

Media release on semiannual results 2016

## **The Mikron Group reaches its first-half targets: sales growth and positive EBIT**

**Biel/Bienne, July 26, 2016, 7 p.m. – In the first half of 2016, the Mikron Group achieved a significant year-on-year increase in first-half sales and, as expected, positive EBIT. The Automation business segment performed very well, whereas the Machining business segment suffered from hesitant investment in the segments it serves within the automotive industry. As communicated earlier, the Mikron Group anticipates closing the 2016 financial year on considerably higher sales and an improved EBIT margin.**

Operating conditions remained very demanding for the Mikron Group in the first half of 2016. While the strong Swiss franc continued to have a negative impact on the sites in Switzerland, the Mikron Group nevertheless reported a higher order intake of CHF 124.7 million for the period (first half of 2015: CHF 118.3 million, +5%). This increase is due entirely to the Automation business segment, which benefited from its strong market position in the pharmaceutical and medical devices industries. Buoyed by continuing solid growth, customers in this market segment invested in automation systems. On the other hand, customers in the automotive industry – Mikron Machining's key market segment – were very reluctant to invest. Consequently, the Machining business segment recorded fewer orders than expected – especially from the German market. Mikron Machining did, however, witness an encouraging volume of orders from customers in the electronics industry.

Reporting sales of CHF 127.0 million, the Mikron Group achieved a sizable year-on-year increase (first half of 2015: CHF 107.8 million, +18%), as expected. Both business segments lifted sales, but the increase at Mikron Automation was considerably more pronounced than at Mikron Machining. The Automation business segment's result reflects the healthy order backlog at the beginning of the year and the gratifying level of new orders. These two key indicators were considerably weaker at Mikron Machining, leading to underutilized production capacity on certain product lines.

In the first half of 2016, the Mikron Group generated EBIT of CHF 1.3 million, exceeding the year-back figure (CHF -2.7 million), which had been significantly impacted by the strengthened Swiss franc. Whereas the Automation business segment saw a further improvement in profitability, the Machining business segment unfortunately fell well short of that.

### **Outlook**

Sales and EBIT in the first half of 2016 were generally as expected. In terms of the final six months of 2016, the Mikron Group is projecting continued lively demand for automation systems from the pharmaceutical and medical devices industries as well as from the consumer goods segment – above all on the part of customers from the US and Europe. Demand from the automotive industry, which is especially crucial to Mikron Machining, remains highly uncertain. By contrast, the inquiries received from the writing instruments and electronics industries

constitute a positive development. The Mikron Group is expecting demand in the service and spare-parts business to be stable and is looking ahead to further growth in the tool business.

As communicated earlier, the Mikron Group anticipates closing the 2016 financial year on considerably higher sales and an improved EBIT margin. It is not clear yet how the UK's decision to leave the EU and political developments in Turkey will impact on the Mikron Group's profitability.

### Key figures for the Mikron Group in the first half year 2016

CHF million, except number of employees and equity ratio	1.1.–30.6.16	1.1.–30.6.15	+/-
<b>Order intake</b>	<b>124.7</b>	<b>118.3</b>	<b>5.4%</b>
- Machining	56.8	62.5	-9.1%
- Automation	68.1	56.1	21.4%
<b>Net sales</b>	<b>127.0</b>	<b>107.8</b>	<b>17.8%</b>
- Machining	59.2	52.7	12.3%
- Automation	68.0	55.1	23.4%
<b>Order backlog</b>	<b>139.5</b>	<b>124.1</b>	<b>12.4%</b>
- Machining	40.6	54.1	-25.0%
- Automation	98.9	69.9	41.5%
<b>EBIT</b>	<b>1.3</b>	<b>-2.7</b>	<b>n/a</b>
<b>Profit/Loss for the year</b>	<b>0.4</b>	<b>-3.9</b>	<b>n/a</b>
<b>Operating cash flow</b>	<b>8.7</b>	<b>-2.4</b>	<b>n/a</b>
	<b>30.6.16</b>	<b>30.6.15</b>	<b>+/-</b>
<b>Number of employees</b>	<b>1,222</b>	<b>1,172</b>	<b>4.3%</b>
- Machining	606	577	5.0%
- Automation	595	575	3.5%
	<b>30.6.16</b>	<b>31.12.15</b>	<b>+/-</b>
<b>Balance sheet total</b>	<b>248.5</b>	<b>243.9</b>	<b>1.9%</b>
<b>Equity ratio</b>	<b>62.0%</b>	<b>63.4%</b>	<b>-1.4%</b>

**Publication of semiannual results for 2016**

The semiannual results will be published at the same time as this media release in the form of the 2016 Semiannual Report: [www.mikron.com/reports](http://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).

**Contact**

Mikron Management AG, Martin Blom, CFO Mikron Group  
Phone +41 91 610 62 09, [ir.mma@mikron.com](mailto:ir.mma@mikron.com)

**Download Media Release**

[www.mikron.com/news](http://www.mikron.com/news)

**Investor Relations Calendar of Events**

March 16, 2017, 07.00 a.m. – Media release: Publication of the 2016 Annual Report

March 16, 2017, 10.00 a.m. – Media and analysts conference

April 25, 2017, 04.00 p.m. – Annual General Meeting 2017

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

Mikron® is a trademark of Mikron Holding AG, Biel (Switzerland).