Annual press conference, March 20, 2020

ANNUAL REPORT 2019

(presentation translated from original in German)

Paul Zumbühl
CEO Interroll Worldwide Group
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**Highlights 2019**

Result, innovation, growth, platform strategy

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**RECORD PROFIT**

- Net profit: + 8.0%
- Cash flow: + 47.8%
- Net Sales (local curr.): +2.3%
- Order intake (local curr.): -5.7%

Strong development after a record year.

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**STRONG INNOVATION PIPELINE FOR 2020-2023**

Interroll is consistently expanding and deepening its platform solutions for material flow and strengthening its capacity for innovation.

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**CAPACITIES FOR GROWTH**

Interroll is providing additional new capacity to support strong growth in all regions.

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**INTEGRATED SOLUTIONS FOR AUTOMATION**

With new products, the Modular Pallet Conveyor Platform (MPP) enables continuous conveying and Storage processes.
Our growth strategy
Solutions, Markets, Service

Innovative products

Geographic Expansion

Service business

Innovations
- DC Platform (Feb 19)
- Modular Pallet Conveyor Platform (MPP) (Feb 19) plus Stacker Crane / Transfer Car extensions (Nov 19)
- High Performance Crossbelt Sorter (Feb 20)

Regional presence

EMEA
- Sorters & Conveyors: Strong growth
  - "Cell division": CoE Sorter / CoE Conveyors
  - New plant in South Germany (Apr 21)

Americas
- High potential
  - USA: Sales territories divided into 4 regions
  - New plant in Atlanta (Apr 20)

Asia Pacific
- Localization Value creation
  - New factory in Thailand
  - New factory in China (Mar 22)

Service
- Installed base greatly expanded (400 sorters)
- Further expansion of the service organization
- New business models under development
Our business model
Interroll as enabler

Market

• Market environment: increasingly dynamic
• Material handling market attractive for new entrants, consolidation

Interroll

• Platform products for globally consistent / tested solutions
• Proximity to customers: own network in key markets and industries
• Technology partner for global integrators and local players
Fit for the future
Long-term recipe for success

- Regular "health checks" with the aim of maintaining competitiveness at the highest level
- Early analysis and adjustment instead of future restructuring
- Orientation towards internal and external benchmarks
- Fitness through Lean Management & Kaizen
- Value Engineering: Reduction of product costs
- Global purchasing strategy and digitalization
Tailwind for our future
External drivers of internal logistics

- Faster delivery times
- Individualisierung
- Globalization
- Digitization
- Flow of goods volume
- Sustainable solutions
ADDED VALUE THROUGH PRODUCTIVITY AND DIGITISATION

Jens Strüwing
Executive Vice President Products & Technology
New products and a focus on growth opportunities require capacity adjustments in all regions of the world.

Offensive to generate added value for customers and end users.

Innovation Project & Development Center (IPDC) was massively strengthened.

Interroll's dual strategy
1. Increasing customer benefit through digitisation
2. Digitisation in the production sector (IoT)
Expansion of our capacities

Global expansion

**EMEA**
- High utilization of conveyor and sorter production
- New plant in Mosbach to increase capacity
- Start in April 2021
- Investments of > EUR 45m

**Americas**
- High potential for sorter projects
- Additional plant in Hiram (Atlanta, USA)
- Production start in April 20
- Investments USD 11m

**Asia-Pacific**
- Strong growth in the region, special potential in SE Asia
- New factory in Thailand in operation since June 2019
- New own factory planned in Suzhou (Mar 22)
Innovation
The platform strategy as a starting point
Innovation
The platform strategy as a starting point
New sorter solutions planned for Q1/21

Innovation in practice
Interroll High Performance Crossbelt Sorter (HPCS)

Relevant markets:
• CEP*
• Distribution

Relevant markets:
• E-Commerce
• Fashion
• Distribution

Relevant markets:
• Fashion & textile industry
• Distribution

High-performance segment

PROVEN:
ST6160/ST 6130
Horizontal/Vertical Crossbelt Sorter

Middle segment

NEW: MX025H
High Performance Crossbelt Sorter

Basic segment

* Courier, Express, Parcel
Digitalization at Interroll
Triple benefit: Production, product and process

**Digitalization of the Production**
- Digitization Product Lifecycle Management
- IPS: Interroll Production System as digital production system
- man-machine networking
- paperless production

**Digitalization of the products**
- Example EC 5000: Big Data
- MultiControl: M2M-compatible control system
- sorter control
- Product identification

**Digitalization of the processes**
- CAD Layouter Tool: Upgrades and integration of simulation
- Variant configuration
- customer relationship management
- SAP as a global standard
- Globally networked planning
- Automation of order processing and production

**Productivity**
- Delivery times
- Quality

**Customer benefits**
SEIZING OPPORTUNITIES, REALIZING POTENTIAL

Jens Karolyi
Senior Vice President Corporate Marketing & Culture

interroll.com
Interroll positions itself as market leader

Trendsetter, solution provider, partner, authority

- Strategic positioning measurably driven forward
- Extended range of web tools implemented
- Strategic partnerships concluded with institutes and consultants
- Presence at 31 trade fairs worldwide (2019)
24/7 by 7-Eleven: a perfect equation
Rolling On Interroll
The strongest partner network in our industry

• Partners: Locally leading medium-sized system integrators/ OEMs, who are growing even more dynamically with Interroll

• About 100 partners worldwide (40 countries, all continents)

• Potential: Very high growth, new business areas, joint impetus for global industry standards

• Interroll promotes joint projects

• Network of experts and brand ambassadors
Interroll Academy - a statement
Company-wide campus for a 'global mindset

- Interroll strategy becomes accessible to all employees
- Leadership: 200 managers trained
- Cooperation with renowned partners (e.g. Krauthammer and Fraunhofer)
- Mobile Learning, podcasts, collaboration tools
- Self Assessments, Gamification
- Customer training for our platform solutions
RESULT 2019

Paul Zumbühl
CEO Interroll Worldwide Group
Growth in all product groups
Overview of the 2019 financial year

Rollers:
Sales 2019: CHF 110.1 million (+ 1.9% vs. previous year)
• Strong sales growth PY on a solid basis
• Record in Europe (> 8m units conveyor rollers)

Drives and controls:
Sales 2019: CHF 172.4 million (+ 1.3% vs. previous year)
• Market share gains through world leading 24V/48V technology
• EC 5000 establishes itself on the market
Growth in all product groups
Overview of the 2019 financial year

Pallet & Carton Flow:
Sales 2019: CHF 54.0 million (-10.7% vs. PY)
• Cyclicality of projects
• Interfaces with MPP create new market potential

Conveyors & Sorters:
Sales 2019: CHF 223.2 million (+ 1.2% vs. PY)
• Modular Conveyor Platform (MCP) globally strong (e.g. Korea)
• Discontinuation of major projects in the sorter sector replaced by small projects in the year under review
Orders received CHF 546.5 million
-7.8% (PY: +29.4%)
2019 in local currencies: -5.7%

Net sales CHF 559.7 million
-0.0% (PY: +24.2%)
2019 in local currencies: +2.3%

Incoming orders to net sales
0.98 (PY: 1.06)

Net sales in CHF million
By regions

EMEA as a strong core region. Loss of major projects in the USA compensated by numerous smaller projects.

<table>
<thead>
<tr>
<th>Net sales share</th>
<th>Growth 19</th>
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<tbody>
<tr>
<td>16% Asia-Pacific</td>
<td>+12.9%</td>
</tr>
<tr>
<td>26% Americas</td>
<td>-13.8% (one-off effects)</td>
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<tr>
<td>58% EMEA</td>
<td>+4.4%</td>
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EBITDA
in CHF million

Better margin, higher efficiency

**EBITDA CHF 96.1 million (+3.1%)**
EBITDA margin 17.1% (previous year: 16.6%)

Increased depreciation and amortisation (IFRS 16), compensated by lower depreciation and amortisation (SAP)

**EBIT CHF 72.3 million (+4.2%)**
EBIT margin 12.9% (previous year: 12.4%)
Net profit
In CHF million

Lower tax rate
(22.2% in 2019 vs. 24.3% in 2018)

Net profit CHF 56.0 million (+8.2%)
(PY: CHF 51.8 million)

Net profit margin 10.0%
(PY: 9.3%)

Equity CHF 304.0 million
(PY: CHF 284.8 million)
Operating cash flow
In CHF million

Higher net profit
Less inventory and accounts receivable

Operating cash flow CHF 99.6 million
(PY: CHF 67.4 million)
Margin: 17.8%

Investments CHF 33.6 million
(PY: CHF 28.6 million)

Free cash flow CHF 66.9 million
(PY: CHF 40.9 million)
margin: 12.0%
Responsible corporate governance strengthened

• Interroll reaffirms its commitment to responsible corporate governance with progress reports at the end of February each year to the UN Global Compact.

• Successes were achieved in the rollout of a code of conduct for suppliers and in further and more in-depth compliance training.

• By extending the Compliance Management System (CMS) throughout the Group, Interroll intends to strengthen its competitiveness in the long term.
Upcoming General Assembly
Proposals of the Board of Directors

The General Assembly on 8 May 2020 will be proposed:

A dividend of CHF 22.50 per share (+2.3%)
(FJ: CHF 22,00)

The payout ratio reaches 33.7%
(PY: 35.9%)

Board of Directors: Proposal for the election of Mr. Markus Asch, Deputy CEO of Alfred Kärcher SE & Co KG (D)
Development of the dividend

Period from 2010 onwards

- Payout per share
- Earnings per average outstanding share

<table>
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<tr>
<th>Year</th>
<th>Payout per Share</th>
<th>Earnings per Average Outstanding Share</th>
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<tbody>
<tr>
<td>2010</td>
<td>5.0</td>
<td>30</td>
</tr>
<tr>
<td>2011</td>
<td>7.0</td>
<td>35</td>
</tr>
<tr>
<td>2012</td>
<td>8.0</td>
<td>24.3</td>
</tr>
<tr>
<td>2013</td>
<td>8.8</td>
<td>24.8</td>
</tr>
<tr>
<td>2014</td>
<td>9.0</td>
<td>22.5</td>
</tr>
<tr>
<td>2015</td>
<td>12.0</td>
<td>34.5</td>
</tr>
<tr>
<td>2016</td>
<td>16.0</td>
<td>42.6</td>
</tr>
<tr>
<td>2017</td>
<td>16.5</td>
<td>46.0</td>
</tr>
<tr>
<td>2018</td>
<td>22.0</td>
<td>61.3</td>
</tr>
<tr>
<td>2019</td>
<td>22.5</td>
<td>66.7</td>
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SUMMARY & OUTLOOK

Paul Zumbühl
CEO Interroll Worldwide Group
Outlook 2020
Leading the change in internal logistics

Industry management: shaping the evolution of material flow together with the users. New opportunities in food and e-commerce.

Innovation & Service: deepening the platform and decentralized intelligence, expanding local service

Capacity expansion with long-term vision: new plants in Germany, USA, China and Thailand. Investments in employees and qualification.

Outlook 2020

- Order intake/turnover: uncertain economic development
- Innovation and efficiency programs continue at full speed
- Investments: Capacity expansion and digitalisation as per explanations
Questions