

Annual Report 2023

Ready for the Upswing

A difficult market environment required structural measures, but the medium-term outlook remains promising in all technology and market segments. R&M made a successful entry into new applications.

High inflation, sharply rising interest rates and geopolitical uncertainties impacted the global economy in the 2023 business year. Particularly in the manufacturing industry, this led to a reluctance to make investments, to declines in sales in some cases, and to volatile capacity usage at manufacturing facilities. The global infrastructure market for communications and data networks also suffered a sharp decline of 15% – 20% in 2023. However, performance varied greatly in the individual regions and segments. The sharpest market decline was recorded in North and South America as well as in various European countries. Switzerland and some countries in Asia and the Middle East were able to escape this negative trend. The LAN and telecommunications markets were particularly hard hit. High interest rates and higher material, installation and construction costs combined with economic uncertainty had a strong impact on investments in commercial buildings as well as in fiber optic and 5G roll-outs. In addition to the decline in investments, the high levels of stock throughout the supply chain caused by the pandemic also had to be corrected. This led to a sharp decline in sales, particularly for manufacturers, in the first half of the year. Only investments in the data center market remained relatively stable in the 2023 business year.

Decline in sales and profit

The global market decline also severely impacted R&M's results in the 2023 business year. Consolidated sales decreased by 13.4% to CHF 257.8 million and are thus below the results of 2021. In organic terms and adjusted for exchange rate effects, the decline was 10%. The sharpest decline was recorded above all in the second and third quarters at around -15%. The situation stabilized in the fourth quarter as new major orders were acquired. The strong appreciation of the Swiss franc against the US dollar and the euro once again affected the consolidated results. In addition to the sharp fall in demand, it was also important to counteract the inflation-related increase in operating expenses. Corresponding structural measures were therefore already introduced at the end of the first quarter. In the Americas, the strategy and set-up were also realigned due to the current situation. Accordingly, operating profit (EBIT) fell significantly from CHF 12.6 million (2022) to CHF 6.2 million (before extraordinary restructuring costs).

Growth in Switzerland

The results in the sales regions varied greatly. In Europe, the result was significantly affected by the weak LAN business. Investment in commercial buildings fell by up to 20% depending on the region. The important business in Germany was also particularly affected. By contrast, the Germany/Austria sales region recorded positive development in the data center and telecom segments, although the market is currently curbing FTTH expansion in Germany. In particular, the turnkey PoP (Point of Presence) stations developed by R&M Germany are enjoying

high demand and are now also being sold in other markets, such as Belgium. Business in the domestic market of Switzerland was very pleasing. All segments developed positively and the region achieved an increase in sales of almost 5%. The decisive factors for this were the consistent positioning as a provider of all-in-one solutions, including services, as well as long-term orders from telecom customers.

Business in Asia was stable, primarily thanks to the good development in India. Here, R&M won first orders for the 5G roll-out. India's telecommunications industry is one of the largest in the world and has established itself as the fastest-growing 5G landscape after China. R&M secured contracts with leading international and local 5G equipment suppliers.

In the Middle East, business suffered in the first half of 2023 from reduced investments in the FTTH roll-out. These once again increased in the second half of the year and, in the fourth quarter, R&M won various large orders in Qatar, Saudi Arabia and Türkiye. The Americas sustained the sharpest market decline, with a number of key accounts substantially reducing their investment activities.

Focus on the future

Despite the current crisis, the global infrastructure market for communications and data networks remains attractive. The intensive use of streaming services, new perception and interaction options such as virtual reality, the increased linking of the «Internet of Things» and new applications brought



Michel Riva and Thomas A. Ernst

about by 5G technology require higher transmission rates, lower latencies and higher storage capacities in data centers. Most market observers therefore expect an initial recovery from mid-2024 and expect annual growth of around 5% by 2030.

Despite the crisis in the reporting year, R&M prepared for the expected recovery and invested accordingly in the future. New production facilities went into operation at R&M TecnoSteel in Italy and at the cable plant in the Czech Republic. The plant in Poland expanded production for the new field-terminable FM45 Cat. 6_A EL connector and for the Single Pair Ethernet system. The plant in India is increasingly taking on production orders for the entire Group. For this reason, Indian fiber optic volume production was further expanded. The organization will be relocated to a larger building in spring 2024. India will thus become the largest production location in the R&M Group.

The launch of the new FTTH product range and the completion of the coordinated portfolio for the data center sector were also forward-looking. Today, R&M is able to offer custom-made, coordinated all-in-one solutions consisting of server racks, cabling systems, platforms, power distributors, cooling systems, sensors and software for monitoring and documenting the network infrastructure. These offerings will account for a large proportion of sales going forward.

Prudent planning

R&M is continuing its development into a provider of complete network infrastructures for the three market segments LAN, Data Center and Public Networks. With this business model and corresponding new solutions, we are well prepared for the upswing expected in the medium term. In a few words, the newly defined vision encapsulates what we are working on every day: «We provide network infrastructure for unlimited communication.» We are also looking forward to reflecting on an impressive 60 years of company history in 2024.

The 2023 business year was demanding and presented us with major challenges. As usual, management responded promptly and responsibly. Our more than 1,500 employees around the world showed great dedication and commitment to ensuring that we were once again able to cope well this year, despite the difficult circumstances. The Board of Directors and the Board of Managers would like to express their sincere thanks for this. We would like to thank our customers and partners for the trust they placed in us and for their valuable partnership. We look forward to many new joint projects.

Thomas A. Ernst,
Chairman of the Board of Directors

Michel Riva, CEO

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Unlimited Communication – through Single Source for Network Projects

R&M went through the volatile business year 2023 with sharpened vision.

The focus is specifically on the basic need for unlimited, stable communication infrastructures.

We are committed to consistently pursuing our vision: «We provide network infrastructure for unlimited communication.»

When Hans Reichle and Renato De-Massari founded their company 60 years ago, they were interested in the evolution of connectivity in the telephone connection. A connector and simplified installation ensured noticeable progress at the time. The telecom industry was able to supply more customers with connections more quickly. The telephone soon became a mass product; a new era of communication had begun.

Sixty years later, everything at R&M still revolves around the key functions of connectivity – today holistically and in the operational areas LAN, Data Centers and Public Networks.

People and companies in industrialized countries expect broadband supply with fiber optic connections and nationwide WiFi services. Building automation requires extensive LANs and additional functions for IP-based applications. Smart cities are built on multifunctional networks. With 5G, mobile providers are rolling out a new generation of fast radio networks – with powerful fiber optic cabling in the background. Data centers and their customers have to migrate, scale, and increase the density of complex IT and network systems ever faster.

Added to this are the frequent leaps in digitalization. New apps, services and AI applications are appearing every day. They are

subjecting the infrastructures of telecom companies, service providers, cloud providers and data centers to serious stress tests.

Identifying basic needs

Against this scenario of the ICT markets, R&M is positioning itself as a globally active provider of complete network infrastructures. We share the idea of perfect connectivity for uninterrupted communication. Our vision, which was adjusted in the reporting year, is as follows: «We provide network infrastructure for unlimited communication.»

The crisis-ridden year of 2023 showed just how necessary uninterrupted networks are. They support good and intelligent collabora-

Facts and figures – the global market for communications and data networks



The volume of data created over the next five years will be **more than three times** the amount produced in the previous five years.



The electricity demand from data centers is projected to **double by 2026**. This is driven largely by the growth of AI and other high-power technologies.

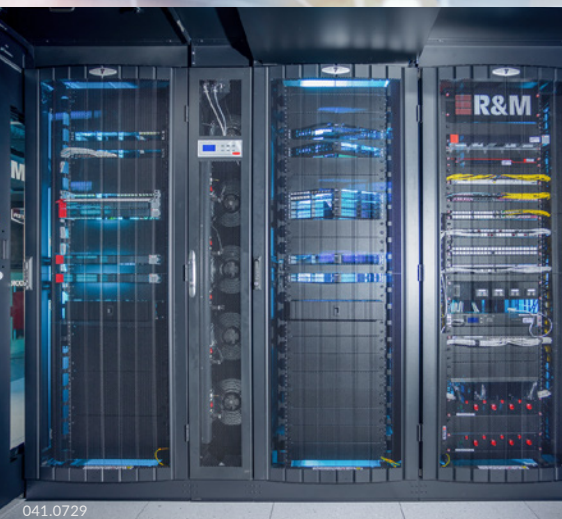


The global Smart Cities market represents a Compound Annual Growth Rate (CAGR) **of 23.21%** during the forecast period from 2024 to 2029.



The Global Fiber Optics Market is expected to reach USD 16.96 billion by 2032, and therefore **will have doubled since 2022**.

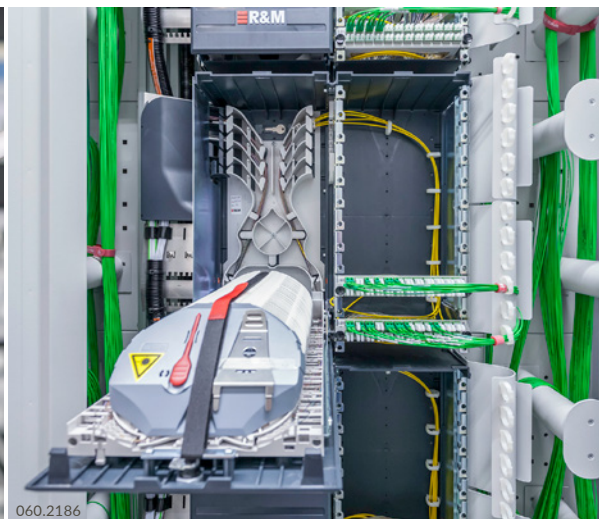
Sources: IDC Global DataSphere forecast
International Energy Agency
Mordor Intelligence
Spherical Insights & Consulting



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060.2186

«R&M integrates complementary partner products and thus becomes a single source for network projects.»

tion between people, companies, organizations, administrations and the media. Stable bandwidth and secure network communication have become basic needs, and are as important as power and water or, in the past, the simple telephone connection.

The momentum of the digital era is generating additional needs. It calls for new approaches to the design of network and non-compute infrastructures. Whereas 60 years ago, a telephone outlet and twisted copper wires were sufficient, now a cloud of universal network access is required on all sides.

Making an important contribution

With its mission «Connectivity that matters», R&M is making a significant contribution to the creation of network infrastructures that fulfill the claim of being unlimited. Our contribution focuses on the core technologies of copper and fiber optic connectivity, platforms, cabinets and enclosures, cables and software, services and, of course, intensive consulting.

Eight in-house competence centers develop R&M products based on core technologies and drive innovations for future-oriented applications. Current examples: a complete Single Pair Ethernet system, 5G connectivity, micro data centers, racks, and PDUs for cooling and energy-optimized data center infrastructures. The range of services includes the design of application- and custom-made system solutions. R&M integrates complementary partner products and thus becomes a single source for network projects.

The global supply chain with decentralized production plants and hubs ensures punctual delivery. The Group's own value-added chain makes it independent. The plants have the size and state-of-the-art machinery to be able to quickly serve international customers at their premises.

All-in-one solutions for network projects

Our Vision and Mission are the result of 60 years of experience and our market-oriented range of services. R&M grew up in the component business of network connectivity. Today, however, R&M is one of the internationally recognized providers of complete infrastructure solutions for data and communications networks, which are continuously being expanded. The R&M Group wants to generate further growth with this business model.

All-in-one solutions for network infrastructures: «We are driven by the creation of infrastructure solutions that bring sustainable added value and enable unlimited communication.»

Areas of application for infrastructure solutions

LAN

- Office, IT, smart building, WiFi
- Industrial, wind farms and solar parks

Data Centers

- Cloud, CoLo, edge data centers
- Internet exchange, provider network

Public Networks

- Fixed network, FTTH, smart city
- Municipal utilities, tunnels, railways
- FTTA for 5G and cellular phone networks



Delayed Investments in the LAN Area

New technologies are waiting to be used. The intelligent building is already feasible today. However, the market is hesitating and cooled off noticeably in the reporting year. R&M continues to drive forward its high-quality solutions for LAN and building automation.



030.8452

The «Are you ready for PoE?» information campaign: R&M explains the demands placed on PoE-capable building cabling.

«The business area with all-in-one solutions for intelligent buildings was systematically further developed in the reporting year.»

In the 2023 reporting year, the global market for building cabling declined by between 15 and 20%. The sharp rise in interest rates and the uncertainties surrounding economic development led to a marked decline in investments in commercial buildings. Building modernization projects were also postponed.

This development was already apparent in the second half of 2022 and accelerated sharply in the reporting year. For the R&M LAN division, this resulted in a single-digit percentage decline in sales. However, the supply situation for raw materials improved markedly, leading to a normalization of prices.

Investment backlog in buildings

These developments do not change the fact that countless buildings are in need of renovation. Climate targets and the growing demand for building automation, WiFi and broadband supply require significant investments. And investments have to be made in new cabling because intelligent buildings require advanced networks as a basis for ALL-IP applications (ALL-IP = everything via Internet Protocol).

In important markets, there is still a lack of willingness as well as the underlying conditions for these investments, which R&M considers essential. This is why R&M remains cautious. Nevertheless, the business area with all-in-one solutions for intelligent buildings was systematically further developed in the reporting year. We are convinced that the market for building automation has a

great future ahead. When it comes to technology development, R&M is undoubtedly at the cutting edge.

Focus on PoE and SPE

Structured cabling + Power over Ethernet (PoE) + Single Pair Ethernet (SPE) are the technology formula for the cabling level. They make end-to-end ALL-IP applications in building automation possible without the use of proprietary gateways. This is why R&M is continuing to focus on PoE and SPE.

Target groups were addressed with online marketing, at roadshows and with continuous, specialist information. With the campaign «Are you ready for PoE?», R&M is preparing the ground for future demand. The action sheds light on the electrical phenomenon of resistance unbalance and thus on the requirements placed on PoE-capable premises wiring. In this way, R&M set further priorities for the marketing of PowerSafe products in the reporting year.

A positive development is emerging for PoE. Sales of PoE-capable devices are increasing by 20% per year. Sales of IP-based terminal equipment for building automation are also increasing. SPE is also currently on everyone's lips as a future technology. Nevertheless, the anticipated technological leap and the range of devices with SPE interfaces are still a long way off.



030.8667

The all-in-one solution for «Extended Reach LAN» enables data transmission over distances of up to 600 meters.



041.0813
030.8604

The new field-terminable RJ45 connector from R&M is being launched with plastic-free packaging and features innovative handling solutions.



Driving force for technology

R&M is committed to acting as a driving force for new technologies in order to stimulate the demand for SPE and highlight possible applications. Together with a partner from the Single Pair Ethernet System Alliance, an all-in-one solution for the «Extended Reach LAN» with a transmission distance of up to 600 meters was developed. Users can integrate devices with SPE connectivity as soon as they are available. Until then, it is possible to operate existing (PoE) terminals with a media converter. R&M has further SPE innovations ready for the time when the technology achieves its breakthrough.

Hybrid cabling with fiber optic and electrical cables is also one of the promising technological solutions for data networks in buildings. The first applications to be used include Distributed Antenna Systems (DAS) for 5G data connections and WiFi connection points (WiFi 7). Here too, R&M is positioning itself as a forward-looking technology provider and already has solution approaches for hybrid cabling.

Innovation plus functionality

R&M set new standards with the field-terminable FM45 Cat. 6A EL connector. A leap in development was achieved in the design of the compact die-cast zinc housing and in handling. Like its predecessor, this connector will set a new standard in terms of functionality, stability and quick assembly. Experienced installers can wire the connector in under a minute.

New R&M rack families

In the reporting year, R&M built up a stronger position in the field of network racks. Thanks to the takeover and rapid integration of the rack manufacturer TecnoSteel, the R&M sales companies now have access to their own high-end LAN rack systems. The established Progress line primarily serves distributors in Europe and the Middle East. At the same time, the Freenet rack system was developed for the Central European market. It meets the requirements of customers with increased demands in the area of LAN and data center cabling. The reporting year saw a successful market launch in Switzerland and Germany.

Plastic-free packaging

The new field-terminable RJ45 connector FM45 Cat. 6A EL serves as a pilot for environment-friendly packaging. It was launched in a bag made of recycled paper with printed installation instructions and QR code. The packing units have been adapted in order to optimally fill cardboard boxes and reduce logistics costs. The presentation boxes are also plastic-free. Customers receive their first FM45 Cat. 6A EL in a high-quality cardboard box or with reusable wooden boxes.

Optimized segmentation

Technological strength, expertise in infrastructure solutions as well as future-proof, reliable and high-end products – these are the factors that ensure that R&M enjoys an outstanding position on the LAN market. Nevertheless, R&M and other market participants are coming under increasing price

pressure in some segments, especially in less demanding applications. We are responding to this with ClassicLine products, sales of which were further expanded in the reporting year.

New growth in the medium term

Due to the uncertainties and high interest rates, the market environment will remain challenging in 2024. We therefore expect little further growth. However, the pressure to invest in commercial buildings remains. R&M has everything the market needs for network equipment in intelligent and sustainable buildings. Sales opportunities are increasing particularly for PowerSafe products. The range of modular Freenet rack systems will be further completed in 2024. It represents a further basis for growth in the LAN business.

Ready for Constant Growth: Integrated Data Center Strategy.

Growth in the data center market is slower than usual. The trend towards digitalization is relentlessly calling for further investments in infrastructures and capacities. R&M supports data center operators with holistic infrastructure solutions and new partnerships.

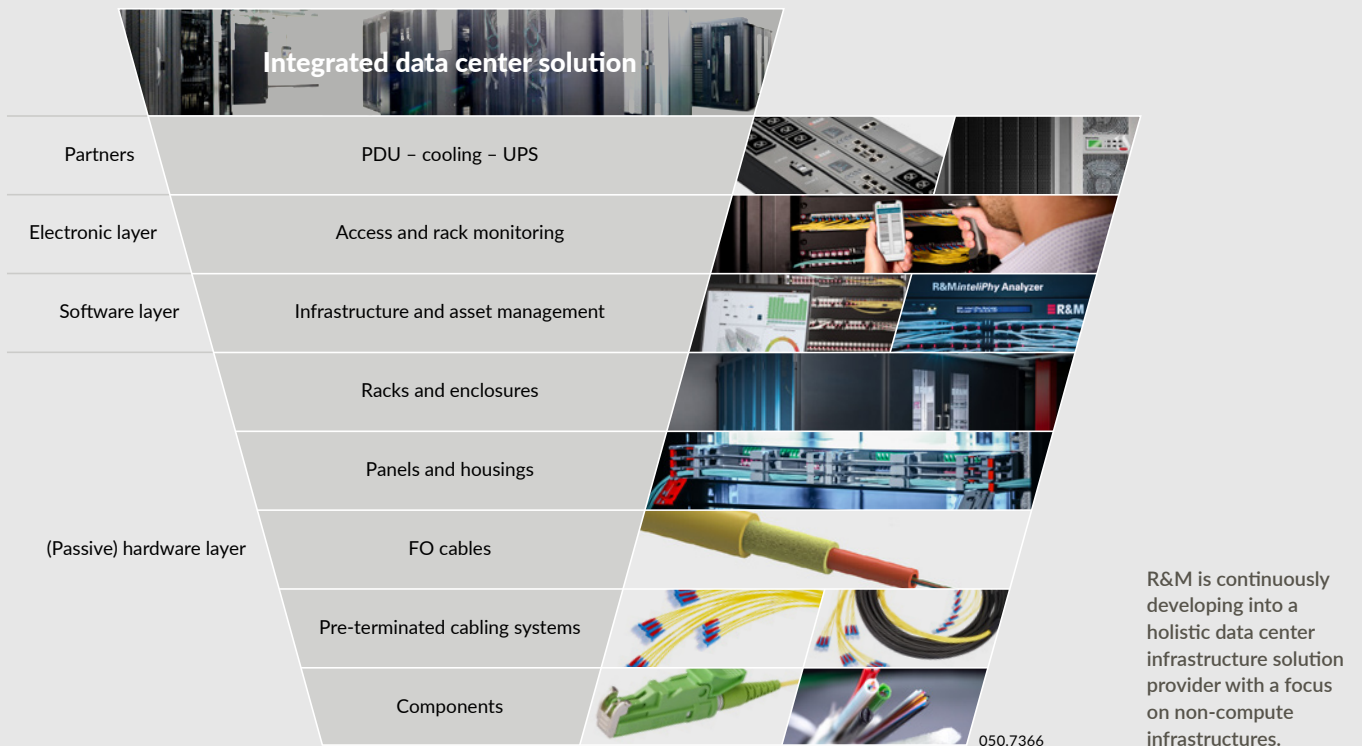
The growth of data traffic is not allowing any market participant a break. Time and investment pressure are increasing in view of the leaps and bounds in the digital world. At the same time, however, rising energy and financing costs urge caution. Data centers should do more on a limited surface area because space for new buildings is running out in many places. And they should become ever more powerful and environment-friendly.

Business development at R&M was in step with the cautious market in the reporting year. The industry's restraint had a direct impact on sales. The Data Center segment generated slightly lower revenue in the reporting year than in the previous year. On the other hand, the number of all-in-one solution projects currently being acquired is growing.

In Europe, the picture was ambivalent. In some cases, R&M bucked the trend and found itself in positive territory. In some countries, however, investments were postponed

at an above-average rate. Sales in regions outside Europe followed the market trend.

An analysis of the individual market segments and customer groups generally reveals a stable picture. The traditional customer groups remained loyal to R&M in the 2023 business year. These include colocation data center providers, banks, state-owned enterprises, and industrial customers. R&M can build on this broad customer base. Further market segments such as telecom providers and mobile operators are to be addressed more intensively.



R&M is continuously developing into a holistic data center infrastructure solution provider with a focus on non-compute infrastructures.

In 2023, the expanded rack portfolio based on R&M TecnoSteel's BladeShelter program was launched and brought together with R&M's cabling solutions.

Integrated Data Center Strategy

The strategic development towards being a holistic data center infrastructure solution provider with a focus on non-compute infrastructures was decisively driven forward in the reporting year. R&M continued to invest in support functions and competence centers. These are being integrated into the strategy and the depth of value creation is being expanded accordingly. Complementary competencies are constantly being supplemented through partnerships. R&M employees are continuously being trained in system competence. Today, R&M offers all-in-one solutions tailored to customer requirements, consisting of server racks, cabling systems, platforms, power distributors, cooling systems, sensors and software for monitoring and documenting the network infrastructure. Initial project successes confirmed that R&M is effectively positioning itself over the long term with its holistic data center approach.

The background for the Integrated Data Center Strategy is broad-based digitalization. It is fundamentally changing the business strategies of companies. For the past two years, the use of artificial intelligence has exploded. The market is increasingly being driven by topics such as block chain, automation and machine learning. New technologies such as 5G and virtual reality with their computing-intensive applications are spreading rapidly. Companies use hybrid data center structures to distribute workloads, reduce latency, and save costs.

These market forces demand many times more power and effectiveness from data centers. This has an impact on planning, construction, operation and servicing. They must be able to adapt network architecture, compute and non-compute infrastructures spontaneously and flexibly to specific customer needs. They will further increase the density of infrastructures in order to achieve higher transmission rates. Migration to 800 Gigabit networks is urgent and data center operators are already focusing on the next generation of Ethernet with 1.6 Terabit/s and new connectivity standards.



«Initial project successes confirmed that R&M is effectively positioning itself over the long term with its holistic data center approach.»

Where more hardware is installed, the demand for cooling increases. In order to sustainably limit power consumption, cooling air must be conditioned and directed in a more targeted manner. Intelligent power supply, real-time and remote monitoring as well as DCIM software will become decisive factors for safe operation.

R&M's business model as well as technology and product development are geared towards these needs. Modular, complex, high-density units can be provided pre-terminated – quickly and globally.

High density is the solution

With fiber optic cabling of the Ultra-High Density class, data centers are able to scale transmission capacities on existing surfaces in-house. With the high density Netscale family and the holistic infrastructure program for data communication, R&M enables corresponding solutions. Sales of the Netscale product family developed very positively in the reporting year. R&M is continuously expanding its portfolio of high density products.

The expanded rack portfolio based on the BladeShelter program from R&M TecnoSteel was launched in the reporting year. R&M also launched the intelligent and energy-saving ActiPower 4.0 power distribution unit. For data center operators, the digitalization of operations is crucial when it comes to managing resources more efficiently. R&M therefore sees growing opportunities for the DCIM software intelIPhy net.

Optimistic outlook

As mentioned, data traffic and digitalization will continue to drive business in the data center industry in the coming years. We anticipate growing demand for integrated infrastructure solutions that enable data centers to quickly reach their next development goals. As an all-in-one solution provider with a one-stop-shop program for the non-compute segment, R&M can provide data centers with comprehensive support – from planning and system integration to commissioning and service.



Increasing bandwidth, higher data requirements: R&M's proven Netscale products meet these trends.



Intelligent PDUs are key components of the data center sensor technology. R&M's ActiPower 4.0 is aimed at cost- and energy-saving data center operation.

On the Way to Becoming a Provider of End-to-End Solutions

Demand for efficient cabling solutions in the telecommunications sector remains high, even though investments have been temporarily reduced. R&M is successfully entering the 5G market.

Following massive investments in recent years, telecom providers temporarily reduced their investments in broadband and 5G expansion in the 2023 business year. This slowdown is due to increased expansion and financing costs as well as delays in government support programs. Globally, the market for network infrastructures declined by between 15 and 20%, but with large regional differences. The largest decline was recorded in the US market. From the second quarter onwards, this was also felt in Europe and Asia.

Overall, R&M performed well in this difficult market environment, confirming that we are well positioned with the Public Networks market segment and the expanded fiber

optic portfolio. In countries that are important for R&M, such as Germany, Switzerland and India, we were able to maintain or even increase sales. In Brazil and the UAE, the investment freezes have had a major impact on sales. The turnkey PoP stations in Germany and Belgium performed well. FTTH closures and fiber optic cables were in demand in Eastern Europe. In India, volume business with splice closures, cable assemblies and cabinets for base stations remained stable. And in the Middle East, more end-to-end solutions were sold again following a weak first half of the year. Overall, however, R&M also had to accept a decline in the higher single-digit percentage range.

All-in-one solutions in demand

R&M is systematically evolving into a provider of end-to-end solutions for dedicated telecom applications. Customers are demanding coordinated all-in-one solutions in order to be able to efficiently expand the capacity of fiber optic networks with less time and personnel expenditure.

«R&M is systematically evolving into a provider of end-to-end solutions for dedicated telecom applications.»

This concerns the entire R&M portfolio. In any case, the demand for optical distribution frames, fiber optic cables, splice closures and boxes for splice and patch connections as well as for cabling and connectors for indoor and outdoor installations is increasing.

Supplier for the 5G market

In general, 2023 was a forward-looking year for the Public Networks segment at R&M. It was characterized by investments in major market launches. First and foremost: the CONEXIO product line for the Fiber to the Antenna (FTTA) segment. With the CONEXIO modular system, mobile phone companies can set up 5G cell sites with fiber optic cabling infrastructure quickly and at low cost.



070.0127

At the end of 2023, R&M launched a program for the renewable energy market with network technology and services for the copper and fiber optic data networks of wind, solar and hydropower industries.



060.2187

R&M's turnkey Point of Presence stations were further established on the European market.



041.0752

In spring 2023, R&M launched the new CONEXIO line for fiber optic access to mobile radio sites.

R&M initially entered the cell-site cabling business related to 5G roll-out in the growth market of India. Orders worth over USD 5.0 million were won for 5G base stations and custom-made fiber optic cabling solutions (CPRI front-haul connections). Accordingly, the plant in India was expanded with new production lines.

R&M is continuously working on its positioning as a supplier for the FTTH/5G market. Worldwide, there are millions of macro and small cell sites that require fiber optic cabling. FTTH is the decisive infrastructure that connects remote radio heads and active antenna systems of mobile communication cell sites with the fiber optic transmission network. FTTH is the only way to ensure the bandwidths and transmission rates required for 5G.

Upswing delayed

Due to current budget cuts in the telecom industry, R&M does not expect the market situation for FTTH and FTTH/5G roll-outs to improve until mid-2024. Despite this short-term market weakness, the medium-term outlook for the telecom market remains positive. In many important industrial coun-

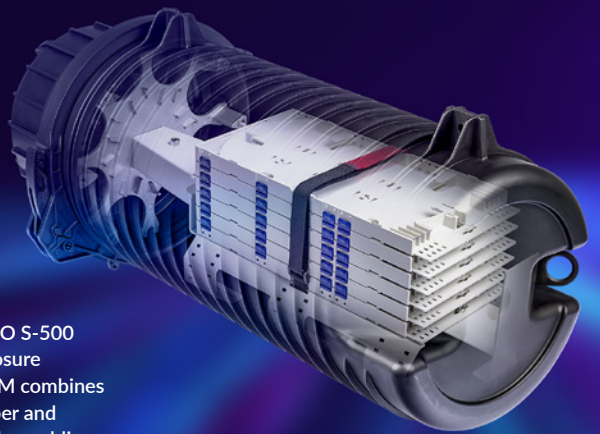
tries, such as Germany, the UK, Belgium, the USA, Brazil and India, there is a lot of catching up to do in terms of modern fiber optic-based network cabling. Thanks to its decentralized centers of excellence, R&M is able to serve these markets quickly with customer-specific solutions. For 2024, R&M expects the order situation to remain good, particularly in Germany, Switzerland, Belgium, some Eastern European countries, the Middle East and India.

It is clear that R&M has accurately addressed the demand of the FTTH market with the aforementioned range of turnkey PoP stations and integrated ODF solutions. The company is also increasingly offering the production of pre-terminated ODFs and the corresponding cable assemblies.

Solutions for vertical markets

In addition to the major markets of the telecom industry, such as FTTH/5G and FTTH, the focus is shifting sharply to vertical markets. These include private 5G networks, smart cities, and transportation with road and rail communications. R&M will serve these segments with further new developments and customer-specific solutions.

030.8609



The SYNO S-500 splice closure from R&M combines single fiber and ribbon fiber cabling.

R&M launched two new fiber optic connectors for outdoor applications in the business year: the HEC-BR (bayonet release) with a diameter of 32 mm and the HEC-QR (quick release) with a diameter of 19 mm.



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050.7310

Versatile new products

In addition to the CONEXIO line, the HEC outdoor connectors and the new SYNO S-500 high-density splice closure were introduced in the reporting year. With the HEC family, R&M can serve different markets and applications. It is suitable for telecom providers, the railway industry, utility companies and operators of solar parks and wind farms. The SYNO S-500, with its high density and number of possible splice connections, is optimized for ribbon fiber cable splicing.

In the coming months, R&M will be launching new splice closure variants and new products. There are also new products for 5G, small cells, and fiber optic connectivity solutions for smart city applications. Here, too, the aim is to offer an end-to-end portfolio that is as complete as possible.

Responsible Corporate Governance at all Levels

*The sustainability strategy is increasingly permeating the entire R&M Group.
Defined targets and indicators will continue to be anchored in day-to-day operations.
EcoVadis rating confirmed.*

R&M's business activities are based on the core values of quality, innovation, sustainability and customer orientation. At the heart of R&M are more than 1,500 employees worldwide and the pride of being an independent Swiss family business. For R&M, a sustainable corporate strategy (Corporate Social and Environmental Responsibility, CSER) means incorporating the entire ecosystem and harmonizing economic activity with social responsibility. That includes making an active contribution to climate protection, conserving resources and using them responsibly, setting social standards and re-

thinking the entire value-added chain. One main objective is to halve operational greenhouse gas emissions within this decade.

For R&M, sustainability is not an option, but a basic condition for successful and meaningful participation in the market. Well-known customers confirm R&M's efforts to document and disclose greenhouse gas emissions by requiring this information as standard in tenders and supplier inquiries. R&M sees this development as an important right step within the industry.

The CSER strategy defined in 2021 was further developed across all divisions in the reporting year. Under the title «Connecting the Planet», the sustainability strategy was linked even more closely to the corporate mission «Connectivity that matters». The 34 main measures were categorized into four fields of activity. «Connecting People» encompasses all topics relating to R&M's social commitment. The second field of activity, «Connecting Nature», addresses all environmental and climate protection issues. The «Connecting Ethics» field of activity addresses the ethical and compliance principles according to which R&M acts. The fourth field, «Connecting Circularity», encompasses all topics of the R&M value-added chain. Overall, one of the main challenges is to implement the necessary business processes for regular, standardized data collection. This takes a lot of time and affects all areas of the company.

Global R&M network on the topic of sustainability

In the reporting year, the main focus was on convincing and strengthening commitment and trust within the team. R&M can only achieve the ambitious CSER targets in the best possible way if all sites and employees internalize the strategy.

A global network with ambassadors was installed at all regional R&M hubs. This new network promotes dialog on the four fields of activity and encourages mutual learning when it comes to sustainability.



«Sparkling Futures: Illuminating Lives through Child Education» – a CSER initiative by R&M India.



Part of the R&M Děčín team took part in a «Bike to work» challenge.



In May 2023, the R&M Germany team started the «Healthy Digital World» initiative.

Scope 1 and 2 are followed by Scope 3

In April of last year, R&M reported for the eighth time on the current activities and the progress made in implementing the sustainability strategy. For the first time, R&M presented a carbon footprint. This was continuously improved in the reporting year. To date, direct greenhouse gas emissions (Scopes 1 and 2) have been determined. Basic data on emissions from the upstream and downstream value-added chains (Scope 3) have been available since 2023. In addition, projects are underway to determine product-specific greenhouse gas emissions.

Silver confirmed

The rating agency EcoVadis once again awarded R&M Silver in 2023. The area of social affairs, labor and human rights was particularly significant with an increase of ten points. R&M demonstrates above-average employee-friendliness. According to EcoVadis, R&M also acts with above-average sustainability in procurement. R&M places high demands on the supply chain. Suppliers regularly have to prove that they comply with the specified environmental, social and legal standards as well as the R&M Code of Conduct.



Materiality analysis

The extended and restructured CSER Report 2023 will be published in spring as usual. It is based on a dual materiality analysis that was carried out for the first time in the 2023 business year. The analysis shows which topics are important for the company and its stakeholders. Both the impact of business operations on the environment, society and the economy as well as their influence on and expectations of the company were examined.

For R&M, a sustainable corporate strategy (Corporate Social and Environmental Responsibility, CSER) means incorporating the entire ecosystem and harmonizing economic activity with social responsibility.

Selected CSER successes

- Almost all R&M production sites work with a standardized and certified environmental management system
- An energy management system has been implemented at all of the company's premises
- The sites in India, Germany and Western Europe promote reforestation projects
- R&M optimizes packaging and logistics to reduce raw material consumption and transportation
- New connectivity solutions for data centers enable optimized cooling and thus reduce power consumption
- Market Management develops cabling solutions for selected markets and applications that contribute to decarbonization, e.g. for wind power plants
- Women are continuously encouraged to take on leadership and expert roles; forty percent of management positions at R&M are held by women.

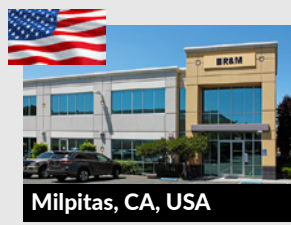


-  R&M Headquarters
-  R&M Manufacturing
-  R&M Sales Offices

 **North America**



Elkridge, MD, USA



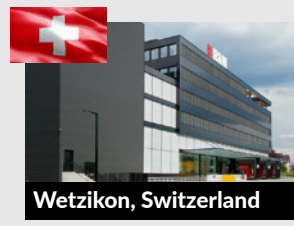
Milpitas, CA, USA

 **South America**

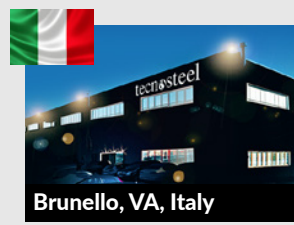


Santa Rita do Sapucaí, Minas Gerais, Brazil

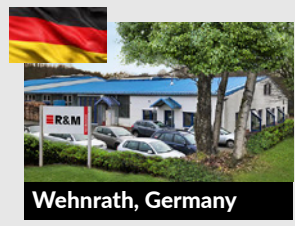
 **Europe**



Wetzikon, Switzerland



Brunello, VA, Italy



Wehrath, Germany



Děčín, Czech Republic

Globally committed



 Middle East

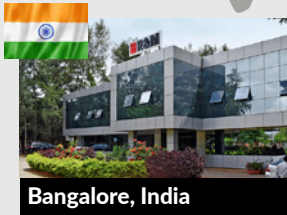
 Asia



Warsaw, Poland



Riyadh, KSA



Bangalore, India



Pinghu, Zhejiang, China



Sofia, Bulgaria



Dubai, UAE

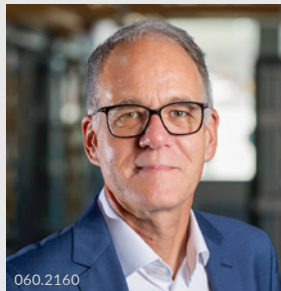


Jinshan, Shanghai, China

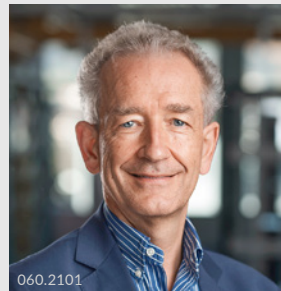


Members of the Board of Directors

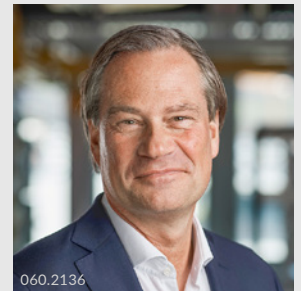
As Directors, five select senior experts steer the strategic development of the R&M Group together. They are at home in Swiss and international industrial companies. Their special fields include international management, strategy development, marketing, engineering, finance and controlling as well as sustainability. They contribute expertise from the fields of building technology, ICT, network infrastructure, industrial manufacturing and high-tech development.



Thomas A. Ernst, Chairman
Chairman of the BoD at Gruner Holding AG and Regent Beleuchtungskörper AG



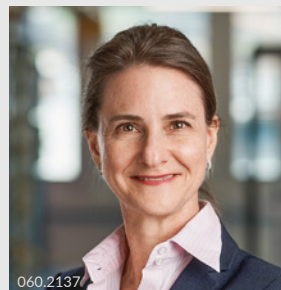
Adrian Bult
Professional BoD Member, Chairman of the BoD at Swissgrid AG



Dr. Carsten Liesener
CEO EMEA Smart Infrastructure Siemens AG



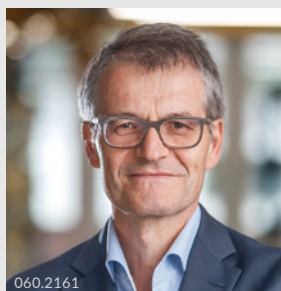
Dr. Mark Macus
Group CFO at Bühler Group



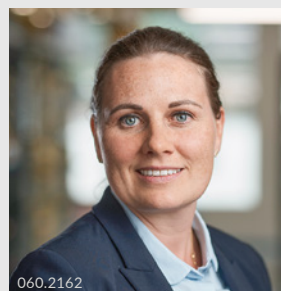
Susanne Seitz
Global Head of Sales, Siemens Smart Infrastructure

Members of the Executive Board

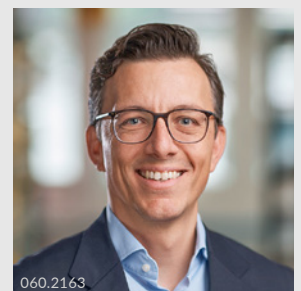
Management responsibility lies in the hands of a five-member Executive Board. The Board acts according to values-based principles. The members of the Executive Board are distinguished by their international experience, professional expertise, leadership quality, transparency, sustainable action and passion for R&M. The team works with proven lean and agile management methods, supported by the latest digital management tools.



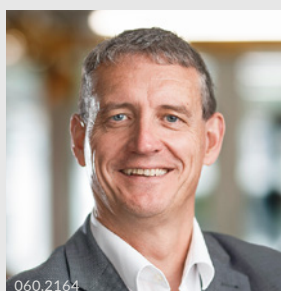
Michel Riva, CEO
CEO of R&M since 2012



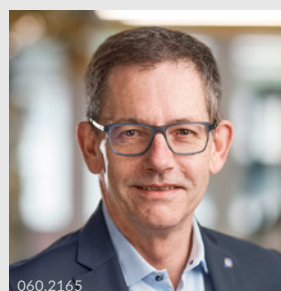
Martina Dimmler, CFO
CFO of R&M since 2022



Robert Merki, CTO
CTO of R&M since 2020



Andreas Rüsseler, CMO
CMO of R&M since 2012



Markus Stieger-Bircher, COO
With R&M since 2006, COO since 2011

Sustainable Value Culture

The 2023 business year once again reminded us of the need for entrepreneurial caution. Foresighted, sustainable action is required.

The tense situation on the international markets as a result of conflicts, inflation, over-indebtedness and natural disasters is worrying. Companies once again had to adjust to critical moments in the reporting year.

In 2023, the R&M management once again proved that crises need to be recognized and tackled at an early stage within the company. Sensitive, proactive measures and an unfortunately unavoidable restructuring program helped to mitigate the impact of falling sales and cost increases as far as possible.

We are proud of our dedicated management team and the vigilant, market-oriented Board of Directors. They act in the interests of our long-term oriented family business and we are convinced that R&M will continue its success story in a stable manner.

During our visits to the R&M sites, we clearly sensed that the special R&M spirit connects and strengthens, something which is also confirmed by our business partners.

Ready for future applications

R&M is continuously transforming itself from a component manufacturer to a provider of complete solutions for growing business areas in the data communication infrastructures market. In some areas, R&M is at the forefront of technology with market-ready all-in-one solutions. The focus is on all-in-one solutions for data centers, broadband networks for rural regions, offers for telecom markets and smart cities. Other promising markets include transportation (airports, railways, tunnels), green energy and smart buildings.



Peter Reichle, Martin Reichle

Sustainable corporate culture

R&M can now look back on 60 years of company history. As representatives of the second generation of owners, we have witnessed and helped shape a large part of this history. Sustainability has always been part of R&M's culture. This is now mapped very transparently and professionally in the processes. Our management team has also done a very good job in this respect and has laid a number of cornerstones for the future of our globally oriented, value-conscious family company. The more stringent «Vision and Mission» statements underline this with the right words. As owners, we are particularly proud and grateful that our employees, customers, suppliers and partners support these values and strategy over the long

term. We would like to thank all of you for placing your trust in R&M and for your loyalty in an eventful, tense business year.

Martin and Peter Reichle
Owners

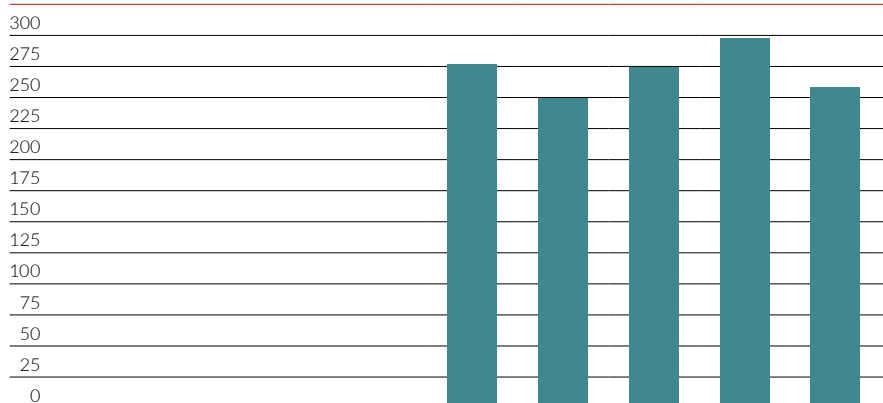
«We provide network infrastructure for unlimited communication.»

Key Figures

	2019	2020	2021	2022	2023
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Sales

in millions of CHF, consolidated	276.7	249.5	274.2	297.9	257.8
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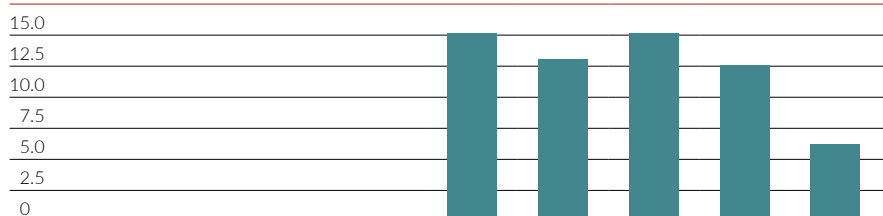
Growth

compared with the previous year	4.4% ⁽¹⁾	-9.8% ⁽²⁾	9.9% ⁽³⁾	8.6% ⁽⁴⁾	-13.4% ⁽⁵⁾
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(exchange-rate-adjusted: ⁽¹⁾+6.8%, ⁽²⁾-4.9%, ⁽³⁾+10.6%, ⁽⁴⁾+12.6%, ⁽⁵⁾-10.0%)

EBIT

in millions of CHF, consolidated	15.2	13.1	15.2	12.6	6.2*
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as a % of sales	5.5%	5.2%	5.5%	4.2%	2.4%*
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* before extraordinary restructuring costs

International Sales Revenue

Revenue generated outside of Switzerland was 79% of total sales.

Development Expenditure

Average development expenditure over the last 5 years: 3.5% of sales, generated by 4% of employees.

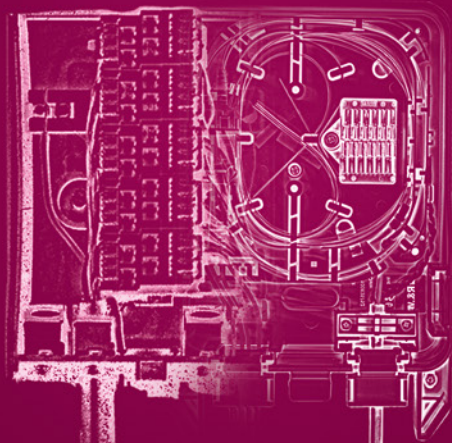
Innovative Capacity

19% of the revenue was generated with products less than three years old.

Number of Employees

FTE as of December 31, 2023: total 1,522 (incl. temporary employees)

60 years
connectivity that matters



1964

2024

1
9 2
60 Years
4 2 **R&M**
4

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