

# 2021

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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.

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# Dear Shareholders,

Overall, the Mikron Group achieved a sound recovery in the first half of 2021. Compared to the first half of 2020, net sales increased from CHF 121.3 million to CHF 139.9 million (+15.3%) with markedly higher EBIT of CHF 8.2 million (first half of 2020: CHF -5.7 million, before restructuring). This corresponds to 5.9% of net sales. Following a difficult financial year in 2020, our Group benefited from the successful restructuring in 2020 and from increased demand for cutting tools from Mikron Tool and automation solutions from Mikron Automation. Both businesses are well positioned in their markets.

The coronavirus pandemic continued to impact and complicate our business, especially with regard to service operations. The ongoing changes in the automotive industry with the move towards electric engines continued to depress demand for Mikron Machining's manufacturing systems. Strategic initiatives to gain businesses beyond the powertrain are starting to show results.

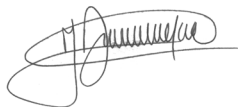
Our Group's improved earnings situation also contributed to an increase in cash flow from operating activities, which stood at CHF 29.0 million for the first half of 2021 (first half of 2020: CHF 8.4 million). The Mikron Group's balance sheet remains strong. Mikron is free of net debt and reports a healthy equity ratio.

During the first half of the year, we had the pleasure of taking over the management of the Mikron Group from Heinrich Spoerry, Chairman of the Board, and Bruno Cathomen, CEO. They have both played a key role in shaping the development of the Mikron Group. On behalf of the entire Group, we would like to thank Heinrich Spoerry and Bruno Cathomen for the great commitment they have shown to Mikron over many years.

We would also like to thank you, our shareholders, for the trust you have placed in us. We are delighted to have your support and confidence in us and look forward to leading the Mikron Group into the future together with our management and all our employees.



Paul Zumbühl  
Chairman of the Board of Directors



Marc Desrayaud  
Chief Executive Officer

# Key Figures for the First Half Year 2021

in CHF million, except number of employees	1.1.–30.6.2021		1.1.–30.6.2020		+/-	
<b>Key performance data</b>						
Order intake <sup>1)</sup>	167.5		125.7		41.8	33.3%
Machining Solutions	71.5		37.2		34.3	92.2%
Automation	96.0		88.5		7.5	8.5%
Net sales	139.9		121.3		18.6	15.3%
Machining Solutions	53.7		47.3		6.4	13.5%
Automation	86.2		74.1		12.1	16.3%
Order backlog <sup>1)</sup>	190.2		155.0		35.2	22.7%
Machining Solutions	56.6		28.9		27.7	95.8%
Automation	133.7		126.2		7.5	5.9%
Number of employees (end of period) <sup>1)</sup>	1,333		1,361		-28	-2.1%
Machining Solutions	522		655		-133	-20.3%
Automation	783		678		105	15.5%
<b>Earnings</b>						
EBITDA <sup>1)</sup> , as % of net sales	12.6	9.0%	-8.1	-6.7%	20.7	n/a
EBIT <sup>1)</sup> , as % of net sales, before restructuring costs	8.2	5.9%	-5.7	-4.7%	13.9	n/a
Machining Solutions	0.6	1.1%	-9.0	-19.0%	9.6	n/a
Automation	8.1	9.4%	2.9	3.9%	5.2	179.3%
EBIT <sup>1)</sup> , as % of net sales	8.2	5.9%	-21.6	-17.8%	29.8	n/a
Machining Solutions	0.6	1.1%	-16.9	-35.7%	17.5	n/a
Automation	8.1	9.4%	-5.1	-6.9%	13.2	n/a
Operating result, as % of net sales	8.4	6.0%	-21.4	-17.6%	29.8	n/a
Profit/loss, as % of net sales	11.8	8.4%	-24.0	-19.8%	35.8	n/a
<b>Cash flow</b>						
Cash flow from operating activities (incl. changes in net working capital), as % of net sales	29.0	20.7%	8.4	6.9%	20.6	245.2%
<b>Balance sheet</b>						
	30.6.2021		31.12.2020			
Balance sheet total	290.8		277.1		13.7	4.9%
Current assets	168.0		164.7		3.3	2.0%
Cash and current financial assets	56.1		40.4		15.7	38.9%
Non-current assets	122.8		112.4		10.4	9.3%
Current liabilities	118.0		115.6		2.4	2.1%
Long-term liabilities	13.8		16.0		-2.2	-13.8%
Shareholders' equity, as % of balance sheet total	159.0	54.7%	145.5	52.5%	13.5	9.3%

1) Alternative performance measures, see pages 18 to 21.

Mikron Group

Machining Solutions

Automation

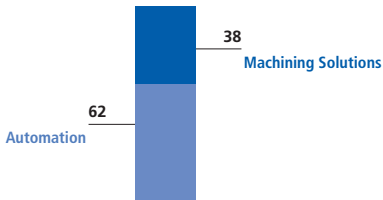
Sales in CHF

139.9 million

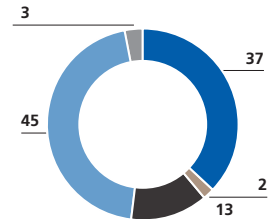
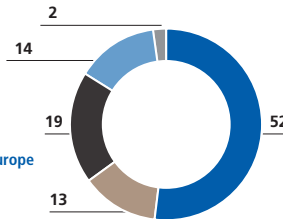
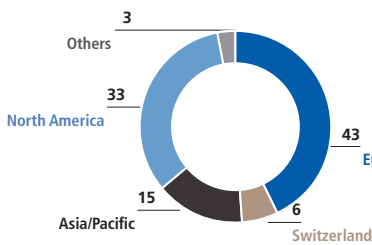
53.7 million

86.2 million

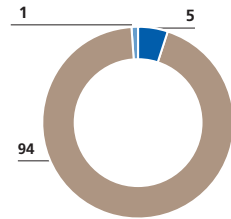
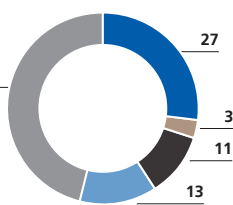
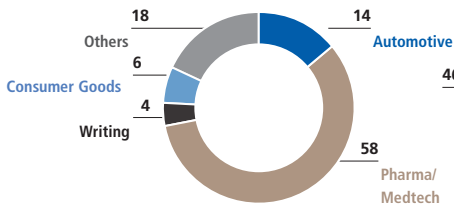
By segment in %



By region in %



By industry in %



# Management Report

The Mikron Group's half-year figures are significantly better for 2021 than in 2020. Net sales increased by 15.3% and EBIT rose from CHF -5.7 million (before restructuring costs) in the first half of 2020 to CHF 8.2 million. In addition to the successful restructuring in 2020, the increased demand for cutting tools from Mikron Tool in the Mikron Machining Solutions business segment and the further increase in sales in the Mikron Automation business segment were the key factors in this gratifying development.

In the first half of 2021 the Mikron Group completed the comprehensive restructuring measures from the previous year with the closure of the machine production facility in Rottweil and the shutting down of the Berlin site. To simplify the organization, the Board of Directors of Mikron Holding AG also decided to merge the four Swiss subsidiaries Mikron SA Boudry, Mikron SA Agno, Mikron Tool SA Agno and Mikron Management AG, Langenthal, to form Mikron Switzerland AG, with retroactive effect from January 1, 2021. Mikron Holding AG, Biel, remains a separate entity. From the merger of its four Swiss subsidiaries, Mikron realized a one-time positive tax effect of CHF 5.0 million by utilizing and capitalizing tax loss carryforwards. The merger had no impact on the operating activities of the Group nor on the management of the individual locations.

## Order intake

At CHF 167.5 million, the Mikron Group's order intake for the first half of 2021 is 33.3% higher than the corresponding figure for the first half of 2020 (CHF 125.7 million). This is due on the one hand to a certain amount of recovery in most markets, and on the other hand to high demand at the Mikron Tool and Mikron Automation divisions. However, the Mikron Machining division continued to feel the effects of the

transformation in the automotive industry, particularly with regard to powertrain systems. While following the strategy of differentiation in non-powertrain applications, orders from other industries such as writing instruments, or for applications in the automotive industry other than the powertrain were unable to compensate for the lack of orders compared with previous years.

## Sales

The Mikron Group's sales rose from CHF 121.3 million in the first half of 2020 to CHF 139.9 million in the first half of 2021 (+15.3%).

With a 49% share of sales, Europe (including Switzerland) remained the Mikron Group's principal sales market in the first half of 2021. Mikron increased sales in Europe by 12% and in Asia by 63% compared with the first half of 2020. The sales in the USA remained at the same level.

## Order backlog and capacity utilization

At CHF 190.2 million, the Mikron Group's order backlog at the end of June 2021 was 22.7% higher than the corresponding figure at the end of June 2020 and 17.7% higher than the figure at the end of 2020. Capacity utilization in the Mikron Automation segment and in the Mikron

Tool division was high throughout the first half of 2021. In the Mikron Machining division, on the other hand, the low demand led to some spare capacity, which was managed with adjusted working hours.

### **Profitability**

Mikron also succeeded in significantly improving its EBIT and profit. Compared with 2020, the Group increased its half-year EBIT from CHF -5.7 million (before restructuring costs) to CHF 8.2 million, achieving an EBIT margin of 5.9%. The restructuring measures successfully completed in 2020 contributed significantly to this improvement. Following a loss of CHF 24.0 million in the prior-year period, Mikron posted a profit of CHF 11.8 million in the first half of 2021. This figure includes a one-time positive tax effect of CHF 5.0 million resulting from the merger of the Swiss companies and the related capitalization of tax loss carryforwards.

### **Employees**

At the end of June 2021, the Mikron Group had a workforce of 1,333 (end of 2020: 1,331). The completion of restructuring measures in the Mikron Machining division in Agno (Switzerland) and Rottweil (Germany) and the closure of the Berlin site led to a reduction in headcount, while high capacity utilization at Mikron Automation's main sites resulted in an increase.

### **Outlook**

It remains difficult to make a forecast for the second half of the year due to the unpredictable development of the coronavirus pandemic. For the second half of 2021 Mikron expects profitability to remain at a similar level to the first half, with an EBIT margin above 5%. This would lead to a significant year-on-year improvement for the full year 2021.

### **Financing and equity ratio**

The Mikron Group's equity ratio was 54.7% at the end of June 2021 (end of 2020: 52.5%). With a net cash position (cash and cash equivalents plus current financial assets less interest-bearing liabilities) of CHF 34.3 million, the Group remains essentially net debt-free.

### **Cash flow**

Cash flow from operating activities (including changes in net working capital) amounted to CHF 29.0 million in the first half of 2021 (first half of 2020: CHF 8.4 million). Investments came to CHF 10.0 million resulting in free cash flow of CHF 19.0 million. This gave rise to net cash flow of CHF 16.6 million for the first half of 2021.



# Mikron Automation

The Mikron Automation business segment performed well in the first half of 2021 despite the coronavirus crisis. Demand from its most important sales market, the pharmaceutical and medtech industries, remained sound at all times. Capacity utilization was very good throughout the course of the half-year. Locations in Asia still benefited from orders related to coronavirus test devices. Compared to 2020, when restructuring costs and losses related to the Berlin location had a negative impact, the profitability of the business segment improved markedly.

## Key figures

At CHF 86.2 million, the Mikron Automation business segment exceeded the sales figure for the first half of 2020 (CHF 74.1 million) by 16.3%. At CHF 96.0 million, Mikron Automation's order intake surpassed the already high level of the first half of 2020 (CHF 88.5 million) by 8.5%. The resulting order backlog of CHF 133.7 million at the end of June 2021 was higher than that of mid and end 2020. Mikron Automation posted EBIT of CHF 8.1 million (first half of 2020: CHF 2.9 million before restructuring costs) and an EBIT margin of 9.4% (first half of 2020: 3.9%).

## Employees

At the end of June 2021, Mikron Automation had 783 employees (end of 2020: 759 employees).

## Innovations and continuous improvements

In the first half of 2021, the Mikron Automation business segment continued to systematically pursue its various product development projects. The continuing demand from the pharmaceutical and medtech industries confirms that the decision to expand the assembly hall in Boudry was the right one. Construction work

on this building is well advanced. The new plant is expected to open in the second half of 2021. The aim of this expansion is to create the necessary space for the further development of the successful automation business and to create optimum conditions for special customer needs.

## Outlook

Based on the high order backlog and the continuing intact demand from the pharmaceutical and medtech industries, the Automation segment is also expecting good business development overall for the second half of 2021 with similar earnings figures to the first half of the year.

# Mikron Machining Solutions

In the Machining Solutions business segment, the two divisions Mikron Machining and Mikron Tool developed very differently in the first half of 2021. Whereas demand for cutting tools continued to rise, Mikron Machining was still suffering from low demand and low capacity utilization. Short-time work continued to be used at the Agno site. At Mikron Tool, investments in new machinery made in 2019 helped to manage the high demand for high-tech tools while the efficiency improvements helped to improve profitability.

## Key figures

Net sales for the business segment increased from CHF 47.3 million in the first half of 2020 to CHF 53.7 million in the first half of 2021, with EBIT amounting to CHF 0.6 million (first half of 2020: CHF -9.0 million before restructuring costs). At CHF 71.5 million, the Mikron Machining Solutions business segment's order intake for the first half of 2021 was CHF 34.3 million higher than the very low level of the first half of 2020 (CHF 37.2 million, +92.2%). At the end of June 2021, the order backlog stood at CHF 56.6 million (end of December 2020: CHF 38.2 million). Some strategic orders related to automotive applications other than the powertrain or new markets involve long-term customer commitments and will be realized beyond 2021.

## Employees

At the end of June 2021, Mikron Machining Solutions had a total of 522 employees (end of 2020: 545 employees).

## Innovations and continuous improvements

Mikron Machining continued with the further development of its rotary transfer machine platform Mikron MultiX in the first half of 2021. The award-winning platform offers Mikron

customers entirely new options. Individual platform elements can be easily combined to meet specific needs.

Mikron Tool further advanced its product development strategy in the first half of 2021, and launched additional products for stainless steels and heat-resistant alloys.

## Outlook

In the second half of 2021, Mikron Machining Solutions expects an equally pleasing development in the Mikron Tool division but no significant recovery in the machines market. Accordingly, Mikron expects results in the second half of the year to be similar to those in the first six months.

# Semiannual Financial Statements 2021

## Consolidated income statement

Condensed, CHF 1,000

	1.1.–30.6.2021		1.1.–30.6.2020	
<b>Net sales</b>	<b>139,892</b>	<b>100.0%</b>	<b>121,289</b>	<b>100.0%</b>
Change in work in progress/finished goods	-4,296		-1,636	
Capitalized own production	0		-99	
Material costs and subcontractors	-42,464		-44,101	
Personnel expenses	-61,615		-63,498	
Other operating expenses (net)	-18,903		-20,106	
Depreciation and amortization	-4,196		-5,669	
Loss from sale of operating business	0		-7,558	
<b>Operating result</b>	<b>8,418</b>	<b>6.0%</b>	<b>-21,378</b>	<b>-17.6%</b>
Financial result	-326		-992	
<b>Ordinary result</b>	<b>8,092</b>	<b>5.8%</b>	<b>-22,370</b>	<b>-18.4%</b>
Non-operating result	-243		-237	
<b>Profit/loss before taxes</b>	<b>7,849</b>	<b>5.6%</b>	<b>-22,607</b>	<b>-18.6%</b>
Income taxes	3,969		-1,380	
<b>Profit/loss</b>	<b>11,818</b>	<b>8.4%</b>	<b>-23,987</b>	<b>-19.8%</b>
Net earnings per share – undiluted	0.72		-1.47	
Net earnings per share – diluted	0.72		-1.47	

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

## Consolidated balance sheet

Condensed, CHF 1,000	30.6.2021		31.12.2020	
Cash and cash equivalents	55,002		38,420	
Current financial assets	1,109		2,021	
Receivables and prepaid expenses	29,445		29,646	
Inventories	56,865		56,085	
Net assets from customer projects	25,536		38,514	
<b>Total current assets</b>	<b>167,957</b>	<b>57.8%</b>	<b>164,686</b>	<b>59.4%</b>
Tangible assets	80,810		75,644	
Intangible assets	3,767		3,758	
Investment property	27,662		27,912	
Other non-current assets	10,599		5,126	
<b>Total non-current assets</b>	<b>122,838</b>	<b>42.2%</b>	<b>112,440</b>	<b>40.6%</b>
<b>Total assets</b>	<b>290,795</b>	<b>100.0%</b>	<b>277,126</b>	<b>100.0%</b>
Short-term financial liabilities	15,128		14,205	
Current liabilities and accrued expenses	47,165		43,315	
Net liabilities from customer projects	43,856		41,625	
Short-term provisions	11,805		16,463	
<b>Total current liabilities</b>	<b>117,954</b>	<b>40.5%</b>	<b>115,608</b>	<b>41.7%</b>
Long-term financial liabilities	6,817		10,116	
Long-term provisions	992		818	
Other long-term liabilities	6,036		5,065	
<b>Total long-term liabilities</b>	<b>13,845</b>	<b>4.8%</b>	<b>15,999</b>	<b>5.8%</b>
<b>Total shareholders' equity</b>	<b>158,996</b>	<b>54.7%</b>	<b>145,519</b>	<b>52.5%</b>
<b>Total liabilities and shareholders' equity</b>	<b>290,795</b>	<b>100.0%</b>	<b>277,126</b>	<b>100.0%</b>

## Consolidated statement of shareholders' equity

Condensed, CHF 1,000	30.6.2021	30.6.2020
<b>Opening balance</b>	<b>145,519</b>	<b>169,220</b>
Profit/loss	11,818	-23,987
Translation adjustments	1,310	-1,392
Recycling goodwill offset against shareholders' equity and translation adjustments from sales of operating business	0	1,194
Change in treasury shares	349	211
<b>Closing balance</b>	<b>158,996</b>	<b>145,246</b>

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

## Consolidated statement of cash flow

Condensed, CHF 1,000	1.1.–30.6.2021	1.1.–30.6.2020
Profit/loss	11,818	-23,987
Non-cash items	-4,104	12,380
Changes in net working capital	21,284	19,988
<b>Cash flow from operating activities</b>	<b>28,998</b>	<b>8,381</b>
Investments (-)/divestments (+) tangible assets (net)	-10,334	-7,046
Investments (-)/divestments (+) intangible assets (net)	-570	-592
Investments (-)/divestments (+) financial assets (net)	941	1,000
Cash flow from sale of operating business (net)	0	-408
<b>Cash flow from investing activities</b>	<b>-9,963</b>	<b>-7,046</b>
Repayment (-) of finance lease liabilities	-957	-1,125
Other cash flow from financing activities	-1,740	2,340
<b>Cash flow from financing activities</b>	<b>-2,697</b>	<b>1,215</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>244</b>	<b>-232</b>
<b>Net cash flow</b>	<b>16,582</b>	<b>2,318</b>
Cash and cash equivalents at beginning of period	38,420	37,992
Cash and cash equivalents as at 30.6.	55,002	40,310

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

## Notes to the Consolidated Semiannual Financial Statements 2021

### 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 2021 consolidated semiannual financial statements on 21 July 2021. The consolidated semiannual financial statements should be read in conjunction with the consolidated annual financial statements for the 2020 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 2021 to 30 June 2021 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 2020 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. The Swiss subsidiaries of the Mikron Holding AG were merged retroactively as of 1 Janu-

ary 2021 into Mikron Switzerland AG as per the decision taken by the Group's Board of Directors on 23 April 2021. The operations of these units have not changed.

### 5. Events after the balance sheet date

No significant events have occurred after the balance sheet date.

### 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.–30.6.2021	1.1.–30.6.2020	30.6.2021	31.12.2020
1 EUR	1.10	1.06	1.10	1.08
1 USD	0.91	0.97	0.92	0.89
1 SGD	0.68	0.69	0.68	0.67
1 CNY	0.14	0.14	0.14	0.14

### 7. Personnel expenses

The personnel expense reduction from reimbursements received for short-time work and similar measures amounts to CHF 1.2 million in the first half of 2021 (prior year: CHF 6.2 million).

### 8. Non-operating result

Condensed, CHF 1,000	1.1.–30.6.2021	1.1.–30.6.2020
Non-operating income	675	760
Non-operating expense	-668	-747
Revaluation	-250	-250
<b>Non-operating result</b>	<b>-243</b>	<b>-237</b>

## 9. Tax expense

The reported tax expense is an income despite the consolidated earnings before taxes being a profit in the first half-year of 2021. This is essentially due to the previously not fully capitalized tax loss carry-forwards at one Swiss entity that was merged with the other entities (refer to Note 4) in the first semester of 2021,

which are now being fully recognized thanks to the profits being realized in the other units it was merged with. Tax savings of CHF 5.0 million were recognized as a one-time effect from this valuation and partial realization of previously not capitalized tax loss carry-forwards (prior year: none).

## 10. Information by business segment

CHF 1,000 / 1.1.–30.6.	Machining Solutions		Automation		Corporate/ Eliminations		Total Group	
	2021	2020	2021	2020	2021	2020	2021	2020
Net sales – third party	53,649	47,202	86,243	74,087	0	0	139,892	121,289
Net sales – Group	48	59	5	0	-53	-59	0	0
<b>Total net sales</b>	<b>53,697</b>	<b>47,261</b>	<b>86,248</b>	<b>74,087</b>	<b>-53</b>	<b>-59</b>	<b>139,892</b>	<b>121,289</b>
<b>Operating result</b>	<b>633</b>	<b>-16,891</b>	<b>8,132</b>	<b>-5,134</b>	<b>-347</b>	<b>647</b>	<b>8,418</b>	<b>-21,378</b>
<b>Earnings before interest and taxes (EBIT)</b>	<b>633</b>	<b>-16,891</b>	<b>8,132</b>	<b>-5,134</b>	<b>-590</b>	<b>410</b>	<b>8,175</b>	<b>-21,615</b>

## 11. Restructuring costs

Mikron Group's Board of Directors has decided in the second quarter of 2020 to discontinue the machine business in Rottweil and re-dimensioning of the machine business in Agno in the Mikron Machining Solutions business segment and the discontinuation of the automotive industry related operations in Berlin and Lithuania in the Mikron Automation Solutions business segment. The restructuring in Rottweil and in Agno were materially concluded at the previous year-end. The sale of the business in Berlin and Lith-

uania of the Automation business segment, was reversed in the second half of 2020 and the Berlin unit was instead scheduled for closing. The provisions of both the restructuring in the Machining business and the Automation business was accurately provisioned so that there is no need for additional provisioning as per the current status. The not yet utilized restructuring provision in the balance sheet amounts to a total of CHF 2.6 million (prior year: CHF 2.9 million, which did not include a provision for the entity that was disclosed as sold).



CHF 1,000	1.1.–30.6.2021	1.1.–30.6.2020
Inventory write-off	0	-1,683
Work in progress write-off	0	-996
Termination benefits	0	-3,312
Operating expenses	0	-1,709
Fixed assets impairment	0	-681
Loss from sale of operating business	0	-7,558
<b>Restructuring costs impacting the operating result</b>	<b>0</b>	<b>-15,939</b>
Recycling of currency translation adjustments previously offset in shareholders' equity	0	-242
<b>Restructuring costs impacting the financial result</b>	<b>0</b>	<b>-242</b>

CHF 1,000	1.1.–30.6.2021		1.1.–30.6.2020	
	As reported	As reported	Restructuring costs	Excluding restructuring costs
<b>Net Sales</b>	<b>139,892</b>	<b>121,289</b>	<b>0</b>	<b>121,289</b>
Change in work in progress/ finished goods	-4,296	-1,636	-996	-640
Capitalized own production	0	-99	0	-99
Material costs and subcontractors	-42,464	-44,101	-1,683	-42,418
Personnel expenses	-61,615	-63,498	-3,312	-60,186
Other operating expenses (net)	-18,903	-20,106	-1,709	-18,397
Depreciation and amortization	-4,196	-5,669	-681	-4,988
Loss from sale of operating business	0	-7,558	-7,558	0
<b>Operating result</b>	<b>8,418</b>	<b>-21,378</b>	<b>-15,939</b>	<b>-5,439</b>
Financial result	-326	-992	-242	-750
<b>Ordinary result</b>	<b>8,092</b>	<b>-22,370</b>	<b>-16,181</b>	<b>-6,189</b>
Non-operating result	-243	-237	0	-237
<b>Profit/loss before taxes</b>	<b>7,849</b>	<b>-22,607</b>	<b>-16,181</b>	<b>-6,426</b>
Income taxes	3,969	-1,380	0	-1,380
<b>Profit/loss</b>	<b>11,818</b>	<b>-23,987</b>	<b>-16,181</b>	<b>-7,806</b>

## 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. All values in CHF 1,000.

### 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.

	1.1.-30.6.2021	1.1.-30.6.2020	Reference
Operating result	8,418	-21,378	Consolidated income statement
+ Non-operating result	-243	-237	Consolidated income statement
+ Depreciation and amortization	4,196	5,669	Consolidated income statement
+ Loss from sale of operating business	0	7,558	Consolidated income statement
+ Revaluation investment property	250	250	Note 8
<b>EBITDA</b>	<b>12,621</b>	<b>-8,138</b>	

## EBIT

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

	1.1.-30.6.2021	1.1.-30.6.2020	Reference
Operating result	8,418	-21,378	Consolidated income statement
+ Non-operating result	-243	-237	Consolidated income statement
<b>EBIT</b>	<b>8,175</b>	<b>-21,615</b>	
+ Restructuring costs	0	15,939	Note 11
<b>Adjusted EBIT</b>	<b>8,175</b>	<b>-5,676</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.

	1.1.-30.6.2021	1.1.-30.6.2020	Reference
Cash flow from operating activities	28,998	8,381	Consolidated statement of cash flow
+ Cash flow from investing activities	-9,963	-7,046	Consolidated statement of cash flow
- Investments in financial assets	-59	0	Consolidated statement of cash flow
- Divestments of financial assets	1,000	1,000	Consolidated statement of cash flow
<b>Operating free cash flow</b>	<b>18,094</b>	<b>335</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.

	1.1.-30.6.2021	1.1.-30.6.2020	Reference
Cash flow from operating activities	28,998	8,381	Consolidated statement of cash flow
+ Cash flow from investing activities	-9,963	-7,046	Consolidated statement of cash flow
<b>Free cash flow</b>	<b>19,035</b>	<b>1,335</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.

	30.6.2021	31.12.2020	Reference
Accounts receivable	19,754	18,959	Consolidated balance sheet
+ Inventories	56,865	56,085	Consolidated balance sheet
+ Net assets from customer projects	25,536	38,514	Consolidated balance sheet
+ Other current receivables	3,986	4,917	Consolidated balance sheet
+ Prepaid expenses	5,705	5,770	Consolidated balance sheet
- Accounts payable	19,870	20,362	Consolidated balance sheet
- Net liabilities from customer projects	43,856	41,625	Consolidated balance sheet
- Short-term provisions	11,805	16,463	Consolidated balance sheet
- Other current liabilities	3,125	3,360	Consolidated balance sheet
- Accrued expenses	24,170	19,593	Consolidated balance sheet
<b>Net working capital</b>	<b>9,020</b>	<b>22,842</b>	

## Net debt

The net debt compares financial assets and financial liabilities.

	30.6.2021	31.12.2020	Reference
- Cash and cash equivalents	55,002	38,420	Consolidated balance sheet
- Current financial assets	1,109	2,021	Consolidated balance sheet
+ Derivative financial instruments	46	0	Consolidated balance sheet
- Non-current financial assets	157	0	Consolidated balance sheet
+ Short-term financial liabilities	15,128	14,205	Consolidated balance sheet
- Derivative financial instruments	0	195	Consolidated balance sheet
+ Long-term financial liabilities	6,817	10,116	Consolidated balance sheet
<b>Net debt</b>	<b>-34,277</b>	<b>-16,315</b>	

### Equity ratio

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

	30.6.2021	31.12.2020	Reference
Total shareholders' equity	158,996	145,519	Consolidated balance sheet
Total assets	290,795	277,126	Consolidated balance sheet
<b>Equity ratio</b>	<b>54.7%</b>	<b>52.5%</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.

# 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, China and Lithuania. Mikron Holding AG shares are traded on SIX Swiss Exchange (MIKN). The Mikron Group employs a total workforce of around 1,300.