

Scaling down the large to magnify the small

The transformation journey of RUAG International into Beyond Gravity:
Transforming a State-Owned Enterprise into a Startup.

Financials

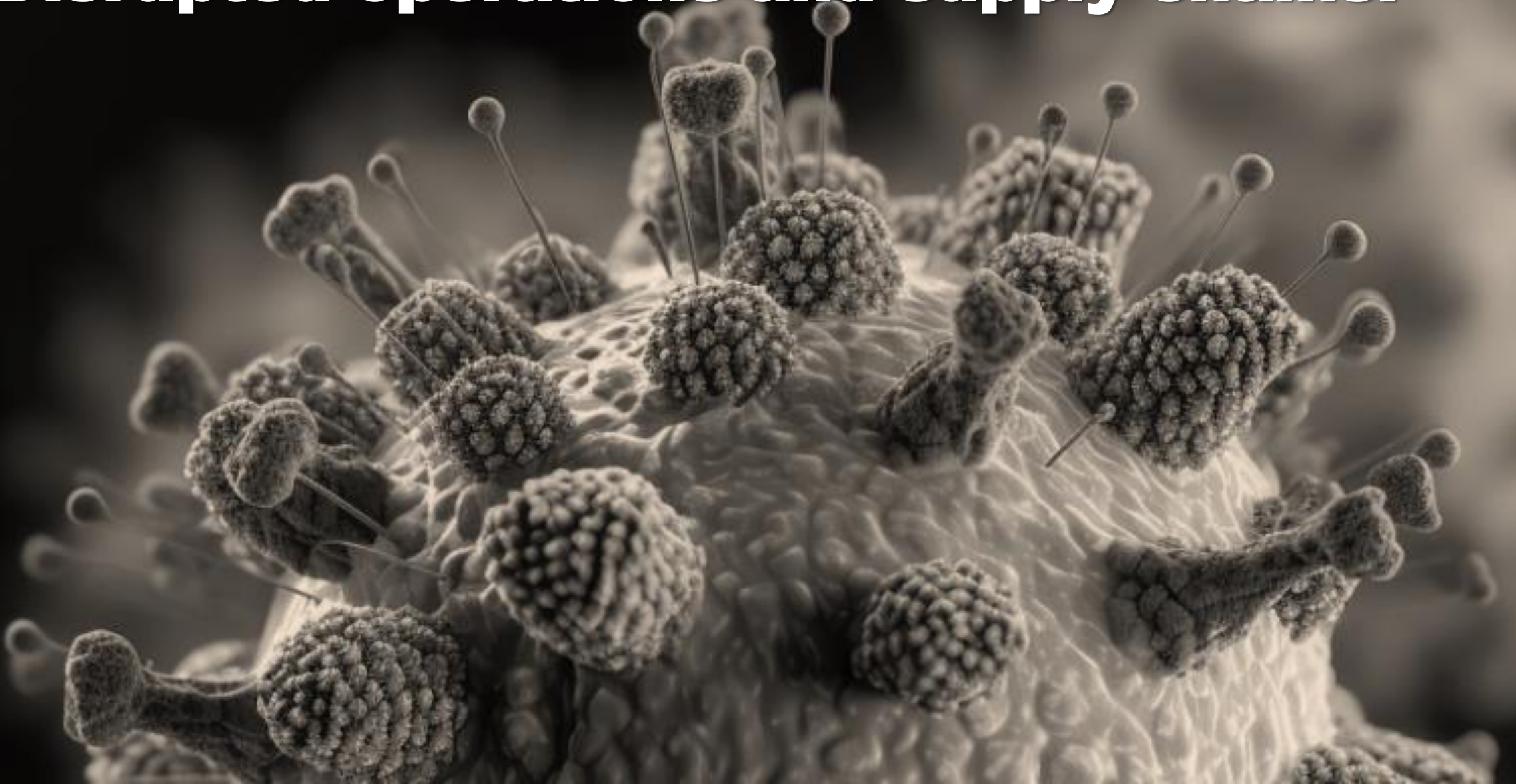
Dramatic drop of profitability in 2020.

**Together
ahead. RUAG**

-224

million EBIT, CHF

Pandemic
Disrupted operations and supply chains.



Digital Infrastructure

Dated IT legacy and security issues.



Swiss defence contractor break-up questioned after suspected hack



Swiss politicians are calling for the partial sale of defence contractor RUAG to be put on hold to investigate allegations of a second major hack against the company.

May 21, 2021 - 12:06

🕒 2 minutes

swissinfo.ch/mga



The government-owned RUAG International plans to sell off its armaments divisions to concentrate its efforts on space technology. But reports of a recent hack into RUAG's space unit have raised alarm bells.

According to Swiss public television SRF, unknown hackers [gained access to RUAG Space's systems earlier this year](#). Although the company has denied knowledge of the alleged hack, the perpetrators released evidence to SRF's Rundschau programme that it had seen sensitive emails between RUAG staff. The hackers

Externe Untersuchung bei der Ruag: «Wir haben ernstzunehmende Sicherheitsmängel gefunden»

Die «Rundschau» hatte im Mai von einem angeblichen Cyberangriff auf die Ruag International berichtet. Nun hat eine Untersuchung keine Belege dafür gefunden. Aber die Spezialisten haben andere schwere Mängel bei der Cybersicherheit entdeckt, wie der CEO André Wall sagt.

Lukas Mäder, Georg Häsler
Sansano

🔊 Hören 📌 Merken 🖨️ Drucken ➦ Teilen

4 Kommentare →

03.06.2021, 16.24 Uhr



Hacker dringen ins System von Ruag ein

Anscheinend ist es Hackern gelungen, ins System von Ruag International einzudringen. Beim Schweizer Rüstungskonzern weiss man nichts von einem Angriff.



von
Lucas Orellano



435

218



Darum gehts

- Im April sollen Hackerinnen und Hacker ins Netzwerk von Ruag International eingedrungen sein.
- Die «Rundschau» von SRF hat ein entsprechendes Video zugespielt bekommen.
- Zu sehen sind verschiedene Interna, wie ein CEO-Briefing und Weltraumprojekte.
- Unsere Systeme sind nach neusten Erkenntnissen geschützt», sagt Ruag International. Es gebe



Defense Business
Reputational spillover risks

Owner Limited speed & heavy restrictions



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Appendix 1 - Group (incl. RSB) - Authority and Signatory Powers Matrix

General remark: This matrix defines the approval and signatory powers in terms of approval authorities and signatory powers in compliance with the AGS Code and the below matrix.

Abbreviations:
 - "R" means "Responsible" - who is carrying out the restricted task
 - "A" means "Accountable" - who decides for the task and addresses its result
 - "C" means "Consulted" - who must provide valuable advice or contribution to influence the task progress. A wider target group than foreseen may also be informed if necessary
 - "I" means "Informed" - who must be informed in advance about the task progress. A wider target group than foreseen may also be informed if necessary

Group (incl. RSB)	Function	Subject	Approval Authority										Comments		
			AGS	AGS	AGS	AGS	AGS	AGS	AGS	AGS	AGS	AGS			
Group (incl. RSB)	Strategy	RUAG International Group overall strategy (incl. investment & communication technologies strategy)													
Group (incl. RSB)	Strategy	Real estate strategy & internal group standards for subsidiaries & companies (incl. real estate)													
Group (incl. RSB)	Strategy	Organization and coordination of the business management													
Group (incl. RSB)	Group Organisation & Structure	Principle for company management													
Group (incl. RSB)	Group Organisation & Structure	Approval of the basic financial, legal & organizational structure													
Group (incl. RSB)	Group Organisation & Structure	Approval of the rules governing competence determination of the general management													
Group (incl. RSB)	Group Organisation & Structure	Approval & organization of the general management													
Group (incl. RSB)	Group Organisation & Structure	Approval to the General Meeting for internal matters													
Group (incl. RSB)	Group Organisation & Structure	Approval of investments & disinvestment projects over CHF 10 million overall													
Group (incl. RSB)	Group Organisation & Structure	Approval of investments & disinvestment projects over CHF 5 million overall													
Group (incl. RSB)	Group Organisation & Structure	Approval of investments & disinvestment projects up to CHF 3 million overall													
Group (incl. RSB)	Group Organisation & Structure	Anticipated cash revenues in cases of sale over CHF 10 million													
Group (incl. RSB)	Group Organisation & Structure	Anticipated cash revenues in cases of sale over CHF 5 million													
Group (incl. RSB)	Group Organisation & Structure	Anticipated cash revenues in cases of sale over CHF 1 million													
Group (incl. RSB)	Group Organisation & Structure	Control of MSA projects													
Group (incl. RSB)	MSA	Foundation, incorporation & MSA													
Group (incl. RSB)	MSA	Control of MSA execution, tax													

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> 100

Legal Entities

0

Risk Appetite

140

Pages of
monthly owner
report

Production & Working Environment
**Old infrastructure hindering
communications and growth.**



Burning Platform

Complex governance vs. agility needed.

RUAG Governance



RUAG Situation 2020



Speed?



Mission Impossible?

Together ahead. RUAG

RUAG

HACKED

**How to turn a
caterpillar into
a butterfly?**



**What would
you do?**

What we did...

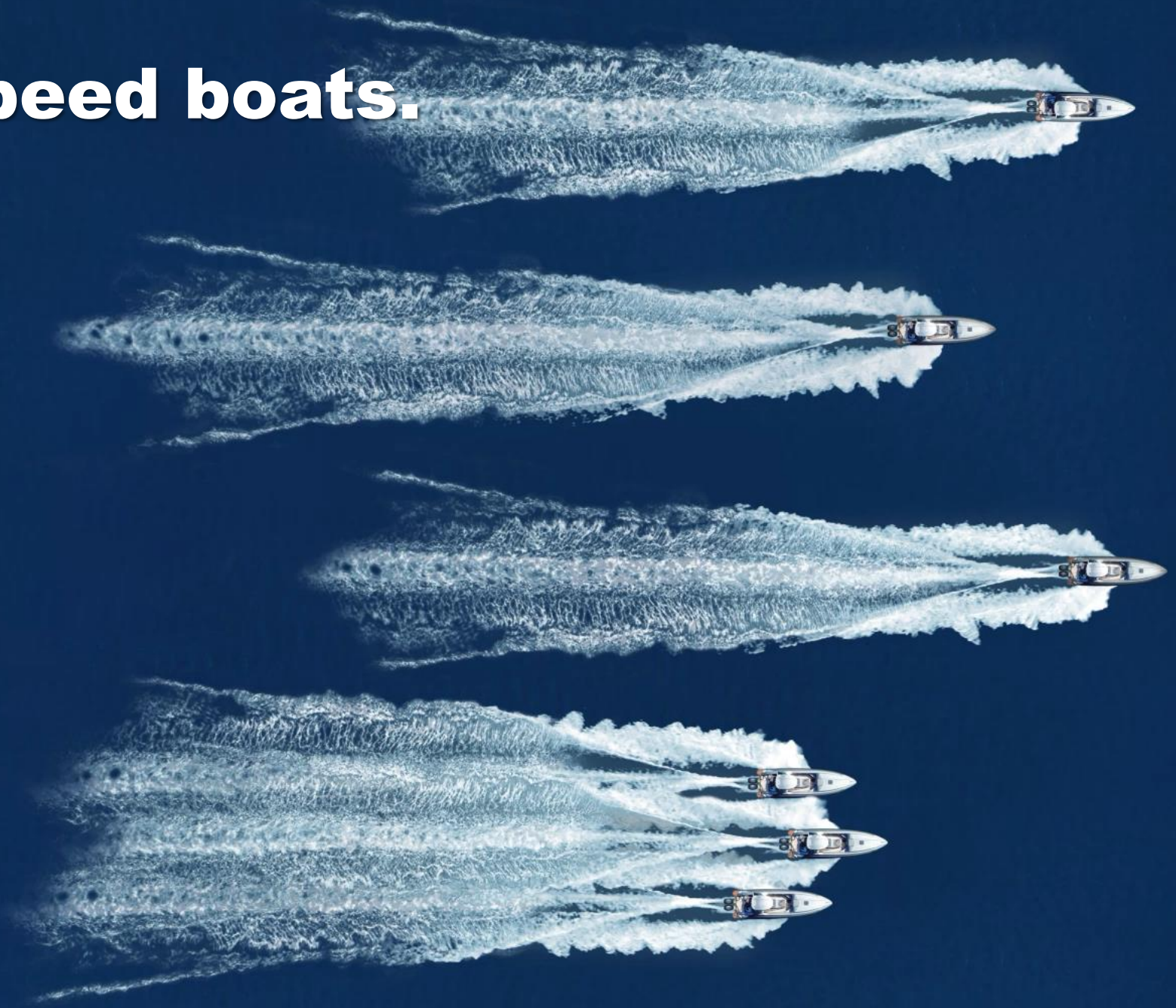
Listen
Disrupt
Deliver

The first 100 days.

From heavy tanker...

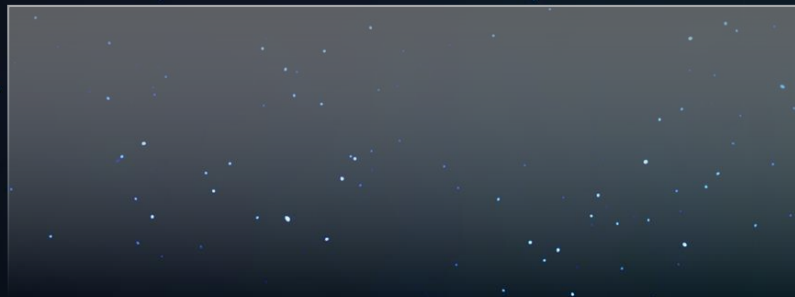


...to agile speed boats.



Space market to triple by 2040.

390 bn \$



2021

1,050 bn \$



2040

Privatization with steady progress.

beyond gravity

15.6.2021

RUAG Malaysia successfully divested.



3.5.2022

Sale of Simulation & Training successfully completed.



19.7.2023

Acquisition by Mubea Group strengthens technology leadership of Aerostructures Germany & Hungary.



9.3.2022

Bright future for Ammotec with Beretta Holding.



1.9.2022

ASDAM takes helm of RUAG International Australia.

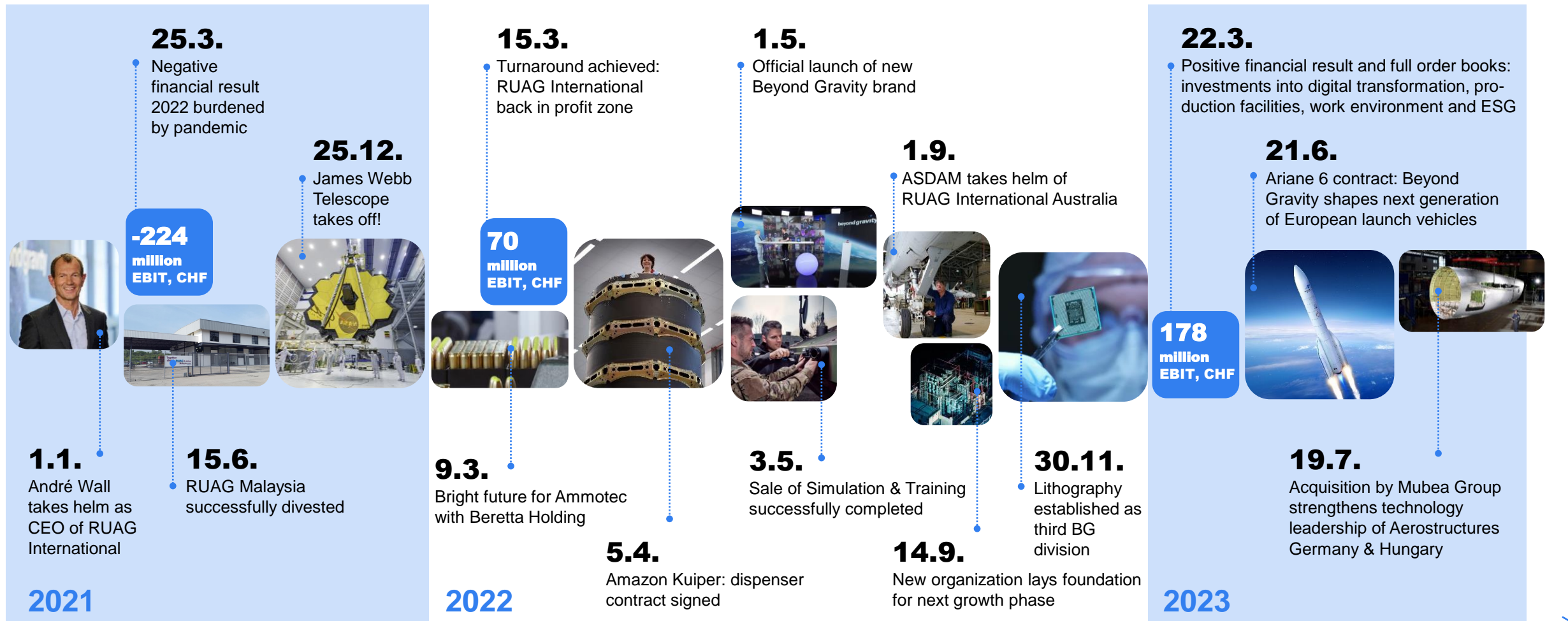


Q4 2023/Q1 2024

Expected sale of Aerostructures Emmen.



Customer delight & financial success.



Unleashing the potential of space.

**Start-up
mentality**

Speed, agility



beyond gravity

**40 years of
experience**

100% mission success



Change does fix the past, transformation creates the future.

1 **By 2025: Building a platform for sustainable growth attractive for investors.**

2 **Leader in the space industry with ESG and digital excellence.**



Choosing the right team.



Fresh start with a new brand.



beyond gravit

Full customer focus and securing new major orders.



ULA VULCAN
CENTAUR

BLUE ORIGIN
NEW GLENN

ARIANESPACE
ARIANE 6

Investing into new production facilities and smart factories.



Creating a modern working environment to foster exchange and open communications.

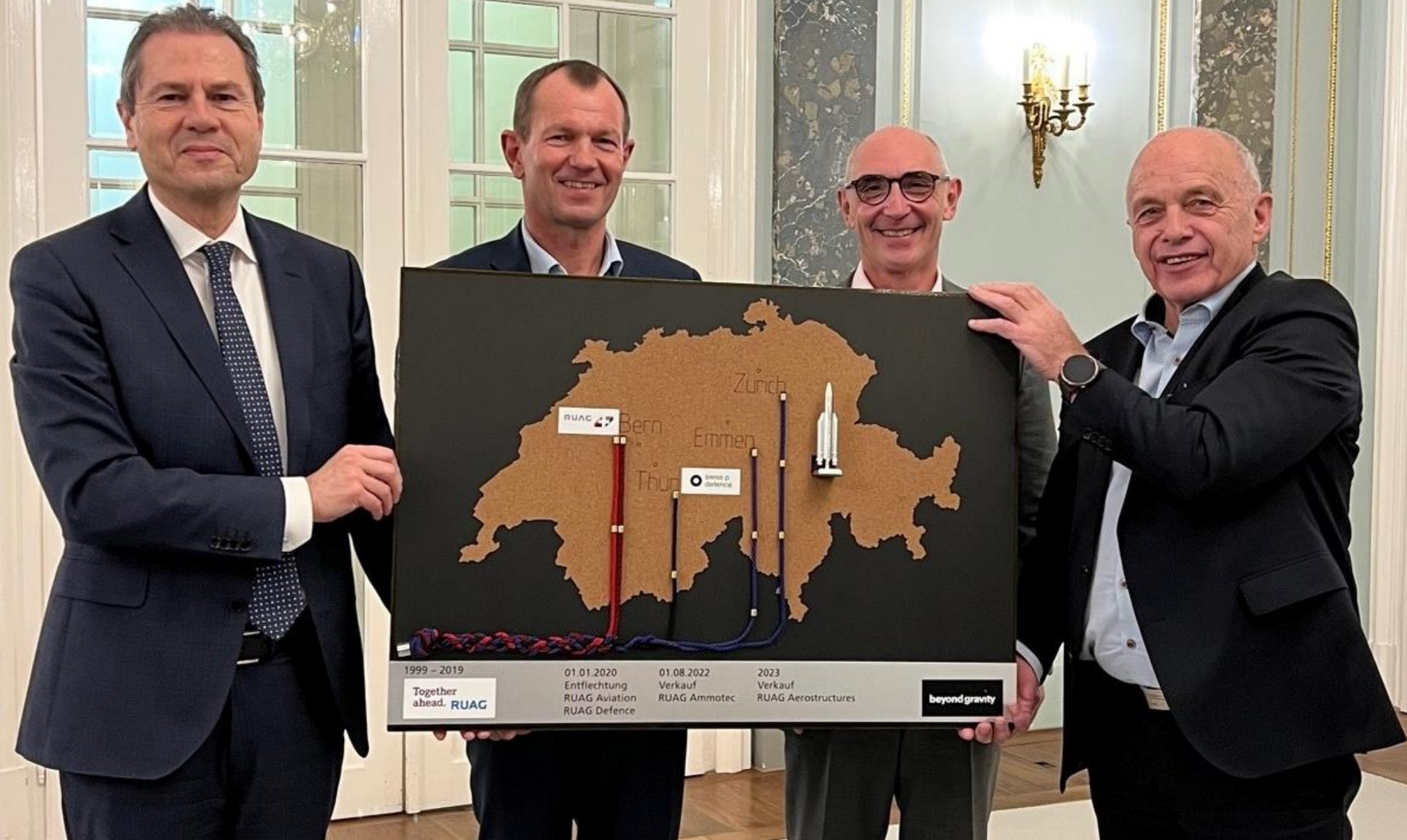


Leveraging the power of innovation.



Learnings

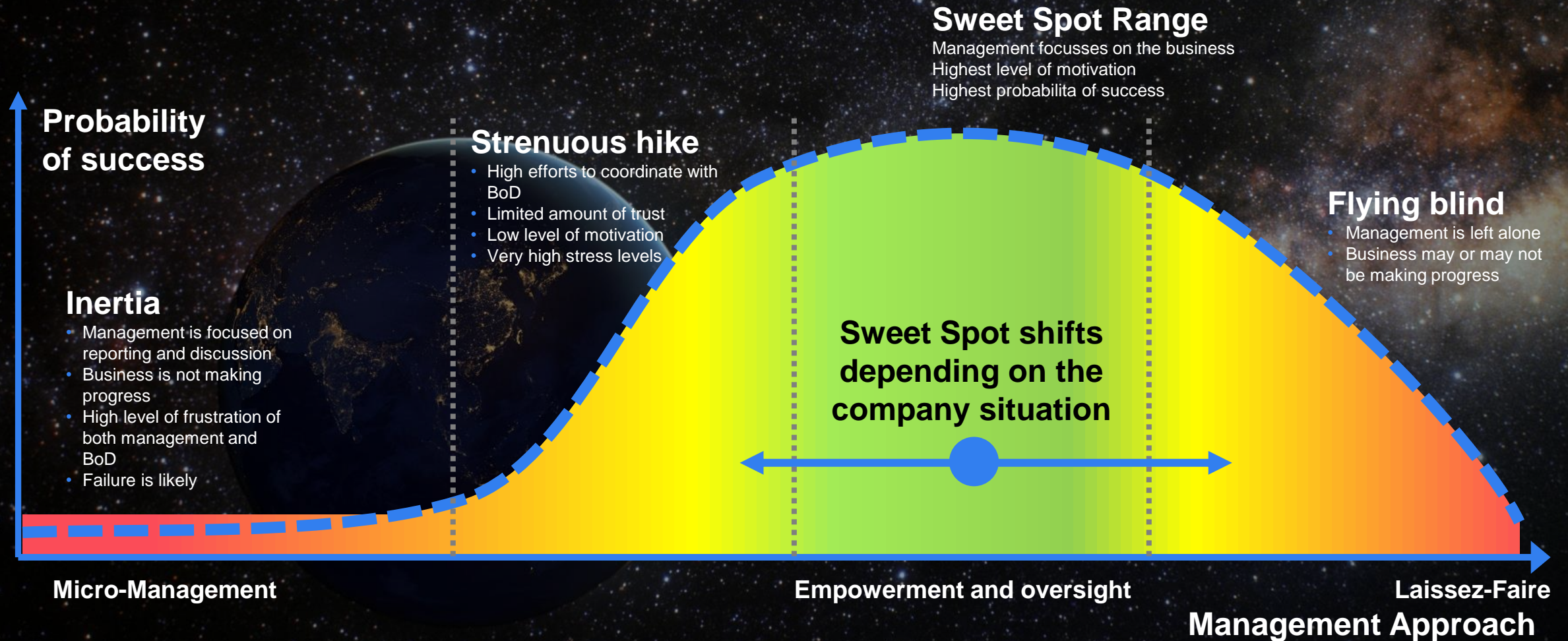
Earning and keeping the owner's trust.



1999 – 2019	01.01.2020	01.08.2022	2023
Together ahead. RUAG	Entflechtung RUAG Aviation RUAG Defence	Verkauf RUAG Ammotec	Verkauf RUAG Aerostructures

beyond gravity

The trust vs. control challenge – finding the sweet spot for “fast & consistent”



Key success factors for the Board of Directors supporting company success.



Recruit the right executive profiles for the phase of the company life cycle.



Enable CEO and management to focus on performance and to take the right decisions.



Maintain the right level of oversight to ensure progress is made fast.



Work with the executive team on determining the right strategy and dynamic.

The Swiss answer to SpaceX ?