

RUAG MRO Switzerland

For RUAG MRO Switzerland, 2019 was a financial year that presented challenges. In spite of the unbundling process, the division achieved a positive result on the whole and was able to meet the expectations of both its owner and its customers.

Business performance

In the 2019 financial year, RUAG MRO Switzerland recorded net sales of CHF 625 million. With an increase of CHF 16 million – compared to the previous year – the division outstripped expectations. This excellent result was primarily due to strong order intake and the additional volumes generated by all the business units.

However, the division was unable to live up to the previous year's EBIT figure. Its earnings before interest and taxes came to CHF 54 million (CHF 79 million). Significant cost discrepancies in two major projects, valuation allowances and settlements of various old liabilities were all major contributors to this result.

Following the Swiss Federal Council's decision to unbundle RUAG both legally and structurally as of 1 January 2020, the activities of the most recent financial year were fully dedicated to this exercise. MRO Switzerland's primary aim was to ensure that its business operations remained financially profitable and professional despite the additional challenges being faced. The division ultimately achieved this successfully, with every single business unit making a valuable contribution.

Under the TH 98 Cougar upgrade programme RUAG MRO Switzerland is modernising these transport helicopters of the Swiss Air Force. The prototype was brought up to the latest technical and operational level during the year under review. The upgrade includes partial or complete renewals of e.g. the flight control system, the navigation and communication equipment as well as of the integrated self protection system. To avoid additional downtime of the fleet, the helicopters will undergo a total overhaul in parallel to the upgrad work. The modifications to the series are set to continue until 2022 and will result in that the facilities will have to work at a high capacity level.

In 2019, RUAG MRO Switzerland also undertook value retention work on pontoon bridge 95. The project focused on replacing all the rubber parts, performing a general overhaul of the hydraulic system, and replacing the oil that the bridge had previously used with a biodegradable hydraulic variety. RUAG MRO Switzerland will also be taking on the task of assessing the road traffic registration status of converted semi-trailers. A total of 55 bridge modules, 81 semi-trailers and 24 ramp modules are set to undergo value retention and maintenance work by 2021.

The business activities affected by service level agreements (SLAs) with the Swiss Armed Forces also performed well. Within the context of these activities, RUAG Defence primarily ensures the operational capability of the systems used by the Swiss Armed Forces. This includes maintaining and repairing highly complex reconnaissance, command and control, and radar systems.

The MRO Switzerland division also recorded a good performance internationally in 2019. As part of the Very High Readiness Joint Task Force 2023 (VJTF 2023) procurement programme, the German Bundeswehr is overhauling equipment including the communication infrastructure of the Puma armoured personnel carrier. The division is contributing to this by providing the Tactical Vehicle Switch (TVS), which enables radio communication between armoured personnel carriers and infantry troops. As well as this, the TVS ensures that radio equipment is networked with communications equipment in vehicles.

Outlook

In the 2019 financial year, RUAG MRO Switzerland took steps to ensure that it would be able to continue fully satisfying the high demands of its national and international customers in the future. However, the division still faces numerous exciting challenges. The coming year will see an unwavering focus on completing the unbundling project, key elements of which include migrating all its corporate data to a secure new IT infrastructure and adapting and harmonising internal processes.

In 2020, developing the organisation in a way that reflects the owner's strategy will once again be a priority. Continuing with these efforts will bring benefits such as optimised costs and more transparency in dealings with the main customer.

The 2020 financial year will also continue establishing RUAG MRO Switzerland as a strategic, innovative technology partner for the Swiss Armed Forces with a view to the long term. Attaining this goal will require steps such as continuing to develop the existing corporate strategy. The portfolio of products and services will also be aligned with the new owner's strategy.

RUAG MRO Switzerland will act as an independent company from mid-2020 onwards. This development will also be reflected in a new visual presence that will see the company take on a new logo and modernise the entire image it presents to the world. In the wake of the unbundling process, this will serve as a true sign that a new era is dawning.

Brief profile

RUAG MRO Switzerland makes a key contribution to Switzerland's security. This future-oriented technology partner focuses primarily on the life-cycle management, operation and availability of military systems – especially for the Swiss Armed Forces. Its comprehensive portfolio of products and services includes unique subsystems and components for tracked and wheeled vehicles, fighter aircraft, military helicopters and anti-aircraft systems. It also provides reliable information and communication solutions and a full range of maintenance and repair services.

Customers and partners

National and international armed forces, public authorities and civilian security organisations

Facts and figures

Net sales:	CHF 625 million
EBITDA:	CHF 62 million
EBIT:	CHF 54 million
Employees (FTE):	2,409
Based in:	Switzerland, Germany, USA