

A. REPORT OF THE BOARD OF DIRECTORS OF SCHAFFNER HOLDING AG PURSUANT TO ARTICLE 132 FMIA

The board of directors of Schaffner Holding AG ("**Board of Directors**") with registered office in Luterbach, Switzerland ("**Schaffner**" or the "**Company**", and together with its subsidiaries, the "**Schaffner Group**"), hereby comments pursuant to article 132 para. 1 of the Financial Market Infrastructure Act ("**FMIA**") and articles 30-32 of the Takeover Ordinance on the public tender offer ("**Offer**") of Tyco Electronics (Switzerland) Holding II LLC, with registered office in Schaffhausen, Switzerland ("**Offeror**" and together with its ultimate parent entity and its subsidiaries the "**TE Group**"), for all publicly held registered shares of Schaffner with a nominal value of CHF 32.50 each (each a "**Share**").

B. RECOMMENDATION OF THE BOARD OF DIRECTORS AND RATIONALE

1. Recommendation

Based on an in-depth review of the Offer and taking into account the fairness opinion of Raiffeisen Schweiz Genossenschaft ("**Raiffeisen**"), which forms an integral part of this report ("**Board Report**") (see section B.2.3 below), the Board of Directors, composed of the members set out in section C.1.1 below, resolved unanimously, once with all members and once under the abstention of Philipp Buhofer, on 16 August 2023 to recommend to the shareholders of Schaffner to accept the Offer submitted by the Offeror and approved the content of this Board Report on 27 September 2023.

2. Rationale

The Board of Directors negotiated a transaction agreement ("**Transaction Agreement**") that governs the time between the publication of the pre-announcement on 17 August 2023 ("**Pre-Announcement**") and Settlement of the Offer and certain aspects of the continuation of Schaffner's business and made an in-depth review of the Offer. The Offer is further described in the offer prospectus of the Offeror ("**Offer Prospectus**").

2.1 Offer Price

The price offered by the Offeror amounts to CHF 505 net in cash for each Share ("**Offer Price**"). The Offer Price implies a premium of approximately 79.1% to the unaffected closing price of the Shares on 6 June 2023 and a 74.5% premium to the volume-weighted average price ("**VWAP**") of the Shares during the sixty (60) SIX trading days prior to the publication of the Pre-Announcement.

2.2 Offer Conditions

The Offer remains subject to the conditions and further terms set forth in the Offer Prospectus, including:

- by the end of the (possibly extended) offer period, the Offeror shall have received valid and irrevocable acceptances for such number of Shares representing, when combined with the Shares that the Offeror will own at that point in time, at least 67% of the fully diluted share capital of Schaffner;
- further customary offer conditions, such as regulatory approvals, absence of dilutive corporate actions, absence of material adverse change in the business, assets, liability or condition of the Company, exchange of the Company's board of directors and approval by the shareholders' meeting of the Company to delist the Shares.

For a more detailed description of the Offer conditions please refer to section A of the Offer Prospectus. The Offer period will commence according to the Offer Prospectus on 13 October 2023 and the transaction is currently expected to complete by 14 December 2023.

2.3 Fairness Opinion

To evaluate and confirm the financial fairness, the Board of Directors mandated Raiffeisen to act as independent expert and to issue a fairness opinion to assess the financial appropriateness of the Offer Price. In the fairness opinion dated 7 September 2023, Raiffeisen concluded, based on its analysis, that the Offer Price is fair and appropriate from a financial point of view. Based on and subject to the assumptions set out therein, Raiffeisen determined, as of the valuation date of 16 August 2023 and based on a conducted Discounted Cash Flow (DCF) analysis, a DCF sensitivity analysis, an analysis of valuations of comparable listed companies, an analysis of valuations of comparable acquisitions and an analysis of paid premiums in previous takeover transactions, a value of CHF 452 per Share with a range of CHF 423 to CHF 482 per Share. Given the conclusions of the Fairness Opinion, the share price development over the last years, and the Offer Price of CHF 505 per Share, the Board of Directors is convinced that the shareholders of Schaffner have received a fair and favorable Offer.

The fairness opinion can be ordered in German, French and English at no cost at Schaffner Holding AG, Investor Relations, Nordstrasse 11e, 4542 Luterbach, Switzerland (email: investor-relations@schaffner.com) or downloaded on <https://www.schaffner.com/investors>.

2.4 Business Rationale

Schaffner is a market leader in industrial Electromagnetic Compatibility (EMC) filter solutions and is offering a comprehensive product portfolio in this market. Schaffner has a proven business model, combining customized solutions distributed via direct sales and standard solutions sold via distribution partners, seamless integration of and transition between them in product development. Schaffner has established itself as the technology and innovation leader in this space.

The TE Group is a global industrial technology leader creating a safer, sustainable, productive and connected future. Its broad range of connectivity and sensing solutions, proven in the harshest environments, enables advancements in transportation, industrial applications, medical technology, energy, data communications and the home. The TE Group has more than 85,000 employees, including over 8,000 engineers, working alongside customers in approximately 140 countries.

The Board of Directors, with the assistance of professional advisors, has thoroughly explored different strategic alternatives, including the integration into the TE Group. The respective opportunities and risks including transactional execution risks have been assessed and the interests of all stakeholders of Schaffner carefully considered.

The Board of Directors concluded that the Offer provides an excellent strategic opportunity for Schaffner with a compelling underpinning industrial logic to meet future market challenges from a position of strength and to create substantial value for stakeholders. EMC filters are of high strategic interest to both Schaffner and the TE Group as they are a critical product in many focus applications, such as motion control, robotics, industrial machinery, building technology, medical, e-mobility, etc., and as they can leverage the scale of TE Group's global go-to-market model (OEMs, EMS companies, distributors and end-users). The TE Group intends to integrate its own filter business into Schaffner, creating a market leader in EMC Filters that is well positioned to serve customers and expand market share.

The combined group will benefit from broader market access and a global customer base, especially among major international corporations. Through the global sales and distribution network, Schaffner's product and solution offering reaches significantly more customers. Also, TE is a large strategic supplier and innovation partner to many of the key customers in Schaffner's focus growth market segments. Board of Directors believes that Schaffner will be able to leverage this position to benefit its business in an accelerated manner.

The TE Group intends to preserve today's key success factors of Schaffner in order to realize the full potential of the combination. Thanks to its technological leadership and innovation expertise, Schaffner shall become the global "EMC Center of Excellence" for the entire TE Group. This gives Schaffner the ability to drive its innovation and product roadmaps across multiple strategic market segments and leverage TE Group's scale and expertise. Schaffner will also gain access to TE Group's Center of Excellence for Manufacturing Automation, whose expertise can be used to further increase production efficiency. Schaffner sites are envisaged to also benefit from additional production volume. In addition, the higher purchasing volume is expected to improve the company's position in the procurement market in the areas of freight, logistics, raw material procurement and other areas. The Board of Directors believes that all these factors will add up to a more competitive combined business.

With TE Group's global presence and scale in multiple countries and in several market segments, Schaffner team members are expected to have access to additional development and career growth opportunities.

Overall, the Board of Directors believes that the Offer is not only beneficial for the business of Schaffner and its customers, but also for the employees and other stakeholders.

2.5 Squeeze-Out and Delisting

In the event that after the consummation of the Offer ("**Settlement**"), the Offeror holds more than 98% of the voting rights of the Company, the Offeror intends to request the cancellation of the remaining Shares in accordance with art. 137 FMIA with the competent court. In the event that after the Settlement, the Offeror holds between 90% and 98% of the voting rights of Schaffner, the Offeror intends to compensate the remaining minority shareholders of Schaffner in cash in connection with a squeeze-out merger pursuant to art. 8 para. 2 of the Swiss Merger Act.

The shareholders not accepting the Offer may thus be compulsorily squeezed-out of the Company. In case of a possible squeeze-out merger, the compensation may in certain cases deviate from the Offer Price. The tax consequences of a squeeze-out by way of a cancellation or a squeeze-out merger are described in section H.7.2.2 of the Offer Prospectus.

After the Settlement of the Offer, the Offeror intends to have the Shares delisted from SIX Swiss Exchange. The delisting may significantly impair the ability to trade in Shares.

2.6 Agreements with Major Shareholders

The Board of Directors has, when deciding to support the transaction, taken note of the fact that the major shareholders of Schaffner holding (directly or indirectly) 238,796 or 37.55% of all Shares have each individually contractually agreed to tender their Shares (except for 300 blocked Shares) into the Offer.

2.7 Conclusion

Based on the above considerations, the Board of Directors came to the conclusion that the Offer is in the best interest of Schaffner, its shareholders, employees, customers and suppliers and that the Offer Price is fair and appropriate. The Board of Directors therefore unanimously resolved to recommend to the shareholders of Schaffner to accept the Offer of the Offeror.

3. Agreements with the Offeror

On 21 March 2023, Schaffner and TE Connectivity Ltd., the ultimate parent company of the Offeror, signed a confidentiality agreement, following the execution of which TE Group was allowed to conduct a limited due diligence relating to Schaffner.

In addition, Schaffner and the Offeror concluded a Transaction Agreement on 16 August 2023, which in essence contains provisions regarding the takeover process and terms and conditions

of the Offer and the respective rights and obligations of Schaffner and the Offeror in relation to the Offer. In particular, the Transaction Agreement sets forth the Offer Price to be offered by the Offeror and that the Board of Directors undertakes to support the Offer and to recommend its acceptance to the shareholders of Schaffner. In addition, the Transaction Agreement contains obligations of Schaffner, which among others include the following (in summarized form):

- Schaffner has agreed to actively support the Offer and to refrain from anything that may affect the Offer or its success, subject to legal requirements. This also includes admissible preparatory work for the smooth combination of Schaffner and the Offeror.
- Schaffner undertook not to solicit, initiate, propose or negotiate, or continue discussions or negotiations regarding, any third party transaction. However, Schaffner is allowed, in response to an unsolicited written approach to acquire all Schaffner Shares or all or substantially all assets of Schaffner, which the Board of Directors determines in its good faith judgment and after consultation with its financial advisor, is reasonably capable of expeditiously making, financing and consummating an offer that is in the aggregate and considering all relevant aspects more favorable to the Company and its shareholders than the Offer (the transaction for which such proposal is made, a “**Better Offer**”) and after having notified the Offeror of the Better Offer, to furnish information to and participate in discussions and negotiations with the relevant third party.
- Schaffner undertook to procure that neither the Board of Directors nor any committee thereof shall (i) revoke, withdraw or modify its resolution to recommend the acceptance of the Offer or the approval of the Board Report or of its issuance, (ii) withdraw, modify or qualify in any manner adverse to the Offeror the recommendation of the Offer or the Board Report, (iii) approve or enter into any letter of intent, acquisition agreement or similar agreement relating to any third party transaction, (iv) approve or recommend, or announce publicly to approve or recommend, any third party transaction or (v) in each case of (i) through (iv) above, make any announcement to that effect, *unless*, in each case, until the trading day prior to the expiration of the main offer period, a Better Offer is submitted to the Company Board and the Company Board determines in good faith after consultation with outside counsel and its financial advisor, that the third party who made such Better Offer is capable of making, financing and consummating such Better Offer in a reasonable time frame, in which case the Company and the Company Board shall be allowed to take any action referred to in (i) through (v) above; provided, however, that, prior to taking any such action, the Company shall have notified the Offeror about the Better Offer, shall have provided the Offeror the opportunity to submit an improved Offer and the Offeror not having submitted such improved Offer within the agreed period.
- Schaffner undertook to operate its business in the ordinary course of business, consistent with past practice and based on the current budget as well as with the required diligence from the date of the Transaction Agreement through the Settlement and to execute certain business matters only with the consent of the Offeror, unless required by applicable laws, fairly disclosed or if the Board of Directors has withdrawn or modified its recommendation of the Offer. Schaffner further undertook to use its commercially reasonable efforts to preserve substantially intact its business organization and goodwill, keep available the services of its officers and employees and preserve the relationships with the persons having business relationships with the Schaffner Group.
- Offeror agreed to develop a severance scheme with Schaffner in relation to any employee of the Schaffner Group that shall be terminated after Settlement but with effect before the end of 2024 to realize cost synergies and not for valid reasons (*zureichende Gründe*) due to their insufficient performance. Any severance payment

offered under such severance scheme shall be based on the years of service and the individual contribution of any relevant employee and shall target for all employees concerned a severance payment in aggregate of no less than 3 months.

A detailed summary of the content of the Transaction Agreement can be found in section D.3.1 of the Offer Prospectus.

C. ADDITIONAL INFORMATION REQUIRED BY SWISS TAKEOVER LAW

1. Potential Conflicts of Interest of the Board of Directors and the Executive Committee

1.1 Board of Directors

The Board of Directors of Schaffner is composed of four (4) members: Markus Heusser (chairman), Philipp Buhofer (vice-chairman), Gerhard Pegam and Andrea Tranel.

In case the Offer is successful, all members of the Board of Directors will resign from their functions with effect from the Settlement of the Offer.

Philipp Buhofer and BURU Holding AG entered into a tender agreement with the Offeror. Philipp Buhofer is a substantial shareholder of BURU Holding AG. No other member of the Board of Directors has entered into a contractual or other relationship with the Offeror. No member of the Board of Directors has been elected at the request of the Offeror or is exercising his/her mandate following instructions of the Offeror. The members of the Board of Directors are neither employees nor members of any corporate bodies of the Offeror or of companies having a significant business relationship with the Offeror. All members of the Board of Directors have expressed their intent to tender the Shares they hold into the Offer.

In view of the above, the Board of Directors concluded that it cannot fully rule out a conflict of interest on the part of Philipp Buhofer. No other member of the Board of Directors has a conflict of interest in connection with the Offer. As a result, the Board of Directors decided on the entering into the Transaction Agreement and the recommendation of the Offer once with and once without the vote of Philipp Buhofer.

Except for the facts described in section C.2 below, the Offer does not have any financial consequences for the members of the Board of Directors.

1.2 Executive Committee

The executive management of the Schaffner Group consists of Marc Aeschlimann (CEO, Head of Industrial Division) and Christian Herren (CFO) (the "**Executive Committee**").

No member of the Executive Committee has entered into a contractual or other relationship with the Offeror. The Offeror intends to continue to operate Schaffner under the current management. The members of the Executive Committee are neither employees nor members of any corporate bodies of the Offeror or of companies having significant business relations with the Offeror.

Accordingly, no member of the Executive Committee has a conflict of interest in connection with the Offer.

Except for the facts described in section C.2 below, the Offer does not have any financial consequences for the members of the Executive Committee.

2. Possible financial consequences of the Offer for the Members of the Board of Directors and the Executive Committee

2.1 Participation Plans – Overview and consequences of the Offer on Participation Plans

(1) Remuneration of the Members of the Board of Directors

For their service on the Board of Directors, in particular for the preparation of and the participation in board meetings, the members of the Board of Directors receive a fixed annual fee in cash. For their work in the board committees (currently, the Nomination & Compensation Committee and the Risk and Audit Committee), the members of the Board of Directors receive, in addition to the fixed fee, a flat annual committee fee, which differs between committee chairman and the other committee members. This flat committee fee is paid only once per person, even if the recipient is a member of more than one board committee. The Board of Directors has resolved that the chairman of the Board of Directors shall be paid a remuneration of CHF 3,000 per day of proven extra work in connection with the Offer or an alternative transaction, irrespective of its success and subject to the approval by the general meeting of shareholders.

The members of the Board of Directors participate in the Long Term Incentive Plan ("**LTIP**", see also below) which rewards the Board of Directors for their contribution to the continued success of the Group. The LTIP provides a fixed number of target Shares per participant per year, whereby the number of Shares depends on the function within the Board of Directors.

(2) Remuneration of the Members of the Executive Committee

The members of the Executive Committee receive a fixed base salary, which is paid monthly. The amount is determined by the Board individually for each member and on a discretionary basis, taking into account the individual's role and amount of responsibility. The members of the Executive Committee further receive a variable cash compensation, which is performance based. It is tied to the achievement of corporate financial targets and personal targets. The corporate financial targets are set annually in advance for a one-year performance period. In fiscal year 2022/23 these target metrics were Group net sales, Group EBIT and Group free cash flow for the two members of the Executive Committee. The personal annual targets are set individually for each member of the Executive Committee before the start of the assessment period. They relate to current projects, the agreed strategic goals, and longer-term company performance and development. Target achievement is evaluated by the Board after the end of the fiscal year. The target amount is contractually set and cannot exceed 50% of fixed compensation. The variable cash compensation can increase up to a maximum of 150% of the target amount if all targets are significantly surpassed, and can fall to 0% of the target amount if the targets are not achieved. The Company and the CEO entered into a retention agreement for the payment of CHF 300,000 which is, among other things dependent on that the CEO's employment agreement is not terminated before the end of the calendar year. An identical retention agreement was entered into with the CFO for a payment of CHF 200,000. Both agreements are not conditional on the Offer, shall make sure the two key executives are retained, and compensate them for the additional work.

As long-term compensation, the members of the Executive Committee participate in the LTIP and are annually awarded a variable number of Shares.

(3) Long-Term Incentive Plan (LTIP)

The Board of Directors has established the LTIP with effect since the fiscal year 2018/2019. The LTIP is an equity award in form of restricted Shares which rewards the Board of Directors, the Executive Committee and certain members of the senior management of the Group for their contribution to the continued success of the Group. The LTIP provides a fixed number of target Shares per participant. The number of target Shares to be granted depends on the

participant's function within the Group and the relation to the total target compensation. The final number of Shares effectively allocated and transferred to a participant will be determined annually by the relevant body based on the number of target Shares granted multiplied by the achievement factor, whereby the number of Shares to be allocated to the members of the Board of Directors is fixed. Any allocations to members of the Board of Directors and the Executive Committee are approved by the Board of Directors upon proposal by the Nomination & Compensation Committee.

Shares effectively allocated under the LTIP are subject to a minimum three-year restriction period ("**Restriction Period**") starting on the date of allocation (such restricted Shares, the "**Restricted Shares**"). The Board of Directors upon proposal by the Nomination & Compensation Committee sets the applicable Restriction Period annually and on an individual basis for each allocation. After expiry of the Restriction Period, the participant is free to dispose of his/her Shares, subject to applicable restrictions such as blackout periods, insider information and other applicable selling restrictions.

Participants leaving the Group may keep any Shares that have already been effectively allocated under the LTIP. Such allocated Shares remain, however, blocked until the expiry of the relevant Restriction Period. In case of a change of control event, any Restricted Shares may be released upon decision by the Board of Directors.

Given the foreseeable results of the current year and the advances with respect to the implementation of the strategy, the Board of Directors resolved to set the achievement factor for the allocation of Shares to the management to 150% for the financial year 2022/23 and the first quarter of the financial year 2023/24.

2.2 Shares and entitlements held by members of the Board of Directors and the Executive Committee

(1) Board of Directors

As of the date of this Board Report, the members of the Board of Directors hold the following numbers of Shares:

Name	Unblocked Shares	Blocked Schaffner- Shares
Markus Heusser	105	0
Philip Buhofer (including Shares held by BURU Holding AG)	109,155	300
Gerhard Pegam	576	300
Andrea Tranel	0	200

These numbers do not include the Shares that will be allocated for the term from the last general meeting until the time the members of the Board of Directors either resign in case of Settlement or, should the Offer not be successful, their term ends at the end of the next ordinary general meeting.

(2) Executive Committee

As of the date of this Board Report, the members of the Executive Committee hold the following numbers of Shares:

Name	Unblocked Shares	Blocked Schaffner- Shares
Marc Aeschlimann, CEO	1,418	1,050
Christian Herren, CFO	411	325

These numbers do not include the Shares that will be allocated for the financial year 2022/23 and the first quarter of financial year 2023/24.

2.3 Compensation and Benefits

The members of the Board of Directors are not granted any compensation, severance payments or other benefits as a result of the Offer. Moreover, no member of the Board of Directors or the Executive Committee was granted any loan or credit from the Company or the Offeror.

The members of the Executive Committee are not granted any severance payments and the employment contracts of the members of the Executive Committee do not contain any change of control clauses. Only the LTI contains a change of control clause allowing the Board of Directors to lift the blocking period.

In the Transaction Agreement, the Offeror undertook (i) to ensure that the Company and its subsidiaries will put the discharge of the persons who, at the time of the signing of the Transaction Agreement and/or the Settlement of the Offer, are members of the Board of Directors or of the Executive Committee, respectively members of the board of directors or of the executive management of the subsidiaries of the Company, on the agenda of the next extraordinary and the next ordinary shareholders' meeting of the Company and of its subsidiaries, respectively (ii) to vote all shares it holds in the Company and its subsidiaries, whether directly or indirectly, in favor of the discharge of the persons mentioned in (i) above respectively to ensure that the voting rights are exercised in this manner and (iii) to waive all claims against the persons mentioned in (i) above in connection with acts or omissions committed in their function as members of the Board of Directors or the Executive Committee, respectively as members of board of directors or the executive management of a subsidiary of the Company, except for willful, fraudulent or gross negligent acts or omissions.

3. Contractual Agreements and other Connections with the Offeror

Apart from the confidentiality agreement signed on 21 March 2023 and the Transaction Agreement, there are no contractual agreements or other connections between Schaffner and its company bodies and the Offeror or, respectively, entities of the TE Group.

4. Intentions of Shareholders who hold 3% or more of the Voting Rights

To the knowledge of the Board of Directors, at the time of the publication of this Board Report, the following shareholders hold 3% or more of the voting rights of Schaffner:

Shareholder	Number of Shares*	Percentage*
BURU Holding AG (Beneficial Owners: Elisabeth Buhofer-Rubli, Philipp Buhofer, Annelies Häcki-Buhofer, Erbgemeinschaft M. Buhofer)	109,455	17.21%
J Safra Sarasin Investmentfonds AG	55,014	8.65%
RoPAS (CH) Institutional Fund – Equities Switzerland (5.66%) (Collective Investors, Licensee: UBS Fund Management (Switzerland) AG, Aeschenvorstadt 1, 4052 Basel, Schweiz)	58,960	9.271%
Jörg Wolle	24,503	3.85%
Arpad Eden Lombard-Martin	19,630	3.09%
Marc Buhofer	19,662	3.09%
Matter Group AG	30,162	4.74%

* As disclosed with the SIX Disclosure Office and amended based on disclosures made at the Swiss Takeover Board.

On 16 August 2023, BURU Holding AG and Philipp Buhofer signed a tender agreement, according to which they agreed to tender their above mentioned Shares into the Offer, except for 300 blocked Shares held by Philipp Buhofer in his capacity as board member. On 24 August 2023, each of J. Safra Sarasin Investmentfonds AG, Jörg Wolle, Marc Buhofer and Matter Group AG entered into separate tender agreements with the Offeror with respect to their Shares providing for the obligation to tender their Shares into the Offer.

The Board of Directors is not aware of the intentions of other shareholders who hold 3% or more of the voting rights in Schaffner in connection with the Offer.

5. Defensive measures pursuant to art. 132 para. 2 FMIA

The Board of Directors has not taken any defensive measures against the Offer and does not intend to take defensive measures in the future or to propose any such defensive measures to an extraordinary shareholders' meeting.

6. Financial Reporting: Material Changes in the Assets and Liabilities, Financial Condition, Profits and Losses and Business Perspectives

The annual report as of 30 September 2022 of Schaffner was published on 6 December 2022. In addition, on 4 May 2023, Schaffner published its half-year report as of 31 March 2023. Further, the Company established an interim report as of 30 June 2023. The annual reports and the half-year reports as well as the interim report as of 30 June 2023 are available under <https://www.schaffner.com/investors/reports-and-presentations>.

Other than the transaction to which this Board Reports relates, the Board of Directors is not aware of any significant changes in the assets and liabilities, financial condition, profits and losses and business perspectives of Schaffner since 30 June 2023, which could influence the decision of the shareholders of Schaffner regarding the Offer of the Offeror.

Luterbach, 27 September 2023

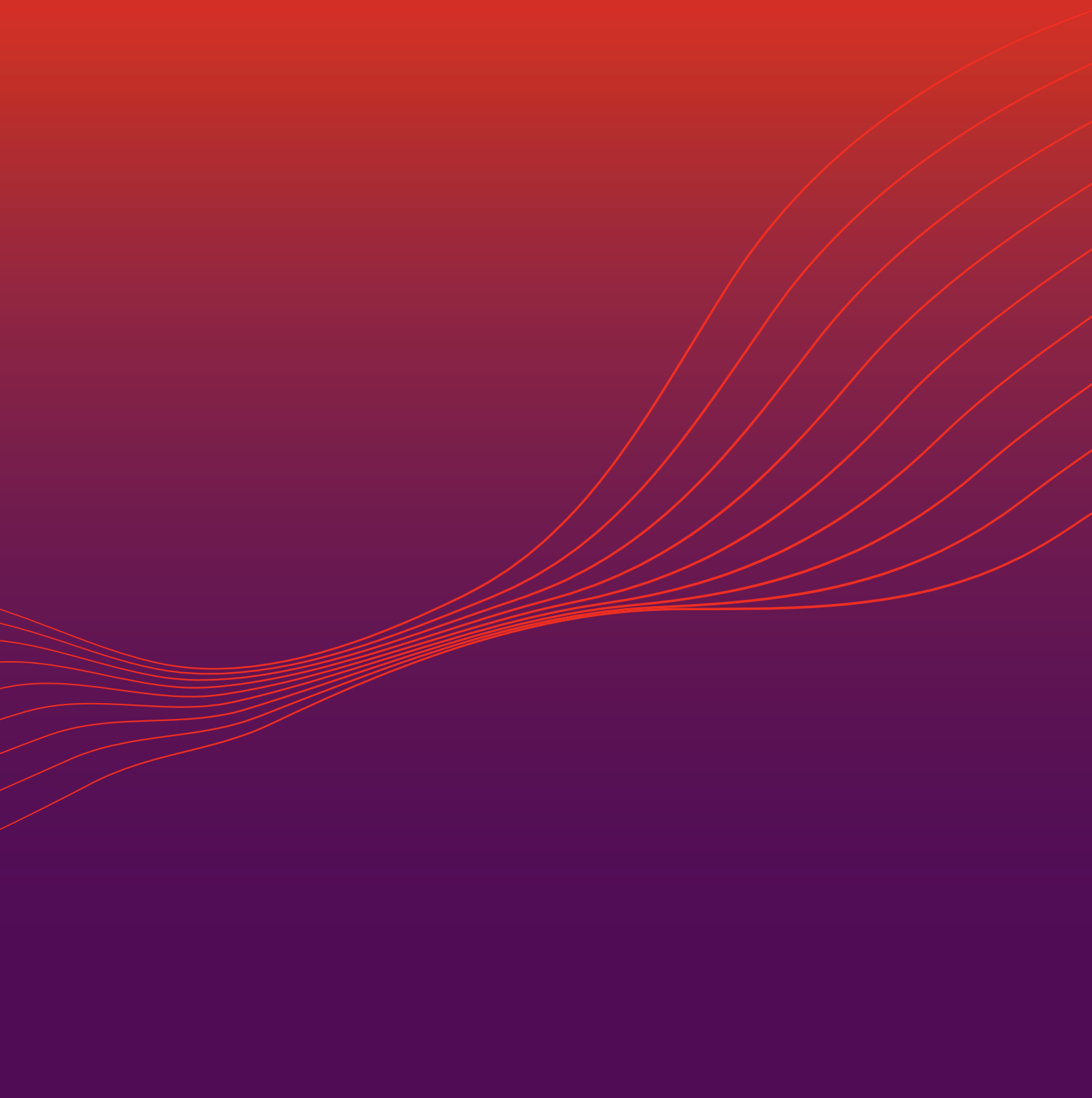
On behalf of the Board of Directors of Schaffner Holding AG

Markus Heusser

Chairman of the Board of Directors

Interim financial statements

Q3 2022/23



Consolidated balance sheet

In CHF '000	30.06.2023	30.09.2022
Intangible assets	607	912
Property, plant, and equipment	23,226	25,004
Other non-current financial assets	795	904
Deferred tax assets	5,170	6,154
Total non-current assets	29,798	32,974
Prepaid expenses and deferred income	1,605	1,166
Inventories	27,689	38,202
Other current financial assets	473	526
Other receivables	1,711	2,294
Trade receivables	29,144	30,703
Cash and cash equivalents	12,614	14,960
Total current assets	73,236	87,851
Total assets	103,034	120,825
Exchange differences	-29,142	-26,165
Retained earnings	60,608	50,059
Treasury shares	-1,351	-1,388
Share premium	23,796	26,680
Share capital	20,668	20,668
Total shareholders, equity	74,579	69,854
Deferred tax liabilities	311	283
Non-current provisions	3,691	3,987
Non-current borrowings	0	284
Total non-current liabilities	4,002	4,554
Accrued expenses	7,486	8,693
Current provisions	139	589
Other payables	3,071	3,079
Trade payables	12,976	23,328
Current borrowings	347	10,583
Derivatives	434	145
Total current liabilities	24,453	46,417
Total liabilities	28,455	50,971
Total liabilities and shareholders' equity	103,034	120,825

Consolidated income statement

In CHF '000	9M 2022/23	9M 2021/22
Net sales of goods and services	120,230	113,633
Cost of sales	-77,516	-78,812
Gross profit	42,713	34,821
Marketing and selling expenses	-11,625	-10,239
Research and development expenses	-9,154	-9,311
General and administrative expenses	-7,260	-6,592
Operating profit (EBIT)	14,675	8,679
Financial result	583	-1,016
Earnings before tax (EBT)	15,258	7,663
Income tax	-1,730	-1,520
Net profit for the period	13,528	6,143
Earnings per share in CHF		
Basic	21.44	9.73
Diluted	21.44	9.73

Condensed consolidated cash flow statement

In CHF '000	9M 2022/23	9M 2021/22
Cash flow from operating activities	18,250	-1,661
Purchase of property, plant, and equipment	-3,471	-3,537
Purchase of intangible assets	-9	-21
Change in current financial assets	-34	1,064
Other investing activities	118	26
Cash flow from investing activities	-3,396	-2,468
Repayment of excess share premium	-5,686	-5,690
Changes in treasury shares	-422	-582
Proceeds from borrowings	0	1,353
Repayment of borrowings	-10,526	0
Other financing activities	-165	-165
Cash flow from financing activities	-16,799	-5,084
Effect of exchange rates on cash and cash equivalents	-401	-270
Change in cash and cash equivalents	-2,346	-9,483
Cash and cash equivalents at 1 October	14,960	24,026
Cash and cash equivalents at 30 June	12,614	14,543

Consolidated statement of changes in equity

In CHF '000	Share capital	Share premium	Cumulative exchange differences	Retained earnings	Treasury shares	Total shareholders' equity
At 1 October 2021	20,668	29,685	-21,718	40,159	-1,221	67,573
Net profit for the period				6,143		6,143
Exchange differences			-1,970			-1,970
Treasury share transactions		-160		-316	-106	-582
Repayment of excess share premium		-2,845		-2,845		-5,690
Share option plans				350		350
At 30 June 2022	20,668	26,680	-23,688	43,491	-1,327	65,824
At 1 October 2022	20,668	26,680	-26,165	50,059	-1,388	69,854
Net profit for the period				13,528		13,528
Exchange differences			-2,977			-2,977
Treasury share transactions		-41		-418	37	-422
Repayment of excess share premium		-2,843		-2,843		-5,686
Share option plans				282		282
At 30 June 2023	20,668	23,796	-29,142	60,608	-1,351	74,579

Notes

1 Accounting policies

The unaudited consolidated financial statements of the Schaffner Group for the first nine month of the fiscal year were prepared in accordance with Swiss GAAP FER 31 "Additional recommendations for listed companies." As these interim financial statements represent an update of the consolidated annual financial statements for the year that ended on 30 September 2022, they should be read in conjunction with those annual financial statements.

The consolidated financial statements for the nine months that ended on 30 June 2023 were approved by the Board of Directors of Schaffner Holding AG on 27 September 2023 and released for publication.

2 Change in accounting principles

In the year under review, the Swiss GAAP FER accounting principles have not been changed.

3 Operating segments

The Schaffner Group is organized into the two divisions: Industrial and Automotive. This delineation of segments (i.e., divisions) is consistent with the internal reporting on the basis of which the chief decision maker responsible allocates resources to these segments and evaluates their profitability.

The Schaffner Group has identified its Executive Committee as this chief decision maker.

For competition reasons, Schaffner does not publish divisional earnings.

Industrial (IN)

The IN division develops and manufactures standard and custom components that protect power electronic systems from line interference (thus ensuring electromagnetic compatibility) and safeguard their reliable operation in power grids. The division's Power Quality business unit also develops and manufactures active and passive filter solutions to assure the best quality of electric power. The key markets served include energy-efficient drive systems, renewable energy, power supply systems for electronic devices, machine tools, and robotics.

Automotive (AM)

The Automotive division develops and manufactures components for keyless authentication systems and filter solutions for hybrid and electric vehicles. Working closely with leading automobile manufacturers and automotive suppliers, Schaffner engineers leverage their specialized EMC expertise to support customers in the development of new models.

No operating segments have been aggregated to form these reportable business segments.

Notes

Information for each division

9M 2022/23

In CHF '000	IN	AM	Group
Net sales	96,156	24,074	120,230

9M 2021/22

In CHF '000	IN	AM	Group
Net sales	92,382	21,251	113,633

4 Seasonality

The Schaffner Group does not operate in industries with significant seasonal or cyclical variation in total sales over the fiscal year. Since major public holidays such as Chinese New Year and Christmas fall in the first half of the fiscal year, experience has shown that, factoring out economic influences, higher sales are usually generated in the second half of the year.

Income tax is recognized based on the best estimate of the weighted average annual income tax rate expected for the full fiscal year.

5 Foreign currencies

The following exchange rates were applied in the translation of foreign currencies:

Country or region	Currency		Balance sheet		Income statement	
			30.06.2023 In CHF	30.09.2022 In CHF	9M 2022/23 In CHF	9M 2021/22 In CHF
China	CNY	100	12.40	13.78	13.25	14.48
EU	EUR	100	97.81	95.60	98.78	103.16
Thailand	THB	100	2.54	2.59	2.66	2.77
USA	USD	100	90.11	98.09	92.91	93.45

Notes

6 Distribution to shareholders

As decided by the Annual General Meeting of Schaffner Holding AG on 10 January 2023, a distribution of CHF 9.00 per share for fiscal year 2021/22 was made to the shareholders. The distribution was divided into an ordinary dividend of CHF 4.50 and a distribution of CHF 4.50 from additional paid-in capital (exempted from Swiss anticipatory tax) per share.

7 Events after the balance sheet date

No events have occurred after the balance sheet date that have a material effect on the amounts in the consolidated interim financial statements.

Key financials

Group			
In CHF '000	9M 2022/23	9M 2021/22	Change
Order intake	105,464	132,152	-20.2 %
Industrial division	81,394	110,885	-26.6 %
Automotive division	24,070	21,267	13.2 %
Net Sales	120,230	113,633	5.8 %
Industrial division	96,156	92,382	4.1 %
Automotive division	24,074	21,251	13.3 %
EBITDA	19,061	12,370	54.1 %
In % of sales	15.9 %	10.9 %	
Operating Profit (EBIT)	14,675	8,679	69.1 %
In % of sales	12.2 %	7.6 %	
Net profit for the period	13,528	6,143	120.2 %
In % of sales	11.3 %	5.4 %	
Net profit for the period per share in CHF	21.44	9.70	121.0 %
Free Cashflow	14,770	-5,219	

Balance sheet	30.06.2023	30.09.2022	Change
Total assets	103,034	120,825	-14.7 %
Non-current assets	29,798	32,974	-9.6 %
Current assets	73,236	87,851	-16.6 %
Total liabilities	28,455	50,971	-44.2 %
Shareholders' equity	74,579	69,854	6.8 %
Equity ratio	72.4	57.8	
Number of employees (headcount)	1,720	1,826	-5.8 %

Share-based metrics	30.06.2023	30.09.2022
Number of shares	635,940	635,940
Treasury shares	5,127	5,402
Number of shares entitled to dividends	630,813	630,538
Shareholders' equity per share in CHF	117.27	109.84
Share price in CHF	285	268
Market capitalization in CHF million	181	170

Due to rounding, minor discrepancies may arise in the calculation of totals and percentages in this Interim financial statements. For ease of reading, gender-neutral terms have not always been used in this report. All gender-specific statements are to be understood in the context as referring to both men and women. The Schaffner Group Interim financial statements are also available in English. The original German version is binding.

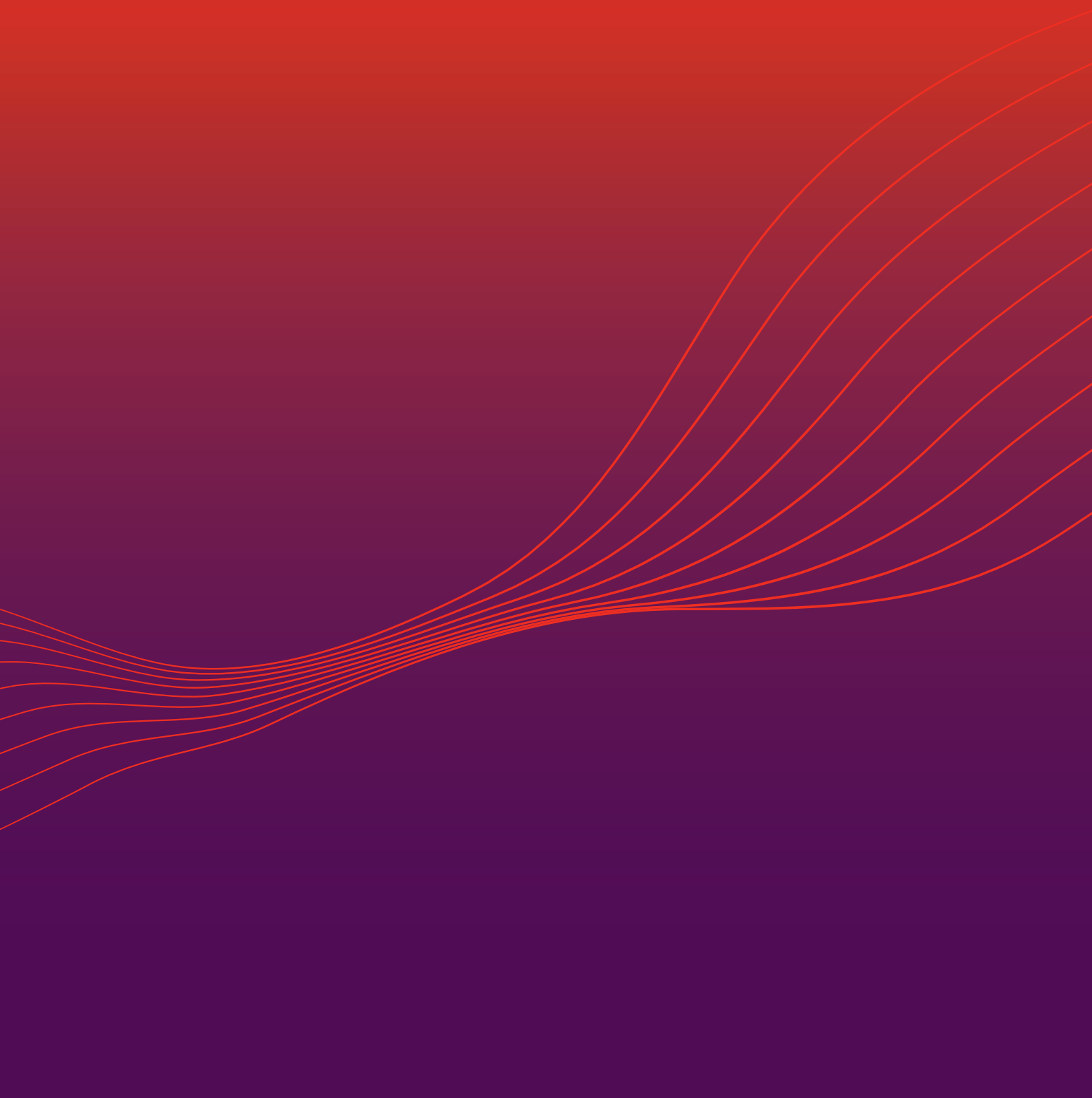
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Zwischenabschluss Q3 2022/23



Konsolidierte Bilanz

in CHF 1'000	30.06.2023	30.09.2022
Immaterielle Werte	607	912
Sachanlagen	23'226	25'004
Übrige Finanzanlagen	795	904
Latente Ertragssteuerguthaben	5'170	6'154
Total Anlagevermögen	29'798	32'974
Aktive Rechnungsabgrenzungen	1'605	1'166
Vorräte	27'689	38'202
Sonstige kurzfristige finanzielle Vermögenswerte	473	526
Sonstige Forderungen	1'711	2'294
Forderungen aus Lieferungen und Leistungen	29'144	30'703
Flüssige Mittel	12'614	14'960
Total Umlaufvermögen	73'236	87'851
Total Aktiven	103'034	120'825
Umrechnungsdifferenzen	-29'142	-26'165
Gewinnreserven	60'608	50'059
Eigene Aktien	-1'351	-1'388
Kapitalreserven	23'796	26'680
Aktienkapital	20'668	20'668
Total Eigenkapital	74'579	69'854
Latente Ertragssteuerschulden	311	283
Langfristige Rückstellungen	3'691	3'987
Langfristige Finanzverbindlichkeiten	0	284
Total langfristiges Fremdkapital	4'002	4'554
Passive Rechnungsabgrenzungen	7'486	8'693
Kurzfristige Rückstellungen	139	589
Sonstige Verbindlichkeiten	3'071	3'079
Verbindlichkeiten aus Lieferungen und Leistungen	12'976	23'328
Kurzfristige Finanzverbindlichkeiten	347	10'583
Derivative Finanzinstrumente	434	145
Total kurzfristiges Fremdkapital	24'453	46'417
Total Fremdkapital	28'455	50'971
Total Passiven	103'034	120'825

Konsolidierte Erfolgsrechnung

in CHF 1'000	9M 2022/23	9M 2021/22
Nettoerlös aus Lieferungen und Leistungen	120'230	113'633
Herstellkosten der verkauften Produkte und Leistungen	-77'516	-78'812
Bruttogewinn	42'713	34'821
Marketing und Vertriebsaufwand	-11'625	-10'239
Forschung und Entwicklung	-9'154	-9'311
Verwaltungsaufwand	-7'260	-6'592
Betriebliches Ergebnis (EBIT)	14'675	8'679
Finanzergebnis	583	-1'016
Ergebnis vor Steuern (EBT)	15'258	7'663
Ertragssteuern	-1'730	-1'520
Unternehmensergebnis	13'528	6'143
Unternehmensergebnis pro Aktie in CHF		
vor Verwässerung	21.44	9.73
nach Verwässerung	21.44	9.73

Verkürzte konsolidierte Geldflussrechnung

in CHF 1'000	9M 2022/23	9M 2021/22
Cashflow aus Betriebstätigkeit	18'250	-1'661
Investitionen in Sachanlagen	-3'471	-3'537
Investitionen in immaterielle Anlagen	-9	-21
Veränderung der kurzfristigen finanziellen Vermögenswerte	-34	1'064
Übrige Investitionstätigkeiten	118	26
Cashflow aus Investitionstätigkeit	-3'396	-2'468
Rückzahlung Reserven aus Kapitaleinlage und Dividende	-5'686	-5'690
Transaktionen mit eigenen Aktien	-422	-582
Aufnahme von Finanzschulden	0	1'353
Tilgung von Finanzschulden	-10'526	0
Übrige Finanzierungstätigkeiten	-165	-165
Cashflow aus Finanzierungstätigkeit	-16'799	-5'084
Wechselkurseinflüsse aus flüssigen Mitteln	-401	-270
Veränderung der flüssigen Mittel	-2'346	-9'483
Flüssige Mittel Anfangsbestand 01.10.	14'960	24'026
Flüssige Mittel Endbestand 30.06.	12'614	14'543

Konsolidierte Eigenkapitalveränderung

in CHF 1'000	Aktien- kapital	Kapital- reserven	Kumulative Umrech- nungsdiffe- renzen	Gewinn- reserven	Eigene Aktien	Total Eigen- kapital
Stand am 01.10.2021	20'668	29'685	-21'718	40'159	-1'221	67'573
Unternehmensergebnis				6'143		6'143
Umrechnungsdifferenzen			-1'970			-1'970
Transaktionen mit eigenen Aktien		-160		-316	-106	-582
Rückzahlung Reserven aus Kapitaleinlage und Dividende		-2'845		-2'845		-5'690
Mitarbeiterbeteiligungspläne				350		350
Stand am 30.06.2022	20'668	26'680	-23'688	43'491	-1'327	65'824
Stand am 01.10.2022	20'668	26'680	-26'165	50'059	-1'388	69'854
Unternehmensergebnis				13'528		13'528
Umrechnungsdifferenzen			-2'977			-2'977
Transaktionen mit eigenen Aktien		-41		-418	37	-422
Rückzahlung Reserven aus Kapitaleinlage und Dividende		-2'843		-2'843		-5'686
Mitarbeiterbeteiligungspläne				282		282
Stand am 30.06.2023	20'668	23'796	-29'142	60'608	-1'351	74'579

Erläuterungen

1 Konsolidierungs- und Bewertungsgrundsätze

Der ungeprüfte konsolidierte Zwischenabschluss der Schaffner Gruppe wurde in Übereinstimmung mit Swiss GAAP FER 31 «Ergänzende Fachempfehlungen für kotierte Publikumsgesellschaften» erstellt und sollte in Verbindung mit der konsolidierten Jahresrechnung per 30. September 2022 gelesen werden, da er eine Aktualisierung des letzten vollständigen Abschlusses darstellt.

Der konsolidierte Zwischenabschluss per 30. Juni 2023 wurde am 27. September 2023 vom Verwaltungsrat der Schaffner Holding AG genehmigt und zur Veröffentlichung freigegeben.

2 Änderung der Rechnungslegungsgrundsätze

Für das laufende Geschäftsjahr haben sich die Richtlinien der Swiss GAAP FER nicht geändert.

3 Segmentberichterstattung

Die Schaffner Gruppe ist in die zwei Divisionen Industrial und Automotive gegliedert. Diese Aufteilung ist konsistent mit der internen Berichterstattung, auf deren Grundlage die verantwortliche Unternehmensinstanz Entscheidungen über Allokationen von Ressourcen zu diesen Segmenten trifft und die Bewertung ihrer Ertragskraft überprüft.

Die Schaffner Gruppe hat die Gruppenleitung als verantwortliche Unternehmensinstanz identifiziert. Es wird auf eine Offenlegung der Divisionsergebnisse aus wettbewerbstechnischen Gründen verzichtet.

Industrial (IN)

Die Industrial Division entwickelt und produziert Standard- und kundenspezifische Komponenten, mit denen die Immunität von leistungselektronischen Systemen gegenüber leitungsgebundenen Störungen sichergestellt und der zuverlässige Betrieb im Stromnetz gewährleistet wird. Weiter werden in der Geschäftseinheit Power Quality aktive und passive Filterlösungen zur Sicherstellung einer einwandfreien Stromqualität entwickelt und produziert. Zu den wichtigsten Absatzmärkten zählen energieeffiziente Antriebssysteme, erneuerbare Energien, Stromversorgungen für elektronische Geräte sowie Maschinen und Robotik.

Automotive (AM)

Die Automotive Division entwickelt und produziert Komponenten für schlüssellose Authentifizierungssysteme sowie Filterlösungen für Fahrzeuge mit Hybrid- oder Elektroantrieb. Schaffner-Ingenieurinnen und -Ingenieure arbeiten eng mit führenden Automobilherstellern und -zulieferern zusammen und unterstützen sie bei der Entwicklung neuer Modelle mit spezifischem EMV-Know-how.

Zur Bildung der vorstehenden, berichtspflichtigen Geschäftssegmente wurden keine operativen Geschäftsbereiche zusammengefasst.

Erläuterungen

Informationen nach Divisionen

9M 2022/23
in CHF 1'000

	IN	AM	Gruppe
Nettoumsatz	96'156	24'074	120'230

9M 2021/22
in CHF 1'000

	IN	AM	Gruppe
Nettoumsatz	92'382	21'251	113'633

4 Saisonalität

Die Schaffner Gruppe ist in Geschäftsbereichen tätig, in denen die Verkäufe keine bedeutenden saisonalen oder zyklischen Schwankungen innerhalb des Geschäftsjahrs aufweisen. Da bedeutende Feiertage wie das chinesische Neujahrsfest und Weihnachten in das erste Halbjahr fallen, werden im zweiten Halbjahr erfahrungsgemäss, unter Ausklammerung konjunktureller Einflüsse, grundsätzlich höhere Umsätze erzielt.

Die Ertragssteuern werden basierend auf der bestmöglichen Schätzung des für das ganze Geschäftsjahr erwarteten, gewichteten Durchschnittssteuersatzes der Gruppe berechnet.

5 Fremdwährungen

Für die Umrechnung der für die Gruppe wichtigsten Währungen in Schweizer Franken wurden die folgenden Umrechnungskurse angewandt:

Land/Region	Währung		Bilanz		Erfolgsrechnung	
			30.06.2023 in CHF	30.09.2022 in CHF	9M 2022/23 in CHF	9M 2021/22 in CHF
China	CNY	100	12.40	13.78	13.25	14.48
EU	EUR	100	97.81	95.60	98.78	103.16
Thailand	THB	100	2.54	2.59	2.66	2.77
USA	USD	100	90.11	98.09	92.91	93.45

Erläuterungen

6 Ausschüttung an die Aktionäre

Gemäss Beschluss der Generalversammlung der Schaffner Holding AG vom 10. Januar 2023 wurde für das Geschäftsjahr 2021/22 eine Ausschüttung von CHF 9.00 ausbezahlt. Dieser Betrag verteilt sich je hälftig auf eine ordentliche Dividende und eine steuerfreie Ausschüttung aus Kapitaleinlagereserven.

7 Ereignisse nach dem Bilanzstichtag

Nach dem Bilanzstichtag sind keine Ereignisse eingetreten, die wesentlichen Einfluss auf die Werte in der konsolidierten Halbjahresrechnung haben.

Kennzahlen

Gruppe in CHF 1'000	9M 2022/23	9M 2021/22	Veränderung
Auftragseingang	105'464	132'152	-20.2%
Industrial Division	81'394	110'885	-26.6%
Automotive Division	24'070	21'267	13.2%
Nettoumsatz	120'230	113'633	5.8%
Industrial Division	96'156	92'382	4.1%
Automotive Division	24'074	21'251	13.3%
EBITDA	19'061	12'370	54.1%
in % des Nettoumsatzes	15.9%	10.9%	
Operatives Ergebnis (EBIT)	14'675	8'679	69.1%
in % des Nettoumsatzes	12.2%	7.6%	
Unternehmensergebnis	13'528	6'143	120.2%
in % des Nettoumsatzes	11.3%	5.4%	
Unternehmensergebnis pro Aktie in CHF	21.44	9.70	121.0%
Free Cashflow	14'770	-5'219	

Bilanz	30.06.2023	30.09.2022	Veränderung
Bilanzsumme	103'034	120'825	-14.7%
Anlagevermögen	29'798	32'974	-9.6%
Umlaufvermögen	73'236	87'851	-16.6%
Fremdkapital	28'455	50'971	-44.2%
Eigenkapital	74'579	69'854	6.8%
Eigenkapitalquote in %	72.4	57.8	
Personalbestand (Anzahl Angestellte)	1'720	1'826	-5.8%

Aktienkennzahlen	30.06.2023	30.09.2022
Anzahl Aktien	635'940	635'940
Eigene Aktien	5'127	5'402
Dividendenberechtigte Aktien	630'813	630'538
Eigenkapital pro Aktie in CHF	117.27	109.84
Aktienkurs in CHF	285	268
Börsenkapitalisierung in CHF Mio.	181	170

Aufgrund von Rundungen können sich im vorliegenden Zwischenabschluss bei Summenbildungen und bei Berechnungen von Prozentangaben geringfügige Abweichungen ergeben. Zur einfacheren Lesbarkeit wurden in diesem Bericht nicht immer geschlechtsneutrale Ausdrücke verwendet. Alle geschlechtsspezifischen Aussagen sind im Rahmen des Zusammenhangs sowohl als männlich wie auch als weiblich zu verstehen. Der Zwischenabschluss der Schaffner Gruppe ist auch auf Englisch verfügbar. Verbindlich ist die deutsche Originalfassung.

Schaffner Group

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