



swisslog

Swisslog

Half-year report 2005

23 August 2005

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Highlights first half - year 2005 (1/2)

- Swisslog Group:**
- Increased order intake and order backlog
 - Reduced net sales due to unsatisfactory order intake 2004
 - Operating results on previous year's level
 - Positive currency effects in the financial result
 - Slightly negative net result
 - Net debt increased to MCHF 51 due to reduced cash and cash equivalents
 - Extension of bank-guarantee facilities by one year
 - No result impact from discontinued operations

Highlights first half-year 2005 (2/2)

- ▶ **Warehouse & Distribution Solutions**
 - Increased order intake and order backlog
 - Few large orders: Forlagsentralen, Wal-Mart
 - Reduced net sales due to low order intake in 2004
 - Demand in Continental Europe still on low level
 - Reduced operating result as a consequence of reduced net sales

- ▶ **Healthcare Solutions:**
 - Restructuring in Europe completed (no one-off costs anymore)
 - Return to profitable growth
 - PillPick sales within expectation

- ▶ **Consulting Services/
Wassermann:**
 - Weak start in the first quarter 2005 (software licenses)
 - Reduced operating result
 - Goodwill confirmed

Financial overview – Continuing activities

In MCHF	30.6.05	30.6.04	31.12.04
Order intake	281.3	231.7	542.7
Order backlog	443.2	378.1	410.6
Net sales	267.0	305.5	564.9
EBITDA	11.2	11.2	17.9
EBITA	7.7	7.4	10.4
<i>EBITA/net sales</i>	<i>2.9%</i>	<i>2.4%</i>	<i>1.8%</i>
EBIT	7.7	- 0.9	2.1
Employees	1 862	1 913	1 858

- ▶ Increased order intake and order backlog in the first semester 2005
- ▶ Reduced net sales in the first half-year 2005 due to low order intake in 2004
- ▶ EBITDA/EBITA: Stable operational profit despite less net sales in the first semester 2005 (further reduction of fixed costs)
- ▶ Positive EBIT (no one-off effects and Goodwill impairment)

Warehouse & Distribution Solutions

In MCHF	30.6.05	30.6.04	31.12.04
Order intake	169.2	143.4	366.2
Order backlog	303.5	246.9	290.5
Net sales	171.3	212.3	378.4
EBITDA	7.8	13.2	21.3
EBITA	6.5	11.6	18.1
<i>EBITA/net sales</i>	3.8%	5.5%	4.8%
EBIT	6.5	11.6	18.1
Employees	1 027	1 065	1 041

- ▶ Increased order intake in the first semester 2005
- ▶ Increased order backlog
- ▶ Weak order intake in 2004 burdens net sales
- ▶ EBITDA/EBITA: Reduced operational profit due to reduced net sales
- ▶ Headcount reduction

Healthcare Solutions

In MCHF	30.6.05	30.6.04	31.12.04
Order intake	105.3	82.4	166.8
Order backlog	138.1	126.2	117.1
Net sales	89.7	87.9	174.9
EBITDA	9.1	1.8	6.0
EBITA	7.5	0.3	3.1
<i>EBITA/net sales</i>	<i>8.4%</i>	<i>0.3%</i>	<i>1.8%</i>
EBIT	7.5	0.3	3.1
Employees	747	761	727

- ▶ Increased order intake
- ▶ Increased order backlog
- ▶ Slight increase of net sales
- ▶ Restructuring completed in 2004; no further one-off costs
- ▶ Return to profitable growth

Consulting Services/Wassermann

In MCHF	30.6.05	30.6.04	31.12.04
Order intake	7.4	8.2	13.2
Order backlog	2.0	6.3	3.6
Net sales	7.0	7.9	15.9
EBITDA	0.6	1.0	2.1
EBITA	0.0	0.3	1.0
<i>EBITA/net sales</i>	<i>0.0%</i>	<i>3.8%</i>	<i>6.3%</i>
EBIT	0.0	- 8.0	- 7.3
Employees	69	60	67

- ▶ Reduced order intake in the first semester 2005
- ▶ Reduced order backlog
- ▶ Weak beginning in the first quarter 2005, second quarter within expectations
- ▶ EBITDA/EBITA burdened by weak start in 2005
- ▶ Goodwill confirmed at 30.6.2005
- ▶ Reinforcement of sales team

Swisslog Group – slightly negative net result

Consolidated income statement (unaudited)

In MCHF	1.1.-30.6.2005	1.1.-30.6.2004	1.1.-31.12.2004
Net sales	267.0	305.5	564.9
EBITDA	11.2	11.2	17.9
Depreciation	-3.5	-3.8	-7.5
EBITA	7.7	7.4	10.4
Goodwill Impairment	0.0	-8.3	-8.3
EBIT	7.7	-0.9	2.1
Net financial result	-3.9	22.2	12.1
Taxes	-5.2	-6.1	-8.1
Result continuing operations	-1.4	15.2	6.1
Result discontinued operations	0.0	-2.1	-4.2
Net result	-1.4	13.1	1.9

- ▶ No further goodwill impairment
- ▶ Financial result in June 2005 benefits from positive currency effects (2004 with positive financial one-time effect of MCHF 29 due to changed conditions of convertible bonds)
- ▶ Slightly negative net result per 30 June 2005

Swisslog Group – Net debt MCHF 51

Consolidated balance sheet (unaudited)

In MCHF

	30.6.05	31.12.04
Non-current assets excluding goodwill	50.6	55.7
Goodwill	99.2	94.0
Non-current assets	149.8	149.7
Inventories, trade and other receivables, prepayments	164.5	174.6
Cash, cash equivalents and marketable securities	73.3	91.0
Current assets	237.8	265.6
TOTAL assets	387.6	415.3
Equity	73.9	68.4
Non-current liabilities (excluding convertible bonds)	16.7	18.6
Convertible bonds	123.8	120.4
Non-current liabilities	140.5	139.0
Provisions	13.0	17.7
Short-term borrowings	0.1	0.3
Other current liabilities	160.1	189.9
Current liabilities	173.2	207.9
TOTAL equity and liabilities	387.6	415.3
Net working capital	-12.4	-31.0
Net debt	51.0	29.9

- ▶ Increase of goodwill due to currency effects
- ▶ Increase of equity to 19% on 30 June 2005
- ▶ Increase of net debt due to reduced cash

Swisslog Group – Increase of net working capital

Consolidated cash flow statement (unaudited)

In MCHF	1.1.-30.6.2005	1.1.-30.6.2004	1.1.-31.12.2004
Net cash flow from operating activities	-18.7	3.0	39.8
Thereof net cash flow before changes in net working capital	3.9	1.0	1.2
Thereof cash flow from net current assets	-22.6	2.0	38.6
Net cash flow from investing activities	5.4	10.5	1.1
Net cash flow from financing activities	-0.4	5.2	1.1
Net cash flow from discontinued operations	0.0	0.7	-2.8
Currency translation impact on cash and cash equivalents	1.6	-0.3	-1.3
Net change in cash and cash equivalents	-12.1	19.1	37.9
Cash and cash equivalents at beginning of period	85.4	47.5	47.5
Cash and cash equivalents at end of period	73.3	66.6	85.4

- ▶ Increase of net working capital of MCHF 22.6
- ▶ Positive net cash flow from investing activities related to disposal of marketable securities
- ▶ Reduction of cash and cash equivalents by MCHF 21.1

Outlook 2005

- ▶ Increase of order intake and order backlog
 - Order from PepsiCo in August for the building of a new warehouse in England
 - Order-pipeline shows some large orders in the second half of 2005
- ▶ Net sales on previous year's level
- ▶ Break-even net result for 2005
- ▶ Net debt of around MCHF 50