

First-Half Results

for Fiscal Year 2024



We create leading compression solutions
for a sustainable energy future

Dear Shareholders,

In the first half of 2024, Burckhardt Compression delivered a strong order growth of 6%, a sales growth of 7% and a substantial increase in operating profit and net income of 15%. The Group confirms its guidance for the fiscal year 2024 and remains on track to achieve its updated Mid-Range Plan 2027.

At Burckhardt Compression, we continue to demonstrate our competitive positioning in markets transitioning towards a sustainable energy future. Our robust operational and financial performance in the first half of the fiscal year 2024 builds on the positive developments of the previous periods and demonstrates our inherent resilience. Following a period of normalization in 2023, the new equipment market is growing again, driven by the ongoing transition towards new energies, the global need for more energy related to GDP growth, and the increase in living standards. In this dynamic market, we continue to benefit from our strong market positioning with our traditional compressor solutions and our new offerings. The escalating crisis in the Middle East and the war in Ukraine had limited effect on Burckhardt Compression, demonstrating our resilience in the face of continued macroeconomic and geopolitical challenges. From an operational standpoint, both Divisions successfully delivered on their backlog, grew revenue, and increased gross margins. The resulting operating profit and net income increased significantly compared to the previous year. As previously stated, due to the distribution of project deliveries, we expect a stronger second half of the year. We confirm our fiscal year guidance and remain on track to achieve our 2027 Mid-Range Plan guidance, which was updated in June 2024 from CHF 1.1 to CHF 1.2 bn sales.

Markets growing again

Following a year of normalization, the overall market has trended positively in the first half of the fiscal year 2024.

In particular, we continue to see high demand levels for Hyper Compressors used in the production of ethylene-vinyl acetate (EVA) driven by expectations for strong solar panel growth in the coming years. Moreover, the growth of the middle class in Asia continues to support the LDPE-driven demand for our Hyper Compressors.

The markets for LPG ships remained very high, buoyed by the rising global energy demand and the resulting need to transport

energy from producing countries to consumption locations. In a closely related market, the expected substantial rise of green ammonia transport by ship has provided additional impulses, as evidenced by orders we secured for compressors for very large Ammonia Carriers.

Conversely, the Hydrogen Mobility and Energy (HME) market has been temporarily softening due to uncertainty created by elections in Europe and the USA and the delay in releasing final regulations and subsidies. Given hydrogen's significance in the transition towards more secure and sustainable energies, we expect this market to recover in the coming two years.

From a regional perspective, Europe and East Asia grew thanks to the marine market, while the USA was affected by the decrease in the HME market. The Chinese market continues its trend toward localizing its supply base, which we actively monitor and support with our factory in Shenyang.

The global service market was stable, with regional disparities reflecting the local economic situation. Europe, the USA, and India remained steady. The Middle East, Central Asia, and Eastern Europe have grown, while China softened temporarily due to uncertain macroeconomic conditions.

Significant growth in order intake, sales, operating profit, and net income

For the first half of the fiscal year 2024, we expanded our order backlog with a strong Group order intake of CHF 615.2 mn, representing 5.8% growth over the previous year period. Growth was again affected by the stronger Swiss Franc, amounting to 6.4% net of currency translation effects.

The strong sales growth of 7.1% to CHF 436.8 mn (7.7% net of currency translation effects) reflects the substantial ramp-up of deliveries in the Systems Division and increased revenue in the Services Division. Both Divisions increased gross margins, yielding a total gross margin of 29.3% (previous year: 26.7%). The resulting gross profit of CHF 127.9 mn was 17.4% above the prior year.

Key figures

in CHF 1'000	April-Sept. 2024	April-Sept. 2023	Change 2024/2023	Fiscal year 2023
Order intake	615'161	581'279	5.8%	1'124'724
Systems Division	452'843	409'403	10.6%	780'153
Services Division	162'318	171'876	-5.6%	344'571
Sales	436'787	407'707	7.1%	981'963
Gross profit	127'907	108'965	17.4%	262'063
Operating income (EBIT)	51'682	44'862	15.2%	121'385
Net income	37'237	32'443	14.8%	90'087
Total assets	1'100'589	1'004'594	9.6%	1'065'624
Total equity	276'047	247'174	11.7%	297'909
Earnings per share (in CHF)	10.99	9.61	14.4%	26.63
FTEs as per Sept. 30 / March 31	3'305	3'147	5.0%	3'243

Research & Development expenses increased by CHF 0.5 mn to CHF 13.8 mn (3.2% of sales) as we continue to develop innovative solutions for the Marine and Hydrogen Mobility and Energy markets as well as Digital Products and Services. Within the Systems Division, these efforts have resulted in the successful launch of a new solution for LNG carriers with low-pressure 2-stroke engines.

Overall, consolidated operating income (EBIT) increased by 15.2% to CHF 51.7 mn, leading to an EBIT margin of 11.8%, ahead of the previous year period of 11.0%.

With slightly higher financial expenses compared to the previous year period and a lower tax rate of 24.8% (previous year: 25.3%), the Group's net income increased to CHF 37.2 mn (+14.8% year-on-year). Additionally, we continue to effectively leverage our asset base to create value, as demonstrated by the high return on net operating assets (RONOA) of 28.6%, clearly above our Mid-Range Plan guidance of >25%. The CHF 100 mn bond, which expired on 30 September 2024, was renewed and increased to CHF 150 mn at a similar interest rate as before.

Systems Division: Strong sales growth and even stronger profit increase

The Systems Division achieved a strong order intake of CHF 452.8 mn in the first half of the fiscal year 2024, representing a growth of 10.6% (11.2% net of currency translation effects). This figure includes orders for several Hyper Compressors in China and Saudi Arabia and a further growth of orders for LPG marine compressors.

The Systems Division continued to focus on the execution of its sizeable order backlog, strengthening partnership agreements with key suppliers to deliver the planned projects in the period despite geopolitical tensions. This yielded sales of CHF 270.6 mn in the period under review, translating into a growth of 9.2% (9.9% net of currency translation effects). Gross margins increased from 16.3% to 18.6% thanks to a good factory load, a favorable product mix, and the realization of project savings from a new, reinforced approach to

value engineering.

The operating profit of the Systems Division reached CHF 17.1 mn, a 25.8% increase compared to the previous year period. The resulting EBIT margin of 6.3% was 0.8 percentage points higher than in the previous year, representing a further step in the sustainable growth of the Division.

Services Division: Further sales growth and profitability increase

In the first half of the fiscal year 2024, order intake for the Services Division fell by 5.6% (-5.1% net of currency translation effects) to CHF 162.3 mn. The main reason for the decrease was the closing of three service centers in the USA to focus on higher margin locations. On the other hand, our strategy to grow with differentiating engineering content to support customers in their digitalization and sustainability journey continued to generate additional orders. In particular, we won larger revamp and installation projects in Poland, Egypt, and South Korea. In addition, the Division grew its dry-dock activities in the Marine segment. In India, we also benefited from the acquisition in the previous year of thousands of drawings from a compressor manufacturer that went bankrupt. This enabled us to add more than 250 compressors to our installed base, from which we are now generating business.

Sales of the Services Division rose 4.0% year-on-year to CHF 166.2 mn (4.5% net of currency translation effects). The Division significantly increased its gross margin, from 42.8% in the previous year to 46.7%. This is mainly due to high utilization and an increase in spare parts in the sales mix. The EBIT in the first half of the fiscal year 2024 reached CHF 39.4 mn, a 6.7% increase compared to the previous year period, primarily thanks to the higher gross margin. This led to a further increase in the EBIT margin to 23.7% (previous year period: 23.1%).

During the period under review, the Services Division strengthened its digital offering with the launch of the new UP! Insight Services,

Letter to Shareholders

which provides customers with real-time machine diagnostics and operational analytics. This new digital service supports and complements our maintenance offering, allowing customers to increase machine uptime.

In our ongoing endeavors to support our customers in their CO₂ emission-reduction efforts, we continued to roll out our new diagnostic services, BC ACTIVATE, which provides customers an overview of their installed base and invaluable insights to aid emission reduction and increase uptime.

On track to reach our sustainability targets

Key projects on our sustainability roadmap have made clear progress. Following our greenhouse gas emission reduction plan, we have successfully installed solar panels on our factory's roof in Winterthur, Switzerland, with an expected energy production of around 363 MWh per year. Our operations in the USA and Germany have switched to 100% renewable electricity. Furthermore, we are strengthening our eco-design approach in a cross-functional team as a key action to reduce energy consumption of our compressor systems and components. In the first half-year we were able to execute or start over 30 upgrade and revamp projects with energy efficiency or emission reduction impacts for our customers. Moreover, we are strengthening our Health and Safety engagement with the roll-out of our global minimum standards. Our Lost Time Injury Rate for the first half of the calendar year 2024 was 0.52, clearly below our target of <0.7.

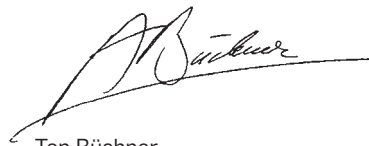
Outlook confirmed for the fiscal year 2024

With the strong order intake of the first half year, our backlog continued to grow, providing additional visibility and confidence in delivering on our fiscal year 2024 guidance. As previously communicated, we expect the second half of the fiscal year 2024 to be stronger than the first half in terms of Group sales and EBIT due to the distribution of project deliveries. We confirm our guidance for Group sales of CHF 1.0 bn to 1.1 bn for the fiscal year 2024. We also expect to reach an EBIT margin similar to the previous fiscal year. Going forward, we will continue our journey towards a sustainable energy future by prioritizing customer orientation, innovation, and operational excellence to reach our Mid-Range Plan guidance.

Acknowledgments

We are immensely grateful for the dedication and hard work our employees demonstrate worldwide. Their drive, passion, and commitment have been instrumental in achieving these strong results. We also extend our gratitude to our shareholders and customers for their trust and for being an integral part of our sustainable growth journey. Their support and feedback are invaluable.

Kind regards,



Ton Büchner
Chairman of the Board of Directors



Fabrice Billard
CEO

Winterthur, November 5, 2024

Dates for shareholders:

June 5, 2025	Annual Report 2024 (closing March 31, 2025)
July 5, 2025	Annual General Meeting

Consolidated income statement

in CHF 1'000	First half 2024 April–Sept. 2024	First half 2023 April–Sept. 2023	2023 fiscal year April 2023–March 2024
Sales	436'787	407'707	981'963
Cost of goods sold	-308'880	-298'742	-719'900
Gross profit	127'907	108'965	262'063
Selling and marketing expenses	-37'185	-34'181	-70'555
General and administrative expenses	-26'273	-24'957	-48'889
Research and development expenses	-13'817	-13'336	-26'648
Other operating income	20'605	24'147	48'794
Other operating expenses	-19'555	-15'776	-43'380
Operating income	51'682	44'862	121'385
Financial income and expenses	-2'148	-1'426	-3'388
Earnings before taxes	49'534	43'436	117'997
Income tax expenses	-12'297	-10'993	-27'910
Net income	37'237	32'443	90'087
Share of net income attributable to shareholders of Burckhardt Compression Holding AG	37'214	32'416	89'988
Share of net income attributable to non-controlling interests	23	27	99
Basic earnings per share (in CHF)	10.99	9.61	26.63
Diluted earnings per share (in CHF)	10.99	9.61	26.63

Consolidated balance sheet

in CHF 1'000	First half 2024 09/30/2024	First half 2023 09/30/2023	2023 fiscal year 03/31/2024
Non-current assets			
Intangible assets	11'659	13'412	12'066
Property, plant and equipment	169'955	170'873	173'132
Deferred tax assets	16'909	17'137	17'751
Other assets	5'764	3'793	5'188
Total non-current assets	204'287	205'215	208'137
Current assets			
Inventories	346'412	334'361	316'762
Trade receivables	360'947	260'375	359'978
Other current receivables	63'081	72'493	65'456
Prepaid expenses and accrued income	5'735	5'926	8'044
Cash and cash equivalents	120'127	126'224	107'247
Total current assets	896'302	799'379	857'487
Total assets	1'100'589	1'004'594	1'065'624
Equity			
Share capital	8'500	8'500	8'500
Capital reserves	1'377	1'368	1'354
Treasury shares	-6'452	-6'553	-6'553
Retained earnings and other reserves	272'239	243'508	294'184
Equity attributable to shareholders of Burckhardt Compression Holding AG	275'664	246'823	297'485
Non-controlling interests	383	351	424
Total equity	276'047	247'174	297'909
Liabilities			
Non-current liabilities			
Non-current financial liabilities	184'715	161'369	62'865
Deferred tax liabilities	17'168	14'470	15'940
Non-current provisions	15'203	14'247	16'732
Other non-current liabilities	1'913	2'884	2'173
Total non-current liabilities	218'999	192'970	97'710
Current liabilities			
Current financial liabilities	1'575	16'816	106'639
Trade payables	137'581	116'933	143'242
Customers' advance payments	248'911	243'948	209'845
Other current liabilities	69'969	41'770	59'084
Accrued liabilities and deferred income	111'639	116'267	114'268
Current provisions	35'868	28'716	36'927
Total current liabilities	605'543	564'450	670'005
Total liabilities	824'542	757'420	767'715
Total equity and liabilities	1'100'589	1'004'594	1'065'624

Consolidated cash flow statement

in CHF 1'000	First half 2024 April–Sept. 2024	First half 2023 April–Sept. 2023	2023 fiscal year April 2023–March 2024
Cash flow from operating activities			
Net income	37'237	32'443	90'087
Income tax expenses	12'297	10'993	27'910
Financial income and expenses	2'148	1'426	3'388
Depreciation	9'330	8'861	15'476
Amortization	1'867	2'253	3'444
Change in inventories	-38'937	-53'287	-84'120
Change in trade receivables	-12'452	-22'705	-122'060
Change in other current assets	404	-6'733	-2'490
Change in trade payables	-2'240	11'512	37'542
Change in customers' advance payments	44'816	29'541	42'950
Change in provisions	-681	-921	9'832
Change in other liabilities	11'410	12'020	18'427
Change in provision in equity	2'174	4'496	987
Adjustment for non-cash items	7'982	-844	1'855
Interest received	971	814	1'897
Interest paid	-1'945	-1'418	-4'104
Income taxes paid	-9'900	-12'278	-23'206
Total cash flow from operating activities	64'481	16'173	17'815
Cash flow from investing activities			
Purchase of property, plant and equipment	-9'282	-10'380	-19'120
Sale of property, plant and equipment	151	179	117
Purchase of intangible assets	-1'695	-3'644	-3'420
Purchase of other assets	-55	-	-2'893
Sale of other assets	6	-	32
Total cash flow from investing activities	-10'875	-13'845	-25'284
Cash flow from financing activities			
Increase in financial liabilities	150'000	41'621	34'764
Decrease in financial liabilities	-133'154	-	-1'774
Purchase of treasury shares	-	-526	-527
Acquisition of non-controlling interests	-	-	-
Dividends paid	-52'486	-40'388	-40'437
Total cash flow from financing activities	-35'640	707	-7'974
Currency translation differences on cash and cash equivalents	-5'086	-5'890	-6'389
Net change in cash and cash equivalents	12'880	-2'855	-21'832
Cash and cash equivalents at beginning of period	107'247	129'079	129'079
Cash and cash equivalents at end of period	120'127	126'224	107'247
Net change in cash and cash equivalents	12'880	-2'855	-21'832

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 April 1, 2023	8'500	574	-15'772	2'978	-22'678	-156'005	443'587	261'184	399	261'583
Net income							32'416	32'416	27	32'443
Currency translation differences					-10'537			-10'537	-75	-10'612
Changes of cash flow hedges				178				178		178
Dividends paid							-40'388	-40'388		-40'388
Purchase of treasury shares			-526					-526		-526
Share-based payments (distributed)		794	9'745				-10'539	-		-
Share-based payments (provision in equity)							4'496	4'496		4'496
Balance at September 30, 2023	8'500	1'368	-6'553	3'156	-33'215	-156'005	429'572	246'823	351	247'174
Balance at April 1, 2024	8'500	1'354	-6'553	-2'721	-30'738	-156'005	483'648	297'485	424	297'909
Net income							37'214	37'214	23	37'237
Currency translation differences					-10'083			-10'083	-15	-10'098
Changes of cash flow hedges				1'360				1'360		1'360
Dividends paid							-52'486	-52'486	-49	-52'535
Purchase of treasury shares			-					-		-
Share-based payments (distributed)		23	101				-124	-		-
Share-based payments (provision in equity)							2'174	2'174		2'174
Balance at September 30, 2024	8'500	1'377	-6'452	-1'361	-40'821	-156'005	470'426	275'664	383	276'047

Notes to the Consolidated Interim Financial Statements

1. Basis of preparation

The unaudited interim consolidated financial statements, prepared in accordance with Swiss GAAP FER, were approved by the Board of Directors on November 4, 2024. This is a condensed interim report pursuant to Swiss GAAP FER 31 "Complementary recommendations for listed companies".

Since the consolidated interim financial statements do not include all the information contained in consolidated annual financial statements, they should be read in conjunction with the consolidated annual financial statements for the year ended March 31, 2024. The current accounting standards are congruent with the accounting standards used to prepare the 2023 financial statements.

2. Segment reporting

in CHF 1'000

	Systems Division				Services Division			
	HY 2024 April–Sept. 2024	HY 2023 April–Sept. 2023	Change 2024/2023	FY 2023 April 2023– March 2024	HY 2024 April–Sept. 2024	HY 2023 April–Sept. 2023	Change 2024/2023	FY 2023 April 2023– March 2024
Sales	270'579	247'863	9.2%	642'812	166'208	159'844	4.0%	339'151
Cost of goods sold	-220'232	-207'370		-534'477	-88'648	-91'372		-185'423
Gross profit	50'347	40'493	24.3%	108'335	77'560	68'472	13.3%	153'728
Gross profit as % of sales	18.6%	16.3%		16.9%	46.7%	42.8%		45.3%
Operating income	17'089	13'581	25.8%	47'574	39'392	36'903	6.7%	83'462
Operating income as % of sales	6.3%	5.5%		7.4%	23.7%	23.1%		24.6%

in CHF 1'000

	Others				Total			
	HY 2024 April–Sept. 2024	HY 2023 April–Sept. 2023	Change 2024/2023	FY 2023 April 2023– March 2024	HY 2024 April–Sept. 2024	HY 2023 April–Sept. 2023	Change 2024/2023	FY 2023 April 2023– March 2024
Sales					436'787	407'707	7.1%	981'963
Cost of goods sold					-308'880	-298'742		-719'900
Gross profit					127'907	108'965	17.4%	262'063
Gross profit as % of sales					29.3%	26.7%		26.7%
Operating income	-4'799	-5'622	-14.6%	-9'651	51'682	44'862	15.2%	121'385
Operating income as % of sales					11.8%	11.0%		12.4%

3. Business combinations and other changes in the scope of consolidation

There were no changes in the scope of consolidation in the first half year 2024 and in the full fiscal year 2023.

4. Financial liabilities

Burckhardt Compression issued a bond in the amount of CHF 150 mn with a coupon of 1.5606% due on September 30, 2028 (at par). The issue price was 100% of the nominal value. The bond is listed on the SIX Swiss Exchange.

The previous bond in the amount of CHF 100 mn was repayed as of September 30, 2024.

5. Events after the balance sheet date

There were no significant events after the balance sheet date.

Contact

About Burckhardt Compression

Burckhardt Compression creates leading compression solutions for a sustainable energy future and the long-term success of its customers. Together with its brands Burckhardt Compression, PROGNOST, SAMR Métal Rouge and Shenyang Yuanda Compressor, the Group is the only global manufacturer that covers a full range of reciprocating compressor technologies and services. Its customized and modularized compressor systems are used in the Chemical/Petrochemical, Gas Transport & Storage, Hydrogen Mobility & Energy and Industrial Gas sectors as well as for applications in Refinery and Gas Gathering & Processing. Since 1844, its passionate, customer-oriented and solution-driven workforce has set the benchmark in the gas compression industry.

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This document may contain forward-looking statements, including but not limited to projections of financial results, market activity and future product developments. These forward-looking statements are subject to change based on known or unknown risks and various other factors that could cause actual results or performance to differ materially from the statements made herein.

The 2023 Annual Report and the Half-year Report 2024 can be downloaded from our website at www.burckhardtcompression.com/financial-reports.



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