

R&S Group

Investor presentation

September 2024



We guarantee energy

This presentation contains certain forward-looking statements. Such forward-looking statements reflect the current views of management and are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause actual results, performance or achievements of the Group to differ materially from those expressed or implied herein. Although R&S Group is convinced that the forward-looking statements are based on reasonable assumptions, R&S Group cannot guarantee that these expectations will be realized.

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Markus Laesser
Group CEO



Matthias P. Weibel
Group CFO

1 Introduction

2 HY 2024 highlights

3 Strategy and execution

4 Sustainability

5 Outlook & take-aways

6 Q&A



Strong secular market tailwinds for increased electricity demand

Secular tailwinds...



Increase of global population



Increase of economic activity

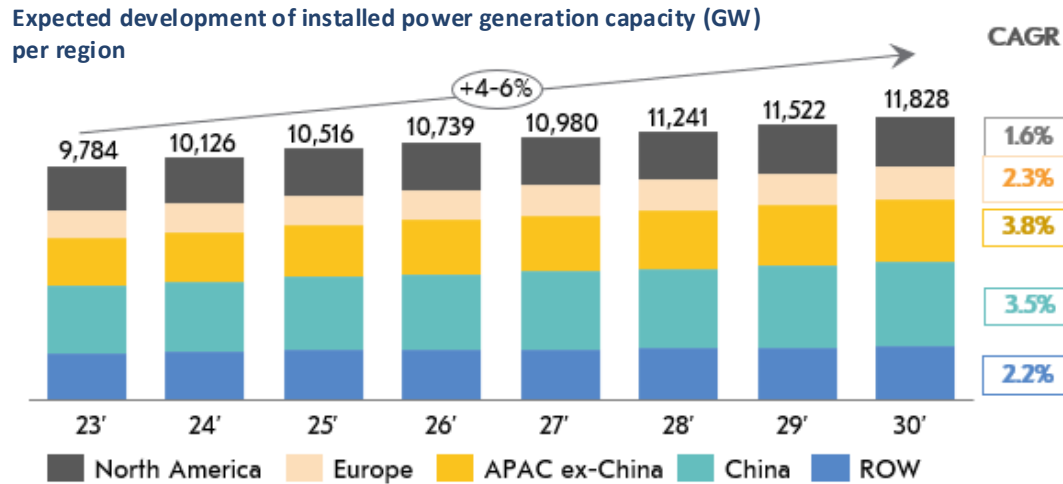


Changing consumer behavior



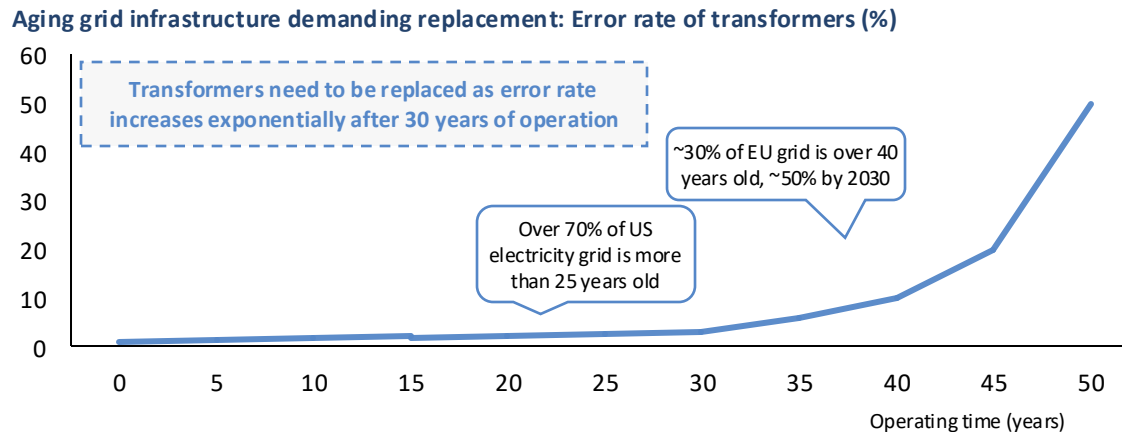
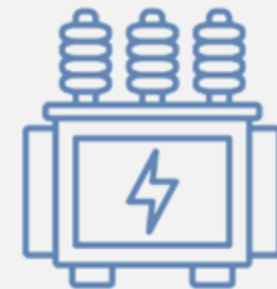
Increased access to electricity

...combined with massive replacement requirements...

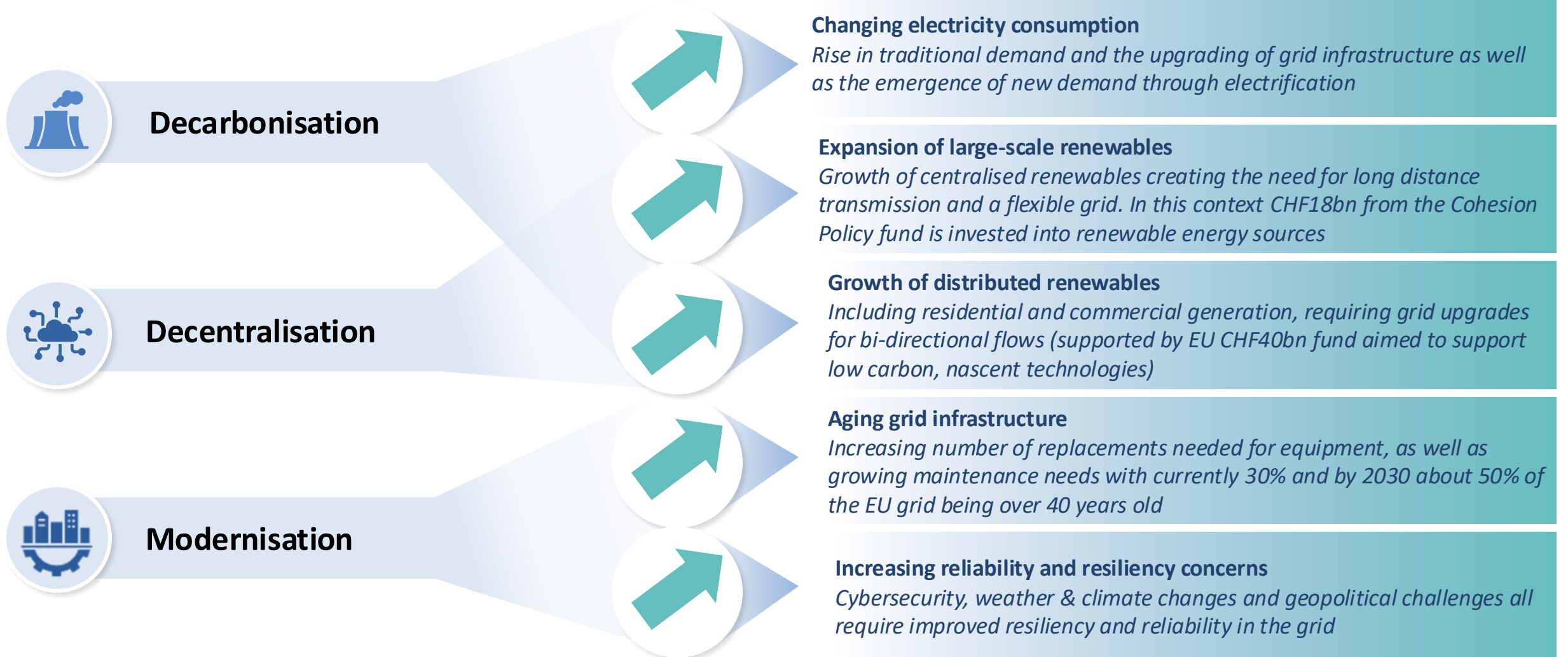


...drive accelerated transformer market growth

1 MW of new power capacity leads to ~3 MVA in transformer capacity given energy is transformed several times



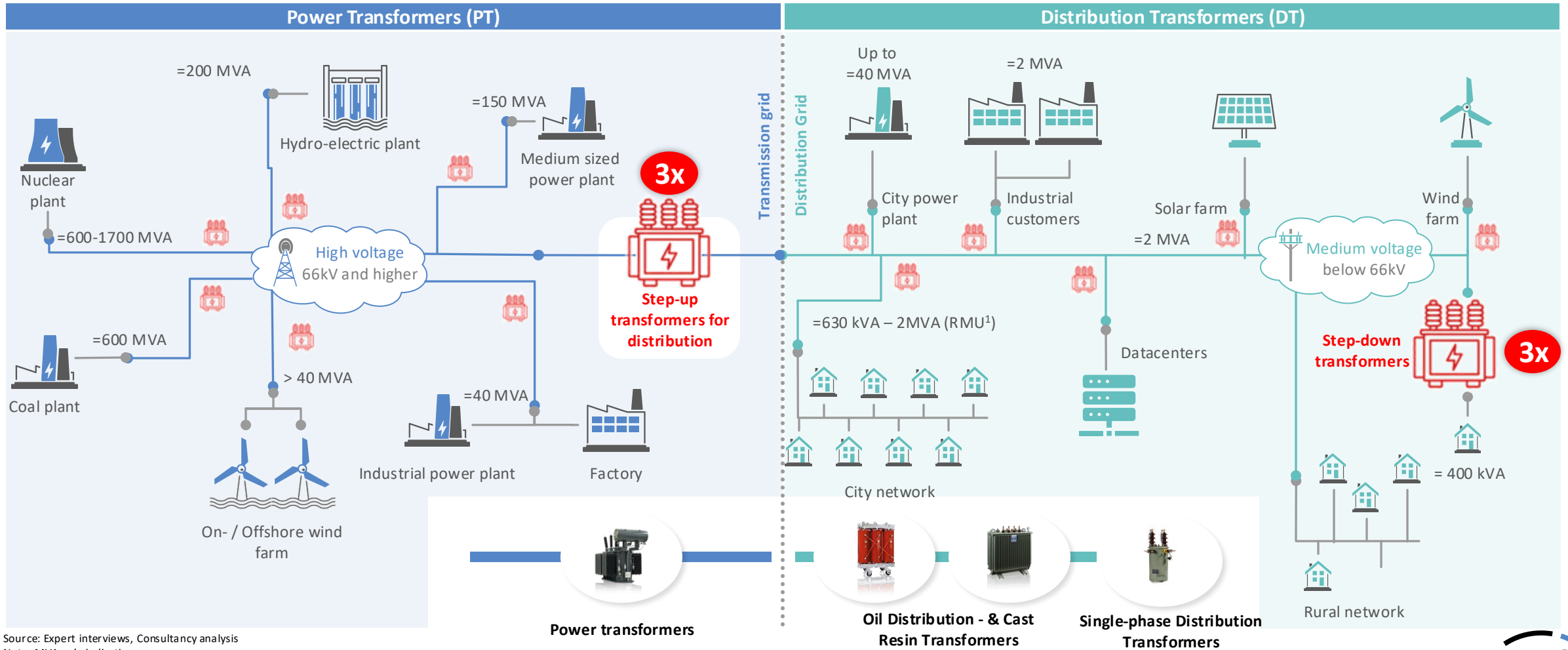
Well-positioned to capture growth from the ubiquity of electrification



Sources: Consultancy analysis

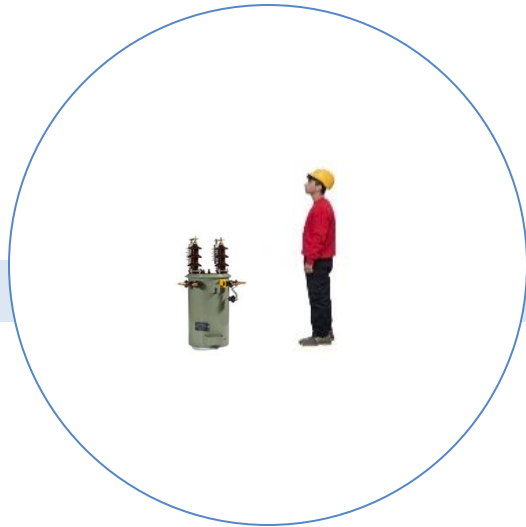
The transformer market is at an inflection point for growth

The critical importance of the grid requires use of transformers across stages of electricity transmission & distribution: The need for transformer capacity is therefore ~3x higher than power generation capacity in developed countries



Source: Expert interviews, Consultancy analysis
 Note: MVA only indicative
 1. Ring Main Unit

Highly reliable transformer portfolio



Single-phase Transformers
up to 100 kVA



Distribution Transformers
Oil-immersed and Cast Resin
up to 2.5 MVA and 10 MVA



Distribution Transformers
up to 20 MVA



Power Transformers
up to 120 MVA

HY 2024 highlights



FW
of R&S



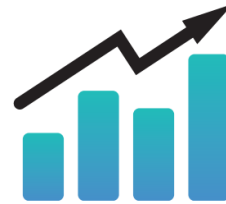
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Key messages (adjusted) as per 30 June 2024



218.2

Order backlog



109.9

Net sales



25.5

Operating result
EBIT

+23.2%

EBIT margin



17.3

Profit after tax



7.5

Free cash flow

6.8%

FCF margin



635

Number of
employees

Key financial figures as per 30 June 2024

	HY2023 reported	HY 2023 adjusted¹	HY 2024 reported	HY 2024 adjusted	Change in adjusted figures
	MCHF	MCHF	MCHF	MCHF	in%
Order intake	133.3	119.3	141.0	141.0	18%
Order backlog	188.1	174.6	218.2	218.2	25%
Net sales	103.0	95.4	109.9	109.9	15%
Operating result (EBIT)	18.6	18.1	24.0	25.5 ³	41%
as % of net sales	18.1%	19.0%	21.8%	23.2%	
Profit	14.5	14.2	12.1	17.3 ^{2,3}	22%
Free cash flow	-2.4	-1.9	5.5	7.5 ²	n/a
Net financial position	2.5	2.5	5.1	5.1	104%

¹ without figures of plant in Czech Republic (SERW), which was divested on 5 December 2023

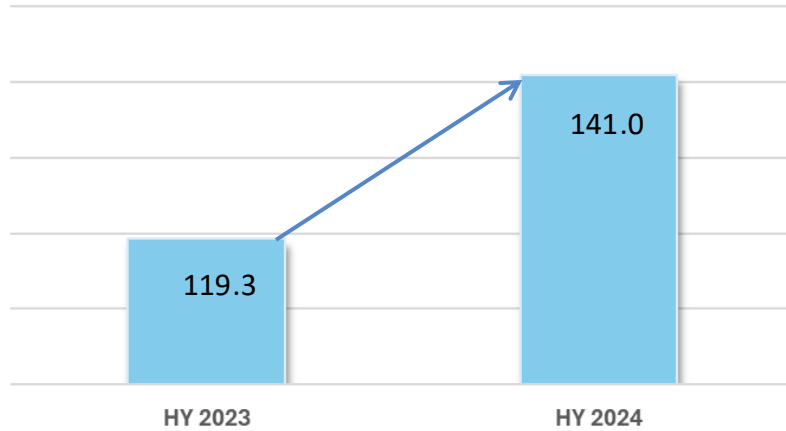
² excluding subsequent tax payment in Italy of 3.7 MCHF (cash impact of 2 MCHF for H1 2024)

³ excluding M&A costs of 1.5 MCHF

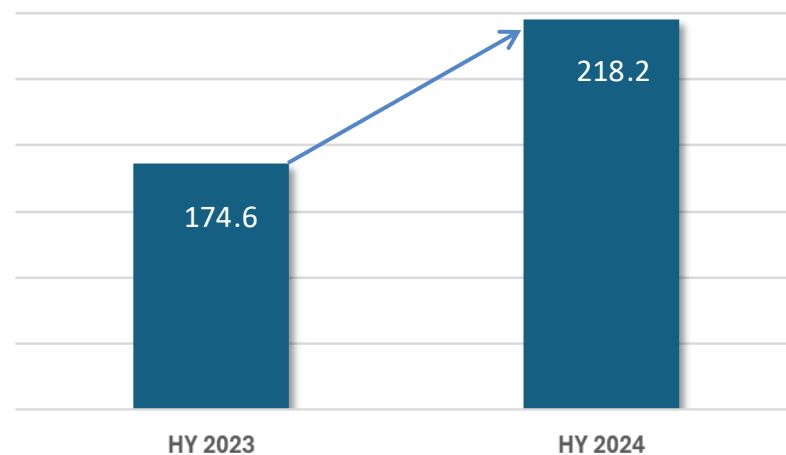
Continuing strong Order Intake provides stable Backlog

MCHF

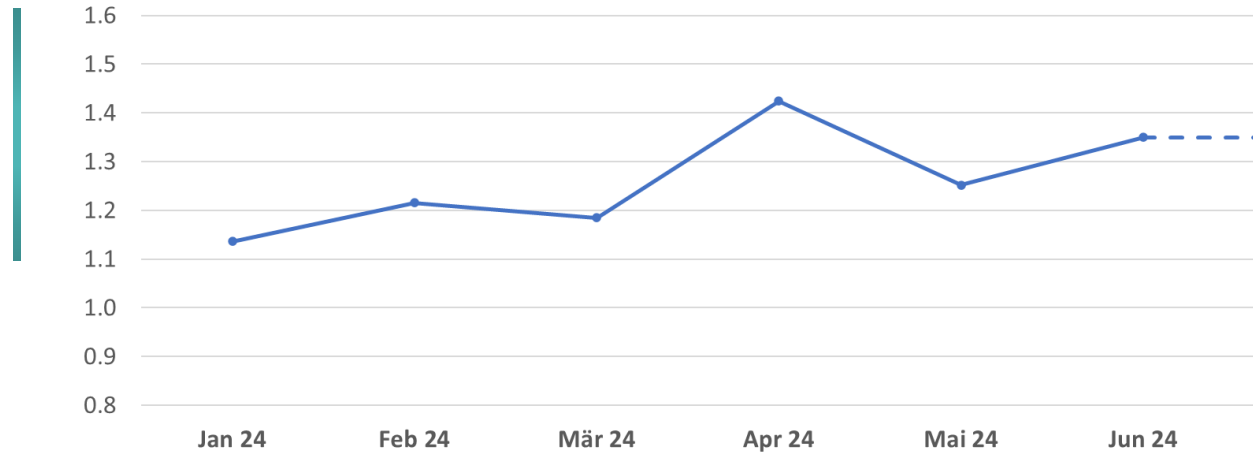
Order Intake (adjusted)



Order Backlog (adjusted)



Book-to-Bill



- Continuously high monthly order intake from key markets (CH, GER, IT) and stable order backlog for 2024 and beyond.
- Build-up of new capacities will gradually put more pressure on prices. However, no price erosion is expected and margins will remain very attractive due to stable material prices.
- Since months avg. book-to-bill flat > 1.2 (see graph above)
- High backlog for Oil-Distribution and Power Transformers until Q4/2025, normal backlog for Cast Resin Transformers until end of 2024

Significant progress and achievements

“Developments in line with our strategy to deliver profitable growth on a sustainable basis.”

- Profitable performance underpinned by market demand
- Acquisition of Kyte Powertech Ltd. for an enterprise value of EUR 250 million (7.3x EV/LTM EBITDA) announced 20 August 2024, in line with anorganic growth strategy
- Confirmed sales growth and EBIT margin guidance of 12% and 20%, respectively, also for combined group, updated dividend guidance for CHF 0.50 per share mid-term
- Capacity expansion with imminent plant opening in Bochnia/PL. FAT¹ scheduled for 23 September 2024 and ramp-up in Q4 with first deliveries to launching customers in Q1 2025. Target output of 1,300 units in first build-up phase.

¹ FAT: Factory Acceptance Test

Strategy and execution

Spotlight on Kyte Powertech

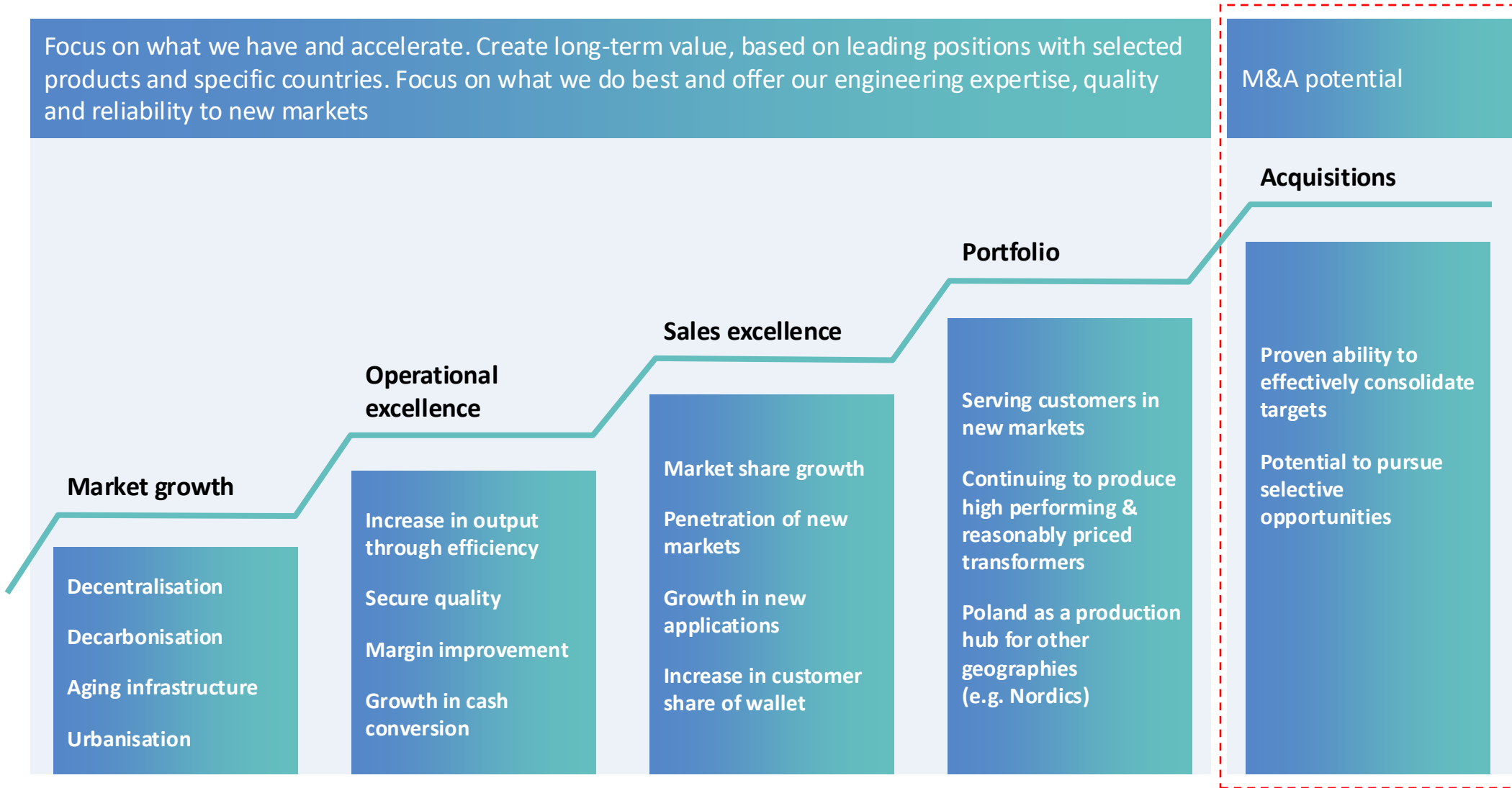


R&S

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Strategic pillars – M&A has always been an instrumental part

Focus on what we have and accelerate. Create long-term value, based on leading positions with selected products and specific countries. Focus on what we do best and offer our engineering expertise, quality and reliability to new markets



M&A potential

Acquisitions


Proven ability to effectively consolidate targets

Potential to pursue selective opportunities

Kyte Powertech: Leader in distribution transformers


Kyte highlights

European markets leadership




#1 (UK) #1 (Ireland)
 Top 3 (Belgium) Top 5 (Netherlands)
Utility market position

Deeply entrenched blue-chip customer base




25+ Years
Relationship tenure with key DNO¹ clients²

Substantial current output













c.16,000 units
LTM per Mar-24 output (# of units delivered)

Fully owned integrated production facility



51,600m²
Site area in Cavan, Ireland c.500 employees

Kyte product portfolio

Product	Primary end market	MVA ³ range
 Single phase transformers		15–100kVA
 Small / Medium transformers		15–315kVA
 Big transformers		400kVA–1MVA
 Large / Industrial transformers		1.2–10MVA
 Substations		400kVA–1MVA

Source: Company information, Market information

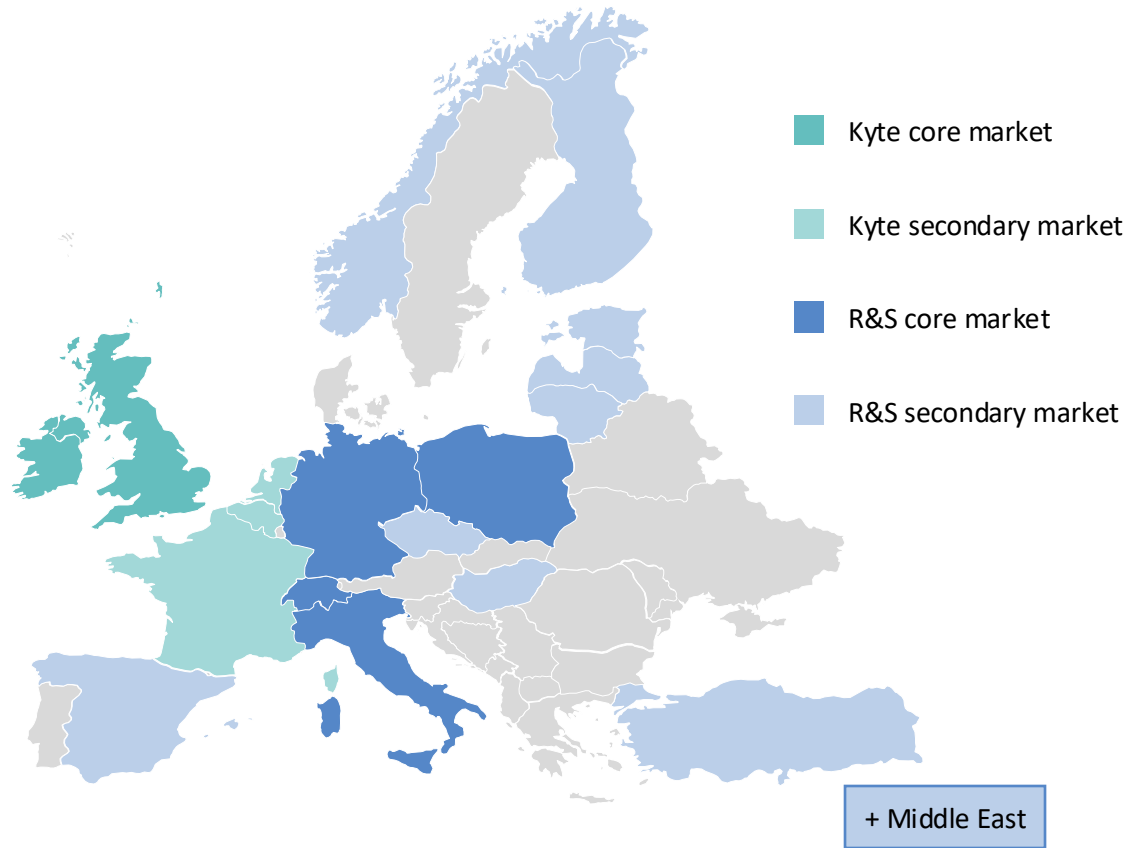
Notes:

- 1 Distributed Network Operator
- 2 Refers to 7 out of top 10 clients
- 3 Mega Volt Amp

Combined pan-European footprint adding market opportunities

Complementary footprint covering key countries in Western / Central Europe...

...to be leveraged with a combined product portfolio



Source: Company information, Market information



Single phase transformers
Up to 100 kVA



Power transformers
Up to 145 kV & 120 MVA



Distribution transformers
Up to 36 kV & 10 MVA

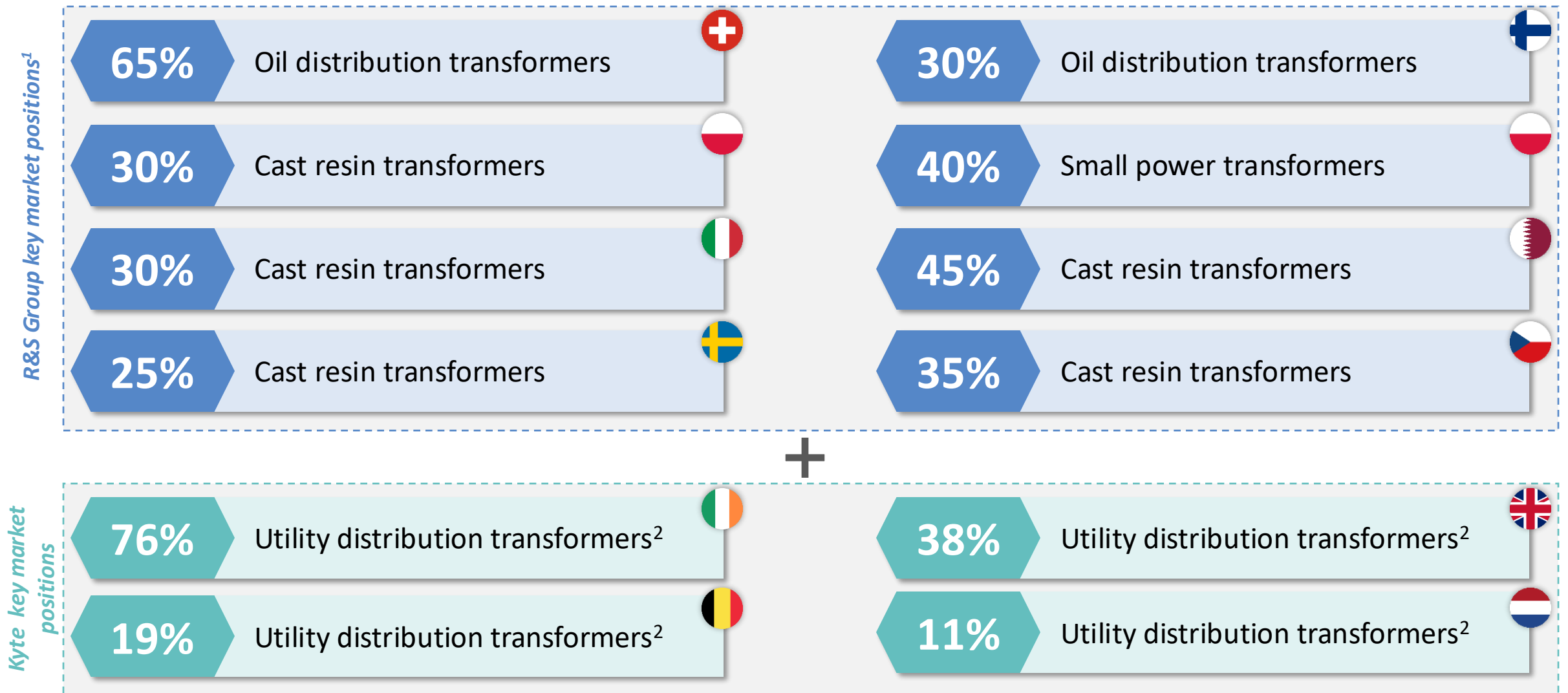


Cast resin transformers
Up to 52 kV & 20 MVA



Instrument transformers
Up to 36 kV

Kyte bolsters position as a European leader for distribution and MV transformers



Source: R&S Group market data and Management estimates, Market information

Notes:

1 As disclosed in the listing prospectus

2 Percentages indicate utility market share for annual demand of distribution transformers

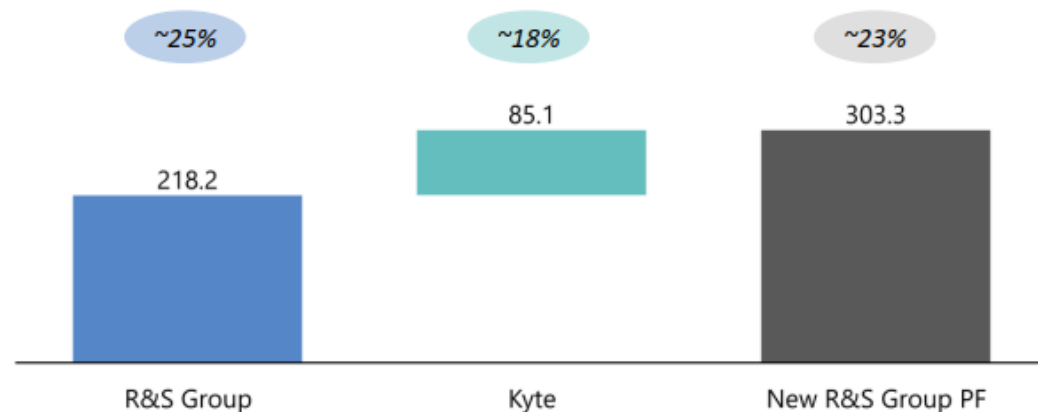


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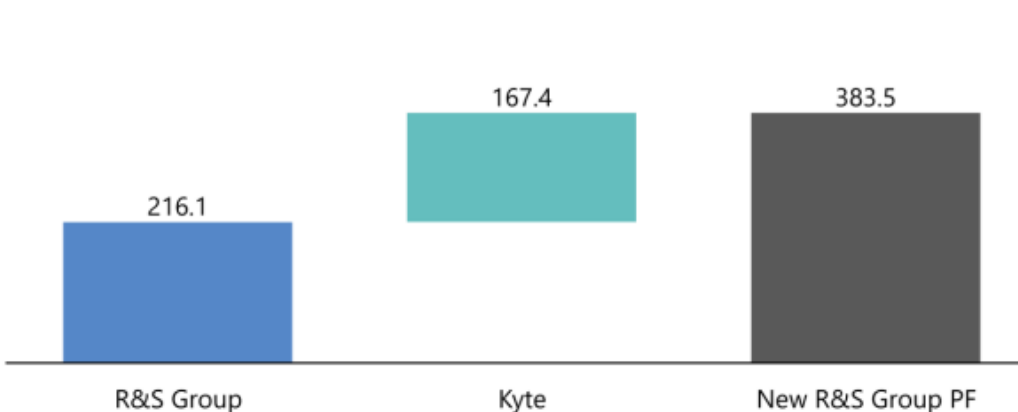
Complementary financial profiles over the last 12 months (LTM)

Order backlog (June 2024 LTM, CHFm)¹

Growth Y-o-Y

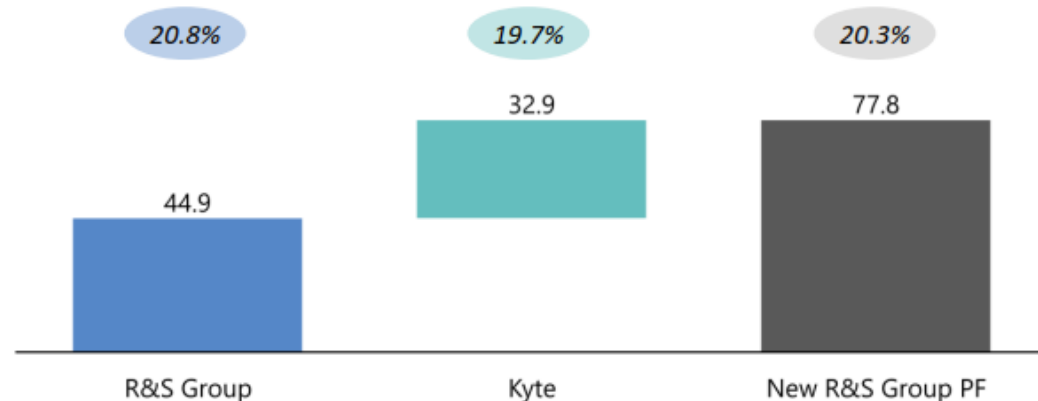


Adj. net sales (June 2024 LTM, CHFm)^{1,2}



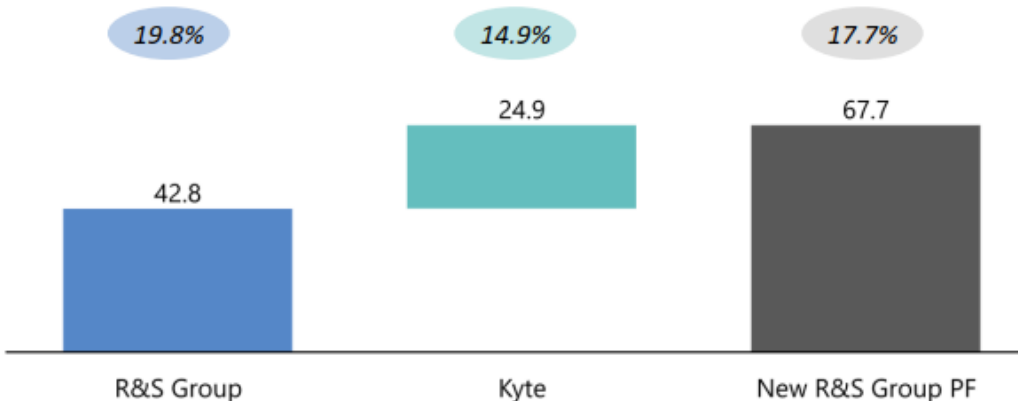
Adj. EBIT (June 2024 LTM, CHFm)^{1,2}

Margin



Free Cash Flow (June 2024 LTM, CHFm)^{1,3}

Margin



Sources: Company information, R&S Group semi-annual report, Kyte June reporting

Notes: New R&S Group PF numbers represent a simple addition of R&S Group and Kyte figures, without including synergies and accounting standards, PPA and other adjustments

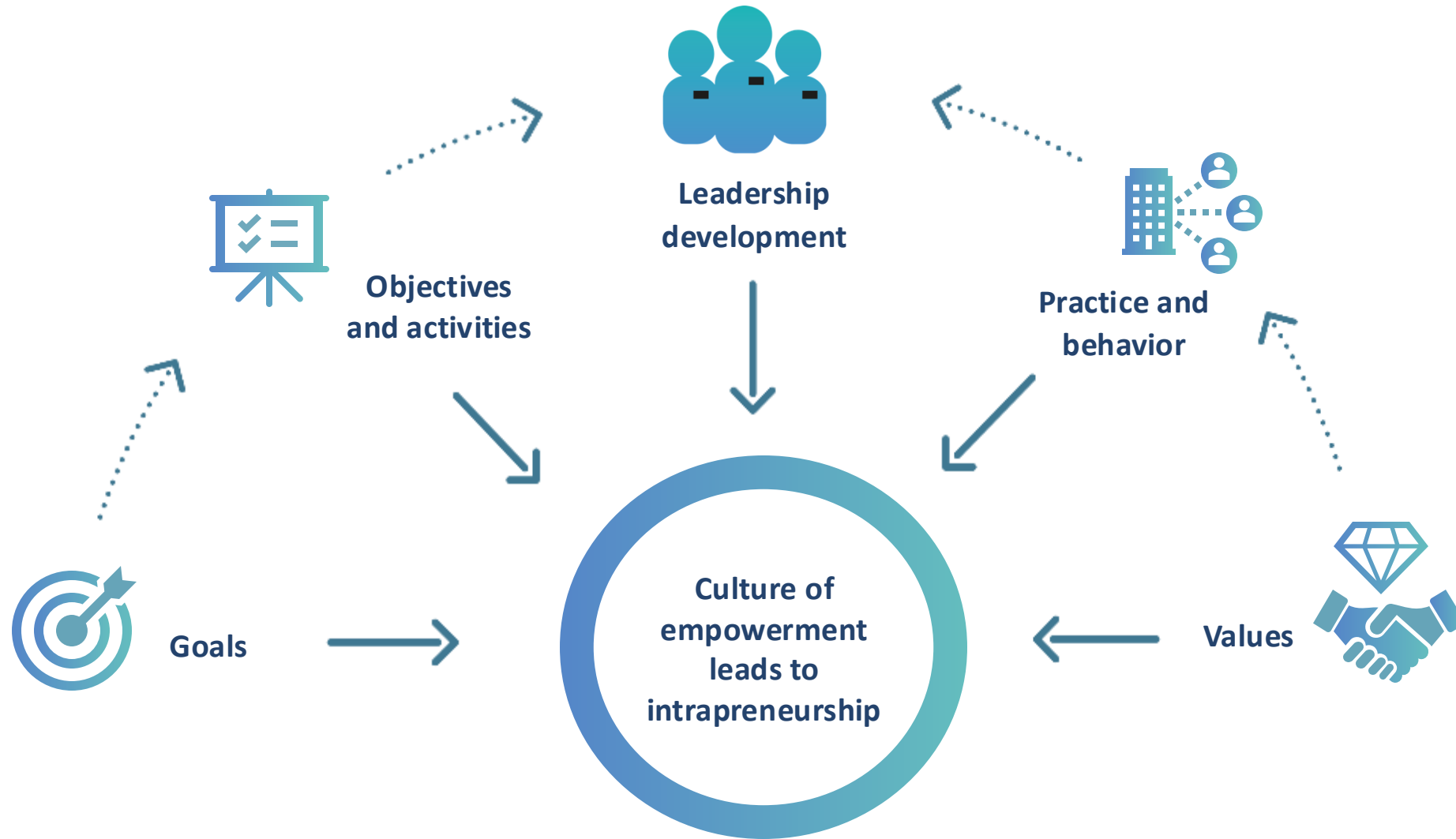
1 FX rate for Kyte at EUR/CHF 0.96

2 Adjusted for CHF9.5m loss from disposal of R&S Group's Czech plant SERW in December 2023 and M&A transaction costs of CHF1.6m

3 R&S Group FCF calculated as cash flow from operating activities minus cash flow from investing activities; Kyte Powertech not reported, figure calculated as the movement in cash balance during 12-month period



Culture as underlying key driver for leadership



Sustainability



FW
of R&S



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Update on activities



- Goal set to achieve ISO 50001 certification for energy management in all plants by 2025 by improving energy efficiency, reducing environmental footprint and supporting sustainable operations.
- Multi-site assessment at Group level is being analyzed with the aim of identifying best practices, optimizing allocation of plant resources and ensuring compliance with regulations and industry standards.
- Installations of solar panels on building roof in Italy and Poland (Bochnia – see picture) and are being evaluated for other plants in Poland. The Sissach (Switzerland) plant is already utilizing energy from solar panels.
- R&S Group set the target to reduce GHG emissions by 33% by 2033 versus 2023 levels and to be climate neutral by 2050, in accordance with the Swiss Climate and Innovation Act.
- Group policy on zero-tolerance with regard to child labour no imports or process of conflict minerals.
- New compliance officer responsible for all ESG matters is being hired.

Outlook & take-aways



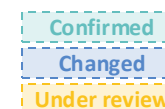
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Update on 2024 and mid-term guidance

	2024 outlook ¹	Mid-term outlook ²	Commentary
Net sales growth	Confirmed Above 12%	Confirmed Around 12%	<ul style="list-style-type: none"> Mid-term outlook organic growth over the cycle Strong tailwind from global electrification demand, decarbonization, decentralization and aged grids
EBIT margin	Confirmed Around 20% of net sales	Confirmed Around 20% of net sales	<ul style="list-style-type: none"> Resilient gross profit margin profile Economies of scale from continued net sales growth Operational excellence supporting margin expansion
Free cash flow margin	Under review Mid-teens double-digit as % of net sales*	Under review Mid-teens double-digit as % of net sales**	<ul style="list-style-type: none"> FCF equals cash flow from operating activities minus cash flow from investing activities * 2024 under review due to M&A transaction costs and subsequent tax payments in Italy ** mid-term being reviewed due to combined Capex plans
Dividend policy and leverage	Changed CHF 0.50 per share	Changed CHF 0.50 per share	<ul style="list-style-type: none"> Stable dividend for FY2024 to FY2026³, thereafter accelerated Mid-term target leverage of around 1.5x Net Debt⁴ / LTM EBITDA based on expected high warrant conversion; excess cash to be returned to shareholders

Notes:

- 1 Latest guidance for 2024 (announced on 20 August 2024)
- 2 Based on current mid-term plan (announced 20 August 2024)
- 3 Actual year financial target to be paid out the following year
- 4 Including lease liabilities and PF for equity issuance



Guidance confirmed / updates / under review vs latest guidance announced on 17 May 2024



R&S Group and Kyte Powertech are excited to join forces looking ahead into a bright future, guaranteeing energy and transforming the world of energy every day

1

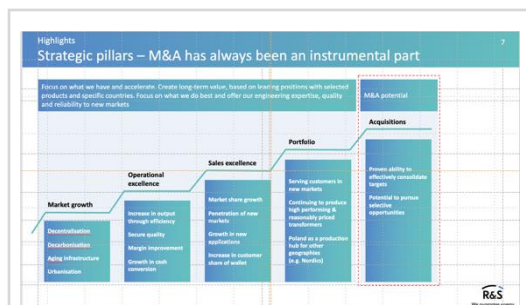
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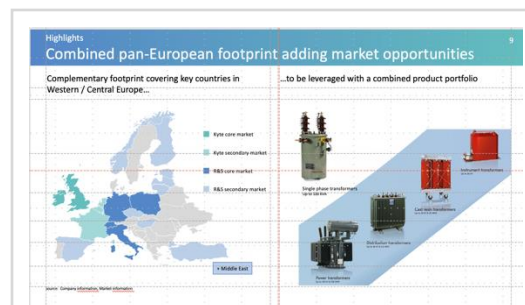
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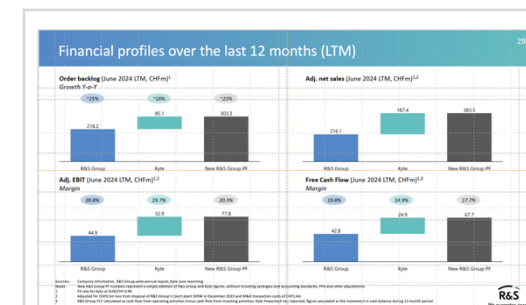
R&S Group has delivered a successful financial and operational performance since its listing, creating meaningful value for shareholders



Part of the R&S Group success story can be attributed to the group's robust strategic roadmap and DNA, which M&A is a key part of



Kyte represents an opportunity to expand R&S Group's position as market leader in selected products and markets while maintaining a high standard of quality and technical expertise



The acquisition will further enhance R&S' attractive financial profile through Kyte's attractive growth and margin profile

Stronger together!

The acquisition of Kyte Powertech is a natural next step in the evolution of R&S Group.



Next update on combined group strategy and integration to follow at Capital Markets Day in Zurich on 31 October

Q&A

Thank you for your attention.

We are now happy to
answer your questions.



Financial Calendar 2024/2025

Capital Markets Day	31 October 2024
Trading update full-year 2024 sales	06 March 2025
Release of full-year 2024 results	15 April 2025
Annual General Meeting	14 May 2025

Contact

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Appendix

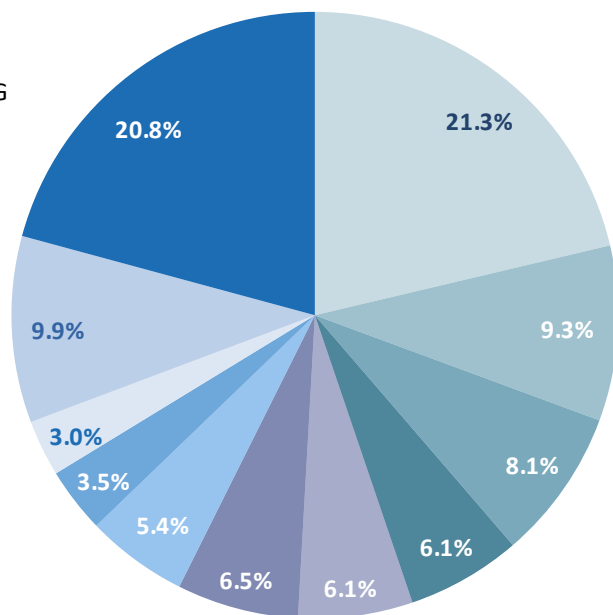
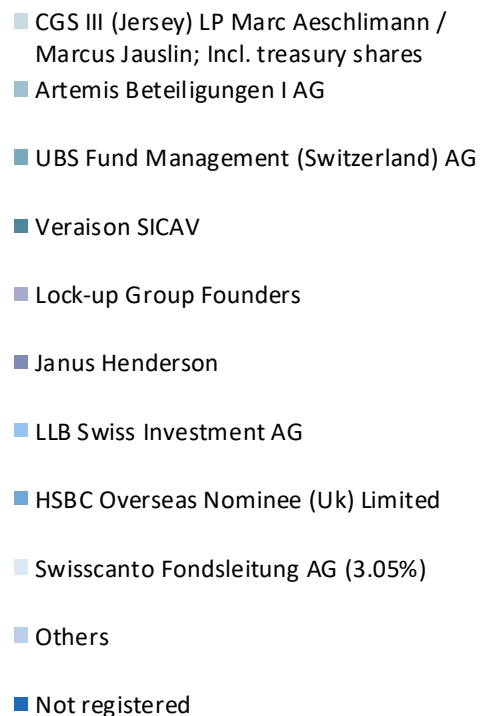


Appendix | Corporate Governance

Evolving shareholder base

Per 30 June 2024

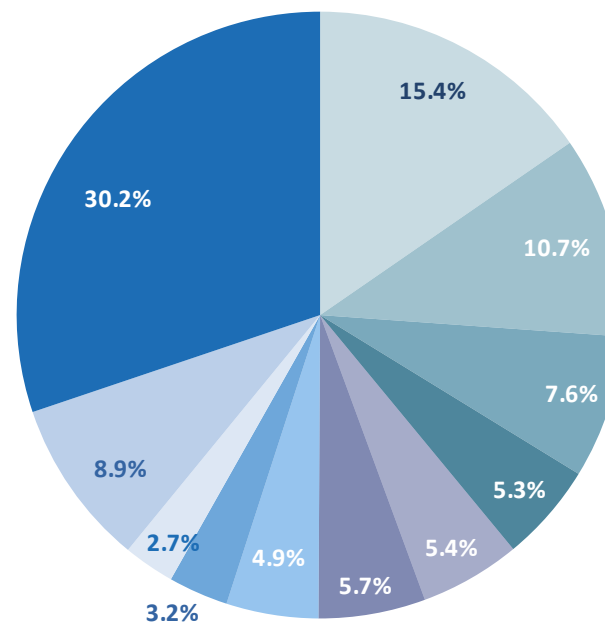
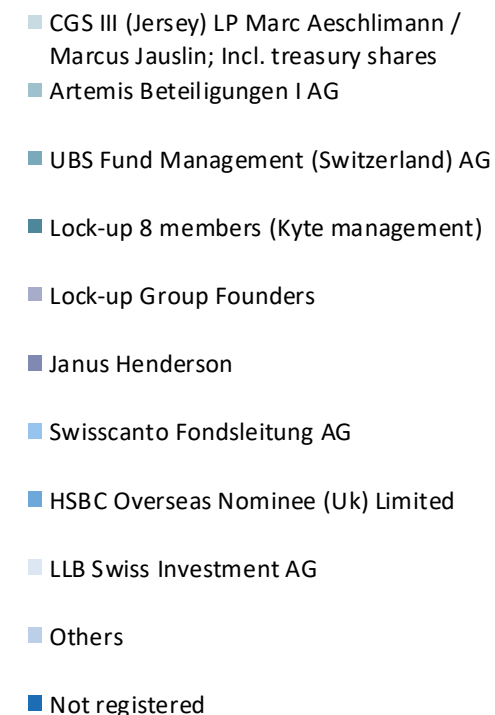
Free float of 57.2%



Number of shareholders: 920
 Number of shares outstanding: 28,929,412

Per 14 September 2024

Free float of 63.3%



Number of shareholders: 1,176
 Number of shares outstanding: 32,912,694*

* Following c. 40% conversion of redeemable warrants; as a result, percentages reported to SIX „significant shareholders“ may differ