

Welcome to the annual results media conference 2020

RUAG Holding AG
Zurich, 06 May 2020

Together
ahead. **RUAG**

In the online meeting today...



Agenda

Annual results media conference 2020

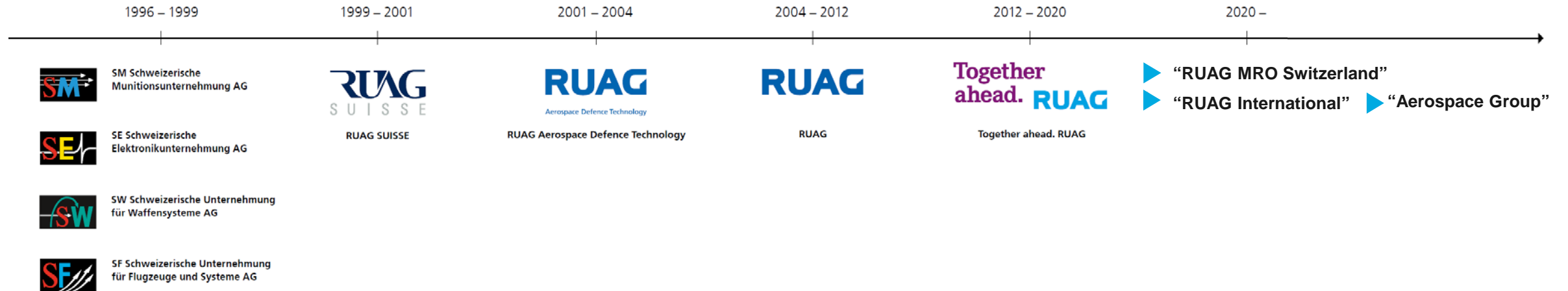
1. Unbundling and restructuring	Dr. Remo Lütolf, Chairman BoD
2. Key figures and milestones	Urs Kiener, a.i. CEO
3. Insight into the business segments	Urs Kiener, a.i. CEO
4. Key performance indicators	Urs Kiener, a.i. CEO
5. Outlook	Dr. Remo Lütolf, Chairman BoD

Unbundling and restructuring

Review and outlook

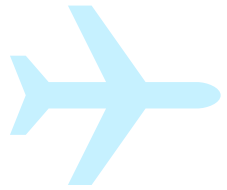
Transformation of RUAG

20 years of RUAG



The year in review

5 milestones in the unbundling process



18/03/2019:

The Federal Council decides to further develop RUAG International into an aerospace technology group.



02/07/2019:

RUAG sells its two business jet locations in Geneva-Cointrin and Lugano-Agno to Dassault Aviation.



15/11/2019:

The Swiss Confederation and RUAG celebrate the green light for the new BRGB Holding company.



02/12/2019:

RUAG sells the British cybersecurity specialist, Clearswift, to the American company, HelpSystems.

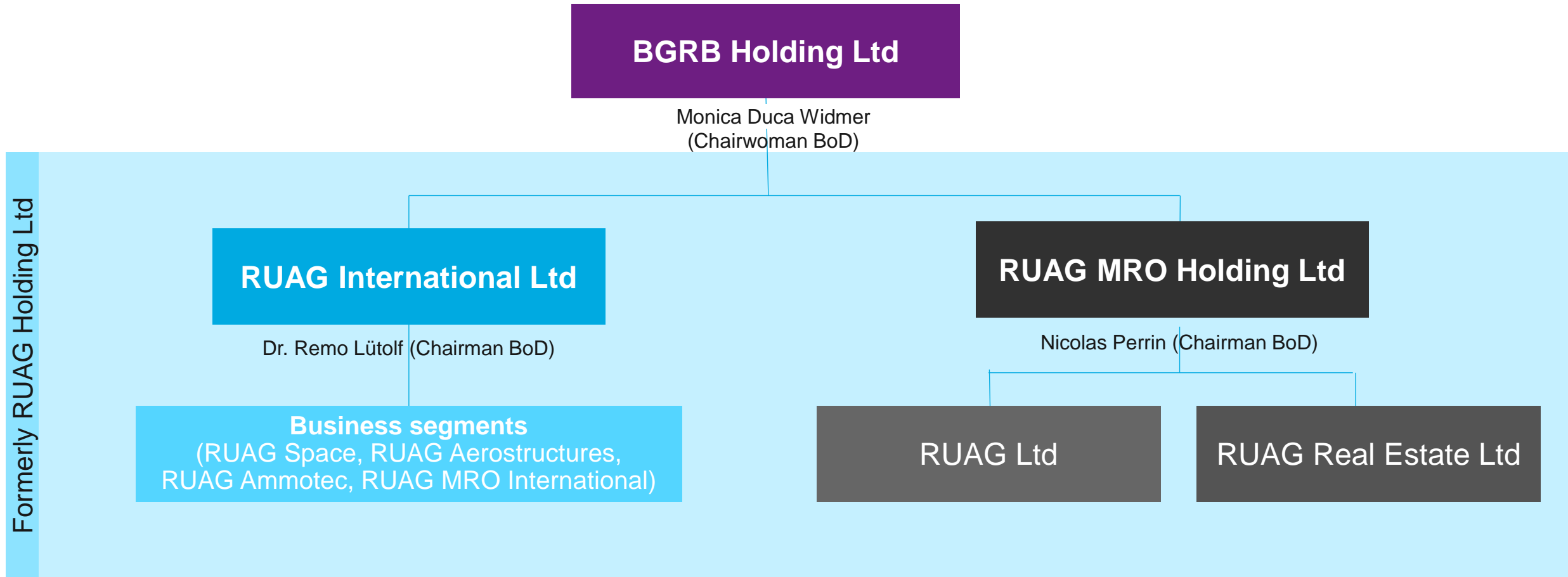


01/01/2020:

RUAG International and RUAG MRO Switzerland are completely separate in organisational terms.

The new corporate structure

RUAG MRO Switzerland & RUAG International

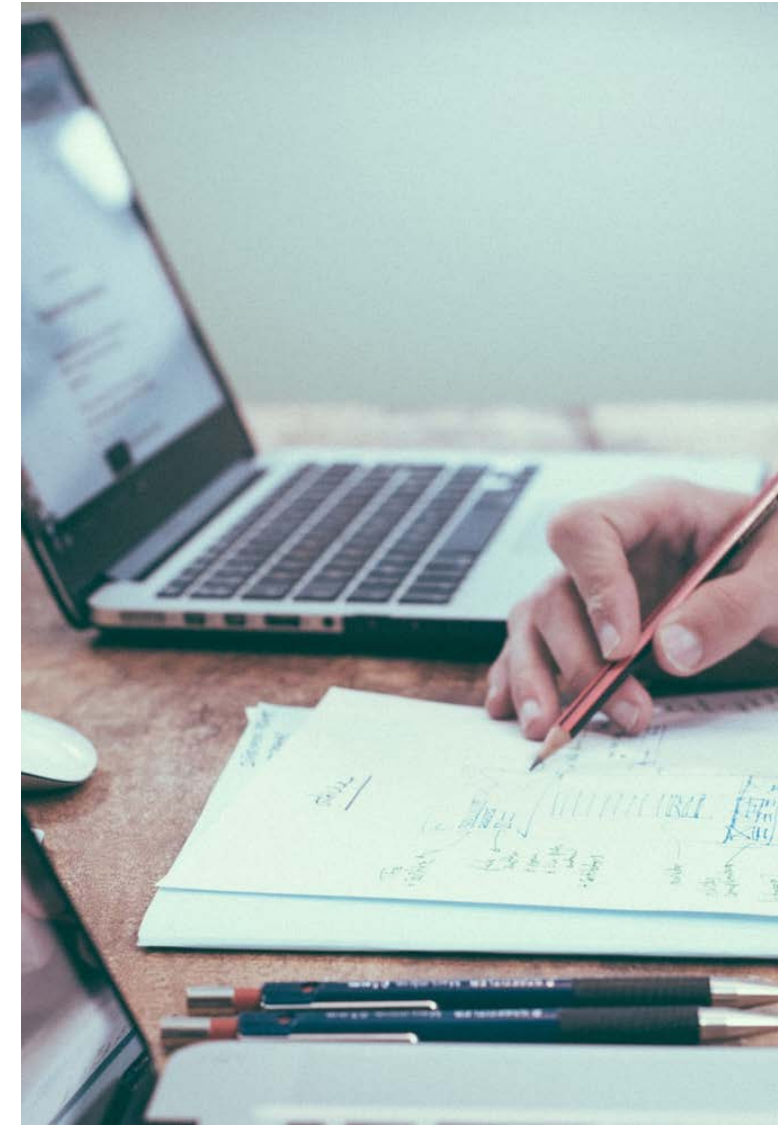


Division of results

RUAG MRO Switzerland & RUAG International

Division of results based on business activity

- Based on consolidated results 2019
- Retroactive as at 01/01/2020
- Both subgroups have sufficient liquidity and equity



Key figures

Net sales, EBIT & net profit

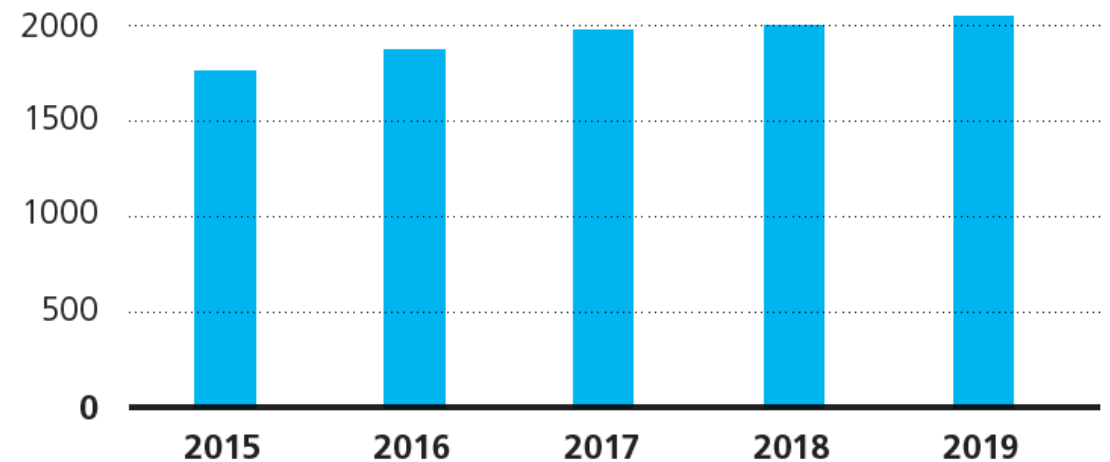
Figures at a glance

Net sales

Net sales in 2019

RUAG sales exceed the 2-billion mark for the first time in 2019. Adjusted for foreign currency effects and divestments, growth amounted to 3.4%.

Development of net sales 2015 – 2019
in CHF m

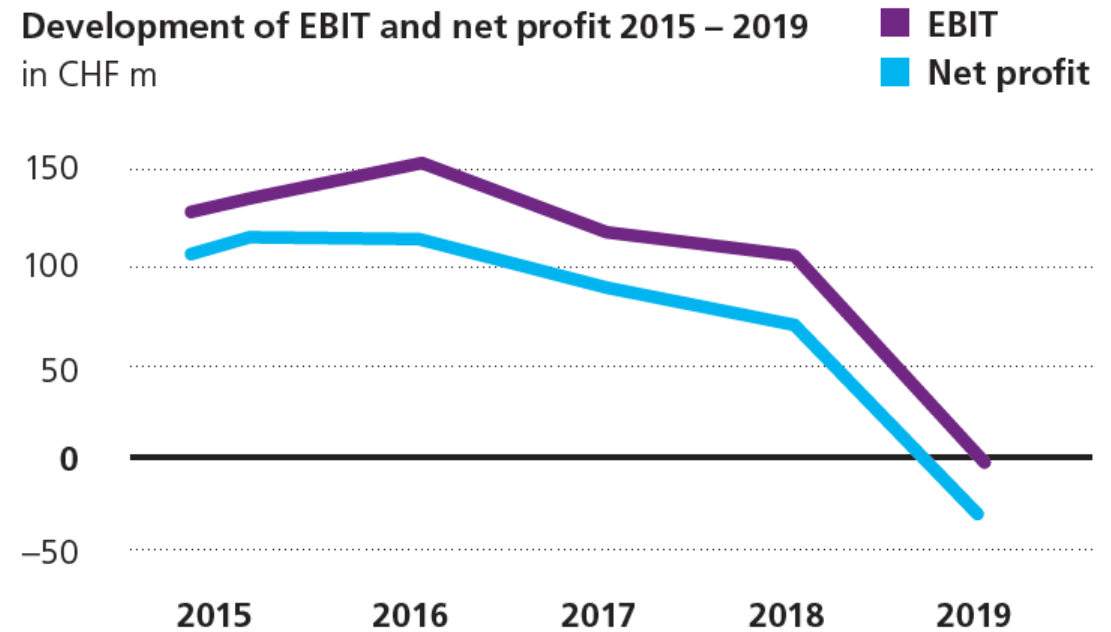


Figures at a glance

EBIT and net profit

EBIT and net profit in 2019

Both earnings before interest and taxes (EBIT) and the net profit dropped as a result of exceptional expenses to CHF –7 million (CHF 106 million) and CHF –25 million (CHF 74 million) respectively.



Reasons for losses

EBIT CHF -7 million



Adjustment Dornier 228
CHF 58 million



Unbundling
CHF 30 million



Pension funds
CHF 16 million

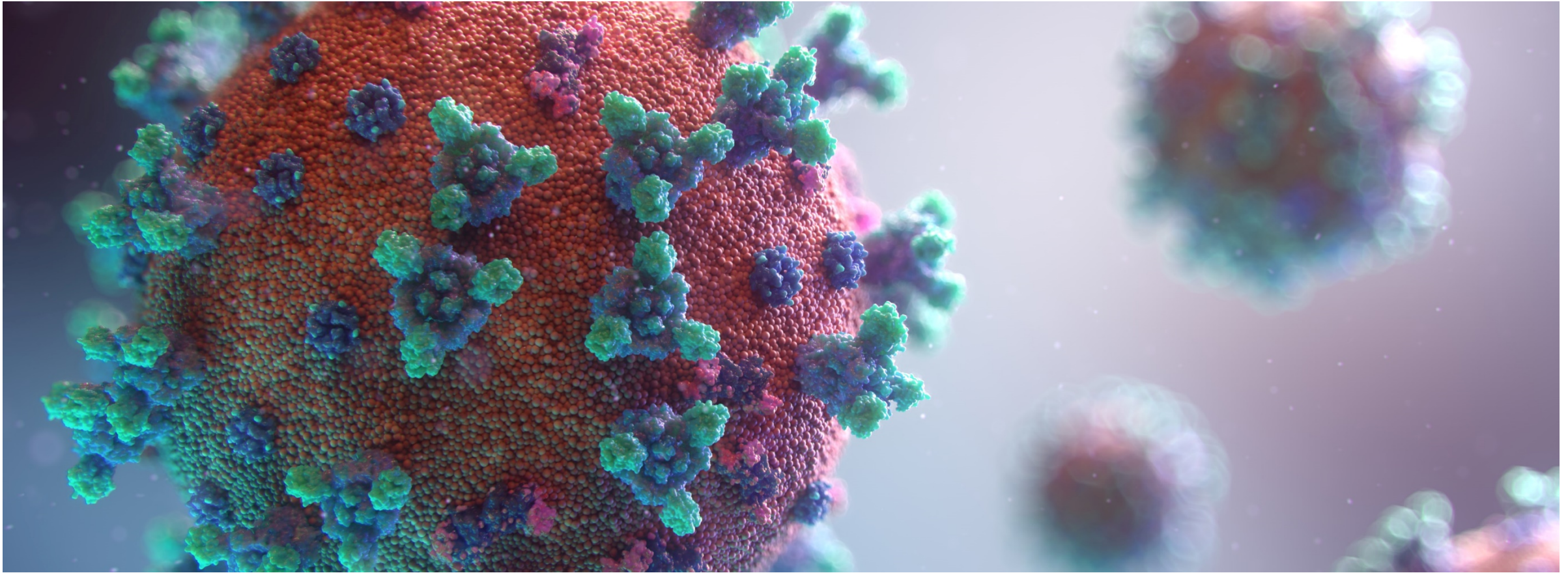


Transition in Emmen
CHF 10 million



Coronavirus

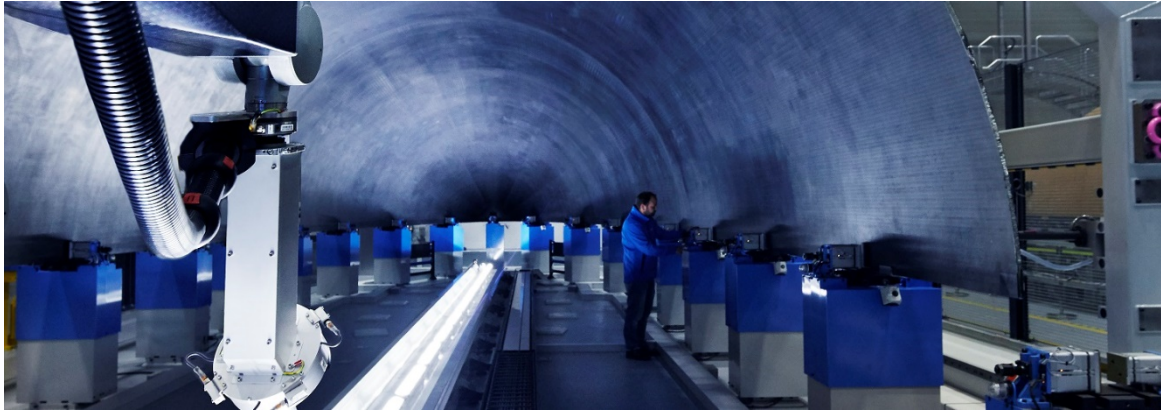
How RUAG is dealing with the coronavirus crisis



Insight into the divisions

RUAG Space and RUAG Aerostructures

The new aerospace group



RUAG Space

- Focus on the US market, new products and industrialisation
- Development of electronics and mechanisms (constellations)
- Supercomputer for the ESA data-highway satellite
- 250th Ariane launch. RUAG has been on-board since 1979
- Electronics for new NASA space station



RUAG Aerostructures

- Restructuring programme in Oberpfaffenhofen (OP) shows effects
- Rate increases to over 60 fuselage sections in OP
- Transition introduced at the Emmen site
- Stabilisation programme in Eger (HU) progressing successfully
- EN 9100 certification in Eger (HU) achieved

RUAG Ammotec, RUAG MRO International & RUAG MRO Switzerland

Units to be divested and already separated



RUAG Ammotec

- Increase in the defence budget
- Overcapacities in hunting & sport
- Demand for industrial components inconsistent



RUAG MRO International

- Divestitures & partnerships
- Upgrade to combat training centres
- Good market presence in Australia



RUAG MRO Switzerland

- Crack testing & value preservation F/A-18
- Modernisation of transport helicopters
- SLAs ensure operational capability

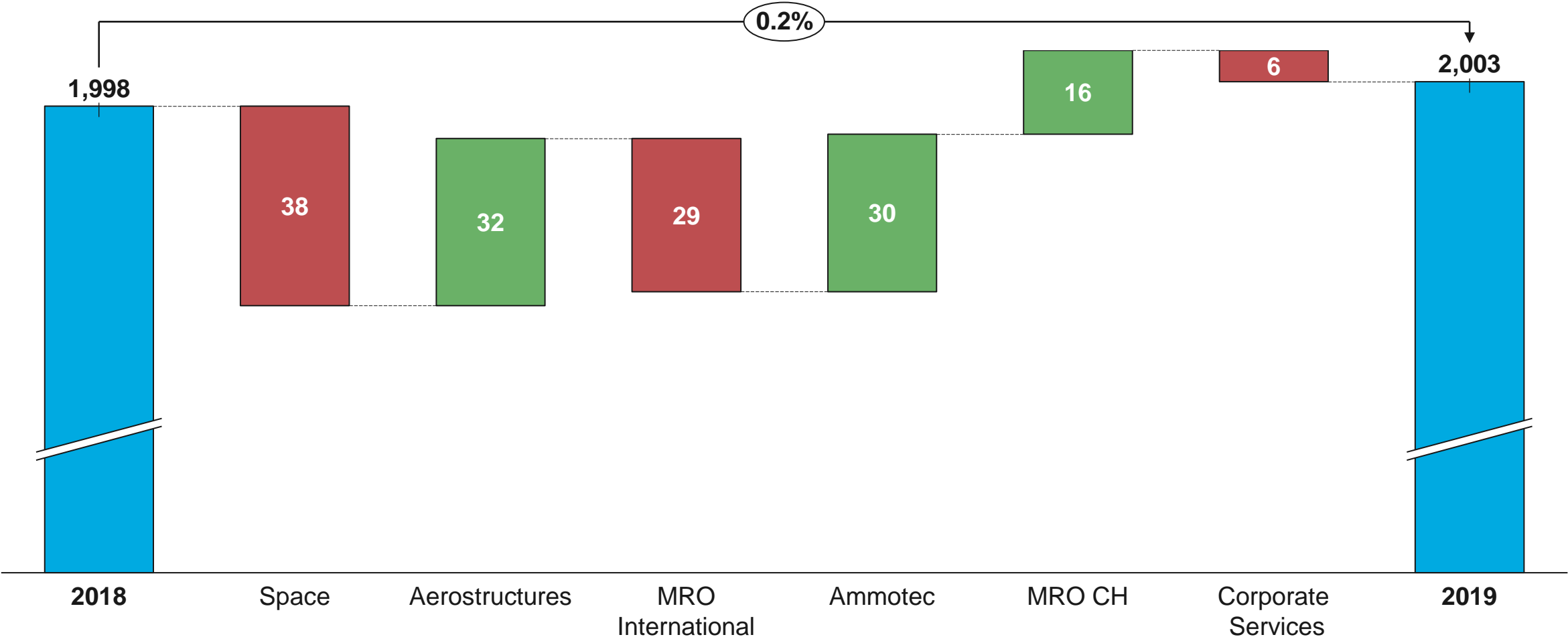
Financial report

Key performance indicators RUAG Holding Ltd

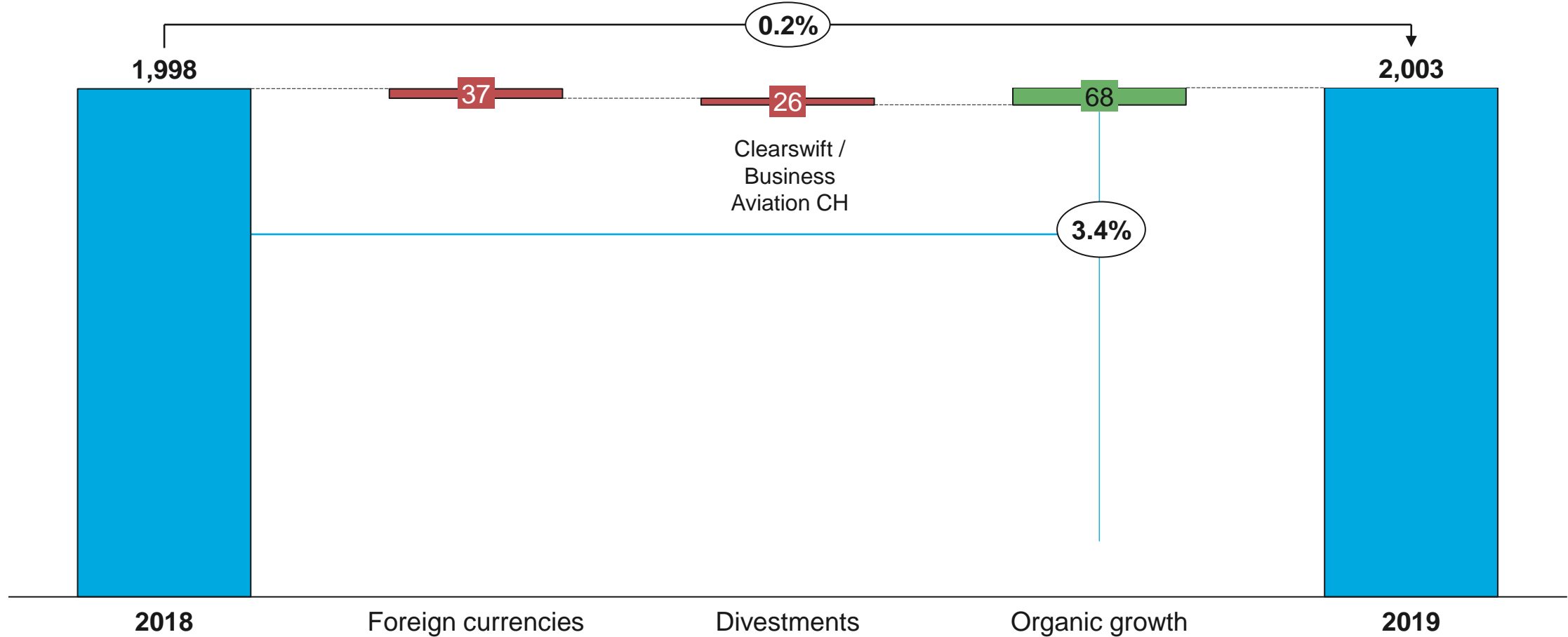
in CHF m

	2019	2018	Change in %
Order intake	1 893	2 221	–14.8 %
Order backlog	1 634	1 794	–8.9 %
Net sales	2 003	1 998	0.2 %
Operating income	1 988	2 013	–1.3 %
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	86	186	–54.0 %
EBIT	(7)	106	–106.9 %
Net profit	(25)	74	–139.2 %
Cash flow from operating activities	133	176	–21.3 %
Free cash flow	135	94	44.5 %
Net financial position	237	134	76.7 %
Research and development expenses	173	179	–3.5 %
Employees (FTE) as at 31 December incl. apprentices	9 091	9 127	–0.4 %

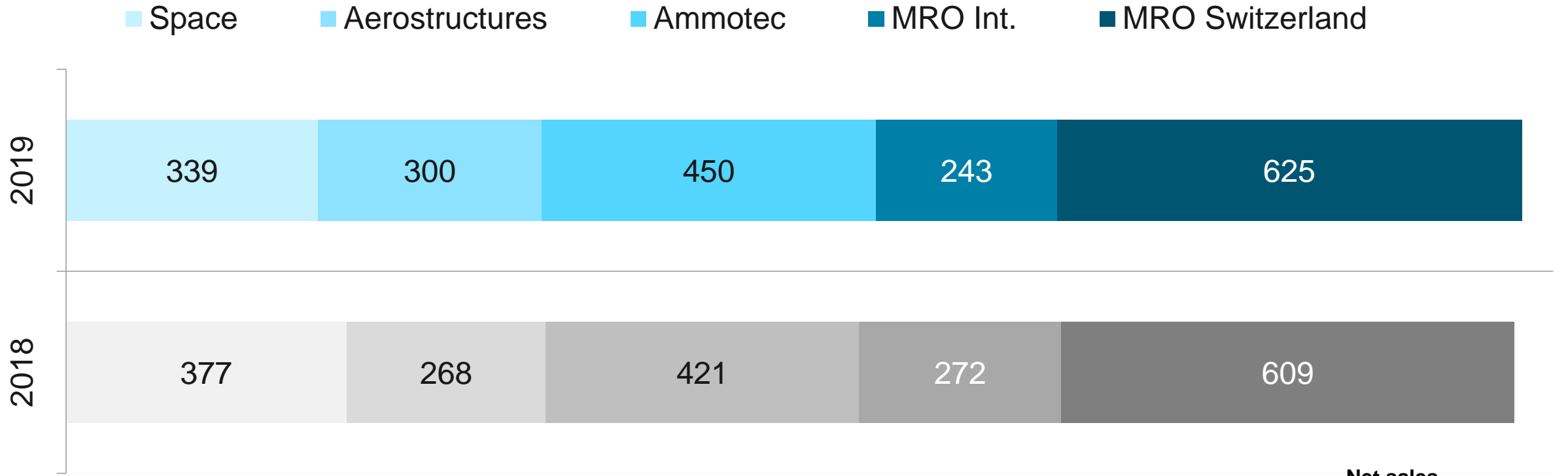
Net sales – year-on-year changes in CHF millions



Net sales – year-on-year changes in CHF millions



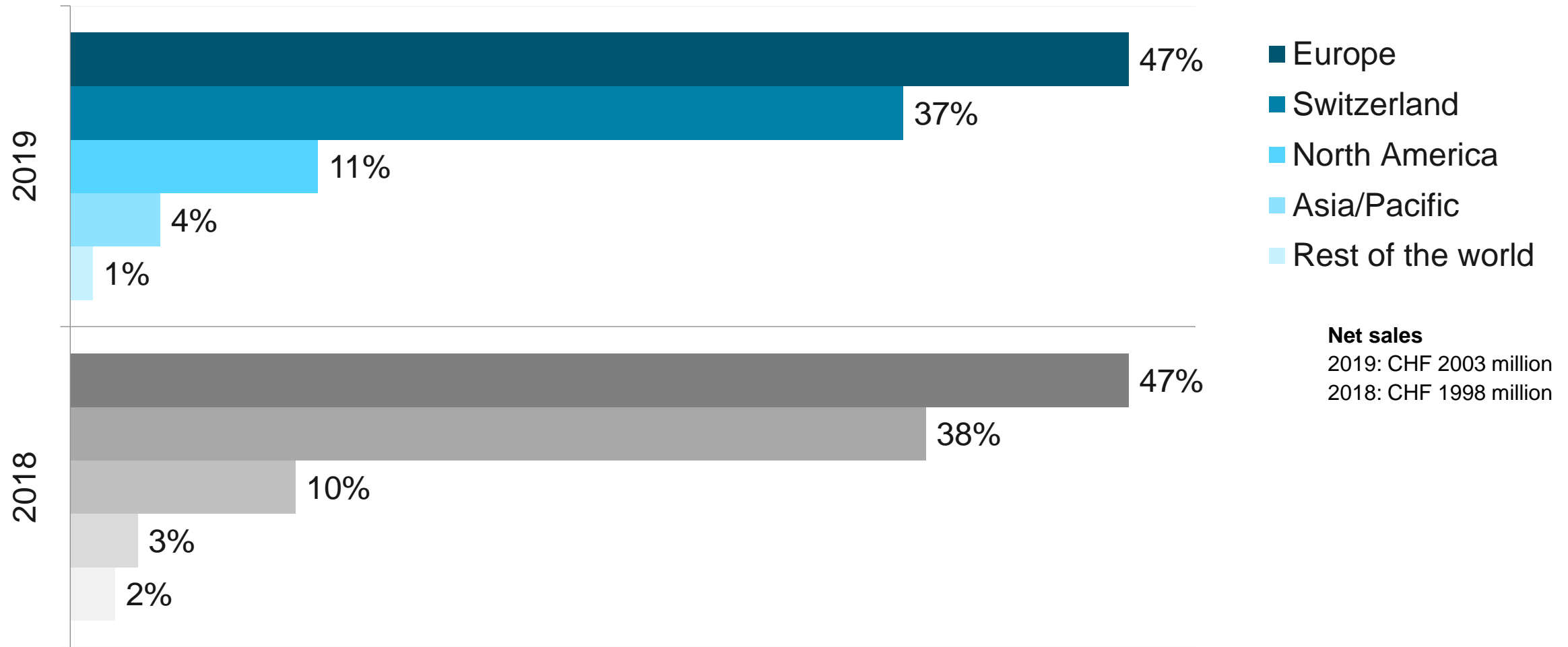
Net sales by division in CHF millions



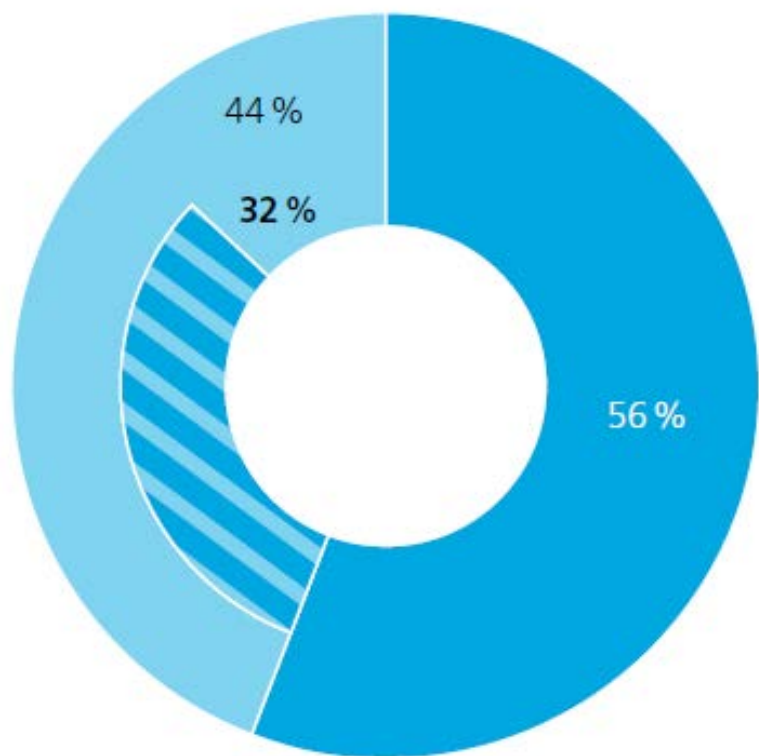
Net sales
2019: CHF 2003 million
2018: CHF 1998 million

Net sales by region

In %

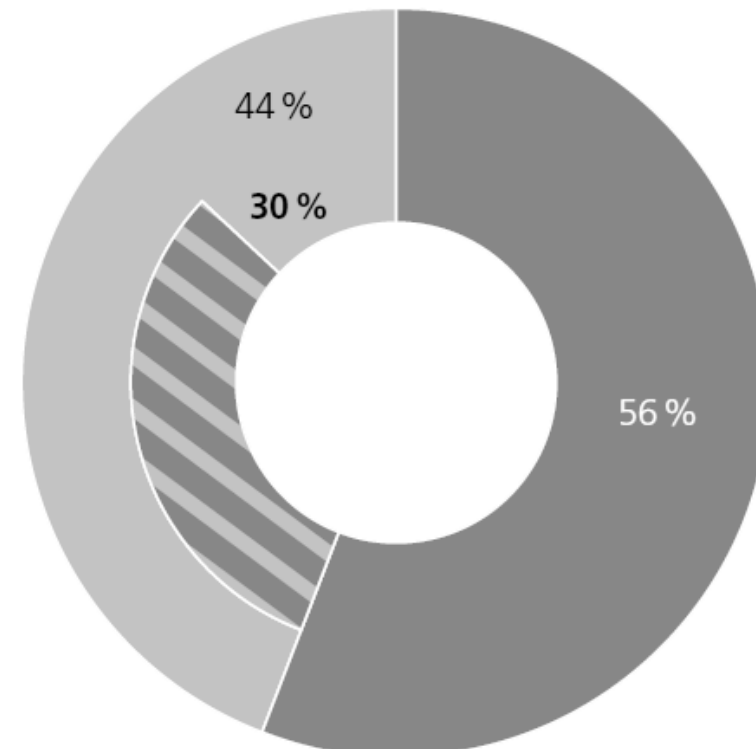


Net sales by application in %



2019

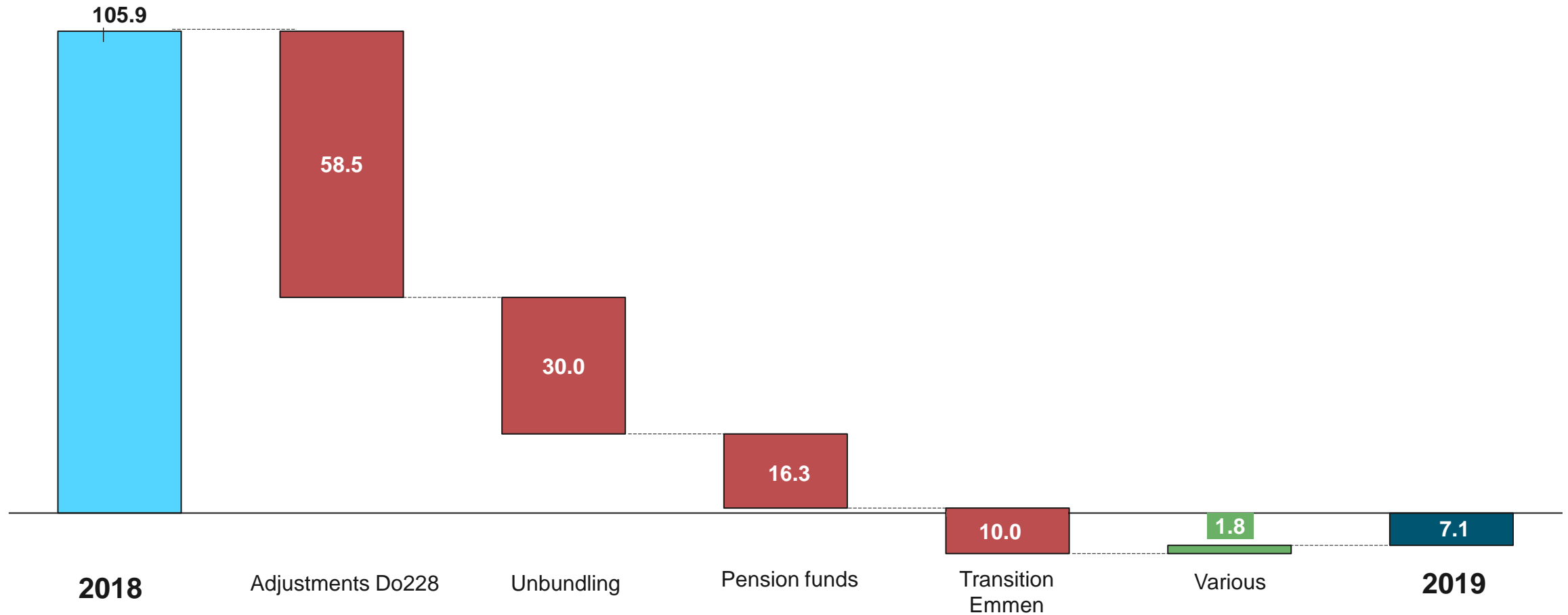
■ Civil
■ Military
■ DDPS



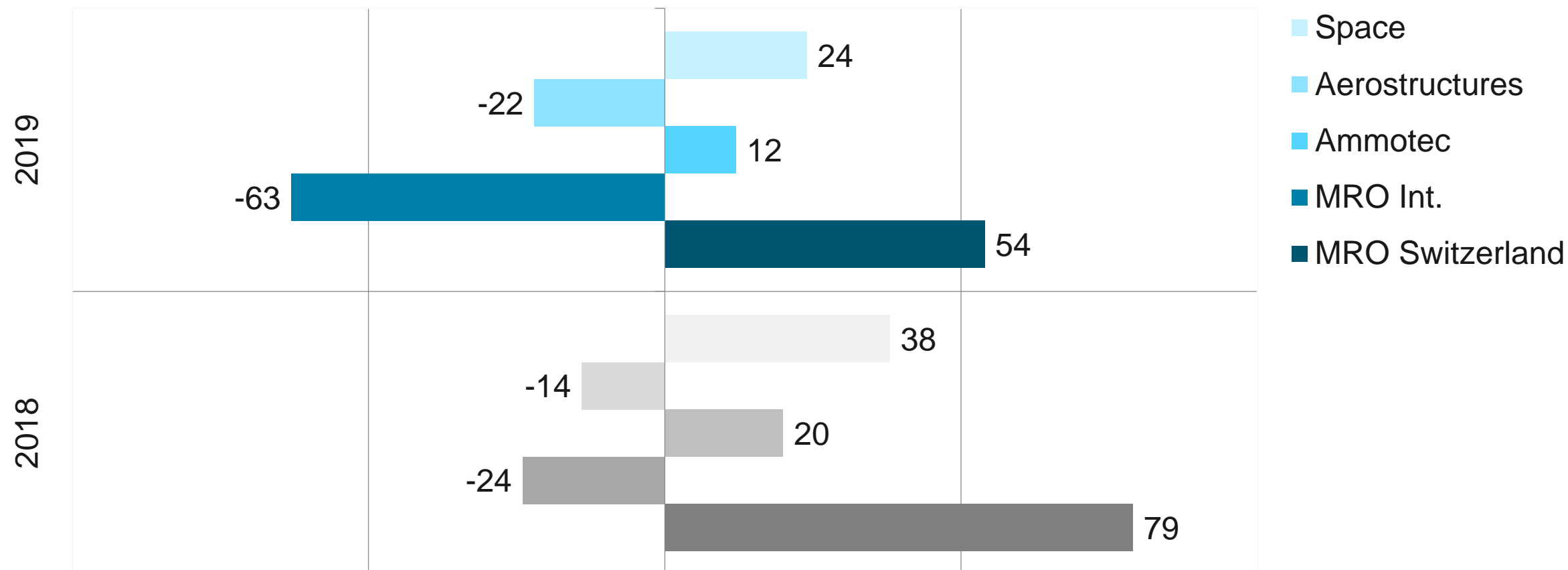
2018

EBIT – Significant changes in the comparison to the previous year

In CHF millions



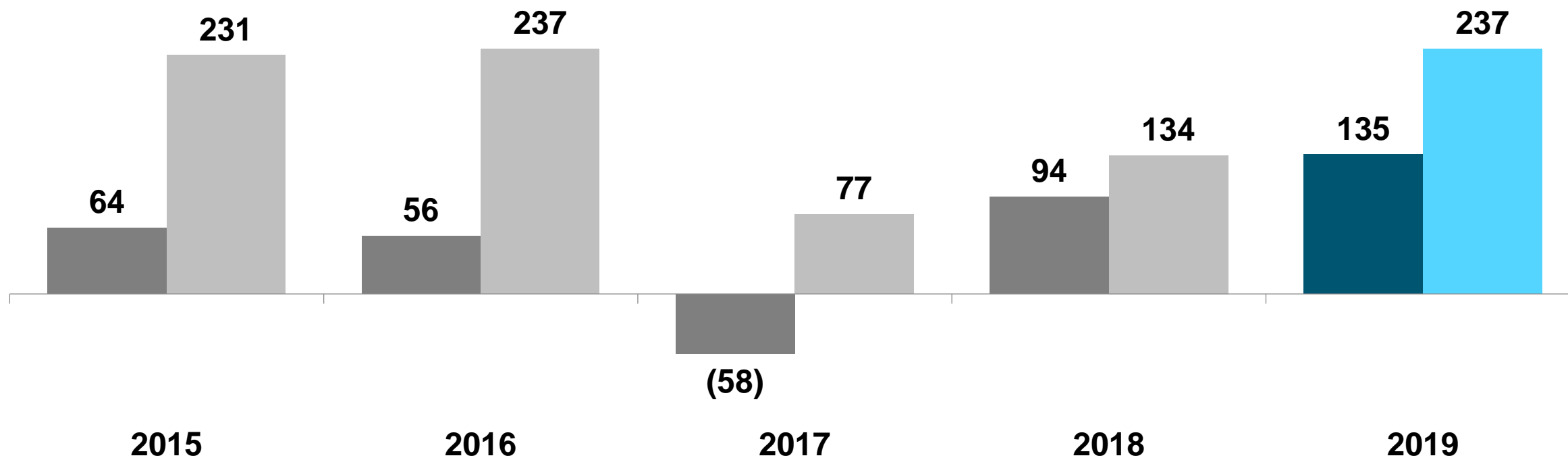
EBIT by division in CHF millions



Net financial position 2015-2019

in CHF millions

- Free cash flow
- Net financial position



Outlook

Board of Directors

RUAG International (RUAG Holding AG)



Before

Now



Executive Committee

RUAG International

RUAG International



Units intended for sales



RUAG MRO Switzerland



Outlook

5 future milestones



Final completion of the unbundling process



Sales Do228;
civil and military
maintenance in
Oberpfaffenhofen

JV for simulation &
training unit

Sales Australia



Sales Ammotec
(Motion Salzmann)



Organic growth and
acquisitions to reach a
critical mass and
profitability

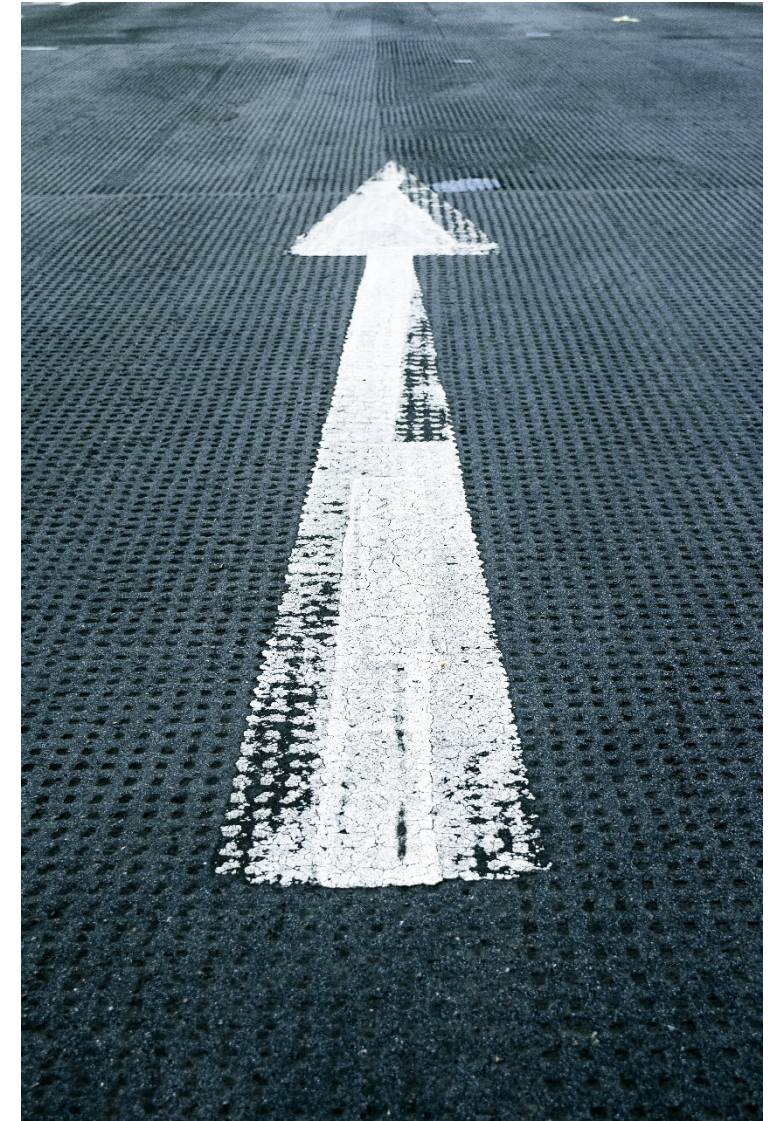


Privatisation of the
aerospace company

Strategic orientation

Aerospace group

1. Preferred engineering and industrialisation partner for global aerospace integrators
2. Space: Leading supplier with modular products, innovator in industrialisation and digitisation
3. Aerostructures: Top supplier and innovative developer of customer-specific aerostructures solutions and services



Outlook

Lift-off towards a new aerospace group

