

A close-up photograph of a hand hovering just above a spinning top. The spinning top is a brass-colored metal object with a conical body and a thin vertical stem. It is spinning on a reflective surface, creating a clear reflection. The background is a soft, out-of-focus light gray.

# TORNOS

*Media and analysts' conference 2021*

*Tornos Group*

Moutier, March 8, 2021

## Speakers

**François Frôté** – *Chairman of the Board*

**Luc Widmer** – *Chief Financial Officer*

**Michael Hauser** – *Chief Executive Officer*

- **Overall Review**  
François Frôté, Chairman
- **Financial Results 2020**  
Luc Widmer, CFO
- **Management Report**  
Michael Hauser, CEO
- **Questions and answers**

A close-up photograph of a hand holding a brass spinning top. The spinning top is a conical object with a long, thin stem and a wide, flared base. It is positioned on a reflective surface, creating a clear reflection. The background is a soft, out-of-focus white.

# TORNOS

## *Overall Review*

*François Frôté – Chairman of the Board*

Overall Review  
*Key Financials 2020*

**TORNOS**

	in MCHF	<b>2020</b>	<b>2019</b>
Net sales		103.4	205.3
EBITDA		-23.6	10.7
EBIT		-27.7	6.4
Net result		-29.9	5.9
Free cash flow		-3.1	-31.6
Net cash/(debt)		-5.0	-0.9

Overall Review  
*Key Financials 2020 vs. 2009*

**TORNOS**

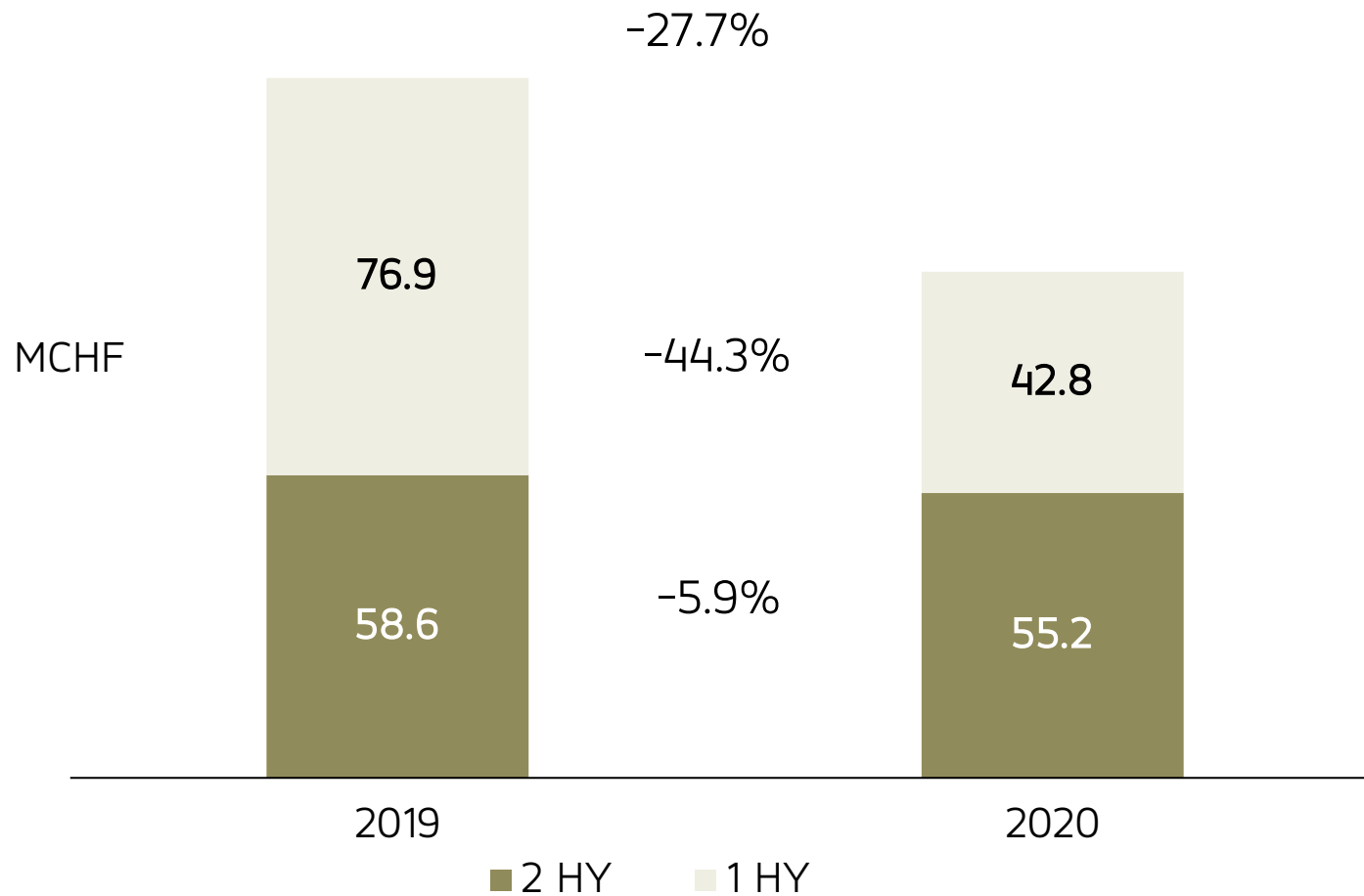
in MCHF	<b>2020</b>	<b>2009</b>
Net sales	103.4	112.5
EBITDA	-23.6	-25.8
EBITDA - underlying	-8.5	-25.8
EBIT	-27.7	-30.5
EBIT - underlying	-12.6	-30.5
Net result	-29.9	-29.6
Free cash flow	-3.1	-29.2
Net cash/(debt)	-5.0	-24.6

A close-up photograph of a hand hovering just above a spinning top. The spinning top is a polished brass or gold-colored metal, with a conical body featuring horizontal ridges and a thin vertical stem. It is balanced on a highly reflective, white surface, which creates a clear mirror image of the top and the hand above it. The background is a soft, out-of-focus white.

# TORNOS

## *Financial Results*

*Luc Widmer – Chief Financial Officer*



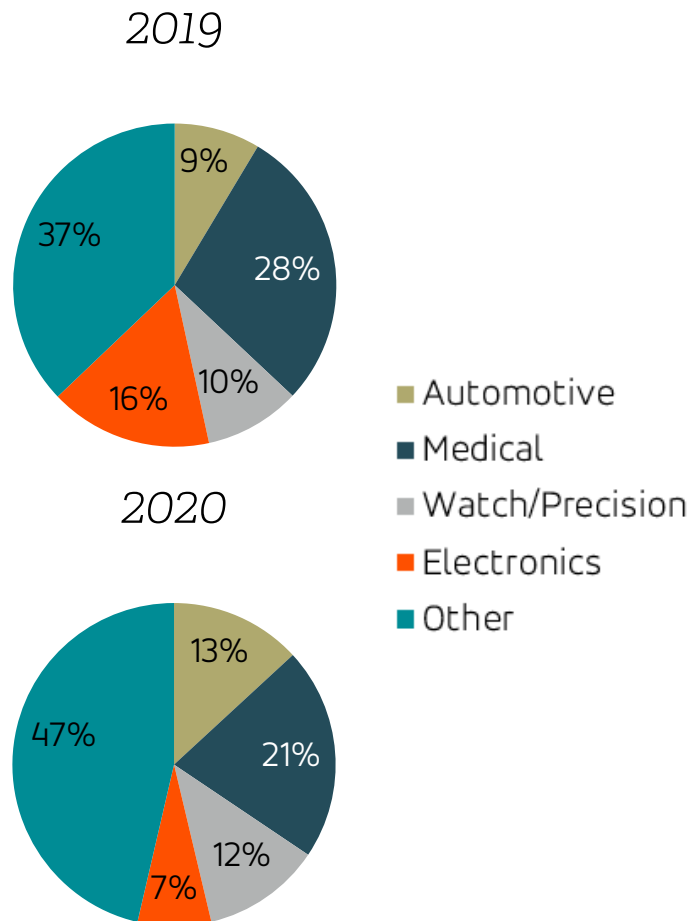
2nd Half-Year almost recovered to prior year level



# Financial Results 2020

## Order Intake

TORNOS



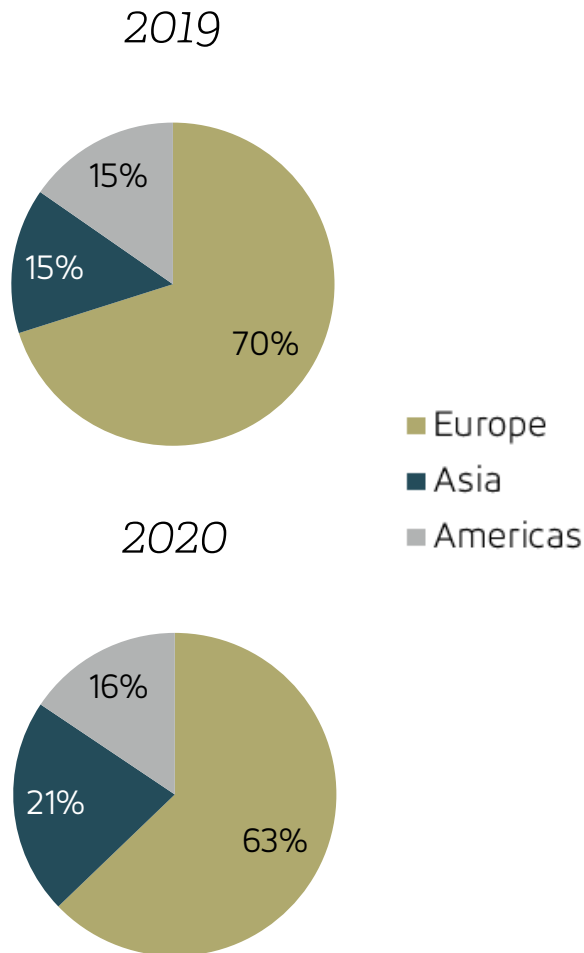
- Automotive regaining against 2019 mostly in 2nd half-year
- Medical industry hampered by COVID-19 measures
- Penetration into lock and aero markets yielding order intake in category “other”

► Penetration into new markets successfully initiated

# Financial Results 2020

## Order Intake

TORNOS



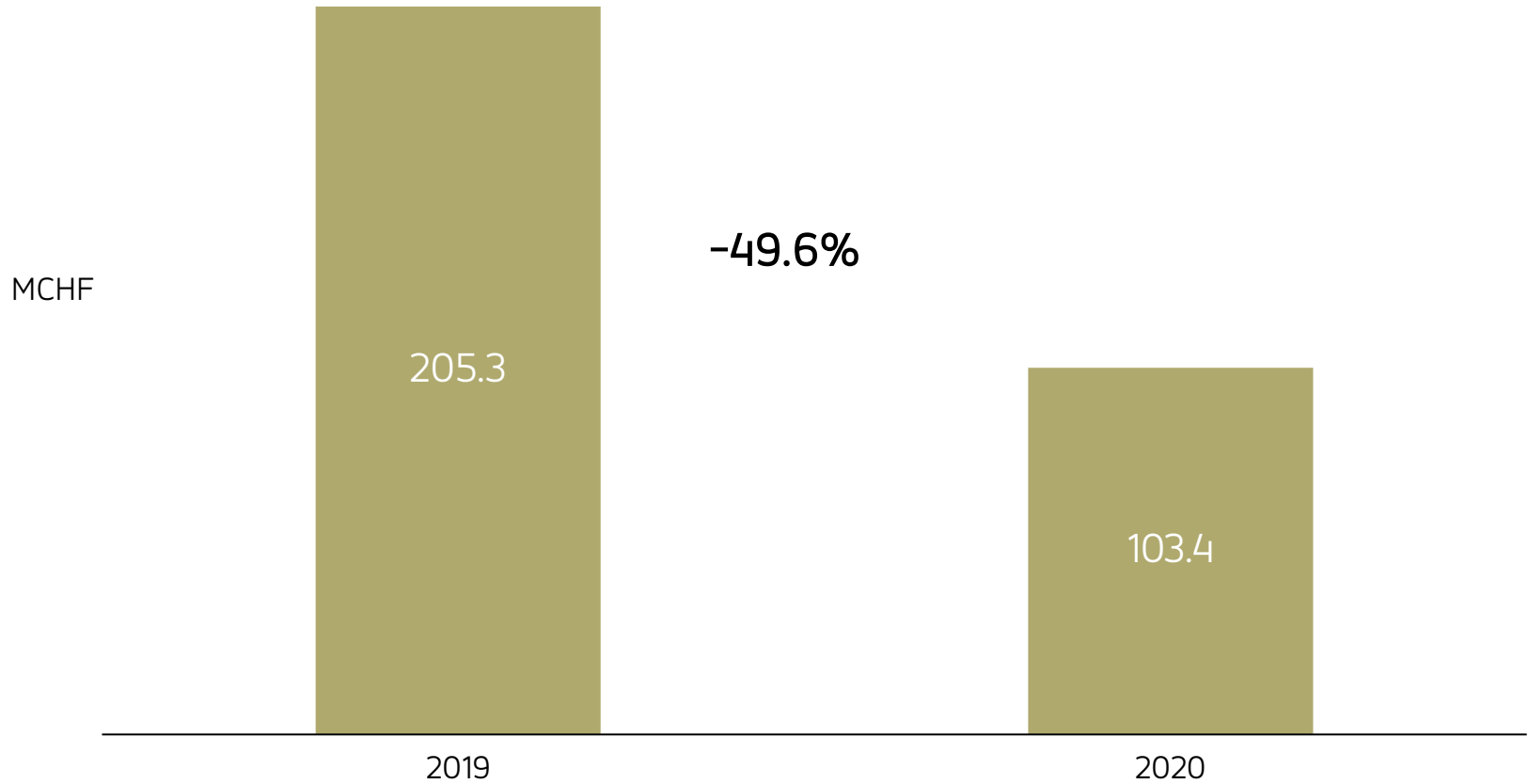
- Europe remaining dominant despite drop by 34.8% against 2019
- Americas remaining important region
- Asia gaining weight within Tornos following fast market recovery

▶ Stable development of non-European regions

# Financial Results 2020

## Net Sales

TORNOS



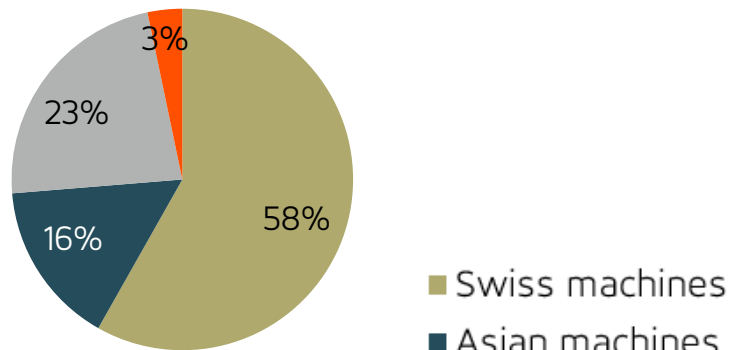
▶ Down-swing in sales challenging organization

# Financial Results 2020

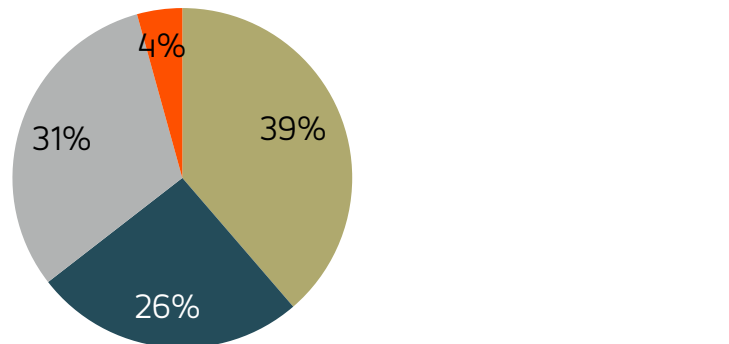
## Net Sales

TORNOS

2019



2020



- Drop in Swiss machines predominantly due to MultiSwiss slow down
- Asian products and Customer Service more resilient against economic down-turn

▶ Product up-grades in Customer Service sustaining growth

# Financial Results 2020

## Income Statement

**TORNOS**

in MCHF	2020	in % of Sales	2019	in % of Sales
Net sales	103.4		205.3	
<b>Gross profit</b>	<b>11.9</b>	<b>11.5%</b>	<b>66.4</b>	<b>32.3%</b>
Marketing and sales	-22.4	-21.7%	-31.3	-15.2%
General and administrative expense	-15.6	-15.1%	-18.1	-8.8%
Research and development	-5.2	-5.1%	-10.1	-4.9%
Other income	0.4	0.4%	0.1	0.0%
Other expense	-0.1	-0.1%	-0.6	-0.3%
<b>Operating expense</b>	<b>-43.0</b>	<b>-41.6%</b>	<b>-60.0</b>	<b>-29.2%</b>
Non-operating result	3.4	3.3%	0.0	0.0%
<b>EBIT</b>	<b>-27.7</b>	<b>-26.8%</b>	<b>6.4</b>	<b>3.1%</b>

Result notably impacted by increase in stock provisions of MCHF 18.3

# Financial Results 2020

## Income Statement

**TORNOS**

in MCHF	2020	in % of Sales	2019	in % of Sales
<b>EBIT</b>	<b>-27.7</b>	<b>-26.8%</b>	<b>6.4</b>	<b>3.1%</b>
Financial income/expense	-0.1	-0.1%	-0.2	-0.1%
Exchange result net	-1.7	-1.6%	0.2	0.1%
<b>EBT</b>	<b>-29.4</b>	<b>-28.5%</b>	<b>6.4</b>	<b>3.1%</b>
Income taxes	-0.4	-0.4%	-0.5	-0.3%
<b>Net result</b>	<b>-29.9</b>	<b>-28.9%</b>	<b>5.9</b>	<b>2.9%</b>

Exchange result driven by revaluation of intercompany loans

# Financial Results 2020

## Underlying Performance

**TORNOS**

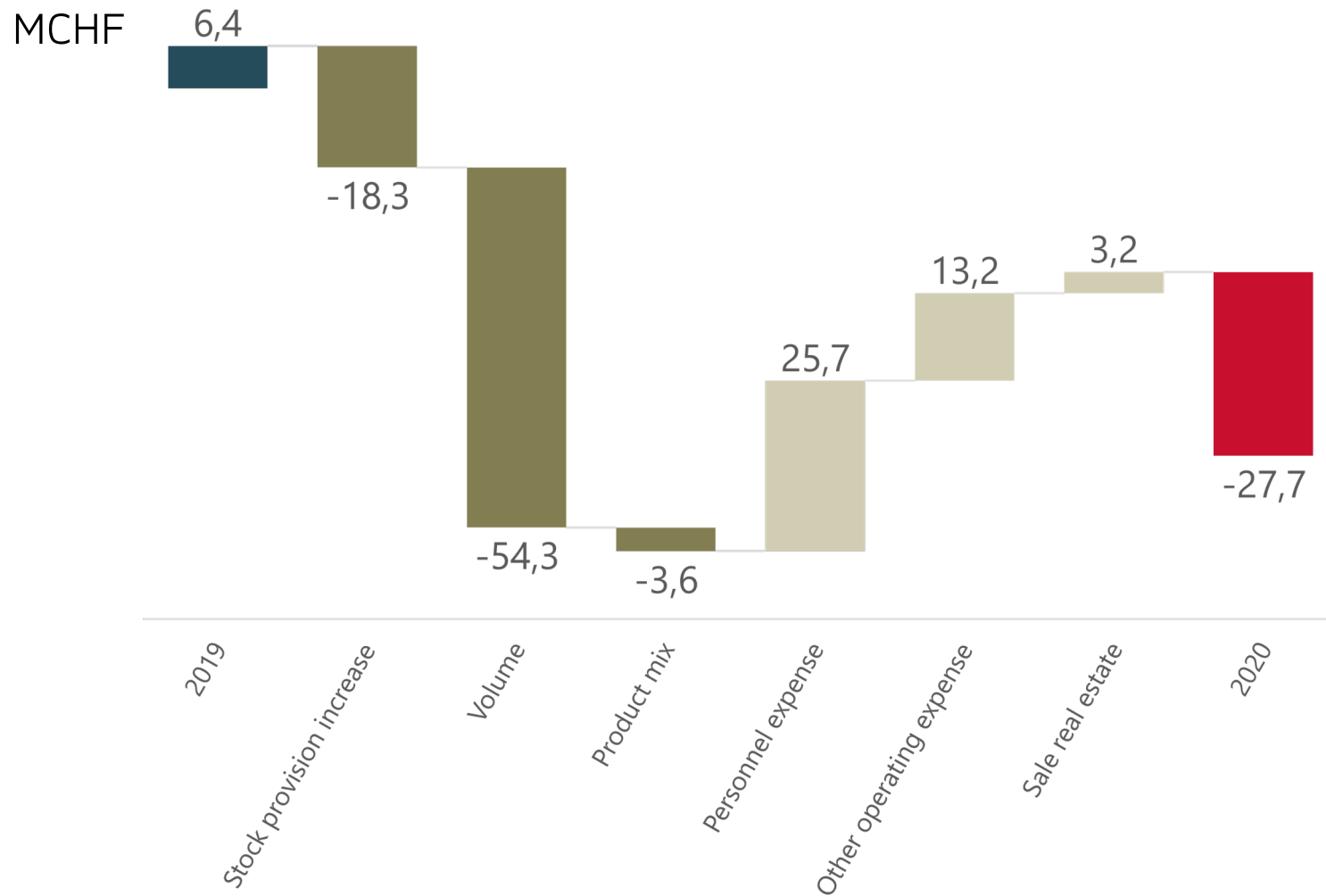
in MCHF	2020	non-recurring	underlying	in % of Sales
Net sales	103.4		103.4	
<b>Gross profit</b>	<b>11.9</b>	<b>18.3</b>	<b>30.2</b>	<b>29.2%</b>
Marketing and sales	-22.4		-22.4	-21.7%
General and administrative expense	-15.6		-15.6	-15.1%
Research and development	-5.2		-5.2	-5.1%
Other income	0.4		0.4	0.4%
Other expense	-0.1		-0.1	-0.1%
<b>Operating expense</b>	<b>-43.0</b>	<b>0.0</b>	<b>-43.0</b>	<b>-41.6%</b>
Non-operating result	3.4	-3.2	0.2	0.2%
<b>EBIT</b>	<b>-27.7</b>	<b>15.1</b>	<b>-12.6</b>	<b>-12.2%</b>

Result, adjusted for stock provision of MCHF 18.3 and gain on sale of building, remaining negative

# Financial Results 2020

## Change in EBIT

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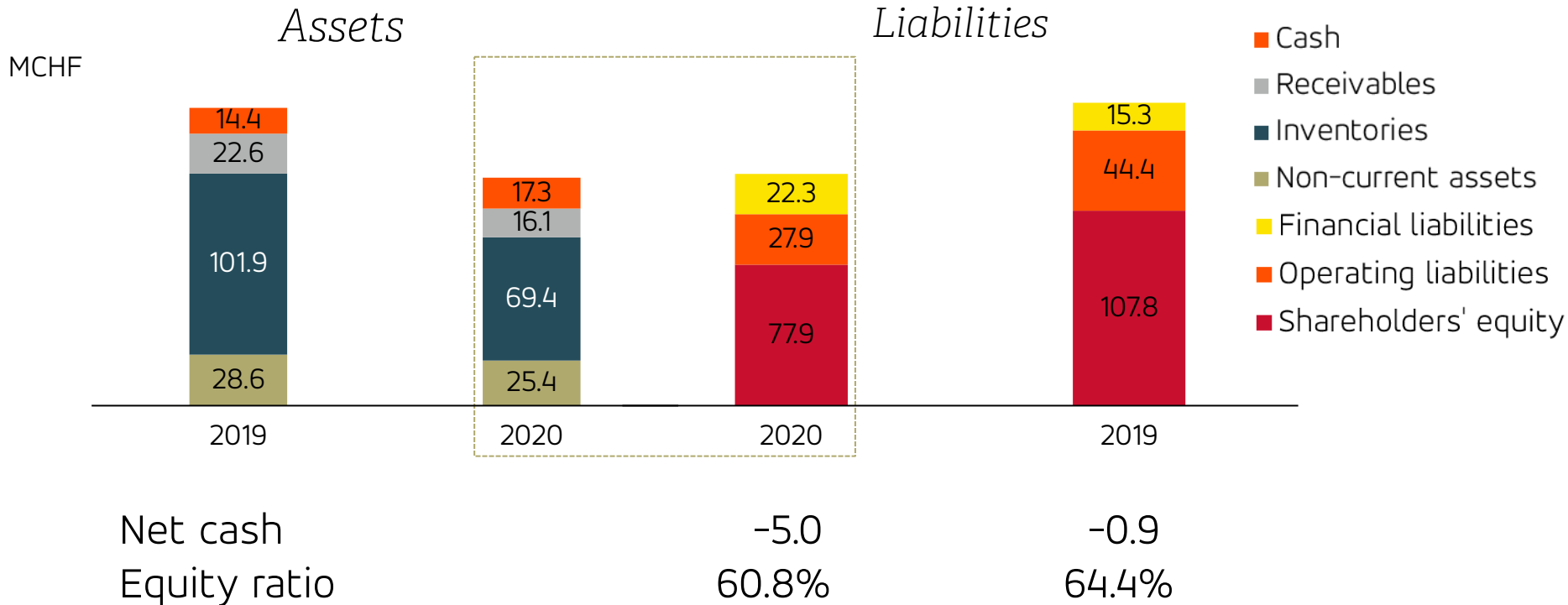
Cost cuts of MCHF 38.9 not fully compensating business slow-down



# Financial Results 2020

## Balance Sheet

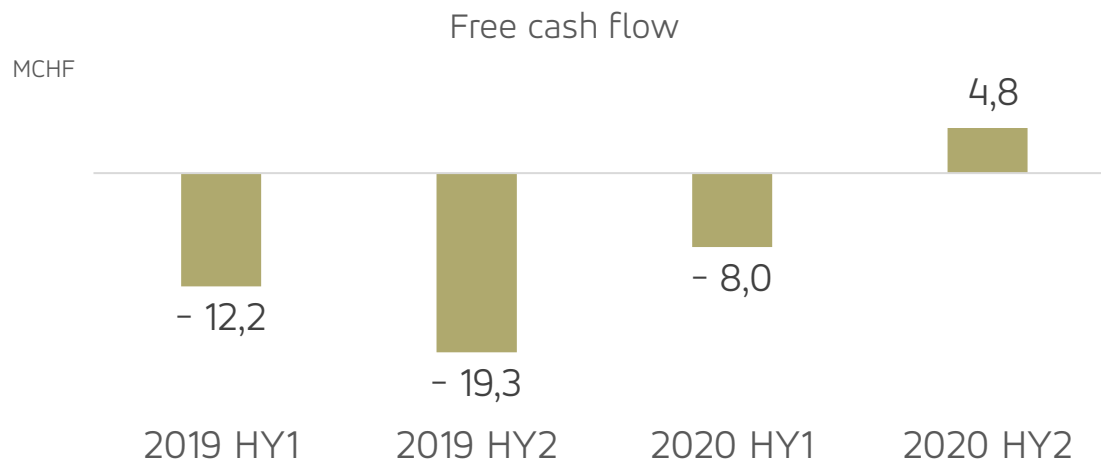
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Solid equity ratio with 60.8%

## Cash Flow

in MCHF	2020	2019
Cash Flow before net working capital changes	-10.7	14.0
Net working capital changes	7.3	-41.0
Cash Flow from investing activities	0.3	-4.6
<b>Free Cash Flow</b>	<b>-3.1</b>	<b>-31.6</b>
Net cash/(debt)	-5.0	-0.9



Positive Cash Flow of MCHF 4.8 in 2nd half-year 2020 strengthening cash position

- Challenging year terminated with a slight up-swing in orders
- Cost base notably adjusted, offering base for leveraged performance
- Net cash position largely stabilized
- Stock on hand allowing reaction at short notice to market changes

- **April 14**                      **Annual General Meeting 2021**  
(No physical presence of the shareholders)
- **August 10**                      **Publication Half-year Report 2021**

A close-up photograph of a hand hovering just above a spinning top. The spinning top is a polished, metallic object with a conical body and a thin stem. It is spinning on a highly reflective, light-colored surface, which creates a clear reflection of the top and the hand. The background is a soft, out-of-focus light gray.

# TORNOS

## *Management Report*

*Michael Hauser – Chief Executive Officer*



Introduction

*Year 2020 was unprecedented  
in every sense of the word*

# TORNOS

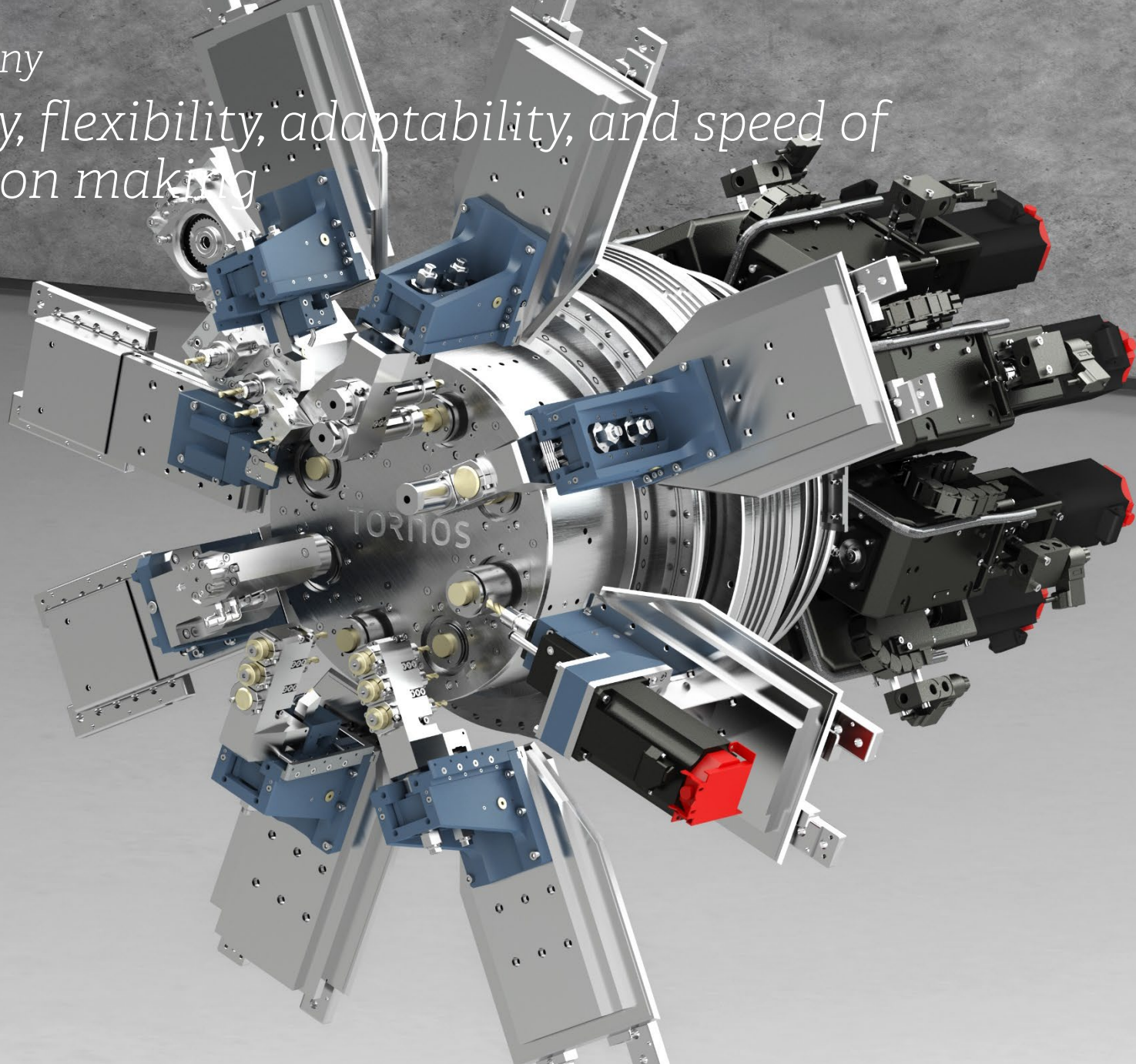


# Contribution in combat against COVID-19



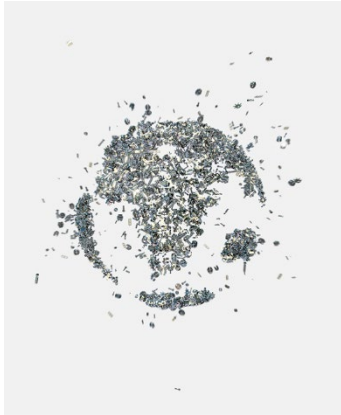


Company  
*Agility, flexibility, adaptability, and speed of  
decision making*





*Focusing on innovative solutions that give customers a competitive edge*



Internationalize our business.



Strengthen our flexibility.



Grow through Innovation.



Establish Tornos' services as a differentiator.



Enhance our operational excellence.



Deliver unique solutions for targeted market segments.



Swiss DT 26



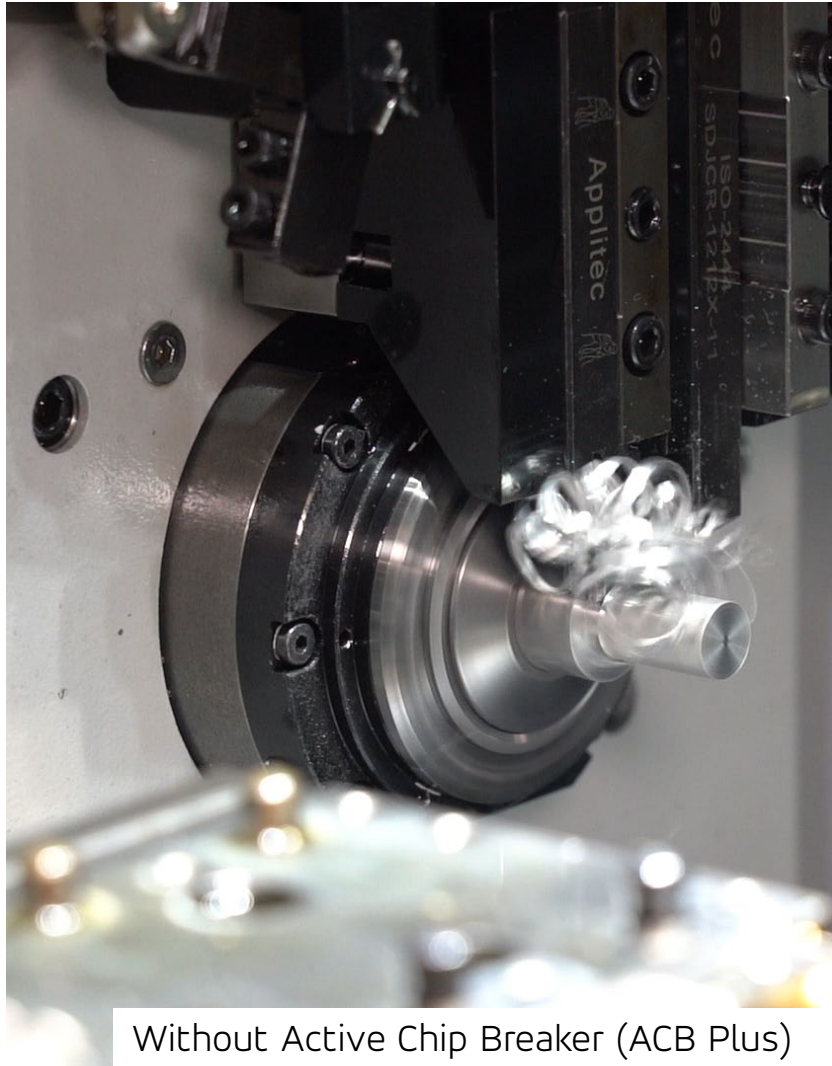
Swiss DT 32



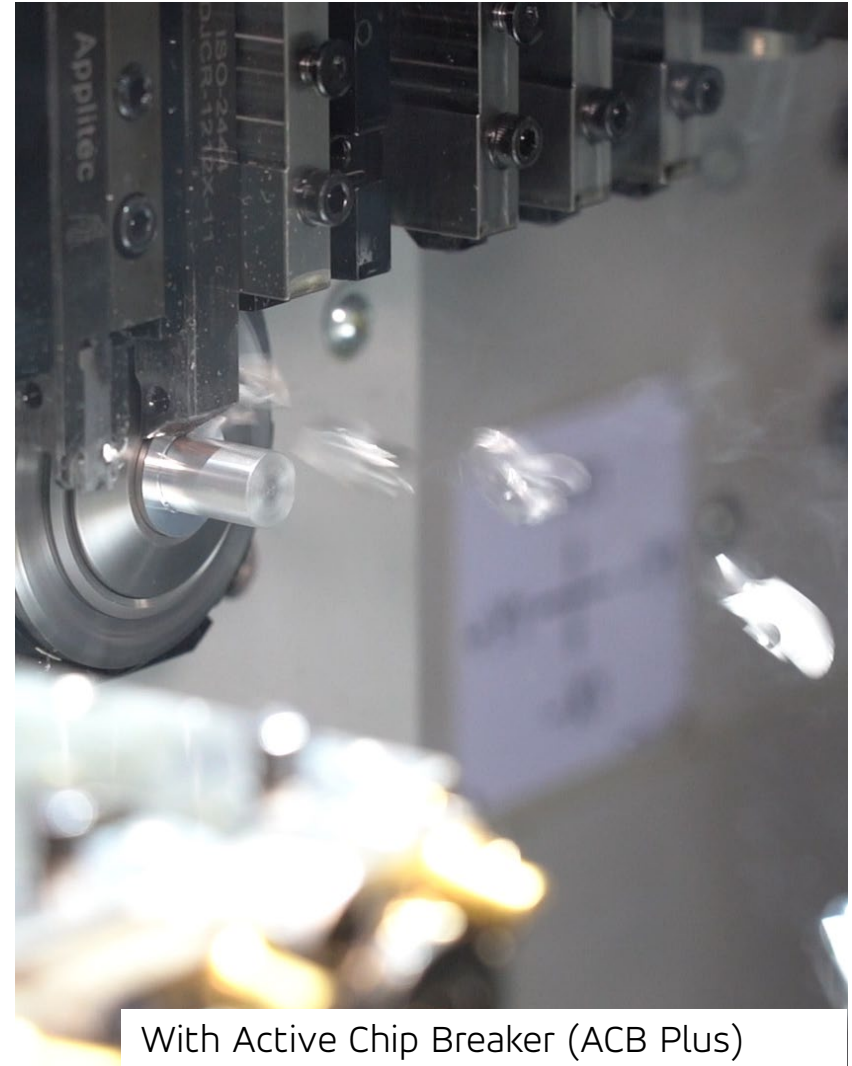
Swiss DT 13 e



SwissNano 4 Generation II



Without Active Chip Breaker (ACB Plus)



With Active Chip Breaker (ACB Plus)

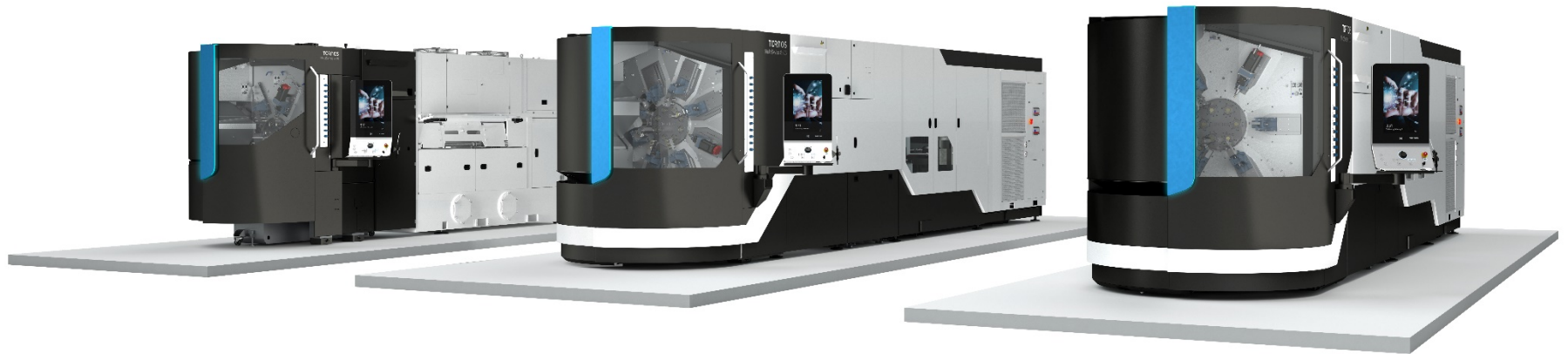


Turnkey solution including automation



Products  
*MultiSwiss machine models*

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# Products Platform strategy

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## Guidebush

Built-in motor

M13



M26



M32



Mechanical belt  
IKO driven

I13



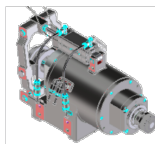
I26



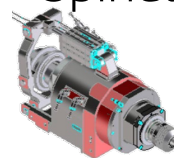
I32



## Spindle and/or counter-spindle



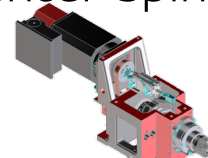
M13



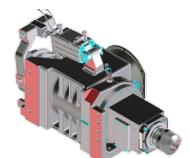
M26



M32



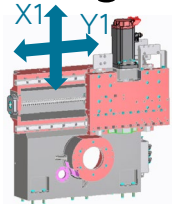
D26



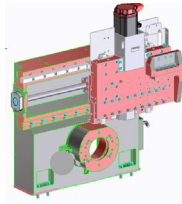
L26

## Gang tools X1/Y1

G2

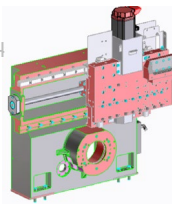


G3



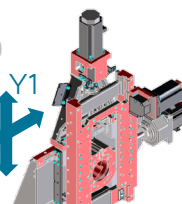
IKO

G4



IKO

G10



X1

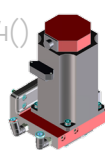
Y1

Machine base

## Live tools OP

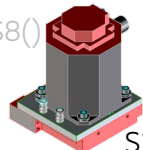
S4()

S11

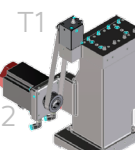


S8()

S11



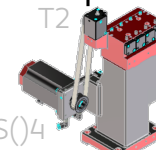
## Counter operation tools



S()2

S51

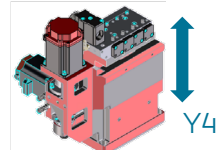
4+1  
tools



S()4

S51

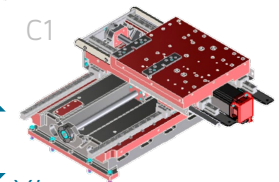
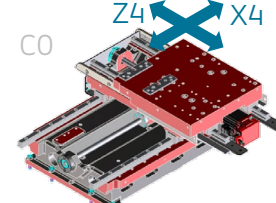
8+1  
tools



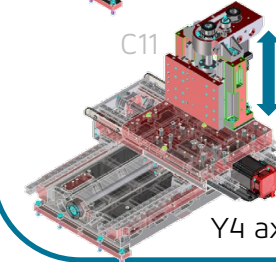
Y4 axis

## COP axis X4/Z4/(Y4)

C0



C1



C11

Y4 axis

# Plants

## Global production footprint

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### Moutier (Switzerland)

- MultiSwiss
- SwissNano
- EvoDECO
- SwissDECO



### Xi'an (China)

- Swiss DT / CT



### Taichung (Taiwan)

- Swiss GT
- Swiss DT











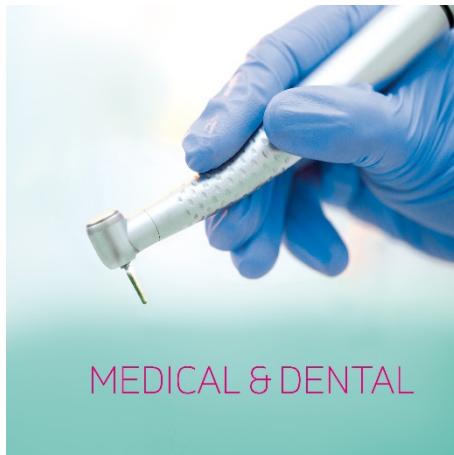
Before

After

# Industries

## Market developments and trends

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haute école **arc**<sup>+</sup> ingénierie  
neuchâtel berne jura [www.he-arc.ch](http://www.he-arc.ch)

**TORNOS**  
RESEARCH CENTER



**CHARM** 

  
**Jellix**

**i-moutier**  
CRÉATEUR D'INNOVATION 

  
**umati**

Digitalization  
*TISIS and online service products*

**TORNOS**



Outlook

*Well positioned to continue the recovery*



TORNOS

Questions and answers

TORNOS

THANK YOU FOR PARTICIPATING IN  
THIS CONFERENCE

YOU MAY NOW DISCONNECT YOUR LINES

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