



## **Datwyler half year results 2020**

### **Solid profitability in extraordinary times**

11 August 2020



# Agenda

## **Business Review**

Dirk Lambrecht, CEO

## **Financial Review**

Walter Scherz, CFO

## **Outlook**

Dirk Lambrecht, CEO

## **Questions and Answers**

# Datwyler Group including Distrelec, Nedis and Civil Engineering

## Key figures HY 2020 influenced by divestments

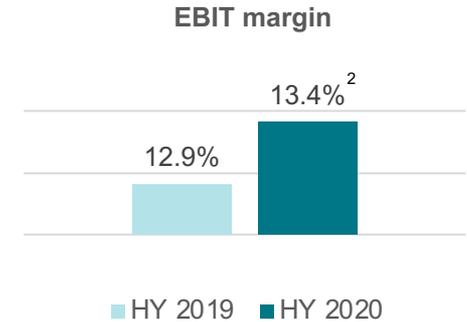
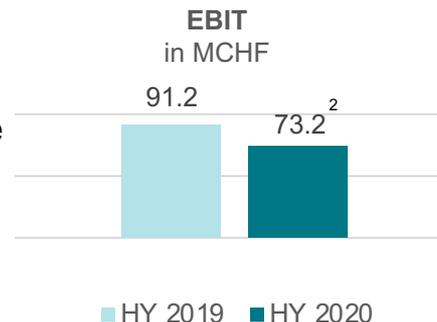
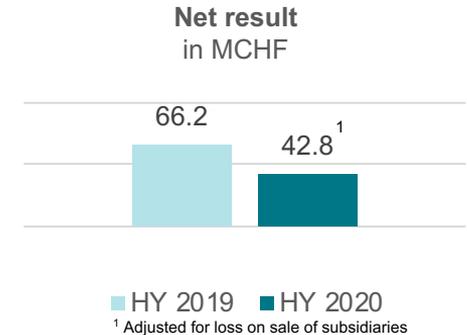
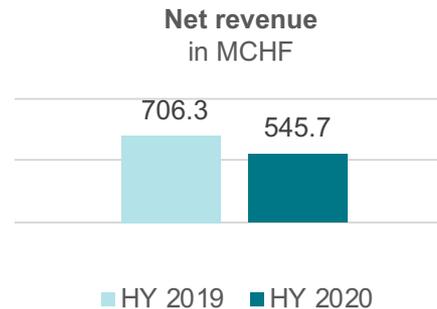
Announced strategic focus on system-critical elastomer components implemented

Sale of distributors Distrelec and Nedis at the end of February

Sale of Civil Engineering business at the end of April

Non-cash loss of CHF 464.5 million from sale of subsidiaries

Solid operational performance despite massive decline in the automotive and oil markets and strong Swiss franc due to pandemic impacts



<sup>2</sup> Adjusted for loss on sale of subsidiaries and for start-up costs for new US-healthcare plant

# Increased market focus of the new organization has already proven successful



Healthcare Solutions



Industrial Solutions



Online Distribution

Technology & Innovation

Finance & Shared Services

# Datwyler Group continuing operations HY 2020

## Solid profitability despite negative pandemic impacts

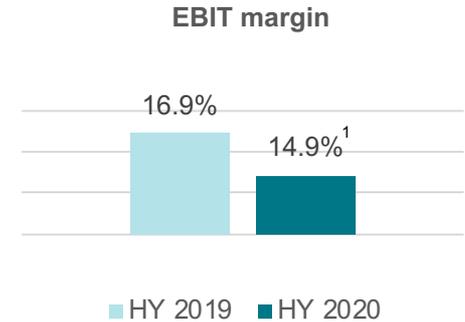
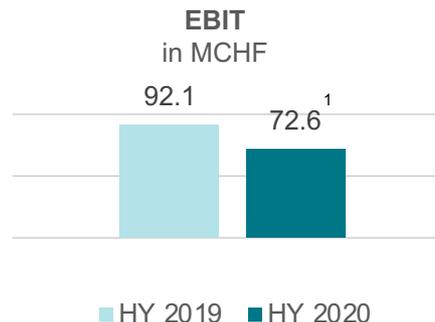
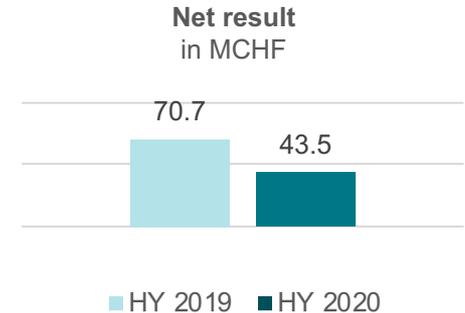
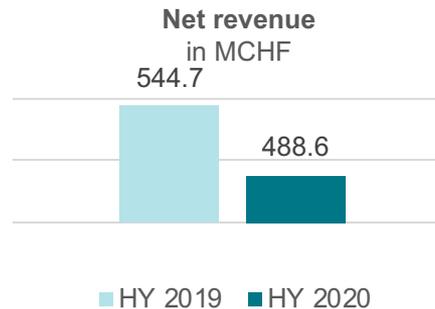
Continuing operations limits organic sales decline to 5.2% thanks to strong Healthcare, Food & Beverage and Reichelt business

Covid 19 pandemic led to sharp drop in sales in Industrial Solutions and additional costs in Healthcare Solutions

Adjusted for start-up costs of CHF 8.1 million for the new US Healthcare plant, the EBIT margin reached a solid 14.9%

EBIT includes some CHF 3.5 million or some 5% negative currency effects

Early cost-saving measures have helped to secure profitability



<sup>1</sup> Adjusted for loss on sale of subsidiaries and for start-up costs for new US-healthcare plant

# Healthcare Solutions



Based on our FirstLine™ quality concept customers can reduce particle levels by up to **50%** compared to peer products.

# Healthcare Solutions half year 2020

## Profitable organic growth and strong order book

201.1

CHF million  
revenue

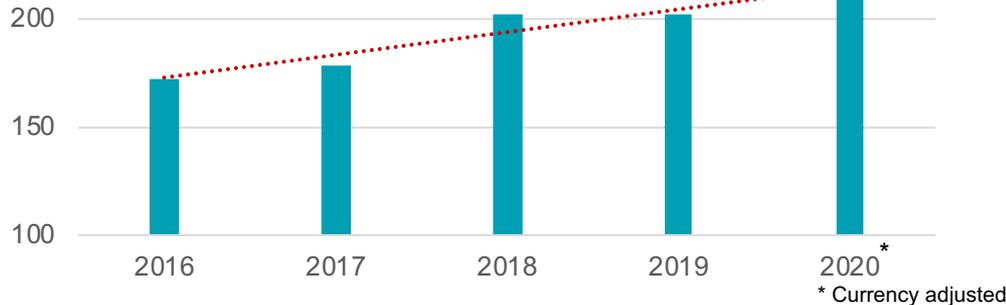
21.7%

Adjusted EBIT  
margin

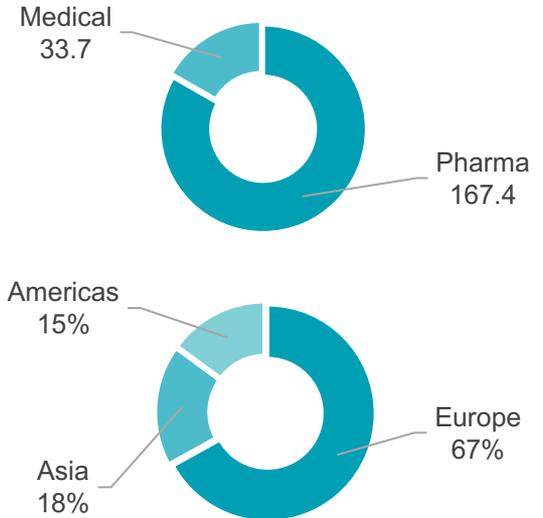
2,145

employees (FTE)

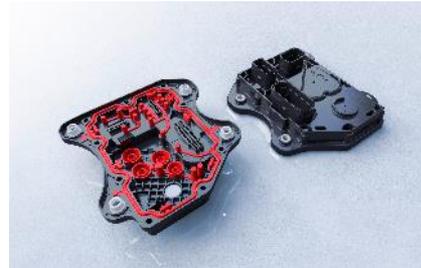
Revenue development in CHF million



Revenue split in CHF million



# Industrial Solutions



The conception of system-critical component is optimized to

**1 design loop**  
based on Datwyler best-in-class finite element analysis & material characterization.

# Industrial Solutions half year 2020

## Solid EBIT-margin despite Covid-19 impact on sales

212.0

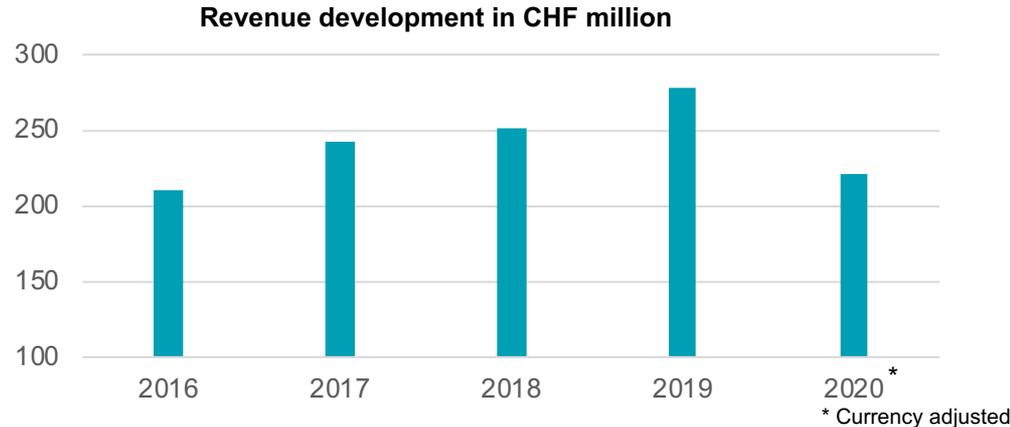
CHF million  
revenue

10.0%

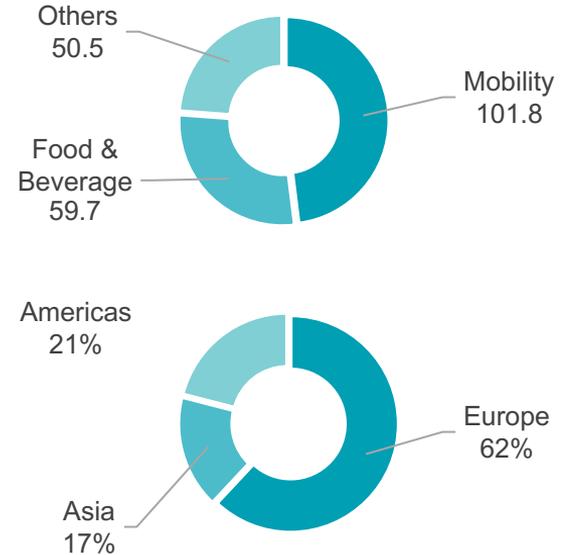
Adjusted EBIT  
margin

4,044

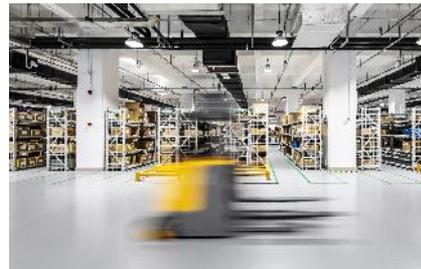
employees  
(FTE)



Revenue split in CHF million



# Online distributor Reichelt



Reichelt offers an attractive range of more than **100'000** electronic components and products for business-to-business and business-to-consumer customers.

# Online distributor Reichelt half year 2020

## Strong growth thanks to attractive value proposition

89.6

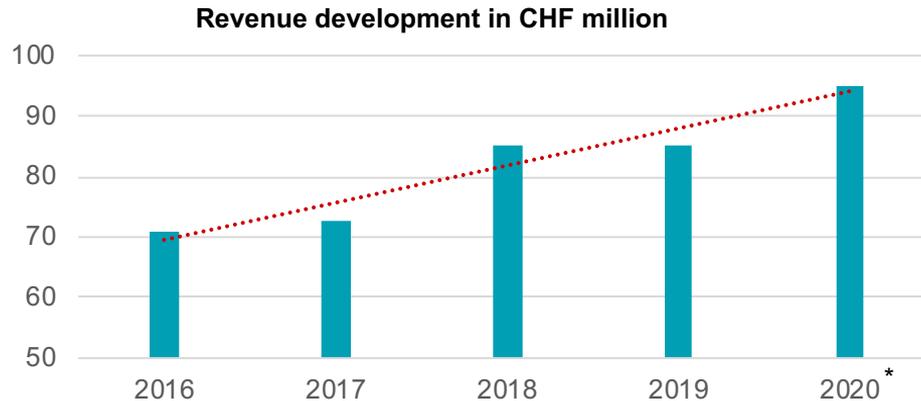
CHF million  
revenue

8.3%

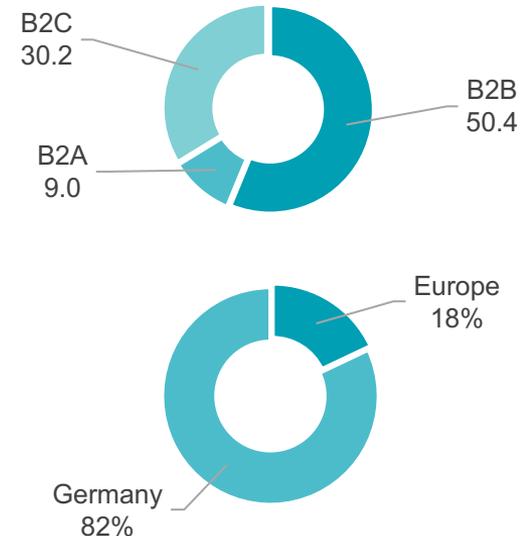
EBIT  
margin

269

employees  
(FTE)



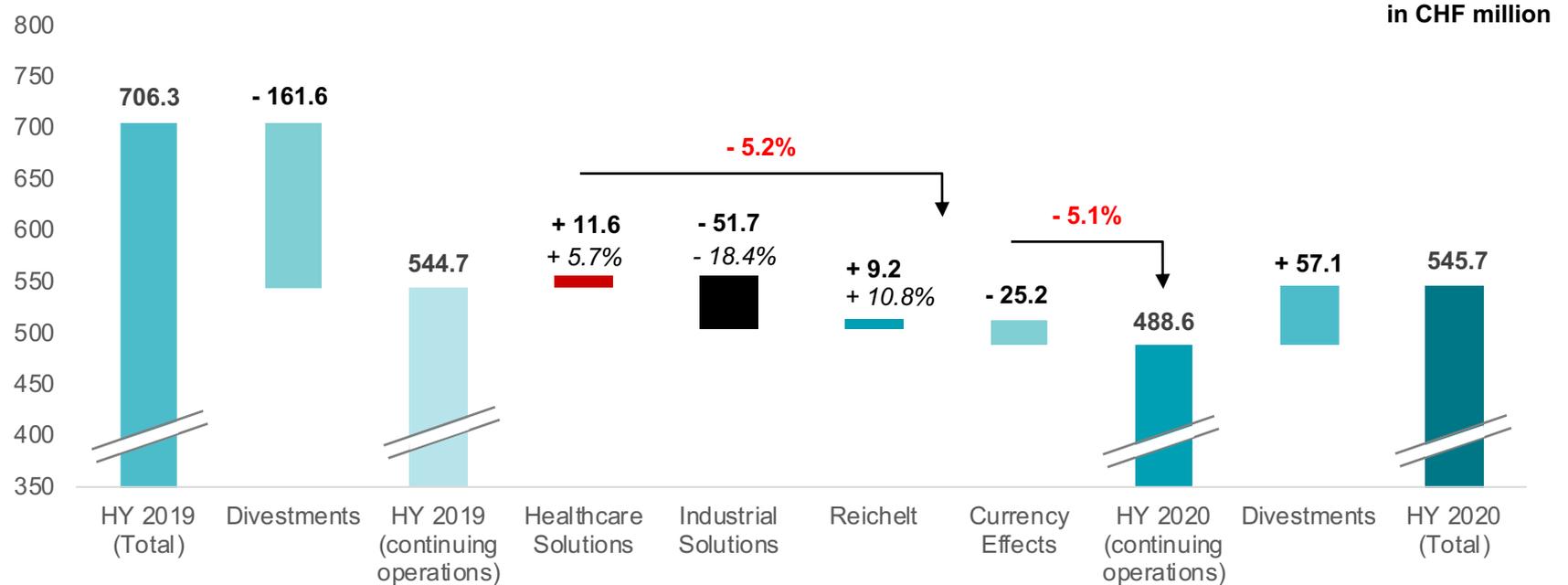
Revenue split in CHF million



# Financial Review

Walter Scherz, CFO

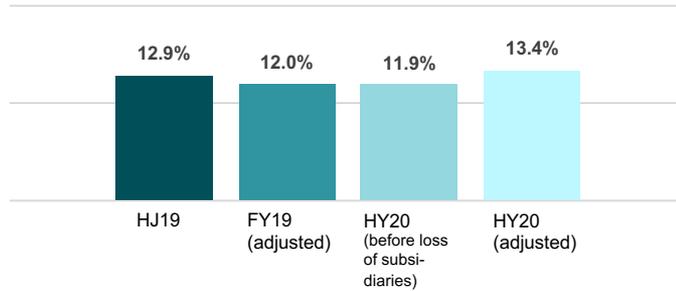
# Revenue development influenced by divestments and individual markets



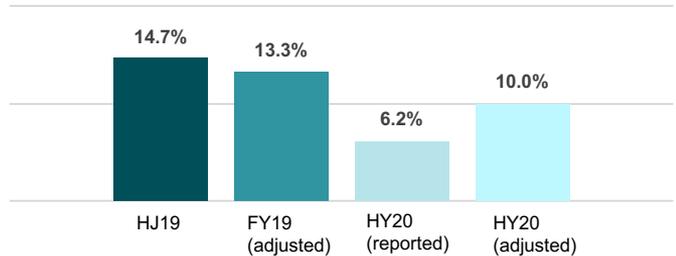
# Resilient performance in a challenging environment

EBIT margin in %

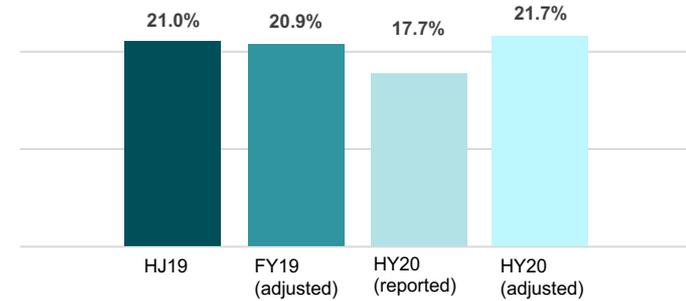
## GROUP



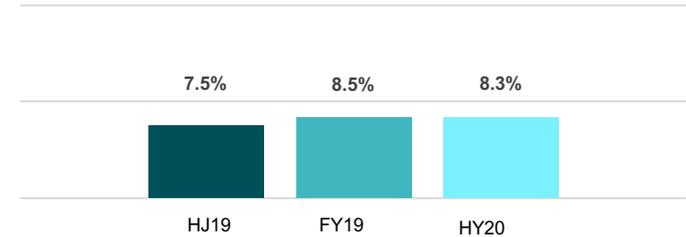
## INDUSTRIAL SOLUTIONS



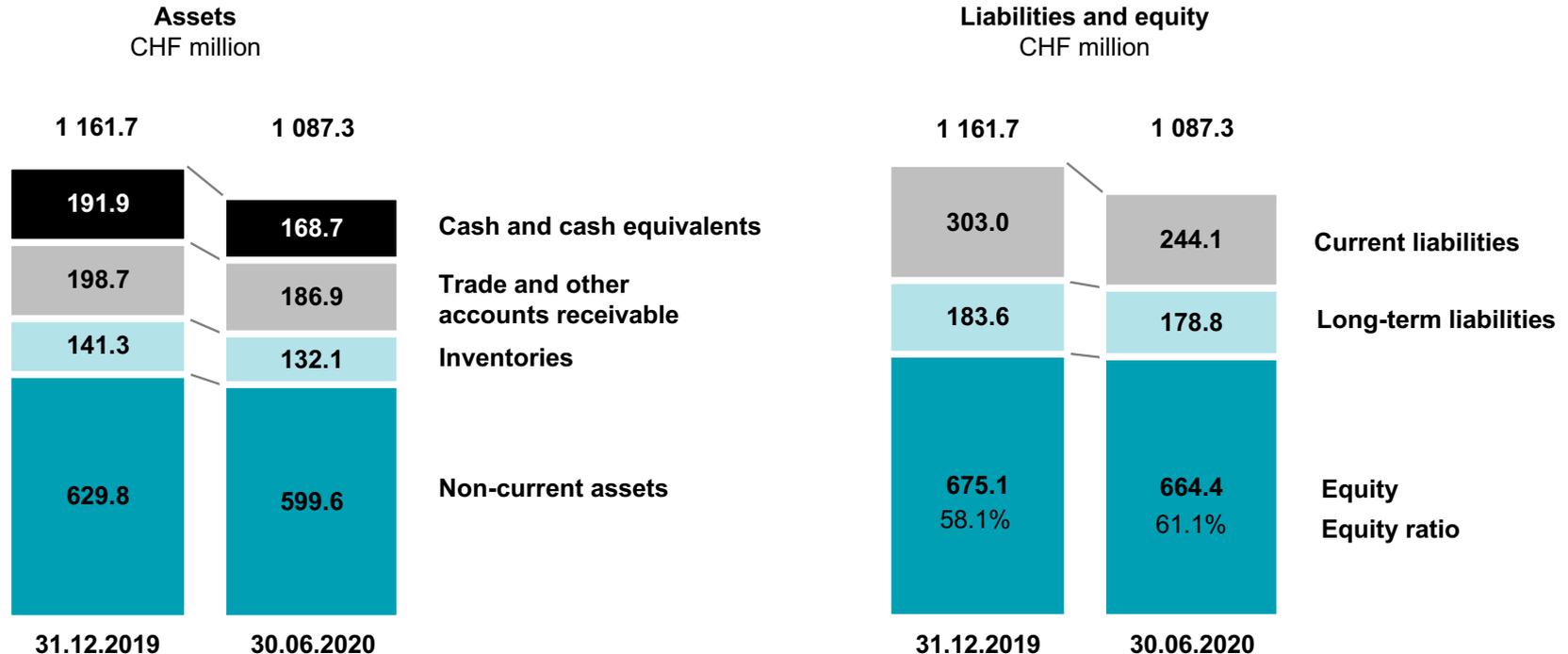
## HEALTHCARE SOLUTIONS



## REICHELT

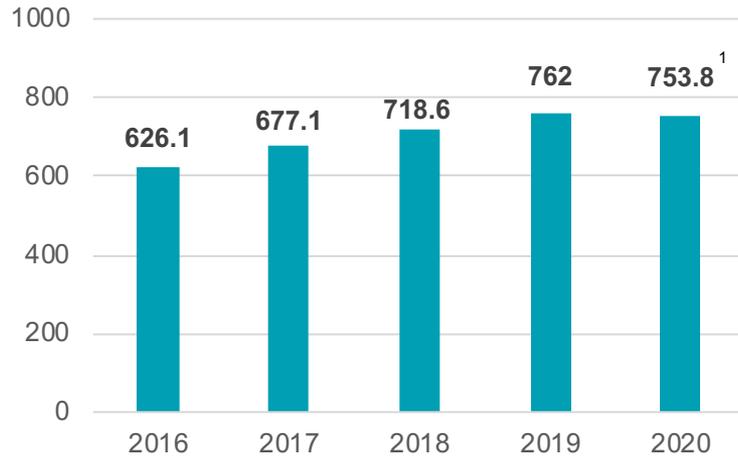


# Strong balance sheet helps to pursue future opportunities in Corona times



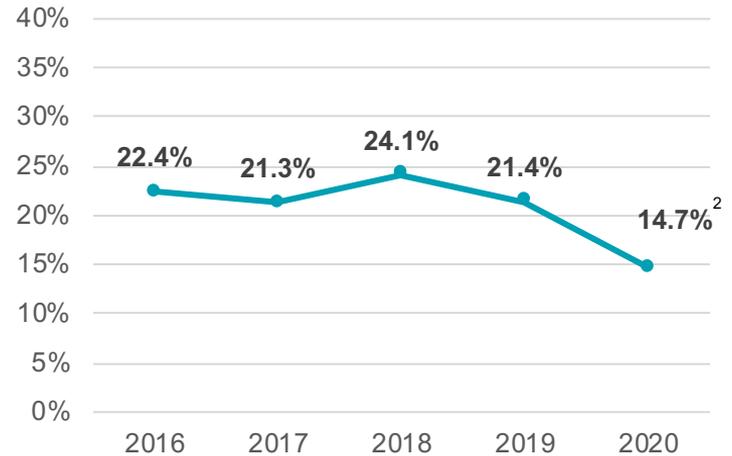
# ROCE development driven by lower absolute EBIT and constant capital employed

Average capital employed



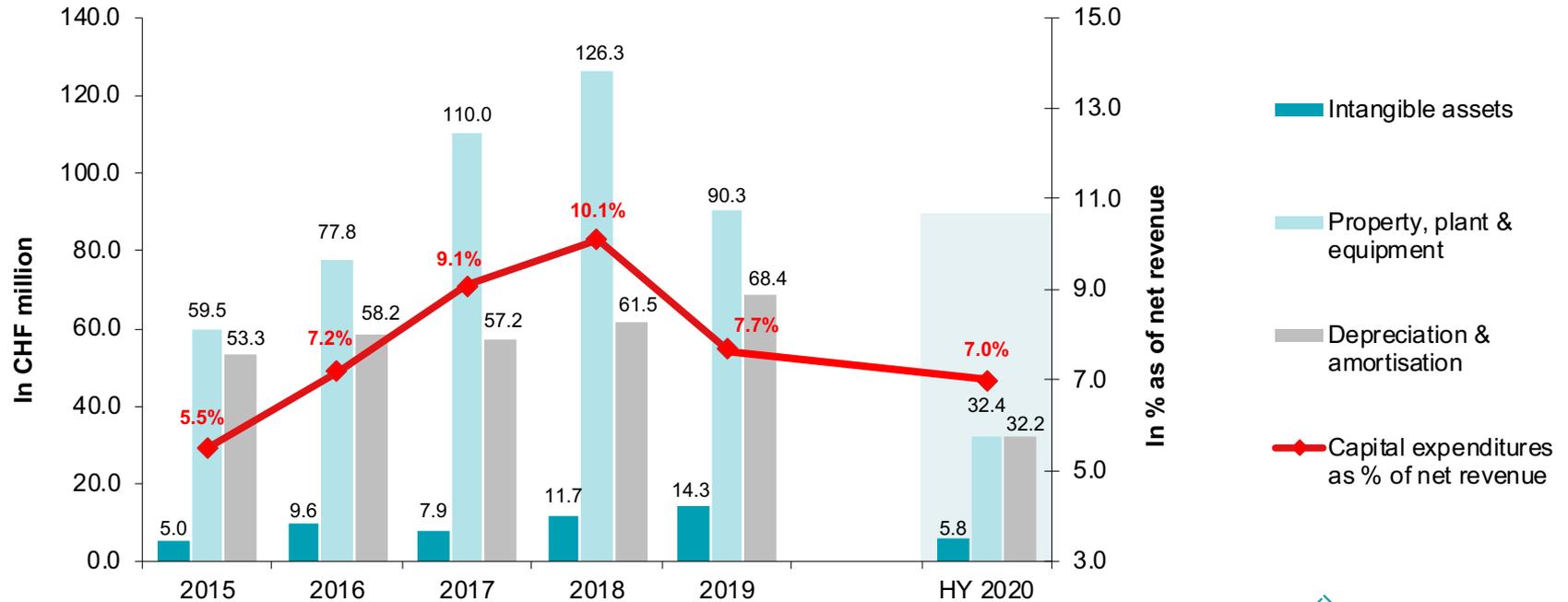
<sup>1</sup> Adjusted

ROCE (LTM)



<sup>2</sup> Adjusted for loss on sale of subsidiaries and for start-up costs for new US-healthcare plant

# Datwyler allocates capital into future growth markets



# Consolidated income statement

unaudited in CHF million	Continuing 1) 30.06.2020	Discontinued 2) 30.06.2020	Total 30.06.2020	Continuing 1) 30.06.2019	Discontinued 2) 30.06.2019	Total 30.06.2019
<b>Net revenue</b>	<b>488.6</b>	<b>57.1</b>	<b>545.7</b>	<b>544.7</b>	<b>161.6</b>	<b>706.3</b>
Costs of goods sold	(370.3)	(46.5)	(416.8)	(395.6)	(129.3)	(524.9)
<b>Gross profit</b>	<b>118.3</b>	<b>10.6</b>	<b>128.9</b>	<b>149.1</b>	<b>32.3</b>	<b>181.4</b>
Research and development expenses	(11.1)	(0.9)	(12.0)	(13.4)	(1.4)	(14.8)
Marketing and selling expenses	(24.5)	(6.5)	(31.0)	(26.1)	(22.4)	(48.5)
General and administrative expenses	(29.6)	(2.8)	(32.4)	(26.9)	(10.0)	(36.9)
Other operating income	11.5	0.2	11.7	9.5	0.6	10.1
Other operating expenses	(0.1)	(0.0)	(0.1)	(0.1)	(0.0)	(0.1)
Loss on sale of subsidiaries	-	(464.5)	(464.5)	-	-	-
<b>Operating result</b>	<b>64.5</b>	<b>(463.9)</b>	<b>(399.4)</b>	<b>92.1</b>	<b>(0.9)</b>	<b>91.2</b>
Net finance result	(6.6)	(0.3)	(6.9)	(2.9)	(0.3)	(3.2)
<b>Earnings before tax (EBT)</b>	<b>57.9</b>	<b>(464.2)</b>	<b>(406.3)</b>	<b>89.2</b>	<b>(1.2)</b>	<b>88.0</b>
Income tax expenses	(14.4)	(1.0)	(15.4)	(18.5)	(3.3)	(21.8)
<b>Net result</b>	<b>43.5</b>	<b>(465.2)</b>	<b>(421.7)</b>	<b>70.7</b>	<b>(4.5)</b>	<b>66.2</b>
<b>Net result per bearer share (in CHF)</b>	<b>2.56</b>	<b>(27.36)</b>	<b>(24.80)</b>	<b>4.16</b>	<b>(0.27)</b>	<b>3.89</b>

1) Continuing operations    2) Discontinued operations

# Condensed consolidated balance sheet

in CHF million	30.06.2020 unaudited	31.12.2019	30.06.2019 unaudited
Current assets	487.7	531.9	661.8
Non-current assets	599.6	629.8	683.8
<b>Total assets</b>	<b>1 087.3</b>	<b>1 161.7</b>	<b>1 345.6</b>
Current liabilities	244.1	303.0	323.0
Long-term liabilities	178.8	183.6	183.1
<b>Total liabilities</b>	<b>422.9</b>	<b>486.6</b>	<b>506.1</b>
<b>Equity</b>	<b>664.4</b>	<b>675.1</b>	<b>839.5</b>
<b>Total liabilities and equity</b>	<b>1 087.3</b>	<b>1 161.7</b>	<b>1 345.6</b>
Equity ratio (%)	61.1%	58.1%	62.4%
Net cash surplus (cash less short-term bank debt)	148.0	146.2	120.2

# Condensed consolidated cash flow statement

in CHF million	30.06.2020 unaudited	30.06.2019 unaudited
<b>Net cash from operating activities</b>	<b>79.1</b>	<b>88.3</b>
- Of which change in net working capital	(24.1)	(36.4)
<b>Net cash used in investing activities</b>	<b>(18.5)</b>	<b>(48.9)</b>
- Of which property, plant and equipment, net	(37.7)	(44.6)
- Of which disposal of subsidiaries (net of cash disposed of)	19.3	-
<b>Free Cash Flow</b>	<b>60.6</b>	<b>39.4</b>
<b>Net cash used in financing activities</b>	<b>(79.8)</b>	<b>(28.9)</b>
- Of which repayment of bank debt, net	(25.0)	(4.2)
- Of which (repayment, net)/proceeds from loan payable to Pema Holding AG	(1.5)	28.5
- Of which dividend payment	(51.0)	(51.0)
- Of which purchase of treasury shares	(1.6)	(1.3)
- Effect of exchange rate changes on cash and cash equivalents	(4.0)	(1.0)
<b>Net change in cash and cash equivalents</b>	<b>(19.2)</b>	<b>10.5</b>
<b>Cash and cash equivalents (end of period)</b>	<b>168.7</b>	<b>180.3</b>

# Outlook

Dirk Lambrecht, CEO

Engineered by

DATA

## **Outlook full year 2020**

Uncertainty of Covid19-impact

Industrial Solutions faces headwind and uncertainties, except Food & Beverage

Healthcare Solutions with high order backlog

Reichelt with strong demand

Over 70% of sales in low cyclical and solid growing markets.

# Additional demand in Healthcare Solutions for Covid-19 therapies and vaccines



Bloomberg

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Prognosis

## Fear of Vial Shortage for Covid Vaccines Prompts Flurry of Deals

By Riley Griffin

June 25, 2020, 5:00 AM EDT

- ▶ CEPI secures production for 100 million multidose glass vials
- ▶ Move follows similar deals made by companies, U.S. government



## FINANCIAL TIMES

Coronavirus pandemic (+ Add to myFT)

## Drugmakers race to scale up vaccine capacity

Funding bodies face a choice between established manufacturers and biotech upstarts



REUTERS



WORLD NEWS

JUNE 12, 2020 / 8:05 AM / A MONTH AGO

## Exclusive: Bottlenecks? Glass vial makers prepare for COVID-19 vaccine



# Strategic priorities



Opening of the Health Care plant in the USA

## DRIVE PROFITABLE GROWTH



Automated guided vehicles (AGV)



Robotic process automation (RPA)



Use of big data



Access new markets



Innovative new products and applications

## ACCELERATE DIGITALISATION



Modernization and expansion of the ERP software package



Promotion of new technologies and skills



Expansion into new geographical markets



Reduction of resource consumption  
Increase of sustainability



Vision of a self-learning organisation



Digitalisation of all HR processes



Expansion of Health Care capacity in India

## INCREASE AGILITY



Empowerment of employees



Employee survey underlines high levels of commitment and motivation



Culture change

# Capital Market Day

Wednesday, 4 November

2020 Schattdorf plant

Switzerland



# 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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