

Annual Results 2022

Analyst & Media Conference
Zürich, 10th March 2023



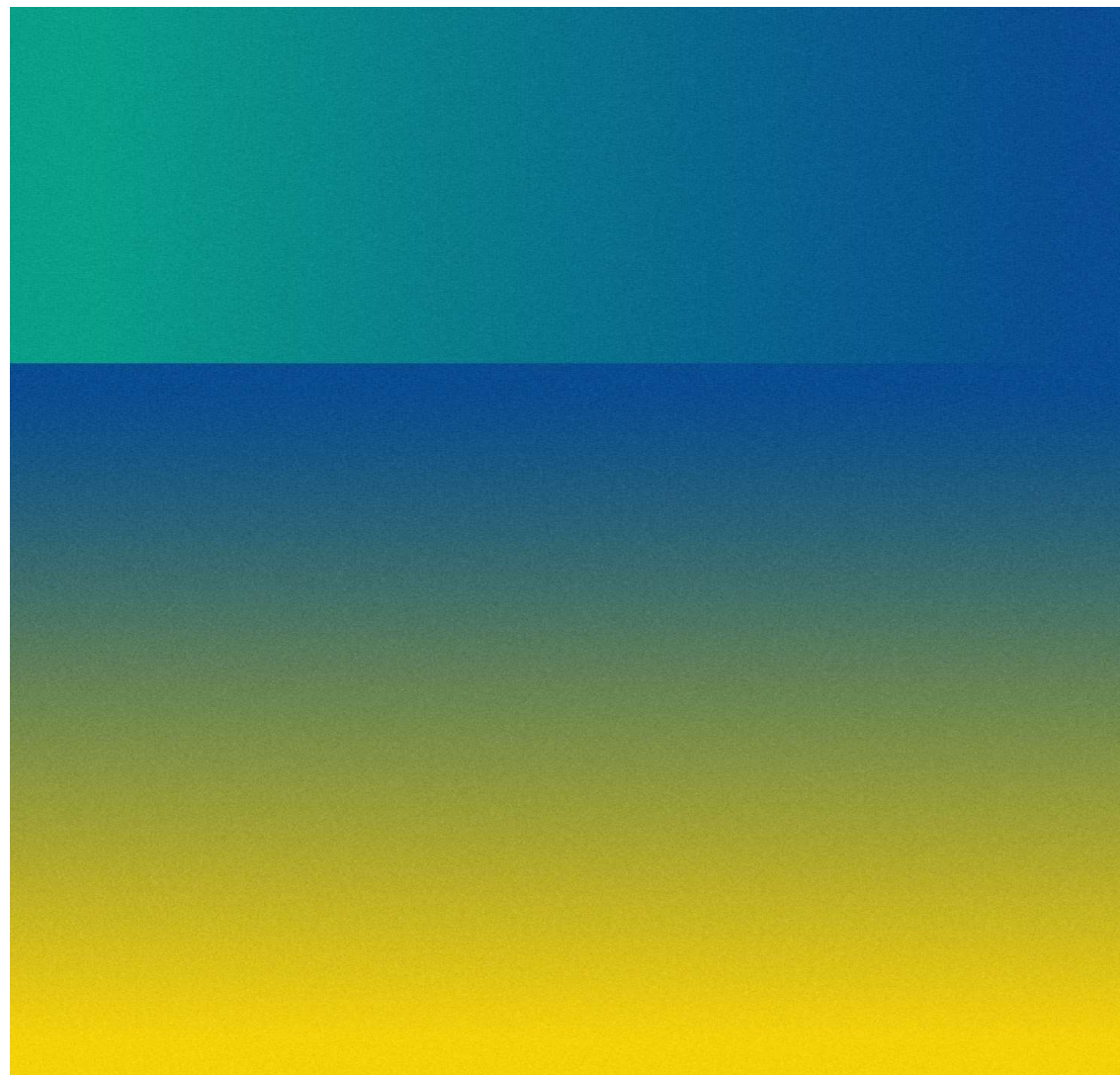
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Dr. Martin Folini, Chairman of the Board of Directors

02 FINANCIAL RESULTS 2022
Reto Janser, CFO

03 BUSINESS YEAR 2022
Daniel Link, CEO

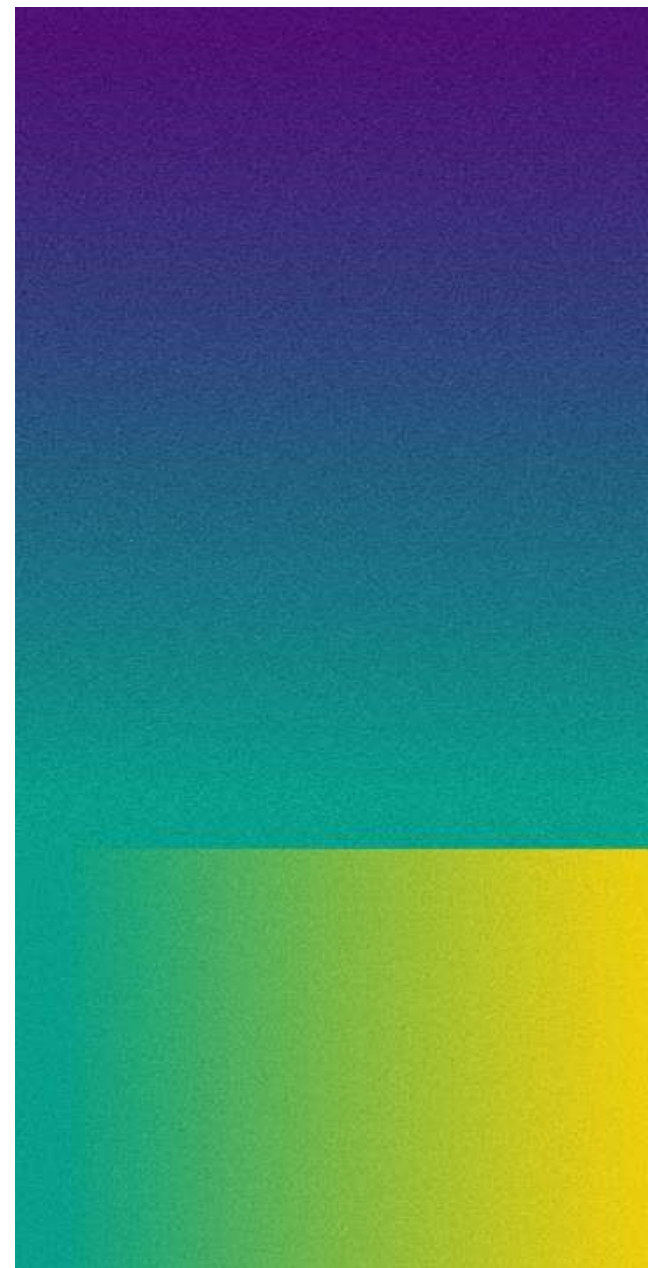
04 STRATEGY UPDATE & OUTLOOK
Daniel Link, CEO

05 Q&A

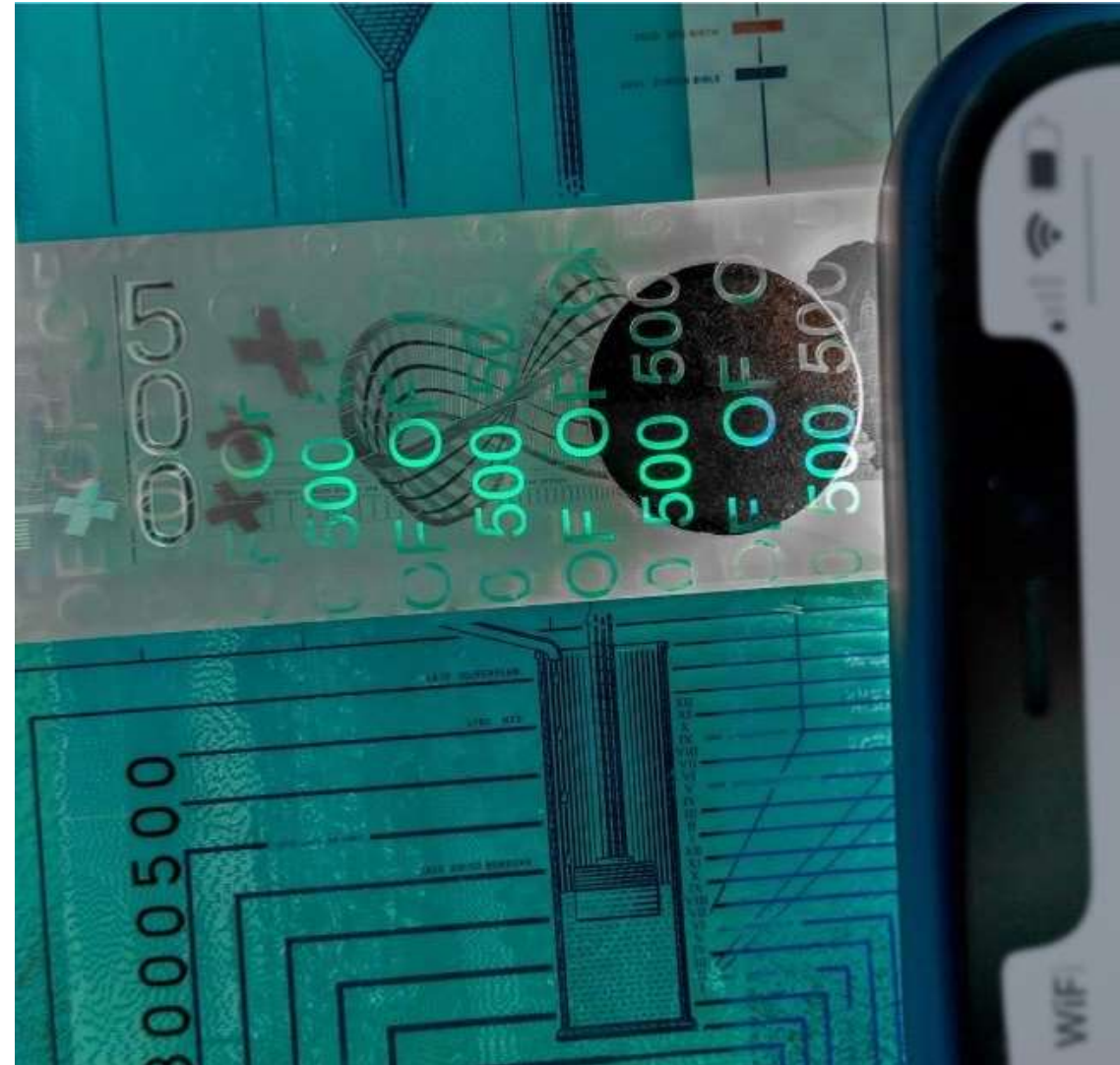


Welcome

Dr. Martin Folini
Chairman of the Board of Directors



«Building on our robust business model, we aim to become a leader in analog and digital trust services.»



Revenue Increased in 2022



Back to growth track, 3.3% revenue increase vs. previous year



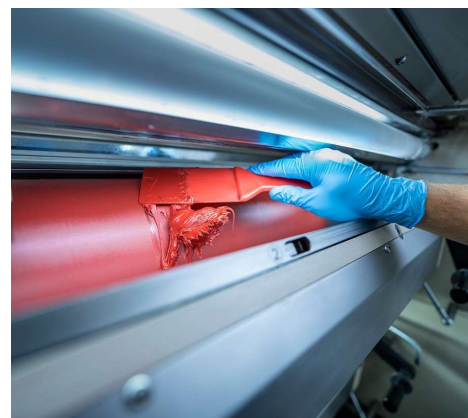
Profitability impacted by higher costs and one-time effects



Healthy balance sheet and willingness to invest for growth



Proposal of stable dividend in-line with communicated policy



Security

Technology leader for security documents and individualization of value documents



Education

Market leader in Swiss book retail and largest private Swiss publisher of learning and educational media

First Steps for Growth Strategy Realized

- Various investments in technology leadership and growth
- Ongoing efficiency improvements
- Advanced digitalization in all business areas
- Leveraged and expanded market positions
- ESG roadmap further developed



Financial Results 2022

Reto Janser
CFO



Financial Key Figures Group 2022

CHF m	2022	2021	%
Revenue	217.3	210.4	3.3%
EBITDA	25.8	25.4	1.6%
Operating result (EBIT)	14.9	15.4	-3.2%
Annual result	11.7	12.1	-3.3%
Net result after minority interests	8.5	9.4	-9.4%

- Slight increase in revenues in line with management expectations
 - OFS:** good utilization of production capacity
 - Zeiser:** suffers from postponement of orders
 - hep Verlag:** fully consolidated as of 1 July 2023
- Book retailing with another year with increased revenues and with very pleasing results
- Overall operating result impacted by higher input costs, upfront costs for digital certificates business and provisions for a foreseeable customer default

Key Financial Figures Divisions 2022

CHF m	2022	2021	%
Security printing			
Revenue	70.4	73.8	-4.6%
EBIT	9.7	6.1	58.0%
Industrial systems (Zeiser)			
Revenue	20.9	25.3	-17.3%
EBIT	0.9	5.5	-83.3%
Book retailing			
Revenue	112.2	103.3	8.3%
EBIT	9.3	7.5	24.2%
Various (incl. Publishing, Procivis)			
Revenue	13.7	7.7	77.0%
EBIT	-0.9	0.0	n/a

- **Security printing** with expected lower revenue but improved EBIT thanks to product mix and efficiency improvements. Good order backlog for H1'2023
- **Zeiser** with an overall disappointing business year in terms of revenue and EBIT. Performance of track and trace business (acquired in 2021) according to plan
- **Book retailing** with continuous growth in both revenue and EBIT thanks to effective omni-channel strategy
- **Publishing** with solid profitability also thanks to hep acquisition
- **Procivis** with successful pilot projects and extension of the existing product portfolio

Financial Situation as of 31st December 2022



Solid balance sheet and high equity financing ratio



Continuing high investment volume is financed out of operating cash flow

- Tangible and financial assets
- Upfront costs for build up of digital business



Solid financial base to execute our strategy

Total assets

CHF 179.4 m
(CHF 185.9 m)

Equity financing ratio

74.5%
(74.7 %)

Cash flow from
operating activities

CHF 19.5 m
(CHF 26.3 m)

Freely available
Cash

CHF 30.6 m
(CHF 37.3 m)

Free Cash flow

CHF 0.2 m
(CHF 1.2 m)

Investments in
financial assets

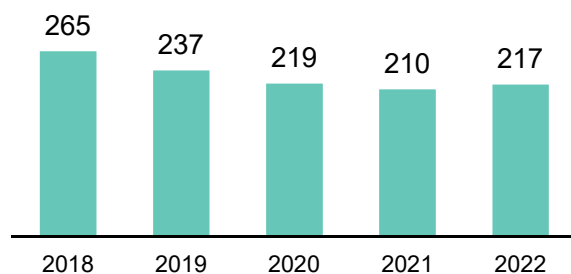
CHF 11.4 m
(CHF 10.4 m)

Investments in
tangible assets

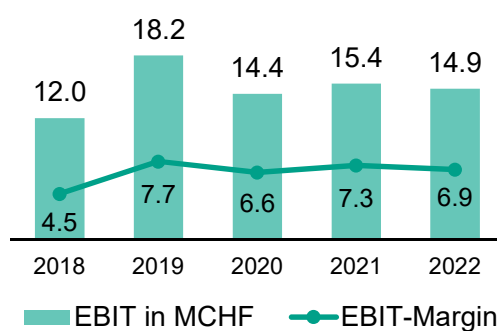
CHF 8.5 m
(CHF 14.6 m)

Continuous Value Creation for Shareholder

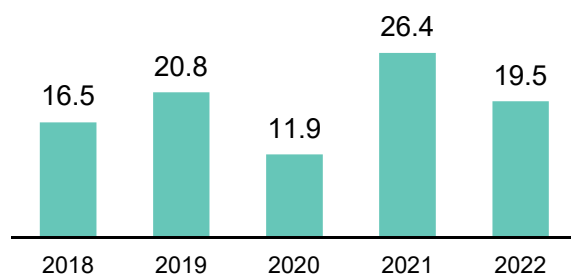
Revenue (in CHF m)



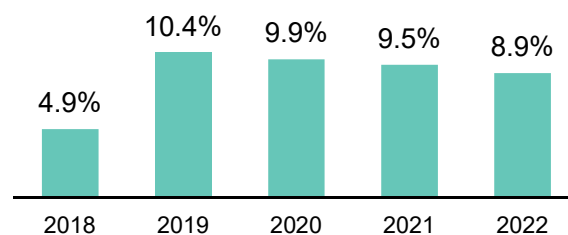
Profitability



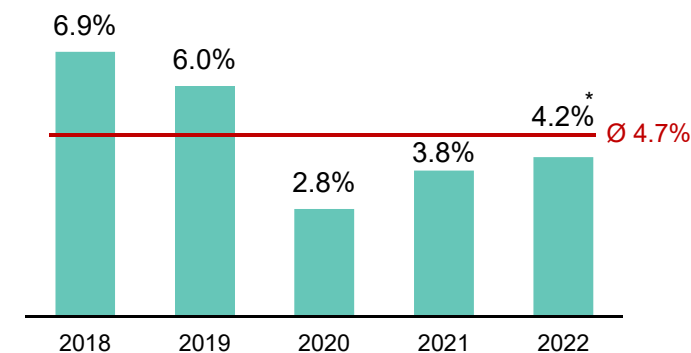
Operating Cash Flow (in CHF m)



ROCE



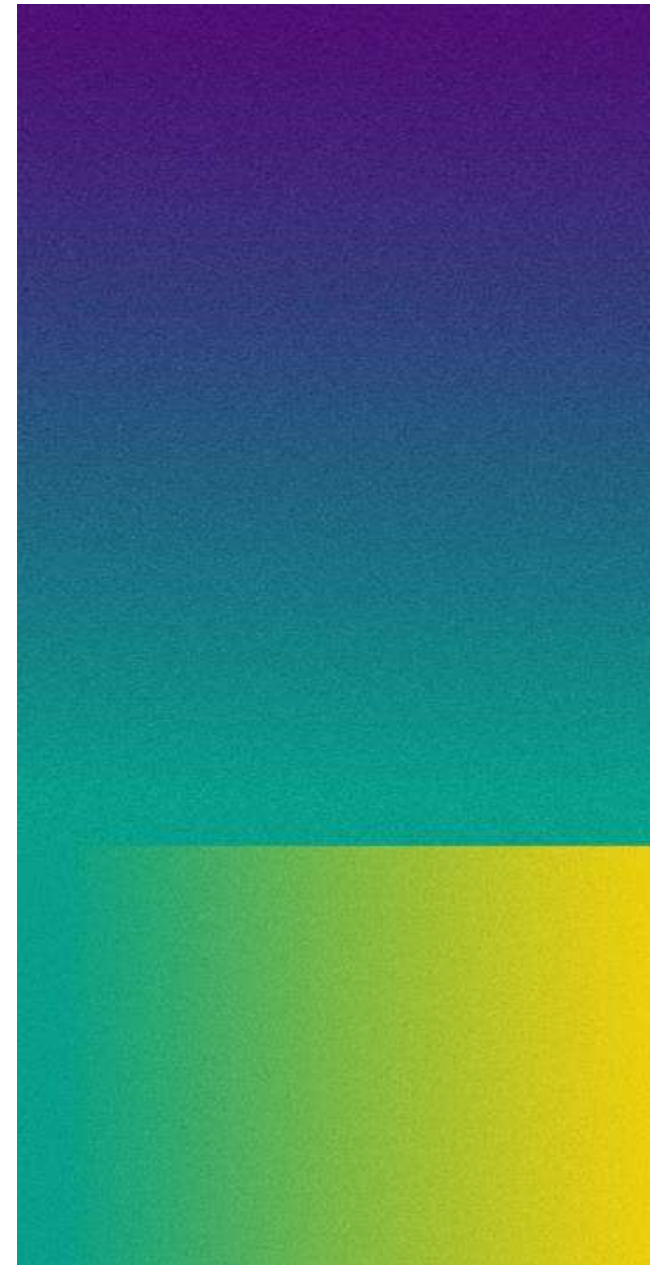
Yield on share



*dividend payment subject to approval by AGM

Business Year 2022

Daniel Link
CEO



«As part of our growth strategy, we are developing our security and education business and building up a promising new business around trusted digital certificates.»



Highlights 2022



Order entry and
favourable product
mix in security
printing



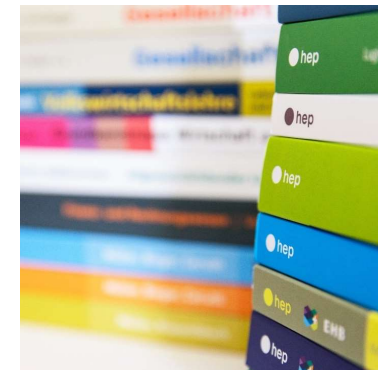
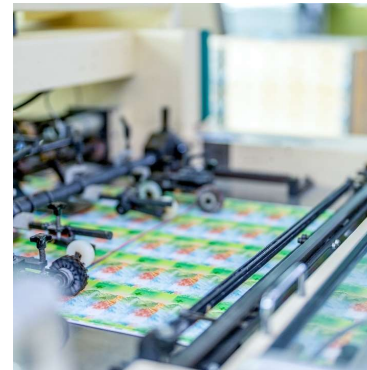
3 new stationary book
shops opened



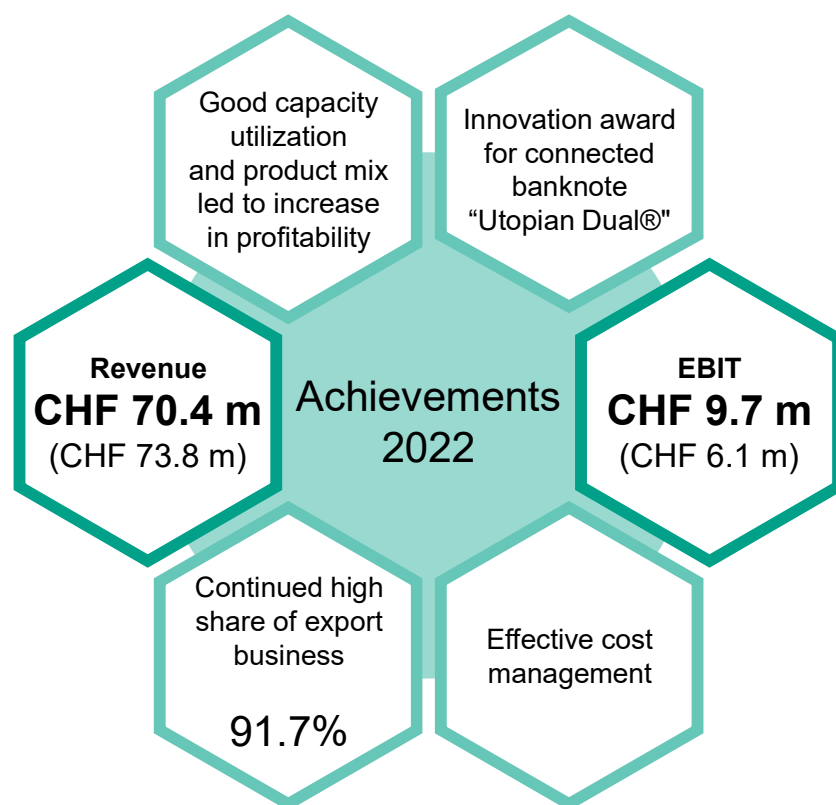
Launch of new
Swiss passport



Acquisition of
the hep Verlag



Security Printing – Significant Increase in Profitability



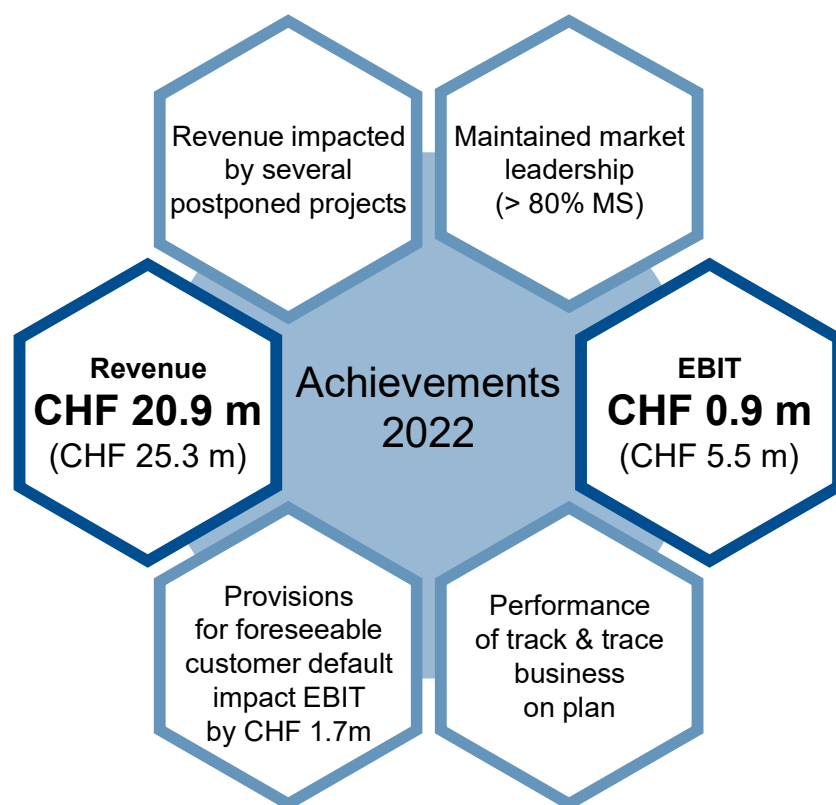
Focus 2023

- Acquisition of new projects in the international market
- Build-up of consulting business
- Strengthen position in international ID business
- Expansion of technology solutions for new generation of ID solutions

Outlook 2023

- Stable revenue and lower profitability due to product mix of backlog

Industrial Systems (Zeiser) – Challenging Business Year



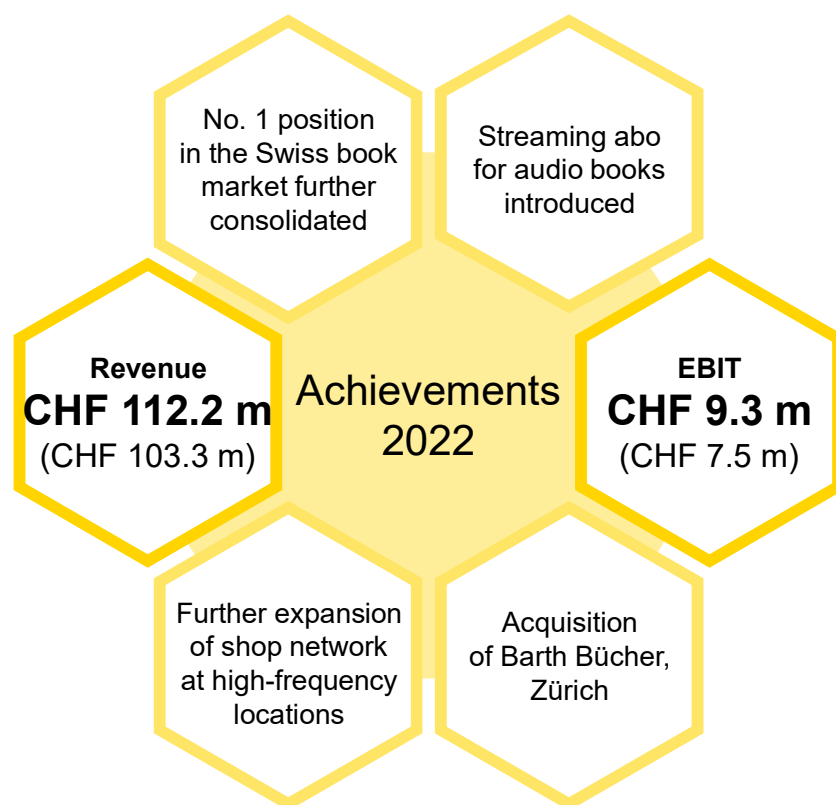
Focus 2023

- Win projects postponed in last 2 years due to Covid
- Acquire larger reference customers for track & trace solutions
- Launch of various system upgrades and innovations
- Focus on costs and operational excellence
- Strategy drill down for Zeiser and exploration of additional market opportunities

Outlook 2023

- Growth in revenue and significant step in profitability

Orell Füssli Thalia - Successful Year after Corona Pandemic



Focus 2023

- Ongoing expansion of shop network
- Further leverage omni-channel strategy
- Expand B2B business of Orell Füssli Delivros
- Opening of Orell Füssli shops on ETHZ Campus

Outlook 2023

- Revenue growth and slightly lower profitability due to higher operating costs

Others – hep Verlag Acquisition and Further Progress with Procivis



Focus 2023 – Publishing

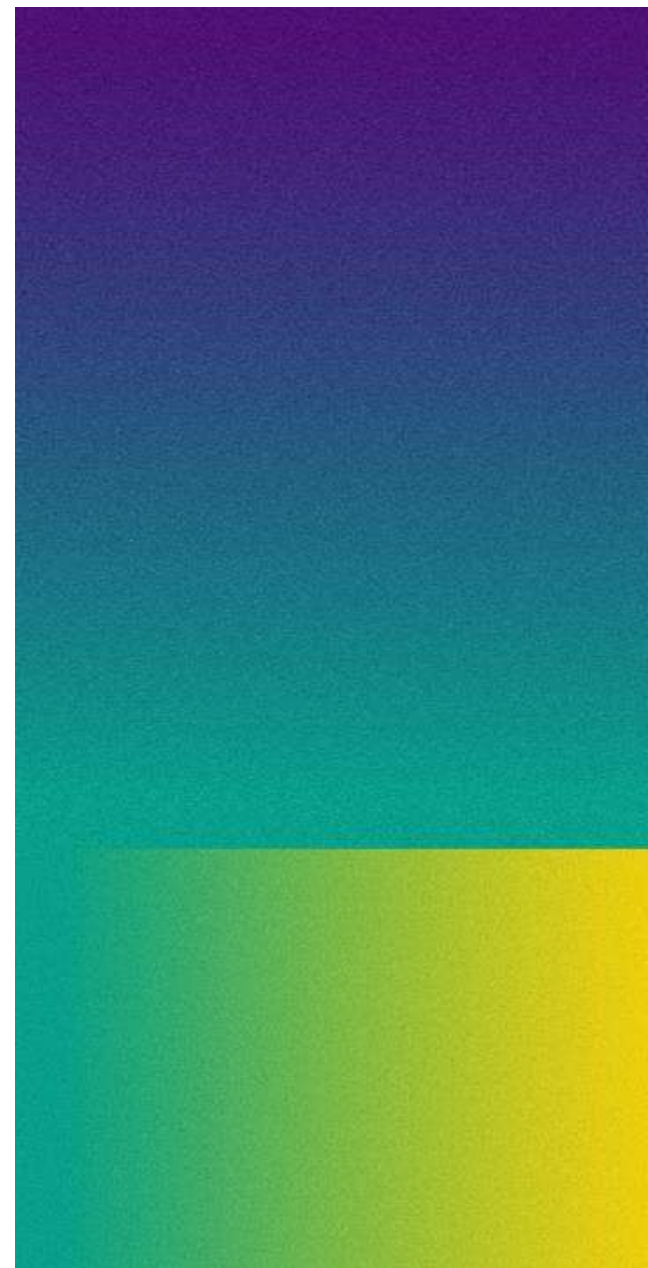
- Sharpen digital content provider strategy in learning media
- Publish new learning media for commercial (KV) and health care (FaGe) apprenticeships
- Execute release pipeline for children book
- Implement further steps of legal media growth plan

Focus 2023 – Procivis

- Attribution of tenders with Procivis' digital identity and mobile driving license products
- Push cooperations with Procivis for international tenders

Strategy & Outlook

Daniel Link
CEO



Two Megatrends are our Fundamental Business Drivers



Security

- Assets protection against misuse and counterfeiting
- The primacy of managing and protecting identities
- Growing importance of privacy and data protection



Education

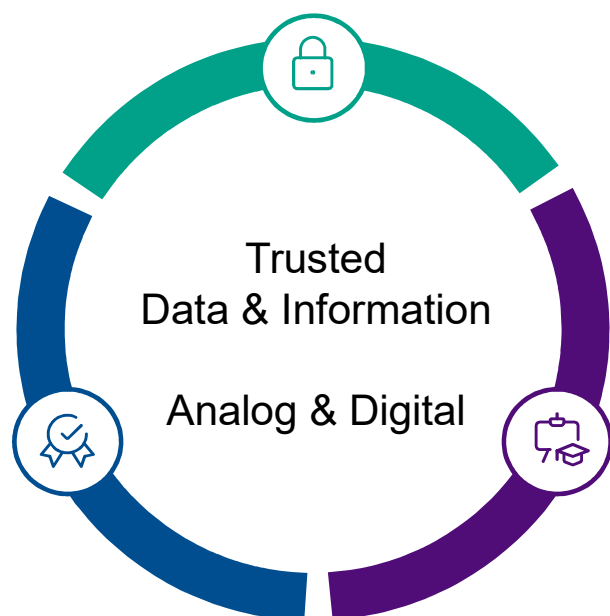
- Rising demand for commercial education providers
- Growing education business and lifelong learning
- Growing business in the field of on-line education

Our Ambition

Grow the Company into a Leader in Analog
and Digital Trust Services



Our Strategy 2028 – Leader for Analog and Digital Trust Services



1. Security

Banknotes
Numbering systems
ID Documents

Business model
analog & digital



2. Education

Book trade
Learning media
Educational media

Business model
analog & digital



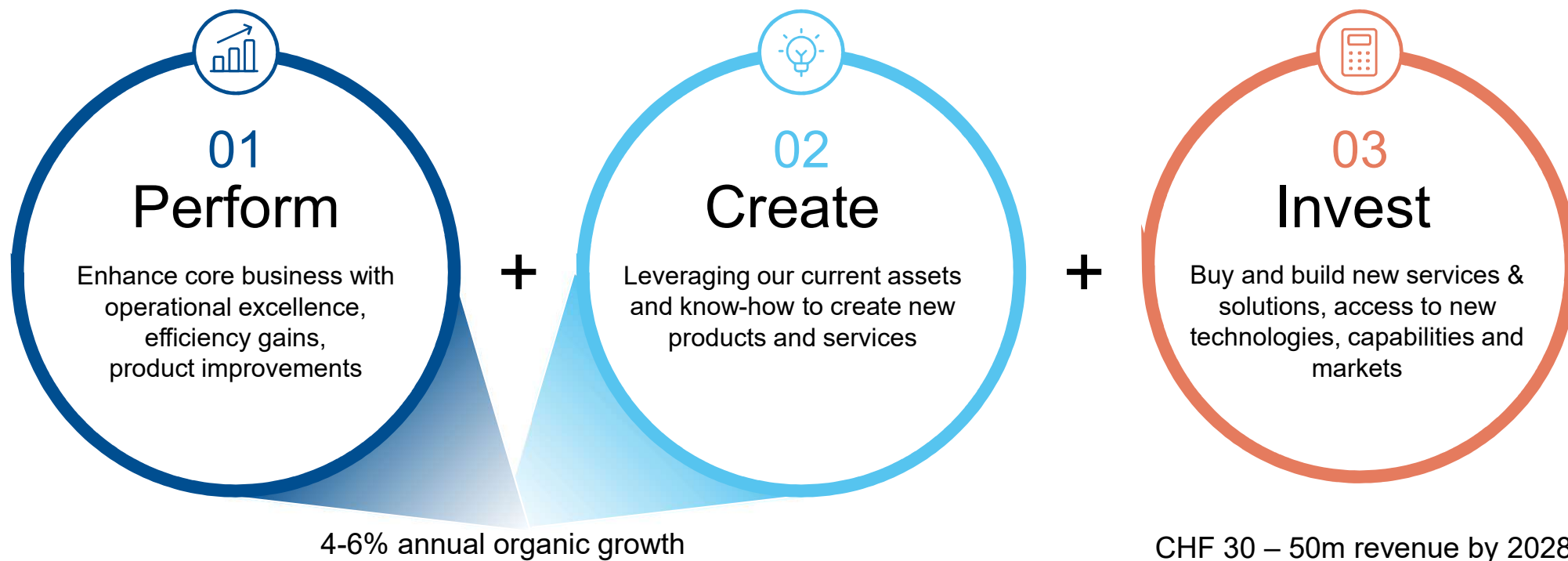
3. Certificates

Digital certificates
Services

Business model
software & platform


Credibility | Reliability | Swissness | Sustainability


Three Value Drivers for Profitable Growth




Trust and Security Are in our DNA – We Extend it to the Digital Space



 Social, technical, business and political developments are evolving towards secure digital certificates

 In the mid-term, we see a great potential from both an economic and a business perspective

 For decades, we have been a trusted partner of public authorities and companies – and we will be in the future

Digital certificates enable the last mile of digitization – trust-based business processes can be completed securely – purely digitally and without media disruptions

Digital Certificates Rely on the Issuance of Verifiable Credentials (VC)

A verifiable credential (like a physical credential) can represent all kind of information...

- ✓ For identifying the subject of the credential
- ✓ Related to specific qualifications or entitlements being confirmed by the issuing authority
- ✓ Information related to constraints (limits, validity period)

Verifiable credentials are more tamper-proof and more trustworthy than digital workaround solutions such as scanned PDF files. They can be enhanced by adding other technologies, such as digital signatures.

I am...

I can...

I am allowed to...

illustrative



ID attributes (e.g. age)



Health insurance card



Diplomas



Driving licence



Confirmation of financing



Residence permit



Student card



Access badge

Source: Project work, W3C Recommendations

Our Financial Ambition by 2028



CHF 300m
Revenue by 2028



8%
EBIT Margin



60 – 80%
dividend payout of net profit



Our Growth Ambition is Supported by a Long-term ESG Roadmap



Economy

Quality of service & products

Economic success & profitability of the company

Digitalisation

Data security & data protection



Environment

Energy efficiency & climate protection



Social affairs and society

Leadership culture & collaboration

Occupational health & safety

Education & training



Governance

Compliance & business ethics

Outlook 2023 & Dividend Proposal

Revenue 2023

Slight increase in
revenue at Group
level

EBIT 2023

EBIT margin
somewhat lower
due to further
upfront costs in the
digital business
buildup as well as
due to the product
mix in security
printing

Dividend Proposal 2023

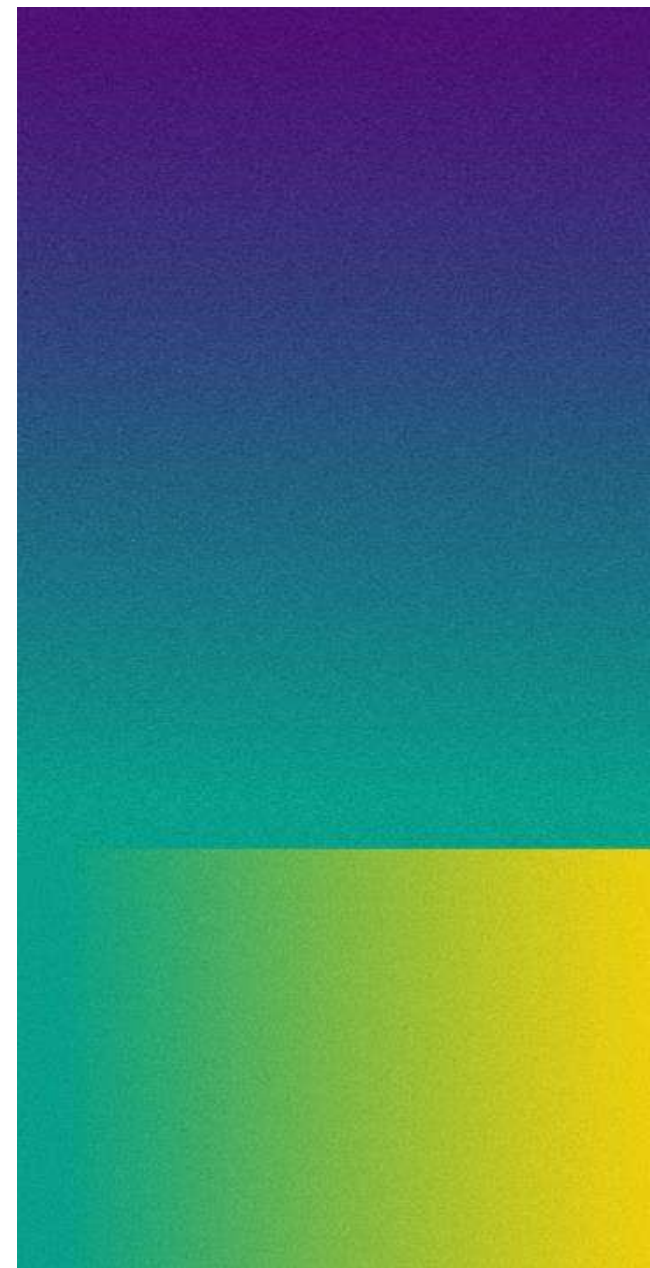
Stable dividend of
CHF 3.40
per share



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