

Ad hoc an- nouncement pur- suant to Art. 53 LR of June 6, 2023

Burckhardt Compression Holding AG
Franz-Burckhardt-Strasse 5, 8404 Winterthur

Burckhardt Compression with record-level financials, accelerating its growth in new energy markets

- Burckhardt Compression achieved in fiscal year 2022 the following record financials:
 - Order intake of CHF 1.27 bn, +29.9 % year-on-year
 - Sales of CHF 829.7 mn, +27.5 % year-on-year
 - Operating income (EBIT) of CHF 95.0 mn, +35.0 % year-on-year
- Earnings per share of CHF 20.64, +39.3 % year-on-year
- Dividends of CHF 12.00 proposed, an increase of 60.0% year-on-year
- Achieved targets of Mid-Range Plan 2018-2022, with clear progress on the company's sustainability commitments and roadmap
- Kaspar W. Kelterborn proposed as new board member.
Urs Leinhäuser decided to not stand for reelection.
- Guidance for fiscal year 2023: sales between CHF 950 mn and CHF 1'000 mn, with an operating margin at a similar level as in fiscal year 2022

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Despite the challenges stemming from the macroeconomic and political environment, Burckhardt Compression achieved a record-level order intake of CHF 1.27 bn, exceeding the CHF 1 bn mark for the first time in its history. Strong deliveries throughout the year underpinned sales growth of 27.5% versus the previous year, reaching a new record of CHF 829.7 mn, while the focus on operational excellence supported an improved operating margin of 11.4% and a new record operating income of CHF 95.0 mn. With these strong results, the Group achieved its Mid-Range Plan for the period 2018 to 2022, delivering on its stated ambitions to reach CHF 700 mn in sales and a 10% to 15% operating margin. On the strategic and operational side, Burckhardt Compression made significant advances in transforming the business and developing new growth avenues with the hydrogen mobility and energy market, made further progress on its digitalization and sustainability agenda, and set a new Mid-Range Plan for 2023 to 2027, focusing on creating leading compression solutions for a sustainable energy future.

Well positioned in highly dynamic markets

Burckhardt Compression further positioned itself with innovative solutions in markets supporting the transition to more secure and sustainable energy sources, which contributed to the exceptional order intake of the Systems division. The growth was driven by an exceptional demand for low density polyethylene (LDPE) and ethylene-vinyl acetate (EVA) compressors to support the solar panel industry, exceptional orders for Liquefied Natural Gas (LNG) applications, and a high growth in hydrogen mobility and energy applications. The Services division also had an exceptional Sales growth of 22%, driven by pent-up demand after Covid-19, anticipated spare parts procurement from customers, a few large revamp projects and by exceptional orders for its PROGNOST® digital product line. From a geographical perspective, China, Korea and USA have driven the growth of the Group's order intake.

Demonstrating resilience amid ongoing macroeconomic challenges

The fiscal year 2022 has not been without its challenges, and the Group continued to see headwinds stemming from the macroeconomic and political environment. Lockdowns in China, ongoing supply chain tensions and inflationary pressures on energy and specific material categories continued to present operational challenges. As a direct result of the war in Ukraine, Burckhardt Compression has refrained from accepting any orders from the Russian market since March 2022. Growth in other markets has more than compensated for the loss of volume in Russia, and the one-off costs related to the wind-down of the Russian backlog have been more than offset by global profitable sales growth, a favorable product mix in the Systems division and strong operational performance.

Strong financials in fiscal year 2022 and significant increase of dividends proposed

Gross profit was up 28.1% to CHF 244.5 mn, yielding a gross profit margin of 29.5% (previous year: 29.3%). Research & Development expenses increased by CHF 4.2 mn to CHF 23.9 mn to develop inno-

vative solutions for the marine and hydrogen mobility and energy markets. Selling, marketing and general administrative expenses amounted to CHF 117.0 mn, or 14.1% of sales (previous year: 16.4%). Other operating income and expenses (net) were at CHF -8.6 mn, including non-recurring costs related to the exit from the Russian market in the amount of CHF 7.1 mn. Despite these one-off costs, the consolidated operating profit (EBIT) rose substantially by 35.0% to CHF 95.0 mn, corresponding to an EBIT margin of 11.4% (previous year: 10.8%). Net profit of CHF 70.0 mn clearly exceeded the previous year's figure by 38.9%, while earnings per share attributable to Burckhardt Compression Group shareholders rose likewise by 39.3%, from CHF 14.82 to CHF 20.64.

Value creation was further enhanced, with a Return on Net Operating Assets (RONOA) substantially increased from 19.7% to 25.7%. The balance sheet total at the end of March 2023 was at CHF 940.6 mn, 12% higher than in the previous year, mainly due to the increase in advance payments from customers and the growth in inventories on the back of the high order intake. The net financial position at the end of fiscal year 2022 improved to CHF -7.1 mn (CHF -56.8 mn at the end of fiscal year 2021). Total equity increased to CHF 261.6 mn (+18.7 mn), while the equity ratio of 27.8% remained slightly below the mid-term ambition level of over 30.0%.

Based on these strong results, the Board of Directors will propose at the Annual General Meeting a dividend of CHF 12.00 per share, within the Group's overall attractive dividend policy of 50% to 70% pay-out ratio and representing an increase of 60.0% compared with the previous year.

Confidence into 2023 and beyond, with sustainability at the core of Burckhardt Compression's new strategy

Burckhardt Compression enters fiscal year 2023 in a solid financial position, with good momentum in both divisions, a strong team and an ambitious plan.

As the world transitions towards more sustainable and secure energy sources, the Group expects to continue benefiting from its strong positioning in related applications. A key ingredient to its success in the past and the future is its people. The Group increased its workforce globally by 8.8% to 2'973 FTE and further ramped-up its training and development activities to deliver its increased order backlog and achieve its growth ambitions. In addition, it added bench strength with two new members of the Executive Management team that bring a wealth of experience from world-class industrial companies. On April 1st, 2022, Fabrice Billard took over as CEO and was succeeded as Systems Division President by Andreas Brautsch. In addition, Vanessa Valentin joined the Executive Management team as Chief Human Resources Officer.

Guidance for fiscal year 2023

The Group expects supply chain tensions in certain material categories to persist in the coming year as well as some uncertainty about the development of the global economy. However, based on the strong order intake over the past two fiscal years, it expects sales to reach between CHF 950 mn and CHF 1'000 mn at

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the Group level for fiscal year 2023. Operating margin is expected at a similar level as in fiscal year 2022, considering no further one-off costs for Russian projects, an increased share of Systems business in the overall sales mix as well as a less favorable product mix within the Systems Division. Within the fiscal year, the second half is expected to be stronger than the first half due to the distribution of project deliveries.

Mid-Range Plan 2023–2027 started

Burckhardt Compression communicated its new Mid-Range Plan in November 2022, targeting CHF 1.1 bn in sales and a 12% to 15% operating margin in fiscal year 2027. Sustainability now sits at the core of its strategy, with implications on target markets, R&D projects, CAPEX investments, operational KPIs and long-term incentive plans for senior management. This new strategy is a step forward in achieving its purpose of creating leading compression solutions for a sustainable energy future. The Group aims, in particular, to achieve 40% of its order intake from applications that support the world's energy transition and to reduce its greenhouse gas emission intensity by 50% (Scope 1 and Scope 2) by fiscal year 2027 compared to fiscal year 2021. Acknowledging the scale and urgency of combatting climate change, the Group has also made a commitment and developed a roadmap to achieve operational net-zero for its Scope 1 and Scope 2 emissions by 2035. The achievement of these goals will be supported by integrating sustainability into its operational excellence activities and continuous investments in innovation and digitalization. On the financial side, in addition to the growth and profitability targets, the Group's ambition is to reach a Return on Net Operating Assets (RONOA) of more than 25%, and it intends to keep an attractive dividend policy, with a 50% to 70% payout ratio.

Changes in the Board of Directors

After 15 years of active contribution in the development of Burckhardt Compression, Urs Leinhäuser decided to not stand for re-election as a member of the Board of Directors of Burckhardt Compression Holding AG. As a successor, the board of directors will propose to the shareholders the election of Kaspar W. Kelterborn (1964). Mr Kelterborn was ad interim Group CFO of Dormakaba AG until end 2022, Group CFO of Conzzeta AG from 2006 to 2021 and he is an experienced board member. His international leadership experience in several industrial companies and his strong finance and controlling background make him a highly suitable person to join the board of directors of Burckhardt Compression.

The annual report 2022 and further information on the fiscal year 2022 are available on the website on: 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, industrial gas and hydrogen mobility and energy 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	2022	2021	Change 2022/2021
Total			
Order intake	1'268.3	976.6	29.9%
Sales	829.7	650.7	27.5%
Operating income (EBIT)	95.0	70.3	35.0%
in % of sales	11.4	10.8	
Net income	70.0	50.4	38.9%
in % of sales	8.4	7.7	
Return on net operating assets (RONOA)	25.7%	19.7%	
Systems Division			
Order intake	911.2	651.1	39.9%
Sales	489.7	372.7	31.4%
Operating income (EBIT)	30.3	21.1	43.5%
in % of sales	6.2	5.7	
Services Division			
Order intake	357.1	325.5	9.7%
Sales	340.0	278.0	22.3%
Operating income (EBIT)	75.0	58.4	28.6%
in % of sales	22.1	21.0	
Balance sheet			
Balance sheet total	940.6	837.8	12.3%
Shareholders' equity in %	27.8	29.0	
Net financial position	-7.1	-56.8	
Share			
Net income per share	20.64	14.82	39.3%
Dividend per share	12.0	7.5	60.0%
Payout ratio	58.1%	50.6%	
Market capitalization (in CHF mn)	1'931.2	1'662.6	16.2%
Employees			
Employees as per end of fiscal year (FTE)	2'973	2'732	8.8%
Apprentice	71	64	10.9%
Turnover rate	10.7%	10.1%	
Average company affiliation (years)	8.0	8.4	-4.7%
Environment			
Energy use (MWh)	59'107	49'928	18.4%
Greenhouse gas emissions Scope 1 (tCO ₂ e)	4'674	4'221	10.7%
Greenhouse gas emissions Scope 2 (tCO ₂ e)	15'396	13'198	16.7%
Water (m ³)	78'687	83'810	-6.1%

Consolidated income statement

in CHF 1'000	2022	2021
Sales	829'701	650'698
Cost of goods sold	-585'234	-459'854
Gross Profit	244'467	190'844
Selling and marketing expenses	-62'742	-57'188
General and administrative expenses	-54'277	-49'735
Research and development expenses	-23'897	-19'698
Other operating income	30'245	23'957
Other operating expenses	-38'833	-17'844
Operating income	94'963	70'336
Financial income and expenses	-3'805	-4'746
Earnings before taxes	91'158	65'590
Income tax expenses	-21'157	-15'191
Net income	70'001	50'399
Share of net income attributable to shareholders of Burckhardt Compression Holding AG	69'942	50'244
Share of net income attributable to non-controlling interests	59	155
Basic earnings per share (in CHF)	20.64	14.82
Diluted earnings per share (in CHF)	20.64	14.82

Consolidated balance sheet

in CHF 1'000	03/31/2023	03/31/2022
Non-current assets		
Intangible assets	11'744	13'460
Property, plant and equipment	172'039	183'236
Deferred tax assets	17'915	16'225
Other assets	3'735	4'077
Total non-current assets	205'433	216'998
Current assets		
Inventories	286'246	192'362
Trade receivables	245'545	258'983
Other current receivables	68'522	65'177
Prepaid expenses and accrued income	5'777	3'262
Cash and cash equivalents	129'079	101'016
Total current assets	735'169	620'800
Total assets	940'602	837'798
Equity		
Share capital	8'500	8'500
Capital reserves	574	525
Treasury shares	-15'772	-2'136
Retained earnings and other reserves	267'882	235'450
Equity attributable to shareholders of Burckhardt Compression Holding AG	261'184	242'339
Non-controlling interests	399	550
Total equity	261'583	242'889
Liabilities		
Non-current liabilities		
Non-current financial liabilities	132'000	128'881
Deferred tax liabilities	14'246	11'502
Non-current provisions	11'901	12'920
Other non-current liabilities	3'044	3'306
Total non-current liabilities	161'191	156'609
Current liabilities		
Current financial liabilities	4'214	28'925
Trade payables	109'073	97'263
Customers' advance payments	222'849	162'656
Other current liabilities	40'505	36'131
Accrued liabilities and deferred income	108'363	84'853
Current provisions	32'824	28'472
Total current liabilities	517'828	438'300
Total liabilities	679'019	594'909
Total equity and liabilities	940'602	837'798

Consolidated cash flow statement

in CHF 1'000	2022	2021
Cash flow from operating activities		
Net income	70'001	50'399
Income tax expenses	21'157	15'191
Financial income and expenses	3'805	4'746
Depreciation	17'981	16'775
Amortization	3'788	3'232
Change in inventories	-86'565	-41'350
Change in trade receivables	585	1'611
Change in other current assets	-9'922	-10'837
Change in trade payables	17'058	4'839
Change in customers' advance payments	50'625	70'382
Change in provisions	4'940	874
Change in other liabilities	32'662	30'874
Change in provision in equity	4'288	4'395
Adjustment for non-cash items	1'329	-484
Interest received	1'028	57
Interest paid	-3'324	-2'432
Income taxes paid	-18'804	-13'513
Total cash flow from operating activities	110'632	134'759
Cash flow from investing activities		
Purchase of property, plant and equipment	-16'175	-17'662
Sale of property, plant and equipment	4'165	520
Purchase of intangible assets	-4'282	-5'115
Sale of financial assets	3'208	-
Acquisition of group companies net of cash acquired	-	-11'820
Total cash flow from investing activities	-13'084	-34'077
Cash flow from financing activities		
Increase in financial liabilities	3'887	22'350
Decrease in financial liabilities	-25'779	-22'640
Purchase of treasury shares	-13'695	-
Acquisition of non-controlling interests	-	-51'500
Dividends paid	-25'597	-22'152
Total cash flow from financing activities	-61'184	-73'942
Currency translation differences on cash and cash equivalents	-8'301	-1'094
Net change in cash and cash equivalents	28'063	25'646
Cash and cash equivalents at beginning of period	101'016	75'370
Cash and cash equivalents at end of period	129'079	101'016
Net change in cash and cash equivalents	28'063	25'646

Consolidated statement of changes in equity

in CHF 1'000	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 04/01/2021	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
Balance at 04/01/2022	8'500	525	-2'136	1'594	-5'034	-156'005	394'895	242'339	550	242'889
Result for the period							69'942	69'942	59	70'001
Currency translation differences					-17'644			-17'644	-43	-17'687
Changes of cash flow hedges				1'384				1'384		1'384
Dividends paid							-25'430	-25'430	-167	-25'597
Changes in treasury shares			-13'695					-13'695		-13'695
Share-based payments (distributed)		49	59				-108			
Share-based payments (provision in equity)							4'288	4'288		4'288
Balance at 03/31/2023	8'500	574	-15'772	2'978	-22'678	-156'005	443'587	261'184	399	261'583

Segment reporting

in CHF '000

	Systems Division		Services Division		Others		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Sales	489'663	372'657	340'038	278'041	-	-	829'701	650'698
Cost of goods sold	-393'358	-301'384	-191'876	-158'470	-	-	-585'234	-459'854
Gross profit	96'305	71'273	148'162	119'571	-	-	244'467	190'844
Gross profit as % of sales	19.7%	19.1%	43.6%	43.0%	-	-	29.5%	29.3%
Operating income	30'294	21'108	75'041	58'353	-10'372	-9'125	94'963	70'336
Operating income as % of sales	6.2%	5.7%	22.1%	21.0%	-	-	11.4%	10.8%

Key dates for 2023 and 2024

July 1, 2023

Annual General Meeting

October 31, 2023

Results for the first half of 2023 (closing September 30, 2023)

June 4, 2024

Annual Report 2023 (closing March 31, 2024)

July 5, 2024

Annual General Meeting

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