYCC) completed Global Knowledge & Competence development program enhanced
 Business conduct	0 incidents	On track: 0	<ul style="list-style-type: none"> Enhanced global e-learning program for business compliance Issued a global sanctions & trade compliance policy

Operational Review

Fabrice Billard
CEO

Systems Division:

Sales and profitability growth underpinned by strong operational delivery

Key figures - Systems Division

	1HY FY 2024 ¹	Change YoY
Order intake	452.8	+10.6%
Sales	270.6	+9.2%
EBIT/ EBIT margin	17.1 6.3%	+25.8% +0.8pp

- Strong order intake, up 10.6% vs prior year period (+11.2% net of FX effects)
 - Continued high demand for Hyper Compressors
 - Demand for LPG marine compressors remains at a high level driven by energy transition & energy security
- Sales increased by 9.2% (+9.9% net of FX effects)
 - Strong operational delivery on order backlog following extraordinary order volumes over the past two years
- Gross profit up 24.3%
 - Higher sales volume, high factory load
 - Favorable product mix
 - Project savings from Value Engineering
- EBIT increased 25.8% to CHF 17.1 mn
 - Driven by sales growth, higher gross margin & strict cost management

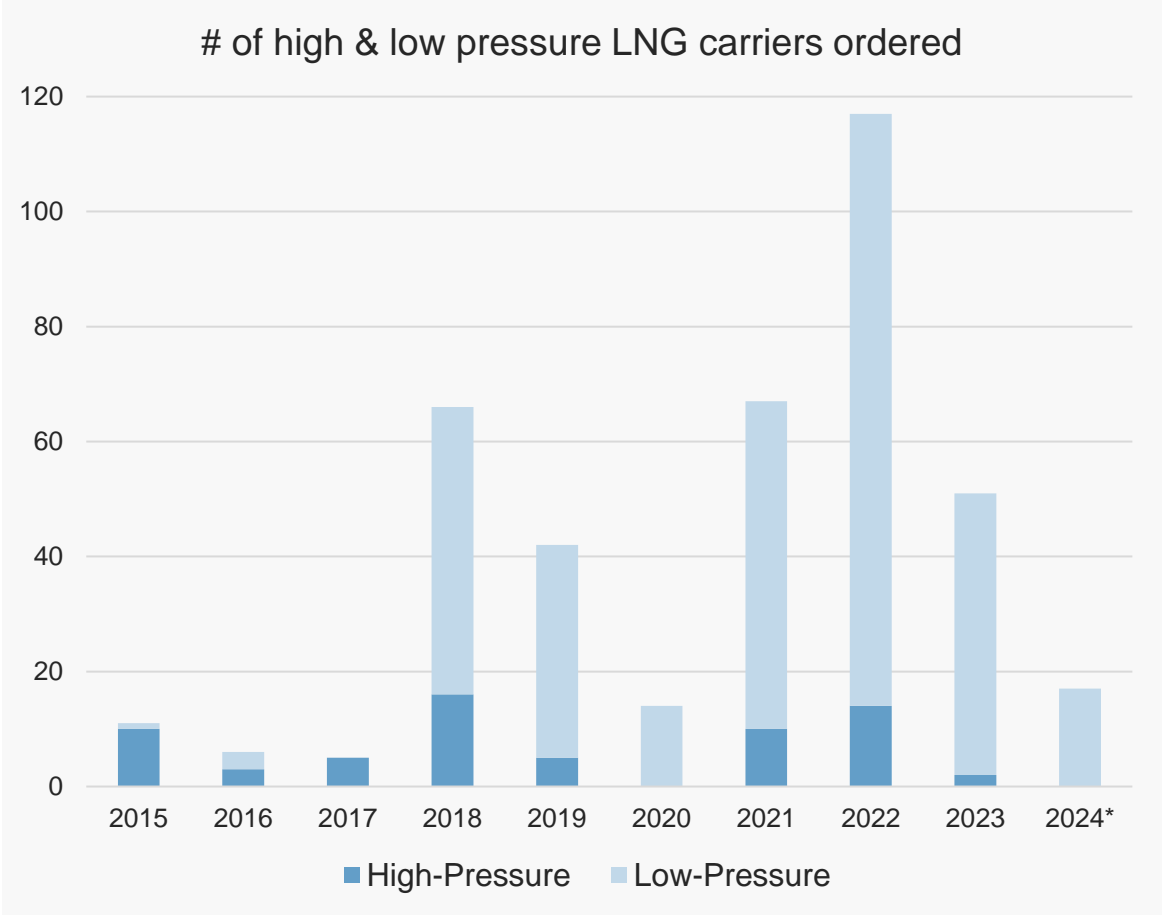
Systems Division: Systematic progress on all four pillars

Progress towards our strategic objectives

		Strategic initiatives (CMD 2022)	Progress in 1HY FY 2024
	STRENGTHEN CORE BUSINESS	<ul style="list-style-type: none"> • Increase market share in core segments • Drive China exports/protect domestic lead • Leverage footprint/add limited capacity 	<ul style="list-style-type: none"> • Strengthened world-leading position in Marine & EVA applications, supported by localization as required • Intensified sales coverage in Western Europe, the USA & Middle East • Former white spots coverage started, e.g., Australia & South America
	OPERATIONAL EXCELLENCE	<ul style="list-style-type: none"> • Improve productivity • Increase execution performance • Drive product competitiveness 	<ul style="list-style-type: none"> • Started Fit4Growth program in Winterthur to absorb growth by improving supply chain management & factory operational excellence • Reinforced value engineering program delivering clear product cost reductions
	TRANSFORM & BUILD NEW GROWTH AVENUES	<ul style="list-style-type: none"> • First mover in future markets • HME/Low-emission marine fuels • Solar-industry-driven applications • Bio & renewable fuels 	<ul style="list-style-type: none"> • First order won for low pressure LNG marine application • Strategic collaboration with key customers for biogas (waste-to-energy) production plants in Asia • Developing new applications with customers: Ammonia carriers, CCUS
	ENHANCE BUSINESS FOUNDATIONS	<ul style="list-style-type: none"> • Diverse & inclusive workforce • Future-ready enterprise IT architecture & data management • Sustainability in daily operations 	<ul style="list-style-type: none"> • Continuous growth of our Global Service Center in India • Rolling out global standards for safety • Implemented solar panels on factory roofs in Switzerland & China

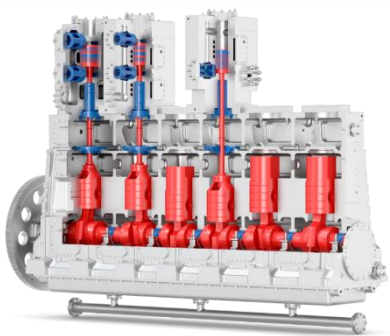
Burckhardt Compression entered the low-pressure LNG carrier market with technology differentiation

BC leader in high-pressure; now entering low pressure



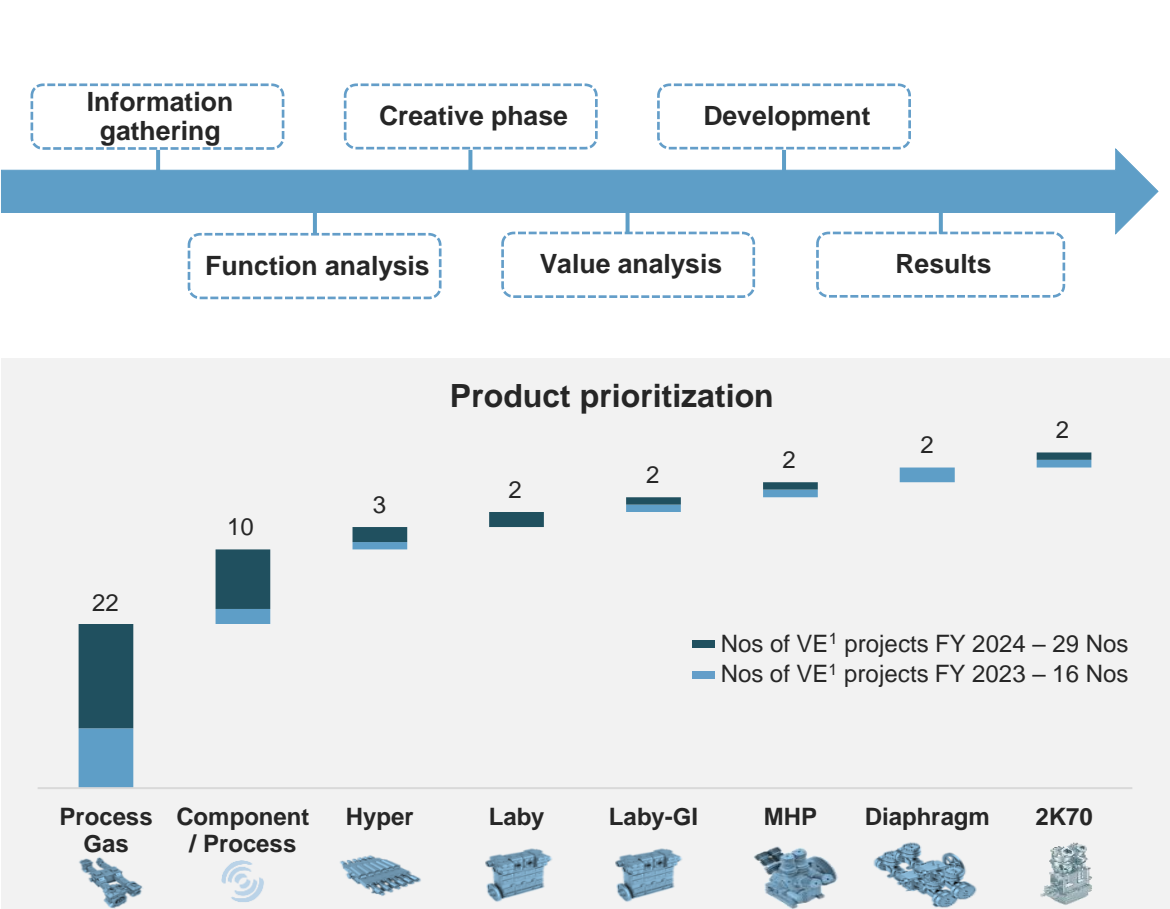
New compressor with strong technology differentiation

- BOG¹ boosting compressor for operation of partial re-liquefaction system on LNG carrier (sub-segment of market)
- Compact vertical design 3LP165E type
- Gas-tight design → No methane slippage into atmosphere
- Dry running → No oil carryover
- Fully balanced design → No remaining free forces & moments
- Strong service network
- 8 compressors sold to Hanwha Ocean

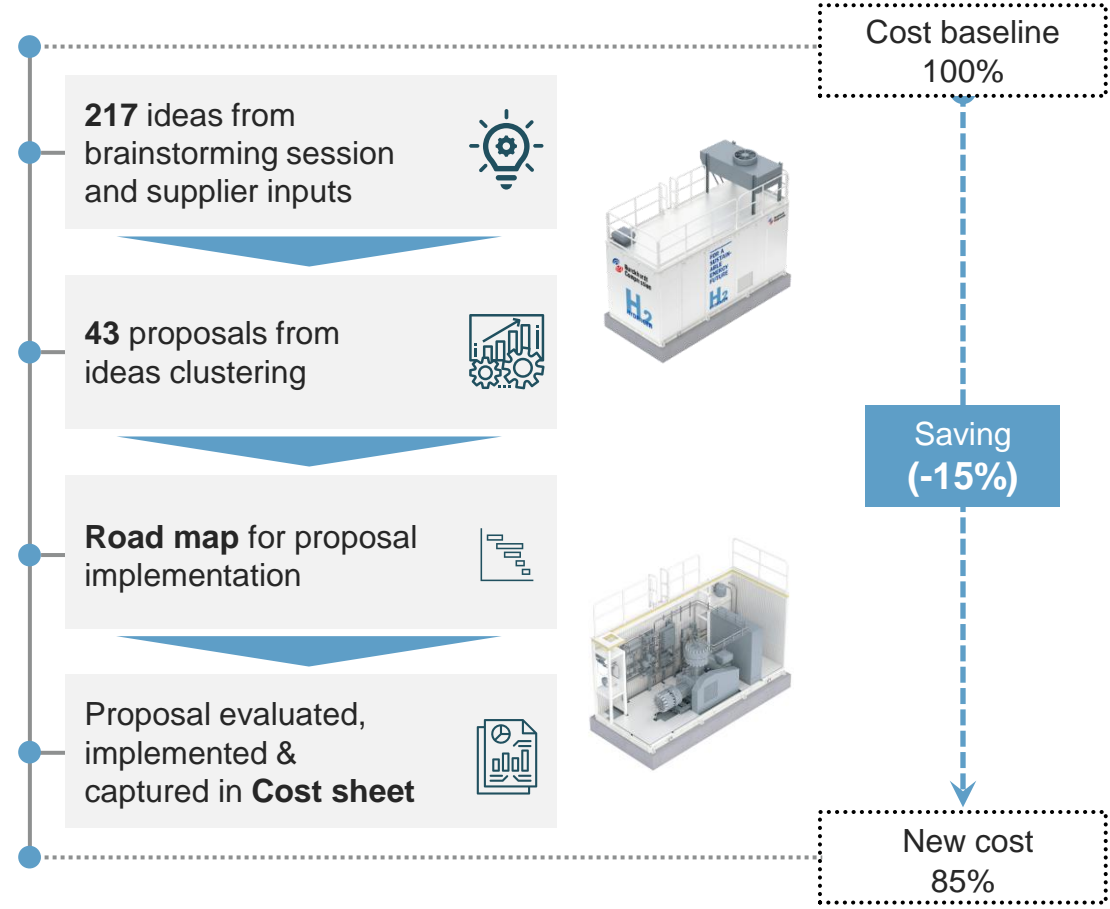


Systematic value engineering approach has proven 15% cost-reduction benefit to MD10 diaphragm compressor

Systematic approach for the whole product portfolio



Example: MD10-L European standard containerized package



Services Division: Further growth in sales and profitability





Key figures - Services Division

	1HY FY 2024 ¹	Change YoY
Order intake	162.3	-5.6%
Sales	166.2	+4.0%
EBIT/ EBIT margin	39.4 23.7%	+6.7% +0.6pp

- Order intake down by 5.6% (-5.1% net of FX effects)
 - 3 locations closed in US → focus on higher-margin locations
 - Temporary softening in China
 - Increasing demand for revamp & installation projects
 - Continued growth in Marine
- Sales increased by 4.0% (+4.5% net of FX effects)
 - Moderate growth in APAC, Europe & Middle East
- Gross margin up 3.9pp → Gross profit up 13.3%
 - Higher sales volume, leading to high utilization
 - Favorable product mix
- EBIT margin increased to 23.7%
 - Driven by higher gross margin

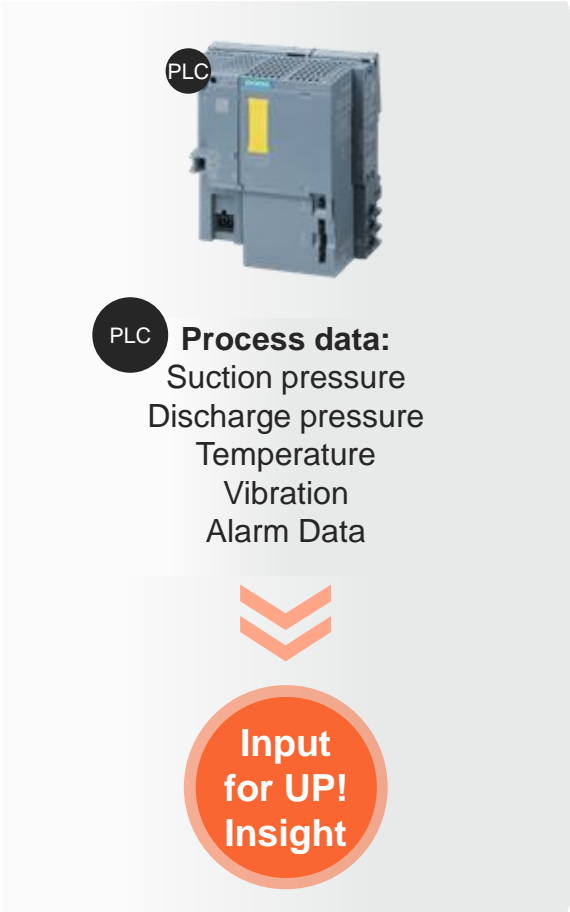
Services Division: Systematic progress on all four pillars

Progress towards our strategic objectives

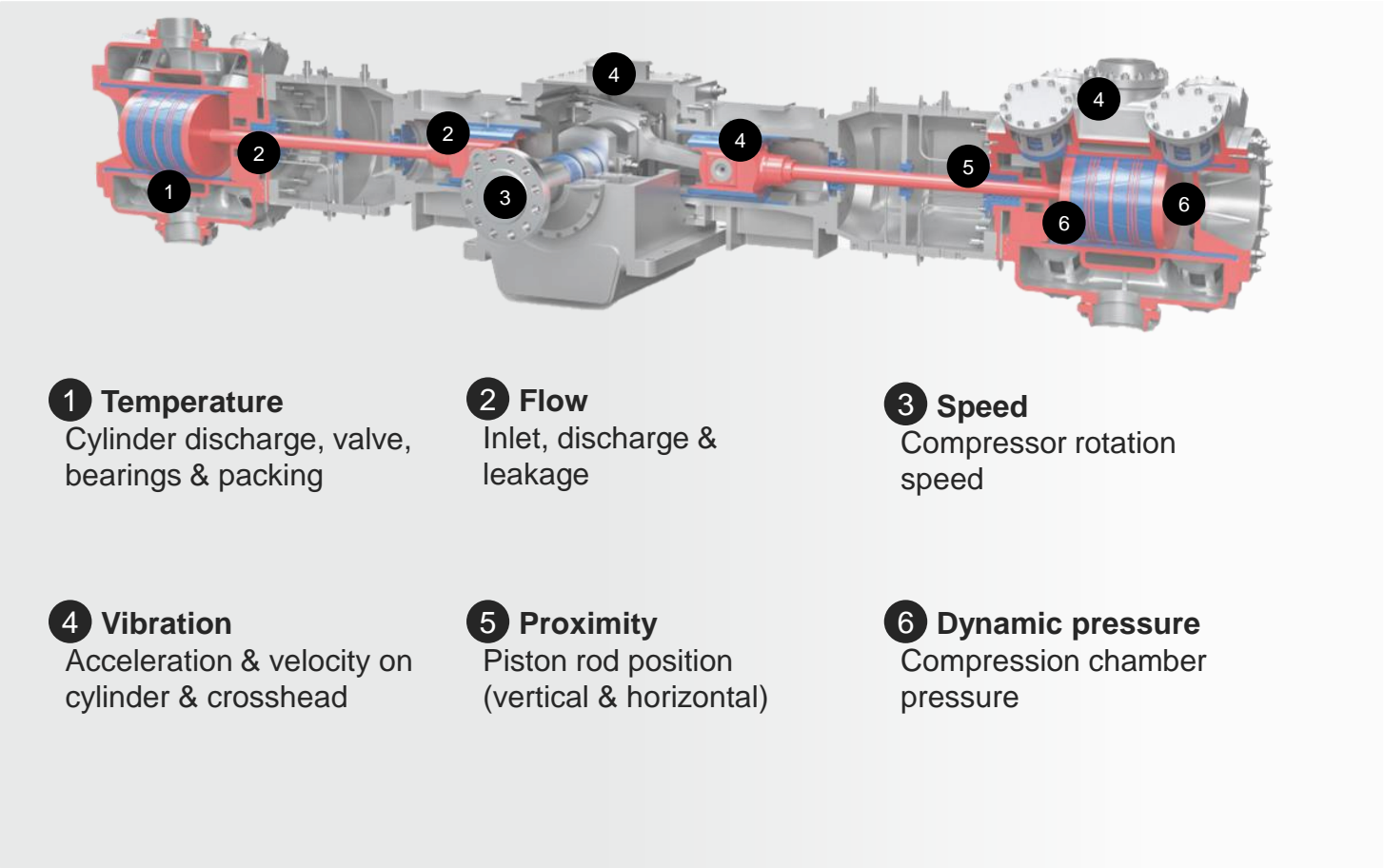
		Strategic initiatives (CMD 2022)	Progress in 1HY FY 2024
	STRENGTHEN CORE BUSINESS	<ul style="list-style-type: none"> • Full-service solutions provider • Improve installed base coverage/presence 	<ul style="list-style-type: none"> • Established customer insight report to monitor installed base, identify untapped potential & push spare parts offering • Conducted yearly Voice-Of-Customer survey with >1'300 responses
	OPERATIONAL EXCELLENCE	<ul style="list-style-type: none"> • Improve process efficiency/digitalization • Increase spare parts performance/globalize components production • Leverage SG&A 	<ul style="list-style-type: none"> • Optimized US footprint with closure of 3 mid-stream service centers • Implementing regional hub structure for field service representatives • Increasing speed & availability of parts supply with new process
	TRANSFORM & BUILD NEW GROWTH AVENUES	<ul style="list-style-type: none"> • Develop network/organization to service HME/new marine • Grow Service offerings¹ • Develop new business models/offering 	<ul style="list-style-type: none"> • Further rolling out BC ACTIVATE with standardized execution model • Launched new digital services (Up! Insight) to maximize compressor uptime thanks to real-time compressor monitoring & analytics • New Service solutions for H₂ trailer filling incl. availability concept
	ENHANCE BUSINESS FOUNDATIONS	<ul style="list-style-type: none"> • Foster EOHS & service culture/purpose • Expand regional execution/add digital capabilities • Build global state-of-the-art IT platform² 	<ul style="list-style-type: none"> • Increasing safety culture awareness with global standards • Increasing use of CRM & Power BI to steer the business globally

Performance, reliability and longevity of compressors can be enhanced by collecting data from multiple sources

Data from compressor control



Direct measurements on compressor



New digital service “UP! Insight” enables maximization of compressor uptime thanks to real-time compressor monitoring and analytics

UP! Insight overview

Key features

- A cloud-based monitoring system offering real-time diagnostics & analytics
- Analyses & signals to automatically notify users about incidents & recommended service action

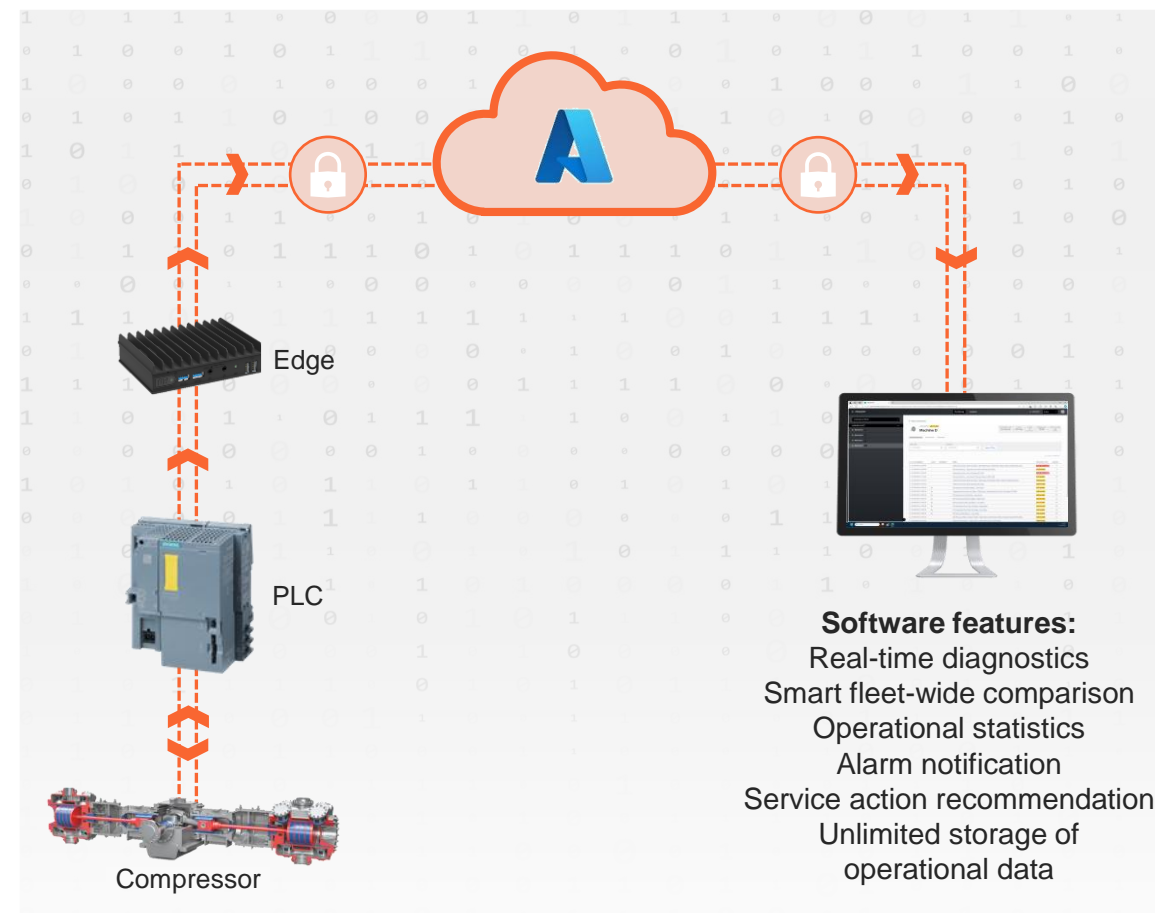
Customer benefits

- Reduce unplanned downtime by resolving compressor issues 75% faster
- Quick data-based decision-making to maximize uptime & support maintenance

Business model

- Available for all new machines with PLC
- Retrofit possible for selected OBC & BC machines
- SaaS business model with recurring service fees
- Increasing loyalty for traditional services

UP! Insight system architecture














Financial Review

Rolf Braendli
CFO

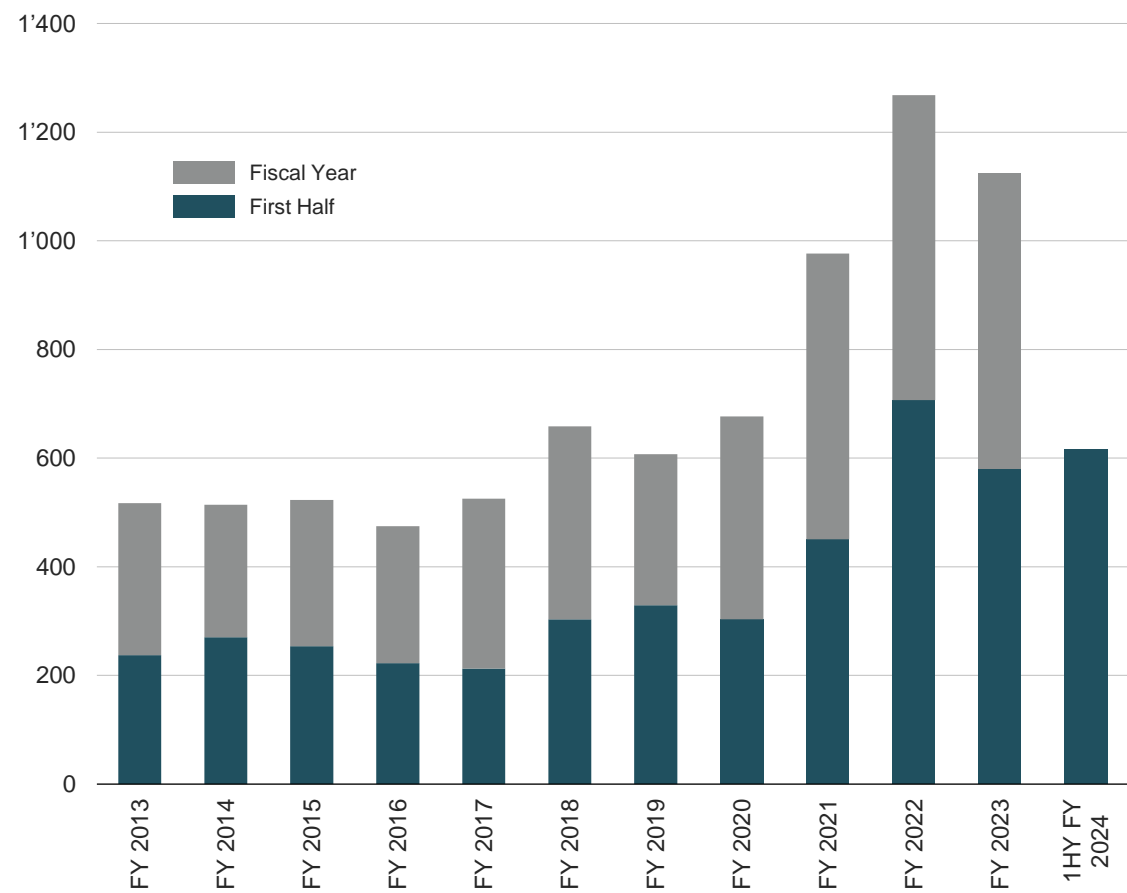
Macroeconomic and geopolitical uncertainties in 1H FY 2024 with limited effects, demonstrating resilience

Global challenges and mitigating actions

	Challenges	Relevance ¹	Status/mitigating actions
 Macro	Inflation	Down Stable Up 	<ul style="list-style-type: none"> Raw material prices slightly trending down Continue focus on cost-saving measures & pass-through of costs
	Currencies	Down Stable Up 	<ul style="list-style-type: none"> Slightly adverse currency translation effects, especially EUR, USD & INR -0.6pp negative impact on sales
	Energy security & costs	Down Stable Up 	<ul style="list-style-type: none"> Energy costs are a small share of total costs; Downward trend continuing Energy available in all facilities
 Sourcing & logistics	Supply chain	Down Stable Up 	<ul style="list-style-type: none"> Broad supplier base in place with limited dependency from specific countries Continue to build alternative regional/local supply chains
	Logistics	Down Stable Up 	<ul style="list-style-type: none"> Slightly increasing freight costs; Limited impact so far Ramped up internal logistics to support high volume in the Systems Division
 Geopolitics	China	Down Stable Up 	<ul style="list-style-type: none"> Increasing requirement for local content; Manufacturing capabilities available at SYCC Market growth slowing down
	Ukraine	Down Stable Up 	<ul style="list-style-type: none"> All projects frozen No further negative financial impact expected
	Middle East	Down Stable Up 	<ul style="list-style-type: none"> Further escalating conflict in the Middle-East Limited impact so far; Ongoing monitoring of developments

Following a year of normalization, order intake is growing again

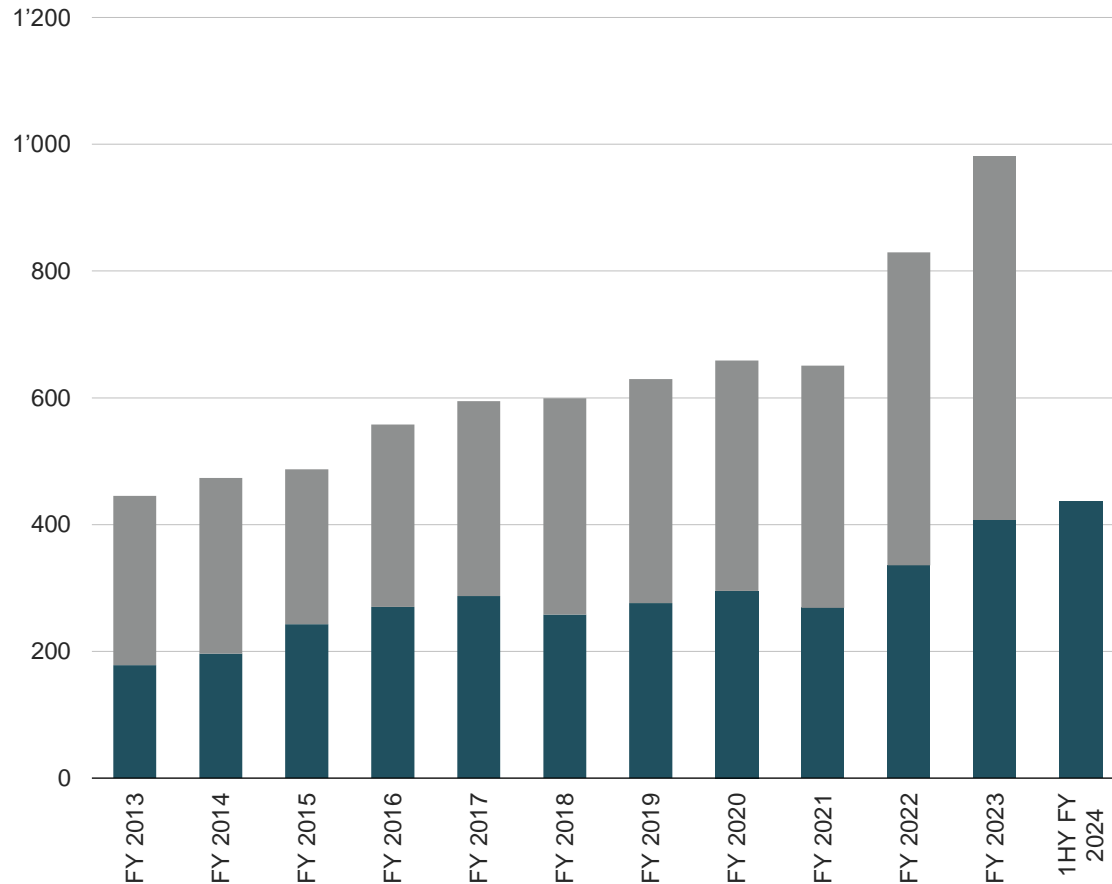
Order intake (CHF mn)



- Total order intake of CHF 615.2 mn, up 5.8% vs prior year period
 - Up 6.4% net of FX effects
 - 2nd highest-ever half-year
- Systems Division: up 10.6% to CHF 452.8 mn
 - Up 11.2% net of FX effects
 - 2nd highest-ever half-year
- Services Division: down 5.6% to CHF 162.3 mn
 - Down 5.1% net of FX effects

Significant growth in sales driven by high order backlog

Sales (CHF mn)



- Total sales at CHF 436.8mn, up 7.1% vs prior year period
 - Up 7.7% net of FX effects
- Systems Division up 9.2% to CHF 270.6mn
 - Up 9.9% net of FX effects
 - Strong sales growth due to high order volume received in last 24 months
- Services Division up 4.0% to CHF 166.2 mn
 - Up 4.5% net of FX effects

Further growth of order intake, sales, gross margin and EBIT

Reported results

CHF mn	1HY FY 2024	1HY FY 2023	Change
Order intake	615.2	581.3	5.8%
Sales	436.8	407.7	7.1%
Gross profit	127.9	109.0	17.4%
In % of sales	29.3%	26.7%	+2.6 pp
SG&A expenses	-63.5	-59.1	7.3%
R&D expenses	-13.8	-13.3	3.6%
Other operating income	1.1	8.4	-87.5%
EBIT	51.7	44.9	15.2%
In % of sales	11.8%	11.0%	+0.8 pp
EBT	49.5	43.4	14.0%
Income tax expenses	-12.3	-11.0	11.9%
Net income incl. minorities	37.2	32.4	14.8%
<i>Thereof minorities</i>	0.0	0.0	
EPS	10.99	9.61	14.4%

- Gross margin up 2.6pp due to a good factory load, favorable product mix in both divisions & realization of project savings coming from value engineering
- SG&A at 14.5% of sales, unchanged from 1HY FY 2023
- R&D at 3.2% of sales (1HY FY 2023: 3.3%)
 - R&D up CHF 0.5 mn to further develop innovative solutions for Marine & HME markets & Digital solutions
- Other operating income down by CHF 7.3 mn
 - 1HY FY 2023: Real estate income, recovery of bad debt & positive FX effects
 - 1HY FY 2024: Real estate income & negative FX effects
- 14.4% growth in EPS
 - Slightly higher financial expenses
 - Tax rate at 24.8% (1HY FY 2023: 25.3%)

Strong cash flow from operating activities

Cash flow statement

CHF mn	1HY FY 2024	1HY FY 2023
Cash Initial Balance	107.2	129.1
Cash Flow from Operating Activities (CFO)	64.5	16.2
Cash Flow from Investing Activities (CFI)	-10.9	-13.9
Cash Flow from Financing Activities (CFF)	-35.6	0.7
Currency Translation Differences	-5.1	-5.9
Cash Position	120.1	126.2
Borrowings	-186.3	-178.2
Net Financial Position	-66.2	-52.0

- CFO at CHF 64.5 mn, mainly driven by favorable development in net working capital and higher net income
- CFI at CHF -10.9 mn, mainly related to maintenance CAPEX as well as IT investments
- CFF at CHF -35.6 mn
 - CHF -52.5 mn dividend payment: CHF 15.50 per share (last year: CHF 12.00 per share)
 - CHF 16.9 mn cash in from net increase in financial liabilities
- Currency translation differences mainly due to translation effect of cash positions in subsidiaries in China & other locations outside Switzerland
- Borrowings slightly increased vs prior year & include a refinanced CHF 150 mn bond with a term until September 2028

Resilient balance sheet

Balance Sheet

CHF mn	1HY FY 2024	1HY FY 2023
Property, Plant & Equipment	170.0	170.8
Inventories	346.4	334.4
- Thereof WIP	163.6	123.0
- Thereof Adv. Payments to Suppliers	60.2	59.6
Trade Receivables	360.9	260.4
Trade Payables	137.6	116.9
Adv. Payments from Customers	248.9	243.9
Shareholders Equity	276.0	247.2
<i>Shareholders Equity in % of Balance Sheet Total</i>	25.1%	24.6%
Balance Sheet Total	1'100.6	1'004.6

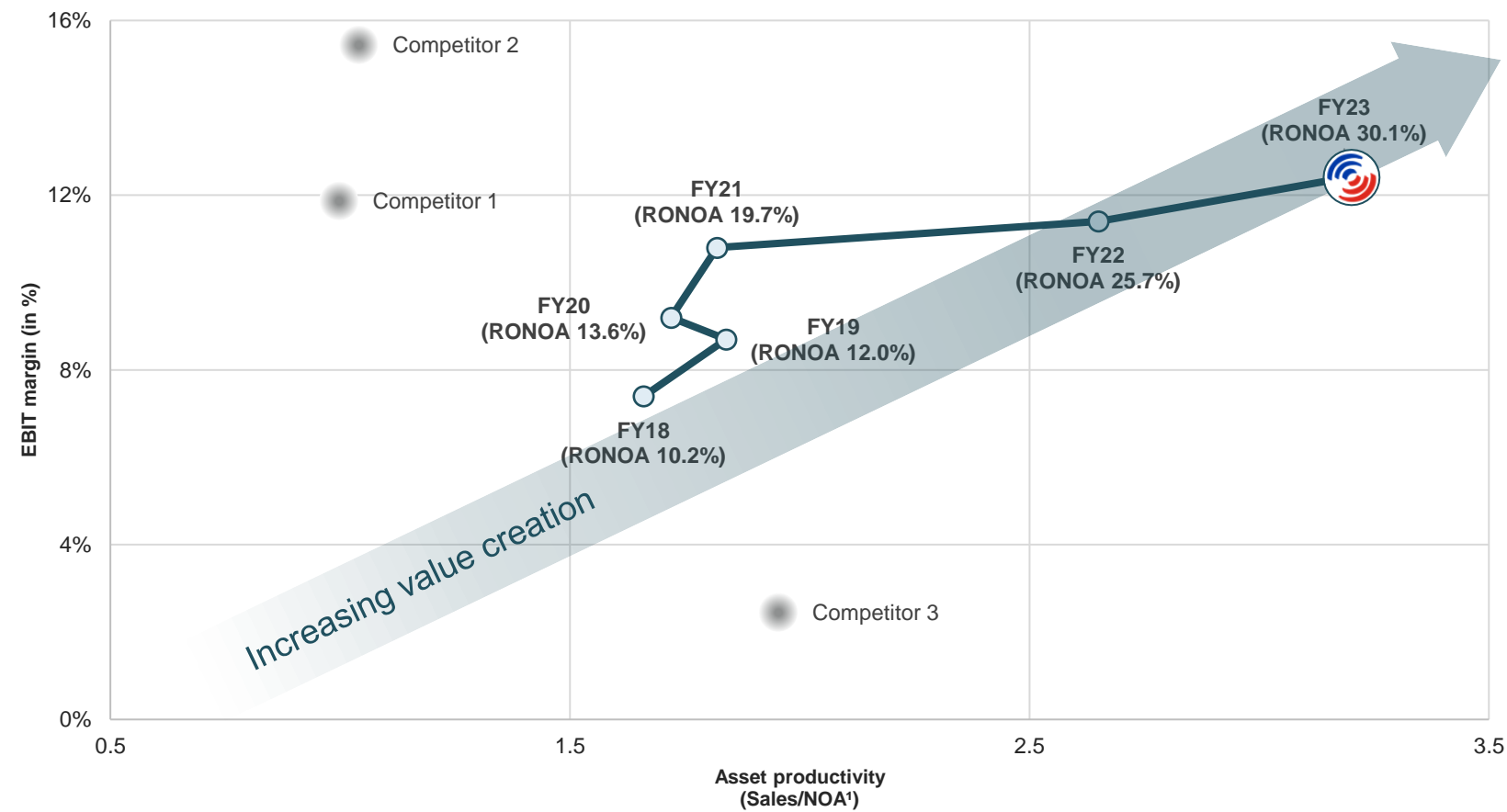
- Property, Plant & Equipment stable
- Balance between advance payments from customers, work in progress (WIP) & advance payments to suppliers remained positive at CHF 25.1 mn but below prior-year level (1HY FY 2023: CHF 61.4 mn)
- Trade receivables up due to strong invoicing towards end of half year
 - 27.1% of trade receivables overdue more than 90 days (1HY FY 2023: 23.3%)
- Total equity increased to CHF 276.0 mn (CHF +28.8 mn)
- Equity ratio slightly increased to 25.1%, despite higher dividends paid in FY 2024 (annual results of FY 2023) & high FX effects on investments in subsidiaries

Outlook

Fabrice Billard
CEO

Above average value creation thanks to increase of profitability and asset productivity in past years

RONOA has increased by +20pp in last 5 years



1. EBIT margin

- Continuous profitability improvement. Up from 7.4% (FY18) to 12.4% (FY23)

2. Asset productivity

- Near doubling of asset productivity since FY18
- Leveraging of existing factory network with debottlenecking CAPEX and op. excellence
- Business model of Systems Division leveraging asset base of auxiliary suppliers (e.g., motors, coolers, instruments, etc)

3. RONO

- Increase of 20pp in last 5 year
- Clearly above direct peers

FY 2024 guidance confirmed

On track to achieve our Mid-Range Plan 2023-2027

FY 2024 guidance

Sales:
CHF 1.0 – 1.1 bn
Stronger H2 vs H1 due to timing of project deliveries

EBIT margin:
Similar level to FY 2023
Stronger H2 vs H1

FY 2027 financial guidance

Sales (CHF)	~1.2 bn
EBIT margin	12 – 15%
EBIT range ¹ (CHF)	~144-180 mn
RONOA	>25%
Dividend payout ratio	50 – 70%



Our Purpose

**We create leading compression solutions
for a sustainable energy future**

Glossary

- BC Burckhardt Compression
- CMD Capital markets day
- EBIT Earnings before interest and taxes
- EBT Earnings before taxes
- EPS Earnings per share
- EVA Ethylene-Vinyl-Acetate
- FSRU Floating Storage and Regasification Unit
- FTE Full time equivalent
- FY Fiscal year
- LDPE Low density polyethylene

- LNG Liquefied natural gas
- MRP Mid-Range Plan
- OBC Other brand compressors
- OEM Original equipment manufacturer
- pp Percentage point
- R&D Research and development
- RONO Return on net operating assets
- SERV Services Division
- SG&A Selling, general and admin cost
- SYST Systems Division



Compressors for a Lifetime