

Media release on Annual Report 2020

Successfully restructured Mikron Group with strengthened position in automation and tooling business

Biel, March 10, 2021, 7.00 a.m. – In the 2020 financial year, which was strongly impacted by the COVID-19 crisis, the Mikron Group’s sales declined from CHF 327.6 million to CHF 257.8 million (-21.3%). While the Mikron Automation business segment held up well particularly in its main market – the pharmaceutical and medtech sectors, the Mikron Machining Solutions business segment suffered considerably owing to the general mood of uncertainty and low demand for machining systems especially in the automotive industry. The substantial restructuring measures had a positive impact already in the course of the second half of the year. At the end of 2020, the Mikron Group’s order backlog of CHF 161.6 million was already higher than the corresponding figure at the end of 2019 (CHF 157.4 million, +2.7%). The Group’s EBIT for 2020 amounts to CHF -4.7 million before restructuring costs and to CHF -20.8 million after restructuring costs (2019: CHF 14.1 million). Overall, Mikron is facing the current challenges in a stronger position, with a significantly improved cost structure and with secured liquidity.

The two business segments Mikron Automation and Mikron Machining Solutions both look back on a difficult business year. While Mikron Automation held up well overall, due to the good positioning in its main sales market of pharmaceutical and medtech sectors, the Machining Solutions segment was more affected by the COVID-19 crisis. Demand for machining systems in the automotive industry, its main sales market had already fallen sharply before the outbreak of COVID-19. The pandemic further worsened the situation and also severely impacted the service and tooling business.

The extensive restructuring programs were implemented consistently and rapidly in both business segments. Restructuring cost of CHF 16.1 million burdened the results in 2020 while the reduced cost base showed positive effects already in the second half-year. In the Mikron Machining Solutions business segment, capacity was significantly reduced, and production of machining systems concentrated at one site. In the Mikron Automation business segment, the Berlin site will be closed by mid-2021.

Order intake

The Mikron Group reported order intake of CHF 267.3 million in 2020, representing a decrease of 7.3% compared with the prior year (CHF 288.5 million). The Mikron Automation business segment increased its order intake to CHF 171.5 million (previous year: CHF 169.2 million, +1.4%), while the Mikron Machining Solutions business segment saw a decline to CHF 96.0 million (previous year: CHF 119.4 million, -19.6%).

Net sales and order backlog

Posting annual net sales of CHF 257.8 million, the Mikron Group fell 21.3% short of the prior-year’s result of CHF 327.6 million. While Mikron Automation’s net sales of CHF 161.7 million were 8.7% behind the previous year’s figure, Mikron Machining Solutions recorded net sales of CHF 96.3 million (2019: CHF 151.5 million, -36.4%).

At CHF 161.6 million, the Mikron Group's order backlog at the end of 2020 was 2.7% higher than the prior-year figure. While the Machining Solutions business segment reported an order backlog at the level of the previous year (+0.3%), the Automation segment increased the same figure by 3.4%.

Profitability

EBIT for the 2020 business year was negatively impacted by one-off expenses in connection with the restructuring measures. In total, restructuring costs of CHF 16.1 million were booked. Due to the significant drop in sales in the Mikron Machining Solutions business 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 -4.7 million in 2020 was significantly lower than in 2019 (CHF 14.1 million). The Automation business segment, whose results are strongly negatively impacted by the Berlin site, posted EBIT (before restructuring costs) of CHF 9.1 million (2019: CHF 12.9 million). EBIT before restructuring costs for the Mikron Machining Solutions business segment, at CHF -13.6 million, was also well below the prior-year figure of CHF 1.1 million. After restructuring costs, the Group EBIT stands at CHF -20.8 million.

Net earnings

Mikron's net earnings for 2020 were CHF -22.1 million, compared to CHF 8.8 million in the prior year. Net earnings per share for the year 2020 came to CHF -1.35 (prior year: CHF 0.54). At the General Meeting on 23 April 2021, the Board of Directors of the Mikron Group will propose no distribution to the shareholders.

Outlook

The Mikron Automation business segment started 2021 with a solid order backlog and is anticipating further encouraging developments in the pharmaceutical and medtech sectors.

In the Mikron Machining Solutions business segment, the restructuring in the machining division is essentially complete, with capacity reduced and concentrated on one site. The new Mikron MultiX platform is proving its worth with new customers. New digital services and products have already proved successful in practice. Concrete signs of recovery in demand for tools and services were noted at the end of 2020.

However, it is difficult to estimate how quickly demand will recover in the machine business. The unpredictable further development of the COVID-19 pandemic and the possible impact on customers' investment decisions do not allow any concrete forecasts to be made at present. Mikron is facing the current challenges in a stronger position and with a significantly improved cost structure compared to the beginning of 2020. For the entire Group, Mikron expects a slight increase in sales and a return to profitability in the 2021 financial year.

Key figures for the Mikron Group

	2020	2019	+/-
CHF million ¹⁾			
Order intake²⁾	267.3	288.5	-7.3%
- Machining Solutions	96.0	119.4	-19.6%
- Automation	171.5	169.2	1.4%
Net sales	257.8	327.6	-21.3%
- Machining Solutions	96.3	151.5	-36.4%
- Automation	161.7	177.2	-8.7%
Order backlog²⁾	161.6	157.4	2.7%
- Machining Solutions	38.2	38.1	0.3%
- Automation	123.4	119.4	3.4%
Number of employees²⁾	1'331	1,486	-10.4%
- Machining Solutions	545	707	-22.9%
- Automation	759	750	1.2%
EBIT²⁾, before restructuring costs	-4.7	14.1	n/a
- Machining Solutions	-13.6	1.1	n/a
- Automation	9.1	12.9	-29.5%
EBIT²⁾	-20.8	14.1	n/a
- Machining Solutions	-21.6	1.1	n/a
- Automation	1.1	12.9	-91.5%
Loss/profit for the year	-22.1	8.8	n/a
Operating cash flow	9.2	7.3	26.0%
Balance sheet total	277.1	289.5	-4.3%
Equity ratio	52.5%	58.5%	-6.0%

1) except number of employees and %

2) Alternative performance measures, see Annual Report 2020, pages 96 to 98, or www.mikron.com/apm

Publication of annual results for 2020

The annual results will be published at the same time as this media release in the form of the 2020 Annual Report: www.mikron.com/reports. Online report see: <https://report.mikron.com>.

Brief profile of 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 1,350.

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Investor Relations Calendar

April 23, 2021, 04.00 p.m. – Annual General Meeting 2021

July 22, 2021, 07.00 a.m. – Media release: Semiannual results 2021

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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