

2020

Semiannual Report

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

Dear Shareholders,

The coronavirus and the accelerated change in the automotive industry have had a strong impact on the first half of our fiscal year 2020. The individual sites were affected by the pandemic to varying degrees. Demand fell particularly in the Machining Solutions business segment for our machine manufacturing and in the Automation business segment for our two sites in Berlin and Kaunas, which operate exclusively for the automotive industry. We do not expect a rapid recovery in either of these areas. We have therefore initiated a restructuring program for the machine manufacturing with a significant reduction in capacity. In the Automation business segment, we divested the two automotive industry sites on July 1, 2020. The associated restructuring costs impacting the operating result amount to CHF 15.9 million.

The Mikron Group's sales fell by 31.4% to CHF 121.3 million in the first half of 2020. EBIT before restructuring costs fell to CHF -5.7 million (first half of 2019: CHF 7.5 million).

Even in these challenging times, the Mikron Group has a sound financial base and good liquidity.

Encouragingly, demand from the pharmaceutical and medtech industries remained stable at all times in the Automation business segment during the first half of 2020. For the second half of 2020, we anticipate good capacity utilization in this area and – following the sale of the Berlin and Kaunas sites – good earnings. In anticipation of the continued successful development of this business, we have started work on the expansion of the assembly hall in Boudry.

Overall, we currently expect sales for 2020 as a whole to be significantly lower than in 2019. Due to the continuing very sluggish demand from the automotive industry, we also expect an EBIT loss in the second half of the year in the range of the first half (before restructuring costs).



Heinrich Spoerry,
Chairman of the Board of Directors



Bruno Cathomen,
Chief Executive Officer

Key Figures for the First Half Year 2020

in CHF million, except number of employees	1.1.–30.6.2020		1.1.–30.6.2019		+/-	
Key performance data						
Order intake	125.7		163.9		-38.2	-23.3%
Machining Solutions	37.2		75.2		-38.0	-50.5%
Automation	88.5		88.8		-0.3	-0.3%
Net sales	121.3		176.8		-55.5	-31.4%
Machining Solutions	47.3		83.6		-36.3	-43.4%
Automation	74.1		94.1		-20.0	-21.3%
Order backlog ¹⁾	155.0		183.3		-28.3	-15.4%
Machining Solutions	28.9		60.8		-31.9	-52.5%
Automation	126.2		122.3		3.9	3.2%
Number of employees ¹⁾ (end of period)	1,361		1,465		-104	-7.1%
Machining Solutions	655		704		-49	-7.0%
Automation	678		732		-54	-7.4%
Earnings						
Earnings before interest, taxes, depreciation and amortizations (EBITDA) ¹⁾ , as % of net sales	-8.1	-6.7%	11.9	6.7%	-20.0	n.a.
Earnings before interest and taxes (EBIT) ¹⁾ before restructuring costs, as % of net sales	-5.7	-4.7%	7.5	4.2%	-13.2	n.a.
Machining Solutions	-9.0	-19.0%	1.7	2.0%	-10.7	n.a.
Automation	2.9	3.9%	6.4	6.8%	-3.5	-54.7%
Earnings before interest and taxes (EBIT) ¹⁾ , as % of net sales	-21.6	-17.8%	7.5	4.2%	-29.1	n.a.
Machining Solutions	-16.9	-35.7%	1.7	2.0%	-18.6	n.a.
Automation	-5.1	-6.9%	6.4	6.8%	-11.5	n.a.
Operating result, as % of net sales	-21.4	-17.6%	7.5	4.2%	-28.9	n.a.
Loss/profit, as % of net sales	-24.0	-19.8%	4.7	2.7%	-28.7	n.a.
Cash flow						
Cash flow from operating activities (incl. changes in net working capital), as % of net sales	8.4	6.9%	-12.0	-6.8%	20.4	n.a.
Balance sheet						
	30.6.2020		31.12.2019			
Balance sheet total	266.2		289.5		-23.3	-8.0%
Current assets	160.7		178.0		-17.3	-9.7%
Cash and current financial assets	45.4		44.1		1.3	2.9%
Non-current assets	105.5		111.5		-6.0	-5.4%
Current liabilities	104.2		103.6		0.6	0.6%
Long-term liabilities	16.7		16.6		0.1	0.6%
Shareholders' equity, as % of balance sheet total	145.2	54.6%	169.2	58.5%	-24.0	-14.2%

1) Alternative performance measures, see page 19.

Mikron Group

Machining Solutions

Automation

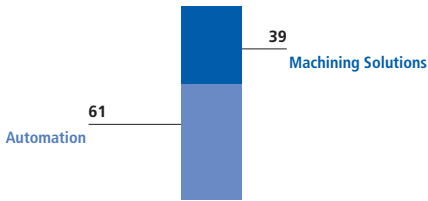
Sales in CHF

121.3 million

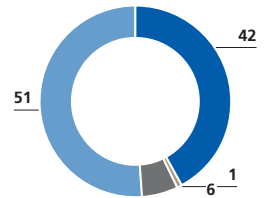
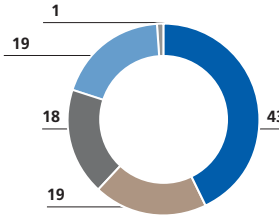
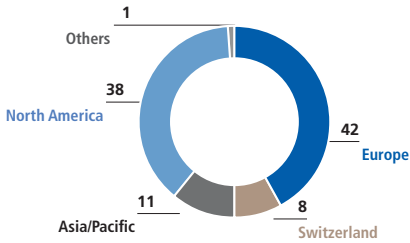
47.3 million

74.1 million

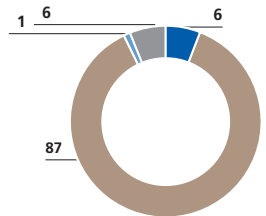
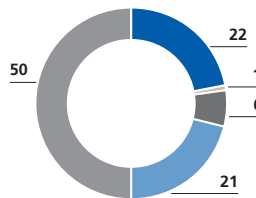
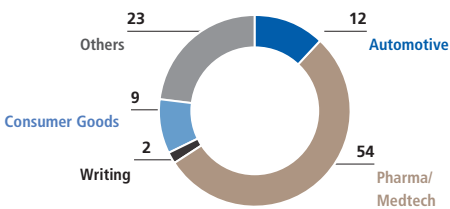
By segment in %



By region in %



By industry in %



Management Report

For the Mikron Group, the first half of 2020 was characterized by a very low order intake from the automotive industry. The outbreak of the corona pandemic aggravated the situation. The massive drop in demand particularly affected the machine manufacturing of the Mikron Machining Solutions business segment and the Berlin site of Mikron Automation. Mikron has initiated a restructuring program for the machine manufacturing business with a significant reduction in capacity. In the Automation business segment, Mikron divested its two sites in Berlin and Kaunas, which serve the automotive industry exclusively, on 1 July 2020. The continuing good results of the Mikron Automation business segment's sites, which are mainly active in pharmaceutical and medical technology, are encouraging.

Order intake

At CHF 125.7 million, the Mikron Group's order intake for the first half of 2020 is well below the corresponding figure for the first half of 2019 (CHF 163.9 million). This is due on one hand to the general and very sharp drop in demand from the automotive industry and on the other hand to the effects of the corona pandemic. While the Mikron Automation business segment almost matched the high order intake of the first half of 2019 thanks to good business in the pharmaceutical and medtech industries, Mikron Machining Solutions was virtually unable to initiate new business for several weeks due to the general uncertainty and the numerous interruptions to operations and contact bans on customers and suppliers in its main sales market caused by the pandemic.

Sales

The Mikron Group's sales fell from CHF 176.8 million in the first half of 2019 to CHF 121.3 million in the first half of 2020 (-31.4%).

With a 50% share of sales, Europe (including Switzerland) remained the Mikron Group's principal sales market in the first half of 2020. Sales here fell by 39% compared with the first

half of 2019. Sales in the USA rose by 9% compared with the first half of 2019, while sales in Asia fell by 52%.

Order backlog and capacity utilization

At CHF 155.0 million, the Mikron Group's order backlog at the end of June 2020 was 15.4% below the corresponding figure at the end of June 2019 and around 1.5% below the figure at the end of 2019. The Mikron Automation segment was even able to increase its order backlog by 3.2% compared with the end of 2019.

For the Mikron Automation business segment, Mikron expects good capacity utilization overall in the second half of 2020. By contrast, the Mikron Machining Solutions business segment, which is heavily dependent on demand dynamics in the automotive industry, does not yet anticipate an improvement.

Profitability

The EBIT for the first half of 2020 was negatively impacted by one-off expenses in connection with the announced restructuring measures. In total, restructuring costs of CHF 15.9 million were booked. Due to the significant drop in sales in the Mikron Machining Solutions busi-

ness segment and the lack of volume at the Berlin site in the Mikron Automation business segment, the Group's EBIT (before restructuring costs) of CHF -5.7 million in the first half of 2020 was significantly lower than in the first half of 2019 (CHF 7.5 million). The Automation business segment, whose results are strongly negatively impacted by the Berlin site, posted EBIT (before restructuring costs) of CHF 2.9 million (first half of 2019: CHF 6.4 million). EBIT before restructuring costs for the Mikron Machining Solutions business segment, at CHF -9.0 million, was also well below the corresponding prior-year figure (first half of 2019: CHF 1.7 million). After restructuring costs, which include the sale of the Berlin and Kaunas sites and capacity adjustments in Agno and Rottweil, Group EBIT stands at CHF -21.6 million. Loss for the first half of 2020 is CHF -24.0 million (profit for first half of 2019: CHF 4.7 million).

Employees

At the end of June 2020, the Mikron Group had a workforce of 1,361 (end of 2019: 1,486). The reduction is due to the job cuts made to date in the Mikron Machining division and the sale of the Berlin site. The restructuring measures will reduce the workforce by around 120 employees in the second half of the year. In parallel with the workforce reduction, short-time working will be in place in some cases in the Machining Solutions segment until further notice.

Outlook

A forecast for the second half of the year is very difficult to make due to the unpredictable development of the corona pandemic, the general uncertainty in the automotive industry and in view of general political risks. Mikron expects business in the pharmaceutical and medtech industries market segment to remain good. However, Mikron does not anticipate a rapid

recovery in demand from the automotive industry, with the result that the second half of the year is also expected to show an EBIT loss on a par with the first half (before restructuring costs). The expected restructuring costs have been fully recognized in the half-year financial statements, so that the second half of the year will not be affected.

Financing and equity ratio

The Mikron Group's equity ratio was 54.6% at the end of June 2020 (end of 2019: 58.5%). With a net cash position (cash and cash equivalents plus current financial assets less interest-bearing liabilities) of CHF 21.3 million, the Group remains essentially debt-free. Financing in these challenging times is secured. In June 2020, Mikron was able to renew the syndicated loan with the existing banks for another four years.

Cash flow

Cash flow from operating activities (including changes in net working capital) amounted to CHF 8.4 million in the first half of 2020 (first half of 2019: CHF -12.0 million), CHF -7.0 million from investing activities and CHF 1.2 million from financing activities. This results in net cash flow of CHF 2.3 million for the first half of 2020.

Mikron Automation

The Mikron Automation business segment performed well in the first half of 2020 despite the corona crisis. Demand from its most important sales market, the pharmaceutical and medtech industries, remained sound at all times. Only in Asia there were delays in order intake. By contrast, the order intake for the Berlin site, which is operating almost exclusively for the automotive industry, collapsed completely. Here, the economic crisis was aggravated by the pandemic. In May 2020, Mikron decided to dispose of this site. On 1 July 2020, Mikron concluded a corresponding sales agreement, which also includes the Kaunas site in Lithuania, with Callista Private Equity, Munich.

Mikron's highly productive automation systems continued to be in demand in many places in the first half of 2020 – especially in the pharmaceutical and medtech industries. The business segment also benefited from the growing demand for diagnostic and test devices and coped well with the challenge of tight delivery deadlines for COVID test device systems. All Mikron Automation sites except Berlin recorded good capacity utilization in the first half of 2020.

Key figures

At CHF 88.5 million, Mikron Automation's order intake reached the high level of the first half of 2019 (CHF 88.8 million). The resulting order backlog of CHF 126.2 million at the end of June 2020 is higher than that of mid and end of 2019. There are three main reasons why Mikron Automation with sales of CHF 74.1 million missed the sales level of the first half of 2019: Firstly, the corona lockdown made it impossible to install new systems and provide after-sales service for existing systems over a long period of time. Secondly, it was not always possible to receive materials during the lockdown and thirdly, the Berlin location recorded a significant decline in sales. Overall, the business segment's sales fell by 21.3%: from CHF 94.1 mil-

lion in the first half of 2019 to CHF 74.1 million in the first half of 2020.

Low capacity utilization at the Berlin site had a severe impact on Mikron Automation's profitability in the first half of the year. Costs associated with the sale of this company and Mikron Kaunas impacted the segment's result. Before restructuring costs, Mikron Automation posted EBIT of CHF 2.9 million (first half of 2019: CHF 6.4 million) and an EBIT margin of 3.9% (first half of 2019: 6.8%). Taking restructuring costs into account, EBIT was CHF -5.1 million.

Employees

At the end of June 2020, Mikron Automation had 678 employees (end of 2019: 750 employees). The sale of Mikron Berlin reduced the workforce by around 70 employees.

Innovations and continuous improvements

In the first half of 2020, the Mikron Automation business segment continued to systematically pursue its various product development projects. Construction work on the expansion of the Boudry plant began in June 2020. The aim of this expansion is to provide the necessary

space for the further development of the successful automation business by mid-2021 and to create optimum conditions for special customer needs.

Outlook

Based on the high order backlog and the still intact demand from the pharmaceutical and medtech industries, the Automation segment is also expecting a good business development overall for the second half of 2020. It is difficult to predict how the gloomy overall economic outlook, global trade policy developments and the presidential elections in the USA will affect the medium-term investment behavior of potential Mikron Automation customers.

Mikron Machining Solutions

The Machining Solutions business segment has had a very difficult first half of the year. In the automotive industry, its main sales market, demand for production systems in the Mikron Machining division was already in sharp decline before the corona crisis. The effects of the pandemic greatly aggravated the situation and, from March onwards, also affected the service business and the Mikron Tool division, which had a good start to the year. Because of the pandemic, which temporarily led to officially ordered plant closures in Agno (Switzerland), all European operations in the business segment have been on short-time working since March 2020. Moreover, a restructuring program with a significant reduction in capacity was decided for the Mikron Machining division.

With the restructuring program adopted in the first half of 2020, the Mikron Group is concentrating its machine manufacturing business on rotary transfer machines and on the production site in Agno. This will be reduced from 350 full-time positions to around 290 in the course of the year. Once the restructuring measures have been completed, the business segment, including the Mikron Tool division, will employ around 400 people in Agno. In Rottweil, the service business and the Mikron Tool division's business will be continued. Overall, the number of full-time positions at this site will be reduced from 150 to around 100 by the end of 2020. These far-reaching measures are Mikron's response to the medium-term decline in demand for investment goods from the automotive industry.

The Mikron Tool division had a promising start in 2020. Mikron Tool achieved sales gains in the energy and medtech industries with tools designed for difficult-to-machine materials. The division also sold tools to manufacture special nozzles for the production of materials for protective masks. The pandemic led to a substantial drop in sales – first in China, then in Europe and finally in the USA. Only the medical sector and the standard tooling business still saw re-

duced demand for high-tech tools. Throughout the entire pandemic period to date, the division has succeeded in maintaining supply availability worldwide. During the lockdown in Agno, Mikron Tool was able to transfer substantial production volumes to its sister plant in Rottweil.

Key figures

At CHF 37.2 million, the Mikron Machining Solutions business segment's order intake for the first half of 2020 was CHF 38.0 million lower than in the first half of 2019 (CHF 75.2 million, -50.5%). At the end of June 2020, the order backlog stood at a low CHF 28.9 million (end of December 2019: CHF 38.1 million).

Sales also declined significantly: from CHF 83.6 million in the first half of 2019 to CHF 47.3 million in the first half of 2020. The same applies to EBIT before restructuring costs. It amounted to CHF -9.0 million (first half of 2019: CHF 1.7 million).

Employees

At the end of June 2020, Mikron Machining Solutions had a total of 655 employees (end of 2019: 707 employees).

Innovations and continuous improvements

The market launch and further development of the new Mikron MultiX rotary transfer machine platform continued in the first half of 2020. The platform offers Mikron customers entirely new options. Individual platform elements can be easily combined to meet specific needs. Mikron received the coveted "Best Industry Award 2020" in the production technology category for the MultiX, which had already won an innovation prize at the EMO 2019. A first customer installation is underway after corona-related delays and further machines are currently being assembled.

In the first half of 2020, Mikron Tool continued to drive forward its product development strategy and launched further products for stainless steels and heat-resistant alloys. In addition, Mikron Tool intensified its cooperation with strategic partners in order to develop further interesting cutting solutions, for example in medtech. Mikron Tool's direct customer contact was also made difficult, and at times even impossible. Thanks to consistently functioning digital processes, all activities – from order discussions to worldwide delivery to customers –

were always possible from the home office. Thanks to the newly offered webinars, many customers were able to get a good picture of the new Crazy Tools despite the prohibition of contact.

Outlook

Mikron Machining Solutions does not yet expect the markets to recover overall in the second half of 2020. The first signs of recovery in China and in the writing instruments industry are a ray of hope. However, uncertainty remains very high.

Semiannual Financial Statements 2020

Consolidated income statement

Condensed, CHF 1,000

	1.1.–30.6.2020		1.1.–30.6.2019	
Net sales	121,289	100%	176,788	100%
Change in work in progress/finished goods	-1,636		3,151	
Capitalized own production	-99		529	
Material costs and subcontractors	-44,101		-72,679	
Personnel expenses	-63,498		-69,062	
Other operating expenses (net)	-20,106		-27,136	
Depreciation, amortization and impairment	-5,669		-4,116	
Loss from sale of operating business	-7,558		0	
Operating result	-21,378	-17.6%	7,475	4.2%
Financial result	-992		-221	
Ordinary result	-22,370	-18.4%	7,254	4.1%
Non-operating result	-237		45	
Loss/profit before taxes	-22,607	-18.6%	7,299	4.1%
Income taxes	-1,380		-2,583	
Loss/profit	-23,987	-19.8%	4,716	2.7%
Net earnings per share – undiluted	-1.47		0.29	
Net earnings per share – diluted	-1.47		0.29	

The accompanying notes form an integral part of the semiannual financial statements.

Consolidated balance sheet

Condensed, CHF 1,000	30.6.2020		31.12.2019	
Cash and cash equivalents	40,310		37,992	
Current financial assets	5,092		6,152	
Receivables and prepaid expenses	26,675		31,965	
Inventories	56,776		61,171	
Net assets from customer projects	31,817		40,764	
Total current assets	160,670	60.4%	178,044	61.5%
Tangible assets	70,178		73,781	
Intangible assets	4,336		5,224	
Investment property	28,165		28,415	
Other non-current assets	2,817		4,048	
Total non-current assets	105,496	39.6%	111,468	38.5%
Total assets	266,166	100.0%	289,512	100.0%
Short-term financial liabilities	12,835		11,527	
Current liabilities and accrued expenses	39,633		42,710	
Net liabilities from customer projects	39,667		39,621	
Short-term provisions	12,053		9,791	
Total current liabilities	104,188	39.1%	103,649	35.8%
Long-term financial liabilities	11,231		10,063	
Long-term provisions	269		509	
Other long-term liabilities	5,232		6,071	
Total long-term liabilities	16,732	6.3%	16,643	5.7%
Total shareholders' equity	145,246	54.6%	169,220	58.5%
Total liabilities and shareholders' equity	266,166	100.0%	289,512	100.0%

Consolidated statement of shareholders' equity

Condensed, CHF 1,000	30.6.2020	30.6.2019
Opening balance	169,220	164,309
Loss/profit	-23,987	4,716
Translation adjustments	-1,392	-447
Distribution to shareholders	0	-3,256
Recycling goodwill offset against shareholders' equity and translation adjustments from sales of operating business	1,194	0
Change in treasury shares	211	362
Closing balance	145,246	165,684

The accompanying notes form an integral part of the semiannual financial statements.

Consolidated statement of cash flow

Condensed, CHF 1,000	1.1.–30.6. 2020	1.1.–30.6. 2019
Loss/profit	-23,987	4,716
Non-cash items	12,380	7,282
Changes in net working capital	19,988	-23,995
Cash flow from operating activities	8,381	-11,997
Investments (-)/divestments (+) tangible assets (net)	-7,046	-5,697
Investments (-)/divestments (+) intangible assets (net)	-592	-1,008
Investments (-)/divestments (+) financial assets (net)	1,000	6,037
Cash flow from sale of operating business (net)	-408	0
Cash flow from investing activities	-7,046	-668
Repayment (-) of finance lease liabilities	-1,125	-862
Distribution to shareholders	0	-3,256
Other cash flow from financing activities	2,340	-307
Cash flow from financing activities	1,215	-4,425
Effect of exchange rate changes on cash and cash equivalents	-232	-39
Net cash flow	2,318	-17,129
Cash and cash equivalents at beginning of period	37,992	27,567
Cash and cash equivalents as at 30.6.	40,310	10,438

The accompanying notes form an integral part of the Semiannual Financial Statements.

Notes to the Consolidated Semiannual Financial Statements 2020

1. General information

Mikron Holding AG is a public limited company under Swiss law, domiciled in Biel. Its shares are listed on SIX Swiss Exchange (symbol: MIKN). The Board of Directors approved the 2020 consolidated semiannual financial statements on 22 July 2020. The consolidated semiannual financial statements should be read in conjunction with the consolidated annual financial statements for the 2019 financial year, since they represent an update of the last full set of statements.

2. Accounting principles

The unaudited and condensed consolidated semiannual financial statements for the period from 1 January 2020 to 30 June 2020 have been prepared in accordance with the rules of Swiss GAAP FER 31 “Complementary recommendation for listed companies”, which – compared with the annual financial statements – permit shortened versions in terms of presentation and disclosure. The accounting principles set out in the 2019 consolidated financial statements have been applied unchanged.

3. Business seasonality

The activities of the Mikron Group are not subject to significant seasonal fluctuations.

4. Scope of consolidation

The consolidated semiannual financial statements include Mikron Holding AG, Biel, and all Swiss or foreign subsidiaries which the holding company controls directly or indirectly, either by holding more than 50% of the voting rights or through some other form of control. Mikron Berlin GmbH, Berlin has been de-recognized from the consolidated figures as of 30 June 2020.

5. Events after the balance sheet date

The contract for the sale of Mikron Berlin GmbH, Berlin and UAB Mikron Kaunas, Kaunas has been signed on 1 July 2020. As the transfer of the titles of Mikron Berlin GmbH, Berlin has been materially concluded end of June 2020 and formally signed on 1 July 2020 the entity has been de-recognized as of 30 June 2020. The transfer of titles and the de-recognition of UAB Mikron Kaunas, Kaunas will be concluded during the third quarter 2020.

6. Foreign currency translation

The most significant exchange rates into Swiss francs for the Group in the period under review were:

Exchange rates

Currency	Average rate (income statement)		Closing rate (balance sheet)	
	1.1.–30.6.2020	1.1.–30.6.2019	30.6.2020	31.12.2019
1 EUR	1.06	1.13	1.07	1.09
1 USD	0.97	1.00	0.95	0.98
1 SGD	0.69	0.73	0.68	0.72
1 CNY	0.14	0.15	0.13	0.14

7. Personnel expenses

The personnel expense reduction from reimbursements received for short-time work and similar measures amounts to CHF 6.2 million in the first half of 2020 (prior year: none).

8. Non-operating result

Condensed, CHF 1,000	1.1.–30.6.2020	1.1.–30.6.2019
Non-operating income	760	1,297
Non-operating expense	-747	-1,002
Revaluation	-250	-250
Non-operating result	-237	45

9. Tax expense

The reported tax expense is a charge despite the consolidated earnings before taxes being a loss in the first half-year of 2020. This is due to the loss carry-forwards not being recognized at companies with losses due to uncertainty of their future performance while the profitable companies each report the applicable tax expense.

10. Financial liabilities

The renewed credit agreement with the bank consortium was signed on 26 June 2020. With the new credit agreement Mikron can draw on CHF 50.0 million for bank guarantees to secure advance payments from customers and for fixed advances that are currently not being used. The new agreement includes the new option to draw on additional CHF 20.0 million for investments at two production facilities in Switzerland.

11. Information by business segment

CHF 1,000 / 1.1.–30.6.	Machining Solutions		Automation		Corporate/ Eliminations		Total Group	
	2020	2019	2020	2019	2020	2019	2020	2019
Net sales – third party	47,202	83,528	74,087	94,088	0	-828	121,289	176,788
Net sales – Group	59	42	0	1	-59	-43	0	0
Total net sales	47,261	83,570	74,087	94,089	-59	-871	121,289	176,788
Operating result before restructuring costs	-8,990	1,679	2,904	6,419	647	-623	-5,439	7,475
Operating result	-16,891	1,679	-5,134	6,419	647	-623	-21,378	7,475
Earnings before interest and taxes (EBIT) before restructuring costs	-8,990	1,679	2,904	6,419	410	-578	-5,676	7,520
Earnings before interest and taxes (EBIT)	-16,891	1,679	-5,134	6,419	410	-578	-21,615	7,520

12. Restructuring costs

Mikron Group's Board of Directors has decided in the second quarter of 2020 to discontinue the machine business in Rottweil and to redimension the machine business in Agno in the Mikron Machining Solutions business segment as well as to discontinue the automotive industry related operations in Berlin and Lithuania in the Mikron Automation Solu-

tions business segment. The one-time impact on the Mikron Group's income statement from the restructuring is summarized below. The loss from sale of operating business includes the expense of CHF 1.0 million related to the Goodwill previously offset with shareholders' equity.

	1.1.–30.6.2020	1.1.–30.6.2019
Inventory write-off	-1,683	0
Work in progress write-off	-996	0
Termination benefits	-3,312	0
Operating expenses	-1,709	0
Fixed assets impairment	-681	0
Loss from sale of operating business	-7,558	0
Restructuring costs impacting the operating result	-15,939	0
Recycling of currency translation adjustments previously offset in shareholders' equity	-242	0
Restructuring costs impacting the financial result	-242	0

	1.1.–30.6.2020			1.1.–30.6.2019
	As reported	Restructuring costs	Excluding restructuring costs	As reported
Net Sales	121,289	0	121,289	176,788
Change in work in progress/ finished goods	-1,636	-996	-640	3,151
Capitalized own production	-99	0	-99	529
Material costs and subcontractors	-44,101	-1,683	-42,418	-72,679
Personnel expenses	-63,498	-3,312	-60,186	-69,062
Other operating expenses (net)	-20,106	-1,709	-18,397	-27,136
Depreciation, amortization and impairment	-5,669	-681	-4,988	-4,116
Loss from sale of operating business	-7,558	-7,558	0	0
Operating result	-21,378	-15,939	-5,439	7,475
Financial result	-992	-242	-750	-221
Ordinary result	-22,370	-16,181	-6,189	7,254
Non-operating result	-237	0	-237	45
Loss/profit before taxes	-22,607	-16,181	-6,426	7,299
Income taxes	-1,380	0	-1,380	-2,583
Loss/profit	-23,987	-16,181	-7,806	4,716

Alternative Performance Measures

In external communications, Mikron discloses performance measures that are not defined in Swiss GAAP FER. The definitions are listed in the annual report

2019 and available on the Group's homepage www.mikron.com/apm. The two amendments to the alternative performance measures are listed below.

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 and impairment of tangible assets,

the amortization for and impairment of intangible assets, revaluation of investments and the revaluation of the investment property.

	1.1.–30.6.2020	1.1.–30.6.2019	Reference
Operating result	-21,378	7,475	Consolidated income statement
+ Non-operating result	-237	45	Consolidated income statement
+ Depreciation, amortization and impairment	5,669	4,116	Consolidated income statement
+ Loss from sale of operating business	7,558	0	Consolidated income statement
+ Revaluation investment property	250	250	Note 8
EBITDA	-8,138	11,886	

EBIT before restructuring costs

The earnings before interest and taxes (EBIT) before restructuring represent the total of the earnings before interest and taxes excluding restructuring costs.

	1.1.–30.6.2020	1.1.–30.6.2019	Reference
EBIT	-21,615	7,520	Consolidated income statement
+ One-time impact from restructuring	15,939	0	Note 12
EBIT before restructuring costs	-5,676	7,520	

The Mikron Group

The Mikron Group develops, produces and markets highly precise, productive and adaptable automation solutions, machining systems and cutting tools. Rooted in the Swiss culture of innovation, Mikron is a global partner to companies in the automotive, pharmaceutical, medtech, consumer goods, writing instruments and watchmaking industries.

The Mikron Group enables its customers to increase quality and industrial productivity. The Group has over 100 years of experience, state-of-the-art technologies, and a global service. The two business segments Mikron Automation and Mikron Machining Solutions are based in Switzerland (Boudry and Agno). Additional production sites are located in the USA, in Germany, Singapore and China. Mikron Holding AG shares are traded on SIX Swiss Exchange (MIKN). The Mikron Group employs a total workforce of around 1,360.