



PHOENIX MECANO



21

SHORT REPORT

Smart Factory

KEY FIGURES OF THE PHOENIX MECANO GROUP

| | | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|-------------|--------------------|---------|---------|---------|---------|
| Units | | | | | | |
| KEY FINANCIAL FIGURES | | | | | | |
| Gross sales | EUR million | 817.0 | 687.4 | 680.0 | 650.8 | 627.6 |
| Change | % | 18.8 | 1.1 | 4.5 | 3.7 | 7.6 |
| Operating cash flow (EBITDA) | EUR million | 66.2 | 48.2 | 48.8 | 74.0 | 59.7 |
| Change | % | 37.4 | -1.3 | -34.0 | | 1.0 |
| in % of sales | % | 8.1 | 7.0 | 7.2 | 11.4 | 9.5 |
| Operating result | EUR million | 43.9 | 22.4 | 23.4 | 51.3 | 30.7 |
| Change | % | 95.9 | -3.9 | -54.5 | | -10.9 |
| in % of sales | % | 5.4 | 3.3 | 3.4 | 7.9 | 4.9 |
| in % of net operating assets | % | 14.0 | 7.6 | 7.8 | 17.3 | 10.4 |
| Result of the period | EUR million | 30.1 | 8.9 | 13.9 | 36.1 | 21.9 |
| Change | % | 239.1 | -36.2 | -61.5 | | -4.7 |
| in % of sales | % | 3.7 | 1.3 | 2.0 | 5.5 | 3.5 |
| in % of equity | % | 12.3 | 4.6 | 6.4 | 13.5 | 8.1 |
| Total assets/capital | EUR million | 617.0 | 545.0 | 488.1 | 453.4 | 471.8 |
| Equity | EUR million | 244.2 | 192.3 | 217.3 | 268.0 | 269.7 |
| in % of total assets | % | 39.6 | 35.3 | 44.5 | 59.1 | 57.2 |
| Net indebtedness | EUR million | 80.5 | 115.4 | 88.1 | 33.9 | 38.1 |
| in % of equity | % | 33.0 | 60.0 | 40.5 | 12.7 | 14.1 |
| Cash flow from operating activities | EUR million | 54.8 | 27.8 | 43.6 | 37.9 | 37.1 |
| Free cash flow | EUR million | 26.9 | 10.4 | 18.0 | 12.9 | 11.4 |
| Purchases of tangible and intangible assets | EUR million | 29.6 | 27.8 | 26.1 | 25.6 | 26.0 |
| SHARE INDICATORS | | | | | | |
| Share capital (bearer shares with a par value of CHF 1.00) | CHF | 960 500 | 960 500 | 960 500 | 960 500 | 960 500 |
| Shares entitled to dividend ¹ | Number | 960 311 | 960 009 | 959 500 | 959 500 | 959 500 |
| Operating result per share ³ | EUR | 45.8 | 23.4 | 24.3 | 53.5 | 32.0 |
| Result of the period per share ³ | EUR | 31.4 | 9.2 | 14.5 | 37.6 | 22.9 |
| Equity per share ³ | EUR | 254.3 | 200.4 | 226.5 | 279.3 | 281.1 |
| Free cash flow per share ³ | EUR | 28.0 | 10.8 | 18.7 | 13.5 | 11.9 |
| Dividend | CHF | 15.00 ² | 8.00 | 10.00 | 17.00 | 16.00 |
| Market price | | | | | | |
| High | CHF | 502 | 494.50 | 519 | 728 | 614 |
| Low | CHF | 396 | 312 | 374 | 456 | 475 |
| Year-end price | CHF | 405.50 | 464.50 | 478.50 | 503 | 614 |

¹ As at the balance sheet date, the company owned 189 treasury shares, which are not entitled to dividend.

² Proposal to the Shareholders' General Meeting on 20 May 2022.

³ Based on shares entitled to dividend as at 31 December.

From the start of 2019, the consolidated financial statements have been prepared in accordance with Swiss GAAP FER, with the previous year adjusted accordingly. The year 2017 is presented according to IFRS.

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Letter to shareholders

DEAR SHAREHOLDERS

The Phoenix Mecano Group can look back on a successful 2021, a year in which our company achieved strong growth in incoming orders, sales and income. However, we encountered a variety of challenges along the way. The global pandemic, with its recurring waves and constantly emerging virus variants, led to a lack of predictability, limited availability of essential raw materials and transport capacity, and – ultimately – cost increases the like of which we had not seen on world markets in 40 years.

In this environment, our Group's global set-up and decentralised decision-making structures once again proved their worth. Our diverse range of services and high level of flexibility allowed us to provide optimal support to our customers through this difficult period. Global manufacturing of flexible product platforms coupled with local customisation for our B2B customers is in greater demand now than ever before. We assist our business partners with engineering and design, ensure fit-for-purpose

product certification, and take on a wide range of logistics services so that our customers can produce and deliver their high-tech products with the fewest possible restrictions, even in turbulent times.

It is no coincidence that Phoenix Mecano has been growing strongly for years, and has done so throughout the pandemic. We believe that with our strategy and range of services and products, we have focused on the right megatrends from early on.

This includes smart factory equipment, which allows economic growth and the supply of modern, sustainably produced industrial goods at a time of increasing interdependence and a global shortage of skilled workers. Another example is our range of smart furniture products, which meet the demands for comfort, ergonomics and connectivity in the smart home and whose double-digit growth rates have been contributing to our Group's development for over a decade.

The challenge posed to health systems by the pandemic now seems increasingly manageable, at least in the West, but the world is already facing new challenges. The Ukraine conflict highlights how fragile the world order has become. Our Group will have to deal with these conditions too and find ways to create and preserve value for employees, customers, shareholders and society as a whole, to the best of our ability.

A partial initial public offering (IPO) of our DewertOkin Technology Group (DOT) division in China is a goal to which we remain committed. However, due to the pandemic and the associated economic upheaval, the time frame has been pushed back by one to two years compared with our original plans. Thanks to the excellent cash flow generated by our business areas, the DOT Group's growth financing is secured for the period up to the IPO. Our industrial business in the Enclosure Systems

SALES
IN EUR MILLION

817.0

GROWTH IN SALES IN %

+18.8



Benedikt A. Goldkamp
Executive Chairman of the Board of Directors

Dr Rochus Kobler
CEO

and Industrial Components divisions is also performing well and will of course receive the investment funds needed to pursue its ambitious growth trajectory.

THANK YOU TO OUR EMPLOYEES

For our employees, 2021 was another year of restricted contact, videoconferences and working from home. Thanks to Phoenix Mecano's strong team culture and our people's determination to achieve the extraordinary even under these circumstances, we were able to maintain and expand our services to customers. But let's be under no illusion: this team culture has been built up over years of in-person meetings and visits to colleagues and customers all over the world – things which have been virtually impossible, in this form, for two whole years.

Our thanks therefore go to all those who have met these challenging conditions head on and helped to keep the business moving. We should mention in particular the new employees who have joined us in the past two years, whose entry into the Group was made much more difficult by the pandemic. We now have increasing opportunities for face-to-face interaction once again, allowing us to rekindle and replenish the team spirit that has stood us in such good stead over the past couple of years. We are confident that we can do this and that Phoenix Mecano will remain a great employer for many more talented and motivated people in the future.

It is no coincidence that Phoenix Mecano has been growing strongly for years, and has done so throughout the pandemic.

OPERATING RESULT PER SHARE IN EUR

45.8

PROPOSED DIVIDEND IN CHF

15.00

OUTLOOK AND DIVIDEND

Even in uncertain and unpredictable times, it is important to look ahead. In recent years, the Phoenix Mecano Group has demonstrated its flexibility and ability to adapt to challenging conditions, and it is precisely this ability that allows us to look forward with confidence, even in the current situation. Our portfolio of technologies, skills and expertise is increasingly in demand to prepare the world for the great challenges of the future. The ageing of industrial societies, the need to create a resource-conserving circular economy, and the irreversible interconnection of processes and information in physical and virtual markets require a range of solutions that create diverse growth opportunities for companies like Phoenix Mecano. We will exploit these opportunities so that we can continue to offer our stakeholders added value going forward.

Our Group is charting a successful course, and we want our shareholders to be part of this. Thanks to the Group's stable balance sheet and strong cash flow, the Board of Directors is able to propose a dividend payment of CHF 15 (previous year: CHF 8) to the Shareholders' General Meeting.

We firmly believe that a well-run industrial company must be decentralised and broad-based in order to find effective solutions to rapidly

changing market conditions. This is also, indeed especially, true at times when global value chains are coming under scrutiny and the fragility of poorly diversified just-in-time delivery systems is becoming apparent. The widespread calls for resilience highlight the importance of having a plan B and plan C in reserve, as far as possible, for when seemingly optimal structures suddenly become obsolete due to unforeseeable developments. We are well placed to cope with these contemporary challenges, and can therefore look to the future with cautious optimism.

Dr Rochus Kobler
CEO

Benedikt A. Goldkamp
Executive Chairman of the Board of Directors

Our Group is charting a successful course, and we want our shareholders to be part of this.

Global competence, local value

The Phoenix Mecano Group has a global presence, with around 60 subsidiaries split into three divisions: DewertOkin Technology Group, Industrial Components and Enclosure Systems. Local staff have the linguistic, cultural and technical insights required to understand customers' needs. Knowledge is proactively shared within the Group, meaning that even for complex, integrated solutions, customers can always deal with a local contact person. This proximity to customers fosters strong customer loyalty and enables the Group to offer the same range of consistently high-quality products and services worldwide.

This divisional structure has been in place since 1 January 2021. Only the 2020 figures have been converted for comparison.

DEWERTOKIN TECHNOLOGY GROUP

With its headquarters in Jiaxing, Zhejiang, China, the DewertOkin Technology Group manufactures drive, system and fittings technology for electrically adjustable comfort and healthcare furniture. At its production sites in Europe, North America and Asia, it makes individual mechanical components for a range of applications as well as customised and coordinated system solutions. DewertOkin's drive technology is widely used in smart furniture (such as recliner sofas and chairs, cinema seats, massage chairs and beds), medical applications (e.g. hospital and nursing beds) and control systems for height-adjustable desks.

| Key figures | 2021 | 2020 |
|---|-------|-------|
| in EUR million | | |
| Gross sales | 392.8 | 320.2 |
| Purchases of tangible and intangible assets | 17.5 | 13.5 |
| Operating result | 2.1 | 7.2 |
| Margin in % | 0.5 | 2.3 |
| Employees | 2 623 | 2 499 |

The Phoenix Mecano Group is a global player in the enclosures and industrial components segments and is a leader in many markets. It is geared towards the manufacture of niche products and system solutions.

INDUSTRIAL COMPONENTS

The Industrial Components division focuses on industrial digitalisation and modular automation. It comprises four business areas: Automation Modules, Electrotechnical Components, Rugged Computing and Measuring Technology. The Automation Modules business area produces linear units and lifting columns, aluminium profile and pipe connection systems, as well as ergonomic workstation systems. The Electrotechnical Components business area specialises in manufacturing terminal blocks, connector systems, test probes, series terminals and switches for industrial electronics. The Rugged Computing business area manufactures industrial PC systems as well as highly reliable power supplies and backplanes, while the Measuring Technology business area focuses on current measuring systems, transformers and instrument transformers.

| Key figures | 2021 | 2020 |
|---|-------|-------|
| in EUR million | | |
| Gross sales | 226.4 | 196.6 |
| Purchases of tangible and intangible assets | 5.2 | 8.2 |
| Operating result | 17.7 | -0.5 |
| Margin in % | 7.8 | -0.3 |
| Employees | 3 286 | 2 869 |

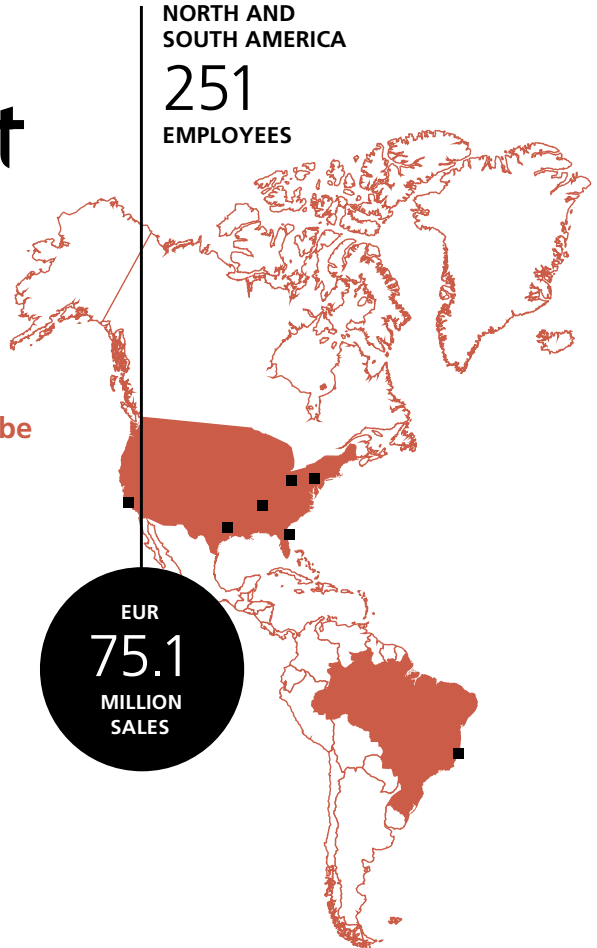
ENCLOSURE SYSTEMS

The Enclosure Systems division develops and produces high-quality industrial and electronic enclosures made of aluminium, stainless steel and plastic. These are used in potentially explosive atmospheres, among other applications. Its product range also includes complete human-machine interface solutions consisting of panel PCs, industrial PCs and industrial monitors, as well as input units such as membrane keypads, short-stroke keys and touchscreens.

| Key figures | 2021 | 2020 |
|---|-------|-------|
| in EUR million | | |
| Gross sales | 197.8 | 170.6 |
| Purchases of tangible and intangible assets | 5.4 | 5.0 |
| Operating result | 26.7 | 17.1 |
| Margin in % | 13.5 | 10.0 |
| Employees | 2 190 | 2 017 |

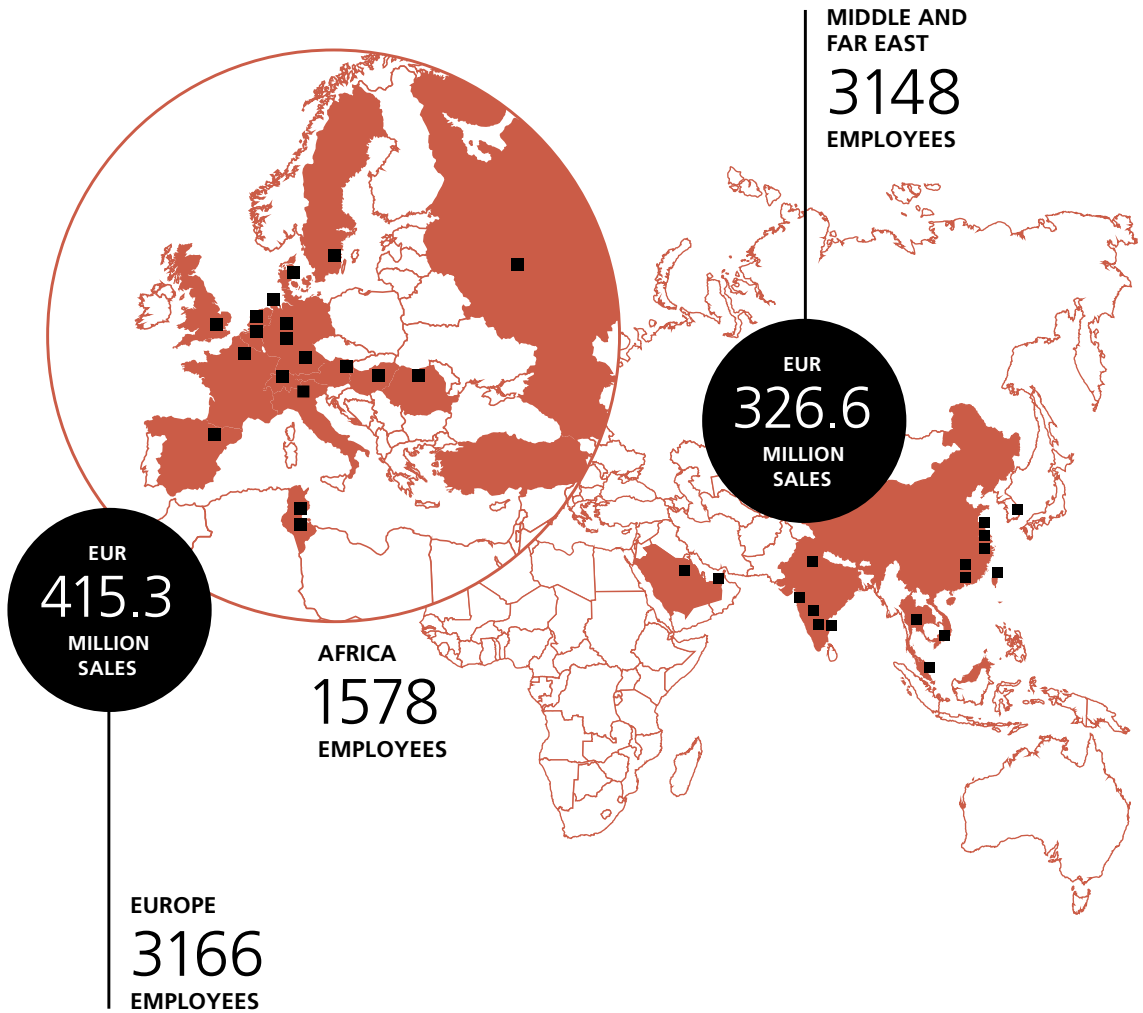
Global commitment

8143 employees around the globe offer a comprehensive range of products and services in all important growth markets. They guarantee customers market-driven solutions, efficient production and resource-saving logistics.



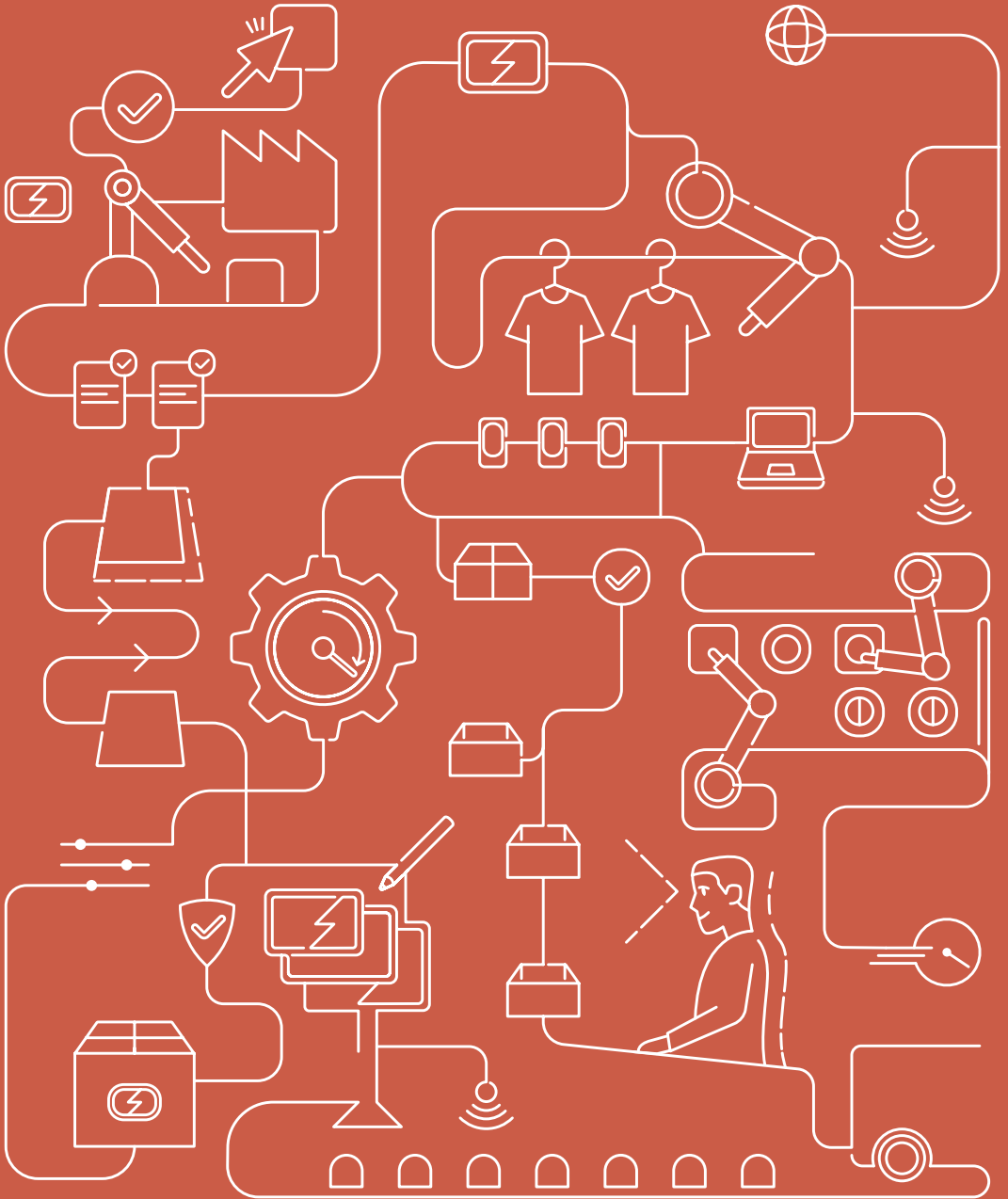
EMPLOYEE KEY FIGURES AT A GLANCE

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|-------------------------|--------------|--------------|--------------|--------------|--------------|
| BY REGION | | | | | |
| Europe | 3 166 | 3 132 | 3 236 | 3 360 | 3 385 |
| Far East | 3 148 | 2 876 | 2 401 | 2 092 | 1 834 |
| Africa | 1 578 | 1 177 | 1 241 | 1 579 | 1 275 |
| North and South America | 251 | 229 | 262 | 267 | 250 |
| Australia | 0 | 12 | 17 | 18 | 15 |
| Total | 8 143 | 7 426 | 7 157 | 7 316 | 6 759 |



| | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|--------------|-------------|-------------|-------------|-------------|
| BY GENDER | | | | | |
| Women | 3583 | 3158 | 2792 | 3185 | 3050 |
| Men | 4560 | 4268 | 4365 | 4131 | 3709 |
| Personnel expenses per employee in 1000 EUR | 27.0 | 27.7 | 29.8 | 26.7 | 28.7 |
| Gross sales per employee in 1000 EUR | 100.3 | 92.6 | 95.0 | 89.0 | 92.9 |

Megatrend smart factory



The smart factory is a modular and interconnected production environment in which humans, machines and logistics interact, communicate and work closely together. Phoenix Mecano products and systems have a key role to play in this regard.

Using a mechanical arm, the American George Devol developed the first industrial robot, Unimate, in 1956. Today, smart factories are the megatrend and production method of the future. In a smart factory, production environments, manufacturing facilities and logistics systems communicate with each other wirelessly and the product itself conveys information required for manufacturing. This means that cooperation between humans and machines is becoming ever closer.

Phoenix Mecano is helping to shape this trend: the Group is building its own smart factory in Jiaxing, near Shanghai, and is also deploying these technologies in its manufacturing processes. What's more, Group companies are supplying their customers with smart factory systems and solutions.

The Phoenix Mecano Group is increasingly evolving from a pure component manufacturer to a provider of system solutions. This means that modular stand-alone products are increasingly being combined into assemblies, sub-systems or complete solutions. These in turn are integrated into the networked manufacturing environment of a smart factory, where they perform important functions.

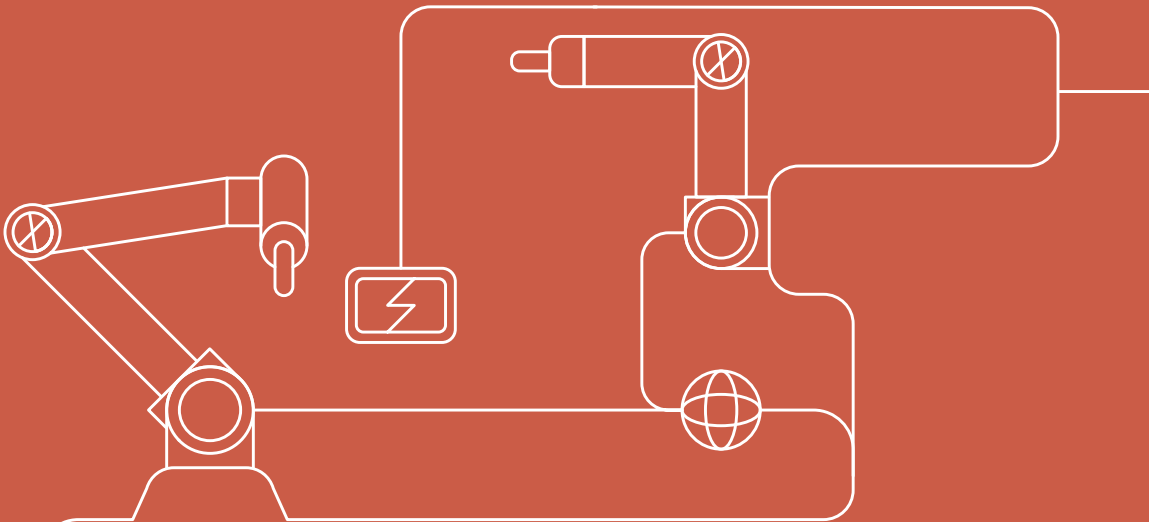
Such systems are used, among other things, where humans and machines work together. They include ergonomic workstations equipped with digital assistance systems, as well as human-machine interfaces consisting of industrial PCs and swivelling support arm systems, such as those used on production lines in the automotive industry.

Other examples are assistive robots such as collaborative robotic arms and autonomous transport robots that can be easily programmed for specific activities, as well as automation solutions for transporting and controlling goods in warehouse environments.

Further advances in the modularisation, automation and digital connectivity of industrial manufacturing environments are likely in the future. Phoenix Mecano's offering will be integral to this trend, with suitable products, systems and solutions in the pipeline.

Human-robot teamwork

Cobots and transport robots ease pressure on manufacturing staff and boost productivity. Phoenix Mecano uses these technologies in-house and implements them for its customers.



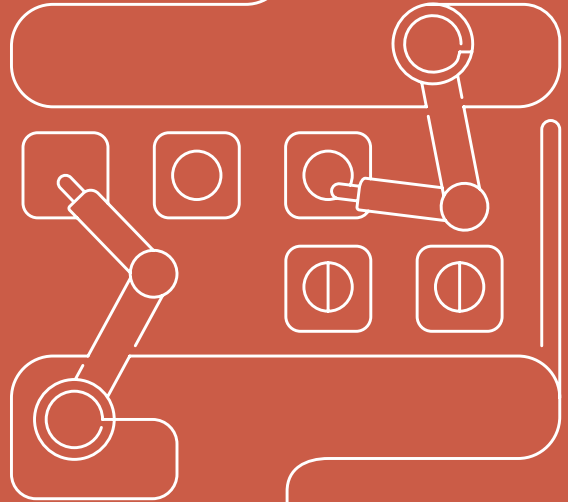
PRODUCT

Collaborative robots, or 'cobots', work hand in hand with humans, without the need for protective devices. Phoenix Mecano Komponenten AG uses these innovative solutions at its own production facility in Stein am Rhein, Switzerland. Assembly cobots have up to six joints and can lift loads between 3 and 16 kg. Transport robots are also deployed: they criss-cross the factory, delivering materials and products to a specific assembly or storage location as and when required. They navigate autonomously and can recognise and avoid people and obstacles. Phoenix Mecano Komponenten AG is an official partner for the implementation of cobots manufactured by Universal Robots and transport robots made by Mobile Industrial Robots.

APPLICATION

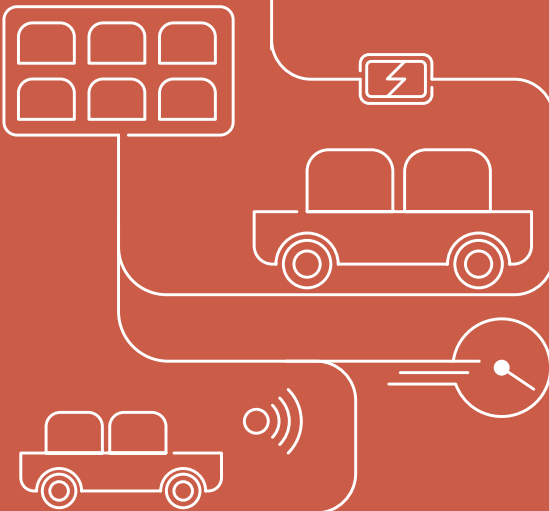
Cobots assist humans with monotonous, tedious and repetitive work and can even relieve them entirely of physically demanding tasks.

To ensure seamless collaboration between robots and employees, systems are tailored to the specific needs of customers. Thanks to its experience at its own production facility, Phoenix Mecano Komponenten AG can integrate supporting robot systems into its customers' work-flows effectively and efficiently.



BENEFITS

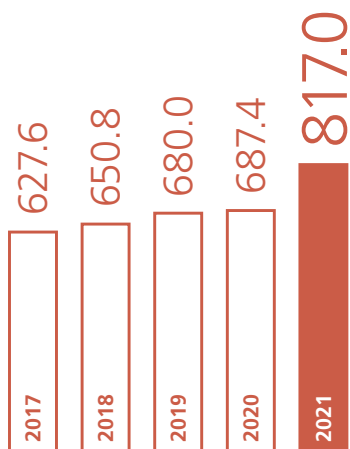
Cobots and transport robots save time and ease pressure on staff, freeing up employees to focus on activities that require human skills. Cobots increase reliability in the production process and reduce assembly effort by up to 40 %. Mobile transport robots optimise and automate internal material flows and open up an array of new possibilities in intralogistics. Thanks to their compact dimensions and simple programming, the systems can be configured for new work processes in just a few minutes. This guarantees a high level of utilisation and a quick payback time. What's more, they support paperless operations as accompanying and shipping documents are all electronic and are integrated into operational systems.



Group business performance

The Phoenix Mecano Group's unwavering focus on megatrends and growth areas such as digitalisation and automation paid dividends in financial year 2021. All divisions recorded double-digit sales growth and the Group saw a disproportionate increase in profitability.

GROUP GROSS SALES
IN EUR MILLION



Phoenix Mecano continued to grow during the coronavirus crisis, even though in many places the global industrial sector experienced double-digit slumps and only managed to return to pre-crisis levels in the last 12 months. This remarkable achievement is the result of its steadily increasing independence from industry-driven investment cycles in the end markets of the consumer durables industry. The associated high rate of growth – throughout the pandemic – is attributable to a systematically pursued growth strategy. This saw the Group grow organically for the most part, thanks to a strategic increase in the proportion of value added generated in-house and a targeted expansion of its range of integrated system solutions. These consist of multiple mechanical components combined with cutting-edge electronic interfaces, backed up by vital integration work and engineering services. Phoenix Mecano offers the complete package, from product development to providing the integrated and tested system solution.

Operationally speaking, the second year of the COVID-19 pandemic presented further considerable challenges. Regional lockdowns caused repeated disruptions to supply chains. The persistent shortage and high cost of transport capacity as well as sharp increases in the prices of various industrial metals and plastic pellets had an impact on all divisions. But thanks to its global presence, the Phoenix Mecano Group was able to open up alternative sources of supply. Necessary price adjustments were passed onto the market quickly yet cautiously.

However, the top priority during the pandemic was always the health of our employees. It was their collective efforts that allowed us to maintain delivery services for our customers, despite component short-

FIVE-YEAR FIGURES

| | | 2021 | 2020 | 2019 | 2018 | 2017 |
|------------------|-------------|-------|-------|-------|-------|-------|
| | Units | | | | | |
| Incoming orders | EUR million | 888.9 | 766.0 | 691.6 | 659.4 | 642.3 |
| Gross sales | EUR million | 817.0 | 687.4 | 680.0 | 650.8 | 627.6 |
| Operating result | EUR million | 43.9 | 22.4 | 23.4 | 51.3 | 30.7 |
| in % of sales | % | 5.4 | 3.3 | 3.4 | 7.9 | 4.9 |
| Equity | EUR million | 244.2 | 192.3 | 217.3 | 268.0 | 269.7 |
| Net indebtedness | EUR million | 80.5 | 115.4 | 88.1 | 33.9 | 38.1 |
| in % of equity | % | 33.0 | 60.0 | 40.5 | 12.7 | 14.1 |
| Equity ratio | % | 39.6 | 35.3 | 44.5 | 59.1 | 57.2 |

From the start of 2019, the consolidated financial statements have been prepared in accordance with Swiss GAAP FER, with the previous year adjusted accordingly. The year 2017 is presented according to IFRS.

ages and pandemic-related restrictions. This formed the basis for the Group's successful results in 2021.

BUSINESS ACTIVITY

Structural growth in end markets for comfort furniture continued unabated, enabling the DewertOkin Technology Group (DOT Group) to gain additional market share and consolidate its leadership position. Phoenix Mecano's fastest-growing division increased its annual sales significantly, although momentum slowed somewhat towards the end of the year. On the other hand, huge hikes in the cost of steel, copper, aluminium, electronic components and freight capacity impacted the division's profitability. There were also pandemic-related transport bottlenecks. The immediate introduction of cost-cutting programmes was unable to fully offset the increases in material costs, meaning that higher prices for steel, aluminium, copper and plastic pellets had to be passed on to customers. However, the high-volume, global value chains in the furniture industry and the long-term nature of supply contracts mean that it will be some time before the effects show up in earnings. In spite of this, the division made further investments in additional capacity and its digitalisation initiatives in this growth business. These also had a noticeable impact on the division's result; however, they form the strategic foundation for

the further long-term success of the DOT Group and its planned partial IPO in China. Boosting the division's profitability will be a key focus in 2022.

The Industrial Components division also achieved double-digit sales growth. The EBIT figures clearly confirmed the sustainability of the division's turnaround following its realignment. This success is the result of the division's clear focus. Profitability continued to develop positively as a result of the systematic consolidation of locations and activities and the streamlining of product areas and ranges. Business activity increased significantly in mechanical engineering and the automation sector. Applications for railway and energy technology and the medical sector were also in high demand. With its innovative products, the division successfully opened up new business opportunities in up-and-coming sectors such as space and satellite technology and electromobility.

Thanks to its state-of-the-art industrial and electronic enclosures, the Group's most profitable division, Enclosure Systems, also saw double-digit growth. Amid a cross-sector recovery, end markets developed positively and all business areas grew significantly. System solutions involving electronic enclosures for the renewable energy and electromobility sectors saw particularly high growth rates.

Internationally, there were also high levels of innovation and development activity linked to the Internet of Things and industry digitalisation, which greatly fuelled demand for integrated enclosure solutions.

SALES AND PROFITABILITY

Another sharp rise in incoming orders

Consolidated incoming orders for the Phoenix Mecano Group rose by 16.0 % in 2021, from EUR 766.0 million to EUR 888.9 million. The book-to-bill ratio (incoming orders as a percentage of gross sales) was 108.8 %, compared with 111.4 % the previous year, suggesting that the positive business performance will continue in 2022. This increase in incoming orders was driven by the Industrial Components and Enclosure Systems divisions. In these two divisions, the economic recovery started later than in the DOT Group division, which already significantly expanded its order intake in 2020.

Double-digit sales increases in all divisions

The Phoenix Mecano Group's consolidated gross sales increased by 18.8 %, from EUR 687.4 million to EUR 817.0 million. In organic, local-currency terms, they were up by 17.7 %. In Europe, the Group recorded a 17.6 % rise in sales, despite a challenging market environment (15.6 % in organic, local-currency terms). Sales increased in all key European markets, and were up by 22.3 % in the core market of Germany (17.5 % in organic terms). Asian markets recorded a 24.2 % increase in sales thanks to strong demand in the DOT Group division. Organic, local-currency sales in Asia were up by 27.9 %. While sales in South America declined by 4.4 % due to negative exchange rate effects, sales in North America rose by 6.8 %. Organically, sales in the Americas increased by 9.9 %.

With gross sales of EUR 392.8 million, the DOT Group division saw its sales climb by 22.7 % (20.2 % in organic, local-currency terms). Home working and cocooning trends accelerated by the COVID-19 pandemic supported structural growth in end markets for comfort furniture.

Despite delivery bottlenecks, the Industrial Components division achieved a 15.2 % rise in sales to EUR 226.4 million (14.2 % in organic, local-currency terms). All key sales markets showed positive trends amid a cross-sector recovery.

Thanks to its state-of-the-art industrial and electronic enclosures, the Enclosure Systems division posted a 15.9 % increase in gross sales to EUR 197.8 million (17.1 % in organic, local-currency terms), although in this division too some orders were delayed due to supply chain issues.

OPERATING RESULT IN EUR MILLION

43.9

IN % OF SALES

5.4%

Incoming orders by division

| | Change | 2021 | 2020 |
|------------------------------|-------------|----------------|----------------|
| | in % | in 1 000 EUR | in 1 000 EUR |
| DewertOkin Technology Group | -0.3 | 385 505 | 386 685 |
| Industrial Components | 41.2 | 279 336 | 197 797 |
| Enclosure Systems | 23.4 | 224 041 | 181 558 |
| Group incoming orders | 16.0 | 888 882 | 766 040 |

Gross sales by region

| | Change | 2021 | 2020 |
|-------------------------|-------------|----------------|----------------|
| | in % | in 1 000 EUR | in 1 000 EUR |
| Switzerland | 7.0 | 24 909 | 23 270 |
| Germany | 22.3 | 238 638 | 195 096 |
| UK | 22.9 | 14 951 | 12 166 |
| France | 25.3 | 19 743 | 15 753 |
| Italy | 24.1 | 12 646 | 10 189 |
| The Netherlands | 2.8 | 14 385 | 14 000 |
| Rest of Europe | 8.9 | 89 997 | 82 620 |
| North and South America | 5.2 | 75 094 | 71 367 |
| Middle and Far East | 24.2 | 326 631 | 262 981 |
| Gross sales | 18.8 | 816 994 | 687 442 |

Gross sales by division

| | Change | 2021 | 2020 |
|---------------------------------|-------------|----------------|----------------|
| | in % | in 1 000 EUR | in 1 000 EUR |
| DewertOkin Technology Group | 22.7 | 392 802 | 320 248 |
| Industrial Components | 15.2 | 226 430 | 196 596 |
| Enclosure Systems | 15.9 | 197 762 | 170 598 |
| Gross sales of divisions | 18.8 | 816 994 | 687 442 |

Gross sales by division in %

| | 2021 | 2020 |
|---------------------------------|----------------|----------------|
| | | |
| DewertOkin Technology Group | 48.1 % | 46.6 % |
| Industrial Components | 27.7 % | 28.6 % |
| Enclosure Systems | 24.2 % | 24.8 % |
| Gross sales of divisions | 100.0 % | 100.0 % |

Doubling of operating result and significantly higher operating cash flow

The operating cash flow increased by a substantial 37.4 % in 2021 to EUR 66.2 million, up from EUR 48.2 million the previous year. The operating result almost doubled to EUR 43.9 million (previous year: EUR 22.4 million).

The DOT Group division made an operating profit of EUR 2.1 million (down 71.5 %). Profitability fell significantly by 4.4 percentage points. Huge hikes in the cost of steel, copper, aluminium, electronic components and freight charges impacted the division's profitability. The immediate introduction of countermeasures only partially offset the increases in material costs, and there was a time lag before the higher purchase prices could be passed on to customers.

The Industrial Components division made an operating profit of EUR 17.7 million, following an operating loss of EUR 0.5 million the previous year. Its profitability therefore stood at 13.9 %.

The operating result of the Enclosure Systems division rose from EUR 17.1 million to EUR 27.7 million, an increase of 56.4 %. Profitability climbed 6.5 percentage points to an impressive 30.4 %.

The cost of materials rose disproportionately to sales in the reporting year due to the increase in raw material prices and freight costs. The Phoenix Mecano Group's material use rate as a percentage of gross sales was 55.3 % (compared with 52.6 % the previous year).

Personnel expenses grew by 6.8 %, a significantly lower rate than the growth in sales. Average staff numbers over the year increased from 7426 to 8143. Most new jobs were created in Asia and at the Industrial Components division's production facilities in North Africa.

Amortisation of intangible assets and depreciation on tangible assets fell from EUR 25.8 million to EUR 22.3 million, with a slight increase in capital expenditure. In the previous year, impairment losses amounted to EUR 3.3 million.

Significantly higher expenses for operating supplies, rents, freight outward and value adjustments on receivables led to an increase in other operating expenses of 11.5 %.

Result of period over EUR 30 million

The financial result improved from EUR –5.8 million to EUR –1.7 million. A EUR 0.6 million increase in net interest expense was offset by a EUR 2.7 million improvement in the result from changes in exchange rates. In addition, in the previous year there was a loss of EUR 1.6 million from the sale of investments.

The income tax burden in 2021 fell to 28.7 % of the result before tax (previous year: 46.4 %). In 2021, the Group was able to use non-capitalised losses carried forward. In the previous year, there were negative tax effects from the preparatory measures for the planned partial IPO of the DewertOkin Technology Group division.

The result of the period increased by 239.1 % from EUR 8.9 million to EUR 30.1 million due to the improved financial result and the lower tax rate. The net margin rose from 1.3 % to 3.7 %.

Operating result by division

| | Change | 2021 | 2020 |
|--------------------------------|-------------|---------------|---------------|
| | in % | in 1 000 EUR | in 1 000 EUR |
| DewertOkin Technology Group | -71.5 | 2 055 | 7 221 |
| Industrial Components | 3 577.4 | 17 700 | -509 |
| Enclosure Systems | 56.4 | 26 684 | 17 059 |
| Total for all divisions | 95.4 | 46 439 | 23 771 |
| Reconciliation ¹ | -89.3 | -2 495 | -1 341 |
| Total Group | 95.9 | 43 944 | 22 430 |

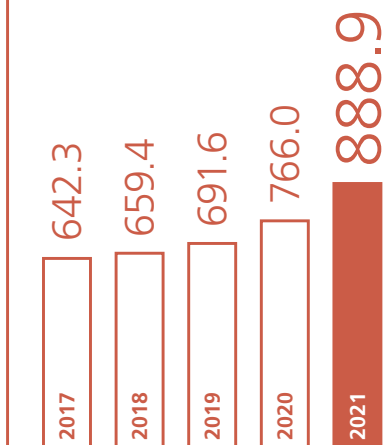
¹ Included under Reconciliation are individual business areas and central management and financial functions that cannot be allocated to the divisions.

Profitability by division²

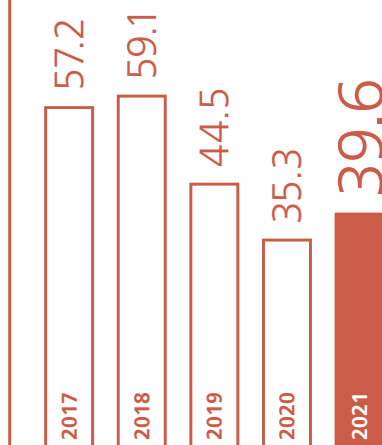
| | Change | 2021 | 2020 |
|-----------------------------|-------------|-------------|------------|
| | in % points | in % | in % |
| DewertOkin Technology Group | -4.4 | 2.1 | 6.5 |
| Industrial Components | 14.3 | 13.9 | -0.4 |
| Enclosure Systems | 6.5 | 30.4 | 23.9 |
| Group | 6.5 | 14.0 | 7.6 |

² Operating result as a percentage of net operating assets at the balance sheet date.

INCOMING ORDERS IN EUR MILLION



EQUITY RATIO IN %



ASSET AND CAPITAL STRUCTURE

Capital expenditure slightly up

Purchases of tangible assets totalled EUR 25.0 million (previous year: EUR 25.7 million) and purchases of intangible assets EUR 4.5 million (previous year: EUR 2.1 million). The largest single investment in 2021 was the industrial park currently under construction for the DOT Group division in Jiaxing, China. Work began in 2020, and the first sub-complex will enter service in 2022.

Equity ratio of 39.6 %

The offsetting of goodwill against equity in the context of acquisitions in 2020 and 2019 under Swiss GAAP FER led to a reduction in the equity ratio. In 2021, thanks to the positive trend in earnings, this ratio increased again and now stands at 39.6 % (previous year: 35.3 %), only slightly below the target minimum equity ratio of 40 %.

Reduction in net indebtedness

Net indebtedness at the end of 2021 was EUR 80.6 million (previous year: EUR 115.4 million). The main reason for the reduction was the increased cash flow from operating activities as a result of the increase in operating cash flow. Furthermore, there was only a limited outflow of funds for acquisitions (EUR 1.0 million compared with EUR 21.2 million). As a percentage of equity, net indebtedness fell to 33.0 % (previous year: 60.0 %).

OUTLOOK

At the start of 2022, Western industrial markets were buoyant and the signs point to continued growth. The Phoenix Mecano Group began the new year with full order books.

The effects of 'long COVID' are still being felt in global supply chains. There is still reduced availability of transport capacity, raw material prices remain high, and inflation rates are rising worldwide. The sudden outbreak of war in Ukraine has led to a further surge in prices for various industrial metals and in energy costs. Phoenix Mecano will continue

to implement necessary price increases to offset the significant hike in transport and raw material costs.

Automation and digitalisation are major growth drivers for the Phoenix Mecano Group. The Industrial Components and Enclosure Systems divisions are benefiting from the trend towards smart factory automation, while the DOT Group offers innovative solutions for the fast-growing market of smart furniture. Across all its divisions, Phoenix Mecano is evolving from a pure component manufacturer to a provider of integrated system solutions.

In this context, Phoenix Mecano invests strategically in system solutions for promising fields of application benefiting from long-term megatrends.

Examples include the Industrial Internet of Things (IIoT) and changes in the healthcare sector and furniture industry driven by demographic trends.

In these fields, Phoenix Mecano technologies and products are used at human-machine interfaces in industrial applications and in the digitalisation of patient-related services and processes in hospitals. They can also be found in ergonomic workstations in manufacturing and assembly cells, in offices and home offices, and in comfort furniture in smart homes.

The Phoenix Mecano Group is ideally positioned to continue leveraging these opportunities to generate sustainable, profitable growth in the future. Its business model has proven resistant to past crises, and is likely to remain so in the current climate of geopolitical uncertainty.

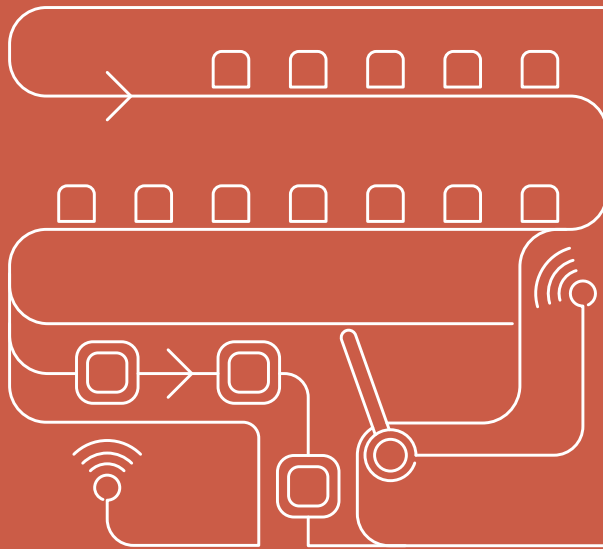
Capital expenditure

| | 2021 | | 2020 | |
|--------------------------------|---------------|--------------|---------------|--------------|
| | 1 000 EUR | in % | 1 000 EUR | in % |
| BY TYPE OF ASSET | | | | |
| Intangible assets | 4 532 | 15.3 | 2 130 | 7.7 |
| Land and buildings | 675 | 2.3 | 7 681 | 27.6 |
| Machinery and equipment | 10 054 | 34.0 | 10 205 | 36.8 |
| Tools | 2 712 | 9.2 | 1 915 | 6.9 |
| Construction in progress | 11 579 | 39.2 | 5 830 | 21.0 |
| Total | 29 552 | 100.0 | 27 761 | 100.0 |
| BY DIVISION | | | | |
| DewertOkin Technology Group | 17 458 | 59.1 | 13 456 | 48.5 |
| Industrial Components | 5 171 | 17.5 | 8 168 | 29.4 |
| Enclosure Systems | 5 445 | 18.4 | 4 999 | 18.0 |
| Total for all divisions | 28 074 | 95.0 | 26 623 | 95.9 |
| Reconciliation ¹ | 1 478 | 5.0 | 1 138 | 4.1 |
| Total | 29 552 | 100.0 | 27 761 | 100.0 |

¹ Included under Reconciliation are individual business areas and central management and financial functions that cannot be allocated to the divisions.

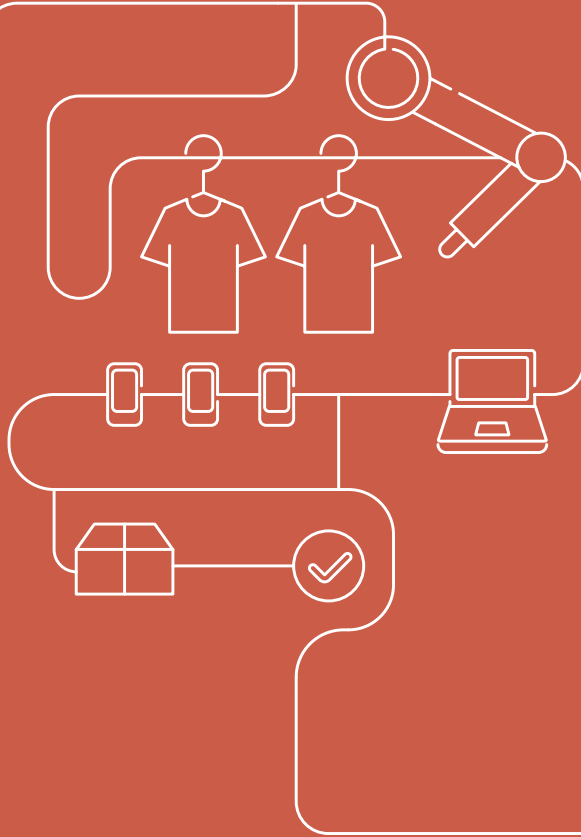
Smooth flow of goods – even at peak times

A leading Indian e-commerce company uses a Phoenix Mecano conveyor and sorting system at its distribution centre. The system operates reliably – even during peak sales periods such as Diwali, the festival of lights.



PRODUCT

Linear conveyor systems are primarily used to transport different goods within a company. The systems manufactured and installed by Phoenix Mecano India are always tailored to the customer's specific requirements. For the fulfilment centre of a leading Indian e-commerce retailer, it produced a 1 100-metre-long conveyor belt that spans two floors and can carry goods weighing up to 50 kg. In addition to the conveyor belt, the service scope also included designing the workstations and installing trolleys and shelving. The system was installed fully equipped with sensors, swipe arms and computer-aided control circuits.

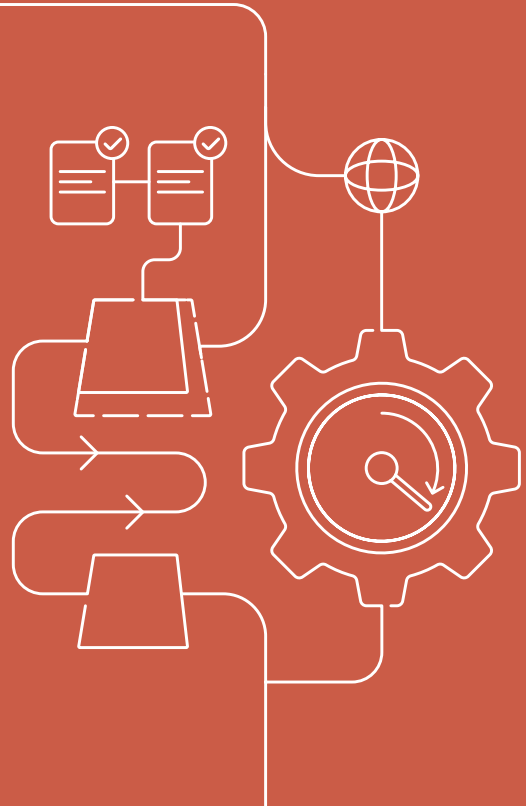


APPLICATION

The distribution centre covers an area of 80 000 square metres. Products are delivered here from many different suppliers and must first be checked for order quantities and quality requirements. The new system sorts the products and automatically directs mobile phones, electrical appliances and clothing to the right conveyor belts. Further steps include dividing, picking, labelling, packing and complete preparation for shipment. The distribution centre handles up to 600 000 shipments per day at peak times, such as during the sales for Diwali, the festival of lights.

BENEFITS

In Phoenix Mecano India, the customer had a partner that could develop and implement a highly customised one-stop-shop solution that met all its intralogistics requirements. Wider belts and sorting agility enabled the customer to save 20 % in floor space compared with previous systems at other distribution centres while also boosting operational efficiency by 20 %. The bidirectional conveyor belts offer the flexibility of transporting goods in both directions, from the ground floor to the first floor and vice versa. Until the system was fully up and running, the customer was supported by a team of experts in material-handling robots, hardware, software development and process control.



DewertOkin Technology Group

Huge increases in material costs led to a significantly lower operating result for the division, despite an increase in sales of more than 20 %. Thanks to prompt counter-measures, profitability is expected to climb in 2022.

**GROSS SALES
IN EUR MILLION**



Orders

Incoming orders for the DewertOkin product area – now made into a separate division ahead of its planned partial IPO – remained practically unchanged at EUR 385.5 million, following a sharp increase in 2020. The book-to-bill ratio (incoming orders as a percentage of gross sales) improved towards the end of the year and stood at 98.1 % (previous year: 120.7 %).

Sales

The division increased its gross sales by 22.7 % to EUR 392.8 million and consolidated its market leadership position. Organic, local-currency sales were up by 20.2 %. Sales in Europe increased by 6.1 % due to acquisitions. In North and South America, sales rose by 7.4 %. The Middle and Far East market continued to expand dynamically, with sales growth of 31.2 %.

Buoyed by high demand for electrically adjustable comfort furniture, gross sales of drive technology increased by 17.4 % and sales of fittings technology by 29.7 %. A key driver was increased demand in the US end customer market, triggered by COVID-related individual support measures.

Result

Despite the increase in sales, the operating result fell by 71.5 % from EUR 7.2 million to EUR 2.1 million. Huge material price hikes for steel, copper, aluminium and electronic components as well as significantly more expensive transport capacity led to a decline in the gross margin. The division found alternative procurement sources, stepped up insourcing and raised sales prices worldwide. However, the impact of these countermeasures took some time to feed through.

In addition, there were further pressures on the operating result, including increased development efforts. At the BEWATEC group, acquired in November 2020, further progress was made on the digitalisation initiative in the medical technology market segment. The ConnectedCare communication platform was ported to China and adapted to local market needs, and bed sensors were integrated into the platform. Various new drives were developed in 2021 for the bedding, seating and office market segments. In the seating segment, new fittings were also developed. Finally, key management functions within the division were brought together at the new headquarters building in Jiaxing, China, and expanded in view of the planned partial IPO. Drive production for local customers got under way in Vietnam, but had to be suspended for several months due to COVID. COVID-related lockdowns, the loss of staff and delivery delays also impacted the division's performance at its US company.

Asset and capital structure

At EUR 17.5 million, purchases of tangible and intangible assets were well above the previous year's level of EUR 13.5 million, due to the industrial complex under construction in Jiaxing.

The measures adopted to reduce net current assets resulted in a 12.8 % drop in net assets, despite increased capital expenditure. Owing to the significantly reduced operating result, the return on capital employed (ROCE) fell from 6.5 % to 2.1 %.

**OPERATING RESULT
IN EUR MILLION**

2.1

IN % OF SALES

0.5 %

**GROSS SALES
BY REGION IN %**



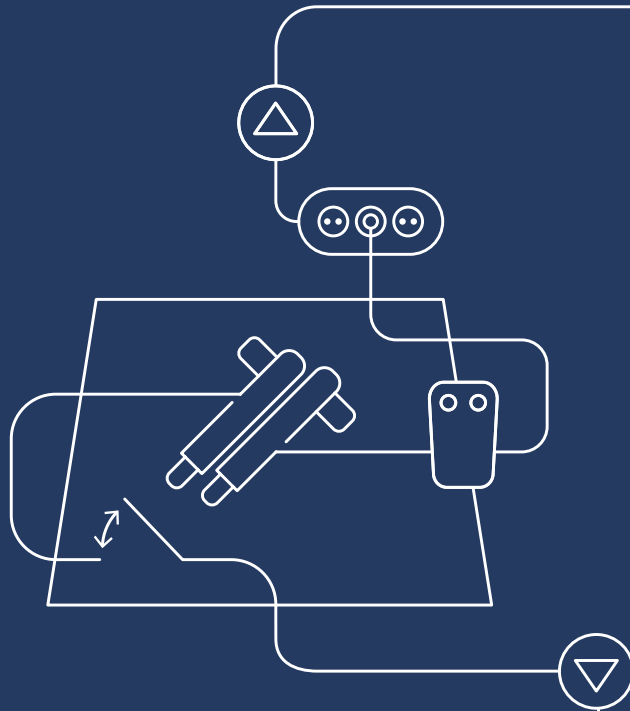
- 1 Switzerland **0.2 %**
- 2 Germany **6.7 %**
- 3 Rest of Europe **11.3 %**
- 4 North and South America **12.1 %**
- 5 Middle and Far East **69.7 %**

**INCOMING ORDERS
IN EUR MILLION**



A factory tailored to the digital age

The DewertOkin Technology Group's new industrial park places digital technologies front and centre. They optimise workflows, automate stages in the manufacturing process, and boost efficiency.

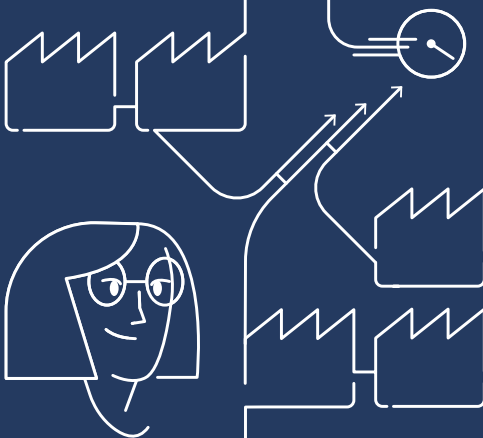
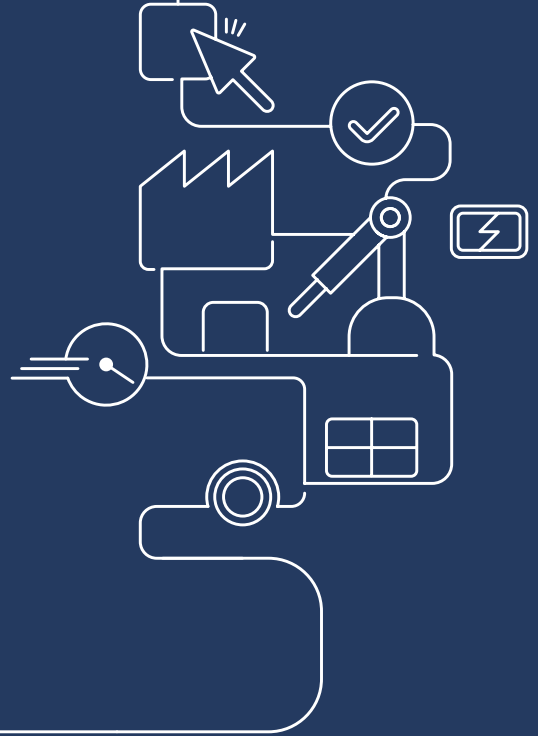


PRODUCT

The DewertOkin Technology Group's new industrial park in Jiaxing, near Shanghai, is a digital 'dream factory'. Covering an area of 115 000 square metres, it brings together product research and development, production and sales. Electronics, electric drives, control systems and the associated mechanical structures for smart furniture as well as for office and medical applications are developed and manufactured at the park. These products are used in an array of applications including movable upholstered furniture, massage chairs, cinema seats, recliners and adjustable beds, hospital and nursing beds, and adjustable office desks.

FUNCTIONALITY

The holistically designed factory enables intelligent manufacturing under one roof, from ordering through to delivery. It operates via an information-based digital platform and incorporates a high level of automated production as well as smart warehousing and logistics. All processes are centrally controlled, enabling quick decisions about process changes. From the factory's digital cockpit, workflows are monitored in real time and operational efficiency and costs are optimised.



BENEFITS

The industrial park allows a greater proportion of value added to be generated in-house and creates space for future growth by consolidating existing sites.

Modern workstations make work less physically demanding and simplify employees' tasks. Advanced production and manufacturing models satisfy customer demand for prompt delivery of orders, while shortened logistics chains optimise workflows and increase efficiency.

Industrial Components

Sales and result increased significantly and a profitability of almost 14 % was achieved. All business areas that made losses the previous year saw a turnaround. The high book-to-bill ratio at the end of 2021 suggests that the positive business performance will continue in 2022.

**GROSS SALES
IN EUR MILLION**



Orders

Incoming orders for the newly formed Industrial Components division were up 41.2 % on the previous year at EUR 279.3 million (up 41.1 % in organic, local-currency terms). The book-to-bill ratio (incoming orders as a percentage of gross sales) was 123.4 % (previous year: 100.6 %). In all four quarters, incoming orders were significantly higher than sales, meaning that the division started 2022 with a well-filled order book.

Sales

Gross sales rose by 15.2 % to EUR 226.4 million. In organic, local-currency terms, they were up by 14.2 %. In Europe, sales increased by 21 %, with above-average growth rates in Germany, the UK, France and Italy. Sales were down by 5.4 % in North and South America and by 1.6 % in the Middle and Far East.

The Automation Modules business area increased its sales by 18.1 % across all sectors, to EUR 95.9 million. 2021 saw the market launch of digital design and simulation tools for profile systems and a linear positioning system for clean-room applications as well as the industrialisation of battery-powered lifting columns for energy-autonomous control.

In the Electromechanical Components business area, sales increased by 19.4 % to EUR 57.3 million, despite pandemic-related supply issues. The portfolio of testing technology products was expanded to include a high-current interface for e-mobility systems.

The Rugged Computing business area saw sales jump by 9.0% to EUR 48.2 million. While sales of backplanes and electronic manufacturing services increased, sales of industrial computing applications in the US declined due to project delays. The commercial satellite technology market is a new area of focus for the business area.

The Measuring Technology business area increased its sales by 7.9%. There was particularly high demand for current transformers, especially high-precision and calibrated products.

Result

The Industrial Components division significantly increased its operating result, from EUR -0.5 million to EUR 17.7 million. All four of the division's business areas contributed to this positive earnings performance. The jump in earnings was due on the one hand to volume growth and on the other hand to the cost structure adaptations linked to the programme of measures implemented in 2019/2020. The operating margin was 7.8%, well above the previous year's level of -0.3%.

Asset and capital structure

Capital expenditure fell from EUR 8.2 million to EUR 5.2 million. Purchases of tangible assets in 2020 were dominated by the construction of a new factory in Lechang, China.

Net operating assets rose by 10.9% to EUR 127.5 million due to the sales-related increase in net current assets. Thanks to the increase in operating result, the return on capital employed (ROCE) climbed significantly to 13.9%.

**OPERATING RESULT
IN EUR MILLION**

17.7

IN % OF SALES

7.8%

**GROSS SALES
BY REGION IN %**

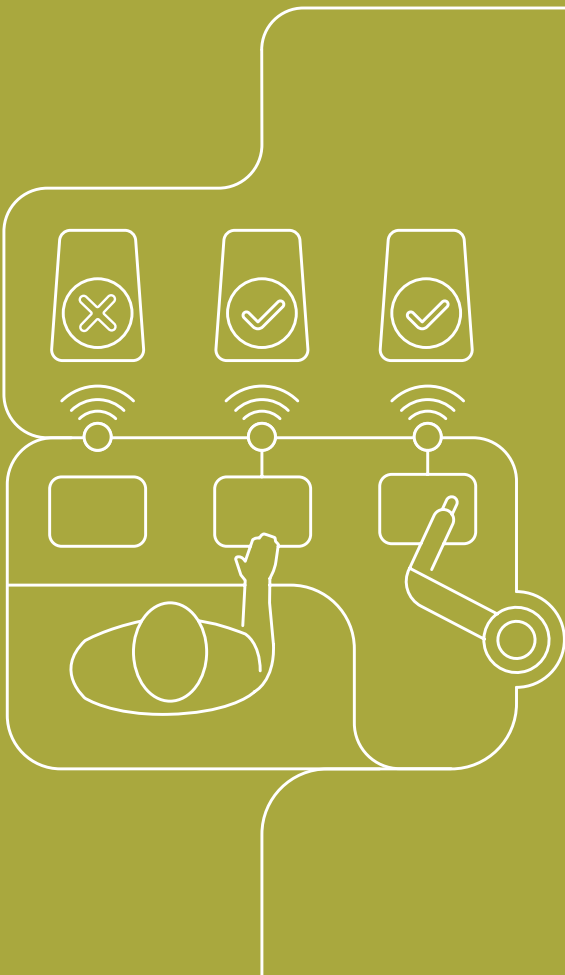


**INCOMING ORDERS
IN EUR MILLION**



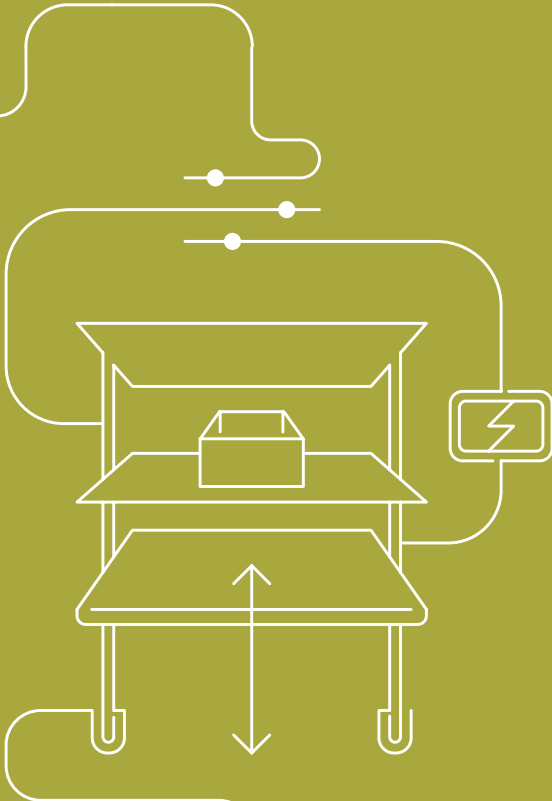
Ergonomic workstations for flawless assembly

Assembly workstations for complex, high-variant products pose a particular challenge. Rose+Krieger's modern workstation systems provide an ideal solution for every company.



PRODUCT

RK Antriebs- und Handhabungs-Technik GmbH (RK AHT) is RK Rose+Krieger's competence centre for fully operational, customised and ergonomic assembly workstation solutions. Equipped with software-supported assistance systems and/or collaborative robots, they ensure an efficient, flawless production process and assembly reliability even with changes of staff – both key factors when it comes to quality assurance.

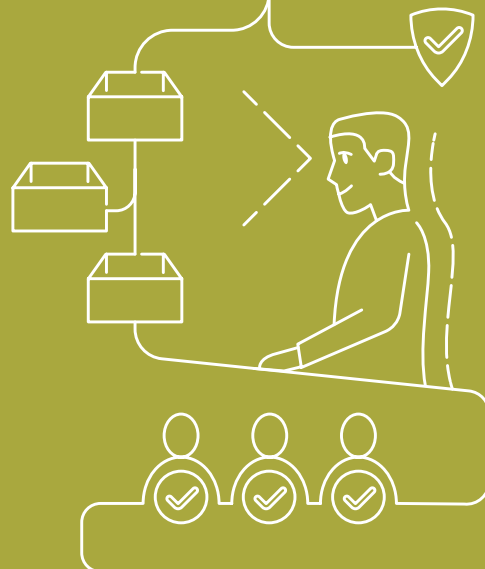


APPLICATION

Not all products can be manufactured fully automatically. Automated production is often not worthwhile, especially for small product batches. The same applies to many customised solutions, such as those produced for a workshop for people with disabilities in Belgium. Nowadays, customers are demanding modern, ergonomic assembly workstations that relieve operators from physically demanding or monotonous tasks and can be integrated into the digital work environment. Automated (or partially automated) assembly workstations such as these are particularly useful in the medical technology sector, where reliable, zero-defect manufacturing is key. They also offer similar advantages for any manufacturing process that requires product traceability.

BENEFITS

With their optimal ergonomic design, RK AHT's modern assembly workstations relieve employees from physically demanding or monotonous tasks. Combined with software-supported assistance systems and/or collaborative robots, they ensure an efficient, flawless production process and assembly reliability even with changes of staff – leading to top-quality products. Fewer defects, ergonomic working and varied, efficient tasks are the key benefits of these systems.



Enclosure Systems

The division had a successful financial year, despite a series of challenges in supply chain management. All key financials are well up on 2020 and on the pre-crisis year of 2019.

GROSS SALES
IN EUR MILLION



Orders

Incoming orders for the Enclosure Systems division were up 23.3 % on the previous year (24.6 % in organic, local-currency terms). Growth rates were particularly high for enclosures and system solutions for renewable energies, Internet of Things applications, electromobility and industry digitalisation. The book-to-bill ratio at the end of the year (incoming orders as a percentage of gross sales) was 113.3 % (previous year: 106.4 %).

Sales

The division increased its gross sales by 15.9 % to EUR 197.8 million. In organic, local-currency terms, they were up by 17.1 %. With double-digit growth rates in all major European market regions, sales in Europe rose by 19.6 %. Sales in North and South America sales increased by 11.3 %. In the Middle and Far East, sales were down by 4.8 %, due to declines in the energy sector.

Gross sales of industrial enclosures (including control panels and equipment carriers) rose by 16.6 % worldwide. Sales increases were recorded in the key market segments of electrical engineering, measurement and control technology, and mechanical and plant engineering. Only the oil and gas project business saw a decline in sales. The popular Bocube product range was expanded in 2021, and there were further developments in system integration and special enclosures.

Gross sales of input systems increased by 18.8%. Sales increases were recorded both in traditional industrial markets and in the medical technology market segment.

Result

Driven by the strong increase in sales, the operating result jumped by 56.4% to EUR 26.7 million. The disproportionately low rise in staff costs also contributed to this impressive result. By contrast, there was a disproportionately high increase in operating supplies and freight outward. Had it not been for supply chain issues, the result would have been even better. The operating margin was 13.5%, well up on the previous year's 10.0%.

Asset and capital structure

Purchases of tangible and intangible assets stood at EUR 5.4 million, up around 10% on the previous year. This was due to increased capital expenditure on global manufacturing infrastructure.

Net operating assets rose by 23.1% to EUR 87.8 million due to the sales-related increase in net current assets and the rise in capital expenditure. Thanks to the increase in operating result, the return on capital employed (ROCE) improved significantly to 30.4%, up from 23.9% the previous year.

**OPERATING RESULT
IN EUR MILLION**

26.7

IN % OF SALES

13.5 %

**GROSS SALES
BY REGION IN %**



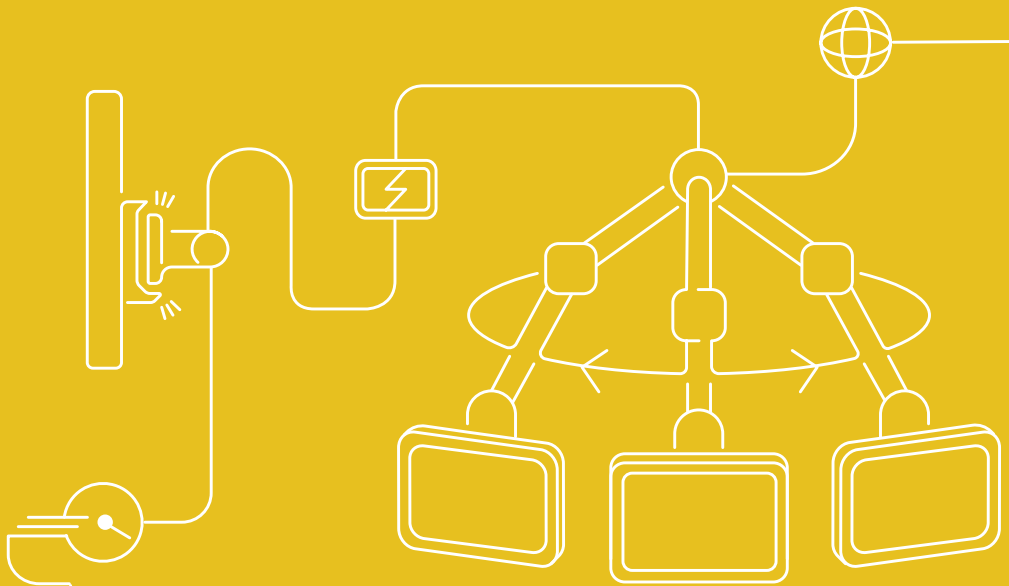
- 1 Switzerland **5.0%**
- 2 Germany **50.5%**
- 3 Rest of Europe **27.5%**
- 4 North and South America **6.5%**
- 5 Middle and Far East **10.5%**

**INCOMING ORDERS
IN EUR MILLION**



Goodbye paperwork, hello tablets

Rose's customised control panels promote optimal collaboration between humans and machines, and allow the entire production process to be digitalised and interconnected.



PRODUCT

The human-machine interface (HMI) is the point of interaction between people and machines. Rose's HMI systems comprise a range of custom-configured components, making use of customised panel and embedded PCs, individually configured electronic, standard and control enclosures, and equipment carrier systems. This makes Rose the only manufacturer to provide complete automation systems for production facilities, such as those typically used in the automotive industry.

Share information

Phoenix Mecano AG's shares are listed on the SIX Swiss Exchange in Zurich. The share capital of CHF 960 500 is divided up into 960 500 bearer shares with a par value of CHF 1.00 each. There are no restrictions on ownership or voting rights. Capital that is not required for internal growth is returned to shareholders in the form of dividends, par value repayments and share buy-backs. The share capital has not been increased since the company went public in 1988. Phoenix Mecano AG's corporate policy dictates that growth should be funded out of the company's own capital resources.

OPTING OUT AND OPTING UP

The company has not made any use of the possibility provided for in the Swiss Stock Exchange Act of excluding an acquiring company from the obligation to make a public purchase bid. The limit for the obligation to make an offer pursuant to Article 32 of the Swiss Federal Act on Stock Exchanges and Securities Trading is 45 % of voting rights.

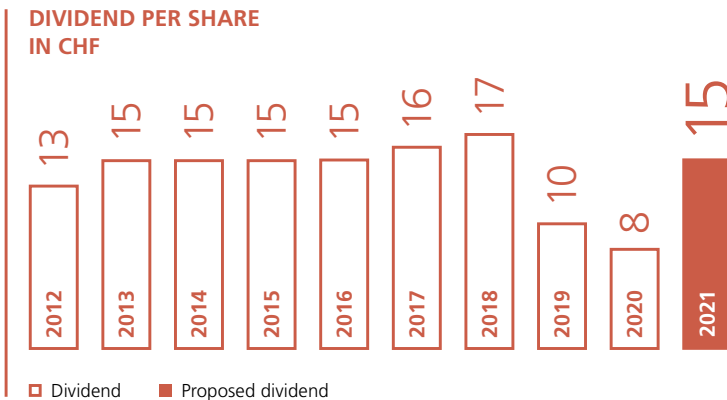
PAYOUT AND DIVIDEND POLICY

The target payout ratio for dividend payments is 40 % to 50 % of result after tax, adjusted for special factors. The strong balance sheet and high free cash flow can sustainably finance organic growth as well as any acquisitions. The Board of Directors will propose to the Shareholders' General Meeting of 20 May 2022 a dividend of CHF 15.00 per share. This corresponds to a payout ratio of 44 %.

The share is covered by the following analysts:

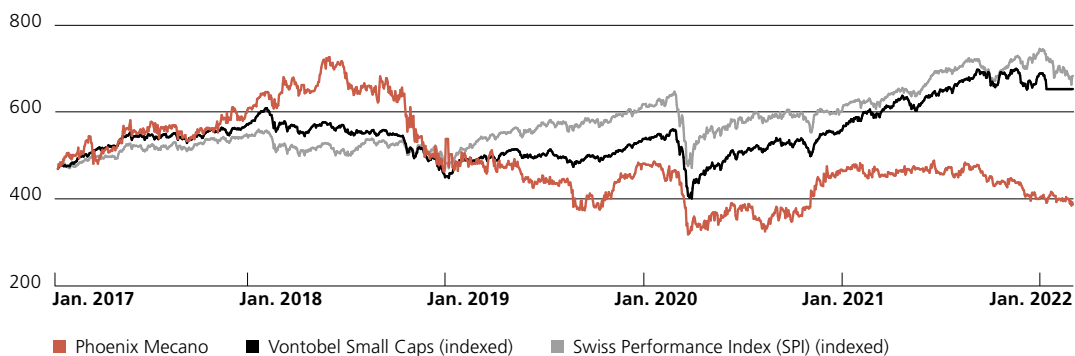
- UBS AG (CH): joern.iffert@ubs.com
- Research Partners (CH): reto.huber@researchpartners.ch
- Zürcher Kantonalbank (CH): richard.frei@zkb.ch

| | |
|-------------------------------|---------------------------|
| Listing | SIX Swiss Exchange/Zurich |
| Securities No. | Inh. 218781 |
| ISIN | CH0002187810 |
| Reuters | PM.S |
| Bloomberg | PM SE Equity |
| Telekurs/Telerate | PM |
| Legal Entity Identifier (LEI) | 529900SWF06EKV11JY11. |



SHARE PRICE 1 JANUARY 2017–28 FEBRUARY 2022

in CHF



SHARE INDICATORS AT A GLANCE

| | | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|-------------|--------------------|---------|---------|---------|---------|
| | Units | | | | | |
| Share capital (bearer shares with a par value of CHF 1.00) | CHF | 960 500 | 960 500 | 960 500 | 960 500 | 960 500 |
| Treasury shares | Number | 189 | 491 | 1 000 | 1 000 | 1 000 |
| Shares entitled to dividend | Number | 960 311 | 960 009 | 959 500 | 959 500 | 959 500 |
| Operating result per share ¹ | EUR | 45.8 | 23.4 | 24.3 | 53.5 | 32.0 |
| Result of the period per share ¹ | EUR | 31.4 | 9.3 | 14.5 | 37.6 | 22.9 |
| Equity per share ¹ | EUR | 254.3 | 200.4 | 226.5 | 279.3 | 281.1 |
| Free cash flow per share ¹ | EUR | 28.0 | 10.8 | 18.7 | 13.5 | 11.9 |
| Dividend | CHF | 15.00 ⁴ | 8.00 | 10.00 | 17.00 | 16.00 |
| Market price | | | | | | |
| High | CHF | 502 | 494.50 | 519 | 728 | 614 |
| Low | CHF | 396 | 312 | 374 | 456 | 475 |
| Year-end price | CHF | 405.50 | 464.50 | 478.50 | 503 | 614 |
| Market capitalisation | CHF million | 389.5 | 446.2 | 459.6 | 483.1 | 589.7 |
| Dividend yield ² | % | 3.7 ⁴ | 1.7 | 2.1 | 3.4 | 2.4 |
| Total shareholder return | % | -11.0 | -0.8 | -1.5 | -15.5 | 34.1 |
| Payout ratio ³ | % | 44 ⁴ | 81 | 62 | 39 | 63 |
| Price/profit ratio 31 December | | 12.0 | 46.9 | 29.7 | 11.6 | 24.2 |

¹ Based on shares entitled to dividend as at 31 December.

² Dividend in relation to year-end price.

³ Dividend (shares entitled to dividend only) in relation to result of the period.

⁴ As per the dividend proposal to the Shareholders' General Meeting on 20 May 2022.

From the start of 2019, the consolidated financial statements have been prepared in accordance with Swiss GAAP FER, with the previous year adjusted accordingly. The year 2017 is presented according to IFRS.

Sustainability

To underscore its commitment to sustainability, Phoenix Mecano is now publishing a sustainability report based on the Global Reporting Initiative (GRI) Standards.

Alongside the success of its business activities, Phoenix Mecano has always attached great importance to looking after its employees, caring for the environment and making a positive contribution to society. These principles are all part of its commitment to operating sustainably.

To make the economic, social and environmental impact of its business activities both visible and comparable, Phoenix Mecano is now publishing a sustainability report in accordance with the GRI Standards. This comprehensive appraisal is based on standardised criteria, thus creating the Group-wide transparency that is so important for a decentralised business like Phoenix Mecano.

By presenting an overall picture, the report identifies potential for improvement and helps the Group move forward judiciously in this vital area. In the process, it should foster a deeper awareness of sustainability and help meet sustainability goals at all levels.

SUSTAINABILITY LEVELS

The first step was to define and weight the areas to be evaluated for the first sustainability report, based on the GRI criteria.



READ THE
FULL REPORT ON
[WWW.PHOENIX-MECANO.
COM/EN/SUSTAINABILITY](http://WWW.PHOENIX-MECANO.COM/EN/SUSTAINABILITY)

SUSTAINABILITY LEVELS

RELEVANCE AND IMPACT

LOW

MEDIUM

HIGH



ECONOMIC LEVEL

TAX

ANTI-CORRUPTION

ECONOMIC
PERFORMANCE

ANTI-COMPETITIVE
BEHAVIOUR

SOCIAL LEVEL

FREEDOM OF
ASSOCIATION &
COLLECTIVE BARGAINING

LABOUR/MANAGEMENT
RELATIONS

CUSTOMER
PRIVACY

SUPPLIER SOCIAL
ASSESSMENT

CUSTOMER HEALTH &
SAFETY

TRAINING & EDUCATION

CHILD LABOUR

DIVERSITY & EQUAL
OPPORTUNITY

OCCUPATIONAL
HEALTH & SAFETY

ENVIRONMENTAL LEVEL

WASTE

ENVIRONMENTAL
COMPLIANCE

ENERGY

SUPPLIER ENVIRONMENTAL
ASSESSMENT

MATERIALS

EMISSIONS

ECONOMIC LEVEL

Phoenix Mecano pursues a long-term growth strategy based on growth drivers aligned with megatrends. It sees sustainable growth and profitability as essential for strengthening competitiveness, generating value and creating new jobs. Its decentralised corporate structure helps it stay close to customers, fosters continuous improvements in operational excellence, and enables it to maintain a lean cost base.

ECONOMIC LEVEL

TAX
ANTI-CORRUPTION
ANTI-COMPETITIVE
BEHAVIOUR
ECONOMIC
PERFORMANCE

Creation of value added

| in 1000 EUR | Note | 2021 | 2020 |
|---------------------------------------|------|----------------|----------------|
| Net sales | | 809 590 | 682 126 |
| Own work capitalised and other income | | 17 007 | 13 967 |
| Cost of materials | | -450 936 | -361 685 |
| Other operating expenses | A | -87 339 | -78 212 |
| Depreciation/ amortisation | | -22 289 | -25 784 |
| Other non-operating result | B | 952 | -3 634 |
| Value added | | 266 985 | 226 778 |

Distribution of value added

| in % | Note | 2021 | 2020 |
|--------------------------------|------|--------------|--------------|
| Employees | C | 82.4 | 90.8 |
| Government (taxes) | D | 5.4 | 4.3 |
| Shareholders | E | 2.6 | 4.0 |
| Lenders (net interest expense) | | 1.0 | 1.0 |
| Companies (retained earnings) | F | 8.6 | -0.1 |
| Value added | | 100.0 | 100.0 |

A Excluding capital taxes and other non-profit-related taxes

B Financial result excluding net interest expense plus share of result from associated companies

C Personnel expenses

D Current income tax, capital taxes and other non-profit-related taxes

E Dividends paid in the financial year and share repurchases under the share buy-back programme

F Result of the period less dividends already paid in the financial year and share repurchases under the share buy-back programme

Implementation example: Kaizen boosts efficiency and employee satisfaction

Since 1975, the Japan International Cooperation Agency (JICA) has been promoting the Kaizen system in Tunisia as part of an economic development project. The 'model company' award for Phoenix Mecano Elcom shows how successfully the Kaizen philosophy is being implemented within the firm. This is also reflected in the numbers.

Phoenix Mecano Elcom specialises in the manufacture and assembly of electromechanical components such as plug connectors, μ switches, contact pins and small coils. These products are used in the assembly of electronic circuit boards in all areas of application.

In 2011, the unstable situation in Tunisia raised the question of whether the factory should be relocated to Morocco. However, the management in Tunisia wanted to create the conditions that would allow production to continue in the country. This meant cutting production costs, diversifying the product range and increasing profit margins, all without substantial capital expenditure and while retaining the labour-intensive system of manual assembly.

Taking part in the Kaizen project led to significant boosts in both productivity and product quality. It also enabled the headcount to be increased to more than 1500.

Kaizen has greatly enhanced the working environment. New standards have codified the most efficient ways to do jobs, helped to keep work areas clean and tidy, and reduced the number of workplace accidents. At the same time, employees have developed a palpable sense of belonging and of shared responsibility.

Regular Gemba Kaizen circles aim to continuously improve activities at the production site. The company's managers have also got on board. Production processes and the design of human-machine interfaces are discussed collectively, and the constant optimisation of tasks has led to measurable efficiency gains and greater employee satisfaction.



SOCIAL LEVEL

At the social level, Phoenix Mecano's commitment to sustainability can be seen in its behaviour towards its stakeholders. The company offers its employees a fair, safe work environment and a culture that recognises and harnesses individual potential. Likewise, when choosing its suppliers, Phoenix Mecano ensures that they treat their workers in a fair and lawful way.

AVERAGE HOURS OF TRAINING PER EMPLOYEE

30

NUMBER OF TRAINEES

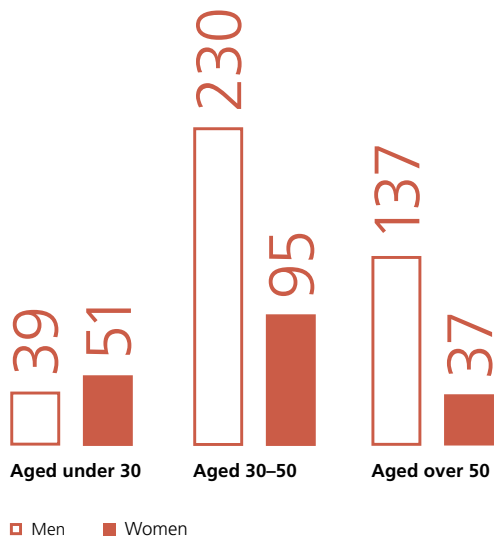
135



SOCIAL LEVEL

- FREEDOM OF ASSOCIATION & COLLECTIVE BARGAINING
- SUPPLIER SOCIAL ASSESSMENT
- CHILD LABOUR
- CUSTOMER PRIVACY
- TRAINING & EDUCATION
- DIVERSITY & EQUAL OPPORTUNITY
- LABOUR/MANAGEMENT RELATIONS
- CUSTOMER HEALTH & SAFETY
- OCCUPATIONAL HEALTH & SAFETY

DIVERSITY AT MANAGEMENT LEVELS IN 2021





Implementation example: Rose Systemtechnik and Rose+Krieger recognised as ‘family-friendly companies’

‘Family-friendly companies’ have HR policies that helps their staff combine work commitments with family and caring responsibilities. From the employer this demands a high degree of flexibility and a willingness to accommodate the needs of its employees. At Rose Systemtechnik, for example, flexitime extends from 6.00 a.m. to 8.00 p.m., with only 9.00 a.m. to 12 noon as the core period. Breaks can be timed flexibly and extended if necessary.

There is also maximum flexibility in terms of weekly hours, working days and the distribution of working hours between days of the week. Supervisors and employees coordinate individual part-time arrangements together. Daily or monthly working hours can be reduced or extended for a limited period based on an agreement between the staff involved, with minimal administrative formalities.

This is all underpinned by a company agreement on mobile working, giving employees extensive scope to shape their own working lives and a generous system of work time accounting.

Where operationally feasible, special working time models, including Saturday work, are also possible. These are used, for example, by staff who have caring responsibilities during the week.

However, important though these progressive policies are, what matters most is the overarching family-friendly ethos, which means that pragmatic solutions can be found even in very specific circumstances.

Implementation example: Phoenix Mecano India vaccinates staff against COVID-19

During the COVID-19 crisis, India faced a daunting task: offering 1.3 billion people the opportunity to get vaccinated. But quite apart from the incredible numbers involved and the associated costs, actually reaching people was a problem in itself.

Phoenix Mecano India quickly realised that its staff would have trouble accessing vaccinations. For one thing, the only way to get an appointment was using a smartphone or computer – something not available to every employee. The second problem was accessibility. The company is located 35 km from the nearest city, Pune, and many employees had no means of getting there with their families. Also, the time needed to travel into the city and have the vaccination would have been difficult to fit in around work.

Last but not least, the cost of USD 10 per jab would have been prohibitive for many.

In view of all this, the company’s management decided that, rather than getting their staff to the vaccination, it would be better to bring the vaccination to them. When the vaccine became available in Pune in early June 2021, the 700 employees were able to be vaccinated free of charge on the company’s premises, with minimal inconvenience.



ENVIRONMENTAL LEVEL

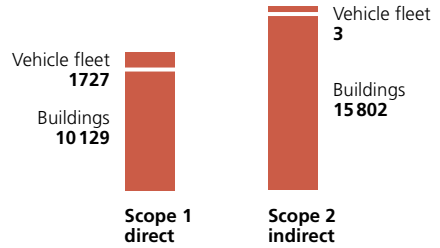
To protect the environment and mitigate climate change, Phoenix Mecano strives to reduce its energy consumption and increase the proportion of renewable energy it uses for electricity, heating and mobility. In production activities, natural resources are used carefully to minimise the impact on the environment. Currently, twelve companies have ISO 14001 environmental management certification, and 40% of sites already have waste reduction strategies in place.



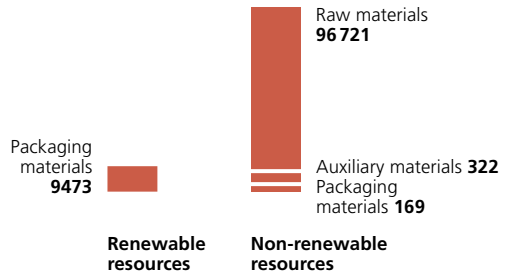
ENVIRONMENTAL LEVEL

- WASTE
- SUPPLIER ENVIRONMENTAL ASSESSMENT
- ENVIRONMENTAL COMPLIANCE
- MATERIALS
- ENERGY
- EMISSIONS

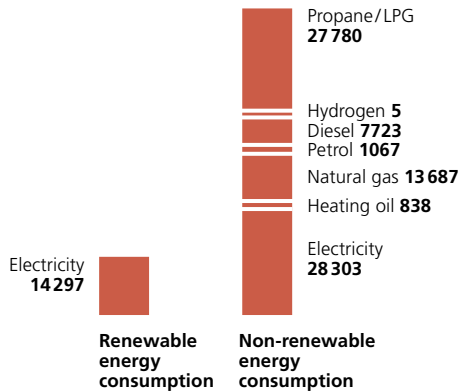
DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS IN 2021 IN T CO₂ EQUIVALENT



MATERIALS USED 2021 IN T



ENERGY CONSUMPTION 2021 IN MWH



Implementation example: Rivers free from plastic waste

Autonomous River Clean (ARC) is a student-led initiative at ETH Zurich. It is based on a system that uses developments in robotics and automation to significantly reduce plastic waste in rivers. Its autonomous trash collection vessel provides a viable solution to tackle the global problem of plastic pollution in the environment. The first prototype was tested on the River Limmat in Zurich in 2021.

One of the key questions to be addressed is how the floating waste can be collected at a single point.

Among other things, the team is researching how to deflect the trajectories of moving particles on the river so that they can be accumulated at the collection point. For this they are employing various techniques from the fields of mathematical modelling and fluid dynamics.

A detection system powered by artificial intelligence and state-of-the-art sensing technology is able to identify relevant waste particles. Combined with a robotic sorting system, this enables proper handling and disposal of the waste.

Phoenix Mecano provides material support to the project and is an official ARC sponsor.



Implementation example: Phoenix Mecano in Stein am Rhein goes solar

Phoenix Mecano Komponenten AG in Stein am Rhein, Switzerland, installed a photovoltaic system in 2021. Covering an area of 1281 m², the system generates enough power to meet around 65 % of the company's annual electricity consumption.

The 676 modules deliver a maximum output of 263.64 kilowatts peak (kWp), producing around 220 000 kWh of electricity annually. This could supply 49 average four-person households in Switzerland with electricity for a whole year.

The 220 000 kWh of solar power now generated in-house saves around 86 tonnes of CO₂ emissions per year. To put this in context, it would take almost 3000 trees to offset that amount of emissions.

As well as using the electricity in its operations, the company also plans to supply power to an electric vehicle charging station. Meanwhile, preparations have been made to install further charging stations.

And there is more usable roof space still available...



Financial calendar

| | | |
|--------------------------------------|---|--|
| 17 FEBRUARY 2022 7.00 a.m. | MEDIA RELEASE Preliminary full-year results 2021 | |
| 21 APRIL 2022 7.00 a.m. | MEDIA RELEASE Results 2021, Q1 results 2022 | Publication of Annual Report 2021 |
| 10.30 a.m. | ANNUAL RESULTS PRESENTATION Results 2021, Q1 results 2022 | Widder Hotel, Zurich, and webcast |
| 20 MAY 2022 3.00 p.m. | SHAREHOLDERS' GENERAL MEETING | Vienna House zur Bleiche, Schaffhausen |
| 11 AUGUST 2022 7.00 a.m. | MEDIA RELEASE Half-year results 2022 | Half-year Report 2022 |
| 2 NOVEMBER 2022 7.00 a.m. | MEDIA RELEASE Q3 results 2022 | |

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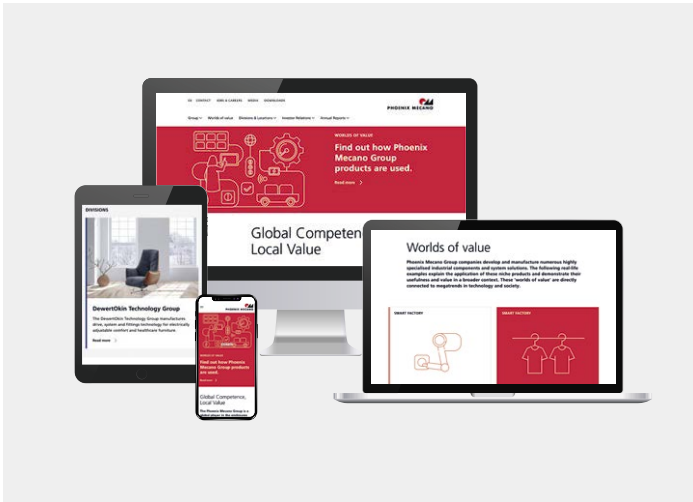
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Multimedia



In the interests of sustainability, Phoenix Mecano keeps the print run of its Annual Report as small as possible, focusing instead on value-added multimedia content.

Detailed information is available online and can be accessed and used at any time:

- Video interview with Benedikt A. Goldkamp, Chairman of the Board of Directors and Dr Rochus Kobler, CEO
- Short Report
- Interactive chart tool
- Download centre

phoenix-mecano.com/en/annual-reports

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