Bystronic

2023 Financial Report

Your best choice.

Financial report

Report of the Audit Committee

"The tender for the internal audit mandate has been successfully completed."

Dr. Roland Abt
Chairman of the Audit Committee

In 2023, the Audit Committee continued to be comprised of Matthias Auer and Roland Abt (Chairman). In the reporting year, four regular meetings were convened, as well as one special meeting for the assessment of audit firms participating in the tender for the internal audit mandate. In addition to the members of the Audit Committee, the Chairman of the Board of Directors, the CEO, and the CFO of the Group generally also attend regular meetings in an advisory capacity. When items of relevance to the external auditors are on the agenda, their representatives are also present. In addition to the Audit Committee's typical responsibilities, primarily the analysis of the Annual and Half-Year Financial Statements, the following topics were covered in depth.

The last time a contract was awarded to an external audit firm for the internal audit mandate was in 2015. The Audit Committee was convinced that a new tender for this mandate would be sensible and appropriate. All large audit firms were invited to tender, except for PricewaterhouseCoopers, which holds the external auditors' mandate as of this year. At a separate meeting in November, the invited firms presented their services in this area. Subsequently, the Audit Committee analyzed the individual offers and selected the firm EY. The firm will begin its work in the first quarter of 2024.

The new requirements for transparency over non-financial matters (Art. 964a ff. CO) need to be fulfilled for the first time for the 2023 financial year. The Audit Committee oversaw the preparations for this new reporting section of the Annual Report.

The Accounting Manual was reviewed to assess whether it was up to date and appropriate. This led to various proposals from the finance department for adjustments in the areas of hedge accounting, share-based payments, provisions for customer financing, and value adjustments on customer receivables. All proposals were approved. They do not lead to any significant changes in the corresponding balance sheet items. The adjustments relate primarily to specifications of the valuation methodology.

The internal audit function, which was carried out by the auditing firm Deloitte, once again performed valuable work in the reporting year. Eight internal audits were carried out, and the Audit Committee discussed the reports in detail. The audit schedule for 2024 with the new internal audit will be discussed and approved in the first quarter. The Audit Committee regularly monitors management's progress in addressing follow-up items identified during the audits.

The Audit Committee periodically apprises itself of the tax situation. The global minimum tax, which will be in effect in Switzerland as of 2024, is not expected to result in any significant changes in the tax burden of the Bystronic Group, although not all aspects of this matter are known in detail at this time.

Dr. Roland Abt
Chairman of the
Audit Committee

Consolidated income statement

CHF million	Note	2023	2022
Net sales	1.1	**930.1**	**1,015.9**
Other operating income	1.3	5.1	5.5
Changes in inventories of unfinished and finished goods		–33.1	19.1
Material expenses	1.4	–371.8	–488.4
Personnel expenses	1.4	–251.9	–260.0
Other operating expenses	1.4	–203.1	–222.1
Depreciation and impairment on fixed assets	2.3	–14.4	–14.6
Amortization and impairment on intangible and financial assets	2.4/2.5	–6.6	–7.1
Operating result (EBIT)		**54.4**	**48.1**
Financial income	3.3	7.7	3.3
Financial expenses	3.3	–7.0	–6.0
Result before income taxes		**55.1**	**45.4**
Income taxes	1.5	–13.1	–8.9
Net result		**41.9**	**36.6**
Attributable to shareholders of Bystronic AG		41.9	36.6
Earnings per class A registered share in CHF (diluted/basic)	1.6	20.28	17.69
Earnings per class B registered share in CHF (diluted/basic)	1.6	4.06	3.54

Consolidated balance sheet

CHF million	Note	12/31/2023	12/31/2022
ASSETS			
Current assets			
Cash and cash equivalents	3.1	224.6	216.6
Securities	3.1	124.3	125.0
Trade receivables	2.2	117.5	167.2
Prepayments to suppliers		4.6	6.0
Other receivables	2.2	38.4	46.0
Inventories	2.2	237.9	287.7
Prepaid expenses and accrued income		14.4	14.0
Total current assets		**761.6**	**862.5**
Non-current assets			
Fixed assets	2.3	124.4	134.2
Intangible assets	2.4	10.8	11.0
Financial assets	2.5	104.9	110.6
Deferred tax assets	1.5	22.4	24.2
Total non-current assets		**262.6**	**280.0**
TOTAL ASSETS		**1,024.1**	**1,142.5**
LIABILITIES			
Current liabilities			
Short-term financial liabilities		1.7	0.5
Trade payables		52.2	69.9
Advance payments from customers	2.2	95.3	158.7
Other short-term liabilities	2.2	18.9	34.3
Short-term provisions	2.6	22.6	28.3
Accrued expenses and deferred income	2.2	68.5	83.7
Total current liabilities		**259.1**	**375.4**
Non-current liabilities			
Pension fund liabilities	5.1	0.5	0.6
Long-term provisions	2.6	16.7	22.1
Deferred tax liabilities	1.5	17.1	20.3
Total non-current liabilities		**34.3**	**42.9**
Total liabilities		**293.5**	**418.3**
Equity			
Share capital	3.2	4.1	4.1
Capital reserves		−31.5	−31.4
Treasury shares	3.2	−1.6	−2.2
Retained earnings		759.6	753.7
Total equity		**730.6**	**724.2**
TOTAL LIABILITIES AND EQUITY		**1,024.1**	**1,142.5**

Consolidated statement of changes in shareholders' equity

CHF million	Note	Share capital	Capital reserves	Treasury shares	Goodwill offset[1]	Translation differences	Cash flow hedges	Other retained earnings[1]	Retained earnings	Total equity
Total equity December 31, 2021		**4.1**	**−30.8**	**−2.3**	−95.9	−66.9	0.4	1,006.7	**844.2**	**815.2**
Net result								36.6	36.6	36.6
Dividends								−124.1	−124.1	−124.1
Changes of cash flow hedging							4.3		4.3	4.3
Purchase of treasury shares	3.2			−1.0						−1.0
Share-based compensation			−0.6	1.0						0.4
Recycling of translation differences from sale of business units	4.1					1.4			1.4	1.4
Translation differences						−9.4		0.7	−8.7	−8.7
Total equity December 31, 2022		**4.1**	**−31.4**	**−2.2**	−95.9	−74.9	4.7	919.9	**753.7**	**724.2**
Net result								41.9	41.9	41.9
Dividends								−24.8	−24.8	−24.8
Changes of cash flow hedging							0.7		0.7	0.7
Purchase of treasury shares	3.2			−0.5						−0.5
Share-based compensation			−0.0	1.1						1.1
Translation differences						−10.6		−1.4	−12.0	−12.0
Total equity December 31, 2023		**4.1**	**−31.5**	**−1.6**	−95.9	−85.5	5.4	935.6	**759.6**	**730.6**

[1] The previous year's figures have been adjusted. The goodwill offset is now shown separately, whereas in the previous year it was included under "Other retained earnings". This has no impact on total equity.

Consolidated cash flow statement

CHF million	Note	2023	2022
Net result		41.9	36.6
Depreciation and impairment on fixed assets		14.4	14.6
Amortization and impairment on intangible and financial assets		6.6	7.1
Gain/loss on disposal of non-current assets		0.0	–0.1
Gain/loss on disposal of investments	4.1		1.4
Change in provisions, deferred taxes and non-current customer loans		–10.7	–3.2
Usage of employer contribution reserve	5.1	5.3	
Share-based compensation	3.2	1.1	0.8
Other non-cash items		13.6	8.1
Increase/decrease in:			
inventories		30.2	–49.3
trade receivables		38.1	–41.1
prepayments to suppliers		1.0	0.2
other receivables, prepaid expenses and accrued income		4.5	–8.2
trade payables		–14.0	–7.7
advance payments from customers		–54.3	11.0
other liabilities, accrued expenses and deferred income		–24.4	13.3
Cash flow from operating activities		**53.6**	**–16.5**
Investment in fixed assets	2.3	–13.2	–18.1
Divestment of fixed assets		1.2	0.2
Investment in intangible assets	2.4	–6.2	–5.3
Divestment of intangible assets		0.0	0.0
Investment in financial assets and securities		–126.3	–126.3
Divestment of financial assets and securities		125.7	30.4
Sale of business activities	4.1		19.1
Cash flow from investing activities		**–18.9**	**–99.9**
Cash flow from operating and investing activities		**34.7**	**–116.4**
Purchase of treasury shares	3.2	–0.5	–1.0
Dividends paid to shareholders of Bystronic AG		–24.8	–124.1
Increase/repayment in short-term financial liabilities		1.3	–3.4
Increase/repayment in long-term financial liabilities		0.0	–1.7
Increase/repayment in other long-term liabilities		–0.0	–0.0
Cash flow from financing activities		**–24.0**	**–130.1**
Effect of currency translation on cash and cash equivalents		–2.7	–2.5
Change in cash and cash equivalents		**8.0**	**–249.1**
Reconciliation of change in cash and cash equivalents			
Cash and cash equivalents at beginning of period		216.6	465.7
Cash and cash equivalents at the end of period		224.6	216.6

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, 2023, to December 31, 2023. They were prepared in accordance with uniform guidelines and comply with Swiss GAAP FER (Accounting and Reporting Recommendations), including Swiss GAAP FER 31 "Complementary Recommendations for listed entities" 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 rounded amount presented.

The consolidated financial statements were approved for publication by the Board of Directors on February 27, 2024. They are also subject to approval by the General Assembly.

Changes in accounting principles
The Swiss GAAP FER Commission approved the new recommendation "Swiss GAAP FER 28 – Government Grants" (FER 28) in November 2021 and the revised recommendation "Swiss GAAP FER 30 – Consolidated financial statements" (FER 30) in May 2022. Both recommendations are applicable to annual financial statements beginning on January 1, 2024. Early adoption is possible.
The provisions in FER 28 define the accounting treatment and disclosure of government grants. Based on an assessment, Bystronic assumes that the application of FER 28 will not have a material impact on the consolidated financial statements.
The amendments in FER 30 specify in particular the accounting treatment of step-acquisitions, goodwill and translation differences related to equity-like loans. Under the new recommendation, intangible assets, which were not previously recognized by the acquired subsidiary and are relevant to the decision to acquire a company, are to be identified and recognized. For the initial application of FER 30, new provisions related to goodwill are not applied retrospectively.
An early application of FER 28 and FER 30 (revised) was not made. No further changes of standards have been published.

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, which are 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 and 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 (of 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.

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 that 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

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 either require a value adjustment to the assets and liabilities recognized in the balance sheet or require disclosure.

1 Performance

1.1 Segment information: order intake/net sales

Order intake[1]

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

CHF million	2023	2022
EMEA	368.5	508.8
Americas	290.3	308.7
China	65.4	77.4
APAC	69.8	114.7
Order intake	**794.0**	**1,009.5**

[1] Order intake was not subject to the audit.

Net sales

CHF million January – December 2023	Net sales third parties	Net sales interregion	Total net sales
EMEA	453.3	181.8	635.1
Americas	335.1	3.6	338.7
China	63.5	41.9	105.4
APAC	78.2	3.8	82.0
Eliminations		−231.1	−231.1
Net sales	**930.1**		**930.1**

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
Total	**1,015.9**		**1,015.9**

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 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. Thus, 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[1]

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	12/31/2023	12/31/2022
Backlog	**252.9**	**413.0**

[1] 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, auxiliary and operating materials as well as expenses for the external manufacture, processing or treatment of own products (external services).

Compared to the decrease in net sales of 8.4%, material expenses dropped disproportionately by 13.7%, 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 43.5%, 2.7 percentage points lower than in the previous year. The lower materials ratio compared to the previous year is due on one hand to a higher share of sales from the service business and on the other hand to savings in procurement and sales price increases.

Personnel expenses

CHF million	2023	2022
Wages and salaries	202.2	210.2
Social security benefits	43.5	42.4
Other personnel expenses	6.2	7.3
Total personnel expenses	**251.9**	**260.0**
Average number of full-time equivalents	3,573	3,679

Bystronic’s personnel expenses decreased by 3.1% compared to the previous year. In relation to sales, personnel expenses increased by 1.5 percentage points to 27.1%.

Some Bystronic companies received short-time working compensation or similar personnel-related state subsidies. These were credited to personnel expenses and amounted to CHF 0.3 million (previous year: CHF 0.1 million).

The average number of employees sank by 2.9% to 3,573 full-time equivalents. The decrease was seen in particular production as a result of an economy-related decline in demand.

Other operating expenses

CHF million	2023	2022
Direct costs of sold products	81.5	88.7
Purchased services [1]	49.2	49.3
Maintenance, rent, leasing and energy	30.2	30.1
Sales, marketing and administration	28.5	36.4
Sundry operating expenses	13.6	17.5
Total other operating expenses	**203.1**	**222.1**

[1] Purchased services include consulting and audit, IT, research and development and insurances, among others.

Compared to the previous year, other operating expenses of Bystronic decreased by 8.6%. Both the direct costs of goods sold and the costs of purchased services and for exhibitions dropped. In relation to net sales, other operating expenses decreased by 0.2 percentage points to 21.8%.

1.5 Income taxes

CHF million	2023	2022
Current income taxes	14.8	13.2
Deferred taxes	–1.7	–4.3
Total income taxes	**13.1**	**8.9**

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

	Tax rate 2023	Income taxes 2023	Tax rate 2022	Income taxes 2022
Average applicable tax rate and income taxes	22.2%	12.2	20.0%	9.1
Effect of non-recognition of tax losses in current year	2.8%	1.6	1.4%	0.7
Use of unrecognized tax loss carryforwards	–0.2%	–0.1	–1.2%	–0.6
Reassessment of tax loss carryforwards	0.8%	0.5	–1.1%	–0.5
Other influences	–1.9%	–1.1	0.5%	0.2
Effective tax rate and income taxes	**23.8%**	**13.1**	**19.5%**	**8.9**

The expected tax rate for Bystronic of 22.2% (previous year: 20.0%) corresponds to the weighted average of tax rates in the respective tax jurisdictions. The effective tax rate is 23.8% (previous year: 19.5%) on the ordinary income before taxes. The increase from the average applicable tax rate to the effective tax rate is mainly due to the non-recognition of tax losses in the current year.

Bystronic calculates deferred taxes at the tax rates actually expected to apply to the temporary differences in the individual companies. This was weighted on average 19.8% (previous year: 18.0%). Deferred tax assets from loss carryforwards amounted to CHF 4.0 million (previous year: CHF 3.3 million).

Loss carryforwards of CHF 28.6 million (previous year: CHF 22.5 million) were not capitalized.

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, 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 expected 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.

Bystronic is within the scope of the OECD BEPS 2.0 Pillar Two Model Rules. Due to the complexity in applying the legislation and calculating the GloBE ETR (effective tax rate according to GloBE), the quantitative impact of the legislation enacted or entered into force cannot yet be conclusively assessed. As numerous countries have postponed the enactment and the effects of the provision cannot yet be conclusively assessed, no adjustment has been made to deferred taxes. However, as the legislation had not yet come into force at the reporting date, there was no impact on current income taxes in the reporting year. It is likely that the safe harbour rules will apply for the majority of cases in the future. Despite of this, there could be tax implications even for companies with an effective tax rate of over 15%. Bystronic is monitoring further developments and is currently working with tax specialists to assist with the analysis of the impact.

1.6 Earnings per share

CHF	2023	2022
Net result attributable to shareholders of Bystronic AG	41,947,000	36,584,000
Average number of class A registered shares (nominal value: CHF 2.00)	1,825,567	1,825,040
Average number of class B registered shares (nominal value: CHF 0.40)	1,215,000	1,215,000
Earnings per class A registered share in CHF (diluted/basic)	**20.28**	**17.69**
Earnings per class B registered share in CHF (diluted/basic)	**4.06**	**3.54**

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

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

Net operating assets and return on net operating assets

CHF million	12/31/2023	12/31/2022
Trade receivables	117.5	167.2
Prepayments to suppliers	4.6	6.0
Other receivables (without derivatives)	28.1	33.9
Inventories	237.9	287.7
Prepaid expenses and accrued income	14.4	14.0
Fixed assets	124.4	134.2
Intangible assets	10.8	11.0
Long-term receivables and loans	20.7	24.2
Deferred tax assets	22.4	24.2
Trade payables	–52.2	–69.9
Advance payments from customers	–95.3	–158.7
Other liabilities (without derivatives)	–17.3	–31.5
Accrued expenses and deferred income	–68.5	–83.7
Short-term and long-term provisions	–39.2	–50.4
Deferred tax liabilities	–17.1	–20.3
Net operating assets (NOA)	**291.0**	**288.0**
Net operating assets (NOA), average	**289.5**	**253.4**
Operating result (EBIT)	54.4	48.1
Applied tax rate	24.6%	20.3%
Return on net operating assets (RONOA) after tax	**14.2%**	**15.1%**

For the calculation of the net operating assets (NOA) 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 64.3 million (previous year: CHF 62.5 million). The interest on the vendor loan of CHF 1.7 million (previous year: CHF 1.7 million) is also not taken into account when calculating the allowable tax expense or the applied 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 and the relevant balance sheet date.

Operating free cash flow

CHF million	2023	2022
Cash flow from operating activities	53.6	–16.5
Investment in fixed assets	–13.2	–18.3
Divestment of fixed assets	1.2	0.2
Investment in intangible assets	–6.2	–5.1
Investment in financial assets	–2.0	–1.3
Divestment of financial assets	0.7	0.4
Operating free cash flow	**34.0**	**–40.6**
in % of net sales	**3.7%**	**–4.0%**
Sale of business activities		19.1
Purchase of marketable securities	–124.3	–125.0
Sale of marketable securities	125.0	30.0
Free cash flow	**34.7**	**–116.4**

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	12/31/2023	12/31/2022
Gross values	129.5	176.7
Value adjustments	–12.0	–9.5
Net values	**117.5**	**167.2**

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, the positive market values of open derivative financial instruments as of the balance sheet date as well as other tax refund claims.

Inventories

CHF million	12/31/2023	12/31/2022
Raw materials, supplies and spare parts	143.5	145.4
Semi-finished goods and work in progress	26.6	45.2
Finished goods	123.1	148.2
Value adjustment on inventories	–55.4	–51.2
Total inventories	**237.9**	**287.7**

Due to the reduction of backlog and the decline in incoming orders, inventories decreased by CHF 49.8 million during the reporting year.

Advance payments from customers
After placing their orders, customers make corresponding advance payments. These decreased in the reporting year due to a decline in incoming orders and delayed machine acceptances in the previous year.

Other short-term liabilities
This position includes taxes owed, social security contributions, customers with credit balances and negative market values of open derivative financial instruments as of the balance sheet date. The decrease compared to the previous year is primarily due to the reduction in VAT owed.

Accrued expenses and deferred income

CHF million	12/31/2023	12/31/2022
Accruals for personnel expenses	18.7	20.6
Deferred income	14.7	20.7
Accruals and deferrals for current income taxes	15.1	19.5
Other accruals and deferrals	19.9	22.9
Total accrued expenses and deferred income	**68.5**	**83.7**

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

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 construc-tion	Undevelo-ped real estate	Total fixed assets
Cost at 12/31/2021	**107.9**	**93.5**	**29.6**	**15.6**	**8.2**	**254.7**
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
Cost at 12/31/2022	**119.0**	**101.9**	**31.6**	**2.7**	**8.3**	**263.4**
Additions	0.8	8.3	1.6	1.8		12.4
Disposals		–2.3	–0.6	–0.5		–3.4
Reclassifications	1.6	–1.1	1.4	–1.8		
Currency translation effects	–5.7	–2.7	–1.5	–0.1	–0.5	–10.5
Cost at 12/31/2023	**115.6**	**104.1**	**32.5**	**2.1**	**7.8**	**262.0**
Accumulated depreciation at 12/31/2021	**42.8**	**57.1**	**21.8**			**121.6**
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
Accumulated depreciation at 12/31/2022	**45.5**	**60.2**	**23.5**			**129.3**
Ordinary depreciation	3.6	6.9	3.4			13.9
Impairments		0.0	0.0	0.5		0.5
Disposals	0.0	–1.2	–0.6	–0.5		–2.2
Reclassifications		–0.2	0.2			0.0
Currency translation effects	–1.2	–1.5	–1.1			–3.8
Accumulated depreciation at 12/31/2023	**47.9**	**64.3**	**25.5**			**137.7**
Net book value of fixed assets at 12/31/2022	**73.5**	**41.6**	**8.1**	**2.7**	**8.3**	**134.2**
Net book value of fixed assets at 12/31/2023	**67.7**	**39.9**	**7.0**	**2.1**	**7.8**	**124.4**

Additions to fixed assets in 2023 mainly relate to investments in operating facilities at the production sites in Niederönz (Switzerland) and Gotha (Germany), where a company-owned energy center was built for more sustainable energy production.

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

2.4 Intangible assets

CHF million	Software	Other intangible assets	Total intangible assets
Cost at 12/31/2021	**41.6**	**2.1**	**43.8**
Additions	5.4	0.0	5.3
Disposals	–6.2		–6.2
Currency translation effects	–0.2	–0.0	–0.3
Cost at 12/31/2022	**40.5**	**2.1**	**42.7**
Additions	5.9		5.9
Disposals	–1.6	–0.6	–2.2
Reclassifications	0.0	–0.0	
Currency translation effects	–0.5	–0.0	–0.5
Cost at 12/31/2023	**44.4**	**1.5**	**45.9**
Accumulated depreciation at 12/31/2021	**30.9**	**1.4**	**32.5**
Ordinary depreciation	5.5	0.3	5.8
Disposals	–6.2		–6.2
Currency translation effects	–0.2	–0.0	–0.3
Accumulated depreciation at 12/31/2022	**30.1**	**1.6**	**31.7**
Ordinary depreciation	5.5	0.2	5.7
Impairments	0.2		0.2
Disposals	–1.6	–0.5	–2.1
Currency translation effects	–0.4	–0.0	–0.4
Accumulated depreciation at 12/31/2023	**33.8**	**1.3**	**35.1**
Net book value of intangible assets at 12/31/2022	**10.5**	**0.5**	**11.0**
Net book value of intangible assets at 12/31/2023	**10.6**	**0.2**	**10.8**

The additions basically relate to investments in the digitalization and automation of business processes. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. The useful lives are as follows:

Software	3 to 5 years
Other intangible assets	3 to 5 years

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

Theoretical assets' analysis of goodwill:

CHF million	2023	2022
Cost at 1/1	**85.4**	**90.8**
Currency translation effects	–8.2	–5.4
Cost at 12/31	**77.2**	**85.4**
Accumulated depreciation at 1/1	**82.6**	**81.6**
Ordinary depreciation	2.3	6.1
Currency translation effects	–8.2	–5.1
Accumulated depreciation at 12/31	**76.8**	**82.6**
Net book value of goodwill at 1/1	**2.8**	**9.2**
Net book value of goodwill at 12/31	**0.4**	**2.8**

Theoretical impact on income statement:

CHF million	2023	2022
Operating result (EBIT)	54.4	48.1
EBIT margin in %	5.8%	4.7%
Amortization of goodwill	–2.3	–6.1
Theoretical operating result (EBIT) incl. amortization of goodwill	52.0	42.0
Theoretical EBIT margin in %	**5.6%**	**4.1%**
Net result	41.9	36.6
Amortization of goodwill	–2.3	–6.1
Theoretical net result incl. amortization of goodwill	**39.6**	**30.5**

Theoretical impact on balance sheet:

CHF million	12/31/2023	12/31/2022
Equity as per balance sheet	730.6	724.2
Theoretical activation of net book value of goodwill	0.4	2.8
Theoretical equity incl. net book value of goodwill	**731.0**	**727.0**
Shareholders' equity in % of total assets	71.3%	63.4%
Theoretical equity incl. net book value of goodwill in % of total assets	**71.4%**	**63.5%**

Significant estimates made by management
The recoverability of intangible assets (including goodwill) is assessed when there are indications of impairment. If there are such indications, 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	12/31/2023	12/31/2022
Assets from employer contribution reserves	16.0	20.4
Long-term receivables and loans	85.0	86.8
Securities held as non-current assets	4.0	3.4
Total financial assets	**104.9**	**110.6**

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 customer loans, deposits for rents and the granting of a vendor loan (including accrued interest) of CHF 64.3 million (previous year: CHF 62.5 million) in connection with the sale of Mammut Sports Group, which must be repaid by the buyer by January 2027 at the latest. Financial assets are value adjusted by CHF 3.2 million (previous year: CHF 3.7 million). There are value adjustments on long-term customer loans due to outstanding payments of CHF 3.0 million (previous year: CHF 2.4 million) and on non-recoverable securities of CHF 0.2 million (previous year: CHF 1.3 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
Provisions at 12/31/2021	**23.5**	**4.6**	**20.1**	**48.2**
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
Provisions at 12/31/2022	**26.9**	**2.8**	**20.6**	**50.4**
Additions	27.0	0.1	3.0	30.1
Use	−26.4	−0.1	−3.5	−30.0
Release	−3.6	−1.1	−4.5	−9.1
Currency translation effects	−1.5	−0.0	−0.6	−2.2
Provisions at 12/31/2026	**22.5**	**1.7**	**15.0**	**39.2**
of which short-term 2022	22.4	0.0	5.9	28.3
of which short-term 2023	18.0	0.0	4.6	22.6

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 negotiations or proceedings.

Other provisions include in particular those 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 tax liabilities.

Contingent liabilities
In connection with customer financing, there were repurchase obligations for machines to leasing companies for CHF 27.4 million (previous year: CHF 31.2 million). Bystronic companies guarantee to beneficiary leasing companies that it will take the machines back if the lessees fail to pay the agreed installments.

Significant estimates made by management
The amount of provisions is primarily determined by the estimated 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. The lump-sum provision is reduced by the individual provision.

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 can be estimated. 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, time deposits and interest-bearing bonds 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		12/31/2023	12/31/2022
Treasury shares held			
Class A registered shares	Number	2,093	1,951
Average purchase price	CHF	768	1,145
Acquisition for participation program		2023	2022
Class A registered shares	Number	1,000	1,000
Average purchase price	CHF	504	981
Disposal of treasury shares		2023	2022
to the Board of Directors, Executive Committee and other members of the management	Number	858	864
Average transaction price [1]	CHF	663	911
Cash value	**CHF million**	**0.6**	**0.8**

[1] 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 share allocation to members of the Board of Directors. The average share price over three months from November 1 to January 31 of the respective term of office is used.

In the reporting year, a new long-term incentive (LTI) plan was introduced for members of the Group Executive Board. This is a performance share unit plan (PSU). One PSU entitles the plan participant to receive one share in the future, provided certain conditions are fulfilled at the end of the vesting period. The number of allocated PSUs is based on the target LTI value guaranteed by the employment contract. The target LTI value amounts to 20% of the total target compensation for all Executive Committee members, including the CEO. The target LTI value divided by the fair value of the PSUs on the day of allocation yields the number of PSUs granted, whereby fractions are rounded up to the next whole number. The fair value of the PSUs is determined by a specialized consulting firm according to internationally recognized methods. Allocation takes place on April 1 each year, for the first time during the reporting year. The allocated PSUs are vested after three years; for each vested PSU, the plan participant is entitled to a class A registered share of Bystronic AG. The number of PSUs actually vested depends on the fulfillment of two specific performance targets over the three-year performance period. The first share allocation under this plan will be transferred in 2026. Further information on the plan can be found in the compensation report.

There was a deferred share-based performance component (long-term incentive) for the CEO until the end of 2022. The sole performance parameter was earnings per share (EPS) for the current financial year, whereby the shares were allocated in the following year. Depending on the actual EPS target achievement, the cash value of the share allocation could vary between 0% and a maximum of 150% (cap) of the target LTI value. The calculated monetary value was divided by the average share price from November 1 of the current period to January 31 of the following period to determine the number of shares allocated at a discount of 10%. The prerequisite for a share allocation was an employment relationship that has not been terminated at the allocation time. The transferred shares transferred remain blocked for four years. In the event of disability, death or employment termination following a change of control, the blocking period does not apply.

The remaining members of the Executive Committee were entitled to participate in the share-based LTI program until the end of 2022. This was a “restricted share unit” (RSU) plan. The target LTI value for members of the Executive Committee (excluding the CEO) was 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 could vary between 100% and 150% of the target LTI value. The calculated monetary value was divided by the average share price from November 1 of the previous period to January 31 of the current period to determine the number of RSUs granted, without 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 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 same and are in their name, carrying voting and dividend rights. The last share allocations to members of the Group Executive Board (excluding the CEO) under the RSU plan will be transferred in April 2025. A complete overview of the current RSU plans can be found in the compensation report.

The RSU plan remains in place for selected executives.

For the share-based compensation component for the reporting year, personnel expenses of CHF 1.1 million (previous year: CHF 0.8 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 2.4 million (previous year: CHF 3.1 million). Included therein are CHF 1.6 million related to treasury shares (previous year: CHF 2.2 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	2023	2022
Financial income	7.7	3.3
Financial expenses	−7.0	−6.0
Total financial result	**0.7**	**−2.7**

Financial income includes interest income of CHF 6.5 million (previous year: CHF 3.2 million), a positive performance on the assets of the employer contribution reserve of CHF 0.9 million and a gain on marketable securities of CHF 0.3 million (previous year: CHF 0.1 million).

Financial expenses include interest and currency hedging costs (interest rate difference) for the financing of foreign group companies in foreign currencies of CHF 5.7 million (previous year: CHF 3.5 million) and foreign exchange losses of CHF 1.3 million (previous year: 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. In the previous year, a negative performance on the assets of the employer contribution reserve of CHF 1.2 million was realized.

3.4 Operating lease

Maturity of operating lease contracts in CHF million	12/31/2023	12/31/2022
Under 1 year	6.0	5.3
1 to 5 years	7.1	6.8
Total operating lease contracts	**13.2**	**12.1**

3.5 Other commitments and pledged assets

At balance sheet date, there were no off-balance sheet commitments and no pledged assets.

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.	– Natural hedging is used by purchasing goods in the currency they will be sold in. – Currency risks are hedged using derivative financial instruments.
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.	– Independent ratings of financial institutions are periodically reviewed. – Risks of liquid assets are further reduced by using different financial institutions instead of a single bank. – Cluster risks of receivables and financial assets are reduced through broad geographical distribution and a large number of customers. – Customers' creditworthiness is assessed taking account of specific checks and past experience.
Liquidity risks	A liquidity risk results from the risk of being unable to meet financial obligations when they fall due.	– A prudent liquidity management includes holding sufficient reserves of liquid funds, which are constantly monitored, and the option of financing through lines of credit.
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.	– Bystronic does not have any assets and liabilities that would be substantially affected by significant changes in the interest rate environment.

Conversion rates

		Closing rate		Average rate	
Currency	Unit	12/31/2023	12/31/2022	2023	2022
EUR	1	0.9260	0.9847	0.9759	1.0064
USD	1	0.8380	0.9232	0.9028	0.9539
CNY	100	11.7948	13.3823	12.7711	14.2287

Derivative financial instruments

CHF million	12/31/2023	12/31/2022
Contract or nominal values (gross)	317.4	407.4
Positive replacement values	10.3	12.1
Negative replacement values	1.6	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

There were no disposals in 2023.

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. The transaction resulted in a loss on sale of CHF 1.4 million, related to translation differences, which is included in “Other operating expenses”.

CHF million	Bystronic OOO Bystronic Laser June 8, 2022
Current assets	0.6
Non-current assets	
Assets	**0.6**
Current liabilities	0.6
Liabilities	**0.6**
Net assets divested	**0.0**
Selling price	0.0
Net assets divested	–0.0
Transaction costs	–0.0
Recycling of translation differences	–1.4
Loss on disposal	**–1.4**
Selling price received	0.0
Transaction costs paid	–0.0
Cash and cash equivalents disposed of	–0.6
Settlement of intercompany receivables and debts	0.0
Net cash flow 2022	**–0.6**
Total net cash flow	**–0.6**

4.2 Changes in the scope of consolidation

Changes in current year

- As of January 1, 2023, Conzzeta Management AG, Zürich (Switzerland) was merged with Bystronic AG, Zürich (Switzerland).

Changes in previous 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).

4.3 Group companies

Company, domicile	Notes	Country		Company capital	Investment in % direct	Investment in % indirect
Bystronic						
EMEA						
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 SAS, Les Ulis		FR	EUR	2,500,000		100
Bystronic Deutschland GmbH, Heimsheim		DE	EUR	52,000		100
Bystronic Ibérica, S.A., 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	15,900,873		100
FMG Verfahrenstechnik AG, Sulgen	2	CH				
Bystronic Magyarország Kft., Budaörs		HU	HUF	25,000,000		100
Bystronic Automation Technology S.p.A., San Giuliano Milanese		IT	EUR	250,000		100
Bystronic Tube Processing S.p.A., Cazzago San Martino		IT	EUR	750,000		100
Kurago Software, S.L., Bilbao		ES	EUR	3,000		100
Americas						
Bystronic Inc., Hoffman Estates		US	USD	250,000		100
Bystronic Mexico, S.A. de C.V., Apodaca		MX	MXN	106,500,000		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
China						
Bystronic Co., Ltd. (Shanghai), 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		CN	CNY	30,000,000		100
APAC						
Bystronic Pte. Ltd., Singapore		SG	SGD	4,050,000		100
Bystronic Korea, Ltd., Incheon		KR	KRW	14,800,000,000		100
Bystronic Laser India Private Ltd., Pune		IN	INR	602,420		100
Bystronic Japan, Ltd., Tokyo		JP	JPY	100,000,000		100
Bystronic International Laser Ltd., New Taipei City		TW	TWD	5,000,000		100

Bystronic Australia Pty Ltd, Cranbourne West		AU	AUD	100,000		100
Bystronic Vietnam Co., Ltd., Ho Chi Minh City		VN	VND	33,165,000,000		100
Bystronic (Thailand) Co., Ltd., Bangkok		TH	THB	15,000,000		100
Kurago Asia Ltd., Changwon		KR	KRW	101,000,000		100
Corporate entities						
Bystronic Holding Deutschland AG, Leverkusen		DE	EUR	6,000,000	100	
Conzzeta Management AG, Zurich	3	CH				
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

[1] Divested as per June 8, 2022

[2] Merger with Bystronic Laser AG as per January 1, 2022

[3] Merger with Bystronic AG as per January 1, 2023

5 Other notes

5.1 Employee benefit plans

CHF million	Balance 12/31/2023	Balance 12/31/2022	Result in personnel expenses 2023	Result in financial income 2023	Result in personnel expenses 2022	Result in financial income 2022
Employer contribution reserves						
Employer-funded pension fund Bystronic	16.0	20.4	−5.3	0.9		−1.2

There is no waiver of use of the employer contribution reserve. In the reporting year, CHF 5.3 million of pension fund contributions were offset against the employer contribution reserve (previous year: none). The use of the employer contribution reserve of Bystronic Laser AG led to lower personnel expenses in its statutory financial statements. This led to a reduction in the other financial assets and additional personnel expenses in the consolidated financial statements in the same amount. The net effect on the consolidated financial statements is zero. The change of CHF 0.9 million resulted from the positive performance on the assets of the employer contribution reserve, which was allocated to the financial result. In the previous year, a negative performance of CHF 1.2 million was achieved.

CHF million	Surplus/ deficit 12/31/2023	Economic benefit/ obligation 12/31/2023	Economic benefit/ obligation 12/31/2022	Currency translation effect/use 2023	Change to prior year - affecting result 2023	Contribu-tions to be allocated to reporting period 2023	Current service cost in personnel expenses 2023	Current service cost in personnel expenses 2022
Economic benefit/ obligation and current service cost								
Employer-funded pension fund	3.2							
Pension funds without surplus/deficit						7.0	7.0	6.8
Pension funds with deficit	−0.5	−0.5	−0.6	0.0		0.8	0.8	0.8
Total	**2.7**	**−0.5**	**−0.6**	**0.0**		**7.7**	**7.7**	**7.7**

In the previous year, the net surplus amounted to CHF 2.4 million and the contributions accrued for the reporting period amounted to CHF 7.7 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 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.

Employees of the Swiss subsidiaries are insured in the "GEMINI Collective Foundation". This pension fund is legally independent and financed by contributions from employers and employees. Any surplus or deficit is determined on the basis of the pension fund's provisional annual financial statements prepared in accordance with Swiss GAAP FER 26.

Some subsidiaries abroad have local pension plans. These are treated in the same way as the Swiss plan in terms of accounting, i.e. the amounts paid are generally recognized as an expense. The surplus or deficit is determined using actuarial methods.

5.2 Related-party transactions

As in the previous year, there were no transactions with related parties and companies at Bystronic in 2023.

Report of the statutory auditor

to the General Meeting 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 income statement for the year ended 31 December 2023, the consolidated balance sheet as at 31 December 2023, the consolidated statement of changes in shareholder's equity and the 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 accompanying consolidated financial statements (pages 73 to 102) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and its consolidated financial performance 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 and 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.

Our audit approach

Overview

Overall Group materiality: CHF 2.4 million

We concluded full scope audit work at 16 reporting units in 9 countries. In addition, specified procedures were performed on another production unit. These reporting units represent approximately 72% of the Group's net sales.

As key audit matter the following area of focus has been identified:

Revenue recognition of machine sales in the correct period

PricewaterhouseCoopers AG, Birchstrasse 160, Postfach, 8050 Zürich, Switzerland
Telefon: +41 58 792 44 00, www.pwc.ch

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall Group materiality	CHF 2.4 million
Benchmark applied	Result before income taxes
Rationale for the materiality benchmark applied	We chose result before income taxes as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured. Additionally, result before income taxes is a generally accepted benchmark for materiality considerations.

We agreed with the Audit Committee that we would report to them misstatements above CHF 0.1 million identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group comprises one division, which operate across four geographical regions – EMEA, Americas, China and APAC. The Group’s financial statements are a consolidation of 43 reporting units, including the Group’s operating businesses as well as central service functions. Each unit is considered a component for audit purposes.

We identified 16 reporting units that, in our view, required a full scope audit and one reporting unit that required specified procedures owing to their size and risk characteristics. These 17 reporting units contribute approximately 72% of the Group's net sales.

The remaining 28% of the Group’s net sales are represented by a large number of smaller reporting units. None of these units individually contributes more than 5% to the Group’s net sales.

Where the work was performed by component auditors, we determined the necessary level of our further involvement in the audit work in addition to providing our instructions. This consisted of inquiries of component audit teams, inspecting their work in selected areas, conducting planning and closing calls, or reviewing their final reporting.

Further specific audit procedures on central service functions, Group consolidation and areas of significant judgement (including taxation, treasury and litigation) were carried out under the direct supervision of the Group audit team.

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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 of machine sales in the correct period

Key audit matter	How our audit addressed the key audit matter
Net sales represent an important basis for assessing Bystronic's performance and is therefore in the focus of the company's internal targets and external communication towards shareholders and other stakeholders. Therefore, the pressure that may arise to achieve net sales targets leads to an increased risk with respect to recognising net sales in the correct period. Bystronic recognises machine sales when the risk and rewards of ownership have been transferred to the buyer. Hence, revenue is recognised upon completion of the installation and when the machine is ready for operation. This is generally recorded in an acceptance protocol, but in exceptional cases, revenue can be recognised also in absence of an acceptance protocol if certain criteria are fulfilled cumulatively. For the accounting principles we refer to section 1.1 in the notes to the consolidated financial statements.	We have performed the following audit procedures to conclude on the appropriate recognition of revenue in the correct period: • Obtain an understanding of the revenue & receivable process, in particular in relation to revenue recognition and associated key controls. • Audit occurrence and accuracy of revenue based on a a sample throughout the year. For each sample we agreed order confirmation, delivery note, invoice, proof of payment and the most important the acceptance protocol. • Audit appropriate recognition of revenue in the correct period at year-end based on a sample. For each sample we agreed order confirmation, delivery note, invoice, proof of payment and the most important the acceptance protocol. • We verified that machines sales without an acceptance protocol, have only been recognised as revenue when the risk and rewards of ownership have been transferred to the buyer. • Audit of credit notes after the period-end. We consider the approach to recognise revenue of machine sales in the correct period as reasonable.

Other matter

The consolidated financial statements of Bystronic AG for the year ended 31 December 2022 were audited by another statutory auditor who expressed an unmodified opinion on those consolidated financial statements on 27 February 2023.

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 financial statements, the consolidated financial statements, the compensation report 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 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.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website: http://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements

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

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

PricewaterhouseCoopers AG

Blaženka Kovács-Vujević	Tobias Handschin
Licensed audit expert Auditor in charge	Licensed audit expert

Zürich, 27 February 2024

Income statement Bystronic AG

CHF 1,000	2023	2022
Income from investments	20,496	40,000
Financial income	18,454	8,159
Other operating income	278	217
Total income	**39,228**	**48,376**
Financial expenses	–8,439	–3,975
Other operating expenses	–5,872	–5,253
Income taxes	–872	–133
Total expenses	**–15,183**	**–9,361**
Net result	**24,045**	**39,015**

Balance sheet Bystronic AG

CHF 1,000	12/31/2023	12/31/2022
ASSETS		
Current assets		
Cash and cash equivalents	205,654	184,849
Securities	124,260	125,000
Other receivables		
from third parties	11,487	12,474
from investments	364	1,329
Prepaid expenses and accrued income	1,314	310
Total current assets	**343,079**	**323,962**
Non-current assets		
Financial assets		
from investments	339,852	348,463
from third parties	64,288	62,544
Investments	118,281	118,381
Total non-current assets	**522,421**	**529,388**
TOTAL ASSETS	**865,500**	**853,350**
LIABILITIES		
Current liabilities		
Interest-bearing liabilities		
to investments	49,594	35,407
Other payables		
to third parties	1,499	1,810
to associates	156	156
to investments	5,470	7,102
Accrued expenses and deferred income	2,216	1,593
Total current liabilities	**58,935**	**46,068**
Equity		
Share capital	4,140	4,140
Legal capital reserves		
Reserve from capital contributions	72	72
Other capital reserves	97,074	97,635
Legal retained earnings	828	13,409
Voluntary retained earnings	650,000	650,000
Retained earnings	56,059	44,260
Treasury shares	–1,608	–2,234
Total equity	**806,565**	**807,282**
TOTAL LIABILITIES AND EQUITY	**865,500**	**853,350**

Notes to the financial statements of Bystronic AG

Principles

General remarks
The financial statements 2023 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, 2024. 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 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 transactions.

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 12.9 million (previous year: CHF 6.1 million), interest income from third parties of CHF 5.3 million (previous year: CHF 2.1 million) and a gain on marketable securities of CHF 0.3 million. Other operating income of CHF 0.3 million (previous year: CHF 0.2 million) is related to brokerage fees from insurance companies CHF 0.2 million (previous year: CHF 0.2 million) and further other operating income of CHF 0.1 million.

Expenses
Financial expenses result from interest on liabilities to investments of CHF 2.3 million (previous year: CHF 0.5 million), currency hedging costs (interest differences) of balance sheet items in foreign currencies of CHF 5.3 million (previous year: CHF 2.4 million) and other hedging costs of CHF 0.4 million, commitment fees for bank loans of CHF 0.3 million (previous year: CHF 0.4 million) and foreign exchange losses on cash and cash equivalents and on receivables from investments of CHF 0.1 million (previous year: CHF 0.3 million). In the previous year, this position also included negative interest on bank balances of CHF 0.4 million. Other operating expenses include current administrative and project costs, capital taxes as well as the fees of the Board of Directors amounting to CHF 1.3 million (previous year: CHF 1.0 million).

Current assets
Cash and cash equivalents comprise bank deposits and interest-bearing bonds with a remaining maturity of 90 days or less, 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 1.2 million (previous year: CHF 0.3 million) and balances from foreign exchange hedging transactions with banks of CHF 10.3 million (previous year: CHF 12.1 million). In the previous year, receivables from social insurances of CHF 0.1 million were included. Other receivables from investments include the credit balances from currency hedging transactions of CHF 0.3 million (previous year: CHF 0.8 million) and further other receivables from investments of CHF 0.1 million (previous year: CHF 0.5 million).

Non-current assets
Financial assets consist of investments with a long-term investment purpose. Receivables from investments decreased by CHF 8.6 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, which must be repaid by the buyer by January 2027 at the latest. Due to the merge of Conzetta Management AG with Bystronic AG, investments decreased by CHF 0.1 million.

Liabilities
Other short-term liabilities mainly include liabilities from currency hedging transactions to banks of CHF 1.4 million (previous year: CHF 1.8 million) and to investments of CHF 5.5 million (previous year: CHF 7.1 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 2022, the company held 1,951 class A registered shares at an average purchase price of CHF 1,145 each. For the participation program, 1,000 class A registered shares were acquired in the reporting year at an average transaction price of CHF 504 each. The Board of Directors was allocated 719 class A registered shares at an average transaction price of CHF 664 each. Members of the Executive Committee and other members of management were allocated 139 class A registered shares at an average transaction price of CHF 658 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, 2023, 2,093 class A registered shares are held at an average purchase price of CHF 768 each.

Further disclosures

Full-time positions
No employees are employed at Bystronic AG.

Contingent liabilities

CHF 1,000	2023	2022
Sureties and guarantee obligations for subsidiaries	103,209	105,119
Effective obligations	19,865	17,884

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	2023	2022
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, Robert F. Spoerry, Ursula Oggenfuss und Jürg Spoerry.

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

Number	Class A registered shares 12/31/2023	Class A registered shares 12/31/2022	Class B registered shares 12/31/2023	Class B registered shares 12/31/2022
Board of Directors				
Dr. Heinz O. Baumgartner, Chairman	303	40		
Dr. Roland Abt, Member	474	398		
Dr. Matthias Auer, Member	22,898	22,611	1,008	1,008
Inge Delobelle, Member	76			
Urs Riedener, Member	474	398		
Felix Schmidheiny, Member	41,000	41,000		
Robert F. Spoerry, Member	7,621	7,545	148	148
Eva Zauke, Member				

Dr. Matthias Auer, Felix 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 12/31/2023	Class A registered shares 12/31/2022
Executive Committee		
Alex Waser (CEO)	1,248	1,248
Johan Elster	92	69
Eamon Doherty	52	33
Alberto Martinez	50	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 to January 31 of the respective term of office is used.

In 2023, a total of 719 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 664 and amounted to CHF 0.5 million. For the share-based compensation component for the reporting year, an expense accrual in the amount of CHF 0.5 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	2023
The Board of Directors proposes to the Annual General Meeting on April 17, 2024, that the total sum available for appropriation, consisting of:	
Net result	24,045,178
Retained earnings carried forward from previous year	32,013,788
Retained earnings	**56,058,966**
Treasury shares (held directly)	1,608,044
Total retained earnings available for appropriation	**54,450,922**
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
Total dividend	**24,840,000**
Retained earnings to be carried forward	31,218,966

If the proposal is approved, the dividend payment for the year 2023 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 April 23, 2024.

Report of the statutory auditor

to the General Meeting 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 income statement for the year ended 31 December 2023, the balance sheet as at 31 December 2023, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 99 to 100 and 107 to 112) 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 and 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.

Our audit approach

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	CHF 1'000'000
Benchmark applied	Total equity
Rationale for the materiality benchmark applied	We chose total equity as the benchmark because it is a relevant and general-ly accepted benchmark for materiality considerations relating to a holding company.

We agreed with the Audit Committee that we would report to them misstatements above CHF 100'000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

PricewaterhouseCoopers AG, Birchstrasse 160, Postfach, 8050 Zürich, Switzerland
Telefon: +41 58 792 44 00, www.pwc.ch

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Key audit matters

We have determined that there are no key audit matters to communicate in our report.

Other matter

The financial statements of Bystronic AG for the year ended 31 December 2022 were audited by another statutory auditor who expressed an unmodified opinion on those financial statements on 27 February 2023.

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 financial statements, the consolidated financial statements, the compensation report 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 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.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website: http://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements

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

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.

PricewaterhouseCoopers AG

Blaženka Kovács-Vujević	Tobias Handschin
Licensed audit expert Auditor in charge	Licensed audit expert

Zürich, 27 February 2024

Five-year summary

		2023	2022	2021	2020	2019
Bystronic [1]						
Order intake	CHF m	794.0	1,009.5	1,175.5	777.4	929.4
Backlog	CHF m	252.9	413.0	435.2	206.8	242.3
Net sales	CHF m	930.1	1,015.9	939.3	801.3	935.8
EBITDA	CHF m	75.4	69.9	88.5	60.1	129.6
Operating result (EBIT)	CHF m	54.4	48.1	70.1	42.0	114.4
Net operating assets	CHF m	291.0	288.0	218.9	231.4	244.7
Discontinued operations						
Net sales	CHF m			183.6	482.3	637.4
Operating result (EBIT)	CHF m			−88.8	37.7	52.7
Net operating assets	CHF m				276.4	306.0
Consolidated income statement						
Net sales	CHF m	930.1	1,015.9	1,122.9	1,283.5	1,573.2
Operating result (EBIT)	CHF m	54.4	48.1	−18.7	79.7	167.2
Net result	CHF m	41.9	36.6	−27.8	66.9	136.8
Consolidated balance sheet						
Current assets	CHF m	761.6	862.5	958.4	813.5	889.1
Non-current assets	CHF m	262.6	280.0	276.4	337.2	377.0
Short-term liabilities	CHF m	259.1	375.4	372.0	313.8	329.8
Long-term liabilities	CHF m	34.3	42.9	47.6	40.8	56.1
Shareholders' equity	CHF m	730.6	724.2	815.2	796.1	880.1
Total assets	CHF m	1,024.1	1,142.5	1,234.8	1,150.6	1,266.0
Shareholders' equity as % of total assets	%	71.3	63.4	66.0	69.2	69.5
Employees						
Average number of full-time equivalents	Number	3,573	3,679	4,051	4,711	5,086
Net sales per full-time equivalent	CHF 1,000	260.3	276.1	277.2	272.5	309.3
Personnel expenses per full-time equivalent	CHF 1,000	70.5	70.7	72.0	72.3	74.5
Share information						
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	770	1,332	1,370	1,176	1,174
Low	CHF	427	495	1,086	716	714
Year-end	CHF	477	641	1,282	1,088	1,156
Total dividend	CHF m	24.8	24.8	124.2	124.2	149.0 [2]

			2023	2022	2021	2020	2019
Key indicators per share							
Earnings	per class A registered share	CHF	20.28	17.69	–13.81	31.46	60.85
	per class B registered share	CHF	4.06	3.54	–2.76	6.29	12.17
Cash flow from operating activities	per class A registered share	CHF	25.91	–7.99	23.89	38.07	48.43
	per class B registered share	CHF	5.18	–1.60	4.78	7.61	9.69
Shareholders' equity	per class A registered share	CHF	353.21	350.18	394.05	384.28	423.37
	per class B registered share	CHF	70.64	70.04	78.81	76.86	84.67
Gross dividend	per class A registered share	CHF	12.00 [3]	12.00	60.00	60.00	72.00 [4]
	per class B registered share	CHF	2.40 [3]	2.40	12.00	12.00	14.40 [5]

[1] The continuing operations consist of Bystronic and the historical Conzzeta segment "Others"

[2] Including special distribution of CHF 49.7 million and special dividend of CHF 62.1 million

[3] As proposed by the Board of Directors

[4] Including special distribution of CHF 24.00 and special dividend of CHF 30.00

[5] Including special distribution of CHF 4.80 and special dividend of CHF 6.00

Bystronic AG
Giesshübelstrasse 45
CH–8045 Zurich

www.bystronic.com
https://ir.bystronic.com/en/publications/financial-reports/

Publication details

Publisher: Bystronic AG, Zurich

Photo credits: Bystronic

Corporate photography: Dawin Meckel (Ostkreuz), Frankfurt

Translation: STAR AG, Ramsen

Publishing system: ns.wow by mms solutions AG Zurich

Concept and design: Bystronic

The annual report is published in German and English.
The German version prevails.
Published on February 29, 2024.