



SFS Group AG
Half-Year Report 2024

Inventing success together

24
1H

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Half-Year Report

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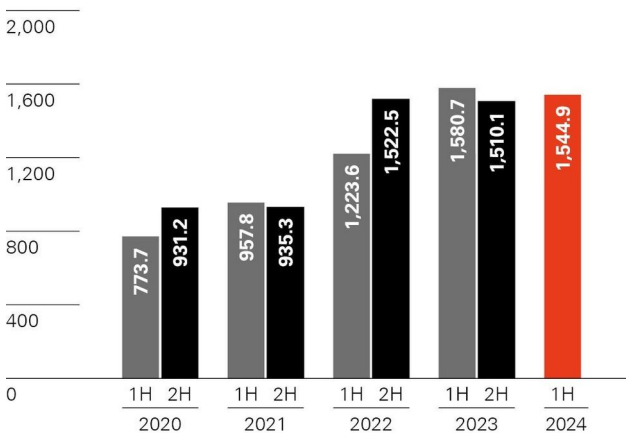
Information on the publication

Key takeaways

Challenging environment

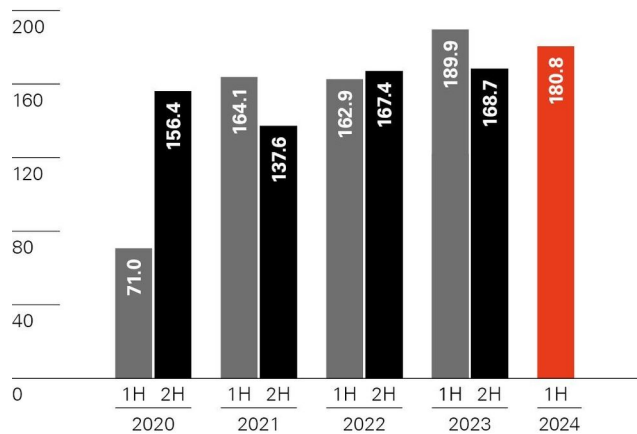
Slight organic growth of 0.1% achieved

Third-party sales in CHF million



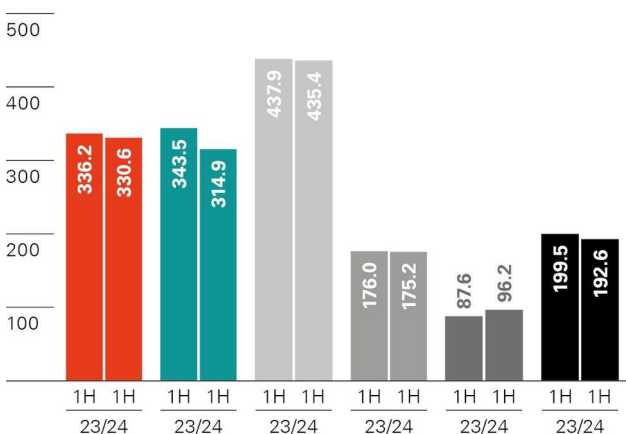
EBIT margin of 11.7% realized

EBIT in CHF million

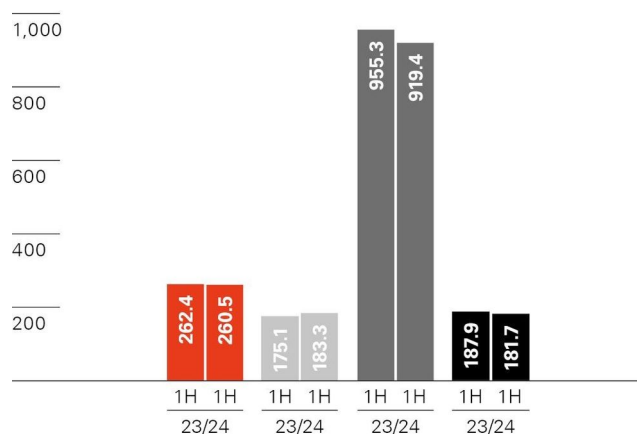


Growth in end markets of Engineered Components segment and recovery in Asia

Third-party sales by end market in CHF million



Third-party sales by region in CHF million



- Automotive industry
- Construction industry
- Industrial manufacturing
- Electrical and electronics industry
- Medical device industry
- Other industries

- America
- Asia, others
- Europe
- Switzerland

Financial overview

Expectations met

	2024 1H	2023 1H	2022 1H	2021 1H	2020 1H
Income statement in CHF million (unaudited)					
Third-party sales	1,544.9	1,580.7	1,223.6	957.8	773.7
Change to previous year in %	-2.3	29.2	27.8	23.8	-10.8
thereof currency impact	-2.4	-4.3	-1.3	-1.2	-3.8
thereof change in scope	0.0	32.7	19.3	1.4	3.4
thereof organic growth	0.1	0.8	9.8	23.6	-10.4
Net sales	1,543.5	1,573.7	1,224.1	960.3	775.6
EBITDA	245.8	253.1	217.1	215.0	120.3
As a % of net sales	15.9	16.1	17.7	22.4	15.5
Operating profit (EBIT)	180.8	189.9	162.9	164.1	71.0
As a % of net sales	11.7	12.1	13.3	17.1	9.2
Operating profit (EBIT) adjusted ¹	180.8	189.9	179.5	161.0	71.0
As a % of net sales	11.7	12.1	14.7	16.8	9.2
Net income	117.3	134.5	131.5	134.1	53.9
As a % of net sales	7.6	8.5	10.7	14.0	7.0
Balance sheet in CHF million					
	06/30/2024 (unaudited)	12/31/2023	12/31/2022	12/31/2021	12/31/2020
Assets	2,599.2	2,546.8	2,574.2	1,839.1	1,684.1
Net cash (+)/debt (-)	-456.0	-445.3	-477.7	279.1	144.3
Average Capital Employed ²	1,789.2	1,758.9	1,557.6	1,143.6	1,134.0
Invested Capital ²	3,433.7	3,339.5	3,290.9	2,194.0	2,149.5
Equity	1,458.3	1,375.7	1,303.6	1,450.4	1,278.2
As a % of assets	56.1	54.0	50.6	78.9	75.9
Cash flow statement in CHF million (unaudited)					
	2024 1H	2023 1H	2022 1H	2021 1H	2020 1H
Cash flow from operating activities	155.9	151.2	62.5	135.8	102.5
Purchase of property, plant, equipment and intangible assets	-68.7	-81.8	-60.7	-46.9	-56.6
Acquisition (-)/Disposal (+) of subsidiaries, net of cash	-3.4	-	-515.1	-	-59.5
Employees					
	06/30/2024 (unaudited)	12/31/2023	12/31/2022	12/31/2021	12/31/2020
Full-time equivalents (FTE)	13,734	13,253	13,282	10,509	10,692
Financial key ratios (unaudited)					
	2024 1H	2023 1H	2022 1H	2021 1H	2020 1H
ROCE in % ² (Return on Capital Employed)	20.2	21.7	27.6	28.3	12.5
ROIC in % ² (Return on Invested Capital)	8.7	9.4	9.0	12.0	5.5

¹Adjustments are explained in the [Information on the publication](#) section.

²Calculation of the key figure is shown in the [Information on the publication](#) section in the Annual Report 2023.

Letter to shareholders

Stable development

The SFS Group continued to navigate a challenging economic environment in the first half of 2024, one marked by inconsistent business performance and inventory reductions in individual end markets. With sales of CHF 1,544.9 million and an EBIT margin of 11.7%, SFS is well on its way to achieving the targets it set for the 2024 financial year. SFS continuously strives to push sustainability forward. CO₂ emissions were further significantly reduced thanks to an increased share of purchased renewable energy.



Thomas Oetterli, Chair of the Board of Directors



Jens Breu, CEO

Dear Shareholders,

Like in 2023, global economic growth fell short of its potential in the first half of 2024. Reasons for this include the weak international economy, geopolitical tensions and the associated lower investment demand. The results in SFS's individual business areas felt the impact of the challenging environment to different degrees. While all the divisions in the Engineered Components segment improved over the previous year, the repercussions of this environment were still quite noticeable in the business with construction customers (Fastening Systems segment) and industrial manufacturing customers (Distribution & Logistics segment).

The SFS Group generated third-party sales (sales) of CHF 1,544.9 million in the first half of 2024. This corresponds to a year-over-year reduction of -2.3%. Currency effects reduced sales growth by -2.4%. Organic growth of 0.1% was achieved on a like-for-like basis.

Profitability was influenced by mix effects and uneven capacity utilization. All in all, SFS generated operating profit (EBIT) of CHF 180.8 million. The EBIT margin amounts to 11.7% of net sales.

Operating free cash flow amounted to CHF 87.2 million, 25.6% higher than in the same period of the previous year (calculation of the key figure is shown in the [Information on the publication](#) section in the Annual Report 2023). The decline in earnings per share (EPS) to CHF 3.00 (PY CHF 3.37) is attributable to the lower operating profit (EBIT) as well as the considerably more negative financial result that arose due to foreign currency effects.

Progress made in strategy implementation

We drove strategic key projects and investments forward as planned in the first half of 2024:

- Ramp-up of precision components and assemblies for a new generation of electric brake systems at the Heerbrugg (Switzerland) and Medina (USA) sites
- Completion of second expansion phase at the location in Nantong (China), which will primarily be used for producing stamped precision components for the electronics industry
- Acquisition of land suitable for building in India to expand the local manufacturing platform
- Market position in the building envelope area in Spain and Portugal strengthened by the acquisition of Etanco
- Conclusion of integration project of Hoffmann into the SFS Group

Investments in the first half of 2024 totaled CHF 68.7 million, which is equivalent to 4.5% of net sales.

Integrating sustainability into all aspects of business operations

SFS considers sustainable business development a key factor for long-term success and competitiveness. We are currently faced with the challenge of integrating sustainability into all aspects of our business operations while simultaneously complying with increasing legal requirements.

Diligent preparation for regulatory requirements

The first half of 2024 was focused on preparing for regulatory requirements such as the Corporate Sustainability Reporting Directive (CSRD) and climate reporting in line with the requirements of the Task Force on Climate related Financial Disclosures (TCFD).

Committed to advancing ESG measures

In the environmental dimension, for example, the amount of wastewater produced at our location in Pordenone (Italy) was reduced by 20% by optimizing the internal water treatment system. Other positive side effects of this project include savings in CO₂ emissions and a reduction in machine energy consumption.

A top priority is the health and safety of our employees. In the social dimension, SFS's goal is to report zero occupational accidents by 2030 at the latest. The "Vision Zero" initiative was launched in the first half of the year to gradually work towards achieving this ambitious undertaking. It calls for an all-encompassing safety culture underpinned by regular training, safety inspections and protocols as well as proactive hazard analyses.

The SFS Group is committed to responsible corporate management. Not only do we comply with legal requirements, but we also make a conscious commitment to the environment and society. SFS has been working together with Solvatten, its new strategic partner, since March 2024 to make access to clean water for all a reality. This Swedish company develops and manufactures environmentally friendly water canisters. We optimized the fasteners in the portable canisters and provided them to Solvatten along with an annual financial contribution. By making this commitment, SFS is not just supporting Solvatten in its mission; it is also helping to protect the climate and having a positive impact on society.

Expectations for the 2024 financial year updated

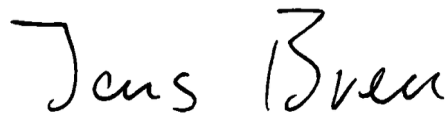
Our top priority remains placing highest focus on customers and ongoing efforts to pursue forward-looking innovation projects. We want to identify the chances and opportunities that go hand-in-hand with the current changes and systematically seize them.

From the second half of the year onward, SFS anticipates a slight economic recovery that is sustained by global demand and improved industrial momentum. The SFS Group expects the 2024 financial year to bring slight organic growth and a slight improvement in the EBIT margin compared to the previous year.

We would like to thank our colleagues for their hard work, their innovative spirit and their loyalty. Their enormous commitment is pivotal to our success.



Thomas Oetterli
Chair of the Board of Directors



Jens Breu
CEO

Engineered Components

Low point passed

In the first half of 2024, the Engineered Components (EC) segment benefited from the sustained ramp-up of components and assemblies for the automotive and electronics industries. The application areas in Medical Devices and Aerospace continued to perform well.

Developments at the divisions of the EC segment were mixed in the first half of 2024. In the Electronics division, the business with major customers in Hard Disk Drives showed signs of recovery. In Mobile Devices, the ramp-up of capacities to produce stamped components is making headway and will enable to increase share of wallet in end devices.

Based on stable demand, the Automotive division continued to outgrow the market as a whole. The ramp-up of precision components and assemblies for a new generation of electric brake systems at the Heerbrugg (Switzerland) and Medina (USA) sites is testimony to the Group's successful strategic positioning as a development and supply partner in automotive applications with strong growth potential. The extensive packages of measures at the Swiss locations have produced some positive initial results.

Medical Devices continued to perform quite positively, validating the major advances made in the past few years. The product areas Aerospace and plastic injection molding reported good growth. Market demand remained low for the other industrial applications.

The Automotive and Industrial divisions were complemented with the respective end market specific business areas of the Riveting division as of January 1, 2024. The previous year's figures were adjusted to the new segment composition for better comparability.

This segment generated CHF 549.9 million in sales in the first half of 2024, which represents solid growth of 2.1% compared to the previous year. Foreign currency effects amounted to -2.7%. Operating profit came in at CHF 77.4 million, which corresponds to a year-over-year increase of 36.0%. The resulting EBIT margin of 14.0% (PY 10.7%) confirms the good development.

Key figures Engineered Components in CHF million	2024 1H	+/-%	2023 1H restated ¹	2023 1H reported
Third-party sales	549.9	2.1	538.6	479.0
Sales growth comparable		4.8		
Net sales	551.5	3.9	530.6	469.4
EBITDA	117.9	21.9	96.7	81.5
As a % of net sales	21.4		18.2	17.4
Operating profit (EBIT)	77.4	36.0	56.9	44.2
As a % of net sales	14.0		10.7	9.4
Operating profit (EBIT) adjusted	77.4	36.0	56.9	44.2
As a % of net sales	14.0		10.7	9.4
Average capital employed	910.4	1.7	895.2	815.5
Investments	48.6	-19.1	60.1	59.3
Employees (FTE)	7,547	6.7	7,073	6,554
ROCE (%) ²	17.0		12.7	10.8

¹The previous year's figures were adjusted to the new segment composition for better comparability.

²EBIT adjusted, annualized in % of average capital employed



Phase two of the site expansion project in Nantong (China) was completed.

Outlook

In the EC segment, SFS assumes that the remainder of the year will see a continuation of the positive development. On a like-for-like basis, the SFS Group expects an improved result for 2024 as a whole compared to the previous year.

Fastening Systems

Weaker demand

A weakened market environment with occasionally high inventories across the entire value chain, negatively impacted the Fastening Systems (FS) segment over the course of the first half of 2024. The segment strengthened its market positioning in the building envelope area in Spain and Portugal through its acquisition of Etanco as of May 1, 2024.

The FS segment felt the impact of an economy weakened by high inflation and interest rates equally in America and Europe. The attractive offering based on competent advice, a range of tailored products and services, a systematically high delivery capability and broad market access proved once again to be a competitive advantage.

The Riveting division was integrated into the Automotive and Medical & Industrial Specials divisions as of January 1, 2024. The previous year's figures were adjusted to the new segment composition for better comparability.

Segment sales amounted to CHF 243.8 million in the first half of the year, a decrease of –10.0% year-over-year. Currency effects of –2.4% continued to impact performance. Accordingly, the EBIT margin of 14.6% (PY 15.1%) is characterized by the lower level of capacity utilization.

Key figures Fastening Systems in CHF million	2024 1H	+/-%	2023 1H restated ¹	2023 1H reported
Third-party sales	243.8	–10.0	270.8	330.4
Sales growth comparable		–7.7		
Net sales	248.2	–10.2	276.5	336.7
EBITDA	41.8	–11.4	47.2	62.4
As a % of net sales	16.8		17.1	18.5
Operating profit (EBIT)	36.2	–13.4	41.8	54.5
As a % of net sales	14.6		15.1	16.2
Operating profit (EBIT) adjusted	36.2	–13.4	41.8	54.5
As a % of net sales	14.6		15.1	16.2
Average capital employed	233.1	–7.6	252.4	315.0
Investments	8.4	–5.6	8.9	9.7
Employees (FTE)	1,926	–6.3	2,056	2,576
ROCE (%) ²	31.1		33.1	34.6

¹The previous year's figures were adjusted to the new segment composition for better comparability.

²EBIT adjusted, annualized in % of average capital employed



The acquisition of Etanco S.A.U. in May 2024 allows us to strengthen our competitiveness in the building envelope area on the Iberian market.

Outlook

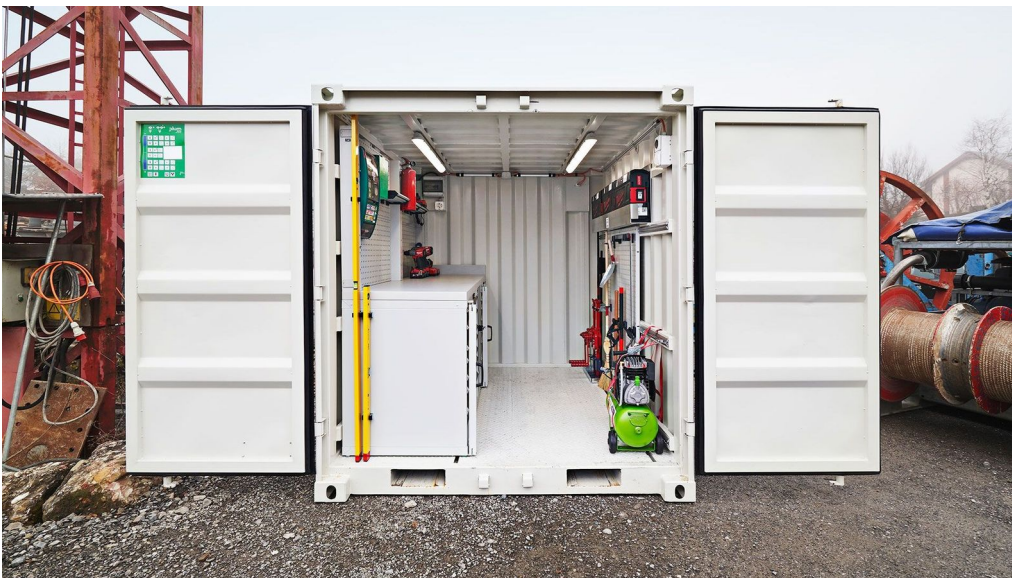
The SFS Group assumes that the inventory corrections in the European and North American construction industry are largely complete. Accordingly, SFS expects to see a slight improvement in the market environment over the course of the year.

Distribution & Logistics

Robust positioning

The first half of 2024 brought a continuation of the slow-down in market demand in the Distribution & Logistics segment that began over the course of the past financial year. Two years after the transaction with Hoffmann, the integration project was successfully completed.

The first six months of 2024 saw the D&L segment impacted by a weaker economy in nearly all end markets and regions as well as in some cases reductions of the high levels of inventories by customers. In this challenging environment, SFS succeeded in generating good results based on its comprehensive range of products and services and through prudent cost management.



SFS delivers fully equipped, mobile workshop and tool containers with a broad assortment of quality tools.

The CHF 751.2 million in sales generated represent a year-over-year decline of –2.6%. Foreign currencies impacted the results by –2.1%. A reduction of –0.5% resulted on a like-for-like basis. Operating profit (EBIT) of CHF 67.5 million results in an EBIT margin of 9.0% (PY 12.1%).

Key figures Distribution & Logistics in CHF million	2024 1H	+/-%	2023 1H
Third-party sales	751.2	-2.6	771.3
Sales growth comparable		-0.5	
Net sales	748.6	-2.3	766.4
EBITDA	83.1	-22.4	107.1
As a % of net sales	11.1		14.0
Operating profit (EBIT)	67.5	-27.3	92.8
As a % of net sales	9.0		12.1
Operating profit (EBIT) adjusted	67.5	-27.3	92.8
As a % of net sales	9.0		12.1
Average capital employed	637.1	5.6	603.3
Investments	7.6	-2.6	7.8
Employees (FTE)	3,813	3.0	3,703
ROCE (%) ¹	21.2		30.8

¹EBIT adjusted, annualized in % of average capital employed

Outlook

The SFS Group assumes that the inventory corrections in industrial manufacturing are not yet complete. The segment's development during the remainder of the year remains uncertain as a result.

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Consolidated income statement

In CHF million (unaudited)	Notes	2024 1H	%	2023 1H	%	+/-%
Net sales	6	1,543.5	100.0%	1,573.7	100.0%	-1.9%
Other operating income		17.2		20.8		
Change in work in progress and finished goods		3.8		-10.3		
Material expenses		-660.2		-674.4		
Contribution margin		904.3	58.6%	909.8	57.8%	-0.6%
Personnel expenses		-433.1		-420.9		
Other operating expenses		-225.4		-235.8		
Depreciation on property, plant and equipment		-58.9		-58.2		
Amortization of intangible assets		-6.1		-5.0		
Total operating expenses		-723.5	-46.9%	-719.9	-45.7%	0.5%
Operating profit (EBIT)		180.8	11.7%	189.9	12.1%	-4.8%
Financial result		-24.3		-9.0		
Share of profit/(loss) from associates/joint ventures		1.2		0.6		
Earnings before tax		157.7	10.2%	181.5	11.5%	-13.1%
Income taxes	7	-40.4		-47.0		
Net income		117.3	7.6%	134.5	8.5%	-12.8%
Attributable to non-controlling interests		0.8		3.5		
Attributable to SFS shareholders		116.5		131.0		
Earnings per share of the SFS shareholders (in CHF) basic and diluted	9	3.00		3.37		-11.0%

Consolidated balance sheet

Assets in CHF million	Notes	06/30/2024 (unaudited)	%	12/31/2023 (audited)	%	+/-%
Cash and cash equivalents		180.9		227.5		
Trade receivables		522.7		458.5		
Other current receivables	10	89.0		86.3		
Inventories		571.2		550.9		
Prepayments and accrued income		30.2		31.5		
Current assets		1,394.0	53.6%	1,354.7	53.2%	2.9%
Property, plant and equipment		1,028.0		991.9		
Intangible assets		59.8		59.4		
Financial assets	11	67.8		97.0		
Deferred tax assets		49.6		43.8		
Non-current assets		1,205.2	46.4%	1,192.1	46.8%	1.1%
Assets		2,599.2	100.0%	2,546.8	100.0%	2.1%
Liabilities and equity in CHF million						
Current borrowings	12	268.2		36.7		
Trade payables		168.1		186.9		
Other current payables		96.2		92.5		
Accrued liabilities and deferred income		143.4		124.8		
Current liabilities		675.9	26.0%	440.9	17.3%	53.3%
Non-current borrowings	12	368.7		636.1		
Other non-current payables		7.7		6.8		
Pension benefit obligations		12.7		12.0		
Non-current provisions		14.7		14.2		
Deferred tax liabilities		61.2		61.1		
Non-current liabilities		465.0	17.9%	730.2	28.7%	-36.3%
Liabilities		1,140.9	43.9%	1,171.1	46.0%	-2.6%
Share capital		3.9		3.9		
Capital reserves		82.6		131.1		
Treasury shares		-1.0		-1.4		
Retained earnings		1,354.0		1,223.8		
Equity attributable to SFS share-holders		1,439.5	55.4%	1,357.4	53.3%	6.0%
Non-controlling interests		18.8		18.3		
Total equity		1,458.3	56.1%	1,375.7	54.0%	6.0%
Liabilities and equity		2,599.2	100.0%	2,546.8	100.0%	2.1%

Consolidated statement of changes in equity

Notes	Share capital	Capital reserves	Treasury shares	Goodwill offset against equity	Cash flow hedges	Net investment hedges	Currency translation adjustments	Other retained earnings	Retained earnings	Equity attributable to SFS shareholders	Non-controlling interests	Total equity
In CHF million												
Balance as at 12/31/2022 (audited)	3.9	179.8	-1.5	-1'509.6	-	32.0	-119.6	2,699.7	1,102.5	1,284.7	18.9	1,303.6
Changes of hedges	-	-	-	-	-1.8	4.3	-	-	2.5	2.5	-	2.5
Currency translation adjustments	-	-	-	-	-	-	-24.2	-	-24.2	-24.2	-0.2	-24.4
Net income	-	-	-	-	-	-	-	131.0	131.0	131.0	3.5	134.5
Dividend for 2022	-	-48.6	-	-	-	-	-	-48.6	-48.6	-97.2	-0.7	-97.9
Disposal of treasury shares	-	0.0	1.5	-	-	-	-	-	-	1.5	-	1.5
Balance as at 06/30/2023 (unaudited)	3.9	131.2	0.0	-1'509.6	-1.8	36.3	-143.8	2,782.1	1,163.2	1,298.3	21.5	1,319.8
Changes of hedges	-	-	-	-	2.7	14.0	-	-	16.7	16.7	-	16.7
Acquisitions	-	-	-	-8.9	-	-	-	-	-8.9	-8.9	-	-8.9
Currency translation adjustments	-	-	-	-	-	-	-82.2	-	-82.2	-82.2	-0.9	-83.1
Net income	-	-	-	-	-	-	-	135.0	135.0	135.0	-1.0	134.0
Dividend for 2022	-	-	-	-	-	-	-	-	-	-	-1.3	-1.3
Purchase of treasury shares	-	-	-2.6	-	-	-	-	-	-	-2.6	-	-2.6
Disposal of treasury shares	-	-0.1	1.2	-	-	-	-	-	-	1.1	-	1.1
Balance as at 12/31/2023 (audited)	3.9	131.1	-1.4	-1,518.5	0.9	50.3	-226.0	2,917.1	1,223.8	1,357.4	18.3	1,375.7
Changes of hedges	-	-	-	-	-2.1	-7.8	-	-	-9.9	-9.9	-	-9.9
Acquisitions	-	-	-	-0.9	-	-	-	-	-0.9	-0.9	-	-0.9
Currency translation adjustments	-	-	-	-	-	-	73.1	-	73.1	73.1	0.5	73.6
Net income	-	-	-	-	-	-	-	116.5	116.5	116.5	0.8	117.3
Dividend for 2023	-	-48.6	-	-	-	-	-	-48.6	-48.6	-97.2	-0.8	-98.0
Purchase of treasury shares	-	-	-0.8	-	-	-	-	-	-	-0.8	-	-0.8
Disposal of treasury shares	-	0.1	1.2	-	-	-	-	-	-	1.3	-	1.3
Balance as at 06/30/2024 (unaudited)	3.9	82.6	-1.0	-1,519.4	-1.2	42.5	-152.9	2,985.0	1,354.0	1,439.5	18.8	1,458.3

The capital reserves stem from the statutory capital reserve and other capital reserves of SFS Group AG.

Consolidated cash flow statement

In CHF million (unaudited, condensed version)	Notes	2024 1H	2023 1H	+/-%
Cash flow before changes in net working capital		199.2	201.5	-1.1%
Changes in net working capital		-43.3	-50.3	
Cash flow from operating activities		155.9	151.2	3.1%
Purchases of property, plant and equipment		-64.9	-75.8	
Proceeds from sale of property, plant and equipment		2.9	2.9	
Purchases of intangible assets		-3.8	-6.0	
Proceeds from government grants		0.9	0.7	
Acquisition of subsidiaries, net of cash acquired	13	-3.4	-	
Proceeds from disposal (+)/outflows for investment (-) of financial assets		-0.2	-0.2	
Investment in/dividends from associates/joint ventures		0.1	0.2	
Proceeds from interest and securities		1.5	0.6	
Cash flow from investing activities		-66.9	-77.6	-13.8%
Dividends to the shareholders	8	-97.2	-97.2	
Dividends to non-controlling interests		-0.8	-0.7	
Purchase (-)/disposal of treasury shares (+)		-0.8	-	
Proceeds (+)/repayment from/of current borrowings (-)		-20.0	-1.4	
Proceeds (+)/repayment from/of non-current borrowings (-)		-22.4	32.4	
Cash flow from financing activities		-141.2	-66.9	
Translation adjustment on cash and cash equivalents		5.6	-3.5	
Changes in cash and cash equivalents		-46.6	3.2	
Cash and cash equivalents at beginning of period		227.5	221.5	
Cash and cash equivalents at end of period		180.9	224.7	

Notes to the consolidated financial statements

1 General information

SFS Group is a limited company according to Swiss law, incorporated and domiciled in Heerbrugg, municipality of Widnau/SG (Switzerland). SFS Group AG is the parent company of all SFS Group companies and therefore the ultimate holding company of the SFS Group. It is listed on the SIX Swiss Stock Exchange AG in Zurich with the security code symbol SFSN.

All amounts are in CHF million unless otherwise stated.

2 Accounting policies

These unaudited and condensed half-year consolidated financial statements have been prepared in accordance with Swiss GAAP FER 31 para 9 to 12 Interim Reporting. These half-year consolidated financial statements need to be considered in conjunction with the consolidated financial statements 2023 and have been prepared using the same accounting and valuation methods with the exception of the following accounting standards that have been applied since January 1, 2024:

- Swiss GAAP FER 28 "Government grants"
- Swiss GAAP FER 30 "Consolidated financial statements"

The application of the above-mentioned new and revised standards did not have a material impact on the consolidated financial statements.

3 Critical accounting estimates and judgments

Recognized critical accounting estimates and judgments and the financial risk management used in the consolidated financial statements 2023 have remained unchanged in the first half of the year 2024. Similarly, there are no material changes in the financial risk.

4 Seasonality and other effects

Due to seasonal variations in the segments, higher net sales and a higher operating profit are typically achieved in the second half of the year. The strongest characteristics results from the end-user markets of the electrical and electronics industry and the construction industry. In the electrical and electronics industry, the second half of the year sees the launch of new products from important end customers and higher sales due to the holiday season. The construction industry generally benefits from the seasonally strong autumn months. In other end markets, sales are more balanced throughout the year.

5 Segment information

SFS Group is divided into the three segments Engineered Components, Fastening Systems and Distribution & Logistics.

As of January 1, 2024, the Industrial and Medical divisions were merged into one new division called Medical & Industrial Specials, which is part of the Engineered Components segment. The Riveting division, which was part of the Fastening Systems segment, was allocated to the Automotive and Medical & Industrial Specials divisions as of January 1, 2024. Therefore the disclosure, monitoring and assessment of the financial results of the former Riveting division will be included in the Engineered Components segment from 2024.

The previous year's figures have been restated for better comparability.

Detailed information about the segments are presented in the "[Engineered Components](#)", "[Fastening Systems](#)" and "[Distribution & Logistics](#)" section of the Half-Year Report.

In addition to the elimination of intercompany transactions, the segment "Corporate" contains corporate data relating to Technology, Corporate Services and Corporate IT & Finance.

Reconciliation of segment results to income statement and balance sheet

	Notes	Engineered Components	Fastening Systems	Distribution & Logistics	Corporate	Total SFS Group
2024 1H						
Third-party sales	6	549.9	243.8	751.2	–	1,544.9
Net sales	6	551.5	248.2	748.6	–4.8	1,543.5
EBITDA		117.9	41.8	83.1	3.0	245.8
In % of net sales		21.4	16.8	11.1		15.9
Operating profit (EBIT)		77.4	36.2	67.5	–0.3	180.8
In % of net sales		14.0	14.6	9.0		11.7
Capital expenditures		48.6	8.4	7.6	4.1	68.7
06/30/2024 (unaudited)						
Operating assets		1,112.5	298.6	829.3	87.6	2,328.0
Operating liabilities		179.5	64.3	178.9	73.6	496.3
Capital employed of which net working capital		933.0 312.2	234.3 146.2	650.4 352.2	14.0 –27.7	1,831.7 782.9

2023 1H restated¹

Third-party sales	6	538.6	270.8	771.3	–	1,580.7
Net sales	6	530.6	276.5	766.4	0.2	1,573.7
EBITDA		96.7	47.2	107.1	2.1	253.1
In % of net sales		18.2	17.1	14.0		16.1
Operating profit (EBIT)		56.9	41.8	92.8	–1.6	189.9
In % of net sales		10.7	15.1	12.1		12.1
Capital expenditures		60.1	8.9	7.8	5.0	81.8
12/31/2023 restated¹						
Operating assets		1,072.4	274.9	792.5	80.4	2,220.2
Operating liabilities		202.2	61.0	169.1	59.2	491.5
Capital employed of which net working capital		870.2 278.0	213.9 132.7	623.4 328.1	21.2 –17.9	1,728.7 720.9

¹The previous year's figures were adjusted to the new segment composition for better comparability.

Assets	Notes	06/30/2024	12/31/2023
Operating assets		2,328.0	2,220.2
+ Cash and cash equivalents		180.9	227.5
+ Short-term derivative financial instruments		22.5	2.1
+ Financial assets	11	67.8	97.0
Assets		2,599.2	2,546.8

Liabilities and equity

Operating liabilities		496.3	491.5
+ Current borrowings	12	268.2	36.7
+ Other non-current payables		7.7	6.8
+ Long-term borrowings	12	368.7	636.1
Liabilities		1,140.9	1,171.1
Equity (Net assets)		1,458.3	1,375.7

6 Net sales

	2024 1H	2023 1H	+/-%
Third-party sales	1,544.9	1,580.7	-2.3
Other items	-1.4	-7.0	
Net sales	1,543.5	1,573.7	-1.9

7 Income taxes

In these half-year consolidated financial statements, the income taxes have been recorded on the basis of local tax rates.

8 Dividend

The dividend distribution for fiscal year 2023 of CHF 2.50 per share was approved at the annual general meeting and paid out in the total amount of CHF 97.2 million in May 2024.

9 Earnings per SFS share

	2024 1H	2023 1H
Weighted average number of outstanding shares	38,888,591	38,891,498
Net income attributable to SFS shareholders	116.5	131.0
Earnings per share (in CHF) basic and diluted	3.00	3.37

10 Other current receivables

	06/30/2024	12/31/2023
VAT and withholding tax	15.5	16.8
Receivables from supplier rebates	24.2	41.1
Other receivables	26.8	26.4
Short-term derivative financial instruments	22.5	2.0
Total	89.0	86.3

11 Financial assets

	06/30/2024	12/31/2023
Loans to third parties	4.1	4.1
Investments	16.8	14.8
Assets from employer contribution reserves	22.8	22.8
Economic benefit from pension plans	2.5	2.0
Derivative financial instruments	18.1	50.3
Other financial assets	3.5	3.0
Total	67.8	97.0

Marketable securities and financial assets are measured at market value through profit or loss. In the absence of a market value, marketable securities and financial assets are measured at historical costs less any impairment. "Investments" include investments in associates, joint ventures and immaterial subsidiaries that are not included in the scope of consolidation.

In connection with the financing of the Hoffmann SE acquisition and the corresponding issuance of two bonds with a volume of CHF 400 million (refer to note 12), SFS Group has entered into two cross-currency-swaps (CHF/EUR) in 2022 with the same volume and maturity. The cross-currency-swaps (designated as hedging instruments) are used to hedge the foreign currency exposure which arises from the translation of net investments in foreign entities (designated as hedged items) into the Group's presentation currency. Changes in the fair values of the cross-currency-swaps (net investment hedges) are recognized in equity and reversed through profit and loss upon disposal of the entity. As of June 30, 2024, the fair values of the cross-currency-swaps amount to CHF 42.5 million, thereof CHF 24.4 million are disclosed as other current receivables and CHF 18.1 million are disclosed as financial assets (fair values December 31, 2023: CHF 50.3 million).

12 Borrowings

Current borrowings	06/30/2024	12/31/2023
Bonds	250.0	–
Bank borrowings	18.2	20.9
Non-current borrowings from third parties	–	15.8
Total	268.2	36.7
Non-current borrowings		
Bonds	150.0	400.0
Bank borrowings	205.2	223.0
Non-current borrowings from third parties	13.5	13.1
Total	368.7	636.1

In connection with the financing of the Hoffmann SE acquisition, SFS Group issued two bonds in June 2022 for a total of CHF 400 million. The first bond of CHF 250 million has a coupon of 1.00% and a maturity of three years (maturity date June 6, 2025) and the second bond of CHF 150 million has a coupon of 1.45% and a maturity of five years (maturity date June 8, 2027). Bonds are recognized in the balance sheet at nominal value. Deviations from the nominal value in the case of below- or above-par issues are offset with the emission costs and recognized as accruals and deferrals, and afterwards reversed on a straight-line basis over the term of the bonds. Due to the acquisition, the existing loan contract was prematurely renewed and two additional banks were included in the syndicate. The new contract term, after execution of the second extension option, is for five years and ends on May 10, 2029. The committed and uncollateralized revolving credit line amounts to CHF 600 million. It may be increased by a maximum amount of an additional CHF 100 million, provided the lenders agree to the request of SFS Group. The option to increase the maximum amount can be used up to three months before the final maturity date.

13 Changes in scope of consolidation

	2024	2023
	1H	1H
Acquisition of subsidiaries	4.1	–
Purchase price incl. acquisition cost	4.1	–
Cash and cash equivalents	–0.7	–
Consideration in cash flow statement	3.4	–

As of May 1, 2024, SFS Group acquired Etanco S.A.U., a Spanish distributor of fasteners, fixings, and accessories to the building envelope. The acquisition of Etanco will strengthen the market position of the Construction division in Spain and Portugal. With about ten employees, Etanco generated sales of approximately EUR 4 million in 2023. Contract clauses do not include any contingent consideration (earnout). The purchase price allocation used in these half-year consolidated financial statements is provisional and is expected to be finalized in the second half of 2024.

14 Exchange rates

	Unit	Balance sheet		Income statement	
		06/30/2024	12/31/2023	2024	2023
		1H	1H	1H	1H
China	CNY 100	12.391	11.795	12.326	13.167
EU	EUR 1	0.963	0.926	0.962	0.986
United Kingdom	GBP 1	1.138	1.066	1.125	1.124
USA	USD 1	0.900	0.838	0.889	0.912

15 Events after the reporting period

The Board of Directors approved the half-year consolidated financial statements on July 17, 2024. SFS is not aware of any events that occurred after the balance sheet date that could have a material impact on these consolidated financial statements.

Information on the publication

Explanation regarding alternative performance measurements

In addition to financial key figures defined by general accounting principles, SFS Group uses alternative performance measurements for its segments and divisions. The basis of calculation and the explanation of alternative performance measurements are described in the «[Information on the publication](#)» section of the Financial Report 2023. The reconciliation to the adjusted operating profit (EBIT) for the first half of the year 2024 is presented below.

Operating profit (EBIT) adjusted and EBIT margin adjusted

In CHF million	2024 1H	2023 1H	2022 1H	2021 1H	2020 1H
Operating profit (EBIT)	180.8	189.9	162.9	164.1	71.0
+ Amortization of inventory step-up related to purchase price allocation of Hoffmann SE acquisition and first-time intra-segment profit elimination in inventory (D&L segment)	–	–	16.6	–	–
– Book gain on disposal of non-operating assets	–	–	–	–3.1	–
Operating profit (EBIT) adjusted	180.8	189.9	179.5	161.0	71.0
Net sales	1,543.5	1,573.7	1,224.1	960.3	775.6
EBIT margin adjusted	11.7%	12.1%	14.7%	16.8%	9.2%

The registered shares of the SFS Group AG of CHF 0.10 each are listed on the SIX Swiss Exchange AG since May 7, 2014. Swiss GAAP FER was applied for the first time at the end of 2017.

	06/30/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020
Number of registered shares (in 1,000)	38,900	38,900	38,900	37,500	37,500
Number of shares ranking for dividend (in 1,000)	38,900	38,900	38,900	37,500	37,500
Weighted average number of outstanding shares (in 1,000)	38,889	38,887	38,365	37,460	37,500
Number of shareholders	9,142	8,881	8,691	7,910	7,825
Stock exchange quotation (in CHF)					
Year high	129.60	128.80	140.90	143.00	106.90
Year low	97.60	87.90	80.90	103.90	58.85
End price	119.40	104.20	87.50	126.20	105.00
Share key data					
Earnings per share in CHF	3.00	6.84	6.95	6.51	4.90
Distribution per share in CHF	n/a	2.50	2.50	2.20	1.80
Payout ratio in % of net income	n/a	36.6	36.4	33.6	36.7
Price/earnings ratio (year-end price)	n/a	15.2	12.6	19.4	21.4
Market capitalization					
In CHF million	4,644.7	4,053.4	3,403.8	4,732.5	3,937.5
(End price × number of shares ranking for dividend)					
As a % of (annualized) net sales	150.5	131.9	124.3	249.4	230.7
As a % of equity	318.5	294.7	261.1	326.3	308.1



Agenda

Thursday, September 5, 2024
Friday, January 24, 2025
Friday, March 7, 2025
Wednesday, April 30, 2025

Investor Day
First information on financial year 2024
Publication of financial year results 2024
32th Annual General Meeting of SFS Group AG

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Fact Set	SFSN-CH

Imprint

Half-Year Report 2024

The Half-Year Report is available in German and English. The German language version of the Half-Year Report is the legally binding version.

Exclusion of liability

This Half-Year Report includes forward-looking statements. These statements reflect the SFS Group's current assessment of market conditions and future events. The statements are therefore subject to risks, uncertainties and assumptions. Unforeseen events may lead to deviations of the actual results from the forecasts and estimates made in this presentation and in other published information. To this extent, all forward-looking statements in this Half-Year Report are subject to such limitations.

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