

Non-GAAP Financial Measures

Tornos supplements its Swiss GAAP FER results with non-GAAP financial measures. The main non-GAAP financial measures are EBIT, EBITDA, net cash, free cash flow and net working capital.

EBIT and EBITDA

Tornos defines EBITDA as operating result plus non-operating result excluding depreciation on tangible fixed assets and amortization on intangible assets and EBIT as operating result plus non-operating result. Tornos believes that EBITDA and EBIT are important performance indicators because they provide a measure of comparability to other companies with different capital or legal structures, which accordingly may be subject to disparate interest rates and effective tax rates, and to companies which may incur different depreciation and amortization expenses, or impairment charges related to fixed and intangible assets.

In CHF 1 000	1 st HY 2023 1.1.–30.6.2023	1 st HY 2022 1.1.–30.6.2022
Operating result	8 035	8 840
Non-operating result	-43	-44
EBIT	7 992	8 796
Depreciation and amortization	1 628	1 855
EBITDA	9 620	10 651

EBIT adjusted

Tornos defines EBIT adjusted as operating result plus non-operating result adjusted for extraordinary effects (e.g. extraordinary stock provision, sale of a building, etc.). EBIT adjusted is an important performance indicator because it provides a measure of operational profitability.

In CHF 1 000	1 st HY 2023 1.1.–30.6.2023	1 st HY 2022 1.1.–30.6.2022
EBIT	7 992	8 796
Extraordinary stock provision	-	-4 622
EBIT adjusted	7 992	4 174

Free cash flow

Tornos defines free cash flow as cash flow from operating activities plus cash flow from investing activities. Tornos believes that free cash flow is an important information because it represents the cash Tornos is generating after required investment in its asset base are done and therefore can be used to cover financing requirements or be distributed to shareholders.

Net working capital

Tornos defines net working capital as the total of current assets and liabilities without taking into consideration cash and cash equivalents, interest bearing borrowings and provisions. Tornos considers that net working capital is an important information since it shows whether Tornos has sufficient current assets to meet its current liabilities. Changes in net working capital shown in the Consolidated Statement of Cash Flows only include cash-effective changes.

In CHF 1 000	30.6.2023	31.12.2022
Trade receivables	23 404	21 311
Inventories - net	93 744	88 180
Other short-term receivables	2 945	2 688
Prepayments and accrued income	1 868	2 781
Trade payables	-18 205	-20 348
Current tax liabilities	-536	-423
Other liabilities	-12 884	-18 990
Accrued liabilities and deferred income	-8 970	-7 079
Net working capital	81 366	68 120

Net cash

Tornos defines net cash as cash and cash equivalents less the interest bearing borrowing (current and non-current). Tornos believes that net cash is an important information because it presents the available cash and takes into consideration the loans.

In CHF 1 000	30.6.2023	31.12.2022
Cash and cash equivalents	14 042	22 703
Interest bearing borrowings (current)	-5 021	-30
Interest bearing borrowings (non-current)	-8 301	-5 043
Net cash	720	17 630