Welcome to the presentation of the half year results 2023

24 July 2023

DATWYLER

Agenda

Business review
Dirk Lambrecht, CEO

Financial review
Walter Scherz, CFO

Outlook
Dirk Lambrecht, CEO

Questions and Answers
Dirk Lambrecht, CEO
Walter Scherz, CFO

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Clear structure to focus on customer needs and to benefit from the synergy potential

Business Areas

Technology & Innovation

Sustainability & Operational Excellence

Finance & Shared Services

Group Functions

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Datwyler half year 2023
Temporary negative effects impact profitability

Covid business loss and customers destocking slowed revenue growth, especially in the Healthcare business

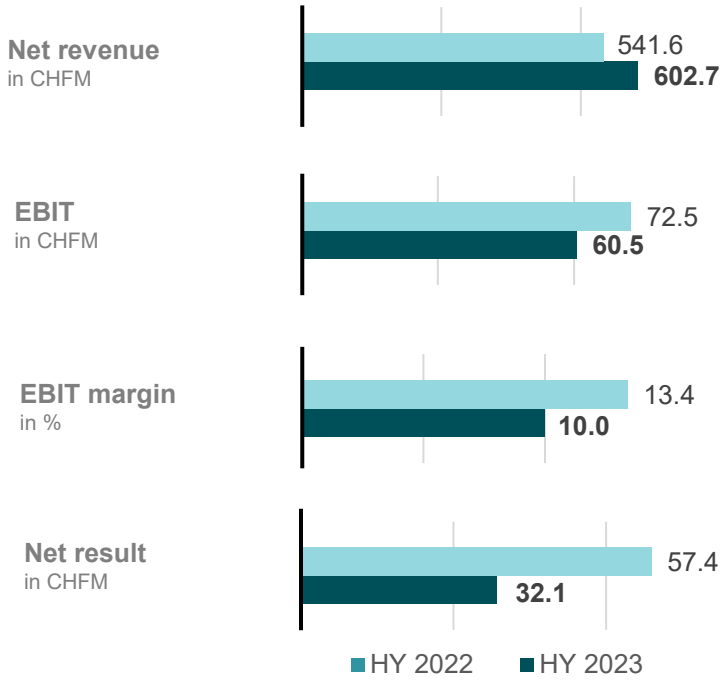
Revenue growth by 11.3% to CHF 602.7 million

Organic growth of 5.6% after adjusting for negative currency effects and acquisitions. A 4.7% sustained positive effect thanks to price increases

Profitability decline due to capacity underutilization in the Healthcare business area

EBIT at CHF 60.5 million and EBIT margin at 10.0%

Net result of CHF 32.1 million due to higher financial expenses



Healthcare Solutions

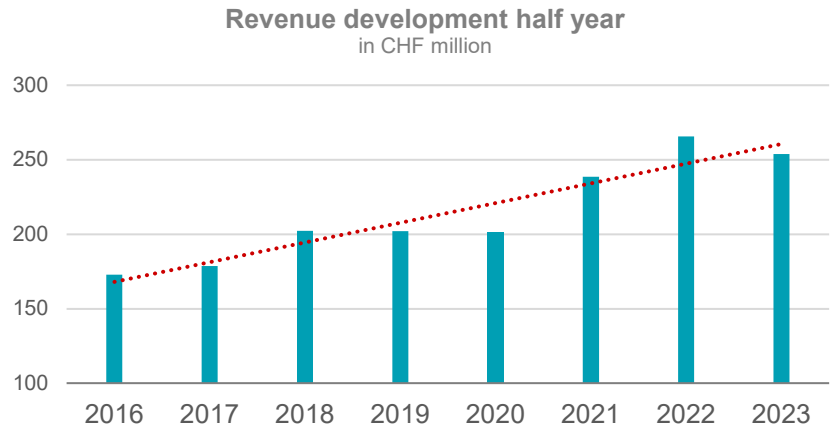
Medical

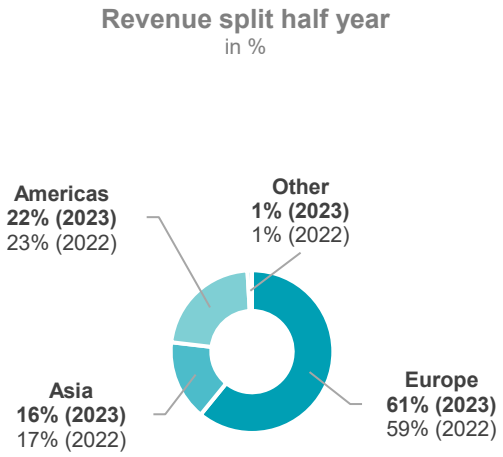
Pharma

Healthcare Solutions half year 2023

Underutilization of capacity lead to temporary profit decline

253.8	15.7%	2’699
CHF million revenue	EBIT margin	employees (FTE)





Industrial Solutions

Mobility

Connectors

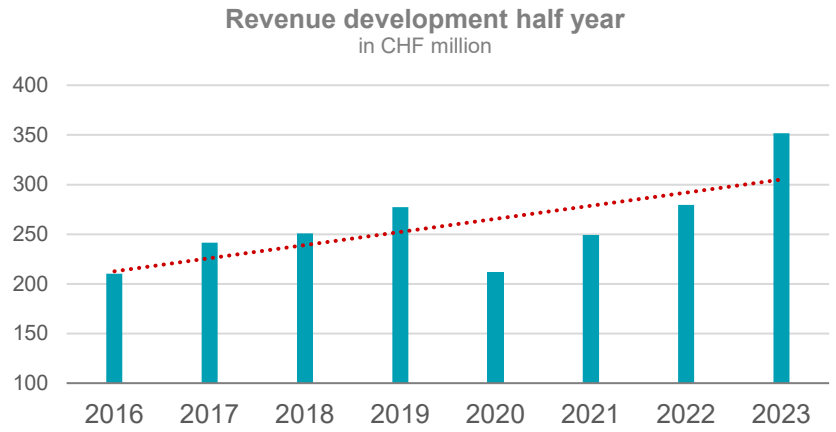
General Industry

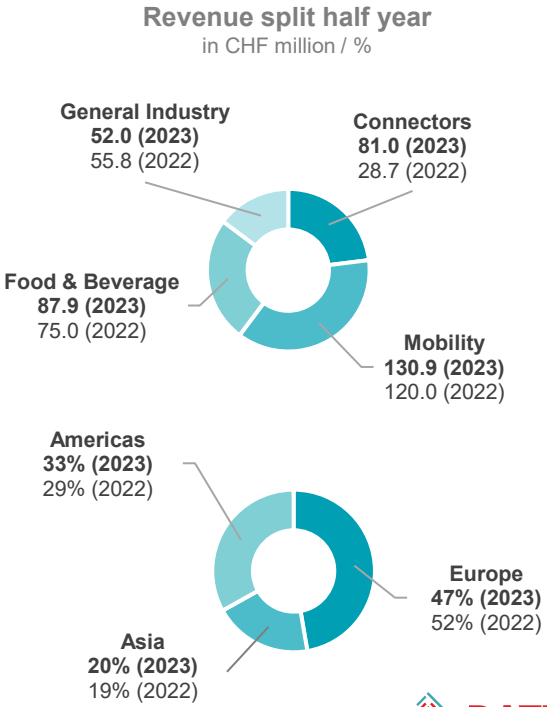
Food & Beverage

Industrial Solutions half year 2023

10.1% organic revenue growth, 43.4% EBIT improvement

351.8	5.9%	5’394
CHF million revenue	EBIT margin	employees (FTE)





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Financial Review

Walter Scherz, CFO

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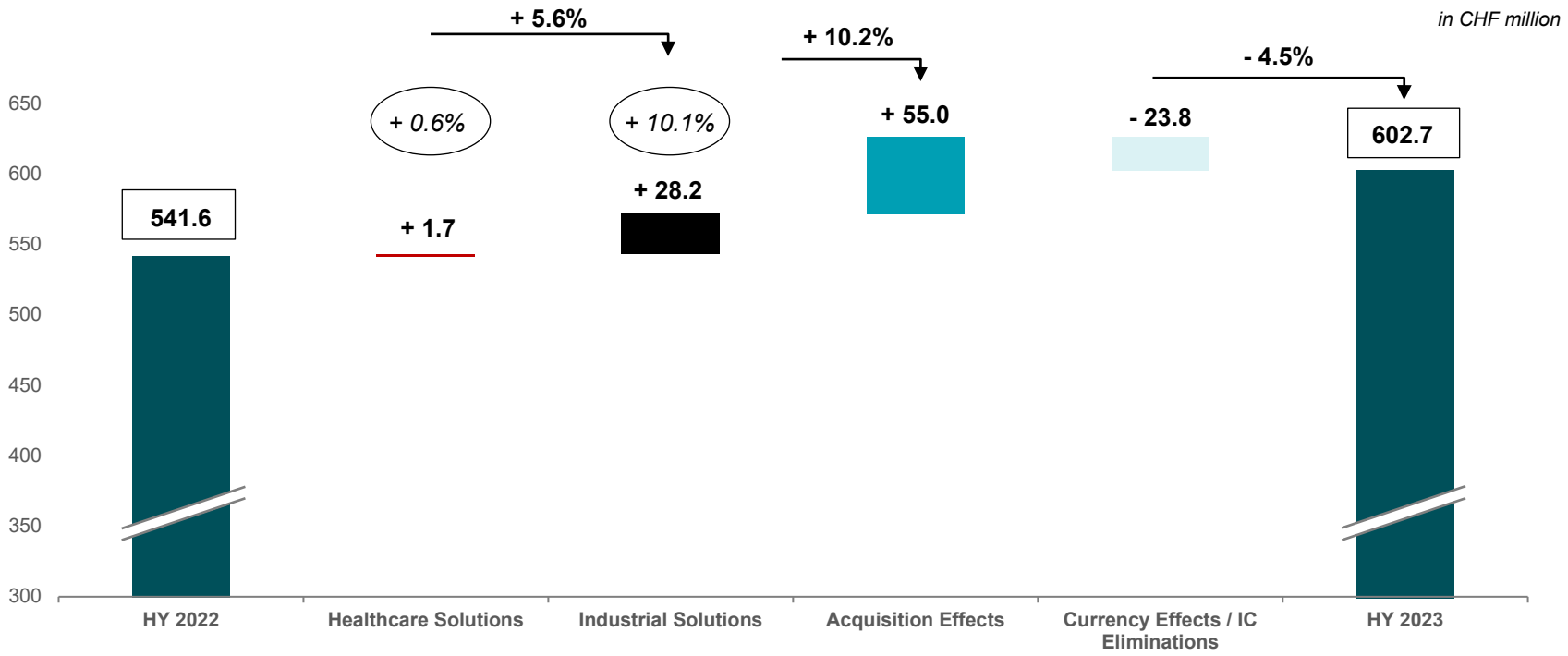
Revenue growth of 11.3% supported by solid organic growth and acquisitions



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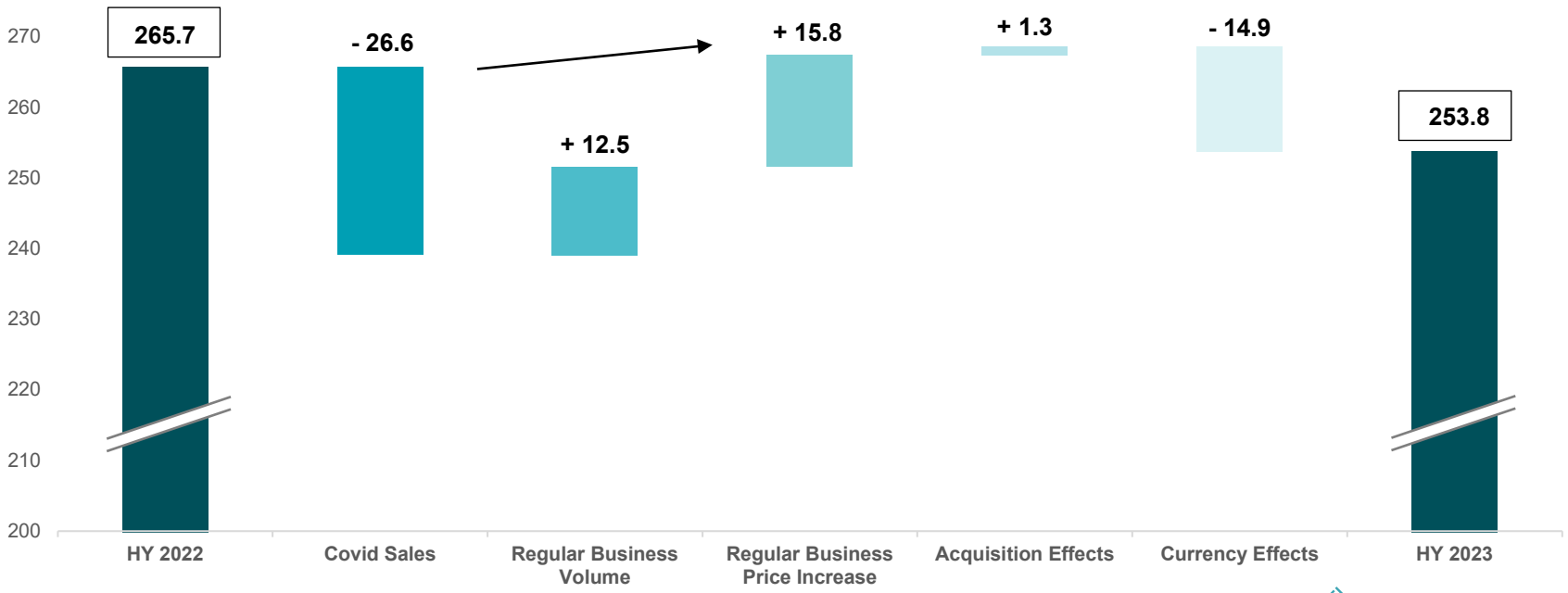
Revenue impacts Healthcare Solutions

Compensation of Covid loss through regular business growth and price increases

in CHF million



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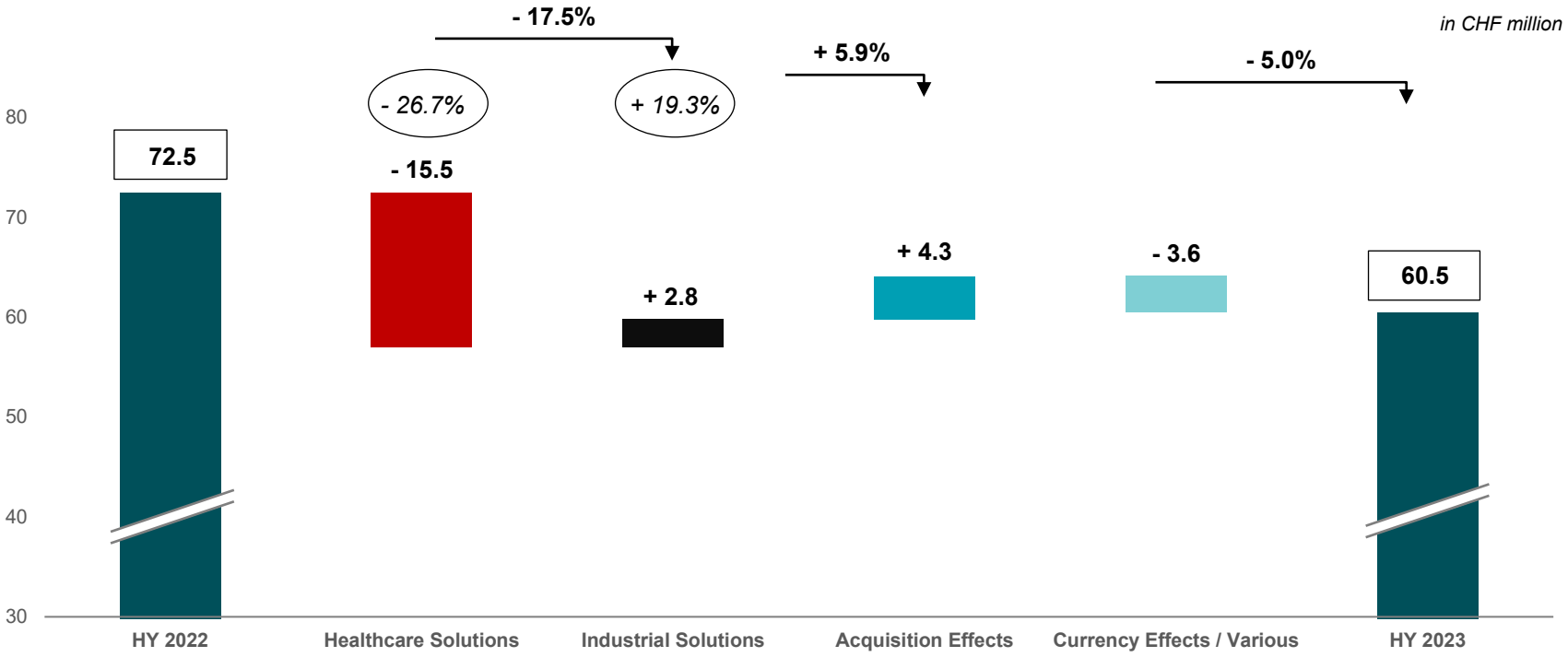
EBIT decline due to Covid business loss and underutilization in the BA Healthcare Solutions



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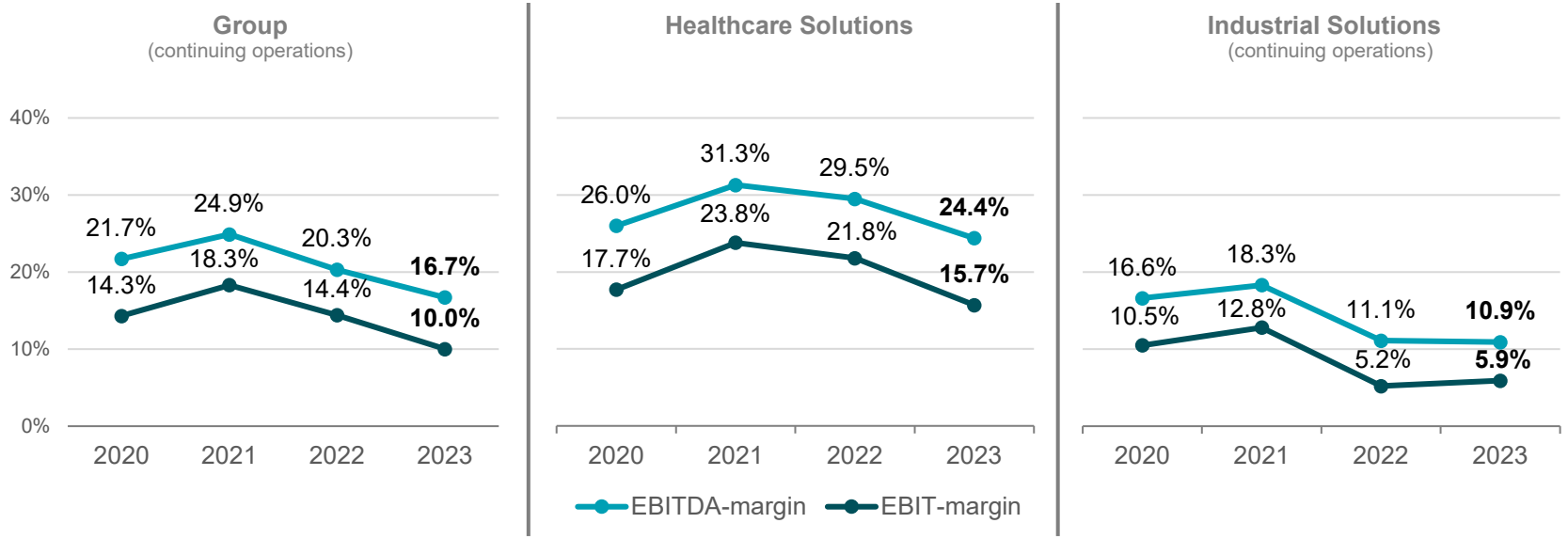
Margin pressure due to temporary effects like unfavorable change in product mix and capacity underutilization



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Consolidated income statement:

Negative impacts from capacity underutilization

unaudited **in CHFM**	**Total 30.06.2023**	**Total 30.06.2022**
Net revenue	**602.7**	**541.6**
Costs of goods sold	-479.6	-415.7
Gross profit	**123.1**	**125.9**
Research and development expenses	-21.8	-18.2
Marketing and selling expenses	-17.1	-16.6
General and administrative expenses	-34.7	-29.8
Other operating income	11.2	11.3
Other operating expenses	-0.2	-0.1
Operating result	**60.5**	**72.5**
Net finance result	-12.9	2.6
Earnings before tax (EBT)	**47.6**	**75.1**
Income tax expenses	-15.5	-17.7
Net result	**32.1**	**57.4**
Net result per bearer share (in CHF)	**1.89**	**3.38**

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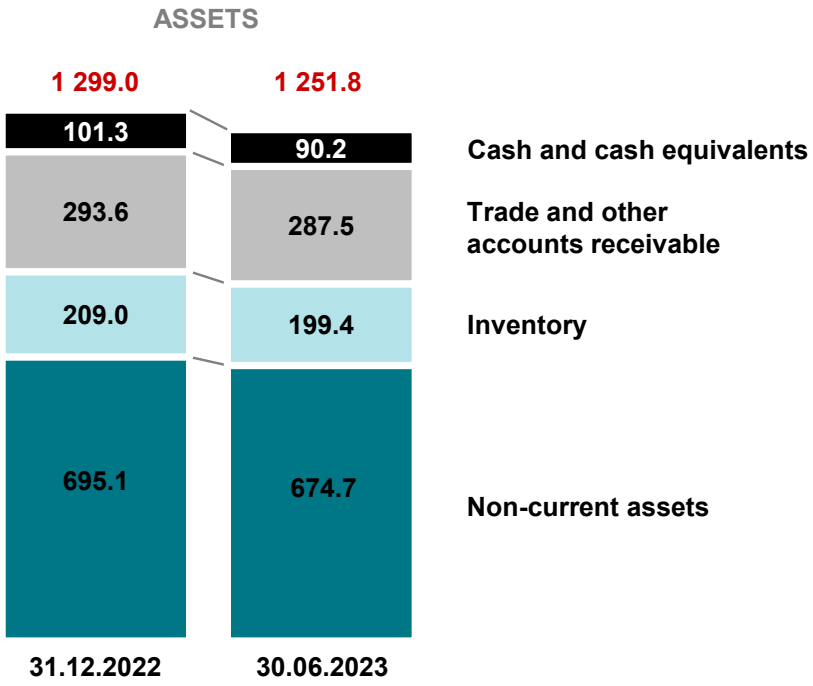
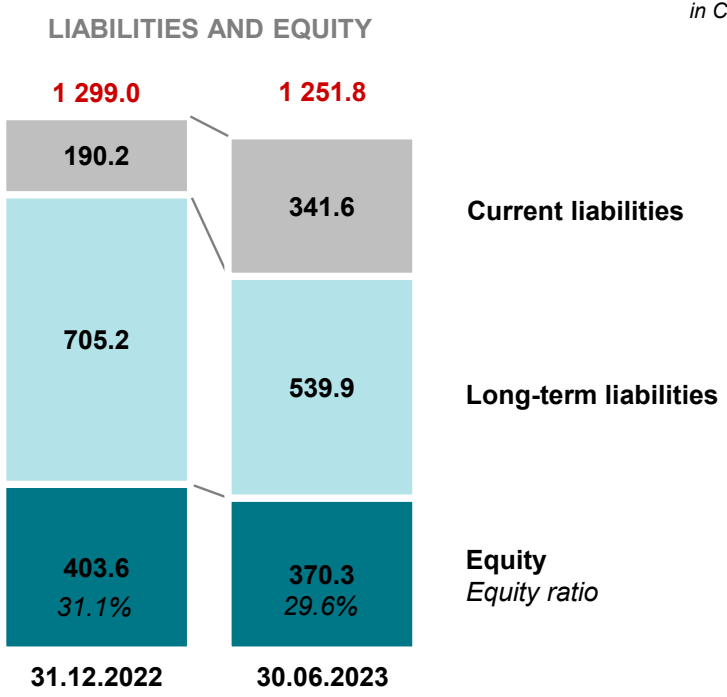
Stable balance sheet structure

Reduction in accounts receivable and inventory despite revenue growth

in CHFM





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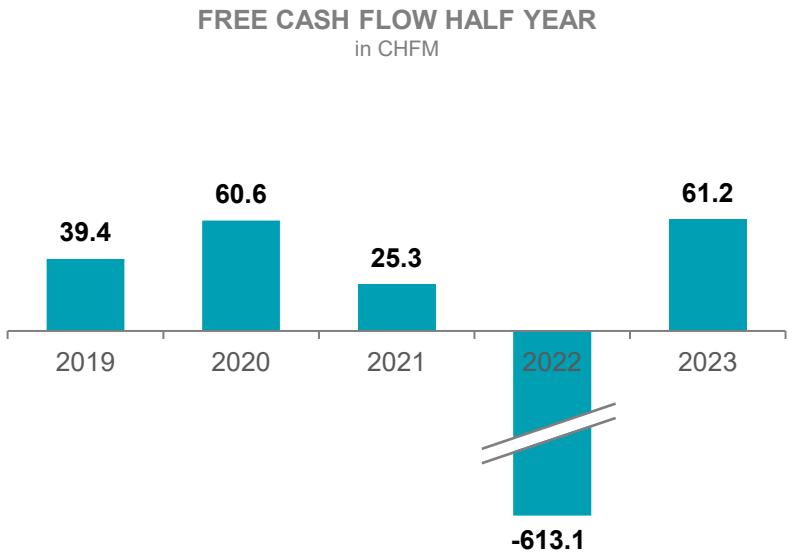
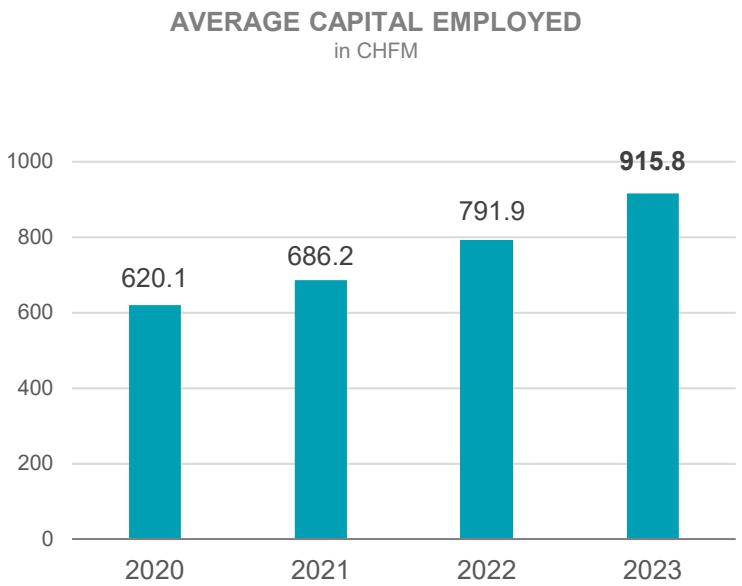
Condensed consolidated cash flow statement:

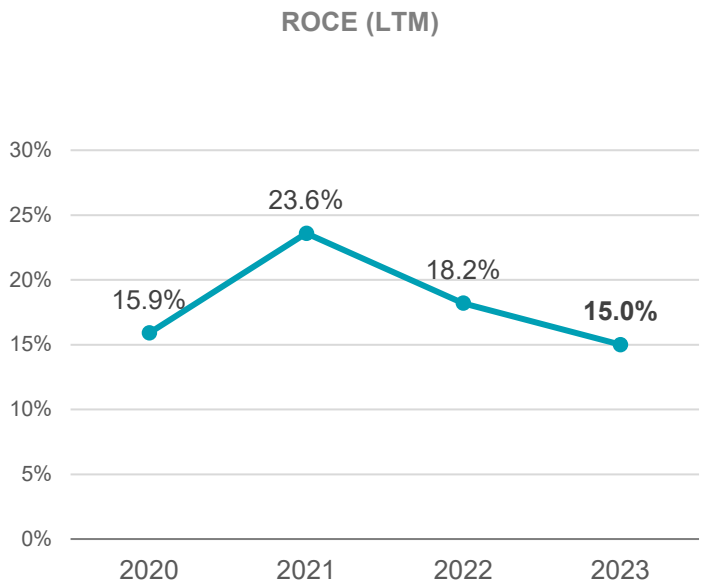
FCF enables accelerated debt reduction in 2nd half year

in CHFM	30.06.2023 unaudited	30.06.2022 unaudited
Net cash from operating activities	95.9	36.0
Net cash used in investing activities	-34.7	-649.1
Free cash flow	**61.2**	**-613.1**
Net cash used in financing activities	-70.5	485.9
Net change in cash and cash equivalents	-9.3	-127.2
Cash and cash equivalents (end of period)	90.2	93.0

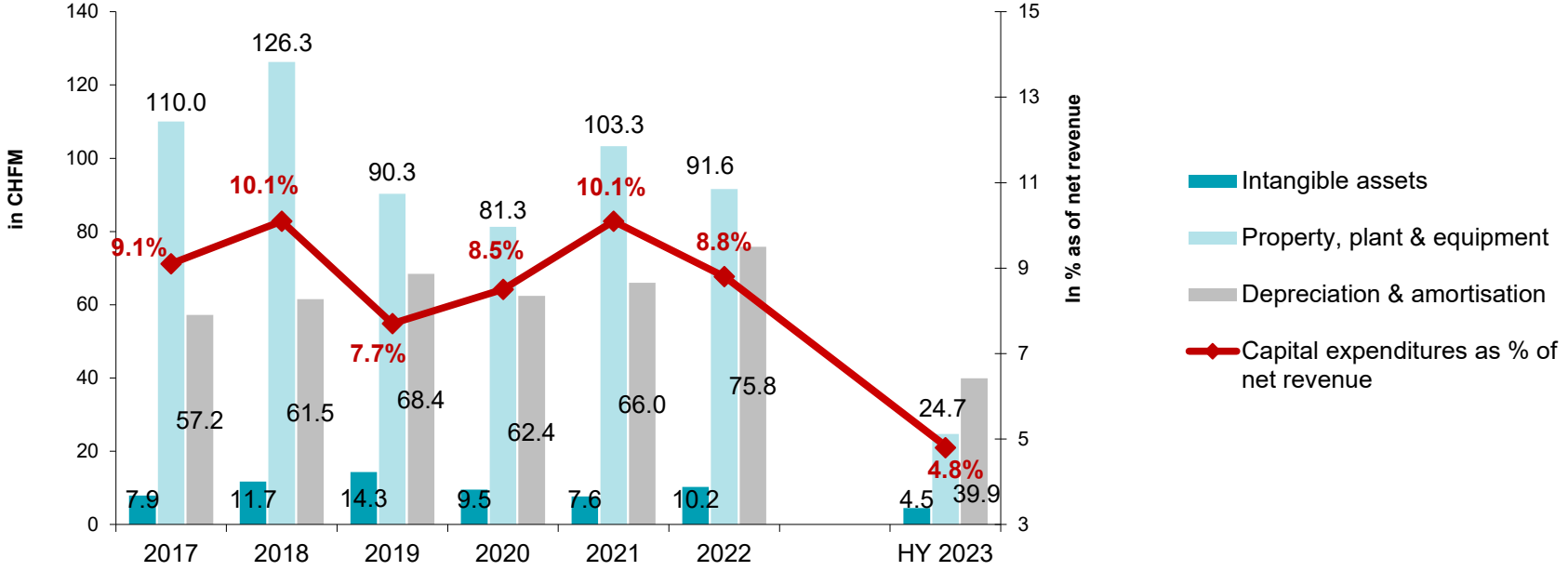


Return on capital employed (ROCE)
Higher capital employed and lower EBIT lead to a decline





Advanced investments enable fast scaling effects once the environment normalizes



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Outlook

Dirk Lambrecht, CEO

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MISSION

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

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Outlook 2023

Continuing negative one-time effects:
Covid revenue loss, destocking by customers, capacity underutilization and unfavorable product mix lead to following targets for 2023:

- Revenue of around CHF 1,175 million
- EBIT margin of around 11%

Large number of promising new projects thanks to strong market positions and recognized core competencies

From an innovative idea…

…to a globally available serial product.

Business Excellence

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Healthcare Solutions

Continuous expansion of our product- and service portfolio for fast growing large molecule drugs

OmniFlex™

NeoFlex™

- Proprietary, inert fluoropolymer spray coating
- Total coverage trim edge included
- Covalently bonded to rubber
- ≈ 20µm thickness
- Low friction coefficient, no silicone needed for machineability

UltraShield™

- Fluoropolymer (ETFE) film coating
- Only plug coverage, excluding landing area
- Bonded to rubber
- 100µm (before application)
- Cured silicone on the flange

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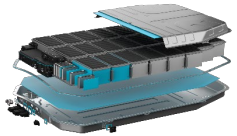
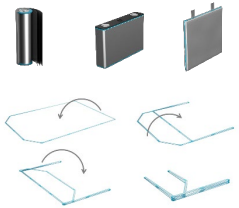
Mobility

Fast growing number of projects for electrical systems with existing and new customers thanks to new materials and products

Battery systems





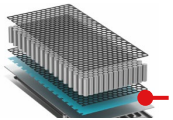
ETEMI - Electrically and Thermally Conductive and Electromagnetic Interference (EMI) Shielding Materials

Seals for cells and housing gaskets

Components for thermal management

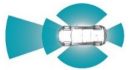
Development projects for:

- Fire retardant materials
- Seals for immersion cooling
- Thermal barrier material



Thermal Interface Materials

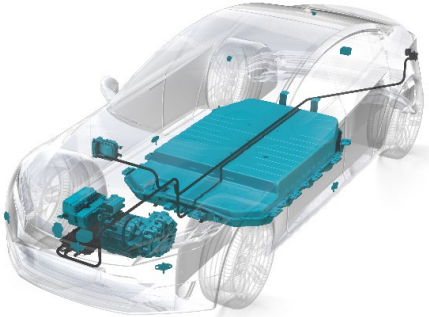
Components for ADAS



Sensor & housing sealing

Power connector

ECU housing



E-motor and powertrain electronics

E-motor housing seal

Edge-bonded gasket

High voltage connectors

2K connector seal

Passenger compartment (HMI and comfort)

EAP stack

HMI and morphing surfaces

Pneumatic massage seats

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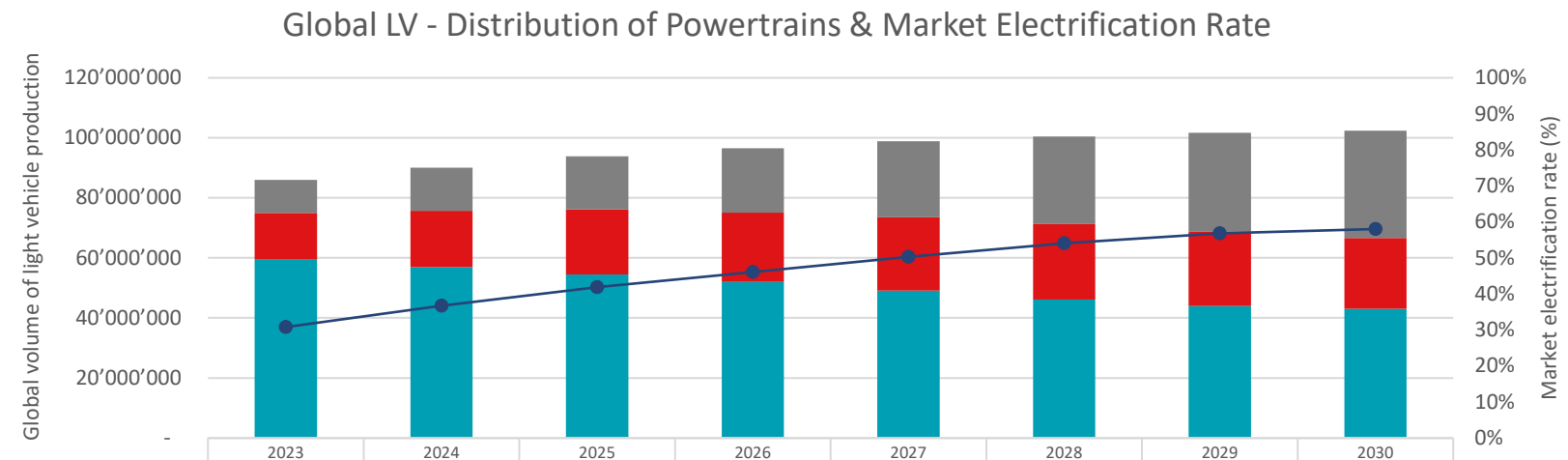
Mobility global light vehicle market development

Distribution of powertrains and market electrification rate



	2023	2024	2025	2026	2027	2028	2029	2030
Fuel Cell	15'455	19'010	37'005	47'103	55'166	67'285	77'715	87'960
BEV	10'930'367	14'300'531	17'454'167	21'279'085	25'277'236	29'001'368	32'862'259	35'704'314
Hybrid	15'509'206	18'722'027	21'740'625	23'063'896	24'351'213	25'153'308	24'797'823	23'553'372
ICE	59'431'676	56'914'192	54'497'931	52'029'972	49'124'812	46'121'724	43'911'024	43'043'173
Total	85'886'704	89'955'760	93'729'728	96'420'056	98'808'427	100'343'685	101'648'821	102'388'819
Electrification rate	31%	37%	42%	46%	50%	54%	57%	58%

Source: LMC Forecast Q1, 2023

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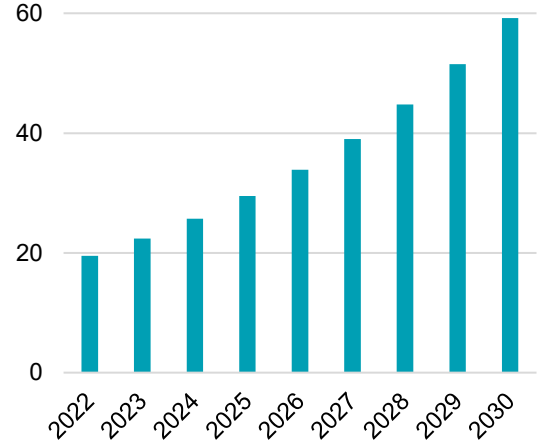
The megatrends are promising – examples of attractive end markets with long-term growth drivers

Electric/hybrid vehicles

Global market potential
in light vehicle production

CAGR 14.9%

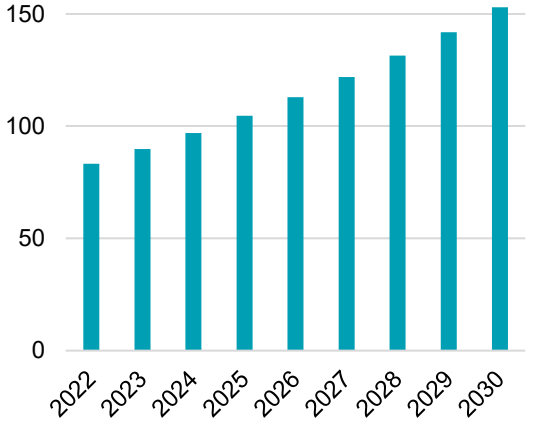


Source: LCM, Q1 2023

Electrical Connectors

Global market potential
in USD billions

CAGR 7.9%

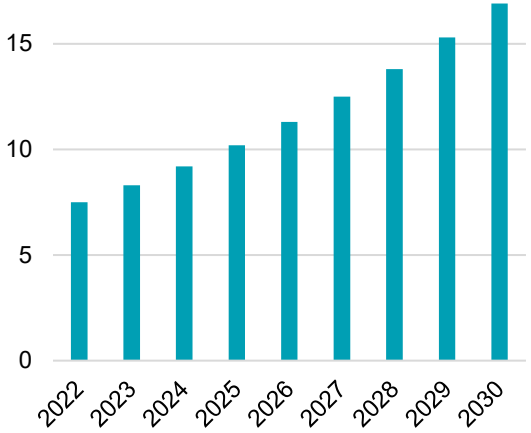


Source: Allied Market Research, April 2023

Pre-filled syringes

Global market potential
in USD billions

CAGR 10.6%



Source: Fortune Business Insights, April 2023

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Most investments are implemented ensuring a strong strategic position for future success

Leading market positions

Leading positions in **attractive market segments** in healthcare, mobility, connectivity, general industry and food & beverage.

High-quality and system-critical elastomer components

Products with a **high impact on quality** and functionality but **low-cost share** in the customer systems.

Recognized core competencies

Competent co-engineering partner thanks to core competencies in **solution design**, **material expertise** and **operational excellence.**

Markets driven by megatrends

Market segments with **long-term growth trends** and **high-entry barriers,** and 70% of them with **low cyclicality.**

Global presence

More than **8’000 employees** at more than **25 production sites** on four continents and sales in more than **100 countries.**

Right strategic priorities for a dynamic world

Profitable growth, digitalization, agility and sustainability are the right strategic priorities for a dynamic world.

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Save the date!

Capital Market Day
Friday, 10 November 2023

Visit our investor website

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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