

Biel, August 2024

This language version has been translated from the original French Half-Year Information. In case of doubt the French language version applies.

Half-Year Information 2024 of the Cendres+Métaux Group

Dear Shareholders

The first half of the financial year 2024 is already behind us, and we are pleased to share with you the latest information on the Cendres+Métaux Group.

Economic Slowdown Across Various Sectors

The strong growth of recent years could not be sustained this year. However, there are signs of consolidation at a high level. The revenue of the CM Group as of June 30 amounted to 79.5 MCHF, excluding precious metals. This represents a decline of -3.3% compared to the previous year. Organically, without the companies Lauener & Cie SA and R. Schlierholz AG acquired in 2023, the revenue excluding precious metals decreased by -5.1%.

The EBIT decreased by -0.8% compared to 2023, taking into account the acquisitions made in 2023. Organically, the development is negative at -6.7%. Considering the downturn in the watch industry, inflation, the price increases of recent months, the significant rise in the price of gold, and other economic challenges, the results can be considered satisfactory.

Watch Industry CMO

Swiss watch exports fell by -3.3% in CHF and -9.9% in volume during the first half of the year. All price segments saw a decline (in units). The export revenue for watches in the higher price segment decreased by -4.0% (in units). The segment of precious metal watches dropped by -5.5% (in units).

This trend is reflected in the companies of the CM Group with slight declines in orders and project delays. However, the overall order volume remains good, which helps us with capacity planning. We have not lost any customers and are thus preparing for the next upswing in this segment.

Our revenue in the watch industry fell by -2.1% compared to the previous year, amounting to 54.5 MCHF. In June, all companies of the group jointly welcomed our customers at the EPHJ trade fair. The website was also redesigned at this point of time. Additionally, the group's offerings were showcased and explained through various product posts and interviews in traditional media and on social media.

Medtech CMO

The global market for medical devices is expected to grow by around 4.5% this year.

The group's revenue in the Medtech CMO sector amounted to 15.9 MCHF, a decrease of -1.6% compared to the previous year. The decline is primarily due to the ongoing reduction in demand for precious metal abutments that has been continuing for years. Additionally, the Dental CMO sector experienced a weak first quarter this year, as larger customers reduced their orders for this period due to their inventory situation. However, the order situation in all areas and the new projects give us confidence, leading us to continue expanding our capacities.

Industry CMO

In this sector, we are influenced by developments in the semiconductor industry. This industry has been in a stabilization phase at a low level for almost a year. However, many countries are investing heavily in this market, and we are seeing the first signs of a slight and slow recovery. Analysts of the leading companies in the industry continue to view the prospects for this sector very positively. We were able to further expand our customer base and advance projects that will strengthen us for the future. In the first half of 2024, revenue amounted to 2.9 MCHF, a decline of -15.1% compared to the previous year.

Dental Brand

With various changes in the organization and structure of this sector, we have laid a future-oriented foundation. The Implantology sector is being strengthened with new products in the development phase. Sales in Spain and France have been bolstered, and further adjustments have been made. The CAD/CAM and 3D printing sector in Barcelona has taken an important step forward and offers high-quality products. Globally, a consolidation of dentists, laboratories, and clinics is being observed. Negative developments in the Middle East, demand reductions due to inflation, and the downward trend in precious metal products are leading to a reduction in revenue of 6.2 MCHF, representing a -10.6% decrease compared to the previous year.

Outlook

The current consolidation phase at a high level will be used to secure a solid and sustainable foundation. Investments in production capacity are being pushed forward, and we are working on important future-oriented projects.

Two projects are particularly in our focus in this context:

- The transition of the resource planning system (ERP) to SAP S/4 HANA and the integration of all companies into this software. The goal is to enhance efficiency as well as improve process control and optimization.
- The integration and exploitation of all synergies from recent acquisitions. This involves primarily strengthening collaboration and cohesion, further developing the unifying culture, and standardizing the group's presentation.

We expect negative influences in the second half of the year from the watch industry, which may be partially offset by increased order volume in the Industry and Medtech sectors. We will continue to strengthen our presence in various industries to neutralize fluctuations as much as possible.

Overall, we expect revenue and profitability in 2024 to decrease by the end of the year compared to the previous year. We have taken the necessary steps to contain the impact. We are also ensuring that our future potential remains intact.

We remain confident that our approach and strategy are correct, and they motivate us as we look to the future. With numerous challenges ahead, we are eager to tackle them with our skilled and highly motivated teams.

We thank you for your trust and remain with best regards to you, dear shareholders.



Philippe Milliet
Chairman



Philipp von Büren
CEO