

**Media release on the annual financial results of RUAG International 2022**

## **RUAG International 2022 with full order books and three successfully sold business units**

**Zurich, 22.03.2023. In a challenging market environment, aerospace company RUAG International achieved earnings before interest and taxes (EBIT) of CHF 178 million in 2022 (previous year CHF 70 million) – also thanks to three successfully divested business units. The Space business, rebranded as Beyond Gravity since March 2022, secured important orders in connection with the Amazon-Kuiper satellite constellation and further expanded its business. The aerostructures business stabilised and once again recorded more orders from the main customer Airbus.**

RUAG International can look back on a financial year marked by realignments and investments in the future. Overall, net sales in 2022 were lower at CHF 945 million (previous year CHF 1,240 million) due to the sale of business units, while EBIT rose to CHF 178 million (previous year CHF 70 million). The targets set for the privatisation of three business units (RUAG Simulation & Training, RUAG Ammotec, RUAG Australia) were achieved. While EBIT (+153.4%) rose sharply as a result of the divestment proceeds, sales on the other hand fell (-23.8%) due to the discontinuation of the sold business units. Adjusted for the divestment and foreign currency effects, sales rose by 7% compared to the previous year.

### **Significant progress despite tense economic environment**

CEO André Wall draws a positive conclusion for 2022: "Despite a tense global economic environment, we have made significant progress and achieved important milestones. These include the successful sale of the RUAG Simulation & Training, RUAG Ammotec and RUAG Australia business units. The new owners have taken over the respective employees, which was a great personal concern of mine. In addition, we have aligned the Space segment more strongly to our customers in organisational terms and have been able to win significant orders, for example in connection with the "Kuiper" satellite constellation of our customer Amazon. The latter will lead to an expansion of the production facilities for launcher structures in Sweden and the USA. Last but not least, we saw a significant increase in orders and a stabilisation of business in the aerostructures division, which is a positive sign for the planned divestment of this division."

### **Space: Higher order backlog, new orders**

The Space (Beyond Gravity) and Aerostructures (RUAG Aerostructures) segments, which remain under the RUAG International umbrella, performed positively overall. In the Space segment, net sales climbed by 11.7 per cent to CHF 356 million and the order backlog increased by 10.3 per cent to CHF 744 million. In order to cope with the additional order volume, the company has invested in new production facilities in both Decatur (USA) and Linköping (Sweden), which set new standards for the company in terms of digitalisation and automation of the manufacturing processes. In Linköping, Beyond Gravity manufactures the dispenser systems for the precise placement of the satellites in orbit, while the payload fairings for the US launch vehicles that will one day carry the Amazon satellites into space are produced at the US site in Decatur. Financially, the necessary structural adjustments and the investments in the expansion of production capacities led to a negative EBIT of CHF -5 million (previous year CHF 14 million).

### **Aerostructures: Higher net sales and EBIT**

In the aerostructures segment, the restructuring programmes initiated in previous years paid off in 2022. In the business with the customer Airbus, it was possible to sustainably increase productivity by improving work processes and optimising production systems. In parallel, the segment benefited from a resurgence in demand for passenger aircraft. Net sales increased by 12.6 per cent to CHF 235 million, while the order backlog grew by 19.4 per cent to CHF 269 million. EBIT amounted to CHF 43 million (previous year CHF 5 million), with a significant part of the positive result being due to the reversal of provisions and value adjustments made in 2020. Both Aerostructures Germany and Hungary and Aerostructures Switzerland are thus ready for divestment, offering a successful continuation of the business.

### **Successful divestments**

As part of the divestment strategy defined by the Swiss Federal Council, RUAG International has already sold numerous businesses in recent years. At the beginning of May 2022, ownership of all shares in RUAG Simulation & Training was transferred to Thales. The French company took over all business activities as well as all 500 or so employees. The sale of RUAG Ammotec to Beretta Holding AG of Italy was completed at the end of July 2022. Beretta took over all activities as well as the approximately 2,700 employees at numerous locations in Europe. At the beginning of September, RUAG International sold its subsidiary RUAG Australia to the Australian ASDAM Group, which comprises various Australian industrial companies.

### **Beyond Gravity with a leaner organisation**

On 1 May 2022, André Wall took over operational management of the Beyond Gravity space segment in addition to his position as CEO of RUAG International. With the new organisational structure communicated at the end of September, the company has streamlined its structures, geared them towards greater efficiency and corporate responsibility, and positioned them for future growth fields. The focus is on clear responsibilities for profits and losses in the Launchers and Satellites Divisions and the newly established Lithography Division. The company's own start-up programme "Launchpad" provides new and innovative impulses. It offers young companies and start-ups a mentoring and training programme with direct access to the international space community, including highly specialised engineers, partners, national agencies and customers.

### **Good response for new "Beyond Gravity" brand identity**

In 2022, RUAG International set itself the goal of developing the Beyond Gravity space segment (formerly RUAG Space) into a "startup with decades of experience". The new brand name "Beyond Gravity" launched in March 2022 underscores this dynamic. This positions the Space segment as an agile and innovative partner to the global space industry. André Wall emphasises: "The new, dynamic brand identity leads to a positive response from customers and noticeably increases the attractiveness for potential employees."

### **Beyond Gravity puts sustainability high on the agenda**

Beyond Gravity wants to contribute to the positive development of humanity and a better life on earth with its products and innovations. This aspiration was anchored in the company's vision when the new brand was launched. In 2022, the company launched a comprehensive ESG (Environment, Social, Governance) project with the aim of publishing a comprehensive ESG report for the first time in the 2023 reporting year. Andre Wall explains: "Through our leading market position in many key products for the space industry, we can positively influence the sustainable

development of the entire industry. I want sustainable action to become an integral part of our DNA and also see it as an opportunity to gain momentum for new products and services, markets."

### Outlook RUAG International and Beyond Gravity

For RUAG International, the focus is on the preparation and sale of the two remaining aerostructures divisions, Oberpfaffenhofen/Eger and Emmen. In order to achieve an optimal sales result, the divisions will continue to optimise cost structures and processes, among other things. The economic environment for global aviation should continue to improve in the coming years and help to find an attractive successor solution.

Beyond Gravity will focus in 2023 on implementing the restructuring, optimisation and investment projects that have been launched. Further investments are also planned to cope with the expected volume growth. The digital transformation of the company is central to Beyond Gravity in the coming years. In parallel, the product portfolio will be further streamlined. In 2023, intensive work will also be done on the completion of the new production facilities at the US site in Decatur and in Linköping, Sweden. This is another important basis for finding an attractive buyer for Beyond Gravity by the end of 2025 at the latest.

The key figures at a glance in CHF m	2022	2021	in %
Net sales	945	1'240	-23.8%
EBITDA	199	116	72.0%
EBIT	178	70	153.4%
Net profit	154	58	164.5%
Cash flow from operating activities	-64	85	--
Free cash flow	472	8	5'652.7%
Net financial position	570	106	440.3%
Order intake	1'043	1'424	-26.8%
Order backlog	1'013	1'191	-14.9%
Research and development expenses (self-financed)	18	28	-34.3%
Employees as at 31.12. <sup>1</sup>	2'963	6'145	-51.8%

<sup>1</sup> Employees, apprentices and temporary employees

Information on **RUAG International** can be found at [www.ruag.com](http://www.ruag.com). Information on **Beyond Gravity** can be found at [www.beyondgravity.com](http://www.beyondgravity.com). Further information on the **2022 annual financial statements** can be found at <http://annualreport.ruag.com>.

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**RUAG International** is a Swiss aerospace company with production sites in seven countries and is divided into the two divisions Beyond Gravity and RUAG Aerostructures. RUAG International employs almost 3,000 people worldwide. [www.ruag.com](http://www.ruag.com)