PHOENIX MECANO

24
SHORT REPORT

50 years of Phoenix Mecano

KEY FIGURES OF THE PHOENIX MECANO GROUP

	Units	2024	2023	2022	2021	2020
KEY FINANCIAL FIGURES						
Gross sales	EUR million	779.5	783.1	792.9	816.9	687.4
Change	%	–0.5	–1.2	–2.9	18.8	1.1
Operating cash flow (EBITDA)	EUR million	75.3	85.3	78	66.6	48.2
Change	%	–11.8	9.5	17.1	38.1	–1.3
in % of sales	%	9.7	10.9	9.8	8.2	7
Operating result	EUR million	51.5	62.1	53.6	44.3	22.4
Change	%	–17.1	15.8	21	97.5	–3.9
in % of sales	%	6.6	7.9	6.8	5.4	3.3
in % of net operating assets	%	17.1	21.9	15.6	14.4	7.6
Result of the period	EUR million	36.6	45.5	39	30.3	8.9
Change	%	–19.5	16.5	28.6	241.6	–36.2
in % of sales	%	4.7	5.8	4.9	3.7	1.3
in % of equity	%	12.6	16	14.9	12.6	4.7
Total assets/capital	EUR million	623.8	601.4	587.5	610.6	545
Equity	EUR million	289.7	284.7	261.3	240	188.2
in % of total assets	%	46.4	47.3	44.5	39.3	34.5
Net indebtedness/(Net liquidity)	EUR million	11.1	–3.3	84	80.6	115.4
in % of equity	%	3.8	–	32.1	33.6	61.3
Cash flow from operating activities	EUR million	56	90	55.9	54.8	27.8
Free cash flow	EUR million	20	57.6	11.9	26.9	10.4
Purchases of tangible and intangible assets	EUR million	36.7	40.4	47.2	29.6	27.8
SHARE INDICATORS						
Share capital (registered shares with a par value of CHF 1.00)	CHF	960 500	960 500	960 500	960 500	960 500
Shares entitled to dividend [1]	Number	935 883	955 047	960 414	960 311	960 009
Operating result per share [2]	EUR	55	65	55.8	46.1	23.4
Result of the period per share [2]	EUR	39.1	47.6	40.6	31.6	9.2
Equity per share [2]	EUR	309.6	298.1	272.1	249.9	196.1
Free cash flow per share [2]	EUR	21.3	60.3	12.4	28	10.8
Dividend	CHF	19.00 [3]	30.00 [4]	16.5	15	8
Market price						
High	CHF	536	441	421.5	502	494.5
Low	CHF	414	328	294	396	312
Year-end price	CHF	425	434	329	405.5	464.5

1 As at the balance sheet date, the company owned 24 617 treasury shares, which are not entitled to dividend.
2 Based on shares entitled to dividend as at 31 December 2024.
3 Proposal to the Shareholders' General Meeting on 22 May 2025.
4 Dividend of CHF 18.00 and special dividend of CHF 12.00.

INHALT


Success Is Always
Yesterday's News
The Story of
the Phoenix Mecano Group
as Told by Those Who Were
1975–2025
Christoph Kohler

Letter to shareholders

DEAR SHAREHOLDERS

2024 was a very demanding year for the Phoenix Mecano Group, with industrial activity in the key European markets failing to recover as hoped. Nevertheless, we were able to generate a solid result thanks to the well-balanced portfolio of our business activities. We also made good progress towards our long-term development goals. The DewertOkin Technology Group division performed excellently, with double-digit sales growth and a further improvement in profitability. This enabled us to largely offset declines in industrial activity due to the difficult market conditions. In emerging economic regions such as India and the Middle East, the industrial business areas also developed favourably. Our strategy of developing solutions in line with the megatrends of automation, decarbonisation and demographic change proved to be robust even under difficult economic conditions and enabled us to generate a pleasing return on our invested capital.

The worldwide distribution of our operations is proving to be a decisive advantage in offering our globally active customers attractive solutions for resilient supply chains. Increasingly, our critical size and strong balance sheet are proving a considerable competitive advantage in the battle for market share among industrial customers worldwide as they plan for the long term. We report in detail on the progress made towards our CO_2 emission reduction targets in our sustainability report. In a voluntary move, we are having our Scope 1 and 2 emissions data – on which the sustainability report is based – externally audited for the first time this year.

SALES
IN EUR MILLION

779.5

SALES DEVELOPMENT
IN %

–0.5

Dr. Rochus Kobler
CEO

Benedikt A. Goldkamp
Executive Chairman of the Board of Directors

THANK YOU TO OUR EMPLOYEES

The rapid pace of technological progress is making itself felt in many ways in our employees' work environment. New digital sales channels, changing customer behaviour, AI-supported work tools and processes and a flood of new laws and regulations require a high degree of flexibility and adaptability. The productivity gains are considerable and enable us to deliver steadily more added value for customers and ultimately also for our shareholders, despite intense global competition. These developments demand a great deal from our teams. The excellent interaction between experienced team members and young, digital-savvy talent at Phoenix Mecano is deeply satisfying and gives us hope that, as a Group, we will also be able to successfully negotiate the future challenges posed by technological change. In view of this, the management and Board of Directors would like to extend their special thanks to all employees.

OPERATING RESULT PER SHARE IN EUR

55.0

PROPOSED DIVIDEND IN CHF

19.00

OUTLOOK AND DIVIDEND

2025 has started under unique circumstances. The newly elected US government is making long-term production capacity planning more difficult for many industrial companies, with initiatives to relocate value chains, new tariff regimes and export controls on critical technologies. We have prepared thoroughly for these new conditions with extensive scenario planning and a flexible location policy and will consistently leverage the strengths of our global positioning to grow and generate value in this new world.

The Group's robust balance sheet and good cash flow enable us to continue our long-term, shareholder-friendly dividend policy. The Board of Directors therefore proposes to increase the ordinary dividend to CHF 19.00 (previous year: CHF 18.00). This will give the Group sufficient scope to continue the necessary investments in innovation, production capacity and the digitalisation of our business model. The share buy-back programme that has been running since November 2023 with the aim of cancelling repurchased shares will be continued within the scope permitted by SIX Swiss Exchange.

The relevant economic research institutes are currently cautious about the prospects for the global, and in particular European, industrial economy. However, positive momentum could emerge in the coming months if hopes of a resolution to the armed conflicts in Ukraine and the Middle East are realised. The election of a new government in Germany could also kick-start a positive trend. The Phoenix Mecano Group's Board of Directors and management therefore see opportunities for additional growth and a favourable trend in our Group's profitability. The start of the year is likely to be subdued, but there is every reason to hope for an improvement in market demand in the second half of 2025. The Group is optimally positioned for the various growth scenarios and we believe that it will perform disproportionately well if and when the economy picks up.

Benedikt A. Goldkamp
Executive Chairman of the Board of Directors

Dr Rochus Kobler
CEO

Our critical size and strong balance sheet are proving a considerable competitive advantage.

Global Competence, Local Value

The Phoenix Mecano Group has a global presence, with around 60 subsidiaries split into three divisions: DewertOkin Technology Group, Industrial Components and Enclosure Systems. Local staff have the linguistic, cultural and technical insights required to understand customers' needs. Knowledge is proactively shared within the Group, meaning that even for complex, integrated solutions, customers can always deal with a local contact person. This proximity to customers fosters strong customer loyalty and enables the Group to offer the same range of consistently high-quality products and services worldwide.

ENCLOSURE SYSTEMS

The Enclosure Systems division develops and produces high-quality industrial and electronic enclosures made of aluminium, stainless steel and plastic. These are used in potentially explosive atmospheres, among other applications. Its product range also includes complete human-machine interface solutions consisting of panel PCs, industrial PCs and industrial monitors, as well as input units such as membrane keypads, short-stroke keys and touchscreens.

Key figures in EUR million	**2024**	**2023**
Gross sales	215.0	229.7
Purchases of tangible and intangible assets	9.5	13.8
Operating result	28.4	34.3
Margin in %	13.2	14.9
Employees at year-end	2 126	1 979

The Phoenix Mecano Group is a global player in the enclosures and industrial components segments and is a leader in many markets. It is geared towards the manufacture of niche products and system solutions.

INDUSTRIAL COMPONENTS

The Industrial Components division focuses on industrial digitalisation and modular automation. It comprises three business areas: Automation Modules, Electrotechnical Components and Measuring Technology. The Automation Modules business area produces linear units and lifting columns, aluminium profile and tube connection systems, as well as ergonomic workstation systems. The Electrotechnical Components business area specialises in manufacturing terminal blocks, connector systems, test probes, series terminals and switches for industrial electronics.

Key figures in EUR million	**2024**	**2023**
Gross sales	184.6	223.1
Purchases of tangible and intangible assets	9.4	5.7
Operating result	6.9	24.1
Margin in %	3.7	10.8
Employees at year-end	2 061	2 062

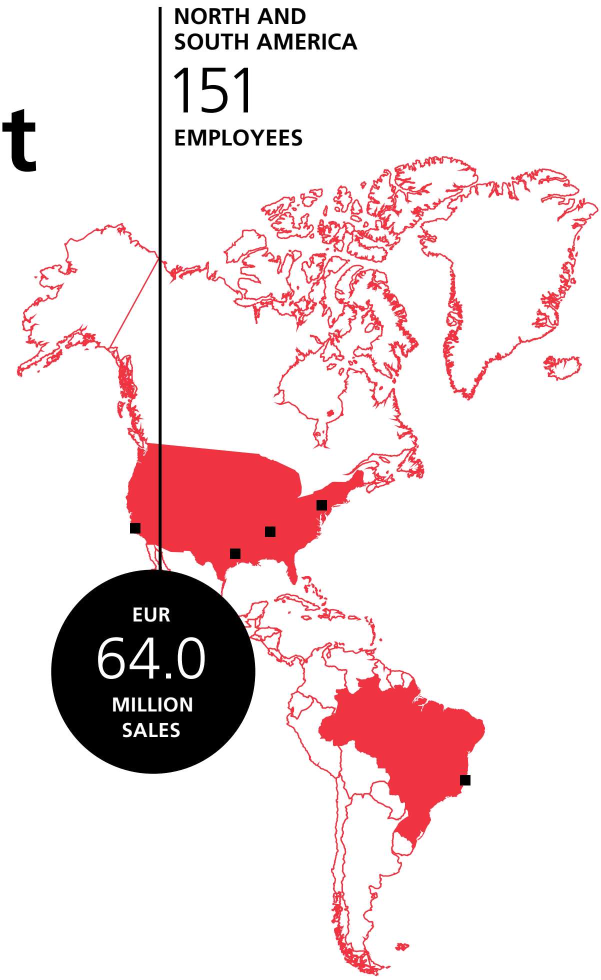
DEWERTOKIN TECHNOLOGY GROUP

With its headquarters in Jiaxing, Zhejiang, China, the DewertOkin Technology Group manufactures drives, systems and mechanisms for electrically adjustable comfort and healthcare furniture. At its production sites in Europe, North America and Asia, it makes individual mechanical components for a range of applications as well as customised and coordinated system solutions. DewertOkin’s drive technology is widely used in smart furniture (such as recliner sofas and chairs, cinema seats, massage chairs and beds), medical applications (e.g. hospital and nursing beds) and control systems for height-adjustable desks.

Key figures in EUR million	**2024**	**2023**
Gross sales	370.5	330.4
Purchases of tangible and intangible assets	17.5	19.9
Operating result	23.6	7.2
Margin in %	6.4	2.2
Employees at year-end	2 869	2 631

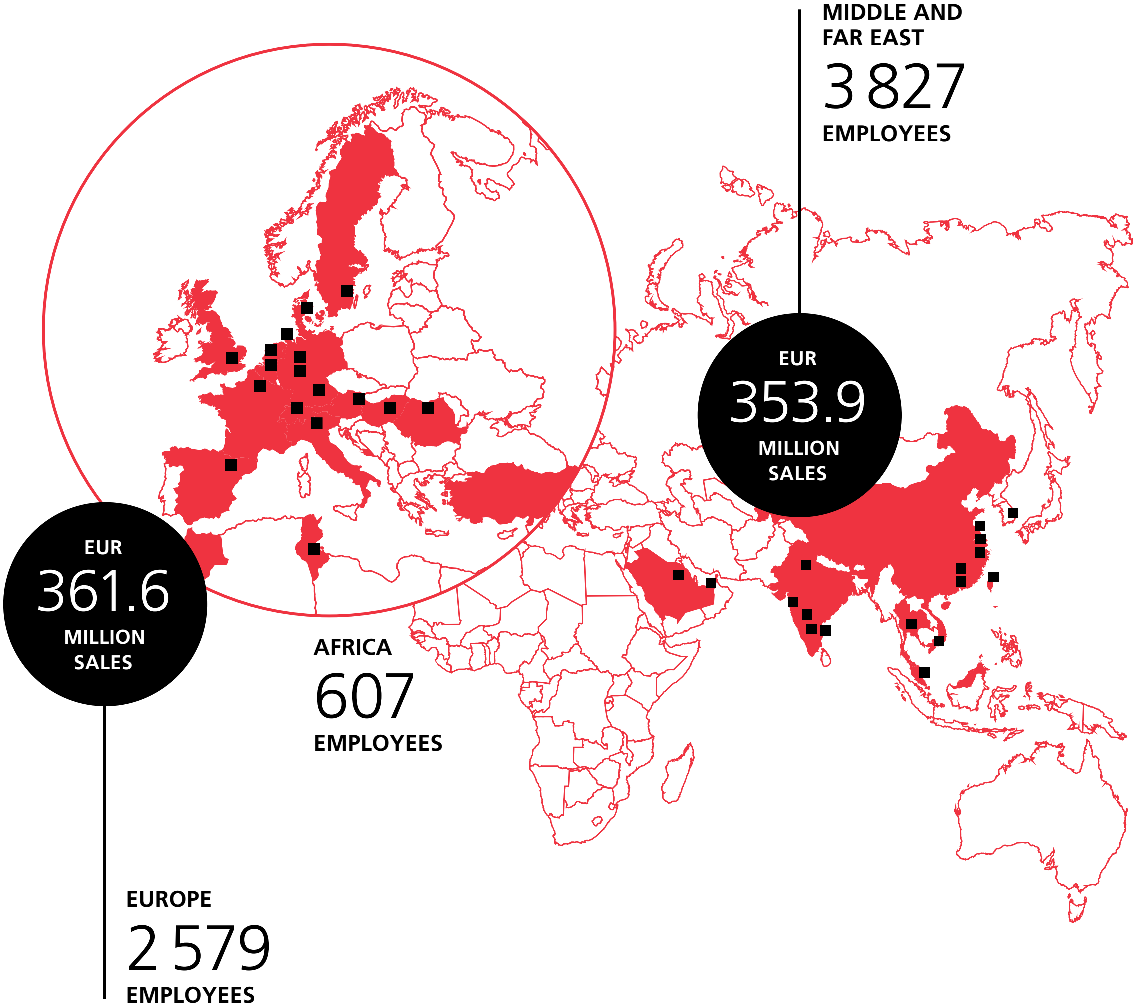
Global commitment

7 164 employees around the globe offer a comprehensive range of products and services in all important growth markets. They guarantee customers market-driven solutions, efficient production and resource-saving logistics.



EMPLOYEE KEY FIGURES AT A GLANCE

	Change 2024 vs. 2023 Number	2024	2023	2022	2021	2020
BY REGION						
Europe	– 119	2 579	2 698	3 132	3 159	3 022
Middle and Far East	596	3 827	3 231	3 056	3 120	3 427
Africa	– 31	607	638	1 380	1 709	1 554
North and South America	– 4	151	155	249	231	255
Number of employees (as at reporting date)	**442**	**7 164**	**6 722**	**7 817**	**8 219**	**8 258**



	Change 2024 vs. 2023 Number	2024	2023	2022	2021	2020
BY GENDER						
Women	– 17	2 518	2 535	3 321	3 616	3 513
Men	459	4 646	4 187	4 496	4 603	4 745
Personnel expenses per employee in 1 000 EUR	**– 2.6**	**31.3**	**33.9**	**29.5**	**26.7**	**24.9**
Gross sales per employee in 1 000 EUR	**– 7.7**	**108.8**	**116.5**	**101.4**	**99.4**	**83.2**

Dear shareholders,

"Success Is Always Yesterday's News" – This quote from my father is the title of a book charting the history of Phoenix Mecano over the past 50 years.

Historian Christoph Kohler interviewed key players and pieced together their stories to form a mosaic that he calls 'oral history'. The result is a book in which the subjective experiences of the people involved have been woven together to chronicle the history of Phoenix Mecano.

Throughout this annual report you will find extracts from the Phoenix Mecano anniversary book.

Benedikt A. Goldkamp,
Chairman of the Board of Directors

Unlike normal success stories, with an outstanding or at least highly original idea or a particularly creative individual at the center of the action, here a very ordinary group of people with very ordinary products has had truly extraordinary success – and that success is far from over.

Dr. Hermann Christian Goldkamp
(presentation to Berliner Bank, 1992)

50 YEARS OF PHOENIX MECANO

A peek into the anniversary book.

Elisabeth Weckerle on a visit to Lagos, with the managing director of Gas & Welding (Nigeria) Ltd., Jörg Viereck (1979).

After the IPO in 1988, the business no longer fitted in with Phoenix Mecano's strategy. The company had divested its businesses in Nigeria and Guinea and wanted to focus on the enclosures and components divisions. IPES was still profitable, though. It didn't have to contend with high inflation, as 99% of its funding came from domestic sources. The plants were up and running, and the gas cylinders were a permanent commodity – all we really needed was air and energy. In 1995, the Brazilian currency, the real, stabilized under President Cardoso, which also made Brazil a more interesting market for Phoenix Mecano's parent companies. At the same time, Phoenix Mecano was starting to expand its sales network into emerging markets: China, India, and also Brazil. After all, they had me and IPES here already. So in 1995 I set up a subsidiary in São Paolo with IPES, called Phoenix Mecano Comercial e Técnica. This was used for sales, initially by Dewert and then also by Rose and Bopla. To start with, IPES with its steady cash flow had to cross-subsidize the sales company in São Paolo, but then sales really took off – and that continues to this day under my successor Deodoro Weber. I retired in 2010 and we sold IPES. That was the end of the gas business originally founded by IGA and continued by Phoenix Mecano for over 30 years.

GABRIELE WILLHARMS Lagos, Conakry, Manaus – those were his adventures. In Germany and Switzerland, Dr. Goldkamp made his money with very solid medium-sized businesses.

46

Excavation for the Industria de Produtos e Equipamentos de Solda Ltda (IPES) oxygen plant in Manaus, Brazil (1980).

Phoenix Mecano acquired a majority stake in Rose+Krieger GmbH & Co. KG, based in Minden in eastern Westphalia, West Germany, in mid-1987. The company manufactures components for mechanical engineering and for workstation and handling systems. (Phoenix Mecano AG Annual Report 1987)

JOACHIM METZGER In 1989, I was 38 years old. I'd worked for several years as a consultant at Arthur Andersen and most recently been employed in the management of an international company. Now I was looking for a managing director position, preferably in a smaller company first. Then I heard from an acquaintance that the Swiss Phoenix Mecano Group was looking for a managing director for a subsidiary called Rose+Krieger. I applied and met Dr. Goldkamp for an interview in July 1989. Dr. Goldkamp exuded authority without being authoritarian. He was undoubtedly the boss, but he gave me the feeling that I was the important person. After the interview, I knew that I wanted to work for this man. However, Dr. Goldkamp had said that the decision wasn't his alone. So in August 1989 I traveled to Stein am Rhein, where I was welcomed by Ms. Willharms and Peter Rüd. Pretty much as soon as the interview had begun, we went for lunch and continued chatting on the terrace of the monastery courtyard on the banks of the Rhine. I remember the whitefish.

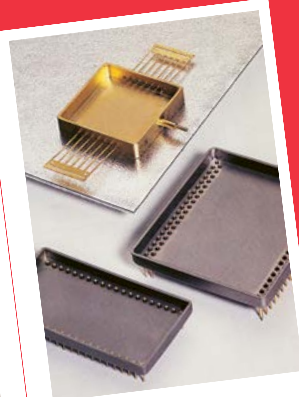
GABRIELE WILLHARMS Dr. Goldkamp was a man of many talents, but without us assistants he would have been lost. The things Ms. Bauer and I did for him! We even had to remind him of his sons' birthdays. And of course we had to be contactable all the time, even when he was sailing around the Mediterranean with his family. The working days and to-do lists got longer and longer, but that didn't bother me. I wanted to take on responsibility and work independently. That said, it was important for me to recharge my batteries now and then. That's why I took up diving. One time, I told Dr. Goldkamp that I was planning my next vacation in the Maldives, and he got in a panic. "How am I supposed to reach you?" I replied that I was going diving precisely because there were no telephones underwater.

JOACHIM METZGER In the fall of 1989, I took over the management of Rose+Krieger in Minden. It was a leap in the dark, but at least I got to know Dr. Goldkamp's qualities: he had confidence in you, he forgave mistakes, and he was there for you.

Gabriele Willharms, management assistant and authorized company representative (1991).

83

Assembly system components manufactured by Rose+Krieger, Minden (1987).



Hybrid integrated circuit enclosures, Technotron AG.

Benedikt Goldkamp and Dr. Hermann Christian Goldkamp after their first joint Shareholders' General Meeting in Stein am Rhein (2000).

From Father to Son

The projects for penetrating new, high-growth markets were presented by Benedikt Goldkamp, the son of company founder Hermann Goldkamp, who announced that he would be stepping back to a chairmanship role. Peter Rüd and Benedikt Goldkamp are to be elected to the Board of Directors, while Rüd is to be appointed the company's chief operating officer. Benedikt Goldkamp has gained management experience in Hungary and Germany and will be responsible for organization and information technology in the company management, which will now have seven members (...). This externally visible, organic transfer of power will have to be followed by an internal family transfer, that of the dominant minority stake of 30%. (*Neue Zürcher Zeitung*, May 16, 2000)

ULRICH HOCKER Dr. Goldkamp signaled early on that he didn't want to hold the reins at Phoenix Mecano forever. He handed over day-to-day operations to Mr. Rüd in 1991, then stepped down as delegate in 2000, and finally left the Board of Directors completely in 2003.

RENÉ SCHÄFFELER Dr. Goldkamp stuck rigidly to his word. As CFO, I was in contact with him several times a week for years, and then, from one day to the next, he was gone.

GISELA GOLDKAMP My husband did exactly what he'd said he was going to do, but it wasn't easy for him. There were times when I had the feeling he was waiting for his son to call.

BENEDIKT GOLDKAMP My father kept hinting that the doors at Phoenix Mecano were open to me, but I wanted to go my own way first. As a management consultant, I came to feel that I wasn't seeing things through to the end. You sow the seed and leave – whether it sprouts or not. I realized how different that was from real entrepreneurship, the way my father did it.

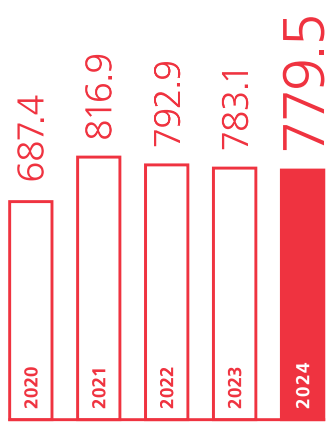
GISELA GOLDKAMP My husband and I never put any pressure on Beni. It was his life. But he studied economics, worked as a consultant – of his own accord, he created the conditions that would enable him to join Phoenix Mecano at some point. And

175

Group business performance

In financial year 2024, Phoenix Mecano was able to maintain sales in a challenging economic environment. Growth in the DewertOkin Technology Group division almost completely offset declines in the industrial divisions. The change in business mix resulted in lower profitability at Group level.

GROUP GROSS SALES IN EUR MILLION



As in the previous year, Germany, the Phoenix Mecano Group's most important market, remained in a weak phase, with high energy costs and a decline in exports dampening demand. Although the economy in the rest of Europe performed somewhat better, there was no strong growth impetus here either.

Thanks to its well-balanced portfolio, the Phoenix Mecano Group was able to offset the economic weakness in Europe with innovative applications in attractive niches and structural growth markets. Phoenix Mecano is well prepared for a future economic recovery. At the same time, the Group is continuing to push ahead with implementing its medium-term targets through to 2026.

BUSINESS ACTIVITY

Furniture market generates growth

The Enclosure Systems division felt the effects of the weak market for industrial enclosures. While explosion-proof enclosures and some applications saw growing interest, declining sales in mechanical engineering and in the electronics and digital industry had a negative impact on the division's performance. The performance of the division's business areas varied. Demand for current transformers and measuring systems for high-voltage direct current (HVDC) transmission remained high, thanks to the expansion of electricity grids in connection with renewable energies. However, other business areas were hit by inventory reduction and the weak order situation among industrial customers. There were signs of a gradual bottoming-out as the year progressed.

FIVE-YEAR FIGURES

	Units	2024	2023	2022	2021	2020
Incoming orders	EUR million	807.1	781.5	804.1	888.9	766
Gross sales	EUR million	779.5	783.1	792.9	816.9	687.4
Operating result	EUR million	51.5	62.1	53.6	44.3	22.4
in % of sales	%	6.6	7.9	6.8	5.4	3.3
Equity	EUR million	289.7	284.7	261.3	240	188.2
Net indebtedness/(Net liquidity)	EUR million	11.1	−3.3	84	80.6	115.4
in % of equity	%	3.8	–	32.1	33.6	61.3
Equity ratio	%	46.4	47.3	44.5	39.3	34.5

The DewertOkin Technology Group (DOT Group) benefited from the increasing demand for motorised comfort furniture, despite the general weakness of the furniture market. This resulted in double-digit sales growth in the two largest application areas of seating furniture and beds.

SALES AND PROFITABILITY

Incoming orders over EUR 800 million

Consolidated incoming orders for the Phoenix Mecano Group rose from EUR 781.5 million to EUR 807.1 million in 2024 despite prior-year divestments in the Industrial Components division. In organic, local-currency terms, they were up by 5.6 %. The book-to-bill ratio (incoming orders in relation to gross sales) was 1.04, compared with 1.00 the previous year. The Enclosure Systems division was hit by the weak economy, recording a 4.6 % decline in incoming orders. The Industrial Components division saw organic growth of 1.9 %, while incoming orders in the DOT Group division rose by a healthy 9.5 %.

Organic sales growth

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, local-currency terms, sales grew by 2.0 %.
In the difficult economic environment in Europe, the Group recorded a 12.5 % drop in sales (12.3 % in organic, local-currency terms). Sales fell in all key European markets, and were down 12.2 % in the core market of Germany. In the Middle and Far East, by contrast, sales increased by 18.9 %, and by 22.4 % in organic, local-currency terms, thanks to strong sales growth in the DOT Group and Enclosure Systems divisions (primarily in energy technology). Sales in North and South America fell by 11.6 %, or 1.9 % in organic, local-currency terms.

In the Enclosure Systems division, gross sales declined by 6.4 % to EUR 215.0 million, and by the same percentage in organic, local-currency terms. More major customers were acquired in the human-machine interface segment, and sales of explosion-proof enclosures also increased in 2024. Conversely, sales of industrial and electronic enclosures declined owing to lack of demand.

Sales in the Industrial Components division fell by 17.2 % to EUR 184.6 million. In organic, local-currency terms, they were down by 13.1 %. The Automation

Modules business area held up well in a declining market, with sales in module technology and the solutions business even increasing. In the Measuring Technology business area, the HVDC transmission market performed strongly, with high levels of incoming orders and sales growth. By contrast, the industrial markets for transformers, chokes and filters deteriorated further, before starting to bottom out at the end of 2024

With gross sales of EUR 370.5 million, the DOT Group division recorded an increase in sales of 12.1 % (14.3 % in local currencies). While demand was generally weak in the furniture market overall, the share of motorised comfort furniture within the furniture sector increased further, and the DOT Group was able to benefit from this. Thanks to the expanding hospital market in Asia, components for nursing and hospital beds also recorded double-digit growth.

Cyclical declines in operating earnings after record values the previous year

Partially underutilised capacity and shifts in the business mix resulted in an 11.8 % decline in the Group's operating cash flow (EBITDA) to EUR 75.3 million (previous year: EUR 85.3 million). At EUR 51.5 million, the operating result (EBIT) was 12.8 % lower than the previous year's operating result adjusted for positive special items totalling EUR 3.1 million, and 17.1 % lower than the previous year's operating result including special items (EUR 62.1 million).

The operating result of the Enclosure Systems division fell by 17.3 % from EUR 34.3 million to EUR 28.4 million due to the decline in sales in most European core markets. Profitability stood at 27.6 %, down from 33.8 % the previous year.

The Industrial Components division achieved an operating result of EUR 6.9 million compared with EUR 24.1 million the previous year, although the previous year's result included positive special items totalling EUR 7.5 million from the sale of the Rugged Computing business. An adjustment of cost structures could not fully offset the decline in sales.

The DOT Group division generated an operating profit of EUR 23.6 million (previous year: EUR 7.2 million including special items totalling EUR –4.4 million). The division's profitability in 2024 was 23.2 %.

The Phoenix Mecano Group's material use rate as a percentage of gross sales rose from 48.8 % to 50.4 %, mainly as a result of shifts in the product mix. In some cases, the rise was also partly due to increases in material prices.

Personnel expenses fell by 1.6 % owing to divestments in the previous year and manufacturing capacity adjustments in Europe and North Africa. Inflation-related wage rises and the increase in headcount had the opposite effect. Year-end headcount rose from 6 722 to 7 164. New jobs were created mainly at DOT Group and Enclosure Systems production facilities in the Middle and Far East.

OPERATING RESULT IN EUR MILLION

51.5

IN % OF SALES

6.6 %

Incoming orders by division

	Change	2024	2023
	in %	in 1 000 EUR	in 1 000 EUR
Enclosure Systems	–4.6	211 136	221 203
Industrial Components	–3.3	204 547	211 585
DewertOkin Technology Group	9.5	381 808	348 757
Other		9 580	0
Group incoming orders	**3.3**	**807 071**	**781 545**

Gross sales by region

	Change	2024	2023
	in %	in 1 000 EUR	in 1 000 EUR
Switzerland	–9.7	26 081	28 895
Germany	–12.2	208 168	237 220
UK	–16.9	11 152	13 427
France	–17.2	16 031	19 350
Italy	–8.3	10 232	11 158
The Netherlands	–19.5	13 191	16 378
Rest of Europe	–11.5	76 766	86 728
North and South America	–11.6	63 995	72 424
Middle and Far East	18.9	353 879	297 531
Group gross sales	**–0.5**	**779 495**	**783 111**

Gross sales by division

	Change	2024	2023
	in %	in 1 000 EUR	in 1 000 EUR
Enclosure Systems	–6.4	215 034	229 657
Industrial Components	–17.2	184 622	223 075
DewertOkin Technology Group	12.1	370 519	330 379
Other		9 320	0
Group gross sales	**–0.5**	**779 495**	**783 111**

Gross sales by division in %

	2024	2023
	in %	in %
Enclosure Systems	27.6	29.3
Industrial Components	23.7	28.5
DewertOkin Technology Group	47.5	42.2
Other	1.2	0
Group gross sales	**100**	**100**

Amortisation of intangible assets and depreciation on tangible assets and impairment losses on intangible/tangible assets rose slightly from EUR 23.2 million to EUR 23.8 million.

Other operating expenses in the previous year included the loss from the sale of the business operations of Orion Technologies, LLC (US) due to the recycling of the corresponding goodwill. These expenses were therefore 3.5 % lower in the reporting year.

Reduction in result of the period to EUR 36.6 million

At EUR –1.0 million, the financial result was practically on a par with the previous year (EUR –1.1 million). Thanks to the lower average net indebtedness for the year, net interest expense fell by EUR 1.1 million. By contrast, the foreign exchange result deteriorated by EUR 0.9 million.

The income tax burden in 2024 rose to 27.5 % of the result before tax, compared with 25.4 % the previous year.

The result of the period fell from EUR 45.5 million to EUR 36.6 million due to the lower operating result, while the net margin declined from 5.8 % to 4.7 %.

ASSET AND CAPITAL STRUCTURE

Capital expenditure slightly down

Purchases of tangible assets totalled EUR 35.3 million (previous year: EUR 38.0 million) and purchases of intangible assets EUR 1.4 million (previous year: EUR 2.4 million). The largest investment, EUR 6.1 million, was once again the DOT Group division's industrial park in Jiaxing (second phase of construction).

Stable equity ratio

Following the reduction in the equity ratio due to the offsetting of goodwill against equity in the context of acquisitions in 2019 and 2020, it has since increased significantly again thanks to the positive earnings performance and, at 46.4 %, was only slightly below the previous year's figure (47.3 %), despite the payment of a special dividend totalling EUR 11.6 million in 2024.

Low net indebtedness despite special payout

Following a net liquidity position of EUR 3.3 million in the previous year, there was net indebtedness of EUR 11.1 million at the end of 2024. This equates to 3.8 % of equity. The main reason for this was the increased dividend payment and the reduced cash flow from operating activities. With this low level of net indebtedness, the Group remains in a very solid financial position.

Operating result by division

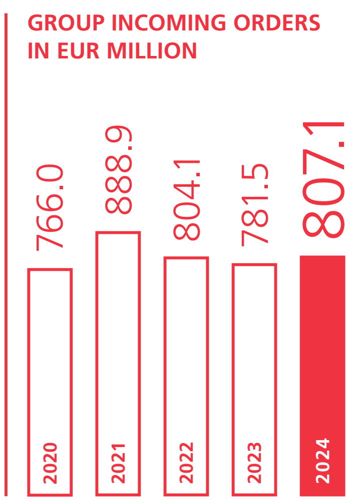
	Change	2024	2023
	in %	in 1 000 EUR	in 1 000 EUR
Enclosure Systems	17.3	28 361	34 312
Industrial Components	–71.5	6 881	24 118
DewertOkin Technology Group	230	23 640	7 164
Total for all divisions (segments)	**–10.2**	**58 882**	**65 594**
Reconciliation [1]	–112.3	–7 411	–3 491
Total Group	**–17.1**	**51 471**	**62 103**

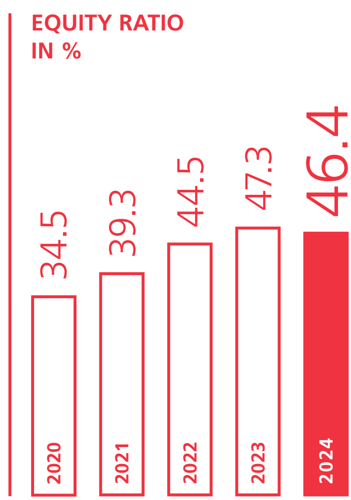
1 Included under Reconciliation are individual business areas and central management and financial functions that cannot be allocated to the divisions.

Profitability by division[2]

	Change	2024	2023
	in percentage points	in %	in %
Enclosure Systems	–6.1	27.6	33.8
Industrial Components	–18.3	7.6	25.9
DewertOkin Technology Group	14.7	23.2	8.6
Group	**–4.8**	**17.1**	**21.9**

2 Operating result as a percentage of net operating assets at the balance sheet date.





OUTLOOK

There were some initial signs of a recovery in the European markets at the start of 2025. Increasing confidence among industrial customers and higher incoming orders in key application areas such as mechanical and plant engineering indicate that the economic downturn is likely to have bottomed out. This development should particularly benefit the two industrial divisions, Enclosure Systems and Industrial Components. In addition, structural megatrends such as decarbonisation and demographic change are driving demand for Phoenix Mecano's solutions in power transmission and transformation as well as industrial automation. At the same time, the geopolitical situation remains challenging. In particular, the unpredictable trade policy in the United States represents an uncertainty factor that could impact the American end markets of the DewertOkin Technology Group division.

Capital expenditure

	2024 in 1 000 EUR	2024 in %	2023 in 1 000 EUR	2023 in %
BY TYPE OF ASSET				
Intangible assets	1 445	4.0	2 427	6.0
Land and buildings	3 562	9.7	3 448	8.5
Machinery and equipment	15 922	43.3	12 924	32
Tools	2 097	5.7	2 344	5.8
Construction in progress	13 703	37.3	19 254	47.7
Total	**36 729**	**100.0**	**40 397**	**100.0**
BY DIVISION				
Enclosure Systems	9 490	25.9	13 794	34.1
Industrial Components	9 378	25.5	5 723	14.2
DewertOkin Technology Group	17 456	47.5	19 887	49.2
Total for all divisions	**36 324**	**98.9**	**39 404**	**97.5**
Reconciliation [1]	405	1.1	993	2.5
Total	**36 729**	**100.0**	**40 397**	**100.0**

1 Included under Reconciliation are individual business areas and central management and financial functions that cannot be allocated to the divisions.

New Surroundings: Entering the World of Enclosures

As we had no serious competition, we competed with ourselves and served the market with two companies that fought it out between themselves. It had become clear that it was almost impossible, with a standard product range, to achieve a market share of more than 50–60% with one company alone. By doing ourselves what was to be expected anyway, we drastically narrowed the scope for external competitors, secured ourselves against sloppiness and complacency and, above all, acquired benchmarks for evaluating our own performance. (Dr. Goldkamp, presentation to Berliner Bank AG, 1992)

GÜNTER FRANKOWSKI I have gasoline in my blood. That's because I used to sell oil stoves and extractor hoods all over Europe for Gaggenau. Driving was part of my job, although I wasn't driving a sports car, of course, but a Ford Transit. My main market was France. I even sold an extractor hood to Brigitte Bardot, and installed it in Saint-Tropez. As for oil stoves, I sold 20,000 of those. That earned me a nice lot of commission, which I used to buy really fast cars, including a Sunbeam Alpine. I was a salesman first and a car enthusiast second.

My family came from East Prussia. My father was a regular officer and died on the last day of the Second World War. I was six years old then and on the run from the Russians with my family. That's an experience I shared with Dr. Goldkamp, who I was to meet much later, in 1976. How the meeting came about was that my father-in-law had a plastic injection molding factory in Bünde. He mainly worked for the model-making company Revell, because they were also based in Bünde. Model making was all the rage back then. Kids, teenagers, and adults were all doing it, gluing together models of cars, motorcycles, airplanes, and tanks. In 1970, I bought a few injection molding machines from my father-in-law and set up my own business, Bündoplast. We had customers from industry, including Rose in Porta Westfalica. They manufactured aluminum enclosures for the electrical industry, but were just introducing a new

Revell model kit from the 1970s.

50 YEARS OF PHOENIX MECANO

product line made of polycarbonate. Mr. Haseke from Rose gave us the plans and tools, and we produced the enclosures as a contract injection molding shop. At some point, I realized that it wasn't bringing in enough. Why shouldn't we design, produce, and sell the enclosures ourselves? After all, I knew how to do it now. So that's what we did in 1974, under the name Bopla. Of course, Mr. Haseke wasn't too amused.

BENEDIKT GOLDKAMP My father liked Frankowski, although he was much louder and less cultured than himself. His unpretentious manner appealed to my father. He would also refer to Mr. Frankowski respectfully as "our best salesman."

GÜNTER FRANKOWSKI Dr. Goldkamp wasn't a man to beat about the bush. I can't remember a single conversation with him that didn't lead to a concrete outcome. That was true of our very first conversation too. Phoenix wanted to buy us. Why? Because it was already invested in Rose and we were competing with Rose with our plastic enclosures. But Dr. Goldkamp was canny: he didn't want to close us down and integrate us into Rose – I wouldn't have gone along with that anyway. His offer was: Phoenix buys Bopla, but the company remains independent, and I remain as managing director and also hold a 20% stake. That would give me a secure managing director's salary of 140,000 deutsche marks plus a share of sales, and Bopla would have enough capital to expand the enclosures range and to grow. This was music to my ears because, to be honest, I was running out of cash at the time.

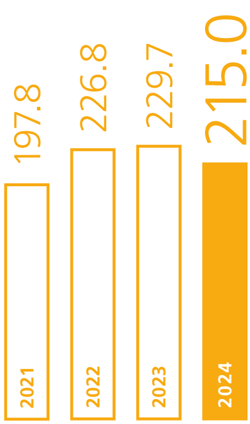
BENEDIKT GOLDKAMP Not turning Rose and Bopla into a single company was a calculated decision: my father knew that competition boosts innovation and helps to push down costs, and most customers didn't even know that Rose and Bopla belonged to a Swiss company. As a result, Phoenix came to dominate the enclosures market without anyone realizing it.

GÜNTER FRANKOWSKI Although Rose was less than 20 miles from us, it was a world away. At Rose, they were technocrats. Rose products were good, end of story! But we were leaner, faster, and more diverse. Take a look at our brochures from back then! They had professional photos with models and so on. We put 3.5% of our budget into marketing, Rose probably not even half that. Of course, the Phoenix controllers weren't too happy about our advertising budgets, but I always said: "More advertising, more sales."

Enclosure Systems

The division suffered a decline in sales due to weakening industrial demand. As a result, the operating result also fell. However, profitability remains high, at 27.6 %. New products and product approvals offer growth potential.

GROSS SALES
IN EUR MILLION



Orders

Incoming orders in the Enclosure Systems division fell by 4.6 % to EUR 211.1 million, compared with EUR 221.2 million the previous year. In organic, local-currency terms, they were down by 4.5 %. Full customer warehouses meant that there was a decline in incoming orders towards the end of the year. The book-to-bill ratio (incoming orders in relation to gross sales) was 0.98 at the end of the year (previous year: 0.96).

Sales

In a difficult economic environment, particularly in Europe, sales in the Enclosure Systems division fell by 6.4 % to EUR 215.0 million. The same decline was also recorded in organic, local-currency terms. In Europe, sales were down by 8.8 %. Sales in North and South America declined by 8.7 %. In the Middle and Far East, they increased by 11.0 %, mainly thanks to increased sales of explosion-proof enclosures.

In the key market segments hit by declining demand, namely electrical and mechanical engineering, sales were down, primarily because customers wanted to postpone investments or decided to freeze them entirely. A new electronic enclosure series for embedded systems and Internet of Things applications, combining a unique cooling design with wireless technology, attracted a great deal of interest. The division also obtained approval for stainless steel enclosures for railway equipment in India.

By contrast, sales of industrial PCs in the human-machine interface (HMI) segment and of explosion-proof enclosures (both in the growth area of renewable energies and in the oil and gas business) developed favourably. More major customers were acquired and approval for industrial PCs was obtained for the American market.

Result

Due to the sales-related decline in gross profit and simultaneous inflation-related global increases in personnel costs, the operating result of the Enclosure Systems division fell by 17.3 % from EUR 34.3 million to EUR 28.4 million. The operating margin was 13.2 %, compared with 14.9 % the previous year.

Asset and capital structure

At EUR 9.5 million, purchases of tangible and intangible assets were below the previous year's level of EUR 13.8 million. The modernisation of building infrastructure and warehouse technology in Germany, which began in the previous year, was continued in 2024, and the warehouse technology upgrade almost completed. A stainless steel production facility was put into operation in Saudi Arabia in order to better harness the potential of this promising market.

Net operating assets increased slightly by 1.0 % to EUR 102.7 million. The return on capital employed (ROCE), while remaining high, fell to 27.6 % from 33.8 % the previous year, because of the low operating result.

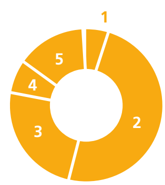
OPERATING RESULT IN EUR MILLION

28.4

IN % ZUM UMSATZ

13.2 %

GROSS SALES BY REGION IN %



1 Switzerland **5.3 %**
2 Germany **48.9 %**
3 Rest of Europe **24.2 %**
4 North and South America **7.2 %**
5 Middle and Far East **14.4 %**

AUFTRAGSEINGANG IN MIO. EUR

Going Public

October 19, 1987: stock market crash, here at the New York Stock Exchange.

ULRICH HOCKER I met Hans Vontobel, the *grand seigneur* of Zurich bankers, in 1986. That had nothing to do with Phoenix Mecano. As managing director of the Deutsche Schutzvereinigung für Wertpapierbesitz (DSW) [a German private investor association], I had the opportunity to interview him for our members' magazine *Wertpapier*. We met at Vontobel's premises at number 3, Bahnhofstrasse. The interview went so well that at some point it became more of a conversation – with interest on both sides. Mr. Vontobel knew that I was from one of the entrepreneurial families behind Industrie-Beteiligungs-Gesellschaft (IBG), and he raved about Germany's *Mittelstand* companies and the lean and solid way they operated. At the end of the conversation, he handed me his personal business card and told me I could contact him again anytime.

HEINZ WINZELER In the 1980s, shares prices were moving in one direction only: up. For us bankers, they were heavenly times. But all that came to an end on October 19, 1987. Although there had been warning signs, such as inflation in the U.S., nobody had expected a crash on this scale. It started with the Hong Kong Stock Exchange, which plummeted by 20 or 30%. Then the European stock markets followed, and finally Wall Street. Sell, sell, sell! It was horrific.

50 YEARS OF PHOENIX MECANO

ULRICH HOCKER In early 1988, Dr. Goldkamp called me and asked if I'd like to join Phoenix Mecano's Board of Directors. This didn't surprise me too much as my family was one of Phoenix Mecano's largest shareholders. But Dr. Goldkamp had another ulterior motive for the request. He wanted to get me on board to pull off what was probably the biggest coup of his career to date: going public with Phoenix Mecano. After all, he knew that I was professionally involved with listed companies and shareholder structures.

Phoenix Mecano's planned IPO was born out of necessity. After the stock market crash in 1987, Swiss Bank Corporation (SBC) got into financial difficulties and needed funds, so it was looking to sell its 50% stake in Phoenix Mecano. This meant that Dr. Goldkamp faced the risk of soon having to deal with a new – and as yet unknown – major shareholder. So he'd decided to take over SBC's equity stake himself and then float it on the Swiss Stock Exchange. However, after the crash, it was the worst possible time to float a company on the stock market, as banks and investors were afraid to take risks. What's more, nobody, literally nobody, in Zurich's financial sector knew about this company. Nobody, that is, except Hans Vontobel. I'd told him about Phoenix Mecano at our first meeting, and I still had his personal business card!

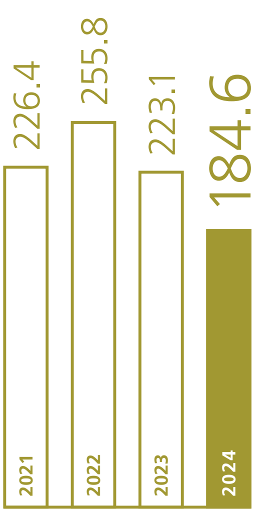
HEINZ WINZELER Enclosures? What the heck were enclosures? Not to mention components and industrial gases... It all sounded so unsexy! That's why I was surprised that old Hans Vontobel had even invited these two gents from Phoenix Mecano. But there they were: the gaunt Dr. Goldkamp and the tall Mr. Hocker. Dr. Goldkamp began his presentation, and I could tell immediately: this guy is no bluffer. He talked like a book. He didn't sell high-tech gear, just simple products, "components," but with a cash flow margin of up to 30%, and sales of 102 million Swiss francs. This company was making proper money! What's more, there were hardly any technology and development risks. Goldkamp wasn't selling dreams, but a clear and solid plan.

ULRICH HOCKER I'd known Dr. Goldkamp since I was a child. My father had made him a managing director at IBG in Cologne. Dr. Goldkamp was never one to instantly fill a room with his presence. Instead, he won it over gradually with eloquence and intelligence. He didn't waste words, was sparing with adjectives, and avoided superlatives. He would rather be underestimated than overestimated. That was calculated.

Industrial Components

Business in HVDC transmission developed well. In the other segments, the weak state of sales markets weighed on sales and operating result. A bolt-on acquisition strengthened the division's market position in the Measuring Technology business area.

GROSS SALES
IN EUR MILLION



Orders

At EUR 204.5 million, incoming orders in the Industrial Components division were 3.3 % down on the previous year due to prior-year divestments. In organic, local-currency terms, they rose by 1.9 %, mainly thanks to high incoming orders in the high-voltage direct current (HVDC) transmission segment. The book-to-bill ratio was 1.11 (previous year: 0.95).

Sales

Gross sales fell by 17.2 % to EUR 184.6 million. In organic, local-currency terms, they were down by 13.1 %. In Europe, sales declined by 17.1 %, and in North and South America by 48.4 % (19.6 % in organic, local-currency terms). By contrast, sales in the Middle and Far East increased slightly by 0.9 %.

The Automation Modules division recorded a 9.5 % drop in sales to EUR 98.2 million. Business was down in the traditional component fields of linear, connection and profile technology. Conversely, the module technology and solutions business saw an encouraging increase in sales compared with the previous year.

In Electrotechnical Components, the business area hardest hit by falling demand particularly in the semiconductor market, sales fell by 20.1 % to EUR 46.5 million. The trend towards e-mobility has weakened in the European and North American markets and has not yet fully materialised in the volume business. On the other hand, sales of inverter components were high.

The Measuring Technology business area increased sales by 21.9 % (3.1 % in organic, local-currency terms). The HVDC transmission segment recorded strong growth in sales and incoming orders. Sales in power management and for smart local substations also increased. The first sales from product development for data-centre current sensors are expected in the second half of 2025. In a bolt-on acquisition, the operations of a smaller competitor in the transformers and chokes segment in Germany were acquired out of insolvency and integrated. These contributed EUR 5.9 million to sales in 2024.

Result

The Industrial Components division recorded a decline in operating profit from EUR 24.1 million to EUR 6.9 million. The stake in RK Antriebs- und Handhabungs-Technik GmbH (DE) was sold to an industrial buyer with effect from 31 July 2024. The 2023 result included net exceptional income of EUR 7.5 million from the sale of activities in the Rugged Computing business area. The division suffered from unsatisfactory capacity utilisation, particularly in the Electrotechnical Components business area. Capacity adjustments were made and, where possible, short-time working was introduced. In the testing technology segment, the sharp rise in gold prices had a negative impact on production costs.

Asset and capital structure

The division's capital expenditure rose from EUR 5.7 million to EUR 9.4 million. The increase was due to the launch of two new construction projects for the Electrotechnical Components and Measuring Technology business areas in Germany.

Net operating assets decreased by 2.9 % to EUR 90.4 million. Despite this reduction, the return on capital employed (ROCE) fell to 7.6 % because of the decline in the operating result.

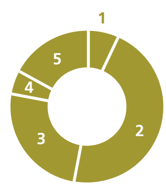
OPERATING RESULT IN EUR MILLION

6.9

IN % OF SALES

3.7 %

IN % OF SALES



1 Switzerland **7.6 %**
2 Germany 4**5.9 %**
3 Rest of Europe **25.1 %**
4 North and South America **5.0 %**
5 Middle and Far East **16.4 %**

INCOMING ORDERS IN EUR MILLION

Dr. Josef Gross,
Managing Director
of the DewertOkin
Technology Group.

ble assembly cells, a development center, showroom, training rooms, offices, warehouse, and logistics. Ten million dollars in bricks and mortar. The message was: "We're here to stay!" The building was dubbed a "dream factory."

DR. JOSEF GROSS In the beginning, "German engineering" was important in order to raise the bar in terms of quality and precision. But the Chinese are eager to learn and, above all, fast! Mistakes are accepted. The only thing that isn't accepted is doing nothing. If I wanted to develop a new handset, it took 18 months in Kirchlengern and nine months in Jiaxing. Time to market! That was a decisive factor in the Chinese market, alongside cost. With this in mind, I set up an in-house development center at the new factory, employing Chinese engineers in software, electronics, mechanics, and industrial design. At the same time, Max and I were cutting jobs in Kirchlengern – slowly and in a socially responsible way. It was a matter of facing facts. Today, there are still 16 people working in Kirchlengern.

MAXIMILIAN KLEINLE One problem in China was copying. We had numerous court cases. The biggest one took me to a jury court in Baltimore in 2015. A competitor had sold copies in the U.S., infringing our patents. We'd already spent over 2 million dollars on this case. The Chinese had hired top lawyers who gave a big spiel about free trade and the future of America to the jury, all of them laypeople. This was pre-Trump. Our lawyers, on the other hand, were rhetorically inept. Zero emotion! I told them to put me on the stand so that I could get a bit fired up in front of the jury, but that wasn't allowed for legal reasons. After five days in court, the jury retired. They only took half an hour to reach their verdict because the weather was nice and it was a Friday afternoon and everyone was looking forward to a barbecue. Then came the verdict: the Chinese were acquitted! I felt dizzy. I went out, loosened my tie, took a few steps, and fainted. That was a first for me. Once I'd recovered, I called Benedikt Goldkamp. His reaction? "It's good for your character, Mr. Kleinle. Those who don't know what it feels like to lose become arrogant."

PHILIP BROWN On November 8, 2016, I traveled with Benedikt Goldkamp to Shannon, Mississippi, to visit the Okin branch. The election was underway and all the forecasts suggested that Hillary Clinton would be the next president of the United States. That evening, I took a night flight to Munich via

50 YEARS OF
PHOENIX MECANO

Chicago. When I woke up in Germany, Donald Trump had won the election. He'd threatened massive punitive tariffs against China. I saw dark clouds gathering.

DR. JOSEF GROSS In 2018, the punitive tariffs imposed by Donald Trump came into force on over a thousand Chinese product groups, including furniture. While most of our drives and switches were sold to Chinese customers rather than directly to the USA, the costs incurred by American importers as a result of the tariffs were obviously spread across the entire value chain.

MAXIMILIAN KLEINLE At that time, I had to go to the U.S. a lot to negotiate. All parties agreed that the tariffs shouldn't be passed on to consumers, or only marginally. The goal was to increase sales despite the tariffs. In the end, everyone had to lower their margins and prices: us, the Chinese bed and furniture manufacturers, and the American importers. As a result, U.S. end customers had to pay at most 3–5% more for a bed or armchair from China.

DR. JOSEF GROSS The punitive tariffs squeezed margins further. This made it all the more urgent for us to push up our volumes even more – in terms of sales, but also in-house production. We had to manufacture more ourselves, instead of buying it in. This saved the supplier's margin and gave us more control, know-how, and speed in development. By way of example, in 2017, we injection molded 30% of our plastic components; today, that figure is 70%.

MAXIMILIAN KLEINLE Meanwhile, our customers were demanding a "China plus" strategy as nobody knew how this trade conflict would develop. As a result, the dispute between the U.S. and China indirectly triggered an "economic development program" for Vietnam. Almost overnight, virtually the entire value chain for motorized comfort furniture shifted from China to Vietnam. A cluster of furniture producers emerged just north of Ho Chi Minh City, in Binh Duong. I traveled there with a Chinese colleague to look for a location and negotiate with the authorities and owners. Our production there started in early 2020.

Maximilian Kleinle on a business trip to Vietnam during the coronavirus pandemic (2020).

ROCHUS KOBLER DewertOkin's position within our Group wasn't without its problems. Firstly, Dr. Gross and Mr. Kleinle had been increasingly doing their own thing for years, meaning that DewertOkin was steadily distancing itself from the Phoenix Mecano industrial divisions. Secondly, its huge growth was costing a lot of money, which came out of the

333

DewertOkin Technology Group

Despite subdued furniture markets worldwide, the DewertOkin Technology Group (DOT Group) achieved double-digit growth in incoming orders and sales in local currency thanks to the successful combination of its drives and mechanisms business. It also significantly boosted its profitability to 23.2 %.

GROSS SALES IN EUR MILLION

Orders

Incoming orders in the DOT Group division increased from EUR 348.8 million to EUR 381.8 million (up 9.5 %, or 11.5 % in organic, local-currency terms), following a rise of 23.2 % the previous year. The book-to-bill ratio was 1.03 (previous year: 1.06).

Sales

With gross sales of EUR 370.5 million, the DOT Group division saw its sales grow by 12.1 % (14.3 % in organic, local-currency terms). After a brief recovery phase in the previous year, the furniture market as an end market for DOT products performed rather sluggishly in 2024, not yet returning to its pre-COVID-19 level. On the other hand, the share of motorised comfort furniture within the furniture industry continued to increase. In the challenging and competitive European market, sales fell again by 27.6 %. They were up 4.8 % in the direct business in North and South America, while the Middle and Far East saw very dynamic sales growth of 22.1 %.

Gross sales of drives rose by 14.2 % and mechanisms by 14.8 % compared with the previous year. The division had further success in selling drive and mechanism technology as a package, and the Smart Health start-up business area achieved its first sales successes in China. On the other hand, ConnectedCare GmbH (formerly BEWATEC ConnectedCare GmbH), which previously formed part of this business area, was removed from the DOT Group division at the end of 2023 as part of a reorganisation.

Result

The rise in sales and associated gross profit as well as increased subsidies in China, which were offset by substantial expenditure linked to the complex site consolidation at the new industrial park in Jiaxing, led to a significant improvement in the operating result. This stood at EUR 23.6 million, compared with EUR 7.2 million the previous year, although the previous year's result was impacted by exceptional expenses of EUR 4.4 million for a performance enhancement programme.

Asset and capital structure

At EUR 17.5 million, purchases of tangible and intangible assets were below the previous year's level of EUR 19.9 million. The final phase of the expansion of the new industrial park in Jiaxing was largely completed with the transfer of functional mechanism production. All the division's production activities in China are now consolidated at a single location.

Thanks to business growth, net operating assets increased by 22.5 % to EUR 101.9 million. Nevertheless, the return on capital employed (ROCE) rose sharply from 8.6 % to 23.2 % because of the significantly higher operating result.

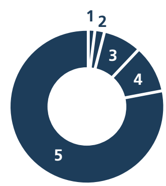
OPERATING RESULT IN EUR MILLION

23.6

IN % OF SALES

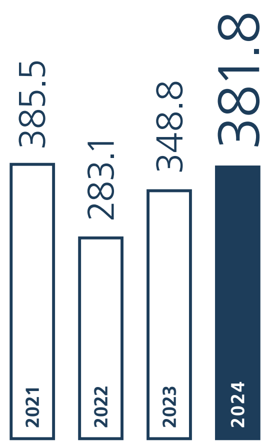
6.4 %

GROSS SALES BY REGION IN %



1 Switzerland **0.2 %**
2 Germany **2.5 %**
3 Rest of Europe **7.7 %**
4 North and South America **10.6 %**
5 Middle and Far East **79.0 %**

INCOMING ORDERS IN EUR MILLION



Past and Future

Like potters at the wheel, organizations must make sense of the past if they hope to manage the future. Only by coming to understand the patterns that form in their own behavior do they get to know their capabilities and their potential. Thus crafting strategy, like managing craft, requires a natural synthesis of the future, present, and past. (Prof. Henry Mintzberg, *Crafting Strategy*, 1987)

INES KLJUCAR It's mainly thanks to the older generations that Phoenix Mecano has grown, in 50 years, into a successful global enterprise. The Group has overcome numerous crises in the past, and the fact that it's always emerged stronger from them is due in part to Phoenix Mecano's focus on continuity. But continuity also has its downside. In times of accelerated change, we're changing too slowly. We need more diversity, more digitalization, more market perspective. We have to learn to think from the customer's point of view, in terms of solutions and applications rather than products. That's working well in individual markets, but we need a more global sales strategy and less of a lone wolf approach if we're to really scale up. Perhaps we also need to move away from our dual identity – Phoenix Mecano and the parent companies – and build a unified Group identity. Phoenix Mecano is already a much stronger brand internationally than in Germany, and our sales organizations use this for cross-selling in many fields of application. I think that the whole "Phoenix Mecano" vs. "parent company brands" argument needs to be reframed in terms of a customer-oriented and cross-product portfolio.

RENÉ SCHÄFFELER Our Group is still very broad-based. On the one hand, this makes it resilient, but on the other hand, we lack critical mass in some areas. To achieve this, focus is needed. We simply aren't big enough to invest in growth everywhere at the same time and to the same extent.

So we need an anchor, but at the same time we have to open up and move forward, maintaining our openness and having the courage to adopt a cross-border, cross-company mindset. We have to think more outside the box, especially when it comes to our most important market and operating location, Germany, where we face major structural challenges and increasingly crippling bureaucracy.

As always in our 50-year history, these strategic questions are about striking the right balance between centralized and decentralized management. In finance and IT, centralized solutions should be given priority. For example, in the short or medium term, the Group needs an integrated ERP landscape as a basis for greater automation and more efficient coordination of internal processes and goods flows. Centralized or regional shared services will also continue to grow in importance.

SAURABH SHUKLA Phoenix Mecano's corporate culture will continue to be the key to success in the future: decentralized management, trust that fosters collaboration, timely decisions, customer proximity, a high degree of personal responsibility, and entrepreneurship. However, we need to realign our goals. We are very well diversified, which has helped us through some crises. But diversification may have reached a level that is now taking more energy and resources than it may be contributing. We need to focus on topics and megatrends for which we believe we can offer the best solutions worldwide with our products and our expertise. We need to align our sales companies, the European engineering and distribution hubs, and the best cost location for product development and manufacturing. The future belongs to companies who can truly leverage the global enterprise value. To do all this we will need more young employees, not least because our customers are getting younger and younger.

BENEDIKT GOLDKAMP Phoenix Mecano isn't a big battleship, but a fleet of agile speedboats. Sometimes these boats get caught in a storm and then others come to help. But each boat has to take responsibility for itself. This approach has made us a medium-sized group with a global footprint, something that hardly any other industrial company of our size has achieved. To get to this point, we've had to relinquish any mania for control, and over the years this has occasionally led to disappointments and failed projects. But when it comes to resilience, which is becoming increasingly important nowadays, our globally distributed expertise puts us in a good position.

What does the future hold for us? The rollback of globalization caused by barriers to technology transfer and new tariff regimes presents us with enormous challenges. Digitalization

Share information

Phoenix Mecano AG's shares are listed on SIX Swiss Exchange in Zurich. The share capital of CHF 960 500 is divided up into 960 500 registered shares with a par value of CHF 1.00 each. There are no restrictions on ownership or voting rights. Capital that is not required for internal growth is returned to shareholders in the form of dividends, par value repayments and share buy-backs. The share capital has not been increased since the company went public in 1988. Phoenix Mecano AG's corporate policy dictates that growth should be funded out of the company's own capital resources.

OPTING OUT AND OPTING UP

The company has not made any use of the possibility provided for in the Swiss Stock Exchange Act of excluding an acquiring company from the obligation to make a public purchase bid. The limit for the obligation to make an offer pursuant to Article 32 of the Swiss Federal Act on Stock Exchanges and Securities Trading is 45 % of voting rights.

PAYOUT AND DIVIDEND POLICY

The target payout ratio for dividend payments is 40–50 % of result after tax, adjusted for special factors. The strong balance sheet and high free cash flow can sustainably finance organic growth as well as any acquisitions. The Board of Directors will propose to the Shareholders' General Meeting of 22 May 2025 a dividend of CHF 19.00 per share. This corresponds to a payout ratio of 51 %.

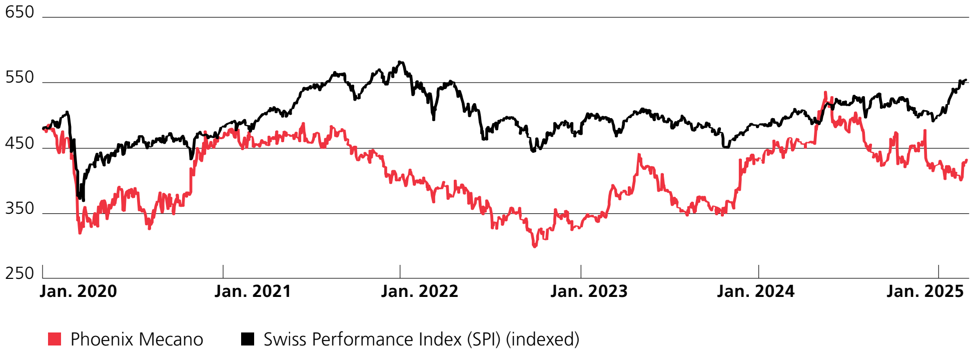
The share is covered by the following analysts:
- UBS AG: Jörn Iffert, joern.iffert@ubs.com
- Research Partners: Reto Huber, reto.huber@researchpartners.ch
- Zürcher Kantonalbank: Michael Inauen, michael.inauen@zkb.ch
- Baader Helvea, Michael Roost, mroost@helvea.com

Listing	SIX Swiss Exchange/Zurich
Securities No.	126133810
ISIN	CH1261338102
Reuters	PM.S
Bloomberg	PMN.SW
Legal Entity Identifier (LEI)	529900SWF06EKVI1JY11.

DIVIDEND PER SHARE IN CHF

SHARE PRICE 1 JANUARY 2020–28 FEBRUARY 2025

in CHF



SHARE INDICATORS AT A GLANCE

	Units	2024	2023	2022	2021	2020
Share capital (registered shares with a par value of CHF 1.00)	CHF	960 500	960 500	960 500	960 500	960 500
Treasury shares	Number	24 617	5 453	86	189	491
Shares entitled to dividend	Number	935 883	955 047	960 414	960 311	960 009
Operating result per share [1]	EUR	55.0	65.0	55.8	46.1	23.4
Result of the period per share [1]	EUR	39.1	47.6	40.6	31.6	9.2
Equity per share [1]	EUR	309.6	298.1	272.1	249.9	196.1
Free cash flow per share [1]	EUR	21.3	60.3	12.4	28	10.8
Dividend	CHF	19.00 [4]	30.00 [5]	16.50	15.00	8
Market price						
High	CHF	536	441	421.5	502	494.5
Low	CHF	414	328	294	396	312
Year-end price	CHF	425	434	329	405.5	464.5
Market capitalisation CHF million	408.2	416.9	316	389.5	446.2	
Dividend yield [2]	%	4.5 [4]	6.9 [5]	5	3.7	1.7
Total shareholder return	%	4.8	36.9 [5]	–15.2	–11.0	–0.8
Payout ratio [3]	%	51 [4]	65 [5]	40	44	81
Price/profit ratio as at 31 December		11.4	9.4	8.1	11.9	46.9

1 Based on shares entitled to dividend as at 31 December 2024.
2 Dividend in relation to year-end price.
3 Dividend (shares entitled to dividend only) in relation to result of the period.
4 Proposal to the Shareholders' General Meeting of 22 May 2025. Dividend proposal of CHF 19.00.
5 Dividend of CHF 18.00 plus special dividend of CHF 12.00.

Sustainability

Phoenix Mecano publishes a sustainability report based on the Global Reporting Initiative (GRI) and aims to halve CO_2 emissions from its own operations by 2030. The data and calculations for Scope 1 and 2 greenhouse gas emissions were audited externally for the first time for the 2024 financial year.

Alongside the success of its business activities, Phoenix Mecano has always attached great importance to looking after its employees, caring for the environment and making a positive contribution to society. These principles are all part of a commitment to operating sustainably, in economic, environmental and social terms.

Sustainability is becoming increasingly important for investors, customers, employees and lawmakers. In order to meet these growing demands for transparency and to make its own commitment more visible, Phoenix Mecano published a sustainability report for the first time in 2022. Data collected in line with the Global Reporting Initiative (GRI) Standards forms the basis for the targeted management of activities in this area.

SUSTAINABILITY LEVELS

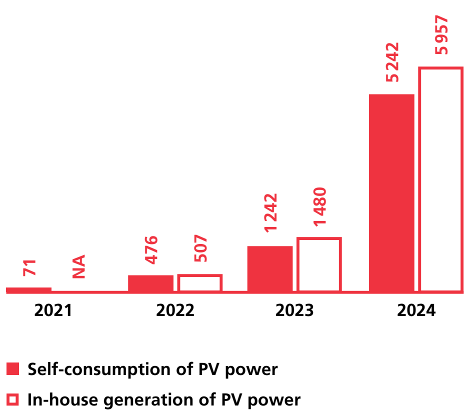
For the sustainability report, the areas to be evaluated were defined, weighted and divided into three levels based on the GRI criteria. The topics covered are split between the economic, social and environmental levels.

READ THE FULL REPORT HERE.

CO_2 STRATEGY

Phoenix Mecano aims to massively reduce its own CO_2 emissions, thereby generating a positive EBIT effect and the greatest possible environmental benefit. Its own operations (Scope 1+2) are to be made carbon neutral by 2050 at the latest, with this goal pursued as far as possible by cutting CO_2 emissions. In a first stage, Phoenix Mecano intends to halve CO_2 emissions from its own operations, per unit of sales, by 2030 compared with 2021. To this end, a number of measures have been defined that are being implemented on an ongoing basis.

DEVELOPMENT OF SOLAR POWER GENERATION AND SELF-CONSUMPTION
PV power MWh



The most important levers include efficiency measures, aimed at reducing the Group's carbon footprint while also improving productivity. Another key element are photovoltaic systems generating green electricity for in-house use. Photovoltaic systems generating 6 000 MWh of power per year are already in operation, including at major production sites in Jiaxing (China), Kecskemét (Hungary), Sibiu (Romania) and Pune (India). In 2024, self-generated solar power covered around 12 % of the Phoenix Mecano Group's electricity consumption. Solar energy systems generating a further 3 000 MWh per year will be added in 2025. Replacing machinery with more economical models and upgrading the energy performance of buildings as part of replacement investments will also help to reduce energy consumption and so lower CO_2 emissions.

DEVELOPMENT OF EMISSIONS

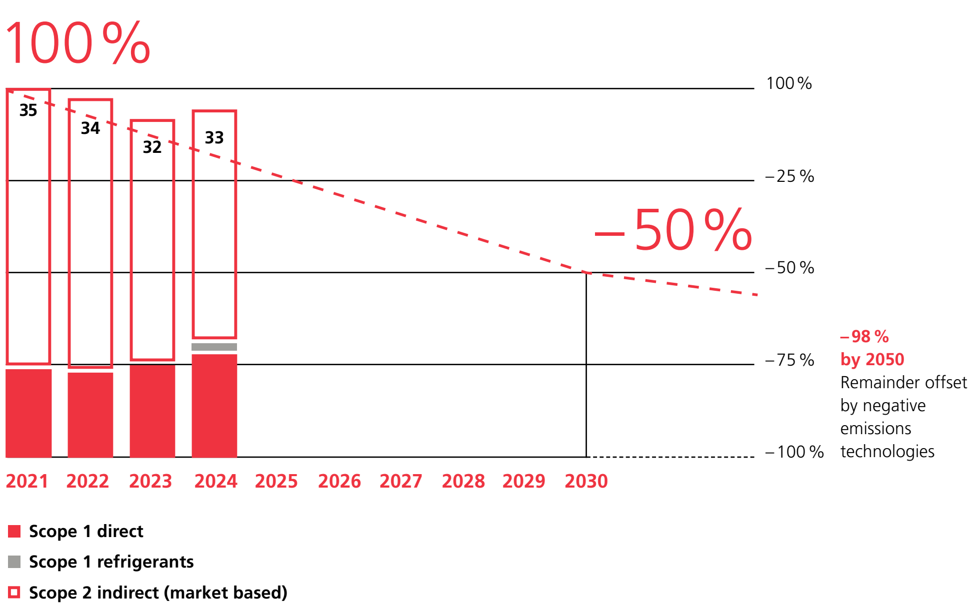
Most of the Group's locations were able to significantly reduce their emissions in the reporting year. This was due to the implementation of energy efficiency measures, as well as an increase in the proportion of renewable energy in the electricity fuel mix in many places. However, there was a shift in activities within the Phoenix Mecano Group: while the two industrial divisions, Enclosure Systems and Industrial Components, generated lower sales than in the previous year, demand for the DewertOkin Technology Group division's products rose at a double-digit rate. The DOT Group operates in a high-volume business area and processes large quantities of material in energy-intensive processes such as machining steel parts and plastic injection moulding. This shift in activities towards the energy-intensive DOT Group division is one of the reasons why the Phoenix Mecano Group's energy consumption increased by 10 %, despite sales remaining virtually unchanged.

In addition, with the commissioning of the new industrial park in Jiaxing, the production area has expanded and production processes that were previously outsourced to suppliers are now carried out in-house.

As a result, the DOT Group's energy consumption rose sharply compared with the previous year (up 33 %). A newly commissioned photovoltaic system at the Jiaxing site was able to absorb some of this additional consumption, meaning that the DOT Group's greenhouse gas emissions increased by less than its energy consumption, rising by 20 %. Nevertheless, the Phoenix Mecano Group's Scope 1 and 2 emissions rose by 2.3 %, although in the industrial divisions energy consumption fell by 2.7 % and greenhouse gas emissions by 13 %. Emissions due to refrigerants were recorded for the first time in the 2024 financial year. They accounted for around 1.7 % of the Phoenix Mecano Group's greenhouse gas emissions.

HALVING EMISSIONS BY 2030 (SCOPE 1 AND 2)

t CO_2eq per 1 million sales



CLIMATE-RELATED RISKS AND OPPORTUNITIES

Phoenix Mecano has identified and assessed the most significant climate-related risks and opportunities in accordance with the guidelines of the Task Force on Climate-related Financial Disclosures (TCFD).

This involves mapping how the risks and opportunities could affect business activities and what measures Phoenix Mecano can take. According to the TCFD recommendations, a distinction is made between physical risks and transition risks and opportunities.

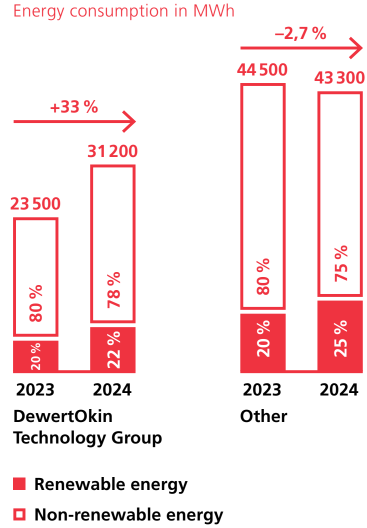
Physical risks include short-term acute extreme events such as storms, floods or landslides as well as longer-term chronic, local impacts such as rising average temperatures, sea level rise or increased droughts. Overall, the physical risks, which relate in particular to production and infrastructure, are categorised as low to moderate.

Transition risks and opportunities arise from new laws and stricter regulations, new technologies, social and economic trends and general conditions triggered by climate change. Overall, the identified trends and changes with regard to energy costs, CO_2 tax and increased reporting requirements harbour low risks. For Phoenix Mecano, there are primarily opportunities, for example the ability to tap into new areas of application in green technology and gain market share.

A detailed assessment of climate-related risks and opportunities can be found in the sustainability report on page 11.

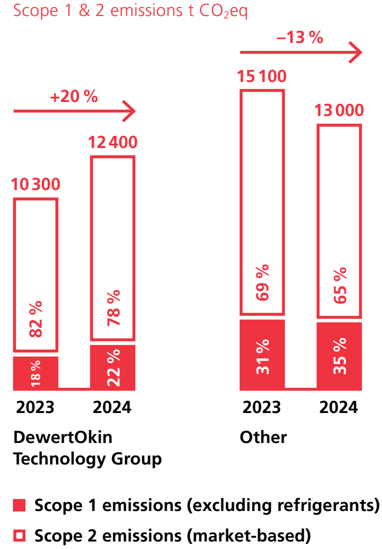
ENERGY CONSUMPTION OF DOT VS. REST OF GROUP

Energy consumption in MWh



EMISSIONS OF DOT VS. REST OF GROUP

Scope 1 & 2 emissions t CO_2eq



CONFLICT MINERALS AND CHILD LABOUR

Phoenix Mecano's Code of Conduct explicitly requires compliance with human rights. This includes, in particular, the core labour standards of the International Labour Organization (ILO) and the United Nations Conventions on the Rights of the Child and on Human Rights.

Phoenix Mecano is subject to the reporting obligation on non-financial matters under Article 964bis of the Swiss Code of Obligations. It started implemented these requirements for the 2021 financial year, communicating on non-financial matters in its sustainability report.

In addition to non-financial reporting, the regulation introduces a due diligence and reporting obligation in the areas of "conflict minerals" and "child labour".

The scope of application includes companies that either import minerals (ores and concentrates) or metals containing tin, tantalum, tungsten or gold (3TG) from conflict-affected or high-risk areas or process them in Switzerland, or offer products/services – including worldwide – in relation to which there is a reasonable suspicion that they have been manufactured or provided using child labour.

Phoenix Mecano complies with the legal requirements and is exempt from the due diligence obligations due to the low quantities of 3TG imported and processed in Switzerland. Nevertheless, it requests information on smelters/refiners from its 3TG suppliers worldwide. Suppliers complete the Conflict Minerals Reporting Template provided by the Responsible Minerals Initiative (RMI) and Phoenix Mecano checks whether the smelters are RMI-compliant.

With regard to child labour, an annual review is carried out to determine whether there is any evidence of child labour in the companies themselves or at their suppliers. No cases of actual or suspected child labour were reported for the reporting year.

A digital whistleblower system has been set up to provide a point of contact for reporting suspicions during the year.

THREE LEVERS OF THE CO_2 STRATEGY

New technology
More efficient machinery, energy-efficient renovations, electric vehicles, green electricity

Estimated effect by 2030

> 20 %

Lean measures (J2OX)
in production and administration

Estimated effect by 2030

> 15 %

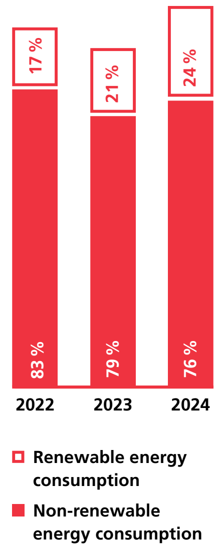
Investment in own solar energy systems
12 GWh, of which 6 GWh is already in operation

Estimated effect by 2030

> 15 %

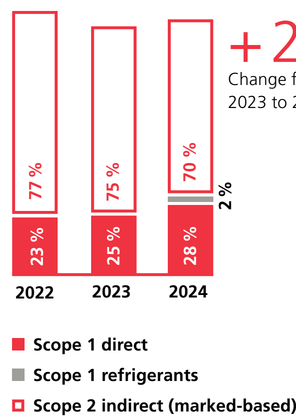
Packages of measures to implement the CO_2 strategy

ENERGY CONSUMPTION
(Final energy consumption)
Total in 2024: 74 511 MWh



+10 %
Change in energy consumption from 2023 to 2024

CO_2-EMISSIONEN
Total in 2024: 25 911 t CO_2eq



+ 2,3 %
Change from 2023 to 2024

ECONOMIC LEVEL

Phoenix Mecano pursues a long-term growth strategy based on growth drivers aligned with megatrends. It sees sustainable growth and profitability as essential for strengthening competitiveness, generating value and creating new jobs. Its decentralised corporate structure helps it stay close to customers, fosters continuous improvements in operational excellence, and enables it to maintain a lean cost base.

A key building block for the energy transition

Hydrogen is indispensable for a climate-friendly future. ROSE's explosion-proof enclosures protect the control systems of hydrogen infrastructure.

For decades, ROSE Systemtechnik has been producing explosion-proof (Ex) enclosures made of aluminium, polyester and stainless steel for industries such as chemicals, petrochemicals, oil and gas. These enclosures meet the safety standards of the ATEX and IECEx directives for potentially explosive atmospheres in gas and dust explosion protection. They are also authorised for use in the USA, the UK, Brazil, South Africa and China. The versions range from intrinsically safe models (Ex i) to pressure-tight encapsulated models (Ex d).

Creation of value added

in 1 000 EUR	Note	2024	2023
Net sales		770 773	775 491
Own work capitalised and other income		24 654	26 918
Cost of materials		– 392 768	– 382 172
Other operating expenses	A	– 99 885	– 104 022
Depreciation / amortisation		– 23 791	– 23 240
Other non-operating result	B	– 406	531
Value added		**278 577**	**293 506**

Ex d enclosures are flameproof, i.e. they will contain an explosion inside the enclosure and prevent it from spreading to the outside. The flame path in Ex d enclosures cools sparks, flames and hot gases and thus prevents ignition of the surrounding explosive atmosphere.

As Ex d enclosures offer such a high level of protection, standard components that are not Ex-certified can also be used inside them. This allows users to choose from a wide range of automation components available on the market.

Distribution of value added

in %	Note	2024	2023
Employees	C	80.5	77.7
Government (taxes)	D	6.1	6.2
Shareholders	E	13.9	6.1
Lenders (net interest expense)		0.2	0.6
Companies (retained earnings)	F	– 0.7	9.4
Value added		**100.0**	**100.0**

A Excluding capital taxes and other non-profit-related taxes.
B Financial result excluding net interest expense plus share of result from associated companies.
C Personnel expenses.
D Current income tax, capital taxes and other non-profit-related taxes.
E Dividends paid in the financial year and share repurchases under the share buy-back programme.
F Result of the period less dividends already paid in the financial year and share repurchases under the share buy-back programme.

SOCIAL LEVEL

At the social level, Phoenix Mecano's commitment to sustainability can be seen in its behaviour towards its stakeholders. The company offers its employees a fair, safe work environment and a culture that recognises and harnesses individual potential. Likewise, when choosing its suppliers, Phoenix Mecano ensures that they treat their workers in a fair and lawful way.


Before

Strengthening communities and preserving nature

Phoenix Mecano India ensures access to clean water in a remote village and helps protect the environment by planting trees.

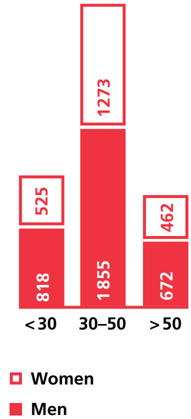
Chikhalgaon is a remote village without modern infrastructure near the Phoenix Mecano India site in Pirangut. Phoenix Mecano India is committed to the region in which it operates and decided to help the 1 500 villagers.

As clean water is the basis for a healthy life, the natural drinking water source was tapped and channelled into the village's water tank so that every household now has access to clean water. At the same time, Phoenix Mecano India renovated the dilapidated water pipe, thereby eliminating a major health risk.

On World Environment Day, the company donated 1 700 fruit trees to the farmers of Chikhalgaon and planted 1 300 trees on a nearby mountain. In this way, Phoenix Mecano India is helping to conserve nature and create a healthier ecosystem for future generations.

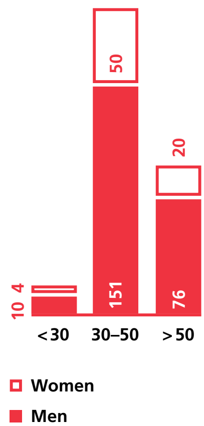
DIVERSITY OF EMPLOYEES

Number of employees



DIVERSITY AT MANAGEMENT LEVELS

Number of employees



ENVIRONMENTAL LEVEL

To protect the environment and mitigate climate change, Phoenix Mecano strives to reduce its energy consumption and increase the proportion of renewable energy it uses for electricity, heating and mobility. In production activities, natural resources are used carefully to minimise the impact on the environment.

Waste recycling rate almost doubled

The DewertOkin Technology Group produces transport crates from sprue parts, enabling it to reuse over 100 tonnes of scrap material.

The DOT Group's injection moulding workshop gets through around 1 200 tonnes of plastic pellets each year. Ninety per cent of this is processed into various plastic parts, while the remaining 10 % (around 120 tonnes) consists of sprues that are cut off. To increase recycling efficiency, this material is shredded and used for transport crates. Thanks to this initiative, almost 6 000 transport boxes have been produced from the sprues, each one containing 1.8 kilograms of recycled material, making a total of 107 tonnes. This has enabled the DOT Group to increase waste recycling by 87 % and demonstrate its commitment to protecting the environment and promoting sustainable practices.

DEVELOPMENT OF WATER CONSUMPTION

■ **Total water consumption at all locations in m³/a**

MATERIALS USED

t/a

Non-renewable resources
Raw materials **60 814**
Auxiliary materials **140**
Packaging materials **344**
raw materials and semi-manufactured goods/parts 3TG **18**

Renewable resources
Packaging materials

Financial calendar

23 APRIL 2025 11.00 a.m.	ANNUAL RESULTS PRESENTATION Results 2024, Q1 results 2025	Widder Hotel, Zurich
15 MAY 2025 12.00 p.m.	CLOSURE OF SHARE REGISTER	
22 MAY 2025 3.00 p.m.	SHAREHOLDERS' GENERAL MEETING	Vienna House zur Bleiche, Schaffhausen
26 MAY 2025	EX-DIVIDEND DATE	
27 MAI 2025	RECORD DAY	
28 MAY 2025	DIVIDEND PAYMENT	
19 AUGUST 2025 7.00 a.m.	MEDIA RELEASE Half-yearly results 2025	Semi-annual report 2025
30 OCTOBER 2025 7.00 a.m.	MEDIA RELEASE Q3 results 2025	

Addresses

GROUP HEADQUARTERS

Phoenix Mecano AG
Hofwisenstrasse 6
Postfach
8260 Stein am Rhein

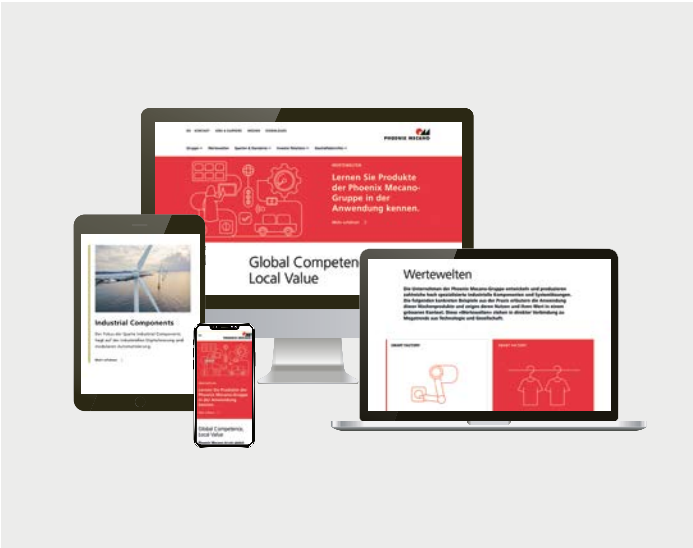
CONTACT ADDRESS

Phoenix Mecano Management AG
Lindenstrasse 23
CH-8302 Kloten

Phone +41 43 255 42 55

info@phoenix-mecano.com
www.phoenix-mecano.com

Multimedia



phoenix-mecano.com/en/annual-reports

In the interests of sustainability, Phoenix Mecano keeps the print run of its annual report as small as possible, focusing instead on value-added multimedia content.

Detailed information is available online and can be accessed and used at any time:
- Quick report
- Interactive chart tool
- Download centre
- Video interview with Benedikt A. Goldkamp, Chairman of the Board of Directors, and Dr Rochus Kobler, CEO

FURTHER INFORMATION

Benedikt A. Goldkamp
Chairman of the Board
of Directorss

Dr. Rochus Kobler
Chief Executive Officer

Philipp Eberhard
Corporate Communications/
Investor Relations

Phone +41 43 255 42 55
info@phoenix-mecano.com
www.phoenix-mecano.com

IMPRINT

Editor
Ruoss Markus
Corporate Communications
9630 Wattwil

Support with sustainability reporting
Nathalie Benkert and
Larissa Lienhard
Amstein + Walthert AG
8050 Zürich

Consulting, design and realisation
Linkgroup AG
8008 Zürich

Photography
Phosstudio Ltd.
Rosengartenstrasse 75
8037 Zürich

Printing
Neidhart + Schön Group AG
8037 Zürich

FSC® www.fsc.org
RECYCLED
Paper made from recycled material
FSC® C016003

Print product with financial
climate contribution
ClimatePartner.com/53232-2503-1005

www.phoenix-mecano.com