



Ad hoc disclosure: *Half-Year Report 2019*

Increased sales revenue and profits for Interroll

Sant'Antonino, Switzerland, August 5, 2019. In the first half of 2019, conveyor system specialist Interroll once again recorded strong growth in sales revenue of 8.4 percent (+10.4 percent in local currencies) and a disproportionately strong increase in operating result (EBIT) of 23.3 percent.

- Order intake was CHF 299.0 million (-7.9%), following record growth in the same period of the previous year.
- Net sales revenues climbed to a record level of CHF 260.8 million (+8.4%), driven by the Americas and Europe, the Middle East and Africa (EMEA) regions.
- Two product groups enjoyed particularly strong growth in the first half of 2019: Conveyors & Sorters (+17.5%) and Rollers (+7.3%).
- EBIT was CHF 31.2 million (+23.3%), while net profit was CHF 23.1 million (+24.2%).
- Operative cash flow increased by 29.9% to CHF 40.6 million (previous year: CHF 31.2 million), while free cash flow even rose by 62.6% to CHF 29.2 million (previous year: CHF 18.0 million).

Boosted by a particularly strong first quarter in 2019, net sales revenue increased by +8.4% compared to the previous year to a new high of CHF 260.8 million in the first six months of 2019 (+10.4% in local currencies).

Interroll managed to once again disproportionately increase the EBIT by 23.3% compared to the half-year value for 2018. In addition to the net sales revenue growth, high discipline regarding costs and investment also contributed to this.

At CHF 299.0 million, the orders intake was 7.9% below the previous year's record levels in 2018 (-6.0% in local currencies). Large orders received in the previous year were virtually fully replaced in the first half of 2019.

"In the first half of 2019, Interroll was able to drastically increase its net sales revenues once again," states Paul Zumbühl, CEO of Interroll Holding AG. "EBIT and net profit also grew disproportionately."

Strong product business, potential through demand for projects

The consolidated sales revenue of CHF 58.7 million was once again 7.3% above the record of CHF 54.7 million set in the previous year in the **Rollers product group**. On a consolidated basis, the number of incoming orders increased by 2.8% to CHF 57.2 million (previous year: CHF 55.7 million). In the first six months of 2019, the increase in orders was driven by the EMEA (+7.5%) and Americas regions (+30.5% compared to the same period of the previous year).

The **Drives product group** recorded an increase of 6.7% to CHF 90.1 million in the first half of the year (previous year: CHF 84.4 million). The consolidated order intake fell slightly by 1.5% to CHF 86.5 million, compared to CHF 87.8 million in the same period of the previous year. RollerDrive in particular recorded increased sales revenue with a growth of 19.9%.

The **Conveyors & Sorters product group** recorded consolidated sales revenue of CHF 83.9 million in the first half of 2019, which represents a 17.5% increase over the previous year (CHF 71.4 million). At CHF 128.3 million, the order intake was 12.7% lower than the record levels achieved in the same period of the previous

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year (CHF 147.0 million). In the first half of 2019, Interroll received a follow-up order for the delivery of a 13.8-kilometer-long Modular Conveyor Platform (MCP) conveying system for the distribution center of an e-commerce customer in South Korea.

At the end of the first half of 2019, Interroll recorded a 6.8% decrease in consolidated sales revenue to CHF 28.1 million in the **Pallet & Carton Flow product group** (previous year: CHF 30.2 million). The consolidated order intake fell by 21.0% to CHF 26.9 million (previous year: CHF 34.1 million). Major projects in the comparison period from the previous year could not be fully replaced.

At the end of the first half of the year, Interroll's share of total sales revenues in EMEA is just below 60%; in the Americas, it is 30%; and in Asia-Pacific, it is 10%.

In the **EMEA region**, the strong growth of recent years continued into the first half of 2019. Sales revenues were CHF 156.0 million and were therefore 6.8% higher than in the same period of the previous year (CHF 146.1 million). Central, western and eastern Europe and South Africa saw increases in their sales revenues. After the record levels recorded in the same period of the previous year in 2018, the order intake fell by 8.7% compared to the previous year, dropping to CHF 166.9 million.

Sales revenues in the **Americas region** were CHF 78.2 million and therefore 22.4% higher than in the same period of the previous year (CHF 63.9 million). The reason for this positive development is the strong demand in e-commerce, food and distribution centers. In the United States, Interroll decided to build a second plant in Atlanta during the reporting period. By the end of 2019, Interroll's fourth production plant in the US will therefore be complete. After the record levels reached in the previous year, the order intake fell by 6.4% to CHF 81.7 million. In the same period of the previous year, a one-time large order was received.

After record growth in the same period of the previous year, Interroll's sales revenue in the first half of 2019 fell by 13.3% in the **Asia-Pacific region**, dropping to CHF 26.6 million at the end of the first six months of this year (same period of the previous year: CHF 30.7 million). Interroll recorded receipt of a major follow-up order from a South Korean e-commerce company for its MCP and spiral lifts in the low tens of millions Swiss francs. The consolidated order intake fell by 7.8% to a total of CHF 50.4 million after extremely strong growth in the first half of 2018.

Results enjoying disproportionate growth

Interroll increased its EBITDA by 22.4% to CHF 43.5 million in the first half of the year (previous year: CHF 35.5 million). The EBITDA margin was 16.7% (previous year: 14.8%). In addition to the net sales revenue growth, high discipline regarding costs and investment also contributed to this.

EBIT rose by 23.3% to CHF 31.2 million (previous year: CHF 25.3 million). The EBIT margin, in turn, was 11.9% (previous year: 10.5%). Net profit increased by 24.2% to CHF 23.1 million (previous year: CHF 18.6 million). The net profit margin reached 8.8% (previous year: 7.7%).

Less investment

Gross investment reached CHF 11.7 million and has thereby decreased in comparison to the previous year (CHF 15.6 million) by CHF 3.9 million. The Interroll Group's own first production plant in Southeast Asia was completed, specifically in Thailand.

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Solid balance sheet, strong cash flow development

The balance sheet total grew by June 30, 2019 to CHF 453.1 million and was therefore 8.5% above the figure recorded at the end of 2018 (CHF 417.6 million). Equity capital was CHF 281.8 million, while the equity ratio was 62.2% (December 2018: 68.2%).

The intensive project activity in the Group was expressed in high inventory levels and customer advance payments on the balance sheet at the half-year point.

Operative cash flow increased by 29.9% to CHF 40.6 million (previous year: CHF 31.2 million). In light of the markedly higher cash flow and lower investment, the free cash flow increased by 62.6% to CHF 29.2 million (previous year: CHF 18.0 million).

Outlook

Due to the reduced order volume compared to the record level achieved in the previous year in the Conveyors & Sorters and Pallet & Carton Flow product groups, Interroll is expecting momentum to slow down in the second half of 2019.

Interroll also sees significant long-term growth potential thanks to its strong market position, innovative products and end markets that are displaying dynamic growth (e-commerce and courier express parcel, airports, food and beverage, as well as warehousing and distribution).

Key performance indicators (KPIs) for the first half of 2019 (in million CHF)

Financial KPIs	H1/2019	H1/2018	H1/2017	H1/2016	H1/2015
Income statement					
Order intake	299.0	324.6	244.5	216.1	206.3
Net sales revenues	260.8	240.7	203.3	187.1	171.3
EBITDA	43.5	35.5	29.6	30.9	26.5
EBITDA margin	16.7%	14.8%	14.6%	16.5%	15.5 %
EBIT	31.2	25.3	20.5	22.0	17.5
EBIT margin	11.9%	10.5%	10.1%	11.7%	10.2 %
Cash flow					
Operative cash flow	40.6	31.2	17.6	14.2	11.6
Free cash flow	29.2	18.0	8.2	8.3	-0.6
Balance sheet					
Total assets	30.06.2019	31.12.2018	31.12.2017	31.12.2016	31.12.2015
Total assets	453.1	417.6	355.4	324.8	293.0
Equity capital	281.8	284.8	261.7	233.1	207.6
Equity ratio	62.2%	68.2%	73.6%	71.8%	70.9 %

You can access the *Half-Year Report 2019*, as well as more detailed information, in the investor relations section of the Interroll website at www.interroll.com.

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A webcast in English with explanations of the *Half-Year Report 2019* is scheduled for **9 a.m. (CEST), August 5, 2019**.

The following Interroll officials are also happy to help if you require any additional information:

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Interroll Holding AG in Sant'Antonino, Switzerland, increased its sales revenue and profits in the first half of 2019.

Interroll shares

Registered shares of Interroll Holding AG are traded in the Main Standard of the SIX Swiss Exchange under the securities number 637289.

Interroll profile

The Interroll Group is the leading global provider of material handling solutions. The company was founded in 1959 and has been listed on the SIX Swiss Exchange since 1997. Interroll provides system integrators and OEMs with a wide range of platform-based products and services in these categories: Rollers (conveyor rollers), Drives (motors and drives for conveyor systems), Conveyors & Sorters as well as Pallet & Carton Flow (flow storage systems). Interroll solutions are in operation in express and postal services, e-commerce, airports, the food and beverage industry, fashion, automotive sectors, and many other manufacturing industries. Among the company's end users are leading brands such as Amazon, Bosch, Coca-Cola, DHL, Nestlé, Procter & Gamble, Siemens, Walmart and Zalando. Headquartered in Switzerland, Interroll has a global network of 32 companies with turnover of around CHF 559.9 million and 2,300 employees (2018).