

Burckhardt Compression reinforces leadership position, delivers strong profitability in a challenging market environment

Burckhardt Compression reports stable revenue, record EBIT and net income, and higher profitability despite a challenging market.

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Burckhardt Compression reinforces its leadership position and delivers strong profitability in a challenging market environment



CEO Fabrice Billard in dialogue

- Successful execution of large order backlog and sustained value creation
 - o Order intake at CHF 784.3 mn, down 31.9% year-on-year amid market disruptions and stronger Swiss Franc (-27.2% net of currency translation effects) – resulting in a normalized backlog
 - o Sales of CHF 1'057.1 mn, down 3.5% year-on-year (+1.3% net of currency translation effects)
 - o EBIT margin of 13.3%, up 0.4 pp
 - o New record operating income (EBIT) of CHF 141.0 mn and net income of CHF 110.1 mn
 - o RONO of 40.4%, up 7.8 pp versus previous year
 - o Strong operating cash flow of CHF 149.4 mn
 - o Strong Balance Sheet with equity ratio of 30.7% and net financial position of CHF 110.8 mn
- Dividend of CHF 18.00 proposed, same as previous year
- 32% reduction versus previous year in the Group's

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In a challenging global environment, we gained market share in our core segments, maintained near-record sales and further increased profitability.”

*Fabrice Billard, CEO of
Burckhardt Compression*

greenhouse gas emission intensity (Scope 1 and 2)

- Guidance for fiscal year 2026: sales between CHF 900 mn and 1'000 mn and EBIT margin around 12%; stronger sales in the second half of the year
- Mitigating actions implemented and underway to adapt to lower sales level
- Ambition to reach Mid-Range Plan guidance remains intact. Achievement timeline delayed amid ongoing market disruptions; new timing to be communicated once market visibility improves
- Further progress on strategic objectives through the acquisition of ACT (USA) to enhance local service capabilities; Fornovo Gas (Italy) to strengthen position in the biogas market and support growth in configured compressors

Fabrice Billard, CEO of Burckhardt Compression, commented:

"In a challenging global environment, we gained market share in our core segments, maintained near-record sales and further increased profitability. While short-term disruptions persist, we remain confident in long-term megatrends, particularly energy security."

Stable sales and profitability increase in a challenging market environment

Order intake for the Group reached CHF 784.3 mn, a decrease of 31.9% (respectively -27.2% net of currency translation effects), leading to a normalization of the order backlog, following five years of book-to-bill ratio clearly above 1. Sales were down 3.5% (+1.3% net of currency translation effects), at CHF 1'057.1 mn. Gross profit margin reached 28.8%, up 0.8 percentage points (pp) year-on-year, mainly due to a more favorable product mix in the Systems Division. Research & Development expenses amounted to CHF 29.8 mn (2.8% of sales), at a similar level to the previous year. Selling, marketing, and general administrative expenses amounted to 12.1% of sales, slightly below the previous year in absolute terms, highlighting continued cost discipline and effectiveness of SG&A spend. Other operating income and expenses amounted to CHF -5.8 mn (net), similar to the previous year, mainly driven by negative FX effects. The consolidated operating income (EBIT) recorded a slight increase of 0.2% to CHF 141.0 mn. The Systems Division increased its EBIT margin by 1.6 pp, achieving double-digit profitability for the first time, whereas the Services Division slightly decreased by 0.3 pp, resulting in an overall Group EBIT margin of 13.3%, up from 12.9% in the previous year.

Value creation further enhanced – Dividend of CHF 18.00 proposed

Lower financial expenses compared to the previous year and a lower tax rate of 20.3% resulted in a net income of CHF 110.1 mn, which exceeded the previous year's figure by 4.3%. Accordingly, earnings per share attributable to Burckhardt Compression Holding AG shareholders rose from CHF 31.20 to CHF 32.60. Value creation was further enhanced, with Return on Net Operating Assets (RONOA) increasing from 32.6% to 40.4%, driven by CAPEX discipline and strong net working capital management. Total equity increased by CHF 21.4 mn to CHF 361.6 mn, while the equity ratio increased to 30.7%. Based on these results, the Board of Directors will propose to the Annual General Meeting a dividend of CHF 18.00 per share, at the same level as in the previous year. This is within the Group's attractive dividend policy of a 50% to 70% payout ratio.

New equipment market disrupted by global geopolitics and US tariffs

In fiscal year 2025, the global new equipment market was characterized by disruptions and deferrals of new project decisions. The announcement of US tariffs on April 2, 2025, led customers to postpone large investment projects, as companies carefully evaluated the potential impact of new trade dynamics. Despite a visible recovery in the second quarter, the anticipated normalization did not occur in the second half of the fiscal year, and the conflict in the Middle East heightened market uncertainty during the final month of the company's fiscal year. The effects of these developments varied across market segments, with the [Petrochemical and Chemical](#) segment experiencing the greatest effect due to uncertainty regarding the flow of feedstock and petrochemical products between the US and China. As a result, customers strategically deferred decisions on new Low-Density Polyethylene (LDPE) and Ethylene-Vinyl-Acetate (EVA) facilities in China. While the [Gas Transportation & Storage](#) segment was also affected, LNG continued to grow at a good pace. Orders for compressors for LPG tankers also remained at a good level in the first half of the year, although they noticeably decreased in the second half. The withdrawal of government support in the USA and policy uncertainty in Europe affected the Hydrogen Mobility and Energy segment, while China maintained a good pace. The Refinery segment saw positive momentum, fueled by global population growth and rising demand for sustainable aviation fuels (SAF) due to environmental regulations. Overall, the Systems Division achieved an order intake of CHF 476.1 mn, representing a 42.3% decrease compared to the previous year (-38.2% net of currency translation effects).

Service market stable in local currencies, with strong regional variations

The global service market was also disrupted by global uncertainty from US tariffs and, in the last month of the fiscal year, by the conflict in the Middle East. Many customers delayed the procurement of spare parts and the realization of compressor upgrade projects. Regional disparities continued to mirror local economic conditions. Europe remained subdued due to high energy prices and tariff-related uncertainty in the Petrochemical and Chemical segment. The Middle East, Central Asia, and Eastern Europe were affected by the temporary deferment of projects. On the other hand, the Americas developed positively, driven by rising energy needs for data centers and LNG exports to Europe. The Asia-Pacific region also remained at a good level in local currencies, albeit with intensified competition in China due to the government's increased support for local providers. Overall, order intake for the Services Division was 5.4% lower at CHF 308.2 mn. Adjusted for currency translation effects and the ACT acquisition, order intake was down -0.5%. The company's strategy to support customers with their digitalization and sustainability journeys continued to generate additional orders, and the Services Division continued to grow its activities in the [Marine](#) segment, supported by the growing installed base. Looking ahead, the market is expected to face ongoing challenges from the Middle East conflict during the first half of fiscal year 2026. However, provided a timely resolution to the Middle Eastern conflict and no further global or regional disruptions, a robust recovery is anticipated in the second half. Furthermore, the acquisition of ACT in September 2025 will contribute to the Group's Service growth in fiscal year 2026.

Ongoing progress in the company's transformation

The company's Mid-Range Plan continues to target CHF 1.2 bn in sales and an EBIT margin range of 12% to 15%. 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 continues to make tangible progress across these pillars. For instance, to strengthen its core business, Burckhardt Compression acquired and successfully integrated the company ACT to bolster its US-based spare parts manufacturing capabilities. The Services Division has also expanded its global footprint with nine new locations. With its focus on transforming and building new growth avenues, the company signed the Share Purchase Agreement for Fornovo Gas, a European leader for biogas compression, providing a platform for future growth in configured compressors. It has also launched new digital Services based on artificial intelligence to proactively identify compressor failures and support customers in implementing predictive maintenance concepts. With regards to operational excellence, the company has further improved its competitiveness by adapting its structure in Switzerland and growing its Global Service Center in India. To further enhance its business foundations, Burckhardt Compression reduced its greenhouse gas emission intensity (Scope 1 and 2) by 32% versus the previous year and is well on track to reach net zero (Scope 1 and 2) in 2035.

Fiscal year 2026 guidance — Sales between CHF 900-1'000 mn; EBIT margin around 12%
Burckhardt Compression has entered fiscal year 2026 amid significant global disruptions driven by the ongoing conflict in the Middle East, which could lead certain customers to further defer investment decisions and maintenance activities. However, the company remains confident in its strategy and ability to navigate evolving market conditions. The robust order backlog, coupled with a solid balance sheet and strong customer relationships, continues to provide a stabilizing foundation. Mitigating actions have been implemented and are underway to adapt to current market conditions. Assuming disruptions in the petrochemical value chain linked to the conflict in the Middle East subside in the first part of the fiscal year 2026, that there is no further escalation in trade disputes, and that macroeconomic conditions remain relatively stable, the company expects:

- Sales between CHF 900 mn and 1'000 mn at the Group level
- EBIT margin of around 12%
- Stronger sales level in the second half due to the timeline of project deliveries

The Group will continue to actively monitor the macro environment and any potential impact it may have on the business.

Global megatrends underpin our mid-term ambition

Beyond short-term uncertainties, Burckhardt Compression's strategy remains supported by global megatrends. A growing global population, especially the middle class in Asia, drives demand for essential products like fertilizers and polymers, triggering investment in energy infrastructure. As demonstrated again by the conflict in the Middle East, ensuring a stable and secure energy supply in an unstable geopolitical landscape requires significant investments in energy storage, gas pipelines, and transportation infrastructure, e.g., for LNG or LPG. In addition, the Middle East conflict has again highlighted for energy-importing countries the strategic importance of transitioning to locally sourced energies. The company therefore expects

significant investment in renewable energy infrastructure in the coming years, including solar panels, biogas, and low-carbon fuels. All these applications require compressors. With its ability to develop innovative solutions in partnership with customers, Burckhardt Compression stands at the forefront of these developments.

The company remains confident in the positive impact of prevailing megatrends, which continue to underpin the attainment of CHF 1.2 bn in sales and 12% to 15% EBIT margin over the coming years. However, the business environment has experienced considerable disruptions over the past 12 months, compounded by the strengthening of the Swiss Franc. These factors will continue to affect the market in the coming months and are delaying the achievement of the company's Mid-Range Plan guidance. The revised timing will be communicated once the market visibility improves.

The Annual Report 2025 and further information on the fiscal year 2025 are available on the website on: www.burckhardtcompression.com/financial-reports.

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