

Media release

Phoenix Mecano to switch from IFRS to Swiss GAAP FER

Kloten/Stein am Rhein, 24 May 2019. The Board of Directors of Phoenix Mecano has decided to change its accounting standard from IFRS to Swiss GAAP FER with effect from financial year 2019. Swiss GAAP FER allows accounting that is appropriate for the size of the company and better aligned with its business. The increasingly complex and detailed rules and disclosure requirements mean that IFRS is becoming less and less cost-effective.

Phoenix Mecano will continue to provide its investors with transparent and detailed financial figures, including segment information, and ensure that its reporting provides a true and fair view of its financial situation. Phoenix Mecano's shares will continue to be listed on the Swiss Performance Index (SPI) of SIX Swiss Exchange.

The switch from IFRS to Swiss GAAP FER will entail changes in the presentation of goodwill, other intangible assets from acquisitions, pension obligations and deferred tax. Phoenix Mecano has decided that goodwill and other intangible assets from acquisitions will now be offset against equity. With regard to pension obligations, the Group's financial commitments will be lower under Swiss GAAP FER 16 than under IAS 19, on the basis of its existing Swiss pension plans.

Based on the aforementioned accounting changes, the operating result in 2018 would have been approximately EUR 5.5 million higher, at around EUR 51 million. The operating margin would have risen from 7% to just under 8%. The result of the period would have been approximately EUR 36 million, around EUR 3.5 million higher. By contrast, the equity ratio would only have changed marginally.

A detailed reconciliation will be included in the 2019 semi-annual report and the 2019 annual report.

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Phoenix Mecano is a leading technology company active in the production of enclosures and industrial components.