

1 INTERIM FINANCIAL STATEMENTS OF INTERROLL GROUP

1.1 Consolidated balance sheet

in CHF thousands	30.06.2024	in %	31.12.2023	in %
ASSETS				
Property, plant and equipment	174,846		170,596	
Intangible assets	29,282		28,235	
Financial assets	908		1,910	
Deferred tax assets	11,502		10,246	
Total non-current assets	216,538	36.7	210,987	38.8
Inventories	102,048		76,666	
Current tax assets	3,645		2,603	
Trade and other accounts receivable	130,051		113,502	
Cash and cash equivalents	137,209		140,269	
Total current assets	372,953	63.3	333,040	61.2
Total assets	589,491	100.0	544,027	100.0
EQUITY AND LIABILITIES				
Share capital	854		854	
Share premium	13,718		11,714	
Reserve for own shares	-60,062		-67,248	
Translation reserve	-109,531		-127,871	
Retained earnings	590,861		593,363	
Total equity	435,840	73.9	410,812	75.5
Financial liabilities	7,197		6,912	
Deferred tax liabilities	4,009		3,514	
Pension liabilities	5,062		5,092	
Provisions	14,026		13,824	
Total non-current liabilities	30,294	5.1	29,342	5.4
Financial liabilities	192		151	
Current tax liabilities	13,259		21,549	
Trade and other accounts payable	44,902		29,589	
Advances received from customers	65,004		52,584	
Total current liabilities	123,357	21.0	103,873	19.1
Total liabilities	153,651	26.1	133,215	24.5
Total liabilities and equity	589,491	100.0	544,027	100.0

1.2 Consolidated income statement

in CHF thousands	Jan.–Jun. 2024	in %	Jan.–Jun. 2023	in %	Variance	in %
Sales	247,375	100.0	256,246	100.0	-8,871	-3.5%
Material expenses	-89,183	-36.1	-98,830	-38.6		
Increase / (decrease) in work in progress, finished products and own goods capitalized	9,333	3.8	2,637	1.0		
Personnel expenses	-82,727	-33.4	-79,466	-31.0		
Other operating expenses	-44,701	-18.1	-42,323	-16.5		
Other operating income	918	0.4	1,631	0.6		
Operating result before depreciation and amortization (EBITDA)	41,015	16.6	39,896	15.6	1,120	2.8%
Depreciation	-9,748	-3.9	-9,541	-3.7		
Amortization	-1,365	-0.6	-1,612	-0.6		
Operating result (EBIT)	29,902	12.1	28,743	11.2	1,160	4.0%
Finance expenses	-177	-0.1	-134	-0.1		
Finance income	1,421	0.6	-336	-0.1		
Finance result, net	1,244	0.5	-470	-0.2	1,714	-364.7%
Result before income taxes	31,146	12.6	28,273	11.0	2,874	10.2%
Income tax expense	-7,232	-2.9	-6,240	-2.4		
Result	23,914	9.7	22,033	8.6	1,881	8.5%
Result attributable to:						
- non-controlling interests	-	-	-	-		
- owners of Interroll Holding AG	23,914	9.7	22,033	8.6	1,881	8.5%
Values per share (in CHF)						
Non-diluted earnings (result) per share	28.93		26.78		2.15	8.0%
Diluted earnings (result) per share	28.93		26.78		2.15	8.0%

1.3 Consolidated statement of comprehensive income

in CHF thousands	Jan.–Jun. 2024	Jan.–Jun. 2023
Result	23,914	22,033
Other comprehensive income		
Items that will not be reclassified to income statement		
– Remeasurements of pension liabilities	71	–726
– Income tax	–15	150
Total items that will not be reclassified to income statement	56	–576
Items that in the future may be reclassified subsequently to income statement		
– Currency translation differences	18,340	–7,717
Total items that in the future may be reclassified subsequently to income statement	18,340	–7,717
Other income	18,396	–8,293
Comprehensive income	42,310	13,740
Result attributable to:		
– non-controlling interests	–	–
– owners of Interroll Holding AG	42,310	13,740

1.4 Consolidated statement of cash flows

in CHF thousands	Jan.–Jun. 2024	Jan.–Jun. 2023
Result	23,914	22,033
Depreciation, amortization and impairment	11,113	11,153
Loss/(gain) on disposal of tangible and intangible assets	-55	-146
Financing result	-1,244	470
Income taxes	7,232	6,240
Changes in inventories	-20,508	6,379
Changes in trade and other accounts receivable	-12,505	24,825
Changes in trade and other accounts payable, advances	23,868	15,050
Changes in provisions, net	-265	476
Income taxes paid	-13,401	-10,128
Personnel expenses on share-based payments	532	605
Other non-cash expenses/(income)	-2,511	-1,744
Cash flow from operating activities	16,170	75,213
Acquisition of property, plant and equipment	-5,986	-12,586
Acquisition of intangible assets	-1,567	-3,976
Acquisition of financial assets	3	-26
Proceeds from disposal of property, plant and equipment and intangible assets	89	360
Settlement of loans receivable	1,054	1
Interests received	1,374	1,035
Cash flow from investing activities	-5,033	-15,192
Free cash flow	11,137	60,021
Dividends	-26,472	-26,280
Disposal of own shares	8,658	8,186
Repayment of financial liabilities	-917	-582
Interests paid	-178	-150
Cash flow from financing activities	-18,909	-18,826
Translation adjustment on cash and cash equivalents	4,712	-3,623
Changes in cash and cash equivalents	-3,060	37,572
Cash and cash equivalents at January 1	140,269	79,305
Cash and cash equivalents at June 30	137,209	116,877

1.5 Consolidated statement of changes in equity

in CHF thousands	Share capital	Share premium	Reserve for treasury shares	Translation reserve	Retained earnings	Total equity
Balance at January 1, 2023	854	9,673	-74,029	-96,248	553,943	394,193
Result					22,033	22,033
Other comprehensive income, net of taxes				-7,717	-576	-8,293
Total comprehensive income				-7,717	21,457	13,740
Share-based payments		146	459			605
Sale of treasury shares incl. tax effects		2,397	6,293			8,185
Dividend payment, net					-26,280	-26,280
Balance at June 30, 2023	854	11,711	-67,277	-100,965	549,120	390,443
Balance at December 31, 2023	854	11,714	-67,248	-127,871	593,363	410,812
Result					23,914	23,914
Other comprehensive income, net of taxes				18,340	56	18,396
Total comprehensive income				18,340	23,970	42,310
Share-based payments		89	443			532
Sale of treasury shares incl. tax effects		1,915	6,743			8,658
Dividend payment, net					-26,472	-26,472
Balance at June 30, 2024	854	13,718	-60,062	-109,531	590,861	435,840

2 NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

2.1 Basis of the consolidated financial statements

Convention of preparation

The condensed, unaudited consolidated interim financial statements as of June 30, 2024 have been prepared in accordance with IAS 34 (“Interim Financial Reporting”) and are based on the uniform financial statements of Interroll Holding AG and its subsidiaries (“the Group”). These interim statements reflect an update of previously published information. Therefore, they should always be read in conjunction with the Annual Report 2023. The interim statements were approved by the Board of Directors on July 25, 2024.

The accounting standards used for these interim financial statements are identical to those published and described in the Annual Report 2023.

Foreign currency translation

The following key exchange rates were used for the translation of financial statements denominated in foreign currencies:

	Income statement (average rates)			Balance sheet (half year-end rates)		
	Jan.–Jun. 2024	Jan.–Jun. 2023	Change in %	30.06.2024	31.12.2023	Change in %
1 EUR	0.965	0.988	-2.4	0.963	0.926	4.0
1 USD	0.894	0.914	-2.2	0.900	0.838	7.4
1 CNY	0.124	0.131	-5.6	0.124	0.118	5.0

New or amended IAS/IFRS standards and interpretations

The IASB has issued new and revised standards and interpretations, which will not be applied until January 1, 2025, or later and were not applied early in these consolidated financial statements. The effects were generally considered immaterial.

Critical accounting estimates and judgements

The preparation of the consolidated interim financial statements requires management to make estimates, assumptions and judgements for the determination of income, expenses, assets, liabilities and for the disclosure of contingent liabilities. Such estimates, which are based on management’s best knowledge and belief at the reporting date, may deviate from actual circumstances. In such a case, they will be modified as appropriate in the period in which the circumstances change.

Segment reporting

The Interroll Group consists of one single business unit. The complete product range is sold in all markets through the respective regional sales organization. The customer groups of OEMs, system integrators and end users are provided with tailor-made product offerings and differentiated consulting levels. The Interroll manufacturing units focus on the production of specific product ranges. Assembly units receive semi-finished products from the manufacturing units and assemble a wide product range to serve their local markets. The Innovation Projects and Development Center (IPDC), which is centrally located, develops new application technologies and new products for all product groups. Centers of Excellence, which focus on specific product groups, concentrate on the development of their assigned product portfolio.

Group Management and the whole Interroll management structure are organized by function (Overall Management, Products & Technology, Global Sales & Solutions and Corporate Finance). The Board of Directors bases its financial management of the Group on both the sales generated in the product groups and geographical markets as well as on the consolidated financial statements. Group Management additionally assesses the achievement of financial and qualitative targets of all legal entities.

Financial instruments

The Interroll Group has only financial instruments classified as hierarchy 2 in line with IFRS 13. These financial instruments include only foreign currency forward contracts and cash flow hedges. The valuation in hierarchy 2 is based on factors, which cannot be tracked to actively listed prices on public markets. Instead, they can be monitored directly (as a price) or indirectly (as a derivative of the price). The amount of the financial instruments classified as hierarchy 2 is CHF +0.0 million at June 30, 2024 (December 31, 2023: CHF –0.0 million).

The Group also has a number of financial instruments which are not measured at fair value in the balance sheet. For the majority of these instruments, the fair values are not materially different to their current amounts.

2.2 Segment reporting

Sales by geographical markets

Sales by geographical market are presented as follows:

in CHF thousands	Jan.–Jun. 2024	in %	Jan.–Jun. 2023	in %
Germany	32,341	13.1	29,377	11.5
Other Europe, Middle East, Africa	116,454	47.0	110,868	43.2
Total Europe, Middle East, Africa	148,795	60.1	140,245	54.7
USA	64,563	26.1	62,526	24.4
Other Americas	11,028	4.5	13,819	5.4
Total Americas	75,591	30.6	76,345	29.8
China	8,345	3.4	9,324	3.6
Other Asia incl. Australia	14,644	5.9	30,332	11.8
Total Asia-Pacific	22,989	9.3	39,656	15.5
Total Group	247,375	100.0	256,246	100.0

Material sales with specific customers

Sales have been realized with more than 18,000 active customers. No customer accounts for sales of more than 5% of Group sales.

Sales by product group

Sales realized in the first half year by product group are presented as follows:

in CHF thousands	Jan.–Jun. 2024	in %	Jan.–Jun. 2023	in %
Rollers	53,099	21.5	54,400	21.2
Drives	93,457	37.8	88,818	34.7
Conveyors & Sorters	82,398	33.3	94,349	36.8
Pallet Handling	18,421	7.4	18,680	7.3
Total Group	247,375	100.0	256,246	100.0

2.3 Notes to the consolidated statement of financial position

Consolidated statement of financial position

Total assets increased by CHF 5.5 million compared to year-end 2023. Inventories increased by 25.4 million as a result of a raise in Work in Progress and Finished Goods. Accounts receivable increased as well by CHF 16.5 million. Trade and other accounts payable increased by CHF 12.4 million to CHF 65.0 million. Net working capital increased by CHF 23.7 million to CHF 105.6 million.

Investments / capital expenditures

A total of CHF 8.5 million in gross capital expenditures were invested in various production facilities. Total non-current assets reached CHF 216.5 million by June 30, 2024. Capital expenditures into intangible assets are mainly for the further development of the SAP ERP system.

In line with IAS 36, goodwill and other intangible assets are subject to an annual impairment test. These tests are normally performed in the second half of the year. Currently, there is no indication of impairment.

Net financial assets

Net financial assets at the end of the reporting period decreased by CHF 3.4 million compared to year-end 2023 and reached CHF 129.8 million by June 30, 2024.

Total credit lines available at the end of the reporting period amount to CHF 65.2 million (year-end 2023: CHF 65.2 million). From these credit lines, CHF 40.0 million are committed until end of December 2025.

Debt covenants have always been complied with during the reported interim period as well as during the previous-year period.

Equity

The equity position increased by CHF 25.0 million to CHF 435.8 million compared to the end of 2023. The equity ratio at the end of the interim period corresponds to 73.9% (year-end 2023: 75.5%). In May 2024, a dividend of CHF 32.00 per share was paid as agreed during the Annual General Meeting (previous year: CHF 32.00 per share).

2.4 Notes to the consolidated income statement

Sales

Sales in the reporting currency decreased organically by -3.5% to CHF 247.4 million compared to the same period last year. In local currencies, we see a growth of 0.1%.

Earnings before interest and taxes (EBIT)

EBITDA increased by 2.8% to CHF 41.0 million (previous year: CHF 39.9 million). The EBITDA margin was at 16.6% (previous year: 15.6%).

The EBIT increased by 4.0% and reached CHF 29.9 million (previous year: CHF 28.7 million) in the reporting period. The EBIT margin reached 12.1% (previous year: 11.2%).

Financing result

The net financial profit of CHF 1.2 million consists mainly of net financial interest income of CHF 1.2 million. Due to its decentralized structure, the Interroll Group is generally not very highly exposed to currency fluctuations.

Income tax

Income tax expense is recognized based upon the best estimates of the weighted average annual income tax rate for the full financial year. The tax rate presented in the interim report generally contains tax recoveries /adjustment charges from previous years. It is also influenced by a differentiated assessment of future realizable losses carried forward. In the period under review, tax credits resulting from previous periods amounted to CHF 0.8 million (previous year: tax expenses of CHF 0.9 million).

Result

The result increased by 8.5% to CHF 23.9 million (previous year: CHF 22.0 million). The result margin reached 9.7% (previous year: 8.6%).

2.5 Notes to the consolidated statement of cash flows**Cash flow from operating activities**

Cash flow from operating activities amounts to CHF 16.2 million (previous year: CHF 75.2 million).

Cash flow from investing activities (excl. leasing)

Total investments of CHF 7.6 million (previous year: CHF 16.6 million) were invested in various production facilities. In the previous year, investments went in various production facilities.

Cash flow from financing activities

In the first half of 2024, dividends totalling CHF 26.5 million were paid out (previous year: CHF 26.3 million).

2.6 Notes to the consolidated statement of changes in equity**Share capital**

The shareholders' capital of CHF 854,000 is unchanged compared to year-end 2023.

Assignment of shares

Shares assigned to members of the management in the amount of CHF 0.5 million (previous year: CHF 0.5 million) were expensed.

3 FURTHER DISCLOSURES AND INFORMATION**Events after the balance sheet date, seasonality**

The Group did not identify any events after the closing date of the interim statements that would have a material effect on the presentation of its financial position as at June 30, 2024. There are no other facts which require disclosure according to IAS 34.

The industry in which the Group operates does not have significant seasonal variations. However, changes in the economical environment could have an impact on the short-term profitability.

Contingent liabilities

No significant contingent liabilities were incurred in the reporting period.