

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)

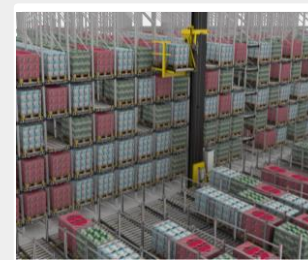
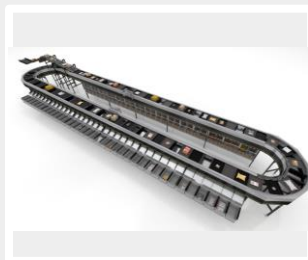
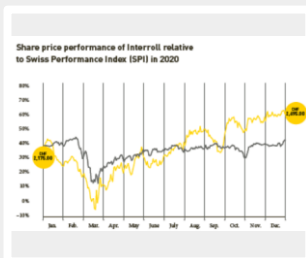
# Agenda



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

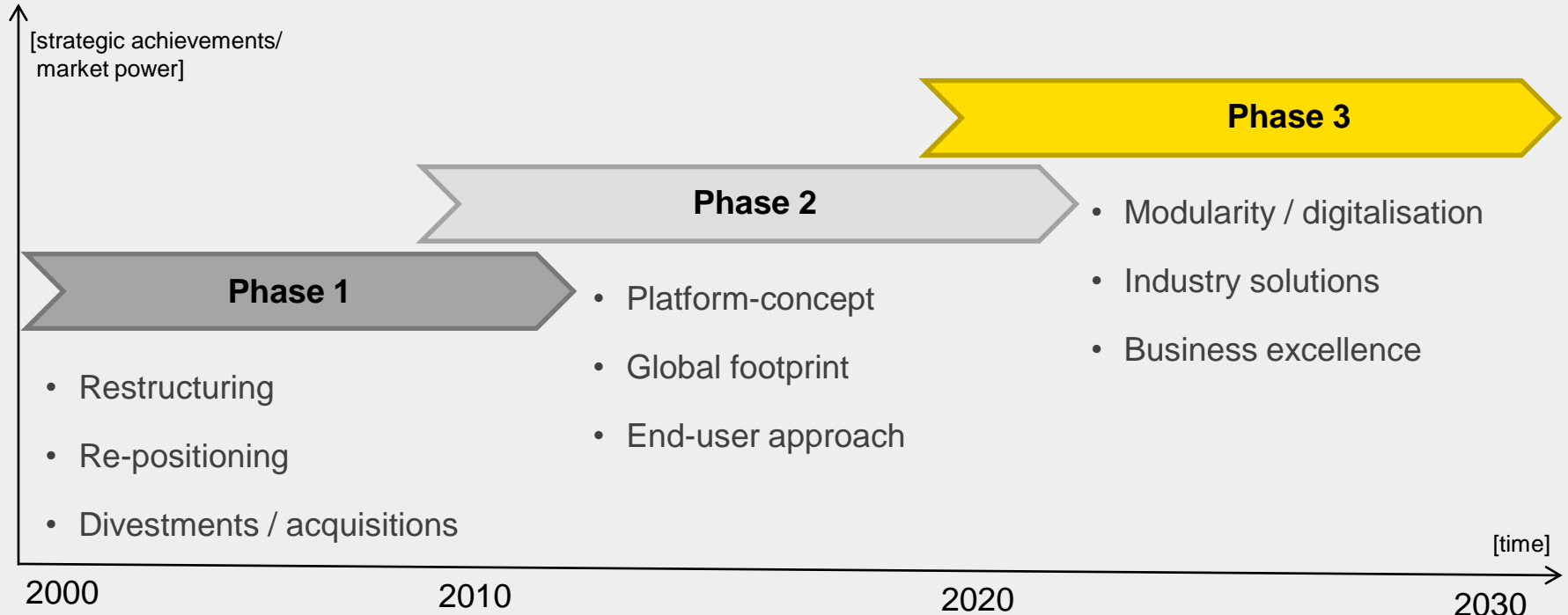
### Innovations

- 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

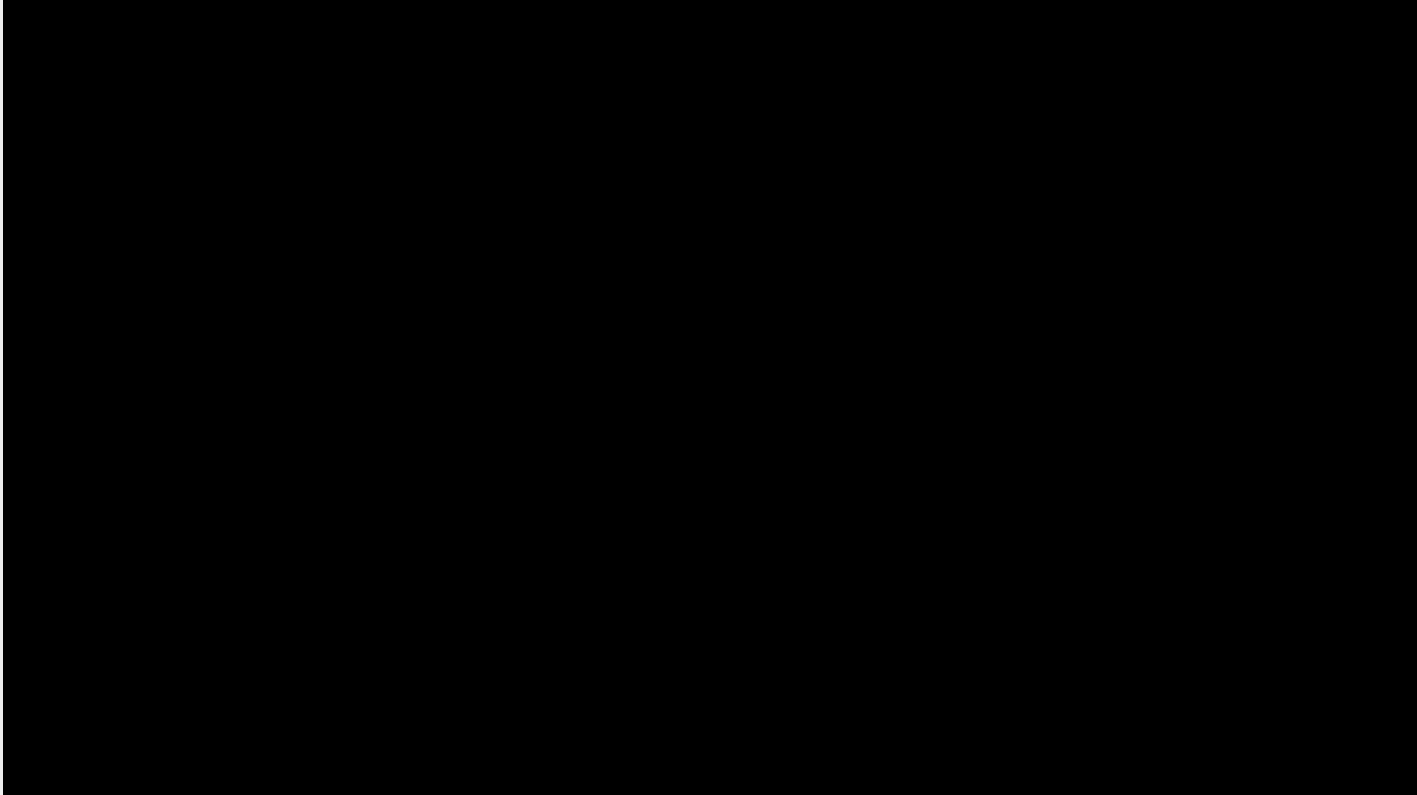
## Customer Comfort

- 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**

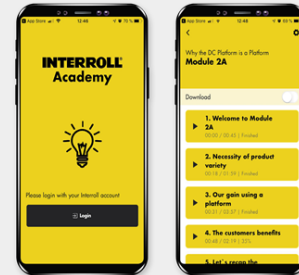


## Recruiting

- 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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## 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

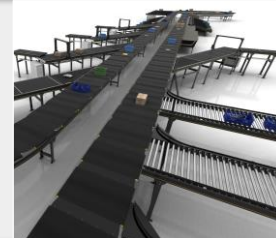


Most relevant markets:

- 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

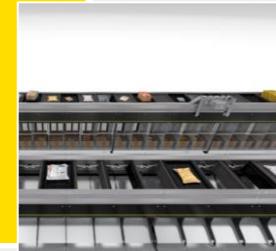


Middle Segment

Most relevant markets:

- Fashion & Textile
- Distribution

**NEW '21**  
Split Tray Sorter

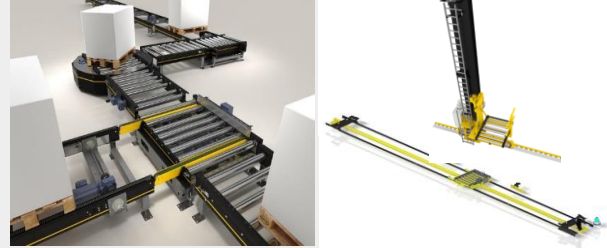
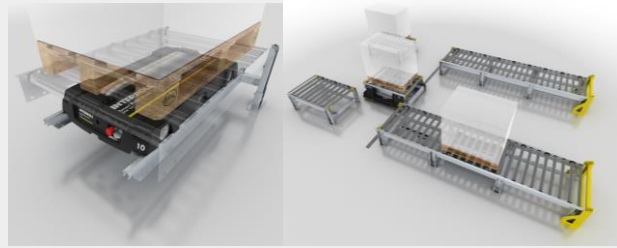


Basic  
segment



# 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](http://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)

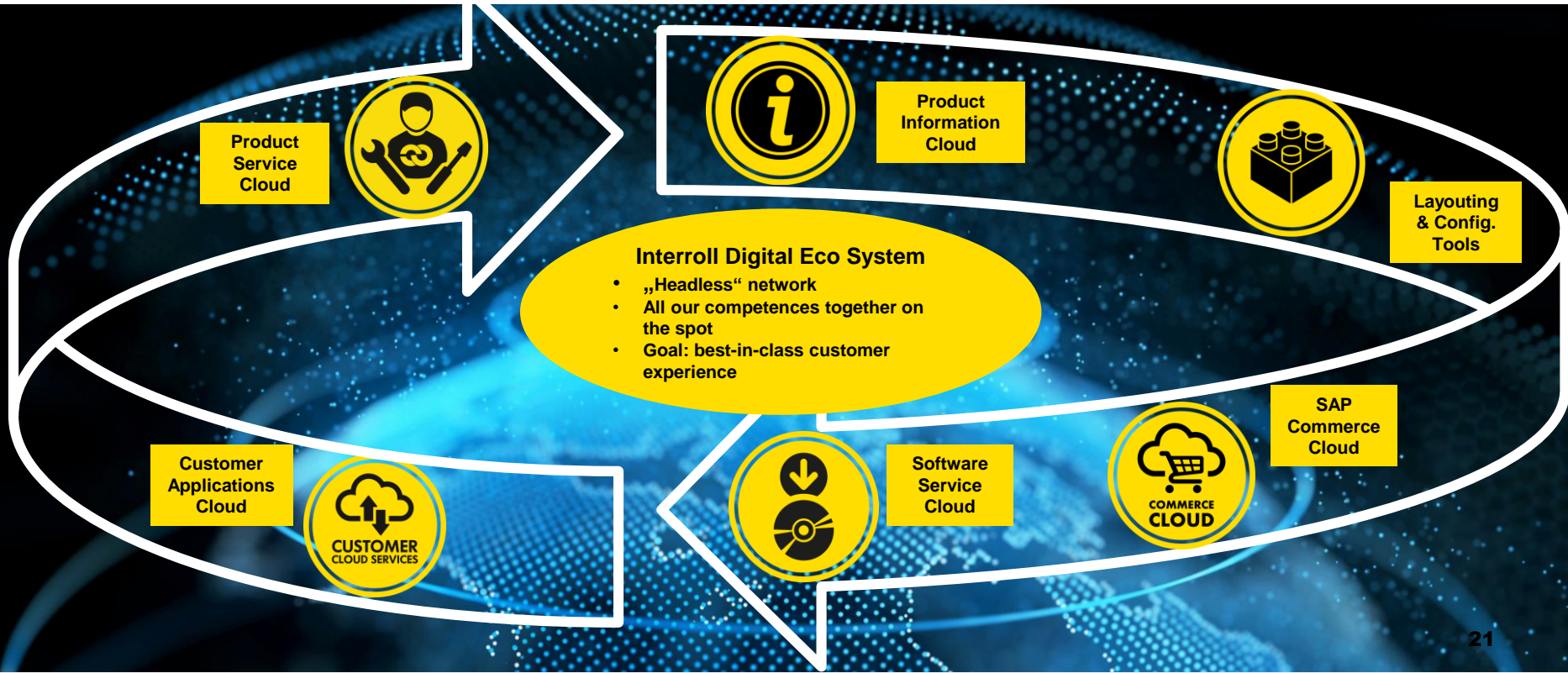
**Order Intake: CHF 49.5 Mio.** (-9.2% vs. LY)

- 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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A photograph of a modern building with a curved glass facade. A large, dark, textured statue of a human figure stands in front of the building. The sun is shining brightly behind the statue, creating a lens flare effect. The sky is a deep blue.

## RESULTS 2020

Heinz Hösli  
CFO

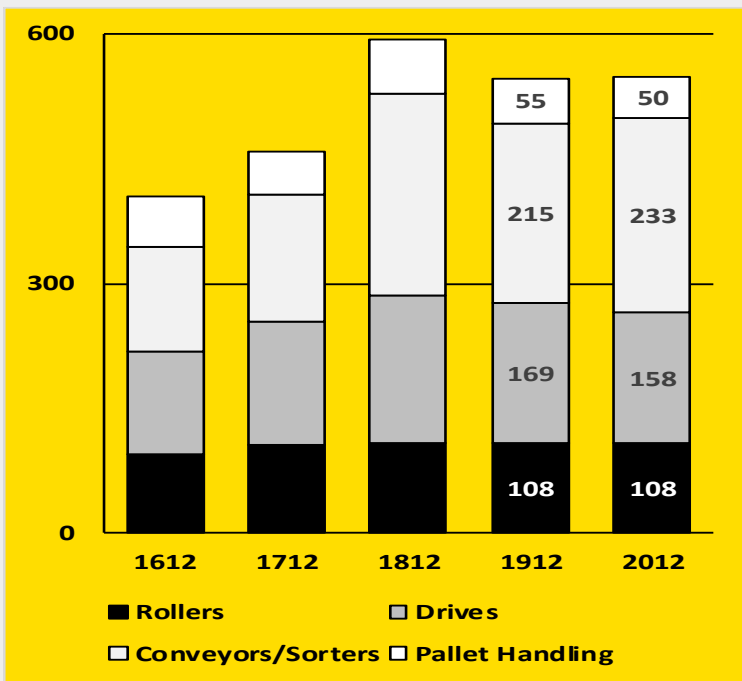


# Order intake: CHF 547.8m (+0.3%)

## In local currency: +6.6%



In CHF million

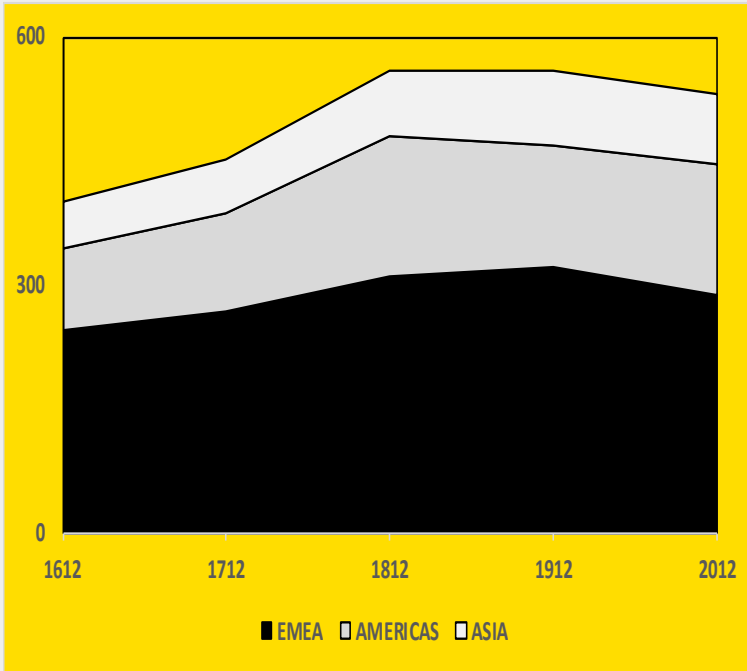


- Rollers: -0.3%
- Drives: -6.9%
- Conveyors & Sorters: +8.5%
- Pallet Handling: -9.2%
- Book-to-bill Ratio: 1.03 (PY: 0.98)

# 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%

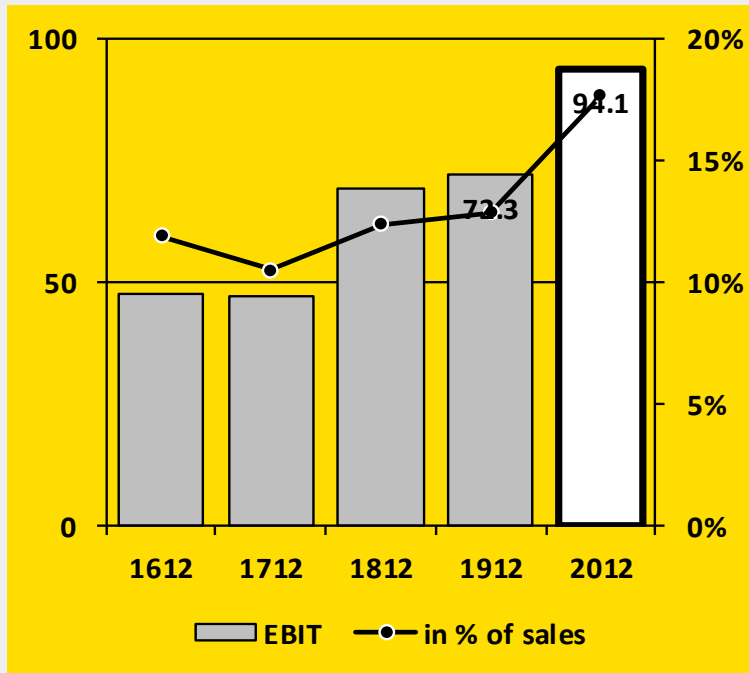
## Sales by region:

- 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%)**

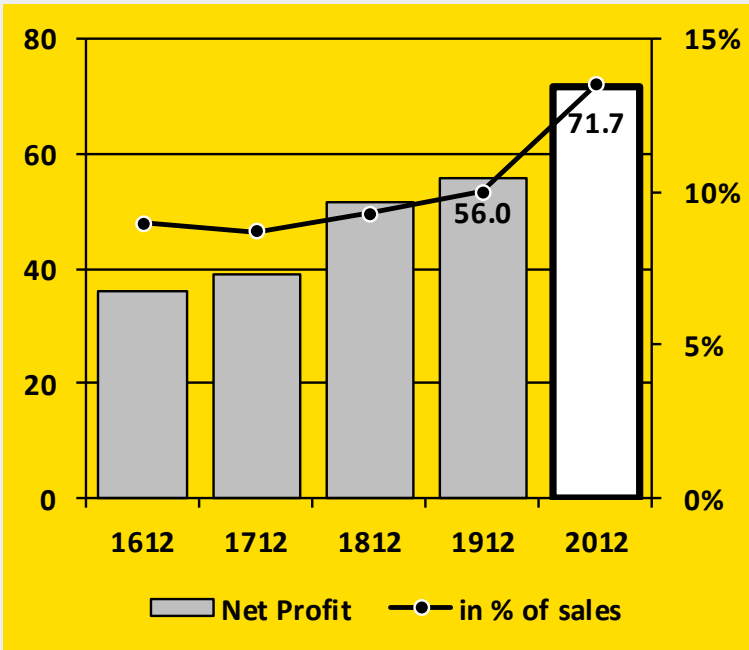
- ☺ Depreciation almost unchanged
- ☺ Amortization lower

**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

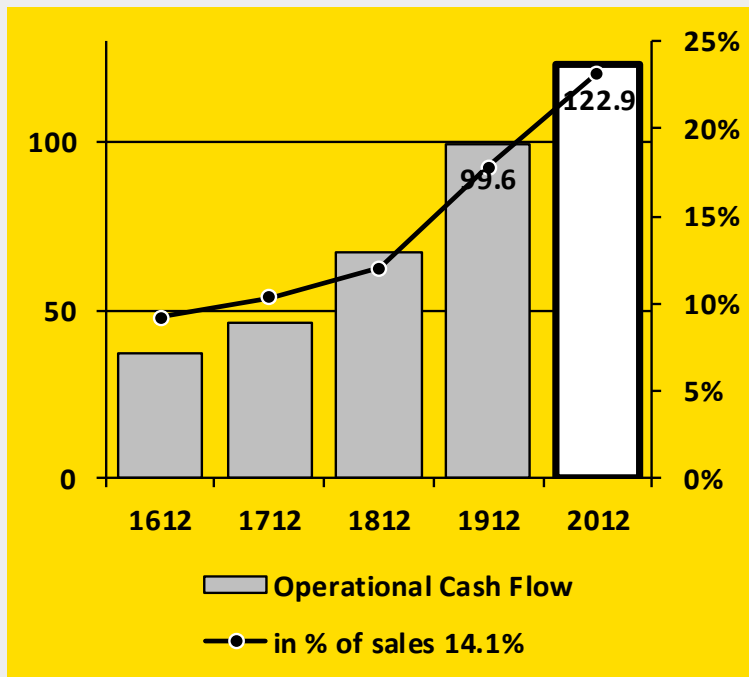
**Result CHF 71.7m (+28.0%)**

**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)

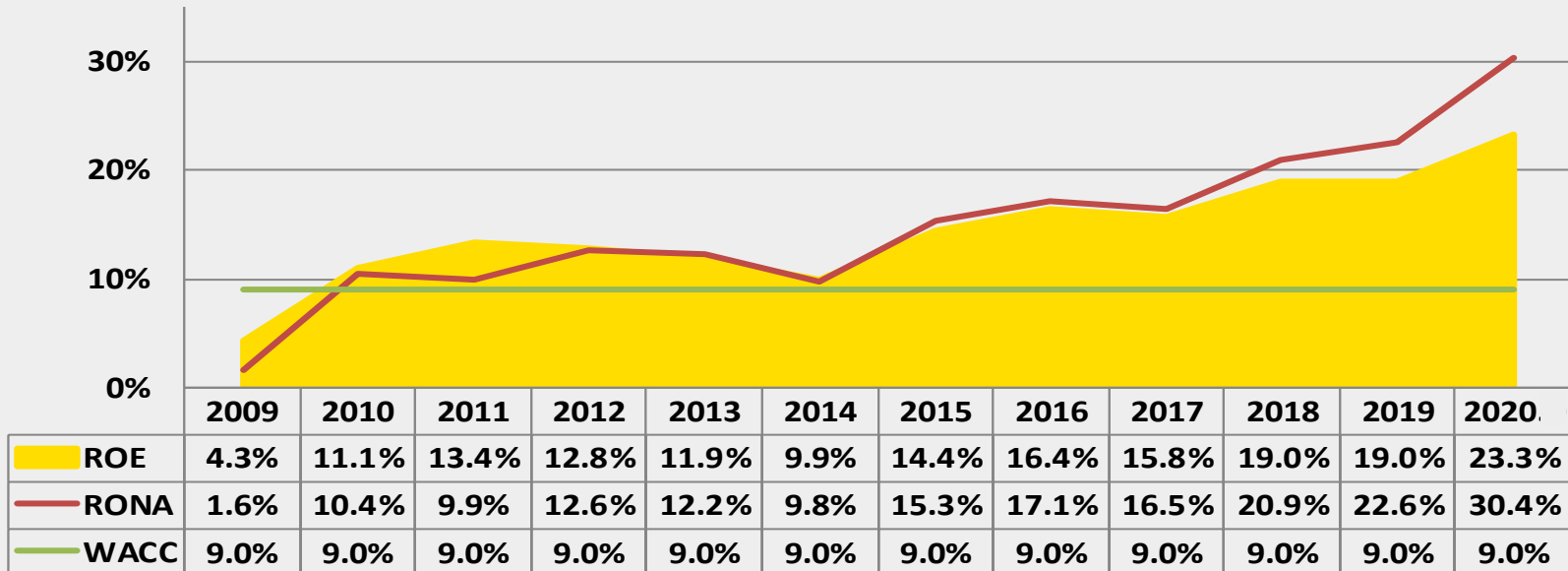
**Free cash flow CHF 74.0m (+10.6%)**

**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

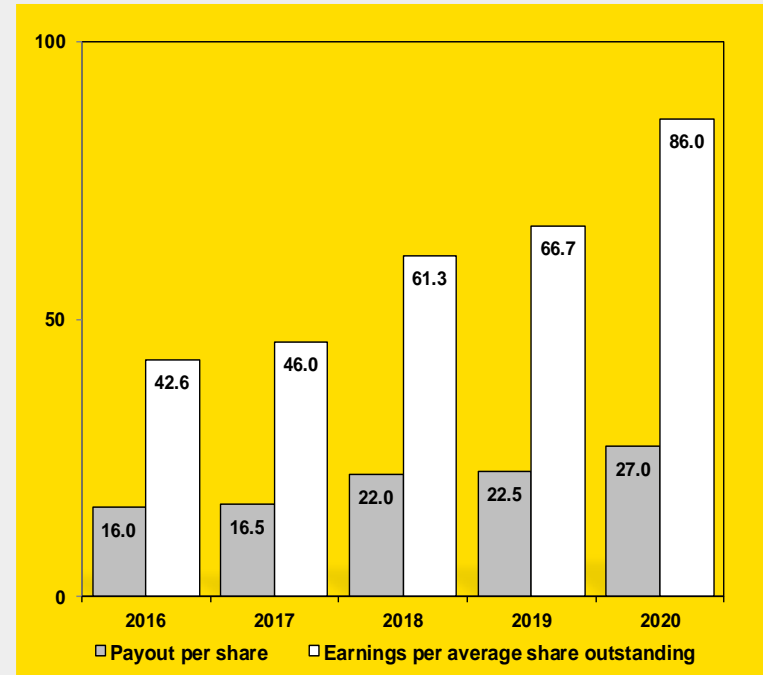
## Proposals of the Board of Directors



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

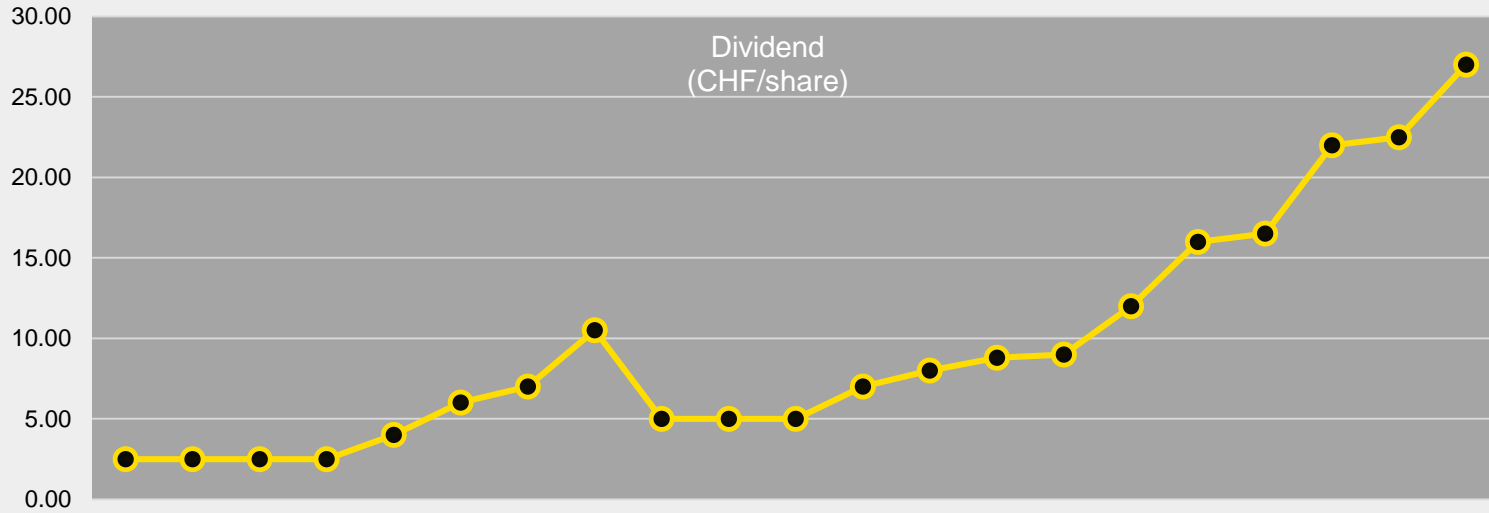
In CHF





# 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](http://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

