



# Interroll Holding AG Analyst Conference on Financial Year 2022

March 17, 2023

PUBLIC



# Interroll Group Analyst Conference on Financial Year 2022

## Agenda

- 1. Group Overview** **Ingo Steinkrüger, CEO**
- 2. Results 2022** **Heinz Hösli, CFO**
- 3. Productivity & Capacities: The backbone of Interroll** **Jens Strüwing, EVP  
Products & Technology**
- 4. The way to Sales Excellence: Customer Promises** **Maurizio Catino, EVP  
Global Sales & Solutions**
- 5. Summary and Outlook** **Ingo Steinkrüger, CEO**

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| <b>4. The way to Sales Excellence: Customer Promises</b>           | <b>Maurizio Catino, EVP<br/>Global Sales &amp; Solutions</b> |
| <b>5. Summary and Outlook</b>                                      | <b>Ingo Steinkrüger, CEO</b>                                 |

# Momentum for growth

## Interroll product areas

### Key Figures for the Interroll Group (2022)

CHF 664.4 Mio. Sales

CHF 572.6 Mio. Order Intake

CHF 105.2 Mio. EBIT

### Distribution of order intake



**8.5%**  
Pallet Handling



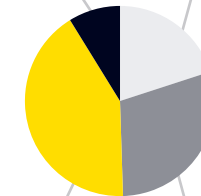
**19.4%**  
Rollers



**40.5%**  
Conveyors & Sorters

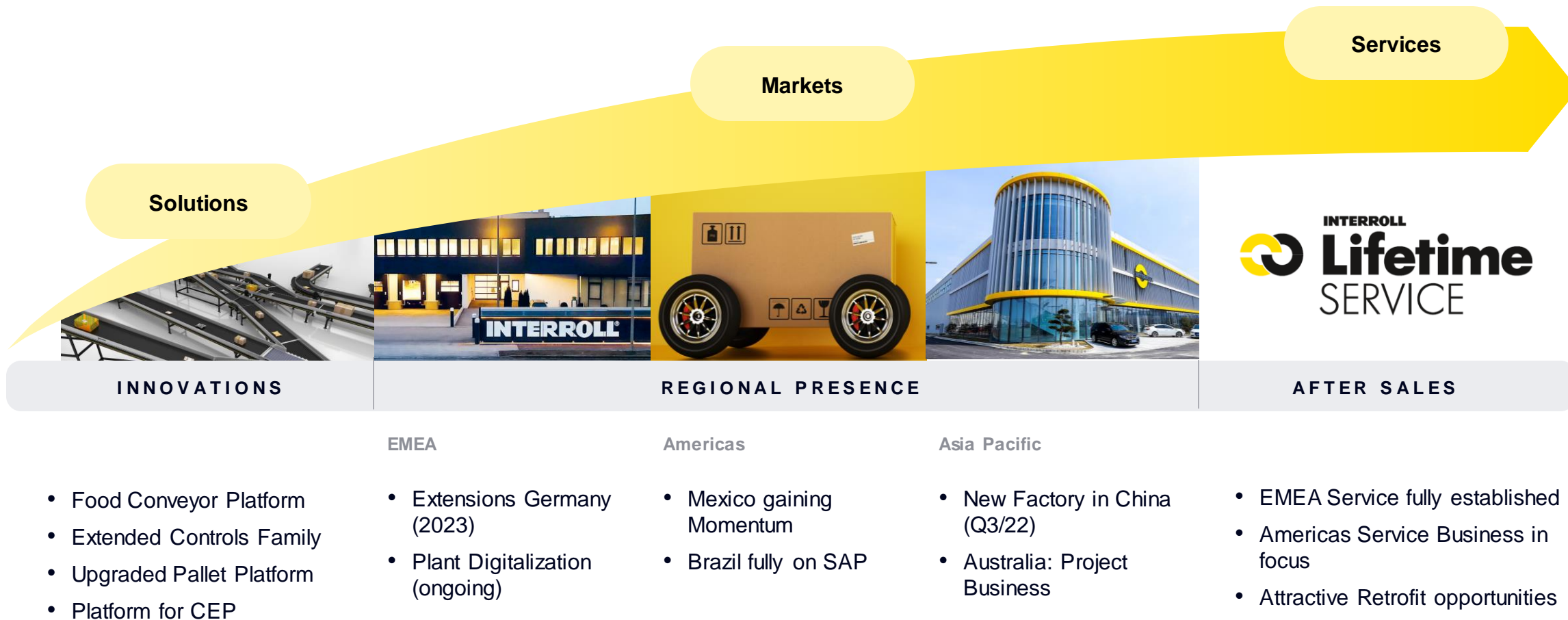


**31.6%**  
Drives



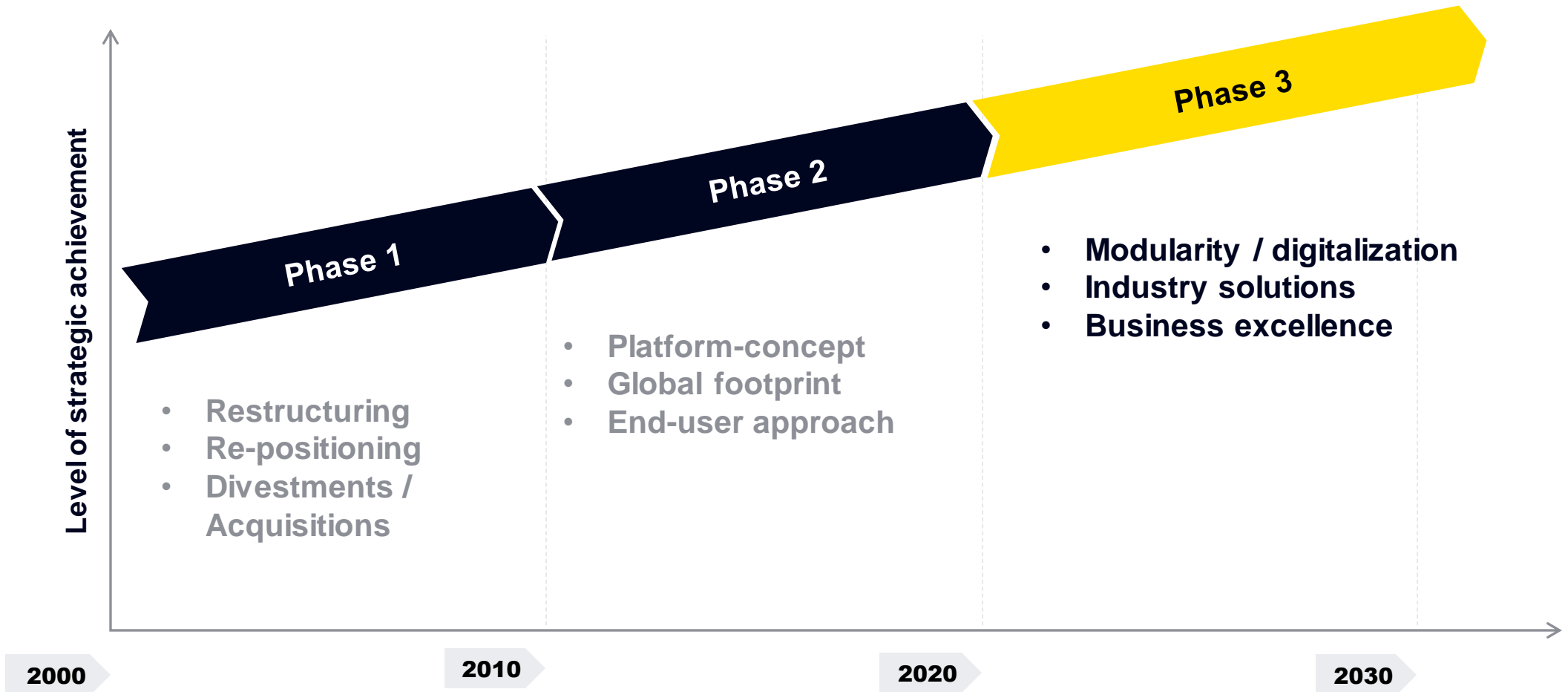
# Highlights of our Growth Strategy

## Three pillars: Solutions, Markets, Services



# Strategic Phases

## 2000-2030



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Jens Strüwing, EVP  
Products & Technology

### 4. The way to Sales Excellence: Customer Promises

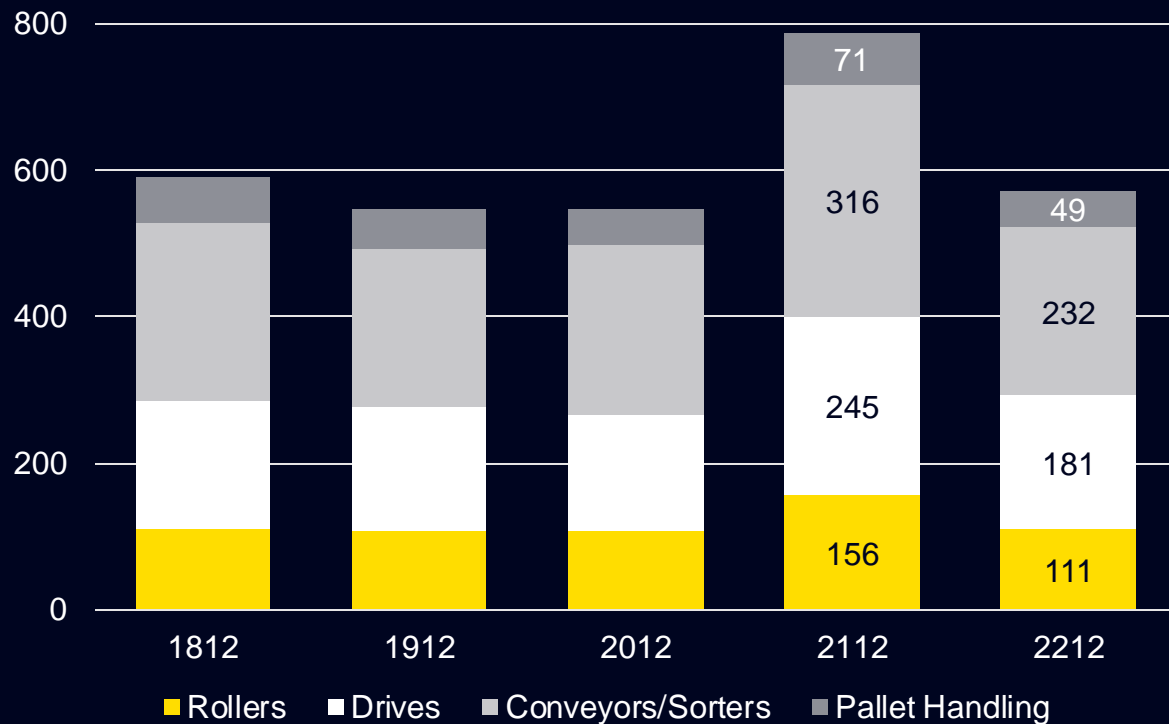
Maurizio Catino, EVP  
Global Sales & Solutions

### 5. Summary and Outlook

Ingo Steinkrüger, CEO

# Order intake: CHF 572.6m (-27.4%)

In local currency: -24.3%



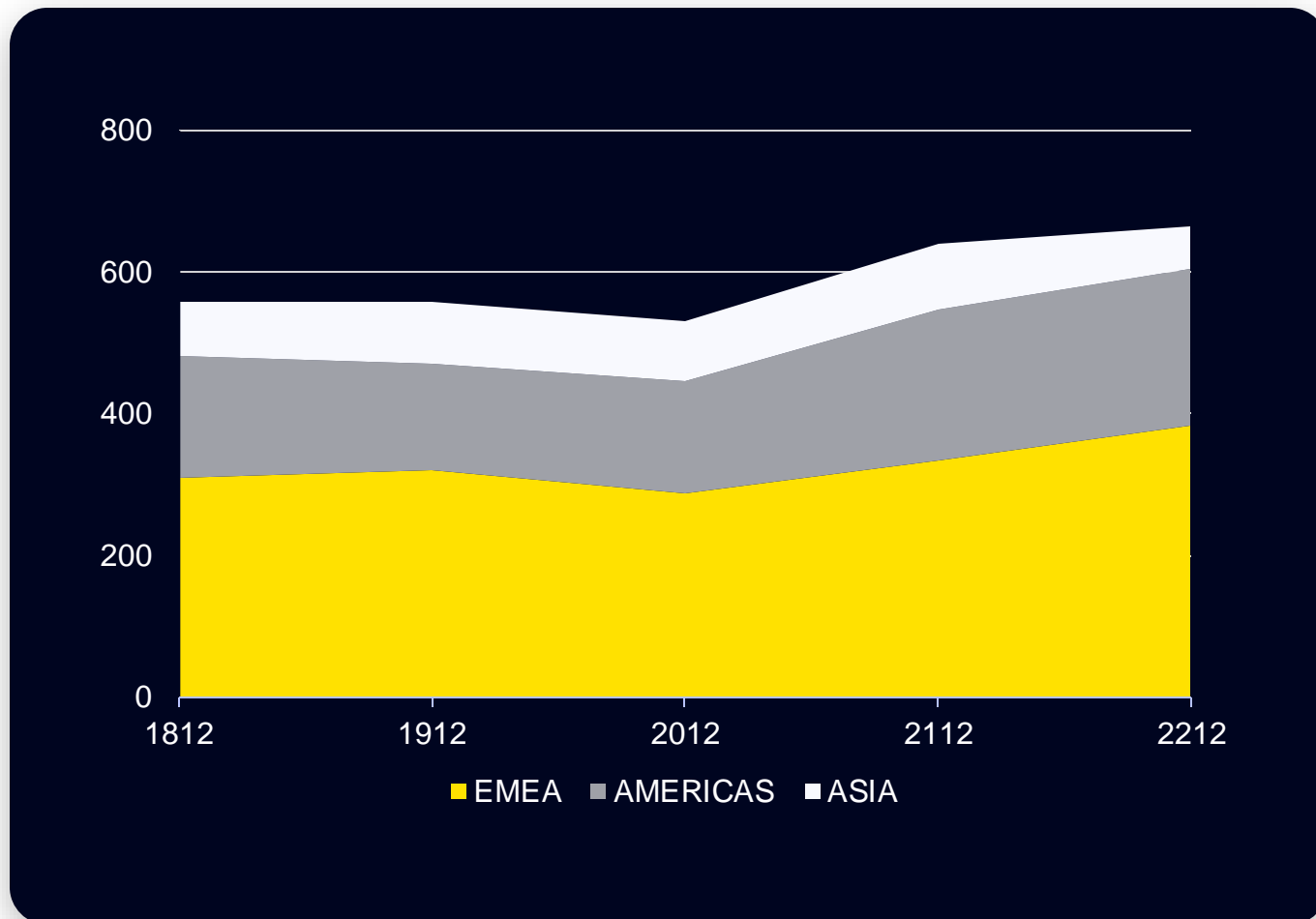
- **Rollers: -29.0%**
- **Drives: -26.0%**
- **Conveyors & Sorters: -26.6%**
- **Pallet Handling: -31.6%**
- **Book-to-bill Ratio: 0.86 (PY: 1.23)**

In CHF million



# Sales by region: CHF 664.4m (+3.8%)

In local currency: +8.0%



In CHF million

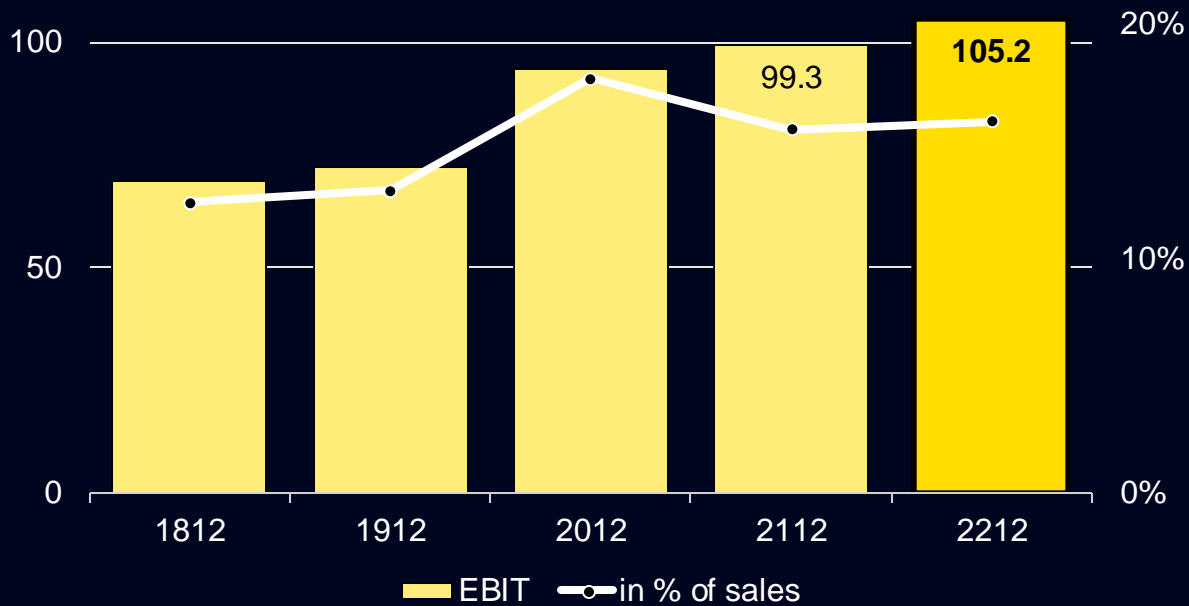
## Sales development:

- EMEA: +14.5%
- Americas: +4.1%
- Asia-Pacific: -35.5%

## Sales by region:

- EMEA: 58% (PY: 52%)
- Americas: 33% (PY: 33%)
- Asia-Pacific: 9% (PY: 15%)

## EBIT: CHF 105.2m (+5.9%)



In CHF million

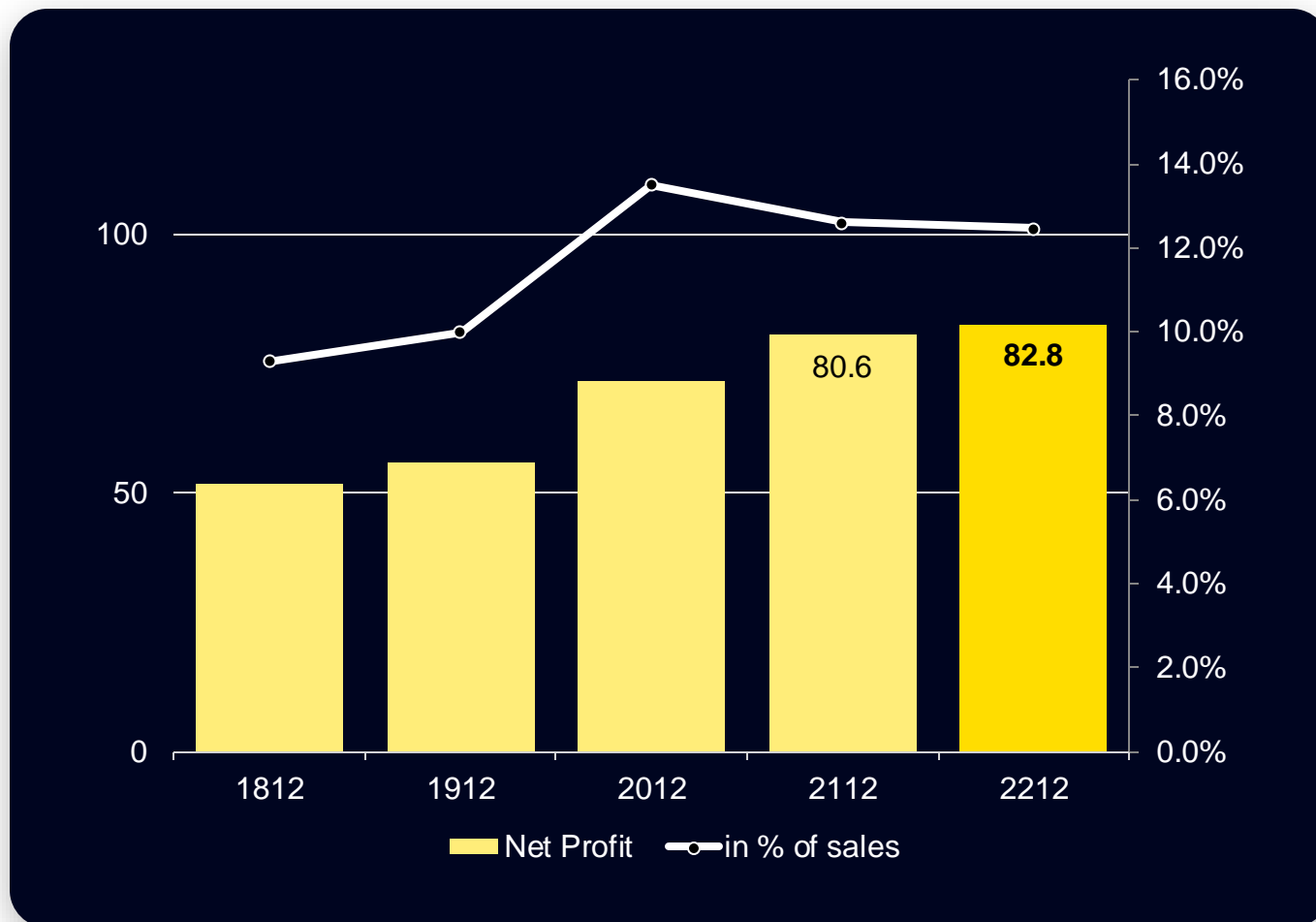
## EBITDA CHF 129.3m (+5.6%) in % of sales 19.5% (PY: 19.1%)

- Supply chain improvements, massive reduction of backlog and delivery times
- High cost discipline underlined

## EBIT CHF 105.2m (+5.9%) in % of sales 15.8% (PY: 15.5%)

- Slightly higher depreciation
- Higher Amortization

## Result: CHF 82.8m (+2.7%)

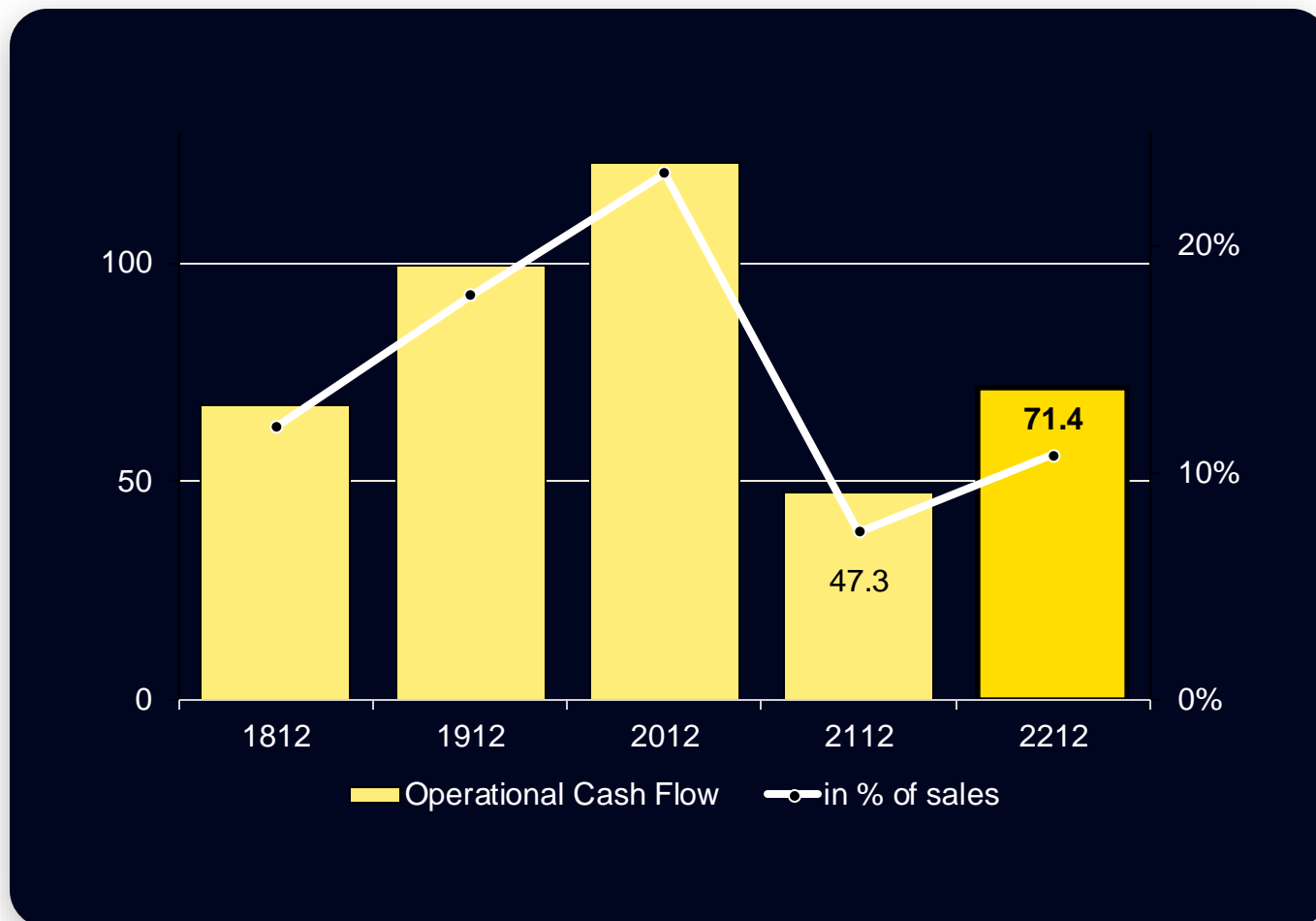


**Result CHF 82.8m (+2.7%)**  
**In % of sales 12.5% (PY: 12.6%)**

- Negative financing result from FX currency loss
- Higher tax rate of 21.0% (PY 18.8%), driven by a normalization in result mix

In CHF million

## Operating cash flow: CHF 71.4m (+51.0%)



In CHF million

**Operating cash flow CHF  
71.4m (+51.0%)**

**In % of sales: 10.7% (PY: 7.4%)**

- Reduction of inventories (+18.7m)
- Less income tax paid

**Free cash flow CHF 49.2m**

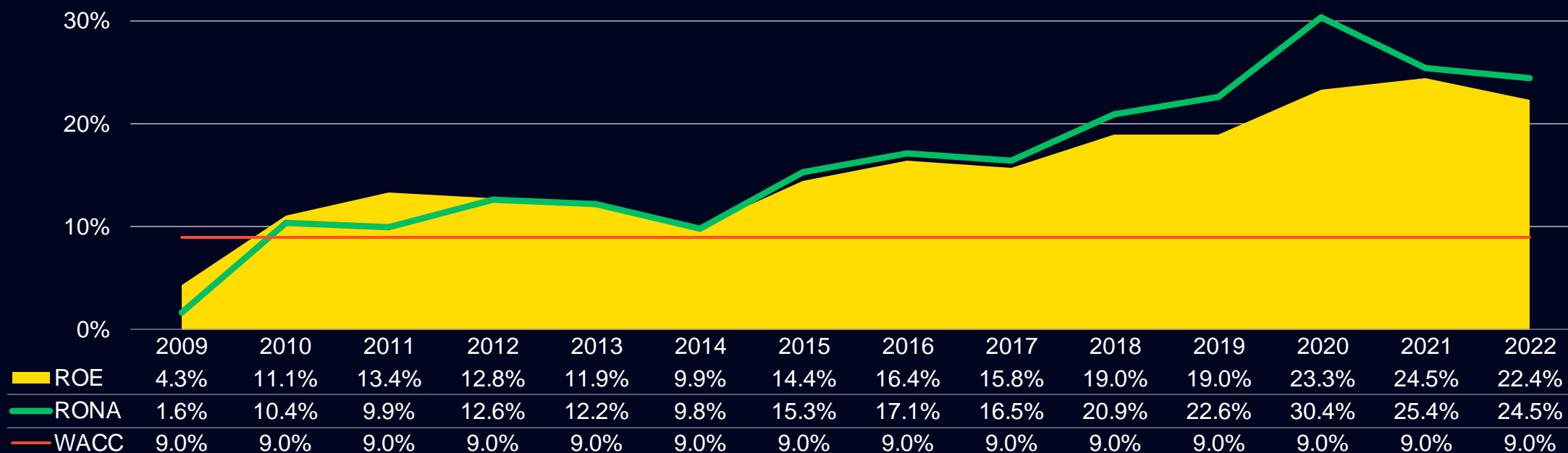
**In % of sales: 7.4% (PY: -0.1%)**

- Investments CHF 32.5m  
(PY: CHF 51.1m)

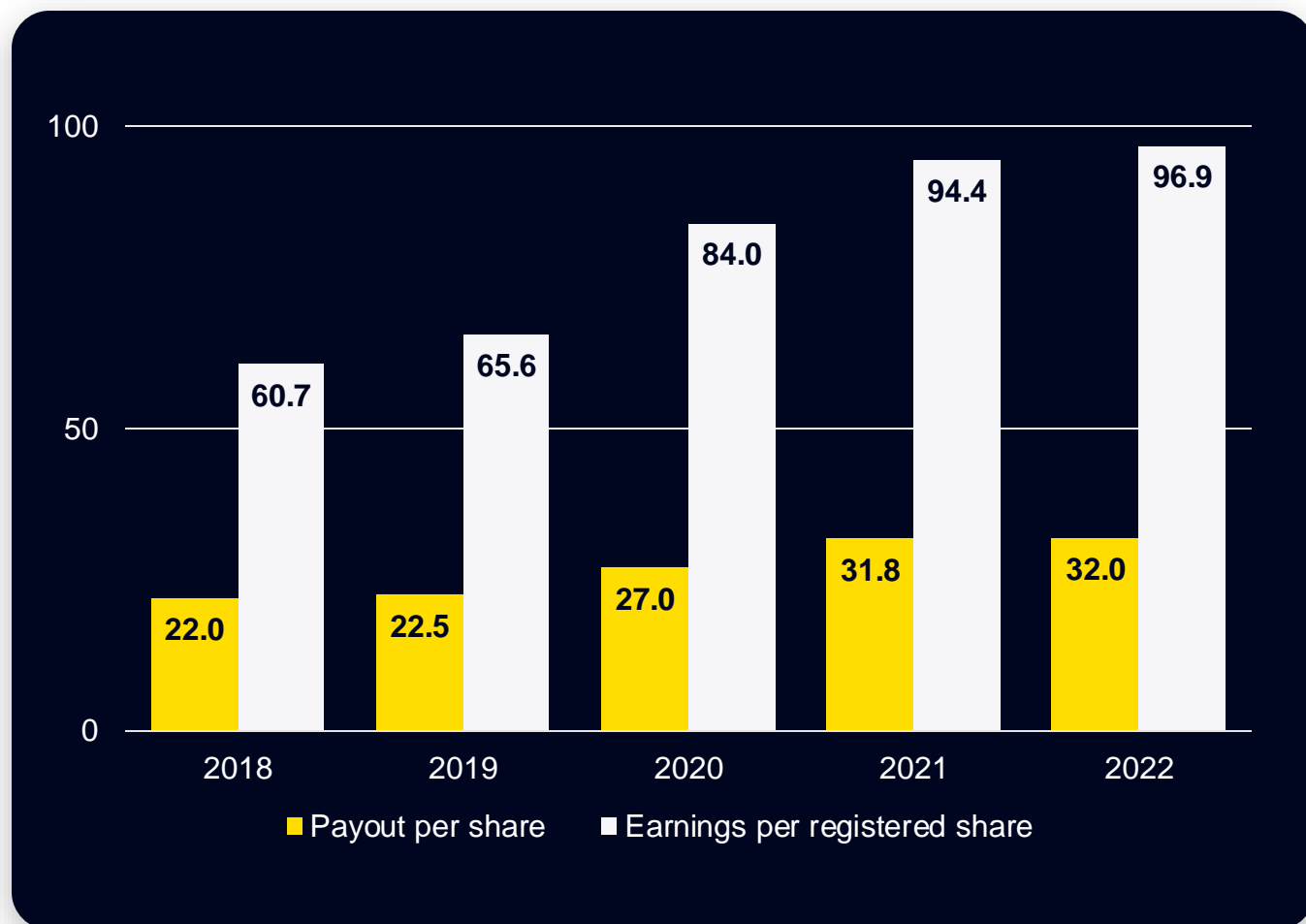
# Value creation:

ROE 22.4% and RONA 24.5%

ROE & RONA vs. WACC of 9%



## Dividend increase by 3.2% to CHF 32.00 per share proposed



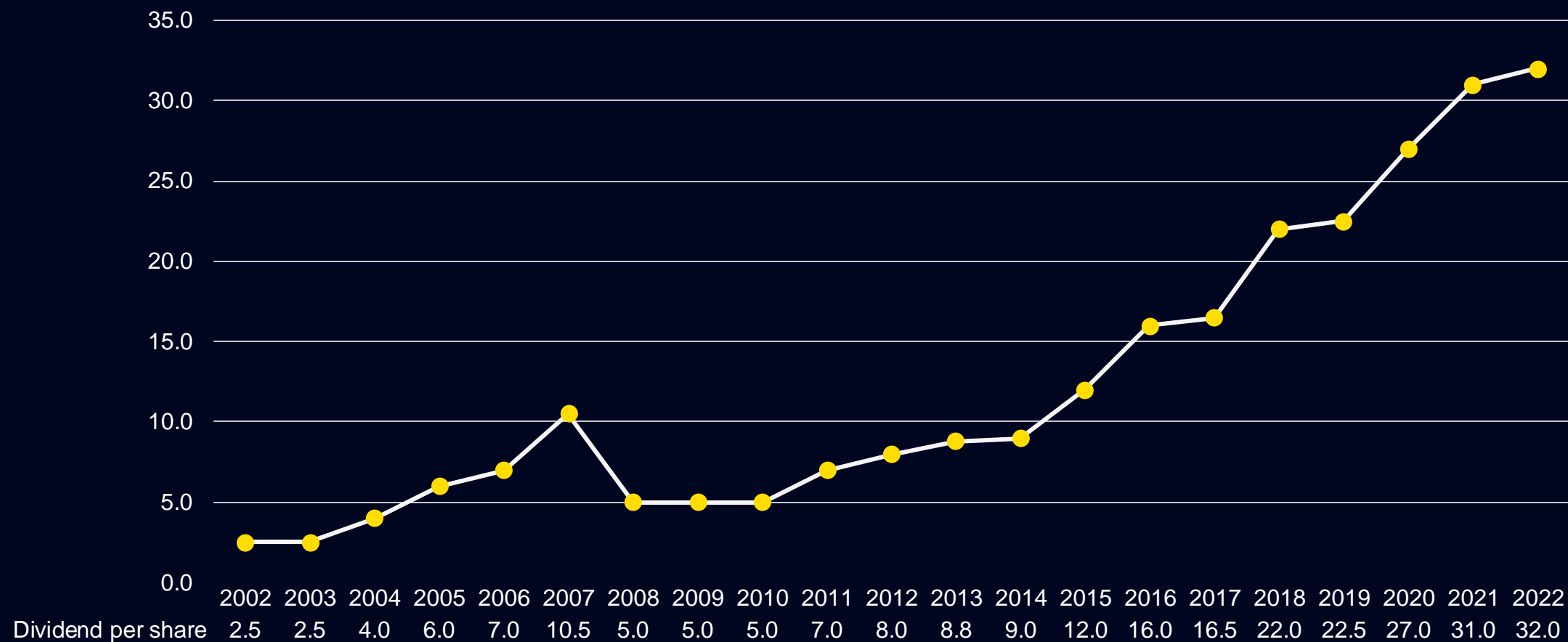
In CHF

**For the General Assembly on May 12th, 2023, it is proposed:**

- A dividend of CHF 32.00 per share (PY: CHF 31.00)
- The payout ratio reaches 33.0% (PY: 32.8%)

# Dividend Development

## Period from FY 2002-2022



In CHF

# Sustainability Report 2022

## Setting the baseline

- **First Interroll Sustainability Report**
- **Compliant with international GRI Standards 2021**
- **Definition of 12 material topics in Corporate Policies published on [www.interroll.com](http://www.interroll.com)**
- **Strengthened commitment to UN Global Compact and Sustainable Development Goals.**

**SUSTAINABLE  
DEVELOPMENT GOALS**

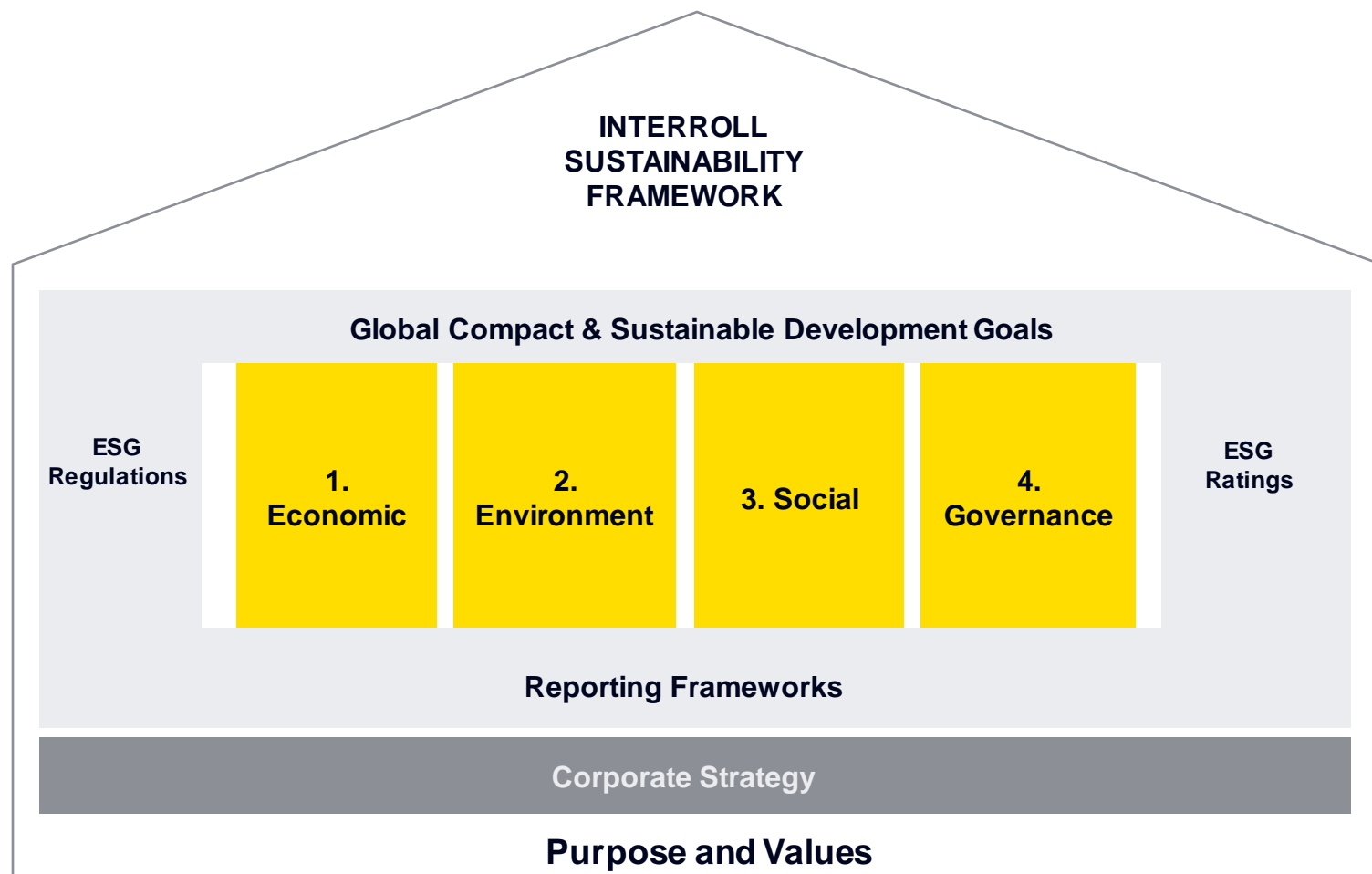




# Sustainability Report 2022

## 4 Impact Areas – 12 Material Topics – 80 KPIs

Impact Area	Material Topic
<b>Economic</b>	Sustainable Growth
	Product Responsibility
	Sustainable Procurement
<b>Environment</b>	Climate Protection
	Environmental Protection
<b>Social</b>	Employer of Choice
	People Development
	Occupational Health & Safety
<b>Governance</b>	Corporate Governance
	Corporate Compliance
	Risk Management
	Information Security



# Triumph Video

Our contribution for a more sustainable material handling



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# Products & Technology Overview

## Capacity



## Innovation



## Global Lifetime Service



# Operation Challenges 2022

## Drivers for result

### Flexibility in Capacities

Adaption of capacity in accordance with *market* demands:

- Reduction of Fix Cost –14,1% vs Plan
- Breathing factories
- Capacity expansion projects

### Inventory Reduction

Secure Budget target for Inventories:

- Order rescheduling based on ABC / XYZ analysis
- New planning tool installed
- Inventory reduction for raw material -16,6% vs last year

### P&L and Balance Sheet Optimization

### Purchasing Initiatives

Full focus on material availability & cost:

- Material usage -6,5% vs Plan
- Just short-term Orders placed as material cost expected to further go down
- Alternative technologies to mitigate supply shortages

### Process Optimization

Flexible and standardized process all over the world as clear target:

- Innovation Management
- Digitalization
- Interroll Production System 2.0

# Capacities for sustainable growth

## Global activities to secure customer demands

### EMEA



#### Expansion of Production Space:

- Baal (CoE\*), +7.000 sqm
- Modular Hygienic Platform

### Asia Pacific



#### New Factory in China:

- Suzhou (RCoE\*\*), 22.000 sqm
- Roller, RollerDrive / Drum Motor, MCP, MPP, Sorter

### America



#### Extension of capacity in Brazil:

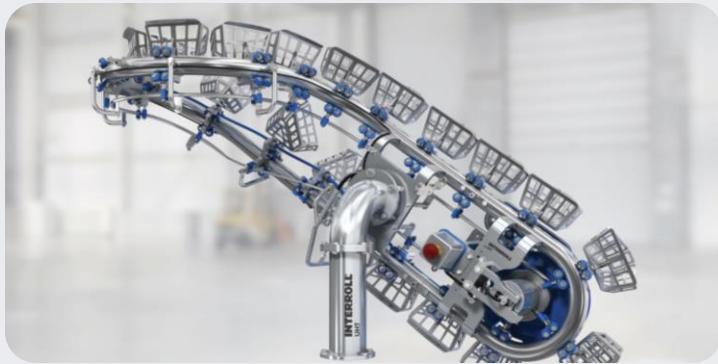
- Joaguariuana (LA\*\*\* ), +800 sqm
- Roller, RollerDrive / Drum Motor, MCP and Dynamic Storage

\*Center of Excellence, \*\* Regional Center of Excellence, \*\*\* Local Assembly

# Innovation in Practice

## Expansion of proven Product Range

### Food Processing



**New platform to automate and improve hygienic applications**

- Fast Return on Investment
- Plug & Play

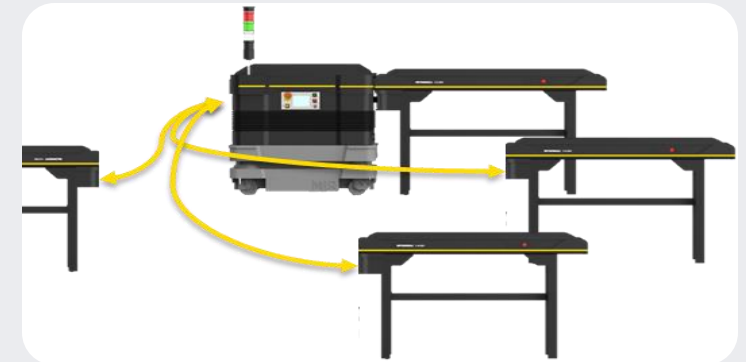
### Controls



**Vertical integration of platforms**

- Cabinet Engineering and Production
- Responsibility for all electronic components
- Control Solutions for Sorter
- Upgrade of MultiControl (ASI Bus)

### LCP\* Top Loader



**Connecting Conveyor and AMR\*\* solutions**

- Integrated solution
- Flexible solution for handling solutions
- Scalable – add more AMR later on

\* Light Conveyor Platform, \*\* Autonomous Mobile Robot

# HPP – High Performance Platform

## Closing the gap



+

### Platform solution

- Integration with Sorter and Conveyor Platforms

+

### Multi Belt Switch

- Capacity: 6000 pcs/h on a conveyor

+

### Interroll Layouter

- Proven in MCP and MPP
- Integration of 3rd Party solutions

\*\*\* Product launch in April 2023 \*\*\*



# Digitalization at Interroll

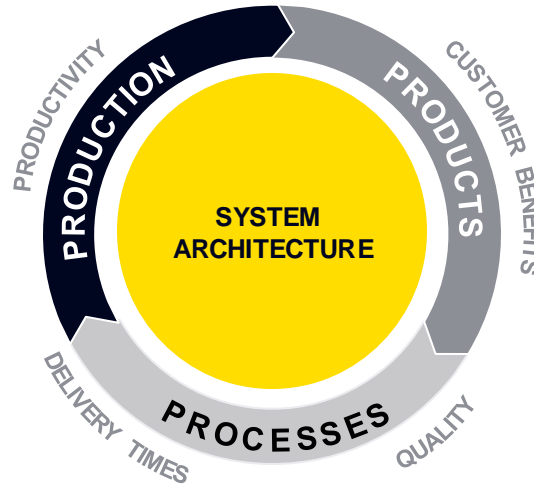
## Triple benefit: Production, Products and Processes

INTERNAL

EXTERNAL

### Digitalization of Production

- Product Lifecycle Management
- Interroll Production System as digital production system
- Man-machine collaboration
- Paperless production



### Digitalization of Products

- RollerDrive: Big Data
- MultiControl: Simple Machine-to-Machine Communication
- Sorter / Conveyor control solutions
- Product identification
- Data collection

### Digitalization of Processes

- CAD Layouter Tool: Upgrade and integration of simulation and emulation
- Variant configuration
- Customer Relationship Management
- SAP as a global standard
- Automation of order processing and purchasing
- System Architecture Framework

# Global Lifetime Service

## Status and next steps

### STATUS

**Dedicated service organization:**  
EMEA roll-out completed  
America started – completion in Q4'2023  
Asia planned for 2024

**Established Service Team:** more than 100 Interroll headcount & external partners

### DONE FOR EMEA



#### Expansion of spare parts business in 2022

##### Spare parts & refurbishment

- Logistics and distribution.
- Parts packages
- Parts/Products repair



##### Maintenance & installations

- Supervision
- On site repairs
- Service contracts (SLA)
- Preventive maintenance

### TO COME



#### Enabling customers to grow

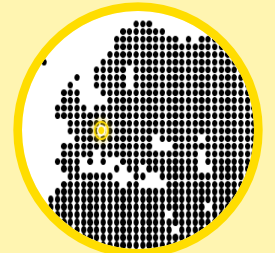
##### Consulting, Training, Retrofit

- Optimization – Planning & Realization
- Retrofit, Upgrades
- Training (Academy or on site)
- Ramp up /Operation support



**4,000** articles on stock

> 92% 48hrs Door-to-Door Service



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# Sales Strategy

## Focus on Growth



# Strategic Partnerships

## Trust matters



**viastore**   
SYSTEMS

**smiths**  
detection



# The success of Rolling On Interroll

## Analysis FY 2022



**20.7%**

Increase in revenue of total ROI Community 2022 (€ 57M) vs 2021

**49%**

Of ROI partners with increase in annual spend

**2.8%**

Churn rate in 2022

**13.9%**

net growth of ROI Community of ROI Partners in 2022

**14 millionaires**

i.e. ROI partners with annual spend > € 1M

**€ 6.4M**

Annual spend of largest ROI partner in 2022

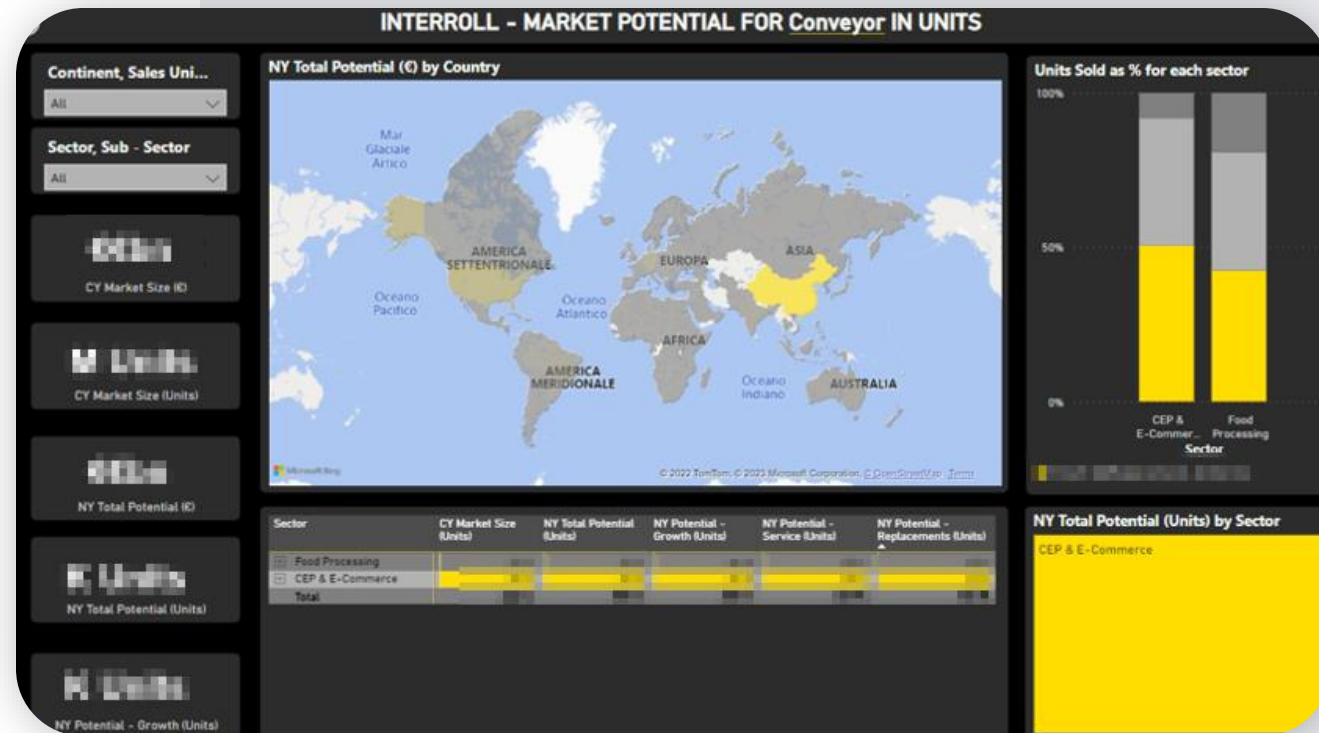
**18** new ROI partners in 2022, 125 in total

**€ 469K**

Average annual spend per ROI partner (vs € 431K in 2021)

# Digital Sales Planning Success

- Business Intelligence Team
- Competitive landscape
- Successful rollout of Customer Relationship Management
- Digital Sales Platform
- Precise and reliable forecasting



# Customer promise

What we are valued for

**QUALITY**



**SPEED**



**SIMPLICITY**



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# Outlook

## Customer and Markets

- Strategic Partnerships
- Rolling on Interroll Program
- Digital Sales Platform
- Global Lifetime Service

## Strong Innovation Pipeline

- Food Conveyor Platform
- Software & Controls
- CEP Platform
- LCP Top Loader
- Sorter Family

## Business Excellence

- Cost Fitness
- Breathing Production
- Capacities in Place
- Financial strength
- Interroll Production System

## Platform Strategy

- Deepening of technology platform
- Interroll as trusted partner accelerates projects
- Focus on sustainability and energy saving
- Proven Solutions

# Time for Questions



# Contact details



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Chief Financial Officer

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