



Half year results 2022

Datwyler with strategic acquisitions for the future

24 August 2022



Agenda

Business Review

Dirk Lambrecht, CEO

Financial Review

Walter Scherz, CFO

Outlook

Dirk Lambrecht, CEO

Questions and Answers

Datwyler continuing operations half year 2022

Revenue growth but lower EBIT due to higher input costs

Revenue growth of continuing operations by 11.7% to CHF 541.6 million

Organic growth of 5.9% after adjusting for negative currency effects and acquisitions

Revenue growth in four out of five business units

Decline in profitability due to strong increase in input costs, negative effects from acquisitions and delayed effect of implemented price increases

Decrease of EBIT to 18.4% to CHF 72.5 million

Adjusted EBIT margin of 14.8%

Net result of CHF 57.4 million

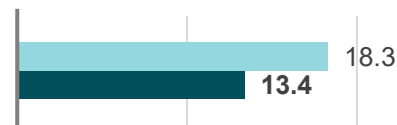
Net revenue
in MCHF



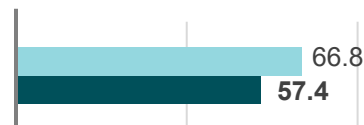
EBIT
in MCHF



EBIT margin
in %



Net result
in MCHF



■ HY 2021 ■ HY 2022

Strategic acquisitions to open the connectors market segment and the Chinese healthcare market



QSR (USA, Mexico, China)

5 plants / USD 164 million revenue (2021) /
1'250 employees

Leading supplier of high-quality seals and components for electrical connectors.

Expected market growth of 9% thanks to several megatrends such as electrification, connectivity, the Internet of Things and Industry 4.0.



Yantai Xinhui Packing (China)

1 plant / CHF 15 million revenue (2021) / 170 employees

Own production plant in China to supply the Chinese healthcare market directly.

Expected market growth of more than 10% thanks to several structural trends such as growing middle class, increase of chronic diseases and injections as preferred administering method.

Proven organizational structure with acquired QSR as new business unit Connectors





Healthcare Solutions

Pharma

Medical

Healthcare Solutions half year 2022

Organic revenue growth of 12.6%

265.7

CHF million
revenue

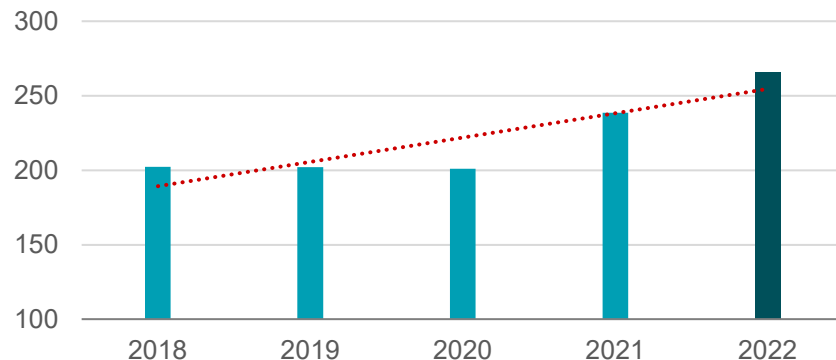
21.8%

EBIT
margin

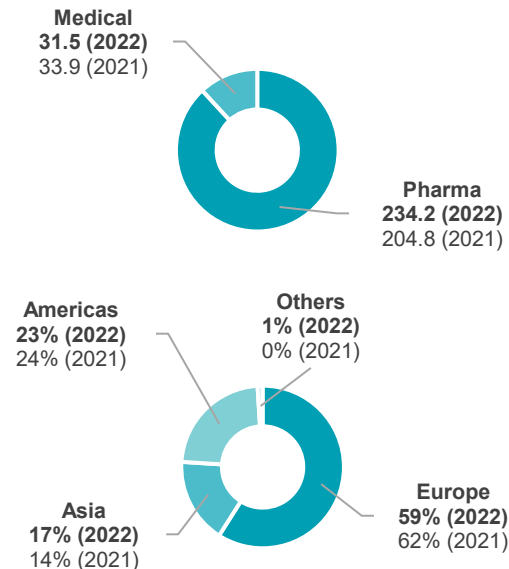
2'788

employees
(FTE)

Revenue development half year
in CHF million



Revenue split half year
in CHF million

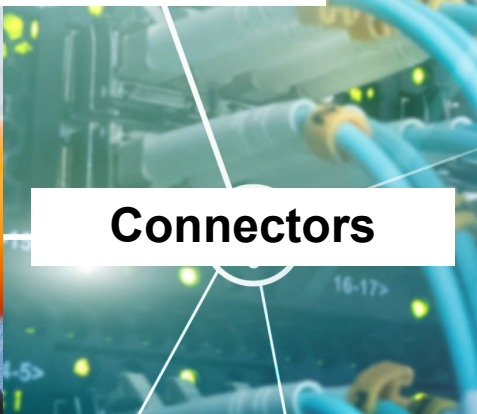




Industrial Solutions



Mobility



Connectors



General Industry



Food & Beverage

Industrial Solutions half year 2022

One-time costs lead to lower EBIT margin

279.5

CHF million
revenue

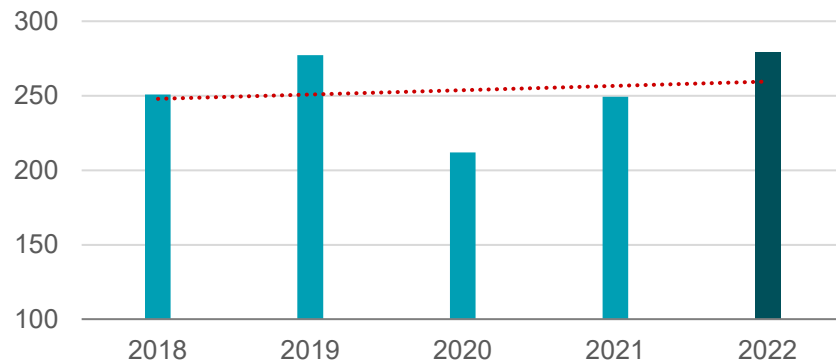
5.2%

EBIT
margin

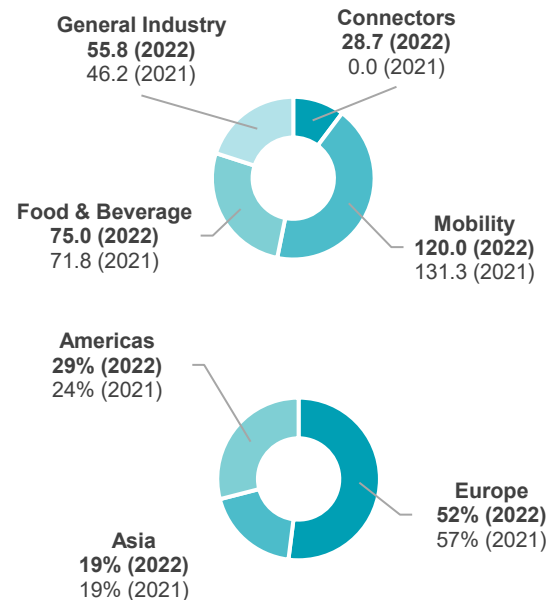
5'761

employees
(FTE)

Revenue development half year
in CHF million



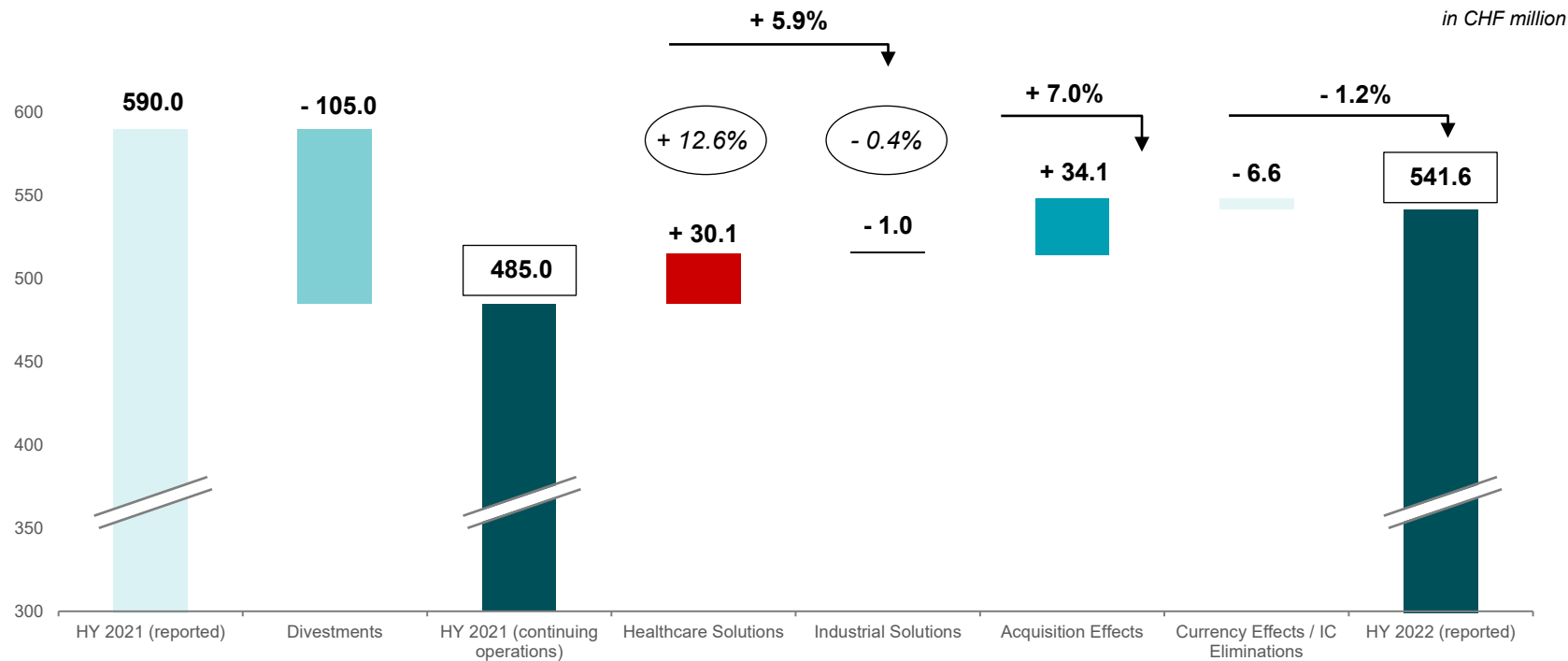
Revenue split half year
in CHF million



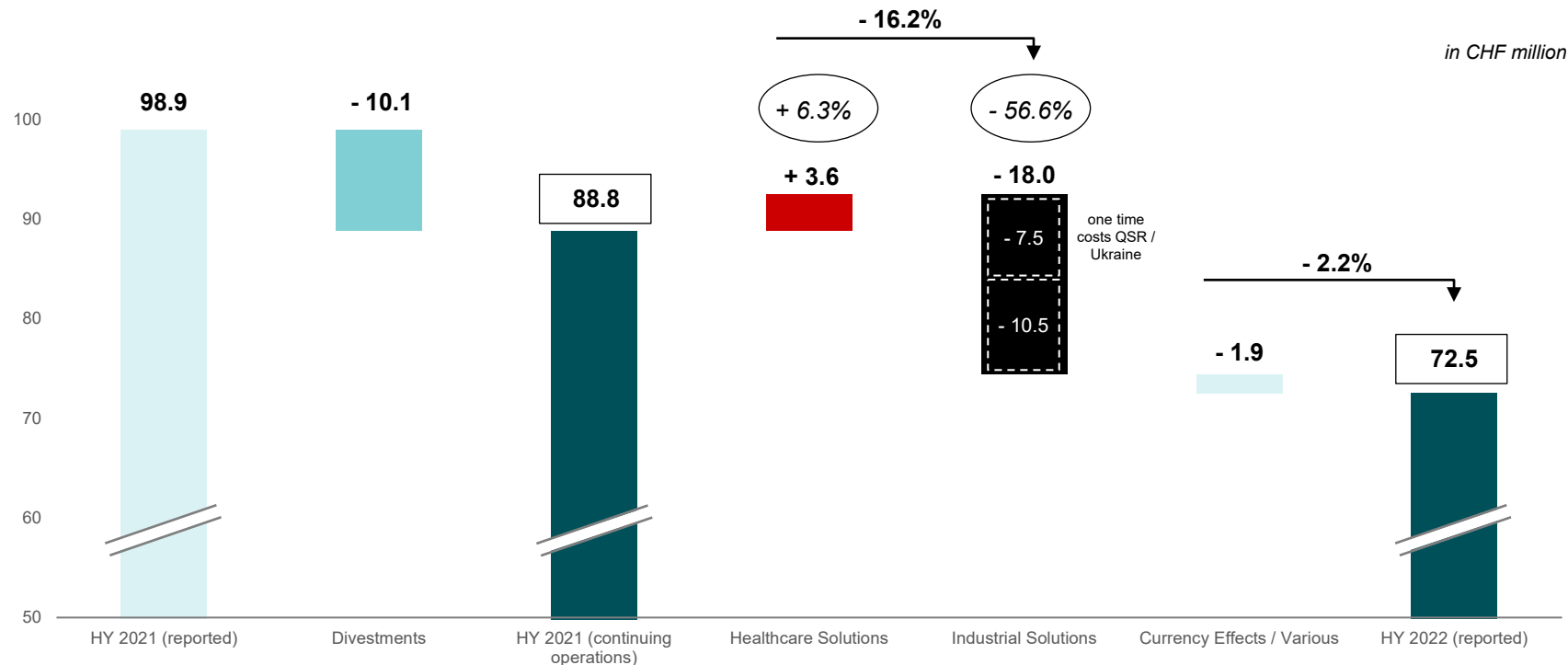
Financial Review

Walter Scherz, CFO

Acquisitions support revenue growth of 11.7% of continuing operations

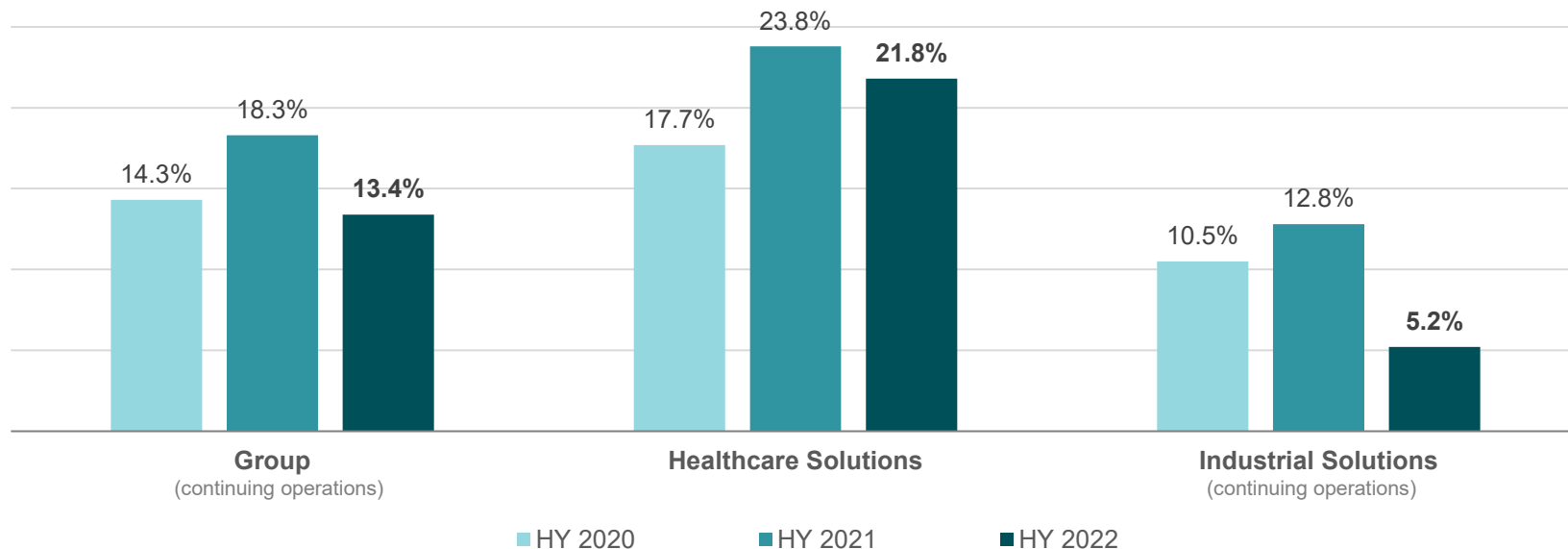


EBIT decline due to significant increase in input costs and negative one-time effects from acquisitions



Pressure on margins due to delayed effect of implemented price increases

EBIT margin in %

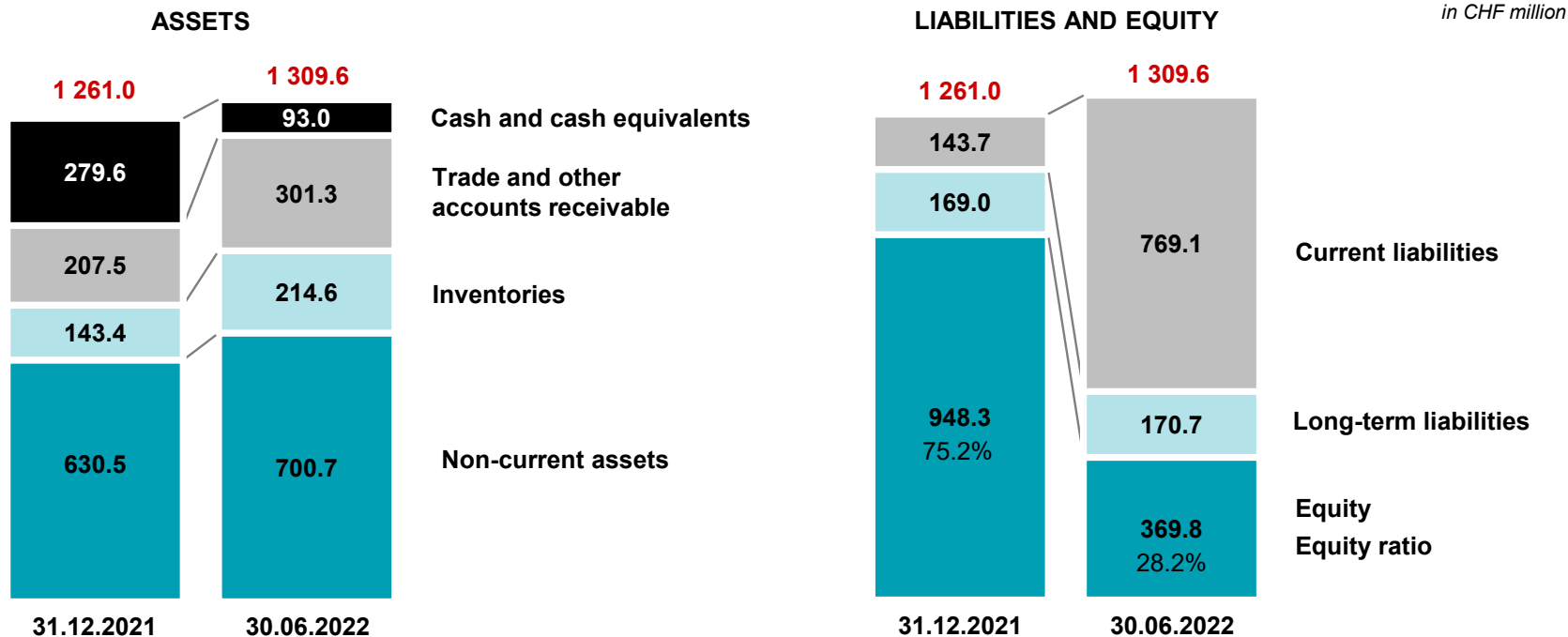


Consolidated income statement:

Net result per bearer share of CHF 3.38

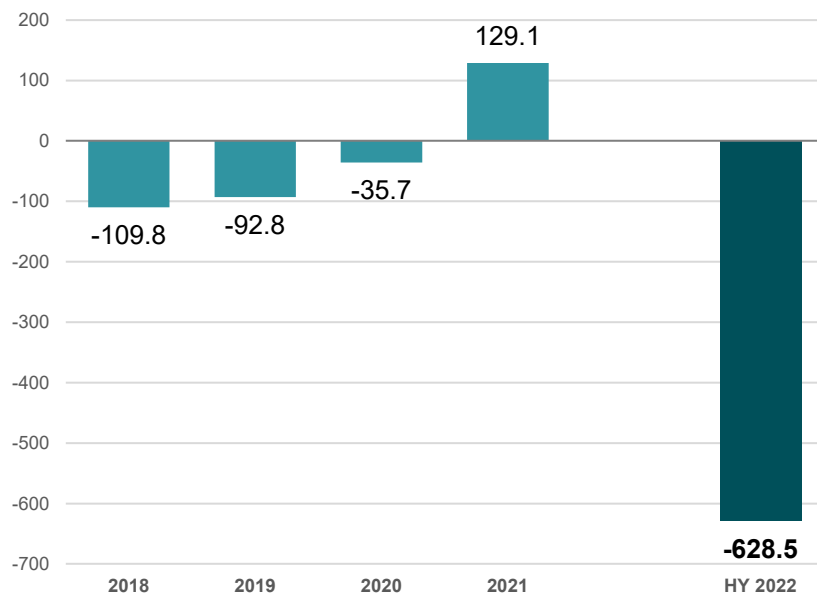
Unaudited in CHF million	Continuing operations 30.06.2022	Discontinued operations 30.06.2022	Total 2022	Continuing operations 30.06.2021	Discontinued operations 30.06.2021	Total 2021
Net revenue	541.6	-	541.6	485.0	105.0	590.0
Costs of goods sold	-415.7	-	-415.7	-348.5	-83.8	-432.3
Gross profit	125.9	-	125.9	136.5	21.2	157.7
Research and development expenses	-18.2	-	-18.2	-12.9	-	-12.9
Marketing and selling expenses	-16.6	-	-16.6	16.5	-9.3	-25.8
General and administrative expenses	-29.8	-	-29.8	-28.0	-1.9	-29.9
Other operating income	11.3	-	11.3	10.0	0.1	10.1
Other operating expenses	-0.1	-	-0.1	-0.3	-	-0.3
Operating result	72.5	-	72.5	88.8	10.1	98.9
Net finance result	2.6	-	2.6	-1.2	-0.0	-1.2
Earnings before tax (EBT)	75.1	-	75.1	87.6	10.1	97.7
Income tax expenses	-17.7	-	-17.7	-20.8	-2.4	-23.2
Net result	57.4	-	57.4	66.8	7.7	74.5
Net result per bearer share (in CHF)	3.38	-	3.38	3.93	0.45	4.38

Significant changes in balance sheet structure due to the QSR acquisition

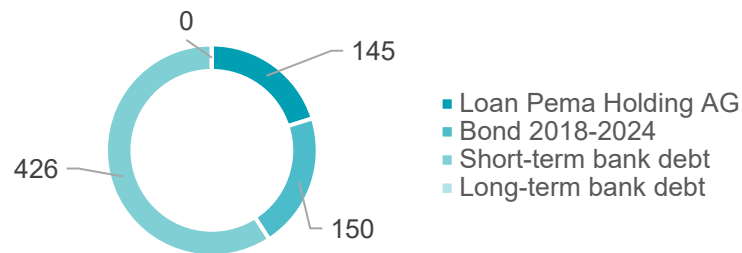


Change to a net debt position – successfull bond placement

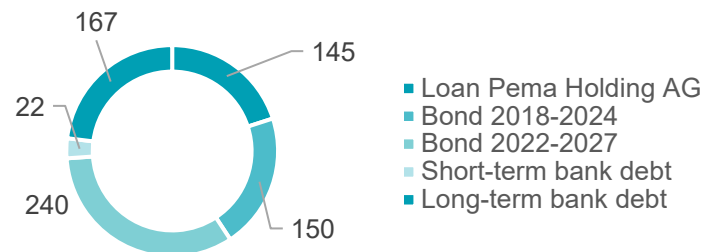
NET CASH | NET DEBT
in CHF million



EXTERNAL DEBTS | 30.06.2022
in CHF million



EXTERNAL DEBTS | 25.08.2022
in CHF million



Condensed consolidated cash flow statement:

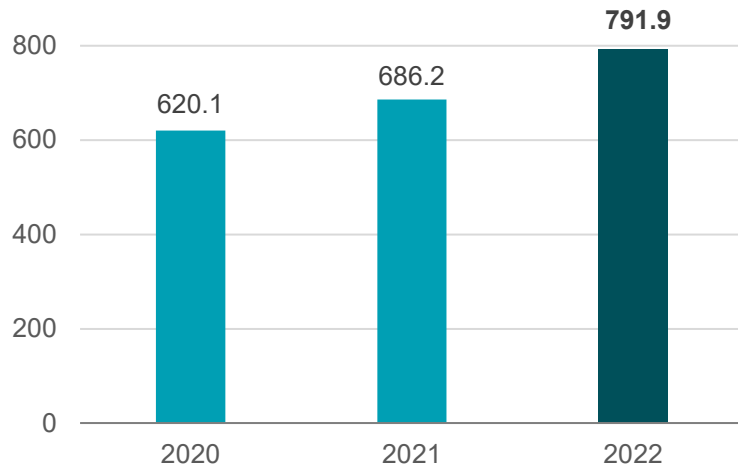
QSR acquisition and debt increase characterize cash flows in 2022

in CHF million	30.06.2022 unaudited	30.06.2021 unaudited
Net cash from operating activities	36.0	78.6
- Of which change in net working capital	-74.5	-44.9
Net cash used in investing activities	-649.1	-53.3
- Of which property, plant and equipment and intangible assets	-48.6	-53.1
- Of which Acquisition of subsidiaries (net of cash and cash equivalents acquired)	-661.3	-
Free Cash Flow	-613.1	25.3
Net cash used in financing activities	485.9	-60.6
- Of which proceeds from (repayment of) bank debt, net	416.4	0.8
- Of which proceeds from/(repayment of) loan payable to Pema Holding AG	145.0	-3.0
- Of which dividend payment	-71.4	-54.4
- Of which purchase of treasury shares	-5.5	-3.9
- Effect of exchange rate changes on cash and cash equivalents	0.6	3.4
Net change in cash and cash equivalents	-127.2	-35.3
Cash and cash equivalents (end of period)	93.0	137.6

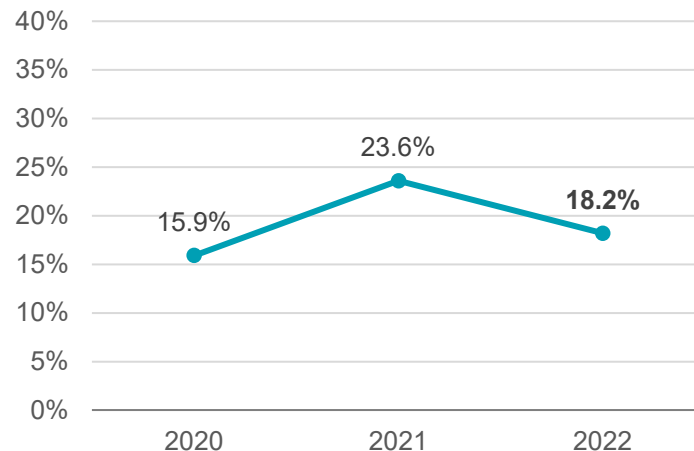
Return on capital employed (ROCE) continuing operations

Higher capital employed and lower EBIT lead to a decline

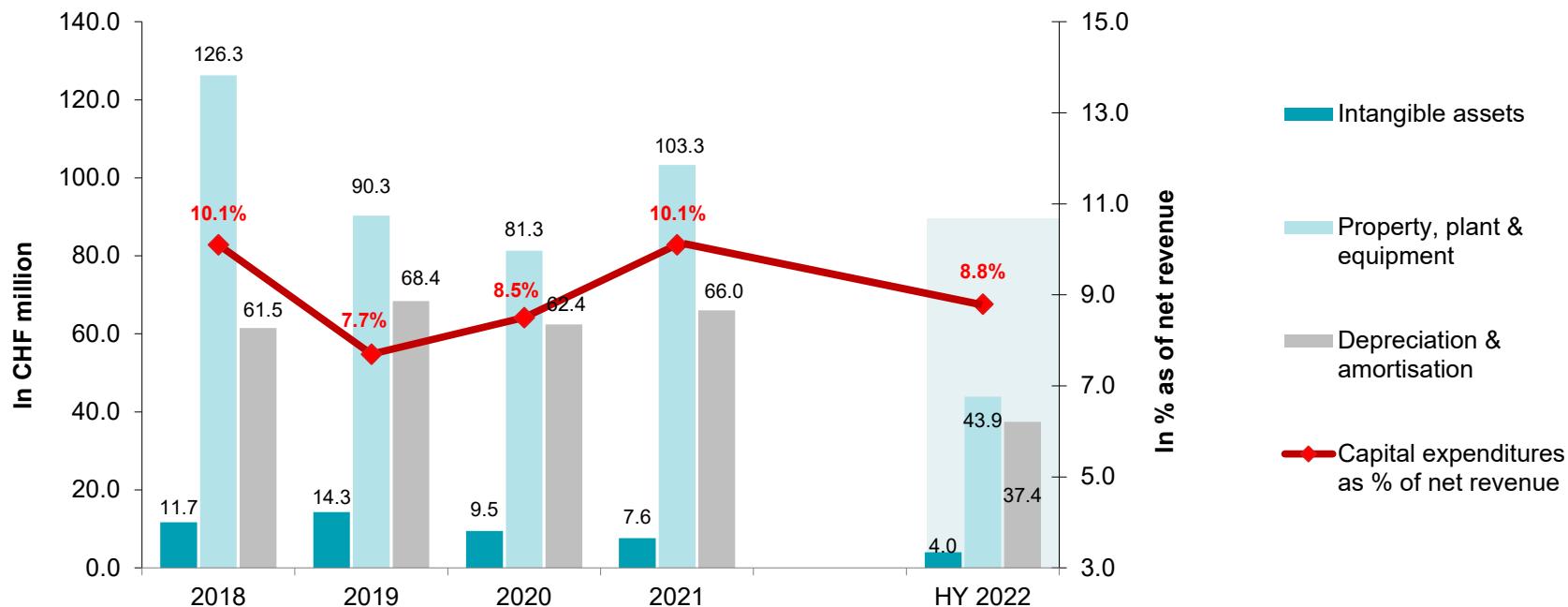
AVERAGE CAPITAL EMPLOYED
in CHF million



ROCE (LTM)



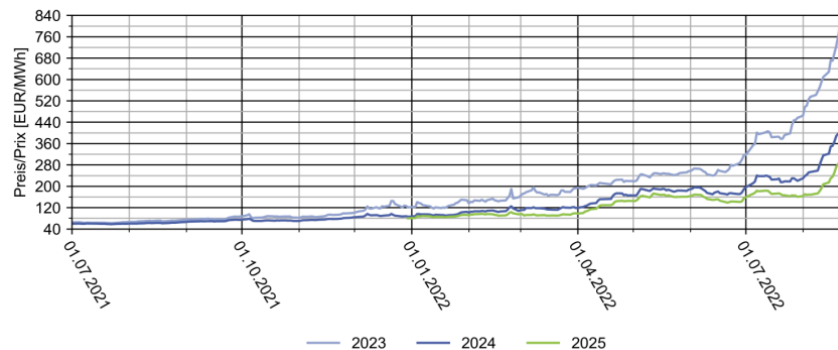
Advanced capital expenditures in the previous years allow for a lower level in the coming years



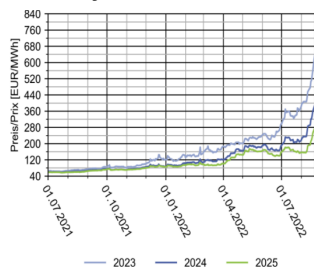
Energy price increases will affect 2022 and 2023

ELECTRICITY

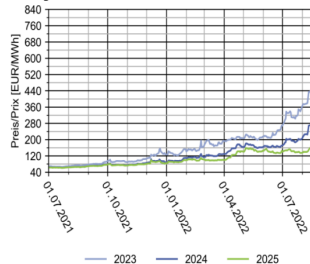
Switzerland Base Annual Contracts



Germany Base Annual Contracts

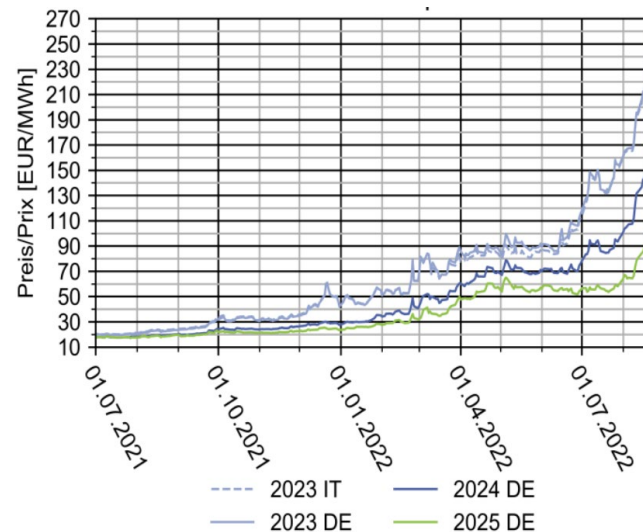


Italy Base Annual Contracts



GAS

Annual gas contracts for Italy and Germany



Source: Swiss Federal Electricity Commission ElCom, 23 August 2022

Outlook

Dirk Lambrecht, CEO



**We materialize ideas for a
safer, smarter, and more
sustainable world.**

Our strategic priorities

DRIVE
PROFITABLE
GROWTH

ADVANCE
SUSTAINABILITY

INCREASE
AGILITY

ACCELERATE
DIGITALISATION



Coated components from FirstLine standard for biologic drugs

Proprietary fluoropolymer spray coating technology

- State-of-the-art coating solution
- For highest quality and performance demands
- For highly sensitive, large molecule biotech



OmniFlex™
Stoppers for vials



NeoFlex™
Plungers for
prefilled syringes
and cartridges

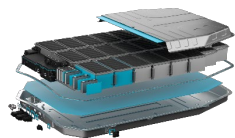
+ Benefits for our customers:

- Improved lifecycle management of the drug in multiple containers
- Reduced time-to-market
- Lowest particle level in the industry

E-mobility solutions

Customized sealing components for electric systems

Battery systems



EAP - Electro Active Polymers for thermal management

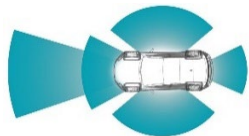


Seals for cells and housing gaskets

ETEMI - Electrically and Thermally Conductive and Electromagnetic Interference (EMI) Shielding Materials



ADAS Electrical Components



Camera cap



Sensor housing & sealing



Power connector



High Voltage Connectors



2K connector seal

E-Motor & Power Electronics

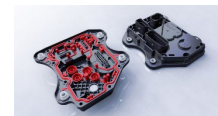


E-motor housing seal



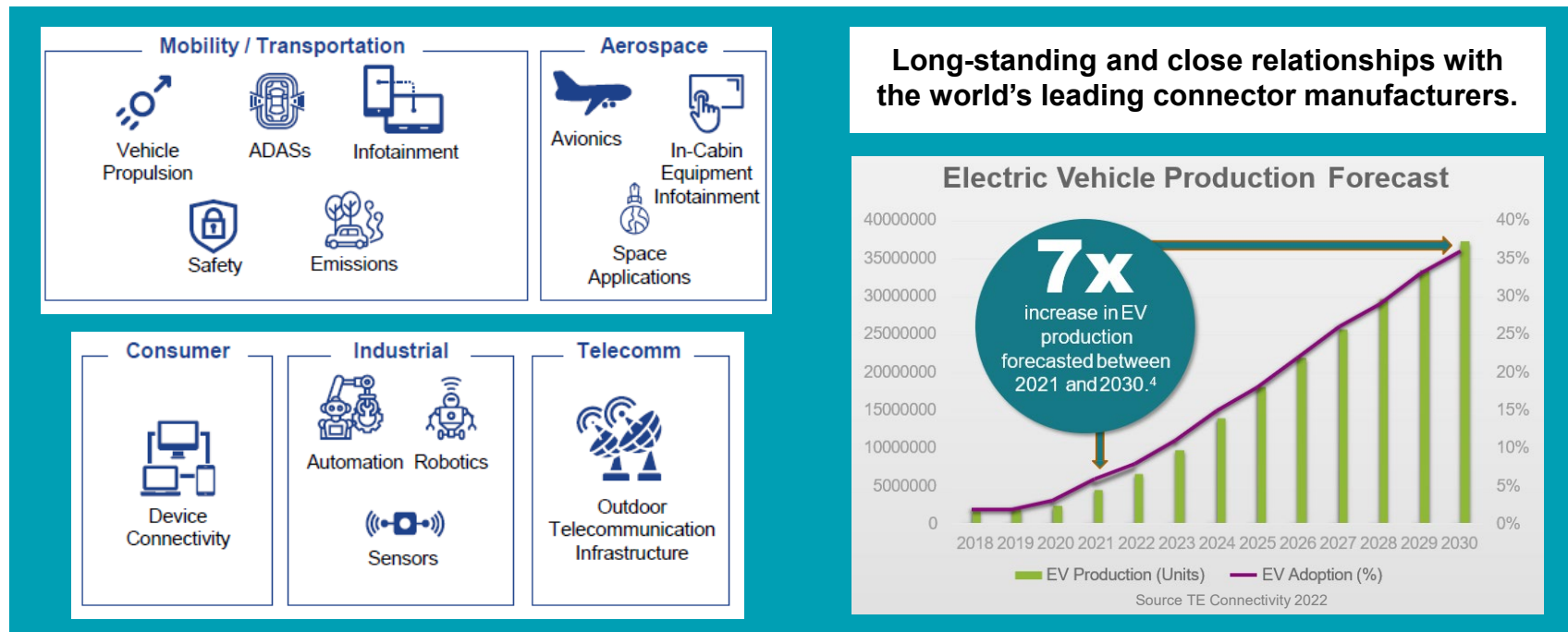
O-ring

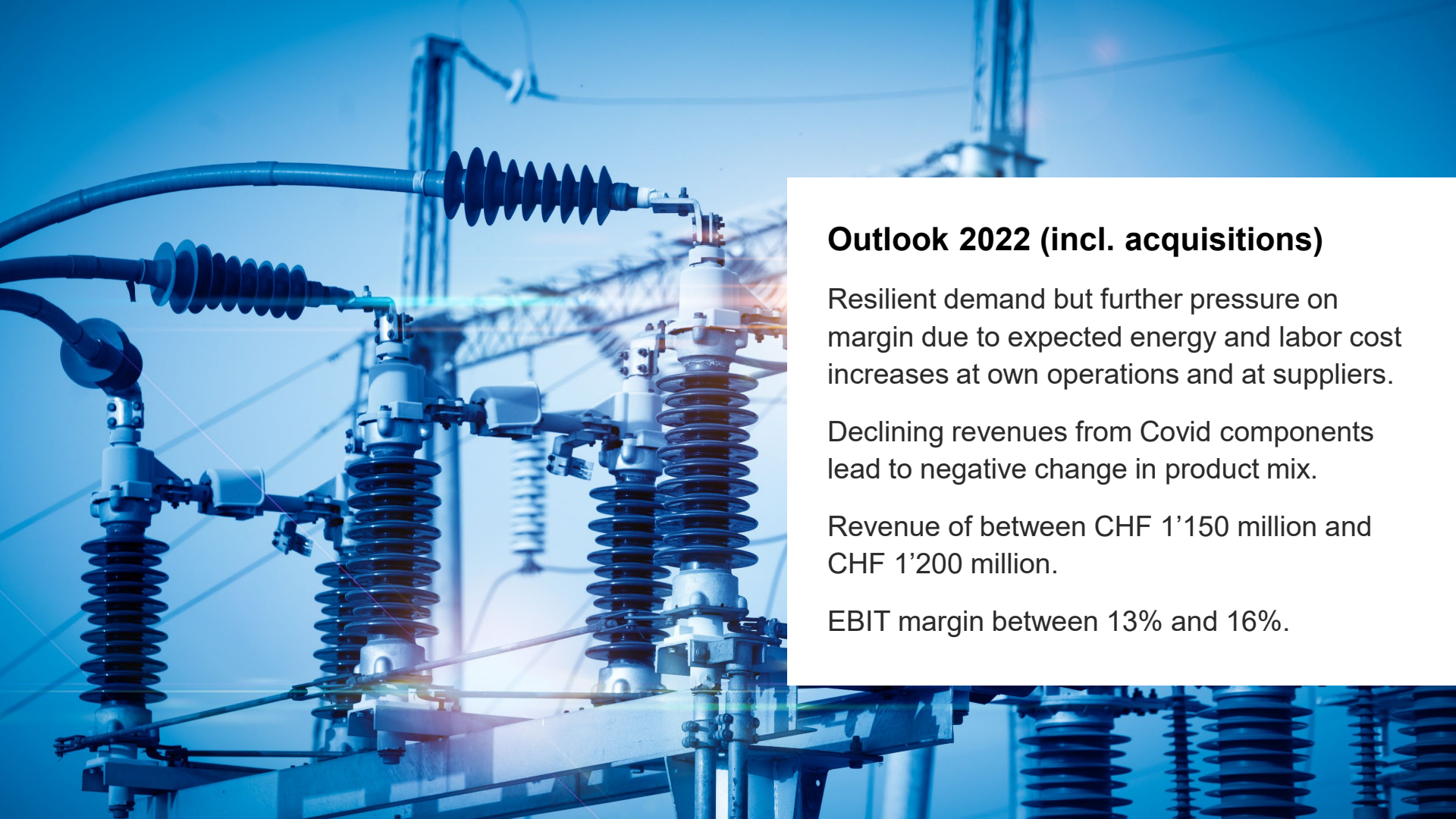
ECU - Electronic Control Unit for drive units and other applications



ECU housing

Megatrends offering profitable growth opportunities for electrical connector seals from QSR





Outlook 2022 (incl. acquisitions)

Resilient demand but further pressure on margin due to expected energy and labor cost increases at own operations and at suppliers.

Declining revenues from Covid components lead to negative change in product mix.

Revenue of between CHF 1'150 million and CHF 1'200 million.

EBIT margin between 13% and 16%.

Strong foundation for future success

Focus on system-critical elastomer components.

Superior customer value based on core competencies.

Leading positions in markets driven by megatrends.

Dedication to talent development and sustainable growth.

Track record of strong performance and financial stability.

Questions and Answers

Dirk Lambrecht, CEO

Walter Scherz, CFO



Thank you



Disclaimer

This presentation contains forward-looking statements that reflect the Group's current expectations regarding market conditions and future events and are therefore subject to a number of risks, uncertainties and assumptions.

Unanticipated events could cause actual results to differ from those predicted and from the information contained in this presentation. All forward-looking statements in this presentation are qualified in their entirety by the foregoing.

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