

Media release on the RUAG International's annual report for 2021

RUAG International is back in the profit zone. The new "Beyond Gravity" brand and space incubator sharpen their focus on the space business.

Zurich, 15/03/2022. Despite the pandemic, the international technology group RUAG International saw a remarkable turnaround in 2021. After the difficult years of unbundling, the company is again turning a profit. Its sales increased to CHF 1,240 million (previous year: CHF 1,181 million) and EBIT was CHF 70 million (previous year: CHF -224 million). Under the leadership of new CEO André Wall, the technology group also managed to significantly drive forward the various transformation and divestment projects that are underway.

The space division has had a new brand, Beyond Gravity, since mid-March. By the middle of the year, Beyond Gravity will have launched an incubator to bring innovations to the market with start-ups.

After two difficult years, declining sales and negative earnings, RUAG International is once again seeing positive figures for the year 2021. Earnings before interest and taxes amount to CHF 70 million (previous year: CHF -224 million). All four business units, RUAG Space, RUAG Aerostructures, RUAG Ammotec and RUAG MRO International, reported positive EBIT. In addition to significant operational improvements, the operating result also includes a positive effect of around CHF 17 million from the reversal of restructuring provisions and revaluations of foreign employee benefit obligations. Despite continual divestments, sales increased to CHF 1,240 million (previous year: CHF 1,181 million). Adjusted for divestment and foreign currency effects, this is an increase of 9%. The incoming orders figure also increased to CHF 1,424 million (previous year: CHF 1,214 million). Due to divestments, staff was downsized to 6,145 (previous year: 6,299).

CEO André Wall is very pleased with the positive results: "In these difficult times, we have become significantly faster and more agile and were able to intensify the relationships with our most important customers and partners even further. Without their trust and the extraordinary team performance of all employees, this excellent result would not have been possible. Now we must successfully anchor our new space brand, Beyond Gravity, on the market and swiftly conclude the remaining divestment projects."

All four RUAG International divisions posted a profit

In 2021, all four RUAG International business units saw successful development and were in the black. In 2021, RUAG Space, now Beyond Gravity, not only collaborated on the prestigious James Webb Space Telescope but also concluded a major contract with a satellite constellation company. Agreements were also reached on the continuation and expansion of long-standing partnerships with key customers like the United Launch Alliance (ULA) or Arianespace.

RUAG Aerostructures extended its contract with Airbus, signed additional supply contracts with Pilatus Flugzeugwerke and completed the construction of an independent production plant with all the necessary certifications in Eger (Hungary).

In a very positive market environment, Ammotec once again managed to grow significantly faster than the rest of the US market. Norma is now one of the most important ammunition brands on the U.S. market. In the Armed Forces & Law Enforcement unit, the market showed cautiously stable development due to the different COVID restrictions around the world.

As it did in the previous year, RUAG MRO International pursued its goal of gradually divesting all units and finding new owners. The remaining activities saw varying levels of success. The simulation and training unit achieved key project milestones in two major projects for the French armed forces. Military Aviation, on the other hand, suffered from the long lockdown in Australia.

Key figures

in CHF m	2021	2020	in %
Net sales	1,240	1,181	5.0%
EBITDA	116	-137	-
EBIT	70	-224	-
Net profit	58	-219	-
Operating cash flow	85	19	350.9%
Free cash flow	8	-55	-
Net financial position	106	102	3.8%
Order intake	1,424	1,214	17.3%
Order backlog	1,191	1,169	1.9%
Research and development expenses (self-financed)	28	27	2.6%
Staff as of 31/12 ¹	6,145	6,299	-2.4%

¹ Employees, apprentices and temporary employees

Divestments

The technology group achieved major progress with regard to its divestment activities: At the Oberpfaffenhofen site, all repairs and operations for business aircraft and military helicopters as well as the production of the Dornier 228, including all 420 employees, were taken over by General Atomics Europe in February 2021. Furthermore, RUAG International entered into exclusive negotiations with Thales Group concerning the sale of all business activities in the simulation and training unit (RUAG S&T). The contract was signed at the end of January 2022. Closing is expected in the first half of 2022. Thales intends to take over all business activities and the around 500 employees of RUAG S&T. The sale of the RUAG Australia business unit continues to take shape and should be completed in 2022. The divestment activities at RUAG Ammotec are also making good progress. A contractual agreement (signing) was reached with Beretta Holding as of 09.03.2022. Beretta Holding intends to take over all activities as well as the 2,700 employees. The transfer of ownership (closing) is expected by the end of 2022 – subject to regulatory approvals.

Outlook

One of the Group's major focuses continues to be the ongoing divestments. As André Wall summarized it: "We are confident that we will continue to successfully transition from a state-affiliated group to a globally competitive company with a strong customer focus." Due to the planned divestments, it is to be expected that the key figures for the whole Group will change significantly over the coming year. The Group continues to expect a pleasing business performance and positive operating results (EBIT).



RUAG Space now Beyond Gravity

RUAG Space has been operating on the market as Beyond Gravity since 15 March 2022 and will also legally change names as of 1 May 2022. The new name and brand identity are intended to sharpen the focus outward, position the space unit prominently on the markets, which are profoundly changing, and make its comprehensive range of services even more well-known to customers. Beyond Gravity, which has around 1,600 employees, will position itself even more consistently as a global player on the international aerospace market.

Foundation of “Launchpad” space incubator

As part of its transition from RUAG Space to Beyond Gravity, the space supplier will launch a space incubator in the summer. It will allow promising ideas and concepts to be identified at an early stage as well as accelerate them. Several times a year, we will look at projects together with selected start-ups and evaluate their development potential and investment opportunities. The program offers young companies exclusive contacts in the international space industry, access to highly specialized engineers, exclusive technologies and a wide variety of means of production. The space incubator, which will go by the name “Launchpad” will initially set up camp in Zürich-Seebach. André Wall's explanation: "I am extremely excited to shape the future of space travel together with selected start-ups."

Information about **Beyond Gravity** can be found at www.beyondgravity.com.
Further information on the 2021 **annual financial statements** can be found at <http://annualreport.ruag.com>

Information on RUAG International: Clemens Gähwiler, Senior External Communication Manager, +41 76 319 28 58, clemens.gaehwiler@ruag.com, from 1 May 2022: clemens.gaehwiler@beyondgravity.com

RUAG International is a Swiss technology group with production sites in 14 countries and is divided into the RUAG Aerostructures, RUAG MRO International and RUAG Ammotec units. Until the final sale, all three units will operate under the existing branding "Together ahead. RUAG". RUAG International's fourth business unit is Beyond Gravity, formerly known as RUAG Space. RUAG International employs around 6,000 employees, of which around two thirds work outside of Switzerland. www.ruag.com

Beyond Gravity (formerly RUAG Space), headquartered in Zurich, Switzerland, is the first space company to combine a startup mindset, agility, speed and innovation with decades of experience and proven quality. Approximately 1600 employees at 12 locations in six countries (Switzerland, Sweden, Austria, Germany, USA and Finland) develop and manufacture products for satellites and launch vehicles with the goal of advancing humankind and enabling the exploration of the world and beyond. Beyond Gravity is the preferred supplier of structures for all types of launch vehicles and a leader in selected satellite products and for constellations in the New Space sector. In 2021, the company generated a revenue of around CHF 319 million. More information at: www.beyondgravity.com