

Media and analysts' conference 2023

Speakers

TORNOS





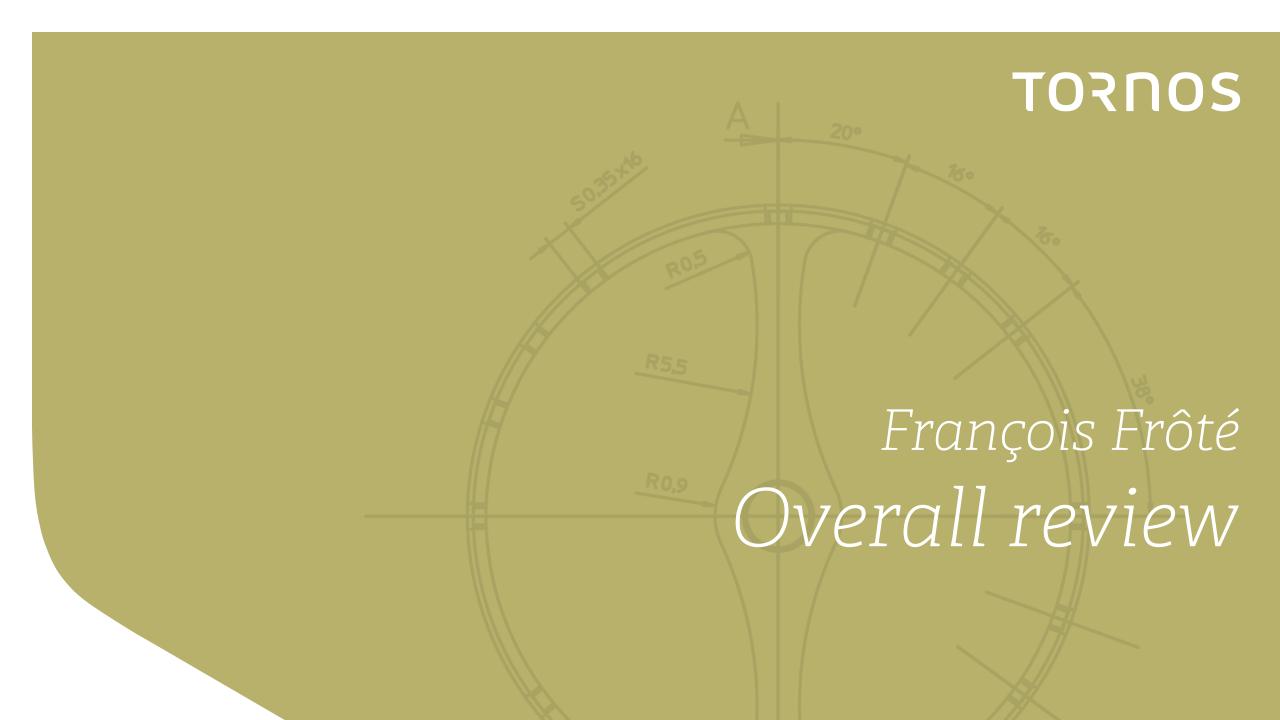


Media and analysts' conference 2023

Agenda

TORNOS

- Overall review
 François Frôté, Chairman of the Board
- Financial results 2022
 Stéphane Pittet, Chief Financial Officer (CFO)
- Management report 2022
 Michael Hauser, Chief Executive Officer (CEO)
- Questions and answers



Overall review

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Key financials 2022

in MCHF	2022	2021
Net sales	181.4	171.5
EBITDA	20.1	24.6
EBIT	16.4	20.6
Net result	14.4	20.3
Net cash	17.6	26.6

Overall review

Key financials 2022

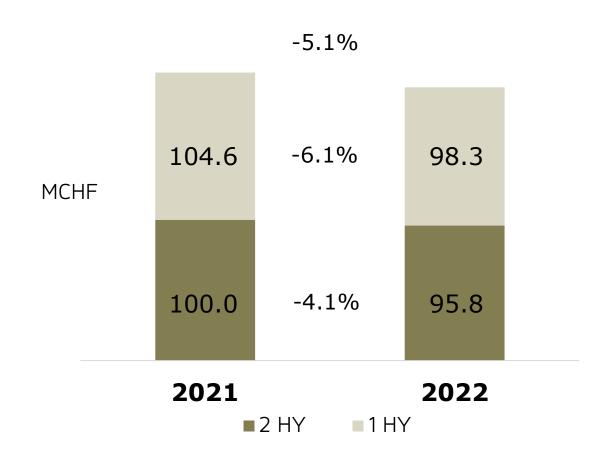


in MCHF	2017	2021	2022
Net sales	178.8	171.5	181.4
EBITDA	12.9	24.6	20.1
Adj. (real EBITDA)	10.2	14.2	15.3
In %	5.7%	8.3%	8.4%
EBIT	9.5	20.6	16.4
Adj. (real EBIT)	6.8	10.1	11.6
In %	3.8%	5.9%	6.4%

Stéphane Pittet Financial results 2022

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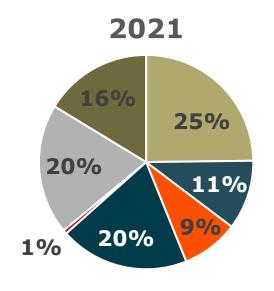
Order Intake

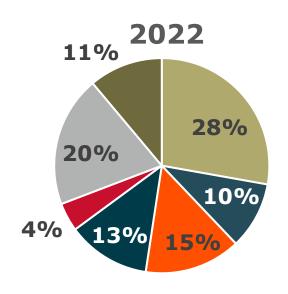


Book-to-bill ratio 2022: 1.07

Backlog 2021: 59.3 MCHF / 2022: 68.4 MCHF

Order Intake (Machines only)





- Medical and dental technology
- Watchmaking
- Aerospace
- Others

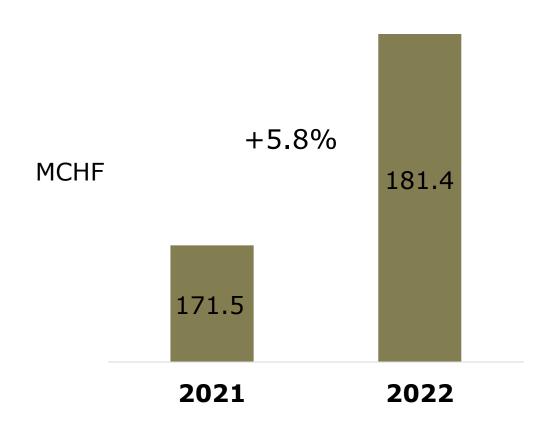
- Electronics
- Automotive
- Job Shops

- Increase in the medical industry, especially in the dental area
- Substantial gains in the watchmaking and aerospace industries
- Less dependence on the automotive sector

Penetration into new markets further confirmed in 2022

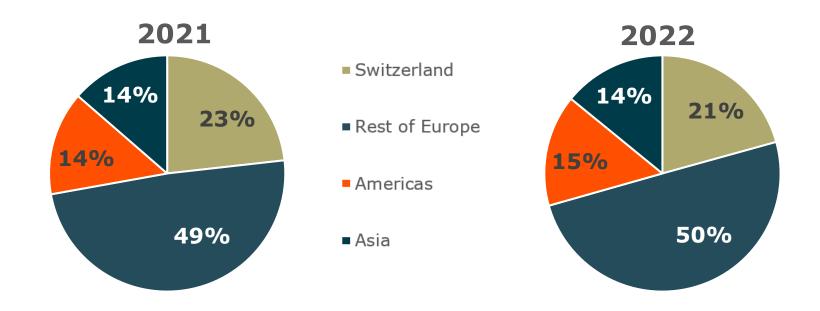
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Net Sales



Increases in all price segments

Net Sales



Shares per region remain stable in 2022

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Income Statement

in MCLIE	2022	in % of	2021	in % of
in MCHF	2022	Sales		Sales
Net sales	181.4		171.5	
Gross profit	70.1	38.7%	66.4	38.7%
Marketing and sales	-29.9	-16.5%	-25.1	-14.6%
General and administrative expenses	-16.5	-9.1%	-15.4	-9.0%
Research and development	-7.0	-3.9%	-6.0	-3.5%
Other income	0.4	0.2%	0.3	0.2%
Other expense	-0.7	-0.4%	-0.1	-0.1%
Operating expense	-53.6	-29.5%	-46.4	-27.0%
Non-operating result	-0.1	-0.1%	0.6	0.3%
EBIT	16.4	9.1%	20.6	12.0%

Result impacted by the MCHF 4.8 decrease in stock provision (versus MCHF 9.8 in 2021)

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Income Statement

		in % of		in % of
in MCHF	2022	Sales	2021	Sales
EBIT	16.4	9.1%	20.6	12.0%
Financial income/expense	0.0	0.0%	-0.2	-0.1%
Exchange result net	-1.2	-0.7%	0.3	0.2%
EBT	15.2	8.4%	20.7	12.0%
Income taxes	-0.8	-0.4%	-0.3	-0.2%
Net results	14.4	8.0%	20.3	11.9%

Loss in exchange result due to the EUR development

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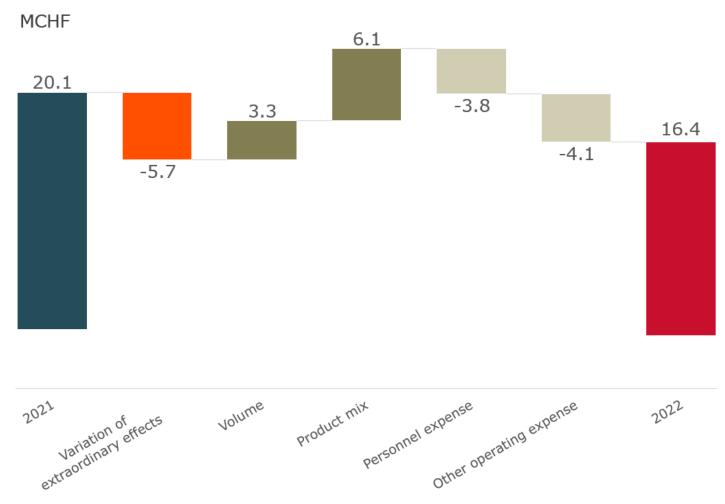
Income Statement

in MCHF	2022	non-recuring	Underlying	in % of Sales
Net sales	181.4	non recurring	181.4	Sales
Gross profit	70.1	-4.8	65.3	36.0%
-		-4.0		
Marketing and sales	-29.9		-29.9	-16.5%
General and administrative expenses	-16.5		-16.5	-9.1%
Research and development	-7.0		-7.0	-3.9%
Other income	0.4		0.4	0.2%
Other expense	-0.7		-0.7	-0.4%
Operating expense	-53.6	0.0	-53.6	-29.5%
Non-operating result	-0.1		-0.1	-0.1%
EBIT	16.4	-4.8	11.6	6.4%

Improved profitability: underlying EBIT 6.4% vs. 5.9% in 2021

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Change in EBIT



Variation (extraordinary effect excluded) +1.6 MCHF

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Balance Sheet



Net cash decreased due to distribution to shareholders, higher inventories and investment in a new building for our factory in Taichung, Taiwan region

Surprised to see that our equity matches with our market capitalization even if we will as usual not further comment this topic

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Cash Flow

in MCHF	2022	2021
Cash flow before net working capital changes	12.4	14.8
Net working capital changes	-7.2	15.5
Cash flow from investing activities	-9.0	0.5
Free cash flow	-3.8	30.8

Increase in inventories and investment in a new building for our factory in Taichung, Taiwan region

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In a nutshell

- Significant sales gains in medical and dental technology and in watchmaking industry
- New refined method for inventories value adjustment provisions
- Improved profitability (excluding special effects) and global performance
- Challenges related to the supply chain, the energy and currency developments so far well mastered
- Market capitalization not higher than the equity in our balance sheet

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Calendar of events

• April 5 Annual General Meeting 2023

• July 26 **Publication Half-Year Report 2023**

Michael Hauser Management report 2022

Tornos continues to improve its performance



Management report 2022

TORNOS

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



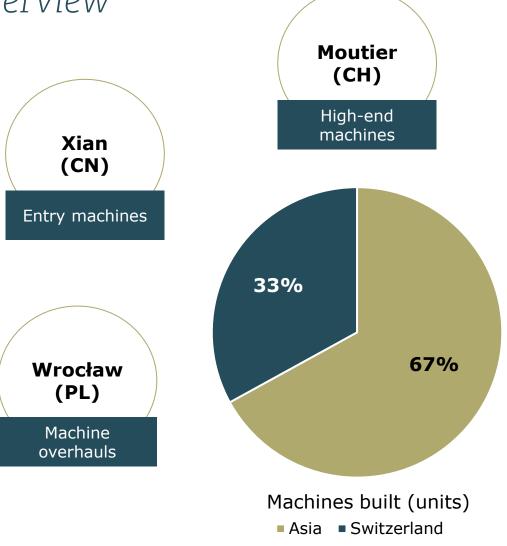
Enhance our operational excellence



Deliver unique solutions for targeted market segments

Internationalization: manufacturing footprint

General overview





23/48

Internationalization: manufacturing footprint Italy





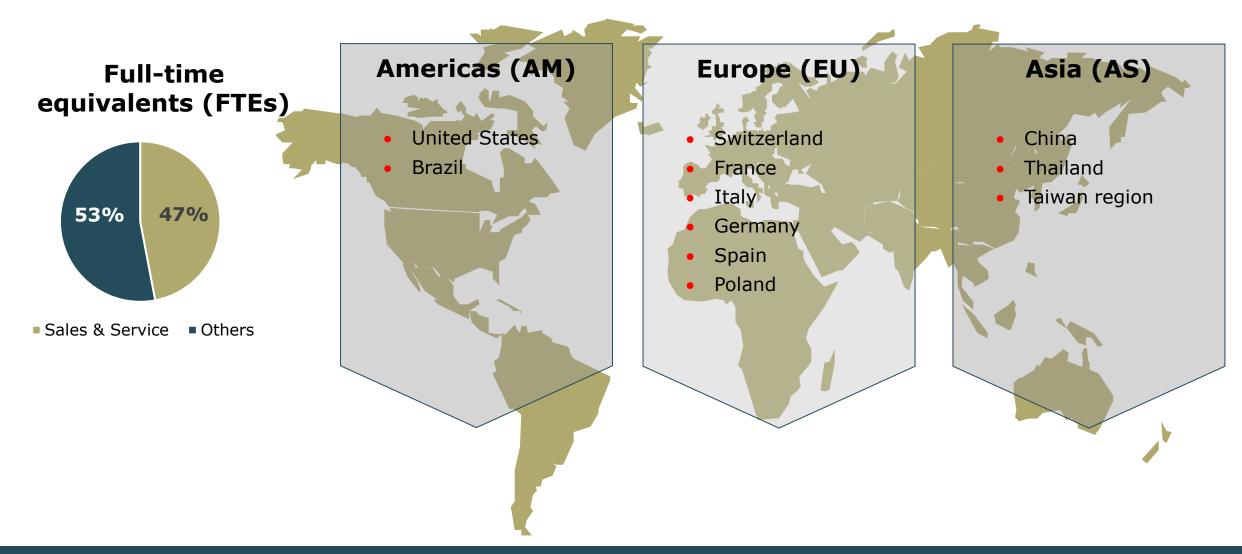
Internationalization: manufacturing footprint Taiwan region







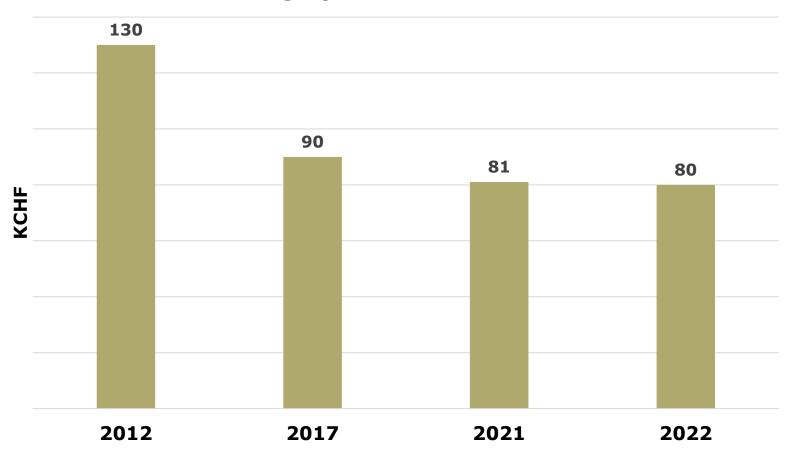
Internationalization: Sales and Services footprint



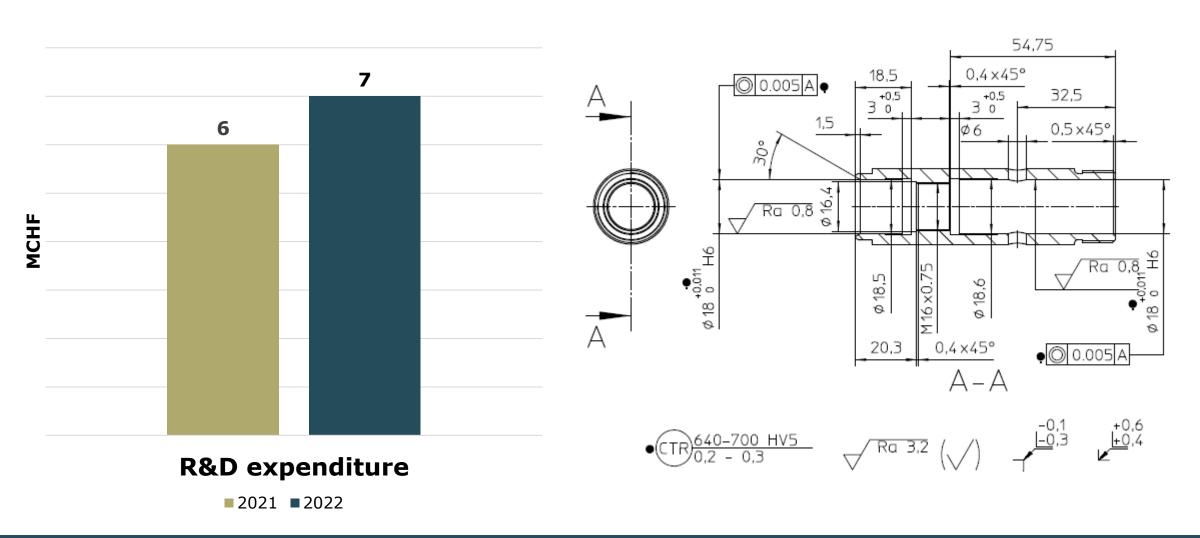
Increased flexibility

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Average personnel cost/FTE



Innovation: R&D expenditure



Management report 2022

Innovation: machines

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Swiss DT 26/6



SwissNano 10



SwissDECO 36

Innovation: software

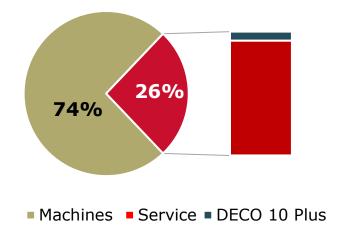


Management report 2022

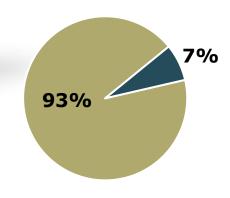
Services as differentiator: DECO 10 Plus

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Sales



Service Business



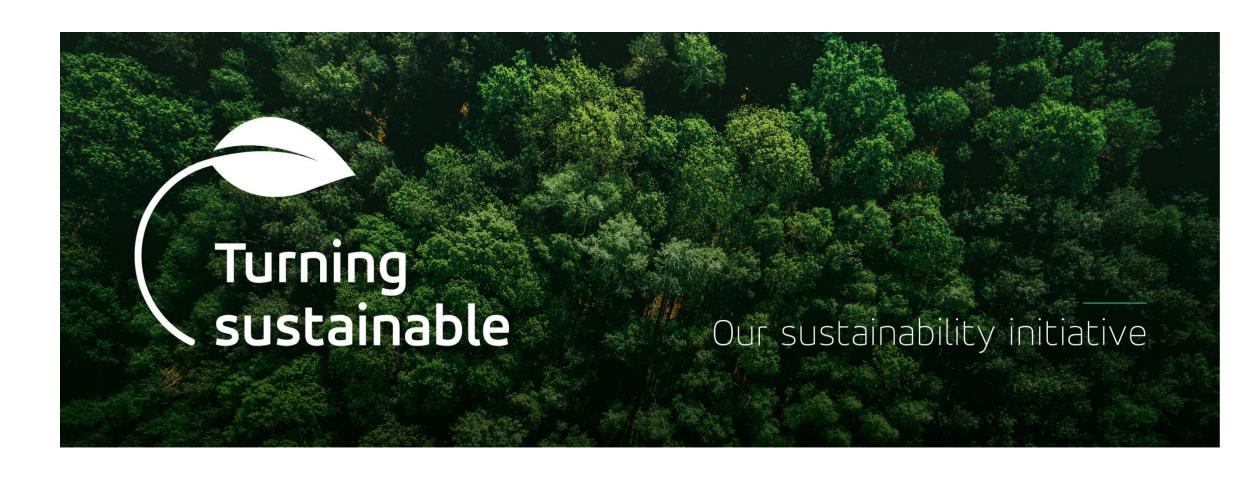
Other ServicesDECO 10 Plus





DECO 10 Plus

Sustainability



Management report 2022

Sustainability



- SwissNano 7
- 210 working days/year
- 4 000 machining hours/year
- 4 000 kWh/year

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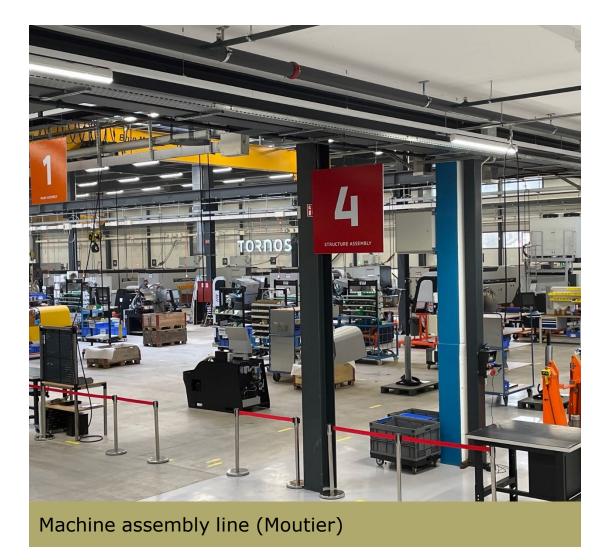
- One household
- 5 people
- 365 days/year
- 4 600 kWh/year *

* Source: Bundesamt für Energie

Management report 2022

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Operational excellence: assembly

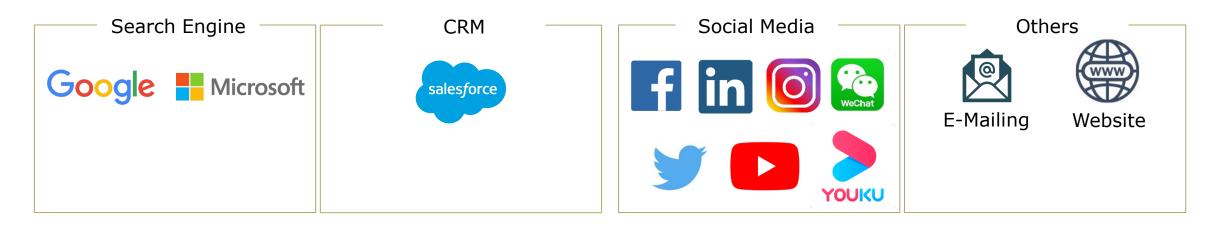




Spindle assembly line (Taichung)

Operational excellence: marketing

Digital marketing levers



Traditional marketing levers



Advertising in trade media (print)



Direct Mailings (print)



Customer magazine (print)



Live-marketing (trade fairs, events, etc.)

Management report 2022

Operational excellence: marketing

(July 2022) Titan Gilroy visits Tornos HQ in Moutier

(CH)

Collaboration confirmed

We took a significant step yesterday to support the growth plans outlined in our Strategy 2026, entering into a partnership with CNC education powerhouse TITANS of CNC. Under the agreement, our machines will soon be installed in the free TITANS of CNC Academy in Texas (USA). TITANS of CNC CEO Titan Gilroy was at Tornos headquarters in Moutier yesterday to sign the agreement in person and tour our site.

As part of this influencer marketing initiative—which supplements ot... see more



(November 2022)
Delegation of Tornos

US visits TITANS of CNC in Flower Mound (US)

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TITANS of CNC MACHINING at IMTS 2022

Tornos proudly welcomed the TITANS of CNC MACHINING team to our booth at IMTS 2022! We are excited about this collaboration, which will allow us to offer free online courses to train the next generation of CNC machinists.



(November 2022)

One of many videos on their YouTube channel with 270 000 views

(September 2022)

Delegation of TITANS of CNC visits Tornos booth at IMTS, Chicago (US)

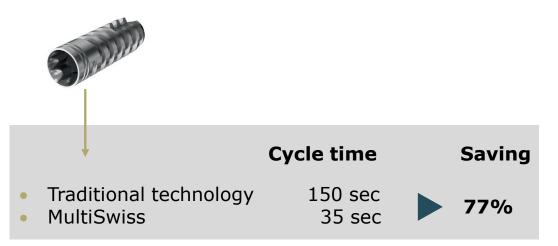
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Unique solutions for targeted market segments

Application: dental implant



Customer request	Tornos
Decrease cycle time	• Achieved



MultiSwiss 6x16

TORNOS

Unique solutions for targeted market segments

Application: heart pump

Customer request		To	Tornos		
• No bu	rs	•	Achieved		
 Decre 	ase cycle time	•	Achieved x 3		







EvoDECO 16

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Unique solutions for targeted market segments

Application: needle for eye surgery









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Unique solutions for targeted market segments

Application: jewelry parts made of precious metal











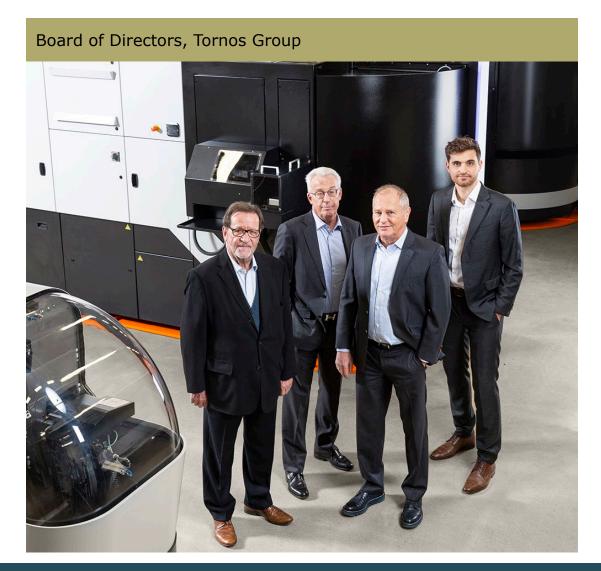




*Derived from SwissNano

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Outlook







Tornos is on pace with tomorrow's industrial trends

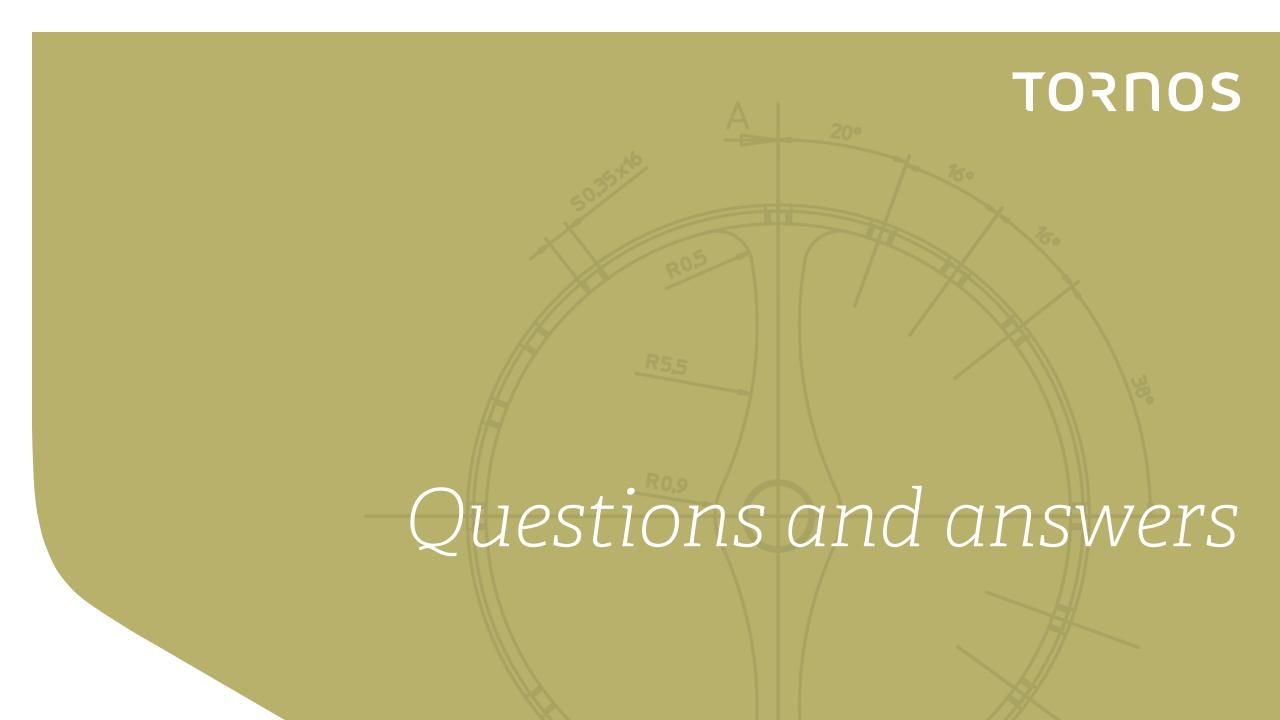
Industry trends Multi-process machines Easy-to-use/operate machines Intelligent machines **Autonomous machines** Green (sustainable) machines

Tornos Turning, milling, gear-hobbing, polygon milling, thread-whirling, rolling, sawing, forging, bending TISIS Expert programming system (3 000 licenses sold to date) Connected, closed loop, autocorrect, thermal compensation MultiSwiss robot assisted DECO 10 Plus, SwissNano 7 consumes less energy than one household per vear

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Investment case: Tornos

- Decreased dependency of automotive industry
- Attractive end-customer markets (luxury goods, medtech)
- Innovative products and promising product road map
- Machine plants close to end-user markets
- Professional management team
- Solid equity
- Industrial anchor shareholders supporting entrepreneurial actions
- Low price-to-book value ratio
- Low price-to-earnings ratio
- Real-estate reserves
- Dividend



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For more details on Tornos Group, please refer to www.tornos.com

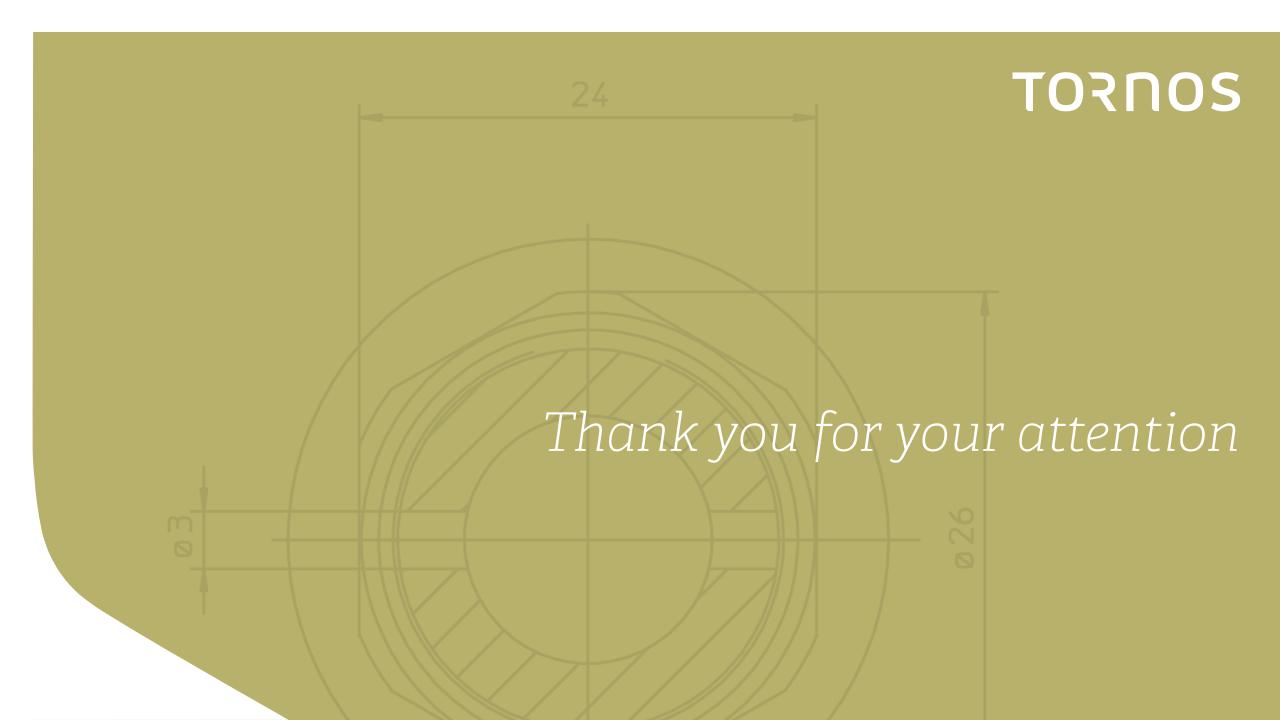
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We keep you turning