



R&S Group

**Fachkräftemangel
im globalen Wettbewerb**

Branchentalk Industrie

Matthias Weibel, Group CFO

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Intro
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Elon Musk
Entrepreneur
and Billionaire

Elon Musk: AI will run out of electricity and transformers in 2025

"The constraints on AI compute are very predictable... A year ago, the shortage was chips; neural net chips. Then, it was very easy to predict that the next shortage will be **voltage step-down transformers**. You've got to feed the power to these things. If you've got 100-300 kilovolts coming out of a utility and it's got to step down all the way to six volts, that's a lot of stepping down.

"My not-that-funny joke is that **you need transformers to run transformers**. You know, the AI is like... There's this thing called a transformer in AI... I don't know, it's a combination of sort of neural nets... Anyway, they're running out of transformers to run transformers.





Source: Dial-in Q&A to Bosch Connected World conference, March 2024
(<https://newatlas.com/technology/elon-musk-ai/>)



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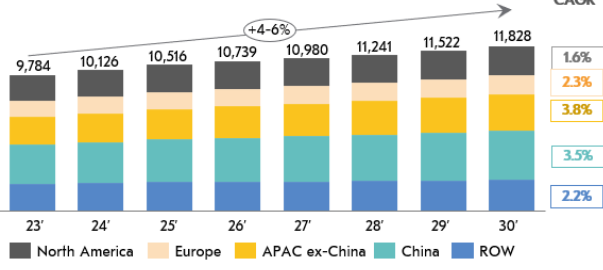
Exciting times with accelerated transformer market growth
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Secular tailwinds ...

-  Increase of global population
-  Increase of economic activity
-  Changing consumer behavior
-  Increased access to electricity

...combined with massive replacement requirement.

Expected development of installed power generation capacity (GW) per region



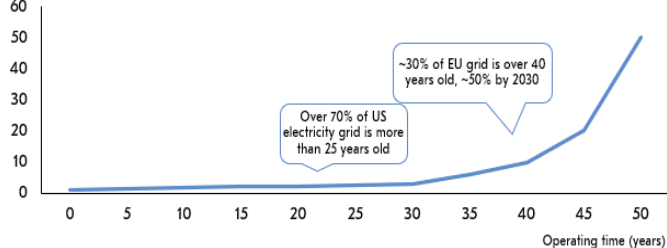
Year	23'	24'	25'	26'	27'	28'	29'	30'
Capacity (GW)	9,784	10,126	10,516	10,739	10,980	11,241	11,522	11,828

CAGR

- 1.6%
- 2.3%
- 3.8%
- 3.5%
- 2.2%

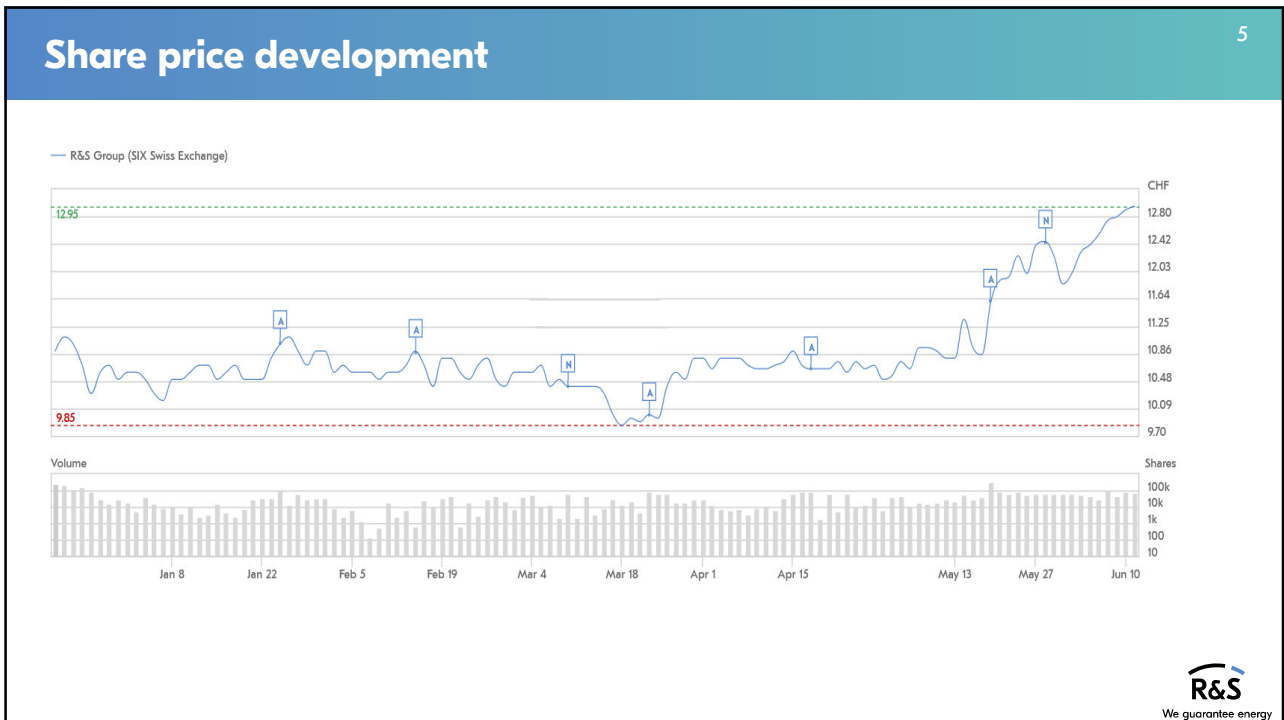
Aging grid infrastructure demanding replacement: Error rate of transformers (%)

Transformers need to be replaced as error rate increases exponentially, after 30 years of operation



Sources: Reuters, WHO, IEA, World Economics, S&P, Consultancy analysis

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Recent highlights 6



Successful year 2023 marked by strong sales and record profitability results. Net sales of 201.6 MCHF (adjusted) up by 40% on an organic basis. EBIT (adj.) of 37.5 MCHF



High employee engagement across all locations of the Group.



Secular tailwinds for the electricity distribution sector driving multi-dimensional future growth.



Strong operational results turning into remarkable cash conversion.



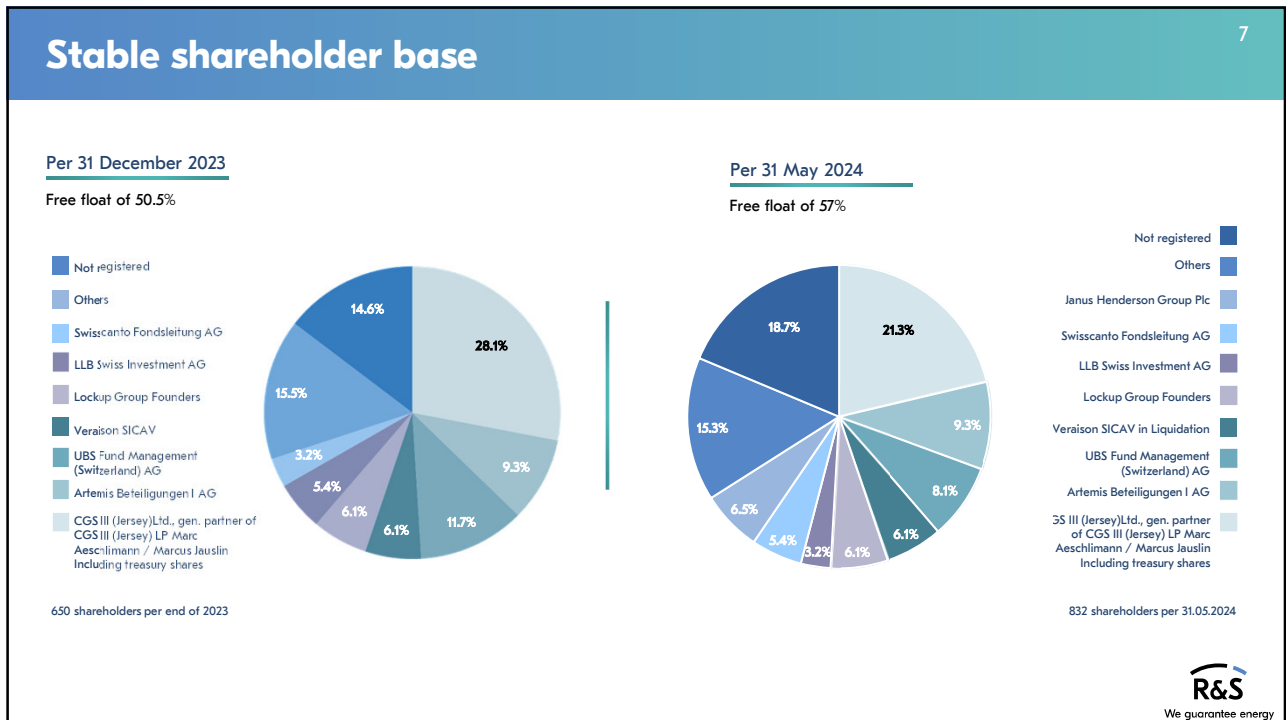
Achievements delivered as promised in FY 2023 guidance. Promising outlook and increased guidance (May 2024).



Listing on SIX Swiss Exchange on 13 December 2023 under the symbol «RSGN». Organisation ready for «being public».

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- 1 Short company profile
- 2 How to find & keep skilled people
- 3 Key take aways

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Company profile 9

R&S Group is well positioned with its footprint

R&S has the DNA of a quality local champion with the necessary scale

Growth
driver in modernisation,
decarbonisation and decentralisation

100+
years of experience in production¹

Strong market position
with leadership in niches, engineering
and ability for small batches

6 factories
in Switzerland, Italy, Poland and UAE

Various industries²
enabled to generate power, focusing
on windfarms, PV and Datacenters

600+
highly skilled & empowered
employees

120+ distribution partners worldwide

Notes:
1. Founded in 2012, R&S was built on a company from 1919
2. Industries include photovoltaic and wind (renewables), e-mobility, and Datacenters

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Company profile: What do we produce? 10

Our highly reliable transformer portfolio

Distribution Transformers
Oil-immersed and Cast Resin
up to 2.5 MVA

Distribution Transformers
up to 20 MVA

PowerTransformers
up to 120 MVA

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Company profile: Where do we produce?
Continued significant investments to boost future growth

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The grid consists of six images arranged in two columns and three rows. Each image shows a different R&S production facility. To the left of each image is the R&S logo and the name of the facility, along with a small flag of the country where it is located. The facilities include modern office-style buildings, large industrial warehouses, and manufacturing plants with complex machinery.

R&S
Rauscher
Stoecklin
Switzerland

Tesar
A Company of R&S
United Arab Emirates

Tesar
A Company of R&S
Italy

R&S
ZREW
Poland

Tesar
A Company of R&S
Poland

R&S
Rauscher
Stoecklin
Poland

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Company profile
Continued significant investment in 2023 to boost future growth

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The image shows a large-scale construction project in a rural setting. The main focus is a massive industrial building with a grey roof and dark grey walls. The building is surrounded by green fields and some residential houses in the distance. In the foreground, there is a yellow excavator and other construction equipment. The sky is clear and blue.

R&S
Rauscher
Stoecklin
Poland

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Company profile: To whom do we sell? We guarantee energy across the world

our client portfolio has a broad appeal and includes some well-known names

Sales per regions

Region	Percentage
Western Europe	54%
Eastern Europe	35%
Asia	10%
RoW	1%

- 17 Eco+ transformers** Supplied by Zurich airport in Switzerland
- 2 transformers** Equipped to the largest airport solar plant in Switzerland
- 115 cast resin transformers** Supplied for high-speed rail in Spain
- 18 dry-type transformers** Supplied to the largest solar-powered glasshouses plant in Spain
- 8 resin transformers** Supplied to Amazon's new Italian logistics facility
- 17 high efficacy cast resin transformers** Supplied for new depots in Italy
- 20 Tesar transformers** Supplied to Ferrari's new technical building in Italy
- 200+ transformers** Supplied to the world largest stadium arena in China
- 100 distributor transformers** To be supplied for the city of Wuhan in China
- 200+ transformers** Supplied to FIFA World Cup 2022 stadiums

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We have the ability to win highly competitive processes against larger companies

R&S' transformers are critical for turning a vision into a reality

- Complex transformers designed to meet customer specifications
- Strong domain knowledge of market requirements, incl. flexibility to produce small batches
- High quality products delivered with speed and precision
- Engineering excellence on-par with multinational competitors
- Ability to deliver sustainable, energy-efficient solutions for green concepts
- Fast response time to customers, with close coordination between sales & engineering

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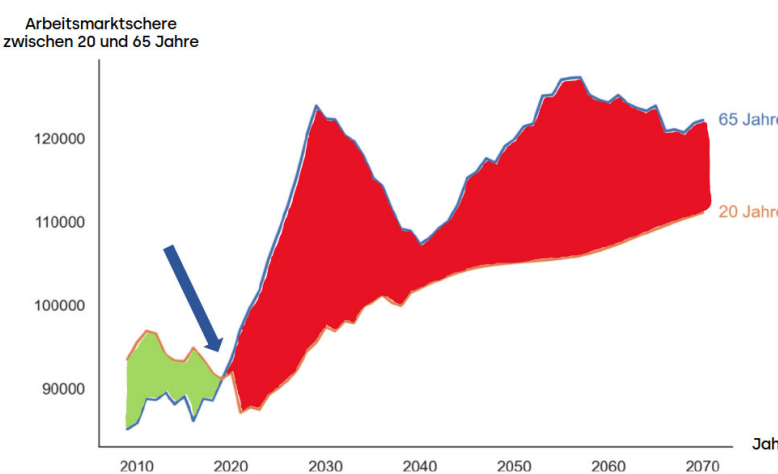
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How to find and keep skilled people?
What are the challenges in general?

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Arbeitsmarktschere zwischen 20 und 65 Jahre



65 Jahre
20 Jahre

Jahr

Source: Bundesamt für Statistik; Swissem, 2023

- Demographischer Kipppunkt in der Schweiz wurde im Jahr 2020 überschritten
- Lesebeispiel: Von 2020 bis 2027 wird die Arbeitsmarktschere aufkumuliert über 140'000 Personen betragen (entsprechend der Stadt Winterthur)

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How to find and keep skilled people?
What are the challenges for R&S?

Fachkräftemangel in der Schweiz

Für die Energiewende fehlen Tausende von Handwerkern

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- High searching costs for vacant position as well as high loss of added value due to vacant positions *)
- Polymechanics, Automation technicians and Sales Engineers are lacking, but also skilled people for whose task there is no formal qualification
- War for talents
- Gen Z
- Salary inflation in Eastern Europe
- Very strict labour laws in some countries

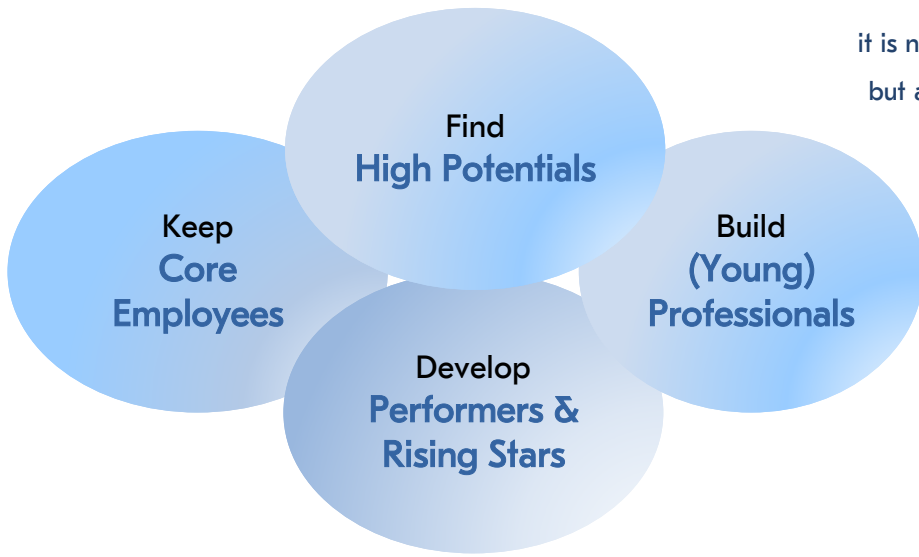
*) Refer also to Kaiser, B., Möhr, T., & Siegenthaler M. (2023). Welche Stellen sind von Fachkräftemangel betroffen? Erkenntnisse aus der Analyse der Vakanzdauer von Stelleninseraten. BSS Volkswirtschaftliche Beratung und KOF, ETH Zürich. Studie im Auftrag des SAV or: <https://www.adecco.ch/de-ch/blog/2022/april/cost-of-vacancy>



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How to find and keep skilled people?
Our simple approach: find – build – keep – develop


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it is not only about the «skill fit»,
but also about the «people fit»

↓

if the profiles for specific qualifications do not exist,
we have to build up
these resources from scratch



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How to find and keep skilled people?
Future Techleaders

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Neue Wege beschreiten:
Weiterbildung und Karrierechancen
im Industrieverbund.



«Lerne und witercho - ganz ohni Schuel!»
Dein Ticket zum beruflichen Erfolg in der
Tech-Industrie.



Kontaktiere uns über WhatsApp und erfahre alles
zur Weiterbildung «Future Techleaders»
Raoul Keller, +41 79 853 24 10



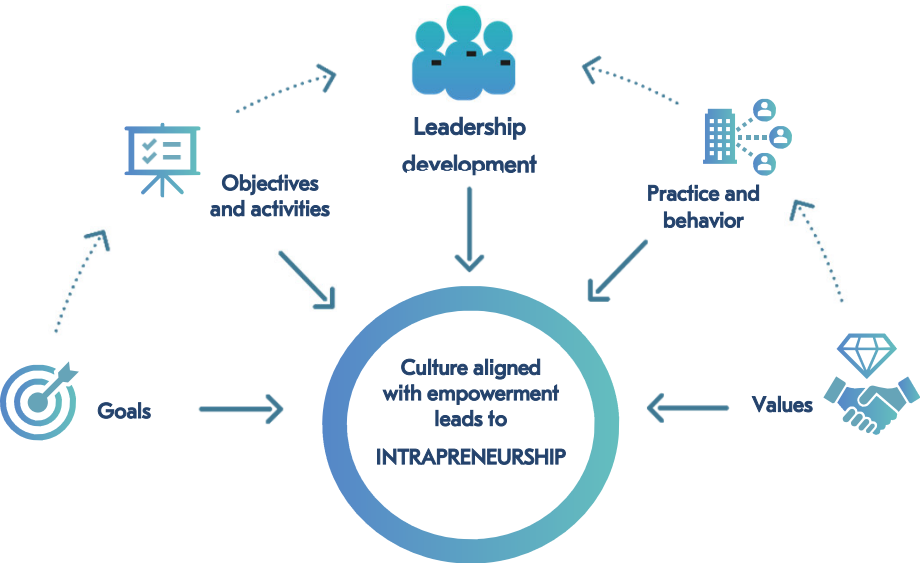
Source: <https://www.swissmem.ch/de/zmis/future-techleaders.html>

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How to find and keep skilled people?
Culture as underlying key driver

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Goals


Objectives and activities

Leadership development

Practice and behavior

Values

Culture aligned with empowerment leads to
INTRAPRENEURSHIP



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That's why leadership is so important for us 21

Leaders do shape employees, influence the organizational climate and support the culture of an organization.

There is a clear and proven correlation between the mood of a leader and revenue (20-30%)

Leadership Communication occurs through interactions between leaders and people. **The saying goes that people join companies but they quit bosses.**

Source: Daniel Golemann et al., Harvard Business Review, 2001 and 2013


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Five key take aways 23



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We want to be an attractive employer!
(attractive image and brand, international, we give purpose and pay good wages,)
- 2

We are in an attractive and rapidly growing industry! Our high quality products delivered through a dynamic, customer-centric business model, underpinning the «right to win».
- 3

Our employees make the difference. We use the entire range of traditional approaches for professional training and people development and also try out new ways. «People-Fit» is as important as «Skill-Fit».
- 4

Thanks to our **culture of leadership and empowerment**, (almost) all employees have developed a strong sense of **intrapreneurship** (with the going public, many became shareholders)
- 5

Good leadership attracts good people. However, succession planning should not be left to chance.



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