

Media release on Annual Report 2015

Mikron records positive EBIT

Biel, 8 March 2016, 7.00 a.m. – In 2015 the Mikron Group was able to increase annual order intake from CHF 244.8 million to CHF 264.6 million. The Group reported a decrease in annual sales from CHF 249.1 million to CHF 228.6 million (-8%). Despite the difficult business climate, the Mikron Group recorded positive EBIT of CHF 2.5 million (prior year: CHF 4.6 million). While the Automation business segment again achieved a significant improvement in profitability, the Machining business segment fell well short of the corresponding figures for the prior year. The Board of Directors will be proposing to the Annual General Meeting a distribution from reserves from capital contributions of CHF 0.05 per share (prior year: CHF 0.05 per share).

The Mikron Group reported order intake of CHF 264.6 million in 2015, representing a sizeable increase over the prior year (CHF 244.8 million, +8%). In local currencies, the growth amounted to 9%. The low prior-year figure for the Machining business segment meant that its increase was somewhat more pronounced than in the Automation business segment. In both segments, the growth was generated entirely in the second half of the year. Considerable differences between the individual sites were also evident within each of the two segments.

Net sales and capacity utilization

Adjusted for currency, the Mikron Group's annual sales were only around 1% below the prior-year level. In actual terms, net sales were down by 8% to CHF 228.6 million in the year under review (prior year: CHF 249.1 million). Both business segments posted lower figures than in 2014: Mikron Automation CHF 114.9 million (prior year: CHF 126.8 million, -9%) and Mikron Machining CHF 113.8 million (prior year: CHF 123.8 million, -8%). The Mikron Group's capacity utilization rate in the first half of 2015 was generally unsatisfactory, and even critical at individual sites. It improved considerably in the course of the second half.

Order backlog

At CHF 142.9 million, the Mikron Group's order backlog at the end of 2015 was 22% higher than the corresponding prior-year figure, with orders in hand still very unevenly distributed over the sites. Some orders relate to financially attractive longer-term projects which are not scheduled for completion in 2016.

Profitability

In 2015, the Mikron Group reported EBIT of CHF 2.5 million, equating to an EBIT margin of 1.1%. Oneoff, currency exchange effects at the beginning of the year had a negative impact of just under CHF 2 million on projects in progress. Even allowing for this one-off effect, the Mikron Group's profitability is still well short of the strategic targets. Whereas the EBIT of CHF 4.3 million (prior year: CHF 2.7 million) posted by the Automation business segment represents a further significant improvement in profitability, the Machining business segment suffered another setback, reporting EBIT of -4.3 million (prior year: CHF -0.6 million). This mainly reflects the significant fluctuations in order intake at a disappointingly low level and the related capacity

utilization problems. The operating result was impacted not only by an uneven distribution of workload, but also by lower margins and by additional costs during the final phase of several customer projects. The strong performance by Mikron Machining's tool and service business was not sufficient to offset these negative factors.

Net earnings

Mikron's net earnings for 2015 were CHF 0.9 million, compared to CHF 2.2 million in the prior year. The Board of Directors will be proposing to the Annual General Meeting a distribution from reserves from capital contributions of CHF 0.05 per share (prior year: CHF 0.05 per share).

Outlook

The Mikron Group expects the market environment to stay challenging in 2016. The Swiss companies' margins will remain under heavy pressure. The Group continues to anticipate robust demand for automation solutions in Europe and the USA from the pharmaceutical, medical devices and consumer goods industries. The situation in the automotive industry is still very uncertain. While this market is extremely important for Mikron Machining in particular, for the Group as a whole it is likely to lose in significance compared to the pharmaceutical and medical devices industries. Mikron is projecting an increase in order intake in Asia following efforts to strengthen the sales organization. The Group is also expecting moderate growth in demand for tools. Thanks to a good order intake level in the fourth quarter of 2015, Mikron is looking to the 2016 financial year with confidence. The Group is expecting a considerable increase in sales and an improved EBIT margin, and anticipates a much stronger second half of the year.

Key figures for the Mikron Group in 2015

	2015	2014	+/-
CHF million (except number of employees)			
Order intake	264.6	244.8	8.1%
- Machining	120.2	110.9	8.4%
- Automation	144.9	134.5	7.7%
Net sales	228.6	249.1	-8.2%
- Machining	113.8	123.8	-8.1%
- Automation	114.9	126.8	-9.4%
Order backlog	142.9	117.4	21.7%
- Machining	43.8	46.9	-6.6%
- Automation	99.5	70.1	41.9%
Number of employees	1,181	1,162	1.6%
- Machining	598	560	6.8%
- Automation	563	582	-3.3%
EBIT	2.5	4.6	-45.7%
- Machining	-4.3	-0.6	n.a.
- Automation	4.3	2.7	59.3%
Profit for the year	0.9	2.2	-59.1%
Operating cash flow	15.5	6.7	131.3%
Balance sheet total	243.9	237.3	2.8%
Equity ratio	63.4%	65.5%	-0.5%

Publication of annual results for 2015

The annual results will be published at the same time as this media release in the form of the 2015 Annual Report: www.mikron.com/reports

Brief profile of the Mikron Group

The Mikron Group develops, produces and markets automation and machining systems that enable extremely precise and productive manufacturing processes. Rooted in the Swiss culture of innovation, the group is a globally leading partner to companies in the automotive, medical devices, pharmaceutical, consumer goods, writing instruments and watchmaking industries. The two divisions, Mikron Automation and Mikron Machining, are based in Switzerland (Boudry and Agno). The company has additional production facilities in Germany, Singapore, China and the US. The 1,200 employees of the Mikron Group can draw on over 100 years of experience in the production of high-precision systems for large-series product manufacture. Mikron Holding AG shares are traded on SIX Swiss Exchange (MIKN).

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Investor Relations Calendar of Events

12 April 2016, 04.00 p.m. – Annual General Meeting 2016

26 July 2016, 07.00 a.m. – Media release: Semiannual results 2016

Except for the historical information contained herein, the statements in this media release are forward-looking statements that involve risks and uncertainties.

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