



swisslog

Swisslog

Half-year report 2007

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Highlights first half-year 2007

- ▶ Good top line growth
- ▶ New larger orders from Target (USA) and B. Braun Melsungen (D)
- ▶ Improved operating result (EBITA); neutral impact of positive and negative extraordinary effects (gain on sale of real estates, legal costs related to patent infringement claim)
- ▶ Unchanged EBITA margin due to changed mix of new business and customer support
- ▶ Substantially improved financial result
- ▶ Net profit achieved
- ▶ Acquisition of Accalon

Financial overview – Swisslog Group

In MCHF	30.06.07	30.06.06	Diff. in %
Order intake	279.5	256.2	9.1%
Order backlog	475.1	449.2	5.8%
Net sales	355.3	304.7	16.6%
EBITDA	17.8	15.9	11.9%
EBITA	14.4	12.5	15.2%
<i>EBITA/net sales</i>	4.1%	4.1%	
EBIT	14.4	2.5	476.0%
Employees	2 019	1 804	11.9%

- ▶ Increased order intake
- ▶ Solid order backlog
- ▶ Increased net sales due to good order backlog at end of 2006
- ▶ Improved operating profit due to net sales increase
- ▶ Unchanged EBITA margin due to unfavorable segment mix in WDS
- ▶ No further goodwill impairment
- ▶ Increased headcount mainly due to acquisition of Accalon (+148)

Warehouse & Distribution Solutions

In MCHF	30.06.07	30.06.06	Diff. in %
Order intake	156.5	138.7	12.8%
Order backlog	303.0	293.9	3.1%
Net sales	233.4	195.5	19.4%
EBITDA	12.6	11.7	7.7%
EBITA	11.0	10.2	7.8%
<i>EBITA/net sales</i>	4.7%	5.2%	
EBIT	11.0	10.2	7.8%
Employees	1 181	970	21.8%

- ▶ Increased order intake and order backlog
- ▶ Increased net sales
- ▶ Improved operating profit due to gain on sale of real estates* (MCHF 2.3)
- ▶ Reduced EBITA margin due to unfavorable segment mix: higher share of new business vs. customer support
- ▶ Increased headcount mainly due to acquisition of Accalon (+148)

Healthcare Solutions

In MCHF	30.06.07	30.06.06	Diff. in %
Order intake	119.0	112.0	6.3%
Order backlog	166.6	151.6	9.9%
Net sales	116.8	103.7	12.6%
EBITDA	11.3	9.4	20.2%
EBITA	9.7	8.1	19.8%
<i>EBITA/net sales</i>	<i>8.3%</i>	<i>7.8%</i>	
EBIT	9.7	8.1	19.8%
Employees	773	751	2.9%

- ▶ Increased order intake and order backlog
- ▶ Increased net sales
- ▶ Improved operating profit due to net sales growth
- ▶ Increased EBITA margin (better project margins) despite legal costs of MCHF 2.0 related to patent infringement claim
- ▶ Slightly increased staff

Consulting Services/Wassermann

In MCHF	30.06.07	30.06.06	Diff. in %
Order intake	4.0	5.6	-28.6%
Order backlog	5.6	4.0	40.0%
Net sales	5.2	5.8	-10.3%
EBITDA	- 0.5	- 0.4	-25.0%
EBITA	- 0.7	- 0.9	22.2%
<i>EBITA/net sales</i>	<i>-13.5%</i>	<i>-15.5%</i>	
EBIT	- 0.7	- 10.9	93.6%
Employees	47	62	-24.2%

- ▶ Reduced order intake
- ▶ Increased order backlog
- ▶ Reduced net sales
- ▶ Negative operating profit due to lower net sales
- ▶ No further goodwill impairment (remaining goodwill of MCHF 9.4)
- ▶ Reduced staff to compensate lower net sales

Swisslog Group – consolidated income statement

(unaudited)

In MCHF	1.1.-30.06.2007	1.1.-30.06.2006	1.1.-31.12.2006
Net sales	355.3	304.7	646.9
EBITDA	17.8	15.9	37.8
Depreciation	-3.4	-3.4	-6.7
EBITA	14.4	12.5	31.1
Goodwill Impairment	0.0	-10.0	-10.1
EBIT	14.4	2.5	21.0
Net financial result	-1.1	-12.6	-14.9
Taxes	-4.5	-5.5	-9.6
Net result	8.8	-15.6	-3.5

- ▶ Substantially improved financial result due to lower interest expenses, increased returns from investments, and currency gains; 2006 included book loss from repurchase of convertible bonds (MCHF 8.0)
- ▶ Reduced income tax expenses due to usage of tax losses carried forward
- ▶ Strongly improved net result

Swisslog Group – consolidated balance sheet (unaudited)

In MCHF	30.06.07	30.06.06	31.12.06
Non-current assets excluding goodwill	49.6	48.8	49.1
Goodwill	93.4	88.3	88.3
Non-current assets	143.0	137.1	137.4
Inventories, trade and other receivables, prepayments	211.5	177.6	194.1
Cash, cash equivalents and marketable securities	100.9	92.5	104.2
Current assets	312.4	270.1	298.3
TOTAL assets	455.4	407.2	435.7
Equity	151.9	130.5	143.0
Non-current liabilities (excluding convertible bonds)	12.7	13.2	12.6
Convertible bonds	59.0	62.4	63.8
Non-current liabilities	71.7	75.6	76.4
Provisions	17.5	10.7	15.4
Other current liabilities	214.3	190.4	200.9
Current liabilities	231.8	201.1	216.3
TOTAL equity and liabilities	455.4	407.2	435.7
Net working capital	-24.8	-23.4	-20.1
Net cash	41.9	30.1	40.4

► Solid financial ratios:

- Equity 33% of balance sheet total
- Net cash of MCHF 41.9
- Tangible net worth MCHF 58.5 (equity less goodwill)

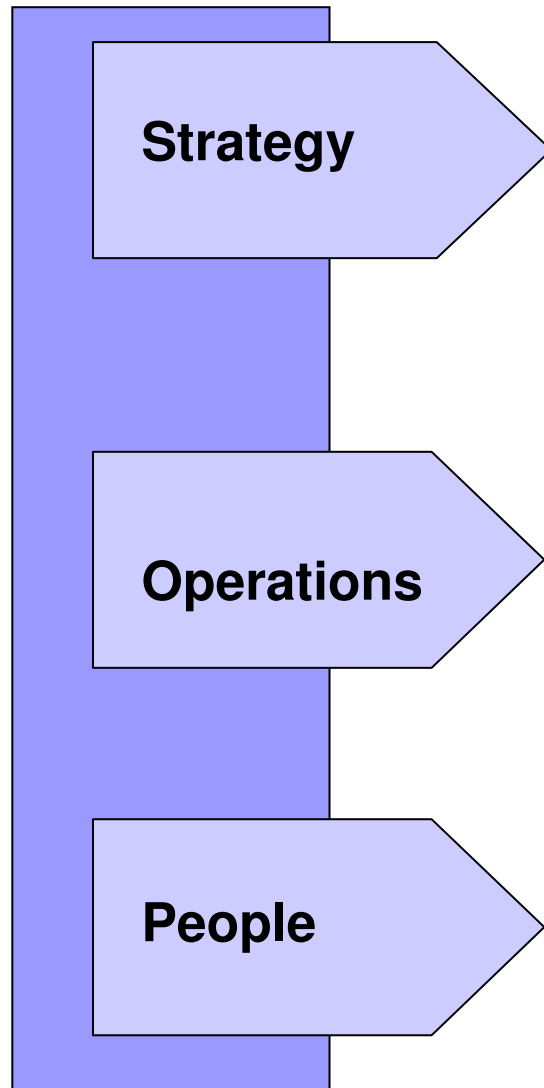
Swisslog Group – consolidated cash flow statement

(unaudited)

In MCHF	1.1.-30.06.2007	1.1.-30.06.2006	1.1.-31.12.2006
Net cash flow from operating activities	11.7	19.6	32.7
Cash flow before working capital changes	8.7	7.9	23.7
Cash flow from changes in working capital	3.0	11.7	9.0
Net cash flow from investments	-8.5	-1.3	-16.8
Net cash flow from financing activities	-9.2	-8.8	-11.3
Currency translation differences	1.0	-1.1	-0.4
Net decrease/increase in cash and cash equivalents	-5.0	8.4	4.2
Cash and cash equivalents at beginning of period	88.3	84.1	84.1
Cash and cash equivalents at end of period	83.3	92.5	88.3

- ▶ Slightly improved operating cash flow before changes in net working capital
- ▶ Investment activities mainly related to acquisition of Accalon
- ▶ Financing activities include repurchase of convertible bonds amounting to MCHF 7.0

Agenda 2007



- ▶ Overall strategy based on 2 pillars (WDS and HCS) has proven successful, no major changes required
- ▶ Acquisition of hardware equipment company to improve competitiveness and margins of WDS for lower complexity projects
- ▶ Round-up acquisitions to strengthen core business of HCS

- ▶ Focus on profitable organic growth in all divisions
- ▶ Implementation of design-to-cost programs in all product centers
- ▶ Strengthening of innovation management
- ▶ Implementation of profit optimization programs in HCS North America and WDS Customer Support

- ▶ Strengthening of HR management
- ▶ Strengthening of recruitment activities
- ▶ Introduction of new performance management system

Acquisition of Collett AS

- ▶ Collett is an engineering company specialized in pneumatic tube systems
- ▶ Collett has 11 employees and is based in Oslo, Norway
- ▶ In 2006 Collett generated net sales of MCHF 6.2
- ▶ Main deliveries of Collett are the installation and support of tube systems for hospitals and the industry
- ▶ Swisslog paid MCHF 1.8 for Collett
- ▶ The acquisition allows to strengthen the HCS core business in Norway
- ▶ The acquisition is subject to merger control clearance (expected by the end of August 2007)

Outlook 2007

Outlook 2007:

- ▶ Good order pipeline will lead to higher order intake in second semester vs. first semester 2007
- ▶ Based on the order backlog and a positive economic environment, a net sales growth of 10% is expected
- ▶ Higher net sales will allow to further improve the operating profit (EBITA); however, EBITA margin will remain unchanged compared to previous year due to unfavorable segment mix

Mid-term targets:

- ▶ Organic net sales growth of around 5% p.a.
- ▶ EBITA margin between 6%-7%
- ▶ Exploitation of regained entrepreneurial degrees of freedom