

Burkhalter Group
Interim report
2021





Überwachung

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This interim report contains forward-looking statements which reflect the current assessments of the Burkhalter Group with regard to market conditions and future events and are therefore subject to certain risks, uncertainties and assumptions. Unforeseen events could lead to a deviation in the actual results from the forecasts and information published in this report. All forward-looking statements contained in this report are therefore subject to this reservation.

The German version of the Interim Report 2021 is available in PDF format on the website, as are the English and French versions.

German: <https://www.burkhalter.ch/de/ueber-uns/investor-relations/publikationen>

English: <https://www.burkhalter.ch/en/about-us/investor-relations/publications>

French: <https://www.burkhalter.ch/fr/qui-sommes-nous/relations-investisseurs/publications>

The German version is binding.

2021 half-year results encouraging

The Burkhalter Group was able to recover from the impact of the coronavirus within a short period and, as forecast, closed the first half of 2021, with excellent results. The figures can be compared with those of the first half of 2019, which were also very gratifying.

Dear Shareholders

On 30 June 2021, the Burkhalter Group closed the first half of 2021 as follows: The operating result (EBIT) came to CHF 11.2 million (previous year CHF 2.7 million, 2019 CHF 11.4 million), while Group profit stands at CHF 8.9 million (previous year CHF 1.6 million, 2019 CHF 8.8 million), Group sales were CHF 260.7 million (previous year CHF 235.3 million, 2019 CHF 241.0 million).

Other operating income

A subsidiary of Burkhalter Holding Ltd. was involved in criminal proceedings itself and with a syndicate partner as the injured party. They are entitled to CHF 734,459.35 in this connection under various headings. Of this figure, CHF 484,459.35 was received in the first half of the year and recognised in the income statement under "Other operating income".

Subsequent purchase price payment for Elektro Christoffel, Inhaber Andrea Stiffler AG, Davos

On 6 January 2020, Burkhalter Holding Ltd acquired Elektro Christoffel, Inhaber Andrea Stiffler AG, Davos. The subsequent purchase price payment (earn-out) of CHF 468,804.85 due under the purchase agreement was charged to the income statement in accordance with the Burkhalter Group's accounting policies.

Viewed as a whole, the two circumstances therefore have no impact on the Burkhalter Group's operating results in the first half.

Two companies purchased in French-speaking Switzerland

On 29 March 2021, the Burkhalter Group purchased Tabelec Force et Commandes SA, a family-owned company specialising in switchboard construction in Aclens (VD), and on 1 July 2021, Mérinat SA in Vevey (VD), a traditional electrical engineering company. Currently, the Burkhalter Group therefore comprises 49 companies in 106 locations.

Outlook remains confident

As announced previously, we still believe that we will be able to achieve earnings per share on a par with those of the 2019 financial year, namely around CHF 3.72 (pre-coronavirus) in the 2021 financial year. However, this pre-supposes that the negative effects resulting from COVID-19 do not intensify once more.



Gaudenz F. Domenig
Chairman of the Board of Directors



Marco Syfrig
CEO and Delegate to the Board of Directors

Zurich, 3 September 2021

Consolidated balance sheet

Assets (unaudited)

CHF thousand	Notes	31.12.2020	30.06.2021
Non-current assets			
Intangible assets	3	835	638
Property, plant and equipment	3	22,519	22,535
Financial assets		2,147	1,930
Deferred tax assets		1,125	1,013
Total non-current assets		26,626	26,116
Current assets			
Inventories		9,096	9,250
Receivables from work in progress		71,174	91,417
Trade receivables		47,735	43,947
Other current receivables	3	2,068	8,200
Prepayments	3	9,343	10,460
Income tax assets		1,330	2,672
Securities		107	107
Cash and cash equivalents		42,944	22,839
Total current assets		183,797	188,892
Total assets		210,423	215,008

Consolidated balance sheet

Liabilities (unaudited)

CHF thousand	Notes	31.12.2020	30.06.2021
Equity			
Share capital		240	240
Capital reserves		3,873	3,940
Treasury shares		-506	-590
Retained earnings		67,668	60,163
Total equity before minority interests	2	71,275	63,753
Minority interests		10	5
Total equity		71,285	63,758
Non-current liabilities			
Provisions		7,097	7,901
Non-current financial liabilities		12,456	12,391
Deferred tax liabilities		4,556	4,431
Total non-current liabilities		24,109	24,723
Current liabilities			
Current portion of non-current financial liabilities		180	180
Liabilities from work in progress		43,062	49,644
Trade payables		18,555	18,100
Income tax payable		2,434	1,977
Other current liabilities		15,677	11,076
Prepayments		35,121	45,550
Total current liabilities		115,029	126,527
Total liabilities		139,138	151,250
Total liabilities and equity		210,423	215,008

Consolidated income statement (unaudited)

CHF thousand	Notes	01.01.2020– 30.06.2020	01.01.2021– 30.06.2021
Net revenue from goods and services	4	234,002	247,873
Change to work in progress	4	1,343	12,797
Other operating income		1,731	2,695
Gains on disposal of non-current assets		307	415
Total operating income		237,383	263,780
Cost of materials		- 64,380	- 73,649
Third-party services		- 12,323	- 9,348
Personnel expenses		- 132,918	- 142,357
Other operating expenses		- 23,465	- 25,535
Earnings before interest, tax, depreciation and amortisation (EBITDA)		4,297	12,891
Amortisation of intangible assets		- 256	- 299
Depreciation of property, plant and equipment		- 1,361	- 1,368
Operating result (EBIT)	4	2,680	11,224
Financial income		52	19
Financial expenses		- 174	- 180
Group profit before tax (EBT)		2,558	11,063
Income tax		- 920	- 2,161
Group profit		1,638	8,902
of which attributable to shareholders of Burkhalter Holding Ltd		1,637	8,901
of which attributable to minority interests		1	1
Earnings per share (in CHF)			
- basic		0.27	1.48
- diluted		0.27	1.48

Consolidated statement of changes in equity (unaudited)

CHF thousand	Share capital	Capital reserves	Treas-ury shares	Re-tained earnings	Total without minority inter-ests	Minority inter-ests	Total incl. minority inter-ests
Equity as at 01.01.2020	240	3,886	-287	81,409	85,248	8	85,256
Group profit	-	-	-	1,637	1,637	1	1,638
Dividend	-	-	-	-22,164	-22,164	-3	-22,167
Goodwill	-	-	-	-702	-702	-	-702
Acquisition of treasury shares	-	-	-1,852	-	-1,852	-	-1,852
Disposal of treasury shares	-	-14	1,582	-	1,568	-	1,568
Equity as at 30.06.2020	240	3,872	-557	60,180	63,735	6	63,741
Equity as at 01.01.2021	240	3,873	-506	67,668	71,275	10	71,285
Group profit	-	-	-	8,901	8,901	1	8,902
Dividend	-	-	-	-14,379	-14,379	-6	-14,385
Goodwill	-	-	-	-2,027	-2,027	-	-2,027
Acquisition of treasury shares	-	-	-1,084	-	-1,084	-	-1,084
Disposal of treasury shares	-	67	1,000	-	1,067	-	1,067
Equity as at 30.06.2021	240	3,940	-590	60,163	63,753	5	63,758

The retained earnings include gains that cannot be distributed totalling CHF 12,559,000 (CHF 12,666,000 on 30.06.2020).

Consolidated cash flow statement (unaudited)

CHF thousand	Notes	01.01.2020– 30.06.2020	01.01.2021– 30.06.2021
Group profit		1,638	8,902
Income tax		920	2,161
Depreciation		1,617	1,667
Gains on disposal of non-current assets		- 222	- 302
Change in provisions		247	635
Change in impairments		- 381	103
Financial income		- 52	- 19
Financial expenses		174	180
Change in inventories/work in progress		- 3,887	- 13,423
Change in trade receivables		9,930	5,425
Changes to other current receivables and deferrals		- 7,491	- 6,992
Change in securities/investments		182	20
Change in current trade payables		- 2,243	- 752
Changes to other current liabilities and deferrals		5,411	5,924
Income tax paid		- 3,875	- 4,001
Cash flow from operating activities		1,968	- 472
Acquisition of property, plant, equipment and intangible assets		- 1,485	- 1,527
Disposal of non-current assets		244	346
Acquisition of financial assets		- 15	- 124
Disposal/repayment of financial assets		318	336
Interest received and income from securities		28	19
Investments in subsidiaries, net of cash acquired		- 454	- 3,368
Conditional or deferred purchase price payment		-	- 669
Cash flow from investing activities		- 1,364	- 4,987
Acquisition of treasury shares		- 1,852	- 1,084
Disposal of treasury shares		1,568	1,067
Repayment of interest-bearing loans		- 90	- 65
Interest paid and financial expenses		- 174	- 179
Dividend payments to minority interests		- 3	- 6
Dividend payment to Burkhalter shareholders		- 22,164	- 14,379
Cash flow from financing activities		- 22,715	- 14,646
Net change in cash and cash equivalents		- 22,111	- 20,105
Cash and cash equivalents as at 1 January		45,174	42,944
Cash and cash equivalents as at 30 June		23,063	22,839

Explanatory information on the consolidated interim financial statements

Group accounting policies

Burkhalter Holding Ltd, which is domiciled in Zurich, is the holding company of the Burkhalter Group. The consolidated interim financial statements comprise Burkhalter Holding Ltd and its subsidiaries.

The consolidated interim financial statements cover the six-month period ending on 30 June 2021 (reporting period) and were drawn up in compliance with the Swiss GAAP Accounting and Reporting Regulations (Swiss GAAP ARR 31). The consolidated interim financial statements do not include all the details presented in the consolidated annual financial statements and should therefore be read in conjunction with the consolidated financial statements as at 31 December 2020.

Accounting policies and valuation principles

The accounting policies used in preparing the consolidated interim financial statements correspond to the Group accounting policies applied to the 2020 consolidated financial statements.

The consolidated interim financial statements were approved for publication by the Board of Directors on 3 September 2021. The figures contained in the consolidated interim financial statements have not been audited.

Segment reporting

Segments must be determined by the company and presented on the basis of the internal information that is provided to the top level of company management, i.e. for the Burkhalter Group, the Board of Directors and the CEO (hereinafter the "Board of Directors").

The Burkhalter Group is the leading one-stop provider of electrical engineering services to the construction sector (residential and non-residential buildings as well as infrastructure facilities) in Switzerland. Electrical engineering begins at the power utility company and includes all the processes that culminate in the management of electrical machines and installations for the end user. The Burkhalter Group concentrates on electrical engineering services to the construction sector (including infrastructure facilities) and provides a full range of high-quality precision services: installations, switchboards, servicing and maintenance, telematics, automation and security. The Burkhalter Group excludes the electricity grid which deals with the transportation of energy to the place of consumption (building) from its spectrum of services. Its services thus begin at the place of consumption, i.e. from the storage of energy at the building.

The management of the entire Group is focused on the management of the individual companies. The overall figures are not broken down for the different segments. The operating companies in the Burkhalter Group supply electrical engineering services throughout Switzerland. Thus, the Burkhalter Group is able to respond to customer needs in an optimum fashion in its capacity as a competitive entrepreneurial company with devolved individual responsibility and is a competent partner for projects of all sizes.

The Board of Directors is regularly provided with financial information and reports on the individual operating companies. Resources are allocated on the basis of these reports.

Notes to the consolidated interim financial statements

1. Changes in the scope of consolidation

2021

On 29 March 2021, Tabelec Force et Commandes SA in Aclens (VD) was acquired for a purchase price of CHF 5,000,000. The company employs 23 people and generates sales of around CHF 7,000,000.

On 24 March 2021, Kolb Elektro Holding AG and KOBU Elektro Holding AG, both based in Oberriet (SG), were merged with Burkhalter Holding Ltd in Zurich (ZH) retroactively to 1 January 2021.

2020

On 6 January 2020, Elektro Christoffel, Inhaber Andrea Stiffler AG in Davos (GR), was acquired for a purchase price of CHF 750,000 and merged with Caviezel AG in Davos (GR).

The company employs 20 people and generates sales of around CHF 2,000,000.

On 27 February 2020, AS Stuber GmbH in Utzenstorf (BE) was merged with Sergio Lo Stanco Elektro AG in Biberist (SO). It will continue to operate as a branch.

2. Equity

The share capital is divided into 5,998,149 shares (previous year 5,998,149) with a par value of CHF 0.04 (previous year CHF 0.04) each and is fully paid up.

A dividend of CHF 2.40 per share was approved at the Shareholders' Meeting on 25 May 2021. This distribution was only paid on the outstanding shares and amounted to CHF 14,379,000.

3. Consolidated balance sheet

Intangible assets

The service company Burkhalter Management AG capitalised sector software amounting to CHF 104,000 (previous year CHF 274,000) in the first half of 2021.

Property, plant and equipment

No major investments were made in the first half of 2021 or 2020.

Other receivables and accruals

Other receivables and accruals include annual insurance premiums, licence fees paid in advance and reimbursements of suppliers.

4. Consolidated income statement

Seasonal fluctuation and business fluctuation in the course of the year

Experience has shown that the Burkhalter Group's sales in the course of the year are subject to seasonal fluctuation. Generally speaking, earnings are much stronger in the second half of the year, with the fourth quarter seeing the highest earnings for the year. Apart from seasonal fluctuation, special events such as large projects can have a significant impact on the results for one half of the year.

Revenue from trade accounts

Compared to the prior-year period, sales increased by 10.8% in the first half of 2021.

EBIT

EBIT increased in the first half of 2021 compared with the first half of 2020, rising from CHF 2,680,000 to CHF 11,224,000.

5. Events after the balance sheet date

On 1 July 2021, Mérinat SA in Vevey (VD) was acquired for a purchase price of CHF 9,800,000. The company employs 80 people and generates sales of around CHF 12,000,000.

No other events occurred between 30 June 2021 and 6 September 2021 which would require an adjustment to the carrying amounts of the Group's assets and liabilities.