Inventing success together

1H 25

Presentation of 1H 2025 results
Heerbrugg | July 17, 2025

Today’s speakers
Welcome!

Jens Breu, CEO

Volker Dostmann, CFO

Agenda

1.	**Positioning of SFS**	Jens Breu
2.	**Key takeaways**	Jens Breu
3.	**Adjustment of production and distribution network**	Jens Breu
4.	**Key financials**	Volker Dostmann
5.	**Development of segments**	Volker Dostmann
6.	**Guidance 2025**	Volker Dostmann
7.	**Organizational further development as of 2026**	Jens Breu
8.	**Q&A**	Jens Breu & Volker Dostmann

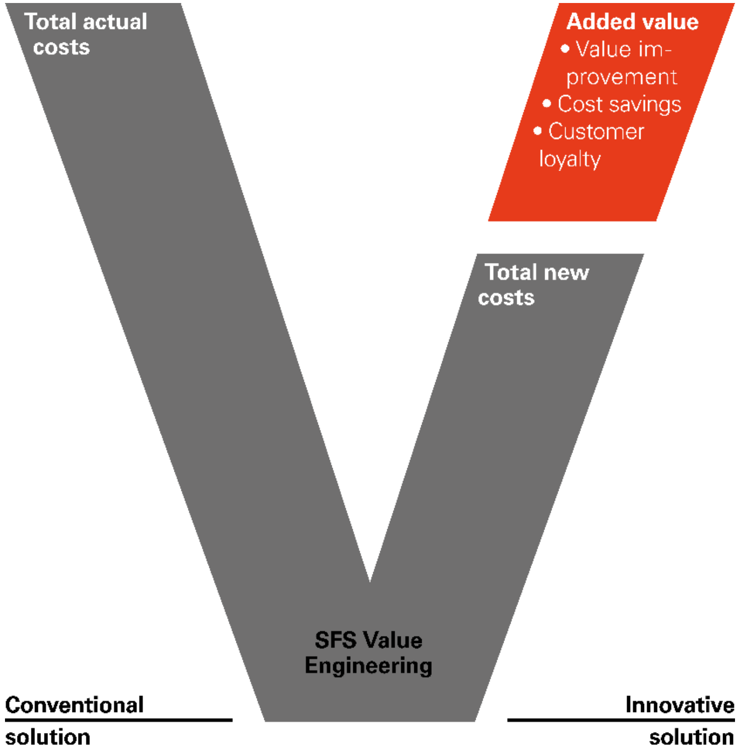
Positioning of SFS

Mission-critical products for selected end markets

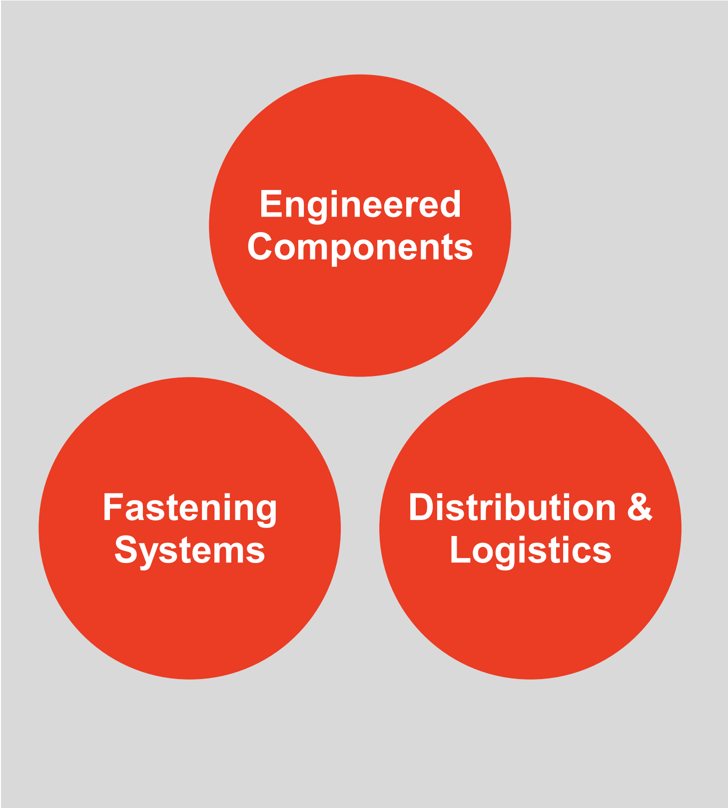
We are by your side – 24/7

Inventing success together
Driving innovation with Value Engineering

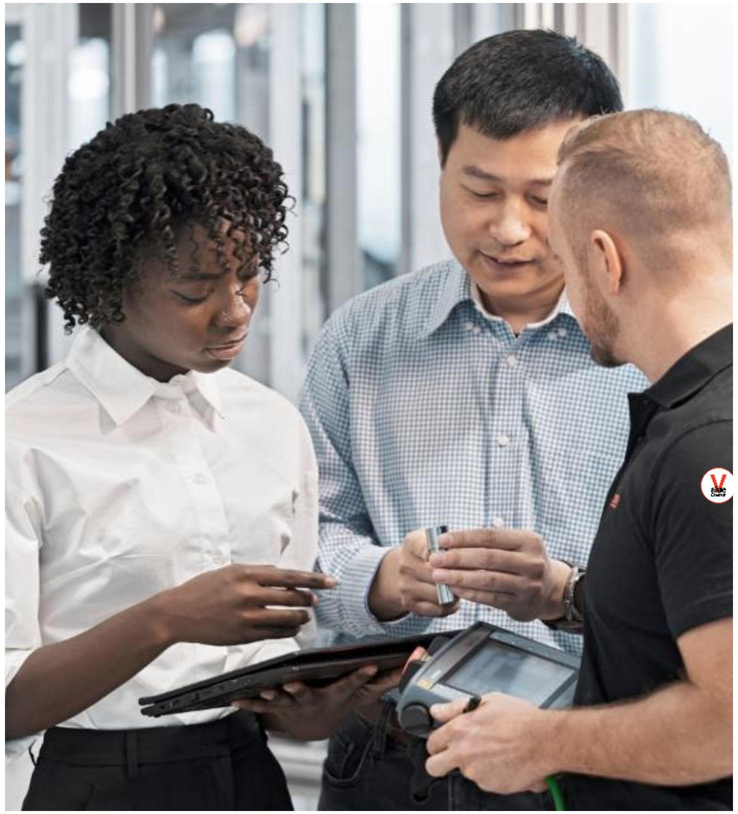
Value Engineering…



in three segments …



by Value Creators



Value Proposition
Conventional compared to our innovative solution

Multi-part fastening system for ATMs

Total actual costs

Added value
- Value im-provement
- Cost savings
- Customer loyalty

Total new costs

SFS Value Engineering

Optimizing the product
from four parts into one

- **Time savings**
- **Cost reductions of up to 60%**
- **Enhanced quality**
- **Reduced logistical effort**

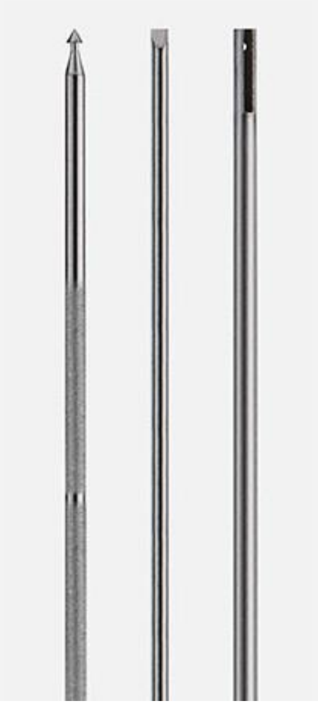
Conventional solution

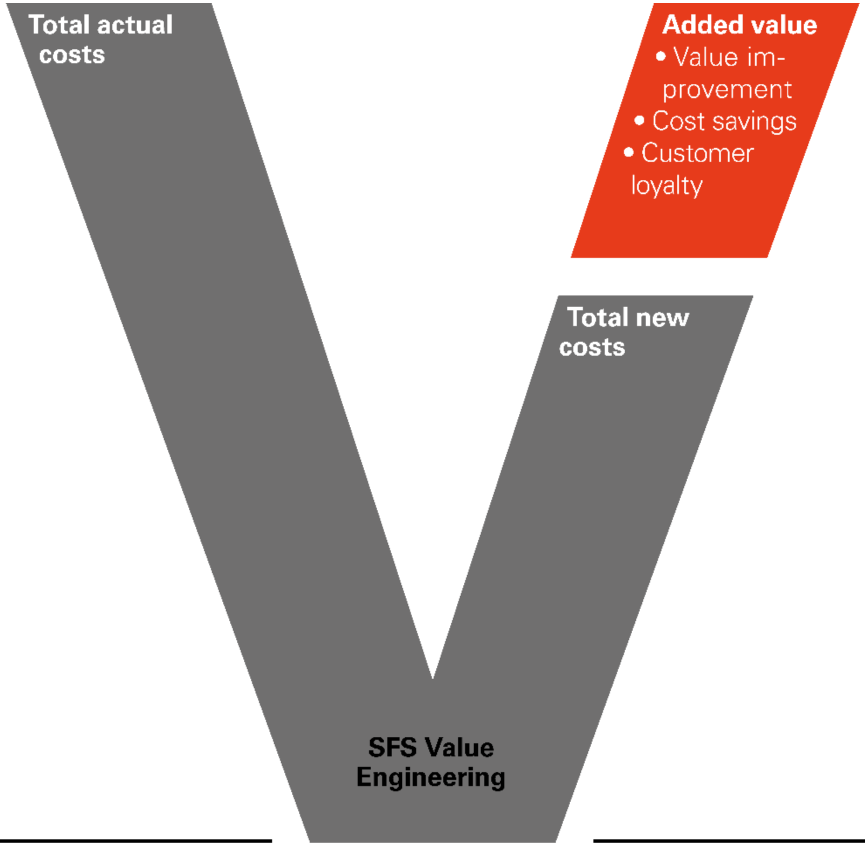
Innovative solution

SFS

Value Proposition
Conventional compared to our innovative solution

Metal components only





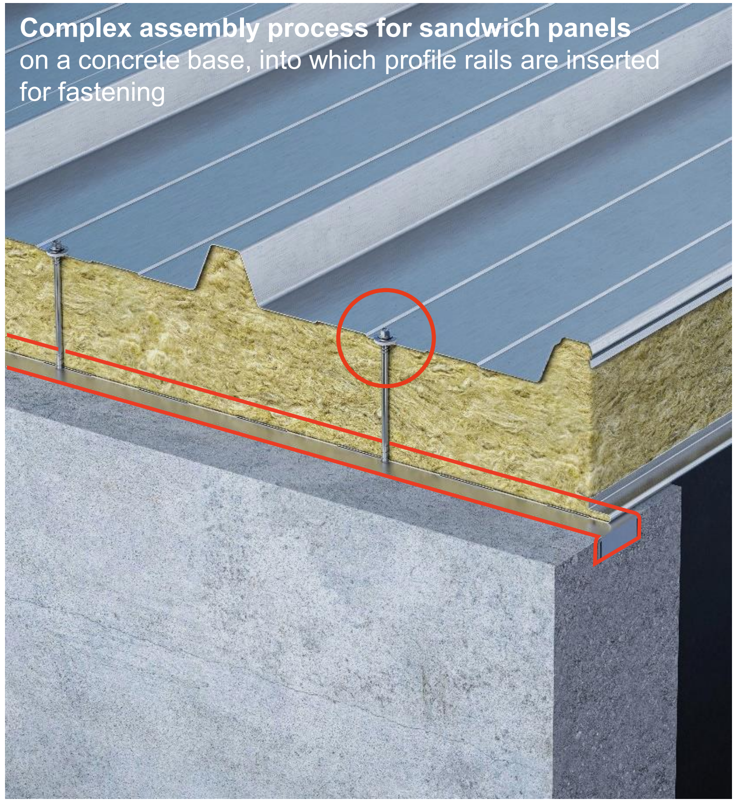
Optimizing the product
End-to-end production (metals, plastic, packaging)

- **50% shorter throughput time**
- **Reduce cost of procurement and supplier management**
- **Reduction in networking capital for customer**

Conventional solution — **Innovative solution**

Value Proposition

Conventional compared to our innovative solution



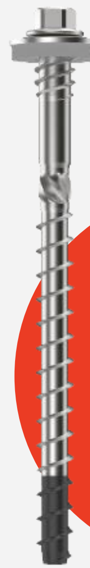
Total actual costs

SFS Value Engineering

Total new costs

Added value
- Value im-provement
- Cost savings
- Customer loyalty

Improving the process
by using our sandwich panel concrete fastener MDC/MXC



- **50% faster installation**
- **Cost reductions of up to 60%**

Conventional solution

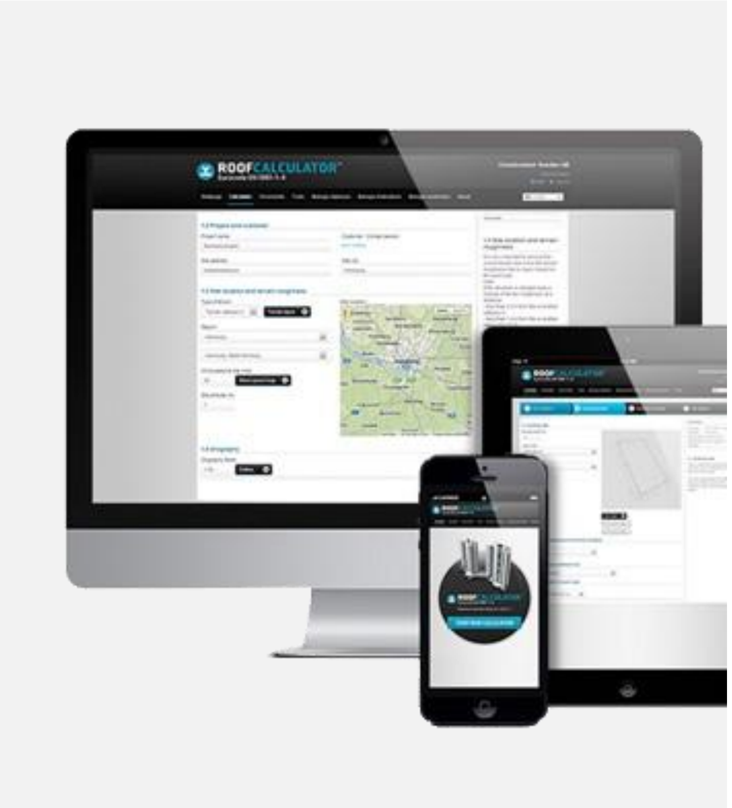
Innovative solution

Fastening Systems
Product, process and digitization solution example

Tool

Fastener

Calculation software



Value Proposition
Conventional compared to our innovative solution

Total actual costs

Added value
- Value improvement
- Cost savings
- Customer loyalty

Total new costs

SFS Value Engineering

Improving the process
Immediate and direct access for all employees 24/7

- **Innovative issuing system**
- **Quick and secure**
- **Individual configuration**
- **Payback time <5 years based on average cost savings**

Conventional solution — **Innovative solution**

Distribution & Logistics

Product, process and digitization expertise

Smart tool storage

Tool consumables

Cost improvement

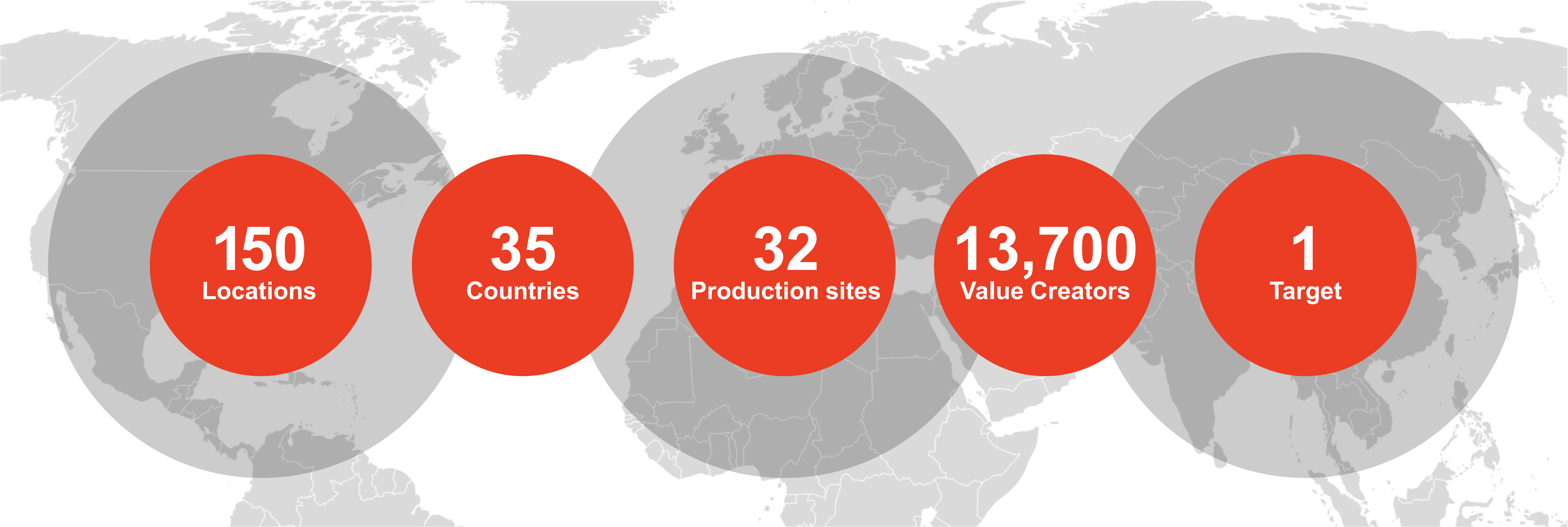
- Higher availability of tools and consumables
- Reduction of inventory
- Inventory control and data for further optimization

Global sales and manufacturing platform
Customer proximity supported by local presence

North America

Europe

Asia, others



SFS

Key takeaways

Key takeaways
Solid performance

- Solid results in a market with global trade policy upheavals and high uncertainty, reflecting the company's sustained good positioning
- SFS generated sales of CHF 1,539.1 million, corresponding to a reduction of –0.4% compared with 1H 2024
  - Currency effects reduced growth by –2.3%
  - On a like-for-like basis, slight organic growth of 1.1% realized
- To address the challenging market environment, SFS has started to selectively adjust its production and distribution network. The program will generate one-time costs of approximately CHF 75 million and finish by the end of 2027
- Adjusted operating profit (EBIT) of CHF 168.1 million and adjusted EBIT margin of 11.0% (PY 11.7%)
  - Including one-time costs of CHF 5.9 million, the reported EBIT margin stays at 10.6%
- As of January 1, 2026, the SFS Group will, in a final step, complete the adaptation of its organization, allowing it to sharpen its focus on end markets and customers.
- Updated SFS Group guidance for the 2025 financial year

Adjustment of production and distribution network

Adjustment of production and distribution network
Adaptation to changing market environment

- The changing market environment, particularly in the industrial manufacturing and automotive end markets, presents SFS with challenges
- To strengthen focus on core activities and adjust production capacities to market demand, selected sites will be closed and individual business areas carved out
- Concentration on fewer strategic production plants and core activities optimizes efficient use of resources and reduces complexity within the production and distribution network
- These activities will help to achieve SFS's defined long-term growth and profitability targets
- The SFS Group's strategy remains unchanged, particularly its local-for-local strategy
- Program to be completed by end of 2027:
  - Expected reduction in sales of about CHF 110m and total program-related one-off costs of approx. CHF 75m
  - Whereof CHF 30m are balance sheet effects, CHF 35m project cost and CHF 10m loss by sale assets
  - In total CHF 25m in cash and CHF 50m non-cash
  - Positive EBIT margin effect of approx. +0.8 percentage points as a result
  - One-off costs will be reported and EBIT margin adjusted during the time of the program

Current project overview
About 650 full-time jobs affected

- Brunn am Gebirge (Austria): activities transferred to Germany in the spring of 2025
- Olpe (Germany): site closure in 2H 2025, business partially relocated to Heerbrugg (Switzerland)
- Malaysia & Singapore: Asia-Pacific organization of Hoffmann being moved to distribution partners gradually until fall 2025
- Emmenbrücke (Switzerland): as of June 30, 2025, management buy-out of Allchemet signed, transaction will close by end of 2025
- Turnov (Czech Republic): site closure by 2026, business partially relocated to Heerbrugg (Switzerland) if profitable and if customers agree

Core focus	Selected sites are closed, and non-core business areas are carved out
Streamline operations	Focusing on fewer locations increases capacity utilization and reduces complexity
Increase profitability	These measures support our long-term growth and profitability targets
Strategy unchanged	Our strategy remains unchanged, particularly the local-for-local approach

Key financials

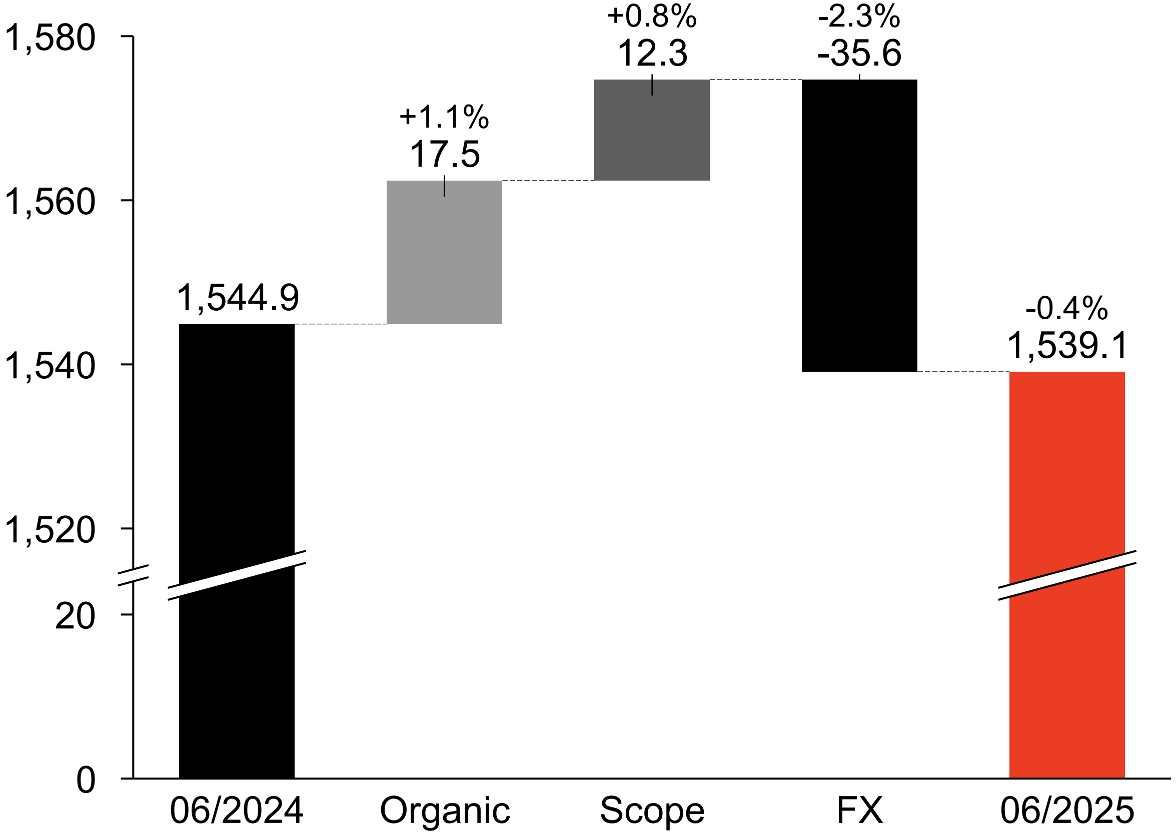
Sales bridge
Organic growth, negative FX effect

Organic growth[1]	06/2025 CHF million	06/2025 %	06/2024 %
EC segment	28.4	5.2%	4.8%
FS segment	–2.9	–1.0%	–7.7%
D&L segment	–8.0	–1.2%	–0.5%

- EC segment with positive development and organic growth
- FS segment negatively impacted by economic environment and weather conditions
- Restrained market momentum in D&L segment

FX rate	ØYTD 06/2025	ØYTD 06/2024
EUR/CHF	0.941	0.962
USD/CHF	0.863	0.889

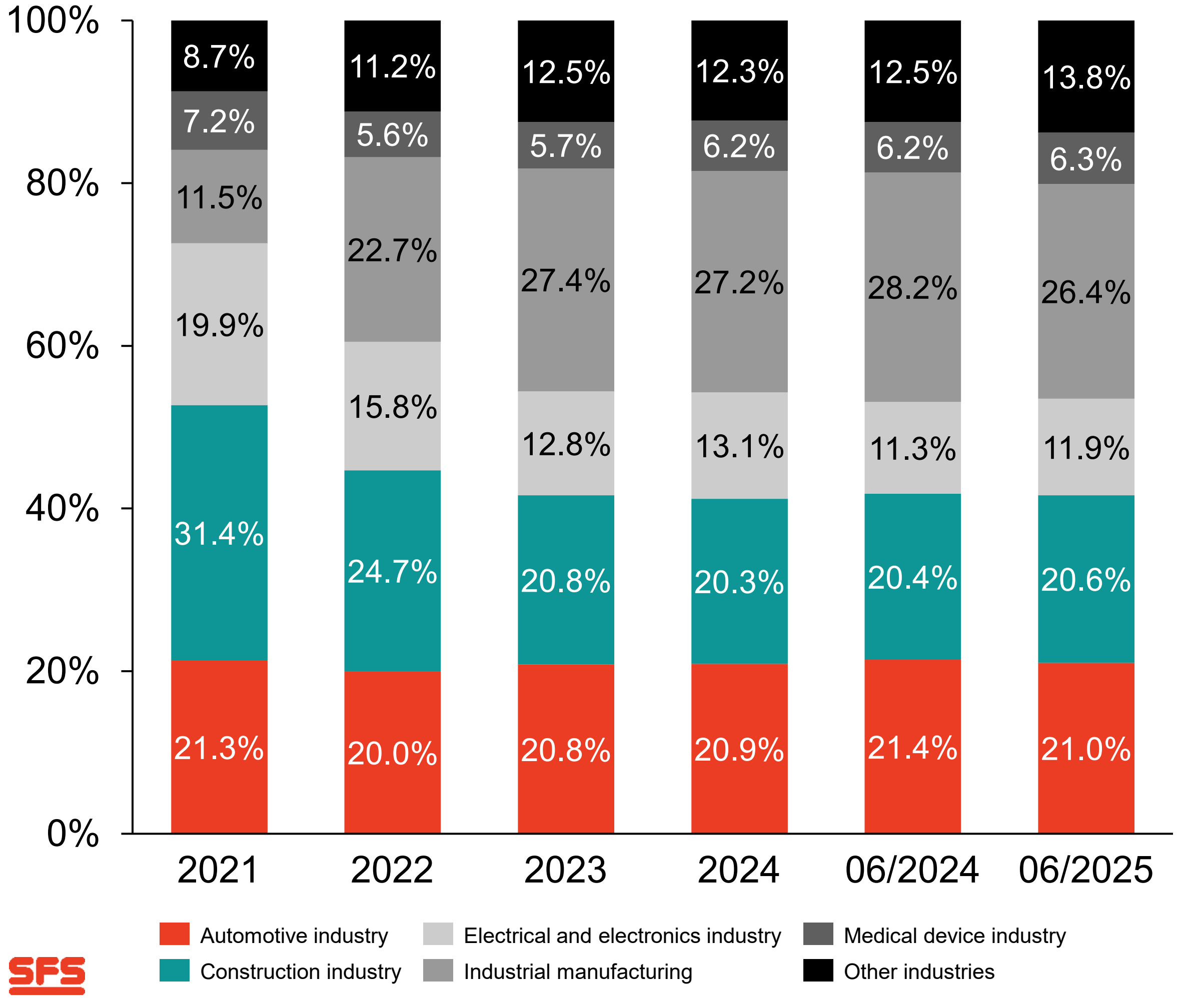
in CHF million

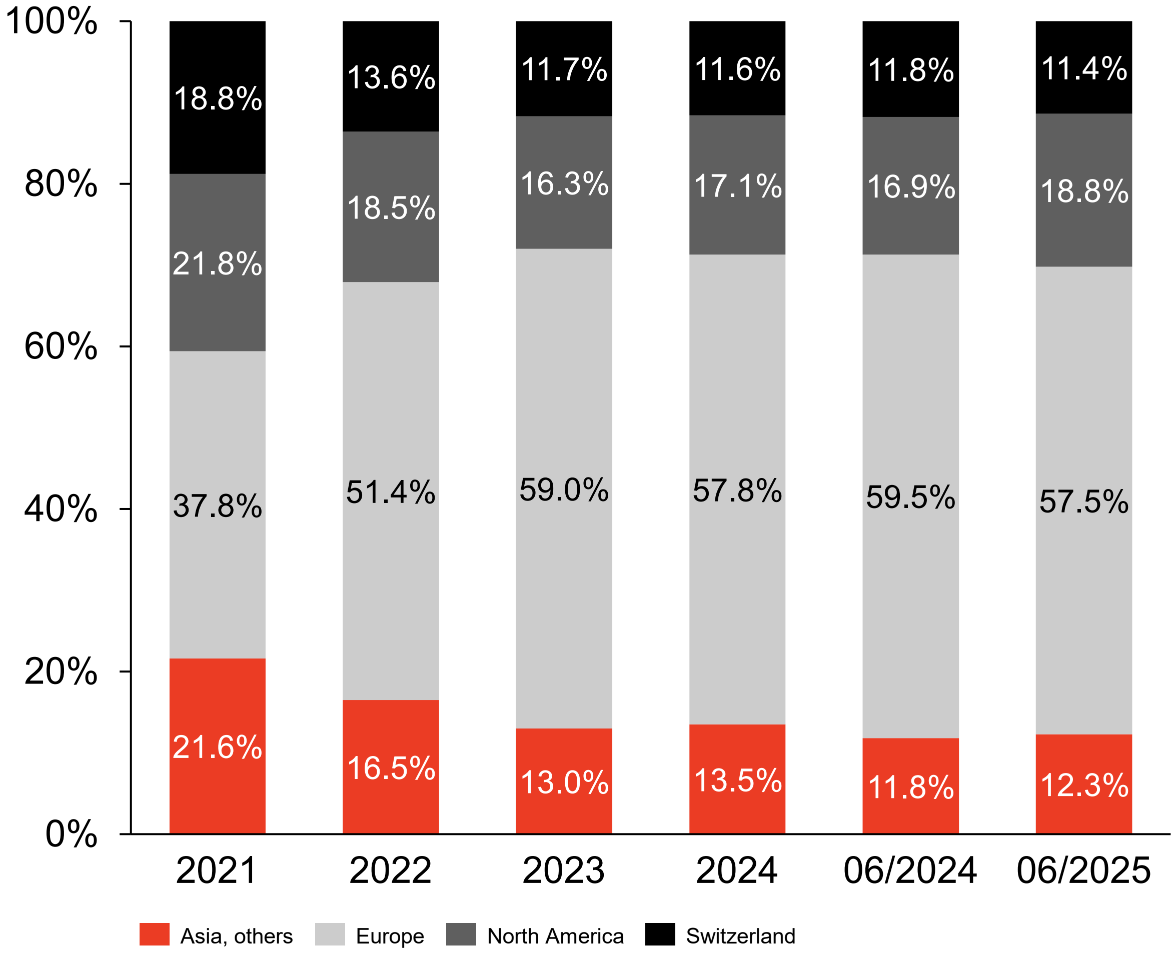


[1] Organic growth 2025 measured on a like-for-like basis considering the new segment composition

Sales breakdown by end market and region

Growth in EC end markets

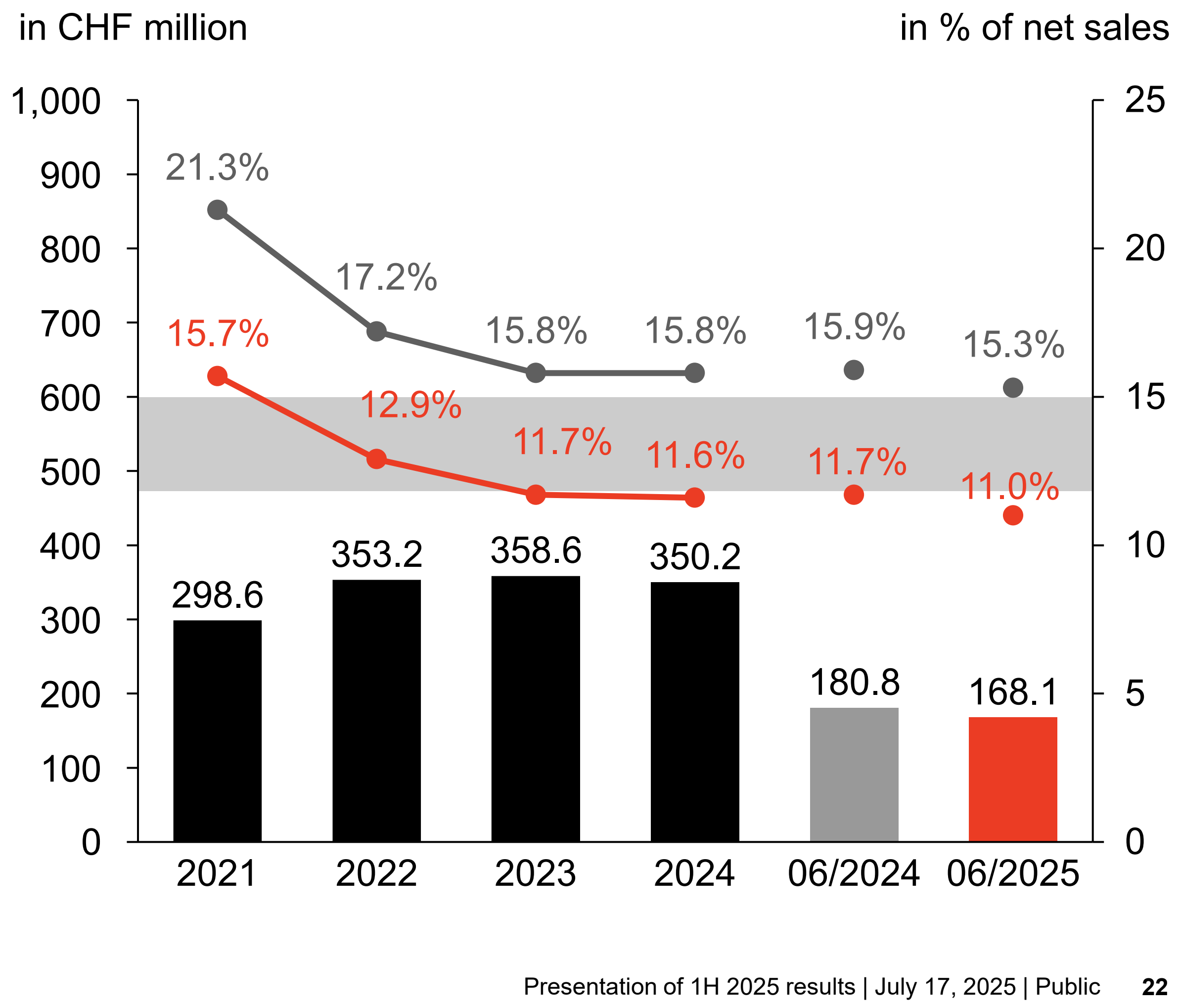




Operating profitability YTD
EBIT margin adjusted below target range

- Soft demand and lower capacity utilization impacting profitability of FS and D&L segments
- EBIT margin under pressure
- EBIT adjusted by non-recurring costs of program to make changes to the production and distribution network in the amount of CHF 5.9 million

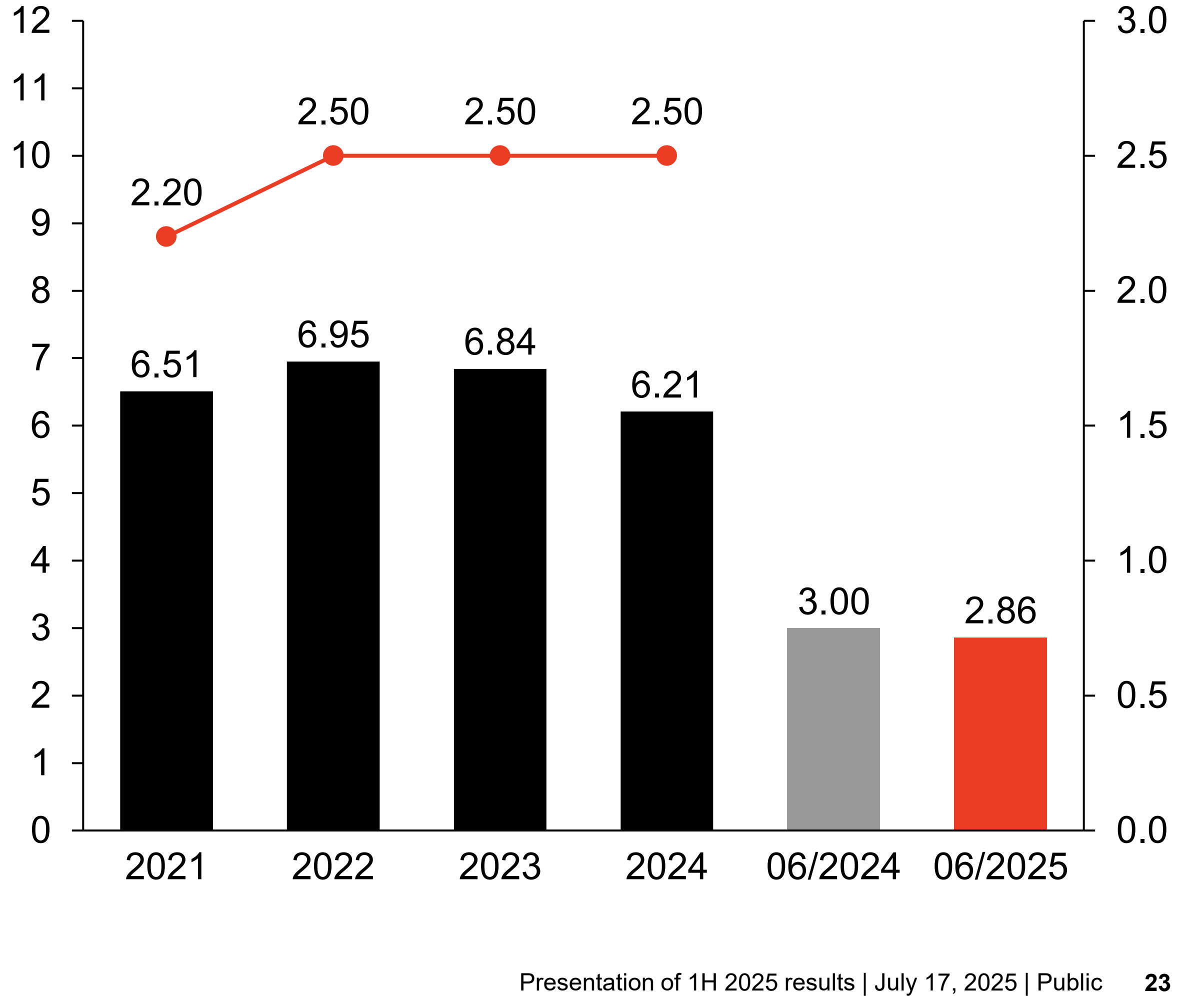
Profitability	Reported in CHFm	Reported %	Adjusted in CHFm	Adjusted %
EBIT	162.2	10.6	168.1	11.0
EBITDA	230.4	15.0	235.2	15.3



Earnings per share (EPS)
EPS with negative development

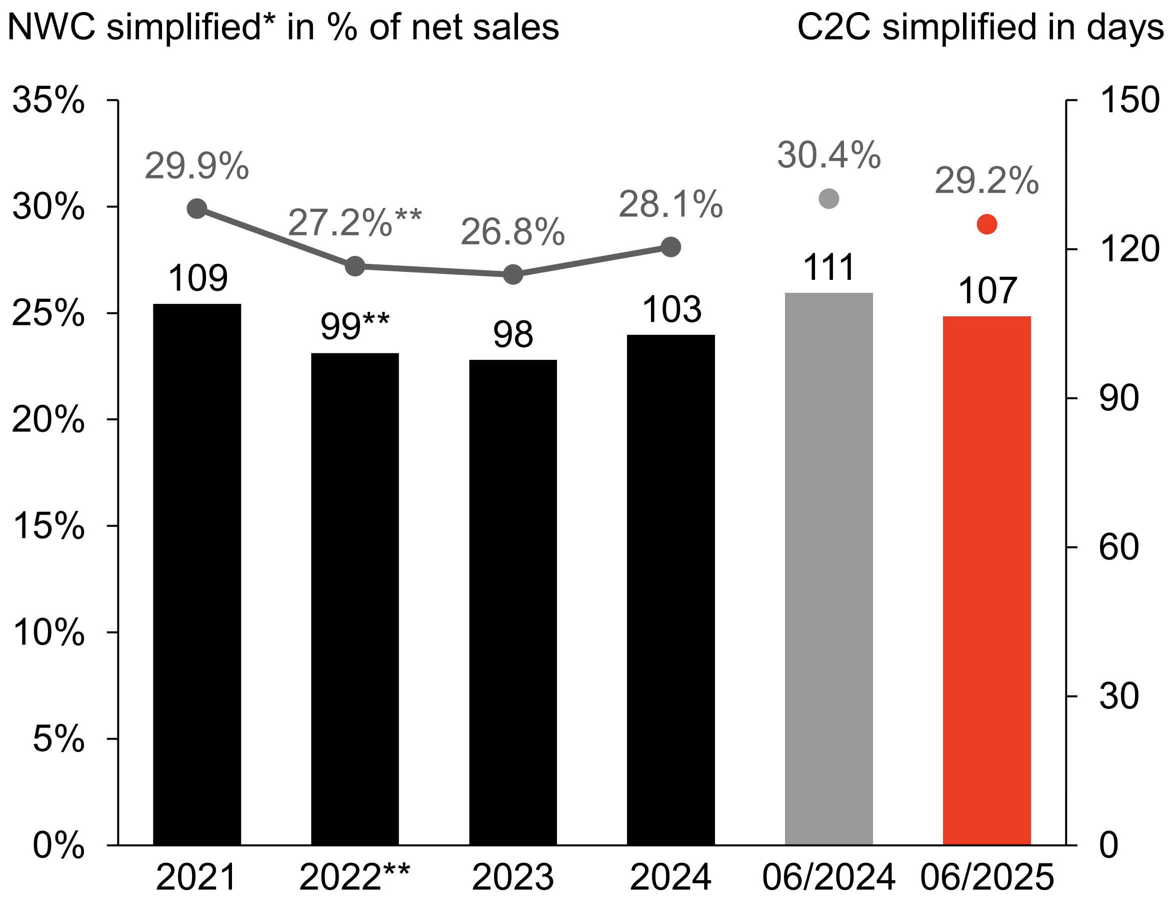
- Overall EPS –4.7%

- EPS decreasing mainly due to lower net income driven by operating profit (EBIT)
- Burdened by improvement program to increase profitability (approximately CHF 0.15)



Net working capital
FX-impact and usual seasonal influences

- Seasonal high balances of accounts receivable due to usually higher sales compared to year-end, FX-rate development is diluting the increase effect
- Significant decrease in NWC (especially account receivables and inventory) compared to June 2024 triggered by FX-rate development

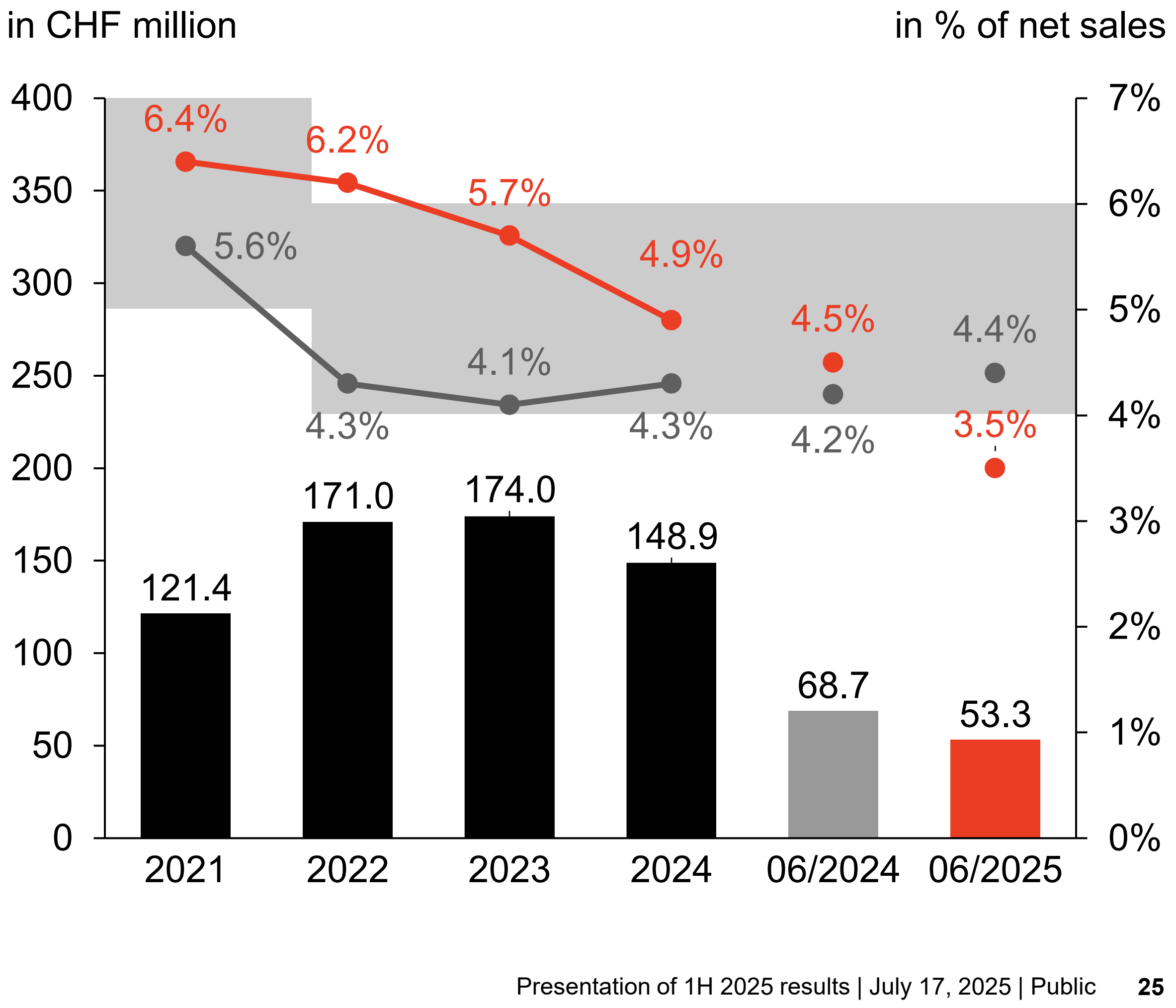


*NWC simplified = AR + Inventory – AP ** Impact of Hoffmann annualized

Capital expenditure
Investing – Focus on defined areas of growth

CAPEX spending by segment	06/2025 %	06/2024 %
EC	70	71
FS	12	12
D&L	13	11

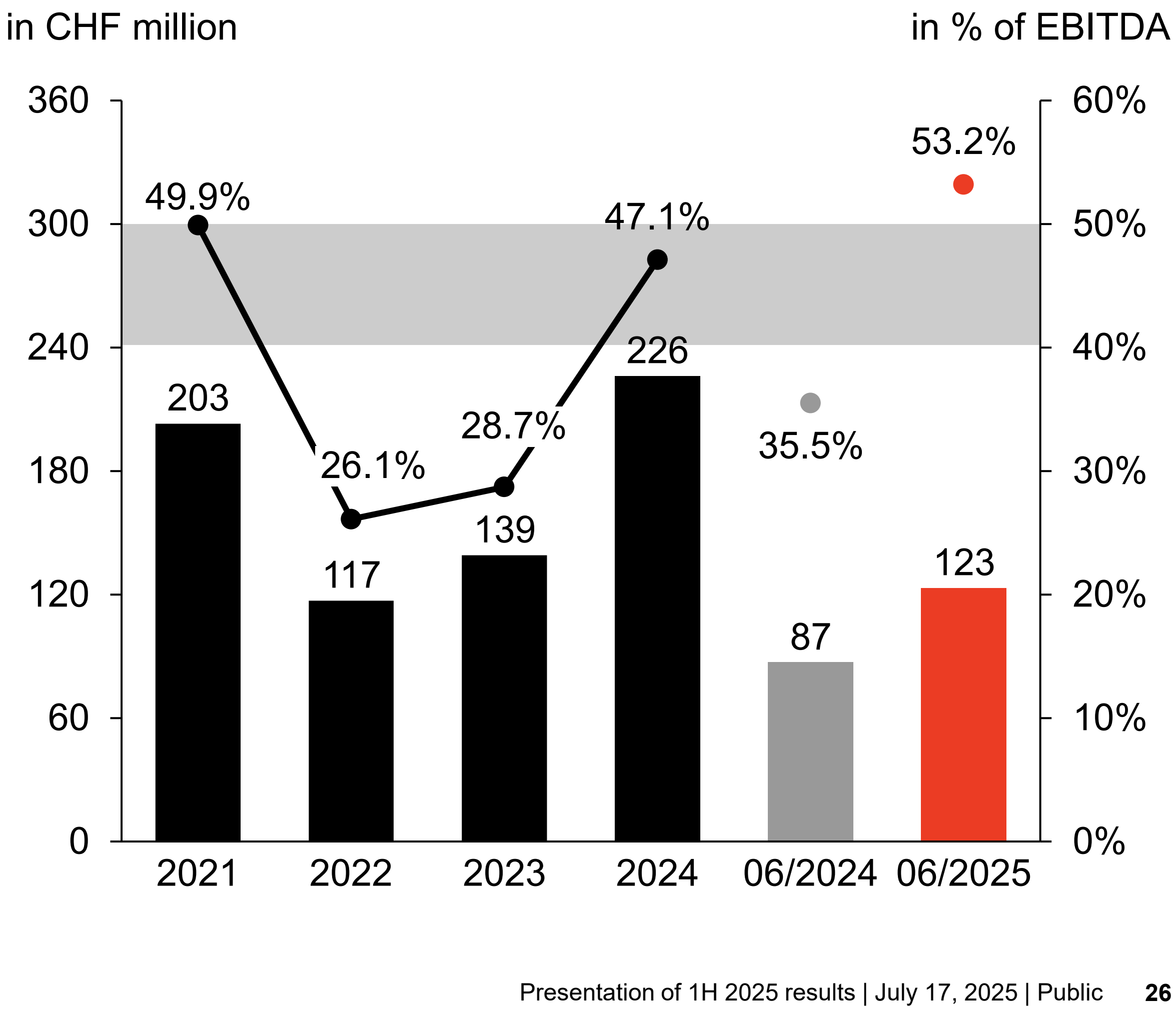
- CAPEX below target range of 4–6% of net sales
- Substantial reduction in growth-related expenditure due to strict cost management
- Non-essential investment projects postponed



Operating free cash flow (OFCF)
Cash conversion above target range

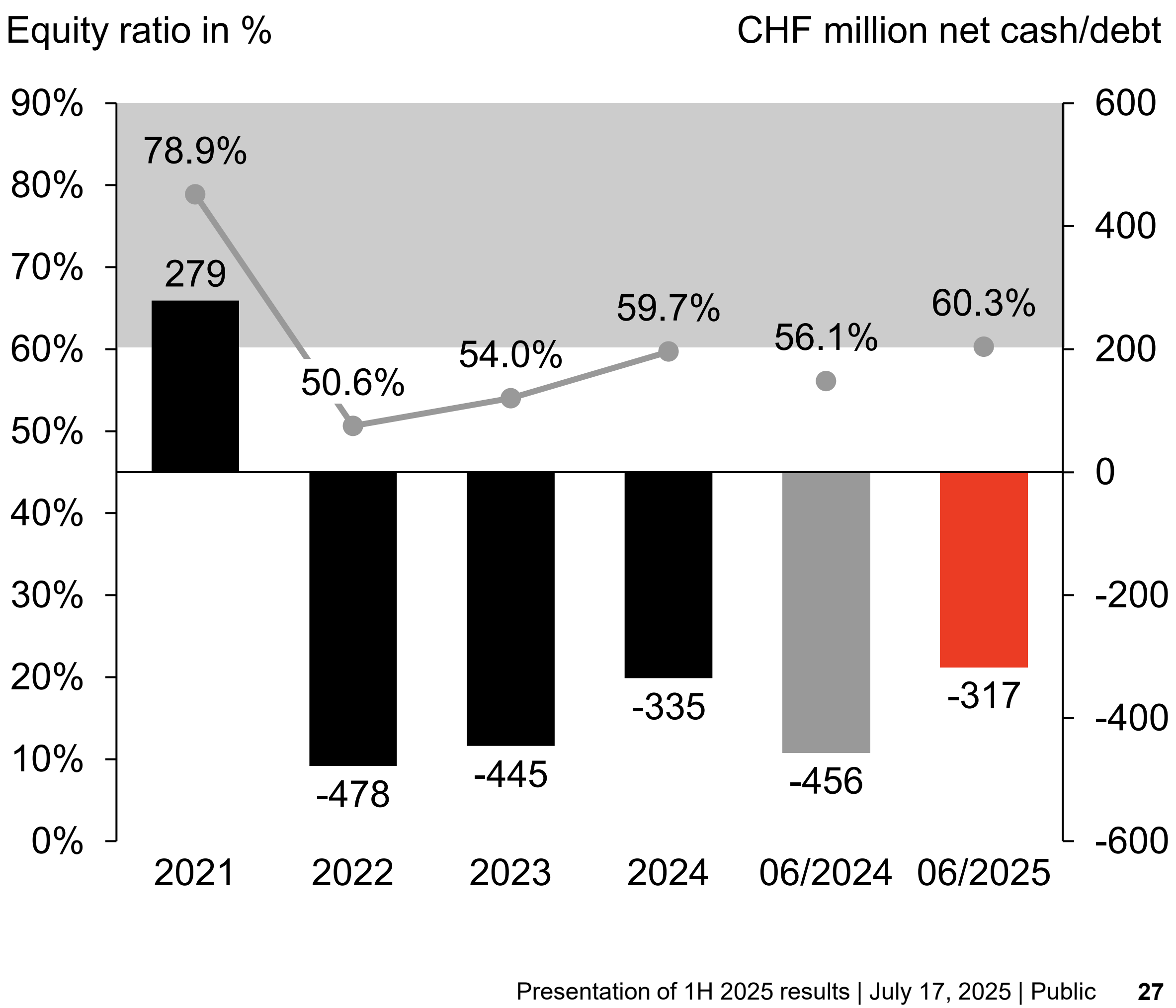
in CHF million	06/2025	06/2024
CF before changes in NWC	189	199
Changes in NWC	–13	–43
Cash flow from operations	**176**	**156**
CAPEX	–53	–69
Operating free cash flow	**123**	**87**

- Lower NWC changes and CAPEX leading to higher OFCF
- Cash conversion (OFCF adj./EBITDA adj.) rate adjusted at 54.2%



Balance sheet ratios
Equity ratio back in target range

- Important factor for net debt development:
  - Improved generation of operating free cash flow
- First bond of CHF 250 million settled in June 2025
- Unused credit lines used to refinance bond repayment
- Second bond maturity is June 2027 (CHF 150 million)



Return on capital
ROCE slightly below 2024 year-end level

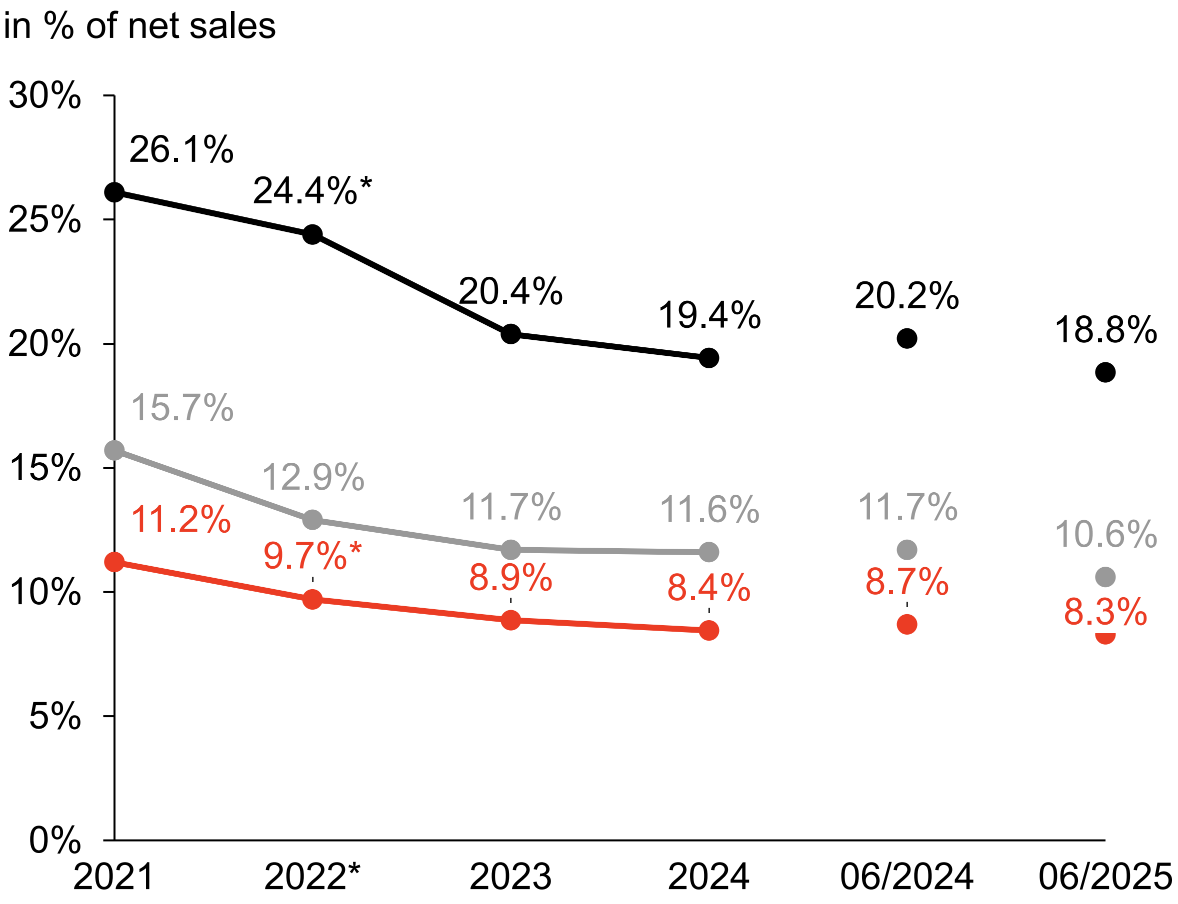
- Bridge ROCE to ROIC
  - Impact from goodwill and net cash: –7.2%
  - Impact from tax effects: –3.3%

$$\text{ROCE} = \frac{\text{Adjusted EBIT ann.}}{\text{Ø Capital Employed (CE)}}$$

Ø CE = Working capital less cash plus tangible and intangible assets less def. tax and provisions

$$\text{ROIC} = \frac{\text{Adjusted EBIT ann.} - \text{Tax Rate 17.5\%}}{\text{Invested Capital (IC)}}$$

IC = Equity before goodwill offset less net cash/plus net debt



*Impact of Hoffmann annualized

ROCE ROIC EBIT adj. in % of net sales

Development of segments

Engineered Components segment
Growth trajectory continued

- Sales of CHF 563.1 million, +2.4% vs. 1H 2024, driven by continued ramp-up of growth projects in Heerbrugg (Switzerland) and Nantong (China) plus momentum in HDD and Aircraft applications
- However, customer demand in most end markets and applications muted. Low visibility and high uncertainty reducing investment sentiment
- Continued positive development in Electronics division in all major application areas
- M&I Specials division confirms dynamic result of same period last year
- EBIT margin of 13.7%

Key figures Engineered Components in CHF million	**2025** **1H**	+/–%	2024 1H
Third–party sales	563.1	2.4	549.9
Organic growth		5.2	
Net sales	566.0	2.6	551.5
EBITDA	121.0	2.6	117.9
in % of net sales	21.4		21.4
Operating profit (EBIT)	77.7	0.4	77.4
in % of net sales	13.7		14.0
Operating profit (EBIT) adjusted[1]	82.4	6.5	77.4
in % of net sales	14.6		14.0
Average capital employed	926.5	1.8	910.4
Investments	37.2	–23.5	48.6
ROCE in %[2]	17.8		17.0
Employees (FTE)	7,669	1.6	7,547

[1]Adjustments are explained in the Information on the publication section
[2]EBIT adjusted, annualized in % of average capital employed

Fastening Systems segment
Well positioned in local markets

- Sales of CHF 297.2 million, +0.6% vs. 1H 2024, like-for-like
- Construction end market affected by sluggish demand, especially in Europe, as well as regionally cold and longer winter
- Transfer of CH-based “Construction & Wood” business from D&L segment as of January 1, 2025, took place according to plan
- EBIT margin of 11.8% below 1H 2024 level due to:
  - Dilutive effect of “Construction & Wood” business
  - Amortization of intangibles from FY24 transactions
- Expansion of local manufacturing capacity in Exeter (USA) completed as planned, strengthening local-for-local manufacturing capabilities

Key figures Fastening Systems in CHF million	**2025 1H**	+/–%	2024 1H restated[1]	2024 1H reported
Third–party sales	297.2	0.6	295.4	243.8
Organic growth		–1.0		
Net sales	300.4	0.0	300.4	248.2
EBITDA	42.2	–7.5	45.6	41.8
in % of net sales	14.0		15.2	16.8
Operating profit (EBIT)	35.5	–10.6	39.7	36.2
in % of net sales	11.8		13.2	14.6
Operating profit (EBIT) adjusted[2]	35.5	–10.6	39.7	36.2
in % of net sales	11.8		13.2	14.6
Average capital employed	251.9	–5.5	266.6	233.1
Investments	6.6	–23.3	8.6	8.4
ROCE in %[3]	28.2		29.8	31.1
Employees (FTE)	2,152	6.1	2,028	1,926

[1]The previous year’s figures were adjusted to the new segment composition for better comparability
[2]Adjustments are explained in the Information on the publication section
[3]EBIT adjusted, annualized in % of average capital employed

Distribution & Logistics segment
Prepared for market recovery

- Sales of CHF 678.8 million, –3.0% vs. 1H 2024, like-for-like, European industrial manufacturing end market experiences restrained dynamic and customer sentiment
- Warehouse of two European distribution partners integrated into LogisticCity in Nuremburg (Germany), leading to significantly increased capacity utilization
- EBIT margin of 8.0% below 1H 2024 level due to:
  - Reduced market dynamics
  - Dilutive effect of onboarding warehouse distribution partners

Key figures Distribution & Logistics in CHF million	**2025 1H**	+/–%	2024 1H restated[1]	2024 1H reported
Third–party sales	678.8	–3.0	699.6	751.2
Organic growth		–1.2		
Net sales	675.0	–3.1	696.4	748.6
EBITDA	67.8	–14.5	79.3	83.1
in % of net sales	10.0		11.4	11.1
Operating profit (EBIT)	54.0	–15.6	64.0	67.5
in % of net sales	8.0		9.2	9.0
Operating profit (EBIT) adjusted[2]	55.1	–13.9	64.0	67.5
in % of net sales	8.2		9.2	9.0
Average capital employed	592.7	–4.3	619.5	637.1
Investments	7.0	–5.4	7.4	7.6
ROCE in %[3]	18.6		20.7	21.2
Employees (FTE)	3,605	–2.9	3,711	3,813

[1]The previous year's figures were adjusted to the new segment composition for better comparability
[2]Adjustments are explained in the Information on the publication section
[3]EBIT adjusted, annualized in % of average capital employed

Guidance 2025

Updated guidance 2025
FY25 results expected around previous year's level

	2025G (CHF)	2024A (CHF)
Gross sales SFS development *(in local currencies, incl. scope effects)	**Around previous year***	3,039.0 million
EBIT margin	**Adjusted EBIT margin around previous year's level**	11.6%

Guidance reflects current geopolitical and economic environment, paired with low visibility.

Strategic priorities
Focusing on our main strengths and opportunities

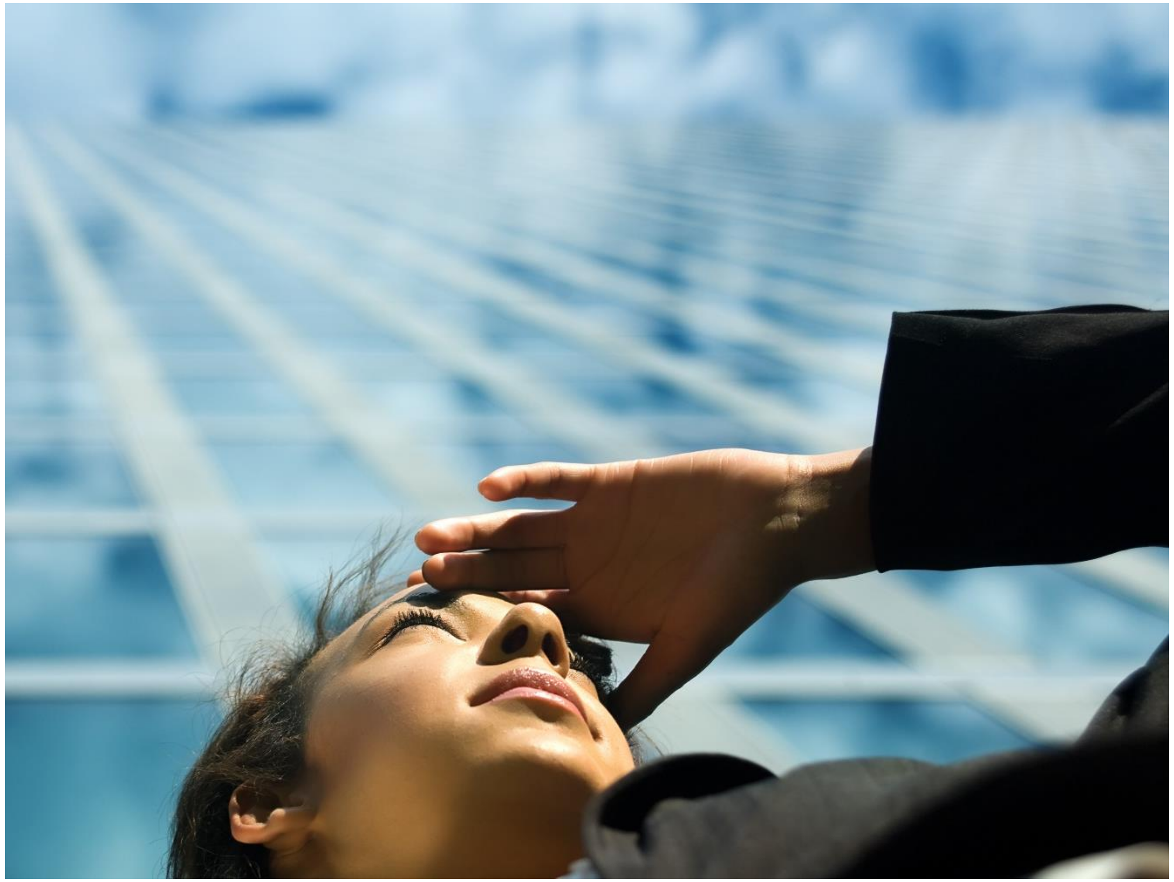
- Strategy execution
- Mega-trends
- “Local-for-local”
- Focus on technology
- Solid financing

Organizational further development as of 2026

Vision 2030
Prepare the organization for future growth 2.0

Purpose of the project "Step-up": We want to make our organization ready for future growth by…

- simplifying and streamlining the organization
- sharpening our focus on end markets
- empowering the segment management teams for decentralized decision-making
- advancing the organization to the next level
  → "Step-up"



New composition of the Group Executive Board
Sharpening focus on strategic decision-making

Broader perspective on segments and end markets
- Break down silos and promote decision-making across divisions and functions
- Enable more holistic and strategic discussions
- Foster healthy internal debate

Alignment with SEDP (Structured Employee Development Program)
- Promote job rotation
- Broaden leadership capa-bilities across the organization including at GEB level

Accelerated growth in Asia
- Drive expansion in the region
- Use potential M&A oppor-tunities – a lever not actively used over the past decade

Increased diversity within GEB
- Strengthen leadership by ensuring gender diversity and moving beyond an all-male composition

Organizational changes as of January 2026

Strengthen end market focus in EC segment

- The EC segment will no longer have divisions
- Segment gets structured into Business Units: Automotive Formed Parts, Automotive Fasteners, Medical, Industrial and Electronics
- Urs Langenauer, Head of Division Automotive, will take over as Head of EC Segment
- George Poh, Head of Division Electronics, will retire from the Executive Board at the end of 2025
- Walter Kobler, Head of Division Medical & Industrial Specials, will also step down from the Executive Board and will continue as Head of Business Unit Medical until his upcoming retirement end of 2026

Urs Langenauer George Poh Walter Kobler

Organizational changes as of January 2026
Further development of BUs in growing Asian market

- Martin Reichenecker, Head of Segment D&L, assumes overall responsibility for the Asia Region
- Iso Raunjak, former Head of Division D&L Switzerland and current Chief Human Resources Officer (CHRO), will take over the D&L segment from Martin Reichenecker
- Christina Burri, Head of Corporate Accounting & Reporting, takes over responsibility for Human Resources, Marketing & Corporate Communications and ESG from Iso Raunjak
- With that, she will join the Group Executive Board

Vision 2030 | Asia Region
Driving growth in Asia

India

- Build up of fastener production capability
- Localization and further development of Automotive core technologies
- Business development in the area of brakes and restraint systems

Nantong

- Expand division activities for overall growth in China
- Go-to-market growth of Medical customers
- Establish a leading market position in BSD technology for brake systems

Malaysia

- Build up capability for non-HDD customers
- Go-to-market growth of Medical customers

Group structure
Today's organization

SFS Group
Jens Breu, CEO

Segment	Engineered Components (Jens Breu)			Fastening Systems	Distribution & Logistics
End market	Automotive	Electronics	Medical & Industrial Specials	Construction	Industry
	Urs Langenauer	George Poh	Walter Kobler	Thomas Jung	Martin Reichenecker
Corporate Finance & IT Volker Dostmann					
Corporate HR & Communications Iso Raunjak					
Global technology transfer & Peer Group management					
	SFS, UNISTEEL, TEGRA MEDICAL, GESIPA			SFS	SFS, Hoffmann Group

Group structure
Organization as of January 1, 2026

SFS Group
Jens Breu, CEO

Segment	Engineered Components	Fastening Systems	Distribution & Logistics
End market	Aerospace, Automotive, Electronics, Industrial, Medical	Construction	Industry
	Urs Langenauer	Thomas Jung	Iso Raunjak
	SFS, UNISTEEL, TEGRA MEDICAL, GESIPA	SFS	SFS, Hoffmann Group



Corporate Finance & IT
Volker Dostmann

Corporate HR & Communications
Christina Burri

Region Asia
Martin Reichenecker

Q&A

Agenda
Upcoming IR events

2026

Publication of first results on financial year 2025
Friday, January 23, 2026

Publication of Annual Report 2025
Friday, March 6, 2026

33rd Annual General Meeting
Wednesday, April 22, 2026

Thank you for your attention

Inventing success together