

# Burckhardt Compression delivers strong growth and profitability increase; raising its sales guidance for 2027

*Burckhardt Compression marks a successful start to the Company's latest Mid-Range Plan, with notable achievements in order intake, sales, and operating income.*

WINTERTHUR, ZURICH, SWITZERLAND, June 4, 2024

[/EINPresswire.com/](https://www.einpresswire.com/) -- • [Burckhardt Compression](#)

achieved the following record results in fiscal year 2023:

- Sales of CHF 982.0 mn, +18.4% year-on-year
- Operating income (EBIT) of CHF 121.4 mn, +27.8% year-on-year
- Earnings per share of CHF 26.63, +29.0% year-on-year
- Dividend of CHF 15.50 proposed, an increase of 29.2% year-on-year
- 12% reduction in the Group's greenhouse gas emission intensity (Scope 1 and 2)
- Guidance for fiscal year 2024: sales between CHF 1.0 bn and CHF 1.1 bn, with an EBIT-margin at a similar level as in fiscal year 2023
- Sales guidance for 2027 (Mid-Range Plan) raised by CHF 100 mn to CHF 1.2 bn
- Tatiana Gillitzer proposed as new board member, as Monika Krüsi decided, after 12 years on the board of directors, to not stand for reelection

The 180th anniversary of Burckhardt Compression marks a successful start to the Company's latest Mid-Range Plan, with notable achievements in order intake, sales, and operating income. Based on these results and positive mid-term market trends for sustainable energy solutions, the Company is raising its sales guidance for 2027. Fabrice Billard, CEO of Burckhardt Compression, says: "In 2023, Burckhardt Compression surpassed again CHF 1 billion in orders and achieved new record sales and operating income despite economic challenges. These successes highlight our leadership in applications for the transition to more secure and sustainable energy sources."

Strong sales growth - Profitability increase in both divisions and at Group level



BC Activate

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 7.7 pp, 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 to support the development of new applications.



CEO Fabrice Billard in dialogue

Selling, marketing, and general administrative expenses amounted to 12.2% of sales, a significant reduction of 1.9 pp year-on-year. This highlights the leverage and effectiveness of SG&A spend, which is part of the 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 income (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%.



In 2023, Burckhardt Compression surpassed again CHF 1 billion in orders and achieved new record sales and operating income despite economic challenges.”

*Fabrice Billard, CEO*

Value creation further enhanced - Significant dividend increase proposed  
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 (+36.3 mn), while the equity ratio slightly increased to 28.0%. Based on these results, the Board of Directors will propose at the Annual General Meeting a dividend of CHF 15.50 per share, an increase of 29.2% compared with the previous year. This is within the Group's overall attractive dividend policy of a 50% to 70% payout.

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, the Company saw a normalization of the exceptional levels observed in the previous year related to liquefied natural gas (LNG) tankers in the marine segment. On the other hand, the fiscal year 2023 period saw the market related to liquefied petroleum gas (LPG) tankers on the rise again. New applications related to the energy transition are developing in all market segments. For instance, 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. In addition, hydrogen presents many opportunities along the value chain, and Burckhardt Compression sees 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. The Company expects to win a significant share in these new markets in the coming years, underpinning the upward revision to the Group's Mid-Range Plan sales guidance for 2027.

#### 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



Burckhardt Compression AG



LABY Compressor in workshop



# Burckhardt Compression

Burckhardt Compression AG

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 of the previous year.

Further growth and transformation, with sustainability at the core of the Group's strategy  
The fiscal year 2023 marks a successful start to the Company's Mid-Range Plan. This strategic plan has sustainability 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 the core business, transforming, and building new growth avenues, operational excellence, and further enhancing the business foundations.

Burckhardt Compression made tangible progress across these pillars. For instance, expanding the offering in the marine Service business has led to substantial growth in this segment and supports the Group's strategic ambitions to strengthen the core business. With the Company's focus on transforming and building new growth avenues, new products have been launched to serve the hydrogen mobility and energy market. New services, like BC ACTIVATE, were also successfully launched to help customers optimize their compressor fleet's reliability and greenhouse gas footprint. On the operational excellence front, Burckhardt Compression continued to leverage its 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 the Group's Customer Relationship Management (CRM) system in the Services Division enhances its business foundations. Finally, while growing sales by 26% in local currencies, the Company reduced its greenhouse gas emissions (Scope 1 and 2) by 5.1%, a positive step on its path towards reaching net zero (Scope 1 and 2) in 2035.

Guidance for fiscal year 2024 – Further sales growth, reaching the CHF 1 bn threshold  
Burckhardt Compression enters the fiscal year 2024 in a challenging geopolitical environment but 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, the Company expects:

- Sales between CHF 1.0 bn and CHF 1.1 bn at the Group level
  - EBIT-margin similar to fiscal year 2023
  - Second half stronger than first half, due to the distribution of project deliveries
- Amidst the ever-changing global geopolitical backdrop, the Group will continue to actively monitor the situation and any potential impact it may have on the business.

Raising sales guidance for 2027

Based on the faster than expected progress in its Mid-Range Plan and new growth opportunities linked to the energy transition in all its market segments, Burckhardt Compression is raising its guidance for 2027:

- Sales guidance increased from CHF 1.1 bn to CHF 1.2 bn, driven by an expected increase in the Systems Division
- EBIT-margin guidance of both divisions increased by 1 pp 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 bracket for the Group remains at 12-15%

#### Change in the Board of Directors

After 12 years, 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. Provided she is elected, the Board of Directors plans to appoint her as a member of the Nomination and Remuneration Committee.

The annual report 2023 and further information on the fiscal year 2023 are available on the website on: [www.burckhardtcompression.com/financial-reports](http://www.burckhardtcompression.com/financial-reports).

Further information:

Stefan Hoher, Head of Corporate Communications & Branding  
Tel. +41 52 261 52 81; [stefan.hoher@burckhardtcompression.com](mailto:stefan.hoher@burckhardtcompression.com)

#### Burckhardt Compression

Burckhardt Compression creates leading compression solutions for a sustainable energy future and the long-term success of its customers. With its brands Burckhardt Compression, PROGNOST, SAMR Métal Rouge and Shenyang Yuanda Compressor, the Group covers a full range of reciprocating compressor technologies and services. Founded in 1844 as an engineering workshop in Basel, Burckhardt Compression developed its first single-stage and dry-running reciprocating compressor in 1883. Since then, the Group has continually developed and reinvented itself, adapting to the developments of its key markets petrochemical/chemical industry, gas transport and storage, hydrogen mobility and energy, industrial gas, refinery, as well as gas gathering and processing.

With its headquarters in Winterthur, Switzerland, Burckhardt Compression is represented on all continents with 36 subsidiaries, three manufacturing and five assembly sites worldwide.

SIX Swiss Exchange: BCHN

Further information at [www.burckhardtcompression.com](http://www.burckhardtcompression.com), [LinkedIn](#)

Stefan Hoher

Burckhardt Compression AG

+41 79 174 45 11

[stefan.hoher@burckhardtcompression.com](mailto:stefan.hoher@burckhardtcompression.com)

---

This press release can be viewed online at: <https://www.einpresswire.com/article/717068946>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors

try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2024 Newsmatics Inc. All Right Reserved.