

Elma Interim Results per June 30, 2025: Elma with solid results

CH-Wetzikon, August 20, 2025 – In the first half of 2025, the Elma Group continued its transformation process and closed the reporting period with solid results despite geopolitical and economic uncertainties as well as significant disruptions in the exchange rate of the US Dollar. Overall, Elma increased its revenue by 0.6% to CHF 92.3 mn compared with the previous year and achieved a profit of CHF 4.4 mn in the first half of 2025. All three regions contributed to the solid result; particularly the Europe region benefited from robust demand for Elma's system solutions in the growing Defense sector and made an above-average contribution to overall success.

The operating result (EBIT) reflects the investments in transformation as well as necessary adjustments to organizational structures and business processes, resulting in the EBIT being slightly lower than the previous year. With the introduction of a new generation of modern IT systems (ERP, PDM, CRM), the precondition for sustainable efficiency increases and higher agility are being created to ensure profitable growth in the future.

The construction projects in Romania and Switzerland are progressing as planned; the groundbreaking ceremony for the new factory in Timisoara took place on August 8, 2025, and at the headquarters in Wetzikon, it is scheduled for September 22, 2025. With this investment program, the Elma Group is positioning itself for the future, strengthen its competitiveness, and ultimately reduce interdependence within the regions. The vision is to make the regions self-sufficient in terms of production while remaining as interconnected as possible in terms of innovation.

- Net sales increased by 0.6% to CHF 92.3 mn (previous year: CHF 91.8 mn); adjusted for currency effects +3.1%
- EBIT of CHF 5.7 mn (previous year: CHF 6.0 mn)
- Profit of CHF 4.4 mn on previous year's level (previous year: CHF 4.5 mn)
- High equity ratio of 55.1% (December 31, 2024: 52.8%)
- Net debts of CHF 5.4 mn (December 31, 2024: CHF 1.1 mn)
- Order income increased by 28.7% to CHF 85.2 mn (previous year: CHF 66.2 mn*); adjusted for currency effects +32.2%
- Operating cash flow temporarily lower

Market Trends

In a challenging environment, the Elma Group delivered solid results in the first half of 2025. Revenue slightly increased thanks to good capacity utilization at the European sites. Demand in the area of modular system technology and robust cabinets for high-performance electronics, with a clear focus on demanding Industrial and Defense applications, remained dynamic, and order income increased in all regions. Profitability remained slightly below the previous year's level, mainly due to investments and negative currency effects.

On July 3, 2025, the US House of Representatives passed a draft amendment ("Reconciliation Bill") that provides for an increase in defense spending by USD 150 billion. This bill is intended to supplement the Pentagon's base budget and is considered a one-time addition to annual defense spending. Elma expects that this decision in the USA, as well as the higher budgets for defense spending and investments in infrastructure projects in Europe, will have a positive impact on the order income of the Elma Group in the medium term.

***Order income - new reporting rules effective January 1, 2025**

From January 1, 2025, only new orders will be reported in order income, regardless of the planned delivery date. The previous year's figure has been adjusted accordingly to ensure comparability. In previous years, all orders received that were scheduled for delivery within the next six months after the order was placed were recorded as order income.

In the industries addressed by Elma, such as Defense technology, Transportation - particularly the Railway sector - as well as in Automation and Medical technology, there is a growing demand for high-performance, robust Edge AI System Solutions with very high processing power. In addition to developing customized solutions, Elma also offers standardized Edge AI building blocks that are modularly adaptable. The goal is to make AI-based Edge Solutions widely available while meeting industry-specific requirements. The new System Solution "JetSys-2010" was specially developed for the Railway sector; applications such as passenger flow analysis, security monitoring, vandalism prevention, and maintenance prognostics are coming into focus.

Elma's global presence and expertise support Defense organizations in meeting MOSA requirements. Elma is a global leader in the implementation of open standard computing solutions based on SOSA®, MOSA, CMOSS, and OpenVPX in Defense and Commercial applications.

Net sales

In the first half of 2025, the Elma Group achieved net sales of CHF 92.3 mn (previous year: CHF 91.8 mn), representing a growth of 0.6%. Sales in the Europe region increased primarily due to strong demand for complex system solutions for the Defense market, with net sales rising by 6.2% to CHF 47.7 mn (previous year: CHF 45.0 mn). The workload in the Americas region was stable, closing the first six months with a sales increase of 1.2% to USD 46.7 mn (previous year: USD 46.2 mn). Net sales in the Asia region declined by 20% to CHF 4.5 mn due to lower demand from the USA (previous year: CHF 5.6 mn).

Sales of the System Solutions product line in the first half of 2025 were slightly below the previous year's level. While demand for Elma's complex and integrated System Solutions increased in Europe, demand in the USA was more restrained. Elma has continuously increased their sales of System Solutions in the Defense sector over the past few years – from around 50% in 2019 to 60% in the first half of 2025.

Overall, the System Solutions product line achieved net sales of CHF 66.5 mn (previous year: CHF 67.5 mn), which is 1.4% below the previous year. The Enclosures & Components product line increased net sales by 8.5% to CHF 18.9 mn (previous year: CHF 17.4 mn). This positive trend was mainly driven by the sales of electronic cabinets in the USA. The Rotary Switches product line showed solid performance and, as in the previous year, achieving net sales of CHF 6.9 mn. Both the Enclosures & Components and Rotary Switches product lines also recorded significant growth in the sales of components in the Defense sector.

EBIT and Profit

The Elma Group closed the first half of 2025 with an EBIT of CHF 5.7 mn (previous year: CHF 6.0 mn). All regions were profitable. The slight decline compared with the previous year is mainly attributable to the transformation costs incurred as part of strategic projects. At profit level, Elma achieved a solid result of CHF 4.4 mn (previous year: CHF 4.5 mn). EBITDA reached CHF 7.3 mn (previous year: CHF 7.5 mn). Earnings per share closed at CHF 19.46 (previous year: CHF 19.72).

Operating Cash Flow

Elma made further progress in inventory management in the first half of the year and continued to reduce inventory levels. Cash flow was mainly impacted by three factors: higher trade accounts receivable, increased short-term accounts receivable due to higher tax prepayments, and lower short-term payables due to less customer prepayments. As a result, operating cash flow of CHF -0.1 mn (previous year: CHF 5.2 mn) was temporarily lower – an effect associated with the successful course of business.

Balance Sheet

The significant depreciation of the US Dollar against the Swiss Franc by around 12% since the beginning of the year led to negative currency translation differences of CHF 5.6 mn. When translating retained earnings, this results in equity being CHF 1.6 mn lower and a lower balance sheet total. As of June 30, 2025, Elma reported a balance sheet total of CHF 115.8 mn (December 31, 2024: CHF 123.9 mn). The equity ratio increased to 55.1% as of June 30, 2025 (December 31, 2024: 52.8%). Net debts rose from CHF 1.1 mn as of December 31, 2024, to CHF 5.4 mn as a result of lower cash and cash equivalents.

Order income

From January 1, 2025, only new orders will be reported in the order income, regardless of the planned delivery date. In previous years, all orders received that were scheduled for delivery within the next six months after an order was placed were recorded as order income. The previous year's value was adjusted accordingly from CHF 91.6 mn to CHF 66.2 mn to ensure comparability. Due to the '6-month rule' applied in the past, around CHF 25 mn of the order income reported in 2024 actually came from successful Sales of the 2023 business year with delivery times of more than six months.

The Elma Group increased the order income in the first half of 2025 by an encouraging 28.7% to CHF 85.2 mn (previous year adjusted*: CHF 66.2 mn). All regions contributed to the order increase, with the largest growth seen in the range of System Solutions and Electronic Cabinets. Order income in the Europe region rose by 23.5% to CHF 40.9 mn (previous year adjusted*: CHF 33.1 mn). The Americas region recorded an increase of 38.4% to USD 45.5 mn (previous year adjusted*: USD 32.9 mn). The Asia region, an important growth market for the Elma Group, increased orders by 40.7% to CHF 5.3 mn (previous year adjusted*: CHF 3.8 mn)

Medium-term Corporate Goals

The Elma Group consistently focuses its strategic orientation on profitable growth and continues to implement the initiatives and investments. In 2024, Elma launched a major investment program, which includes the renewal or purchase of properties at several locations. The investment volume over the next three years will amount to around CHF 60 million. Elma pursues various strategic goals; at the headquarters in Wetzikon, the new industrial campus will blend in with nature. Therefore, the old building will not simply be demolished and rebuilt, but will be deconstructed to the existing static structure and then rebuilt. This construction method can significantly reduce CO₂ emissions. The groundbreaking ceremony in Wetzikon will take place on September 22, 2025.

At the same time, preparations for the construction of the new factory in Romania are progressing as planned, ensuring the supply of rotary switches as well as enclosures and components for the European market. The new building will meet future requirements in terms of capacity and efficiency, and the latest regulations and standards regarding energy efficiency, health, safety, and the environment, enabling further optimization of production processes and workflows. The construction permit was approved in early August 2025, and the official groundbreaking ceremony took place on August 8, 2025.

The Elma Group is well-positioned geopolitically with their strategy in the three market regions of Europe, Americas, and Asia, and not heavily affected by US import tariffs on deliveries from Switzerland. With its own production sites in the most important markets, Elma has local sheet metal processing and local assembly, which can largely mitigate the risks of currency fluctuations and tariffs.

Promoting technical talents in the MINT sectors (MINT professions include careers in mathematics, IT, natural sciences, and technology) is high on the company's priority list; in the first half of 2025, Elma collaborated with more students at technical colleges and universities. The latest project is a collaboration with students from the ZHAW Zurich University of Applied Sciences to create a feasibility study for the expansion of the existing automation line in the Romanian factory for the production of rotary switches. Together with their technology partners, Elma is shaping innovation – today and in the future.

Changes in the Board of Directors

The General Meeting on April 24, 2025, elected Selina Casutt, Dr. sc. nat. ETH Zurich, as a new member of the Board of Directors; with her extensive experience in industrial project management and leadership, as well as her expertise in photonics and innovation, she is an ideal addition to the Board. Since April 24, 2025, the Board of Directors consists of five members.

Changes in the Group Management

The Board of Directors appointed Frederic S. Müller as the new CFO of the Elma Group. He started in June 2025, succeeding Edwin Wild, who retired at the end of June 2025 after more than 16 successful years as Elma's CFO.

Success through Sustainability

Elma is on track with the implementation of the ESG strategy to achieve their medium- and long-term sustainability goals. Details of the three dimensions of Environment, Social, Governance, and the progress made during 2025 will be provided in the 2025 Sustainability Report. This report will be presented to shareholders for a consultative vote at the 2026 Annual General Meeting.

Outlook

Elma started the second half of 2025 with a solid order backlog and is well-positioned to seize opportunities in the markets addressed by Elma. The current market signals are positive. In particular, the open system architecture SOSA/MOSA and the promising field of edge computing open up new technology-driven growth prospects for the Elma Group for demanding system projects. The geopolitical tensions and global economic developments are difficult to predict. Therefore, Elma refrains from a specific forecast for the full year 2025.

The complete 2025 Interim Report can be downloaded from Elma's website at
<https://www.elma.com/en/investors/reports>

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About Elma

Elma Electronic is a global manufacturer of electronic packaging products for the embedded systems market – from components, backplanes, power supply solutions, storage boards and chassis platforms to fully integrated systems. To ensure our integrated solutions are optimized to our customers' needs, Elma partners with leading board manufacturers in the industry. Elma also provides enclosure solutions and rotary switches for demanding applications for electronic companies. The company has a broad base of proven standard products which can be tailored to individual applications: Elma offers services from the initial concept to volume production. Elma's reliable solutions, flexibility, and design expertise are key reasons why the leading companies in the world choose Elma time and again.

Please visit our website: www.elma.com

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Elma Group Key Figures

in CHF 1,000	30.06.2025	30.06.2024
Order income *	85,190	66,191
Net sales	92,266	91,755
EBITDA	7,286	7,479
in % of net sales	7.9	8.2
EBIT	5,693	5,967
in % of net sales	6.2	6.5
Profit	4,446	4,505
in % of net sales	4.8	4.9
in % of average equity	6.9	7.8
Headcount end of period in FTE (incl. temporary employees)	816	798
in CHF 1,000	30.06.2025	31.12.2024
Balance sheet total	115,754	123,863
Shareholders' equity	63,801	65,398
in % of balance sheet total	55.1	52.8

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The Alternative Performance Measures are described on page 17 of the 2025 Interim Report.

Information for Investors

Elma registered shares		30.06.2025	31.12.2024
Share capital			
Number of registered shares issued		228,492	228,492
Average number of registered shares		228,492	228,492
Nominal value	in CHF	11.00	11.00
Nominal share capital	in CHF 1,000	2,513	2,513
Stock market prices			
Highest	in CHF	1,150.00	1,060.00
Lowest	in CHF	1,050.00	980.00
Closing price	in CHF	1,150.00	1,050.00
Stock market capitalization			
Balance sheet date	in CHF Mio.	263	240
		30.06.2025	30.06.2024
Key figures			
Equity per share	in CHF	279.23	267.83
Profit per share ¹	in CHF	19.46	19.72

¹ No dilution effects