FINANCIAL REPORT

PHOENIX MECANO GROUP
CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2024

ASSETS

in 1 000 EUR	Note	2024	2023
CURRENT ASSETS			
Cash and cash equivalents	3	107 315	130 674
Securities		896	1 199
Trade receivables	4	136 716	120 836
Income tax receivables		1 831	1 950
Derivative financial instruments	12	28	0
Other short-term receivables	5	17 459	13 004
Inventories	6	158 688	151 499
Deferred charges and prepaid expenses		4 472	3 330
Total current assets		**427 405**	**422 492**
NON-CURRENT ASSETS			
Tangible assets	7	175 015	156 194
Intangible assets	8	7 001	8 806
Investments in associated companies	9	809	1 606
Other financial assets	10	931	1 025
Deferred tax assets	16	12 641	11 289
Total non-current assets		**196 397**	**178 920**
Total assets		**623 802**	**601 412**

EQUITY AND LIABILITIES

in 1 000 EUR	Note	2024	2023
LIABILITIES			
Trade payables		125 727	100 663
Short-term financial liabilities	11	25 564	65 220
Derivative financial instruments	12	465	50
Short-term provisions	13	26 381	20 798
Short-term pension obligations	14	308	306
Income tax liabilities		16 347	18 168
Other short-term liabilities	15	26 721	29 749
Short-term deferred income		1 504	3 424
Short-term liabilities		**223 017**	**238 378**
Long-term financial liabilities	11	95 424	64 328
Long-term provisions	13	3 673	2 913
Long-term pension obligations	14	4 604	4 527
Long-term deferred income		6 537	5 722
Deferred tax liabilities	16	817	830
Long-term liabilities		**111 055**	**78 320**
Total liabilities		**334 072**	**316 698**
EQUITY			
Share capital	17	852	852
Treasury shares	18	–11 543	–2 213
Retained earnings		381 997	374 371
Offset goodwill		–97 331	–97 565
Translation differences		1 794	–4 349
Equity attributable to shareholders of the parent company		**275 769**	**271 096**
Minority interest	19	13 961	13 618
Total equity		**289 730**	**284 714**
Total equity and liabilities		**623 802**	**601 412**

CONSOLIDATED STATEMENT OF INCOME 2024

in 1 000 EUR	Note	2024	2023
Net revenue	27	**770 773**	**775 491**
Changes in inventories		2 960	2 714
Own work capitalised		1 369	2 943
Other operating income	28	20 325	21 261
Cost of materials	29	– 392 768	– 382 172
Personnel expenses	30	– 224 395	– 228 120
Depreciation on tangible assets		– 19 944	– 18 667
Amortisation of intangible assets		– 3 313	– 4 573
Impairment losses and reversal of impairment losses on tangible and intangible assets		– 534	0
Other operating expenses	31	– 103 002	– 106 774
Operating result		**51 471**	**62 103**
Result from associated companies	9	– 87	411
Financial income	32	8 058	8 803
Financial expenses	33	– 8 974	– 10 357
Financial result		**– 1 003**	**– 1 143**
Result before tax		**50 468**	**60 960**
Income tax	34	– 13 897	– 15 509
Result of the period		**36 571**	**45 451**
of which			
Shareholders of the parent company		34 554	45 167
Minority shareholders		2 017	284
EARNINGS PER SHARE			
Earnings per share – undiluted (in EUR)	35	36.56	47.13
Earnings per share – diluted (in EUR)	35	36.48	47.11

CONSOLIDATED STATEMENT OF CASH FLOW 2024

in 1 000 EUR	Note	2024	2023
Result of the period		36 571	45 451
Income tax	34	13 897	15 509
Result before tax		**50 468**	**60 960**
Depreciation on tangible assets	7	19 944	18 667
Amortisation of intangible assets	8	3 313	4 573
Losses/(gains) on the disposal of tangible and intangible assets	28, 31	–71	–534
Impairment losses/(reversal of impairment losses) on tangible and intangible assets	7, 8	534	0
Losses and value adjustments on inventories	6	4 779	3 796
Loss/(gain) from associated companies	9	87	–411
Loss/(gain) on the disposal of Group companies	28, 31, 39	489	–9 807
Expenses from employee participation plan		390	55
Other non-cash expenses/(income)		847	839
Increase/(decrease) in long-term provisions and pension obligations		880	939
Net interest expense/(income)	32, 33	597	1 674
Interest paid		–3 052	–4 166
Income tax paid		–16 602	–12 696
Operating cash flow before changes in working capital		**62 603**	**63 889**
(Increase)/decrease in inventories		–10 392	14 417
(Increase)/decrease in trade receivables		–11 952	–23 929
(Increase)/decrease in other receivables, deferred charges and prepaid expenses		–6 117	–797
(Decrease)/increase in trade payables		20 624	28 639
(Decrease)/increase in short-term provisions and pension obligations		5 011	7 478
(Decrease)/increase in other liabilities and deferred income		–3 748	352
Cash flow from operating activities		**56 029**	**90 049**

in 1 000 EUR	Note	2024	2023
CAPITAL EXPENDITURE			
Tangible assets	7	–35 284	–37 970
Intangible assets	8	–1 445	–2 427
Other financial assets/securities/investments in associated companies		0	–782
Addition from asset deal	38	–1 410	0
DISINVESTMENTS			
Tangible assets	7, 28, 31	648	7 963
Intangible assets	8, 28, 31	6	20
Other financial assets/securities/investments in associated companies		404	589
Disposal of Group companies	39	0	45 343
Interest received		2 331	2 596
Dividends received	9	683	1 329
Cash used in investing activities		**–34 067**	**16 661**
Dividends paid (including minority interest)		–29 318	–16 299
Purchase of treasury shares	18	–9 330	–2 213
Sale of treasury shares	18	0	30
Issue of financial liabilities	11	42 404	9 794
Repayment of financial liabilities	11	–52 035	–45 488
Cash flow from financing activities		**–48 279**	**–54 176**
Translation differences in cash and cash equivalents		2 958	–4 229
Change in cash and cash equivalents		**–23 359**	**48 305**
Cash and cash equivalents as at 1 January	3	130 674	82 369
Cash and cash equivalents as at 31 December	3	107 315	130 674
Change in cash and cash equivalents		**–23 359**	**48 305**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 2023 AND 2024

in 1 000 EUR	Note	Share capital	Treasury shares	Retained earnings	Offset goodwill	Translation differences	Equity attributable to shareholders of the parent company	Minority interest	**Total equity**
As at 31 December 2022		**852**	**–33**	**247 190**	**0**	**3 040**	**251 049**	**10 238**	**261 287**
Reclassification of offset goodwill *				**102 424**	**–102 424**		**0**		**0**
As at 31 December 2022 after reclassification		**852**	**–33**	**349 614**	**–102 424**	**3 040**	**251 049**	**10 238**	**261 287**
Result of the period				**45 167**			**45 167**	**284**	**45 451**
Dividends paid				–16 264			–16 264	–35	–16 299
Translation differences						–7 389	–7 389	–656	–8 045
Currency differences from sale/merger/liquidation recognised directly in equity				–826			–826	–77	–903
Change in treasury shares	18		–2 180	–3			–2 183		–2 183
Change in minority interest	19			–3 372			–3 372	3 372	0
Goodwill recycling with impact on statement of income	39				4 814		4 814	492	5 306
Adjustment of purchase price liability with impact on shadow statement	20/41				45		45		45
Employee participation plan				55			55		55
As at 31 December 2023		**852**	**–2 213**	**374 371**	**–97 565**	**–4 349**	**271 096**	**13 618**	**284 714**

Result of the period				**34 554**			**34 554**	**2 017**	**36 571**
Dividends paid				– 28 976			–28 976	–342	–29 318
Translation differences						6 143	6 143	560	6 703
Change in treasury shares	18		–9 330				–9 330		-9 330
Change in minority interest	19			1 658	234		1 892	–1 892	0
Employee participation plan				390			390		390
As at 31 December 2024		**852**	**–11 543**	**381 997**	**–97 331**	**1 794**	**275 769**	**13 961**	**289 730**

* The reclassification of offset goodwill consists of the historical goodwill from initial consolidation (excluding minority interest and translation differences).

CONSOLIDATED SEGMENT INFORMATION 2024

BY DIVISION

	Enclosure Systems		Industrial Components		DewertOkin Technology Group		Total segments		Reconciliation*		Total Group	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
in 1 000 EUR												
Gross sales to third parties	215 034	229 657	184 622	223 075	370 519	330 379	770 175	783 111	9 320	0	779 495	783 111
Gross sales between divisions	1 700	1 506	299	507	6 206	5 425	8 205	7 438	– 8 205	– 7 438	0	0
Revenue reductions											– 8 722	– 7 620
Net revenue											**770 773**	**775 491**
Reversal of impairment losses/(impairment losses) on tangible and intangible assets	0	0	– 534	0	0	0	– 534	0	0	0	– 534	0
Depreciation on tangible assets and amortisation of intangible assets	– 7 105	– 6 811	– 5 817	– 6 067	– 7 954	– 9 082	– 20 876	– 21 960	– 2 381	– 1 280	– 23 257	– 23 240
Operating result	**28 361**	**34 312**	**6 881**	**24 118**	**23 640**	**7 164**	**58 882**	**65 594**	**– 7 411**	**– 3 491**	**51 471**	**62 103**
Financial result											– 1 003	– 1 143
Result before tax											**50 468**	**60 960**
Income tax											– 13 897	– 15 509
Result of the period											**36 571**	**45 451**
Purchases of tangible and intangible assets	**9 490**	**13 794**	**9 378**	**5 723**	**17 456**	**19 887**	**36 324**	**39 404**	**405**	**993**	**36 729**	**40 397**
Segment assets	126 479	124 729	113 531	114 249	243 242	198 584	483 252	437 562	13 297	13 657	496 549	451 219
Cash and cash equivalents									107 315	130 674	107 315	130 674
Other assets									19 938	19 519	19 938	19 519
Total assets	**126 479**	**124 729**	**113 531**	**114 249**	**243 242**	**198 584**	**483 252**	**437 562**	**140 550**	**163 850**	**623 802**	**601 412**
Segment liabilities	23 819	23 072	23 116	21 172	141 380	115 408	188 315	159 652	6 553	7 772	194 868	167 424
Interest-bearing liabilities									120 988	129 548	120 988	129 548
Other liabilities									18 216	19 726	18 216	19 726
Total liabilities	**23 819**	**23 072**	**23 116**	**21 172**	**141 380**	**115 408**	**188 315**	**159 652**	**145 757**	**157 046**	**334 072**	**316 698**
Net assets	**102 660**	**101 657**	**90 415**	**93 077**	**101 862**	**83 176**	**294 937**	**277 910**	**– 5 207**	**6 804**	**289 730**	**284 714**
GROSS SALES TO THIRD PARTIES BY REGION												
Europe	168 774	184 972	145 044	175 005	38 518	53 179	352 336	413 156	9 285	0	361 621	413 156
North and South America	15 412	16 884	9 357	18 129	39 225	37 411	63 994	72 424	1	0	63 995	72 424
Middle and Far East	30 848	27 801	30 221	29 941	292 776	239 789	353 845	297 531	34	0	353 879	297 531
Gross sales to third parties	**215 034**	**229 657**	**184 622**	**223 075**	**370 519**	**330 379**	**770 175**	**783 111**	**9 320**	**0**	**779 495**	**783 111**

* Included under Reconciliation are individual business areas and central management and financial functions that cannot be allocated to the divisions.
ConnectedCare GmbH is recognised under Reconciliation from 31 December 2023 onwards, and prior to that under the DewertOkin Technology Group division.

CONSOLIDATED SEGMENT INFORMATION 2024

NET REVENUE

in 1 000 EUR	2024	2023
BY REGION		
Switzerland	26 081	28 895
Germany	208 168	237 220
UK	11 152	13 427
France	16 031	19 350
Italy	10 232	11 158
The Netherlands	13 191	16 378
Rest of Europe	76 766	86 728
North and South America	63 995	72 424
Middle and Far East	353 879	297 531
Gross sales	**779 495**	**783 111**
Revenue reductions	−8 722	−7 620
Net revenue	**770 773**	**775 491**
BY PRODUCT GROUP		
Industrial enclosures and input systems	215 034	229 657
Enclosure Systems	**215 034**	**229 657**
Automation Modules	98 202	108 554
Electrotechnical Components	46 503	58 197
Rugged Computing	1 409	24 732
Measuring Technology	38 508	31 592
Industrial Components	**184 622**	**223 075**
Drive technology	293 640	257 208
Mechanism technology	70 313	61 262
Smart Health (formerly Bewatec)	6 566	11 909
DewertOkin Technology Group	**370 519**	**330 379**
Individual business areas	9 320	0
Reconciliation	9 320	0
Gross sales	**779 495**	**783 111**
Revenue reductions	−8 722	−7 620
Net revenue	**770 773**	**775 491**

The Phoenix Mecano Group had no customers in 2024 or 2023 whose sales revenue accounted for more than 10 % of Group sales.

LONG-TERM ASSETS (TANGIBLE ASSETS, INTANGIBLE ASSETS AND INVESTMENTS IN ASSOCIATED COMPANIES)

in 1 000 EUR	2024	2023
BY REGION		
Switzerland	9 876	10 562
Germany	32 210	27 319
UK	132	70
France	275	260
Italy	164	241
The Netherlands	388	389
Rest of Europe	30 912	32 520
North and South America	6 110	6 283
Middle and Far East	102 758	88 962
Total	**182 825**	**166 606**

PRINCIPLES OF CONSOLIDATION AND VALUATION

ACCOUNTING PRINCIPLES

Phoenix Mecano AG with its subsidiaries (the Phoenix Mecano Group) operates worldwide as a manufacturer and seller of components and system solutions for industrial customers in the electronics, electrical and mechanical engineering segments as well as of electric drives, mechanisms and control systems for adjustable ergonomic and healthcare furniture and hospital and healthcare beds. It is a leader in many of its markets. The Group's main activities are presented under Segment Information. Phoenix Mecano AG has its head office in Stein am Rhein, Switzerland, and has been listed on SIX Swiss Exchange since 1988. Its address is Hofwisenstrasse 6, CH-8260 Stein am Rhein.

The 2024 consolidated financial statements of Phoenix Mecano AG were drawn up in accordance with Swiss GAAP FER 31 "Complementary recommendation for listed companies" and comply with Swiss law.

Where subsidiaries have a financial year that differs from the period under consideration, interim statements are drawn up and audited. Thus the consolidated financial statements are based upon audited annual or interim financial statements as at 31 December 2024, which in turn are based on the standard accounting, valuation and organisation criteria that are applied uniformly throughout the Group.

The consolidated financial statements were drawn up in accordance with the principle of historical acquisition and manufacturing cost. As an exception to this, securities, receivables and liabilities from derivative financial instruments and contingent purchase price payments from acquisitions are measured at fair value. The consolidated statement of income was drawn up using the total cost method.

APPLICATION OF NEW ACCOUNTING STANDARDS

The Accounting and Reporting Recommendations (Swiss GAAP FER) changed as follows during the reporting year:

The Swiss GAAP FER Commission adopted the recommendation "Swiss GAAP FER 28 – Government Grants" (FER 28) in November 2021 and the revised standard "Swiss GAAP FER 30 – Consolidated Financial Statements" (FER 30) in May 2022. Both recommendations came into force on 1 January 2024.

The provisions of FER 28 govern the accounting and disclosure of government grants. The application of FER 28 had no impact on the Phoenix Mecano Group's consolidated financial statements.

Under the amendments to FER 30, intangible assets not previously recognised at an acquired subsidiary that are relevant to the decision to acquire control must be identified and recognised. Upon first-time adoption of FER 30, the new provisions on goodwill are not implemented retrospectively. Furthermore, the amendments to FER 30 essentially specify the accounting and treatment of step acquisitions, goodwill and exchange differences on the disposal of Group companies and in connection with equity-like corporate loans. The application of the above-mentioned amendments to FER 30 will have an impact on the Phoenix Mecano Group's consolidated financial statements in the case of future acquisitions and divestments. In the 2024 consolidated financial statements, this had no effect on the consolidated financial statements, with the exception of the separate presentation of offset goodwill in the statement of changes in equity.

SCOPE OF CONSOLIDATION

The consolidated financial statements cover all companies over which Phoenix Mecano AG exercises direct or indirect control. Control over a company exists if Phoenix Mecano AG is exposed or has rights to variable returns from its involvement with the company and has the ability to affect those returns through its power over the company. The consolidated Group companies are combined using the full consolidation method. 100 % of all assets and liabilities, as well as income and expenditure, are included in the consolidated financial statements, with the exception of items that are eliminated during consolidation. Minority interests in equity are posted separately as a sub-item under equity. The minority share in the income is shown separately in the consolidated statement of income as a part of the result of the period. Newly acquired participating interests are included in the consolidated financial statements from the date on which control was acquired, while companies disposed of during the reporting year are excluded from the date on which control was relinquished and a gain or loss on disposal is recognised in the operating result under Other operating income or Other operating expenses. The incidental costs associated with the disposal are recognised in the statement of income.

ASSOCIATED COMPANIES

Investments in associated companies, in which Phoenix Mecano has a voting share of between 20 % and 50 % or exerts a significant influence in some other way, as with joint ventures (50 % interests, which Phoenix Mecano controls jointly with partners), are included in the consolidated financial statements in accordance with the equity method. Under the equity method, the fair value of the proportionate net assets at the acquisition date is calculated and recognised together with any goodwill under Investments in associated companies. In the subsequent reporting periods, this value is adjusted by the share of the Phoenix Mecano Group in the additional equity and result generated as well as by any dividends or impairment.

CAPITAL CONSOLIDATION

Capital consolidation at the acquisition date is based on the acquisition method. The purchase price for a company acquisition is determined based on the total of the fair value of the assets given, the liabilities incurred or assumed and the equity instruments issued by the Phoenix Mecano Group. Transaction costs associated with a company acquisition are recognised in the statement of income. In the context of acquisitions, potentially existing intangible assets such as customer base, patents, know-how or brands, which have not yet been capitalised by the acquired company, are recognised separately upon initial consolidation. The goodwill or negative goodwill arising from a company acquisition is offset directly against equity. It corresponds to the difference between the purchase price and the fair value of the net assets acquired. In the event of the sale, closure or liquidation of a part of the business, the goodwill previously offset against equity must be taken into account at the original cost when determining the gain or loss from the sale. The effects of a theoretical capitalisation and amortisation of goodwill are disclosed as a shadow statement in the notes to the consolidated financial statements.

If the Phoenix Mecano Group offers a minority shareholder a put option on the remaining minority interest, resulting in a de facto obligation to buy, this option is recognised as a purchase price liability and measured at fair value. Accordingly, no minority interest is reported in the consolidated financial statements. The same applies to purchase price payments, which are linked to the future business development of the acquired company (earn-out). Such contingent purchase price payments are measured at fair value at the acquisition date and recorded as purchase price liabilities. Subsequent adjustments to such purchase price liabilities are recognised in equity. Deferred purchase price payments are recognised in the statement of cash flow as cash flow from financing activities, provided the payment is made later than three months after the acquisition date. This time limit is also applied to deferred purchase price payments when a Group company is sold.

CURRENCY TRANSLATION

Owing to the great importance of the euro to the Group – Phoenix Mecano generates a substantial proportion of its sales in that currency – the consolidated financial statements are presented in euros.

The items contained in a Group company's annual accounts are valued on the basis of the currency of the primary economic environment in which the company operates (functional currency). Foreign currency transactions are converted into the functional currency at the exchange rates prevailing at the time of the transaction. Gains and losses resulting from the transactions themselves and from the conversion of monetary assets and liabilities in foreign currencies at the relevant closing rate are reported in the statement of income.

The results and balance sheet items of all Group companies with a functional currency other than the reporting currency, euro, are converted to euros. The assets and liabilities are converted at the closing rate for each balance sheet date, income and expenses at the average exchange rate for each statement of income. Any resulting translation differences and any translation differences on long-term loans which are considered to be similar in nature to equity are posted in equity as separate item. The statement of cash flow is converted at the average exchange rate.

In the event of loss of control of a Group company, the aforementioned translation differences are recognised in the financial result.

INTERCOMPANY PROFITS

Intercompany profits on inventories and non-current assets arising from trading between companies within the Group are eliminated so as not to affect income. Unrealised losses on transactions within the Group are also eliminated, unless the transaction indicates an impairment of the transferred asset.

SEGMENT INFORMATION

The segment information is presented in accordance with internal reporting and follows the management approach.

The Phoenix Mecano Group is divided into three divisions (operating segments). An operating segment is a component of a company which engages in business activities from which it may earn revenues and incur expenses. Its operating results are reviewed regularly by the chief operating decision maker (CODM) in order to make decisions about resources to be allocated to the segment and assess its performance. Discrete financial information is available for the segment. The three divisions are:

- **Enclosure Systems (ES):** Development, production and sale of and trade in industrial and electronic enclosures made of aluminium, stainless steel, plastics and glass fibre-reinforced polyester to protect electronics in a wide range of applications (including in potentially explosive atmospheres) as well as complete human-machine interface solutions (panel PCs, industrial PCs, industrial monitors and support arm systems) and input units such as membrane keypads, short-stroke keys and touchscreens; including system integration and, in addition, toolmaking, plastic injection moulding and aluminium die casting.
- **Industrial Components (IC):** Development, production and sale of and trade in components, complete modules and subsystems in the following business areas: Automation Modules (linear units, electric cylinders and lifting columns, aluminium profile and tube connection systems, assembly workstation systems), Electrotechnical Components (terminal blocks, connectors, series terminals, test probes, switches, inductors) and Measuring Technology (current measuring systems, transformers, instrument transformers).
- **DewertOkin Technology Group (DOT):** Development, production and sale of and trade in drive, system and mechanism technology as well as system solutions for electrically adjustable comfort and healthcare furniture and ergonomic office workstation design, nursing and hospital beds, and smart-health software solutions.

In addition, individual business areas and central management and financial functions are included under "Reconciliation". Also recorded under Reconciliation are asset and liability items that are not allocated to the divisions (cash and cash equivalents, other assets and financial and other liabilities).

The gross sales of the individual divisions with third parties/associated companies and between the divisions are recognised in accordance with the management approach. Gross sales between individual divisions are invoiced on arms-length terms. They are reconciled to sales revenue (net sales) as recognised in the statement of income.

The result is allocated to the individual divisions to the level of the result before interest and tax. Segment assets include intangible assets, tangible assets, inventories, trade receivables, other short-term receivables (excluding financial and interest receivables) and deferred charges and prepaid expenses of the respective business division. Segment liabilities include provisions, pension obligations, trade payables, other short-term liabilities (excluding interest liabilities) and deferred income per business division. The remaining asset and liability items are recorded under Reconciliation. Measurement in the segment information is based on the same accounting principles as used in the consolidated financial statements prepared in accordance with Swiss GAAP FER, except for the presentation of sales.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and bank and bank-like deposits. They also include time deposits and money market investments with a term not exceeding three months from the balance sheet date.

TRADE RECEIVABLES AND OTHER RECEIVABLES

Receivables are recognised at transaction price. Phoenix Mecano holds receivables with the aim of collecting the contractual cash flows and subsequently measures the receivables at amortised cost (usually equivalent to their nominal value), less value adjustments for bad debts. The value adjustment consists of individual value adjustments for specifically identified items, for which there is objective evidence to suggest that the outstanding amount will not be received in full, as well as flat-rate value adjustments for groups of receivables with a similar risk profile based on expected bad debt losses for the group of receivables in question. The flat-rate value adjustments are based on age structure and historical receivables payment statistics. Where there is sufficient evidence to suggest that a receivable is definitely uncollectable, the receivable is derecognised directly. Subsequent incoming payments on amounts that have been derecognised are reported in income. Accounts payable and receivable between Group companies are offset against one another, provided that the companies are consolidated.

At the beginning of 2023, an asset-backed securities (ABS) programme for the purchase of receivables with a maximum volume of EUR 15 million was launched with Weinberg Capital Ltd. (special-purpose vehicle). Under this agreement, individual subsidiaries of the Phoenix Mecano Group in Germany sell trade receivables. The receivables are securitised and placed on the capital market. The Phoenix Mecano Group continues to carry out receivables management for the sold receivables. However, almost all risks and rewards are transferred, and therefore the requirements for a true sale are met (treatment as an off-balance-sheet transaction).

INVENTORIES

Inventories are reported at acquisition or production cost, which must not exceed the net realisable value (lowest value principle). The value of the costs is determined by means of the weighted average method. The production costs include all material costs, production wages and pro rata manufacturing overheads. Appropriate value adjustments are made for inventory-related risks wherever necessary, based on corresponding analyses of turnover and coverage as well as margin analyses.

TANGIBLE ASSETS

Tangible assets are stated in the balance sheet at the acquisition or manufacturing cost, less accumulated depreciation and where appropriate less additional impairment losses. The straight-line method of depreciation is applied over the depreciation periods specified in the useful life categories used by the whole Group. Where components of larger assets have different useful lives, these are depreciated as separate items.

Follow-on investments are only capitalised if the Group is likely to derive future economic benefit as a result and if the costs can be reliably determined.

The useful lives of assets are estimated as follows:

Land (including usage rights)	Unlimited useful life or duration of usage rights
Buildings	35 years
Outside facilities and building installations	10–15 years
Machinery and equipment	4–15 years

LEASED ASSETS

In general, lease contracts are reported as finance leases if:

- at the signing date of the contract, the present value of the lease payments including a possible final payment approximates the acquisition cost or the market value of the leased asset, or
- the expected lease term does not differ substantially from the economic useful life of the leased asset, or
- the leased asset will become the property of the lessee at the end of the lease term, or
- a possible final payment at the end of the lease term is substantially below its respective current market value.

They are measured at the lower of the present value of the minimum lease payments and the fair value. The corresponding financial leasing commitments are posted as liabilities. The lease payments are divided up into interest and repayment sums in accordance with the annuity method. The leased assets are depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are expensed directly to the statement of income on a straight-line basis over the lease term.

INTANGIBLE ASSETS

Capitalised development costs

Development services for new products, which satisfy the criteria for capitalisation specified by Swiss GAAP FER 10 (in particular there must be the prospect of a net income), are capitalised at acquisition or manufacturing cost and written off over the respective useful life, which must not exceed five years. Otherwise, research and development costs are debited directly to the statement of income.

Concessions, licences, similar rights and assets

These other intangible assets are measured at acquisition cost less accumulated depreciation and, where appropriate, additional impairment losses. The depreciation rates are determined on a straight-line basis over the estimated useful life of the asset, which must not exceed ten years, in accordance with standard Group practice.

IMPAIRMENT LOSSES

Intangible and tangible assets as well as goodwill (in the shadow statement) are consistently checked for impairment if there are indications to suggest that this has taken place. The recoverable amount (the higher of the net selling price less costs to sell and the value in use) of the asset or cash-generating unit is estimated and an adjustment to the previous book value (carrying amount) is made in the statement of income in the case of intangible and tangible assets and in the shadow statement (without affecting income) in the case of goodwill, provided the book value exceeds the recoverable amount. The value in use corresponds to the present value of the expected future cash flows of the respective asset.

Previously recognised impairment losses are reversed (except on goodwill in the shadow statement) if the estimates used to calculate the recoverable amount have altered and the impairment has reduced or disappeared as a result. The increase in book value may not exceed the amount that would have resulted if no impairment loss had been reported for the asset in the preceding years.

The discount rate is determined based on the pre-tax weighted average cost of capital (WACC) of Phoenix Mecano. A differentiation is applied to individual Phoenix Mecano Group cash-generating units only if their risk profile is significantly different.

INVESTMENTS IN ASSOCIATED COMPANIES

Investments shown under this item are valued in accordance with the criteria set out above under Associated companies.

OTHER FINANCIAL ASSETS

Investments under 20 % and long-term loans to associated companies and third parties contained in Other financial assets are initially recognised at acquisition cost, taking account of any reductions in value (impairment) through corresponding devaluations in the statement of income.

A key factor in deciding whether to derecognise a financial asset is the transfer of the associated risks and rewards (known as the “risks and rewards” approach).

TRADE PAYABLES AND OTHER LIABILITIES

Trade payables and other liabilities are entered at amortised cost, which generally corresponds to their nominal value.

DERIVATIVE FINANCIAL INSTRUMENTS

All derivative financial instruments are measured at fair value in accordance with Swiss GAAP FER 27 and are recognised separately in the Group balance sheet. For instruments traded in an active market, the fair value corresponds to the market value on the balance sheet date; for other instruments, it corresponds to the value determined on the basis of mathematical models. The Group hedges interest and currency risks as part of its risk policy, but these operations are not treated as derivative financial instruments held for hedging purposes. Changes in the market value of derivative financial instruments used in this way are recognised directly in the financial result as income/expense.

FINANCIAL LIABILITIES

Financial liabilities are stated at their nominal value. Any discrepancy between the disbursement amount and the repayable amount is capitalised and amortised over the term using the effective interest method and recognised in the statement of income. Purchase price liabilities from acquisitions are revalued at the balance sheet date and measured at fair value.

Short-term liabilities are those with a remaining term of less than one year.

A financial liability is derecognised when it is cancelled or when it is discharged either judicially or by the creditor.

PROVISIONS

Provisions are formed if a past event has resulted in a present legal or actual obligation and there is likely to be an outflow of funds which can be reliably determined. They also include anticipated warranty claims arising from service provision.

Other long-term employee benefits

Corresponding provisions are made for existing obligations based on statutory retirement pay in some countries, agreements providing for part-time work for older employees in Germany and service anniversaries. These provisions are determined using the projected unit credit method. Actuarial gains and losses are recognised as income/expense in the period in which they occur.

Employee participation plans

In connection with a planned partial IPO of the DewertOkin Technology Group division in China, an employee participation plan for key employees in this product area was initiated at the end of 2020. The plan is tied to the performance of the employees concerned. The qualifying employees receive shares in DewertOkin Technology Group Co., Ltd. (CN). These shares are subject to a three-year lock-up period after the IPO. Differences between the issue price and the fair value of the shares at the time of allocation are charged to personnel expenses and recognised in the statement of income. Recognition takes place over the vesting period, if such a period has been agreed, otherwise immediately upon allocation. Cash settlement is not provided for.

The Chairman of the Board of Directors and the members of the management of Phoenix Mecano AG have participated in a share-based, long-term incentive (LTI) programme since 2023. At the beginning of the vesting period, each plan participant is allocated performance share units (PSUs) totalling 20 % of their fixed remuneration. The PSUs are converted into freely available registered shares in Phoenix Mecano AG after the three-year vesting period. The extent of the PSUs to be converted depends on two equally weighted performance conditions: 1. the return on capital employed (ROCE) and

2. the relative total shareholder return (rTSR). The ROCE target is set by the Board of Directors at the start of the vesting period and compared with the ROCE actually achieved each year. The rTSR is measured in relation to a comparison group. For both performance conditions, the maximum degree of target achievement is limited to 150 %. The market value of the PSUs is determined at the time of allocation using a Monte Carlo simulation, taking into account expected dividend payments, and is recognised in the statement of income over the vesting period. The number of PSUs is adjusted based on the change in performance.

PENSION OBLIGATIONS

The Phoenix Mecano Group has a number of pension plans worldwide. These plans are normally financed through contributions from employees and the relevant subsidiaries.

The economic impact of employee pension plans is assessed annually. Any surpluses or deficits are determined on the basis of the financial statements of the respective pension institutions, which are drawn up based on Swiss GAAP FER 26 (Swiss plans) or accepted methods in other countries (non-Swiss plans). In the case of Swiss plans, an economic benefit is recognised as an asset if it is permitted and intended to use the pension institution’s surplus for the future pension expense of the company. Where freely available employer contribution reserves exist, these are also recognised as assets. An economic obligation is recognised as a liability if the conditions for establishing a provision are met. Changes to the economic benefit or economic obligation, as well as the contributions for the period, are recognised in the statement of income under Personnel expenses.

EQUITY

Equity is divided up into Phoenix Mecano AG’s share capital (consisting of registered shares), treasury shares, retained earnings, translation differences and minority interest.

Treasury shares are deducted from equity and posted as a separate item within equity. Gains and losses on treasury shares are posted without affecting operating income.

Dividends are posted in the consolidated financial statements in the period in which they were agreed upon by the Shareholders’ General Meeting of Phoenix Mecano AG.

REVENUE RECOGNITION

Sales are measured at the amount to which Phoenix Mecano expects to be entitled. They include primarily the sale of goods and, to a limited extent, of software and services in the course of the Group’s ordinary activities. Gross and net sales are recognised net of value added tax and credit notes, as well as of discounts and rebates in the case of net sales. Sales of products and services are recognised following the transfer of control to the customer (usually upon the transfer of significant risks and rewards). This is determined by the specific contract terms (e.g. Incoterms). Phoenix Mecano normally fulfils its performance obligation upon delivery. Software sales are not material.

Value adjustments on recognised receivables are not recognised as adjustments to sales but as other operating expenses.

Interest income is recognised on an accrual basis. Dividend income from securities is recorded at the time of payment.

There are no long-term manufacturing orders which are recorded in accordance with the progress of performance.

GOVERNMENT SUBSIDIES

Government grants are recognised if there is reasonable assurance
that the conditions attached to them will be met and the value can be reliably estimated.

Asset-related grants such as investment incentives are deferred and systematically reported in income in accordance with the straight-line method over the useful life of the supported asset.

Monetary performance-related government grants are recognised under Other operating income.

Non-monetary performance-related grants are disclosed in the notes as they arise.

INCOME TAX

Income tax covers both current and deferred income taxes. It is reflected in the statement of income, with the exception of income taxes on transactions reported directly in equity. In such cases, the corresponding income taxes are also recognised directly in equity.

Current income taxes include expected tax owed on the taxable result, calculated according to the tax rates prevailing on the balance sheet date and adjustments to tax liabilities or credits from previous years.

Deferred taxes are calculated on temporary differences between the values in the tax accounts and the consolidated financial statements in accordance with the balance sheet liability method. No deferred taxes are taken into account for valuation differences in goodwill, investments in subsidiaries and purchase price liabilities from acquisitions if these differences are unlikely to cancel each other out in the foreseeable future. Calculation of the deferred taxes takes into account when and how the realisation or repayment of the relevant assets and liabilities is likely to take place. This calculation uses the tax rates prevailing or announced on the balance sheet date.

Future tax savings on the basis of tax losses carried forward and temporary differences are only capitalised if their realisation seems certain. For this to be the case, consistently positive results must have been achieved and be expected to continue in the foreseeable future. If there are taxable temporary differences and offsettable tax losses carried forward at the same company, the two amounts are offset against one another.

Non-reclaimable withholding taxes on distributions on the profits of foreign subsidiaries are only recorded as a liability if such distributions are budgeted.

The Phoenix Mecano Group is subject to the OECD minimum tax (Pillar Two) and applies the corresponding regulations.

STATEMENT OF CASH FLOW

Cash flow from operating activities is calculated using the indirect method. The funds consist of cash and cash equivalents.

KEY FIGURES NOT DEFINED BY SWISS GAAP FER (ALTERNATIVE PERFORMANCE INDICATORS)

The operating result corresponds to the earnings before taxes plus financial result and share in the profit/loss of associated companies.

The operating cash flow corresponds to the operating result plus depreciation on tangible assets, amortisation of intangible assets and impairment losses or reversal of impairment losses on tangible and intangible assets (see note 36).

The free cash flow comprises the cash flow from operating activities and the cash flow from investments and disinvestments in tangible and intangible assets (see note 37).

ASSUMPTIONS AND ESTIMATIONS

Accounting requires assumptions and estimations to be made which influence the amount of the accounted assets and liabilities, the amount of contingent liabilities and contingent claims as at the balance sheet date and also expenses and income from the reporting periods. The assumptions and estimations are based on historical knowledge and experience and on the information available when the balance sheet is being drawn up. They are considered accurate under the circumstances. If estimations and assumptions made by the management based on the best knowledge available at the time of balance sheet preparation differ from the actual circumstances subsequently observed, the original estimations and assumptions are adapted accordingly in the reporting year in which the circumstances altered.

The most important assumptions and estimations are set out below:

Inventories

An international supply chain within the Group (including as a result of production in cost-efficient locations and processing service in the sales companies) and the high priority accorded to short delivery times for customers require an adequate supply inventory and result in comparatively low stock turnaround figures. Some electrotechnical components can only be stored for a limited amount of time and some inventory items are customised, leading to increased storage risks. On the basis of appropriate inventory turnover and coverage analyses, assessments of recoverability and impairment are carried out. For the book values of inventories, see note 6.

Tangible assets, intangible assets and goodwill (shadow statement)

These are tested for impairment if indicators exist. To ascertain whether impairment applies, the anticipated future cash flow generated by the use or the potential disposal of the assets in question is estimated. The latter is associated with a wide range of uncertainties, especially in the case of company property in unfavourable locations or product-specific manufacturing plants and tools as well as intangible assets. Estimates are also necessary when determining the discount rate to be applied. For the book values of tangible and intangible assets, see notes 7 and 8.

Financial liabilities

To determine the purchase price liabilities from acquisitions, estimates of the medium-term business development of the company concerned must be performed, with all the uncertainties that these entail.

Provisions

Guarantee provisions are calculated based on estimates of potential future guarantees and on past experience. There is a higher guarantee risk for drive systems used in the hospital and care sector. For the book values of provisions, see note 13.

Income tax

Extensive estimations based on the interpretation of existing tax legislation and regulations are required to determine receivables and liabilities from current and deferred income taxes.

1 CURRENCY EXCHANGE RATES

Euro for	Balance sheet 2024	Balance sheet 2023	Statements of income and cash flow 2024	Statements of income and cash flow 2023
CHF 1	1.063	1.080	1.050	1.029
GBP 1	1.206	1.151	1.181	1.150
USD 1	0.963	0.901	0.924	0.925
HUF 100	0.243	0.261	0.253	0.262
CZK 1	0.040	0.040	0.040	0.042
RON 1	0.201	0.201	0.201	0.202
TND 1	0.302	0.295	0.297	0.298
CNY 1	0.133	0.127	0.129	0.131
INR 1	0.011	0.011	0.011	0.011
VND 1 000	0.038	0.037	0.037	0.039

2 SCOPE OF CONSOLIDATION

In 2024 and 2023 the scope of consolidation changed as follows:

Date	Company	Change	Division
2024			
31.07.24	RK Antriebs- und Handhabungs-Technik GmbH	Sale	Industrial Components
11.07.24	RK System- & Lineartechnik GmbH	Merger with RK Rose+Krieger GmbH	Industrial Components
2023			
31.10.23	Hartmann Electronic GmbH	Sale	Industrial Components
31.10.23	W-IE-NE-R Power Electronics GmbH	Sale	Industrial Components
31.10.23	W-IE-NE-R Power Electronics Corp.	Sale	Industrial Components
14.09.23	Phoenix Mecano GmbH	Foundation	Enclosure Systems
03.03.23	Setago.io GmbH	Foundation	Industrial Components
20.01.23	Phoenix Mecano Digital Elektronik GmbH	Sale	Industrial Components
20.01.23	Phoenix Mecano Digital Tunisie S.à.r.l.	Sale	Industrial Components

The following companies were fully consolidated as at 31 December 2024:

FULLY CONSOLIDATED COMPANIES

Company	Head office	Activity	Currency	Registered capital in 1 000	2024 Stake in %	2023 Stake in %
Phoenix Mecano AG	Stein am Rhein, Switzerland	Finance	CHF	961	n/a	n/a
Phoenix Mecano Management AG	Kloten, Switzerland	Finance	CHF	50	100	100
Phoenix Mecano Solutions AG	Stein am Rhein, Switzerland	Production/Sales	CHF	2 000	100	100
DewertOkin AG	Stein am Rhein, Switzerland	Finance	CHF	500	89	89
Rose Systemtechnik GmbH	Porta Westfalica, Germany	Production/Sales	EUR	1 053	100	100
Bopla Gehäuse Systeme GmbH	Bünde, Germany	Production/Sales	EUR	750	100	100
Kundisch GmbH + Co. KG	Villingen-Schwenningen, Germany	Production/Sales	EUR	300	100	100
HPC Sekure GmbH	Wessling, Germany	Sales	EUR	500	100	100
PTR HARTMANN GmbH	Werne, Germany	Production/Sales	EUR	400	100	100
Redur GmbH + Co. KG	Niederzier, Germany	Production/Sales	EUR	300	100	100
RK Rose + Krieger GmbH	Minden, Germany	Production/Sales	EUR	496	100	100
RK Schmidt Systemtechnik GmbH	St. Wendel, Germany	Production/Sales	EUR	500	100	100
Setago.io GmbH	Nuremberg, Germany	Sales/Development	EUR	25	100	100
DewertOkin GmbH	Kirchlengern, Germany	Sales	EUR	1 000	89	89
ConnectedCare GmbH	Telgte, Germany	Production/Sales/Development	EUR	98	100	100
IFINA Beteiligungsgesellschaft mbH	Porta Westfalica, Germany	Finance	EUR	4 000	100	100
Götz Udo Hartmann GmbH	Niederzier, Germany	Finance	EUR	26	100	100
Kundisch Beteiligungs-GmbH	Villingen-Schwenningen, Germany	Finance	EUR	26	100	100
Phoenix Mecano S.à.r.l.	Fontenay-sous-Bois, Cedex, France	Sales	EUR	620	100	100
Phoenix Mecano Ltd.	Aylesbury, UK	Sales	GBP	300	100	100
DewertOkin AB	Växjö, Sweden	Sales	SEK	100	89	89
Phoenix Mecano AB	Växjö, Sweden	Sales	SEK	290	100	100
Phoenix Mecano ApS	Sønderborg, Denmark	Sales	DKK	125	100	100
Phoenix Mecano GmbH	Vienna, Austria	Sales	EUR	50	100	100
Phoenix Mecano S.r.l.	Modena, Italy	Sales	EUR	300	100	100
Sistemas Phoenix Mecano España S.A.	Zaragoza, Spain	Sales	EUR	60	90	90
Phoenix Mecano B.V.	Doetinchem, The Netherlands	Sales	EUR	1 000	100	100
PM Special Measuring Systems B.V.	Enschede, The Netherlands	Production/Sales	EUR	18	100	100
Phoenix Mecano NV	Deinze, Belgium	Sales	EUR	100	100	100
Phoenix Mecano Kecskemét KFT	Kecskemét, Hungary	Production/Sales	EUR	40 000	100	100
DewertOkin KFT	Kecskemét, Hungary	Production/Sales	EUR	17 000	89	89
Phoenix Mecano Plastic S.r.l.	Sibiu, Romania	Production	EUR	750	100	100
ismet transformátory s.r.o.	Běhařovice, Czech Republic	Production/Sales	CZK	200	100	100
Phoenix Mecano OOO	Moscow, Russia	Sales	RUB	21 300	100	100
Phoenix Mecano Inc.	Frederick, USA	Production/Sales	USD	17 000	100	100

FULLY CONSOLIDATED COMPANIES

Company	Head office	Activity	Currency	Registered capital in 1 000	2024 Stake in %	2023 Stake in %
OKIN America Inc.	Shannon, USA	Production/Sales	USD	5 500	89	89
Orion Technologies LLC in liquidation	Orlando, USA	Production/Sales	USD	33	90	90
PTR HARTMANN, S. DE R.L. DE C.V.	Monterrey, Mexico	Sales	MXN	50	100	100
DewertOkin do Brasil Ltda	São Paulo, Brazil	Sales	BRL	10 176	89	89
Phoenix Mecano Holding Ltda.	São Paulo, Brazil	Finance	BRL	1 062	100	100
DewertOkin Latin America S.A.	Montevideo, Uruguay	Sales	UYU	200	89	89
Phoenix Mecano S. E. Asia Pte Ltd.	Singapore	Sales	SGD	1 000	100	100
Phoenix Mecano Korea Co. Ltd.	Busan, South Korea	Sales	KRW	370 000	100	100
Phoenix Mecano (India) Pvt. Ltd.	Pune, India	Production/Sales	INR	299 452	100	100
Phoenix Mecano Saudi Arabia LLC	Dammam, Saudi Arabia	Sales	SAR	3 000	100	100
Mecano Components (Shanghai) Co., Ltd.	Shanghai, China	Production/Sales	USD	3 925	100	100
PTR HARTMANN (Shaoguan) Co., Ltd.	Shaoguan City, China	Production/Sales	CNY	70 000	100	100
DewertOkin Technology Group Co., Ltd..	Jiaxing, China	Production/Sales	CNY	712 589	89	89
Jiaxing MyHome Mechanism Co., Ltd (formerly Haining My Home Mechanism Co. Ltd)	Jiaxing, China	Production/Sales	CNY	3 100	89	89
Bewatec (Zhejiang) Medical Equipment Co., Ltd.	Jiaxing, China	Production/Development	CNY	60 000	89	89
Bewatec (Shanghai) Medical Device Co., Ltd.	Shanghai, China	Sales/Development	CNY	25 000	89	89
Phoenix Mecano Hong Kong Ltd.	Hong Kong, China	Finance/Sales	EUR	99 051	100	100
Bond Tact Industrial Limited	Hong Kong, China	Finance	HKD	500	100	100
Okin Vietnam Company Ltd.	Binh Duong Province, Vietnam	Production/Sales	USD	1 500	89	89
Phoenix Mecano Middle East (FZE) (formerly Rose Systemtechnik Middle East (FZE))	Sharjah, U.A.E.	Sales	AED	150	100	100
Phoenix Mecano Hartu S.à.r.l. in liquidation	Ben Arous, Tunisia	Production	TND	15 400	100	100
Phoenix Mecano ELCOM S.à.r.l.	Zaghouan, Tunisia	Production	TND	16 500	100	100
Phoenix Mecano Maroc S.à.r.l. in liquidation	Tétouan, Morocco	Production	MAD	34 000	100	100

The stake indicated takes into account direct and indirect minority interests.

3 CASH AND CASH EQUIVALENTS

in 1 000 EUR	2024	2023
MEANS OF PAYMENT		
Bank and bank-like deposits	92 448	71 274
Cash on hand	66	69
Total	**92 514**	**71 343**
OTHER CASH AND CASH EQUIVALENTS		
Time deposits and money market investments (up to 3 months)	14 801	59 331
Balance sheet value	**107 315**	**130 674**
INTEREST RATES IN %		
CHF	0.4	1.1
EUR	0.6	0.9
USD	3.0	3.0
CNY	1.4	1.5

No losses are expected on cash and cash equivalents, so no value adjustments have been made.

Due to a legal dispute in connection with a construction project, cash and cash equivalents totalling EUR 3.8 million were not authorised for use as at the balance sheet date in the previous year.

4 TRADE RECEIVABLES

in 1 000 EUR	2024	2023
Trade receivables	143 614	125 567
Receivables due from associated companies	139	86
Value adjustments	–7 037	–4 817
Balance sheet value	**136 716**	**120 836**
REGIONAL BREAKDOWN OF TRADE RECEIVABLES		
Switzerland	2 277	2 081
Germany	7 598	9 311
UK	1 763	1 588
France	2 863	4 481
Italy	1 986	1 490
The Netherlands	963	1 357
Rest of Europe	6 743	8 122
North and South America	13 341	9 704
Middle and Far East	99 182	82 702
Balance sheet value	**136 716**	**120 836**

in 1 000 EUR	2024	2023
UPDATE OF VALUE ADJUSTMENT ON TRADE RECEIVABLES		
Individual value adjustments		
As at 1 January	487	750
Change	716	–263
As at 31 December	1 203	487
Flat-rate value adjustments		
As at 1 January	4 330	3 855
Change	1 504	475
As at 31 December	5 834	4 330
Total	**7 037**	**4 817**

Trade receivables totalling EUR 0.4 million (previous year: EUR 0.1 million) have been derecognised.

in 1 000 EUR	2024 Gross	2024 Value adjustment	2023 Gross	2023 Value adjustment
AGEING ANALYSIS OF TRADE RECEIVABLES NOT SUBJECT TO INDIVIDUAL VALUE ADJUSTMENTS				
Gross values	143 753		125 653	
Gross value of receivables subject to individual value adjustments	– 1 203		– 504	
Total	**142 550**		**125 149**	
of which:				
Not due	112 347	381	97 468	272
Overdue for 1–30 days	17 975	190	18 876	178
Overdue for 31–60 days	4 493	222	3 164	152
Overdue for 61–90 days	1 445	149	1 218	137
Overdue for 91–180 days	2 757	1 359	1 665	833
Overdue for more than 180 days	3 533	3 533	2 758	2 758
Total	**142 550**	**5 834**	**125 149**	**4 330**

Impairment is determined on the basis of expected credit losses corresponding to the present value of the defaults expected over the anticipated remaining life of the financial assets. As well as historical customer default rates, Phoenix Mecano also draws on forward-looking information and classifies groups of receivables by maturity and region.

The individual value-adjusted receivables relate mainly to debtors who are involved in bankruptcy proceedings or have been directed to a collection agency.

The largest single receivable from a customer as at the balance sheet date of 31 December 2024 was EUR 13.8 million (previous year: EUR 7.7 million), which is not due.

The average payment term was 66 days (previous year: 62 days).

At the beginning of 2023, an asset-backed securities (ABS) programme for the purchase of receivables with a maximum volume of EUR 15 million was launched with Weinberg Capital Ltd. (special-purpose vehicle). Under this agreement, individual subsidiaries of the Phoenix Mecano Group in Germany sell trade receivables. The receivables are securitised and placed on the capital market. As at 31 December 2024, receivables totalling EUR 8.6 million (previous year EUR 7.1 million had been sold. There are also purchase price retentions held as security reserves with a net value of EUR 1.7 million (previous year: EUR 1.0 million), which were recognised as other receivables. The Phoenix Mecano Group continues to carry out receivables management for the sold receivables. However, almost all risks and rewards are transferred, and therefore the requirements for a true sale are met (treatment as an off-balance-sheet transaction).

5 OTHER RECEIVABLES

in 1 000 EUR	Note	2024	2023
Tax receivables from VAT and other taxes		9 224	4 077
Residual purchase price payment	39	868	0
Financial receivables		1 728	2 339
Advance payments for inventories		3 629	4 505
Other		2 010	2 083
Balance sheet value		**17 459**	**13 004**

6 INVENTORIES

in 1 000 EUR	2024	2023
Raw and ancillary materials	83 293	83 259
Work in progress	16 344	14 606
Finished goods and merchandise for resale	80 358	74 407
Value adjustments	– 21 307	– 20 773
Balance sheet value	**158 688**	**151 499**

The value adjustments were determined based on marketability and range of the stocks, and taking into account the principle of loss-free valuation. Changes in value adjustments and losses on inventories totalling EUR 4.8 million (previous year: EUR 3.8 million) are included in the statement of income under Other operating expenses (see note 31).

Other than the usual reservations of title applied in typical business operations, no stocks had liens on them as at 31 December 2024 and 2023.

7 TANGIBLE ASSETS

in 1 000 EUR	Note	Land and buildings	Machinery and equipment	Construction in progress	Total
Acquisition costs 31 December 2022		**144 567**	**248 323**	**36 504**	**429 394**
Disposals of companies included in consolidation	39	–10 411	–20 454	–342	–31 207
Translation differences		–898	–2 614	–2 601	–6 113
Additions		3 448	15 268	19 254	37 970
Disposals		–8 683	–9 387	–118	–18 188
Reclassification		33 504	6 160	–39 664	0
Acquisition costs 31 December 2023		**161 527**	**237 296**	**13 033**	**411 856**
Accumulated depreciation 31 December 2022		**77 101**	**193 605**	**0**	**270 706**
Disposals of companies included in consolidation	39	–5 708	–15 966		–21 674
Translation differences		113	–1 390		–1 277
Depreciation		3 734	14 933		18 667
Disposals		–1 808	–8 952		–10 760
Accumulated depreciation 31 December 2023		**73 432**	**182 230**	**0**	**255 662**
Net values 1 January 2023		**67 466**	**54 718**	**36 504**	**158 688**
Net values 31 December 2023		**88 095**	**55 066**	**13 033**	**156 194**

in 1 000 EUR	Note	Land and buildings	Machinery and equipment	Construction in progress	Total
Acquisition costs 31 December 2023		**161 527**	**237 296**	**13 033**	**411 856**
Additions from asset deal	38		150		150
Disposals of companies included in consolidation	39		-269		-269
Translation differences		2 477	2 686	615	5 778
Additions		3 562	18 019	13 703	35 284
Disposals		–87	–7 768	–39	–7 894
Reclassification		6 450	4 831	–11 281	0
Acquisition costs 31 December 2024		**173 929**	**254 945**	**16 031**	**444 905**
Accumulated depreciation 31 December 2023		**73 432**	**182 230**	**0**	**255 662**
Disposals of companies included in consolidation	39		–254		–254
Translation differences		370	1 485		1 855
Depreciation		4 475	15 469		19 944
Disposals		–27	–7 290		–7 317
Accumulated depreciation 31 December 2024		**78 250**	**191 640**	**0**	**269 890**
Net values 31 December 2024		**95 679**	**63 305**	**16 031**	**175 015**

Land and buildings is divided into developed and undeveloped land and land use rights (in China) with a book value of EUR 16.2 million (previous year: EUR 15.1 million) and factory and administration buildings with a balance sheet value of EUR 79.5 million (previous year: EUR 73.0 million).

The fire insurance value of the tangible assets amounted to EUR 460.5 million on the balance sheet date, compared with EUR 437.0 million the previous year.

Land and buildings with a book value of EUR 37.0 million (previous year: EUR 36.1 million), mainly in China and Switzerland, were mortgaged to cover debts. The amount of the corresponding credit taken up totalled EUR 11.4 million (previous year: EUR 11.8 million).

No tangible assets were subject to reservation of title on the balance sheet date.

No write-downs were performed in the reporting year or the previous year within the framework of the impairment tests on cash-generating units (CGUs) and assets at the balance sheet date.

8 INTANGIBLE ASSETS

in 1 000 EUR	Note	Development costs	Concessions, licences, similar rights and assets	Development projects in progress	Total
Acquisition costs 31 December 2022		**22 294**	**37 276**	**506**	**60 076**
Disposals of companies included in consolidation	39		–2 567	–17	–2 584
Translation differences		–229	–595		–824
Additions		422	1 274	731	2 427
Disposals		–34	–2 792		–2 826
Reclassification		253	82	–335	0
Acquisition costs 31 December 2023		**22 706**	**32 678**	**885**	**56 269**
Accumulated amortisation 31 December 2022		**14 361**	**34 238**	**0**	**48 599**
Disposals of companies included in consolidation	39		–2 287		–2 287
Translation differences		–44	–573		–617
Amortisation		3 071	1 502		4 573
Disposals		–33	–2 772		–2 805
Accumulated amortisation 31 December 2023		**17 355**	**30 108**	**0**	**47 463**
Net values 1 January 2023		**7 933**	**3 038**	**506**	**11 477**
Net values 31 December 2023		**5 351**	**2 570**	**885**	**8 806**

in 1 000 EUR	Note	Development costs	Concessions, licences, similar rights and assets	Development projects in progress	Total
Acquisition costs 31 December 2023		**22 706**	**32 678**	**885**	**56 269**
Additions from asset deal	38		521		521
Disposals of companies included in consolidation	39		–76		–76
Translation differences		184	478		662
Additions		51	808	586	1 445
Disposals			–420	–7	–427
Reclassification		656		–656	0
Acquisition costs 31 December 2024		**23 597**	**33 989**	**808**	**58 394**
Accumulated amortisation 31 December 2023		**17 355**	**30 108**	**0**	**47 463**
Disposals of companies included in consolidation	39		-62		–62
Translation differences		93	473		566
Amortisation		2 051	1 262		3 313
Impairment losses		534			534
Disposals			–421		–421
Accumulated amortisation 31 December 2024		**20 033**	**31 360**	**0**	**51 393**
Net values 31 December 2024		**3 564**	**2 629**	**808**	**7 001**

Concessions, licences, similar rights and assets includes primarily software licences and other intangible rights and assets paid for.

No intangible assets were subject to reservation of title on the balance sheet date.

Within the framework of the impairment tests on CGUs and assets at the balance sheet date, a write-down of EUR 0.5 million was performed in the reporting year for a product development (conveyor system) whose marketing was not as successful as planned.

This impairment loss in the reporting year is included in the statement of income under Impairment losses on tangible and intangible assets and is reported in the segment information under Industrial Components.

9 INVESTMENTS IN ASSOCIATED COMPANIES

in 1 000 EUR	Stake in %	2024	2023
UPDATE OF INVESTMENTS IN ASSOCIATED COMPANIES			
Phoenix Mecano Australia Pty. Ltd.	29.2		
As at 1 January		**1 606**	**2 948**
Result		–87	411
Disposals		0	–245
Dividend payout		–683	–1 329
Translation differences		–27	–179
As at 31 December		**809**	**1 606**

Phoenix Mecano Australia Pty. Ltd. distributes Phoenix Mecano products in Australia.

In addition, Phoenix Mecano products were sold in Austria through the joint venture AVS-Phoenix Mecano GmbH (A) until the end of 2023 (the company was dissolved on 18 December 2024), and the procurement and assembly of products for ConnectedCare GmbH took place through the joint venture BEWATEC Technologies Co. Ltd., which was dissolved at the end of November 2023.

On 31 October 2020, the Phoenix Mecano Group sold its majority stake in Phoenix Mecano Australia Pty. Ltd. with a corresponding loss of control. The Phoenix Mecano Group has retained a 29.2 % stake in Phoenix Mecano Australia Pty. Ltd., which is recognised as an investment in associated companies. In connection with this transaction, a contractually agreed residual purchase price payment of EUR 0.022 million (previous year: EUR 0.1 million) is outstanding (see note 10).

Total purchases of goods from Group companies amounted to EUR 2.5 million (previous year: EUR 10.3 million) for all investments in associated companies and sales of goods to Group companies totalled 0.0 million (previous year: EUR 1.4 million).

The result of the period for all investments in associated companies in 2024 totalled EUR –0.2 million (previous year: 1.1 million).

10 OTHER FINANCIAL ASSETS

	Note	2024	2023
Other loans		0	1
Residual purchase price payments		22	113
Investments (under 20 %)		909	911
Balance sheet value		**931**	**1 025**
BY CURRENCY			
EUR		0	1
CNY		909	911
AUD		22	113
Balance sheet value		**931**	**1 025**
BY MATURITY			
in 2 years		22	1
in 3 years		0	113
none		909	911
Balance sheet value		**931**	**1 025**

The residual purchase price payments relate to the sale of the majority stake in Phoenix Mecano Australia Pty in 2020.

The investments under 20 % relate mainly to the employee participation plan launched in late 2020 for around 60 key employees, in connection with a planned partial IPO of the DewertOkin Technology (DOT) Group division in China. In this context, two limited liability partnerships were established in China in 2021, through which the employees of DewertOkin Technology Group Co., Ltd.(China) were able to exercise their participation. The Phoenix Mecano Group also holds a stake of less than 20 % in each of these entities.

11 FINANCIAL LIABILITIES

in 1 000 EUR	Short-term 2024	Long-term 2024	Total 2024	Short-term 2023	Long-term 2023	Total 2023
Liabilities to financial institutions	20 748	12 924	33 672	29 342	21 828	51 170
Promissory note loans		82 500	82 500	30 000	42 500	72 500
Purchase price liabilities from acquisitions			0	450		450
Other financial liabilities	4 816		4 816	5 428		5 428
Balance sheet value	**25 564**	**95 424**	**120 988**	**65 220**	**64 328**	**129 548**
BY MATURITY						
in < 1 year	25 564		25 564	65 220		65 220
in 1–2 years		46 675	46 675		7 253	7 253
in 2–3 years		44 726	44 726		49 889	49 889
in 3–4 years		4 023	4 023		3 283	3 283
in 4–5 years			0		3 903	3 903
Balance sheet value	**25 564**	**95 424**	**120 988**	**65 220**	**64 328**	**129 548**

	2024 in 1 000 EUR	2024 in %	2024 Interest rate in %	2023 in 1 000 EUR	2023 in %	2023 Interest rate in %
BY CURRENCY						
CHF	5 658	4.7	1.5	6 076	4.7	1.5
EUR	94 177	77.8	2.3	91 050	70.3	1.4
USD	9 289	7.7	5.5	16 254	12.5	6.2
CNY	11 825	9.8	2.8	15 684	12.1	3.2
Other currencies	39	0.0	0.0	484	0.4	0.0
Balance sheet value	**120 988**	**100**	**–**	**129 548**	**100**	**–**

RECONCILIATION OF FINANCIAL LIABILITIES 2024	**2023**	**Cash items**	**Non-cash items**			**2024**
in 1 000 EUR			Change Change in scope of consolidation	Currency differences	Change in fair value	
Long-term liabilities to financial institutions	21 828	–9 358		569	–115	12 924
Short-term liabilities to financial institutions	29 342	–9 294		700		20 748
Promissory note loans	72 500	10 000				82 500
Purchase price liabilities from acquisitions	450	–450				0
Other financial liabilities	5 428	–529		24	–107	4 816
Balance sheet value	**129 548**	**–9 631**	**0**	**1 293**	**–222**	**120 988**

RECONCILIATION OF FINANCIAL LIABILITIES 2023	**2022**	**Cash items**	**Non-cash items**			**2023**
in 1 000 EUR			Change Change in scope of consolidation	Currency differences	Change in fair value	
Long-term liabilities to financial institutions	19 677	2 577	–92	–334		21 828
Short-term liabilities to financial institutions	70 288	–39 871		–1 075		29 342
Promissory note loans	72 500					72 500
Purchase price liabilities from acquisitions	3 029	–2 534			–45	450
Other financial liabilities	1 327	4 134	–19	–14		5 428
Balance sheet value	**166 821**	**–35 694**	**–111**	**–1 423**	**–45**	**129 548**

The long-term liabilities to financial institutions are fixed and variable rate.

For the securing of long-term financial liabilities to financial institutions by mortgage, see note 7.

The long-term liabilities to financial institutions and promissory note loans do not include any financial covenants.

On 18 November 2019, the Phoenix Mecano Group took out a promissory note loan for EUR 30 million with a fixed interest rate and a term of five years, which was repaid in 2024. On 5 May 2021, the Phoenix Mecano Group issued a promissory note loan for EUR 42.5 million with a term of five years and a fixed interest rate. In addition, on 18 November 2024, the Phoenix Mecano Group took out a promissory note loan for EUR 40 million with a term of three years (EUR 24 million at a fixed interest rate and EUR 16 million at a variable interest rate).

On 1 June 2021, the Phoenix Mecano Group acquired 100 % of the shares in X2 Technology AB, Sweden, which was subsequently renamed Phoenix Mecano AB. In addition to a fixed purchase price, an earn-out arrangement was agreed. This entailed a contingent purchase price liability, which was paid out in 2024. This purchase price liability was adjusted in 2022 and 2023 without affecting income (see note 20).

12 DERIVATIVE FINANCIAL INSTRUMENTS

	Contract values		Receivables due from derivative financial instruments		Liabilities from derivative financial instruments	
in 1 000 EUR	2024	2023	2024	2023	2024	2023
FORWARD EXCHANGE CONTRACTS BY CURRENCY						
HUF	13 200	0			465	
INR	918	4 750	28			50
RON	0	2 400				
Total	**14 118**	**7 150**	**28**	**0**	**465**	**50**
FORWARD EXCHANGE CONTRACTS BY MATURITY						
in 1 year	14 118	7 150	28		465	50
Total			**28**	**0**	**465**	**50**
NET BALANCE SHEET VALUE BY MATURITY						
Total short-term			28	0	465	50
Net balance sheet value			**28**	**0**	**465**	**50**

The forward exchange purchases of HUF and INR, and in the previous year INR and RON, for EUR were used for partial hedging of the planned operating expenses in local currency in India, Hungary (reporting year only) and Romania (previous year only).

13 PROVISIONS

RECONCILIATION OF PROVISIONS 2024 in 1 000 EUR	Provisions for long-term employee benefits	Guarantee provisions	Restructuring provisions	Other provisions	Total 2024
Provisions as at 1 January	**3 066**	**4 174**	**2 682**	**13 789**	**23 711**
Change in scope of consolidation	– 12	– 19		– 29	– 60
Translation differences	19	115		415	549
Usage	– 333	– 2 364	– 1 728	– 11 645	– 16 070
Releases	– 43	– 360	– 52	– 1 389	– 1 844
Allocation	1 139	4 019	657	17 953	23 768
Provisions as at 31 December	**3 836**	**5 565**	**1 559**	**19 094**	**30 054**
Due within 1 year	998	5 205	1 407	18 771	26 381
Due after 1 year	2 838	360	152	323	3 673

RECONCILIATION OF PROVISIONS 2023 in 1 000 EUR	Provisions for long-term employee benefits	Guarantee provisions	Restructuring provisions	Other provisions	Total 2023
Provisions as at 1 January	**2 967**	**3 383**	**320**	**10 375**	**17 045**
Change in scope of consolidation	– 231	– 105		– 413	– 749
Translation differences	7	– 67		– 211	– 271
Usage	– 264	– 1 037	– 188	– 8 705	– 10 194
Releases	– 96	– 374	– 96	– 997	– 1 563
Allocation	683	2 374	2 646	13 740	19 443
Provisions as at 31 December	**3 066**	**4 174**	**2 682**	**13 789**	**23 711**
Due within 1 year	486	4 017	2 682	13 613	20 798
Due after 1 year	2 580	157	0	176	2 913

The provisions for long-term employee benefits relate mainly to provisions for long-service awards.

The restructuring costs mainly comprise staff costs arising from the package of measures to improve performance in the DewertOkin Technology Group division, announced in the previous year.

Other provisions include provisions for short-term payments to employees totalling EUR 10.2 million (previous year: EUR 7.4 million). This item also includes provisions for credit notes to be issued totalling EUR 6.7 million (previous year: EUR 3.7 million), litigation, impending losses and other conceivable risks from contractual or constructive obligations.

14 PENSION OBLIGATIONS

The Phoenix Mecano Group operates a number of pension plans for employees in Switzerland and elsewhere, which meet the relevant criteria for inclusion. These include both defined benefit and defined contribution plans, which cover the Group employees in question against death, disability and retirement risks.

Swiss pension plan (defined contribution)

The Group operates an employee pension plan in Switzerland with a BVG-Sammelstiftung (collective foundation), in which the insurance risks are reinsured and the investment risks are borne by the insured (semi-autonomous pension solution). The provisional coverage ratio of this collective foundation, under Article 44 of the Swiss Occupational Pension Ordinance (OPO 2), was 114.4 % at the end of November (without taking value fluctuation reserves into account). The foundation's 2024 annual report is not yet available. Based on the available information, the Phoenix Mecano Group has concluded that the surplus as at 31 December 2024 and the economic benefit for the organisation cannot be reliably determined and that, given the structure of the Swiss pension plan, the economic share of the Phoenix Mecano Group is zero. As a result, the Swiss pension plan is disclosed under Pension plans without surplus/deficit in accordance with FER 16/5.

The senior management body is the Foundation Board, which comprises an equal number of employee and employer representatives from the member companies. The Foundation Board is required by law and the pension plan regulations to act solely in the interests of the foundation and its beneficiaries (active insured persons and pension recipients). The employer cannot therefore determine the benefits and financing unilaterally. Decisions are taken jointly by the employee and employer representatives. The Foundation Board is responsible for changes to the pension plan regulations and in particular for determining the financing of pension benefits. The foundation is regulated by the Foundation Supervisory Authority of the Canton of Aargau.

Pension payments are based on retirement savings, to which annual retirement credits and interest are added. Upon retirement, the legal framework provides for the payment of an annuity, with the option of a lump-sum payment. The annuity is calculated by multiplying the retirement savings by the current conversion rate. In addition to retirement benefits, pension benefits also include disability pensions and, in the event of death, partner's and orphan's pensions and, where applicable, a lump-sum death benefit. These are calculated as a percentage of the insured annual salary or old-age pension. The insured can also make additional payments to improve their pension up to the maximum set by the regulations or withdraw money early to buy a residential property for their own use. If the employee leaves the company, the retirement savings are transferred to the pension fund of their new employer or to a vested benefits foundation. Benefits are financed through savings and risk contributions paid by the employer and employee. The savings contributions and the employee contributions to the risks are determined by the Administrative Board consisting of employer and employee representatives. The employer makes at least 50 % of the necessary total contributions.

In setting benefits, the minimum requirements of the Swiss Federal Act on Occupational Old Age, Survivors' and Invalidity Pension Provision (OPA) and its implementing provisions must be observed. The OPA stipulates the minimum wage to be insured and the minimum retirement credits. The minimum interest rate to be applied to these minimum retirement savings is determined by the Swiss Federal Council at least every two years. In 2025 it is 1.25 % (2024: 1.25 %).

The terms and conditions of the pension plan applicable in the reporting year and the statutory provisions of the OPA give rise to actuarial risks such as investment risk, interest rate risk, disability risk and longevity risk. The latter two are reinsured by a life insurance company.

The pension assets are invested by the collective foundation itself, in accordance with its investment policy and within the legal framework.

In the event of a deficit, the collective foundation must take appropriate measures, which could include restructuring contributions from employers and employees.

Pension plans in other countries (defined contribution):

The Phoenix Mecano Group also operates pension plans in a number of other countries. Some of these plans also include employee contributions. These contributions are normally deducted from the monthly salary and transferred to the pension plan. Apart from paying the contributions and transferring the employee and employer contributions, there are not currently any further obligations on the part of the employer.

German pension plan (defined benefit):

There are personal defined benefit pension plans for ten pensioners, departed or still active employees (mainly executives). No new commitments are being entered into (except in the case of pension plans taken over through acquisitions). In principle, entitlement to pension benefits arises on the grounds of old age, disability or death. Payments take the form of lifetime annuities or in some cases lump-sum payments, depending on the relevant pension regulations. Survivors are entitled to a percentage of the annuity at the time of the beneficiary's death. In principle, as regards the amount of the annuity payment, pension plans are fixed or dependent on the statutory contribution assessment ceiling at the time the insured event occurs. In one case, benefits are dependent on the development of salaries for civil servants. Individual plans have separate plan assets. One plan was adjusted in 2021 and outsourced to an external pension fund. Coverage is checked quarterly for this plan. As long as the Phoenix Mecano Group is not required to make additional payments, no pension obligation is recognised. The pension benefits are financed by the employer. In the event that an employee leaves the company before a pension benefit becomes payable, they retain their entitlements to pension payments in accordance with legal requirements. The entitlements of the beneficiaries are all vested as at the balance sheet date.

The terms and conditions of the pension plans and the statutory provisions expose the employer to actuarial risks. The main risks are longevity risk, interest rate risk and the risk of inflation compensation for individual pensions as well as risks associated with the development of civil servant salaries or the contribution assessment ceiling for statutory pension insurance in Germany.

The changes in pension obligations (excluding benefits paid out) are recognised in Personnel expenses in accordance with Swiss GAAP FER 16.

The financial position regarding pension obligations developed as follows in 2024 and 2023:

ECONOMIC BENEFIT/OBLIGATION AND PENSION EXPENSE	Surplus/deficit	Economic part of the organisation		Change from previous year recognised in statement of income in the financial year	Benefits paid out	Accrued contributions per plan	Pension expense in personnel expenses	
				Expense/ (income)	Inflow/ (outflow) of funds		Expense/ (income)	Expense/ (income)
in 1 000 EUR	2024	2024	2023	2024	2024	2024	2024	2023
Pension plans without surplus/deficit						1 844	1 786	1 786
Pension plans with deficit	–213	–213	–240	2	–29	0	2	65
Pension institution without own assets	–4 699	–4 699	–4 593	347	–241	0	347	922
Total	**–4 912**	**–4 912**	**–4 833**	**349**	**–270**	**1 844**	**2 135**	**2 773**

15 OTHER LIABILITIES

in 1 000 EUR	2024	2023
Liabilities to social security providers	2 615	2 911
Liabilities to employees	10 517	13 672
Liabilities arising from VAT and other taxes	5 080	5 161
Advance payments on orders	4 045	3 827
Other	4 464	4 178
Balance sheet value	**26 721**	**29 749**

The advance payments relate to contract liabilities for advance payments received from customers. These are reclassified to trade receivables when the rights become unconditional. This usually happens when the Phoenix Mecano Group issues an invoice to the customer for the products supplied. The amount of EUR 3.8 million shown in Advance payments at the start of the reporting period was largely recognised as sales revenue in financial year 2024.

16 DEFERRED TAX

in 1000 EUR	2024	2023
DEFERRED TAX ASSETS ON		
Non-current assets	3109	2179
Inventories	3336	3854
Receivables	817	572
Provisions/Pension obligations	3079	2258
Other	1814	2291
Deferred tax assets	**12155**	**11154**
Deferred tax on losses carried forward	2435	2734
Total deferred tax assets	**14590**	**13888**
Netting with deferred tax liabilities	–1949	–2599
Balance sheet value	**12641**	**11289**
DEFERRED TAX LIABILITIES ON		
Non-current assets	–1976	–2862
Inventories	–588	–444
Receivables	–69	–25
Provisions/Pension obligations	–39	–41
Other	–94	–57
Total deferred tax liabilities	**–2766**	**–3429**
Netting with deferred tax assets	1949	2599
Balance sheet value	**–817**	**–830**
Net position deferred tax	**11824**	**10459**
TREND OF DEFERRED TAX		
As at 1 January	**10459**	**9832**
Changes of tax rate recognised in the statement of income	166	15
Translation differences	434	–413
Change in scope of consolidation	0	61
Change in temporary differences recognised in the statement of income	765	964
As at 31 December	**11824**	**10459**

in 1000 EUR	2024	2023
EXPIRY OF NON-CAPITALISED TAX LOSSES CARRIED FORWARD		
Up to 1 year	1232	3199
1–2 years	3585	1826
2–3 years	563	3849
3–4 years	11438	1016
4–5 years	18254	5373
Over 5 years	136332	105963
Total	**171404**	**121226**
VALUATION DIFFERENCES ON WHICH NO DEFERRED TAXES WERE CAPITALISED		
Non-current assets	763	700
Receivables	0	13
Total	**763**	**713**

Due to uncertainties regarding the usability of tax losses carried forward totalling EUR 171.4 million (previous year: EUR 121.2 million), no deferred tax assets were recorded on this amount. Of the tax losses carried forward which expire after five years, totalling EUR 136.3 million (previous year: EUR 106.0 million), EUR 31.0 million (previous year: EUR 27.7 million) expire within 20 years. The remaining losses can be carried forward for an indefinite period.

Global minimum tax

The Phoenix Mecano Group is subject to the OECD minimum tax under the Pillar Two framework and is applying the temporary simplifications (CbCR safe harbour tests). According to the OECD guidance, the safe harbour provisions apply to fiscal years beginning on or before 31 December 2026 and ending before 1 July 2028.

The OECD rules state that multinational enterprises with consolidated annual revenues of at least EUR 750 million are obliged to ensure that their effective tax rate in the countries in which they operate with their own entities does not fall below 15 % in 2024. Against this background, the Phoenix Mecano Group has comprehensively analysed its tax position and implemented the regulatory requirements accordingly in the countries concerned. It continuously monitors the reporting and registration obligations in the respective jurisdictions and ensures that these are fulfilled on time.

Switzerland introduced a national top-up tax (Qualified Domestic Minimum Top-Up Tax, QDMTT) on 1 January 2024 to ensure that the effective tax rate for companies domiciled in Switzerland is at least 15 %. However, the international top-up tax (Income Inclusion Rule, IIR) is not being introduced until 1 January 2025. As the Phoenix Mecano Group is headquartered in Switzerland, it will be subject to the IIR from 2025, which will have an impact on the Group tax burden in particular.

The IIR was already introduced in Germany and the Netherlands on 1 January 2024. However, the Group was exempt from the IIR because of the temporary safe harbour provisions and this therefore had no impact on the Group tax burden. This will no longer apply from 2025, as the tax will be levied by Switzerland.

The introduction of the QDMTT in Vietnam had an impact of EUR 0.2 million on the Group's tax expense in 2024, as the effective tax rate there was below the global minimum tax rate and was adjusted accordingly.

In addition, the Group is expected to be subject to a top-up tax for its business activities in China from 1 January 2025 due to the introduction of the IIR in Switzerland. The Chinese Group companies did not pass the CbCR safe harbour tests in 2024, so the Swiss parent company will probably have to levy a top-up tax on the profits generated in China in the future, although the extent of this cannot yet be precisely determined.

In the current and previous years, the Phoenix Mecano Group is applying the temporary exemption from recognising deferred taxes resulting from the global minimum tax rule. According to the OECD guidance and EU implementation requirements, such deferred taxes are not recognised immediately, but only as actual tax expense or income at the time they arise.

17 SHARE CAPITAL AND RESERVES

The share capital is fully paid up and divided into 960 500 registered shares with a nominal value of CHF 1.00. The bearer shares were converted into registered shares in 2023 based on a resolution by the Shareholders' General Meeting. The conversion into euros is effected at the exchange rate applying when Phoenix Mecano AG's functional currency was changed from CHF to EUR (1 January 2019: 0.8870). There is no authorised or contingent capital. Each share entitles the holder to attend the Shareholders' General Meeting and cast one vote. The translation differences include the cumulative currency translation differences resulting from translation of the financial statements of Group companies into euros since the switch to Swiss GAAP FER.

The significant shareholders of Phoenix Mecano AG are:

Name in %	Head office	**2024**	**2023**
Planalto AG[2]	Luxembourg, Luxembourg	34.6[1]	34.6[1]
Tweedy, Browne Company LLC, Stamford, USA[3]	Stamford, USA	8.5[1]	8.5[1]
Tweedy, Browne Global Value Fund[4] (A subdivision of Tweedy, Browne Fund Inc.)	*Stamford, USA*	*7.2*[1]	*7.2*[1]
J. Safra Sarasin Investmentfonds AG	Basel, Switzerland	8.8[1]	8.8
FundPartner Solutions (Suisse) SA[5]	Geneva, Switzerland	4.2	4.7
RP Fonds Institutionnel – Actions Suisses Small & Mid Cap	*Geneva, Switzerland*	*<3*	*3.3*
UBS Fund Management (Switzerland) AG	Basel, Switzerland	5.2	3.8[1]
Retraites Populaires	Lausanne, Switzerland	3.3[1]	3.3[1]

1 Shareholding not notified in the year indicated.
2 The beneficial owner and person entitled to exercise voting rights is Gisela Goldkamp. The owner of the voting rights is Benedikt A. Goldkamp.
3 Tweedy, Browne Company LLC (TBC) is not a beneficial owner of the shares. TBC has been delegated voting authority pursuant to separate investment advisory agreements. Please note that included in the shares reported with this filing are 68 640 shares held by Tweedy, Browne Global Value Fund, a direct acquirer and beneficial owner.
4 Pursuant to an investment advisory agreement between Tweedy, Browne Global Value Fund (TBGVF) and TBC, TBGVF has delegated voting authority with respect to 68 640 registered shares in Phoenix Mecano AG to TBC. TBC is not a beneficial owner of any of the shares. TBGVF is the sole beneficial owner of the shares.
5 Please note that included in the shares reported with this filing are < 3 % of shares held by RP Fonds Institutionnel, a direct acquirer and beneficial owner.

This information is based on notifications by the aforementioned shareholders. Individual notifications can be viewed at the following SIX Swiss Exchange link: www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html?issuedBy=PHOENIX

18 TREASURY SHARES

Number / in 1 000 EUR	Number of shares 2024	Number of shares 2023	Acquisition costs 2024	Acquisition costs 2023
As at 1 January	**5 453**	**86**	**2 213**	**33**
Share purchases	0	1 900	0	737
Share sales	0	–86	0	–33
Share buy-backs (2nd trading line)	19 164	2 480	9 330	1 072
Share buy-backs (fixed-price procedure)	0	1 073	0	404
As at 31 December	**24 617**	**5 453**	**11 543**	**2 213**

In the previous year, the Board of Directors decided to implement a share buy-back programme of up to CHF 30 million. Under a fixed-price procedure running from 27 October to 10 November 2023, 1 073 shares were repurchased. A second trading line was subsequently opened, running until 14 November 2025. The Board of Directors intends to propose cancellation of the repurchased registered shares at future Shareholders' General Meetings, and to reduce the capital accordingly.

19 MINORITY INTERESTS

The minority interests are:

in %	2024	2023
Direct minority interests		
DewertOkin Technology Group Co. Ltd.	11	11
Sistemas Phoenix Mecano España S.A.	10	10
Orion Technologies LLC	10	10
Indirect minority interests in the following subsidiaries of DewertOkin Technology Group Co. Ltd.		
Jiaxing MyHome Mechanism Co., Ltd (formerly Haining My Home Mechanism Co. Ltd)	11	11
Bewatec (Zhejiang) Medical Equipment Co. Ltd.	11	11
Bewatec (Shanghai) Medical Device Co. Ltd.	11	11
Okin Vietnam Company Ltd.	11	11
DewertOkin GmbH	11	11
DewertOkin AG	11	11
DewertOkin KFT	11	11
DewertOkin AB	11	11
OKIN America Inc.	11	11
DewertOkin do Brasil Ltda	11	11
DewertOkin Latin America S.A.	11	11

In 2024, the shareholders of Orion Technologies LLC waived shareholder loans with corresponding effects on the minority interests in the balance sheet and in the statement of changes in equity.

As part of a capital increase at DewertOkin Technology Group Co. Ltd (China), approved in October 2021, minority shareholders were allowed to acquire an 11.2 % investment in the company. This was in connection with the employee participation plan for around 60 key employees of the DewertOkin Technology (DOT) Group division, which was launched in late 2020 with a view to the planned partial IPO in China. As a result, equivalent indirect minority interests are held in all subsidiaries of DewertOkin Technology Group Co. Ltd. (China).

The shares in ConnectedCare GmbH were transferred within the Phoenix Mecano Group. As a result, the indirect minority interests in this company no longer apply.

The above transactions are recognised in the statement of changes in equity.

20 CATEGORIES OF FINANCIAL INSTRUMENTS

As at 31 December 2024 and 31 December 2023, the book values of financial assets and liabilities (excluding long-term fixed-interest financial liabilities), as shown below, correspond approximately to the fair value as per Swiss GAAP FER.

in 1 000 EUR	Note	2024	2023
Cash and cash equivalents (excluding cash on hand)	3	107 249	130 605
Trade receivables	4	136 716	120 836
Other receivables (excluding VAT and other taxes and advance payments for inventories)	5	4 606	4 422
Other financial assets (excluding investments)	10	22	114
Assets at amortised cost		**248 593**	**255 977**
Derivative financial instruments (not used for hedging)	12	28	0
Financial assets at fair value through profit or loss		**28**	**0**
Financial liabilities (excluding purchase price liabilities)	11	–120 988	–129 098
Trade payables		–125 727	–100 663
Other liabilities (excluding social security, employees, VAT and other taxes and advance payments on orders)	15	–4 464	–4 178
Liabilities at amortised cost		**–251 179**	**–233 939**
Purchase price liabilities from acquisitions	11	0	–450
Derivative financial instruments (not used for hedging)	12	–465	–50
Financial liabilities at fair value through profit or loss		**–465**	**–500**

The following table classifies the financial assets and liabilities measured at market value:

in 1 000 EUR	Note	2024	2023
FINANCIAL ASSETS MEASURED AT MARKET VALUE			
Derivative financial instruments	12	28	0
Outstanding residual purchase price payment	5/10	890	113
Total		**918**	**113**
FINANCIAL LIABILITIES MEASURED AT MARKET VALUE			
Derivative financial instruments	12	–465	–50
Purchase price liabilities from acquisitions	11	0	–450
Total		**–465**	**–500**

The derivative financial instruments are exclusively forward transactions. The fair value corresponds to the present value of the estimated future cash flows based on the terms and maturities of each individual contract, discounted at a market interest rate as at the measurement date.

The following table provides an update on purchase price liabilities from acquisitions:

in 1 000 EUR	2024	2023
As at 1 January	**450**	**3 029**
Currency differences	0	0
Usage	–450	–2 534
Allocation/(release) (via equity)	0	–45
As at 31 December	**0**	**450**

The purchase price liabilities at the end of 2023 are related to the acquisition of Phoenix Mecano AB (SE). In 2023, these were adjusted to fair value with no effect on income. In 2024, this residual purchase price liability was paid and recognised accordingly under Usage (see note 11).

In 2023, the usage of EUR 2.5 million relates to earn-out payments as part of the acquisition of ConnectedCare GmbH (see note 11).

There was also a purchase price liability at Orion Technologies LLC in the previous year, which was measured at a fair value of zero at the end of 2023 and was exercised at the same value in 2024.

21 RISK MANAGEMENT

The Board of Directors of Phoenix Mecano AG has ultimate responsibility for risk management. To this end it set up the Internal Auditing Department, which is responsible for developing and monitoring compliance with risk management principles. The Internal Auditing Department reports regularly to the Audit Committee of the Phoenix Mecano AG Board of Directors.

The risk management principles that have been established are geared towards identifying and analysing the risks to which the Group is exposed, developing checks and balances and monitoring risks. The risk management principles and the processes associated with them are regularly reviewed to take account of changes in market conditions and the Group's activities.

22 FINANCIAL RISK MANAGEMENT

General

The Phoenix Mecano Group is exposed to various financial risks through its business activities, namely credit risk, market risk (i.e. currency and interest rate risks) and liquidity risk. Currency and interest rate risks are for the most part managed centrally at Group level. Derivative financial instruments, of which only limited use is made – almost exclusively for hedging purposes – are also controlled centrally. In view of this centralised currency management, exchange rate differences are shown in the financial result.

The management of non-essential cash and cash equivalents and the Group's financing is also centrally controlled.

The following sections give an overview of specific financial risks, their magnitude, the aims, principles and processes involved in measuring, monitoring and hedging them, and the Group's capital management.

Credit risk

Credit risk is the risk of incurring financial loss when a counterparty to a financial instrument fails to meet its contractual obligations. Credit risks are most likely to be associated with long-term loans, short-term financial receivables, trade receivables, and cash and cash equivalents. The Group minimises the credit risk associated with cash and cash equivalents by only doing business with reputable financial institutions and by dealing with a range of such institutions rather than just one.

To reduce the risk associated with trade receivables, customers are subject to internal credit limits. Because the customer structure varies from one business area to the next, there are no general credit limits applying throughout the Phoenix Mecano Group. Creditworthiness is reviewed on an ongoing basis according to internal guidelines. Credit limits are set based on financial situation, previous experience and other factors. The Group's extensive customer base, which covers a variety of regions and sectors, means that the credit risk on receivables is limited. For incurred and expected losses on receivables, value adjustments are recognised on the basis of an expected credit loss model (see note 4). In the past, actual losses have not exceeded the management's expectations. In the reporting year, there was one individual receivable accounting for 10.1 % of the total. In the previous year, there were no individual receivables accounting for more than 10 % of the total.

The maximum credit risk on financial instruments corresponds to the book values of the individual financial assets (see note 20). There are no guarantees or similar obligations that could cause the risk to exceed book values.

Liquidity risk

Liquidity risk is the risk that the Phoenix Mecano Group will be unable to meet its financial obligations when these become due.

The Phoenix Mecano Group monitors its liquidity risk by means of careful liquidity management. In so doing, its guiding principle is to make available a cash reserve exceeding daily and monthly operational funding requirements. Given the dynamic business environment in which it operates, the Group's aim is to preserve the necessary flexibility of financing by ensuring that it has sufficient unused credit lines with financial institutions and retains its ability to procure funds on the capital market. The credit lines are divided up among several financial institutions. As at 31 December 2024, unused credit lines with major banks totalled EUR 168.8 million (previous year: EUR 155.5 million).

Maturity analysis of financial liabilities as at 31 December 2024

in 1 000 EUR	Book value	Outflow of funds	in <3 months	in 3–6 months	in 6–12 months	in 1–5 years
Maturity analysis as at 31 December 2024						
NON-DERIVATIVE FINANCIAL INSTRUMENTS						
Trade payables	125 727	– 125 727	– 125 141	– 257	– 329	
Other liabilities (excluding social security, employees, VAT and other taxes and advance payments on orders)	4 464	– 4 464	-4 464			
Financial liabilities (excluding financial leasing)	120 988	– 127 333	– 10 625	– 3 829	– 13 773	– 99 106
Total	**251 179**	**– 257 524**	**– 140 230**	**– 4 086**	**– 14 102**	**– 99 106**
DERIVATIVE FINANCIAL INSTRUMENTS						
Forward exchange transaction	437					
Outflow of funds		– 14 118	– 14 118			
Inflow of funds		13 681	13 681			
Total	**251 616**	**– 257 961**	**– 140 667**	**– 4 086**	**– 14 102**	**– 99 106**
Maturity analysis as at 31 December 2023						
NON-DERIVATIVE FINANCIAL INSTRUMENTS						
Trade payables	100 663	– 100 663	– 90 460	– 9 499	– 704	
Other liabilities (excluding social security, employees, VAT and other taxes and advance payments on orders)	4 178	– 4 178	– 4 178			
Financial liabilities (excluding financial leasing)	129 548	– 132 928	– 23 624	– 4 562	– 38 664	– 66 078
Total	**234 389**	**– 237 769**	**– 118 262**	**– 14 061**	**– 39 368**	**– 66 078**
DERIVATIVE FINANCIAL INSTRUMENTS						
Forward exchange transaction	50					
Outflow of funds		– 7 150	– 7 150			
Inflow of funds		7 100	7 100			
Total	**234 439**	**– 237 819**	**– 118 312**	**– 14 061**	**– 39 368**	**– 66 078**

Contingent liabilities (see note 24) may also represent an outflow of funds.

Market risk

Market risk is the risk that changes in market prices such as exchange rates, interest rates and share prices will have an effect on the earnings and fair value of the financial instruments held by Phoenix Mecano. The aim of market risk management is to monitor and control such risks, thereby ensuring that they do not exceed a certain level.

Currency risk

While it generates 35 % of its sales in the euro area (previous year: 40 %) and a significant portion of its expenditure is in EUR, the Phoenix Mecano Group operates internationally and is therefore exposed to a foreign currency risk. Aside from EUR, transactions are conducted principally in USD, CNY, CHF, HUF, INR and VND. Foreign currency risks arise from expected future transactions and from assets and liabilities recorded in the balance sheet, where these are not in the functional currency of the respective Group company. To hedge such risks from expected future transactions, the Phoenix Mecano Group enters into forward exchange contracts with reputable counterparties as and when necessary, or uses foreign currency options. This hedging relates to planned expenditure in local currency at the production sites in Hungary, Romania and India. Occasionally, USD and CHF transactions are also hedged. Hedges decline as a proportion of the planned currency exposure the further ahead the transaction is due to take place. The extent of the items to be hedged is reviewed regularly. Such hedges cover a maximum period of three years. The Group realises both income and expenditure in USD and CNY and aims to minimise the resulting currency exposure primarily by means of operational measures (alignment of income and expenditure flows).

Financing from financial institutions is mainly in EUR, CHF, USD and CNY and is generally taken out by Group companies with these currencies as their functional currency.

The following tables set out currency risks associated with financial instruments, where the currency differs from the functional currency of the Group company holding the instruments. The tables only include risks from positions in the consolidated financial statements (i.e. excluding positions between Group companies):

in 1 000 EUR	EUR	CHF	USD	HUF	CNY	INR	VND
Currency risk as at 31 December 2024							
NON-DERIVATIVE FINANCIAL INSTRUMENTS							
Trade receivables	3 140		33 355	4		2 317	4 911
Cash and cash equivalents	3 021	192	15 400	506	5	2 590	6 630
Trade payables	–3 551	–405	–6 297	–395	–13	–2 774	–44
Financial liabilities							
Net risk	**2 610**	**–213**	**42 458**	**115**	**–8**	**2 133**	**11 497**
Currency risk as at 31 December 2023							
NON-DERIVATIVE FINANCIAL INSTRUMENTS							
Trade receivables	1 752		19 136	66	165	1 988	3 590
Cash and cash equivalents	2 672	14 193	13 784	540	14	3 969	3 377
Trade payables	–425	–406	–1 103	–356	–5	–1 805	–814
Financial liabilities			–2 253				
Net risk	**3 999**	**13 787**	**29 564**	**250**	**174**	**4 152**	**6 153**

In relation to the above-mentioned currency risks and taking into account the forward exchange contracts open on the balance sheet date (see note 12), the following sensitivity analysis for the main currency pairs shows how the result of the period would be affected if the exchange rates were to alter by 10 %. All other variables, in particular interest rates, are assumed to remain unchanged.

in 1 000 EUR	CHF/ EUR	CHF/ USD	EUR/ USD	EUR/ HUF	EUR/ CNY	USD/ CNY	EUR/ RON	EUR/ INR	USD/ INR
Sensitivity analysis as at 31 December 2024									
Change in result of the period (+/–)	52	6	241	1 340	51	3 918	8	191	161
Sensitivity analysis as at 31 December 2023									
Change in result of the period (+/–)	1 331	4	616	25	184	2 645	249	561	167

The above sensitivity analysis is a consolidated view as at the balance sheet date. Significantly greater effects on the statement of income may arise from price movements relating to ongoing foreign currency transactions during the financial year. Currency risks also arise from intercompany receivables and liabilities, which are not taken into account in the above sensitivity assessment.

Interest rate risk

Interest rate risk is divided up into an interest cash flow risk, i.e. the risk that future interest payments will change due to fluctuations in the market interest rate, and an interest-related risk of a change in the market value, i.e. the risk that the market value of a financial instrument will change due to fluctuations in the market interest rate. The Group's interest-bearing financial assets and liabilities are primarily cash and cash equivalents as well as liabilities to financial institutions, promissory note loans and residual purchase price liabilities. Where appropriate, the Group uses interest rate options and swaps to hedge and/or structure external debts.

Sensitivity analyses as at 31 December 2024 and 2023:

A change of 50 basis points in the interest rate of variable short-term liabilities to financial institutions in the reporting year would have an impact of EUR 0.1 million (previous year: EUR 0.1 million) on the result of the period and equity. A change of 50 basis points in the interest rate of the variable portion of the promissory note loan with a term from 2024 to 2027 in the reporting year would have an impact of EUR 0.1 million on the result of the period and equity.

A change of 25 basis points in the interest rate of cash and cash equivalents (excluding cash on hand) in the reporting year would have an impact of EUR 0.3 million (previous year: EUR 0.3 million) on the result of the period and equity.

23 CAPITAL MANAGEMENT

The aims of capital management are to safeguard the Phoenix Mecano Group as a going concern, thereby ensuring continued income for shareholders and providing other stakeholders with the benefits to which they are entitled. In addition, the Group seeks to preserve scope for future growth and acquisitions by means of conservative financing.

To this end, the Group aims to maintain a long-term equity ratio of at least 40 %. The dividend policy of the Phoenix Mecano Group specifies a payout ratio of 40–50 % of sustainable net profit. Capital increases should be avoided as far as possible in order to prevent profit dilution. Where appropriate, the Group uses share buy-backs as a means of adjusting its capital structure and reducing capital costs.

The Phoenix Mecano Group monitors its capital management based on its gearing, i.e. the ratio of net indebtedness to equity. Net indebtedness consists of total interest-bearing liabilities (including purchase price liabilities from acquisitions) less cash and cash equivalents.

Net indebtedness as at 31 December 2024 and 31 December 2023 was as follows:

in 1 000 EUR	Note	2024	2023
Long-term financial liabilities	11	95 424	64 328
Short-term financial liabilities	11	25 564	65 220
Interest-bearing liabilities		**120 988**	**129 548**
less cash and cash equivalents	3	107 315	130 674
less securities		896	1 199
ABS financial receivable net		1 690	975
Net indebtedness/(Net liquidity)		**11 087**	**–3 300**
Equity		289 730	284 714
Gearing		**3.8 %**	**–**

24 CONTINGENT LIABILITIES

in 1 000 EUR	2024	2023
Sureties and guarantees	2 638	3 229
Total	**2 638**	**3 229**

25 COMMITMENTS TO PURCHASE TANGIBLE AND INTANGIBLE ASSETS

Purchase commitments as at 31 December 2024 were EUR 4.8 million for tangible assets (previous year: EUR 8.7 million) and EUR 1.2 million for intangible assets (previous year: EUR 0.0 million).

26 OPERATING LEASES, RENT AND LEASEHOLD RENT

in 1 000 EUR	2024	2023
Minimum commitments due within 1 year	4 919	5 481
Minimum commitments due within 1–5 years	8 254	4 642
Minimum commitments due after 5 years	5 035	3 447
Minimum operating leasing, rent and leasehold rent commitments	**18 208**	**13 570**
Minimum claims due within 1 year	128	163
Minimum claims due within 1–5 years	6	40
Minimum commitments due after 5 years	18	18
Minimum claims from rent/leasehold rent	**152**	**221**

The operating leasing, rent and leasehold rent commitments consist almost exclusively of commitments for leased premises and floor space (long-term lease).

27 SALES REVENUE

in 1 000 EUR	2024	2023
Gross sales	779 495	783 111
Revenue reductions	–8 722	–7 620
Sales revenue (net sales) from contracts with customers	**770 773**	**775 491**

The Phoenix Mecano Group achieved consolidated gross sales of EUR 779.5 million in financial year 2024, down 0.5 % on the previous year's figure of EUR 783.1 million. In organic and local-currency terms, the Group grew by 2.0 %.

The Phoenix Mecano Group is a globally active component and system solution manufacturer with a broad product range and a very diversified customer structure, with few large customers. Most customers are served on the basis of customer orders. As a rule, these orders contain only the products ordered, at a fixed price per unit. Manufacturing lead times are generally short. Invoicing and revenue recognition normally take place immediately after delivery (according to industry-standard Incoterms), as soon as control over the good has been transferred to a customer. Usual payment terms range from 30 to 90 days and contain neither a long-term financing component nor a variable consideration. A provision is recognised for the Phoenix Mecano Group's obligation to repair or replace faulty products under standard warranty terms (see note 13).

The following table shows the total amount of the performance obligations not yet fulfilled at the balance sheet date:

in 1 000 EUR	2024	2023
Expected fulfilment in < 1 year	165 093	177 436
Expected fulfilment in > 1 year	51 578	24 042
Total	**216 671**	**201 478**

28 OTHER OPERATING INCOME

in 1 000 EUR	2024	2023
Reimbursement from insurance	358	104
Gains on the disposal of tangible and intangible assets	385	700
Government subsidies	16 249	4 332
Gain on the disposal of Group companies	0	13 684
Other	3 333	2 441
Total	**20 325**	**21 261**

The gain on disposal of tangible assets in 2023 was primarily from the sale of a property in China. The increase in government subsidies compared with the previous year is mainly due to increased subsidies received in China in 2024. These offset the substantial expenses linked to the complex site consolidation at the newly constructed business park in Jiaxing.

For details on the gain from the disposal of Group companies, see note 39.

29 COST OF MATERIALS

in 1 000 EUR	2024	2023
Cost of raw and ancillary materials, merchandise for resale and external services	382 768	371 894
Incidental acquisition costs	10 000	10 278
Total	**392 768**	**382 172**

Losses and value adjustments on inventories are posted under Other operating expenses (see note 31).

30 PERSONNEL EXPENSES

in 1 000 EUR	2024	2023
Wages and salaries	174 525	182 789
Social costs	32 449	31 916
Supplementary staff costs	17 421	13 415
Total	**224 395**	**228 120**
Number of instruments granted (PSUs)	1 168	1 462

Personnel expenses include expenses for the long-term incentive (LTI) programme introduced in 2023 for the Chairman of the Board of Directors and the management of Phoenix Mecano AG, amounting to EUR 0.4 million (previous year: EUR 0.1 million).

31 OTHER OPERATING EXPENSES

in 1 000 EUR	Note	2024	2023
External development costs		3 682	3 787
Establishment expenses		32 654	34 051
Rent, leasehold rent, leases		5 584	6 732
Administration expenses		13 050	15 448
Advertising expenses		6 090	6 033
Sales expenses		21 273	21 184
Losses on the disposal of tangible and intangible assets		314	166
Losses and value adjustments on receivables	4	2 930	849
Losses and value adjustments on inventories	6	4 779	3 796
Capital and other taxes		3 117	2 752
Loss on the disposal of Group companies		489	3 877
Other		9 040	8 099
Total		**103 002**	**106 774**

Administration expenses include consulting expenses of EUR 0.3 million (previous year: EUR 0.4 million) for the planned partial IPO of the DewertOkin Technology (DOT) Group division.

For details on the loss from the disposal of Group companies, see note 39.

32 FINANCIAL INCOME

in 1 000 EUR	Note	2024	2023
Interest income from third parties		2 349	2 598
Gain from financial instruments at fair value through profit or loss (trading derivatives)	12	125	552
Exchange rate gains		5 022	5 648
Other financial income		562	5
Total		**8 058**	**8 803**

33 FINANCIAL EXPENSES

in 1 000 EUR	Note	2024	2023
Interest expense		2 946	4 272
Loss from financial instruments at fair value through profit or loss (trading derivatives)	12	512	51
Exchange rate losses		4 861	5 503
Other financial expense		655	531
Total		**8 974**	**10 357**

34 INCOME TAX

in 1 000 EUR	2024	2023
Current income tax	14 828	16 488
Deferred tax	– 931	– 979
Income tax	**13 897**	**15 509**
RECONCILIATION FROM THEORETICAL TO EFFECTIVE INCOME TAX		
Result before tax	**50 468**	**60 960**
Theoretical income tax	**12 346**	**13 671**
Weighted income tax rate	**24.5 %**	**22.4 %**
Changes of tax rate deferred tax	– 166	– 15
Tax-free income	– 3 481	– 4 089
Non-deductible expenses	1 771	1 948
Tax effect on losses in the reporting year	3 530	3 801
Tax effect of losses carried forward from previous years	– 158	– 548
Income tax relating to other periods	– 217	453
Other	272	288
Effective income tax	**13 897**	**15 509**
Effective income tax rate	**27.5 %**	**25.4 %**

The theoretical income tax is derived from the weighted current local tax rates (including national top-up taxes under the OECD minimum tax rate) in the countries where the Phoenix Mecano Group does business.

The effective tax rate is higher than in the previous year due to the largely tax-free gains from the disposal of Group companies in the previous year.

35 EARNINGS PER SHARE

in 1 000 EUR	2024	2023
Result of the period attributable to shareholders of the parent company	34 554	45 167
NUMBER OF SHARES		
Shares issued on 1 January	960 500	960 500
Treasury shares (annual average)	– 15 292	– 2 089
Shares outstanding	945 208	958 411
Basis for undiluted earnings per share	**945 208**	**958 411**
Shares issued on 1 January	960 500	960 500
Treasury shares excluding LTI (annual average)	– 13 246	– 1 723
Shares outstanding	947 254	958 777
Basis for diluted earnings per share	**947 254**	**958 777**
EARNINGS PER SHARE		
Earnings per share – undiluted (in EUR)	**36.56**	**47.13**
Earnings per share – diluted (in EUR)	**36.48**	**47.11**

36 OPERATING CASH FLOW

in 1 000 EUR	2024	2023
Operating result	51 471	62 103
Depreciation on tangible assets	19 944	18 667
Amortisation of intangible assets	3 313	4 573
Impairment/(reversal of impairment losses) on tangible and intangible assets	534	0
Operating cash flow	**75 262**	**85 343**

37 FREE CASH FLOW

in 1 000 EUR	Note	2024	2023
Cash flow from operating activities		56 029	90 049
Purchases of tangible assets	7	– 35 284	– 37 970
Purchases of intangible assets	8	– 1 445	– 2 427
Disinvestments in tangible assets		648	7 963
Disinvestments in intangible assets		6	20
Free cash flow (before financial investments)		**19 954**	**57 635**

38 ADDITION FROM ASSET DEAL

Under an asset deal effective 2 May 2024, the Phoenix Mecano Group acquired the business operations of Tramag Transformatorenfabrik GmbH & Co. KG, which develops and produces transformers and chokes for industrial and medical technology applications. The business was integrated into the Group companies Redur GmbH & Co. KG (DE) and ismet transformátory s.r.o. (CZ).

The acquired business area generated gross sales of around EUR 15 million in 2023, with around 50 employees. In 2024, it generated sales of EUR 5.9 million as from the acquisition date.

The acquired assets and assumed liabilities break down provisionally as follows:

in 1 000 EUR	Fair value 2024
Inventories	739
Tangible assets	150
Intangible assets	521
Identifiable net assets	**1 410**
Goodwill from acquisition	0
Purchase price	**1 410**
Purchase price liability (earn-out)	0
Cash and cash equivalents acquired	0
Change in funds (cash outflow)	**1 410**

39 DISPOSAL OF GROUP COMPANIES

On 31 July 2024, 100 % of the shares in RK Antriebs- und Handhabungs-Technik GmbH (DE) (Industrial Components division) were sold to an industrial buyer for a sale price of EUR 0.9 million. This transaction resulted in a book loss of EUR 0.5 million. The company generated net sales of EUR 0.8 million in 2024 up to the time of sale. This includes sales of EUR 0.1 million from other companies in the Phoenix Mecano Group. In 2023, the company generated net sales of EUR 2.0 million.

In January 2023, the Phoenix Mecano Group completed the sale of all shares in Phoenix Mecano Digital Elektronik GmbH in Thuringia (DE) and Phoenix Mecano Digital Tunisie S.à.r.l. in Borj-Cedria (TU), announced in November 2022. The two companies are active in electronic manufacturing services and supply electronic assemblies to customers from the medical technology sector and industry, generating net sales of around EUR 32 million in financial year 2022. This includes sales of approximately EUR 3 million from other companies in the Phoenix Mecano Group.

In October 2023, the Phoenix Mecano Group completed the sale, announced in August 2023, of all shares in W-IE-NE-R Power Electronics GmbH (DE) and W-IE-NE-R Power Electronics Corp.(US) as well as Hartmann Electronic GmbH (DE). The three companies from the Rugged Computing business area specialise in the manufacture of components for modular computer systems and power supplies for use in harsh environments. They generated consolidated sales of around EUR 18 million in financial year 2022.

The remaining operations of the Rugged Computing business area, comprising the business activities of Orion Technologies, LLC (US), were transferred to a US-based industrial investor under an asset deal in October 2023. Orion Technologies achieved sales of around EUR 2 million in 2022. In connection with the sale of the business operations of Orion Technologies, LLC (US), goodwill previously recognised directly in equity in the amount of EUR 5.3 million was transferred to the statement of income (goodwill recycling).

The assets and liabilities disposed of break down as follows:

in 1 000 EUR	2024	2023
Cash and cash equivalents	0	5 097
Other current assets	1 582	28 649
Tangible assets	15	9 533
Intangible assets	14	297
Other non-current assets	0	15
Liabilities	–254	–8 264
Net assets	1 357	35 327
Goodwill recycling	0	5306
Net assets after goodwill recycling	**1 357**	**40 633**
(Loss)/gain on the disposal of Group companies	–489	9 807
Sale price	**868**	**50 440**
of which outstanding residual purchase price payment	–868	0
Outflow of cash and cash equivalents	0	–5 097
Change in funds	**0**	**45 343**

In addition, transaction costs of around EUR 0.2 million were incurred in the 2024 consolidated financial statements (previous year: EUR 3.3 million).

40 TRANSACTIONS WITH RELATED PARTIES

in 1 000 EUR	2024	2023
Benedikt A. Goldkamp, Chairman of the Board of Directors	1 281	1 290
Other members of the Board of Directors	506	534
Remuneration of the Board of Directors	**1 787**	**1 824**
Remuneration of the management	**3 047**	**2 738**
Remuneration of the Board of Directors and management	**4 834**	**4 562**
Social security contributions	424	390
Pension obligations	344	296
Total remuneration of the Board of Directors and management	**5 602**	**5 248**

All remuneration is short term in nature, except for the LTI programme.

No remuneration was paid in the reporting year or the previous year to former corporate officers who left the company in previous years.

The members of the Board of Directors and of the management received no other remuneration or fees for additional services to the Phoenix Mecano Group. For the LTI programme, please refer to note 30 and the principles of consolidation and valuation.

No loans/credit or securities were granted to members of the Board of Directors or the management or persons related to them.

Transactions with associated companies are presented in notes 4 and 9.

41 SHADOW STATEMENT OF GOODWILL

A theoretical capitalisation of goodwill would have the following impact on the consolidated financial statements:

in 1 000 EUR	Note	2024	2023
THEORETICAL STATEMENT OF GOODWILL			
Acquisition costs 1 January		**102 372**	**111 849**
Goodwill recycling via the consolidated statement of income	39	0	–5 306
Adjustment of purchase price liability		0	–45
Translation differences		2 264	–4 126
Acquisition costs 31 December		**104 636**	**102 372**
Accumulated impairment losses 1 January		**95 287**	**90 766**
Goodwill recycling via the consolidated statement of income	39	0	–5 306
Amortisation		4 934	13 380
Translation differences		2 236	–3 553
Accumulated impairment losses 31 December		**102 457**	**95 287**
Theoretical net values 1 January		**7 085**	**21 083**
Theoretical net values 31 December		**2 179**	**7 085**
IMPACT ON BALANCE SHEET			
Equity according to balance sheet		289 730	284 714
Theoretical capitalisation of net carrying amount of goodwill		2 179	7 085
Theoretical equity including net carrying amount of goodwill		**291 909**	**291 799**
IMPACT ON STATEMENT OF INCOME			
Result of the period		36 571	45 451
Goodwill amortisation		–4 934	–13 380
Goodwill recycling via the consolidated statement of income		0	5 306
Theoretical result of the period including goodwill amortisation and impairment losses and excluding goodwill recycling		**31 637**	**37 377**

The goodwill resulting from acquisitions is offset against consolidated equity at the acquisition date. Theoretical amortisation takes place on a straight-line basis over a period of five years.

The adjustment of the purchase price liability to fair value for Phoenix Mecano AB in the previous year (see note 20) leads to a corresponding adjustment of the goodwill in the shadow statement.

As at 31 December 2023 and 31 December 2024, there were no indications of impairment of other goodwill items.

42 EVENTS AFTER THE BALANCE SHEET DATE

No events occurred between 31 December 2024 and 22 April 2025 that would alter the book values of assets and liabilities or should be disclosed under this heading.

43 APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

At its meeting on 22 April 2025, the Board of Directors of Phoenix Mecano AG released the 2024 consolidated financial statements for publication. They will be submitted to the Shareholders' General Meeting on 22 May 2025 with a recommendation for their approval.

44 DIVIDEND

At the Shareholders' General Meeting on 22 May 2025, the Board of Directors will propose the payment of a dividend of CHF 19.00 per share (CHF is the statutory currency of Phoenix Mecano AG – see proposal for the appropriation of retained earnings on page 102). The total outflow of funds is expected to be EUR 19.4 million, based on the total stock of 960 500 registered shares. Dividends will not be paid on treasury shares held by the company at the time of the payout, which will reduce the outflow of funds accordingly. The dividend paid out in 2024 was CHF 30.00 (previous year: CHF 16.50) per share, including a special dividend of CHF 12.00. The outflow of funds in 2024 was EUR 29.0 million (previous year: EUR 16.3 million).

STATUTORY AUDITOR'S REPORT

To the general meeting of Phoenix Mecano AG,
Stein am Rhein

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Phoenix Mecano AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2024, and the consolidated statement of income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the consolidated financial statements (pages 54 to 93) give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the „Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER	HOW THE KEY AUDIT MATTER WAS ADDRESSED IN THE AUDIT
Impairment	
Phoenix Mecano AG conducts impairment tests on intangible assets, tangible assets and goodwill (in the shadow statement) per cash-generating unit (CGU) whenever there are indications of an impairment.	We obtained an analysis of potential indicators of impairment of CGU's in the Group, reviewed them critically and discussed them with management. The definition of CGU's was critically assessed regarding compliance with Swiss GAAP FER.
We have considered the assessment of potential impairment of intangible assets, property, plant and equipment and goodwill to be a key audit matter for the following reasons:	For those CGUs that were subject to an impairment test due to indicators of impairment, we critically assessed the expected future cash flows, verified the arithmetical accuracy of the calculation of the value in use and critically assessed the discount and growth rates used.
Discretionary decisions exist in assessing whether impairment indicators are identifiable as well as in determining the assumptions about the future results and cash flows of the CGUs, the discount and growth rates.	The methodology of the impairment test corresponds to the previous year and was verified by an internal expert.
The approach to impairment losses is set out in the consolidation and valuation principles. Further disclosures are included in Note 7 „Tangible assets", Note 8 „Intangible assets" and Note 41 „Shadow statement of goodwill".	We compared and critically assessed the methodol-ogy with the requirements of Swiss GAAP FER and reviewed the correct disclosure in the consolidated financial statements.

BDO Ltd, Schiffbaustrasse 2, 8031 Zurich
BDO Ltd, a limited company under Swiss law, incorporated in Zurich, forms part of the international BDO Network of independent member firms.

Other Information

The board of directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the financial statements, the compensation report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Consolidated Financial Statements

The board of directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of the auditor's responsibilities for the audit of the consolidated financial statements is located at EXPERTsuisse's website at: www.expertsuisse.ch/en/audit-report-for-ordinary-audits. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the board of directors.

We recommend that the consolidated financial statements submitted to you be approved.

Zurich, 22 April 2025
BDO Ltd

Christoph Tschumi
Auditor in charge
Licensed Audit Expert

Marc Furlato
Licensed Audit Expert

FIVE-YEAR OVERVIEW

in 1 000 EUR	2024	2023	2022	2021	2020
CONSOLIDATED BALANCE SHEET					
Total assets/capital	623 802	601 412	587 453	610 622	544 966
Non-current assets	196 397	178 920	185 447	166 809	151 621
in % of total assets	31.5	29.7	31.6	27.3	27.8
Tangible assets	175 015	156 194	158 688	140 682	129 556
Current assets	427 405	422 492	402 006	443 813	393 345
in % of total assets	68.5	70.3	68.4	72.7	72.2
Inventories	158 688	151 499	195 101	181 131	157 111
Cash and cash equivalents	107 315	130 674	82 369	99 589	77 187
Equity	289 730	284 714	261 287	240 010	188 226
in % of total assets	46.4	47.3	44.5	39.3	34.5
Liabilities	334 072	316 698	326 166	370 612	352 619
in % of total assets	53.6	52.7	55.5	60.7	64.7
Net indebtedness/(Net liquidity)	11 087	–3 300	83 998	80 560	115 421
in % of equity	3.8	–	32.1	33.6	61.3
CONSOLIDATED STATEMENT OF INCOME					
Gross sales	779 495	783 111	792 939	816 877	687 442
Sales revenue (net sales)	770 773	775 491	784 442	809 473	682 126
Total operating performance	795 427	802 409	797 410	826 480	696 093
Personnel expenses	224 395	228 120	230 577	219 837	205 869
Depreciation on tangible assets	19 944	18 667	19 829	18 880	19 514
Amortisation of intangible assets	3 313	4 573	4 101	3 418	2 926
Operating result	51 471	62 103	53 622	44 299	22 430
Financial result	–1 003	–1 143	1 634	–1 731	–5 829
Result before tax	50 468	60 960	55 256	42 568	16 601
Income tax	13 897	15 509	16 232	12 230	7 721
Result of the period	36 571	45 451	39 024	30 338	8 880
in % of gross sales	4.7	5.8	4.9	3.7	1.3
in % of equity	12.6	16.0	14.9	12.6	4.6
CONSOLIDATED STATEMENT OF CASH FLOW					
Cash flow from operating activities	56 029	90 049	55 916	54 841	27 783
Cash used in investing activities	–34 067	16 661	–42 986	–28 200	–39 101
Purchases of tangible and intangible assets	36 729	40 397	47 198	29 552	27 761
Cash flow from financing activities	–48 279	–54 176	–28 866	–9 628	29 733
Free cash flow	19 954	57 635	11 871	26 877	10 350

PHOENIX MECANO AG
BALANCE SHEET AS AT 31 DECEMBER 2024

ASSETS

	Note	2024 in EUR	2023 in EUR	2024 in CHF	2023 in CHF
CURRENT ASSETS					
Cash and cash equivalents	2.1	23 374 128	52 291 045	21 999 179	48 417 634
Other short-term receivables					
due from investments	2.2	74 990 183	40 954 960	70 578 996	37 921 259
due from third parties		188 177	24 662	177 108	22 835
Deferred charges and prepaid expenses		216 141	210 671	203 427	195 066
Total current assets		**98 768 629**	**93 481 338**	**92 958 710**	**86 556 794**
NON-CURRENT ASSETS					
Financial assets					
Loans to investments	2.3	5 900 000	20 150 000	5 552 941	18 657 407
Investments					
Investments	2.4	314 013 188	299 963 555	295 541 824	277 744 032
Value adjustment on investments		– 13 434 314	– 11 571 314	– 12 644 060	– 10 714 179
Total non-current assets		**306 478 874**	**308 542 241**	**288 450 705**	**285 687 260**
Total assets		**405 247 503**	**402 023 579**	**381 409 415**	**372 244 054**

EQUITY AND LIABILITIES

	Note	2024 in EUR	2023 in EUR	2024 in CHF	2023 in CHF
SHORT-TERM LIABILITIES					
Other short-term liabilities					
Bank liabilities	2.5	0	30 000 000	0	27 777 778
to investments	2.6	26 483 924	21 477 058	24 926 046	19 886 165
to third parties		325 298	406 549	306 163	376 434
to shareholders		285	290	268	268
Short-term provisions	2.7	886 813	994 072	834 648	920 437
Deferred income		814 944	673 134	767 006	623 272
Short-term liabilities		**28 511 264**	**53 551 103**	**26 834 131**	**49 584 354**
LONG-TERM LIABILITIES					
Long-term interest-bearing liabilities	2.5	82 500 000	42 500 000	77 647 059	39 351 852
Long-term provisions	2.7	287 863	140 344	270 930	129 948
Long-term liabilities		**82 787 863**	**42 640 344**	**77 917 989**	**39 481 800**
Total liabilities		**111 299 127**	**96 191 447**	**104 752 120**	**89 066 154**
EQUITY					
Share capital	2.8	851 961	851 961	960 500	960 500
Statutory retained earnings					
General statutory retained earnings		2 217 493	2 217 493	2 500 000	2 500 000
Voluntary retained earnings					
Special reserves		80 326 203	80 326 203	90 559 724	90 559 724
Retained earnings	2.9				
– Amount brought forward		195 673 346	188 784 023	162 864 207	174 068 815
– Net profit for the year		26 422 084	35 865 225	25 166 286	34 854 446
– Currency translation differences				5 646 530	– 17 611 704
Treasury shares	2.10	– 11 542 711	– 2 212 773	– 11 039 952	– 2 153 881
Total equity		**293 948 376**	**305 832 132**	**276 657 295**	**283 177 900**
Total equity and liabilities		**405 247 503**	**402 023 579**	**381 409 415**	**372 244 054**

PHOENIX MECANO AG
STATEMENT OF INCOME 2024

	Note	2024 in EUR	2023 in EUR	2024 in CHF	2023 in CHF
Dividend income	2.11	28 371 924	28 156 585	27 023 454	27 363 056
Other financial income	2.12	4 030 209	6 084 824	3 838 660	5 913 338
Other operating income	2.13	1 354 150	8 940 958	1 289 790	8 688 977
Total income		**33 756 283**	**43 182 367**	**32 151 904**	**41 965 371**
Personnel expenses		–1 809 670	–1 931 551	–1 723 659	–1 877 114
Financial expense	2.14	–2 425 469	–2 270 980	–2 310 190	–2 206 978
Administration expenses		–1 706 918	–1 649 412	–1 625 791	–1 602 927
Other operating expenses	2.15	–1 040 522	–1 072 897	–991 068	–1 042 661
Losses on investments		–180	0	–171	0
Direct taxes		–351 440	–392 302	–334 739	–381 245
Total expenses		**–7 334 199**	**–7 317 142**	**–6 985 618**	**–7 110 925**
Net profit for the year		**26 422 084**	**35 865 225**	**25 166 286**	**34 854 446**

PHOENIX MECANO AG
NOTES TO THE FINANCIAL STATEMENTS 2024

1 DETAILS OF THE PRINCIPLES APPLIED IN THE FINANCIAL STATEMENTS

These financial statements have been drawn up in accordance with the provisions of Swiss financial reporting law (Title 32 of the Swiss Code of Obligations).

The functional currency is EUR, as a significant proportion of transactions take place in EUR.

The balance sheet and statement of income are also shown in CHF. The assets and liabilities are converted at the closing rate for each balance sheet date, equity items at historical exchange rates, and income and expenses on the statement of income at the average exchange rate. Any resulting translation differences are posted as a separate item in equity under Voluntary retained earnings. For the presentation of the balance sheet as at 31 December 2024, the closing rate of 1.0625 (CHF 1 = EUR 1.0625) was used to convert from EUR to CHF. The 2024 statement of income was converted from EUR to CHF at the Phoenix Mecano Group's average exchange rate for the year of 1.0499. Comparative information from the previous year was converted from EUR to CHF at the closing rate on 31 December 2023, namely 1.080, or at the average exchange rate for 2023 of 1.029.

2 INFORMATION, BREAKDOWNS AND EXPLANATIONS RELATING TO ITEMS ON THE BALANCE SHEET AND IN THE STATEMENT OF INCOME

2.1 Cash and cash equivalents

Cash and cash equivalents were reduced by the payment of a special dividend and the financing of Group companies. They include fixed-term deposits in EUR totalling EUR 11.4 million with maturities in the first quarter of 2025.

2.2 Other short-term receivables from investments

This item comprises short-term financial receivables (including credits in clearing accounts and credits from pool clearing accounts) in EUR, USD and CHF (previous year: also in EUR, USD and CHF) from subsidiaries in Switzerland and abroad.

2.3 Loans to investments

This item includes long-term loans in EUR to various subsidiaries abroad.

2.4 Investments and the share of the capital and votes held

The following list shows all investments directly held by Phoenix Mecano AG:

Company	Head office	Activity	Currency	Registered capital in 1 000	2024 Stake in %	2023 Stake in %
Phoenix Mecano Management AG	Kloten, Switzerland	Finance	CHF	50	100	100
Phoenix Mecano Solutions AG	Stein am Rhein, Switzerland	Production/Sales	CHF	2 000	100	100
IFINA Beteiligungsgesellschaft mbH	Porta Westfalica, Germany	Finance	EUR	4 000	100	100
Phoenix Mecano B.V.	Doetinchem, The Netherlands	Sales	EUR	1 000	100	100
AVS Phoenix Mecano GmbH in liquidation	Vienna, Austria	Sales	EUR	40	–	1
Phoenix Mecano Kecskemét KFT	Kecskemét, Hungary	Production/Sales	EUR	40 000	100	100
Phoenix Mecano Inc.	Frederick, USA	Production/Sales	USD	17 000	100	100
PTR HARTMANN, S de R.L. de C.V.	Monterrey, Mexico	Sales	MXN	50	100	100
Phoenix Mecano S. E. Asia Pte Ltd.	Singapore	Sales	SGD	1 000	100	100
Phoenix Mecano (India) Pvt. Ltd.	Pune, India	Production/Sales	INR	299 452	100	100
Mecano Components (Shanghai) Co., Ltd.	Shanghai, China	Production/Sales	USD	3 925	100	100
PTR HARTMANN (Shaoguan) Co., Ltd.	Shaoguan City, China	Production/Sales	CNY	70 000	100	100
ismet transformátory s.r.o.	Běhařovice, Czech Republic	Production/Sales	CZK	200	100	–
Phoenix Mecano Middle East FZE (formerly Rose Systemtechnik Middle East FZE)	Sharjah, United Arab Emirates	Sales	AED	150	100	–
Phoenix Mecano Hong Kong Ltd.	Hong Kong, China	Finance/Sales	EUR	99 051	100	100
Phoenix Mecano Holding Ltda.	Barueri, Brazil	Finance	BRL	1 062	100	100
Phoenix Mecano Maroc S.à.r.l. in liquidation	Tétouan, Morocco	Production	MAD	34 000	100	100
Phoenix Mecano OOO	Moscow, Russia	Sales	RUB	21 300	100	100
Phoenix Mecano Saudi Arabia LLC	Dammam, Saudi Arabia	Sales	SAR	3 000	100	100
Phoenix Mecano Elcom S.à.r.l.	Zaghouan, Tunisia	Production	TND	15 400	100	100
Phoenix Mecano Hartu S.à.r.l. in liquidation	Ben Arous, Tunisia	Production	TND	16 500	100	100

The EUR 14.0 million change in the balance sheet value compared with the previous year is the result of two acquisitions of Group companies and various capital increases at subsidiaries in Tunisia and the USA.

An overview of all directly and indirectly held investments is given on pages 68 and 69.

2.5 Long-term interest-bearing liabilities/Bank liabilities

Loans from financial institutions exist in the following currencies and with the following maturities:

in 1 000 EUR	2024	2023
BY CURRENCY		
EUR	82 500	72 500
Balance sheet value	**82 500**	**72 500**
BY MATURITY		
in 1 year	0	30 000
in 2 years	42 500	0
in 3 years	40 000	42 500
Balance sheet value	**82 500**	**72 500**

2.6 Other short-term liabilities to investments

This item comprises short-term financial liabilities (including debits in clearing accounts and liabilities from pool clearing accounts) in CHF, EUR and USD to subsidiaries in Switzerland and abroad.

2.7 Short-term and long-term provisions

This item includes provisions for bonuses, holiday credits and service anniversaries as well as risks in connection with the liquidation of Group companies.

2.8 Share capital

The share capital is divided into 960 500 registered shares with a par value of CHF 1.00 each. The conversion into EUR took place at the closing rate on 31 December 2018, giving a total of EUR 851 961.

2.9 Retained earnings

Financial year 2024 closed with a net profit for the year of EUR 26 422 084, which was converted for presentation in CHF at the average exchange rate for 2024 of 1.0499. The retained earnings brought forward from the previous year totalled EUR 224 649 248, minus dividends of EUR 28 975 902 paid out in 2024. The ordinary Shareholders' General Meeting on 22 May 2025 therefore has at its disposal retained earnings totalling EUR 222 095 430. For the Board of Directors' proposal regarding the appropriation of retained earnings, see page 102.

2.10 Treasury shares

There were no purchases or sales of treasury shares in the reporting year. The total number of such shares as at 31 December 2024 was 1 900, as in the previous year.

In the previous year, the following purchases and sales of treasury shares were made:

	Purchases Number	Average price CHF	Sales Number	Average price CHF
2023				
February	350	351.87	86	342.93
March	1 550	383.06		
Total year	**1 900**	**377.31**	**86**	**342.93**

In the previous year, the Board of Directors decided to implement a share buy-back programme of up to CHF 30 million. Under a fixed-price procedure running from 27 October to 10 November 2023, 1 073 shares were repurchased. A second trading line was subsequently opened, running until 14 November 2025.

The following repurchases were made via the second trading line in 2024:

	Purchases Number	Average price CHF
2024		
January	1 327	443.92
February	987	453.89
March	1 628	462.69
April	1 642	466.31
May	1 302	516.75
June	1 680	492.94
July	1 932	494.36
August	1 764	450.09
September	1 722	442.70
October	1 904	445.76
November	1 764	457.23
December	1 512	438.13
Total year	**19 164**	**463.69**

The following repurchases were made via the second trading line in the previous year:

	Purchases Number	Average price CHF
2023		
November	2 077	384.88
December	1 476	431.98
Total year	**3 553**	**404.44**

The Board of Directors intends to propose cancellation of the repurchased registered shares at future Shareholders' General Meetings, and to reduce the capital accordingly.

At the balance sheet date, the company owned a total of 24 617 treasury shares (previous year: 5 453 treasury shares), which are booked at acquisition cost using the FIFO method. These shares represent 2.56 % of the total stock.

2.11 Dividend income

Dividend income comprises dividends paid by subsidiaries in Switzerland and abroad.

2.12 Other financial income

Other financial income includes earnings from interest and commissions. In the previous year, it also includes net exchange rate gains of EUR 0.729 million (exchange gains of EUR 2.034 million minus exchange losses of EUR 1.305 million).

2.13 Other operating income

Other operating income includes book gains from sales of two Group companies in the previous year, and cost transfers within the Group in both the current and previous years.

2.14 Financial expense

This item comprises interest and securities expenses. In the reporting year, it also includes net exchange rate losses of EUR 0.832 million (exchange losses of EUR 1.953 million minus exchange gains of EUR 1.121 million).

2.15 Other operating expenses

Other operating expenses include value adjustments of EUR 1.0 million on an investment and, in the previous year, value adjustments of EUR 1.073 million on investments.

2.16 Net release of hidden reserves

The statement of income does not include any net release of hidden reserves in the reporting year or the previous year.

3 OTHER INFORMATION REQUIRED BY LAW

3.1 Full-time positions

There are fewer than ten full-time positions at Phoenix Mecano AG.

3.2 Contingent liabilities

in 1 000 EUR	2024	2023
Guarantees and letters of comfort	161 087	142 214

Contingent liabilities are given for subsidiaries, predominantly in favour of financial institutions. The actual book value of Group company liabilities was EUR 20.2 million (previous year: EUR 44.0 million). Letters of support were also issued for several subsidiaries. In addition, Phoenix Mecano AG has entered into a joint guarantee with its Swiss subsidiaries for the purposes of registration for Group VAT taxation (excluding DewertOkin AG).

3.3 Auditors' fees

For auditing the 2024 financial statements, both the individual financial statements and the consolidated financial statements, total fees of CHF 157 194 (EUR 163 671) plus cash expenses were agreed.

3.4 Share ownership by members of the Board of Directors and management and persons related to them

The table showing share ownership by members of the Board of Directors and management and persons related to them can be found in the remuneration report on page 50.

3.5 Events after the balance sheet date

No events occurred between 31 December 2024 and 22 April 2025 that would alter the book values of Phoenix Mecano AG's assets and liabilities or should be disclosed under this heading.

There are no further matters requiring disclosure under Article 959c of the Swiss Code of Obligations.

PROPOSAL FOR THE APPROPRIATION OF RETAINED EARNINGS

	in EUR	in CHF
Net income for the year 2024	26 422 084	25 166 286
Retained earnings brought forward 2023	224 649 248	191 311 557
./. Dividend 2023	–28 975 902	–28 447 350
Currency translation differences		5 646 530
Retained earnings	**222 095 430**	**193 677 023**

The Board of Directors proposes to the Shareholders' General Meeting that retained earnings should be distributed as follows:

	in EUR	in CHF
Dividend of CHF 19.00 per share[1]	19 390 094	18 249 500
Carried forward to new account	202 705 336	175 427 523
Total	**222 095 430**	**193 677 023**

1 Total dividends are calculated based on the total stock of 960 500 registered shares. Dividends will not be paid on treasury shares held by the company at the time of the payout.

STATUTORY AUDITOR'S REPORT

To the general meeting of Phoenix Mecano AG,
Stein am Rhein

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Phoenix Mecano AG (the Company), which comprise the balance sheet as at 31 December 2024, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 97 to 102) comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the „Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Information

The board of directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the compensation report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Financial Statements

The board of directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the board of directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board of directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at EXPERTsuisse's website at: www.expertsuisse.ch/en/audit-report-for-ordinary-audits. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the board of directors.

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposal of the board of directors comply with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Zurich, 22 April 2025
BDO Ltd

Christoph Tschumi Auditor in charge Licensed Audit Expert	Marc Furlato Licensed Audit Expert