

Ad hoc announcement pursuant to Art. 53 LR of June 8, 2022

BURCKHARDT COMPRESSION HOLDING AG
FRANZ-BURCKHARDT-STRASSE 5, 8404 WINTERTHUR

BURCKHARDT COMPRESSION WITH SIGNIFICANTLY HIGHER ORDER INTAKE, CLEARLY IMPROVED OPERATING INCOME AND HIGHER DIVIDEND PROPOSED

- Significantly higher order intake of CHF 976.6 mn, +44.3% year-on-year
- Sales amounted to CHF 650.7 mn, similar level to the previous year
- Increased EBIT margin from 9.2% to 10.8%
- Earnings per share to Burckhardt Compression Shareholders rose by 14.0%, from CHF 13.00 to CHF 14.82
- Proposed Dividend increase of 15.4% to CHF 7.50
- Clear increase in activities around new energy segments, such as for our compressor application for solar panel production and hydrogen energy and mobility solutions
- Guidance for fiscal year 2022: sales to grow to between CHF 720 mn and CHF 760 mn at Group level, thus exceeding the target of CHF 700 set in the Mid-Range Plan. Due to one off costs related to the tightening of sanctions after the year-end-closing, as well as a changed business mix towards the Systems-business, Group operating margin is expected to be at a similar level as in fiscal year 2021 and therefore within the Mid-Range Plan target range of 10% to 15%.

ORDERS STRONGLY DRIVEN BY ENERGY TRANSITION IN ASIA, USA AND EUROPE

In the year under review, global markets benefited from the global transition towards more sustainable and secure energy sources. Thanks to Burckhardt Compression's positioning along these trends, order intake increased significantly. The sharp rise in solar panel production in China strengthened the demand for compressors in the Low Density Polyethylene (LDPE), Ethylene-Vinyl-Acetate (EVA) and polysilicon plants applications, driving the growth in the Petrochemical and Industrial Gas markets. The demand for hydrogen fuel stations in Europe and the USA, as well as the ongoing investments in hydrogen liquefaction plants, drove orders in the Hydrogen Mobility and Energy markets, while the demand for LNG-fueled ships (Liquefied Natural Gas), LNG carriers and LPG carriers (Liquefied Petroleum Gas) stimulated growth in the Transport and Storage business. The Services market in Asia Pacific (excluding China), North America and Europe benefited from a lifting of most pandemic-related lockdowns and travel restrictions during the year, with positive impacts especially on the maintenance and repair business. Engineered solutions and spare parts continued to grow.

MARKET AND BUSINESS CHALLENGES

The various lockdowns in China, as well as the Chinese energy shortages in the fall of 2021, impacted the business partially. Global challenges in the supply chain could so far be averted thanks to a diversified supply network and framework agreements with various suppliers. During fiscal year 2021, the related increasing raw material and logistic prices could be passed on or mitigated. Due to the war in Ukraine, Burckhardt Compression is not accepting new orders from the Russian market since mid-March 2022. In the past few years, 2% to 5% of sales were attributable to business with Russia. The tightening of sanctions, after the year-end closing, will affect the execution of the backlog of Russian projects. Many of these challenges are expected to continue in 2022.

GROUP: SIGNIFICANTLY HIGHER ORDER INTAKE, CLEAR GROWTH OF PROFITABILITY

In fiscal year 2021, the Group increased its order intake significantly by 44.3% to CHF 976.6 mn. Sales amounted to CHF 650.7 mn, similar to the previous year. Gross profit was up 14.9%, to CHF 190.8 mn, yielding a significantly higher gross profit margin of 29.3% (previous year: 25.2%).

The consolidated operating profit (EBIT) rose 15.7%, to CHF 70.3 mn (previous year: CHF 60.8 mn), corresponding to an EBIT margin of 10.8% (previous year: 9.2%). Net profit of CHF 50.4 mn exceeded the previous year figure (CHF 47.2 mn) by 6.8%, while earnings per share attributable to Burckhardt Compression Group shareholders rose by 14.0%, from CHF 13.00 to CHF 14.82.

Selling, marketing and general administrative expenses amounted to CHF 106.9 mn (16.4% of sales). Research and development expenses increased by CHF 4.3 mn to CHF 19.7 mn in order to develop innovative solutions for the marine as well as hydrogen mobility and energy markets. Other operating income (net) was at CHF 6.1 mn, or CHF 3.0 mn above the previous year, primarily due to non-recurring effects.

Total assets at the end of March 2022 were reported at CHF 837.8 mn, 10.5% higher than in the previous year. This rise is attributable mainly to the strong increase in advance payments from customers and the growth in inventories. The net financial position at the end of fiscal year 2021 amounted to CHF -56.8 mn (CHF -82.4 mn at the end of fiscal year 2020). Work in progress pre-financed by customer advance payments improved to CHF 52.0 mn (end of March 2020: CHF 11.5 mn) as a result of the strong growth in order intake. Total equity improved to CHF 242.9 Mio. (+23.3 Mio.), while the equity ratio of 29.0% is unchanged from the previous year and slightly below the target level of over 30% – attributable to higher total assets and the offsetting of goodwill against the equity from the acquisition of Mark van Schaick BV.

SYSTEMS DIVISION: MARKEDLY HIGHER ORDER INTAKE, LOWER SALES, EBIT AND GROSS PROFIT MARGINS SUBSTANTIALLY UP

After a strong first half-year, order intake of the Systems Division continued to grow in the second half of the year, reaching CHF 651.1 mn for the full year (+60.9%). This amount includes an exceptionally high number of large orders received for LDPE, EVA and polysilicon applications, ending up in a total amount of around CHF 150 million order intake. The invoicing of these projects will be spread over the next two fiscal years. Sales of CHF 372.7 mn was 9.1% below the previous year figure, due to the corona-related weak order intake in the first half of 2020. Gross profit was up 20.7% to CHF 71.3 mn, resulting in a gross profit margin of 19.1% (previous year: 14.4%), mainly due to a favorable product mix and a higher capacity utilization. Price increase in certain material categories were compensated by procurement savings and by professional project management. Thanks to a strong second half-year, the division significantly improved its EBIT margin to 5.7% (previous year: 3.9%) despite the lower sales volume.

SERVICES DIVISION: SIGNIFICANTLY HIGHER ORDER INTAKE AND SALES, HIGHER EBIT

Orders received by the Services Division rose by a strong 19.6% to CHF 325.5 mn, comparing to a previous year, which included a long-term marine service contract over a period of ten years in the low double-digit million range. Sales increased by 11.8% to CHF 278.0 mn. Gross profit grew by CHF 12.5 mn to CHF 119.6 mn, resulting in a gross profit margin of 43.0%, unchanged from the previous year. EBIT rose by CHF 7.1 mn to CHF 58.4 mn thanks to higher sales and resulted in an EBIT margin of 21.0% (previous year 20.6%). Arkos Field Services (USA) clearly improved, and the integration of the acquired Mark van Schaick BV business in the Netherlands is well underway.

FIRST SUCCESSES WITH DIGITAL SOLUTIONS

In the reporting period, Burckhardt Compression integrated digital service solutions into its service portfolio under the name UP! Solutions. UP! Remote Support, the first service of its kind, supports customers on site in real time with a HoloLens (augmented reality glasses) or a tablet. The experts of Burckhardt Compression guide the on-site technician with precise instructions through each individual work step, diagnose problems, and propose solutions. Additional services based on data analysis and artificial intelligence are currently in development and will be tested with pilot customers in the current fiscal year.

FIRST SUSTAINABILITY REPORT IN ACCORDANCE WITH GRI STANDARDS

Burckhardt Compression made significant progress in systematically integrating sustainability into its strategy and business processes. The company has strengthened its management approaches to the material sustainability topics in cross-functional teams and defined key performance indicators, which are presented in the sustainability report, following the GRI standards. Strengthening the sustainability performance and contributing to the energy transition is a long-term commitment and will play an integral role in the development of the new Mid-Range Plan for 2023 to 2027.

NEW CEO FABRICE BILLARD

On April 1st, 2022, Fabrice Billard, previously president of Systems Division, succeeded Marcel Pawlicek as CEO. While providing continuity for the execution of the last year of the current mid-range plan, the new management will focus on building a new strategic plan, capitalizing on the future market opportunities related to the global energy transition and to the reduction of CO₂ and other greenhouse gas emissions at customer facilities.

OUTLOOK FOR FISCAL YEAR 2022; NEW MID-RANGE PLAN IN 2023

Burckhardt Compression expects to continue to benefit from the positioning in applications related to the global transition towards more sustainable and secure energy sources. Based on the order intake of the past two fiscal years and on the challenges in the supply chains, the company currently expects sales to grow to between CHF 720 mn and CHF 760 mn at Group level for the fiscal year 2022, thus exceeding the target of CHF 700 set in the Mid-Range Plan. Due to one-off costs related to the tightening of sanctions towards Russia after the year-end closing (EBIT impact of CHF 5 to 7 mn expected), as well as a change in business mix towards the Systems Business, the operating margin is expected to be similar to the prior year and therefore within the Mid-Range Plan target of 10% to 15%. This is assuming that global challenges in the supply chain and geopolitical developments will not significantly impact the business activity levels going forward.

The new Mid-Range Plan for 2023 to 2027 will be prepared in the current fiscal year and is expected to be externally communicated in November 2022.

DIVIDEND

Earnings per share attributable to Burckhardt Compression Group shareholders rose by 14.0%, to CHF 14.82. The Board of Directors will propose to the Annual General Meeting a dividend of CHF 7.50 per share (previous year: CHF 6.50), an increase of 15.4% compared to fiscal year 2020. This corresponds to a payout ratio of 50.6% of earnings per share attributable to shareholders of Burckhardt Compression (previous year: 50.0%), remaining at the lower end of the target range of 50% to 70% in order to further strengthen the equity ratio towards the target of 30%.

The annual report 2021 and further information on the fiscal year 2021 are available on the website on: www.burckhardtcompression.com/financial-reports.

FURTHER INFORMATION

Fabrice Billard, CEO

Tel.: +41 52 262 55 00

fabrice.billard@burckhardtcompression.com

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.

SIX Swiss Exchange: BCHN

Further information at www.burckhardtcompression.com, Twitter, LinkedIn

Key figures

in CHF mn	2021	2020	Change 2021/2020
Total			
Order intake	976.6	676.6	44.3%
Sales	650.7	658.6	-1.2%
Operating income (EBIT)	70.3	60.8	15.7%
in % of sales	10.8	9.2	
Net income	50.4	47.2	6.8%
in % of sales	7.7	7.2	
Systems Division			
Order intake	651.1	404.6	60.9%
Sales	372.7	409.8	-9.1%
Operating income (EBIT)	21.1	16.2	30.4%
in % of sales	5.7	3.9	
Services Division			
Order intake	325.5	272.1	19.6%
Sales	278.0	248.8	11.8%
Operating income (EBIT)	58.4	51.2	13.9%
in % of sales	21.0	20.6	
Balance sheet			
Balance sheet total	837.8	758.1	10.5%
Shareholders' equity in %	29.0	29.0	
Net financial position	-56.8	-82.4	
Share			
Net income per share	14.82	13.00	14.0%
Dividend per share	7.50	6.50	15.4%
Payout ratio	50.6%	50.0%	
Market capitalization (in CHF mn)	1'662.6	1'071.0	55.2%
Employees			
Employees as per end of fiscal year (FTE)	2'732	2'538	7.7%
Apprentice	64	59	8.5%
Turnover rate	10.1%	9.5%	
Average company affiliation (years)	8.4	8.5	-1.2%
Environment			
Energy use (MWh)	42'581	38'733	9.9%
Greenhouse gas emissions Scope 1 (tCO ₂ e)	2'465	3'391	-27.3%
Greenhouse gas emissions Scope 2 (tCO ₂ e)	12'815	8'184	56.6%
Water (m ³)	83'810	91'218	-8.1%

Consolidated income statement

in CHF '000	2021	2020
Sales	650'698	658'580
Cost of goods sold	-459'854	-492'423
Gross Profit	190'844	166'157
Selling and marketing expenses	-57'188	-47'997
General and administrative expenses	-49'735	-45'064
Research and development expenses	-19'698	-15'358
Other operating income	23'957	21'055
Other operating expenses	-17'844	-17'977
Operating income	70'336	60'816
Financial income and expenses	-4'746	-1'616
Earnings before taxes	65'590	59'200
Income tax expenses	-15'191	-11'999
Net income	50'399	47'201
Share of net income attributable to shareholders of Burckhardt Compression Holding AG	50'244	44'034
Share of net income attributable to non-controlling interests	155	3'167
Basic earnings per share (in CHF)	14.82	13.00
Diluted earnings per share (in CHF)	14.82	13.00

Consolidated balance sheet

in CHF 1'000	03/31/2022	03/31/2021
Non-current assets		
Intangible assets	13'460	12'351
Property, plant and equipment	183'236	180'080
Deferred tax assets	16'225	14'514
Other financial assets	4'077	4'005
Total non-current assets	216'998	210'950
Current assets		
Inventories	192'362	151'031
Trade receivables	258'983	260'395
Other current receivables	65'177	56'981
Prepaid expenses and accrued income	3'262	3'366
Cash and cash equivalents	101'016	75'370
Total current assets	620'800	547'143
Total assets	837'798	758'093
Equity		
Share capital	8'500	8'500
Capital reserves	525	486
Treasury shares	-2'136	-2'206
Retained earnings and other reserves	235'450	212'324
Equity attributable to shareholders of Burckhardt Compression Holding AG	242'339	219'104
Non-controlling interests	550	499
Total equity	242'889	219'603
Liabilities		
Non-current liabilities		
Non-current financial liabilities	128'881	133'070
Deferred tax liabilities	11'502	11'097
Non-current provisions	12'920	14'485
Other non-current liabilities	3'306	3'916
Total non-current liabilities	156'609	162'568
Current liabilities		
Current financial liabilities	28'925	24'726
Trade payables	97'263	92'474
Customers' advance payments	162'656	92'273
Other current liabilities	36'131	73'817
Accrued liabilities and deferred income	84'853	66'065
Current provisions	28'472	26'567
Total current liabilities	438'300	375'922
Total liabilities	594'909	538'490
Total equity and liabilities	837'798	758'093

Consolidated cash flow statement

in CHF 1'000	2021	2020
Cash flow from operating activities		
Net income	50'399	47'201
Income tax expenses	15'191	11'999
Financial income and expenses	4'746	1'616
Depreciation	16'775	17'476
Amortization	3'232	3'632
Change in inventories	-41'350	51'170
Change in trade receivables	1'611	3'906
Change in other current assets	-10'837	10'902
Change in trade payables	4'839	-1'448
Change in customers' advance payments	70'382	8'158
Change in provisions	874	4'045
Change in other liabilities	30'874	-20'517
Adjustment for non-cash items	3'911	6'435
Interest received	57	449
Interest paid	-2'432	-2'365
Income taxes paid	-13'513	-10'464
Total cash flow from operating activities	134'759	132'195
Cash flow from investing activities		
Purchase of property, plant and equipment	-17'662	-17'425
Sale of property, plant and equipment	520	1'226
Purchase of intangible assets	-5'115	-2'938
Acquisition of group companies net of cash acquired	-11'820	-21'227
Total cash flow from investing activities	-34'077	-40'364
Cash flow from financing activities		
Increase in financial liabilities	22'350	100'154
Decrease in financial liabilities	-22'640	-126'109
Purchase of treasury shares	-	-3'153
Acquisition of non-controlling interests	-51'500	-50'400
Dividends paid	-22'152	-29'954
Total cash flow from financing activities	-73'942	-109'462
Currency translation differences on cash and cash equivalents	-1'094	2'682
Net change in cash and cash equivalents	25'646	-14'949
Cash and cash equivalents at beginning of period	75'370	90'319
Cash and cash equivalents at end of period	101'016	75'370
Net change in cash and cash equivalents	25'646	-14'949

Consolidated statement of changes in equity

in CHF '000	Share capital	Capital reserves	Treasury shares	Hedge reserve	Translation reserve	Goodwill offset	Other retained earnings	Equity attributable to shareholders of Burckhardt Compression Holding AG	Non-controlling interests	Total equity
Balance at 04/01/2020	8'500	435	-5'216	-616	-13'315	-121'835	405'529	273'482	44'024	317'506
Result for the period							44'034	44'034	3'167	47'201
Currency translation differences					10'186			10'186	308	10'494
Changes of cash flow hedges				374				374		374
Dividends paid							-20'180	-20'180	-9'774	-29'954
Changes in treasury shares			-3'153					-3'153		-3'153
Share-based payments (distributed)		51	6'163				-6'214	-		-
Share-based payments (provision in equity)							3'907	3'907		3'907
Goodwill on acquisition						-24'872		-24'872		-24'872
Acquisition of non-controlling interests							-64'674	-64'674	-37'226	-101'900
Balance at 03/31/2021	8'500	486	-2'206	-242	-3'129	-146'707	362'402	219'104	499	219'603
Balance at 04/01/2021	8'500	486	-2'206	-242	-3'129	-146'707	362'402	219'104	499	219'603
Result for the period							50'244	50'244	155	50'399
Currency translation differences					-1'905			-1'905	11	-1'894
Changes of cash flow hedges				1'836				1'836		1'836
Dividends paid							-22'037	-22'037	-115	-22'152
Changes in treasury shares								-		-
Share-based payments (distributed)		39	70				-109	-		-
Share-based payments (provision in equity)							4'395	4'395		4'395
Goodwill on acquisition						-9'298		-9'298		-9'298
Balance at 03/31/2022	8'500	525	-2'136	1'594	-5'034	-156'005	394'895	242'339	550	242'889

Segment reporting

	Systems Division		Services Division		Others		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Sales	372'657	409'793	278'041	248'787	–	–	650'698	658'580
Cost of goods sold	–301'384	–350'731	–158'470	–141'692	–	–	–459'854	–492'423
Gross profit	71'273	59'062	119'571	107'095	–	–	190'844	166'157
Gross profit as % of sales	19.1%	14.4%	43.0%	43.0%	–	–	29.3%	25.2%
Operating income	21'108	16'182	58'353	51'246	–9'125	–6'612	70'336	60'816
Operating income as % of sales	5.7%	3.9%	21.0%	20.6%	–	–	10.8%	9.2%

Key dates for 2022 and 2023

July 1, 2022

Annual General Meeting

November 1, 2022

Results for the first half of 2022 (closing September 30, 2022)

June 6, 2023

2022 Annual Report (closing March 31, 2023)

July 1, 2023

Annual General Meeting

Burckhardt Compression Holding AG

8404 Winterhur

Switzerland

Tel. +41 52 261 55 00

info@burckhardtcompression.com

www.burckhardtcompression.com

