

Media release on the 2021 half-year financial statements

RUAG International develops positively in the first half of 2021

Zurich, 31.8.2021. RUAG International substantially improved its business performance in the first half of 2021. Order intake and sales developed positively for both Space and Ammotec, and the aerospace business stabilized. At CHF 575 million, consolidated net sales were on a par with the previous year (CHF 570 million). EBIT is again clearly positive at CHF 26.9 million (previous year CHF -41.7 million).

Net sales at RUAG International amounted to CHF 575 million in the first half of the year, up slightly on the previous year (CHF 570 million). Adjusted for exchange rate and divestment effects, sales growth amounted to CHF 16 million. The space products business (RUAG Space) and small calibre ammunition (RUAG Ammotec) posted encouraging sales trends. Numerous new contracts were won in the space business and RUAG Ammotec participated agilely in the booming US market for sport and hunting ammunition. Although the aerospace business has stabilized in recent months, sales remain significantly below pre-Corona levels. The company generated 84% of all net sales outside Switzerland in the first half of the year (prior-year period 83%). At the end of June 2021, the company employed 6,109 people at 48 locations worldwide (previous year 6,451).

With order intake of CHF 562 million, RUAG International recorded an increase of 45% and thus a significant rise compared with the same period last year (CHF 389 million). Around three quarters of the increase is attributed to higher order intake in the Space business unit and around one quarter at RUAG Ammotec.

All business units contributed to the half-year financial statements with a positive operating result

Earnings before interest and taxes (EBIT) amounted to CHF 26.9 million, a significant increase of CHF 68.6 million compared to the same period of the previous year (prior-year period CHF -41.7 million). All four business units reported positive EBIT in the first half of 2021. In addition to the pleasing development of sales volumes, this result is also due to the ongoing and strict cost monitoring.

André Wall, CEO of RUAG International, commented on the half-year results as follows: "Our new strategic direction and the measures we have taken are having an impact: all business units are in the black. The good order intake in the Space business in particular is a positive sign for the future direction of the company. We also see positive developments in the aviation business, which could recover faster than originally forecasted."

Cash flow from operating activities improved from CHF -76 million to CHF -49 million compared with the same period last year. The high level of capital tied up at RUAG Ammotec in the first half of the year due to the pre-production of ammunition in the first half, followed by higher deliveries to armies and authorities towards the end of the year, must be taken into account here.

Significant progress in the implementation of the strategy

RUAG International's transformation into Beyond Gravity, a pure space company, continued to take shape in the first half of the year. Further non-strategically relevant business units were sold. In all cases, the new owners have taken on all employees. The process of selling the Simulation and Training unit is proceeding according to plan.

Outlook for the year as a whole

For 2021 as a whole, RUAG International expects to be able to achieve slightly higher total sales and maintain its positive operating result (EBIT) compared with the previous year due to the emerging global economic recovery and despite a loss of sales from divested business units. The intended sale of the Ammotec business unit is still a topic in the Council of States - the final vote is expected in the autumn session of 2021.

Overview of key figures in CHF million	1st half- year 2021	1st half- year 2020	Change in %
Net sales	575	570	1%
EBITDA	49	-19	358%
EBIT	27	-42	165%
Net profit	25	-48	152%
Operating cash flow	-49	-76	35%
Free cash flow	-109	-108	0%
Net financial position	-11	50	-121%
Order intake	562	389	45%
Order backlog	1084	984	10%
Research and development expenses (self-financed)	13	12	9%
Headcount as at 30.06. ¹	6'109	6'451	-5%

¹ Employees, apprentices and temporary workers

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RUAG International is a Swiss technology group with production sites in 14 countries and is divided into four divisions: Space, Aerostructures, MRO International and Ammotec. RUAG International employs around 6,000 people, around two thirds of whom work outside Switzerland. www.ruag.com