


Annual Report

2023



We create leading compression solutions
for a sustainable energy future.

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Burckhardt Compression creates leading compression solutions for a sustainable energy future and the long-term success of its customers. Together with its brands Burckhardt Compression, PROGHOST, SAMR Métal Rouge and Shenyang Yuanda Compressor, the Group is the only global manufacturer that covers a full range of reciprocating compressor technologies and services. Its customized and modularized compressor systems are used in the Chemical/ Petrochemical, Gas Transport & Storage, Hydrogen Mobility & Energy and Industrial Gas sectors as well as for applications in Refinery and Gas Gathering & Processing. Since 1844, its passionate, customer-oriented and solution-driven workforce has set the benchmark in the gas compression industry.



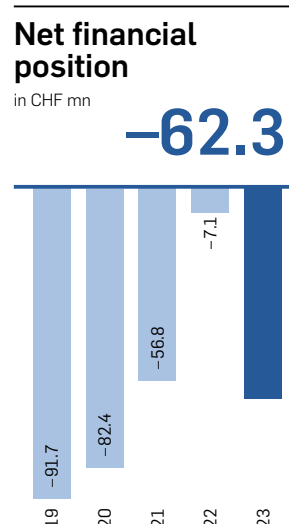
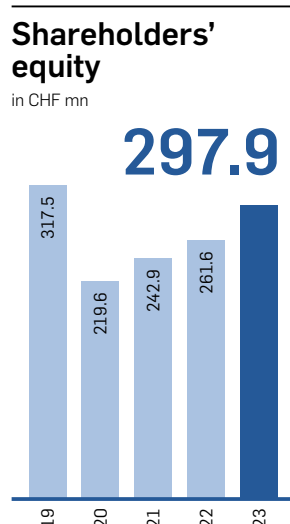
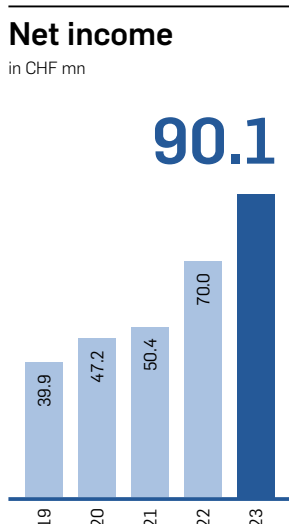
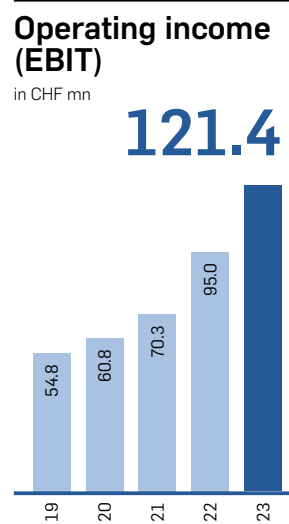
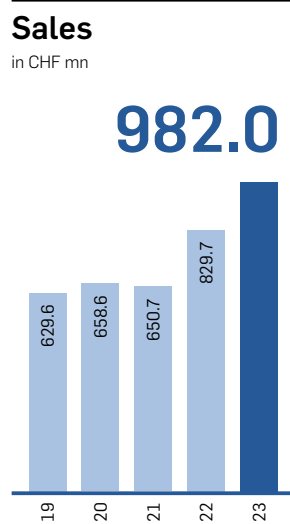
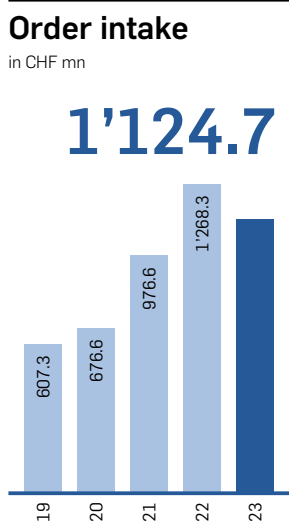
ONLINE REPORT
report.burckhardtcompression.com/en

Cover:

VARO Refinery in Cressier, Switzerland
Vitalii Tatarinov, Sales Manager,
analyzing a compressor with BC ACTIVATE,
Photography by Markus Bertschi

New financial records

The fiscal year 2023 marks a successful continuation of our transformation towards a sustainable energy future, with notable achievements in order intake, sales, and operating income. Based on these results and positive mid-term market trends, we are raising the bar for our 2027 objectives.



At a Glance

Reduction in our greenhouse gas emission intensity

12%

The 12% reduction in our greenhouse gas emission intensity (Scope 1 and 2) showcases our sustainability commitment.

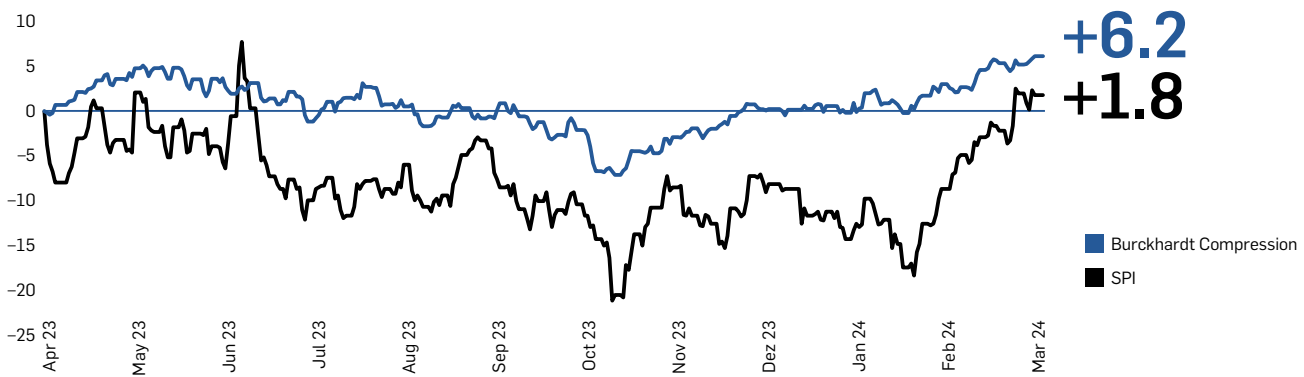
Our Lost Time Injury Rate (LTIR) has further decreased

0.5

Our Lost Time Injury Rate (LTIR) has further decreased from 0.6 to 0.5. This marks an improvement compared to last year and is below our Mid-Range-Plan target of 0.7.

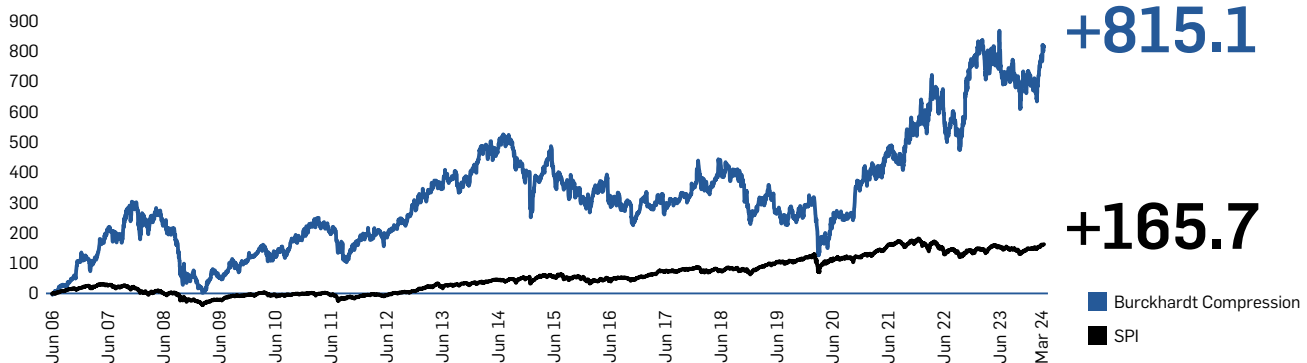
Performance FY2023

Total Shareholder Return FY2023
in %



Performance since IPO

Total Shareholder Return 26 June 2006 to 31 March 2024
in %



Launch of BC ACTIVATE

Enhancing sustainability and reliability at our customers

More than 99% of greenhouse gas emissions from compressors occur during their use phase. Addressing this challenge requires a multifaceted approach. One primary lever involves increasing compressor efficiency, ensuring minimum energy consumption for the quantity of gas required in the production process. A second lever lies in aging infrastructure. Issues such as gas leakage and reduced reliability become more prevalent with older compressors. To combat these challenges head-on, we launched BC ACTIVATE, an innovative program tailored specifically to enhance sustainability and reliability in all compressor systems, including other brand compressors (OBC). More than 50 compressors have been analyzed so far, and a potential saving of 3'700 CO₂ tons per year have been identified.

Read more on page 26.



Launch of large Standard Diaphragm Compressor Package for Europe

Hydrogen fuel stations for light and heavy-duty vehicles demand a large amount of hydrogen. To fill the gaseous hydrogen trailers, which are often used to feed the fuel stations, compressor systems with a sufficiently high flow and high pressure are required. Diaphragm Compressors are a proven solution for this application.

In fiscal year 2023, we launched a large Standard Diaphragm Compressor Package for Europe and already delivered some of them. The standard-size container enables easy transport and handling of these compressors. The separation of the compression space from the crank mechanism by double diaphragms ensures the purity of the gas, preventing oil contamination and guaranteeing the delivery of ultra-pure hydrogen. This innovation supports the expansion of a European hydrogen fuel network.

H₂

Supporting the hydrogen infrastructure in Europe

Largest order in the company history

for solar-panel-related applications

In fiscal year 2023, we won the largest order in the history of the company for solar-panel-related applications in China. Solar panels have seen remarkable growth, and our compressors are essential for the production of the thin plastic film which covers them. Securing this order of more than CHF 100 mn for Hyper Compressors and Booster Primary Compressors is a testament to the trust given by our customers that we can realize large-scale projects successfully. It is also based on the confidence that we can keep those large and complex compressor systems running reliably for decades.



Artificial Intelligence for productivity and growth

In the reporting period, we have defined a clear and responsible strategy on how to approach Artificial Intelligence and especially generative AI. We are convinced that by using AI, we can increase productivity both internally and for our customers, while our employees remain in charge and stay focused on value-adding activities. First proof-of-concepts were completed and demonstrated how generative AI can help us to grow our business sustainably. During the year, secure GenAI-based chatbots have been made available to all users, enhancing mainly their means of communication and messaging. While GenAI is in focus for internal use cases, other AI applications have been in use for many years in our products and services to predict failures and optimize operations in compressor systems.



Over 93% participation rate in employee engagement survey

Our decisions in life are mainly driven by emotions, so it's important that we check how people feel at work. We want to make sure that our employees remain engaged. To measure this engagement, we conducted an employee engagement survey based on the research of an external partner. The questions focused on the 12 conditions that build great workplaces, divided into four blocks: basic needs of employees, management support, teamwork, and growth. Additional questions focused on leadership and work culture. Overall, we had an impressive participation rate of over 93% (compared to 83% on average in the database of our external partner). We are pleased with the overall positive ratings and will put the employee feedback into concrete optimization actions.



Always close to our customers

Customer proximity is one of our success factors. Burckhardt Compression is represented on all continents with five manufacturing and assembly sites and 35 Service Centers worldwide.

Our customers

Our customer base includes some of the largest, most famous, and most innovative companies in the world. We serve:

- Energy companies
- Gas transportation and storage companies (onshore and offshore)
- Customers in the marine sector
- Hydrogen-processing companies
- Petrochemical/chemical companies
- Industrial gas companies
- General engineering companies that design and construct production lines or entire plants for our end customers

Sales of new machines, mostly via general contractors, are the responsibility of the Systems Division, while the Services Division is responsible for all service and spare parts activities.

Burckhardt Compression attaches great importance to a partnership-based relationship with its customers. In order to understand their needs even better and continuously improve, both divisions conduct regular customer surveys.



 Burckhardt Compression Manufacturing / Assembly Sites

 Burckhardt Compression Subsidiaries, Associates, and Service Centers

3'243
employees (FTE)

over 80
countries worldwide with a
Burckhardt Compression presence

Your local contact



Dear Shareholders,

The 180th anniversary of Burckhardt Compression marks a successful start to the latest Mid-Range Plan of the company, with notable achievements in order intake, sales, and operating income. Based on these results and positive mid-term market trends, we are raising our sales guidance for 2027.

The fiscal year 2023 was an eventful and successful year for Burckhardt Compression. Despite currency headwinds and uncertain macro-economic conditions, we achieved an order intake clearly above the CHF 1 bn threshold for the second time in our history. This reflects our ongoing success in future-oriented applications, supporting the transition of our markets towards more secure and sustainable energy sources. Strong operational delivery of our order backlog underpinned sales growth of 18.4%, reaching a new record of CHF 982.0 mn. The improved operating margin of 12.4% and a new record operating income of CHF 121.4 mn underscore the strength of our delivery capabilities and integrated business model. Earnings per share reached CHF 26.63, representing an average annual growth rate of 26.7% in the past five years. Based on these results, the Board of Directors will propose a dividend per share of CHF 15.50, a 29.2% increase from the prior year. Beyond our financial performance, we made clear steps in the implementation of our mid-term strategy and the 12% reduction in our greenhouse gas emission intensity showcases our sustainability commitments. In the market, we observe an acceleration of various applications related to the energy transition. Based on this positive development and our current visibility, we are raising our sales guidance for 2027 driven by the Systems Division. We now target CHF 1.2 bn versus CHF 1.1 bn previously, with the profitability target brackets for both divisions up by 1 percentage point. Given the resulting weight of the Systems Division in the sales mix, the operating margin target bracket for the Group remains at 12%–15%.

Energy transition having a positive impact on all market segments

In a market showing varying trends across end applications, the Systems Division achieved a strong order intake of CHF 780.2 mn. As expected, we saw a normalization of the exceptional levels observed in the previous year related to liquefied natural gas (LNG) tankers, which underpins the decrease in Group order intake versus the fiscal year 2022. On the other hand, the market related to liquefied petroleum gas (LPG) tankers is on the rise again. New applications related to the energy transition are developing in all market segments. Some of these applications are well known to us and are already significantly contributing to our order intake and sales. For instance, despite expectations for a slowdown, the demand for compressors to produce ethylene-vinyl acetate (EVA) continued at a robust pace, supported by stronger mid-term expectations for the global solar panel market. Our strong value proposition in this application enabled us to win in China the largest order in the history of the Company. In addition, hydrogen presents many opportunities for us along the value chain, and we are seeing a rapid emergence of green-hydrogen-based applications, like green ammonia. Other applications, like biogas and sustainable aviation fuels, are also starting to scale up. With our increased R&D activities and the ability to develop innovative solutions in partnership with our customers, we stand at the forefront of these new developments. We expect to win a significant share in these new markets in the coming years, underpinning the upward revision to our Mid-Range Plan targets.

Letter to Shareholders

Services further growing in local currencies

In a market characterized by regional disparities reflecting the local economic situation, the Services Division achieved an order intake of CHF 344.6 mn. Corrected for exchange rate translation effects, this represents a growth of 2.9%, following an above-average increase of 9.7% in the prior year. The Asia-Pacific market remained strong, while the European market decreased due to economic and political uncertainty, especially in Germany. On a global basis, the Services Division's presence in the Marine market is increasing strongly, benefiting from a growing installed base, a strong service network, and new offerings. Orders for digital products and services continued at a strong pace, building on the positive momentum in the previous year.

Record financial results and dividend increase proposed

Order intake for the Group reached CHF 1'124.7 mn, a decrease of 11.3%, respectively 6.2% net of currency translation effects. Despite a currency headwind of 7.7pp, sales were up by 18.4%, at CHF 982.0 mn, driven by a 31.3% growth in the Systems Division. Gross profit margin reached 26.7%, a reduction of 2.8 pp compared to the previous year, due to the increased share and less favorable product mix of the Systems Division. Research & Development expenses increased by CHF 2.7 mn to CHF 26.6 mn, remaining well within the target range of 2.5% to 3.0% of sales. Selling, marketing, and general administrative expenses amounted to 12.2% of sales, a significant reduction of 1.9 pp. This highlights the leverage and effectiveness of SG&A spend, which is part of our Mid-Range Plan. Other operating income and expenses (net) were CHF 5.4 mn (prior year: CHF -8.6 mn, including some one-off provisions). The consolidated operating profit (EBIT) rose substantially by 27.8% to CHF 121.4 mn. The Systems Division increased its EBIT margin by 1.2 pp, the Services Division by 2.5 pp. The higher weight of the Systems Division in the sales mix led to an overall increase of the Group EBIT margin of 1.0 pp to 12.4%.

Financial expenses slightly below last year and a similar tax rate of 23.7% led to a net income of CHF 90.1 mn, which exceeded the previous year's figure by 28.7%. Accordingly, earnings per share attributable to Burckhardt Compression Group shareholders rose from CHF 20.64 to CHF 26.63.

Value creation was also further enhanced, with Return on Net Operating Assets (RONOA) increasing from 25.7% to 30.1%. Total equity increased to CHF 297.9 mn (CHF +36.3 mn), while the equity ratio slightly increased to 28.0%.

Based on these results, the Board of Directors will propose a dividend of CHF 15.50 per share at the Annual General Meeting. This is within our overall attractive dividend policy of a 50% to 70% payout ratio and represents an increase of 29.2% compared with the previous year.

Further growth and transformation, with sustainability at the core of our strategy

The fiscal year 2023 marks a successful start to our Mid-Range Plan, which was communicated in November 2022. This strategic plan has sustainability embedded at its core, with implications for target markets, R&D projects, capital investments, operational KPIs, and long-term incentive plans for management. It is based on four pillars: strengthening our core business, transforming and building new growth avenues, operational excellence, and enhancing our business foundations.

We have made tangible progress across these pillars. For instance, expanding our offering in the Marine Service business has led to substantial growth in this segment and supports our strategic ambitions to strengthen our core business. With our focus on transforming and building new growth avenues, we have launched new products, including a new Standard Diaphragm Compressor Package for Europe to serve the hydrogen mobility and energy market. New services, like BC ACTIVATE, were also successfully launched to help our customers to optimize their compressor fleet's reliability and greenhouse gas footprint. On the operational excellence front, we have leveraged our asset base in all factories to grow sales by more than 30% in the Systems Division without significant capital investments. Moreover, the further rollout of our Customer Relationship Management (CRM) system in the Services Division enhances our business foundations.

While growing sales by 26% in local currencies, we reduced our greenhouse gas emissions (Scope 1 and 2) by 5.1%, a positive step on our path towards reaching net zero (Scope 1 and 2) in 2035. Energy-saving measures, particularly in China, complemented by solar systems in Spain and at Prognost GmbH in Germany, contributed to this clear progress. With major solar panel projects lined up in Switzerland and China and a detailed climate roadmap for each local unit, we are confident to reach our 2027 objectives and our net zero operational CO₂-emission ambition by 2035 (Scope 1 and 2).

Our people are fundamental to our strategy and the success of the Group. We expanded our workforce globally by 9.1% to 3'243 FTEs to support the growth of our deliveries and invest in future applications. To enable the safe delivery of our increasing volume, our Health and Safety focus was further increased, which materialized in a reduction of our Lost Time Injury Rate (LTIR) from 0.6 to 0.5, which remains within our Mid-Range Plan target. Finally, the results of the employee engagement survey realized in January 2024 show again the strong commitment of our employees and give us confidence that we are on the right track with our transformation.

Letter to Shareholders

Guidance for fiscal year 2024

We enter the fiscal year 2024 in a challenging geopolitical environment, but we do so with a solid order backlog, a strong balance sheet, and good momentum in both divisions. Based on the strong order intake of the past two fiscal years, we expect sales between CHF 1.0 bn and CHF 1.1 bn at the Group level for the fiscal year 2024, with an operating margin similar to fiscal year 2023. Within the fiscal year, the second half is expected to be stronger than the first half due to the distribution of project deliveries. Amidst the ever-changing global geopolitical backdrop, we will continue to actively monitor the situation and any potential impact it may have on our business.

Raising our sales guidance for 2027

We remain confident about the Company, our markets, and our capacity to transform. We made faster than expected progress in our Mid-Range Plan and see new growth opportunities linked to the energy transition in all our market segments. Therefore we increase the guidance for sales from CHF 1.1 to CHF 1.2 bn, driven by an expected increase in the Systems Division, from CHF 620 mn to CHF 720 mn.

As part of our commitment to realize further operational leverage, we increase the operating margin target bracket of both divisions by 1pp, respectively, to 6%–9% for the Systems Division and 23%–26% for the Services Division. Given the increased weight of the Systems Division in the sales mix, the operating margin guidance for the Group remains at 12%–15%.

Changes in the Board of Directors

After 12 years of dedicated service, Dr. Monika Krüsi decided not to stand for re-election as a member of the Board of Directors of Burckhardt Compression Holding AG at the upcoming Annual General Shareholder Meeting. As a successor, the board of directors will propose to the shareholders the election of Tatiana Gillitzer (1968). Mrs Gillitzer, a US-citizen, is a business leader with over 25 years of working and management experience in international organizations. She holds a degree in chemical engineering, a master's degree in engineering and an MBA. Her success in different leadership roles in technology-based businesses within various industries makes her a highly suitable person to join the Board of Directors of Burckhardt Compression. Provided she is elected, the Board of Directors plans to appoint her as a member of the Nomination and Remuneration Committee.



Fabrice Billard, CEO

Ton Bücher, Chair of the Board of Directors

Looking forward with confidence

180 years after the creation of Burckhardt Compression, our passion to perform remains at the core of our culture and success. The strong engagement of our employees, demonstrated by the 93% participation rate in our employee engagement survey, gives us confidence in our transformation towards a sustainable energy future. We sincerely thank our colleagues on behalf of the Board of Directors and Executive Management team. We would also like to thank our shareholders and customers worldwide for their trust and for being part of our journey.

Kind regards,

A handwritten signature in black ink, appearing to read 'T. Bücher', written over a horizontal line.

Ton Bücher
Chair of the Board of Directors

A handwritten signature in black ink, appearing to read 'F. Billard', written over a horizontal line.

Fabrice Billard
CEO

Winterthur, June 4, 2024

Key figures

in CHF mn

	2023	2022	Change 2023/2022
Total			
Order intake	1'124.7	1'268.3	-11.3%
Sales	982.0	829.7	18.4%
Operating income (EBIT)	121.4	95.0	27.8%
in % of sales	12.4	11.4	
Net income	90.1	70.0	28.7%
in % of sales	9.2	8.4	
Return on net operating assets (RONOA) in %	30.1	25.7	
Systems Division			
Order intake	780.2	911.2	-14.4%
Sales	642.8	489.7	31.3%
Operating income (EBIT)	47.6	30.3	57.1%
in % of sales	7.4	6.2	
Services Division			
Order intake	344.6	357.1	-3.5%
Sales	339.2	340.0	-0.2%
Operating income (EBIT)	83.5	75.0	11.3%
in % of sales	24.6	22.1	
Balance sheet			
Balance sheet total	1'065.6	940.6	13.3%
Shareholders' equity in %	28.0	27.8	
Net financial position	-62.3	-7.1	
Share			
Net income per share	26.63	20.64	29.0%
Dividend per share	15.5	12.0	29.2%
Payout ratio in % of net income	58.2	58.1	
Market capitalization (in CHF mn)	1'921.0	1'931.2	-0.1%
Employees			
Employees as per end of fiscal year (FTE)	3'243	2'973	9.1%
Turnover rate in %	10.4	10.7	
Average company affiliation (years)	7.8	8.0	-2.5%
Environment			
Energy use (MWh)	56'173	59'107	-5.0%
Greenhouse gas emissions Scope 1 (tCO ₂ e)	4'917	4'674	5.2%
Greenhouse gas emissions Scope 2 (tCO ₂ e)	14'120	15'396	-8.3%
Water (m ³)	74'991	78'687	-4.7%

We create leading compression solutions for a sustainable energy future

Our markets are transitioning towards more secure and sustainable energy sources and sustainability sits at the core of our strategy. After a strong start in our new Mid-Range Plan period, and based on positive market dynamics, we are raising our sales guidance for 2027.

Overview

Our strategy process is based on a Mid-Range Plan, which is defined every five years and reviewed annually. In November 2022, we communicated our Mid-Range Plan for fiscal years 2023 to 2027, along with our purpose: "We create leading compression solutions for a sustainable energy future."

Our purpose is the guiding star for our Mid-Range Plan and provides the basis for our culture, together with our values and behaviors. On our journey towards this purpose, we will continue to build an organization that is customer-oriented, passionate, performance-driven and mindful of its responsibilities towards the environment and society at large.

We also communicated our Mid-Range Plan guidance in November 2022, targeting CHF 1.1 bn in sales and a 12% to 15% operating profit margin in fiscal year 2027. At the same time, we have indicated that we will be ready to capture a potential market upside if the energy transition would accelerate beyond our Mid-Range Plan assumptions.

The basis of our strategy is a focus on reciprocating compressors and related services. We aim to remain the global market leader for new equipment in this field by further developing our product range to gain strong positions in each application where we play. In services, we aim to reinforce our position and grow by increasing our presence in so-called geographical white spots, and by offering differentiating services to support customers in their digitalization and in their sustainability journey.

With our leading compression solutions, we are competitively positioned in a market that is transforming towards a sustainable energy future. On the back of this transition and a continuous growth of the world's population, we expect that our markets will continue growing over the mid-term. While the exact developments are difficult to predict, the world will need more gases, and therefore more compressors.

Our strong results in fiscal year 2023 confirm our resilience in the face of continued macroeconomic and geopolitical challenges. Based on these results and on a positive outlook on the market side, we have raised our sales guidance for fiscal year 2027.

Focus

Our success lies in our focus on reciprocating compressors and services.

Purpose, values and behaviors: the basis for our daily decisions and actions

Along with our purpose, our four values "Partnership", "Passion", "Performance" and "Responsibility" determine our daily decisions and actions. We focus on teamwork and act as "one" company. We are entrepreneurs with a strategic mindset, and act decisively with a focus on operational excellence and innovation. We love what we do and inspire others with the aim of creating a more sustainable energy future for the world. At the heart of it all, we keep ourselves, partners, suppliers, and customers safe. We foster an inclusive environment where everyone can reach their potential and where integrity and reliability are the basis for the trust we enjoy among our colleagues, customers, partners, and suppliers.

2027

We are raising our Mid-Range Plan sales guidance for fiscal year 2027.

Core elements in our strategy: sustainability and innovation

Sustainability sits at the core of our strategy, with implications on target markets, R&D projects, capital investments, operational KPIs and long-term incentive plans for management. We aim, in particular, to achieve 40% of our order intake from applications that support the world's energy transition and to reduce our greenhouse gas emission intensity by 50% for Scopes 1 and 2 until fiscal year 2027. Acknowledging the scale and urgency of combating climate change, we have developed a long-term commitment and roadmap to become operational net-zero for our Scope 1 and Scope 2 emissions by 2035. Achieving these goals will be supported by the integration of sustainability into our operational excellence activities and by continuous investments in innovation and digitalization.

Innovation is also an essential thrust in our strategy, especially to develop new markets in our Systems Division and to differentiate ourselves in our Services Division. With our continued investment in R&D in a range from 2.5% to 3.0% of sales, we aim to drive technological advancements to support the world's energy transition and gain market share.

R&D

We invest 2.5% to 3.0% of sales in R&D to drive technological advancements to support the world's energy transition and gain market share.

First achievements in the implementation of our strategy

Our strategy is structured along four pillars: strengthening our core business, focusing on operational excellence, transforming and building new growth avenues, and enhancing our business foundations. A few examples of our progress in fiscal year 2023 are listed below.

Strengthening our core business

Given a growing installed base of compressors on ships and our strategic initiative to extend the scope of our marine service business, our presence in the marine market has clearly increased and led to a strong growth in orders for services. In addition, the Services Division strengthened its position in Asia by fully integrating the acquired team and business of its agent in Thailand. It also acquired thousands of drawings from an Indian compressor manufacturer to become the preferred service partner for more than 250 compressors in India.

Improving operational excellence

In the reporting period, we have leveraged our asset base in all facilities to grow sales by 31% in the Systems Division without significant capital investments. Supporting our operational excellence ambitions, several proof of concepts for the use of generative artificial intelligence were completed and have indicated the potential to further increase our productivity.

Transforming and building new growth avenues

With our focus on transforming and building new growth avenues, we have strengthened our setup in the US to deliver orders for the local hydrogen market. To support hydrogen mobility customers in Europe, we have launched a new Standard Diaphragm Compressor Package, and introduced a new generation of dry-running process gas compressors for hydrogen liquefaction plants. Our new service BC ACTIVATE supports our customers in their efforts to improve reliability of their compressors while reducing energy consumption and greenhouse gas emissions. In addition, our digital products and services grew above average in the fiscal year 2023, building on the positive momentum of the previous year.

Enhancing our business foundations

The rollout of our Customer Relationship Management (CRM) for Services enhances our business foundations, together with our strengthened capabilities to manage data across functions and countries.

Following our sustainability roadmap, we succeeded in fiscal year 2023 to decouple our business growth from our greenhouse gas emissions. We reduced our Scope 1 and Scope 2 emissions by 5% globally and our emission intensity (CO₂e emissions per hour worked) by 12%. Energy-saving measures, particularly in China, complemented by solar systems in Spain and at PROGNOST in Germany, contributed to this clear progress. With major solar panel projects lined up in Switzerland and China and a detailed climate roadmap for each local unit, we are confident to reach our net-zero operational CO₂ emission ambition by 2035 (Scope 1 and Scope 2).

In 2023, we received the largest order in the history of the company with > CHF 100 mn related to solar panel applications.

Sustainable applications developing in all market segments

The development of new applications related to the energy transition is a dynamic process taking place in all market segments. Some of these applications are already contributing significantly to our order intake and sales, and transitional or sustainable applications are growing faster than initially expected at the start of our Mid-Range Plan. In 2023, we received the largest order in the history of the company, amounting to over CHF 100 mn, related to solar panel applications. Over the mid-term, global demand for solar power is expected to be growing faster than estimated a year ago by various expert forecasts, supporting our order pipeline for Hyper Compressors. In hydrogen applications, we see a growth not only in mobility, but even more in transportation and storage for both hydrogen and green ammonia. LPG ship builds driven by the future demand for green ammonia and both biogas and biofuel markets also show accelerated dynamics beyond our initial Mid-Range Plan assumptions. Above-described positive market dynamics, combined with new product launches for LNG applications and Hydrogen Mobility & Energy, lead us to raise our sales guidance for 2027.

Raising our sales guidance for 2027

A key target of our Mid-Range Plan was to raise the bar and double our operating profit from CHF 70 mn in fiscal year 2021 to CHF 140 mn in fiscal year 2027. Based on the faster-than-expected progress to date and indicative signs that all our market segments are now providing new growth opportunities linked to the energy transition, we are further raising the bar. We increase our sales guidance from CHF 1.1 to CHF 1.2 bn, driven by a 16% increase in the Systems Division, from CHF 620 mn to CHF 720 mn. As part of our commitment to realize further operational leverage, we increase the operating margin target bracket of both divisions by 1 percentage point, respectively, to 6%–9% for the Systems Division and 23%–26% for the Services Division. Given the resulting weight of the Systems Division in the sales mix, the operating margin guidance for the Group remains at 12%–15%. Our dividend policy, aiming at a dividend payout ratio of 50% to 70%, remains the same.

1.2 bn

We increase our sales guidance to CHF 1.2 bn in fiscal year 2027.

Our Company and Strategy

Integrated business model

Our integrated business model leads to success

Compressors function as critical components of a larger system with an average lifespan of 40 years or more, so it is vital to have the support of a long-term-oriented organization that offers expertise in all aspects, with highly trained employees. Our two divisions, Systems and Services, cooperate closely and cover the entire life cycle of reciprocating compressor systems. Customers are supported throughout the whole life cycle of their systems by a wide range of products and services, from project definition, project execution, systems installation and commissioning, ongoing service, and spare parts through to the complete overhaul of their system or even its conversion for a new purpose. The table below shows the entire life cycle of a compressor project and displays the interaction between the two divisions in the different project phases, which is now supported by our newly added digital products and services:

Life cycle of a typical project

Duration	1–3 years	10–22 months	1–12 months	1–2 months	2 years (avg)	40 years (avg)
Phase	Evaluation and start of construction	Engineering and manufacturing of compressor system	Compressor installation	Compressor start-up	Warranty period	Post-warranty
Decision-maker	End customer/ EPC/licensor	End customer/ EPC			End customer	
Project progression	Decision to build plant and purchase order	Compressor shipped and transfer of ownership		Product acceptance		Repair and maintenance; structural machine build
Division in charge	Systems Division				Services Division	

- Systems Division
- Services Division

Key markets

Petrochemical/chemical industry

The petrochemical/chemical industry is one of our main markets. It covers the production of a vast range of commodities, which are present in our daily lives, such as lacquers, synthetic rubbers, adhesives and dyes, solvents, paints, fertilizers, and textiles. This market is driven primarily by the growing worldwide demand for products made of plastic, which requires an expansion of production capacity, combined with a trend toward greater local added value. The strong growth of the past couple of years was driven by the need to increase production capacity for low-density polyethylene (LDPE) and ethylene-vinyl acetate (EVA), which is used as encapsulant for solar panels.

Gas transport and storage

Gas transport and storage remains a key market for Burckhardt Compression. To store or transport gases, they must be compressed or liquefied. Gases typically used in this market are Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), and Compressed Natural Gas (CNG). A large number of compressors in this segment are installed on ships. The process chain supported by our compressors and services includes liquefaction, transfer to the carrier, handling the boil-off gases (BOG) during transport, unloading, storage until regasification, and feeding into the consumer network. We provide in particular unique solutions for the compression and reliquefaction of BOG and fuel gas injection in two- or four-stroke marine diesel engines, at high or low pressure. Other applications, such as biogas, are starting to scale up.

Hydrogen mobility and energy

Hydrogen mobility and energy is a growing market for Burckhardt Compression. It is particularly growing in the USA, Europe, China, Middle East, Korea, and Japan, where this well-known molecule is given a significant potential role in the transition towards more secure and sustainable energies. The energy and transport industries are indeed increasingly using hydrogen to store energy and reduce carbon dioxide emissions. Compressors play a key role in the whole hydrogen value chain. We have developed unique solutions for hydrogen production and liquefaction plants, hydrogen fueling stations with high mass flows, trailer filling and power-to-gas hydrogen production. Hydrogen is also a core component of green ammonia and e-fuels, which are emerging markets with significant growth potential.

Industrial gas

This market has been growing fast in the past years thanks to the increasing demand for polysilicon, which itself is the consequence of the rising demand for solar panels. Other industrial gases, such as argon, helium, carbon dioxide, carbon monoxide, oxygen, and nitrogen are usually produced in air separation plants. Their end markets are diverse, encompassing industries like metalworking and metallurgy, chemical companies, food manufacturing, glass, pulp, and paper manufacturing, electronics, construction, and health care. Market drivers are regional growth and industry-specific growth.

H₂

Hydrogen is a core component of green ammonia and e-fuels.

Refinery

Refineries use distillation and chemical reactions to turn crude oil into a range of fuels, lubricants, and raw materials for further downstream processes. In this market, we mainly supply compressors for various hydrogen applications (hydrotreating, isomerization, hydrocracking, reforming). The compressors are typically used to clean the raw products and reduce their nitrogen and sulfur content. Stricter environmental regulations, facility expansions and the requirement to process raw products of differing quality in a single facility are important drivers in this market. In addition, standard refineries are increasingly converted into biorefineries processing biomass, and the growing market requirement for sustainable aviation fuels is providing new growth impulses.

Gas gathering and processing

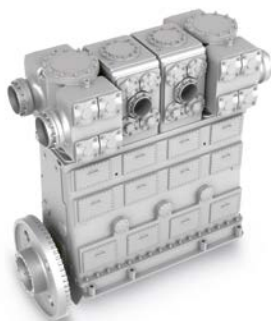
The production of marketable natural gas begins with a preprocessing at the gas field itself using high-speed compressors. Gases can also be injected into wells to enhance the recovery of oil. We provide onshore and offshore solutions for these applications. One new market in this segment is biogas, which is starting to scale up.

Compressor systems

Our reciprocating compressors lie at the heart of our customers' processes.

Laby® – Labyrinth Piston Compressors

The Labyrinth Piston Compressor is unique with its exceptional level of reliability and availability. The special labyrinth seal on pistons and piston rods creates a completely oil-free, contactless seal. This prevents piston ring debris from contaminating the gas as well as friction-induced hot spots. The result is a longer service life, which has a positive impact on overall reliability and operating costs. The Laby® Compressor is designed to compress bone-dry, dirty, abrasive, and other gases. The gas-tight and pressure-resistant casing reduces gas emissions and losses to the environment to virtually zero. The Laby® Compressor easily manages the compression of LNG boil-off gas at suction temperatures down to -160°C (-250°F).



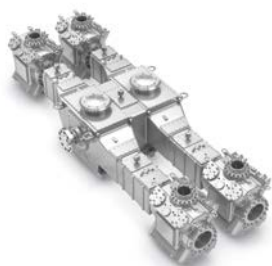
Laby®-GI Compressors

The Laby®-GI Compressor is mainly used for the compression of LNG boil-off gas. It has a fully balanced design that eliminates unbalanced moments and forces, so it can be used on offshore vessels and installations where strict guidelines on maximum allowable vibration levels on deck structures must be observed. The unique combination of labyrinth seal design and tried-and-tested ring seal technology makes Laby®-GI Compressors the solution of choice for both low-temperature and high-pressure applications. The proven technology guarantees maximum efficiency and lowest life cycle costs without any gas slippages.



Process Gas Compressors per API 618

We have many years of experience with hydrogen compression systems for the refining industry and offer hydrogen compression solutions for hydrogen mobility and energy applications. We provide non-lubricated and lubricated Process Gas Compressors, horizontal and vertical. They are suited in particular to the high-pressure compression of hydrogen, hydrocarbon, and corrosive gases. Our Process Gas Compressors are synonymous with unrivaled availability and long operating lives. Optimal sizing and the use of top-quality compressor components and materials ensure low operating and maintenance costs.



The design, the advanced Burckhardt Compression technology and superb quality together with the robust construction translate into excellent reliability and low life cycle costs.

Hyper Compressors

We are the world market leader for Hyper Compressors. The Hyper Compressor is a high-pressure reciprocating compressor for low-density polyethylene (LDPE) and ethylene-vinyl acetate (EVA) plants with a discharge pressure of up to 3'500 bar. We have established an outstanding track record with nearly 70 years of experience in building this type of compressor. It is characterized by a long operational life and high safety standards, which can be traced to its unique construction design and our global one-stop maintenance and service capabilities. The most powerful compressor in the world, driven by a 33'000 kW electric motor and compression capacity of 400'000 tons of ethylene a year, was built by us in 2016.



Our Company and Strategy

Standard High-Pressure Compressors

Our Standard High-Pressure Compressors are reciprocating compressors with a compact design and low weight. They are delivered skid-mounted with structural supports that dampen vibration, so there is no need for a special foundation. The air- and water-cooled compressors are used to compress air, hydrogen, nitrogen, helium, argon, natural gas and other non-corrosive gases and gas mixtures at land facilities and on ships.



Diaphragm Compressors

Diaphragm Compressors compress gas by means of a flexible membrane. These membranes are usually metallic, have a limited stroke and are used for smaller gas flows at high pressure. The advantage of this technology is that the gas is hermetically sealed by the membrane during compression, enabling very high levels of gas purity. Our Diaphragm Compressors are used for hydrogen fueling and trailer filling stations, and for the compression of small quantities of pure gas for medical and other purposes.



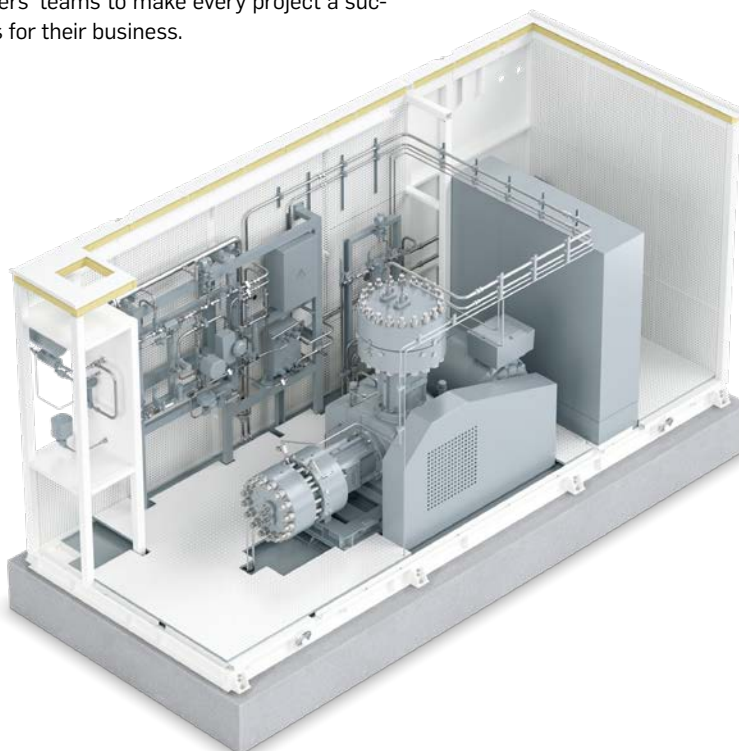
High-Speed Compressors

High-Speed Compressors are essentially Process Gas Compressors with shorter strokes and higher rotational speeds. These compressor systems are used for natural gas processing and transport applications.



Compressor systems and packages

Beyond the compressor itself, we engineer the complete system in-house to customers' specifications and use proven and qualified suppliers. We work together with our customers' teams to make every project a success for their business.



Our compressor portfolio

Our Company and Strategy

Services and components

We provide a comprehensive range of services, from simple modifications to extensive retrofit, revamp projects, and turnkey solutions. We are backed by original equipment manufacturer (OEM) parts with high supply readiness and vast engineering know-how. Experienced field service technicians ensure close interaction with the customer and rapid response. Our Service Centers around the world handle repairs of all brands. Depending on the size of the project and the construction site, we offer a 24/7 shift operation, so that the plants can be put back into operation even faster. We also provide reliable expert monitoring and diagnostic solutions in particular to support customers in their efforts to improve compressor reliability and reduce their greenhouse gas footprint – all from a single source.

Comprehensive engineering, revamp, and repair expertise

For operators, the reliability, availability and cost-effectiveness of reciprocating compressor systems, and their compliance with environmental and emission regulations, are crucial. Thus, partners that can offer expertise and sound advice are essential. We stand out thanks to our comprehensive in-house expertise. A wide range of complementary services are offered for all brands of reciprocating compressors and their auxiliary systems in 50 service workshops around the world. A highly motivated team carries out revamp projects of any complexity to the full satisfaction of customers and can prolong the operating life of older compressors by retrofitting them with the latest technology. This range of services also includes a valve service, overhaul of compressors and repairs to the current best practice level.

With our BC ACTIVATE services, we can help our customers to reach their sustainability targets and reduce their carbon footprint.

With our BC ACTIVATE services, we can help our customers to reach their sustainability targets and reduce their carbon footprint. More than 99% of greenhouse gas emissions of compressors occur in the use phase. Through the utilization of advanced measurement and analysis techniques, combined with our expert knowledge, we can identify the optimization potential of any type of reciprocating compressor. We can then address these optimization opportunities with our comprehensive range of services to significantly improve the performance, efficiency, and overall sustainability of the compressor systems.

Original spare parts for optimal compressor operation

Compressor components, such as valves, seals, and packings, are subject to wear and tear, and therefore largely determine the duration of service intervals, operational availability and, ultimately, the overall life cycle costs of reciprocating compressors. Original spare parts backed by our full warranty as an original equipment manufacturer (OEM) stand for superior quality and ensure low life cycle costs and the optimal operation of compressor systems. These top-quality compressor components are tailored to specific system requirements.

Monitoring and diagnostics with our digital products and services

Reliable condition monitoring and diagnostic systems for reciprocating compressors and equipment, integrated within the top-level systems for monitoring an entire production facility, are effective tools for enhancing workplace safety and prolonging the service intervals of a compressor system. Continuous machine diagnosis detects potential and actual anomalies at an early stage and thus helps to avoid costly and unexpected downtime. The diagnostic systems made by our subsidiary PROGNOST Systems GmbH are designed for use with all types of reciprocating compressors and with many other types of rotating machinery. They are backed by unrivaled technology and deliver value day after day to our customers. Finally, the myFleet portal offers a rapid, transparent, and efficient overview of queries, documentation, and spare parts for compressors.

Field Service – close to the customer

Geographic proximity and trusting relationships are vital to our success and the success of our customers. Around 400 experts in Field Service, from engineers to local site managers, provide a rapid response capability that covers all the necessary skills and are known for their pronounced service mentality. A local presence simplifies interaction with the customer, shortens the supply chain and maximizes uptime. This service network will continue to grow.

Customer trainings

The objective of our ever-growing range of customer training and learning programs is to foster regular technical exchange with our customers on compressors and their operation, and to pass on our engineering expertise. We offer theoretical and practical training programs for various types of compressors and for our own and third-party components at our modern training center in Winterthur, Switzerland, and at locations in Korea, China, India, Germany, and the US. We also provide on-site training at customer sites for their systems. As part of our digitalization strategy, online training has become predominant in the past couple of years.

From engineering workshop to global market leader

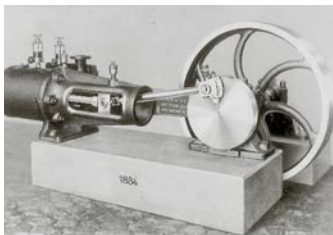
1844

Franz Burckhardt opens an engineering workshop in Basel



1883

Development and sale of the first single-stage, dry-running reciprocating compressor



1890

August Burckhardt founds the Burckhardt Maschinenfabrik

1913

Delivery of the first compressor for ammonia synthesis to BASF Ludwigshafen, Germany



1935

Development and sale of the first Labyrinth Piston Compressor (Laby) for oxygen compression in steel production

1951

Manufacture of low-density polyethylene (LDPE) thermoplastic using Hyper Compressors



1969

Acquisition by Sulzer

1971

Transport and storage of natural gas with labyrinth piston compressors

1982

Consolidation of Sulzer's activities in the field of reciprocating compressors to form Maschinenfabrik Sulzer-Burckhardt AG

1999

Consolidation of Basel and Winterthur sites at the Winterthur site

2002

Five members of the management board buy out the business together with a financial investor; name changed to Burckhardt Compression

2004

Burckhardt Compression counts 500 employees (FTE)

2006

Stock exchange listing on the SIX Swiss Exchange (IPO), valor BHCN

2012

Burckhardt Compression counts 1'000 employees (FTE)

2013

Laby®-GI Compressors are used on LNG tankers

2015/19/22

Acquisition of Arkos Field Services, USA, in two stages; access to a qualified workforce and service centers across the USA; in 2022 merger with Burckhardt Compression US Inc.

2016

New company structure with two divisions, Systems and Services

2016/20

Acquisition of Shenyang Yuanda Compressor Manufacturing, the leading Chinese manufacturer of reciprocating compressor systems, in two stages; proximity to local market, expansion of the product portfolio and direct access to an established local supply chain



2020

Acquisition of the compressor business of The Japan Steel Works JSW to strengthen position in the global market and particularly in Japan

2021

Acquisition of Mark van Schaick BV in the Netherlands

2021

Launch of high-pressure non-lubricated compressor for hydrogen mobility and energy

2023

Launch of service solution BC ACTIVATE

Acquisition of the installed base of BPCL in India

Operating profit above CHF 100 mn for the first time

Burckhardt Compression counts more than 3'000 employees (FTE)

Company history ●

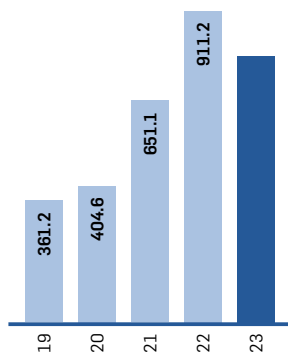
Compressor development ○

Systems Division

Order intake

in CHF mn

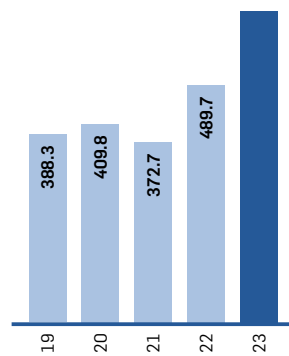
780.2



Sales

in CHF mn

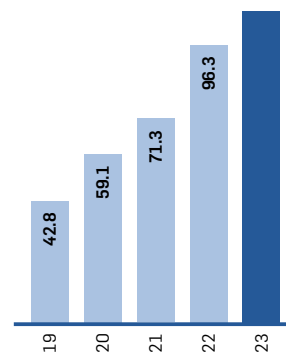
642.8



Gross profit

in CHF mn

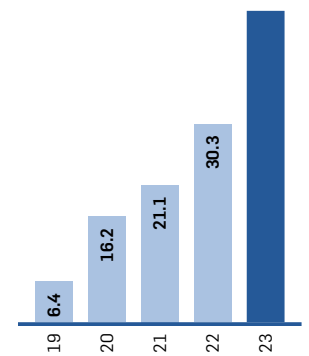
108.3



Operating income (EBIT)

in CHF mn

47.6



in CHF mn

Order intake

Sales

Gross profit

in % of sales

EBIT

in % of sales

Headcount at end of fiscal year (FTE)

	2023	2022	Change 2023/2022
Order intake	780.2	911.2	-14.4%
Sales	642.8	489.7	31.3%
Gross profit	108.3	96.3	12.5%
in % of sales	16.9	19.7	
EBIT	47.6	30.3	57.1%
in % of sales	7.4	6.2	
Headcount at end of fiscal year (FTE)	1'863	1'684	10.6%

Further profit increase based
on strong sales growth
and operational excellence

+57%
operating
income

In a challenging market environment affected by currency headwinds, the Systems Division looks back at a very successful fiscal year 2023. The division recorded its second-highest yearly order intake and won the largest order in the company's history. It also achieved a new record for the number of compressors sold, thereby increasing its share in a market which is normalizing after a post-pandemic peak in the previous year. The division has in particular expanded its already strong position in applications related to the energy transition and reached new historical records for sales, gross profit, and operating income. Based on these strong results and on a positive outlook, the division is raising its sales and profitability guidance for fiscal year 2027.

Financials

Order intake of the Systems Division stood with CHF 780.2 mn again at a high level but could not match the exceptionally high value of the previous year with a decrease of 14.4%, including 4.6 pp negative currency translation effects. On the back of the high order intake of the past two years, the division recorded a substantial increase in sales of 31.3% to CHF 642.8 mn. Proactive measures to expedite the supply chains combined with a further stabilization of global logistics allowed to deliver large projects in the second half of the fiscal year 2023, some of them ahead of schedule. On the other hand, the currency translation effects had a noticeably negative impact also on sales, accounting for 8.5 pp. On the gross margin side, the high utilization of production capacities combined with robust project execution could not fully compensate the effect of the highly favorable product mix in the previous year. The division increased its gross profit by 12.5% to CHF 108.3 mn, resulting in a gross margin of 16.9% (prior year 19.7%). The operating profit margin further increased to 7.4% (previous year: 6.2%) thanks to the leverage on selling, general, and administrative expenses and to the positive development of other operating income (the prior year contained some one-off provisions). As a result, the operating profit grew by 57.1% to a new record of CHF 47.6 mn.

Breakthrough orders for biogas, green ammonia and sustainable aviation fuel applications.

Market developments

As anticipated, markets have been normalizing after a record year 2022. Order intake of the division decreased but remained at a high level. This achievement was supported by a growth of applications supporting the energy transition in all market segments. In particular, the division secured large orders for Hyper Compressors used in solar panel production and grew further in the hydrogen mobility and energy segment. It also won breakthrough orders in biogas applications, green ammonia import terminals and for compressors for the production of sustainable aviation fuels.

Chemical and petrochemical industry

The division benefited from its strong market position in this segment. Driven by the global GDP growth and expected exponential demand for solar panels in the coming decade, the extraordinary high demand for Hyper Compressors used for low-density polyethylene (LDPE) and ethylene-vinyl acetate (EVA) production continued in fiscal year 2023. In this strong market, the division won a record number of Hyper Compressors, which will be installed and commissioned in the coming two to three years.

In addition, orders for low-pressure Laby® Compressors were at a good level, following petrochemical capacity expansions linked to global GDP growth.

Gas transport and storage

The market for Liquefied Natural Gas (LNG) onshore terminals and LNG-fueled ships remained strong. On the other hand, compressor orders for new high-pressure LNG carriers were low in fiscal year 2023, after the peak observed in 2022, which filled up the Korean yard capacities for several years. Going forward, China will become an important market for merchant shipping and LNG carriers, and Burckhardt Compression is expected to benefit from its strong position in this country.

In addition, the demand for new Liquefied Petroleum Gas (LPG) carriers increased again, driven by the need to transport LPG from production locations to countries using it as energy source or as feedstock. It is also to be noted that many of the newly ordered LPG tankers are ready to transport green ammonia in the future, and this new application is expected to provide an additional demand for Laby® Compressors.

Hydrogen mobility and energy

The hydrogen mobility and energy market has continued its growth worldwide, but at a lower rate than in the previous two years. The demand is driven by a combination of political support, private investments, and maturing technologies. It contributes to the decarbonization of transportation and industry sectors. On the other hand, the market growth was slowed down by still high energy costs in Europe, still high interest rates globally and a slow clarification of the conditions for public support in Europe and the USA. In this highly dynamic segment, Burckhardt Compression seized an early advantage, developing the ecosystem in collaboration with other suppliers and strategic customers in Europe, USA, and China. The Group is benefiting

The division increases its sales guidance by 16% for fiscal year 2027.

from a strong position in this ecosystem, thanks to its comprehensive portfolio of innovative reciprocating and diaphragm compressors. The division won large orders for hydrogen liquefaction plants in the USA, breakthrough orders for green hydrogen pipeline and trailer applications in Europe, as well numerous orders for hydrogen fuel stations. In addition, it won significant orders for green ammonia import terminals in Europe. The division will continue to innovate with the development of new products for technically demanding applications, such as high-pressure, high-capacity, non-lubricated hydrogen compressors.

Industrial gas

Burckhardt Compression is well positioned in the polysilicon production related applications, supporting the solar panel industry. Shenyang Yuanda Compressor continued to benefit from an active Chinese market at the beginning of the year. Additionally, the division was awarded several compressors for India's first polysilicon production plant. The rest of the market remained stable.

Refinery

The refinery market showed moderate activity, with projects taking time after announcement and study phase. In this overall stagnating market, the division focuses on sustainable energy applications and won a breakthrough order for a sustainable aviation fuel refinery in Europe.

Gas gathering and processing

Gas gathering and processing remained active in the period under review, and the division won a sizeable project for High-Speed Compressors in Asia. The division also focused on sustainable energy applications in this segment and won orders for more than 80 compressors for biogas (waste-to-energy) production plants in Asia.

Infrastructure and capacity

The installed production capacity was further enhanced to ensure deliveries. The workforce was increased and trained in line with the demand, and working shifts were intensified. In Switzerland, the Systems Division created additional assembly space for large Process Gas Compressors. Working shifts were increased to guarantee the delivery of a record number of Hyper Compressors and to meet the high demand for Laby® Compressors. In Korea, deliveries of Laby®-GI Compressors were doubled by optimizing processes based on lean principles and by increasing the number of employees.

Furthermore, investments were made in the plant in India, which included the construction of an additional test bed for Process Gas Compressors as well as a space increase for pressure testing and painting components. The Global Service Center in India grew its number of employees by more than 50%, in order to provide various engineering, IT and administrative services to other countries. In the USA, the division expanded its logistics infrastructure, including heavy machinery lifting devices, to facilitate parallel assembly of large compressors.

Finally, new suppliers for castings in Europe and India were selected and qualified to strengthen the supply chain for critical components, and the portfolio of machining partners for castings and forgings was expanded to meet the additional demand.

Research and development

Further solutions were developed for the growing market of high-pressure hydrogen compressors. Additionally, progress was made in developing new large non-lubricated compressors for hydrogen liquefaction, pipeline feed or for industrial usage. For the established petrochemical industry market, the capacity of our largest Laby Compressor was expanded to fulfill the market requirements of larger production facilities. In addition, the cost structure of several compressor products was optimized through the application of value engineering principles, standardization, and modularization.

Outlook

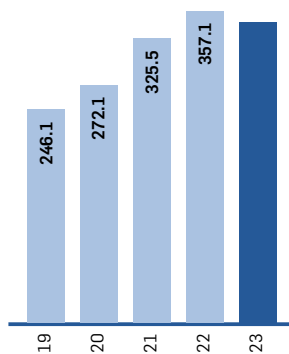
Going forward, all customer segments are moving towards sustainable energies, which present many new opportunities. For instance, green ammonia is becoming more important for hydrogen mobility and energy, while the market segment refinery is adapting to the global trend towards biofuels and syngas. Biogas is gaining prominence in the segments gas gathering and processing and gas transportation and storage. To capitalize on these opportunities, and to win a significant share in these new markets in the coming years, Burckhardt Compression proactively develops related solutions in collaboration with its customers. From a geographical standpoint, the division aims to maintain its leading position in China and accelerate its growth in the USA, Europe, and East Asia. Based on the stronger than expected order intake in the past two years and on clear signs that all market segments are now providing new growth opportunities linked to the energy transition, the division is raising the bar for fiscal year 2027. It is increasing its sales guidance by 16%, from CHF 620 mn to CHF 720 mn. Owing to the progress already achieved and to the further potential linked to operational leverage, the operating margin guidance of the division is also increased from 5%–8% to 6%–9% by fiscal year 2027.

Services Division

Order intake

in CHF mn

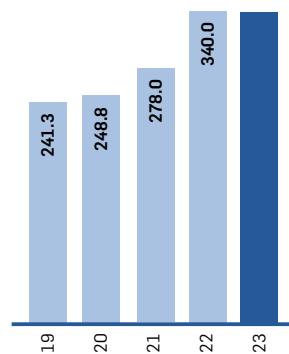
344.6



Sales

in CHF mn

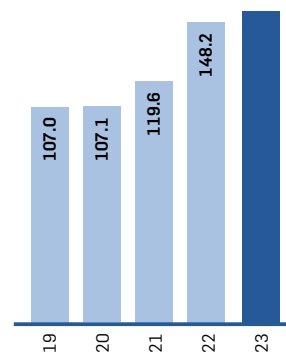
339.2



Gross profit

in CHF mn

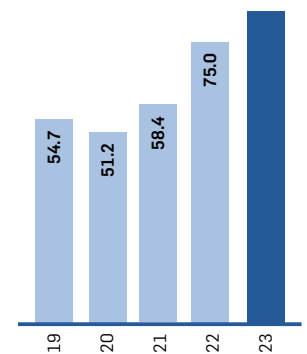
153.7



Operating income (EBIT)

in CHF mn

83.5



in CHF mn

Order intake

Sales

Gross profit

in % of sales

EBIT

in % of sales

Headcount at end of fiscal year (FTE)

2023

2022

**Change
2023/2022**

344.6

339.2

153.7

45.3

83.5

24.6

1'355

357.1

340.0

148.2

43.6

75.0

22.1

1'275

-3.5%

-0.2%

3.7%

11.3%

6.3%

Further profitability increase

24.6%
Return on
sales

Services Division

In a challenging market environment affected by currency headwinds, political instability, and slow economic growth in certain countries, the division looks back at a successful year. Order intake and sales grew further in local currencies, and customer satisfaction continued to rise. The division also recorded its highest profit in the company history, with a noticeable increase of profitability as percentage of sales. To stimulate growth and capture new market opportunities, the division launched new services, acquired the installed base of a competitor, and expanded its service center and spare parts manufacturing capacity. With these results, the division is well on track to achieve its sales targets for 2027 and is increasing its profitability guidance by 1 pp.

Financials

In local currency, the Services Division increased its order intake by 2.9%. However, due to strong currency exchange translation effects, the order intake in Swiss Francs decreased by 3.5% to CHF 344.6 mn, following an above-average growth of 9.7% in the prior fiscal year. At CHF 339.2 mn, sales were at a similar level to the previous year, whereby negative currency translation effects also had a significant impact of 6.5 pp. Gross profit increased by 3.7% to CHF 153.7 mn, resulting in a 1.7 percentage points improvement in gross margin to 45.3%, mainly as a result of the higher share of spare parts in the sales mix. The higher gross margin and a positive development in other operating income (the prior year contained some one-off provisions) have led to an increased operating margin by 2.5 pp to 24.6%. As a result, the Services Division grew its operating income by 11.3% to a new record of CHF 83.5 mn.

Market developments

The demand for comprehensive solutions, on-site services, digital products and services, and spare parts remained strong in local currencies. Market growth was mainly driven by Asia-Pacific, which is the region with the most newly installed systems. Europe was lower than in the previous year, mostly due to the sluggish economic growth in Germany. The new escalation in the Middle East slightly impacted activity in the region.

We identified a potential reduction of 3'700 tCO₂e per year with BC ACTIVATE.

The division benefited from its increased dry-dock offering for Liquefied Natural Gas (LNG) and Liquefied Petroleum Gas (LPG) vessels, and from its turnaround solutions for large petrochemical sites.

Demand for digital products and services continued at a high level. Several long-term service agreements were secured during the year. One example was a 10-year frame agreement in Korea for a LPGM fleet of 14 carriers, covering a full-service package of spare parts, repair, and field service. Additionally, important frame agreements were signed with two large customers in Europe and the Middle East.

Original spare parts for optimal compressor operation

Growth continued during the year, attributed to the expanding installed base, a growing number of frame agreements and reduced lead times. The division won in particular several large spare parts orders in Asia-Pacific.

The Group acquired the intellectual property for reciprocating compressors of Bharat Pumps and Compressors Limited in India, containing drawings, specifications, and material lists for over 250 reciprocating compressors located in the country. First orders were already received to service these compressors.

Comprehensive engineering, revamp, and repair expertise

Demand to improve existing compressors was high, reflecting the changing needs of customers over compressors' lifetime. For instance, the division won a major order to retrofit Laby®-GI Compressors on LNG tankers into non-lube compressors.

In the Group's ongoing endeavors to support customers to reduce their carbon footprint, the division launched BC ACTIVATE, which provides customers with diagnostics of their installed base, insights to reduce greenhouse gas emissions and increase uptime. During the year, BC ACTIVATE was conducted on 52 compressors across 27 sites from various market segments. A potential energy consumption reduction of around 5 GigaWh/year through enhanced capacity control and operational optimization was identified, as well as a potential emission reduction of around 3'700 tCO₂e/year with gas recovery and sealing solutions. Building on these initial successes, BC ACTIVATE is expected to become an important growth driver in the coming years.

Field service – close to the customer

Highly skilled and professional field service technicians are essential to install compressors and support customers on a daily basis. With about 400 Field Service Representatives globally, we are ready to cover customer needs in a timely manner. This activity benefited from the growing number of new compressor systems being installed and commissioned.

We recorded a further increase of customer satisfaction compared to the previous year.

Monitoring and diagnostics with our digital products and services

In the fiscal year 2023, the division reached a new sales record across the entire digital products and services portfolio. Customers seeking efficiency gains and higher reliability are increasingly implementing digital solutions. Especially monitoring and diagnostics solutions are in high demand. In addition, several pilot projects were initiated with beta customers to enhance diagnostic and prediction capabilities with artificial intelligence. With pilot marine customers, we challenged the current preventive maintenance cycles towards data based predictive maintenance concepts. Finally, the myFleet customer portal was expanded with additional features. In this web-based portal, customers are supported with a seamless experience, real-time overview of their compressors and with predictive maintenance functionalities. New customers were onboarded in myFleet, now covering over 40% of the Group's installed base.

Customer satisfaction

Through the "Voice of Customer" initiative, the division received more than 1'200 customer feedback responses from over 70 countries. Overall customer satisfaction showed again an increase versus the previous year with an overall satisfaction level of 92%. Individual feedback was shared with customers, and actions for improvement were jointly defined, including providing information on deliveries, proactive suggestions for improvement, and regular joint performance reviews.

Infrastructure and capacity

The division invested in additional capacity in growing markets. The production of valves and rings in China was successfully set up to grow locally and for exports. New investments in India are well under way to expand capacity for local services and global component manufacturing. The division also moved to larger offices in Abu Dhabi to better support local customers. The integration of the newly established subsidiary in Thailand was successfully completed. Additionally, the division opened a new branch office in Denmark to develop its presence in the Nordic region, which provides new growth perspectives driven by the energy transition.

Research and development

In October 2023, BC ACTIVATE was launched to address customers' needs to reduce their carbon footprint and support them to meet their sustainability goals. BC ACTIVATE is a structured assessment program designed to analyze, evaluate, and optimize customers' compressor systems. Using advanced measurement and analysis techniques, the reliability and sustainability of compressors can be enhanced. A thorough assessment reveals issues such as bad actors, inefficient utilities and energy use, gas leakages, excessive vibration, and more. BC ACTIVATE is compatible with compressors of any type, age, and duty.

Digital technology was further developed to enhance the digital experience and benefits for customers. The focus was on expanding the hardware and software product portfolio for monitoring and diagnostic solutions. The features and services of the BC Cloud Platform are ready for market launch in fiscal year 2024. This solution incorporates advanced Artificial Intelligence and machine learning algorithms for improved monitoring and diagnostic capabilities. Finally, Augmented Reality, Digital Twin, and Metaverse functionalities were further explored in close collaboration with Microsoft and PTC.

Outlook

The strategic focus of the Mid-Range Plan 2027 is to strengthen and expand the core business. This includes becoming a full-service provider for gas compression solutions, improving coverage of the installed base both for Burckhardt Compression and other brand compressors, and increasing presence in the USA, Asia, and selected white spots. By enhancing digital offerings, we aim to improve operational excellence for customers, and to address their sustainability agendas.

To further increase our spare parts performance, we are globalizing our components production for Burckhardt Compression and other brand compressors. Finally, the division will further develop its closeness to customers, and enhance its safety processes and culture.

The Services division is on track to reach its sales guidance of CHF 480 mn in fiscal year 2027. Owing to the strong profitability increase in fiscal year 2023, the division increases its operating margin guidance for the year 2027 from 22%–25% to 23%–26%.

Sustainability



Fabrice Billard, CEO

Ton Bücher, Chair of the Board of Directors

“We deliver leading compression solutions for a sustainable energy future with sustainability at the core of our company purpose.”

Dear Stakeholders,

Sustainability is a transformative journey. At Burckhardt Compression, we are fully engaged in this transformation as an organization and we are supporting it with our products and services, creating value for all stakeholders. With sustainability at the core of our strategy and purpose, we aim to make a significant contribution toward a sustainable energy future.

This requires a commitment to transparency and accountability. By openly sharing our targets, activities, successes and failures, we demonstrate our integrity and willingness to learn and improve. With this report, we want to further build trust with you as our stakeholders and have therefore made the significant step to have key figures audited externally, for the first time. The report covers the requirements under Article 964a-c and 964j-l of the Swiss Code of Obligations.

In fiscal year 2023, we made tangible progress on our sustainability targets for 2027.

In terms of greenhouse gas emissions, we succeeded in decoupling our growth from our emissions. For the first time, we were able to reduce CO₂ emissions by 5% in absolute terms and by 12% in relative terms, per hour worked. Energy-saving measures, particularly in China, were complemented by solar installations at our service center in Spain and by the complete switch to renewable electricity at Prognost in Germany. With our new detailed climate roadmap for each local unit, we are confident that we will reach our net-zero operational CO₂ emissions ambition by 2035 (Scope 1 and Scope 2).

In the area of working conditions, we successfully launched a new employee survey with an impressive participation rate of 93%. Our Lost Time Injury Rate (LTIR) further improved and remained below our Mid-Range Plan target. We further strengthened our commitment to respect human rights in our value chain with our new human rights policy and third-party risk management policy. In addition, there were no deviations from our zero-incident targets for product safety and business conduct.



Online AR
[report.burckhardtcompression.com/
sustainability-report](https://report.burckhardtcompression.com/sustainability-report)

Sustainability Report

On the business side, we could prove again that sustainability represents a substantial growth opportunity for Burckhardt Compression. In the fiscal year 2023, 33% of our order intake supported the energy transition. To drive further growth, we launched new products and a new service, BC ACTIVATE to support customers in their sustainability efforts.

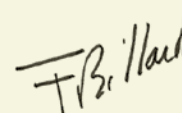
Going forward, we are determined to further accelerate our journey to meet our commitment to the Paris Agreement. I look forward to the coming fiscal year 2024, when we will significantly expand our solar capacity for renewable electricity generation in China and Switzerland. We also strive to make our contributions to energy savings through services more visible and to further expand our portfolio of compression solutions for a sustainable energy future.

All our successes and ambitions are only possible with a highly motivated team and reliable partners. I would like to sincerely thank all our employees for making this transformation happen and would also like to extend my gratitude to our customers, suppliers and other partners. We will succeed together in our transformative journey.

Yours sincerely















Ton Büchner
Chair of the Board of Directors



Fabrice Billard
CEO

Progress on our 2027 sustainability targets

Base Year 2021

Material topic	KPI and target for 2027	Status in 2023
 Climate	Greenhouse gas emission intensity ¹ 2021: 2.1 kg CO ₂ e/h	-50% -0% on track (-9% vs. FY2022)
 Energy	Share of renewable electricity ¹ 2021: 23%	> 75% 34% on track
 Longevity/cyclability	Revamp + upgrades activities in Services 2021: 100 (Index)	200 152 on track
 Application purpose	Order intake supporting the energy transition 2021: 16%	40% 33% on track
 Working conditions	Engagement score in employee survey ² 2024 (January): 4.1	> 4.0 4.1  achieved for FY2023
 Health & safety	Lost Time Injury Rate below 0.7 each year 2021: 1.1	< 0.7 0.5  achieved for FY2023
 Product safety	Incidents related to product safety 2021: 0	0 0  achieved for FY2023
 Business conduct	Incidents related to corruption or anti-competitive behavior 2021: 0	0 0  achieved for FY2023

¹ Scope 1 and 2 emissions, excluding the Shenyang foundry, where we rely on renewable grid electricity or technological developments to achieve our ambitions.

² Updated target based on the new survey methodology.

On a strategic path to a sustainable organization

Our holistic approach to sustainability considers our beneficial and adverse impacts on the economy, society, and the environment, as well as the opportunities and risks that arise for our company in return.

We have rooted sustainability deeply in our core business through our Mid-Range Plan.



Three main strategic directions guide us on our journey.

Creating leading compression solutions for a sustainable energy future

The world has to transition to a sustainable energy future by mastering the trilemma of energy security, clean energy, and energy equity. Our compression technology plays a key role in different areas of this transition. Compressors support and accelerate the transformation toward a sustainable energy future in all market segments where we are active. The range of applications extends from biogas to the production of solar panels or versatile energy transportation options such as Liquefied Natural Gas (LNG) and scalable use of hydrogen as a future energy carrier.

Supporting our customers on their sustainability journey

Increasingly, our customers are embarking on a sustainability journey, just as we are. With our products and services, we can support our customers on this path. When it comes to energy efficiency or reduction of gas leakages, we can realize significant savings together with our customers, since around 99% of the greenhouse gas footprint of a compressor comes from the use phase. Considering the approximately 75'000 existing industrial-

sized reciprocating compressors in the world, our potential positive impact is substantial.

Integrating sustainability in our organization and the supply chain

As a global industrial technology company with over 3'200 employees (FTE), we have the capabilities and the commitment to contribute to a sustainable development. We have integrated sustainability in our core strategy. The Strategy and Sustainability Committee proposes strategies, policies and key performance indicators to the Board of Directors. Corresponding risks and opportunities are assessed as part of the overall company risk management process, overseen by the Audit Committee and reported to the Board of Directors. We also recognize our responsibility to exercise our due diligence obligations in the supply chains and uphold our product responsibility. The largest sustainability potentials for our company lies in our eight material topics as outlined in this Sustainability Report.

Systems Division

Compression technology for a sustainable energy future

Compressors are critical components in several areas of the energy transition and therefore a decisive building block for its success.

Some of the application related to the energy transition are well established and are already significantly contributing to our order intake and sales. For instance, compressors to produce ethylene-vinyl acetate (EVA) used for solar panels continued at a strong pace in the petrochemical segment, and our strong value proposition enabled us to win the largest order in the history of the company in fiscal year 2023. Other applications are just emerging, or are at the stage of pilots, like green ammonia production in the hydrogen mobility and energy segment, or biogas in the segment gas gathering and processing.

New applications related to the energy transition are developing in all market segments.



1. Petrochemical and chemical industry

Traditional applications of our compressors are rooted in the polyethylene (PE), polypropylene (PP) and low-density polyethylene (LDPE) production. In transitional applications, these plastics are produced out of recycled monomer instead of naphtha or natural gas. The main application in a sustainable energy future is the production of ethylene-vinyl acetate (EVA) which is used for encapsulating solar cells. EVA is produced with a chemical reaction at more than 3'000 bar, requiring some of the largest compressors available in the world, and for which Burckhardt Compression is a leader.



2. Gas transport and storage

The traditional applications in this segment are natural gas pipeline, gray hydrogen pipelines or LPG tankers. We are already well present in transitional applications such as LNG tankers, LNG-fueled ships, and LNG import terminals. Our compression technology is used in reliquefaction processes, boil-off gas handling, or for providing fuel gas to modern dual-fuel engines. Further, we have a strong and growing presence in new energy applications such as green hydrogen transport as well as green-ammonia-ready tankers.



3. Hydrogen mobility and energy

Our equipment has been compressing hydrogen for decades, but the importance as a key building block of a sustainable energy future gives it new dimensions. There are several critical equipment to make hydrogen a viable and economical option such as the electrolyzer, the compressor, its motor, and the dispenser in fuel stations. We have stand-out technology for scaling hydrogen compression. It can be applied in transitional applications such as blue hydrogen for mobility and hard-to-abate sector or future-fit green hydrogen applications in liquefaction plants, pipelines, trailer filling, and fuel stations.



4. Industrial gas

Industrial gases are mainly used in industrial processes, such as steelmaking, medical applications, fertilizers, and semiconductors. Traditional fields are the compression of non-organic gases for various applications such as oxygen, helium, or air. As new growth driver, our compressors play an important role in the production of polysilicon, which is the core of solar cells.



5. Refinery

Refineries convert crude oil into commercial products by distillation and chemical reactions, to produce fuels and lubricants, as well as feedstocks for other downstream processes. In this segment, we deliver compressors for 70 years, mainly for hydrogen applications to desulfurize fuels. Additional applications for a sustainable energy future are biofuels, e-fuels (synthetic fuels based on green hydrogen), or sustainable aviation fuels.



6. Gas gathering and processing

We deliver compression solutions for conventional upstream natural gas extraction, enhanced oil recovery or midstream transportation applications. As the energy transition unfolds, new opportunities are arising in this segment. We are successful in the production and processing of biogas at industrial scale. Further potential lies in syngas production (methane synthesis based on green hydrogen) and CO₂ capture, transportation and storage.

Services Division

Sustainability benefits for our customers

Our compressors are used mostly in industrial and energy supply processes. Our service activities often affect various sustainability parameters with a multiplier effect due to the long operating hours and service lives.

The prevention of gas leakage, health and safety improvements, energy savings, and raw material efficiency are some of the key results that we achieve together with our customers.



Contributions to the sustainable development goals (SDGs)



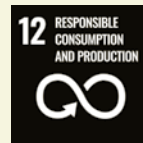
SDG 7

Enabling energy savings through efficiency gains.



SDG 13

Reduction of CO₂ emissions resulting from energy savings.



SDG 12

Extension of service life for wear parts.

Multiple sustainability benefits through one intervention

Our customer, a global air separation company, faced challenges of replacing wear parts every month, high leakages, and power wastage for two dry-running hydrogen compressors of a non-Burckhardt brand. This resulted in a production loss of up to 20% over the last years.

Through our revamp and upgrade service we were able to significantly improve the performance of the compressors. We reduced the gas leakage significantly, a particular challenge in high-pressure hydrogen application. We are convinced that any gas released from a process into the atmosphere should be reduced toward zero, regardless of whether it is a greenhouse gas or not. For many gases, the interaction with other substances in the atmosphere is not yet sufficiently researched, as it is the case for hydrogen.

We enabled a significant reduction of maintenance needs with our services, including various refurbishments and improvements for rings, packings, piston rods and cylinder liners. The compressor ran for 22 months without incident, an unrecorded achievement in the last decade. This success not only reduces resource consumption but also substantially minimizes health and safety risks for maintenance.

Finally, the production losses for the customer plummeted from 17%–20% to around 4%. For our customer, this is a substantial increase in efficiency. With this revamp, we have been able to reduce the energy consumption per m³ gas compressed by 25%. Based on the yearly production, this corresponds to 650 MWh of electricity savings and is equivalent to the electricity consumption of 180 average Swiss households.

Sustainability Report 2023

Our sustainability roadmap is fully integrated in our Mid-Range Plan 2027. It follows a strategic approach, is focused on eight material topics, and has a firmly anchored governance.

Our strategic approach

We create leading compression solutions for a sustainable energy future and aspire to incorporate economic, environmental, and social aspects into our business activities and decisions. We are an industrial technology company specializing in reciprocating compression solutions for all types of gases. With a company history stretching back over 180 years and products with a useful life of more than half a century, we base our business decisions on a long-term perspective. And we approach sustainability with the same mindset: pragmatic, focused on the long-term, creating value and impact driven.

Strategic focus on eight material topics

In our approach, we focus on eight material topics, which we identified in our materiality assessment. These eight topics constitute our framework and the core of our sustainability roadmap. In 2023, we have enhanced our materiality analysis to a double materiality by analyzing our impacts on the economy, environment, and society as well as the implications on our business success (see page 64).

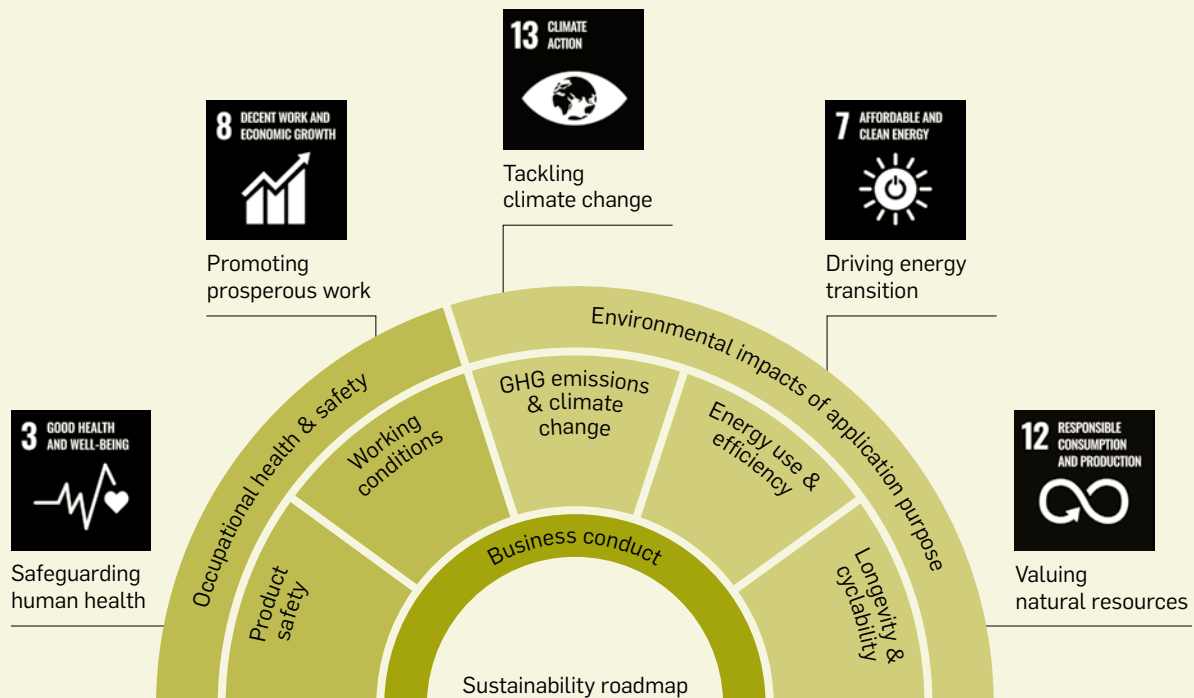
We are committed to supporting the Sustainable Development Goals (SDGs) as part of United Nation's Agenda 2030 for Sustainable Development. We have stated five sustainability ambitions, each linked to a strategic SDG and directly related to our eight material topics:

- Safeguarding human health (SDG 3: Good health and well-being)
- Promoting prosperous work (SDG 8: Decent work and economic growth)
- Tackling climate change (SDG 13: Climate action)
- Driving energy transition (SDG 7: Affordable and clean energy)
- Valuing natural resources (SDG 12: Responsible consumption and production)

We have also identified six additional SDGs to which we can contribute.

Our senior leaders play a key role in achieving our goals, which is why sustainability is part of the remuneration in the form of our long-term incentive plan. Our 2027 target to reduce our greenhouse gas emission intensity by 50%* (2021: 2.1 kg CO₂e/h) is one of three key performance indicators for the long-term incentive of our top management (see page 100, Annual Report 2023).

Strategic sustainability framework



* Excluding the Shenyang foundry where we rely on renewable grid electricity or technological developments to achieve our ambitions.

Sustainability Report

We developed a commitment to net-zero greenhouse gas emissions by 2035 which goes beyond our Mid-Range Plan target for 2027. We follow a 1.5°C climate aspiration in reference to the Paris Agreement for our Scope 1 and Scope 2 emissions. In addition, we are committed to reducing our Scope 3 emissions (see page 45).

Our third-party risk management policy ensures the uphold of our principles from our Code of Conduct in the collaboration with our partners along the value chain. Supply chain management plays a key role in this. In fiscal year 2023, we strengthened our approach on supply chain due diligence, in particular regarding child labor and conflict minerals (see page 65).

Overarching human rights, environmental, and governance due diligence

The focus on our material topics and sustainability ambitions includes an overarching due diligence approach. We acknowledge the responsibility to respect internationally recognized human rights, and international environmental and governance standards, which is also stated in our Code of Conduct. We incorporate the precautionary principle into our activities and decision-making, such as the consideration of environmental requirements in product design, the consideration of human rights in our supply chain, and the assurance of safe product operation at our customers' sites.

Material topics

		value chain impacts			
		supply chain	own operations	use/end-of-life	
Environment	1. Greenhouse gas emissions & climate change	Impacts on climate change, including greenhouse gas emissions along the value chain, and mitigation of climate change risks.	●	●	●
	2. Energy use & efficiency	Energy consumption, efficiency and sources for the production, provision, and operation of Burckhardt Compression's products and services.	●	●	●
	3. Longevity & cyclability	Fostering a long life cycle and the circularity of materials and products in Burckhardt Compression's business activities, including maintenance and repair services.	●	●	●
	4. Environmental impacts of application purpose	Environmental impacts of the use case of Burckhardt Compression's products and services, including the contribution to a sustainable energy transition.	○	○	●
Society	5. Working conditions	Employment terms including working hours, compensation, and labor-management relations as well as the satisfaction of employees with those terms.	●	●	○
	6. Occupational health & safety	Maintaining and promoting a safe and healthy working environment for workers involved in the production and provision of Burckhardt Compression's products and services.	●	●	●
	7. Product safety	Maintaining and promoting the safe and healthy operation of Burckhardt Compression products and maintained products of other brands.	○	○	●
Economy	8. Business conduct	Ensuring and promoting that Burckhardt Compression's business activities are conducted in compliance with regulations, standards and ethical principles.	●	●	●

Our material topics

1. Greenhouse gas emissions and climate change



Topic lead: President Systems Division

Target: Reduce greenhouse gas emission intensity for Scope 1 and 2 by 50%* (2021: 2.1 kg CO₂e/h)

Tackling climate change is one of the most pressing global challenges. The potential consequences of climate change are grave, in some cases irreversible, and affect individuals, organizations, and countries alike. The Paris Agreement of 2015 is a legally binding international treaty between states on climate change. It recognizes the need to limit global warming to below 2°C above preindustrial levels, preferably as low as 1.5°C.

Burckhardt Compression recognizes its responsibility and the potential to reduce its greenhouse gas emissions across the entire value chain. Our activities and technology make an increasing contribution to combating climate change and to supporting Sustainable Development Goal 13: Climate action.

The majority of the emissions associated with our business activities arises in the use phase of our compressors due to their long lifetime of 30 to 50 years. Other emissions occur in our operating facilities, where we have the most direct influence, and in logistics and the materials used.

Our approach

Burckhardt Compression endeavors to reduce the company's carbon footprint and optimize emissions during the use phase of the compressors. We focus on three key areas:

- Reduction of the company's carbon footprint
- Optimization of the impact of our inbound and outbound logistics
- Improvement of the carbon footprint of compressors

Reduction of greenhouse gas emissions during the use phase of our compressor systems is an integral part of our product and innovation management. With our services, we help our customers reduce emissions from installed compressors.

Our climate policy is the basis for all our activities related to climate change and part of our wider environmental policy. Our environmental management system, certified in accordance with ISO 14001, is a key instrument in reducing our environmental footprint. Each subsidiary takes responsibility for reducing its own greenhouse gas emissions according to the global targets.

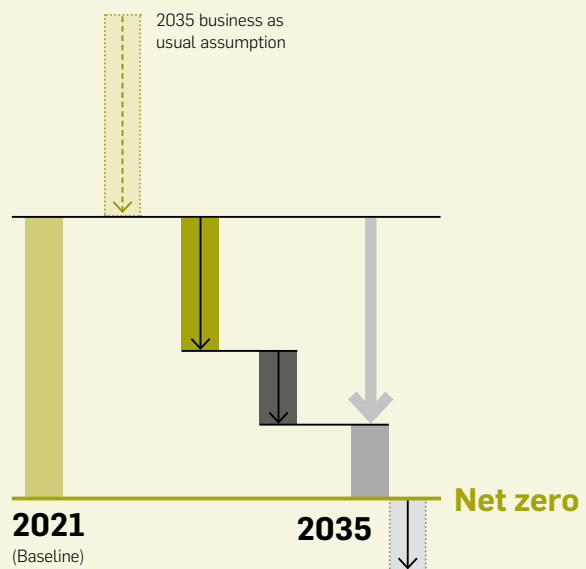
We have embedded our target of reducing our greenhouse gas emission intensity by 50%* (2021: 2.1 kg CO₂e/h) as part of top management's long-term incentives.

* Excluding the Shenyang foundry where we rely on renewable grid electricity or technological developments to achieve our ambitions.

Burckhardt Compression commits to net-zero emissions in its operations by 2035

We follow a 1.5°C climate aspiration in reference to the Paris Agreement for our Scope 1 and 2 emissions. In addition, we are committed to also reduce our Scope 3 emissions. Our roadmap to operational net-zero emissions is built on four key pillars:

- Decoupling business growth from emission growth through avoidance and savings programs
- Conversion to renewable electricity (by 2027: 75% renewable electricity without foundry)
- Reduction of Scope 1 emissions until 2035 through savings and replacement
- Counterbalance any remaining emissions through carbon removal



Sustainability Report

Progress in fiscal year 2023

We have successfully launched the Mid-Range Plan initiative "emission reduction". We identified and valued measures for emission reduction in each local unit to reach our 2027 target of -50% greenhouse gas emission intensity* and our net-zero 2035 commitment. We have now compiled project-based individual emission reduction pathways for each local unit and are able to monitor them in an aggregated group plan. In addition, we were able to verify our Scope 1 and Scope 2 emissions with a limited assurance by an external auditor.

On an operational level, we continued with various projects addressing our emissions. The measures implemented locally focused mainly on electricity consumption and renewable electricity. Prognost in Germany, for example, installed solar panels on their roof which cover around 40% of their energy use. We are also pursuing similar initiatives in other locations like Switzerland, China, and South Korea which are planned to be completed in fiscal year 2024.

We completed our Scope 3 emission inventory for the first time based on the fiscal year 2022 data. As expected, the large majority of our Scope 3 emissions is in the use phase of the compressor. The key factor is the electricity source used by our customers drive the compressor.

Greenhouse gas emissions also play a vital role in our continued product development and collaboration with our customers. In our ongoing endeavors to support our customers in their CO₂ emission reduction efforts, the Services Division launched the new service BC ACTIVATE, which provides customers with diagnostics of their installed base and invaluable insights to aid emission reduction and increase uptime.

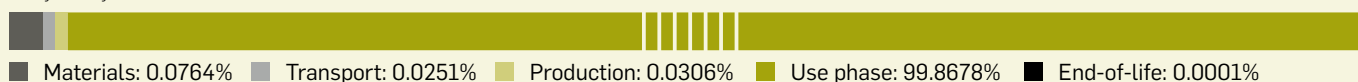
We see high potential for avoidance of gas leakage, particularly where greenhouse gases are compressed. We therefore launched under the umbrella of our energy transition services (ETS) a comprehensive emission management offering for our customers to reduce gas leakages toward zero and to be compliant with increasingly stringent emission legislation.

Greenhouse gas emissions of various compressors over the entire life cycle

in %

Process Gas Compressor 2B1Y

life cycle 20 years



Diaphragm Compressor MD10

life cycle 20 years



Laby®-GI Compressor 5LP250V

life cycle 30 years



Hyper Compressor K8

life cycle 30 years



The vast majority of emissions over the entire life cycle of a compressors are caused in the use phase due to the high power range of our compressors, their long lifetime and their uninterrupted operation.

* Excluding the Shenyang foundry where we rely on renewable grid electricity or technological developments to achieve our ambitions.

Our performance

The absolute greenhouse gas emissions for Scope 1 and Scope 2 decreased by 5.1% to 19'037 metric tons of CO₂ equivalents (CO₂e), thanks to various energy efficiency projects and due to a slightly reduced output in our foundry. The greenhouse gas emission intensity per working hour decreased by 11.8%, from 3.4 to 3.0 (2.3 to 2.1 without foundry). Similarly, the greenhouse gas emission intensity in tons of CO₂e per million sales decreased by 19.8% from 24.2 to 19.4. The results match with our expectation and planning for the 2027 sustainability target to reduce the greenhouse gas emission intensity Scope 1 and 2 by 50%* (2021: 2.1).

Our Scope 3 emissions for the evaluated fiscal year 2022 are 73.5 million tCO₂ whereby 99.9% are caused in the use phase. Thereof, the majority is linked to adiabatic energy, which is the energy physically needed to compress a certain amount of gas to a certain pressure. This energy is conserved and transmitted to the next process step at the customer's facility. If we take this part out as physically immutable energy, we had 13.1 million tCO₂ Scope 3 emissions which is still 95.9% in the use phase. The main levers to increase energy efficiency are our customers' operating models, proper maintenance and, to a smaller extent, machine efficiency.

Since the launch of BC ACTIVATE, the Services Division has analyzed more than 50 customer compressors and identified reduction potentials of about 3'700 tCO₂e per year.

Our business travel forms only a small part of Burckhardt Compression's other indirect greenhouse gas emissions (Scope 3), but can be directly influenced. Compared with the previous year, the emissions linked to our business trips has increased to 3'931 tCO₂e. The emission remains still slightly below the pre-pandemic level of 2019 in absolute terms (4'177 tCO₂e) and with 1.1 tCO₂e per FTE clearly below 2019 levels in relative terms (1.5 tCO₂e per FTE). We have launched measures to reduce travel frequency in the medium term.

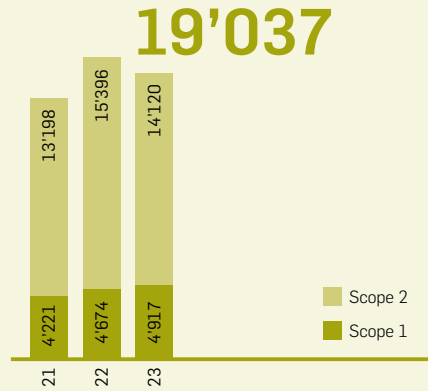
Outlook for fiscal year 2024

In the coming year, we will implement our detailed emission reduction plans for each local unit. A key milestone we expect to achieve is the completion of major solar panel projects in Switzerland, China, and South Korea. We want to refine our Scope 3 calculation and evaluate approaches to report Scope 3 emissions in the same fiscal year in which they occur. We will continue to support our customers in reducing their emissions and are working to further develop special service offerings.

* Excluding the Shenyang foundry where we rely on renewable grid electricity or technological developments to achieve our ambitions.

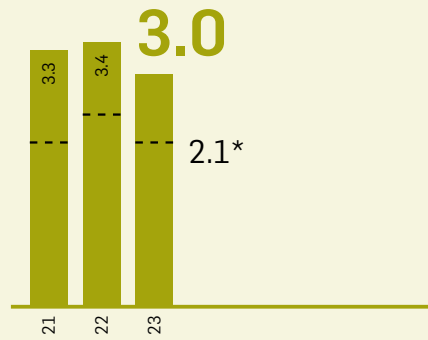
Greenhouse gas emissions

in tons of CO₂e (per calendar year)



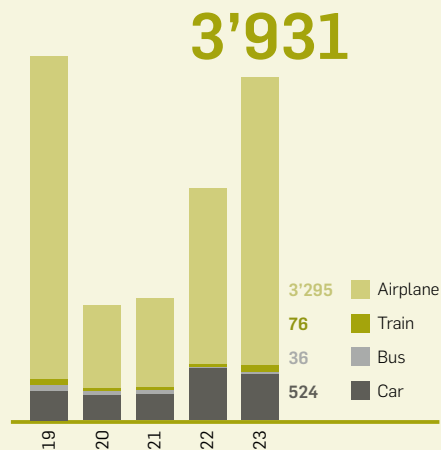
Greenhouse gas emissions intensity Scope 1 and 2

in kg of CO₂e per working hour (per calendar year)



Greenhouse gas emissions business travel

in tons of CO₂e (per calendar year)



The challenge with Scope 3 emission calculations

Calculating Scope 3 emissions is a challenging task, especially for products with a long lifetime and a continuous use. We have calculated our Scope 3 emissions to the best of our knowledge in accordance with the Greenhouse Gas (GHG) Protocol. All 15 defined Scope 3 categories were assessed. For the use phase, we assumed a standardized lifetime for the compressors of 20 years or 30 years, depending on the application. Location-based emission factors from the International Energy Agency (IEA) have been used to calculate direct and indirect emissions per country where the compressors were installed, excluding direct gas leakages, as we are not yet able to accurately estimate effective gas leakages in the operative use by our customers. The applied emission factors remain constant throughout the life cycle of the compressor without considering a projection of future grid electricity or even more progressive scenarios such as the Net Zero Emissions by 2050 Scenario or the Announced Pledges Scenario. This is in accordance with the GHG Protocol, but says little about actual lifetime emissions.

Benchmarks with other companies are difficult as the scope and methodologies to calculate the use phase vary heavily. However, we see Scope 3 emissions as a valuable insight to understand our indirect emissions and the significant reduction potential and business opportunities for the Services Division, considering the thousands of existing compressor packages worldwide. We will continue to measure our Scope 3 emissions and push for the necessary reductions in the areas that we can influence.

2. Energy use and efficiency



Topic lead: Vice President EMEA Systems Division

Target: Increase the share of renewable electricity to 75%* (2021: 23%)

The development of society depends on the conversion, use, storage, and transmission of power. However, the extensive demand for energy is also tied to significant environmental impacts.

Burckhardt Compression's business activities have a significant impact on energy consumption, especially in production, raw material supply and the electricity consumption of our compressors in the use phase. The largest impact of our activities is in the use phase of our products.

Through energy-saving production processes, compressor design and services, we can contribute to the Sustainable Development Goal 7: Affordable and clean energy.

Our approach

Burckhardt Compression endeavors to reduce energy demand and promote renewable energies. The focus is on:

- Energy use, energy efficiency, and energy quality, including renewable energy in our operations.
- Use and efficiency of energy in the operation of our products at customers' sites throughout the use phase.

* Excluding the Shenyang foundry where we rely on renewable grid electricity or technological developments to achieve our ambitions.

Energy savings of 1'856 MWh per year achieved with one compressor revamp

A customer of Burckhardt Compression in Italy operated a compressor with reduced capacity due to lower process gas demand, using a bypass-system. After conducting an engineering study to optimize the setup, we implemented a solution to reduce the volume flow to the customer's requirements by changing the configuration of the compressor from double- to single-acting.

The successful revamp generated a saving of about 230 kW power consumption of the electric motor. Assuming 8'000 operating hours a year, we enabled our customer to achieve recurring 1'856 MWh of energy savings which is equivalent to the annual electricity consumption of over 500 average Swiss households.

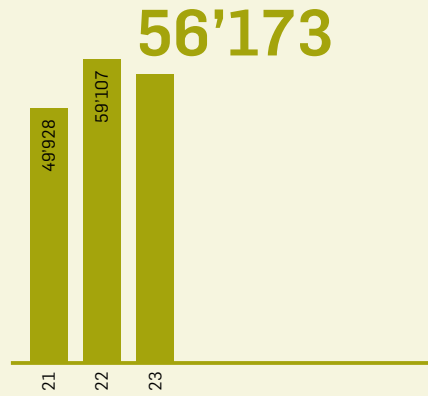
Our environmental policy and ISO-14001-certified environmental management system form the basis of our activities related to energy consumption in our value chain. Each subsidiary takes responsibility for reducing its energy consumption and increasing the share of renewable electricity according to our global target.

Our Winterthur site, for example, is in the process of implementing a multi-year project to save energy in production operations and offices. As another example, the factory in Pune has won the GreenCo Star Performer Award (Gold Rating) several times. GreenCo is an initiative created by the Confederation of Indian Industry (CII). GreenCo's rating system takes a holistic approach to the measurement of the results of corporate environmental initiatives.

The energy consumption of our compressor systems forms an integral part of our product and innovation management. Through our comprehensive services, we improve the energy requirements of our own and third-party compressor systems throughout their entire life cycle.

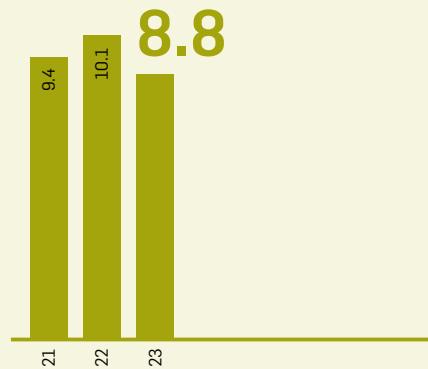
Energy consumption

in MWh (per calendar year)



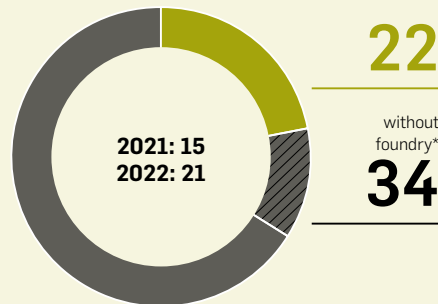
Energy intensity

in kWh per working hour (per calendar year)



Share of renewable electricity

in % (per calendar year)



* Excluding the Shenyang foundry

Sustainability Report

Progress in fiscal year 2023

In the reporting period, Burckhardt Compression continued its measures to reduce energy consumption at different sites. Our production site in Shenyang implemented a daily energy monitoring system and was able to reduce its energy consumption by 4.6% compared to fiscal year 2022. Despite the business growth, Burckhardt Compression Switzerland achieved an energy consumption reduction of 7.0% in the factory through various efficiency projects.

We have planned for the expansion of renewable electricity production at our facilities, following our new Mid-Range Plan target of 75%* renewable electricity by 2027. Our subsidiary Prognost has successfully completed the installation of solar panels on their site in Rheine, Germany, which covers around 40% of the site's electricity demand. Together with the renewable electricity purchased from the grid for the site in Rheine and Webster, United States, the Prognost activities run now entirely on renewable electricity. Similar solar initiatives are in implementation or planning at various sites including the production sites in Winterthur and Shenyang, China.

We made further progress in defining measures and a methodology to track and compare the energy consumption rates of our compressor portfolio. This will allow us to better evaluate and benchmark the engineered-to-order compressor projects and drive measurable performance improvements in energy efficiency. Key to success is to link monitoring and performance data from the field with our in-house calculation tools.

Our performance

Despite our significant sales growth of 18.4%, we were able to reduce our absolute energy consumption by 5.0% to 56'173 MWh due to energy-saving efforts and to a lesser extent due to a slight decrease in output in our foundry. As a consequence, our energy intensity per working hour decreased by 12.9% from 10.1 to 8.8. We were able to increase the Group-wide proportion of renewable electricity only slightly from 21% to 22% as larger solar projects are expected for the financial year 2024. The performance is in line with our planning for reaching our sustainability targets 2027.

With product improvements and services, we managed to reduce our customers' energy consumption in the reporting period. To date, we have evaluated few projects in terms of energy savings because access to data is challenging. We have identified this as an improvement area for our management approach.

Outlook for fiscal year 2024

In the fiscal year 2024, we will continue our roadmap to increase the share of renewable electricity across the Group. Several projects are under implementation in Switzerland, Korea, and China and will be finalized to produce renewable energy for our operations in 2024. Local energy-saving measures at operational level will be an ongoing activity. We are also continuing our efforts to better quantify our energy savings with our customers and increase our impacts with such services. In this context, our service offering BC ACTIVATE will include a dedicated assessment package to consult and implement energy-saving measures for compressors in operation. Furthermore, the collaboration between our data-monitoring unit of our Digital Products and Services team (Prognost) and our sizing team will be further strengthened to link field data with our internal calculation methods for energy consumption in operation.

3. Longevity and cyclability



Topic lead: President Services Division

Target: Increase the revamp and upgrade sales of Services Division by 100% (2021: 100 – Index)

A large number of natural resources are finite, and raw material extraction is associated with significant environmental and social consequences. It is thus essential to keep raw materials for longer in the use phase and to close loops to use materials circularly.

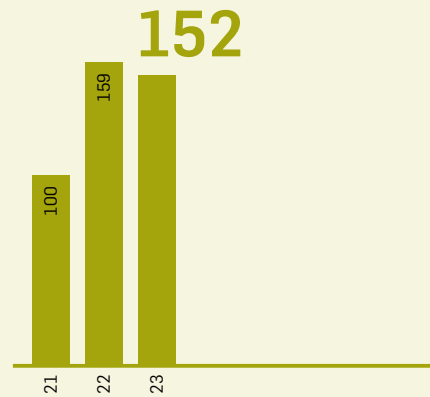
Our compressor systems are built for a lifetime of more than 25 years and the average lifetime is 30 to 50 years. Our oldest known compressor still in service is 94 years old. Our compressors are made of more than 95% iron and steel, which ensures a long service life and makes them highly recyclable.

In the manufacture and servicing of compressors, we have a significant scope to contribute to a circular economy and support Sustainable Development Goal 12: Responsible consumption and production.

Significant impacts result from the raw materials used for our compressors, the replacement of components during the use phase and the use of operating materials such as lubricants.

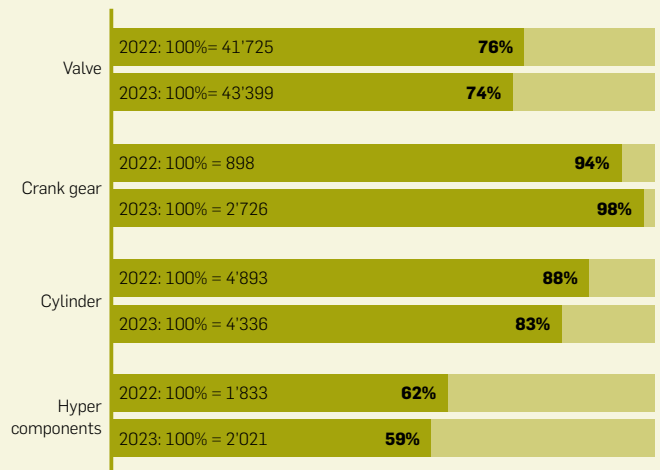
Sales volume for revamp and upgrade services

in index points, base year 2021 = 100



Proportion of reused or refurbished components in service work in 2022/2023 for selected key components.

in %



100% = Total components recycled or newly manufactured by Burckhardt Compression for service activities.

Our approach

Burckhardt Compression fosters long life cycles and the circularity of materials for own compressors and those from other manufacturers by focusing on:

- Longevity of new products through technology, engineering, easy maintenance, and optimized wear parts
- Longer life cycles of existing compressor systems through retrofitting, overhauling, and longer maintenance intervals
- Repairing of components and compressors
- Use of recycled materials, in compliance with material requirements and standards
- Recyclability of our products

To foster longevity, we use our in-depth technical knowledge to develop reliable, long-lasting, and high-performance compressor solutions. Our innovations such as Persisto® materials and Redura® sealing systems ensure a long-lasting operation. We offer a full range of reliable services and durable compressor components developed in-house to achieve our long product lifetime of 30 to 50 years.

By reconditioning equipment, we support the short recycling loop with a comprehensive range of revamp and upgrade services, as well as our refurbish programs for entire compressor systems. We also repair and refurbish compressor components such as valves using our global network of service centers.

Progress in fiscal year 2023

We have anchored the topic of longevity and cyclability in our business development for new machines and services as part of the new Mid-Range Plan. Our long-term approach in services represents a paradigm shift in compressor maintenance: moving away from standardized replacement plans based on the operating cycle to predictive maintenance based on the actual condition of the compressor.

Under the name ETS (energy transitions services), we have started a new initiative which is focusing on solutions with longer runtime time for parts as well as compressors. One essential aspect is identifying the potential to improve the energy efficiency with our diagnostic service BC ACTIVATE.

We were able to successfully implement various revamp and upgrade services for our customers. Projects went from smaller parts upgrades to full-scale and highly complex overhauls, where we transformed compressors for a second life.

After the first retrofits of Laby®-GI from lubricated to dry running in financial year 2023, we continued and have extended the fleet of dry-running compressor. Oil-free compression of the gas renders oil separation and filtration of the gas superfluous and saves up to 1'200 liters of lubricant per year and per compressor.

Two old second-hand compressors brought back to life

Northwest Gas Processing Company in the United States decided to buy two second-hand compressors on the market as their previous rental solution was expensive and not meeting the emission standards. They found two non-Burckhardt compressor packages. The challenge was that this equipment had been out of service for over ten years and needed a total revamp.

Our team from Burckhardt Compression US therefore conducted a total revamp of the engine and compressor packages. All skid components, control panels and lube system were upgraded. The compressors were rebuilt back to zero-hour and the team modified the engine to meet the stringent emission requirements of the local government.

Our performance

As anticipated, sales in revamp and upgrades have slightly decreased compared to the financial year 2023 from 156 to 152 (index), also due to foreign currency effects. We are on track to reach our target for 2027 which is to double our revamp activities compared to the base year 2021 (=100).

Repair instead of replacement is a key element in the circular economy. We contribute to it through our services; for example, the share of refurbished components for valves is 74% in all service interventions.

Outlook for fiscal year 2024

We will continue our condition-based maintenance initiative in fiscal year 2024 and in the following years. Along with our digital offering, this will be one of the main themes in the Services Division.

Another focus will be to enhance our service activities with an emphasis on revamping, and upgrading compressor systems to extend their service life.

Increased compressor reliability results in fewer emissions and extended lifetime

As part of routine preventive maintenance, our client, a leader in plant nutrition and environmental solutions, turned to Burckhardt Compression because they were facing a critical challenge: severe corrosion in a non-Burckhardt compressor cylinder.

We not only delivered an exact replica of the cylinder, but also conducted a comprehensive system analysis. Our proposed holistic solution resolved the corrosion issue and tackled related concerns. Our customer was able to extend the lifetime of the compressor and avoid unscheduled shutdowns which saves energy and costs. In addition, the new one-piece design enables a significant reduction in emissions.

Operating hours in comparison

LABY® Compressor 3K160



Weight: **9 t**

Operating hours: **8'000 per year**

Passenger car



Weight: **1.5 t**

Operating hours: **5'000 total***

* Assumption: 300'000 km at an average of 60 km/h

4. Environmental impacts of application purpose



Topic lead: Vice President Sales Systems Division

Target: Order intake of 40% in applications supporting the energy transition (2021: 16%)

Our core competence is mastering gas compression technologies for a wide range of gases and applications. Gas plays a crucial role in the process industries and energy supply, with applications ranging from conventional energy supply to industrial gases to renewable energy systems. A significant part of the indirect environmental impact of our business activities is linked to the application purpose. We have the potential to contribute to three of our strategic Sustainable Development Goals (7, 12 and 13). The main impacts of this topic are related to the use phase of our products and services.

Our approach

Burckhardt Compression is committed to the long-term alignment of its business activities with a sustainable economic system. We identified four positive impact areas:

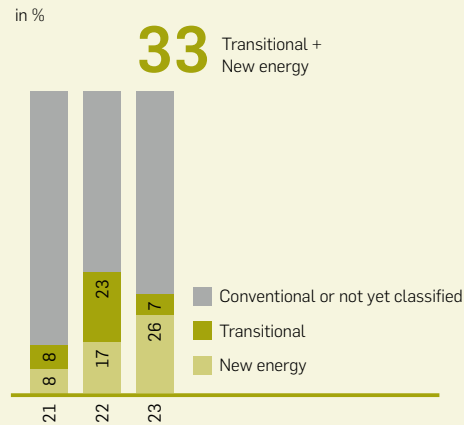
- Climate change mitigation
- Energy transition
- Circular economy
- Environmental pollution prevention

We have developed a sustainability screening approach to analyze our business activities from an environmental impact perspective. This classification system makes use of international standards such as the EU taxonomy for sustainable activities or South Korea's K-Taxonomy, without claiming to fulfill all their technical requirements. The main purpose of our screening system is to serve as a compass for the development of our business activities toward a sustainable energy future.

Largest green H₂ production facility in Europe uses cutting-edge compressors from Burckhardt Compression

We have been selected to provide three advanced oil-free hydrogen compressors for a groundbreaking green hydrogen project in France. The project, a 200 MW electrolyzer plant, is scheduled to commence production in 2026. With a projected annual output of 28,000 tons of green hydrogen, it represents a step toward a more sustainable future by annually reducing carbon dioxide emissions of around 250,000 tons.

Sustainability classification of order intake



We are expanding the range of applications for our customers and supporting the transition to a sustainable economy through our continuous innovation in compressor systems, materials, components, and services. The current focus lies on:

- Solar energy value chain, where our compressors are key equipment for the production of a thin ethylene-vinyl acetate (EVA) film on top of a solar panel and for the polysilicon production of the core.
- Liquefied Natural Gas as a short- and medium-term bridge energy for replacing coal, ensuring energy security during the transition or as a fuel for marine applications, replacing carbon-intensive heavy fuel oil until zero-emission solutions are available.
- Hydrogen as an important component of a sustainable energy future, in which our compressors play a key role in meeting the specific technical challenges of these new applications. The technological advantages of reciprocating compressors for this application are unrivaled efficiency and long service lives.

Progress in fiscal year 2023

We have continued to expand our activities that contribute to a sustainable economy. We were able to achieve further growth in hydrogen mobility and energy and to help the industry solve specific compressor-related technical challenges. This is not least due to our increased R&D and the strengthening of our business development resources for these markets.

The fiscal year 2023 was again very dynamic with a high number of projects for the solar industry, supported by a strong demand for EVA applications.

In addition to our focus areas of LNG, solar industry, and hydrogen, we were able to win further projects in the areas of green ammonia, biofuel and bio-compressed natural gas (bioCNG).

The construction of the new test facility at Burckhardt Compression in Winterthur, Switzerland, is progressing and will soon host a breakthrough compressor technology to support the development of heavy-duty hydrogen refueling stations and trailer-filling applications.

Our performance

We apply our sustainability screening approach to the entire Systems Division but also started a pilot to include Services Division in the future. The current scope covers 70% of the total order intake:

- We classified around 26% (2022: 17%) of the total order intake as new energy applications. Examples are green hydrogen projects in hydrogen mobility and energy or projects for the solar panel industry.
- Around 7% (2022: 23%) of the total order intake is classified as being transitional with environmental advantages, but not yet fully sustainable. Examples are biogas applications in refinery, dual-fuel LNG applications in gas transport & storage, and gray or blue hydrogen projects in hydrogen mobility and energy.
- Around 37% (2022: 32%) of total order intake is classified as conventional applications. Examples are conventional industrial gas or petrochemical applications without a clear link to a sustainability use case.
- 30% (2021: 28%) of the total order intake has not yet been classified.

The demand for compressors for hydrogen applications and ethylene-vinyl acetate (EVA), remained strong, while LNG (Liquefied Natural Gas) applications receded from their historical highs, especially on the marine side, as shipyards producing LNG tankers are fully loaded. We have anticipated this development in our goal setting process which gives us confidence that we will achieve our Mid-Range Plan target by 2027.

Outlook for fiscal year 2024

In the coming fiscal year, we will continue our development of innovative non-lube, high-pressure and high-flow hydrogen compressor systems to meet the specific technical challenges along the hydrogen value chain. We will also further extend our screening approach to the Services Division and evaluate business development opportunities with new applications that support the energy transition such as hydrogen storage, carbon capture and sustainable aviation fuel.

First mover green ammonia import terminal in Rotterdam realized with Burckhardt Compression technologies

We are awarded to deliver two process gas compressors for a pioneer import terminal in Rotterdam. The imported green ammonia will be cracked to obtain hydrogen. The two compressors are needed to purify the residual gas after the cracking process which contains around 12 percent of remaining hydrogen. As a result, the overall hydrogen output will increase by 10%. The project is an important infrastructure foundation for the energy transition in Europe.

5. Working conditions



Topic lead: Chief Human Resources Officer

Target: Maintain an employee engagement score of $\geq 4.0^*$ (2024: 4.1)

Jobs with decent working conditions are a basic premise for the development of individuals and society. They drive prosperity and provide a livelihood for people. Our employees are central to our success, and we are proud of our global and diverse workforce in our production sites and service centers.

With our engagement in providing good working conditions, we contribute to the targets of Sustainable Development Goal 8: Decent work and economic growth. Our most direct impact concerns the working conditions of our more than 3'200 employees (FTE). Further impacts are along our supply chain, also with regard to human rights. We recognize our responsibility to exercise due diligence in collaboration with our business partners.

Our approach

Burckhardt Compression is committed to upholding fundamental international labor standards and strives to provide conditions that exceed the local industry average overall. To achieve this, we focus on three areas:

- Dialog and relations
- Terms and compensation
- Organizational culture

The impacts on employees of suppliers, contractors, and outsourced activities are managed mainly through our supply chain due diligence approach.

Dialog and relations:

We acknowledge and support freedom of association as set out in our Code of Conduct. Open dialog with employees is a priority for Burckhardt Compression and is fostered in various ways. In addition to employee surveys and a continuous exchange with line managers, employees are informed online several times a year personally by members of the Executive Management about the state of the business and other matters, whereby questions are answered. Our online platform and mobile application BC Connect is an exchange platform accessible to all employees and allows them to receive, comment on, and write messages. Other dialog tools are used at local level in the form of collective bargaining and employee representation. 62% of Burckhardt Compression's employees worldwide are covered by a collective agreement.

Employment terms and compensation:

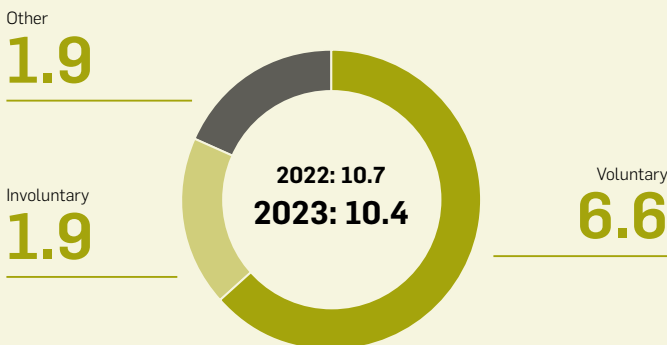
Burckhardt Compression offers attractive terms and conditions of employment adapted to prevailing requirements on an ongoing basis. We benchmark our salaries against external salary surveys conducted by Willis Towers Watson and have an ongoing monitoring system in place to eliminate significant salary differences between equivalent positions. We have greatly expanded our flexibility in terms of staff working from home and have enhanced our infrastructure to enable our employees to work comfortably from a variety of locations.

Organizational culture:

We believe that our well-established corporate culture forms the foundation of our competitiveness. A comprehensive program called "Values and Behaviors" ensures that employees in all Group locations and companies share and actively uphold the same corporate values and principles. The internal Code of Conduct is designed to set fundamental standards and principles for how employees should interact and behave with partners, stakeholders, and the environment. A global Speak Up channel operated by a third party is available to report violations of our standards, values, and behavioral guidelines.

Employee turnover ratio

in % of yearly average of full-time equivalent



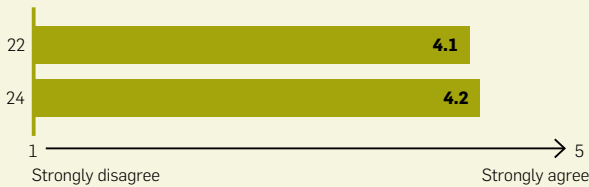
* Updated target based on the new survey methodology.

Rating from employee survey*

January 2022 and January 2024

Average points scored for the statement:

"How satisfied are you with your company as a place to work?"



Average points scored for the statement:

"I would recommend my company as a great place to work."



Average points scored for the statement:

"Leadership communicates effectively with the company."



Average points scored for the statement:

"My company provides me with opportunities to balance my work life and personal life."



Average points scored for the statement:

"At work, I am treated with respect."



* Based on new survey methodology and limited comparability due to slightly different questions.

Progress in fiscal year 2023

In fiscal year 2023, we made significant efforts to fundamentally improve our methodology of measuring employee engagement. We have collaborated with one of the world's leading companies in this field and are now able to compare our results against a global industry benchmark. We have also switched from a biennial survey to an annual one and are using fewer and even more compelling questions to measure the engagement.

In addition to new employee engagement questions, the specific questions to assess our management approach for Working Conditions continue to be a component of the survey. We have successfully rolled out the new survey globally to all employees. The participation rate of 93% was even higher than in the past (90%), which already highlights the level of interest and passion of employees toward the company.

Further, we strengthened our commitment to respect and support the internationally recognized human rights with the release of our human rights policy.

Our performance

The employee turnover rate decreased slightly to 10.4% in the reporting period. This figure includes all departures, including fixed-term employment contracts that came to an end. Of this, 6.6 percentage points are accounted for by voluntary departures which marks a significant improvement to last year (7.5). High levels of employee loyalty and identification with the company are also confirmed by the fact that the typical employee has been with the company for 7.8 years.

The overall engagement level of the organization was 4.1 out of 5.0 on a Likert scale which is above the median of the global manufacturing benchmark.

The average score to the question "How satisfied are you with your company as a place to work?" was 4.2 out of 5.0 which positioned the company in the 56th percentile of the global manufacturing benchmark while to the statement "I would recommend my organization as a great place to work" the score was 4.2 out of 5.0 at 46th percentile.

Burckhardt Compression conducts an annual appraisal and performance review with its employees which includes personal development goals and suggestions for continuous improvement. 81% of employees completed the performance appraisal cycle in the reporting period.

Outlook for fiscal year 2024

We will drive measures locally at every team level based on the findings of our new employee engagement survey in order to address the specific needs of our employees in different regions and departments. To strengthen the dialog with our employees, we are planning a review of current practices at the local level.

Among the most attractive employers in Switzerland

Burckhardt Compression ranks as one of the most attractive Swiss employers in the mechanical and plant engineering sector 2024. This ranking is based on an independent survey of employees, and was carried out by data analyst Statista via an online access panel, combined with input from the readers of "Handelszeitung" and "Le Temps". More than 1'500 employers with 200 or more employees in Switzerland were identified for the survey. Burckhardt Compression was placed an excellent 11th in its sector and a good 163rd rank over all sectors which means a top 11% ranking.

6. Occupational health and safety



Topic lead: Vice President Quality & Infrastructure

Target: Keep the Lost Time Injury Rate (LTIR) below 0.7 every year (2021: 1.1)

The protection of physical integrity and the promotion of mental well-being are top priorities for us. By providing a safe working environment and promoting health, we can help achieve Sustainable Development Goal 3: Good health and well-being, and also Sustainable Development Goal 8: Decent work and economic growth. It is also demonstrated that good health of employees has a positive influence on business results. Our influence in this area extends to our own employees, to external employees in our workplaces, and to working conditions in supply chain companies.

Rating from employee survey*

January 2022 and January 2024

Points scored for the statement:

"I feel safe in my work environment."



* Based on new survey methodology and limited comparability due to slightly different questions.

Our approach

We are committed to the prevention of accidents and work-related illnesses and to the promotion of the mental well-being of employees and workers whose work or workplace is under the control of Burckhardt Compression. We focus our approach on two components:

- Occupational health and safety system and prevention culture
- Mental health and well-being

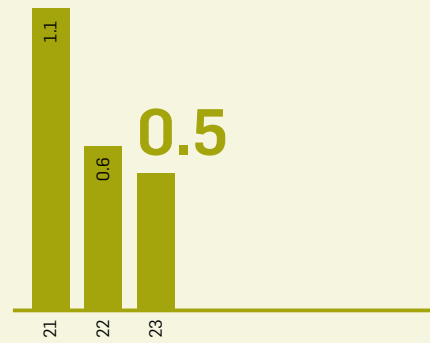
The impact on employee health and safety in our supply chain is controlled through the responsible procurement approach.

Our occupational safety policy and management system certified in line with ISO 45001 form the basis that governs all activities relating to health and safety in the workplace. Numerous measures ranging from detailed risk assessments, safety walks accompanied by management to workplace safety training, and mandatory wearing of protective footwear, protective eyewear, and other work-relevant protective equipment demonstrate their effectiveness through steadily falling risk exposure. Fostering a culture of prevention through raising awareness and involving employee representatives in the safety committee at each site is an important part of our approach.

We have several local programs under the global "Dr. BeWell" initiative to support the mental health and well-being of our employees. These include developing knowledge on topics such as stress management, sleep, and nutrition as well as promoting and encouraging sports activities.

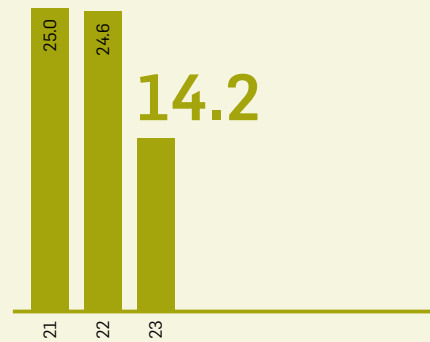
Lost Time Injury Rate (LTIR)

Per 200'000 hours worked (per calendar year)



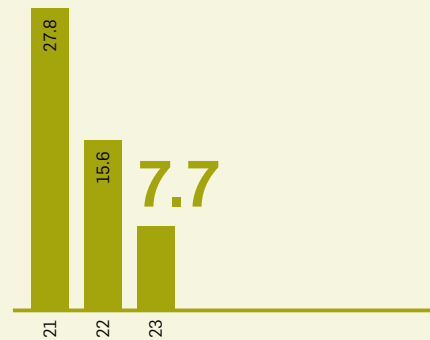
Severity Rate (SR)

Lost days per recordable incidents (per calendar year)



Lost Time Workday Rate (LTWR)

Per 200'000 hours worked (per calendar year)



Progress in fiscal year 2023

We were able to successfully conduct our external audits at Group level in accordance with the ISO 45001 standard. We systematically incorporated the findings of the local certification bodies. We continued a safety awareness campaign in all manufacturing sites including illustrative flyers. We have also evaluated a dedicated software to improve the management of precarious situations and near misses, which will be rolled out in fiscal year 2024.

Further, we have harmonized and strengthened our approach with the development of global minimum standards for occupational health and safety applicable to all subsidiaries. We have also established a global Environment, Occupational Health, and Safety (EOHS) Advisory Board to provide a global platform for the exchange of know-how and best practices.

Various local activities under the "Dr. BeWell" initiative have been continued or initiated, such as coaching and awareness webinars in Switzerland or team sport and meditative yoga sessions in India and China.

Our performance

The Lost Time Injury Rate (LTIR) has further decreased from 0.6 to 0.5. This marks an improvement compared to last year below our Mid-Range Plan target of 0.7. The severity rate has declined substantially from 24.6 to 14.2, which means that accidents were less severe and have resulted in fewer lost days. During this reporting period, we recorded no fatal accidents and no case of work-related ill-health.

Outlook for fiscal year 2024

We will pay special attention on the factory and assembly sites where proportionally the highest number of accidents are registered. The increased workload in production will continue to be a challenge. A second focus for the Mid-Range Plan period is behavior-based safety where we planned to launch a program in 2024. We will also continue to intensify our efforts to strengthen the approach to mental health and well-being.

7. Product safety



Topic lead: Vice President Contracting Systems Division

Target 2027: Maintain zero incidents every year related to product safety (2021: 0)

Compressors are a critical equipment in various applications in the process industry and energy provision. System safety and reliability are the most important areas of expertise in our business due to the high pressures, continuous operation, integration in complex industrial processes, and the individual hazard potentials of the compressed gases. By ensuring product safety, we contribute to the Sustainable Development Goal 3: Good health and well-being. The main impacts are in the commissioning and operational phase and extend over the compressors' decades of life.

Our approach

Burckhardt Compression assures safe operation of compressor systems in every phase of their life cycle. Our approach encompasses five main areas of risk assessment and mitigation:

- **International norms and standards**
Where available, we use and follow international standards for the development, production, commissioning, and maintenance of compressor systems. This includes the evaluation of safety risks and certification in accordance with mandatory laws and standards.
- **Simulation, calculation and testing**
Our comprehensive knowledge of calculation and simulation allows us to optimize the dimensioning of compressor systems. We also use specific testing and inspection procedures to ensure safety and functionality.
- **Strong processes**
Defined working principles, processes and our ISO-9001-certified quality management system ensure our processes meet the strictest requirements.
- **Control systems and maintenance**
Our compressor systems are fitted with a minimum protection system that shuts down the system in the event of a critical disruption. Our PROGNOST®-SILver system for monitoring and diagnosing the condition of reciprocating compressors and our UP! Solutions for long uptime and maximum reliability are further key tools for increasing reliability and safety.
- **Documentation and training**
To ensure the smooth and safe operation of compressor systems, we produce a specific set of operating documents for each system and offer a wide range of training modules available either online or at our training centers.

Progress in fiscal year 2023

We have successfully implemented our pre-order risk assessment and risk mitigation process, which is applied for all projects. Additionally, a new sales release matrix across all product lines serves as an advanced control and screening mechanism to comply with the different country standards and customer guidelines.

In the reporting year, we invested significantly in competence development throughout the organization, continuing the career path for technical expertise and our Global Competence Centers.

Partnering with local packagers, suppliers, and customers, we tested applications in the field before commercial operation, but also invested significantly in our test centers in China and Switzerland.

Additionally, we successfully integrated our new engineering platform launched in fiscal year 2022 in our operations. The engineering platform allows the utilization of pre-engineered modules to ensure a high product and safety level for execution during ramp-up and beyond.

Our performance

As part of the approval process, 100% of the new product configurations have been through a risk and design assessment that includes product safety. No incidents related to the product safety of our compressors were registered over the reporting period. Similarly, no violations of regulations or voluntary codes took place in relation to product safety.

In the reporting period, we registered one near miss for a new product application, which had been handled on site without injury or/and material damage. Lesson learned including raising the awareness at relevant organizational entities are implemented.

The number of new compressors fitted with a Burckhardt Compression control system was further increased. We firmly believe that our control solutions offer significant added value in terms of reliability, safety, and life cycle management of our compressors.

Outlook for fiscal year 2024

Our focus for the coming period will be on implementing the requirements from the updated machinery directive in Europe and launching products into new regions and new applications with the defined risk assessment process. Thereby, various inhouse and external test centers are utilized to simulate dynamics and operational modes.

8. Business conduct



Topic lead: General Counsel

Target 2027: Maintain zero incidents every year related to corruption or anti-competitive behavior (2021: 0)

Unethical business practices have the potential to damage the economy and society. They cause economic losses, promote social inequality, and undermine democratic processes. As a global business with a far-reaching network of business partners, we are committed to conducting our business ethically, legally, and in an environmentally and socially responsible manner, which is a precondition for all other material sustainability topics.

Our approach

Burckhardt Compression undertakes to carry out its business activities in an ethical, legal, and environmentally and socially responsible manner. We expect every business partner with which we have a business relationship to conduct itself in a similar manner. We assess every aspect of our business relationships and focus particularly on:

- Business compliance
- Anti-corruption
- Free competition
- Export and sanctions compliance

Our Code of Conduct defines the fundamental standards and principles for employee interaction and behavior with partners, stakeholders, and the environment. With the Code of Conduct for business partners, our suppliers, local agents, and partners commit to conducting their business in an ethical, legal, and environmentally and socially responsible manner. All employees are required to explicitly acknowledge their understanding of the Code of Conduct on a regular basis. We train our employees in the fields of anti-corruption, business compliance including free competition, and strict adherence to export and sanctions controls.

Burckhardt Compression carries out regular internal audits of all its subsidiaries with a focus on financial, legal, and compliance topics. Every subsidiary is audited at least in a three-year cycle.

Our third-party risk management policy supports us in implementing our risk management with third parties. It clarifies the expectations placed on management and employees when dealing with third parties.

Our Speak Up reporting system is a complaints channel operated by an independent third party. It allows employees, business partners, and third parties that are, or might be, aware of suspected misconduct to register it in the reporting system. The system is designed to allow protection of the identity of the reporting party and for comments to be made anonymously.

Sustainability Report

Progress in fiscal year 2023

We are continuously monitoring our "Values and Behaviors" which, together with our Code of Conduct, form the fundamental behavioral guidelines at Burckhardt Compression. The latest version clearly emphasizes the importance of "Responsibility" as one of the four pillars of our "Values and Behaviors". We also continued with the roll-out of our Code of Conduct for our business partners, which has been signed by suppliers and business partners representing more than 80% of our purchasing volume.

We released a third-party risk management policy in this fiscal year as framework for managing the risks associated with working with third parties. We further strengthened our human rights due diligence with the release of our human rights policy.

To further raise awareness of compliance with the law in our focus areas of business compliance, anti-corruption, free competition, and export and sanctions compliance, we provide targeted training modules for employees concerned. In the reporting period, a total of 296 employees who deal with these areas in their work have successfully completed such modules.

Speak Up, which is now running for the third year, has been updated to a new platform for a more convenient access to place a report.

Our performance

A total of one internal suspected case of misconduct in violation with the Code of Conduct or law was recorded on the Speak Up reporting system, issued by a former employee. The case was duly processed and closed within the reporting period. The processing time to the conclusion of the investigation was 43 days.

We conducted eight internal audits of subsidiaries following our audit cycle. All past identified risks have been mitigated and no significant new risks regarding corruption and anti-competitive behavior have been detected in this financial year.

No violations of competition law or instances of corruption connected to our business activities were identified during the reporting period, nor were any sanctions imposed for any other significant non-compliance with environmental, social, or any other legislation.

Our existing processes and preliminary clarifications of export controls have proven their worth. 7 requests for clarification of export regulations were forwarded to the appropriate authorities during the reporting period and all cases were approved.

Outlook for fiscal year 2024

We are planning to further strengthen and harmonize our training activities for business conduct across Burckhardt Compression. This will further develop our set of trainings in the realm of business and sanctions compliance. Furthermore, we are strengthening our governance and policies around Business Conduct, including a comprehensive Sanctions Compliance Policy. We are further increasing the reach of our Code of Conduct for business partners, particularly in cooperation with our suppliers.

Our Commitment

Firmly anchored sustainability governance

The very top management of our organization is committed to sustainability. Responsibilities are clearly defined at every level and closely linked to strategy. All sustainability-related activities are supervised by the Board of Directors. The Strategy and Sustainability Committee supports the CEO in developing corporate strategy and advises the Board of Directors on all matters relating to strategy and sustainability.

The risks and opportunities linked to sustainability are managed as part of the overall company risk management process and are reported to the Audit Committee and to the Board of Directors.

All members of the Executive Management are also members of the Executive Sustainability Team, which is responsible for the strategic approach at Group level and compliance with our sustainability roadmap.

Every material topic is led by a member of senior management. These managers form the Sustainability Steering Group together with the Managing Directors of the production and assembly sites, and the Regional Heads from the Services Division. The Sustainability Steering Group is responsible for implementing the sustainability roadmap and defining the topic-specific management approach.

Implementation is supported by designated experts in the field and key local individuals in the subsidiaries. They provide technical expertise and ensure on-site implementation.

A designated sustainability manager leads and moderates the related activities at Group level and, as a technical expert, supports all functions and subsidiaries with implementation of the roadmap.

The Sustainability Report on non-financial matters has been prepared, approved, and signed by the Board of Directors in accordance with the requirements of Articles 964b and 964c of the Swiss Code of Obligations.

Sustainability governance at Burckhardt Compression



A clear focus based on our materiality analysis

We use a materiality analysis to determine where our company's activities have the greatest impact on society, the environment, and the economy. For this purpose, we conducted an impact analysis, where we assessed actual and potential positive and negative impacts of our activities along the value chain. In the financial year 2023, we further enhanced our analysis with the perspective of actual and potential implications for our business success, thereby considering a double materiality perspective. The aspects of scale, scope, and likelihood of impacts were considered as assessment categories with a precedence of scale and scope. In this process, we gathered the views and concerns of our key stakeholders – investors, customers, employees, and suppliers – online and in person. Impact is the only determinant for materiality definition for the GRI reporting to be aligned with the standards.

Our materiality matrix assessment

Material topics

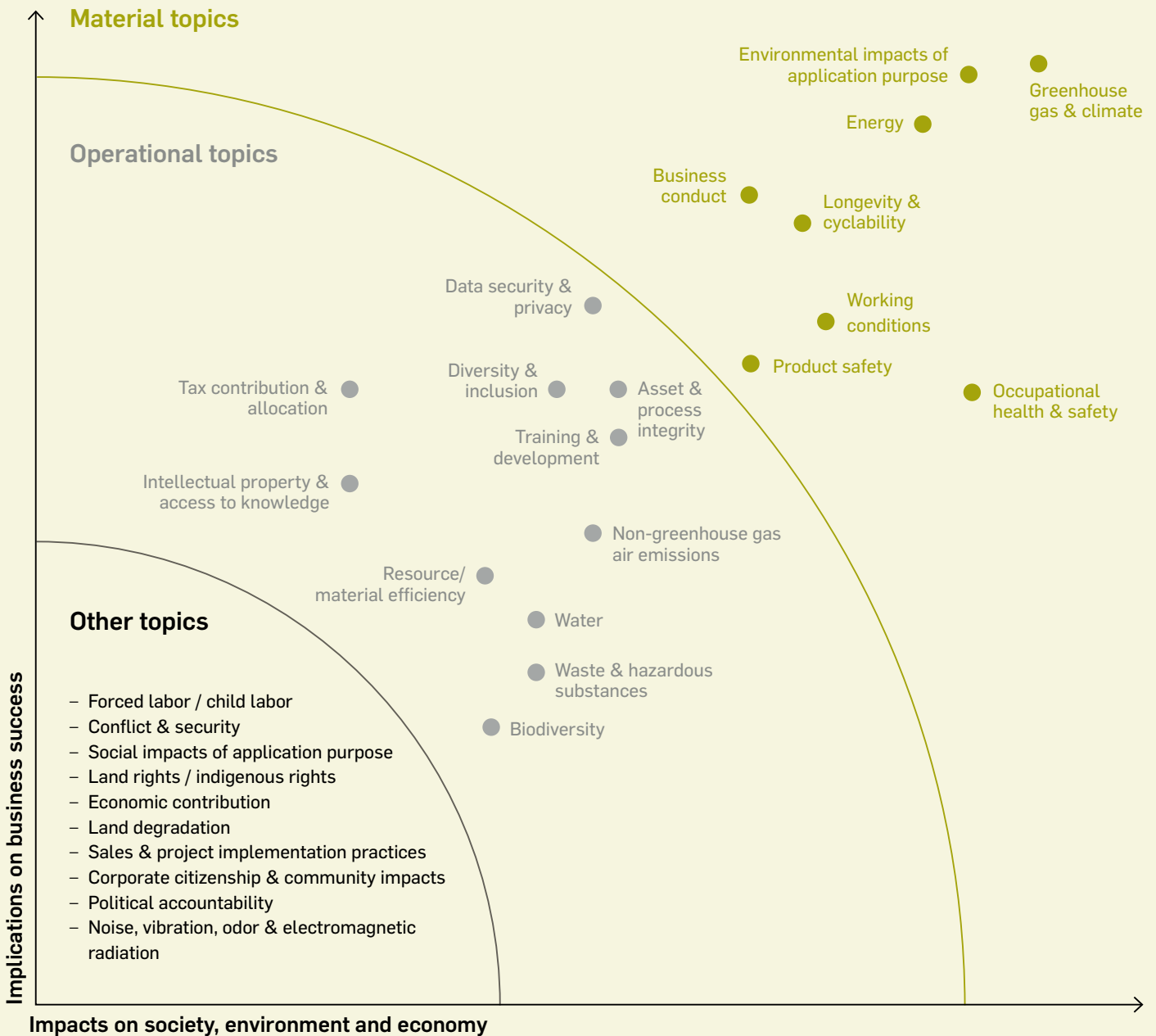
Are included in our strategic approach to sustainability and are subject to extended reporting requirements for our Sustainability Report.

Operational topics

Have an increased relevance in our business activities and are continuously integrated into our operations; communication takes place according to needs and opportunities.

Other topics

May have increased relevance in a specific context but not on a group level; management and communication take place according to needs and opportunities.



For each of the eight material topics, we have appointed a topic leader who, together with subject matter experts, develops our approach. Operational topics are important to us as well, but we do not pursue them with the same strategic approach as the material topics. They are integrated into the operational business activities at the departmental level. Other topics may be of greater relevance for a specific subsidiary, but not across the whole Group. We address these topics on a situation-specific basis.

Our employees are the key to our success

Together, we are successful and create sustainable value. Burckhardt Compression is thus engaged in the advancement of all employees and a diverse workforce. They are a vital factor in the implementation of our sustainability ambitions.

We appreciate our employees' expertise and promote knowledge sharing. Personal training and development are part of the annual appraisal and performance review process and are financially supported by the company. To ensure the ongoing development of technological expertise and personal as well as managerial skills within the company, employees around the world participate in internal technical, product, and leadership training modules, which are conducted across the Group throughout the year with a range of programs. In the fiscal year 2023, we provided on average 15.4 h of internal training per FTE and reached 89% of our employees with our offering.

We promote and support new talent at all levels and are committed to the Swiss system of apprentice training. We currently have 51 apprentices in Switzerland and 20 in India in eight occupations. Burckhardt Compression is a founding member of the initiative launched under the auspices of the Swiss Federal Office for Professional Education and Technology and the Swiss-Indian Chamber of Commerce to establish an apprenticeship system in India based on the Swiss model. The company is also a corporate sponsor of the AZW Training Center in Winterthur, Switzerland, for vocational career pathways.

We fundamentally believe that mixed teams perform better. In the reporting period, women made up 33.3% of the Board of Directors and 20% of Executive Management. Of the global workforce, 15.8% (2021: 15.6%) are female.

Supply chain due diligence

Burckhardt Compression relies on a strong supply chain and taps into its suppliers' experience and knowledge to continuously improve its products. We source raw materials for the foundry in Shenyang, China, raw materials and semi-finished products for the manufacture of compressors in our factories, and components and other accessories to complete the overall compressor systems and maintain them on site. For this, we have an established global supply chain, with core suppliers for production located in the wider regional area.

Due diligence approach

Burckhardt Compression built a due diligence approach informed by the OECD Due Diligence Guidelines and the UN Guiding Principle on Business and Human Rights. Our human rights policy and our third-party risk management policy form the umbrella policies for our management approach. The implementation process is based on four pillars: expectation, identification, verification, and mitigation. In fiscal year 2023, we strengthened our approach with a focus on environment, health and safety, human rights (including forced labor), and in particular child labor and conflict minerals, in compliance with the Articles 964j-k of the Swiss Code of Obligations and the Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO).

Through our Code of Conduct for business partners and the co-applicable implementation guidelines, we set for expectation the same high standards for suppliers as we do within our company, and we also include them in our environmental and quality policy.

We conducted a risk identification considering risks of potential negative impacts as well as the relevance of our suppliers. Over 2000 suppliers were analyzed along the 2023 focus topics. The results confirmed that the main risks are primarily in health and safety, environment and working conditions within human rights.

Based on the risk exposure for each topic and threshold values for the purchasing volume, assessments for verification of the identified risk were initiated at 618 suppliers. 392 suppliers already completed the assessment.

Mitigation measures were initiated for 126 suppliers to complete the assessment or for suppliers with insufficient assessment results to build up their corresponding management systems. Burckhardt Compression is committed to pursue a development-oriented due diligence approach for its suppliers to strengthen their capabilities to fulfill ever-increasing requirements.

In fiscal year 2024, the due diligence approach will be further strengthened and rolled out to other topics. In addition, we plan to strengthen environmental, human rights, and compliance aspects as part of the on-site audits of our suppliers.

Child labor

In line with our commitment to human rights, we are monitoring our suppliers and have a clear demand to not tolerate child labor. The due diligence for child labor follows the overarching due diligence approach for suppliers in compliance with the Articles 964j-k of the Swiss Code of Obligations and the Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO).

The broad risk identification revealed a lower exposure to child labor compared to other topics and other industries. No substantiated suspicion of child labor could be found, either in the risk identification and assessment, in further investigations or in the Speak Up complaint channel. We are committed to apply our due diligence approach to child labor with even lower thresholds in purchasing volume than other risks due to the potential severity of human rights violations in this area.

In the fiscal year 2023, we conducted 178 supplier assessments with regards to child labor. In 13 cases, it was found that the supplier did not have an adequate management system in place despite indications of risk. In these cases, improvements and corrective action measures were initiated.

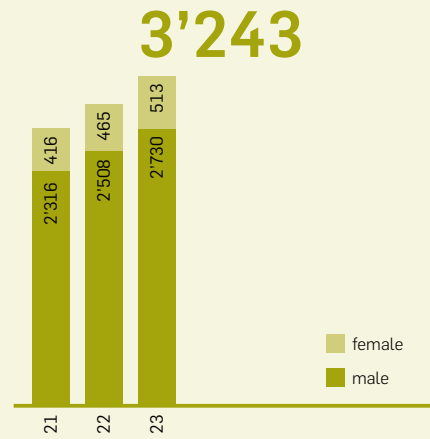
Conflict minerals

Our compressors are made of over 95% by weight of iron and steel. Some components contain tin, tungsten or, in the case of electronics, gold. We have established and published a Conflict Minerals Policy and apply due diligence. In 2023, we initiated a traceability assessment with 33 suppliers in order to obtain evidence that the smelters in our supply chain do not source minerals from conflict affected regions.

We have analyzed our purchasing activities in Switzerland and do not exceed the thresholds set out by the Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO). An independent assurance company has confirmed our analysis.

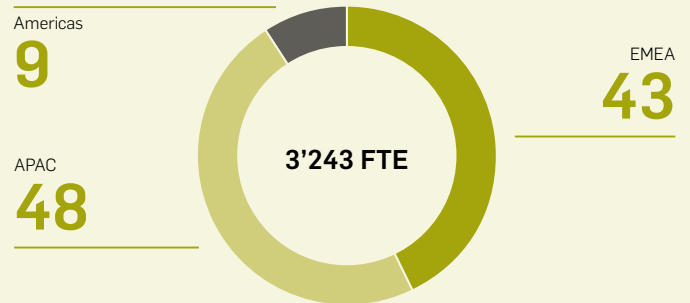
Global workforce by gender

Employees (FTE)



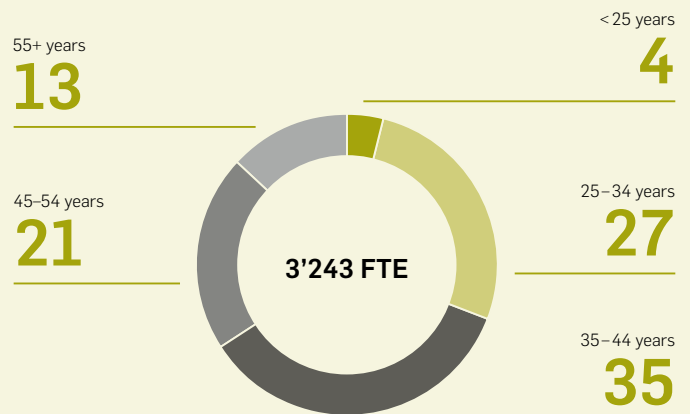
Global workforce by region, 2023

in %



Global workforce by age, 2023

in %



Dialog with our stakeholders

The appropriate involvement of our various stakeholders is extremely important to us. We have identified four key stakeholders within our sustainability management: customers, employees, investors, and suppliers. We are engaged in detailed discussions with them and actively involve them in identifying material topics. In addition, we also maintain an open dialog with other stakeholder groups, such as the local community, media, the scientific community, associations, civil society, and the state, as required.

Customers

We seek long-term customer relations. The longest-standing customer relationship dates back to 1885, when the company supplied BASF in Ludwigshafen with one of the first compressors ever built. Customer satisfaction is measured using various tools. The results are evaluated as part of the management process with the divisional management teams, and actions are initiated and implemented in accordance with the results. Customer priorities in the field of sustainability were climate, energy, and occupational safety. All three are part of our material topics.

In the fiscal year 2023, we successfully completed another cycle of our Voice of Customer survey for the Services Division. We received feedback from over 1'200 participants from over 77 countries and produced 30 specific company reports, all of which help us to create more value for our partnership. In four out of eight performance categories, we achieved a satisfaction level of over 90% with an overall satisfaction level of 92%, which is a further increase compared to the previous survey.

In the Systems Division, customer satisfaction is also measured every year by means of customer surveys. For the coming fiscal year, we have planned to expand customer satisfaction measurement in the Systems Division. This measurement will be based on the Voice of Customers initiative of the Services Division, which allows a significant expansion and harmonization.

Investors

We maintain an open and transparent dialog with our investors and other interested parties. The aim of investor relations is to accurately portray the company and its markets to enable a fair evaluation of Burckhardt Compression stock. Leading Swiss business newspaper "Finanz und Wirtschaft" gives Burckhardt Compression's investor relations and transparency the highest rating of A.

We aim to maintain regular interaction with our key investors in road shows, conferences, and individual meetings. Every year, we conduct several year-end and half-year investor road shows in Zurich, London, the United States, and other financial centers. Furthermore, we participate in various investors conferences in Switzerland, the United Kingdom, and the United States. We also organize on-site visits where we can invite our investors to our Winterthur headquarter in Switzerland to present our company, answer their questions and show them our factory.

In recent years, the importance of ESG (Environment, Social, Governance) rating agencies has also increased significantly for our investors. Important sustainability priorities for our investors include climate change, business conduct, and energy consumption. All three are covered in the material topics.

Employees

Open dialog with employees is a central priority for us and is carried out in different ways. The most important dialog channels are described in this report in the material topic working conditions (see page 56). The key priorities for employees are health and safety at work, working conditions, and training and development. We actively deal with the first two within our material topics. Training and development are a central pillar of our HR management.

We organize very consciously and regularly occasions with our employees, where we get together and cultivate friendships outside of everyday working life, whether it is a thanksgiving celebration in the United States, the Diwali celebration in India, the Chinese New Year party in China, different Christmas dinners or events around the globe or the so-called Name Day celebration in Winterthur to celebrate the birthday of our company. In the financial year 2024, we have planned the first Family Day in Winterthur after the Covid-19 pandemic to include the families and closest people of our employees.

Sustainability Report

Suppliers

We work closely with suppliers in the product development phase, with the aim of long-term partnerships. Exchanges and performance reviews take place on a regular basis via on-site visits, virtual meetings, audits, or inspections. Occasionally, supplier days are held at regional or global level. The central sustainability priorities for suppliers are occupational health and safety, energy consumption, and business conduct. All three topics are key elements of our approach to sustainability.

In the fiscal year 2023, Burckhardt Compression India conducted a supplier day for their key suppliers, where they provided a business overview and outlook to foster supplier preparedness. Two essential topics of the meeting, which are particularly important for us, were sustainability and digitalization. The supplier day also allowed for exchange between suppliers with best practices presentation of improvement steps taken.

We actively give our suppliers feedback in our performance discussions and want to recognize outstanding performance. This is why we distribute supplier awards. This year, three awards were presented to suppliers for their outstanding performance: one at Supplier Day at Burckhardt Compression India, the Burckhardt Compression East Asia Supplier Award, and a global award for outstanding performance in a specific project.

Communities and other stakeholders

We maintain an open relationship with the local communities. We established distinct communication channels for inquiries and communicated these contact points on our website. We also support and promote local initiatives, for example in the areas of education and sports. We practice transparency in our exchange with the media and authorities and strive for timely and open communication.

In the fiscal 2023, we invited the parents of our apprentices at our headquarters in Winterthur to an event to visit their youngster's place of work and talk directly to the responsible personnel. This trust building is important for us as we are highly committed to the apprentice system. This is why we have awarded a prize to young participants of the AZW Training Center in Winterthur for their submitted improvement projects as part of a climate initiative.

Engagement with local stakeholders is also a reality in our subsidiaries. At our Burckhardt Compression India production site for example, we offer the community business support in waste management by selling scrap metal for their recycling business and focus on job opportunities for underprivileged community members. We further contribute toward building schools, water reservoir and are currently in a dialog to set up a waste management facility in the village next to our factory.

Extended key figures

Environmental metrics¹

	2023	2022	2021	
Energy				
Energy use	MWh	56'173	59'107	49'928
Electricity		29'445	30'658	27'779
Fuels and combustibles ²		17'754	18'585	16'608
District heating		8'974	9'864	5'541
Share of renewable electricity	%	22	21	15
Energy intensity	kWh per working hour	8.8	10.1	9.4
Greenhouse gas emissions				
Greenhouse gas emissions Scope 1 ³	tCO ₂ e	4'917	4'674	4'221
Combustibles		1'436	1'551	1'485
Fuels		2'833	2'914	2'508
Others		648	209	228
Greenhouse gas emissions Scope 2 ^{4,5}	tCO ₂ e	14'120	15'396	13'198
Electricity		12'588	13'712	12'252
District heating		1'532	1'684	946
Greenhouse gas emission intensity by working hours (Scope 1 and 2)	kgCO ₂ e per working hour	3.0	3.4	3.3
Greenhouse gas emission intensity by working hours without foundry (Scope 1 and 2)	kgCO ₂ e per working hour	2.1	2.3	2.1
Greenhouse gas emission intensity by sales volume (Scope 1 and 2)	tCO ₂ e per mCHF	19.4	24.2	26.8
Greenhouse gas emissions business travel (Scope 3)	tCO ₂ e	3'931	2'663	1'405
Water and waste				
Water ⁶	m ³	74'991	78'687	83'810
Waste ⁶	t	2'790	3'530	2'805

¹ With the exception of the figures for water consumption and waste, the data relate to all sites of the Burckhardt Compression Group. The data collection for environmental data is performed by calendar year. The denominators sales volume and working hours are collected per fiscal year. The greenhouse gas inventory was calculated according to the WRI/WBCSD Greenhouse Gas Protocol Standard. "Operational control" was selected as the consolidation approach. Working hours are calculated as the average FTE per fiscal year multiplied by 8 hours and 220 working days. Business travel (Scope 3) emissions data for 2019–2022 have been recalculated due to a more precise data availability. The updated values are almost identical for the years 2021–2022 and higher for the years 2019–2020.


² From fossil sources.

³ Scope 1 includes all directly caused emissions (e.g. combustion of fuels, loss of refrigerants).

⁴ Scope 2 includes emissions caused with purchased energy (electricity, district heating).

⁵ Reported according to the market-based approach under the Greenhouse Gas Protocol Scope 2 standard. The location-based approach results in emissions of 14'444 tCO₂e in 2023 (2022: 15'801 tCO₂e, 2021: 13'653 tCO₂e).

⁶ Data refer to the production and assembly sites of the Burckhardt Compression Group, including headquarter (Switzerland, India, China, South Korea, United States) and is informed by the Standards of the Global Reporting Initiative (GRI).

 Assured by PwC 2024 (limited assurance)

Health and safety¹


	2023	2022	2021
Health and safety¹			
Lost Time Injury Rate (LTIR) ²	0.5	0.6	1.1
Severity Rate (SR) ³	14.2	24.6	25.0
Lost Time Workday Rate (LTWR) ⁴	7.7	15.6	27.8

¹ The data collection for occupational health and safety data is performed by calendar year. Working hours are compiled as effective working hours per calendar year.

² Rate per 200'000 working hours for number of recordable incidents with lost time > 1 working day.


³ Number of lost days per incident subject to registration with loss > 1 working day.

⁴ Rate per 200'000 working hours for total of lost workdays.

 Assured by PwC 2024 (limited assurance)


Employee structure

	2023	2022	2021
Employee structure	FTE	FTE	FTE
Number of employees	3'243	2'973	2'732
Permanent	2'980	2'724	2'508
Male	2'536	2'320	2'145
Female	444	404	363
EMEA	1'378	1'264	1'152
APAC	1'298	1'155	1'066
Americas	304	305	290
Temporary	263	249	224
Male	194	188	171
Female	69	61	53
EMEA	13	19	16
APAC	250	229	207
Americas	0	1	1
Full-time	3'104	2'856	2'628
Male	2'646	2'442	2'256
Female	458	414	372
EMEA	1'253	1'167	1'065
APAC	1'547	1'384	1'273
Americas	304	305	290
Part-time	139	117	104
Male	84	66	60
Female	55	51	44
EMEA	138	116	103
APAC	1	0	0
Americas	0	1	1
Number of external workers	329	305	298
Number trainees & apprentices	145	178	153

 Assured by PwC 2024 (limited assurance)

Employee turnover

	2023		2022		2021	
	FTE	% yearly average	FTE	% yearly average	FTE	% yearly average
New employee hires (% of yearly average)	590	18.7%	510	17.7%	451	17.1%
	FTE	% end of year	FTE	% end of year	FTE	% end of year
New employee hires (% of end of year)	590	18.2%	510	17.2%	451	16.5%
Male	489	17.9%	427	17.0%	382	16.5%
Female	101	19.7%	83	17.9%	69	16.6%
<25 years	52	36.9%	55	43.6%	45	50.2%
25–34 years	251	29.1%	210	26.9%	171	22.2%
35–44 years	163	14.2%	145	13.8%	121	13.7%
45–54 years	87	13.0%	63	10.3%	69	11.6%
54+ years	37	8.7%	37	9.2%	45	11.4%
	FTE	% yearly average	FTE	% yearly average	FTE	% yearly average
Employee turnover (% of yearly average)	328	10.4%	308	10.7%	266	10.1%
	FTE	% end of year	FTE	% end of year	FTE	% end of year
Employee turnover (% of end of year)	328	10.1%	308	10.4%	266	9.7%
Male	275	10.1%	264	10.5%	230	9.9%
Female	53	10.3%	44	9.4%	36	8.7%
<25 years	19	13.3%	17	13.4%	17	19.1%
25–34 years	106	12.3%	100	12.8%	82	10.6%
35–44 years	86	7.5%	80	7.6%	87	9.9%
45–54 years	45	6.7%	43	7.0%	36	6.0%
54+ years	72	17.0%	68	16.9%	44	11.1%

 Assured by PwC 2024 (limited assurance)

GRI content index

Burckhardt Compression has reported in accordance with the GRI Standards for the period April 1, 2023 to March 31, 2024. GRI 1 Foundation 2021 has been used for compiling this report and there is no applicable GRI Sector Standard.

GRI standard	Disclosure	Reference	Further information and omissions
GRI 1: Foundation 2021			
GRI 2: General disclosures 2021			
The organization and its reporting practices			
GRI 2: General disclosures 2021	2-1 Organizational details	p. 116, pp. 138–139	a. Burckhardt Compression Holding AG
	2-2 Entities included in the organization's sustainability reporting	p. 116, pp. 138–139	iii. Consolidation approach applies to all disclosures.
	2-3 Reporting period, frequency, and contact point	–	a. Sustainability report: 04.01.2023 to 03.31.2024, yearly b. Annual report: 04.01.2023 to 03.31.2024 c. Publication: 04.06.2023 d. Contact: sustainability@burckhardtcompression.com
	2-4 Restatements of information	–	CO ₂ emissions for business travel (Scope 3) have been recalculated for the years 2019–2022 due to a more precise data availability. The updated values are almost identical for the years 2021–2022 and slightly higher for the years 2019–2020.
	2-5 External assurance	p. 69–71, p. 78–80	Yes
Activities and workers			
GRI 2: General disclosures 2021	2-6 Activities, value chain, and other business relationships	p. 10, p. 65, p. 116, p. 119	
	2-7 Employees	p. 70	b. iii. One male person in Americas c. FTE at the end of the reporting period. d. Trainees & apprentices are not included since some of our apprentices have an external work contract with the AZW Training Center in Winterthur.
	2-8 Workers who are not employees	p. 70	a. i. Production employees, service technicians and engineers. a. ii. Engineering, project management, field services, compressor manufacturing, and assembly. b. FTE at the end of the reporting period.
Governance			
GRI 2: General disclosures 2021	2-9 Governance structure and composition	pp. 85–91	
	2-10 Nomination and selection of the highest governance body	Bylaws Art. 15–16, pp. 85–91	b. i. Annual discussion with major shareholders and proxy advisors. b. ii-iv. Disclosed, applying not publicly disclosed criteria.
	2-11 Chair of the highest governance body	pp. 86–88	

GRI standard	Disclosure	Reference	Further information and omissions
	2-12 Role of the highest governance body in overseeing the management of impacts	p. 63, pp. 88–91, Organization regulation 1.–4.	
	2-13 Delegation of responsibility for managing impacts	p. 63, pp. 88–91, Organization regulation 1.–5.	
	2-14 Role of the highest governance body in sustainability reporting	p. 63	
	2-15 Conflicts of interest	p. 83, pp. 85–87	a. Annual written confirmation by all members of the highest governance body.
	2-16 Communication of critical concerns	pp. 61–62, Speak Up policy	
	2-17 Collective knowledge of the highest governance body	p. 89, Organization regulation 1.4.4.	Through ongoing communication and reporting.
	2-18 Evaluation of the performance of the highest governance body	p. 91	
	2-19 Remuneration policy	pp. 98–101	
	2-20 Process to determine remuneration	pp. 98–101	
	2-21 Annual total compensation ratio	–	This information is not available. We are evaluating the possibility of providing such information in the future.
Strategy, policies, and practices			
GRI 2: General disclosures 2021	2-22 Statement on sustainable development strategy	pp. 12–14, pp. 34–35	
	2-23 Policy commitments	pp. 43–44, pp. 61–62, pp. 65–66 Code of Conduct	
	2-24 Embedding policy commitments	pp. 61–63, Organization regulation 3.–4.	
	2-25 Process to remediate negative impacts	pp. 61–62, Speak Up policy	
	2-26 Mechanisms for seeking advice and raising concerns	pp. 61–63, Speak Up policy	
	2-27 Compliance with laws and regulations	p. 62	

Sustainability Report

GRI standard	Disclosure	Reference	Further information and omissions
	2-28 Membership associations	–	<ul style="list-style-type: none"> – AZW Winterthur, Board – CII Confederation of Indian Industry – EFRC – European Forum for Reciprocating Compressors – ICAAMC – International Compressor Applications and Machinery Committee – SWISSMEM – Schweizer Maschinen-, Elektro- und Metall-Industrie – Swiss Mechatronics – Swiss-American Chamber of Commerce – Swiss-Chinese Chamber of Commerce – Swiss-Indian Chamber of Commerce – Switzerland Global Enterprise
Stakeholder engagement			
GRI 2: General disclosures 2021	2-29 Approach to stakeholder engagement 2-30 Collective bargaining agreements	pp. 67–68 p. 57	b. Where usual and available, we take existing bargaining agreements as a benchmark.
Material topics			
GRI 3: Material topics 2021	3-1 Process to determine material topics 3-2 List of material topics	pp. 63–65 p. 64	
Greenhouse gas emissions and climate change			
GRI 3: Material topics 2021 GRI 305: Emissions 2016	3-3 Management of material topics 305-1 Direct (Scope 1) GHG emissions 305-2 Energy indirect (Scope 2) GHG emissions 305-3 Other indirect (Scope 3) GHG emissions 305-4 GHG emissions intensity	pp. 45–48 p. 47, p. 69 p. 47, p. 69 pp. 47–48, p. 69 p. 47, p. 69	
Energy use and efficiency			
GRI 3: Material topics 2021 GRI 302: Energy 2016	3-3 Management of material topics 302-1 Energy consumption within the organization 302-3 Energy intensity	pp. 48–50 p. 49, p. 69 p. 49, p. 69	
Own indicator			
Longevity and recyclability			
GRI 3: Material topics 2021 Own indicators	3-3 Management of material topics Reused or refurbished components Sales of revamp and upgrade services	pp. 51–53 p. 51 p. 51	
Environmental impacts of application purpose			
GRI 3: Material topics 2021 Own indicators	3-3 Management of material topics Sustainability classification of business activities	pp. 54–55 p. 54	
Working conditions			
GRI 3: Material topics 2021 GRI 401: Employment 2016 Own indicators	3-3 Management of material topics 401-1 New employee hires and employee turnover Score satisfaction work situation	pp. 56–58 p. 56, p. 71 p. 57	The breakdown by region is not disclosed for business reasons.

GRI standard	Disclosure	Reference	Further information and omissions
	Score workplace recommendation	p. 57	
	Score employee engagement	p. 57	
Occupational health and safety			
GRI 3: Material topics 2021	3-3 Management of material topics	pp. 59-60	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	p. 59	b. All employees who are under the care and control of Burckhardt Compression (including external employees on our premises) are covered.
	403-2 Hazard identification, risk assessment, and incident investigation	–	a. The EOHS team (Environment, Occupational Health, and Safety), under the direction of the Quality Team and Safety Officer, is responsible for conducting risk assessments using risk graphs. The risk assessment will be used for training and awareness activities in the respective work area. Safety inspections are used for risk mitigation. b. Notifications will be made using a dedicated EOHS notification form. c. A work stoppage procedure is in place to stop work in the event of an unsafe situation. d. There is a procedural policy for reporting near misses, incidents, investigations, nonconformities, and corrective and preventive actions.
	403-3 Occupational health services	–	There is a company ambulance service at the site in Winterthur, which is operated in conjunction with surrounding companies.
	403-4 Worker participation, consultation, and communication on occupational health and safety	–	A specific procedure for Consultation & Participation, Communication regulates the involvement of employees. Involvement takes place at all levels (steering committee, core team, execution teams).
	403-5 Worker training on occupational health and safety	p. 59	In addition to mandatory training during induction, regular specific training is provided on work-related hazards, first aid, and emergency and evacuation.
	403-6 Promotion of worker health	p. 59	Non-occupational services and offerings depend on country-specific implementation and may include the following: – regular health check-ups – access to medical facilities – other preventive measures, for example as part of our Dr. BeWell program
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	pp. 65-66	This aspect is covered in our approach to supply chain due diligence.
	403-8 Workers covered by an occupational health and safety management system	p. 59	i. 100% are covered by an occupational health and safety management system. ii. 100% of employees are covered by an internally audited system. iii. 95.2% are covered by an externally certified system.

Sustainability Report

GRI standard	Disclosure	Reference	Further information and omissions
	403-9 Work-related injuries	p. 59 p. 70	We have no differentiation between high-consequence work-related injuries (a. ii.) and work-related injuries (a. iii.).
	403-10 Work-related ill health	p. 60	
Product safety			
GRI 3: Material topics 2021	3-3 Management of material topics	pp. 60–61	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	p. 61	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	p. 61	
Business conduct			
GRI 3: Material topics 2021	3-3 Management of material topics	pp. 61–62	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	p. 62	
	205-2 Communication and training about anti-corruption policies and procedures	p. 62	
	205-3 Confirmed incidents of corruption and actions taken	p. 62	
GRI 206: Anti-competitive behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	p. 62	

SASB Mapping

SASB Sustainability Disclosure Topics & Accounting Metrics

Topic	SASB Accounting Metric	Code	Reference	Further information and omissions
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	RT-IG-130a.1	GRI 302-1 GRI 302-3 p. 69	Percentage grid electricity has not been evaluated separately until now.
Employee Health & Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	RT-IG-320a.1	GRI 403-1 to 8 pp. 59, 70	We do not yet track near miss frequency rate (NMFR).
Fuel Economy & Emissions in Use-phase	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles	RT-IG-410a.1	n/a	Not applicable to our products. The vast majority of Burckhardt Compression's compressors are powered by electricity.
	Sales-weighted fuel efficiency for non-road equipment	RT-IG-410a.2	n/a	
	Sales-weighted fuel efficiency for stationary generators	RT-IG-410a.3	n/a	
	Sales-weighted emissions of: (1) nitrogen oxides (NO _x) and (2) particulate matter (PM) for: (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium- and heavy-duty engines, and (d) other non-road diesel engines	RT-IG-410a.4	n/a	
Materials Sourcing	Description of the management of risks associated with the use of critical materials	RT-IG-440a.1	pp. 65–66, pp. 90–91	
Remanufacturing Design & Services	Revenue from remanufactured products and remanufacturing services	RT-IG-440b.1		This information is not disclosed for business reasons.

SASB Activity Metrics

Activity Metric	Code	Reference	Further information and omissions
Number of units produced by product category	RT-IG-000.A	n/a	This information is not disclosed for business reasons.
Number of employees	RT-IG-000.B	GRI 102-8 p. 70	

Independent practitioner's limited assurance report

on selected indicators in the 2023 Sustainability Report
to the Management of Burckhardt Compression Holding AG

Winterthur

We have been engaged by Management to perform assurance procedures to provide limited assurance on the selected indicators in the 2023 Sustainability Report (including the GHG statement) of Burckhardt Compression Holding AG for the period from 1 April 2023 to 31 March 2024. The selected indicators will be published in the Sustainability Report 2023.

The selected indicators in the 2023 Sustainability Report (including the GHG statement) were prepared by the Management of Burckhardt Compression Holding AG (the 'Company') based on the:

- Energy use per page 69 of the sustainability report – GRI 302-1 Energy consumption within the organization
- Share of renewable electricity per page 69 of the sustainability report – GRI 302-1 Energy consumption within the organization
- Energy intensity per page 69 of the sustainability report – GRI 302-3 Energy intensity
- GHG emissions Scope 1 & Scope 2 per page 69 of the sustainability report – GRI 305-1 Direct (Scope 1) GHG emissions and GRI 305-2 Energy indirect (Scope 2) GHG emissions
- GHG emissions business travel (Scope 3) per page 69 of the sustainability report – GRI 305-3 Other indirect (Scope 3) GHG emissions
- GHG emissions intensity per page 69 of the sustainability report – GRI 305-4 GHG emissions intensity
- Water per page 69 of the sustainability report – Basis of preparation as disclosed on page 69 of the sustainability report on Water consumption as informed by GRI
- Waste per page 69 of the sustainability report – Basis of preparation as disclosed on page 69 of the sustainability report on Waste generated as informed by GRI
- Lost Time Injury Rate (LTIR) and Severity Rate (IR) per page 70 of the sustainability report – GRI 403-9 Work-related injuries
- Lost Time Workday Rate (LTWR) per page 70 of the sustainability report – as informed by GRI 403-9 Work-related injuries
- Number of Employees per page 70 of the sustainability report – GRI 102-8 Information on employees and other workers New employee hires – GRI 401-1 New employee hires and employee turnover
- Employee turnover per page 71 of the sustainability report – GRI 401-1 New employee hires and employee turnover

The above-mentioned GRI Standards and references will be determined in the basis of preparation against which we will evaluate the different KPI (hereafter referred to as the "suitable Criteria").

Inherent limitations

The accuracy and completeness of the selected indicators (including the GHG statement) are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. In addition, the quantification of the selected indicators (including the GHG statement) is subject to inherent uncertainty because of incomplete scientific knowledge used to determine factors related to the selected indicators (including the GHG



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statement) and the values needed to combine e.g. emissions of different gases. Our assurance report will therefore have to be read in connection with the suitable Criteria used by Burckhardt Compression Holding AG.

Management's responsibility

The Management of Burckhardt Compression Holding AG is responsible for preparing and presentation of the selected indicators in the 2023 Sustainability Report in accordance with the suitable Criteria. This responsibility includes the design, implementation and maintenance of the internal control system related to the preparation of the selected indicators (including the GHG statement) that are free from material misstatement, whether due to fraud or error. Furthermore, the Board of Directors is responsible for the selection and application of the suitable Criteria.

Independence and quality management

We are independent of the Burckhardt Compression Holding AG in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

PricewaterhouseCoopers AG applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's responsibility

Our responsibility is to perform an assurance limited engagement and to express a conclusion on the selected indicators in the 2023 Sustainability Report (including the GHG statement). We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information' and the International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements ('ISAE 3410'), issued by the International Auditing and Assurance Standards Board. Those standards require that we plan and perform our procedures to obtain limited assurance whether anything has come to our attention that causes us to believe that the selected indicators in the 2023 Sustainability Report (including the GHG statement) was not prepared, in all material aspects, in accordance with the suitable Criteria.

Based on risk and materiality considerations, we performed our procedures to obtain sufficient and appropriate assurance evidence. The procedures selected depend on the assurance practitioner's judgement. A limited assurance engagement under ISAE 3000 (Revised) and ISAE 3410 is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

We performed the following procedures

- Assessing the suitability in the circumstances of Company's use of the suitable Criteria, applied as explained in the GRI index and footnote 6 on page 69 in the 2023 Sustainability Report (including the GHG statement) to the selected indicators in the 2023 Sustainability Report (including the GHG statement);
- Inquiries and detailed walkthroughs with relevant stakeholders for the selected indicators 2023 in the 2023 Sustainability Report (including the GHG statement);
- Inspection of process and control descriptions and other internal guidelines and relevant documents;
- Analytical procedures;
- Reperformance of relevant calculations (including the GHG statement);
- Additional assurance procedures as deemed necessary (e.g. sample based source tracing);
- Local level procedures (site visits to inspect local processes and reconcile source evidence).



We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on the work we performed, nothing has come to our attention that causes us to believe that the selected indicators in the 2023 Sustainability Report (including the GHG statement) of Burckhardt Compression Holding AG for the period from 1 April 2023 to 31 March 2024 are not prepared, in all material respects, in accordance with the suitable Criteria.

Restriction of use and purpose of the report

This report is prepared for, and only for, the Management of Burckhardt Compression Holding AG, and solely for the purpose of reporting to them on selected indicators in the 2023 Sustainability Report(including the GHG statement) and no other purpose. We do not, in giving our conclusion, accept or assume responsibility (legal or otherwise) or accept liability for, or in connection with, any other purpose for which our report including the conclusion may be used, or to any other person to whom our report is shown or into whose hands it may come, and no other persons shall be entitled to rely on our conclusion.

PricewaterhouseCoopers AG

Stefan Räbsamen

Petar Lesic

Zürich, 3 June 2024

‘The maintenance and integrity of Burckhardt Compression Holding AG ‘s website and its content are the responsibility of the Board of Directors; the work carried out by the assurance provider does not involve consideration of the maintenance and integrity of the Burckhardt Compression Holding AG ‘s website, accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the reported selected indicators (including the GHG statement) or suitable Criteria since they were initially presented on the website.

Declaration of the Board of Directors

The Board of Directors of Burckhardt Compression Holding AG is responsible for the preparation and presentation of the Sustainability Report 2023 in accordance with the applicable regulations.

The Board of Directors of Burckhardt Compression Holding AG approved the Sustainability Report for the financial year 2023 and commits to make it accessible on the Company's website for a minimum of ten years.

**Non-financial matters according to article 964b
of the Swiss Code of Obligations (CO)**

.....
Environmental matters

.....
Social matters

.....
Employee related matters

.....
Respect for human rights

.....
Combatting corruption

Chapters in this report

.....
Greenhouse gas emissions and climate change

Energy use and efficiency

Longevity and cyclability

Environmental impacts of application purpose

.....
Product safety

Dialog with our stakeholders

.....
Working conditions

Occupational health and safety

.....
Overarching human rights, environmental,

and governance due diligence

Supply chain due diligence

.....
Business conduct

Winterthur, May 31, 2024

Corporate Governance

Burckhardt Compression is committed to responsible corporate governance. The company adheres to the Directive on Information Relating to Corporate Governance (DCG) issued by SIX Swiss Exchange, where applicable to Burckhardt Compression, and to the “Swiss Code of Best Practice for Corporate Governance” issued by *economiesuisse*.

Corporate Governance

Burckhardt Compression has scheduled its Annual General Meeting 2024 on July 5, 2024.

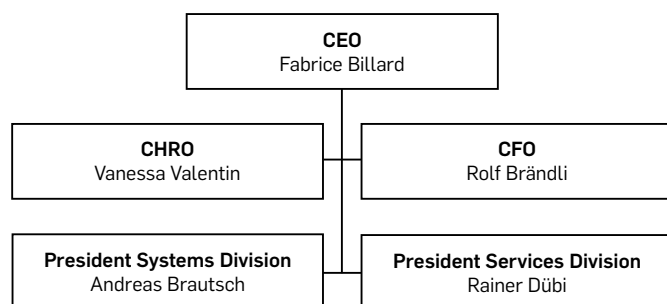
The information presented in this report reflects the situation on March 31, 2024, unless otherwise noted, and this report is structured in accordance with the latest DCG's outline and numbering.

1. Group structure and shareholders

1.1. Group structure

1.1.1. Description of the operational group structure

Burckhardt Compression is managed through a divisional organizational structure consisting of two divisions, the Systems Division (compressor manufacturing business) and the Services Division (compressor services and components). The management structure of the Burckhardt Compression is given in the organizational chart below:



1.1.2. Listed Group companies

Burckhardt Compression Holding AG, a corporation organized under the laws of Switzerland with its legal domicile in Winterthur, is the only listed Group company. Burckhardt Compression registered shares (BCHN) are listed on the SIX Swiss Exchange in Zurich (ISIN: CH0025536027; security number 002553602). Its market capitalization as per March 31, 2024 amounted to CHF 1'921'000'000. Burckhardt Compression Holding AG holds 13'805 BCHN shares (0.41% of the total registered shares) per March 31, 2024.

1.1.3. Unlisted Group companies

Information on the unlisted companies included in the scope of consolidation of Burckhardt Compression Holding AG is given in the financial report on page 147, Note 102, "Subsidiaries".

With the exception of Burckhardt Compression Holding AG, none of the companies included in the scope of consolidation hold any BCHN shares.

1.2. Significant shareholders

According to information available to the company from the disclosure notifications of the SIX Exchange Regulation Ltd., the shareholders listed in the following table reported shareholdings of at least 3% of the voting rights as per March 31, 2024. In accordance with the company's Articles of Incorporation, the voting rights of NN Group N.V., The Goldman Sachs Group Inc. and UBS Fund Management (Switzerland) AG are limited to 5.0% of the total number of BCHN registered shares recorded in the Share Register:

Name	Country	of shares in %
MBO Aktionärsgruppe (Valentin Vogt, Daniela Vogt, Harry Otz, Leonhard Keller, Martin Heller, Ursula Heller, Marcel Pawlicek)	CH	9.97
NN Group N.V.*	NL	9.86
The Goldman Sachs Group, Inc.**	US	6.45
UBS Fund Management (Switzerland) AG	CH	5.06
Credit Suisse Funds AG	CH	3.24
BlackRock, Inc.	US	3.07
Swisscanto Fondsleitung AG	CH	3.01

* According to the notification to the Disclosure office of SIX Exchange Regulation Ltd. published on November 19, 2021.

** According to the notifications to the Disclosure Office of SIX Exchange Regulation Ltd. published on June 24, 2022, and May 11, 2023 respectively, with the following remark: "This notification is being made because The Goldman Sachs Group, Inc. ("GS Group") has acquired control of NN Investment Partners Holdings N.V. ("NNIP") and NNIP has a discretionary asset management mandate with respect to BCHN shares which are owned by NN Group N.V."

More detailed information on the disclosure notifications is available on the website of the SIX Swiss Exchange's Disclosure Office: (<https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/>).

1.3. Cross-shareholdings

Burckhardt Compression Holding AG has no cross-shareholdings with any other company or group of companies.

2. Capital structure

2.1. Capital

The issued share capital of Burckhardt Compression Holding AG amounts to CHF 8'500'000, comprising 3'400'000 fully paid registered shares with a nominal value of CHF 2.50 each.

2.2. Capital band and conditional capital in particular

At the Annual General Meeting 2023, a new capital band was introduced in the Articles of Incorporation. As per Article 3a of Burckhardt Compression Holding AG's Articles of Incorporation, Burckhardt Compression Holding AG has a capital band between CHF 8'075'000 (lower limit) and CHF 9'350'000 (upper limit). The Board of Directors is authorized to increase or reduce the share capital at any time, once or several times and in any amounts, to a maximum of CHF 9'350'000 up to July 1, 2028. Within the capital band, the capital can be increased by issuing up to 340'000 fully paid-up registered shares with a nominal value of CHF 2.50 each or decreased by expunging a maximum of 170'000 registered shares with a nominal value of CHF 2.50 each.

The company does not have any conditional capital.

Details on the capital band:

The transferability of the shares is restricted as provided for in the Articles of Incorporation. Unless included in the General Meeting's authorization resolution, the Board of Directors issues the required instructions. The Board of Directors determines the issue price, issue date, conditions for exercising the subscription right, the type of contribution in kind, if applicable, and the beginning of the dividend entitlement. The Board of Directors is entitled to exclude the shareholders' subscription right in whole or in part in favor of third parties if such new shares should be used (i) for the acquisition of companies through an exchange of shares, or (ii) to finance the acquisition of companies or parts of companies. The Board of Directors can also exclude the subscription right if the new shares are issued in the context of a public placement. Shares for which subscription rights have been granted, but not exercised are allocated by the Board of Directors at its sole discretion. Further details on the capital band are also included in Chapter 2.2 above.

2.3. Changes in capital

There has been no movement (increase or decrease) in share capital since the Initial Public Offering (IPO) in June 2006.

2.4. Shares and participation certificates

Voting rights may only be exercised after the shareholder has been registered in the Share Register. All shares are entitled to full dividend rights. Voting rights per shareholder are restricted to 5.0% of the total number of the registered shares recorded in the commercial register. This does not apply to shareholders who were in possession of more than 5.0% of the shares of Burckhardt Compression Holding AG before the IPO. The voting rights of treasury shares – held by Burckhardt Compression Holding AG – are suspended. The company has not issued any participation certificates.

2.5. Dividend-right certificates

The company has not issued any dividend-right certificates.

2.6. Limitations on transferability and nominee registrations

2.6.1. Limitations on transferability

No person or entity will be registered as a shareholder in the Share Register for more than 5.0% of the issued share capital. This entry restriction is also applicable to persons whose shares are totally or partially held by Nominees (please refer to below Chapter 2.6.3). This restriction is also valid if shares are acquired through the exercise of subscription, option, or conversion rights, with the exception of shares acquired through inheritance, division of an estate or marital property law. Legal entities and partnerships associated with each other by uniformly managed capital or votes or in any other way, as well as private and legal entities or partnerships which form an association to evade registration restrictions, are regarded as one person.

This restriction on voting rights does not apply to shareholders who were in possession of more than 5.0% of the shares of Burckhardt Compression Holding AG before the IPO. The Board of Directors is entitled to grant exceptions to the registration requirements in special circumstances.

A shareholder may be represented at the Annual General Meeting by the independent proxy holder or by another person with legal capacity. All shares held by a shareholder can only be represented by one person.

The company may further refuse registration as a shareholder with voting rights, if the acquirer does not expressly declare upon request that he/she/it holds the shares in his/her/its own name and for his/her/its own account.

2.6.2 Reasons for granting exceptions

The company has not granted any exceptions during the last year.

2.6.3. Nominee registrations

Individual persons who have not expressly declared in their registration application that they hold the shares for their own account (nominees) will be entered in the Share Register with voting rights if the nominee concerned provides proof that he/she/it is subject to supervision by an accredited bank and financial market regulator and if he/she/it has concluded an agreement with the Board of Directors concerning his/her/its status. Nominees holding up to 2.0% of the issued shares will be entered in the Share Register with voting rights without having to sign an agreement with the Board of Directors. Nominees holding more than 2.0% of the issued shares will be entered in the Share Register with 2.0% voting rights and, for the remaining shares, without voting rights. Above this 2.0% cap, the Board of Directors may have nominees entered in the Share Register with voting rights if they disclose the names, the addresses, the nationalities, and the shareholdings of the persons for whom they hold more than 2.0% of the issued share capital. The Board of Directors is entitled to approve

Corporate Governance

exceptions from the statutory conditions for registration with respect to special circumstances.

2.6.4. Cancelling privileges and limitations on transferability

Amendments to the Articles of Incorporation (including cancelling privileges and limitations on transferability) require the approval of at least two-thirds of the share votes represented at the Annual General Meeting.

2.7. Convertible bonds and options

The company does not have any outstanding convertible bonds and has not issued any option rights.

3. Board of Directors

3.1./3.2. Members of the Board of Directors/

Other activities and vested interests

The Articles of Incorporation stipulate that the Board of Directors consists of a minimum of three (3) and a maximum of seven (7) members. Since the Annual General Meeting 2021, all members are non-executive and independent members of the Board of Directors in the context of the "Swiss Code of Best Practice for Corporate Governance" from *economiesuisse*.

The composition of the Board of Directors is as follows:

Name	Nationality	Function	First elected	Term expires
Ton Büchner	CH/NL	Chair, non-executive; Chair SSC	2020	2024
Kaspar Kelterborn	CH	Member, non-executive; member AC	2023	2024
Dr. Monika Krüsi	CH/IT	Member, non-executive; member SSC, Chair NCC	2012	2024
Dr. Stephan Bross	DE	Member, non-executive; member NCC	2014	2024
David Dean	CH	Member, non-executive; Chair AC	2019	2024
Maria Teresa Vacalli	CH	Member, non-executive; member AC; member NCC	2022	2024

AC = Audit Committee | NCC = Nomination and Compensation Committee | SSC = Strategy and Sustainability Committee

No member of the Board of Directors has served as a member of the Executive Management of Burckhardt Compression Holding AG and/or any subsidiary within Burckhardt Compression. Furthermore, none of the members of the Board of Directors has material business relationships with Burckhardt Compression AG and/or any subsidiary within Burckhardt Compression.

Biographical details and information on other activities and commitments of the individual members of the Board of Directors are given below:



Ton Büchner (1965)

Independent Board Member since 2020

Education

MBA, IMD Business School, Switzerland,
MSc in Civil Engineering, Delft University of
Technology, Netherlands

Professional background

2012–2017 Chair of the Executive
Management and CEO, AkzoNobel NV,
Netherlands
2007–2011 CEO, Sulzer AG, Switzerland
2003–2007 President, Sulzer Pumps,
Switzerland
2000–2002 President, Sulzer
Turbomachinery Services, Switzerland
1994–2000 Various management
positions, Sulzer AG, Switzerland

Duties and responsibilities as a director of Burckhardt Compression Holding AG

- Chair of the Board of Directors
- Chair of the Strategy and
Sustainability Committee

Other activities and commitments

- Member of the Board of Directors,
Novartis AG, Switzerland
- Chair of the Board of Directors, Swiss
Prime Site AG, Switzerland
- Member of the Advisory Committee
“Adviescommissie Maatwerkafspraken
Verduurzaming Industrie” of the Ministry
of Economic Affairs and Climate
of the Netherlands
- Advisor, Ammega, Switzerland



Dr. Stephan Bross (1962)

Independent Board Member since 2014

Education

PhD in Mechanical Engineering,
TU Braunschweig, Germany

Professional background

Since 2018 Executive Management
member (CTO), KSB SE & Co. KGaA,
Germany
2017 Executive Management member,
Technology, KSB AG, Germany
2014–2017 Senior Vice President, Pumps,
KSB AG, Germany
2007–2013 Senior Vice President, Service,
KSB AG, Germany
2002–2007 Head Product Management
and Development Engineered Pumps,
KSB AG, Germany
1997–2001 Head Development and
Services Fluid Flow Technical Systems,
KSB AG, Germany
1996–1997 Head of Fluid Mechanics
Research, KSB AG, Germany
1993–1996 R&D Engineer, KSB AG,
Germany

Duties and responsibilities as a director of Burckhardt Compression Holding AG

- Member of the Board of Directors
- Member of the Nomination and
Compensation Committee

Other activities and commitments

- Managing Director, KSB Management SE,
Germany
- Member of the Board of Directors, KSB
Ltd., India (a fully consolidated subsidiary
of KSB SE & Co. KGaA)



David Dean (1959)

Independent Board Member since 2019

Education

Swiss certified Expert for Accounting
and Controlling, Swiss certified Public
Accountant
Completed executive education programs
at Harvard Business School, Boston, USA,
and at IMD, Lausanne, Switzerland

Professional background

Since 2019 Self-employed, Switzerland
2004–2019 CEO, Bossard Group,
Switzerland
1998–2004 CFO, Bossard Group,
Switzerland
1993–1998 Deputy CFO and Corporate
Controller, Bossard Group, Switzerland

Duties and responsibilities as a director of Burckhardt Compression Holding AG

- Member of the Board of Directors
- Chair of the Audit Committee

Other activities and commitments

- Member of the Board of Directors,
Bossard Holding AG, Switzerland
- Member of the Board of Directors
Komax Holding AG, Switzerland
- Member of the Board of Directors,
BRUGG Group AG, Switzerland
- Member of the Board of Directors,
Metall Zug AG, Switzerland



Dr. Monika Krüsi (1962)

Independent Board Member since 2012

Education

PhD in Business Informatics,
MBA University of Zurich, Switzerland

Professional background

Since 2003 Partner, MKP Consulting AG,
Switzerland

2001–2003 Partner, Venture Incubator
Partners AG, Switzerland

1991–2001 Associated Partner,
McKinsey & Co., Inc., Switzerland

1986–1990 Credit Suisse, Switzerland

Duties and responsibilities as a director of Burckhardt Compression Holding AG

- Member of the Board of Directors
- Chair of the Nomination and
Compensation Committee
- Member of the Strategy and
Sustainability Committee

Other activities and commitments

- Chair of the Board of Directors,
Repower AG, Switzerland
- Member of the Board of Directors,
Energy 360° AG, Switzerland
- Member of the Board of Directors
Accelleron Industries AG, Switzerland
- Member of the Board of Trustees,
Ernst Göhner Stiftung, Switzerland



Maria Teresa Vacalli (1971)

Independent Board Member since 2022

Education

MSc in Industrial Management and
Manufacturing, ETH Zurich, Switzerland

Professional background

2019–2022 Chair of the Executive Board
and Head of the Executive Committee,
Bank Cler AG, Switzerland

2018–2019 Head of Digital Market
Services & Member of the Executive
Committee, Basler Kantonalbank,
Switzerland

2016–2018 CEO, Moneyhouse AG,
NZZ Mediengruppe, Switzerland

2013–2016 Sunrise Communication AG,
Switzerland

2008–2013 Executive Director
Wholesale, Switzerland

2002–2008 Director, Cablecom,
Switzerland

2002 Manager GCI Management,
Switzerland

2001 Manager, Ernst & Young, Center
for Business Innovation (CBI), Switzerland

2000–2001 Partner & Owner,
Seavantage, Switzerland

1998–2000 Manager, Pricewaterhouse-
Coopers, Switzerland

Duties and responsibilities as a director of Burckhardt Compression Holding AG

- Member of the Board of Directors
- Member of the Audit Committee
- Member of the Nomination and Compen-
sation Committee

Other activities and commitments

- Member of the Board of Directors,
Kardex Holding AG, Switzerland
- Member of the Board of Directors,
Die Schweizerische Post AG, Switzerland
- Member of the Board of Directors,
PostFinance AG, Switzerland



Kaspar Kelterborn (1964)

Independent Board Member since 2023

Education

Lic. oec. HSG, University of St. Gallen,
Switzerland

Professional background

Since 2021 Managing Partner, Kelterborn
Advisory AG, Switzerland

2006–2021 CFO & Member of the
Executive Board, Conzzeta AG, Switzerland

2002–2005 CFO & Member of the
Executive Board, Unaxis Holding AG,
Switzerland

2000–2002 Divisional Head Finance &
Divisional Controller, Clariant BTP Ltd.,
United Kingdom

1999–2000 Regional Finance Director,
Clariant Singapore Pte, Singapore

1997–1998 Country Finance Director,
Clariant Chemicals Ltd., Bangkok

1996–1997 Head Controlling, Clariant
Productos SA, Spain

1993–1995 Controller, Sandoz Venezuela
SA, Venezuela

Duties and responsibilities as a director of Burckhardt Compression Holding AG

- Member of the Board of Directors
- Member of the Audit Committee

Other activities and commitments

- Member of the Board of Directors, Ruag
International AG (Beyond Gravity),
Switzerland
- Member of the Board of Directors,
Wipf Holding AG, Switzerland
- Member of the Board of Directors, CPH
Chemie + Papier Holding AG, Switzerland
- Member of the Board of Directors,
Karl Bubenhofer AG, Switzerland

Corporate Governance

Independence of the Board of Directors

All members are non-executive and independent members of the Board of Directors in the context of the Swiss Code of Best Practice for Corporate Governance from *economiesuisse*. Non-executive members of the Board of Directors are considered independent if they have never, or not within the last three (3) years, worked for Burckhardt Compression, and have no or only relatively small business relationships with the company.

3.3. Rules in the Articles of Incorporation concerning the number of permitted activities

Members of the Board of Directors may not hold more than ten (10) additional board memberships, of which not more than four (4) in listed companies.

3.4. Election and term of office

Each member of the Board of Directors, the Chair of the Board of Directors, and each member of the Nomination and Compensation Committee are elected annually by the Annual General Meeting. The members of the Board of Directors shall be automatically retired from the Board of Directors in the year in which they reach the age of 70.

3.5. Internal organization and structure

3.5.1. Allocation of tasks within the Board of Directors

The competencies of the Board members are depicted in the following matrix:

	Ton Büchner	Stephan Bross	David Dean	Monika Krüsi	Maria Teresa Vacalli	Kaspar Kelterborn
Executive competence (>200 FTE)	•	•	•		•	•
Strategic competence	•	•	•	•	•	•
Competence in non-European cultures	•	•	•	•		•
Sustainability competence	•	•		•		•
Supply chain competence		•	•	•		
Competence in BC markets	•	•				
Technological competence	•	•		•	•	
Financial competence	•		•		•	•
M&A competence	•	•	•	•	•	•
Board-level competence	•	•	•	•	•	•
CEO coaching competence	•	•	•	•		

The company's General Counsel, who serves as Secretary to the Board of Directors, holds a degree in law (mag. iur.).

3.5.2. Committees of the Board of Directors

The Board of Directors has set up the following committees:

Audit Committee

The Audit Committee advises and supports the Board in all matters related to external and internal audits, risk management, accounting policies and practices and compliance with accounting standards issued. The CEO, the CFO, the Head of the Internal Group Audit and representatives of the external auditors also participated in the Audit Committee's ordinary meetings. The members are David Dean (Chair), Maria Teresa Vacalli and Kaspar Kelterborn.

Nomination and Compensation Committee

This committee advises and assists the Board of Directors on appointing, assessing and dismissing members of the Executive Management, and draws up proposals for the appointment or dismissal of members of the Board of Directors. Furthermore, the Nomination and Compensation Committee advises and assists the Board of Directors on questions relating to the compensation of the directors and the Executive Management members. The CEO and the CHRO also attend the ordinary meetings of the Nomination and Compensation Committee. The members are Dr. Monika Krüsi (Chair), Dr. Stephan Bross and Maria Teresa Vacalli.

Corporate Governance

Strategy and Sustainability Committee

The Strategy and Sustainability Committee supports the CEO in developing corporate strategy, advises the Board of Directors on strategic matters such as acquisitions and divestments, and ensures that sustainability (and social responsibility) is an integral part of the company strategy. It evaluates the implementation of the company strategy on a regular basis and submits proposals to the Board of Directors if adjustments or other measures are deemed necessary. The members are Ton Büchner (Chair) and Dr. Monika Krüsi. Additionally, the Strategy and Sustainability Committee helps prepare together with the CEO the annual strategy day.

3.5.3. Working methods

The Board of Directors has the final responsibility for the business strategy and the management of Burckhardt Compression. It has final authority and defines the guidelines regarding strategy, organization, financial planning, and accounting for Burckhardt Compression. The Board of Directors has delegated executive management responsibility to the CEO of Burckhardt Compression. The Board of Directors

appoints a Secretary for the Board and for the company. The Secretary does not need to be a member of the Board.

The Board of Directors meets as often as business requires, but at least four times per year. In fiscal year 2023, the Board of Directors and Board committees convened the following meetings (see table below).

The Board of Directors has a quorum when the majority of the members are present. Decisions are passed by a simple majority. In the event of a tie, the Chair has the casting vote.

The CEO, the two Presidents of the Systems and Services Divisions, the CFO, the CHRO and the General Counsel, in his role as Secretary, are regularly invited to attend Board meetings to report on developments in their respective business areas.

Meeting	Governing body	Duration	Ton Büchner	Stephan Bross	David Dean	Monika Krüsi	Maria Teresa Vacalli	Kaspar Kelterborn	Urs Leinhäuser
04/27/2023, meeting of	NCC	2 hours		•		•			
05/25/2023, meeting of	AC	4.5 hours			•		•		•
05/31/2023, meeting of	NCC	3 hours	•	•			•		
06/01/2023, meeting of	BOD	8 hours	•	•	•	•	•		•
09/06/2023, meeting of	BOD	6 hours	•	•	•	•	•	•	
10/25/2023, meeting of	AC	4 hours			•		•	•	
10/25/2023, meeting of	NCC	3.5 hours	•	•		•	•		
10/26/2023, meeting of	BOD	6 hours	•	•	•	•	•	•	
11/17/2023, meeting of	NCC	1.5 hours	•	•		•	•		
12/07/2023, meeting of	AC	2 hours			•				
12/08/2023, meeting of	BOD	5 hours	•	•	•	•	•	•	
12/18/2023, meeting of	NCC	1 hour	•	•		•	•		
01/17/2024, meeting of	NCC	1.5 hours	•	•		•	•		
01/17/2024, meeting of	AC	9 hours			•		•	•	
01/18/2024, meeting of	SCC	7.5 hours	•	•	•	•	•	•	
02/19/2024, meeting of	NCC	1 hour	•	•		•	•		
02/26/2024, meeting of	SCC	2 hours	•			•			
03/05/2024, meeting of	NCC	2.5 hours		•		•	•		
03/06/2024, meeting of	BOD	7 hours	•	•	•	•	•	•	
03/18/2024, meeting of	BOD	1.5 hours	•	•	•	•	•	•	

BOD = Board of Directors | AC = Audit Committee | NCC = Nomination and Compensation Committee | SSC = Strategy and Sustainability Committee

3.6. Definition of areas of responsibility

The Board of Directors has delegated the Executive Management of the company and the Group to the CEO of Burckhardt Compression, with the exception of the duties which may not be delegated by law and in particular the following:

- Definition of the Group's business policies and strategy
- Definition of the top-level organizational structure of the Group
- Approval of the periodic forecasts, the annual report and of reporting and accounting policies
- Ensuring adequate internal control systems based on the recommendations of the Audit Committee
- Determination of the appropriate capital structure
- Appointment and dismissal of members to and from the Executive Management, as well as compensation of the Executive Management
- Decisions on new subsidiaries, major capital expenditure projects, acquisitions, financing transactions, the insurance concept and the provision of guarantees if such decisions exceed the powers conferred to the CEO.

The powers of the Executive Management and of the Group company executives are listed in detail in the organization regulation (<https://www.burckhardtcompression.com/investors/corporate-governance>).

3.7. Information and control instruments vis-à-vis the Executive Management

Order intake, the income statement, balance sheet, liquidity planning and cash flow, headcount, personnel costs and capital expenditure are consolidated and annotated on a monthly basis. A rolling forecast of the Burckhardt Compression results for the current and the coming fiscal years is also prepared and annotated four times a year (April, July, October and January). Targets for the coming fiscal year are determined based on the January forecast. The financial reports and the forecasts are distributed to the members of the Executive Management and all members of the Board of Directors. At every meeting of the Board of Directors, the members of the Executive Management report on the course of business and on all issues of relevance to Burckhardt Compression.

Internal Group Audit and internal control system (ICS)

The Internal Group Audit reports to the Chair of the Audit Committee of the Board of Directors. Management responsibility for Internal Group Audit has been delegated to the Head of Group Controlling, who is also responsible for planning and conducting the audits. The CFO is responsible for the coordination between the Audit Committee and the Head of the Internal Group Audit. Internal Group Audit consists of qualified staff from Finance and Controlling of Burckhardt Compression AG and several selected financial specialists from Burckhardt Compression's subsidiaries. Qualified experts from other departments (e.g., IT, Legal or Human Resources) may be consulted, depending on the auditing assignment. This efficient organization is tailored to the needs and size of Burckhardt Compression and fosters

an active exchange of information and best practice with the objective of creating sustained added value for Burckhardt Compression by means of continual process improvement. The internal auditors undergo regular training for the performance of their tasks. The training received is coordinated by the Head of Internal Group Audit. The schedule for internal audits is determined by the Audit Committee of the Board of Directors on an annual basis and may be changed or expanded by the Audit Committee as and when required. Eight (8) internal audits were carried out in fiscal year 2023. The Internal Group Audit's reports were distributed to the management of the audited company, the members of the Audit Committee of the Board of Directors, the Executive Management members and to the external company auditors. The statutory auditor assesses the effectiveness of the internal control system (ICS) in a written report submitted to the Audit Committee and the Board of Directors once a year.

Risk management

Burckhardt Compression has an integrated risk management policy. In a two-stage process, key risks are identified using an anticipatory approach and grouped under one of four risk categories – strategic, financial, operational or legal/compliance – that have been defined by the Board of Directors. The risks are then evaluated, managed and stringently monitored, avoided, mitigated or transferred to third parties through appropriate risk management measures. The first stage of risk management consists of a continuous risk management process, in which the Division Presidents and the Burckhardt Compression Group functions (CEO, CFO, CHRO, CIO, Legal & Compliance) systematically identify and assess the risks in a regular rhythm, define the necessary risk mitigation measures together with the responsible persons, and set and monitor deadlines for implementation. Internal and external factors are included in the evaluation of potential risks.

The second stage of the risk management process consists of a periodic risk management review that takes place twice a year at the meetings of the Board of Directors' Audit Committee. To this end, the Executive Management prepares an overview of the main risks faced by Burckhardt Compression and an assessment of the likelihood of these risks occurring and the effects they would have. This overview is presented to the Audit Committee together with the risk mitigation measures, the people responsible for implementing them, and an implementation timetable. The Audit Committee then reports to the Board of Directors about the findings of the risk management review.

Compliance

Burckhardt Compression has a group-wide compliance focusing on compliance with legal and internal regulations which also include the Code of Conduct and the Burckhardt Compression "Values and Behaviors". The Compliance program has a three-pillar framework:

- prevention (through policies and trainings),
- early detection (through different grievance channels) and
- response (different actions on compliance breaches and fine tuning of policies).

The updated Code of Conduct was launched in 2021 and conveyed to all employees accompanied by e-trainings. A grievance channel was introduced to all employees and business partners. Also, data protection is an important topic taken very seriously at Burckhardt Compression. In 2023, the Data Protection Officer has continued to prioritize and focus on the implementation of the EU's General Data Protection Regulation (GDPR) requirements within Burckhardt Compression's projects, processes, and documentation. Additionally, Burckhardt Compression has assured sufficient training prior to the rollout of the New Federal Act on Data Protection which came into effect on September 1, 2023. For many years, Burckhardt Compression has also been investing in IT Security to ensure technical resilience to cyberattacks. In 2023, the focus of the work was on further strengthening the safety awareness of all employees.

3.8. Gender guidelines

As part of its extended duties, the Nomination and Compensation Committee assesses succession planning for the Board of Directors in order to ensure a balanced composition of the Board of Directors. The Board of Directors has increased the gender ratio from 20% to 33% of women on the Board of Directors during the elections in 2022.

3.9. Self-evaluation of the Board of Directors

Regarding the previous fiscal year, the Board of Directors conducted a self-evaluation looking at the work of the Board of Directors and its individual committees. The evaluation process covered purpose, scope, composition and responsibilities and was done as an internal evaluation only. Each of the members of the Board of Directors completed a questionnaire and the detailed findings were presented back to the Board of Directors. Improvement measures were defined and will be regularly reviewed.

4. Executive Management

4.1./4.2 Members of the Executive Management/ Other activities and vested interests

Name	Nationality	Function
Fabrice Billard	CH/FR	CEO
Rolf Brändli	CH	CFO
Vanessa Valentin	CH	CHRO
Andreas Brautsch	DE	President Systems Division
Rainer Dübi	CH	President Services Division

Biographical details and information on other activities and commitments of the members of the Executive Management:

Corporate Governance



Fabrice Billard (1970)

Education

MSc in Aeronautics and Aerospace Engineering, Ecole Centrale Paris, France

Professional background

Since April 2022 CEO Burckhardt Compression Group, Switzerland
2016–2022 President Systems Division, Burckhardt Compression Group, Switzerland
2015–2016 Chief Strategy Officer, Sulzer, Switzerland
2012–2015 Head Business Unit Mass Transfer Technology, Sulzer Chemtech, Switzerland/Singapore
2010–2012 Head Europe, Middle East, India, Russia & Africa Business Unit, Mass Transfer Technology, Sulzer Chemtech, Switzerland
2008–2010 Vice President Business Development, Sulzer Chemtech, Switzerland
2005–2008 Head Global Customer Services, Sulzer Pumps, Switzerland
2004–2005 Strategic Development Manager, Sulzer Corporate, Switzerland
1999–2004 Principal, The Boston Consulting Group, Switzerland/France



Rolf Brändli (1968)

Education

Degree in Business Administration, HWV Zürich, Switzerland

Professional background

Since 2008 CFO, Burckhardt Compression Group, Switzerland
2001–2008 Head of Finance & Administration, Sulzer Brasil S.A., Brazil; Regional Controller, Sulzer Pumps South America & South Africa
1997–2001 Regional Controller Asia/Pacific, Sulzer International Ltd.; General Manager, Sulzer Hong Kong Ltd., Hong Kong, SAR China
1994–1997 Management Consultant, OBT Treuhand AG Zurich, Switzerland



Vanessa Valentin (1979)

Education

BSc in Developmental Psychology, University of Sussex, UK
MSc in Human Resources, The London School of Economics and Political Science (LSE), UK

Professional background

Since June 2022 Chief Human Resources Officer, Burckhardt Compression Group, Switzerland
2016–2022 Senior VP Human Resources, VAT Group, Switzerland
2012–2016 Human Resources Director, Alstom, Switzerland
2007–2012 Human Resources Leader, GE Oil & Gas, Italy, Australia, US
2005–2007 Human Resources Leadership Program, GE, Germany, Italy, US
2003–2005 Human Resources Manager, Health Protection Agency, UK



Rainer Dübi (1969)

Education

Degree in Mechanical Engineering,
HTL Winterthur, Switzerland
MASBA School of Management,
Switzerland

Professional background

Since 2019 President Services Division,
Burckhardt Compression Group,
Switzerland
2012–2019 Head of Design &
Manufacturing, Burckhardt
Compression AG, Switzerland
2010–2012 Senior Sales Manager,
Burckhardt Compression AG, Switzerland
2007–2010 Manager Sizing, Burckhardt
Compression AG, Switzerland
2003–2007 Sizing Project Engineer,
Burckhardt Compression AG, Switzerland
2001–2003 Commissioning Lead
Engineer, Alstom, Switzerland
1999–2001 Commissioning Engineer,
ABB, Switzerland



Andreas Brautsch (1974)

Education

MSc in Mechanical Engineering,
TH Regensburg, Germany
PhD, Mechanical Engineering, Heriot
Watt University, Edinburgh, UK

Professional background

Since October 2022 President Systems
Division, Burckhardt Compression
Group, Switzerland
2019–2022 Group Vice President, Global
Lead Switchgear Business Hitachi Energy,
Switzerland
2017–2019 Group Vice President, Business
Transformation Lead Hitachi Energy,
Switzerland
2015–2017 Global Business Lead Industrial
Gas Power Business, General Electric, USA
2012–2015 Platform Director H-class
Gas Power Generation, Alstom Power,
Switzerland
2008–2012 Head of Products, Carbon
Capture Systems, Alstom Power,
Switzerland
2002–2008 Global Innovation Lead,
Alstom Power, USA
1998–2000 Implementation Lead for local
joint venture, Siemens, China

4.3. Rules in the Articles of Incorporation concerning the number of permitted activities

Members of the Executive Management may not hold more than five (5) additional board memberships, of which not more than two (2) additional may be in listed companies.

4.4. Management contracts

There are no management contracts with third parties.

4.5. Gender guidelines

As part of its extended duties, the Nomination and Compensation Committee assesses succession planning for the Executive Management in order to ensure a balanced composition of the Executive Management. The Board of Directors aims to ensure a diversified Executive Management. The gender ratio is currently 20% women in the Executive Management.

5. Compensation, shareholdings and loans

5.1. Compensation and shareholding programs

The principles and elements of compensation paid to members of the Board of Directors and the Executive Management as well as the authority and the mechanisms used to determine such compensation are explained in the Compensation Report on pages 98 to 106.

The shareholdings of the members of the Board of Directors and the Executive Management in Burckhardt Compression Holding AG are listed in the Compensation Report on pages 98 to 106 and in the financial statements, note 103, "Share capital and shareholders" on page 147.

Burckhardt Compression did not grant any loans, credit or collateral to any of the members of the Board of Directors or the Executive Management in fiscal year 2023 and there are no arrangements of this nature outstanding.

5.2. Rules in the Articles of Incorporation

5.2.1. on performance-related payments and allocations

The rules in the Articles of Incorporation on the principles applicable to performance-related pay and to the allocation of shares, contingent rights to receive shares or comparable instruments of the company, as well as the additional amount for payments to members of the Executive Management newly appointed after the vote on pay at the Annual General Meeting of shareholders are available on the website of Burckhardt Compression in the Articles of Incorporation (Art. 25, Art. 26 and Art. 27).

(<https://www.burckhardtcompression.com/investors/corporate-governance>).

5.2.2. on loans, credit facilities and post-employment benefits

The rules in the Articles of Incorporation on loans, credit arrangements and pension plan benefits for members of the Board and the Executive Management are available on the website of Burckhardt Compression in the Articles of Incorporation (Art. 29).

(<https://www.burckhardtcompression.com/investors/corporate-governance>).

5.2.3. on the vote on pay at the Annual General Meeting

The rules in the Articles of Incorporation on the vote on pay at the Annual General Meeting are available on the website of Burckhardt Compression in the Articles of Incorporation (Art. 24).

(<https://www.burckhardtcompression.com/investors/corporate-governance>).

6. Shareholders' participation rights

6.1. Voting rights restrictions and representation

6.1.1. Rules in the Articles of Incorporation on restrictions to voting rights

Please refer to above Chapter 2.6.1. To amend the restrictions to voting rights, the statutory quorum for changes to the company's Articles of Incorporation is required (please refer to below Chapter 6.2)

6.1.2. Rules in the Articles of Incorporation on the issue of instructions to the independent proxy, and any rules in the Articles of Incorporation on the electronic participation in the General Meeting of shareholders

The rules in the Articles of Incorporation on the issue of instructions to the independent proxy and on the provision that a shareholders' meeting may be held by electronic means without a physical venue are available on the website of Burckhardt Compression in the Articles of Incorporation (Art. 9 and Art. 13).

(<https://www.burckhardtcompression.com/investors/corporate-governance>).

6.2. Statutory quorums

A majority of at least two-thirds of the voting rights represented is required for changes to the company's Articles of Incorporation. Dissolution or merging of the company requires the presence or representation of at least half of the issued shares and the approval of at least two-thirds of the present or represented share votes on the petition submitted.

6.3. Convocation of the Annual General Meeting of Shareholders

None of the applicable rules deviate from the law.

6.4. Inclusion of items on the agenda

Under the Articles of Incorporation, shareholders representing jointly at least 0.5% of the share capital or of the votes may request discussion of an item at a General Meeting. Subject to the same requirements, the shareholders may request that petitions relating to items on the agenda be included in the notice convening the General Meeting. The corresponding petition should be submitted in writing to the Board of Directors of the company at least forty (40) days prior to the scheduled meeting stating the proposed item and petitions of the shareholders.

6.5. Entries in the Share Register

The record date for registered shareholders to be entered in the Share Register prior to an Annual General Meeting will be stated in the invitation to the Annual General Meeting.

7. Changes of control and defensive measures

7.1. Duty to make an offer

Once a shareholder acquires 33% of share capital and voting rights, he/she/it will be under an obligation to submit a public tender offer. The Articles of Incorporation contain neither an opting-out nor an opting-up clause.

7.2. Clauses on change of control

There are no provisions for special severance payments for members of the Board of Directors or members of the Executive Management or other employees in the event of a change of control over Burckhardt Compression Holding AG.

7A. Transparency on non-financial matters

The report on non-financial matters (in accordance with the requirements of the Articles 964b and 964c of the Swiss Code of Obligations) is included on page 34. This report will be submitted to the Annual General Meeting for a consultative vote.

8. Auditors

8.1. Duration of mandate and term of office of the auditor in charge

8.1.1. Date of assumption of the current audit mandate

PricewaterhouseCoopers AG (PwC) has been the statutory auditor of Burckhardt Compression Holding AG since 2002 and is also in charge of the audit of the consolidated financial statements. The statutory auditor is elected by the Annual General Meeting of shareholders for one (1) year at a time. As a matter of good practice, Burckhardt Compression tenders its external audit contracts at least every ten (10) years and examines all bids received. The most recent invitation to tender was issued during fiscal year 2023. Ernst & Young AG (EY) has been pre-selected by the Board of Directors and EY will be proposed for a vote as statutory auditor at the upcoming Annual General Meeting. In the pre-selection process, three (3) companies underwent a detailed evaluation based on quality and pricing criteria. EY emerged as the front-runner in the process, this based on a competitive fee structure but also its offer ranked first in terms of the audit concept and team structure. If elected, EY will commence work as statutory auditor in the fiscal year 2024.

8.1.2. Date on which the lead auditor responsible for the current audit mandate took up office

The auditor in charge will be changed after a maximum period of seven (7) years. Oliver Illa has served as auditor in charge since the 2023 reporting period.

8.2. Auditor's fees

Total fees for auditing services provided by PwC worldwide during fiscal year 2023 amounted to TCHF 429 (previous year: TCHF 406).

8.3. Additional fees

The additional fees for services provided by PwC worldwide during fiscal year 2023 are in the amount of TCHF 72 (previous year: TCHF 41) for transfer pricing assessment and documentation services (TCHF 15), other tax services (TCHF 12) and for the execution of a limited scope audit on sustainability indicators (TCHF 45). Additional services rendered by PwC outside the audit mandate are compatible with the audit assignment.

8.4. Information instruments pertaining to the external audit

The Audit Committee assists the Board of Directors in monitoring the company's accounting and financial reporting. It assesses the internal control procedures, the management of business risks, the audit plan and scope, the conduct of the audits and their results. The Audit Committee also reviews the auditor's fees. The statutory auditor is present during the examination of the consolidated annual and semi-annual financial statements. Once a year, the members of the Audit Committee receive from the statutory auditor a summary of the audit findings and suggested improvements. The Audit Committee held four meetings during the 2023 reporting period. The auditor in charge and another representative of the auditor took part in two of these meetings.

9. Information policy

In general, Burckhardt Compression Holding AG reports order intake, sales, operating results, balance sheet, cash flow, and changes in shareholders' equity on a semi-annual basis, together with comments on the trend of business and the outlook for the future. Burckhardt Compression Holding AG provides price-sensitive information in accordance with the ad hoc disclosure requirements set out in the Listing Rules of the SIX Swiss Exchange. Burckhardt Compression Holding AG will send price-sensitive information to all interested parties via an email distribution list. Financial reports are available on our website (www.burckhardtcompression.com) and will be delivered to interested parties on request.

Key dates for 2024 and 2025

July 5, 2024

Annual General Meeting

November 5, 2024

Results for the first half of 2024 (closing September 30, 2024)

June 5, 2025

2024 Annual Report (closing March 31, 2025)

July 5, 2025

Annual General Meeting

Details of these dates, possible changes, the company profile, current share prices, presentations, and contact addresses can be found at www.burckhardtcompression.com, where interested parties can also subscribe to the email distribution list.

10. Quiet periods

No member of the Board of Directors, member of the Executive Management or other employee of Burckhardt Compression specifically notified by the CFO may trade with Burckhardt Compression shares listed in the stock exchange or any other exchange-traded financial instruments relating to BCHN shares, such as derivatives, during the period starting from March 1 and September 1, respectively and ending with the close of the second trading day after Burckhardt Compressions' public release of the relevant annual or half-year report. Besides these recurring lock-out periods, there was no specific lock-out period during the fiscal year 2023.

Compensation Report

This Compensation Report describes the policies and system in place for the compensation of the Board of Directors and the Executive Management of Burckhardt Compression, together with information on their annual compensation and shareholdings.

Compensation Report

1. Basis

At Burckhardt Compression, the policies and system in place for the compensation of the Board of Directors and the Executive Management are based on the requirements of the revised Swiss Code of Obligations, in effect as of January 1, 2023, the Directive on Information relating to Corporate Governance (DCG) issued by the SIX Swiss Exchange, and the Articles of Incorporation of Burckhardt Compression Holding AG.

2. Organization, Duties and Powers

The Nomination and Compensation Committee (NCC) is comprised of at least two members of the Board of Directors. The members of the NCC are elected individually and annually by the Annual General Meeting and their term of office shall expire at the end of the next Annual General Meeting. The Annual General Meeting of July 1, 2023 re-elected Dr. Monika Krüsi and Dr. Stephan Bross and newly elected Maria Teresa Vacalli to the Nomination and Compensation Committee. The Board of Directors appointed Dr. Monika Krüsi as Chair of the Nomination and Compensation Committee.

The NCC meets a minimum of twice a year, in 2023 it met eight times. The CEO and Chief Human Resources Officer (CHRO) attend these meetings in an advisory capacity, except during deliberation on meeting topics that pertain to themselves. Following each NCC meeting, the Board of Directors will be informed of the topics discussed and the proposals of the NCC are brought to the next possible Board Meeting.

The duties and powers of the NCC are set forth in the company's Articles of Incorporation and Organizational Regulations (www.burckhardtcompression.com/corporate-governance). The regulations are regularly reviewed. The NCC supports the Board of Directors in the performance of its duties pertaining to the compensation and personnel policies of the company and the entire Group as prescribed by law or the company's Articles of Incorporation. The most important duties and powers of the NCC with regard to compensation are given in the table below. No external advisors have been consulted.

Topic	Proposal/ recommendation by	Approval authority
Compensation principles and guidelines	NCC	BOD
Compensation Report	NCC	BOD
Compensation of Board of Directors	NCC	BOD, subject to AGM approval
Compensation of Executive Management	NCC	BOD, subject to AGM approval
Loans to members of the Executive Management	CEO	NCC

BOD = Board of Directors

NCC = Nomination and Compensation Committee

AGM = Annual General Meeting

The Annual General Meeting of Burckhardt Compression Holding AG casts the following votes in relation to the compensation of the Board of Directors and Executive Management:

- A prospective vote on the maximum aggregate amount of fixed compensation for the Board of Directors for the fiscal year following the Annual General Meeting
- A prospective vote on the maximum aggregate amount of fixed compensation for the Executive Management for the fiscal year following the Annual General Meeting
- A retrospective vote on the maximum aggregate amount of variable compensation for the Executive Management for the fiscal year preceding the Annual General Meeting

In addition, the principles of compensation are governed by the Articles of Incorporation, which are also approved by the shareholders.

The provisions of the Articles of Incorporation are listed below: <https://www.burckhardtcompression.com/investors/corporate-governance/>

- Article 24: Approval of compensation by the General Meeting
- Article 25: Additional amount for new members of the Executive Management
- Article 26: General compensation principles
- Article 27: Contracts with regard to compensation
- Article 29: Loans, credits, and pension benefits outside the occupational benefits insurance

Furthermore, the Annual General Meeting casts a consultative vote on the Compensation Report.

3. Compensation system

The Burckhardt Compression Group compensation system consists of a mix of fixed and variable components. In accordance with the Articles of Incorporations of Burckhardt Compression Holding AG, variable compensation can be paid in whole or part in the form of shares, conditional rights to receive shares, or in comparable instruments of the company.

Compensation Report

3.1. Compensation system for the Board of Directors

In order to guarantee the independence of the members of the Board of Directors in exercising their supervisory duties, their compensation consists of a fixed remuneration only. The compensation of the Board of Directors is market-competitive and strengthens the alignment with the interests of the shareholders.

Compensation for the Board of Directors is delivered 80% in cash and 20% in free shares; a fixed cash supplement for directors who serve on a formal Board committee; and a fixed lump-sum for expenses. The number of shares awarded is based on the average share price (daily closing price on the SIX exchange) of the 30 trading days before the Annual General Meeting.

The fixed component amounts to CHF 81'000 for members of the Board of Directors and to CHF 184'000 per year for the Chair of the Board of Directors. The fixed cash supplement for directors serving on a formal Board committee is CHF 10'000 a year. The lump sum for expenses is CHF 4'000 for members of the Board of Directors and CHF 6'000 per year for the Chair of the Board of Directors. For the Board of Directors only mandatory pension benefits are granted.

3.2 Compensation system for the Executive Management

Burckhardt Compression has established a comprehensible compensation system which is well balanced between shorter- and longer-term orientation. The objectives pursued with this system are to ensure that the compensation of the company executives is market-competitive and to achieve a good balance between the interests of the shareholders, the directors, and Executive Management. Market-competitive pay is a basic prerequisite for attracting well-qualified executives and ensuring that they remain with the company in the long run.

The structure of compensation system of the Executive Management

Components	Program	Purpose	Plan period
Annual Base Salary	Monthly cash salary	Attract and retain	Continuous
Short-term incentive	Variable performance- and profit related annual cash bonus	Pay for performance	Annual
Long-term incentive	Variable performance- and profit related long-term incentive bonus awarded in form of PSU	Reward long-term performance aligned with shareholders	3 years
Benefits:			
Pension and Insurance	Monthly contributions	Protect against risk	Continuous

Annual Base Salary

The functions performed by members of the Executive Management are assigned to so called Global Grades as defined by a global functional grading system (Willis Towers Watson Global Grading System). Market data for each Global Grade based on Willis Towers Watson's Global 50 Remuneration Planning Report are taken into consideration when determining the base salary of the members of the Executive Management. In addition, individual executive performance goal achievements like expansion of product portfolio and geographic scope, sustainability, and digitalization are reviewed annually. The base salary is reviewed annually.

Annual Short-Term Incentive (STI)

The members of the Executive Management are eligible for a variable performance- and profit-related bonus in addition to their base salaries. The STI is calculated based on the group net income of the Burckhardt Compression Group – if a minimum financial threshold of 4% return on sales at the net profit level is achieved – and a percentage rate determined by the Global Grade. This measure focuses on profitability and aligns the Executive Management with the interests of all stakeholders. The annual STI is based on a formulaic calculation of net income multiplied by a percentage rate where no discretion is applied. The percentage rate for the CEO is 0.28%. The percentage rate for other members of the Executive Management – depending on their Global Grade – ranges from 0.12% to 0.16%. The payout of the STI is capped at 80% (2022: 50%) of the base salary of the members of the Executive Management. This revision was made in 2022 to the STI plan and implemented in fiscal year 2023. The plan is regularly reviewed.

Long-Term Incentive (LTI)

Based on the NCC's regular review of the compensation policies and the expiring of the LTI plan, the Board of Directors has approved a new LTI plan with the start of fiscal year 2023.

To align compensation stronger to the interests of shareholders, increase the pay for performance relationship and strengthen the retention of the most senior employees, the new LTI plan is granted in form of Performance Share Units (PSUs), which are conditional upon the fulfilment of certain performance conditions. The vesting of the award is based on the achievement of three KPIs over a period of three years, subject to continued employment:

- Cumulative Earnings per Share (50% weighted)
- Cumulative Revenue (25% weighted)
- Environmental, Social and Governance (ESG) measures (25% weighted)

Compensation Report

The KPIs have been chosen to balance top-line growth and bottom-line impact, as well as the commitment to sustainability, measured by the reduction of GHG emission intensity by 50% by 2027.

The target amount of LTI award is divided by a pre-defined reference share price at grant, resulting in a number of PSUs. These convert to a number of shares at the end of a three-year vesting period, subject to the described performance and employment conditions.

In case of termination of employment, the following provisions apply:

Case	Provisions
Voluntary resignation	Forfeiture of PSU
Termination by employer	Forfeiture of PSU
Retirement and disability	Pro rata vesting at regular vesting date
Death	Accelerated pro rata vesting based on performance achievement of 100%
Other friendly leavers	Pro rata vesting at regular vesting date
Change of control	Immediate pro rata vesting based on effective performance, or 100% if not assessable

The plan includes malus and clawback provisions which allow to reduce or reclaim all or parts of the award in defined cases, such as material financial restatement due to non-compliance to accounting standards or fraud and violation of law. The plan also includes anti-hedging and anti-pledging provisions.

The annual target amount of the LTI award is CHF 150'000 for the CEO and between CHF 75'000 and CHF 100'000 for the other members of the Executive Management, depending on their Global Grade. For new joiners to and promotions within the Executive Management the target amount is pro-rated.

In fiscal year 2023, a grant has been awarded which accounts for the transition to the new LTI Plan; the target amount of the LTI award was CHF 450'000 for the CEO and between CHF 225'000 and CHF 300'000 for the other members of the Executive Management. The level of the transition target amounts has been determined to maintain the same level of annual target amounts as in the previous LTI plan.

Employment contract terms and shareholding guideline

Employment contracts with Executive Management members are entered into for an indefinite period with a notice period of six months. The Executive Management is not contractually entitled to sign-on payments, termination payments, change-of-control provisions (except the accelerated vesting under the LTI plan) or non-competition compensation. Pension benefits are part of the regular company occupational pension plans.

Starting from fiscal year 2023, the members of the Executive Management are required to build up and own at least a minimum multiple of their annual base salary in Burckhardt Compression shares as set out in the table below:

Function	Minimum shareholding requirement
CEO	200% of Annual Base Salary
CFO	150% of Annual Base Salary
Other EM members	100% of Annual Base Salary

The Executive Management is expected to meet these requirements at the end of the fifth year of the implementation of the requirements or of their appointment to the Executive Management.

Compensation Report

4. Compensation allocated with comparative figures for the previous year

4.1. Compensation allocated to the Board of Directors

The following aggregate compensation was allocated to the members of the Board of Directors for the fiscal years 2023 and 2022:

in CHF 1'000 (gross)	Function	Fees	Social security contributions and other benefits ⁴	2023
Members of the Board of Directors				
Ton Büchner	Chair	194	18	212
Dr. Stephan Bross	Member	91	10	101
David Dean	Member	91	12	103
Kaspar Kelterborn ¹	Member	68	7	75
Dr. Monika Krüsi	Member	101	11	112
Urs Leinhäuser ²	Member	23	2	25
Maria Teresa Vacalli	Member	99	10	109
Total		667	70	737
Approved by the 2022 AGM for FY2023				890

in CHF 1'000 (gross)	Function	Fees	Social insurance contributions and other benefits ⁴	2022
Members of the Board of Directors				
Ton Büchner	Chair	194	18	212
Dr. Stephan Bross	Member	91	10	101
David Dean	Member	91	12	103
Dr. Monika Krüsi	Member	101	11	112
Urs Leinhäuser	Member	91	10	101
Maria Teresa Vacalli ³	Member	68	8	76
Total		636	69	705
Approved by the 2021 AGM for FY2022				750

¹ From July 1, 2023

² Until June 30, 2023

³ From July 2, 2022

⁴ Includes mandatory required social security contributions only as per local Swiss regulations, and expenses as per Board of Directors compensation regulation

The total fixed compensation for the Board of Directors for the fiscal year under review is CHF 32'000 higher than for the previous fiscal year due to full year effect in financial year 2023 of an additionally appointed member of the Board of Directors in July 2022. The Annual General Meeting of July 1, 2022 approved aggregate fixed compensation in the amount of CHF 890'000 (gross, including social security contributions) for the Board of Directors (six members) for fiscal year 2023. The amount of compensation actually paid was CHF 737'000 which is within the limit of the approved amount by the AGM.

Compensation Report

4.2. Compensation allocated to the Executive Management

The following compensation was allocated to the members of the Executive Management for the fiscal years 2023 and 2022:

in CHF 1'000 (gross)		Function	Fixed base salary, cash	Social insurance contributions and other benefits	Total fixed compensation	Short-term incentive, cash ²	Share-based long-term incentive ³	Social security contributions and other benefits	Total variable compensation	2023 Total
Executive Management										
Fabrice Billard (highest paid)		CEO	438	111	549	257	156	83	496	1'045
Other members of the Executive Management			1'170	269	1'439	552	390	175	1'117	2'556
Total			1'608	380	1'988	809	546	258	1'613	3'601
Approved by the 2022 AGM for FY 2023					2'400					
in CHF 1'000 (gross)		Function	Fixed base salary, cash	Social insurance contributions and other benefits	Total fixed compensation	Short-term incentive, cash ²	Share-based long-term incentive ³	Social security contributions and other benefits	Total variable compensation	2022 Total
Executive Management										
Fabrice Billard (highest paid)		CEO	400	102	502	196	180	78	454	956
Other members of the Executive Management ¹			951	287	1'238	350	375	143	868	2'106
Total			1'351	389	1'740	546	555	221	1'322	3'062
Approved by the 2021 AGM for FY 2022					2'400					

¹ Includes changes in the Executive Management: new CHRO from June 2022 including CHFk 60 as replacement award for the forfeiture of unvested equity at the previous employer; new President for Systems Division from October 2022

² Best estimate before publication

³ Amounts displayed represent the fair value of the LTI in line with Swiss GAAP FER

The total amount of fixed compensation for the members of the Executive Management for the fiscal year 2023 is 14% higher than for the previous year's period, due to changes in the Executive Management composition in fiscal year 2022 and to reflect salary market developments. The Annual General Meeting of July 1, 2022 approved a maximum aggregate amount of CHF 2'400'000 (gross, including social security contributions) for the fixed compensation of the entire Executive Management for the fiscal year 2023. The amount of fixed compensation actually paid (gross, including social security contributions) is within the limit of the approved amount by the AGM 2022.

The annual STI for the Executive Management for fiscal year 2023 is 48% higher than in the previous year. This is as a result of a 31% higher net income achieved in fiscal year 2023 compared to the previous fiscal year and the changes in the Executive Management composition in fiscal year 2022. The annual STI is based on a formulaic calculation (as described under 3.2 of this compensation report) where no discretion has been applied.

	Net Income	STI %	STI Amount CHFk
CEO	Best estimate before publication*	0.28%	257

* Payment according to actuals, no discretion applied

Expenses for the Executive Management's LTI compensation decreased by 2% from the previous year, reflecting changes in the Executive Management composition in fiscal year 2022 as well as the current provision levels for the LTI compensation in its first year of implementation. The provision made for the LTI compensation is based on the assessment of the business performance over a multi-year period. This requires in accordance with Swiss GAAP FER, that the related expenses must be allocated over the program's vesting period which can lead to adjustments within individual fiscal years and cause an accumulation of personnel expense portions from previous periods.

Compensation Report

The total variable compensation for the individual members of the current Executive Management for the period under review ranged from 43% to 48% of total compensation.

Payments to former members of the Executive Management

No payments have been made to former members of the Executive Management nor to their closely related parties.

Aggregate amount of variable compensation for the Executive Management for fiscal year 2023 subject to approval at the AGM

For the fiscal year 2023 the total amount of CHF 1'613'000 (gross, including social security contributions and other benefits) has been allocated.

5. Overview of shareholdings and distributed shares

5.1. Detailed overview of distributed shares

In the fiscal years 2023 and 2022 the following shares were distributed:

Name	Function	Shares distributed in FY 2023	Shares distributed in FY 2022
Members of the Board of Directors			
Ton Büchner	Chair	67	86
Dr. Stephan Bross	Member	29	38
David Dean	Member	29	38
Kaspar Kelterborn ¹		0	n/a
Dr. Monika Krüsi	Member	29	38
Urs Leinhäuser	Member	29	38
Maria Teresa Vacall ²	Member	22	0
Total		205	238
Executive Management			
Fabrice Billard	CEO	767	0
Other members of the Executive Management		1'561	0
Total³		2'328	0
Total Board of Directors and Executive Management		2'533	238

¹ From July 1, 2023

² From July 2, 2022

³ Shares have not been allocated or distributed under the LTI program every year

Compensation Report

5.2. Detailed overview of shareholdings

As per March 31, 2024, the members of the Executive Management and the Board of Directors (and related persons) owned the following numbers of shares of Burckhardt Compression Holding AG:

Name	Function	03/31/2024 Total shares	03/31/2023 Total shares
Members of the Board of Directors			
Ton Büchner	Chair	5'251	5'184
Dr. Stephan Bross	Member	460	431
David Dean	Member	519	490
Kaspar Kelterborn ¹	Member	150	n/a
Dr. Monika Krüsi	Member	1'230	1'201
Urs Leinhäuser	Member	n/a	1'796
Maria Teresa Vacalli ²	Member	22	0
Total		7'632	9'102
Executive Management			
Fabrice Billard	CEO	1'900	1'300
Rolf Brändli	CFO	1'880	1'223
Andreas Brautsch ³	President Systems Division	110	0
Rainer Dübi	President Services Division	981	824
Vanessa Valentin ⁴	CHRO	137	0
Total		5'008	3'347
Total Board of Directors and Executive Management		12'640	12'449
As a % of all outstanding share		0.4	0.4

¹ From July 1, 2023

² From July 2, 2022

³ From October 1, 2022

⁴ From June 1, 2022

6. Transactions with the Board of Directors, the Executive Management and related parties

No other payments or fees for additional services were paid to the members of the Board of Directors or the Executive Management or to related parties during the fiscal year 2023. No sign-on bonuses, loans, or credit lines had been granted to members of the Board of Directors and Executive Management as well as their closely related parties during the fiscal year 2023.

7. Activities at other companies

As per March 31, 2024 the activities of the members of the Board of Directors at other companies are reported in accordance with the Swiss Code of Obligations:

Ton Büchner

Stock exchange-listed companies:

- Member of the Board of Directors, Novartis AG, Switzerland
- Chair of the Board of Directors, Swiss Prime Site AG, Switzerland

Unlisted companies:

- Member of the Board of Directors, Tonality Holding AG, Switzerland and of its subsidiaries:
 - Managing Director, Bandinnera GmbH, Switzerland
 - Managing Director, Great Apes Aviation GmbH, Switzerland

Dr. Stephan Bross

Stock exchange-listed companies:

- Managing Director, KSB Management SE, Germany and of its subsidiaries:
 - Member of the Board of Directors, KSB Ltd., India (a fully consolidated subsidiary of KSB SE & Co. KGaA)

Compensation Report

David Dean

Stock exchange-listed companies:

- Member of the Board of Directors, Bossard Holding AG, Switzerland
- Member of the Board of Directors, Komax Holding AG, Switzerland
- Member of the Board of Directors, Metall Zug AG, Switzerland, including formal internal mandate(s) within the group

Unlisted companies:

- Member of the Board of Directors, BRUGG Group AG, Switzerland, including formal internal mandate(s) within the group

Kaspar Kelterborn

Stock exchange-listed companies:

- Member of the Board of Directors, CPH Chemie + Papier Holding AG, Switzerland

Unlisted companies:

- Member of the Board of Directors, Ruag International Holding AG (Beyond Gravity), Switzerland
- Member of the Board of Directors, Wipf Holding AG, Switzerland
- Member of the Board of Directors, Karl Bubenhofer AG, Switzerland
- Member of the Board of Directors, Kelterborn-Advisory AG, Switzerland

Dr. Monika Krüsi

Stock exchange-listed companies:

- Member of the Board of Directors, Accelleron Industries AG, Switzerland
- Chair of Board of Directors, Repower AG, Switzerland

Unlisted companies:

- Member of the Board of Directors, Energie 360° AG, Switzerland
- Member of the Board of Trustees Ernst Göhner Stiftung, Switzerland, including formal internal mandate(s) within the trust

Maria Teresa Vacalli

Stock exchange-listed companies:

- Member of the Board of Directors, Kardex Holding AG, Switzerland

Unlisted companies:

- Member of the Board of Directors, Die Schweizerische Post AG, Switzerland and of its subsidiaries:
 - Member of the Board of Directors, PostFinance AG, Switzerland
- Member of the Advisory Board, Kontivia AG, Switzerland
- Managing Director, MTK Consult GmbH, Switzerland

As per March 31, 2024 the activities of the members of the Executive Management at other companies are reported in accordance with the Swiss Code of Obligations:

Fabrice Billard No activities at other companies

Rolf Brändli No activities at other companies

Andreas Brautsch No activities at other companies

Rainer Dübi No activities at other companies

Vanessa Valentin No activities at other companies

8. Motions for the Annual General Meeting

8.1. Approval of the maximum aggregate amount of variable compensation for the Executive Management for fiscal year 2023

The Board of Directors proposes that an aggregate amount of CHF 1'613'000 (gross, including social security contributions and other benefits) be approved as variable compensation for the five members of the Executive Management for the fiscal year 2023.

8.2. Consultative vote on the Compensation Report for fiscal year 2023

The Board of Directors proposes that shareholders approve the Compensation Report for the fiscal year 2023 in a consultative vote.

8.3 Approval of the maximum aggregate amount of fixed compensation for the members of the Board of Directors for fiscal year 2025

The Board of Directors proposes that a maximum aggregate amount of CHF 890'000 (gross, including social security contributions and other benefits) be approved as fixed compensation for the six members of the Board of Directors for the fiscal year 2025. This is the same amount as approved by the AGM in 2023 for the fiscal year 2024.

8.4. Approval of the maximum aggregate amount of fixed compensation for members of the Executive Management for fiscal year 2025

The Board of Directors proposes that a maximum aggregate amount of CHF 2'400'000 (gross, including social security contributions and other benefits) be approved as fixed compensation for the five members of the Executive Management for the fiscal year 2025. This is the same amount as approved by the AGM in 2023 for the fiscal year 2024.

9. Evaluation of the compensation system

The Burckhardt Compression compensation system is regularly reviewed by the Nomination and Compensation Committee and the Board of Directors and may be modified if necessary.

A compensation benchmark based on external salary surveys compiled by Willis Towers Watson and presented in its Global 50 Remuneration Planning Report is one element of the integrated compensation system for the Executive Management.

Report of the statutory auditor

to the General Meeting of Burckhardt Compression Holding AG

Winterthur

Report on the audit of the compensation report

Opinion

We have audited the compensation report of Burckhardt Compression Holding AG (the Company) for the year ended 31 March 2024. The audit was limited to the information pursuant to article 734a-734f CO in the sections 4-6 on pages 102 to 105 of the compensation report.

In our opinion, the information pursuant to article 734a-734f CO in the compensation report complies with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the compensation report' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the audited tables in the compensation report, the consolidated financial statements, the financial statements and our auditor's reports thereon.

Our opinion on the compensation report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the compensation report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the compensation report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the compensation report

The Board of Directors is responsible for the preparation of a compensation report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a compensation report that is free from material misstatement, whether due to fraud or error. It is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's responsibilities for the audit of the compensation report

Our objectives are to obtain reasonable assurance about whether the information pursuant to article 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or



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Compensation Report

error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this compensation report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the compensation report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

PricewaterhouseCoopers AG

Oliver Illa
Licensed audit expert
Auditor in charge

Kevin Mueller
Licensed audit expert

Winterthur, 3 June 2024



Financial Report

Burckhardt Compression Holding AG's fiscal year 2023 comprises the period from April 1, 2023 to March 31, 2024.

Comments on financial report summary

in CHF 1'000

	2023	2022	Change 2022/2023
Order intake	1'124'724	1'268'270	-11.3%
Sales	981'963	829'701	18.4%
Gross profit	262'063	244'467	7.2%
Operating income (EBIT)	121'385	94'963	27.8%
in % of sales	12.4%	11.4%	
Net income	90'087	70'001	28.7%
Total assets	1'065'624	940'602	13.3%
Total equity	297'909	261'583	13.9%
Earnings per share attributable to shareholders of Burckhardt Compression Holding AG (in CHF)	26.63	20.64	29.0%
FTEs as per end of fiscal year	3'243	2'973	9.1%

Sales and gross profit

Strong operational delivery of our order backlog underpinned sales growth of 18.4% to CHF 982.0 mn. The main contributors to this growth were China, other Asian countries as well as North America. Excluding the effects of currency translation, year-on-year sales growth was in total 26.1%. Despite currency translation effects amounting to 7.7 pp, the Systems Division recorded a substantial increase in sales of 31.3% to CHF 642.8 mn on the back of the high order backlog. Sales at the Services Division amounted to CHF 339.2 mn, which is slightly below the high previous year's level (-0.2%, respectively +6.3% net of currency translation effects).

Gross profit increased by 7.2% to CHF 262.1 mn, generating a gross profit margin of 26.7%, a reduction of 2.8pp compared to previous year, due to the increased share and less favorable product mix of the Systems Division. The Systems Division reported a growth of 12.5% in gross profit to CHF 108.3 mn, with a resulting gross profit margin of 16.9% (previous year: 19.7%). Gross profit at the Services Division increased by 3.7% to CHF 153.7 mn, resulting in a gross profit margin of 45.3% (previous year: 43.6%).

Operating income

Total operating profit (EBIT) rose by 27.8% to CHF 121.4 mn, yielding an EBIT margin of 12.4% (previous year: 11.4%), Selling, marketing and general administrative expenses amounted to CHF 119.4 mn, which is 12.2% of sales and 1.9pp below the prior year (14.1%). Research and development expenses were at 26.6 mn, which is CHF 2.7 mn above the previous year, mainly due to an increase in activities to develop innovative applications for new marine solutions and hydrogen mobility and energy. Other operating income and expenses (net) were at CHF +5.4 mn (prior year: CHF -8.6 mn, including some one-off provisions). Further details to the divisional results are disclosed in the segment reporting under note 5.

Financial income and tax expenses

Financial expenses decreased by 11.0% to CHF 3.4 mn, mainly due to slightly higher interest income on bank deposits in some subsidiaries, while debt interest is largely derived from bond financing at a fixed annual rate of 1.5%. The income tax expenses amounted to CHF 27.9 mn which corresponds to a tax rate of 23.7% (prior year: 23.2%).

Net income

Group net income increased by 28.7% to CHF 90.1 mn, which is 9.2% of sales (previous year: 8.4%). Earnings per share attributable to shareholders of Burckhardt Compression increased from CHF 20.64 to CHF 26.63 (+29.0%).

Balance sheet

The balance sheet total rose by 13.3% to CHF 1'065.6 mn. Property, plant and equipment remained at about the same level as in the prior year (+0.6%) while inventories grew by 10.7% to CHF 316.8 mn, mainly in work in progress on ongoing customer projects as per closing date. Trade accounts receivable increased substantially by 46.6% to CHF 360.0 mn as a consequence of the high volume of invoicing towards the end of the fiscal year. The aging structure of the accounts receivable overdue more than 60 days as a percentage of total accounts receivable improved to 14.3% (prior year: 19.1%). The balance between advance payments from customers compared to work in progress and advance payments to suppliers ended the fiscal year at CHF 12.3 mn, compared to the high positive balance of CHF 60.7 mn in the previous year. The equity ratio improved to 28.0% (prior year: 27.8%), yet slightly below our ambition level of 30%. This can be attributed to the volume induced inflation of the balance sheet with a strong increase in work in progress for customer projects and accounts receivable as per closing date. Total net operating assets (rolling 12-month average) increased by 8.8% compared to the previous year to CHF 308.3 mn.

Cash flow

Cash and cash equivalents decreased by CHF 21.8 mn to CHF 107.2 mn in fiscal year 2023. At CHF 17.8 mn the cash flow from operating activities was significantly lower than in the prior year (CHF 110.6 mn), mainly as a result of the large negative swing in the balance between advance payments from customers compared to work in progress and the steep increase in trade accounts receivable. The cash flow from investing activities ended the fiscal year at CHF -25.3 mn (prior year: CHF -13.1 mn) and from financing activities at CHF -8.0 mn (prior year: CHF -61.2 mn), including CHF 40.4 mn dividends paid to the shareholders of Burckhardt Compression Holding AG. The resulting net financial position (net debt) decreased from CHF -7.1 mn to CHF -62.3 mn.

Consolidated income statement

in CHF 1'000	Notes	2023	2022
Sales	5	981'963	829'701
Cost of goods sold		-719'900	-585'234
Gross profit		262'063	244'467
Selling and marketing expenses		-70'555	-62'742
General and administrative expenses		-48'889	-54'277
Research and development expenses	7	-26'648	-23'897
Other operating income	8	48'794	30'245
Other operating expenses	8	-43'380	-38'833
Operating income		121'385	94'963
Financial income and expenses	9	-3'388	-3'805
Earnings before taxes		117'997	91'158
Income tax expenses	10	-27'910	-21'157
Net income		90'087	70'001
Share of net income attributable to shareholders of Burckhardt Compression Holding AG		89'988	69'942
Share of net income attributable to non-controlling interests		99	59
Basic earnings per share (in CHF)	11	26.63	20.64
Diluted earnings per share (in CHF)	11	26.63	20.64

The enclosed notes are an integral part of the consolidated financial statements.

Consolidated balance sheet

in CHF 1'000	Notes	03/31/2024	03/31/2023
Non-current assets			
Intangible assets	12	12'066	11'744
Property, plant and equipment	13	173'132	172'039
Deferred tax assets	10	17'751	17'915
Other assets	14	5'188	3'735
Total non-current assets		208'137	205'433
Current assets			
Inventories	15	316'762	286'246
Trade receivables	16	359'978	245'545
Other current receivables	17	65'456	68'522
Prepaid expenses and accrued income		8'044	5'777
Cash and cash equivalents		107'247	129'079
Total current assets		857'487	735'169
Total assets		1'065'624	940'602
Equity			
Share capital	18	8'500	8'500
Capital reserves		1'354	574
Treasury shares	18	-6'553	-15'772
Retained earnings and other reserves		294'184	267'882
Equity attributable to shareholders of Burckhardt Compression Holding AG		297'485	261'184
Non-controlling interests		424	399
Total equity		297'909	261'583
Liabilities			
Non-current liabilities			
Non-current financial liabilities	19	62'865	132'000
Deferred tax liabilities	10	15'940	14'246
Non-current provisions	20	16'732	11'901
Other non-current liabilities	21	2'173	3'044
Total non-current liabilities		97'710	161'191
Current liabilities			
Current financial liabilities	19	106'639	4'214
Trade payables		143'242	109'073
Customers' advance payments	15	209'845	222'849
Other current liabilities	22	59'084	40'505
Accrued liabilities and deferred income	23	114'268	108'363
Current provisions	20	36'927	32'824
Total current liabilities		670'005	517'828
Total liabilities		767'715	679'019
Total equity and liabilities		1'065'624	940'602

The enclosed notes are an integral part of the consolidated financial statements.

Consolidated cash flow statement

in CHF 1'000	Notes	2023	2022
Cash flow from operating activities			
Net income		90'087	70'001
Income tax expenses	10	27'910	21'157
Financial income and expenses	9	3'388	3'805
Depreciation	13	15'476	17'981
Amortization	12	3'444	3'788
Change in inventories		-84'120	-86'565
Change in trade receivables		-122'060	585
Change in other current assets		-2'490	-9'922
Change in trade payables		37'542	17'058
Change in customers' advance payments		42'950	50'625
Change in provisions		9'832	4'940
Change in other liabilities		18'427	32'662
Change in provision in equity		987	4'288
Adjustment for non-cash items		1'855	1'329
Interest received		1'897	1'028
Interest paid		-4'104	-3'324
Income taxes paid	10	-23'206	-18'804
Total cash flow from operating activities		17'815	110'632
Cash flow from investing activities			
Purchase of property, plant and equipment	13	-19'120	-16'175
Sale of property, plant and equipment		117	4'165
Purchase of intangible assets	12	-3'420	-4'282
Purchase of other assets		-2'893	-
Sale of other assets		32	3'208
Total cash flow from investing activities		-25'284	-13'084
Cash flow from financing activities			
Increase in financial liabilities		34'764	3'887
Decrease in financial liabilities		-1'774	-25'779
Purchase of treasury shares	18	-527	-13'695
Acquisition of non-controlling interests	4	-	-
Dividends paid		-40'437	-25'597
Total cash flow from financing activities		-7'974	-61'184
Currency translation differences on cash and cash equivalents		-6'389	-8'301
Net change in cash and cash equivalents		-21'832	28'063
Cash and cash equivalents at beginning of period		129'079	101'016
Cash and cash equivalents at end of period		107'247	129'079
Net change in cash and cash equivalents		-21'832	28'063

The enclosed notes are an integral part of the consolidated financial statements.

Consolidated statement of changes in equity

in CHF 1'000	Share capital	Capital reserves	Treasury shares	Hedge reserve	Translation reserve	Goodwill offset	Other retained earnings	Equity attributable to shareholders of Burckhardt Compression Holding AG	Non-controlling interests	Total equity
Balance at 04/01/2022	8'500	525	-2'136	1'594	-5'034	-156'005	394'895	242'339	550	242'889
Result for the period							69'942	69'942	59	70'001
Currency translation differences					-17'644			-17'644	-43	-17'687
Changes of cash flow hedges				1'384				1'384		1'384
Dividends paid							-25'430	-25'430	-167	-25'597
Changes in treasury shares			-13'695					-13'695		-13'695
Share-based payments (distributed)		49	59				-108	-		-
Share-based payments (provision in equity)							4'288	4'288		4'288
Goodwill on acquisition								-		-
Balance at 03/31/2023	8'500	574	-15'772	2'978	-22'678	-156'005	443'587	261'184	399	261'583
Balance at 04/01/2023	8'500	574	-15'772	2'978	-22'678	-156'005	443'587	261'184	399	261'583
Result for the period							89'988	89'988	99	90'087
Currency translation differences					-8'060			-8'060	-25	-8'085
Changes of cash flow hedges				-5'699				-5'699		-5'699
Dividends paid							-40'388	-40'388	-49	-40'437
Changes in treasury shares			-527					-527		-527
Share-based payments (distributed)		780	9'746				-10'526	-		-
Share-based payments (provision in equity)							987	987		987
Goodwill on acquisition							-	-		-
Balance at 03/31/2024	8'500	1'354	-6'553	-2'721	-30'738	-156'005	483'648	297'485	424	297'909

The enclosed notes are an integral part of the consolidated financial statements.

Notes to the consolidated financial statements

1. General information

Burckhardt Compression is a manufacturer and service provider for a full range of reciprocating compressor technologies and services. Its customized compressor systems are used in the petrochemical, chemical, gas transport and storage, hydrogen mobility and energy, industrial gas, refinery and gas gathering & processing sectors. Burckhardt Compression's leading technology, broad portfolio of compressor components and the full range of services help customers around the world to find their optimized solution for their reciprocating compressor systems.

Burckhardt Compression Holding AG is a company limited by shares incorporated and domiciled in Switzerland. The address of its registered office is: Franz-Burckhardt-Strasse 5, 8404 Winterthur, Switzerland. Burckhardt Compression registered shares (BCHN) are listed on the SIX Swiss Stock Exchange in Zurich (ISIN: CH0025536027).

Burckhardt Compression Holding AG's fiscal year 2023 comprises the period from April 1, 2023 to March 31, 2024. These consolidated financial statements were authorized for issue by the Board of Directors on June 3, 2024 and will be submitted to shareholders for approval at the annual general meeting scheduled for July 5, 2024.

2. Accounting policies

2.1 Basis of preparation

The consolidated financial statements of Burckhardt Compression Holding AG have been prepared in accordance with the entire Swiss GAAP FER accounting and reporting standards. In addition, the provisions of the Listing Rules of the SIX Swiss Exchange and Swiss accounting law were complied with. The consolidated financial statements have been prepared under the historical cost convention unless otherwise stated in the following consolidation and accounting policies.

2.2 Change in accounting policy

In the current financial year, Burckhardt Compression has early adopted the new Swiss GAAP FER 28 standard and the revised Swiss GAAP FER 30 standard. The application was made retrospectively in accordance with the relevant transitional provisions and the reporting framework, as if the new principles had always been applied. The adoption of the new Swiss GAAP FER 28 standard for government grants has no material impact on the consolidated financial statements, as the accounting policies already comply. The implementation of the revised Swiss GAAP FER 30 standard also has no material impact on the consolidated financial statements, resulting from the clarification of the standard regarding future transactions, while acquisitions that took place before April 1, 2023 do not need to be reassessed. Under the revised standard, Burckhardt Compression maintains its accounting policy of offsetting goodwill within equity.

2.3 Use of judgments and estimates

These consolidated financial statements include estimates and assumptions that affect the reported figures and related disclosures. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

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2.4 Principles of consolidation

The consolidated financial statements include all entities where Burckhardt Compression Holding AG has the power to control the financial and operating policy, usually as a result of directly or indirectly owning more than 50% of the voting rights. All of the assets and liabilities as well as the income and expenses of these companies are fully included. Non-controlling interests are presented separately in the balance sheet and the income statement. Intercompany transactions, balances and unrealized gains or losses on transactions between group companies are eliminated. Group companies are disclosed in note 32.

Acquired companies are fully consolidated from the date on which control was effectively transferred.

When a company is acquired in a step-up acquisition, the existing interest is revalued at the time when the company is first consolidated. The revaluation of shares previously owned is offset against retained earnings. Companies which have been divested are included in the consolidated financial statements until the date on which control ceased. Capital consolidation is based on the acquisition method (purchase method). At the time of the acquisition, all previously recognized assets and liabilities of the company are initially valued at fair value. Acquisition-related costs are expensed as incurred. The net assets acquired are compared with the purchase price, and any resulting goodwill is directly offset against equity. In the notes to the financial statements, the effects of a theoretical capitalization and any impairment are shown using an amortization period of five years. In the event of a possible subsequent sale, the goodwill offset against shareholders' equity at the time of the acquisition is recognized in the income statement against the proceeds of the sale.

Associates are those entities in which Burckhardt Compression has significant influence, but no control, over the financial and operating policies. Significant influence is generally presumed to exist when Burckhardt Compression holds, directly or indirectly, between 20% and 50% of the voting rights. Associates are accounted for using the equity method. The proportionate share of net income is shown in the consolidated income statement. As of March 31, 2024, Burckhardt Compression does not hold any associates.

2.5 Foreign currency translation

The consolidated financial statements of Burckhardt Compression are prepared in Swiss francs (CHF).

Foreign currency translation at company level

Foreign currency transactions are recorded at the exchange rate of the transaction date. Monetary assets and liabilities which are denominated in foreign currencies are translated at period-end exchange rates. Resulting translation differences are recorded in the income statement.

Foreign currency translation for consolidation purposes

Assets and liabilities of foreign subsidiaries are translated into CHF using period-end exchange rates. Average exchange rates are used for the translation of the income statements. Translation differences arising from the consolidation of financial statements are recorded as a separate component of equity. Likewise, exchange differences arising on intercompany loans with equity character are directly recorded in equity.

Major foreign currency exchange rates

	Average rates		Period-end rates	
	2023	2022	03/31/2024	03/31/2023
1 EUR	0.96	0.99	0.98	1.00
1 USD	0.89	0.95	0.90	0.92
100 CNY	12.35	13.93	12.50	13.33

2.6 Impairment of assets

All non-current assets are tested for impairment when indicators exist that the carrying amount of the asset might exceed its recoverable amount. Where the carrying amount of an asset is higher than the recoverable amount, the asset is impaired to its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and its value in use. Impairment tests are performed based on discounted cash flows at the level of the corresponding cash-generating units, representing the lowest level at which such assets are evaluated for recoverability.

2.7 Intangible assets and goodwill

Acquired software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. The estimated useful life for software generally amounts to three to five years. Internal costs associated with developing or maintaining software are recognized as an expense as incurred.

Other intangible assets are recorded at acquisition or production costs less accumulated amortization. The amortization expense is calculated on a straight-line basis over the estimated useful life of the asset.

Goodwill resulting from acquisitions is offset against equity at the date of acquisition. The consequences of a theoretical capitalization and amortization of goodwill (using an amortization period of five years) are disclosed in note 12.

2.8 Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation. They are depreciated on a straight-line basis over their estimated useful lives. Land is stated at cost and is not depreciated, except land use rights in China, which are depreciated over their useful lives. The estimated useful lives are as follows:

- Buildings: 20 to 50 years
- Machinery: 5 to 15 years
- Technical equipment: 5 to 10 years
- Land use rights in China: maximum 40 years
- Other non-current assets: maximum 5 years

2.9 Other assets

Other assets include loans and long-term rental deposits. Furthermore, other assets also include costs incurred from cloud computing arrangements. Cloud computing arrangements are capitalized on the basis of the costs incurred to acquire and bring to use the specific cloud computing solution. The costs relating to the cloud computing arrangements are distributed on a straight-line basis over the estimated useful life of five to ten years. Internal costs regarding the development and maintenance of these arrangements are recognized as an expense as incurred.

2.10 Inventories

Inventories are stated at the lower of cost or net realizable value. The cost of work in progress and finished goods comprises material costs, direct and indirect production costs and other order-related production costs. Inventories are stated at weighted average costs or standard costs based on their type and use. Valuation allowances are recognized for slow-moving and excess inventory items.

Inventories are presented net of advance payments received from customers on a project-by-project basis, if they do not include a right of clawback. Negative contract balances after offsetting are presented as customers' advance payments.

2.11 Trade and other current receivables

Trade receivables and other current receivables are stated at nominal value less valuation allowances for doubtful amounts. Impairments are assessed case by case. An impairment loss is recognized when there is objective evidence that Burckhardt Compression will not be able to collect the full amount due, such as substantial financial problems of the customer or a declaration of bankruptcy.

2.12 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

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2.13 Financial liabilities

Financial liabilities mainly consist of bank debts and a bond. They are recognized at their nominal value. Borrowing related costs are expensed as incurred in the income statement.

2.14 Provisions

Provisions are recognized for warranty obligations, unprofitable contracts, personnel expenses and various commercial risks where Burckhardt Compression has an obligation towards third parties arising from past events, the amount of the liability can be reliably measured and it is probable that the settlement will result in an outflow of resources. The amount of the provisions is based on the expected expenditures required to cover all obligations and liabilities.

2.15 Treasury shares

Treasury shares are stated at acquisition cost and deducted from equity. No subsequent valuation is made. If the treasury shares are disposed of, the resulting gain or loss is recognized as an addition to or a reduction of capital reserves.

2.16 Transactions with non-controlling interests

For the acquisition of non-controlling interests, goodwill or negative goodwill is calculated as the difference between the acquisition cost and the proportional carrying amount of the non-controlling interests. For disposals of equity interests that do not result in a loss of control, the profit/loss is calculated as the consideration received less the proportional carrying amount of the equity interests less the proportionate share of related pro rata goodwill/negative goodwill derecognized. The related cash flows are presented as investing activities in the cash flow statement.

2.17 Government grants

Grants from governments or similar organizations are recognized at their nominal value when there is reasonable assurance that the grant will be received, and Burckhardt Compression will comply with all attached conditions.

Government grants related to income are deferred and recognized as income over the period necessary to match them with the related costs which they are intended to compensate. Government grants related to assets are deducted directly from the carrying amount of the asset which they are intended to compensate.

2.18 Derivative financial instruments

Burckhardt Compression uses derivative financial instruments to mitigate currency risks. The risk management policy is described in note 3. The derivative financial instruments are recognized at fair value. Where such derivative financial instruments are linked to specific projected transactions and cash flows, the hedging is deemed to be effective and documented accordingly, changes in the fair value of the cash flow hedges are recognized in equity as long as the hedged item has not been recognized on the balance sheet. Otherwise, the gain or loss relating to fair value changes of the derivative financial instruments is recognized immediately in the income statement as part of other operating income or other operating expenses.

2.19 Revenue recognition

Burckhardt Compression recognizes revenue from the sale of goods and the provision of services once the contract is completed, net of sales or value-added taxes, credits, discounts, and rebates.

Revenue and the corresponding cost of goods sold are recorded in the accounts when the risks and rewards have transferred to the customers or the contracted service has been performed, according to the agreed sales conditions.

The following conditions must be met:

- A contractually agreed sales price exists or can be reliably estimated.
- Collection of the payment is reasonably assured.
- The costs (including those yet to be incurred) can be reliably measured.

2.20 Research and development

Research and development costs are expensed as incurred.

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2.21 Income taxes

Income tax expenses include all income tax on the taxable profits of the group. Deferred income tax is recorded in full, using the liability method. Deferred income tax assets and liabilities arise on temporary differences between the carrying amounts of assets and liabilities under Swiss GAAP FER and their related tax values. The tax rates and laws enacted or substantively enacted at the balance sheet date are used to determine deferred income tax. Deferred income tax assets result from tax loss carryforwards, tax credits as well as temporary valuation differences of assets and liabilities. They are recognized to the extent that realization through future taxable profits is probable.

2.22 Off-balance-sheet transactions

Contingent liabilities and other non-recognizable commitments are valued and disclosed on each balance sheet date.

2.23 Share-based payments

Share-based payments with compensation through equity instruments are valued at fair value at the grant date. The corresponding personnel expenses are distributed over the vesting periods.

2.24 Employee benefits

There are various pension plans within Burckhardt Compression based on local conditions in their respective countries. An economic obligation is recognized as a liability if the requirements for the recognition of a provision are met under Swiss GAAP FER. An economic benefit is capitalized provided that Burckhardt Compression is entitled to such benefit in the future, for example, to offset future pension expenses.

For Swiss pension plans, economic benefits and/or economic obligations are determined on the basis of the annual financial statements of the pension funds prepared in accordance with Swiss GAAP FER 26. Freely available employer contribution reserves are recognized as financial asset. For foreign plans, the economic impact is determined according to country-specific methods.

2.25 Alternative performance measures

Alternative performance measures are key figures not defined by Swiss GAAP FER. Burckhardt Compression uses alternative performance measures as guidance parameters for both internal and external reporting to stakeholders. For the definition of alternative performance measures please visit <https://www.burckhardtcompression.com/investors/reports-financial-results/key-figures>.

3. Financial risk management

Basic principles

The goal of the group-wide risk management policy is to minimize the negative impact of changes in the financing structure and financial markets, particularly with regard to currency fluctuations. Derivative financial instruments such as foreign exchange contracts may be used to address the respective risks. Burckhardt Compression pursues a conservative, risk-averse financial policy. Financial risk management is based on the principles and regulations established by the Board of Directors. These govern Burckhardt Compression's financial policy and outline the conduct and powers of the group's treasury department, which is responsible for the group-wide management of financial risks. The financial principles and regulations govern areas such as financing policy, the management of foreign currency risk, the use of derivative financial instruments and the investment policy applicable to financial resources not required for operational purposes.

Liquidity risks

Each Burckhardt Compression group company is responsible for managing its liquidity so that day-to-day business can be handled smoothly, while the group treasury is responsible for maintaining the group's overall liquidity. Some of the group subsidiaries may secure loans from local creditors within the limits approved by the group management. The group treasury provides the local group companies with the necessary funds or invests their excess liquidity. The group treasury maintains sufficient liquidity reserves and open credit and guarantee lines to fulfill the financial obligations at all times.

The actual and future cash flows and cash reserves are compiled monthly in a rolling liquidity forecast. The Executive Management and the Board of Directors are informed about the liquidity situation and outlook with the regular financial reporting.

Currency risks

Burckhardt Compression hedges all major USD-denominated sales transactions of its non-US entities to the extent that such transactions are not fully or partially naturally hedged. EUR-denominated sales and purchase transactions of the Swiss company are fairly evenly balanced when viewed over a period of 1–2 years and are therefore, to a certain extent, naturally hedged at the net profit level over said period. These foreign-exchange flows are regularly monitored by the group treasury; if there is evidence of a sustained shift in these flows, major sales and purchase transactions will be hedged on a case-by-case basis. For this, the group treasury normally uses forward exchange contracts. The other companies belonging to Burckhardt Compression group may, after consultation with group treasury, hedge the foreign-exchange risks of their sales and purchase transactions through local qualified institutions or group treasury, the objective being the optimization of the net profit of each group company as reported in its functional local currency. The group management regularly monitors the changes in the most important currencies and may adjust the hedging policy accordingly in the future. As a globally active corporation, Burckhardt Compression is also exposed to currency risks resulting from the translation into Swiss francs of items in the balance sheets of the foreign group companies. Burckhardt Compression does not hedge these translation risks.

Credit risks

Credit risk in respect of trade receivables is limited due to the diverse nature and quality of the customer base. Such risk is minimized by means of regular credit checks, advance payments, letters of credit and other tools. There is no concentration of customer-related risks within Burckhardt Compression Group as the most important customers in the project business, which account for a large share of Burckhardt Compression's overall business, vary from one year to the next. In past years, Burckhardt Compression experienced no major impairments of receivables.

Credit risks of banks and financial institutions are monitored and managed centrally. Generally, only independently rated parties with a strong credit rating are accepted, and the total volume of transactions is split among several banks to reduce the individual risk with one bank.

Interest rate risks

Interest rate risks arise from fluctuations in interest rates which could have a negative impact on the financial position of Burckhardt Compression. Assets and liabilities at variable rates expose Burckhardt Compression to cash flow interest rate risk.

Capital risks

The capital managed by Burckhardt Compression is its consolidated equity. With regard to its capital management policies, Burckhardt Compression seeks to secure the continuation of its business activities, to achieve an acceptable return for the shareholders and to finance the growth of the business to a certain extent from own cash flow. In order to achieve these objectives, Burckhardt Compression can adjust the dividend payments, repay share capital, issue new shares or divest parts of the assets, subject to approval by the general assembly, where applicable.

4. Business combinations and other changes in the scope of consolidation

There were no changes in the scope of consolidation in the financial year 2023 and 2022.

A complete list of all Group companies is shown in note 32.

5. Segment reporting

Systems Division

Burckhardt Compression's Systems Division covers a complete range of reciprocating compressor technologies. Its customized compressor systems are used in the petrochemical, chemical, gas transport and storage, hydrogen mobility and energy, industrial gas, refinery and gas gathering & processing sectors. Depending on the customers' needs, Burckhardt Compression offers solutions to minimize life cycle costs of the reciprocating compressor systems or solutions to minimize the capital expenditure.

Services Division

Burckhardt Compression's Services Division is a one-stop provider of a full range of services for reciprocating compressors and stands for top-quality, high-performance components for all makes of reciprocating compressors, as replacement parts, or to repair or upgrade existing installations. Original spare parts backed by Burckhardt Compression's manufacturing guarantees stand for superior quality and ensure together with various complementary service modules both low life cycle costs as well as the optimal operation of compressor systems.

Others

Certain expenses related to the corporate center are not attributable to a particular segment. They are reported in the column "Others". Furthermore, "Others" includes real estate income and expenses as well as expenses for strategic projects.

	Systems Division		Services Division		Others		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Sales	642'812	489'663	339'151	340'038	-	-	981'963	829'701
Cost of goods sold	-534'477	-393'358	-185'423	-191'876	-	-	-719'900	-585'234
Gross profit	108'335	96'305	153'728	148'162	-	-	262'063	244'467
Gross profit as % of sales	16.9%	19.7%	45.3%	43.6%	-	-	26.7%	29.5%
Operating income	47'574	30'294	83'462	75'041	-9'651	-10'372	121'385	94'963
Operating income as % of sales	7.4%	6.2%	24.6%	22.1%	-	-	12.4%	11.4%

in CHF 1'000

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Geographic information

in CHF 1'000	2023	2022
Sales by customer location		
Europe	186'304	275'816
Africa	4'361	5'217
North America	127'397	105'576
South America	7'223	6'626
Middle East	38'372	25'259
China	429'561	291'483
Other Asia & Australia	188'745	119'724
Total	981'963	829'701

in CHF 1'000	2023	2022
Capital expenditure for property, plant and equipment		
Europe	13'458	9'163
Africa	13	32
North America	3'078	2'353
South America	35	22
Middle East	286	55
China	1'584	2'073
Other Asia & Australia	1'570	1'070
Total	20'024	14'768

6. Personnel expenses

in CHF 1'000	2023	2022
Wages and salaries	-218'025	-197'875
Social security and pension expenses	-47'668	-41'572
Other personnel expenses	-23'612	-24'589
Total personnel expenses	-289'305	-264'036

7. Research and development expenses

In the fiscal year 2023, the research and development activities were focused on the development for new solutions for the new hydrogen market, where product requirements evolve with the development of new applications. New compressor solutions were developed for the ship building industry for LNG carriers, where new, more efficient technologies require adapted compressor solutions. The enlargement of our product portfolio for the petrochemical market will allow us to support our customers in the development of larger and therefore more efficient plants.

8. Other operating income and expenses

in CHF 1'000	2023	2022
Currency exchange gains	35'896	17'224
Other operating income	12'898	13'021
Total other operating income	48'794	30'245
Currency exchange losses	-38'006	-21'469
Other operating expenses	-5'374	-17'364
Total other operating expenses	-43'380	-38'833
Total other operating income and expenses	5'414	-8'588

Other operating income includes real estate income of CHF 6.9 mn (prior year: CHF 6.8 mn).

Other operating expenses include real estate expenses amounting to CHF 4.3 mn (prior year: CHF 3.6 mn).

9. Financial income and expenses

in CHF 1'000	2023	2022
Interest expenses	-4'168	-3'402
Interest income	1'884	1'125
Other financial income (+) and expenses (-)	-1'104	-1'528
Total financial income and expenses	-3'388	-3'805

Other financial income and expenses include the currency exchange gains and losses on intercompany loans.

10. Income taxes

Income tax expenses

in CHF 1'000	2023	2022
Current income tax expenses	-25'305	-21'003
Deferred income tax income (+) and expenses (-)	-2'605	-154
Total income tax expenses	-27'910	-21'157

Reconciliation of income tax expenses

in CHF 1'000	2023	2022
Earnings before taxes	117'997	91'158
Weighted average tax rate in %	22.3%	21.8%
Expected income tax expenses at weighted average tax rate	-26'261	-19'827
Effect of non-recognition of tax loss carryforwards	87	-997
Effect of income tax of prior periods	-300	-109
Effect of changes in tax rates	-	-
Effect of goodwill amortization for tax purposes	707	659
Effect of non-deductible expenses / income not subject to tax	-2'143	-883
Total income tax expenses	-27'910	-21'157
as % of earnings before taxes	23.7%	23.2%

The effective tax rate of Burckhardt Compression Group of 23.7% (prior year: 23.2%) corresponds to the weighted average tax rate based on the profit before income taxes and the tax rate of each group company.

Current income taxes

in CHF 1'000	2023	2022
Net current income tax liabilities		
Balance as per 04/01/2023 / 04/01/2022	8'653	6'026
Changes in the consolidation scope	-	-
Recognized in the income statement	25'005	20'894
Income taxes paid	-23'206	-18'804
Translation differences	-607	537
Balance as per 03/31/2024 / 03/31/2023	9'845	8'653
thereof current tax assets	2'931	2'960
thereof current tax liabilities	12'776	11'613

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Deferred income taxes

in CHF 1'000	2023	2022
Net deferred income tax liabilities		
Balance as per 04/01/2023 / 04/01/2022	-3'669	-4'723
Changes in the consolidation scope	-	-
Recognized in the income statement	2'605	154
Recognized in equity	-1'518	710
Translation differences	771	190
Balance as per 03/31/2024 / 03/31/2023	-1'811	-3'669
thereof deferred tax assets	17'751	17'915
thereof deferred tax liabilities	15'940	14'246

Tax loss carryforwards

in CHF 1'000	03/31/2024	03/31/2023
Expiring in the next 3 years	1'414	-
Expiring in 4 years or later	53'552	49'725
Total tax loss carry forwards	54'966	49'725
Potential deferred tax assets from tax loss carryforwards	12'549	11'445
Effect of non-recognized tax loss carryforwards	-8'190	-7'179
Effective deferred tax assets from tax loss carryforwards	4'359	4'266

11. Earnings per share

in CHF 1'000	2023	2022
Net income attributable to the shareholders of Burckhardt Compression Holding AG	89'988	69'942
Average number of outstanding shares	3'379'286	3'388'306
Earnings per share (CHF)	26.63	20.64

The average number of outstanding shares is calculated based on the issued shares minus the weighted average number of treasury shares. There are no conversion rights or option rights outstanding; therefore, there is no potential dilution of earnings per share.

12. Intangible assets

Acquisition costs

in CHF 1'000									
	Software	Other intangible assets	Intangible assets under construction	2023 Total	Software	Other intangible assets	Intangible assets under construction	2022 Total	
Balance as per 04/01/2023 / 04/01/2022	34'424	739	4'451	39'614	34'721	687	5'674	41'082	
Changes in the consolidation scope	-	-	-	-	-	-	-	-	
Additions	720	1'106	1'990	3'816	1'124	64	3'292	4'480	
Disposals	-13	-5	-	-18	-1'580	-39	-44	-1'663	
Reclassifications	3'945	-	-3'945	-	452	80	-4'435	-3'903	
Currency translation differences	-170	-18	-20	-208	-293	-53	-36	-382	
Balance as per 03/31/2024 / 03/31/2023	38'906	1'822	2'476	43'204	34'424	739	4'451	39'614	

Accumulated amortization

in CHF 1'000									
	Software	Other intangible assets	Intangible assets under construction	2023 Total	Software	Other intangible assets	Intangible assets under construction	2022 Total	
Balance as per 04/01/2023 / 04/01/2022	-27'273	-597	-	-27'870	-27'009	-613	-	-27'622	
Changes in the consolidation scope	-	-	-	-	-	-	-	-	
Additions	-3'276	-168	-	-3'444	-3'726	-62	-	-3'788	
Disposals	13	5	-	18	1'578	35	-	1'613	
Reclassifications	-	-	-	-	1'651	-	-	1'651	
Currency translation differences	136	22	-	158	233	43	-	276	
Balance as per 03/31/2024 / 03/31/2023	-30'400	-738	-	-31'138	-27'273	-597	-	-27'870	

Net book value

in CHF 1'000									
	Software	Other intangible assets	Intangible assets under construction	2023 Total	Software	Other intangible assets	Intangible assets under construction	2022 Total	
As per 04/01/2023 / 04/01/2022	7'151	142	4'451	11'744	7'712	74	5'674	13'460	
As per 03/31/2024 / 03/31/2023	8'506	1'084	2'476	12'066	7'151	142	4'451	11'744	

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Goodwill

Goodwill from acquisitions is fully offset against equity at the date of acquisition. The theoretical amortization of goodwill is based on the straight-line method and an amortization period of five years. Goodwill from new acquisitions is fixed to Swiss francs using the closing rate at acquisition date. Therefore, there are no exchange rate differences in the movement schedules. The impact of the theoretical capitalization and amortization of goodwill is disclosed below.

in CHF 1'000	2023	2022
Acquisition costs		
Balance as per 04/01/2023 / 04/01/2022	156'005	156'005
Additions from acquisitions	–	–
Balance as per 03/31/2024 / 03/31/2023	156'005	156'005

in CHF 1'000	2023	2022
Accumulated amortization		
Balance as per 04/01/2023 / 04/01/2022	–132'866	–122'404
Amortization expense	–10'435	–10'462
Balance as per 03/31/2024 / 03/31/2023	–143'301	–132'866

in CHF 1'000	2023	2022
Net book value		
Theoretical net book value as per 04/01/2023 / 04/01/2022	23'139	33'601
Theoretical net book value as per 03/31/2024 / 03/31/2023	12'704	23'139

in CHF 1'000	03/31/2024	03/31/2023
Theoretical impact on equity		
Equity as per balance sheet	297'909	261'583
Theoretical capitalization of goodwill	12'704	23'139
Theoretical equity including net book value of goodwill	310'613	284'722

in CHF 1'000	2023	2022
Theoretical impact on net income		
Net income as per income statement	90'087	70'001
Amortization of goodwill	–10'435	–10'462
Theoretical net income after goodwill amortization	79'652	59'539

13. Property, plant and equipment

Acquisition costs

in CHF 1'000	Land and buildings	Machinery and equipment	Other business assets	Assets under construction	2023 Total	Land and buildings	Machinery and equipment	Other business assets	Assets under construction	2022 Total
Balance as per 04/01/2023 / 04/01/2022	159'420	149'901	33'332	5'308	347'961	163'959	143'746	34'754	7'882	350'341
Changes in the consolidation scope	-	-	-	-	-	-	-	-	-	-
Additions	914	8'204	1'306	9'600	20'024	854	6'375	2'250	5'289	14'768
Disposals	-52	-2'418	-589	-	-3'059	-3'808	-1'042	-3'074	-224	-8'148
Reclassifications	1'740	2'397	1'057	-5'194	-	1'255	4'525	733	-7'455	-942
Currency translation differences	-1'855	-2'346	-963	-180	-5'344	-2'840	-3'703	-1'331	-184	-8'058
Balance as per 03/31/2024 / 03/31/2023	160'167	155'738	34'143	9'534	359'582	159'420	149'901	33'332	5'308	347'961

Accumulated depreciation

in CHF 1'000	Land and buildings	Machinery and equipment	Other business assets	Assets under construction	2023 Total	Land and buildings	Machinery and equipment	Other business assets	Assets under construction	2022 Total
Balance as per 04/01/2023 / 04/01/2022	-42'581	-108'041	-25'300	-	-175'922	-39'678	-102'139	-25'288	-	-167'105
Changes in the consolidation scope	-	-	-	-	-	-	-	-	-	-
Additions	-3'674	-10'294	-1'508	-	-15'476	-4'940	-9'309	-3'732	-	-17'981
Disposals	48	1'989	521	-	2'558	1'231	972	2'976	-	5'179
Reclassifications	-	-737	737	-	-	-	251	-251	-	-
Currency translation differences	512	1'326	552	-	2'390	806	2'184	995	-	3'985
Balance as per 03/31/2024 / 03/31/2023	-45'695	-115'757	-24'998	-	-186'450	-42'581	-108'041	-25'300	-	-175'922

Net book value

in CHF 1'000	Land and buildings	Machinery and equipment	Other business assets	Assets under construction	2023 Total	Land and buildings	Machinery and equipment	Other business assets	Assets under construction	2022 Total
As per 04/01/2023 / 04/01/2022	116'839	41'860	8'032	5'308	172'039	124'281	41'607	9'466	7'882	183'236
As per 03/31/2024 / 03/31/2023	114'472	39'981	9'145	9'534	173'132	116'839	41'860	8'032	5'308	173'039

14. Other assets

Other assets mainly include rental deposits and capitalized costs relating to cloud computing arrangements.

15. Inventories & Customers Advance Payments

in CHF 1'000	03/31/2024	03/31/2023
Raw materials, supplies and consumables	59'095	69'990
Work in progress	140'724	120'549
Finished products and trade merchandise	82'733	76'228
Advance payments to suppliers	56'848	41'616
Valuation allowance	-22'638	-22'137
Total inventories	316'762	286'246

The capital invested in work in progress and advance payments to suppliers is financed by advance payments from customers, leaving a balance as of March 31, 2024 of CHF +12.3 mn (prior year: CHF +60.7 mn).

Burckhardt Compression presents inventories and customers' advance payments on a net basis. The offsetting impact is illustrated in the table below.

in CHF 1'000	03/31/2024		03/31/2023	
	Inventories	Customers' advance payments	Inventories	Customers' advance payments
Gross amounts	458'252	351'335	381'332	317'935
Offsetting of customers' advance payments	141'490	141'490	95'086	95'086
Net amounts reported in the consolidated balance sheet	316'762	209'845	286'246	222'849

16. Trade receivables

in CHF 1'000	03/31/2024	03/31/2023
Trade receivables, gross	377'892	269'997
Allowance for bad debts	-17'914	-24'452
Trade receivables, net	359'978	245'545

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in CHF 1'000	2023	2022
Allowance for bad debts		
Balance as per 04/01/2023 / 04/01/2022	-24'452	-15'290
Changes in the consolidation scope	-	-
Additions	-3'388	-11'125
Release	5'904	738
Utilization	3'146	4
Currency translation adjustments	876	1'221
Balance as per 03/31/2024 / 03/31/2023	-17'914	-24'452

The allowance for bad debts at the end of the 2023 and 2022 fiscal years was entirely related to accounts receivables which were more than 90 days overdue as per closing date.

in CHF 1'000	03/31/2024	%	03/31/2023	%
Maturity profile of trade receivables				
Not due	223'750	62.2%	166'386	67.8
Overdue 1–30 days	55'081	15.3%	20'374	8.3
Overdue 31–60 days	29'827	8.2%	11'949	4.8
Overdue 61–90 days	9'374	2.6%	2'470	1.0
Overdue more than 90 days	41'946	11.7%	44'366	18.1
Balance as per 03/31/2024 / 03/31/2023	359'978	100.0%	245'545	100.0

Trade receivables overdue more than 90 days are mainly related to projects in China.

17. Other current receivables

in CHF 1'000	03/31/2024	03/31/2023
Notes receivable	698	11'790
VAT receivables	8'226	7'568
Derivative financial instruments	13'691	5'207
Current tax assets	2'931	2'960
Other current receivables	39'910	40'997
Total other current receivables	65'456	68'522

Other current receivables include the outstanding government grants in connection with the completed relocation project of Shenyang Yuanda Compressor Co. Ltd in China.

18. Share capital and treasury shares

	03/31/2024	03/31/2023
Number of shares issued	3'400'000	3'400'000

The nominal value per share amounts to CHF 2.50. All shares are registered shares and are paid in full. The breakdown of equity into its individual components is shown in the statement of changes in equity.

At the upcoming annual general meeting of shareholders on July 5, 2024, the Board of Directors of Burckhardt Compression Holding AG will propose a dividend for the 2023 fiscal year of CHF 15.50 (prior year: CHF 12.00).

As of March 31, 2024, non-distributable reserves amounted to CHF 1.7 mn (prior year: CHF 1.7 mn).

	03/31/2024	03/31/2023
Number of treasury shares	13'805	33'413

During the fiscal year 2023, 925 treasury shares (prior year: 24'327 treasury shares) were purchased at an average share price of CHF 569.02 (prior year: CHF 563.00) in the amount of CHF 0.5 mn (prior year: CHF 13.7 mn).

All treasury shares are held for the share-based long-term incentive program within the Burckhardt Compression Group respectively for the fixed compensation of the Board of Directors (20% of which paid in shares).

19. Financial liabilities

in CHF 1'000	03/31/2024	03/31/2023
Non-current financial liabilities	62'865	132'000
Current financial liabilities	106'639	4'214
Total financial liabilities	169'504	136'214

The average effective interest rate amounted to 1.9% in fiscal year 2023 (prior year: 1.7%).

Currencies of financial liabilities

in CHF 1'000	03/31/2024	03/31/2023
Financial liabilities in CHF	162'413	132'029
Financial liabilities in USD	4'015	1'261
Financial liabilities in other currencies	3'076	2'924
Total financial liabilities	169'504	136'214

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Maturities of non-current financial liabilities

in CHF 1'000	03/31/2024	03/31/2023
Due within 2 years	458	100'692
Due within 3 years	2'936	290
Due within 4 years	621	–
Due within 5 years	–	–
Due beyond 5 years	58'850	31'018
Total non-current financial liabilities	62'865	132'000

On September 30, 2020, Burckhardt Compression issued a bond for a total of CHF 100 mn with a coupon of 1.5%. The issue price was 100% of the nominal value. It will be redeemed at par value on September 30, 2024. The bond is listed on the SIX Swiss Exchange.

20. Provisions

in CHF 1'000	Employee-related	Warranties, penalties, unprofitable contracts	Other	2023 Total	Employee-related	Warranties, penalties, unprofitable contracts	Other	2022 Total
Balance as per 04/01/2023 / 04/01/2022	9'692	32'318	2'715	44'725	9'111	31'070	1'211	41'392
Changes in the consolidation scope	–	–	–	–	–	–	–	–
Additions	5'351	20'456	1'793	27'600	2'543	12'684	2'798	18'025
Release	–226	–599	–1'971	–2'796	–533	–2'294	–44	–2'871
Utilization	–1'877	–12'299	–796	–14'972	–1'060	–8'053	–1'117	–10'230
Currency translation differences	–164	–632	–102	–898	–369	–1'089	–133	–1'591
Balance as per 03/31/2024 / 03/31/2023	12'776	39'244	1'639	53'659	9'692	32'318	2'715	44'725
thereof non-current	5'638	10'756	338	16'732	4'545	7'255	101	11'901
thereof current	7'138	28'488	1'301	36'927	5'147	25'063	2'614	32'824

Employee-related provisions include employee benefit obligations (see note 30), provisions for long-term service awards and ordinary termination benefits.

21. Other non-current liabilities

Other non-current liabilities mainly consist of various government grants in China.

22. Other current liabilities

in CHF 1'000	03/31/2024	03/31/2023
Notes payable	13'232	10'887
VAT payables	8'248	3'923
Derivative financial instruments	16'283	1'648
Current tax liabilities	12'776	11'613
Other current liabilities	8'545	12'434
Total other current liabilities	59'084	40'505

Other current liabilities mainly consist of various social securities payables as well as various taxes payables such as VAT or withholding taxes.

23. Accrued liabilities and deferred income

in CHF 1'000	03/31/2024	03/31/2023
Contract-related liabilities	70'327	73'835
Vacation and overtime	5'231	5'040
Salary and bonus payments	29'267	22'133
Miscellaneous	9'443	7'355
Total accrued liabilities and deferred income	114'268	108'363

24. Derivative financial instruments

Burckhardt Compression uses derivative financial instruments to mitigate currency risks. The risk management policy is described in note 3. On the balance sheet, derivative financial instruments are shown as "Other current receivables" and "Other current liabilities".

in CHF 1'000	03/31/2024	03/31/2023
Contract value	358'597	263'599
Positive fair values	13'691	5'207
Negative fair values	16'283	1'648

25. Contingent liabilities

Guarantees

Burckhardt Compression guarantees essentially for securing customer advance payments and for eventual warranty claims from customers.

The majority of current customer advance payments as well as major warranty exposures are covered either by third party bank guarantees or guarantees issued by Burckhardt Compression Holding AG.

As per March 31, 2024, Burckhardt Compression had issued guarantees in amount of CHF 265.9 mn (prior year: CHF 346.6 mn).

Other contingent liabilities

As per March 31, 2024, Burckhardt Compression does not have any other contingent liabilities.

26. Commitments

Operating leases

in CHF 1'000

	03/31/2024	03/31/2023
Operating leases due in less than 1 year	4'794	3'675
Operating leases due in 1 to 5 years	12'562	10'097
Operating leases due in more than 5 years	4'195	2'331
Total operating lease commitments	21'551	16'103

Purchase commitments

Purchase commitments for capital expenditure as per March 31, 2024 amounted to CHF 5.0 mn (prior year: CHF 3.5 mn).

27. Pledged assets

As per March 31, 2024, Burckhardt Compression had pledged assets with a carrying amount of CHF 75.8 mn (prior year: CHF 95.8 mn) to secure mortgage loans and guarantees. The pledged assets consisted mainly of land and buildings, and to a lesser degree of inventories and trade receivables.

28. Share-based payments

Since 2023, there is a new long-term incentive plan for the members of the Executive Board and certain other employees in place. Long-term incentive pay is awarded in the form of free shares. None of the shares are subject to any restrictions upon the date of transfer.

In 2023, participants of the long-term incentive plan (2020-2022) were granted 20'533 shares at a fair value of CHF 513.00.

In 2022, 257 shares at a fair value of CHF 431.20 were granted for the fixed compensation of the Board of Directors (20% of which paid in shares).

Personnel expenses in 2023 for share-based payments amounted to CHF 1.0 mn (prior year: CHF 4.3 mn).

29. Related-party transactions

Except for the remuneration as disclosed in the Compensation Report of this Annual Report, no further relations or transactions existed in 2023 and 2022 with the members of the Board of Directors, Executive Management or other related parties.

30. Employee benefit obligations

Burckhardt Compression has various pension plans to which most of its employees contribute. With the exception of companies in Switzerland and Germany, these pension plans are defined contribution pension arrangements. Under these, as a rule, payments are made into pension funds administered by third parties. Burckhardt Compression has no payment obligations beyond making these defined contributions.

Burckhardt Compression's pension plans in Switzerland consist of two independent pension funds: "Sulzer Vorsorgeeinrichtung" (SVE), a base plan for all employees, and "Johann Jakob Sulzer Stiftung" (JJS), a plan for employees with salaries exceeding a certain limit. The majority of the active participants in the two pension funds are employed at companies not belonging to Burckhardt Compression. The board of trustees for the base plan comprises ten employer representatives and ten employee representatives of the contributing companies and is responsible for asset allocation and risk management. The pension plans contain a cash balance benefit formula. Under Swiss law, the pension funds guarantee the vested benefit amount as confirmed annually to members. Interest may be added to member balances at the discretion of the board of trustees. At retirement date, members have the right to take their retirement benefit as a lump sum, an annuity or part as a lump sum with the balance converted to an annuity. The pension funds may adapt the contribution and benefits at any time. In case of underfunding, this may involve special payments from the employer. The surplus or underfunding cannot be determined per company. The coverage of the collective plans as a whole as of December 31, 2023 amounted to 120.9% (SVE; prior year: 118.4%) and 118.0% (JJS; prior year: 115.2%). The technical interest rate used by both collective plans amounted to 1.5% (prior year: 1.5%).

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Employer contribution reserves

Burckhardt Compression does not have any employer contribution reserves.

Economic benefits/economic obligations and pension benefit expenses

in CHF 1'000	Economic portion of the organization		Change to prior-year period recognized in the current result of the period	Currency translation differences	Contributions of the fiscal year	Pension benefit expenses	
	03/31/2024	03/31/2023	2023	2023	2023	2023	2022
Pension plans with surplus	-	-	-	-	-10'819	-10'819	-9'386
Unfunded pension plans	-1'336	-1'370	7	27	-	7	351
Total	-1'336	-1'370	7	27	-10'819	-10'812	-9'035

31. Events after the balance sheet date

There were no events between the balance sheet date and the date these consolidated financial statements were approved by the Board of Directors which would require additional disclosures or changes in the consolidated financial statements.

32. Group companies and associates

Company	Registered office	Registered capital	Interest in capital	Research & development	Manufacturing & engineering	Contracting	Sales	Service
Burckhardt Compression AG ¹	Winterthur, Switzerland	CHF 2'000'000	100%	•	•	•	•	•
Burckhardt Compression Immobilien AG ¹	Winterthur, Switzerland	CHF 5'000'000	100%					
Burckhardt Compression (Deutschland) GmbH	Neuss, Germany	EUR 30'000	100%				•	•
Burckhardt Compression (Italia) S.r.l.	Milan, Italy	EUR 400'000	100%			•	•	•
Burckhardt Compression (France) S.A.S.	Cergy Saint-Christophe, France	EUR 300'000	100%				•	•
Burckhardt Compression (España) S.A.	Madrid, Spain	EUR 550'000	100%				•	•
Burckhardt Compression (UK) Ltd.	Bicester, United Kingdom	GBP 250'000	100%				•	•
Burckhardt Compression (US) Inc.	Houston, USA	USD 18'250'000	100%	•	•	•	•	•
Burckhardt Compression (Canada) Inc.	Mississauga, Canada	CAD 200'000	100%			•	•	•
Burckhardt Compression (Japan) Ltd.	Tokyo, Japan	JPY 50'000'000	100%				•	•
Burckhardt Compression (Shanghai) Co. Ltd.	Shanghai, China	CNY 85'564'000	100%		•	•	•	•
Burckhardt Compression (India) Private Ltd.	Pune, India	INR 331'140'000	100%	•	•	•	•	•
Burckhardt Compression (Brasil) Ltda.	São Paulo, Brazil	BRL 5'818'000	100%				•	•
Burckhardt Compression (Middle East) FZE	Dubai, United Arab Emirates	AED 2'000'000	100%				•	•
Burckhardt Compression Korea Ltd.	Seoul, South Korea	KRW 250'000'000	100%				•	•
Burckhardt Kompresör San. ve Tic. Ltd.	Istanbul, Turkey	TRY 800'000	100%				•	•
Burckhardt Compression Singapore Pte Ltd.	Singapore, Singapore	SGD 700'000	100%				•	•
Burckhardt Compression South Africa (Pty) Ltd.	Sunnyrock, South Africa	ZAR 3'000'000	100%				•	•
Burckhardt Compression Korea Busan Ltd.	Busan, South Korea	KRW 7'000'000'000	100%		•	•	•	•
Burckhardt Compression (Saudi Arabia) LLC	Dammam, Saudi Arabia	SAR 1'000'000	100%				•	•
Burckhardt Compression (Netherlands) BV	Rotterdam, Netherlands	EUR 18'000	100%		•		•	•

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Company	Registered office	Registered capital	Interest in capital	Research & development	Manufacturing & engineering	Contracting	Sales	Service
Burckhardt Compression (Sweden) AB	Landvetter, Sweden	SEK 100'000	100%				•	•
Burckhardt Compression (Thailand) Co. Ltd.	Rayong, Thailand	THB 5'000'000	100%				•	•
Shenyang Yuanda Compressor Co. Ltd. ¹	Shenyang, China	CNY 100'000'000	100%	•	•	•	•	•
Liaoning Yuanyu Industrial Machinery Co. Ltd.	Kaiyuan, China	CNY 39'000'000	100%	•	•			
Shenyang Yuanda Compressor Automatic Control System Co. Ltd.	Shenyang, China	CNY 5'000'000	60%			•	•	•
Compressor Tech Holding AG ¹	Zug, Switzerland	CHF 200'000	100%					
PROGNOST Systems GmbH	Rheine, Germany	EUR 200'000	100%	•	•	•	•	•
PROGNOST Systems Inc.	Houston, USA	USD 240'000	100%		•		•	•
PROGNOST Machinery Diagnostics Equipment and Services LLC	Abu Dhabi, United Arab Emirates	AED 300'000	100%				•	•
Société d'Application du Métal Rouge SAS	Pont-Sainte-Marie Cedex, France	EUR 501'000	100%	•	•		•	•

¹ Company is directly held by Burckhardt Compression Holding AG. All other companies are indirectly held by Burckhardt Compression Holding AG.

Report of the statutory auditor

to the General Meeting of Burckhardt Compression Holding AG

Winterthur

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Burckhardt Compression Holding AG and its subsidiaries (the Group), which comprise the Consolidated income statement for the year ended 31 March 2024, the Consolidated balance sheet as at 31 March 2024, the Consolidated cash flow statement and the Consolidated statement of changes in equity for the year then ended, and Notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 112 - 139) give a true and fair view of the consolidated financial position of the Group as at 31 March 2024 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview

Overall Group materiality: CHF 5'500'000



We concluded full scope audit work and audits of selected account balances at five reporting units in three countries. Our audit scope addressed over 61% of the Group's sales.

As key audit matter the following area of focus has been identified:

Accounting for work in progress of the systems division

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due



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to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall Group materiality	CHF 5'500'000
Benchmark applied	Profit before tax
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured, and it is a generally accepted benchmark.

We agreed with the Audit Committee that we would report to them misstatements above CHF 550'000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The audit strategy for the audit of the consolidated financial statements was determined taking into account the work performed by the Group auditor and the component auditors in the PwC network. The Group auditor performed the audit of the consolidation, the disclosures and the presentation of the consolidated financial statements. Where audits were performed by component auditors, we ensured that, as Group auditor, we were adequately involved in the audit in order to assess whether sufficient appropriate audit evidence was obtained from the work of the component auditors to provide a basis for our opinion. Our involvement comprised analysing the reporting, communicating the risks identified at Group level, determining the materiality thresholds for the audits performed by component auditors and conducting meetings with the component auditors, discussion of audit approach and audit evidence received and analysing their reporting.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Accounting for work in progress of the systems division

Key audit matter	How our audit addressed the key audit matter
Burckhardt Compression Group has projects in the systems division, which are accounted for as work in progress in accordance with Swiss GAAP FER.	Our audit procedures regarding the accounting for work in progress of systems division projects included in particular the following:
Management applies judgement in determining the costs to be incurred until their completion, possible penalties as well as net realizable value. An incorrect estimate could have a significant impact on the result of the period.	<ul style="list-style-type: none"> - We assessed the design and the existence of the key controls regarding the systems division projects and tested the effectiveness of selected controls. - We selected a sample of systems division projects, based on the contract volumes, the contribution margin and changes in the margin compared to the planning phase, and focused our testing on the following:



Please refer to page 118 "Accounting policies Inventories" and page 130 "Inventories & Customers Advance Payments" in the Notes to the Consolidated financial statements".

- We assessed the contract related calculations to determine whether the contractual terms had been recorded appropriately.
- We discussed with the project controllers and project managers the progress of the projects based on the latest project reports, the costs still to be incurred until their completion and changes in the estimated margin.
- We obtained written information from the legal representatives of the Group. We inspected this written information with regard to indications of potential quality deficiencies or penalties and assessed whether these matters were accounted for appropriately in relation to work in progress.
- During the audit, we conducted onsite inspections of various compressors still under construction.
- For the systems division projects completed during the year under review, we compared various final parameters with the estimates made in the planning phase in order to assess, with hindsight, the accuracy of the estimates made by Management.

The results of our audit support the accounting of work in progress of the systems division in the consolidated financial statements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them regarding all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the consolidated financial statements.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Oliver Illa
Licensed audit expert
Auditor in charge

Kevin Mueller
Licensed audit expert

Winterthur, 3 June 2024

Financial Statements of Burckhardt Compression Holding AG, Winterthur

Balance sheet

in CHF 1'000	Notes	03/31/2024	03/31/2023
Current assets			
Cash and cash equivalents		394	704
Other current receivables		1'991	1'628
due from third parties		1'839	1'628
due from group companies		152	–
Total current assets		2'385	2'332
Non-current assets			
Financial assets			
Non-current loans to group companies		28'607	38'945
Investments in subsidiaries	102	253'681	253'681
Total non-current assets		282'288	292'626
Total assets		284'673	294'958
Current liabilities			
Other current liabilities		8	10
Accrued liabilities and deferred income		938	976
Short-term loans from group companies		–	5'648
Bonds		100'000	–
Total current liabilities		100'946	6'634
Non-current liabilities			
Non-current financial liabilities from group companies		20'125	–
Bonds		–	100'000
Total non-current liabilities		20'125	100'000
Equity			
Share capital	103	8'500	8'500
Legal reserves from retained earnings		1'700	1'700
Free reserves from retained earnings			
Profit brought forward		153'509	172'319
Net income		6'446	21'577
Treasury shares	104	–6'553	–15'772
Total equity		163'602	188'324
Total equity and liabilities		284'673	294'958

Income statement

in CHF 1'000	2023	2022
Income		
Dividend income from group companies	9'605	45'127
Interest income from group companies	458	476
Income from services provided to group companies	192	192
Other operating income	794	72
Total income	11'049	45'867
Expenses		
Operating expenses	-1'722	-1'616
Other operating expenses	-367	-68
Financial expenses	-1'739	-21'600
Income tax expenses	-775	-1'006
Total expenses	-4'603	-24'290
Net income	6'446	21'577

Notes to the financial statements of Burckhardt Compression Holding AG

101 Accounting policies

The financial statements as per March 31, 2024 are in compliance with the requirements of Swiss corporate law.

The financial statements have been prepared in accordance with the provisions of commercial accounting as set out in the Swiss Code of Obligations (Art. 957 to 963b CO).

The following disclosures are not being made separately in the statutory financial statements pursuant to Art. 961d (1) CO as Burckhardt Compression Holding AG is presenting its consolidated financial statements according to Swiss GAAP FER:

- Additional disclosures in the notes (auditor's fee; disclosure on non-current interest-bearing liabilities)
- Cash flow statement
- Management report

The treasury shares are stated at acquisition cost and deducted from equity. No subsequent valuation is made. If the treasury shares are disposed of, the resulting gain or loss is recognized in the profit and loss statement.

Burckhardt Compression Holding AG uses derivative financial instruments exclusively as hedges of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability or a highly probable future transaction (cash flow hedges). At inception of the hedge, Burckhardt Compression Holding AG documents the hedging relationship and the effectiveness between the hedging instrument and the hedged item.

The derivative financial instruments are off-balance sheet items.

All values in the annual financial statements are reported in thousand Swiss Francs unless otherwise indicated.

Burckhardt Compression Holding AG's fiscal year 2023 comprises the period from April 1, 2023 to March 31, 2024.

102 Subsidiaries

The equity interests held directly and indirectly by Burckhardt Compression Holding AG are shown in note 33 "Group Companies" of the consolidated financial statements.

103 Share capital and shareholders

The share capital amounts to CHF 8'500'000 and is composed of 3'400'000 shares, each with a nominal value of CHF 2.50. All shares are registered shares and are paid in full.

No person will be registered in the Share Register as shareholder with voting rights with respect to more than five percent of the issued share capital. This entry restriction is also applicable to persons whose shares are totally or partially held by nominees. This restriction is also valid if shares are purchased when practicing subscription, warrant and conversion rights, with the exception of shares acquired by succession, distribution of inheritance or matrimonial regime. Legal entities and partnerships associated with each other by uniformly managed capital or votes or in any other way, as well as private and legal entities or partnerships, which form an association to evade the entry restriction, are regarded as one person.

Individual persons, who have not expressly declared in the application of entry that they hold the shares for their own account (Nominees), will be entered in the Share Register with voting rights, if the Nominee concerned establishes his subordination to an accredited banking supervision and securities authority, and if he/she has concluded an agreement with the Board of Directors of the company concerning his/her position. Nominees holding two or less than two percent of the issued shares will be entered in the Share Register with voting rights without an agreement with the Board of Directors. Nominees holding more than two percent of the issued shares will be entered in the Share Register with two percent voting rights and, for the remaining shares, without voting right. Above this limit of two percent, the Board of Directors may enter in the Share Register Nominees with voting rights if they disclose the names, addresses, nationality, and shareholdings of the persons for whom they hold more than two percent of the issued shares.

As of March 31, 2024, there is no such declaration between a nominee-shareholder and the board of directors.

Shareholder groups which had existed before June 23, 2006 are excluded from the voting rights restrictions.

According to information available to the company from the disclosure notifications of the SIX Swiss Exchange Ltd., the following shareholders reported shareholdings of at least 3% of the share capital and voting rights as of March 31, 2024 (according to the statutory bylaws the voting rights of NN Group N.V, The Goldman Sachs Group Inc, UBS Fund Management (Switzerland) AG and Credit Suisse Funds AG are limited to 5% of the total number of the registered BCHN shares recorded in the commercial register):

Shareholders

Name	Country	03/31/2024	03/31/2023
		% of shares	% of shares
MBO shareholder pool (Valentin Vogt, Harry Otz, Leonhard Keller, Martin Heller, Ursula Heller, Marcel Pawlicek)	CH	9.97	12.40
NN Group N.V. ¹	NL	9.86	<3.0
The Goldman Sachs Group, Inc ¹	US	6.45	7.37
UBS Fund Management (Switzerland) AG	CH	5.06	5.02
Credit Suisse Funds AG	CH	3.24	<3.0
BlackRock, Inc.	US	3.07	3.07
Swisscanto Fondsleitung AG	CH	3.01	<3.0

¹ The Goldman Sachs Group, Inc. ("GS Group") has acquired control of NN Investment Partners Holdings N.V. ("NNIP") and NNIP has a discretionary asset management mandate with respect to BCHN shares which are owned by NN Group N.V.

104 Treasury shares

in CHF 1'000	2023	2022
Number at the beginning of the period	33'413	9'343
Purchases	925	24'327
Sales	-20'533	-257
Number at the end of the period	13'805	33'413

In the reporting period, 205 shares (2022: 238) were allocated to the board of directors at a share price of CHF 548.63 (2022: CHF 431.19) as part of their fees for their term of office 2022/2023 (term of office 2021/2022). Further information is disclosed in the remuneration report on page 68.

105 Bonds

On September 30, 2020, Burckhardt Compression issued a bond for a total of CHF 100 mn with a coupon of 1.5%. The issue price was 100% of the nominal value. It will be redeemed at par value on September 30, 2024. The bond is listed on the SIX Swiss Exchange.

106 Further disclosures pursuant to Article 959c par. 2 of the Swiss Code of Obligations:

Full-time employees

Burckhardt Compression Holding AG does not employ any employees.

Liabilities to pension funds

in CHF 1'000	03/31/2024	03/31/2023
Total liabilities to pension funds	0	0

Net release of undisclosed reserves

in CHF 1'000	03/31/2024	03/31/2023
Net release of undisclosed reserves	0	0

Derivative financial instruments

in CHF 1'000	03/31/2024	03/31/2023
Forward foreign exchange contracts (negative current fair value on cash flow hedge)	0	0

Guarantees

in CHF 1'000	03/31/2024	03/31/2023
Guarantees	44'343	28'399

Burckhardt Compression Holding AG issues advance payment guarantees and performance bonds in the name of Burckhardt Compression AG and in favor of a small number of selected customers.

The credit lines and guarantee facilities extended to Burckhardt Compression AG by financial institutions do not require any assets or shares of Burckhardt Compression Holding AG to be pledged as collateral.

Financial Report

Remuneration of the Board of Directors and the Executive Board

Type and amount of remuneration of the members of the Board of Directors and the Executive Board as well as the principles and basic elements of the company's compensation policy are depicted and explained in the compensation report on pages 64 to 69.

Events after the balance sheet date

There were no additional events after the balance sheet date which affect the annual results or would require an adjustment to the carrying amounts of Burckhardt Compression Holding AG's assets and liabilities.

Proposal by the Board of Directors for the appropriation of retained earnings

in CHF 1'000	2023	2022
Retained earnings at the beginning of the period	193'896	197'749
Distributed dividend	-40'388	-25'430
Net income of the year	6'446	21'577
Retained earnings at the disposal of the Annual General Meeting	159'954	193'896
The Board of Directors proposes the following appropriation		
Gross dividend	-52'700	-40'800
Retained earnings carried forward	107'254	153'097

The Board of Directors will propose payment of a gross dividend of CHF 15.50 per registered share at the Annual General Meeting of Shareholders on July 5, 2024.

	2023	2022	2021
Gross dividend	15.5	12.0	7.5
Less 35% withholding tax	-5.4	-4.2	-2.6
Net dividend	10.1	7.8	4.9

Report of the statutory auditor

to the General Meeting of Burckhardt Compression Holding AG

Winterthur

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Burckhardt Compression Holding AG (the Company), which comprise the balance sheet as at 31 March 2024, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.


In our opinion, the financial statements (pages 145 - 150) comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview	Overall materiality: CHF 2'800'000
	We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.
	As key audit matter the following area of focus has been identified: Valuation of investments in subsidiaries

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or



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error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	CHF 2'800'000
Benchmark applied	Total assets
Rationale for the materiality benchmark applied	We chose total assets as the benchmark because, in our view, it is a relevant and generally accepted benchmark for holding companies.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investments in subsidiaries

Key audit matter	How our audit addressed the key audit matter
<p>Investments in subsidiaries is a significant asset category on the balance sheet (CHF 253.7 million). Impairment testing of investments whose book value is greater than the book value of the underlying net assets requires Management to consider the capitalized earnings method or the discounted cash flow (DCF) method.</p> <p>Doing so involves significant scope for judgement, particularly to determine the assumptions to use concerning future business results.</p> <p>In identifying the potential need for impairment of investments in subsidiaries, Management uses a predefined impairment testing process.</p> <p>Please refer to page 147 "Subsidiaries" in the notes to the financial statements.</p>	<p>For auditing investments in subsidiaries, we performed the following main procedures:</p> <ul style="list-style-type: none"> - We compared the book value of investments in the financial year with their pro-rata share of the respective company's equity or the company's valuation, based on an acceptable valuation method. - We assessed the key assumptions applied by Management for reasonableness (revenue and margin growth, discount rate and long-term growth). <p>We consider the valuation process and the assumptions used to be an appropriate and adequate basis for the impairment testing of the investments in subsidiaries as at 31 March 2024.</p>

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the remuneration report and our auditor's reports thereon.



Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them regarding all relationships and other matters



that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the financial statements.

We further confirm that the proposal by the Board of Directors for the appropriation of retained earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Oliver Illa

Licensed audit expert
Auditor in charge

Kevin Mueller

Licensed audit expert

Winterthur, 3 June 2024



Glossary

We use abbreviations frequently in our daily work, so much so that we often don't even notice them anymore. Here is a brief glossary of the most common abbreviations.

BOG	Boil-off-gas: liquid gas that heats up and turns back into gas
EVA	Ethylene-vinyl acetate: plastic with high heat and good aging resistance
LDPE	Low-density polyethylene: soft polyethylene with high chemical resistance, good electrical insulation properties and good sliding behavior
LNG	Liquefied Natural Gas
LPG	Liquefied Petroleum Gas
ME-GI	Dual propulsion system for ships from MAN
MRP	Mid-Range Plan
OBC	Other Brand Compressors
OEM	Original equipment manufacturer
X-DF	Dual propulsion system for ships from Wing GD

Burckhardt Compression AG

The statements in this review relating to matters that are not historical facts are forward-looking statements that are not guarantees of future performance and involve risks and uncertainties, including but not limited to: future global economic conditions, foreign exchange rates, regulatory rules, market conditions, the actions of competitors, and other factors beyond the control of the company.

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