

Metall Zug Group

Half-year Report **2022**

Significantly better operating result in first half of 2022

The Metall Zug Group posted net sales of CHF 324.4 million in the first half of 2022 (H1 2021: CHF 302.8 million). This is equivalent to an increase of 7.1 %. The operating result (EBIT) for the first half of 2022 came to CHF 23.5 million (H1 2021: CHF 16.9 million). The financial result amounted to CHF 2.2 million (H1 2021: CHF 12.9 million) and net income stood at CHF 19.1 million (H1 2021: CHF 26.4 million).

Dear Shareholder

The Metall Zug Group generated net sales of CHF 324.4 million in the first half of 2022 (H1 2021: CHF 302.8 million). Taking into account the divestment and acquisition effects of CHF –2.9 million (–1.0%) and the currency effect of CHF –0.7 million (–0.2%), this equates to organic growth of 8.3%. A high order backlog as at December 31, 2021 and the continuously strong order intake in the first half of 2022 led to this growth. However, the challenges on the procurement side, with partially unavailable components, combined with rising raw material, energy and freight prices as well as scarce freight capacities, remained. Political upheavals, high inflation and, in some cases, delays in the impact of sales-side price increases shaped the economic environment of the Metall Zug Group.

EBIT for the reporting period came to CHF 23.5 million and was thus significantly higher than in the same period of the previous year (H1 2021: CHF 16.9 million). EBIT was positively affected above all by the significant rise in the Wire Processing (by CHF 7.0 million) and Medical Devices (by CHF 4.7 million) Business Units compared with the first half of the previous year.

At CHF –13.4 million, cash flow from operating activities was negative in the first half of 2022 (H1 2021: CHF 33.3 million) despite the improved EBIT. This is primarily attributable to the higher inventory, especially for work in progress and materials to ensure production.

The financial result amounted to CHF 2.2 million (H1 2021: CHF 12.9 million) and includes the pro rata net result of the V-ZUG Group, in which Metall Zug holds a stake of around 30%. The net result fell to CHF 19.1 million (H1 2021: CHF 26.4 million).

The net cash position (cash and cash equivalents and securities less short- and long-term financial liabilities) came to CHF 26.4 million as at June 30, 2022. After the distribution of the cash dividend of CHF 17.2 million, the net cash was CHF 51.3 million lower than at December 31, 2021 (CHF 77.7 million). The decrease was mainly the result of higher investments in construction projects, the previously mentioned increase in net working capital and the acquisition of the remaining minority interest in adaptronic Prüftechnik GmbH. The Metall Zug Group has a solid balance sheet, with shareholders' equity of CHF 506.2 million, which translates into an equity ratio of 67.6%.

Infection Control: Delivery Difficulties in Equipment Business Impact Net Sales and EBIT

The Infection Control Business Unit (Belimed Group) generated net sales of CHF 73.1 million, 6.7% less than in the same period of the previous year (H1 2021: CHF 78.3 million). The positive foreign currency impact totaled CHF 0.4 million. The prior-year sales included the service business for Belimed Life Science customers (CHF 6.0 million). At the beginning of this year, the service business was transferred to Belimed Life Science (reporting segment Others). Adjusted for these effects, sales have remained stable compared to the previous year.

The equipment business continues to be affected by supply shortages of important components and a lack of transport capacities. This led to project delays for both Belimed and its customers, and thus to a postponement of planned sales, which resulted in a decline in sales compared to the previous year.

Taking into account the absence of sales from the service business for Belimed Life Science customers, sales in the Service segment developed positively, despite the problematic spare parts situation and the Corona restrictions in China. Sales from "Belimed Prevent" service contracts, which provide customers with long-term service security and lower total cost of ownership (TCO), increased by 18 %.

The consumables business showed a positive trend, especially in the distributor markets and in China. To further strengthen and strategically expand its consumables portfolio, Belimed acquired the company Amity (Barnsley, UK) in July. Amity is a supplier of enzymatic and chemical detergents, primarily for use in the medical devices segment. Amity's products ideally complement Belimed's range and open up new, stable sales channels with strong margin potential.

Order intake in the still small digitalization segment also developed favorably. However, the implementation is facing challenges because hospitals are slow in providing the necessary IT infrastructure for the cloud integration. Belimed is continuously developing the digital solutions it launched last year (SmartHub Orbit and SmartHub 2.0 Connect).

At CHF –4.6 million, EBIT for the first half of 2022 is below the prior-year level (H1 2021: CHF –2.1 million) and includes the positive one-time effect from the release of a provision for a legal case amounting to CHF 1.6 million that was no longer required. The main factor responsible for the decline in EBIT is the decrease in net sales compared with the first half of 2021 as a result of the elimination of the share of sales from the service business for Belimed Life Science customers. In the previous year, the corresponding EBIT contribution was CHF 2.4 million. Higher material and freight costs resulted in lower gross profit margins. Price increases for Belimed's products and services and cost savings in the area of sales & marketing only partially compensated for the additional costs. In the equipment business price increases are having

a delayed effect due to the long lead times of projects. Measures to optimize the supply chain have been implemented and are beginning to take effect.

Medical Devices: Increase in Net Sales and Strong EBIT Growth

In the first half of 2022, the Medical Devices Business Unit (Haag-Streit Group) posted higher year-on-year net sales of CHF 105.9 million (H1 2021: CHF 101.5 million). Adjusted for currency effects of –0.2 % and the effect of the sale of IPRO of –3.7 %, organic growth came to 8.1 %.

At the moment, the situation on the sales markets in Europe and the USA is encouraging. This is reflected not only in the sharp rise in order intake, but also and above all in the higher sales. As in the previous year, diagnostics – and especially the US market – were the main growth drivers. In combination with diagnostic devices, Haag-Streit USA also significantly increased the sale of examination units (instrument tables and chairs).

The global shortage of skilled workers currently presents a challenge. Vacancies are leading to delays in R&D projects and to capacity bottlenecks in production. As a result, customers are sometimes facing longer delivery times.

EBIT came to CHF 18.4 million in the first half year (H1 2021: CHF 13.7 million). Along with the continuing positive development of order intake and sales, Haag-Streit also succeeded in increasing the gross profit margin in the first half of 2022. In addition, EBIT includes an extraordinary contribution from the partial release of a provision for pension benefit obligations at a subsidiary in the United Kingdom amounting to CHF 2.5 million. EBIT for the same reporting period of the previous year also included income of CHF 3.7 million in this context; adjusted for these effects, the resulting increase in EBIT comes to 60.0 %.

Haag-Streit is strategically realigning its Surgical area and will, in the future, focus fully on the core business ophthalmology. The associated reorganization of Haag-Streit Surgical GmbH & Co. KG in Wedel, Germany, which also produced surgical microscopes for use in other areas, is proceeding according to plan. The further development of the current flagship product in microscopy, the Hi-R NEO 900, and the development of the digital microscope are also progressing on schedule.

With the Eyestar 900, Haag-Streit has opened a new chapter in measuring, imaging and diagnosing the human eye. The first software module designed specifically for the Eyestar 900, the “Anterior Chamber Suite”, was launched successfully on the market.

The newly implemented organizational structure is showing first successes in cross-company cooperation.

Wire Processing: Significant Rise in Net Sales and EBIT

Net sales of the Wire Processing Business Unit (Schleuniger Group) stood at CHF 117.0 million after the first six months of 2022 (H1 2021: CHF 98.8 million), which equates to an increase of 18.4 % compared to the same period of the previous year. Adjusted for currency effects of –1.0 % and acquisition effects of 0.8 %, organic growth amounted to 18.6 %.

The significant rise in order intake continued to be driven by the two megatrends of e-mobility (high voltage cables) and self-driving vehicles (data cables). These led to growing customer demand for cables that meet more demanding quality standards regarding the safety of high-voltage applications, higher transfer rates and lower tolerances in data cables, and miniaturization. The sharp increase in quantity of these cables and thus customers’ need for greater automation of their production processes reinforced this trend. But there was also greater demand for standard machines, Schleuniger’s core business. In addition, customers were forced to build up production capacities in other countries within a very short amount of time to replace those in Ukraine, which increased Schleuniger’s order intake.

The tense supply chain situation on the production side remains a challenge for Schleuniger when it comes to processing the high order backlog. Schleuniger has invested heavily in the net working capital, especially regarding inventory, in order to increase the availability of electronic and other strategic components and thus better meet customer needs.

At CHF 13.7 million, EBIT rose significantly compared with the same period of the previous year (CHF 6.7 million). This is due not only to the higher net sales, but also to the favorable product mix, which led to more attractive gross profit margins thanks to the higher-than-average share of sales generated with standard machines and in the field of testing. Lower functional costs in marketing and administration also had a positive effect on the result.

On the product side, Schleuniger won this year’s iF Design Award, one of the most prestigious design prizes in the world, in the “Industry/Tools” category with its Transfer Line Family S50. The modular and scalable system features numerous innovations such as improvements in assembly ergonomics, accessibility to the machine, the tool carrier concept with insertion and removal mechanisms, and the user interface, to name just a few.

In the context of the quasi-merger between the Schleuniger Group and the Komax Group, on April 13, 2022 the General Meeting of Shareholders of Komax Holding AG approved the capital increase required to create 1 283 333 new shares for allocation to Metall Zug AG. In the future, Metall Zug AG will hold a 25 % stake in Komax Holding AG. The clearances of the relevant competition authorities have been granted, so that the closing of the merger is planned for August 30, 2022.

Technology Cluster & Infrastructure: Development of Tech Cluster Zug Gathers Speed

The Technology Cluster & Infrastructure Business Unit’s EBIT came to CHF 1.0 million in the first half of 2022 and was thus higher than in the same period of the previous year (H1 2021: CHF 0.4 million). This is mainly due to lower costs for building pollutant and ground remediation work.

The development of ongoing projects at the Tech Cluster Zug remains highly dynamic. For example, the Mobility Hub Zug Nord, with 595 parking spaces and commercial premises on the ground floor, has passed its final building inspection and been handed over to the tenants. The official opening took place in June as part of a neighborhood party. All the commercial spaces are rented and fully occupied.

'Semiramis', the living, 25m-tall sculpture consisting of five wooden bowls planted with trees and vegetation that was built at ETH Zurich by robots, has also been completed and was presented in July as part of a vernissage.

Interior work for Westhive, a provider of flexible workspaces, in the former V-ZUG spare parts warehouse was finalized. The premises including the basic and tenant fit-out were handed over to Westhive at the beginning of August. The official opening of the more than 2000 square meters of office space is scheduled for September 1, 2022.

The Multi Energy Hub should start operating in the fall. Solar energy, waste heat, groundwater and lake water are to be used as sources of energy. This will ensure that the entire Tech Cluster Zug site, including other third-party customers connected by then, will be supplied with CO₂-neutral heating, cooling, electricity, communications and infrastructure for electromobility for the 2022/2023 heating period.

CreaTower I on the Tech Cluster Zug site is intended to serve as the headquarters of VZ Depository Bank. The latter means to acquire the building on completion either as a core and shell or fully fitted out. The design competition has been held, and the project submitted by Gigon Guyer selected. A special vaulted ceiling technique should reduce the concrete required by one-third. The building is expected to be completed in 2026.

SHL Medical AG is to take up residence in the SHL-Südtor building as its new headquarters from the end of 2025/beginning of 2026, when SHL Medical will also start producing there. The originally proposed pure timber construction has been adapted to the changed requirements and replaced by a hybrid wood and concrete construction. In order to meet the ambitious deadline targets, initial preparatory work for the construction site facilities, demolition and remediation will begin in November 2022. Building work is scheduled to start in September 2023.

H2@MZ

The newly founded Association for the Decarbonization of Industry will forge ahead with an innovative hydrogen project on the Tech Cluster Zug site. In addition to Metall Zug AG and Tech Cluster Zug AG, members include the Federal Laboratory for Materials Testing and Research (EMPA) and well-known companies such as AMAG, AVAG, Holcim, Partners Group, Siemens, Sika, VZ Depository Bank and V-ZUG.

The association's members have promised to invest more than CHF 8 million in financial support and own contribution for the research project in order to develop novel approaches to the industrial production of hydrogen. This will involve the process of pyrolysis, in which methane (from biogas or natural gas) is heated at elevated temperatures in a reactor and split into hydrogen and carbon. In contrast to previous methods of industrial hydrogen production, this does not produce CO₂ as a by-product, but solid (powdered) carbon, which is to be used as a potential resource in construction and agriculture. The process is currently still at the prototype stage but, by acting as a demonstrator, this project is intended to give it a boost toward becoming the industry standard. In this way, resolute action is being taken to decarbonize high-temperature industrial processes, the third-largest consumer of energy, in a large number of industrial companies.

In addition to the use of pyrolytically generated hydrogen as fuel for the nearby high-temperature industrial processes, the propulsion systems in transport vehicles will also be decarbonized in a separate project on the Tech Cluster Zug site. This requires high-purity hydrogen, which is to be produced from renewable electricity using the electrolysis process. Both plants are scheduled to start operation in 2024.

Reporting Segment Others

Belimed Life Science, Gehrig Group AG and Corporate (i.e. Metall Zug AG) are grouped together in the Others reporting segment. The reporting segment posted net sales of CHF 33.8 million in the first half of 2022 (H1 2021: CHF 27.9 million) and EBIT of CHF –5.0 million (H1 2021: CHF –1.8 million).

Belimed Life Science posted a significantly higher order intake in the first half of 2022. Despite this pleasing order intake and additional sales from the transfer of the service business for Life Science customers, net sales in the first half of 2022 were below expectations but above the previous year. The poor availability of mechanical and electronic components as well as raw materials also had a negative impact on the completion of systems at Belimed Life Science. Resource bottlenecks in engineering additionally led to delayed approvals, which exacerbated the negative impact under the current procurement situation. However, there were also delays on the customer side. Consequently, the majority of projects cannot be delivered and invoiced until the second half of 2022. The high-margin retrofit business is also adversely affected by the prevailing circumstances. Due to the low level of sales, the increased costs associated with establishing the service organization and the procurement problem previously referred to, EBIT was in negative territory in the first half of the year despite the first contribution from the service business. Personnel measures have been taken to offset the workload peaks in the second half of 2022 and increase output. Belimed Life Science had to respond to the rising costs with price increases.

At Gehrig Group AG, which offers solutions for professional kitchens in the hotel and catering industry and in hospitals, the first two months of 2022 were still marked by the restrictive COVID-19-related measures in Switzerland. An increased customer frequency was observed in hotels and restaurants from March onward once all the restrictions were lifted. This resulted in higher net sales compared to the prior-year period. Moreover, Gehrig was able to almost double the sales in its core business “washing” and to expand its chemicals business. Despite a more favorable sales trend, EBIT failed to enter the profit zone. High costs for the development of new products and services were among the reasons for this. Purchase price increases were passed on to customers as far as possible.

Strong Industrial Group with Leading Positions in Attractive Markets

Metall Zug holds an interesting portfolio of technologically strong companies with above-average growth and value added potential, and following completion of the quasi-merger of Schleuniger and Komax it will essentially be active in the medical technology market. Through Haag-Streit, Belimed Infection Control and Belimed Life Science, Metall Zug is very well positioned in the relevant market segments with strong brands, leading products and services, strong customer relations and opportunities regarding digital businesses and processes.

The Tech Cluster Zug, a site of around 60000m², also provides Metall Zug with a strong cornerstone in the city of Zug. Metall Zug aims to leverage its development potential over the next few years through innovative and sustainable real estate and infrastructure projects.

Thanks to its strategic shareholding of around 30% in V-ZUG Holding AG, Metall Zug additionally benefits from the potential of V-ZUG. The merger of Schleuniger and Komax, which was announced on February 9, 2022, marks a further milestone in implementing this strategy. As anchor shareholder, Metall Zug intends to hold its 25% stake as a long-term investment and to participate in the further performance of the merged company.

Based on the results in the first half of 2022 and the high order backlog, we expect business to develop well in the second half of the year, provided that the economic and political environment relevant to the Metall Zug Group does not deteriorate. It should be noted that the Schleuniger Group is expected to be fully consolidated in the consolidated financial statements of the Metall Zug Group by August 31, 2022. As of September 1, 2022, Metall Zug AG's share in the net result of the Komax Group will be disclosed in the financial result.

Martin Wipfli
Chairman of the Board of Directors

Consolidated Income Statement

in CHF 1000	H1 2022	H1 2021
Net sales	324445	302833
Cost of goods and services sold	-203845	-189364
Gross profit	120600	113469
<i>in % of net sales</i>	37.2%	37.5%
Marketing and sales expenses	-39916	-38820
Research and development expenses	-30085	-28654
Administration expenses	-34647	-35226
Other operating income	7897	6267
Other operating expenses	-348	-117
Operating result (EBIT)	23501	16919
<i>in % of net sales</i>	7.2%	5.6%
Financial income	5104	4495
Financial expenses	-4574	-4427
Result of associated companies	1677	12862
Financial result	2207	12930
Result before taxes	25708	29849
Taxes	-6628	-3447
Net result¹⁾	19080	26402
<i>in % of net sales</i>	5.9%	8.7%
Net result attributable to:		
– Shareholders of Metall Zug AG	14719	22292
– Non-controlling interest holders	4361	4110
Net result per type A registered share (in CHF)	3.28	4.97
Net result per type B registered share (in CHF)	32.84	49.73
Employees (FTE)	3410	3248 ²⁾

¹⁾ In contrast to the report of the same period of the previous year, the Net result is shown including minority interests. The net result attributable to minority interests and to the shareholders of Metall Zug AG is newly shown as additional information.

²⁾ The full-time equivalent number of employees (FTE) includes temporary impacts due to short-time work and further personnel measures due to COVID-19.

Consolidated Balance Sheet

Assets

in CHF 1000	06.30.2022	12.31.2021
Cash and cash equivalents	49398	81548
Securities	852	295
Trade receivables	106435	111072
Other receivables	21100	16339
Inventories	204459	152771
Assets for sale, under construction	13959	9977
Prepaid expenses	12260	6857
Current assets	408463	378859
Land	2463	2348
Land and buildings	143582	122759
Plant and equipment	14449	15051
Prepayments and assets under construction	9872	27127
Other tangible assets	8047	8065
Tangible assets	178413	175350
Associated companies	137467	135820
Employer's contribution reserves	9	0
Other financial assets	12207	11610
Financial assets	149683	147430
Software	12451	13979
Other intangible assets	10	10
Intangible assets	12461	13989
Fixed assets	340557	336769
Total assets	749020	715628

Liabilities and Shareholders' Equity

in CHF 1000	06.30.2022	12.31.2021
Current financial liabilities	20495	363
Trade payables	27519	29176
Other current liabilities	78568	57377
Accrued liabilities	66292	53438
Current provisions	17290	21136
Current liabilities	210164	161490
Long-term financial liabilities	3383	3804
Other long-term liabilities	7470	7714
Long-term provisions	21779	26430
Non-current liabilities	32632	37948
Total liabilities	242796	199438
Share capital	11250	11250
Capital reserves	349003	349003
Treasury shares	-6027	-6027
Retained earnings	89567	96718
Non-controlling interest	62431	65246
Shareholders' equity	506224	516190
in % of total assets (equity ratio)	67.6 %	72.1 %
Total liabilities and shareholders' equity	749020	715628

Consolidated Statement of Cash Flows

in CHF 1000	H1 2022	H1 2021
Net result	19080	26402
Financial result, net (excluding result of associated companies)	-530	-68
Result of associated companies	-1 677	-12 862
Loss/Income from sale of fixed assets	88	-38
Depreciation and amortization	8 497	8 607
Net changes in provisions	-7 483	-5 235
Taxes	6 628	3 447
Other non-cash items ¹⁾	2 134	-1 479
Change in trade receivables	6 145	3 121
Change in other receivables and prepaid expenses	-9 906	-3 436
Change in inventories	-54 876	-21 894
Change in trade payables	-2 162	5 681
Change in other current liabilities and accrued expenses	26 123	33 150
Interest paid	-41	-58
Taxes paid	-5 445	-2 079
Cash flow from operating activities	-13 425	33 259
Investments in tangible assets ²⁾	-12 885	-10 880
Investments in financial assets	-109	-50
Investments in intangible assets	-887	-910
Investments in Group companies, net of cash acquired ³⁾	-7 740	0
Disposals of tangible assets	165	1 565
Disposals of financial assets	470	450
Disposals of intangible assets	0	1
Interest received	13	17
Dividends received	36	0
Cash flow from investing activities	-20 937	-9 807
Repayment of financial liabilities	-376	-140
Dividend to shareholders of Metall Zug AG	-13 448	-7 621
Dividends to non-controlling interest holders	-3 787	-216
Cash flow from financing activities	-17 611	-7 977
Currency translation effects	-309	2 659
Change in "Net cash and cash equivalents"	-52 282	18 134

¹⁾ As in the previous year, Other non-cash items mainly relate to the change in inventory and trade receivable valuation allowances.

²⁾ Investments in tangible assets in the first half-year 2022 include investments in Assets for sale, under construction, in the amount of TCHF 1 462.

³⁾ The position Investments in Group companies, net of cash acquired, of the first half-year 2022 results from the acquisition of the remaining non-controlling interests of 40% in adaptronic Prüftechnik GmbH, Wertheim (DE). As of June 30, 2022, a purchase price obligation in the amount of TCHF 3 906 exists that has not yet had an effect on liquidity.

Changes in Shareholders' Equity

in CHF 1 000	Share Capital	Capital Reserves	Treasury Shares	Retained Earnings	Goodwill Offset ¹⁾	Accumulated Currency Translation Differences	Total Retained Earnings	Total Equity excl. Non-controlling Interests	Non-controlling Interests	Equity
Balance on 01.01.2021	11250	349004	-6027	491952	-414214	-13719	64019	418246	64648	482894
Cash dividend				-7621			-7621	-7621	-216	-7837
Currency translation effects				-683		4072	3389	3389	578	3967
Net income				22292			22292	22292	4110	26402
Balance on 06.30.2021	11250	349004	-6027	505940	-414214	-9647	82079	436306	69120	505426
Balance on 01.01.2022	11250	349003	-6027	525775	-416380	-12677	96718	450944	65246	516190
Cash dividend				-13448			-13448	-13448	-3787	-17235
Purchase of non-controlling interests				-7777		-417	-8194	-8194	-3452	-11646
Other				11			11	11		11
Currency translation effects						-239	-239	-239	63	-176
Net income				14719			14719	14719	4361	19080
Balance on 06.30.2022	11250	349003	-6027	519280	-416380	-13333	89567	443793	62431	506224

¹⁾ Goodwill Offset contains the goodwill allocated to the shareholders of Metall Zug AG, which was offset directly against equity. The goodwill allocated to and included in non-controlling interests amounts to TCHF 3678 as of June 30, 2022, which is unchanged compared to December 31, 2021 (June 30, 2021: TCHF 4594).

Segment Information

By Business Unit

in CHF 1 000	Net Sales		Operating Result (EBIT)		EBIT in % of Net Sales	
	H1 2022	H1 2021	H1 2022	H1 2021	H1 2022	H1 2021
Infection Control	73094	78345	-4631 ¹⁾	-2110	-6.3%	-2.7%
Wire Processing	116973	98819	13678	6707	11.7%	6.8%
Medical Devices	105865	101481	18428 ²⁾	13682 ²⁾	17.4%	13.5%
Technologycluster & Infrastructure	-	-	1009	405	N/A	N/A
Others	33778	27871	-5023	-1765	-14.9%	-6.3%
Consolidation	-5265	-3683	40	-	-0.8%	N/A
Total	324445	302833	23501	16919	7.2%	5.6%

¹⁾ The H1 2022 reporting period contains the dissolution of a provision for a legal claim in the amount of TCHF 1586.

²⁾ The H1 2022 reporting period contains the partial dissolution of a provision for pension benefit obligations of a subsidiary in the United Kingdom in the amount of TCHF 2450 (prior-year period: dissolution of TCHF 3693). For both the current and previous period, a reassessment of the provision was performed due to changes in the economic environment.

Notes

General

The Metall Zug Group's unaudited interim financial statements as at June 30, 2022, were prepared in compliance with Swiss GAAP FER 31 and on the basis of historical cost (acquisition cost or production cost) or actual values. These interim consolidated financial statements do not include all the disclosures in the annual consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements as at December 31, 2021. The consolidated interim financial statements were approved by the Board of Directors on August 9, 2022.

The exchange rate at the balance sheet date is uniformly applied to balance sheets while the average exchange rate during the period under review is used for income statements. The principles of consolidation and valuation are unchanged compared with the previous year. This half-year report is published in German and English. In case of discrepancies between the two versions, the German version shall prevail.

Seasonality

Seasonal impacts vary amongst the Business Units. All Business Units used to have slightly stronger second half-years regarding net sales in the past years. Net sales of the Infection Control Business Unit were clearly higher in the second half-year in some years. The portion of net sales realized in the first half-years 2021 compared to the full year 2021 was 43 % in the Infection Control Business Unit (2020: 44 %), 48 % in the Wire Processing Business Unit (2020: 44 %) and 47 % in the Medical Devices Business Unit (2020: 45 %). The seasonality of the reporting segment Others was at 41 % for 2021 (2020: 42 %). In 2020 and 2021, seasonality was additionally influenced by the effect of the Corona crisis. The seasonality of the Technologycluster & Infrastructure Business Unit is not material.

Changes to the Scope of Consolidation

On January 4, 2022, Schleuniger GmbH, Radevormwald (DE), acquired the remaining 40 % non-controlling interest in adaptronic Prüftechnik GmbH, Wertheim (DE) for a purchase price of TCHF 11 646, of which TCHF 3 906 were unpaid as of June 30, 2022. Since then, the Metall Zug Group has held 100 % of the shares in adaptronic Prüftechnik GmbH.

Explanations to the Financial Report

The following is an explanation of significant matters that occurred in the reporting period.

Result of Associated Companies

As the V-ZUG Group's financial data for 2021 were not yet available at the time the consolidated financial statements as at December 31, 2021 were prepared, Metall Zug AG's share of V-ZUG Group's net profit was estimated at TCHF 16 242 based on the latest publicly available information at that time. According to the 2021 annual report of V-ZUG Holding AG, which has been published in the meantime, Metall Zug AG's effective share in the net profit of the V-ZUG Group amounted to TCHF 16 778. The difference of TCHF 536 was recognized in the income statement in the first half of 2022. In addition, proportional equity postings of V-ZUG Holding AG of TCHF -33, which did not affect the income statement, were recognized as changes in equity in the consolidated financial statements of Metall Zug AG.

The share of V-ZUG Holding AG's net profit for the first half of 2022 amounts to TCHF 1 141 and is based on the half-year financial statements published on July 22, 2022. The proportional equity postings of V-ZUG Holding AG, which did not affect the income statement, amount to TCHF 44.

Events After the Balance Sheet Date

Metall Zug AG and Komax Holding AG signed an agreement on February 8, 2022, under which the Metall Zug Group will merge its Wire Processing Business Unit (the Schleuniger Group) into the Komax Group in exchange for a participation of 25 % in Komax Holding AG. The transaction will be carried out through a 'quasi-merger' in which Komax Holding AG will issue new shares in the course of a capital increase and allocate these to Metall Zug AG in exchange for the shares of Schleuniger AG. The Annual General Meeting of Komax Holding AG approved the relevant proposals on April 13, 2022. The clearances of the relevant competition authorities have been granted, so that the closing of the merger is planned for August 30, 2022.

Belimed AG, Zug, which belongs to the Metall Zug Group, acquired Amity Ltd., Barnsley (UK), a manufacturer of specialty chemicals and detergents, on July 13, 2022. Amity Ltd. generated sales of TCHF 5 678 in the financial year ended April 30, 2022.

There were no further events between June 30, 2022, and the publication of the half-year report on August 11, 2022, that would need to be disclosed under this heading.

