

# Alternative Performance Measures

# Alternative Performance Measures

In external communications, Mikron discloses performance measures that are not defined in Swiss GAAP FER. The description and, where applicable, the calculation from performance measures as per Swiss GAAP FER are listed below.

## Order intake

Order intake includes all customer orders for goods and services received from customers, irrespective of whether the goods and services have been delivered or not. Blanket orders are only recognized as order intake when the goods are being called off.

## Order backlog

The order backlog represents that part of the cumulative past order intake that has not yet been recognized as sales at the current balance sheet date. The order backlog equals the amount of sales that will, applying the current exchange rates of the orders, be realized when all open customer orders are concluded. The order backlog of customer projects managed applying the percentage of completion method corresponds to the order intake less the accrued sales according to the stage of completion of each project.

## EBITDA

The earnings before interest, taxes, depreciation and amortization (EBITDA) represent the total of the operating and non-operating result, adding back the depreciation for tangible assets, the amortization for intangible assets and the revaluation of the investment property.

EBITDA	2019	2018	Reference
Operating result	13,956	12,737	Consolidated income statement
+ Non-operating result	161	1,132	Consolidated income statement
+ Depreciation of tangible assets	6,885	6,242	Consolidated income statement
+ Amortization of intangible assets	1,375	1,704	Consolidated income statement
+ Revaluation investment property	493	386	Note 5.7
<b>EBITDA</b>	<b>22,870</b>	<b>22,201</b>	

## EBIT

The earnings before interest and taxes (EBIT) represent the total of the operating and non-operating result.

EBIT	2019	2018	Reference
Operating result	13,956	12,737	Consolidated income statement
+ Non-operating result	161	1,132	Consolidated income statement
<b>EBIT</b>	<b>14,117</b>	<b>13,869</b>	

## Operating free cash flow

The operating free cash flow represents the total of the cash flow from operating activities and the cash flow from investing activities, the latter excluding the investments in and divestments of financial assets.

Operating free cash flow	2019	2018	Reference
Cash flow from operating activities	7,281	20,107	Consolidated statement of cash flow
+ Cash flow from investing activities	-52	-13,679	Consolidated statement of cash flow
– Investments in financial assets	0	-9,336	Consolidated statement of cash flow
– Divestments of financial assets	10,688	7,542	Consolidated statement of cash flow
<b>Operating free cash flow</b>	<b>-3,459</b>	<b>8,222</b>	

## Free cash flow

The free cash flow represents the total of the cash flow from operating activities and the cash flow from investing activities.

Free cash flow	2019	2018	Reference
Cash flow from operating activities	7,281	20,107	Consolidated statement of cash flow
+ Cash flow from investing activities	-52	-13,679	Consolidated statement of cash flow
<b>Free cash flow</b>	<b>7,229</b>	<b>6,428</b>	

## Net working capital

The net working capital is the net amount of the current assets and the current liabilities that stand in relation to the business activities.

Net working capital	2019	2018	Reference
Accounts receivable	21,889	24,110	Consolidated balance sheet
+ Inventories	61,171	65,532	Consolidated balance sheet
+ Net assets from customer projects	40,764	41,460	Consolidated balance sheet
+ Other current receivables	4,800	5,302	Consolidated balance sheet
+ Prepaid expenses	5,276	3,977	Consolidated balance sheet
– Accounts payable	20,205	25,971	Consolidated balance sheet
– Net liabilities from customer projects	39,621	51,341	Consolidated balance sheet
– Short-term provisions	9,791	5,805	Consolidated balance sheet
– Other current liabilities	3,536	4,316	Consolidated balance sheet
– Accrued expenses	18,969	20,629	Consolidated balance sheet
<b>Net working capital</b>	<b>41,778</b>	<b>32,319</b>	

## Net debt

The net debt compares financial assets and financial liabilities.

Net debt	2019	2018	Reference
– Cash and cash equivalents	37,992	27,567	Consolidated balance sheet
– Current financial assets	6,152	17,033	Consolidated balance sheet
+ Derivative financial instruments	33	186	Note 5.1
+ Short-term financial liabilities	11,527	1,967	Consolidated balance sheet
+ Long-term financial liabilities	10,063	8,605	Consolidated balance sheet
<b>Net debt</b>	<b>-22,521</b>	<b>-33,842</b>	

## Equity ratio

The equity ratio corresponds to the Group's total equity divided by the balance sheet total.

Equity ratio	2019	2018	Reference
Total shareholders' equity	169,220	164,309	Consolidated balance sheet
Total assets	289,512	289,521	Consolidated balance sheet
<b>Equity ratio</b>	<b>58.5%</b>	<b>56.8%</b>	

## Number of employees

The number of employees is the total of the full-time equivalent of all employees. The total headcount is higher than the Group's full-time equivalent as not all employees are working full-time.