



# Bystronic 2022 Financial Report



## Consolidated income statement

CHF million	Note	Bystronic 2022	Bystronic 2021	Discontinued operations 2021	Group 2021
<b>Net sales</b>	1.1	<b>1,015.9</b>	<b>939.3</b>	<b>183.6</b>	<b>1,122.9</b>
Other operating income	1.3	5.5	7.3	3.0	10.4
Changes in inventories of unfinished and finished goods		19.1	69.6	2.9	72.5
Material expenses	1.4	-488.4	-491.5	-98.8	-590.3
Personnel expenses	1.4	-260.0	-242.5	-49.3	-291.8
Depreciation and impairment on fixed assets	2.3	-14.6	-13.4	-5.6	-19.0
Amortization and impairment on intangible and financial assets	2.4/ 2.5	-7.1	-5.1	-1.8	-6.9
Other operating expenses	1.4	-222.1	-193.8	-122.8	-316.6
<b>Operating result (EBIT)</b>		<b>48.1</b>	<b>70.1</b>	<b>-88.8</b>	<b>-18.7</b>
Financial result	3.3	-2.7	-0.9	-0.5	-1.4
<b>Result before income taxes</b>		<b>45.4</b>	<b>69.2</b>	<b>-89.2</b>	<b>-20.0</b>
Income taxes	1.5	-8.9	-12.5	4.6	-7.9
<b>Net result</b>		<b>36.6</b>	<b>56.8</b>	<b>-84.6</b>	<b>-27.8</b>
Attributable to shareholders of Bystronic AG		36.6	56.0	-84.6	-28.6
Attributable to minority interests			0.7		0.7
Earnings per class A registered share in CHF	1.6	17.69	27.08	-40.89	-13.81
Earnings per class B registered share in CHF	1.6	3.54	5.42	-8.18	-2.76
Diluted earnings per class A registered share in CHF	1.6	17.69	27.08	-40.89	-13.81
Diluted earnings per class B registered share in CHF	1.6	3.54	5.42	-8.18	-2.76

## Consolidated balance sheet

CHF million	Note	12/31/2022	12/31/2021
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	3.1	216.6	465.7
Securities	3.1	125.0	30.0
Trade receivables	2.2	167.2	133.7
Prepayments to suppliers		6.0	6.5
Other receivables	2.2	46.0	59.3
Inventories	2.2	287.7	249.1
Prepaid expenses and accrued income		14.0	14.1
<b>Total current assets</b>		<b>862.5</b>	<b>958.4</b>
<b>Non-current assets</b>			
Fixed assets	2.3	134.2	133.1
Intangible assets	2.4	11.0	11.4
Financial assets	2.5	110.6	109.2
Deferred tax assets	1.5	24.2	22.8
<b>Total non-current assets</b>		<b>280.0</b>	<b>276.4</b>
<b>TOTAL ASSETS</b>		<b>1,142.5</b>	<b>1,234.8</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Short-term financial liabilities		0.5	4.1
Trade payables		69.9	79.5
Advance payments from customers	2.2	158.7	153.4
Other short-term liabilities	2.2	34.3	30.1
Short-term provisions	2.6	28.3	24.6
Accrued expenses and deferred income	2.2	83.7	80.3
<b>Total current liabilities</b>		<b>375.4</b>	<b>372.0</b>
<b>Non-current liabilities</b>			
Long-term financial liabilities			1.7
Pension fund liabilities	5.1	0.6	0.6
Long-term provisions	2.6	22.1	23.6
Deferred tax liabilities	1.5	20.3	21.7
<b>Total non-current liabilities</b>		<b>42.9</b>	<b>47.6</b>
<b>Total liabilities</b>		<b>418.3</b>	<b>419.6</b>
<b>Equity</b>			
Share capital	3.2	4.1	4.1
Capital reserves		-31.4	-30.8
Treasury shares	3.2	-2.2	-2.3
Retained earnings		753.7	844.2
<b>Equity attributable to shareholders of Bystronic AG</b>		<b>724.2</b>	<b>815.2</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,142.5</b>	<b>1,234.8</b>

## Consolidated statement of changes in shareholders' equity

CHF million	Note	Share capital	Capital reserves	Treasury shares	Translation differences	Cash flow hedges	Other retained earnings	Retained earnings	Equity attributable to shareholders Bystronic AG	Minority interests	Total equity
<b>Total equity December 31, 2020</b>		<b>4.1</b>	<b>-19.5</b>	<b>-2.1</b>	<b>-99.0</b>	<b>2.0</b>	<b>909.1</b>	<b>812.1</b>	<b>794.7</b>	<b>1.3</b>	<b>796.1</b>
Net result							-28.6	-28.6	-28.6	0.7	-27.8
Dividends							-124.1	-124.1	-124.1	-0.1	-124.3
Changes of cash flow hedging						-1.6		-1.6	-1.6		-1.6
Recognition of goodwill in equity	4.2						-0.5	-0.5	-0.5		-0.5
Recycling of goodwill from sale of business units	4.1						155.0	155.0	155.0		155.0
Acquisition of minority interests	4.2		-11.4						-11.4	-2.0	-13.4
Purchase of treasury shares				-1.6					-1.6		-1.6
Share-based compensation			0.1	1.4					1.4		1.4
Recycling of translation differences from sale of business units					34.3			34.3	34.3		34.3
Translation differences					-2.3			-2.3	-2.3	0.0	-2.3
<b>Total equity December 31, 2021</b>		<b>4.1</b>	<b>-30.8</b>	<b>-2.3</b>	<b>-66.9</b>	<b>0.4</b>	<b>910.8</b>	<b>844.2</b>	<b>815.2</b>		<b>815.2</b>
Net result							36.6	36.6	36.6		36.6
Dividends							-124.1	-124.1	-124.1		-124.1
Changes of cash flow hedging						4.3		4.3	4.3		4.3
Purchase of treasury shares				-1.0					-1.0		-1.0
Share-based compensation			-0.6	1.0					0.4		0.4
Recycling of translation differences from sale of group companies	4.1				1.4			1.4	1.4		1.4
Translation differences					-9.4		0.7	-8.7	-8.7		-8.7
<b>Total equity December 31, 2022</b>		<b>4.1</b>	<b>-31.4</b>	<b>-2.2</b>	<b>-74.9</b>	<b>4.7</b>	<b>824.0</b>	<b>753.7</b>	<b>724.2</b>		<b>724.2</b>

## Consolidated cash flow statement

CHF million	Note	Group 2022	Group 2021
Net result		36.6	-27.8
Depreciation and impairment on fixed assets		14.6	19.0
Amortization and impairment on intangible and financial assets		7.1	6.9
Gain/loss on disposal of non-current assets		-0.1	-4.2
Gain/loss on disposal of investments	4.1	1.4	80.4
Change in provisions, deferred taxes and non-current customer loans <sup>1</sup>		-3.2	-8.4
Other non-cash items <sup>1</sup>		8.9	-6.7
Increase/decrease in:			
inventories		-49.3	-82.3
trade receivables		-41.1	-41.9
prepayments to suppliers		0.2	-1.3
other receivables, prepaid expenses and accrued income		-8.2	-20.1
trade payables		-7.7	17.4
advance payments from customers		11.0	106.6
other liabilities, accrued expenses and deferred income		13.3	20.7
<b>Cash flow from operating activities</b>		<b>-16.5</b>	<b>58.3</b>
Investment in fixed assets	2.3	-18.1	-28.4
Divestment of fixed assets		0.2	21.1
Investment in intangible assets	2.4	-5.3	-5.6
Investment in financial assets and securities		-126.3	-33.2
Divestment of financial assets and securities <sup>1</sup>		30.4	0.6
Acquisition of business activities	4.2		0.7
Sale of business activities	4.1	19.1	320.3
<b>Cash flow from investing activities</b>		<b>-99.9</b>	<b>275.4</b>
<b>Cash flow from operating and investing activities</b>		<b>-116.4</b>	<b>333.7</b>
Purchase of treasury shares	3.2	-1.0	-1.6
Dividends paid to shareholders of Bystronic AG		-124.1	-124.1
Dividends paid to minority shareholders			-0.1
Acquisition of minority interests	4.2		-13.4
Change in short-term financial liabilities		-3.4	-0.4
Change in long-term financial liabilities		-1.7	-0.9
Change in other long-term liabilities		-0.0	-0.0
<b>Cash flow from financing activities</b>		<b>-130.1</b>	<b>-140.6</b>
Effect of currency translation on cash and cash equivalents		-2.5	-0.7
<b>Change in cash and cash equivalents</b>		<b>-249.1</b>	<b>192.4</b>
<b>Reconciliation of change in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of period		465.7	273.3
Cash and cash equivalents at the end of period		216.6	465.7

<sup>1</sup> The previous year's figures have been adjusted due to a new presentation of long-term customer loans. Both the granting (previously shown under "Other non-cash items") and the repayment (previously shown under "Divestment of financial assets and securities") are now shown under "Change in provisions, deferred taxes and non-current customer loans".

# Notes to the consolidated financial statements

## Information on the report

### General information

The consolidated financial statements comprise the individual financial statements of the group companies of Bystronic AG for the financial year from January 1, 2022, to December 31, 2022, prepared in accordance with uniform guidelines and in compliance with Swiss GAAP FER and Swiss law. With the exception of derivative financial instruments, which are measured at fair value, the consolidated financial statements are based on historical costs. The same accounting and valuation principles have been used as in the previous year. The principle of individual valuation has been applied to assets and liabilities. Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided. All ratios and variances are calculated using the underlying amount rather than the presented rounded amount.

The consolidated financial statements were approved for publication by the Board of Directors on February 27, 2023. They are also subject to approval by the General Assembly.

### Scope and method of consolidation

The consolidated financial statements include the financial statements of Bystronic AG and of all group companies directly or indirectly controlled by Bystronic AG, through investments with more than 50% of the votes or by other means. These group companies are fully consolidated. The share of the minority shareholders in the net assets and net result is disclosed separately. Intragroup receivables and payables as well as expenses and income are offset against each other and intragroup profits have been eliminated.

The assets and liabilities of companies, included in consolidation for the first time, are measured at fair value. Goodwill arising from this revaluation is offset against equity. First-time consolidations are included from the date on which control is acquired, deconsolidations from the date on which control is relinquished. When companies are sold or liquidated, the goodwill offset against equity is reflected in the income statement.

Investments in associated companies or entities (at least 20%, but less than 50% of the voting rights) are accounted for under the equity method. Securities held as non-current assets are valued at acquisition cost, less any necessary value adjustments.

### Additional information to the continuing operations Bystronic and the discontinued operations

The previous year's consolidated income statement has been divided into continuing operations Bystronic including the corporate headquarters and discontinued operations. The discontinued operations include the activities of FoamPartner and Mammüt Sports Group until their sale in 2021. Transactions between continuing and discontinued operations are eliminated in the continuing operations.

### Currency translation

The consolidated financial statements of Bystronic AG are presented in Swiss francs (CHF). The financial statements of foreign companies are prepared in their respective functional currencies and translated into Swiss francs for consolidation purposes. The resulting currency effects are recognized in equity. Foreign currency gains and losses on long-term equity-like loans to group companies are also recorded in equity. Following the sale or liquidation of companies, these effects are reflected in the income statement. All gains and losses resulting from foreign currency transactions and adjustments to foreign currency balances at the balance sheet date are recognized in the income statement.

### **Significant estimates made by management**

In preparing the consolidated financial statements, certain assumptions are made which affect the accounting basis to be used and the amounts reported as assets, liabilities, income and expenses and the presentation of these amounts. The assumptions are set out in the following notes:

- Income taxes – [note 1.5](#)
- Inventories – [note 2.2](#)
- Fixed assets – [note 2.3](#)
- Intangible assets – [note 2.4](#)
- Provisions – [note 2.6](#)

### **Situation on procurement markets**

Although the availability of components improved slightly in the second half of 2022, the situation remains tense. This led in particular to supply bottlenecks for individual components as well as to higher material and transportation costs.

### **Definition of alternative performance measures**

Where relevant for the reader, Bystronic has included specific subtotals, which can be found in the relevant table. Furthermore, Bystronic uses the following key figures in its external financial communications:

- Order intake – [note 1.1](#)
- Backlog – [note 1.2](#)
- Net operating assets and return on average net operating assets (RONOA) – [note 2.1](#)
- Operating free cash flow – [note 2.1](#)

### **Events after the balance sheet date**

There are no events after the balance sheet date that require a value adjustment to the assets and liabilities recognized in the balance sheet or that require disclosure.

# 1 Performance

## 1.1 Segment information: order intake/net sales

### Order intake<sup>1</sup>

Order intake is an important performance indicator. An order is recognized when a sales contract is signed, an initial down payment is received and the customer's product orders have been placed at the production plants.

CHF million	2022	2021
EMEA	508.8	571.1
Americas	308.7	365.5
China	77.4	135.8
APAC	114.7	103.1
<b>Order intake</b>	<b>1,009.5</b>	<b>1,175.5</b>

<sup>1</sup> Order intake was not subject to the audit.

### Net sales

The following overview shows the net sales by segment, for the previous year divided into continuing operations Bystronic and discontinued operations.

CHF million January - December 2022	Net sales third parties	Net sales interregion	Total net sales
EMEA	500.1	222.1	722.2
Americas	315.9	4.5	320.4
China	83.3	77.0	160.3
APAC	116.5	3.6	120.1
Eliminations		-307.1	-307.1
<b>Net sales</b>	<b>1,015.9</b>		<b>1,015.9</b>

CHF million January - December 2021	Net sales third parties	Net sales interregion	Total net sales
<b>Bystronic</b>			
EMEA	469.7	199.3	669.0
Americas	234.3	3.7	238.0
China	140.3	51.5	191.8
APAC	95.1	3.2	98.3
Eliminations		-257.7	-257.7
<b>Net sales Bystronic</b>	<b>939.3</b>		<b>939.3</b>
<b>Discontinued operations</b>			
Chemical Specialities (FoamPartner)	76.3		76.3
Mammut Sports Group	107.3		107.3
<b>Total discontinued operations</b>	<b>183.6</b>		<b>183.6</b>
<b>Total Group</b>	<b>1,122.9</b>		<b>1,122.9</b>



With reference to the recommendation for listed companies (FER 31/8), Bystronic refrains from disclosing segment results in the interest of the shareholders for the following reasons:

- Impairment of negotiating positions:  
The disclosure of segment results would allow conclusions to be drawn about the pricing, which could significantly affect Bystronic's negotiating position.
- Competitive disadvantage compared to competitors:  
Bystronic's competitors do not disclose segment information and detailed segment results. The disclosure of segment results would put Bystronic at a competitive disadvantage compared to its competitors as the results allow conclusions to be drawn about the margin and cost situation per segment.

### Accounting principles

External segment reporting is based on the internal reporting used by the Executive Committee and the Board of Directors for corporate management purposes. There are four regional segments at Bystronic: EMEA, Americas, China and APAC.

Machine sales are recognized when the risks and rewards of ownership have been transferred to the buyer. Hence, revenue is recognized upon completion of the installation and when the machine is ready for operation. This is generally recorded in an acceptance protocol. The revenue is recognized separately for transactions with separable components. Services rendered are recognized as revenue based on their stage of completion if this can be reliably estimated. Net sales correspond to the expected value of the services provided, net of sales and value-added taxes, sales deductions such as sales bonuses, rebates and discounts granted as well as value adjustments and currency effects on trade receivables.

## 1.2 Backlog<sup>1</sup>

The backlog at the end of the period equals the backlog at the end of the previous period, adjusted for foreign currency effects, plus the order intake of the reporting period minus net sales of the reporting period.

CHF million	2022	2021
<b>Backlog</b>	<b>413.0</b>	<b>435.2</b>

<sup>1</sup> Backlog was not subject to the audit.

## 1.3 Other operating income

Other operating income includes proceeds from the sale of fixed assets and obsolete materials and income from subsidies and insurance payments.

## 1.4 Operating expenses

### Material expenses

Material expenses include all expenses for raw materials, supplies and merchandise as well as expenses for the external manufacture, processing or treatment of own products (external services).

Compared to the increase in net sales of 8.1%, material expenses rose disproportionately by 11.3% taking into account the changes in inventories of unfinished and finished goods. The ratio of the adjusted material expenses to net sales (materials ratio) amounted to 46.2%, 1.3 percentage points higher than in the previous year. The higher materials ratio compared to the previous year is due to increased purchasing and transportation costs and additionally to higher procurement costs due to supply bottlenecks for key components. On the other hand, Bystronic was able to benefit from the slightly higher share of sales from the service business compared to the previous year.

## Personnel expenses

CHF million	Bystronic 2022	Bystronic 2021	Discontinued operations 2021	Group 2021
Wages and salaries	210.2	196.8	40.7	237.4
Social security benefits	42.4	38.6	6.9	45.5
Other personnel expenses	7.3	7.1	1.8	8.9
<b>Total personnel expenses</b>	<b>260.0</b>	<b>242.5</b>	<b>49.3</b>	<b>291.8</b>
Number of employees as of reporting date	3,609	3,543		3,543
Average number of full-time equivalents	3,679	3,362	689	4,051

Bystronic's personnel expenses increased by 7.2% compared to the previous year. In relation to sales, personnel expenses decreased by 0.2 percentage points to 25.6%.

Due to the coronavirus pandemic, some Bystronic companies received short-time working compensation or similar state subsidies. The personnel-related compensations and subsidies were credited to personnel expenses and amounted to CHF 0.1 million (previous year: CHF 0.7 million).

As of the balance sheet date, the number of Bystronic employees increased by 1.9% to 3,609. The increase was mainly due to the strategic expansion of the service business. The average number of employees rose by 9.4% to 3,679 full-time equivalents.

## Other operating expenses

CHF million	Bystronic 2022	Bystronic 2021	Discontinued operations 2021	Group 2021
Direct costs of sold products	88.7	70.7	10.7	81.4
Purchased services <sup>1</sup>	49.3	46.1	6.3	52.4
Maintenance, rent, leasing and energy	30.1	29.5	8.8	38.3
Sales, marketing and administration	36.4	29.2	9.4	38.7
Sundry operating expenses	17.5	18.2	87.6	105.8
<b>Total other operating expenses</b>	<b>222.1</b>	<b>193.8</b>	<b>122.8</b>	<b>316.6</b>

<sup>1</sup> Among others, purchased services include consulting and audit, IT, research and development and insurances.

Compared to the previous year, other operating expenses of Bystronic increased by 14.6%. Both the direct costs of goods sold and the costs of purchased services as well as for exhibitions and travelling increased. In relation to net sales, other operating expenses increased by 1.2 percentage points to 21.9%.

## 1.5 Income taxes

CHF million	Bystronic 2022	Bystronic 2021	Discontinued operations 2021	Group 2021
Current income taxes	13.2	18.9	-1.2	17.7
Deferred taxes	-4.3	-6.4	-3.4	-9.8
<b>Total income taxes</b>	<b>8.9</b>	<b>12.5</b>	<b>-4.6</b>	<b>7.9</b>

Current income taxes include taxes paid and still owed on the taxable income of the individual companies.

	Tax rate 2022	Income taxes 2022	Tax rate 2021	Income taxes 2021
Average applicable tax rate and income taxes	20.0%	9.1	21.0%	14.6
Effects of change in tax loss carryforwards	-0.9%	-0.4	-1.1%	-0.8
Other influences	0.5%	0.2	-1.9%	-1.3
<b>Effective tax rate and income taxes Bystronic</b>	<b>19.5%</b>	<b>8.9</b>	<b>18.0%</b>	<b>12.5</b>
Effective tax rate and income taxes of discontinued operations			5.2%	-4.6
<b>Effective tax rate and income taxes group</b>	<b>19.5%</b>	<b>8.9</b>	<b>-39.3%</b>	<b>7.9</b>

The expected tax rate for Bystronic of 20.0% (previous year: 21.0%) corresponds to the weighted average of tax rates in the respective tax jurisdictions. The effective tax rate is 19.5% (previous year: 18.0%) on the ordinary income before taxes. The decrease from the average applicable tax rate to the effective tax rate is mainly due to the utilization of loss carryforwards.

Bystronic calculates deferred taxes at the tax rates actually expected to apply to the temporary differences in the individual companies. Deferred tax assets from loss carryforwards, temporary differences and from the elimination of intercompany profits amounted to CHF 24.2 million (previous year: CHF 22.8 million). Due to uncertainties regarding future offset possibilities, tax effects from loss carryforwards in the amount of CHF 0.7 million (previous year: CHF 0.3 million) were not capitalized. This evaluation is based on the expected income tax rates. Deferred tax liabilities amounted to CHF 20.3 million (previous year: CHF 21.7 million).

#### Significant estimates made by management

Significant estimates have to be made to determine the amount of current and deferred income tax assets and liabilities. Some of these estimates are based on the interpretation of existing tax legislation and regulations. Various internal and external factors may have favorable or unfavorable effects on income tax assets and liabilities. These factors include, but are not limited to, changes in tax legislation and regulations and their interpretation as well as changes in tax rates and in the overall level of earnings before taxes. Such changes may impact the current and deferred income tax assets and liabilities recognized in future reporting periods.

#### Accounting principles

Income taxes include current and deferred income taxes. All tax liabilities are accrued, irrespective of their maturity. The expected taxes on the valuation differences between the group's carrying amounts and the tax bases are accrued at the applicable income tax rates for the companies. The change in these deferred taxes is recognized through tax expenses. The deferred tax assets from offsetting loss carryforwards and temporary valuation differences are only capitalized if it is highly probable that future taxes on profits can be offset.

## 1.6 Earnings per share

CHF	Bystronic 2022	Bystronic 2021	Discontinued operations 2021	Group 2021
Net result attributable to shareholders of Bystronic AG	36,584,000	56,022,000	-84,586,000	-28,564,000
Average number of class A registered shares (nominal value: CHF 2.00)	1,825,040	1,825,798	1,825,798	1,825,798
Average number of class B registered shares (nominal value: CHF 0.40)	1,215,000	1,215,000	1,215,000	1,215,000
<b>Earnings per class A registered share</b>	<b>17.69</b>	<b>27.08</b>	<b>-40.89</b>	<b>-13.81</b>
<b>Earnings per class B registered share</b>	<b>3.54</b>	<b>5.42</b>	<b>-8.18</b>	<b>-2.76</b>

Share-based payments do not lead to a dilution of earnings per share.

### Accounting principles

Earnings per share category were calculated on the basis of the portion of net income attributable to the shareholders of Bystronic AG, based on their portion of the share capital and the average number of outstanding shares (issued shares less treasury shares).

## 2 Invested capital

### 2.1 Net operating assets and operating free cash flow

Among others, Bystronic uses the key figures “Net operating assets”, “Return on net operating assets (RONOA)” and “Operating free cash flow” to manage its operating performance.

#### Net operating assets and return on net operating assets

CHF million	12/31/2022	12/31/2021
Trade receivables	167.2	133.7
Prepayments to suppliers	6.0	6.5
Other receivables (without derivatives)	33.9	35.9
Inventories	287.7	249.1
Prepaid expenses and accrued income	14.0	14.1
Fixed assets	134.2	133.1
Intangible assets	11.0	11.4
Long-term receivables and loans	24.2	22.8
Deferred tax assets	24.2	22.8
Trade payables	-69.9	-79.5
Advance payments from customers	-158.7	-153.4
Other liabilities (without derivatives)	-31.5	-27.3
Accrued expenses and deferred income	-83.7	-80.3
Short-term and long-term provisions	-50.4	-48.2
Deferred tax liabilities	-20.3	-21.7
<b>Net operating assets (NOA)</b>	<b>288.0</b>	<b>218.9</b>
<b>Net operating assets (NOA), average</b>	<b>253.4</b>	<b>225.1</b>
Operating result (EBIT)	48.1	70.1
Effective tax rate	20.3%	18.0%
<b>Return on net operating assets (RONOA) after tax</b>	<b>15.1%</b>	<b>25.5%</b>

For the calculation of the net operating assets (NOA) at the end of 2022, effects from the disposals of discontinued operations are not taken into account. Therefore, in the calculation of the NOA, financial assets (non-current receivables and loans) are reduced by CHF 62.5 million (previous year: CHF 60.8 million). In the prior year, other receivables (excluding derivatives) were additionally reduced by CHF 20.0 million. The interest on the vendor loan of CHF 1.7 million (previous year: CHF 0.8 million) is also not taken into account when calculating the allowable tax expense or the effective tax rate.

Return on net operating assets (RONOA) after tax is calculated from the operating profit (EBIT) after deduction of the chargeable tax expense in relation to the average net operating assets between January 1<sup>st</sup> and the relevant balance sheet date.

**Operating free cash flow**

Cash flow from operating activities	-16.5	92.1
Investment in fixed assets	-18.3	-25.4
Divestment of fixed assets	0.2	3.7
Investment in intangible assets	-5.1	-3.4
Investment in financial assets and securities	-1.3	-2.7
Divestment of financial assets and securities	0.4	0.5
<b>Operating free cash flow</b>	<b>-40.6</b>	<b>64.8</b>
<b>in % of net sales</b>	<b>-4.0%</b>	<b>6.9%</b>
Acquisition of business activities		0.7
Sale of business activities	19.1	320.3
Purchase of marketable securities	-125.0	-30.0
Sale of marketable securities	30.0	
<b>Free cash flow</b>	<b>-116.4</b>	<b>355.8</b>

Operating free cash flow is calculated on the basis of cash flows from operating activities less selected items of cash flows from investment activities. Compared to free cash flow, operating free cash flow excludes changes in marketable securities and money market instruments with a maturity of more than 90 days as well as the acquisition and divestment of business activities.

**2.2 Net working capital****Trade receivables**

CHF million	12/31/2022	12/31/2021
Gross values	176.7	141.4
Value adjustments	-9.5	-7.8
<b>Net values</b>	<b>167.2</b>	<b>133.7</b>

Specific and general value adjustments were recognized for receivables at risk. The general value adjustment is based on empirical values.

**Other receivables**

Other receivables mainly include recoverable value-added taxes, other tax refund claims and the positive market values of open derivative financial instruments as of the balance sheet date. The decrease compared to the prior year is primarily due to the settlement of the receivable of CHF 20.0 million from Recticel in connection with the sale of FoamPartner.

**Inventories**

CHF million	12/31/2022	12/31/2021
Raw materials, supplies and spare parts	145.4	132.1
Semi-finished goods and work in progress	45.2	40.2
Finished goods	148.2	123.2
Value adjustment on inventories	-51.2	-46.3
<b>Total inventories</b>	<b>287.7</b>	<b>249.1</b>

The categorization of inventories was adapted to Bystronic's requirements in the reporting year and the corresponding previous year's figures are shown identically. Due in particular to delayed machine acceptances, inventories increased by CHF 38.6 million.

**Advance payments from customers**

After placing their orders, customers make corresponding advance payments. Due to delayed machine acceptances, advance payments increased although order intake declined.

**Other short-term liabilities**

The position includes taxes owed, social security contributions and negative market values of open derivative financial instruments as of the balance sheet date.

**Accrued expenses and deferred income**

CHF million	12/31/2022	12/31/2021
Accruals for personnel expenses	20.6	24.0
Deferred income	20.7	21.6
Accruals and deferrals for current income taxes	19.5	14.0
Other accruals and deferrals	22.9	20.7
<b>Total accrued expenses and deferred income</b>	<b>83.7</b>	<b>80.3</b>

Accrued expenses and deferred income include amounts from the accrual of expenses and deferred income. Other accruals and deferrals include commissions, volume discounts, installation and service costs as well as goods and services purchased from third parties but not yet invoiced.

**Significant estimates made by management**

In assessing the recoverability of inventories, estimates are made on the basis of expected consumption, price trends (lower of cost or market principle) and loss-free valuation. The estimates used to determine value adjustments on inventories are reviewed annually and amended as necessary.

**Accounting principles**

Trade and other receivables are stated at nominal value, less value adjustments for doubtful accounts.

Inventories are valued at the lower of cost or market. Production costs are calculated without imputed interest. Risks arising in connection with inventories difficult to sell or with a long storage period are accounted for by means of value adjustments.

Liabilities are recognized in the balance sheet at nominal value.

## 2.3 Fixed assets

CHF million	Factory buildings	Plant and machinery	Tooling, furniture, vehicles	Assets under construction	Undeveloped real estate	Total fixed assets
<b>Cost at 12/31/2020</b>	<b>107.6</b>	<b>89.4</b>	<b>27.5</b>	<b>8.1</b>	<b>9.2</b>	<b>241.9</b>
Additions	0.7	12.8	3.3	8.5		25.4
Disposals	-1.5	-8.8	-1.2		-1.2	-12.7
Changes in scope of consolidation	0.2		0.2	0.1		0.4
Reclassifications	0.5	0.4	0.1	-0.6		0.4
Currency translation effects	0.4	-0.4	-0.3	-0.5	0.2	-0.6
<b>Cost at 12/31/2021</b>	<b>107.9</b>	<b>93.5</b>	<b>29.6</b>	<b>15.6</b>	<b>8.2</b>	<b>254.7</b>
Additions	2.7	10.0	3.3	2.2		18.1
Disposals		-3.1	-1.3	-0.1		-4.6
Changes in scope of consolidation		-0.0	-0.1	-0.0		-0.2
Reclassifications	10.0	3.3	1.2	-14.5		
Currency translation effects	-1.6	-1.8	-1.0	-0.4	0.1	-4.7
<b>Cost at 12/31/2022</b>	<b>119.0</b>	<b>101.9</b>	<b>31.6</b>	<b>2.7</b>	<b>8.3</b>	<b>263.4</b>
<b>Accumulated depreciation at 12/31/2020</b>	<b>40.3</b>	<b>60.2</b>	<b>19.3</b>			<b>119.8</b>
Ordinary depreciation	3.5	5.7	3.8			13.0
Impairments		0.3	0.0			0.3
Disposals	-0.9	-8.6	-1.2			-10.7
Changes in scope of consolidation	0.1		0.0			0.1
Currency translation effects	-0.2	-0.6	-0.2			-1.0
<b>Accumulated depreciation at 12/31/2021</b>	<b>42.8</b>	<b>57.1</b>	<b>21.8</b>			<b>121.6</b>
Ordinary depreciation	3.4	7.0	3.8			14.2
Impairments		0.3	0.1			0.4
Disposals		-3.1	-1.4			-4.5
Changes in scope of consolidation		-0.0	-0.1			-0.2
Currency translation effects	-0.6	-1.0	-0.7			-2.3
<b>Accumulated depreciation at 12/31/2022</b>	<b>45.5</b>	<b>60.2</b>	<b>23.5</b>			<b>129.3</b>
<b>Net book value of fixed assets at 12/31/2021</b>	<b>65.1</b>	<b>36.4</b>	<b>7.8</b>	<b>15.6</b>	<b>8.2</b>	<b>133.1</b>
<b>Net book value of fixed assets at 12/31/2022</b>	<b>73.5</b>	<b>41.6</b>	<b>8.1</b>	<b>2.7</b>	<b>8.3</b>	<b>134.2</b>

Additions to fixed assets in 2022 mainly relate to investments in operating facilities at the production sites in Niederönz (Switzerland) and Gotha (Germany), investments in factory buildings in Tianjin (China) and in the Experience Center in Incheon (Korea).



**Significant estimates made by management**

The recoverability of fixed assets is assessed when there are indications of impairment. If there are indications of impairment, the recoverable amount is calculated. If the carrying amount of an asset exceeds its recoverable amount, an additional value adjustment is recognized. The calculation of the recoverable amount includes the estimation of future cash flows, the determination of the discount factor and the growth rate based on forecasted expectations. Actual cash flows may differ from the discounted future cash flows based on these estimates. Likewise, useful lives may be shortened or values may decline as a result of changes in use due to the relocation or abandonment of sites or if sales are lower than expected in the medium term.

**Accounting principles**

Land is carried at acquisition cost less any value adjustments. Other fixed assets are valued at acquisition or production cost less any necessary depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. The useful lives are as follows:

Factory buildings	30 to 40 years
Plant and machinery	5 to 12 years
Tooling, furniture and vehicles	2 to 8 years
IT hardware and office machinery	3 to 5 years

**2.4 Intangible assets**

CHF million	2022	2021
<b>Cost at 1/1</b>	<b>43.8</b>	<b>40.9</b>
Additions	5.3	3.4
Disposals	-6.2	-0.5
Changes in scope of consolidation		
Currency translation effects	-0.3	-0.0
<b>Cost at 12/31</b>	<b>42.7</b>	<b>43.8</b>
<b>Accumulated depreciation at 1/1</b>	<b>32.5</b>	<b>27.9</b>
Ordinary depreciation	5.8	5.1
Impairments		
Disposals	-6.2	-0.5
Changes in scope of consolidation		
Currency translation effects	-0.3	-0.0
<b>Accumulated depreciation at 12/31</b>	<b>31.7</b>	<b>32.5</b>
<b>Net book value of intangible assets at 1/1</b>	<b>11.4</b>	<b>13.0</b>
<b>Net book value of intangible assets at 12/31</b>	<b>11.0</b>	<b>11.4</b>

Intangible assets mainly include software. The additions basically relate to investments in the digitalization and automation of business processes.

**Goodwill**

Theoretical capitalization of goodwill would result in the following effects on the consolidated financial statements:

Theoretical assets analysis of goodwill:

CHF million	2022	2021
<b>Cost at 1/1</b>	<b>90.8</b>	<b>88.1</b>
Increase from acquisitions		0.5
Decrease from divestments and liquidations		
Currency translation effects	-5.4	2.2
<b>Cost at 12/31</b>	<b>85.4</b>	<b>90.8</b>
<b>Accumulated depreciation at 1/1</b>	<b>81.6</b>	<b>66.8</b>
Ordinary depreciation	6.1	12.5
Decrease from divestments and liquidations		
Currency translation effects	-5.1	2.3
<b>Accumulated depreciation at 12/31</b>	<b>82.6</b>	<b>81.6</b>
<b>Net book value of goodwill at 1/1</b>	<b>9.2</b>	<b>21.3</b>
<b>Net book value of goodwill at 12/31</b>	<b>2.8</b>	<b>9.2</b>

The additions are related to the acquisition of Kurago Software S.L.U (Spain) (see [note 4.2](#)).

Theoretical impact on income statement:

CHF million	2022	2021
Operating result (EBIT)	48.1	70.1
EBIT margin in %	4.7%	7.5%
Amortization of goodwill	-6.1	-12.5
Theoretical operating result (EBIT) incl. amortization of goodwill	42.0	57.6
<b>Theoretical EBIT margin in %</b>	<b>4.1%</b>	<b>6.1%</b>
Net result	36.6	56.8
Amortization of goodwill	-6.1	-12.5
<b>Theoretical net result incl. amortization of goodwill</b>	<b>30.5</b>	<b>44.3</b>

Theoretical impact on balance sheet:

CHF million	12/31/2022	12/31/2021
Equity as per balance sheet	724.2	815.2
Theoretical activation of net book value of goodwill	2.8	9.2
<b>Theoretical equity incl. net book value of goodwill</b>	<b>727.0</b>	<b>824.4</b>
Shareholders' equity in % of total assets	63.4%	66.0%
<b>Theoretical equity incl. net book value of goodwill in % of total assets</b>	<b>63.5%</b>	<b>66.3%</b>

**Significant estimates made by management**

The recoverability of intangible assets (including goodwill) is assessed when there are indications of impairment. If there are indications of impairment, the recoverable amount is calculated. If the carrying amount of an asset or the cash-generating unit to which the asset belongs exceeds its recoverable amount, an additional impairment loss is recognized. The calculation of the recoverable amount includes the estimation of future cash flows, the determination of the discount factor and the growth rate based on forecasted expectations. Actual cash flows may differ from the discounted future cash flows based on these estimates.

**Accounting principles**

Intangible assets are carried at acquisition cost less any value adjustments. Amortization is calculated on a straight-line basis over the estimated useful lives of the assets, which is normally between three and five years for software.

Research and development costs are reflected in the income statement.

Goodwill resulting from acquisitions of control is offset against retained earnings at the time of acquisition. On disposal or liquidation of a business unit, the goodwill previously offset against equity is reflected in the income statement. For shadow accounting purposes, goodwill is generally amortized on a straight-line basis over its useful life, which is normally five years.

**2.5 Other financial assets**

CHF million	12/31/2022	12/31/2021
Assets from employer contribution reserves	20.4	21.7
Long-term receivables and loans	86.8	83.6
Securities held as non-current assets	3.4	3.9
<b>Total financial assets</b>	<b>110.6</b>	<b>109.2</b>

Further details on the change in assets from employer contribution reserves can be found in [note 5.1](#). Non-current receivables and loans include long-term repayment contracts with customers, deposits for rents and the granting of a vendor loan (including accrued interest) of CHF 62.5 million (previous year: CHF 60.8 million) in connection with the sale of Mammüt Sports Group. Financial assets are value adjusted by CHF 3.7 million (previous year: CHF 2.3 million).

**Accounting principles**

Financial assets are recorded at acquisition cost, less any value adjustments.

## 2.6 Provisions and contingent liabilities

CHF million	Warranty	Litigation	Other	Total provisions
<b>Provisions at 12/31/2020</b>	<b>24.3</b>	<b>4.1</b>	<b>11.7</b>	<b>40.2</b>
Additions	25.4	2.7	8.5	36.6
Use	-18.0	-0.0	-0.8	-18.8
Release	-8.0	-2.2	-0.7	-10.9
Changes in scope of consolidation			1.8	1.8
Currency translation effects	-0.2		-0.4	-0.6
<b>Provisions at 12/31/2021</b>	<b>23.5</b>	<b>4.6</b>	<b>20.1</b>	<b>48.2</b>
Additions	27.0	0.1	2.1	29.2
Use	-18.7	-0.0	-0.7	-19.5
Release	-3.9	-1.8	-0.4	-6.2
Changes in scope of consolidation	-0.0			-0.0
Currency translation effects	-0.9	-0.0	-0.4	-1.3
<b>Provisions at 12/31/2022</b>	<b>26.9</b>	<b>2.8</b>	<b>20.6</b>	<b>50.4</b>
of which short-term 2021	18.8	0.3	5.5	24.6
of which short-term 2022	22.4	0.0	5.9	28.3

Warranty provisions relate to the sale of products and are based on empirical values. Experience shows that the corresponding cash outflow occurs evenly over the warranty period of one to five years.

Provisions for litigations mainly relate to legal cases arising from intellectual property rights and potential guarantees and indemnities in connection with the sale of discontinued operations, where the timing of the cash outflow of the liabilities is uncertain as it depends on the progress of the negotiations or proceedings.

Other provisions include in particular provisions for long-service awards and retirement benefits that do not qualify as employee benefit obligations, provisions for impending losses on purchase commitments under master purchase agreements and provisions for environmental and tax liabilities.

### Contingent liabilities

In connection with customer financing, there were repurchase obligations for machines to leasing companies in the amount of CHF 31.2 million (previous year: CHF 36.7 million). Bystronic companies guarantee the beneficiary leasing companies to take back machines in the above-mentioned amount if their lessees fail to pay the agreed installments.

### Significant estimates made by management

The amount of provisions is primarily determined by the estimate of future costs. The calculation for warranty claims is based on sales of products, contractual agreements and empirical values. In addition to the lump-sum calculation, individual provisions are taken into account for claims that have occurred or have been reported based on the management's assessment.

### Accounting principles

Provisions are recognized when an event has occurred prior to the balance sheet date that gives rise to a probable obligation where the amount and/or timing is uncertain but estimable. This obligation may be based on legal or factual grounds.

## 3 Financing and risk management

### 3.1 Cash, cash equivalents and securities

Cash and cash equivalents include cash on hand, bank account balances and time deposits with a remaining maturity of 90 days or less.

Securities include time deposits with a remaining maturity of more than 90 days.

### 3.2 Shareholders' equity

#### Share capital

The share capital of CHF 4.1 million is divided into 1,827,000 class A registered shares with a nominal value of CHF 2.00 each and 1,215,000 class B registered shares with a nominal value of CHF 0.40 each.

#### Treasury shares/Share-based compensation

CHF million		12/31/2022	12/31/2021
<b>Treasury shares held</b>			
Class A registered shares	Number	1,951	1,815
Average purchase price	CHF	1,145	1,259
<b>Acquisition for participation program</b>			
Class A registered shares	Number	1,000	1,200
Average purchase price	CHF	981	1,309
<b>Disposal of treasury shares</b>			
to the Board of Directors and Executive Committee	Number	864	1,314
Average transaction price <sup>1</sup>	CHF	911	1,232
<b>Cash value</b>	<b>CHF million</b>	<b>0.8</b>	<b>1.6</b>

<sup>1</sup> The transaction price corresponded to the market value.

The basic compensation of the members of the Board of Directors is paid in cash and in shares (approx. 50% each). The shares are subject to a four-year vesting period. Neither discounts nor performance components are taken into account for the calculation of the allocation of shares to members of the Board of Directors. The average share price over three months from November 1<sup>st</sup> to January 31<sup>st</sup> of the respective term of office is used.

There is a deferred share-based performance component (long-term incentive LTI) for the CEO. The contractually agreed target LTI value is 20% of the total target compensation. The sole performance parameter is earnings per share (EPS) for the current financial year. Depending on the actual EPS target achievement, the cash value of the share allocation can vary between 0% and a maximum of 150% (cap) of the target LTI value. The calculated monetary value is divided by the average share price from November 1<sup>st</sup> of the current period to January 31<sup>st</sup> of the following period to determine the number of shares allocated, with a discount of 10%. The prerequisite for a share allocation is an employment relationship that has not been terminated at the time of allocation. The shares transferred remain blocked for four years. In the event of disability, death or termination of employment following a change of control, the blocking period does not apply.

The remaining members of the Executive Committee and selected corporate functions are entitled to participate in the share-based LTI program. This is a "restricted share unit" (RSU) plan. The target LTI value for members of the Executive Committee (excluding the CEO) is 15% of the total target compensation. The first allocation of share rights (RSUs) took place at the end of March 2018. The actual LTI value for the management level mentioned above depends on earnings per share (EPS) and can vary between 100% and 150% of the target LTI value. The calculated monetary value is divided by the average share price from November 1<sup>st</sup> of the previous period to January 31<sup>st</sup> of the current period to determine the number of RSUs granted, with no discount. The RSUs are subject to a vesting period of three years, starting on the grant date and ending on the vesting date. The conversion of the vested RSUs into shares of Bystronic AG (conversion at a ratio of 1:1) takes place at the vesting date, provided that there is a continuing employment relationship at that time. The shares transferred to the plan participant can be freely disposed of by the plan participant. They are in the name of the plan participant and carry voting and dividend rights.

Further information on share-based compensation can be found in the compensation report.

For the share-based compensation component for the reporting year, personnel expenses of CHF 0.8 million (previous year: CHF 1.6 million) were recognized.

### Compensation and shareholdings

The compensation paid to the Board of Directors and the Executive Committee is disclosed in the Compensation Report, which forms an integral part of this annual report. Their holdings in Bystronic AG are disclosed in the [notes to the financial statements of Bystronic AG](#).

### Non-distributable reserves

As of the balance sheet date, the non-distributable reserves of the holding company Bystronic AG amount to CHF 3.1 million (previous year: CHF 3.1 million). Included therein are CHF 2.2 million related to treasury shares (previous year: CHF 2.3 million) and non-distributable reserves of CHF 0.8 million (previous year: CHF 0.8 million).

### Accounting principles

Treasury shares are recognized at cost at the time of acquisition. Treasury shares are recognized as a negative item in equity. In the event of a subsequent resale, the profit or loss is credited to legal capital reserves.

Share-based compensation to members of the Board of Directors and the Executive Committee is measured at fair value at grant date and charged to personnel expenses in the period in which the service is rendered.

## 3.3 Financial result

CHF million	Bystronic 2022	Bystronic 2021	Discontinued operations 2021	Group 2021
Financial income	3.3	3.3	0.8	4.1
Financial expenses	-6.0	-4.2	-1.3	-5.4
<b>Total financial result</b>	<b>-2.7</b>	<b>-0.9</b>	<b>-0.5</b>	<b>-1.4</b>

Financial income includes interest income of CHF 3.2 million (previous year: CHF 0.9 million) and a gain on marketable securities of CHF 0.1 million (previous year: CHF 0.2 million). In the previous year, a positive performance on the assets of the employer contribution reserve of CHF 0.8 million and foreign exchange gains of CHF 1.4 million were realized.

Financial expenses include interest and currency hedging costs (interest rate difference) of CHF 3.5 million (previous year: CHF 4.2 million) for the financing of foreign group companies in foreign currencies, a negative performance on the assets of the employer contribution reserve of CHF 1.2 million and foreign exchange losses of CHF 1.2 million. The foreign exchange losses include currency effects from the valuation of cash and cash equivalents, short-term loans between group companies and other financial assets.

### 3.4 Operating lease

Maturity of operating lease contracts in CHF million	12/31/2022	12/31/2021
Under 1 year	5.3	5.1
1 to 5 years	6.8	7.1
<b>Total operating lease contracts</b>	<b>12.1</b>	<b>12.2</b>

### 3.5 Other commitments and pledged assets

At balance sheet date, there were no off-balance sheet commitments and no pledged assets. In the previous year, assets in the amount of CHF 4.2 million were subject to ownership restrictions.

### 3.6 Financial risk management

Through its business activities, Bystronic is exposed to financial risks such as in particular currency, credit, liquidity and interest rate risks. Risk management is focused on the unpredictability of developments in the financial markets and aims to minimize the potential negative impact on the group's financial position. Risk management is carried out by Bystronic's finance department in accordance with guidelines approved by the Board of Directors. They define the use of derivatives as well as the handling of foreign currency risks, interest rate risks and credit risks. The guidelines are binding for all Bystronic companies.

Risk	Source	Risk management
Currency risks	Bystronic operates internationally and is therefore exposed to currency risks, which may affect operating profit and the financial result, as well as the Group's equity.	<ul style="list-style-type: none"> <li>- Natural hedging is used by purchasing goods in the currency they will be sold in.</li> <li>- Currency risks are hedged using derivative financial instruments.</li> </ul>
Credit risks arising from business operations and financial transactions	The credit risk is the risk of suffering a financial loss if a counterparty is unable to meet its contractual obligations. Credit risks may arise from receivables, financial assets, credit balances with financial institutions, securities and derivative financial instruments.	<ul style="list-style-type: none"> <li>- Independent ratings of financial institutions are periodically reviewed.</li> <li>- Risks of liquid assets are further reduced by using different financial institutions instead of a single bank.</li> <li>- Cluster risks of receivables and financial assets are reduced through broad geographical distribution and a large number of customers.</li> <li>- Customers' creditworthiness is assessed taking account of specific checks and past experience.</li> </ul>
Liquidity risks	A liquidity risk results from the risk of being unable to meet financial obligations when they fall due.	<ul style="list-style-type: none"> <li>- A prudent liquidity management includes holding sufficient reserves of liquid funds, which are constantly monitored, and the option of financing through lines of credit.</li> </ul>
Interest rate risks	Interest rate risks arise from changes in future interest payments due to fluctuations of market interest rates and from interest-related risks due to changes in market value.	<ul style="list-style-type: none"> <li>- Bystronic does not have any assets and liabilities that would be substantially affected by significant changes in the interest rate environment.</li> </ul>

**Conversion rates**

Currency	Unit	Closing rate		Average rate	
		12/31/2022	12/31/2021	2022	2021
EUR	1	0.9847	1.0331	1.0064	1.0845
USD	1	0.9232	0.9121	0.9539	0.9126
CNY	100	13.3823	14.3592	14.2287	14.1295

**Derivative financial instruments**

CHF million	12/31/2022	12/31/2021
Contract or nominal values (gross)	407.4	392.5
Positive replacement values	12.1	3.5
Negative replacement values	2.8	2.8

The contracts were concluded to hedge currency risks arising from operating activities in various currencies.

**Accounting principles**

All open derivatives are recognized at fair value as of the balance sheet date and reported gross in the balance sheet under other receivables or other liabilities. Changes in the value of derivatives used to hedge recognized underlying transactions are recognized in the same way as the underlying transaction. Changes in the value of derivatives used to hedge future cash flows are recognized in equity until the underlying transaction is settled. At the time the hedged item is recognized in the balance sheet, the gain or loss recognized in equity is transferred to the income statement.



## 4 Group structure

### 4.1 Disposals

#### **Bystronic**

As of June 8, 2022, Bystronic sold the group company OOO Bystronic Laser, Moscow (Russia). The year 2022 includes net sales and operating profit until June 8, 2022 while the comparative period includes twelve months. The transaction resulted in a loss on sale of CHF 1.4 million, related to translation differences, which is included in "Other operating expenses".

#### **Discontinued operations**

On December 9, 2019, Bystronic (reported before the change of name by the holding company Conzzeta AG) announced the decision of the Board of Directors to focus the group on the Bystronic business unit. The other business units were to be sold within the year, market conditions permitting. In 2021, the last two business units Chemical Specialities (FoamPartner) and Mammut Sports Group were divested. Both business units are allocated to discontinued operations.

As of March 31, 2021, Bystronic sold the FoamPartner activities to Recticel, the Belgian polyurethane chemicals specialist based in Brussels and listed on Euronext (REC). The year 2022 includes neither net sales nor operating profit, while the comparative period includes three months. The transaction resulted in a loss on sale of CHF 80.1 million, which was included in "Other operating expenses" in the prior year. The loss on sale includes goodwill in the amount of CHF 152.2 million, which was offset against equity at the time of the acquisition. The remaining purchase price receivable of CHF 20.0 million was a deferred purchase price payment recognized in 2021 in the position "Other receivables" and was paid in January 2022. The remaining purchase price receivable resulted in a foreign exchange loss of CHF 0.3 million.

On June 30, 2021, Bystronic sold the Mammut Sports Group to Telemos Capital, an investment company based in London (UK). The year 2022 includes neither net sales nor operating profit, while the comparative period comprises six months. The transaction resulted in a loss on sale of CHF 0.3 million, which was recognized in 2021 in the position "Other operating expenses". The transaction included an earn-out structure of up to CHF 45.0 million. Due to the earn-out relevant result as of December 31, 2021, no fair value for the earn-out is included in the loss on sale. The parties also agreed on an interest-bearing vendor loan of CHF 60.0 million, which will be repaid by the buyer by January 2027 at the latest and which has been recognized together with the accrued interest of CHF 2.5 million (previous year: CHF 0.8 million) in the position "Financial assets".

CHF million	Bystronic	Discontinued operations	
	OOO Bystronic Laser June 8, 2022	Mammut June 30, 2021	FoamPartner March 31, 2021
Current assets	0.6	141.7	116.5
Non-current assets		54.4	103.1
<b>Assets</b>	<b>0.6</b>	<b>196.2</b>	<b>219.7</b>
Current liabilities	0.6	176.6	138.9
Non-current liabilities		2.2	12.7
<b>Liabilities</b>	<b>0.6</b>	<b>178.8</b>	<b>151.7</b>
<b>Net assets divested</b>	<b>0.0</b>	<b>17.4</b>	<b>68.0</b>
Selling price	0.0	42.4	171.7
Net assets divested	-0.0	-17.4	-68.0
Transaction costs	-0.0	-6.6	-13.1
Recycling of goodwill		-2.8	-152.2
Recycling of translation differences	-1.4	-15.8	-18.5
<b>Loss on disposal</b>	<b>-1.4</b>	<b>-0.3</b>	<b>-80.1</b>
Selling price received	0.0	42.4	151.4
Transaction costs paid	-0.0	-5.0	-9.7
Cash and cash equivalents disposed of	-0.6	-32.5	-21.7
Settlement of intercompany receivables and debts	0.0	144.9	110.5
Granting of vendor loan		-60.0	
<b>Net cash flow 2021</b>		<b>89.8</b>	<b>230.5</b>
Deferred purchase price payment			19.7
<b>Net cash flow 2022</b>	<b>-0.6</b>		<b>19.7</b>
<b>Total net cash flow</b>	<b>-0.6</b>	<b>89.8</b>	<b>250.2</b>

## 4.2 Changes in the scope of consolidation

### Changes in the current year

- As of January 1, 2022, FMG Verfahrenstechnik AG, Sulgen (Switzerland) was merged with Bystronic Laser AG, Niederönz (Switzerland).
- On June 8, 2022, Bystronic sold the company OOO Bystonic Laser, Moscow (Russia).

### Changes in the previous year

- On March 26, 2021, Bystronic acquired Kurago Software S.L.U, Bilbao (Spain). The acquisition price amounted to CHF 0.5 million. The transaction resulted in goodwill of CHF 0.5 million, which was offset against equity. Cash and cash equivalents of CHF 1.2 million were acquired.
- As of March 31, 2021, Bystronic sold the activities of FoamPartner.
- As of June 30, 2021, Bystronic sold the business unit Mammut Sports Group.
- On August 4, 2021, Bystronic founded the company Kurago Asia Ltd., Changwon (Korea).
- On August 10, 2021, Bystronic founded the production company Bystronic (Shanghai) Automation Technology Co., Shanghai (China).
- As of November 30, 2021, Bystronic Laser AG, Niederönz (Switzerland), acquired the remaining 30% of the capital shares in Bystronic Automation Technology S.p.A. (formerly ANTIL S.p.A.), San Giuliano Milanese (Italy), from the minority shareholder. Bystronic now owns 100% of the voting and capital shares in the company. The acquisition price for the remaining 30% of the shares amounted to CHF 13.4 million (including transaction costs of CHF 0.1 million), which was offset against equity.

## 4.3 Group companies

Company, domicile	Notes	Country	Company capital	Investment in % direct	Investment in % indirect
<b>Bystronic</b>					
<b>EMEA</b>					
Bystronic Laser AG, Niederönz		CH	CHF 50,000	100	
Bystronic Scandinavia AB, Rosersberg		SE	SEK 200,000		100
Bystronic Maschinenbau GmbH, Gotha		DE	EUR 3,400,100		100
Bystronic Italia S.r.l., Pieve Emanuele		IT	EUR 900,000		100
Bystronic France SASU, Les Ulis		FR	EUR 2,500,000		100
Bystronic Deutschland GmbH, Heimsheim		DE	EUR 52,000		100
Bystronic Ibérica S.A.U, San Sebastián de los Reyes		ES	EUR 262,000		100
Bystronic Austria GmbH, Pasching		AT	EUR 300,000		100
Bystronic Benelux B.V., Meerkerk		NL	EUR 18,151		100
Bystronic UK Ltd, Coventry		UK	GBP 1,200,000		100
Bystronic Sales AG, Niederönz		CH	CHF 200,000		100
Bystronic Polska Sp. z o.o., Komorów		PL	PLN 1,000,000		100
Bystronic Czech Republic s.r.o., Brno		CZ	CZK 6,000,000		100
Bystronic Lazer ve Bükme Makineleri Sanayi ve Ticaret Ltd Şti, Istanbul		TR	TRY 660,000		100
OOO Bystronic Laser, Moscow	1	RU			
S.C. Bystronic Laser S.R.L., Brasov		RO	RON 3,277,000		100
LLC Bystronic Ukraine, Kyiv		UA	UAH 172,200		100
FMG Verfahrenstechnik AG, Sulgen	2	CH			
Bystronic Hungary Kft, Budaörs		HU	HUF 25,000,000		100
Bystronic Automation Technology S.p.A., San Giuliano Milanese	3	IT	EUR 250,000		100
Bystronic Tube Processing S.p.A., Cazzago San Martino		IT	EUR 750,000		100
Kurago Software, S.L.U, Bilbao	4	ES	EUR 3,000		100
<b>Americas</b>					
Bystronic Inc., Hoffman Estates		US	USD 250,000		100
Bystronic Mexico S.A. de C.V., Apodaca		MX	MXN 2,500,000		100
Bystronic do Brasil Ltda., Colombo		BR	BRL 9,000,000		100
Bystronic Canada Ltd, Mississauga		CA	CAD 100,000		100
Bystronic Manufacturing Americas LLC, Hoffman Estates		US	USD 1,000,000		100
<b>China</b>					
Bystronic (Shanghai) Co. Ltd., Shanghai		CN	CNY 43,406,070		100
Bystronic (Tianjin) Laser Ltd., Tianjin		CN	CNY 76,792,070		100
Bystronic (Shenzhen) Laser Technology Co., Ltd., Shenzhen		CN	CNY 44,600,000		100
Bystronic (Shanghai) Automation Technology Co., Ltd., Shanghai	5	CN	CNY 30,000,000		100
<b>APAC</b>					
Bystronic Pte. Ltd., Singapore		SG	SGD 4,050,000		100
Bystronic Korea Ltd., Anyang		KR	KRW 11,600,000,000		100
Bystronic Laser India Private Ltd., Pune		IN	INR 602,420		100
Bystronic Japan Ltd., Tokyo		JP	JPY 485,000,000		100
Bystronic International Laser Ltd., New Taipei City		TW	TWD 5,000,000		100

Bystronic Australia Pte. Ltd., Cranbourne West	AU	AUD	100,000	100	
Bystronic Vietnam Co. Ltd., Ho Chi Minh City	VN	VND	6,798,000,000	100	
Bystronic (Thailand) Co., Ltd., Bangkok	TH	THB	3,000,000	100	
Kurago Asia Ltd., Changwon	<sup>6</sup>	KR	KRW	100,000,000	100

#### Corporate entities

Bystronic Holding Deutschland AG, Leverkusen	DE	EUR	6,000,000	100
Conzzeta Management AG, Zurich	CH	CHF	100,000	100
Bystronic Grundstücksverwaltungs GmbH, Leverkusen	DE	EUR	50,000	100
Bystronic Vermögensverwaltungs GmbH & Co. KG, Leverkusen	DE	EUR	100,000	100
Kureta GmbH, Leverkusen	DE	EUR	100,000	100

#### FoamPartner

FoamPartner Switzerland AG, Wolfhausen	<sup>7</sup>	CH		
FoamPartner Leverkusen GmbH, Leverkusen	<sup>7</sup>	DE		
Frina Mousse France S.à r.l., Wittenheim	<sup>7</sup>	FR		
Büttikofer AG, Gontenschwil	<sup>7</sup>	CH		
FoamPartner Holding AG, Zug	<sup>7</sup>	CH		
FoamPartner Trading (Shanghai) Ltd., Shanghai	<sup>7</sup>	CN		
FoamPartner Polyurethane Materials (Changzhou) Co. Ltd., Changzhou	<sup>7</sup>	CN		
FoamPartner Singapore Pte. Ltd, Singapore	<sup>7</sup>	SG		
FoamPartner Delmenhorst GmbH, Delmenhorst	<sup>7</sup>	DE		
FoamPartner Germany GmbH, Duderstadt	<sup>7</sup>	DE		
FoamPartner Converting Center GmbH, Duderstadt	<sup>7</sup>	DE		
FoamPartner Americas, Inc., Wilmington DE	<sup>7</sup>	US		

#### Mammut Sports Group

Mammut Sports Group AG, Seon	<sup>8</sup>	CH		
Mammut Sports Group GmbH, Wolfertschwenden	<sup>8</sup>	DE		
Mammut Sports Group, Inc., Williston VT	<sup>8</sup>	US		
Mammut Ajungilak AS, Oslo	<sup>8</sup>	NO		
Mammut Sports Group Japan Inc., Tokyo	<sup>8</sup>	JP		
Mammut UK Ltd, Macclesfield	<sup>8</sup>	GB		
Mammut Outdoor Equipment (Beijing) Co. Ltd, Beijing	<sup>8</sup>	CN		
Mammut Sports Group Asia Ltd, Hong Kong	<sup>8</sup>	HK		
Mammut France, Epagny Metz-Tessy	<sup>8</sup>	FR		
Mammut Sports Group Austria GmbH, Steyr	<sup>8</sup>	AT		

<sup>1</sup> Divested as per June 8, 2022

<sup>2</sup> Merger with Bystronic Laser AG as per January 1, 2022

<sup>3</sup> Increase of investment from 70% to 100% on November 30, 2021

<sup>4</sup> Acquisition as of March 26, 2021

<sup>5</sup> Foundation as per August 10, 2021

<sup>6</sup> Foundation as per August 4, 2021

<sup>7</sup> Divested as of March 31, 2021

<sup>8</sup> Divested as of June 30, 2021

## 5 Other notes

### 5.1 Employee benefit plans

CHF million	Balance sheet 12/31/2022	Balance sheet 12/31/2021	Result in personnel expenses 2022	Result in financial income 2022	Result in personnel expenses 2021	Result in financial income 2021
<b>Employer contribution reserves</b>						
Employer-funded pension fund Bystronic	20.4	21.7		-1.2		0.8

There is no waiver of use of the employer contribution reserve. No pension fund contributions were offset against the employer contribution reserve in either the reporting year or the previous year. The change of CHF 1.2 million resulted from the negative performance on the assets of the employer contribution reserve which was allocated to the financial result. In the previous year, a positive performance of CHF 0.8 million was achieved.

CHF million	Surplus/ deficit 12/31/2022	Economic benefit/ obligation 12/31/2022	Economic benefit/ obligation 12/31/2021	Currency translation effect/use 2022	Change to prior year - affecting result 2022	Contribu- tions to be allocated to reporting period 2022	Current service cost in personnel expenses 2022	Current service cost in personnel expenses 2021
<b>Economic benefit/ obligation and current service cost</b>								
Employer-funded pension fund	3.0							
Pension funds without surplus/deficit						6.8	6.8	6.4
Pension funds with deficit	-0.6	-0.6	-0.6	0.0		0.8	0.8	0.5
<b>Total Bystronic</b>	<b>2.4</b>	<b>-0.6</b>	<b>-0.6</b>	<b>0.0</b>		<b>7.7</b>	<b>7.7</b>	<b>7.0</b>
<b>Total discontinued operations</b>								<b>1.5</b>
<b>Total Group</b>	<b>2.4</b>	<b>-0.6</b>	<b>-0.6</b>	<b>0.0</b>		<b>7.7</b>	<b>7.7</b>	<b>8.5</b>

In the previous year, the net surplus amounted to CHF 2.0 million and the contributions accrued for the reporting period amounted to CHF 7.0 million.

The reported surplus from free reserves of the employer's pension plan is not intended for economic use by the group.

#### Accounting principles

The pension obligations of the group companies for retirement, death or disability are based on the regulations and practices applicable in the respective countries. Contributions are made on an ongoing basis. The income statement includes the pension and benefit payments and outstanding benefits during the accounting period and the regular contributions to the various pension funds. The private pension plans in Switzerland are designed to build up retirement assets with conversion into fixed retirement pensions and with supplementary risk benefits. The actual economic effects of pension plans on the company are calculated as of the balance sheet date. An economic benefit is capitalized if it will be used for the company's future pension expenses. An economic obligation is recognized as a liability if the conditions for recognizing a provision are met. Separately existing, freely available employer contribution reserves are recognized as assets. The difference between the economic benefits and obligations determined each year and the change in the employer contribution reserve is recognized in the income statement.

## **5.2 Related-party transactions**

As in the previous year, there were no transactions with related parties and companies at Bystronic in 2022.

# Statutory auditor's report to the General Assembly of Bystronic AG, Zurich

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of Bystronic AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2022 and the consolidated income statement, consolidated statement of changes in shareholders' equity and consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

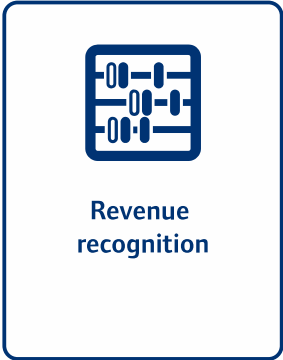
In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

### Basis for Opinion

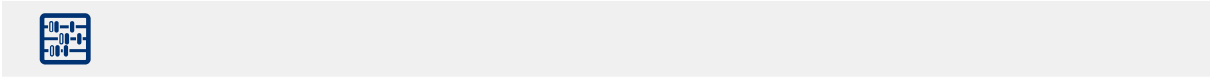
We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters



**Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.**



### Revenue Recognition

**Key Audit Matter**

Revenue represents an important basis for assessing Bystronic’s performance and is thus at the center of the company’s internal targets and external communication. Therefore, the pressure that may arise to achieve revenue targets leads to an increased risk with respect to recognizing revenue in the proper accounting period.

Bystronic recognizes revenue when goods or products have been delivered or services have been rendered and when risk and reward as well as control have been transferred to the buyer, depending on the relevant terms and conditions. There is a degree of judgement when it comes to revenue recognition, as in some cases multiple components and their installation are included in the assessment.

**Our response**

As part of our audit, we analyzed the process established to determine revenue recognition and assessed whether goods sold were recorded in the appropriate accounting period. We identified the key controls relevant for revenue recognition and tested selected controls for their operating effectiveness on a sample basis.

Moreover, we performed essentially the following audit procedures to assess the correctness of revenue recognition:

- Testing of the accuracy of revenue recognition as at 31 December 2022 by reconciling invoices with bills of delivery on a sample basis.
- Testing of handover protocols and correspondence with clients on a sample basis in view of revenue recognition in the correct period.



- Assessing the transfer of risk and reward based on installation costs to be incurred and by retrospectively comparing actual costs to prior year estimates.

For further information on Revenue Recognition refer to [section 1.1 in the notes to the consolidated financial statements](#).

## Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the standalone financial statements of the company and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Board of Directors' Responsibilities for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

KPMG AG



**François Rouiller**  
Licensed Audit Expert  
Auditor in Charge



**Raphael Gähwiler**  
Licensed Audit Expert

Zurich, February 27, 2023

## Income statement Bystronic AG

CHF 1,000	2022	2021
Income from investments	40,000	49,900
Income from the sale of investments		46,807
Financial income	8,159	6,907
Other operating income	217	377
<b>Total income</b>	<b>48,376</b>	<b>103,991</b>
Financial expenses	-3,975	-3,235
Other operating expenses	-5,253	-6,211
Income taxes	-133	-144
<b>Total expenses</b>	<b>-9,361</b>	<b>-9,590</b>
<b>Net result</b>	<b>39,015</b>	<b>94,401</b>

## Balance sheet Bystronic AG

CHF 1,000	12/31/2022	12/31/2021
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	184,849	413,654
Securities	125,000	30,000
Other receivables		
from third parties	12,474	13,978
from investments	1,329	713
Prepaid expenses and accrued income	310	6
<b>Total current assets</b>	<b>323,962</b>	<b>458,351</b>
<b>Non-current assets</b>		
Financial assets		
Receivables from investments	348,463	317,387
Other financial assets from third parties	62,544	60,848
Investments	118,381	157,701
<b>Total non-current assets</b>	<b>529,388</b>	<b>535,936</b>
<b>TOTAL ASSETS</b>	<b>853,350</b>	<b>994,287</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Interest-bearing liabilities		
to investments	35,407	96,077
Other payables		
to third parties	1,810	3,180
to associates	156	154
to investments	7,102	1,140
Accrued expenses and deferred income	1,593	1,194
<b>Total current liabilities</b>	<b>46,068</b>	<b>101,745</b>
<b>Equity</b>		
Share capital	4,140	4,140
Legal capital reserves		
Reserve from capital contributions	72	72
Other capital reserves	97,635	97,881
Legal retained earnings	13,409	13,409
Voluntary retained earnings	650,000	650,000
Retained earnings	44,260	129,326
Treasury shares	-2,234	-2,286
<b>Total equity</b>	<b>807,282</b>	<b>892,542</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>853,350</b>	<b>994,287</b>

# Notes to the financial statements of Bystronic AG

## Principles

### General remarks

The financial statements 2022 of Bystronic AG have been prepared in accordance with the provisions of the Swiss Code of Obligations. The significant accounting policies applied but not required by law are described below.

The financial statements were approved for publication by the Board of Directors on February 27, 2023. They are also subject to approval by the General Assembly.

### Financial assets

Financial assets consist of investments with a long-term investment purpose. Loans granted in foreign currencies are valued at the current closing rate.

### Derivative financial instruments

Foreign exchange hedging transactions are entered into in order to hedge currency risks arising from operating activities. All open derivatives are recognized at fair value as of the balance sheet date and reported gross in the balance sheet under other receivables or other current liabilities. Changes in the value of derivatives used to hedge recognized underlying transactions are recognized in the income statement in the same way as the underlying transaction.

### Interest-bearing liabilities

Interest-bearing liabilities are recognized at nominal value.

### Treasury shares

Treasury shares are recognized at cost at the time of acquisition. Treasury shares are recognized as a negative item in equity. In the event of subsequent resale, the gain or loss is credited to legal capital reserves.

### Share-based compensation

Share-based compensation to members of the Board of Directors is measured at fair value at the grant date and charged to other operating expenses in the period in which the service is rendered.

## Disclosures on income statement and balance sheet items

### Income

Dividend payments of the subsidiaries are determined depending on retained earnings and capital requirements. Financial income includes interest income on receivables from investments of CHF 6.1 million (previous year: CHF 5.1 million), interest income from third parties of CHF 2.1 million (previous year: 0.9 million). In the prior year, foreign exchange gains on cash and cash equivalents and on receivables from investments of CHF 0.7 million and a gain on marketable securities of CHF 0.2 million was included in the financial income. Other operating income of CHF 0.2 million (previous year: CHF 0.4 million) is related to brokerage fees from insurance companies. The gain from the sale of investments in the previous year of CHF 46.8 million originated from the sale of FoamPartner Switzerland AG of CHF 43.1 million and of Mammüt Sports Group AG of CHF 3.7 million.

### Expenses

Financial expenses result from interest on liabilities to investments of CHF 0.5 million (previous year: CHF 0.3 million), currency hedging costs (interest differences) of balance sheet items in foreign currencies of CHF 2.4 million (previous year: CHF 2.3 million), commitment fees for bank loans of CHF 0.4 million (previous year: CHF 0.3 million) and negative interest on bank balances of CHF 0.4 million (previous year: CHF 0.3 million) and foreign exchange losses on cash and cash equivalents and on receivables from investments of CHF 0.3 million. Other operating expenses include current administrative costs, project costs, capital taxes and the fees of the Board of Directors amounting to CHF 1.0 million (previous year: CHF 1.2 million).

### **Current assets**

Cash and cash equivalents comprise bank deposits, mostly in Swiss francs. Marketable securities include time deposits in Swiss francs with a remaining maturity of more than 90 days. Other receivables from third parties include recoverable input and withholding taxes as well as taxes at source of CHF 0.3 million (previous year: CHF 0.1 million), balances from foreign exchange hedging transactions with banks of CHF 12.1 million (previous year: CHF 3.5 million) and receivables from social insurances of CHF 0.1 million. In the previous year, a residual purchase price receivable from the sale of FoamPartner Switzerland AG of CHF 10.4 million was included. Other receivables from investments include the credit balances from currency hedging transactions of CHF 0.8 million (previous year: CHF 0.5 million) and other receivables from investments of CHF 0.5 million (previous year: CHF 0.2 million).

### **Non-current assets**

Financial assets consist of investments with a long-term investment purpose. Receivables from investments increased by CHF 31.1 million in the reporting year. Other financial assets from third parties relate to a vendor loan in connection with the sale of Mammut Sports Group AG. Due to a capital repayment, investments decreased by CHF 39.3 million.

### **Liabilities**

Other short-term liabilities mainly include liabilities from currency hedging transactions to banks of CHF 1.8 million (previous year: CHF 2.8 million) and liabilities from currency hedging transactions to group companies of CHF 7.1 million (previous year: CHF 1.1 million).

### **Equity**

The share capital of CHF 4.1 million (previous year: CHF 4.1 million) is divided into 1,827,000 class A registered shares and 1,215,000 class B registered shares. At the end of 2021, the company held 1,815 class A registered shares at an average purchase price of CHF 1,259 each. For the participation program, 1,000 class A registered shares were acquired in the reporting year at an average transaction price of CHF 981 each. The Board of Directors was allocated 377 class A registered shares at an average transaction price of CHF 900 each. Members of the Executive Committee and other members of management were allocated 487 class A registered shares at an average transaction price of CHF 919 each. These costs were invoiced to the group companies with which these persons have an employment relationship. The transaction price corresponded to the market value in each case. As of December 31, 2022, 1,951 class A registered shares are held at an average purchase price of CHF 1,145 each.

## Further disclosures

### Full-time positions

No employees are employed at Bystronic AG.

### Contingent liabilities

CHF 1,000	2022	2021
Sureties and guarantee obligations for subsidiaries	105,119	64,356
Effective obligations	17,884	12,279

### Investments

The investments are listed in [note 4.3 of the consolidated financial statements](#). The voting shares correspond to the capital shares.

### Significant shareholders

Auer, Schmidheiny and Spoerry shareholder group	2022	2021
Capital rights	28.9%	28.9%
Voting rights	51.0%	51.0%

The Auer, Schmidheiny and Spoerry shareholder group consists of Dr. Matthias Auer, Martin Byland, Rudolf Byland, Christina Byland, Caliza Holding AG, Marina Marti-Auer, Marina Milz, Adrian and Annemarie Herzig-Büchler, Sven and Rosmarie Mumenthaler-Sigrist, Jacob Schmidheiny, Margrit Schmidheiny, Felix Schmidheiny, Helen Schmidheiny, Kathrin Spoerry, Christina Spoerry, Heinrich Spoerry-Niggli, Lotti Spoerry and Robert F. Spoerry.

### Shareholdings held by members of the Board of Directors and Executive Committee and by related persons

Number	Class A registered shares 12/31/2022	Class A registered shares 12/31/2021	Class B registered shares 12/31/2022	Class B registered shares 12/31/2021
<b>Board of Directors</b>				
Dr. Heinz O. Baumgartner, Chairman	40			
Dr. Roland Abt, Member	398	358		
Dr. Matthias Auer, Member	22,611	22,571	1,008	1,008
Inge Delobelle, Member				
Urs Riedener, Member	398	358		
Jacob Schmidheiny, Member	129,510	129,470	6,032	6,032
Robert F. Spoerry, Member	7,545	7,230	148	148

Dr. Matthias Auer, Jacob Schmidheiny and Robert F. Spoerry hold further registered shares under a shareholder agreement within the Auer, Schmidheiny and Spoerry shareholder group.

Number	Class A registered shares 12/31/2022	Class A registered shares 12/31/2021	Class B registered shares 12/31/2022	Class B registered shares 12/31/2021
<b>Executive Committee</b>				
Alex Waser (CEO)	1,248	1,054		
Beat Neukom (CFO)				
Johan Elster	69	30		
Robert St. Aubin				
Norbert Seo				
Dr. Song You				
Eamon Doherty	33			
Alberto Martinez	32			

Compensation paid to members of the **Board of Directors** and **Executive Committee** is shown in the compensation report.

#### Share-based compensation

The basic compensation of the members of the Board of Directors is paid in cash and in shares (approx. 50% each) with a four-year vesting period. Neither discounts nor performance components are taken into account for the calculation of the Board of Directors' share allocation. The average share price over three months from November 1<sup>st</sup> to January 31<sup>st</sup> of the respective term of office is used.

In 2022, a total of 377 class A registered shares were allocated to the Board of Directors for the previous year. The valuation was made using a share price of CHF 900 and amounted to CHF 0.3 million. For the share-based compensation component for the reporting year, an expense accrual in the amount of CHF 0.3 million (previous year: CHF 0.3 million) is included in other operating expenses.

#### Events after the balance sheet date

There are no events after the balance sheet date that require a value adjustment to the assets and liabilities recognized in the balance sheet or that require disclosure.



## Proposal of the Board of Directors on the appropriation of retained earnings and legal retained earnings of Bystronic AG

CHF	2022
The Board of Directors proposes to the Annual General Meeting on April 25, 2023 a transfer from the legal retained earnings into the retained earnings of:	12,581,216
The Board of Directors proposes to the Annual General Meeting on April 25, 2023, that the total sum available for appropriation, consisting of:	
Net income	39,014,671
Retained earnings carried forward from previous year	5,244,785
Transfer from legal retained earnings (subject to approval)	12,581,216
<b>Retained earnings</b>	<b>56,840,672</b>
Treasury shares (held directly)	2,234,065
<b>Total retained earnings available for appropriation</b>	<b>54,606,607</b>
be appropriated as follows:	
Dividend of CHF 12.00 per class A registered share	21,924,000
Dividend of CHF 2.40 per class B registered share	2,916,000
<b>Total dividend</b>	<b>24,840,000</b>
Retained earnings to be carried forward	32,000,672

If the proposal is approved, the dividend payment for the year 2022 will be:

CHF	Gross dividend	35% withholding tax	Net dividend
Per class A registered share	12.00	4.20	7.80
Per class B registered share	2.40	0.84	1.56

The dividend will be paid out with the value date of May 2, 2023.

# Statutory Auditor's Report to the General Assembly of Bystronic AG, Zurich

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Bystronic AG (the Company), which comprise the balance sheet as at 31 December 2022, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements comply with Swiss law and the Company's articles of incorporation.

### Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

### Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the standalone financial statements of the Company and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Board of Directors' Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG



**François Rouiller**  
Licensed Audit Expert  
Auditor in Charge



**Raphael Gähwiler**  
Licensed Audit Expert

Zurich, February 27, 2023

## Five-year summary

		2022	2021	2020	2019	2018
<b>Bystronic <sup>1</sup></b>						
Order intake	CHF m	1,009.5	1,175.5	777.4	929.4	1,002.9
Backlog	CHF m	413.0	435.2	206.8	242.3	254.8
Net sales	CHF m	1,015.9	939.3	801.3	935.8	1,012.6
EBITDA	CHF m	69.9	88.5	60.1	129.6	142.2
Operating result (EBIT)	CHF m	48.1	70.1	42.0	114.4	128.1
Net operating assets	CHF m	288.0	218.9	231.4	244.7	204.5
Employees 12/31	Number	3,609	3,543	3,074	3,012	2,832
<b>Discontinued operations</b>						
Net sales	CHF m		183.6	482.3	637.4	769.6
Operating result (EBIT)	CHF m		-88.8	37.7	52.7	18.7
Net operating assets	CHF m			276.4	306.0	315.6
Employees 12/31	Number			1,817	2,014	2,427
<b>Consolidated income statement</b>						
Net sales	CHF m	1,015.9	1,122.9	1,283.5	1,573.2	1,782.2
Operating result (EBIT)	CHF m	48.1	-18.7	79.7	167.2	146.8
Net result	CHF m	36.6	-27.8	66.9	136.8	114.8
<b>Consolidated balance sheet</b>						
Current assets	CHF m	862.5	958.4	813.5	889.1	1,009.0
Non-current assets	CHF m	280.0	276.4	337.2	377.0	357.2
Short-term liabilities	CHF m	375.4	372.0	313.8	329.8	379.7
Long-term liabilities	CHF m	42.9	47.6	40.8	56.1	59.6
Shareholders' equity	CHF m	724.2	815.2	796.1	880.1	926.9
Total assets	CHF m	1,142.5	1,234.8	1,150.6	1,266.0	1,366.2
Shareholders' equity as % of total assets	%	63.4	66.0	69.2	69.5	67.8
<b>Employees</b>						
Employees 12/31	Number	3,609	3,543	4,891	5,026	5,259
Average number of full-time equivalents	Number	3,679	4,051	4,711	5,086	5,091
Net sales per full-time equivalent	CHF thousand	276.1	277.2	272.5	309.3	350.1
Personnel expenses per full-time equivalent	CHF thousand	70.7	72.0	72.3	74.5	79.4
<b>Share information</b>						
Share capital	CHF m	4.1	4.1	4.1	4.1	4.1
Number of shares issued on 12/31						
Class A registered shares	Number	1,827,000	1,827,000	1,827,000	1,827,000	1,827,000
Class B registered shares	Number	1,215,000	1,215,000	1,215,000	1,215,000	1,215,000
Market prices of class A registered share						
High	CHF	1,332	1,370	1,176	1,174	1,320
Low	CHF	495	1,086	716	714	731
Year-end	CHF	641	1,282	1,088	1,156	769
Total dividend	CHF m	24.8	124.2	124.2	149.0 <sup>2</sup>	39.3

<b>Key indicators per share</b>							
Earnings	per class A registered share	CHF	17.69	-13.81	31.46	60.85	46.76
	per class B registered share	CHF	3.54	-2.76	6.29	12.17	9.35
Cash flow from operating activities	per class A registered share	CHF	-7.99	23.89	38.07	48.43	69.65
	per class B registered share	CHF	-1.60	4.78	7.61	9.69	13.93
Shareholders' equity	per class A registered share	CHF	350.18	394.05	384.28	423.37	436.71
	per class B registered share	CHF	70.04	78.81	76.86	84.67	87.34
Gross dividend	per class A registered share	CHF	12.00 <sup>3</sup>	60.00	60.00	72.00 <sup>4</sup>	18.00
	per class B registered share	CHF	2.40 <sup>3</sup>	12.00	12.00	14.40 <sup>5</sup>	3.60

<sup>1</sup> The continuing operations consist of Bystronic and the historical Conzzeta segment "Others"

<sup>2</sup> Including special distribution of CHF 49.7 million and special dividend of CHF 62.1 million

<sup>3</sup> As proposed by the Board of Directors

<sup>4</sup> Including special distribution of CHF 24.00 and special dividend of CHF 30.00

<sup>5</sup> Including special distribution of CHF 4.80 and special dividend of CHF 6.00