

Facts and Figures

20 **22**

1/100

A high measuring resolution of 1/100 μm enables the highest contour accuracy for the watch industry.



A partnership for the future

As a leading manufacturer of high-precision machine tools, our goal is to develop solutions that will help you become one of the best in the industry in your market environment. We do this in accordance with our principle of adding value through Starrag. This requires close, long-term collaboration that is characterised by trust, openness and mutual inspiration. When you choose Starrag, you choose a partner who provides you with precisely this safety – both now and in the future.

Prerequisites for sustainable growth created

Clearly and sustainably strengthened

In 2022, Starrag Group recorded a significant improvement in all key figures. The restructuring measures initiated in the previous years and completed in 2021 have contributed to a lasting optimisation of earnings and have already shown their effect in 2022. Starrag Group has thus created the conditions for lasting earnings optimisation, investment and innovation strength and long-term growth. At the same time, the strategy of focusing on market segments of customers with high growth potential has proven its worth. A secure value is also the recurring and, in trend, increasingly important service business, which now accounts for more than 20% of Group sales.

New orders further increased

After almost doubling in the previous year, incoming orders increased by another 5% to CHF 396 million in the reporting year (currency-adjusted plus 8%). Excluding the CHF 13 million in cancellations (Ukraine/Russia effect) already communicated in the half-year report, growth was around 12% adjusted for currency effects. By far the largest share of new orders came from the main customer segment Industrial, with incoming orders from the luxury segment in particular developing very positively.

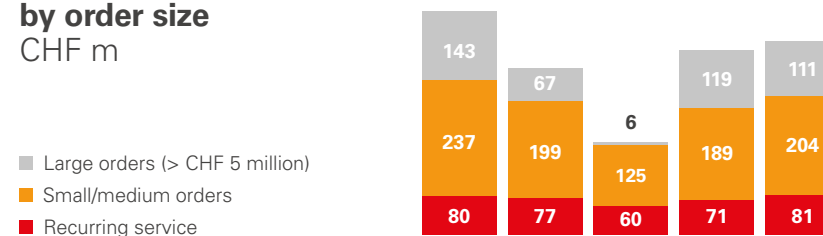
Worklist until 2024

The encouraging growth in order intake is reflected in an order backlog of CHF 327 million at the end of 2022. This corresponds to an increase of 28% (31% adjusted for currency effects) compared to the end

of 2021. On this solid basis and thanks to the longer-term projects, capacity utilisation is ensured until well into the 2024 financial year. Thanks to the increase in new machine business, the group of companies continues to generate long-term increased demand for services.

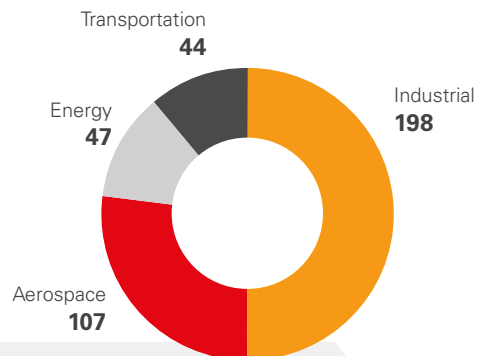
Order intake by order size

CHF m

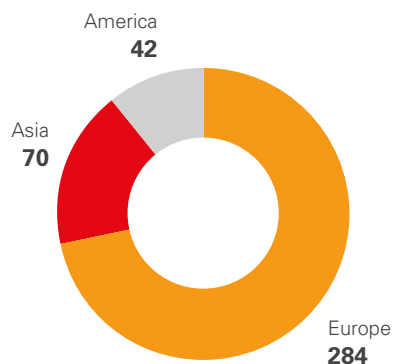


Order intake by sector

CHF m

**Order intake by region**

CHF m

**Order intake**

CHF m

396**Order backlog**

CHF m

327**Industrial with largest growth**

The trend in the four main customer industries varied. The strongest growth was in the industrial sector – especially in the luxury goods and medical submarkets – which accounted for half of the group-wide order intake in the reporting year. Fewer orders were received from customers in the aerospace sector, although it should be noted that the previous year was characterised by above-average demand from the space sector. Energy was slightly up, and Transportation was just able to maintain the previous year's level.



Significant improvement in earnings

Sales plus 9%

Compared to 2021, sales increased by 9% to CHF 318 million (plus 12% adjusted for currency effects), which is mainly due to the strong second half of the year. The book-to-bill ratio (ratio of incoming orders to sales) of 1.25 was again well above the value of one (previous year 1.29).

Significant improvement in profitability

Operating income increased substantially in 2022. Compared to the previous year, an increase in sales of CHF 24.9 million to CHF 317.6 million (previous year CHF 292.6 million) led to an increase in profit of CHF 26.7 million to CHF 18.6 million (previous year CHF -8.5 million). An essential part of the increase in results is the positive effect from the restructuring of the past years: the changed cost basis, as well as a

slight improvement in the gross profit margin, lead to improved profitability. The pleasing net profit of 11.1 million CHF stands in stark contrast to the net loss of 5.4 million CHF in the 2021 financial year.

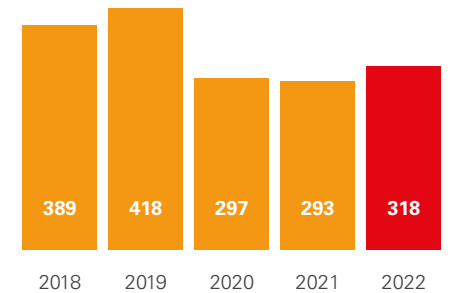
Solidly financed

At 51.7%, the equity ratio was lower than in the previous year (56.0%), but still within the range of the long-term solid average. Net liquidity increased by CHF 2.5 million to CHF 20.1 million in 2022 (previous year CHF 17.6 million). Free cash flow amounted to CHF 6.4 million (previous year CHF 11.0 million). Investments in fixed assets of CHF 7.0 million exceeded the previous year's value by CHF 0.8 million. Investments in research and development amounted to CHF 35.3 million or 11.1% of sales revenue. At the end of the reporting year, Starrag Group employed 1,280 people (full-time equivalents) or 36 fewer than in

the previous year. The average number of apprentices and students during the year was 104 (previous year 118).

Sales revenue CHF m

318

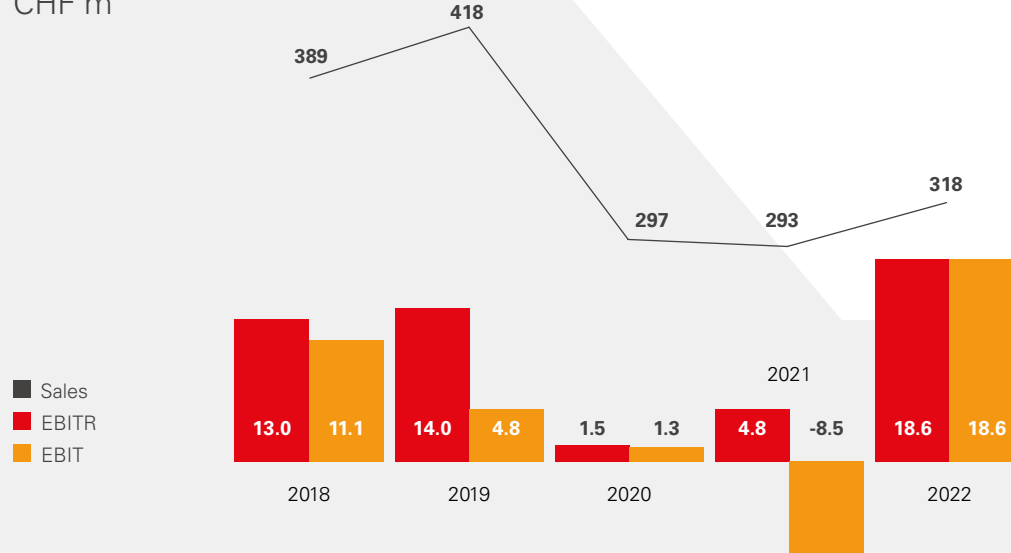


Medium-term earnings target approached

The previous medium-term goals, i.e. sales growth of 5% and an operating margin of 8% – which we came a big step closer to in the reporting year – are all the more valid. Together with our technological application competence and in consistent pursuit of our strategy of concentrating on the market segments with the strongest growth and earnings, we are therefore convinced that we will achieve our objectives as planned.

Significant operational progress

CHF m



EBIT

CHF m

18.6

Free cash flow

CHF m

6.4

Income Statement

CHF m	2022 01.01. – 31.12.	2021 01.01. – 31.12.
Sales revenue	317.6	292.6
Other operating income	14.7	1.8
Change in inventory of finished and unfinished goods	9.6	-1.7
Cost of materials and components	-148.1	-118.2
Personnel expenses	-121.1	-118.5
Restructuring costs	-	-13.3
Other operating expenses	-46.4	-42.8
Earnings before interest, taxes, depreciation and amortisation EBITDA	26.3	-0.2
Depreciation of tangible fixed assets and intangible assets	-7.7	-8.3
Operating result EBIT	18.6	-8.5
Financial result	-0.5	-0.1
Ordinary profit before taxes	18.1	-8.6
Income tax expenses	-7.0	3.2
Net result	11.1	-5.4

Employees

full-time positions at the end of period

1'280



Balance sheet

	CHF m	31.12.2022	31.12.2021
Cash and cash equivalents		21.5	29.8
Receivables from goods and services		98.5	85.0
Other receivables		9.3	7.0
Inventories		121.8	92.2
Prepaid expenses and accrued income		2.8	1.7
Total current assets		253.9	215.6
Total non-current assets		80.0	84.8
Total assets		333.9	300.4

	CHF m	31.12.2022	31.12.2021
Financial debts		0.9	10.0
Payables for goods and services		21.7	11.7
Other liabilities		13.4	15.8
Provisions		6.6	15.2
Accrued expenses and deferred income		107.9	69.0
Total current liabilities		150.5	121.6
Total non-current liabilities		10.9	10.5
Total liabilities		161.4	132.1
Total shareholders' equity		172.5	168.3
Total liabilities and shareholders' equity		333.9	300.4

Equity ratio

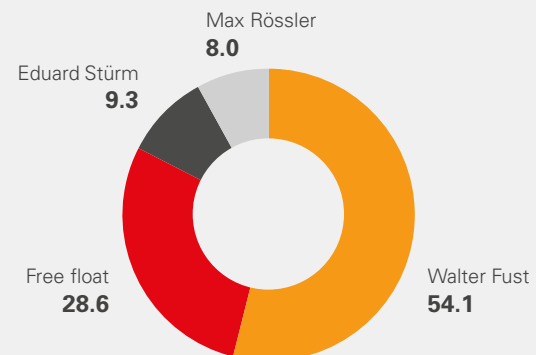
%

52

Shareholder structure

%

As of 31 December 2022, 858 shareholders were registered. Significant shareholders of Starrag Group are:



Process reliability for the aerospace industry

As one of the leading suppliers of manufacturing solutions for the aerospace industry, Starrag offers its customers substantial productivity benefits in a variety of market segments.

Aero Engines

Aircraft engines are constantly being redeveloped to meet the demand for higher efficiency, lower kerosene consumption and fewer noise emissions. As a long-term partner to the jet engine industry, the Starrag Group offers state-of-the-art production solutions and technologies for machining engine blades, blisks and casings made from the most sophisticated materials. These solutions cover not only machinery but the entire process, including fixtures, tools and CAM solutions.

Aero Structures

The trend towards increasingly complex and larger structural parts and components, which have to be manufactured within narrow tolerances and very short cycle times, is heightening the need for innovative manufacturing technologies. The services offered by the Starrag Group range from five-axis machining of high-tensile titanium alloys to high-performance cutting of aluminium through to precision machining of transmission housings.

Avionics

Avionics refers to all the electrical and electronic equipment on board of aeroplanes and satellites. This primarily includes control, management, communication and navigation systems. The workpieces for applications like these are highly complex, which means that the utmost accuracy is required. The Starrag Group boasts extensive expertise in injection systems, combustion chambers, gyroscopes and control components.



Innovations for energy technology

Using renewable energy sources efficiently requires innovative solutions, not least in the development of new production concepts. Starrag offers highly productive manufacturing solutions to customers in all areas of energy production.

Oil & Gas

In the field of oil and gas exploration, large ball valves for gas and oil pipelines, boring heads and other safety components are manufactured on our machines. Furthermore, the Starrag Group offers specific technical solutions such as attachment heads or interchangeable milling heads. This segment covers the entire value chain from extraction and conveying to transport and storage, through to further processing and refinement.

Power Turbines

In the area of turbine engineering, the Starrag Group has decades of experience in the machining of high-precision turbine blades and in creating complex housings for steam and gas turbines. The components to be manufactured are becoming more and more complex and are increasingly manufactured from materials that are difficult to machine. As a result, the combination of multiple machining technologies in one machine is also becoming increasingly important.

Renewables

Thanks to having a clear focus on applications such as gearbox housing, planetary carriers, torque arms, large bearings or Pelton turbines, Starrag is focusing more on creating measurable added value in the field of renewable energies.



Flexibility in mechanical engineering

In no other area is the variety of parts as large as in mechanical engineering. The technological requirements that our manufacturing solutions have to meet in order to productively produce components of any size in the highest quality are correspondingly different. Starrag Group is the ideal partner when it comes to combining the Group's leading machine concepts with state-of-the-art automation solutions.

Hydraulics & Pneumatics Industrial Drives

The trend towards more complex workpieces is evident in these market segments too. Optimised components require innovative new production concepts that ensure maximum precision and quality while simplifying the production process, increasing cost-effectiveness and being extremely flexible in how they are used. The Starrag Group meets these requirements with machining centres where different machining technologies are combined on a single machine.

Job Shops Machine Parts

Market demand for dynamic manufacturing concepts is growing rapidly, in direct proportion to the strong trend towards increasingly complex workpieces and intensified engineers' endeavours to design optimised machine elements. Starrag machining centres fulfil these requirements in every aspect thanks to their 5-sided machining capability integrating five highly dynamic controlled axes. An intelligent Tool Management System facilitates fast tool and pallet changing and extendable workpiece handling.



Precision for the watchmaking industry

Precision and perfection are key factors in the production of components for the watchmaking industry. To be among the best of the best, manufacturers set the highest standards for the quality of their products. In order to ensure these standards, outstanding production equipment such as Starrag machines are fundamental.

Luxury Goods

Materials such as hard ceramic, precious metals and stainless steel are used in the manufacture of watches and jewellery components. Frequent changes in the product being manufactured and smaller batch sizes require maximum flexibility in production. The Starrag Group offers solutions for most watch and jewellery components, allowing high-precision production to take place in a single clamping operation.

Med Tech

The cost pressure in public health services is high and is being felt in various areas, including the production of medical instruments, implants and dental

components. The fully automatic machining solutions offered by the Starrag Group enable machining steps to be simplified and the production chain to be shortened, while also guaranteeing that high technical safety and regulatory standards are met.

Micro Parts

For specialists in general, precision is essential in this segment where a deviation of even one micron is not acceptable. The stability of production tools is therefore the crucial element sought after by all experts in this field of application. Bumotec machining centres offers unbelievable technical options, including all the useful operations in the most complex production processes such as milling, grinding, deep drilling, gear hobbing, deburring or chamfering with great precision and impressive repeatability.



Efficiency for the transport industry

Ensuring the mobility of people and goods requires a high level of expertise in manufacturing. Starrag offers efficient solutions for numerous areas, including the automated series production of high-precision vehicle and drive components.

Agriculture

The Starrag Group's machining centres are designed for highly productive machining of drive components such as transmission parts, engine parts, axes and other prismatic chassis parts. To reduce manufacturing times and increase workpiece quality, complete machining is becoming increasingly important. We have responded to this trend with our special quills and continuous swivel heads. Our extensive expertise in the relevant applications leads to innovative technologies, culminating in automation solutions.

Passengers Cars & Motorcycles Trucks & Buses

The Starrag Group offers highly efficient solutions for the automated series production of high-precision vehicle components for cars, trucks, buses and motorcycles. The focus here is on reducing the unit costs of precision components such as cylinder blocks and heads, transmission housings, crankshafts and other drive train components made from aluminium, steel or cast iron alloys.

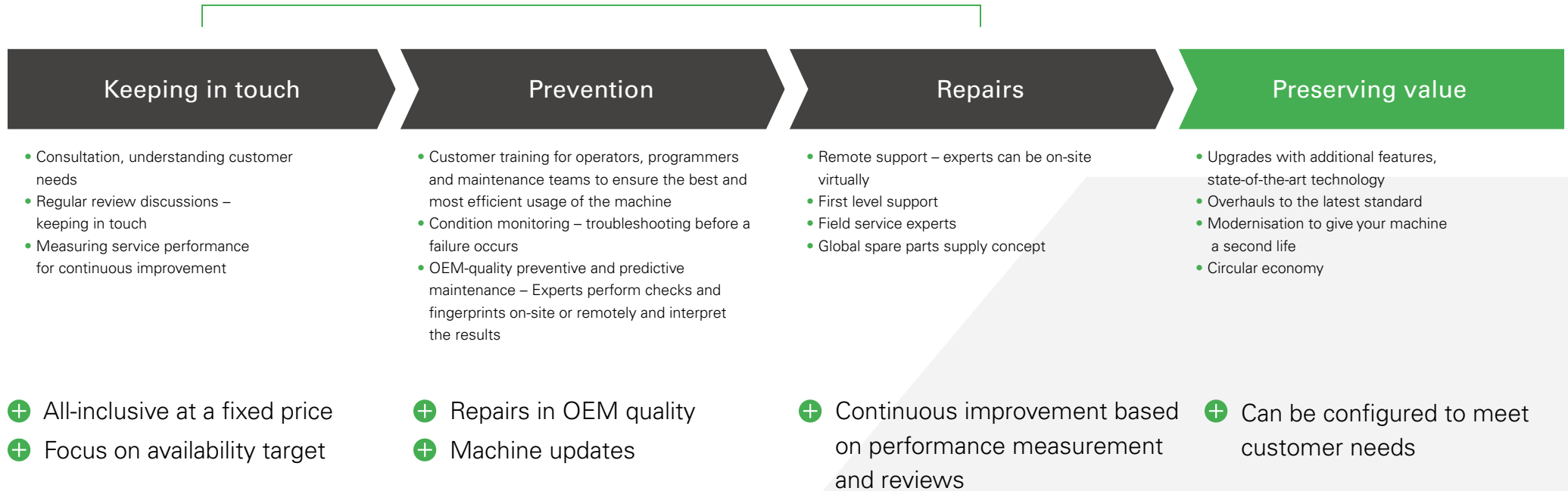
Railway & Marine Construction & Mining

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Service – personalised and competent

ServicePlus⁺



Global presence with high competence

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“Our promise to you is very simple – we want to succeed in partnership.”

Alexander Attenberger, CSO



The logo for starrag, featuring the word "starrag" in white lowercase letters on a red rectangular background. To the right of the text is a red geometric shape consisting of a square with a triangular corner cut out.

Engineering precisely what you value

Berthiez
Bumotec
Dörries
Droop + Rein
Ecospeed
Heckert
Scharmann
SIP
Starrag
TTL

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