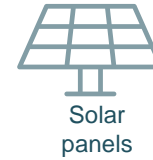
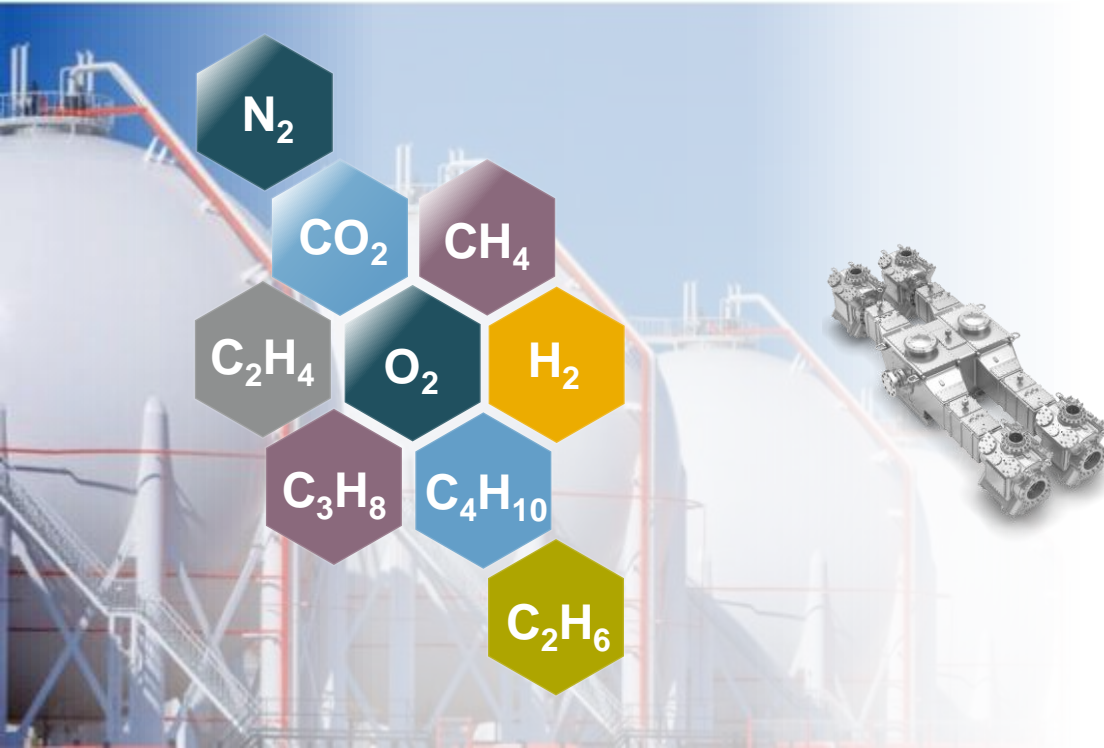




**Octavian Seminar
Fabrice Billard, CEO
Rolf Braendli, CFO**

12 January 2023

Burckhardt Compression solutions make gas usable and transportable for the industry and energy generation



Solar panels



Lubricant oil



Industrial plastic



Electrical power



Cosmetics



O₂-bottles (pharma, industry)



Automotive parts



Consumer gas bottles



Pharmaceuticals



Transportation fuel (incl. renewables)



LNG



LH₂



LPG



HALF-YEAR RESULTS 2022



*Half-Year RESULTS
Fiscal Year 2022*

Octavian Seminar |
January 12, 2023

1HY FY 2022: Exceptional increase in order intake

Strong growth of sales, EBIT and net income



Order intake
(in CHF mn)

706.7
+56.8%

- Strong global market momentum continued
- Continued strong SERV growth
- Exceptional increase in SYST order intake driven by
 - LDPE/EVA applications for solar panel production
 - LNG-related applications
 - Hydrogen for mobility and energy, mainly in the USA



Group sales
(in CHF mn)

335.8
+25.1%

- Strong sales growth on the back of the high order volume received in the last 18 months



EBIT
(in CHF mn)

35.5
+35.0%

EBIT
(%)

10.6%
+0.8pp

- Overproportionate EBIT increase
 - At group and divisional level
 - Favorable temporary SYST product mix effect and high-capacity utilization
 - Operational leverage on SG&A expenses



Net income
incl. minorities
(in CHF mn)

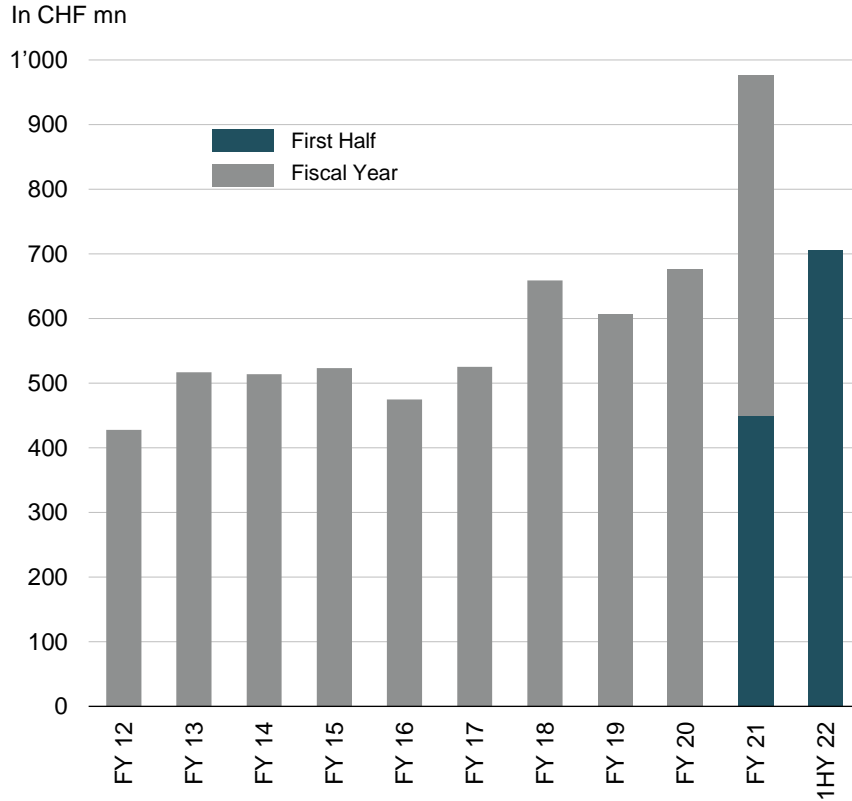
24.5
+37.0%

EPS
(CHF)

7.23
+37.7%

- Financial expenses at similar level as prior-year period
- Tax rate at 25.2% (1HY FY 2021: 23.6%), due to higher share of profit in countries with higher tax rates

Exceptionally high order intake



- Total order intake at CHF 706.7 mn, 56.8% above prior-year level (59.5% net of currency translation effects and acquisitions)
- Systems Division: +75.4% to CHF 531.5 mn (+79.0% net of currency translation effects), driven by exceptional, large projects:
 - Several orders for LDPE/EVA and polysilicon applications driven by solar panel production in China
 - Exceptional orders in LNG-related applications for delivery over the next few years
 - Increasing market activity in hydrogen for mobility and energy, especially in the USA
- Services Division: +18.6% to CHF 175.2 mn (+19.3% net of currency translation effects and acquisitions)
 - Mainly driven by spare parts and field service orders
 - Increasing demand for engineering / revamp solutions
 - Growth in all regions

Overproportionate growth of EBIT and EPS

in CHF mn	1HY FY 2022	1HY FY 2021	Change
Order intake	706.7	450.7	56.8%
Sales	335.8	268.5	25.1%
Gross profit	111.3	82.5	34.9%
In % of sales	33.2%	30.7%	2.5 pp
SG&A	-55.6	-51.9	7.1%
R&D	-11.2	-9.3	20.4%
Other operating income	-9.1	5.0	
EBIT	35.5	26.3	35.0%
In % of sales	10.6%	9.8%	0.8 pp
EBT	32.8	23.4	40.0%
Income tax expenses	-8.2	-5.5	49.1%
Net income incl. minorities	24.5	17.9	37.0%
<i>Thereof minorities</i>	0.1	0.1	-81.0%
EPS	7.23	5.25	37.7%

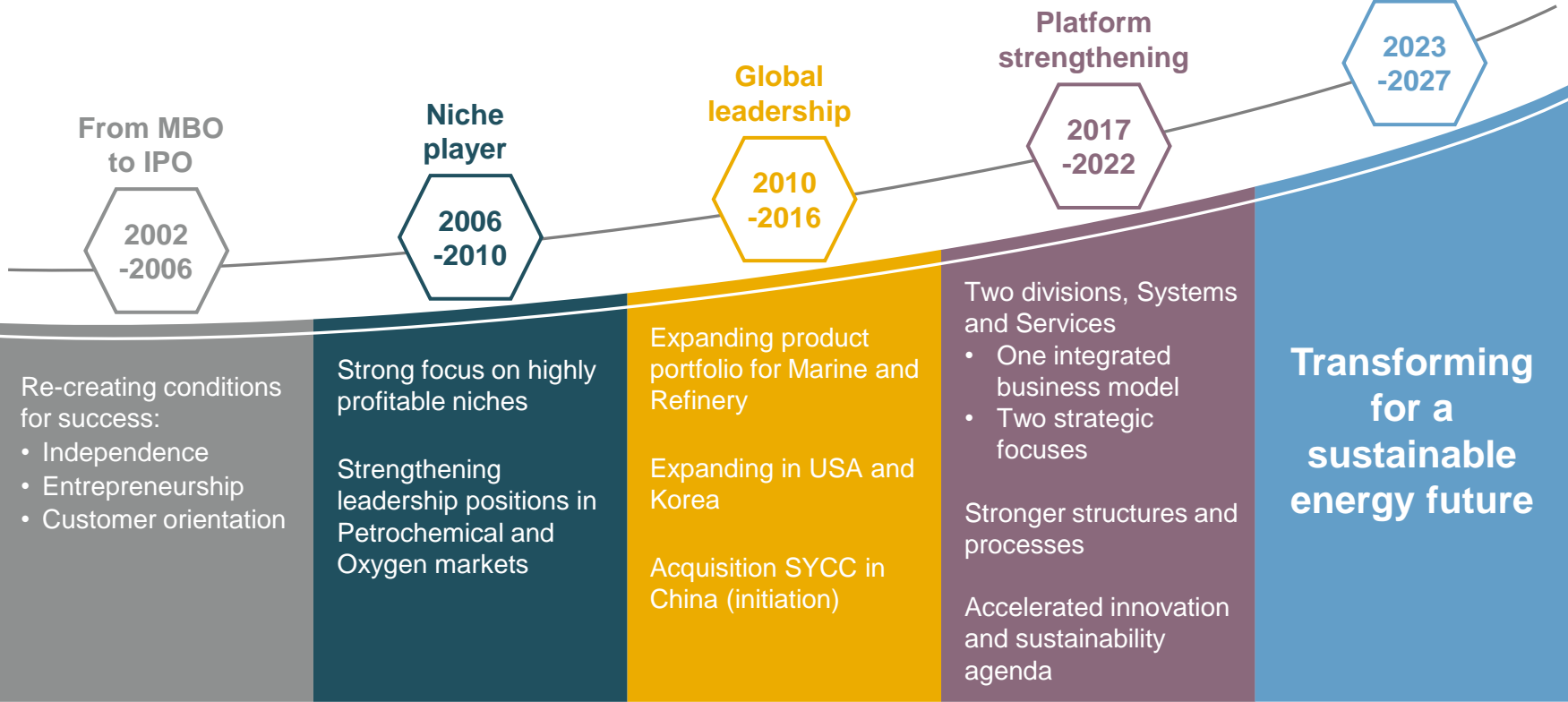
- Gross margin up 2.5pp despite higher share of SYST business (54% in 1HY FY 2022 vs 52% in 1HY FY2021)
 - Temporary positive product mix effects in SYST
 - High-capacity utilization
- SG&A at 16.5% of sales (1HY FY 2021: 19.3%)
 - Operational leverage on SG&A expenses
- R&D up CHF 1.9 mn due to development/improvement of marine solutions, enhancing compressor solutions for H₂ applications and development of digital solutions
- Other operating income decreased by CHF 14.1 mn
 - One-off costs and provisions in the amount of CHF 10 mn for Russian projects
- Overproportionate growth in EPS (+37.7%)
 - Financial expenses at similar level as prior-year period
 - Tax rate at 25.2% (1HY FY 2021: 23.6%) due to higher share of profit in countries with higher tax rates



2.

STRONGER PLATFORM FOR SUCCESS

Embracing the next chapter in the Company's growth agenda

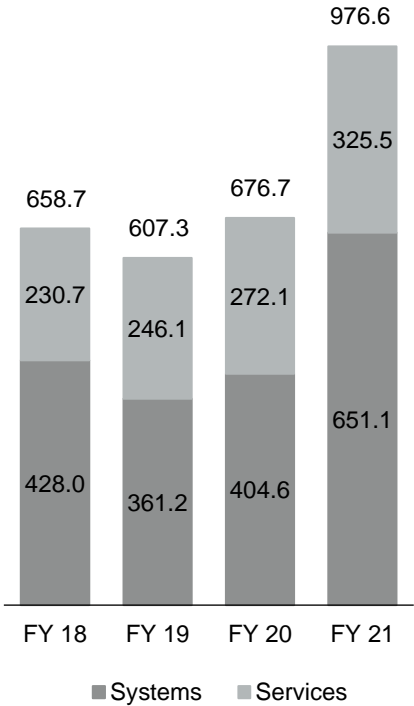


Demonstrated resilience and delivering on our MRP 2022 targets

- 1. On track to achieve target revenue growth (CHF 700 mn) & margin expansion (10% to 15% EBIT) ✓
- 2. Realized SYST profitability turnaround ✓
- 3. Grew SERV OBC & develop as full Service provider ✓
- 4. Developed Marine business & entered new markets (e.g., HME) ✓
- 5. Maintained financial discipline ✓
- 6. Prepared organization for future: Markets, Innovation & Sustainability ✓

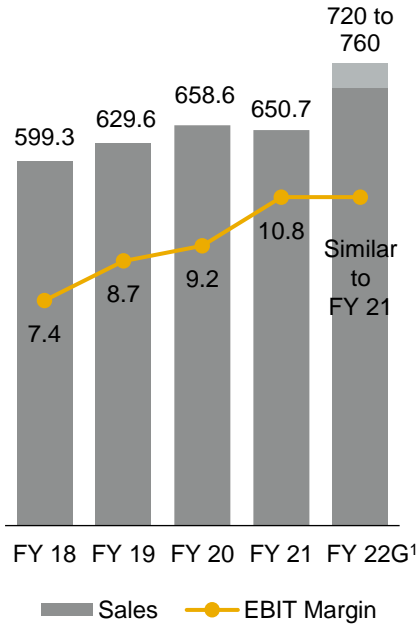
ORDER INTAKE

in CHF mn



GROUP SALES & EBIT MARGIN

in CHF mn and %



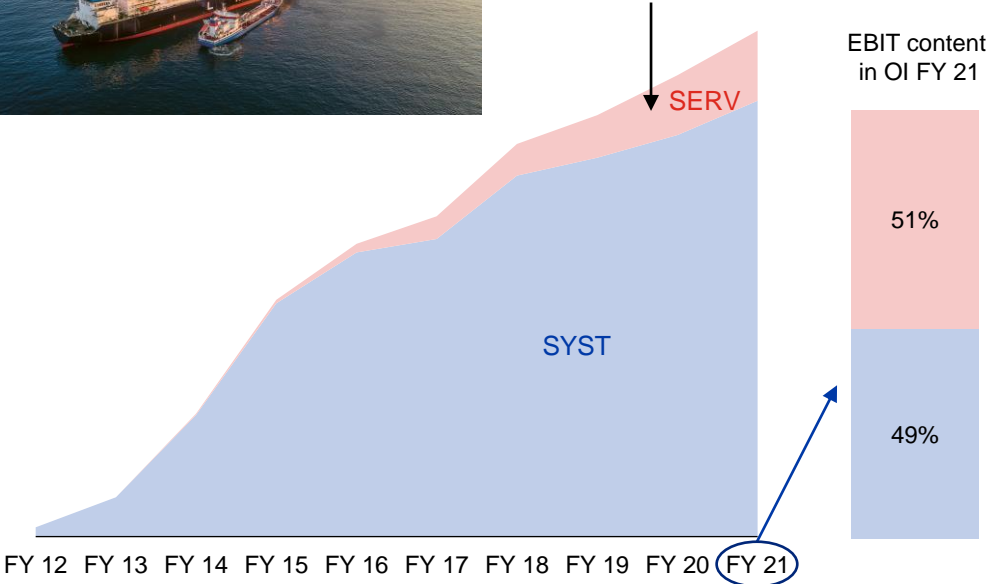
Reinforced our integrated SYST/SERV business model

Duration	Phase	Division in charge
1-3 years	Evaluation and start construction	Systems Division
10-22 months	Manufacturing of compressor system	
1-12 months	Compressor installation	Systems Division supported by Services Division
1-2 months	Start-up compressor	
2 years (avg)	Warranty period	Services Division
20-40 years (avg)	Post warranty	

EXAMPLE: LNGM BUSINESS 2012 - 2022 (OI CUMULATIVE)

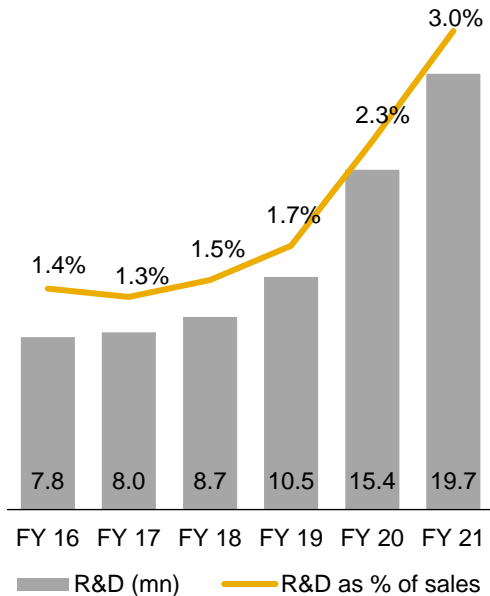


New business created for SERV
 – Will increase in the next 25+ years to cover lifetime of ships



Increased innovation to enter new markets

REACHED TARGET & SUSTAINABLE R&D INVESTMENT LEVEL



NEW GROWTH PRODUCTS CREATED



Marine applications

- New Marine Compressor (NMC)
- Marine High-pressure (MHP)
- Laby®-GI non-lube

Hydrogen Mobility & Energy (HME)

- Diaphragm compressor range
- High-pressure vertical compressors
- Non-lube sealing technology

ENHANCED SERVICING CAPABILITIES



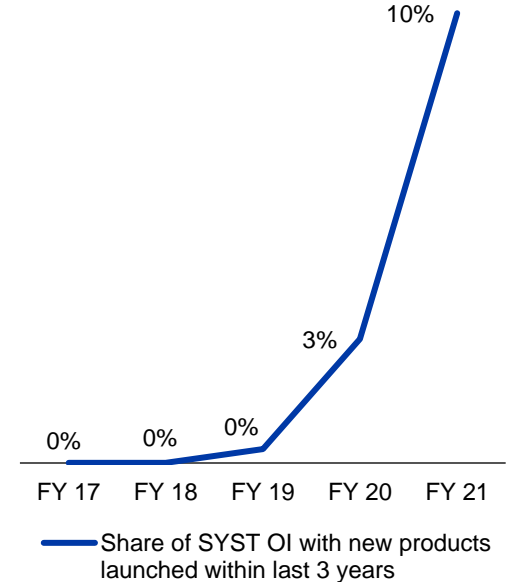
Full-service solutions

- Marine Dry-Docks/LTSAs
- HME service packages
- Standardized upgrades incl. compressor health-assessment

Digital services

- Up! Remote Support
- MyFleet customer portal

NEW PRODUCTS CONTRIBUTING TO GROWTH





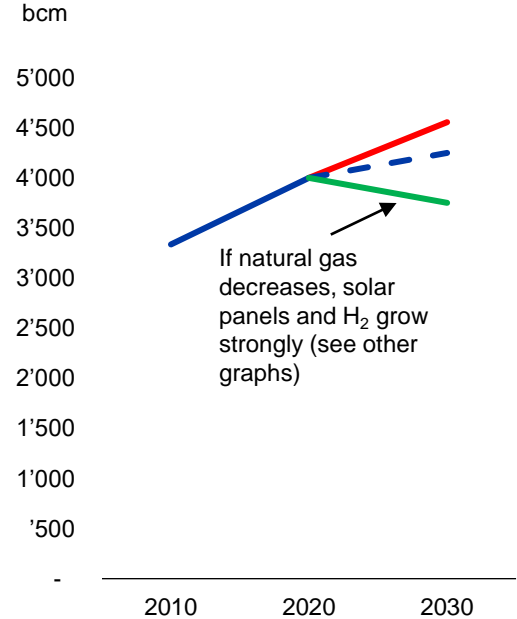
3.

TRANSFORMING MARKET; NEW OPPORTUNITIES

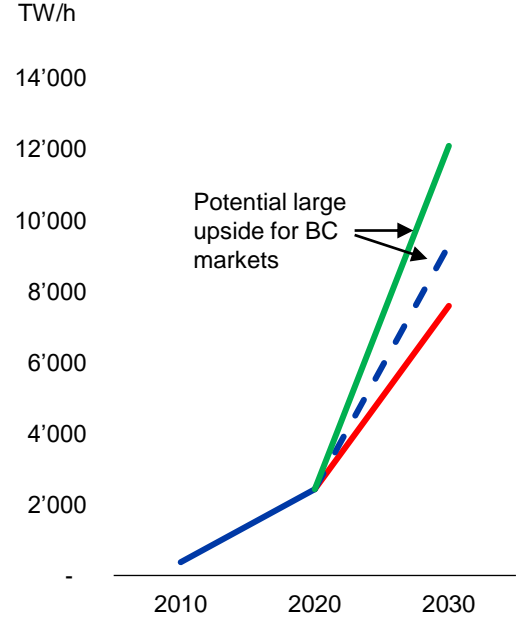
Strong dynamics in market supporting the energy transition

BC market expected to grow in any scenario

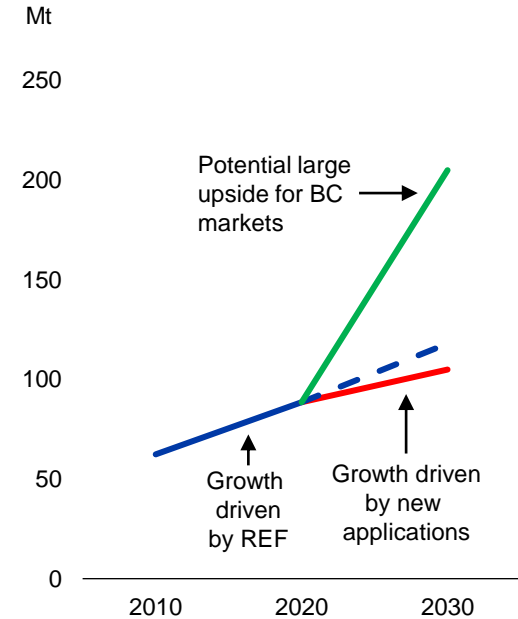
NATURAL GAS DEMAND BY SCENARIO



SOLAR PV & WIND GENERATION BY SCENARIO



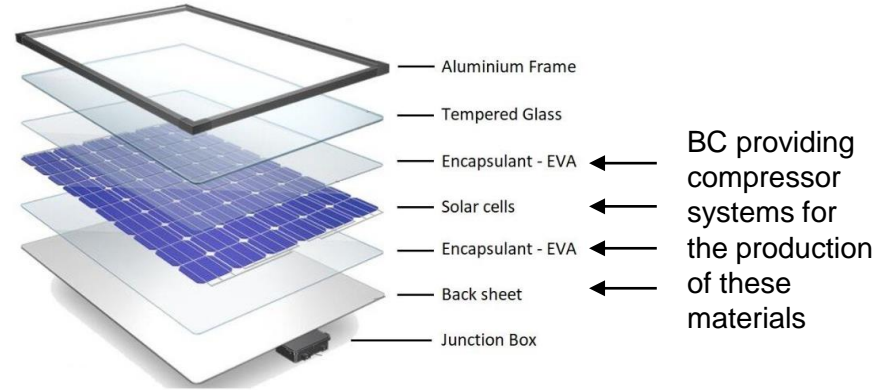
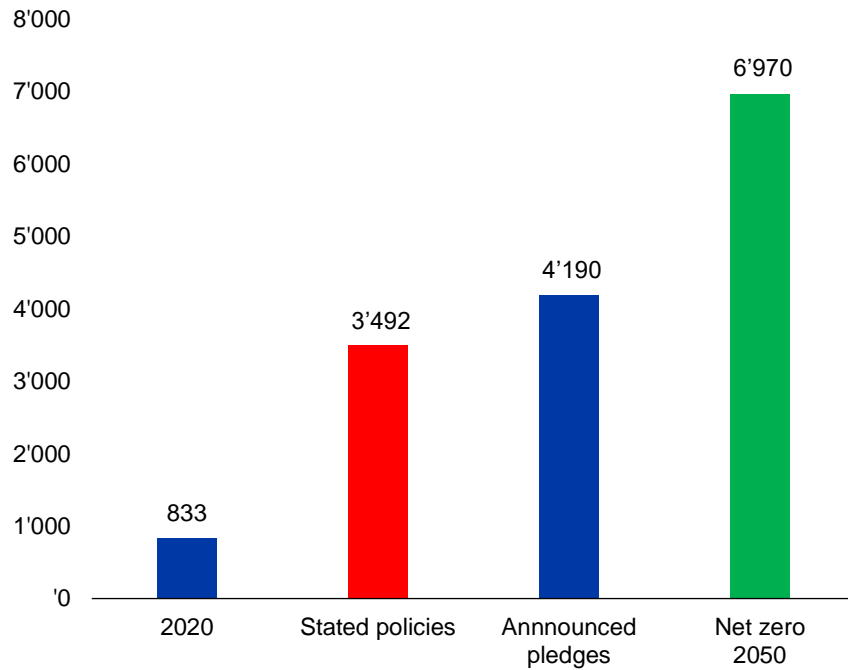
HYDROGEN DEMAND BY SCENARIO



— Historical
 — Stated Policies Scenario
 - - - Announced Pledges Scenario
 — Net Zero Scenario by 2050

Solar panel-related applications expected to grow strongly

ELECTRICITY GENERATION BY SOLAR PV BY SCENARIO IN 2030 (TWH)



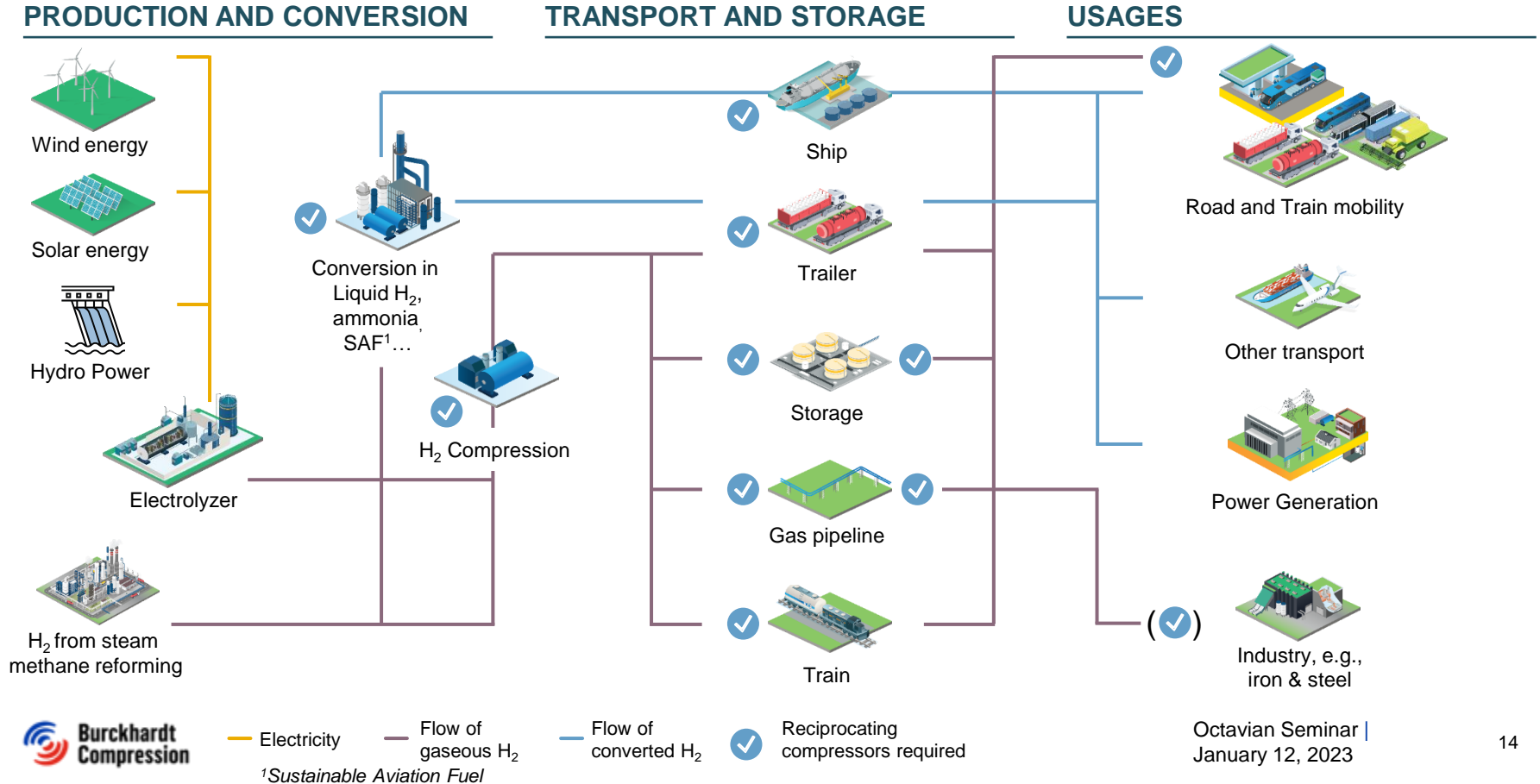
More new solar panel production capacity planned in next 10 years than built in past 20 years.

Opportunities for BC:

- Hyper compressors for EVA production
- Compressors for polysilicon plants (solar cells)
- Compressors for polymer production (back-sheet)

Market potential: **CHF 200 - 400 mn** market p.a. depending on energy transition scenario

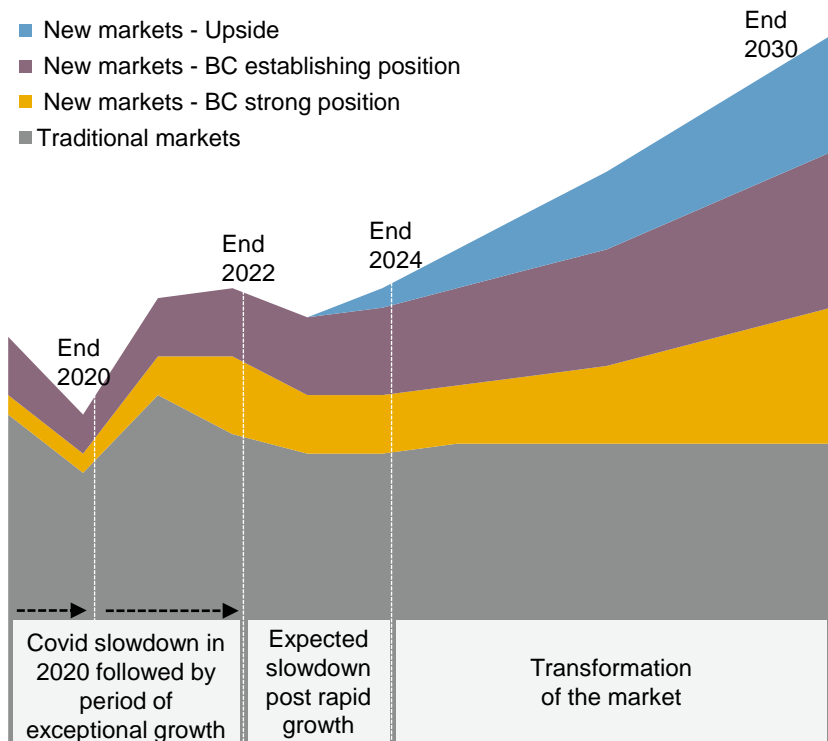
The hydrogen value chain requires reciprocating compressors at different stages



SYST market to grow strongly after slow-down in FY 23-24

Upside potential

SYSTEMS MARKET SIZE - INDICATIVE



Upside outside MRP targets – To be monitored to trigger investments in capacity and drive growth



Establishing positions on future-oriented markets – Focus Hydrogen

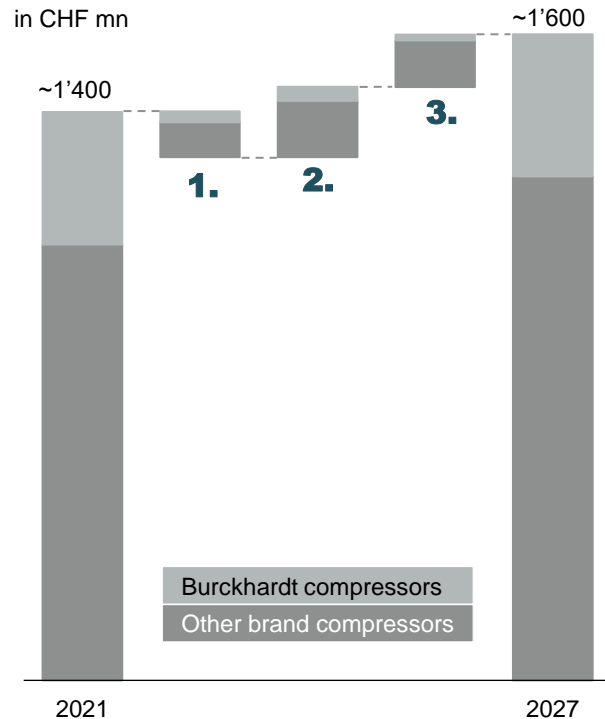


Traditional markets (e.g., REF) expected to flatten or slightly decline, replaced by markets where BC already has strong positions (e.g., solar panel, LNG and Liquid H₂ production applications)

Speed of transition from traditional to new markets uncertain but BC is “hedged”

Service market growing, with opportunities on BC and OBC compressors

ACCESSIBLE SERVICE MARKET



GROWTH OPPORTUNITIES AND DRIVERS

- Service market is expected to grow at around **2.6% p.a.**, to **CHF 1'600 mn**
- Current market share: 60-70% for BC compressors and 8%-12% for OBC
- Ambition 2027: 70+% for BC compressors and 15+% for OBC

- 1.** Equipment taken out of operation, both BC and OBC will lead to reduced service potential
- 2.** New units installed during the last 4 years will create significant new business for services
- 3.** New business opportunities
 - Increasing demand for labor, consulting services and solutions for critical aging equipment (skill shortage at customers' sites)
 - Diagnostics and emission reduction upgrades on existing installed base
 - Extensive service requirements in Marine and HME
 - Digital services



STRATEGIC FRAMEWORK & COMMITMENTS





Our Purpose

**We create leading compression solutions
for a sustainable energy future**

Targets 2027: Doubling EBIT while transforming

Key business objectives



Long-term
**customer
partnerships**



Approx. 40% of
business
supports
**energy
transition**



**Employer of
choice**



Own GHG
**emission
intensity
reduced by
>50%**



**One
connected
company &
customer
oriented digital
services**

Financial targets 2027

~1.1 bn
Sales
(9% CAGR¹)

12% - 15%
EBIT margin

>25%
RONOA

50% - 70% dividend payout ratio

Four strategic levers to transform and deliver our new MRP targets



Strengthen core business

- Consolidate market share in traditional SYST markets → Focus: China, USA, PCI, LNG, Solar
- Grow SERV as full-service provider → Focus: coverage of installed base, USA & Marine



Operational excellence

- Improve product competitiveness
- Increase efficiency via automation & digital processes
- Leverage current footprint and SG&A



Transform & build new growth avenues




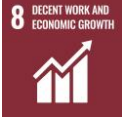









- Develop best combined SYST & SERV offering for Hydrogen Mobility & Energy
- Develop modular suite of digital customer offerings
- Leverage potential from internal digitization across functions



Enhance business foundations

- Embrace BC purpose & further develop our culture
- Further develop attractive employer brand & customer experience
- Increase sustainability of operations & supply chain
- Streamline IT & data platform

Impact oriented sustainability strategy with clear commitments to the UN Sustainable Development Goals

Material topic	KPI	UN SDG goals
 GHG emissions & climate change	GHG emissions intensity scope 1 + 2	 3 GOOD HEALTH AND WELL-BEING
 Energy use and - efficiency	Share of renewable energy in operations	 8 DECENT WORK AND ECONOMIC GROWTH
 Longevity & cyclability	Sales in revamps & upgrades	 13 CLIMATE ACTION
 Environmental impacts of application purpose	Sustainability project rating	 7 AFFORDABLE AND CLEAN ENERGY
 Working conditions	Employee survey engagement score ³	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
 Occupational health & safety	LTIR (lost time injury rate)	
 Product safety	Incidents related to product safety	
 Business conduct	Incidents related to corruption & antitrust	

Burckhardt Compression targets	
Environment	Approx. 40% of business supporting energy transition in 2027
	Reduce GHG emission intensity by 50% by 2027 ²
	% of renewable electricity > 75% by 2027 ²
	Aspirations for net-zero by 2035 ¹
Social & Governance	Product safety = maintain zero incidents
	Corruption/antitrust cases = zero



FINANCIAL PLAN

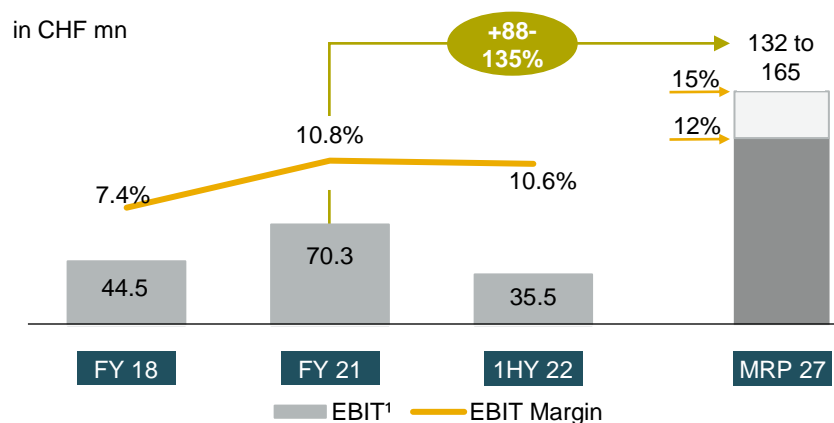
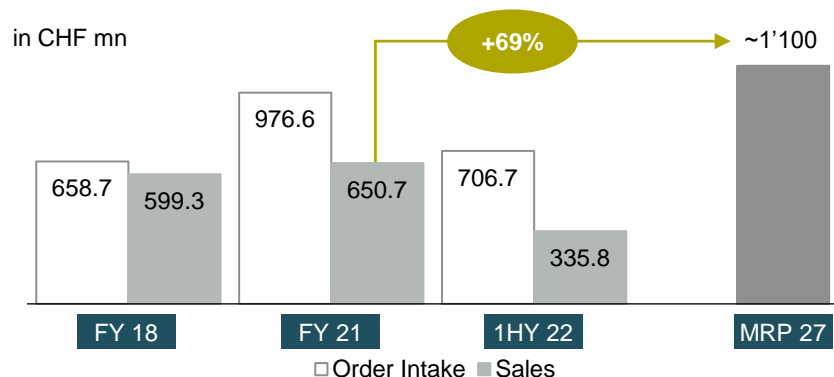
Rolf Braendli

Raising the bar

Financial targets		MRP 2022		MRP 2027
Group	Sales (CHF mn)	700	↗ ↗ ↗	1'100
	EBIT margin	10% - 15%	↗	12% - 15%
	EBIT range (CHF mn) ¹	70 - 105	↗ ↗ ↗	132 - 165
	RONOA	n/a		> 25%
	Dividend payout ratio	50% - 70%	→	50% - 70%
Systems	Sales (CHF mn)	340	↗ ↗ ↗	620
	EBIT margin	0% - 5%	↗ ↗	5% - 8%
	EBIT range (CHF mn)	0 - 17	↗ ↗ ↗	31 - 50
Services	Sales (CHF mn)	360	↗ ↗	480
	EBIT margin	20% - 25%	↗	22% - 25%
	EBIT range (CHF mn)	72 - 90	↗ ↗	106 - 120

GROUP – Strong growth momentum in early MRP phase

Increasing EBIT margin in following years



EXPECTED DEVELOPMENTS

Order Intake

- Exceptionally high order intake in SYST business in last 18 months leading to a ramp-up in order backlog

Sales

- Strong double-digit revenue growth expected at the start of MRP, with a time lag of approximately 12-18 months between order intake and sales
- Transition from traditional to new markets with overall moderate SYST sales growth in second half of the MRP
- SERV revenue expected to grow at a 9.5% CAGR

EBIT

- 12% - 15% EBIT margin expected at the end of the MRP, supported by a higher EBIT-margin in both divisions
- Higher proportion of SYST revenue with a dilutive effect on Group EBIT-margin at the start of the MRP
- Constant increase of SERV revenue leading to more favorable sales mix and higher EBIT-margin in a later phase of the MRP

Disciplined and balanced approach to capital allocation with focus on RONO

Organic growth CAPEX

- Maintenance CAPEX similar to level of depreciation & amortization
- Dedicated investments to support MRP initiatives (factory expansions, digitalization)
- $RONOA > WACC$ as key criteria for CAPEX applications

Dividend

- Committed to redistributing profit back to shareholders
- Dividend policy implies payout ratio of 50% - 70% of EPS



M&A

- Bolt-on acquisitions with selective and disciplined approach
- Strategic fit, management profile and financial track record as key initial considerations
- Clear financial mid-term guidelines: EBIT/Acquisition Price $>$ WACC

Financial leverage

- Aiming for a long-term equity ratio above 30%¹
- Optimizing debt structure and financial expenses



WRAP-UP



Targets 2027: Doubling EBIT while transforming

Key business objectives



Long-term
**customer
partnerships**



Approx. 40% of
business
supports
**energy
transition**



**Employer of
choice**



Own GHG
**emission
intensity
reduced by
>50%**



**One
connected
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