Media release on semiannual results 2018

Mikron reports high order backlog at mid-year

Biel, July 24, 2018, 7 a.m. – The Mikron Group was able to capitalize on the positive performance in its key markets in the first half of 2018. Both business segments improved their sales and earnings compared to the same period of the previous year. The marked sales growth in both business segments resulted in EBIT of CHF 6.0 million for the first half of 2018 (first half of 2017: CHF -0.8 million). The high order backlog at mid-year and the generally good performance of both business segments will have a positive impact on the Group’s sales and earnings in the second half of 2018.

At CHF 187.8 million, the Mikron Group reported a high order intake in the first half of 2018 (first half of 2017: CHF 114.2 million) which, compared to 2017, leads the group to expect a marked improvement in the year-end results. The order backlog is at CHF 186.6 million (June 30, 2017: CHF 119.2 million).

In the Machining business segment, the tool business enjoyed a particularly strong performance. Mikron was also able to tap into new market segments in this area – such as the Chinese market, which is still very young. In the machines business, Mikron Machining also succeeded in acquiring some interesting new contracts. Business with machines for the writing instruments industry, which operates primarily in Asia run well, owing to the amount of new orders won in the second half of 2017. Both production sites in Agno (Switzerland) and Rottweil (Germany) were operating at high capacity. Owing to the increase in demand, Mikron Machining further expanded capacity in the tools business at both sites.

In the Automation business segment, the sites in Europe saw good capacity utilization with numerous new orders from the pharmaceutical and medtech industries, the automotive industry, and the consumer goods sector. In the USA, capacity utilization will further improve in the second half of the year owing to the amount of new orders won. In comparison with the same period of the previous year, the Automation business segment was also able to increase sales and profitability. However, a number of the new orders will only have a positive impact on sales and earnings as of the second half of 2018.

The Mikron Group achieved total net sales of CHF 155.3 million in the first half of 2018 (first half of 2017: CHF 118.4 million, +31%). Both business segments were able to improve their sales. Europe (including Switzerland) remained the dominant market for the Mikron Group in the first six months of 2018, accounting for 66% of all sales. Here, the Group improved sales by 29% compared to the first half of 2017. US sales increased by 54% compared to the first half of 2017, while those in Asia rose by 48%.

The marked sales growth in both business segments resulted in EBIT of CHF 6.0 million for the first half of 2018 (first half of 2017: CHF -0.8 million). The Automation business segment improved its EBIT from CHF 0.2 million in the first six months of 2017 to CHF 2.5 million in the
first six months of 2018, while the Machining business segment improved by CHF 4.5 million to CHF 2.7 million (first half of 2017: CHF -1.8 million).

Net earnings for the first half of 2018 came to CHF 3.8 million (first six months of 2017: CHF -1.7 million).

Outlook
The high order backlog at mid-year and the generally good performance of both business segments will have a positive impact on the Group's sales and earnings in the second half of 2018. The Mikron Group's medium-term planning for 2018-2022 is based on average annual sales growth of around 6% and a target EBIT margin of 5-7%.

Overall, the Group expects a rise in annual sales of between 20% and 30%, in comparison with last year, and an EBIT margin of 3-5% (2017: 1.1%) in the 2018 annual results. Both business segments are currently contributing similarly and are thus moving towards the medium-term goals.

Key figures for the Mikron Group in the first half year 2018

|                              | 1.1.–30.6.18 | 1.1.–30.6.17 | +/-  
|------------------------------|--------------|--------------|------
| **Order intake**             |              |              |      
| - Machining                  | 85.4         | 60.5         | 41.2% 
| - Automation                 | 102.5        | 53.7         | 90.9% 
| **Net sales**                | 155.3        | 118.4        | 31.2% 
| - Machining                  | 84.0         | 57.8         | 45.3% 
| - Automation                 | 71.5         | 60.7         | 17.8% 
| **EBIT**                     | 6.0          | -0.8         | n. a. 
| **Profit/Loss for the year** | 3.8          | -1.7         | n. a. 
| **Operating cash flow**      | 5.3          | -10.7        | n. a. 
|                              | 30.6.18      | 30.6.17      | +/-  
| **Order backlog**            | 186.6        | 119.2        | 56.5% 
| - Machining                  | 72.5         | 46.7         | 55.2% 
| - Automation                 | 114.0        | 72.7         | 56.8% 
| **Number of employees (FTE)**| 1,314        | 1,234        | 6.5%  
| - Machining                  | 658          | 590          | 11.5% 
| - Automation                 | 631          | 618          | 2.1%  
|                              | 30.6.18      | 31.12.17     | +/-  
| **Balance sheet total**      | 287.2        | 265.7        | 8.1%  
| **Equity ratio**             | 55.9%        | 59.2%        | -3.3% 

*except number of employees and equity ratio
Publication of semiannual results for 2018
The semiannual results will be published at the same time as this media release in the form of the 2018 Semiannual Report: www.mikron.com/reports.

Brief profile of the Mikron Group
The Mikron Group develops, produces and markets highly precise, productive and adaptable automation solutions, machining systems and cutting tools. Rooted in the Swiss culture of innovation, Mikron is a global partner to companies in the automotive, pharmaceutical, medtech, consumer goods, writing instruments and watchmaking industries. The Mikron Group enables its customers to increase quality and industrial productivity. The Group has over 100 years of experience, state-of-the-art technologies, and a global service. The group's two business segments, Automation and Machining, employ a total workforce of around 1,300. They are based in Switzerland (Boudry and Agno). Additional production sites are located in Germany, Singapore, China and the US. Mikron Holding AG shares are traded on SIX Swiss Exchange (MIKN).

Contact
Mikron Management AG, Javier Perez Freije, CFO Mikron Group
Phone +41 91 610 62 09, ir.mma@mikron.com

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Investor Relations Calendar
March 20, 2019, 07.00 a.m. – Media release: Publication of the 2018 Annual Report
March 20, 2019, 10.30 a.m. – Media and analysts conference
April 25, 2019, 04.00 p.m. – Annual General Meeting 2019

Except for the historical information contained herein, the statements in this media release are forward-looking statements that involve risks and uncertainties.

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