

INSPIRED BY EFFICIENCY

A photograph of a modern building with a curved glass facade. In the foreground, there is a large, dark, textured statue of a person's head and shoulders. The sun is shining brightly behind the statue, creating a lens flare effect. The sky is a deep blue.

Analyst Conference March 19 2021
ANNUAL REPORT 2020

Paul Zumbühl
CEO Interroll Worldwide Group

[interroll.com](https://www.interroll.com)

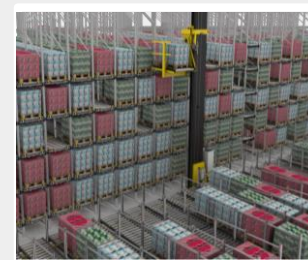
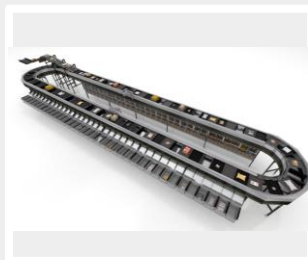
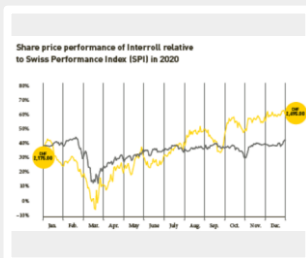
Agenda



1. Overview Paul Zumbühl, CEO
2. Technology Platform & Expansion:
Foundation for growth Jens Strüwing, Executive Vice President
Products & Technology
3. Customer Comfort & Confidence Jens Karolyi, Senior Vice President
Corporate Marketing & People Development
4. Results 2020 Heinz Hössli, CFO
5. Summary and Outlook Paul Zumbühl, CEO

Highlights 2020

Results, innovation, growth, platform strategy



RECORD RESULTS 2020

- **EBIT:** CHF 94.1m (+30.1%)
- **Result:** CHF 71.7m (+28.0%)
- **Order Intake:** +0.3%/+6.6% in LC

STRONG INNOVATION-PIPELINE 2021-2025

- Split-Tray Sorter
- Smart Pallet Mover (SPM)
- Digitalization

CAPACITIES FOR GROWTH 2021-2023 ESTABLISHED

- Mosbach, Germany
- Suzhou, China
- Investments in productivity across locations

MATERIAL HANDLING PLATFORMS

- Deepening of technology platform
- More end user processes covered
- Interroll as single source accelerates projects

We passed the acid test!

Homework during good times paid off



Culture

- Long-term DNA
- Outstanding commitment
- Climate of Excellence

Innovation

- Unique selling propositions
- Highly flexible platform solutions
- Saving time as added value

Business Excellence

- Regular «Health Checks» -> Competitiveness
- Continuous productivity improvement
- High-performance global SAP System



Our Growth Strategy

Three Pillars: Products, Markets, Service



Service Business

Geographical Expansion

Innovative Products



Regional Presence

EMEA

- New Plant South Germany (Q3/21)
- “Cell Split”: CoE** Sor-ter / CoE Conveyors
- Plant digitalization

Americas

- E-Commerce accelerated by COVID-19
- New Plant in Atlanta (Q2/20)
- Upgrade Local Assembly Brazil

Asia Pacific

- New Factory in China (Q2/22)
- Expansion Vietnam & Philippines
- High Potential Australia & NZ

Service

- New Setup Service Organization (Q3/21)
- Attractive Retrofit opportunities (>400 Sorter)
- New Service Packages enabled by digitalization

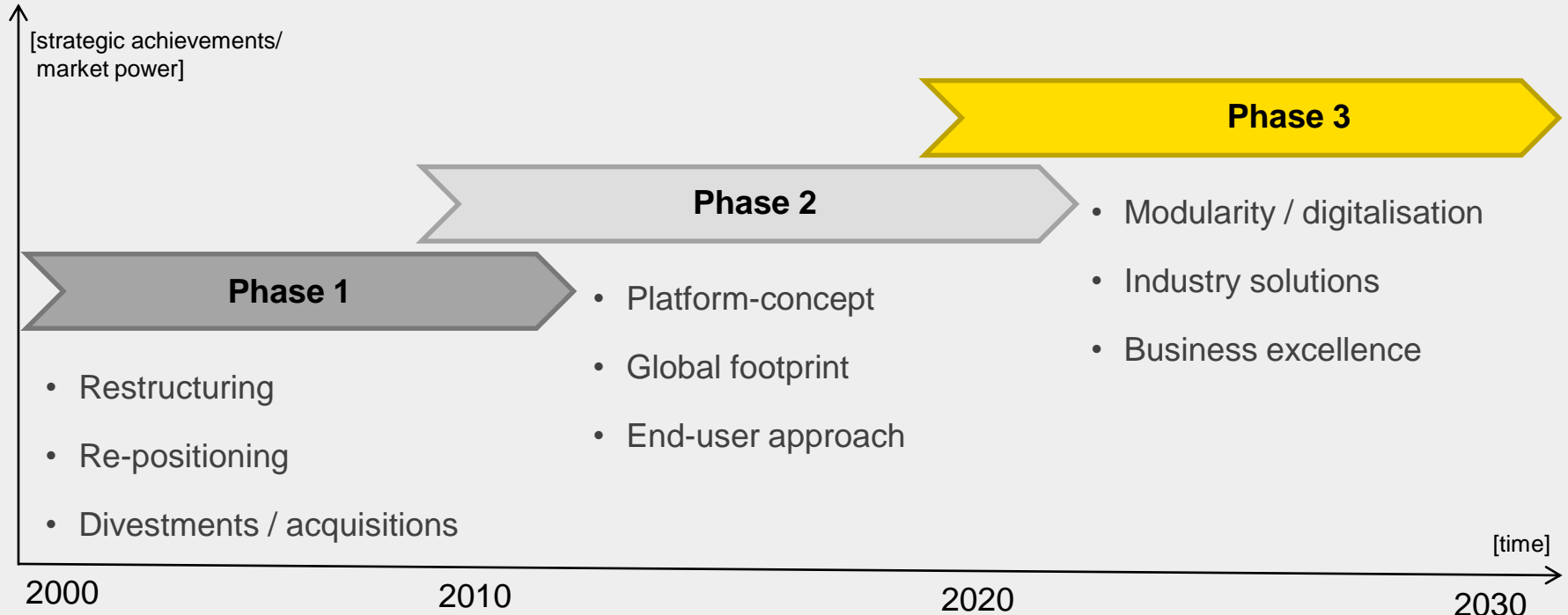
Innovations

- High-Performance Crossbelt Sorter (HPCS) (Global Launch Q1/20)
- Stacker Crane / Transfer Car extensions for MPP* (Rollout 20)
- Smart Pallet Mover (SPM): EU-Launch Q2/21)

*Modular Pallet Conveyor Platform

**CoE= Center of Excellence

Next strategic phase 2021-2030



From Solution Provider to Thought Leader



Enabler

Proven

Leading platform provider



Authority in the market

Setting industry standards

Long-term perspective

TODAY

TOMORROW

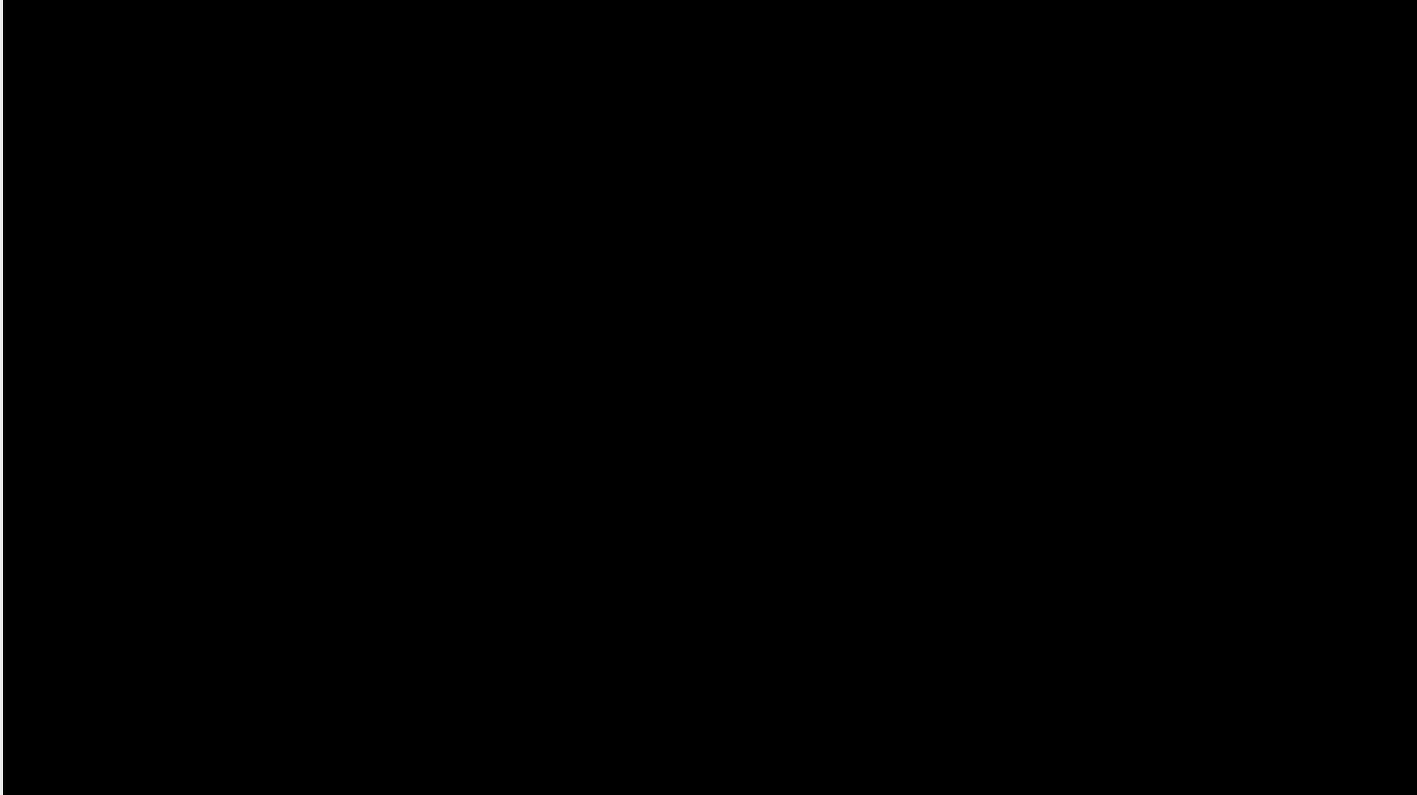
Customer Comfort

- Technology platform with the right benefits for current needs
- Quality, Speed, Easiness
- New Service Packages

Customer Confidence

- Partner with longterm perspective (future customer needs)
- State-of-the-art innovation
- Sound business model & financial solidity

Customer Confidence



HR Program

From “Culture for Growth” to “People Development”



- Interroll needs talents for further growth (passionate & skilled)
 - Talents are a limited resource in our industry
- > Focused **recruiting and development**



Recruiting

- Cooperation with universities (e.g. Fontys Venlo, DHBW Mosbach)
- Hunting talents beyond our own industry
- Mix of direct and online recruiting
- Location marketing

Development

- Interroll Academy
- Talent Management
- Succession Plans
- Modular Learning paths
- Regular Assessments



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A background image of a glowing circuit board with orange and blue lines and dots, overlaid with faint code snippets.

Technology Platform & Expansion: Foundation for growth

Jens Strüwing
Executive Vice President Products & Technology

[interroll.com](https://www.interroll.com)

Products & Technology

Overview



Capacity



New products and strong focus on growth resulting in increasing capacity in all regions.

Innovation



Focus on offering added value to the Interroll customer base.

Interroll Lifetime Service



Independent Service organization to be established.

- Increased global installed base
- Full dedication
- Leverage and scale effects

Capacities for sustainable growth

Global Expansion



EMEA

- New Plant Mosbach (CoE* Conveyors & Pallet Handling) (Invest. > 45m EUR)
- New CoE* Software & Electronics as per Jan 1, 2021 in Linz (Austria)



Asia Pacific

- New Factory in Suzhou (Start of production: Q3/22)
- Additional Capacity for Shenzhen, China (in Q1/20)
- Strong Potential in China and South-East Asia



Americas

- High potential for sorter projects
- New Factory in Hiram, Atlanta, USA (Q2/20)
- Additional investments in automation (incl. robots)

«Cell Split» July 2021

.....reducing complexity & adding capacity to increase flexibility



CoE*
Conveyor &
Sorter
Sinsheim



CoE* Pallet
Handling
Kronau



CoE*
Sorters,
Sinsheim

- Full focus on sorters
- Additional capacities for growth



CoE*
Conveyor
& Pallet
Handling
Mosbach

- Full focus on Conveyors & Pallet Handling
- Additional capacities for growth

Innovation in Practice

High Performance Crossbelt Sorter (HPCS) and Split Tray Sorter

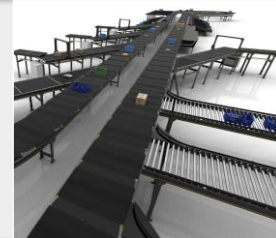


Most relevant markets:

- CEP*
- Distribution

* Courier, Express, Parcel

Since 2020
MX025H
High Performance
Crossbelt Sorter



High-Performance
Segment

Most relevant markets

- E-Commerce
- Fashion
- Distribution

PROVEN
ST6160/ST 6130
Horizontal/Vertical
Crossbelt Sorter

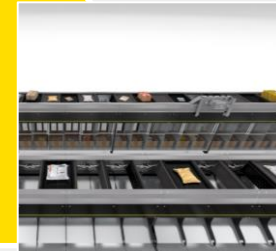


Middle Segment

Most relevant markets:

- Fashion & Textile
- Distribution

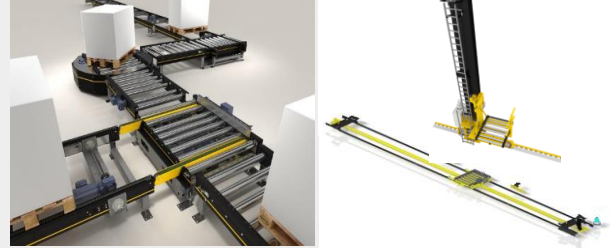
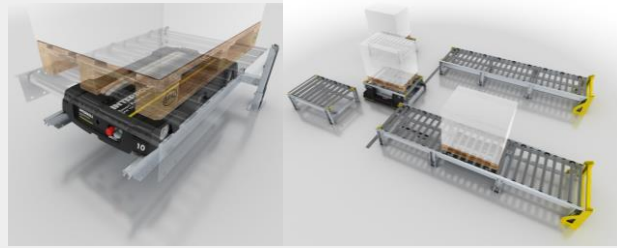
NEW '21
Split Tray Sorter



Basic
segment

Innovation in Practice

Pallet Handling



Smart Pallet Mover (SPM)

The new Interroll solution to organize and automate the flow of pallets in manufacturing plants.

- High ROI
- Real Plug & Play
- True Industry 4.0 capabilities
- Market Launch Q2/21

Modular Pallet Conveyor Platform (MPP)

A combination of intelligent roller conveyors, chain conveyors and special modules.

- Platform-based
- Space & energy-saving
- Easy to integrate
- ZPA* is a Unique Selling Point

Dynamic Storage

Storage systems based on gravity lanes with an incline.

- Up to 50% space saving
- Highly energy-saving
- Suitable for fast-moving products
- Automation capabilities

*Zero Pressure Accumulation

Innovation in Practice

Smart Pallet Mover



Global Lifetime Service

Next Steps



- **Separate service organization in Europe (July 21) and global rollout starting in 2022**
- **Short-term:** expansion of spare parts business in 2021 (Refurbishment and Logistics)
- **Short & medium-term:** offering Maintenance and Installation Services to global customers
- **Longer-term future:** Supporting System Integrators in offering Consulting Support and Training Courses

Short-Term



Spare parts & Refurbishment

- Spare parts logistics and distribution
- Parts packages
- Parts/Products refurbishment
- Parts pooling (also non ITRL material)

Short-Term/Mid-Term



Maintenance & Installations

- Installation and supervisor
- On site repairs
- Service contracts (SLA)*
- Preventive maintenance

Future



Consulting, Training, Retrofit:

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

* Service Level Agreement

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Customer Comfort & Confidence

Jens Karolyi
Senior Vice President Corporate Marketing & People Development

interroll.com

Product Groups

Overview on the business in Financial Year 2020



Rollers:

Net Sales: CHF 106.0 Mio. (-3.8% vs. LY)

Order Intake: CHF 107.5 Mio. (-0.3% vs. LY)

- Availability was crucial during pandemic
- Very short delivery times basis of success



Drives & Controls:

Net Sales: CHF 156.5 Mio. (-9.2% vs. LY)

Order Intake: CHF 157.6 Mio. (-6.9% vs. LY)

- Gaining market share through leading 24V/48V-technology
- Drum motor business affected by missing Airport business



Product Groups

Overview on the business in Financial Year 2020



Conveyors & Sorters:

Net Sales 2020: CHF 221.5 Mio. (-0.7% vs. LY)

Order Intake 2020: CHF 233.2 Mio. (+8.5% vs. LY)

- E-Commerce and CEP markets are developing positively
- Very strong order intake



Pallet Handling:

Net Sales: CHF 46.6 Mio. (-13.7% vs. LY)

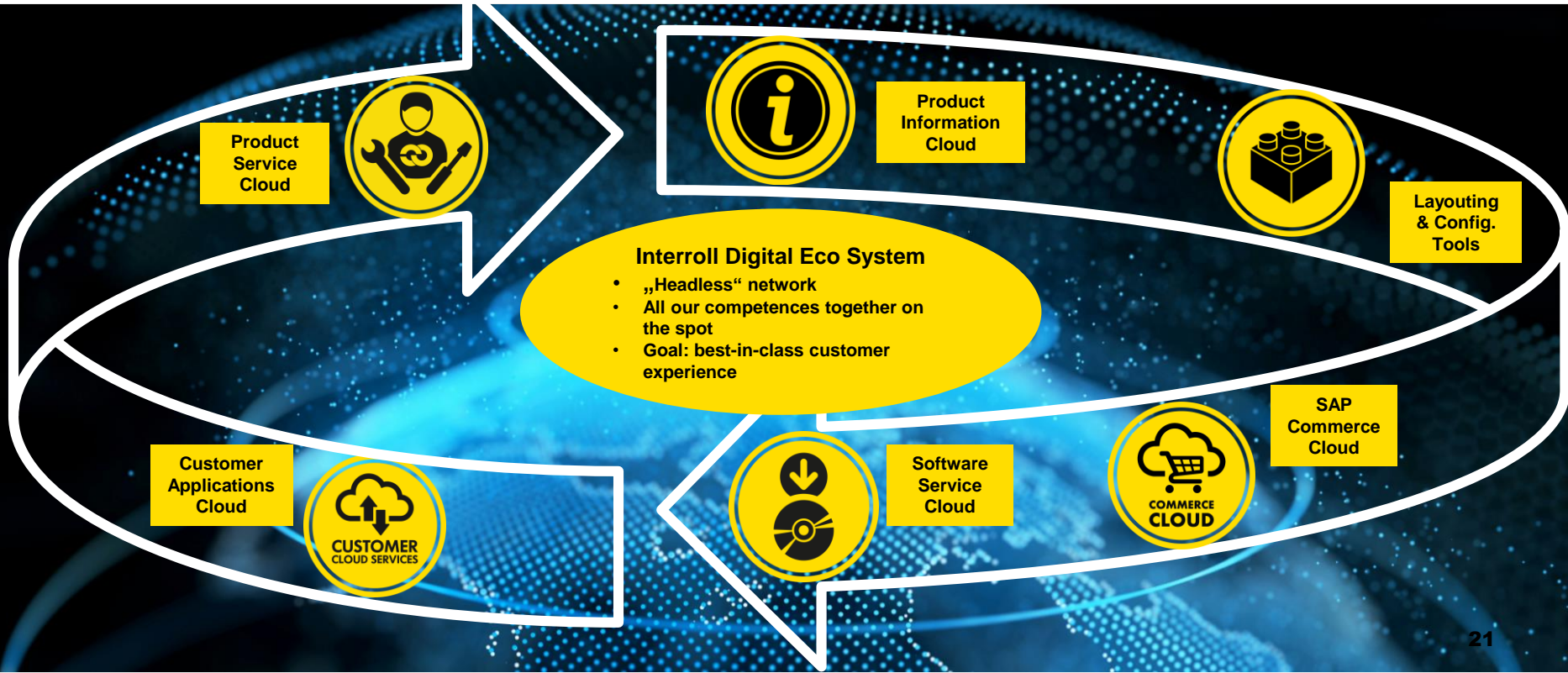
Order Intake: CHF 49.5 Mio. (-9.2% vs. LY)

- Promising potential of Modular Pallet Conveyor Platform
- High number of Pallet Handling projects on hold in 2020 (pandemic)



Customer Comfort

Saving time through the right digital setup



Customer Confidence

Interroll as partner of trust



Strategic Partner Focus

- Solution Sales Organization: Customer Relation at Eye-Level
- Global Account Contracts
- Net Promoter Score (NPS)
- The right know-how: Narrative Interviews & Studies

Partnership Network

- More than 100 selected partners
- Competence and insights exchange
- Key supplier of platform solutions
- Field Service Partnerships

Sales Team Skills & Customer Trainings

- “License to Sell” Concept
- New Program: Customer Training Events
- E-Learning Apps
- Fraunhofer Process Training

Video Ulla Popken

Customer Confidence. End User Confidence. Consumer Confidence.



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RESULTS 2020

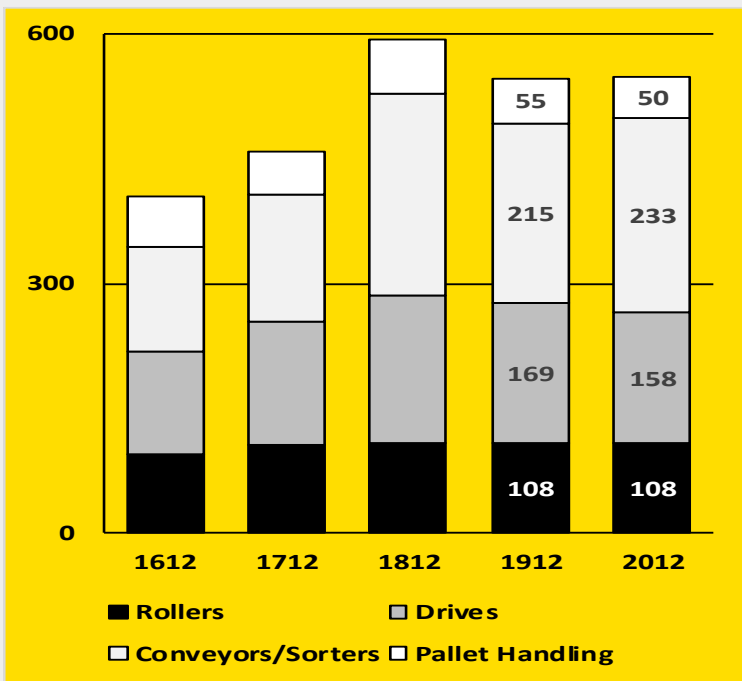
Heinz Hösli
CFO

Order intake: CHF 547.8m (+0.3%)

In local currency: +6.6%



In CHF million



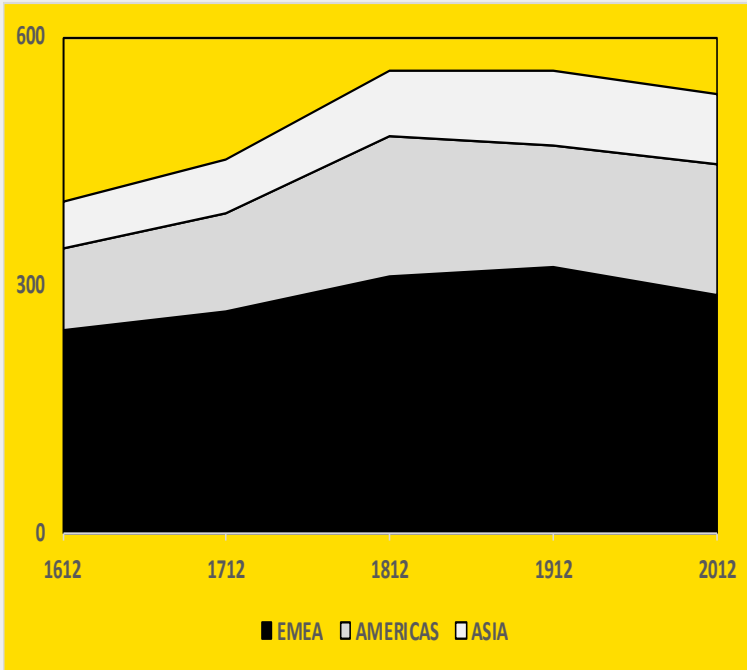
- Rollers: -0.3%
- Drives: -6.9%
- Conveyors & Sorters: +8.5%
- Pallet Handling: -9.2%
- Book-to-bill Ratio: 1.03 (PY: 0.98)

Sales by region: CHF 530.6m (-5.2%)

In local currency: +0.9%



In CHF million



Sales development:

- EMEA: -10.6%
- Americas: +6.1%
- Asia-Pacific: -4.6%



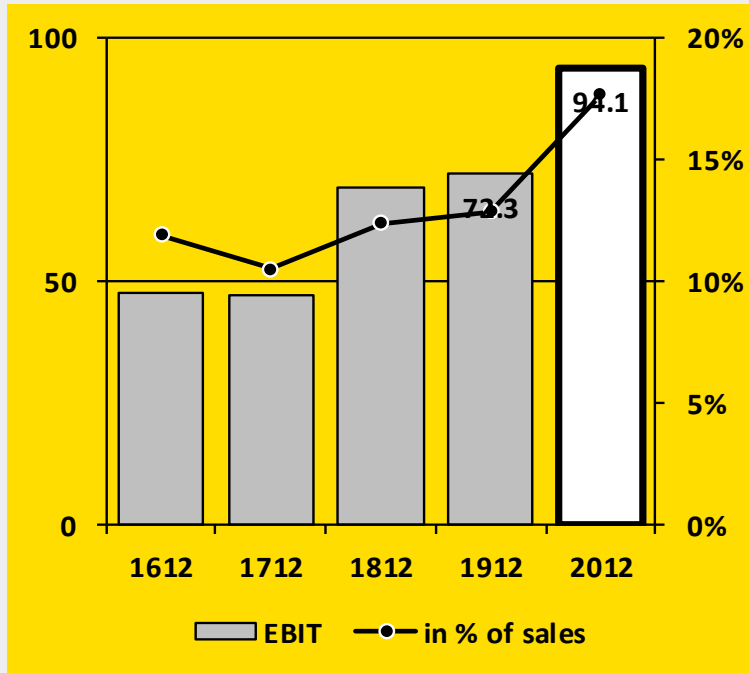
Sales by region:

- EMEA: 54% (PY: 57%)
- Americas: 30% (PY: 27%)
- Asia-Pacific: 16% (PY: 16%)

EBIT: CHF 94.1m (+30.1%)



In CHF million



- ☺ Favorable margin from product mix
- ☺ High cost discipline

EBITDA CHF 115.4m (+20.1%)
In % of sales 21.7% (PY: 17.1%)

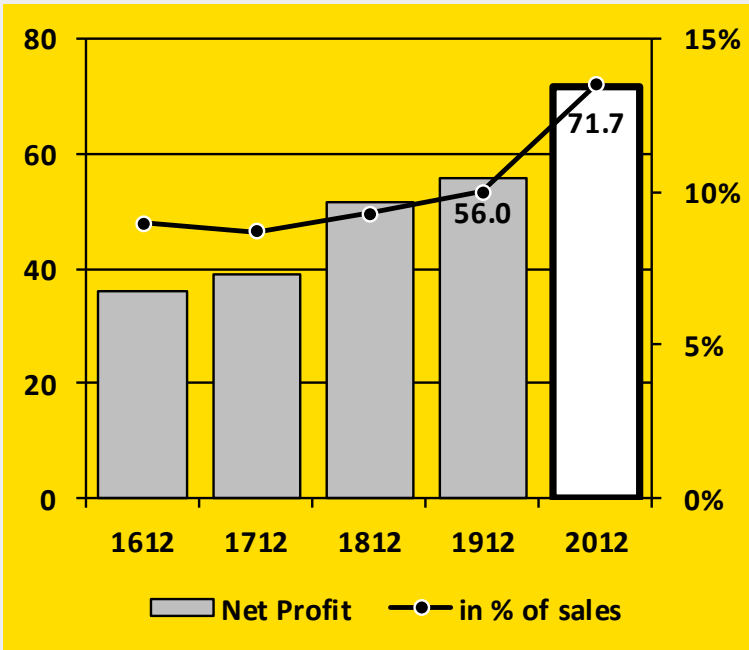
- ☺ Depreciation almost unchanged
- ☺ Amortization lower

EBIT CHF 94.1m (+30.1%)
In % of sales 17.7% (PY: 12.9%)

Result: CHF 71.7m (+28.0%)



In CHF million



- ⚡ Negative financing result from FX currency loss
- ⚡ Slightly higher tax rate

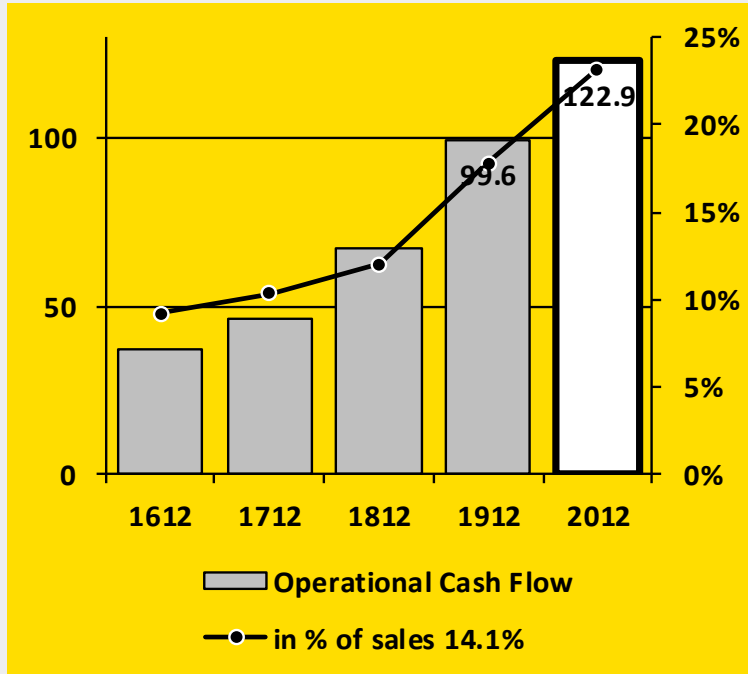
Result CHF 71.7m (+28.0%)

In % of sales 13.5% (PY: 10.0%)

Operating cash flow: CHF 122.9m (+23.4%)



In CHF million



Lower NWC (very high advance payments from customer)

Less income tax

Operating cash flow CHF 122.9m (+23.4%)

In % of sales: 23.2% (PY: 17.8%)

Investments CHF 51.3m (PY: CHF 33.6m)

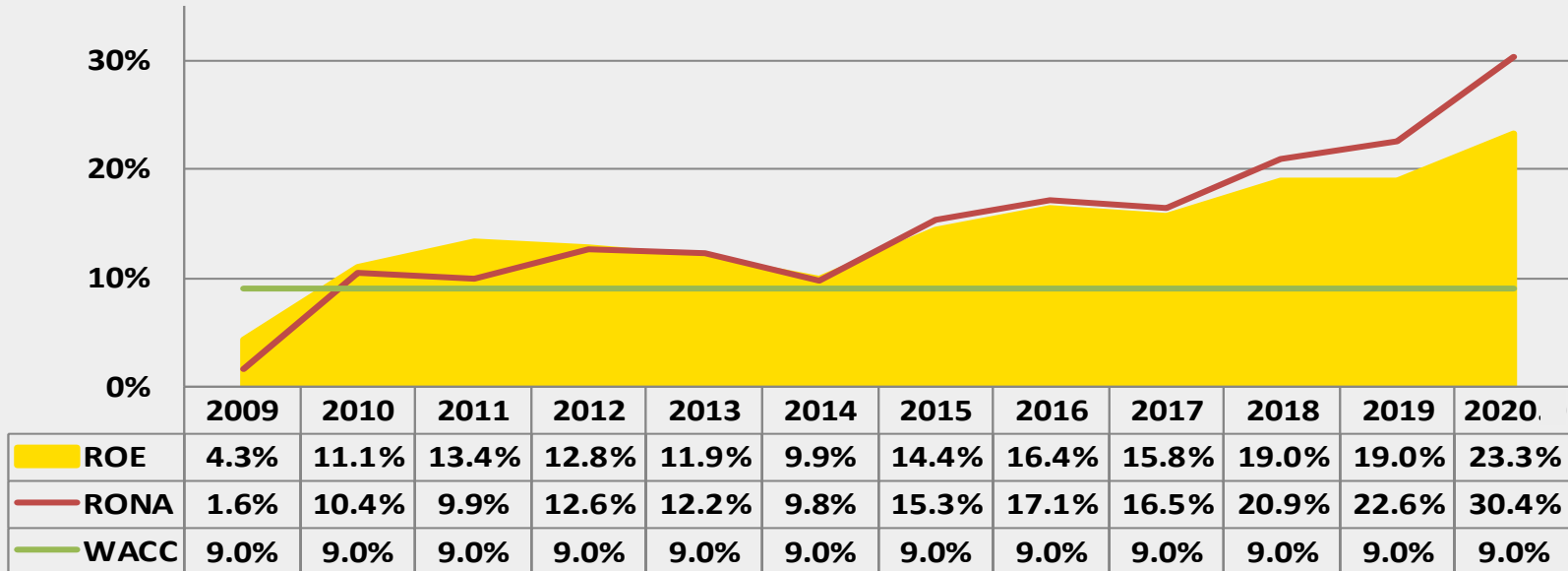
Free cash flow CHF 74.0m (+10.6%)

In % of sales: 13.9% (PY: 12.0%)

Value creation: ROE 23.3% and RONA 30.4%



ROE & RONA vs. WACC of 9%



Strengthening Commitment to Corporate Responsibility



- Long-term commitment to **Environmental, Social, Governance** standards (**ESG**)
- Swiss Stock Exchange SIX selected Interroll to be part of the **SPI ESG & SPI ESG Weighted indexes**, which went live in Feb 2021
- A full **ESG Report** is to be published on FY 2022 (digital, currently preparing roadmap)
- Sustainability report 2020 reflects now also **Sustainable Development Goals (SDGs)** as intermediary step, besides «Report on progress» for **Global Compact**
- The further development of the **Compliance Management System (CMS)** in the entire group ensures Interroll's long-term competitiveness



Global Compact
Network Switzerland



Upcoming General Assembly

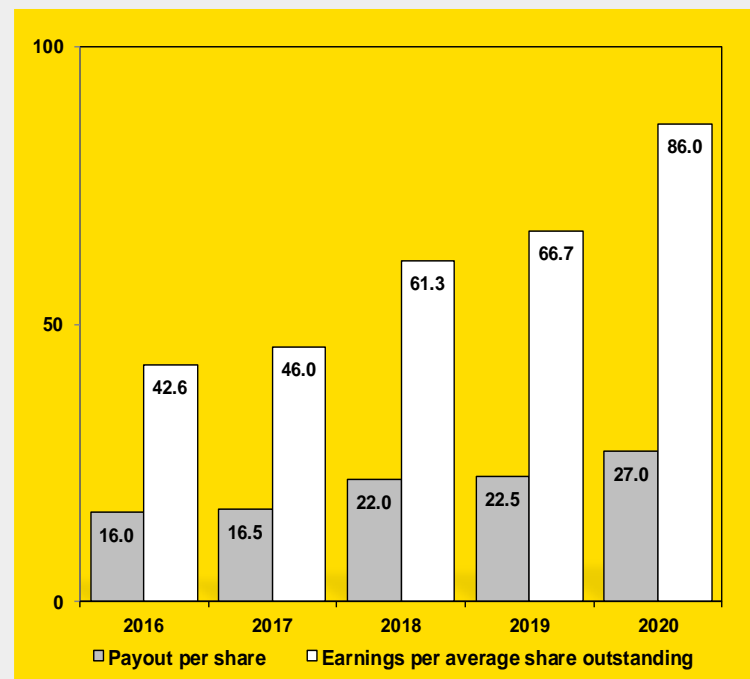
Proposals of the Board of Directors



The Annual General Assembly on May 7, 2021 will receive the following proposals:

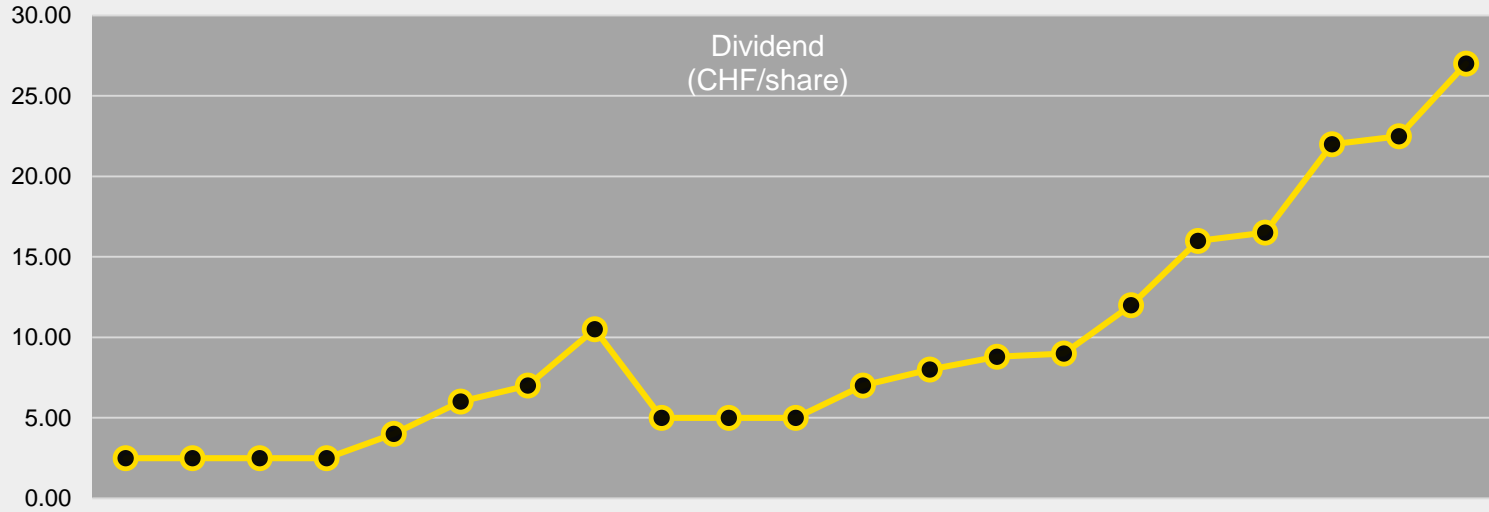
- A dividend of CHF 27.00 per share (+20.0%) (PY: CHF 22.50)
 - The payout ratio reaches 31.4% (PY: 33.7%)
 - Board of Directors (Proposal):
 - Election of Paul Zumbühl as Chairman*
 - Election of Susanne Schreiber
- * Paul Zumbühl acting as active Chairman and Urs Tanner acting as Lead Independent Director

In CHF



Dividend Development

Period from FY 2000-2020



Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Dividend (CHF/share)	2.50	2.50	2.50	2.50	4.00	6.00	7.00	10.50	5.00	5.00	5.00	7.00	8.00	8.80	9.00	12.00	16.00	16.50	22.00	22.50	27.00

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SUMMARY & OUTLOOK

Paul Zumbühl
CEO Interroll Worldwide Group

interroll.com

Outlook 2021

Shaping the evolution of material handling



Thought Leadership: Shaping the evolution of material handling together with users. New opportunities in food and e-commerce.

Innovation & Service: Deepening of our technology platform and decentralized intelligence, expanding local service.

Long-term capacity expansion: New plants in Germany (2021) and China (2022). Investments in digitalization across our production network and service infrastructure.

Investments in employees and qualification.

Outlook 2021:

- Order intake/sales: cautiously optimistic
- Innovation and efficiency programs continue at full speed





Our future CEO: Ingo Steinkrüger

- Previously Chief Executive Officer at thyssenkrupp System Engineering (since 2016)
- Starts as Chief Executive Officer of Interroll Holding on May 1, 2021
- Strategic focus on digitalization and technology platforms as well as customers and business development
- More than 20 years in Mechanical Engineering and System Engineering with strong track record in the Automotive Industry
- German, 48 years old, married, two children



Ensuring strategic continuity

Annual General Meeting (AGM) 2021 to AGM 2023



Chairman of the Board of Directors (BoD)

additional function for two terms of office
as Active Chairman (AGM 2021 to AGM 2023).

Tasks

- Chairing the AGM and external representation
- Leading the BoD
- Preparation and supervision of the execution of BoD resolutions
- Audit as well as strategic support with focus on:
 1. long-term projects; strategic focus on digitalization, innovation, marketing & sales and expansion.
 2. projects in the area of mergers & acquisitions
 3. investor relations

Lead Independent Director

function for two terms of office
(AGM 2021 to AGM 2023).

Tasks

- Ensure strict compliance with the corporate governance guidelines.
- Represent the active Chairman of the Board of Directors in the event of any conflicts of interest.

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Questions

