Welcome to the

Datwyler Annual Results Conference

18 February 2022

DATWYLER

Agenda

Business Review
Dirk Lambrecht, CEO

Financial Review
Walter Scherz, CFO

Outlook
Dirk Lambrecht, CEO

Questions and Answers

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Datwyler continuing operations FY 2021
Record revenue and improved profitability

All business units contributed with strong growth rates to the revenue increase

Continuing operations with a record revenue of CHF 947.6 million, currency adjusted growth of 15%

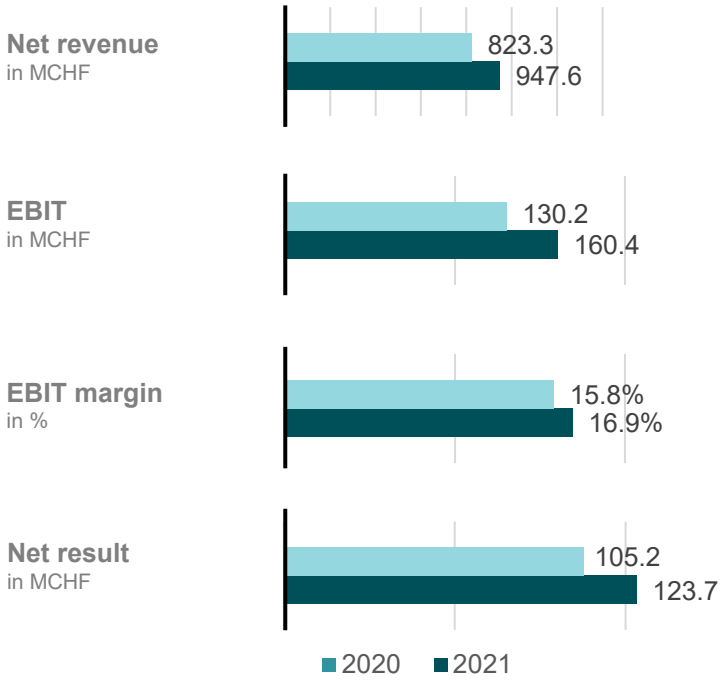
Strong growth, continuous efficiency improvements and strict cost management lead to improved profitability

Increase of EBIT by 23.2% to CHF 160.4 million

Improvement of EBIT margin to 16.9%

Increase of net result by 17.6% to CHF 123.7 million

Profit figures well above pre-pandemic levels



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Strategic transformation completed – focused specialist for system-critical elastomer components

Healthcare Solutions

Industrial Solutions

Technology & Innovation

Finance & Shared Services

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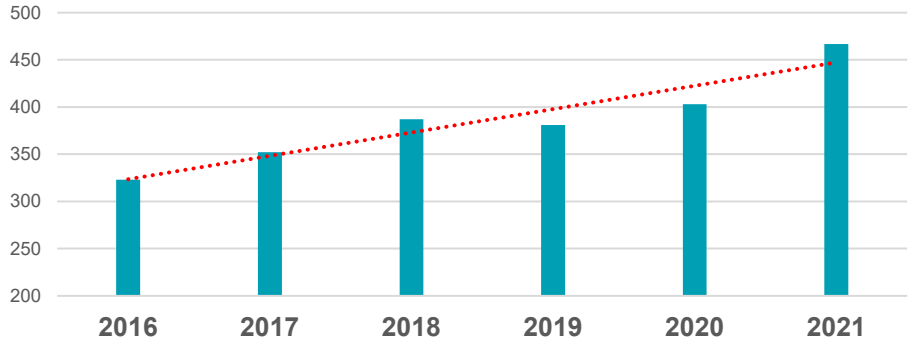
Healthcare Solutions

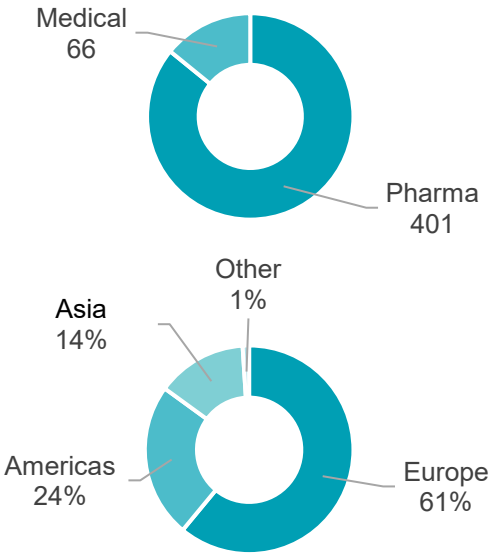
Healthcare Solutions
Significant growth in revenue and margins

466.8	22.4%	2‘480
CHF million revenue 2021	EBIT Margin 2021	employees (FTE) 2021

Revenue development 2016 to 2021 in CHF million



Revenue share 2021 in CHF million



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Healthcare Solutions: Highlights 2021

New NeoFlex components and needle cover designs to further improve doctor and patient's safety

Early investments in the expansion of production facilities to support the fight against Covid

New global engineering structure to even better support our customers and growth strategy

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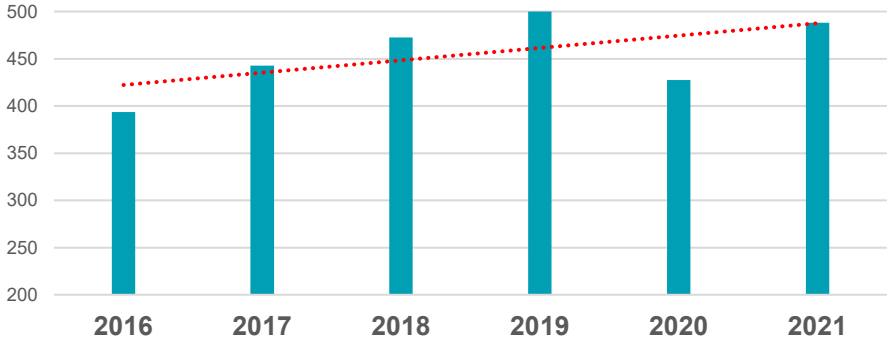
Industrial Solutions

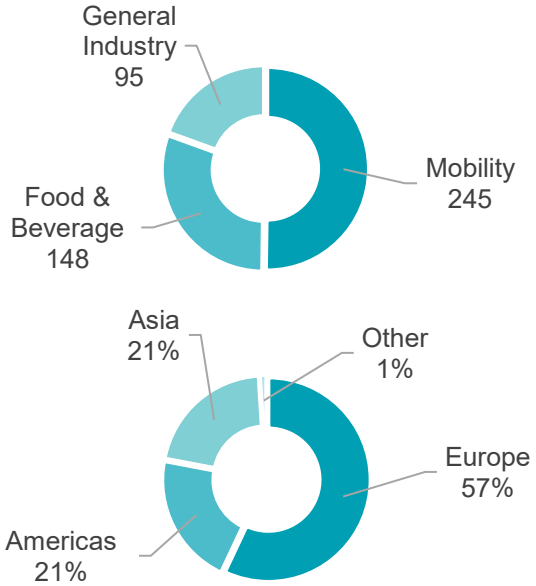
Industrial Solutions (continuing operations)
Strong growth despite stagnating mobility market

488.4	11.4%	4‘200
CHF million revenue 2021	EBIT Margin 2021	employees (FTE) 2021

Revenue development 2016 to 2021 in CHF million



Revenue share 2021 in CHF million



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Industrial Solutions: Highlights 2021

Investments in the expansion of production facilities to support the growth of our Food & Beverage customers

Record high number of new projects thanks to proactive market approach in the Mobility business unit

Expansion of global sales and engineering resources in the General Industry business unit

Financial Review

Walter Scherz, CFO

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Datwyler's reported figures FY 2021 positively influenced by divestment of Reichelt

Strategic focusing on system-critical elastomer components completed.

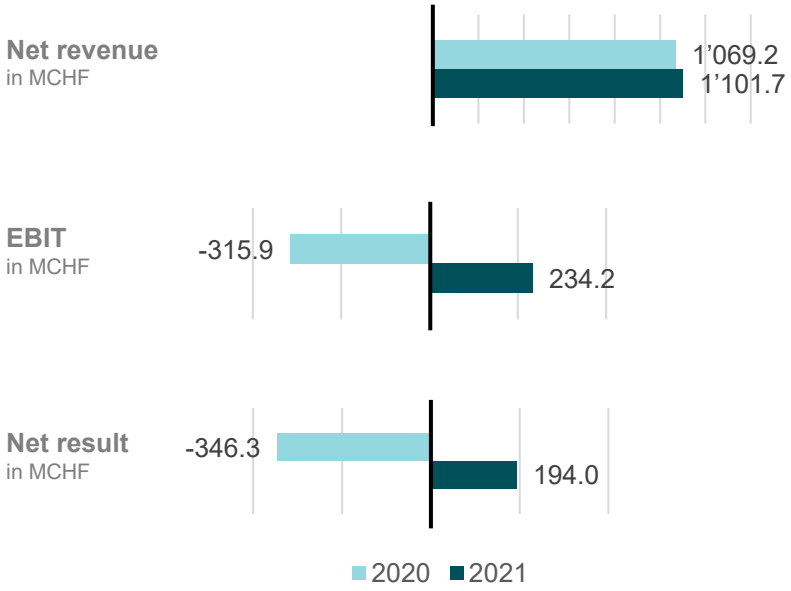
Divestment of distributor Reichelt in fall 2021.

Reported revenue of CHF 1'101.7 million includes CHF 154.1 million from Reichelt (9 months).

Reported EBIT at CHF 234.2 million and reported net result at CHF 194.0 million.

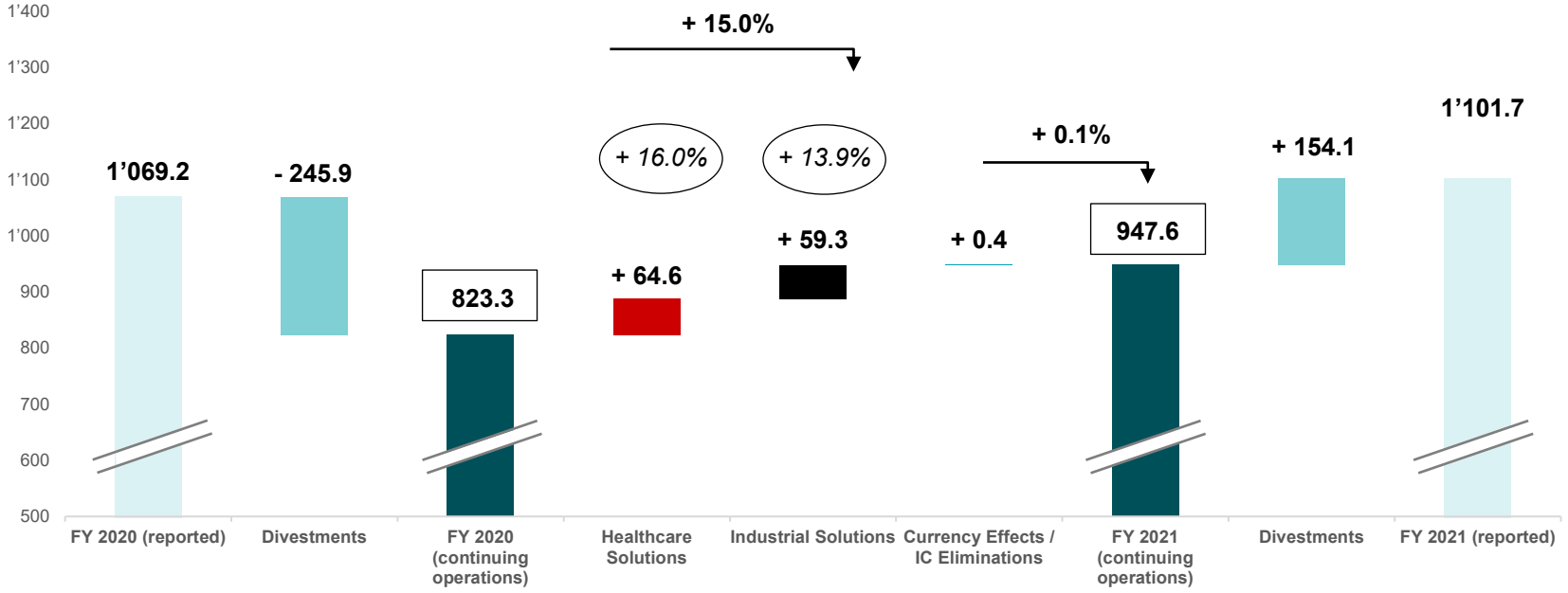
Reported profit figures include an operating result of CHF 73.8 million from Reichelt, including the gain on sale of CHF 58.4 million.

In the previous year, the reported profit figures included the loss on sale of Distrelec and Nedis.



Strong organic revenue growth of 15.0%, minimal currency effects

in CHF million



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Consolidated income statement:
Continuing operations as the basis for the future

in CHF million	Continuing operations 2021	Discontinued operations 2021	**Total 2021**	Continuing operations 2020	Discontinued operations 2020	**Total 2020**
Net revenue	**947.6**	**154.1**	**1'101.7**	**823.3**	**245.9**	**1'069.2**
Costs of goods sold	-700.0	-122.5	-822.5	-615.3	-197.4	-812.7
Gross profit	**247.6**	**31.6**	**279.2**	**208.0**	**48.5**	**256.5**
Research and development expenses	-27.2	-	-27.2	-22.8	-0.9	-23.7
Marketing and selling expenses	-31.1	-13.6	-44.7	-30.6	-24.0	-54.6
General and administrative expenses	-49.7	-2.8	-52.5	-49.0	-5.9	-54.9
Other operating income	21.4	0.2	21.6	25.5	0.7	26.2
Other operating expenses	-0.6	-	-0.6	-0.9	-0.0	-0.9
Gain/loss on sale of subsidiaries	-	58.4	58.4	-	-464.5	-464.5
Operating result	**160.4**	**73.8**	**234.2**	**130.2**	**-446.1**	**-315.9**
Net finance result	-2.3	-0.1	-2.4	-8.9	-0.6	-9.5
Earnings before tax (EBT)	**158.1**	**73.7**	**231.8**	**121.3**	**-446.7**	**-325.4**
Income tax expenses	-34.4	-3.4	-37.8	-16.1	-4.8	-20.9
Net result	**123.7**	**70.3**	**194.0**	**105.2**	**-451.5**	**-346.3**
Net result per bearer share (in CHF)	**7.28**	**4.13**	**11.41**	**6.19**	**-26.56**	**-20.37**

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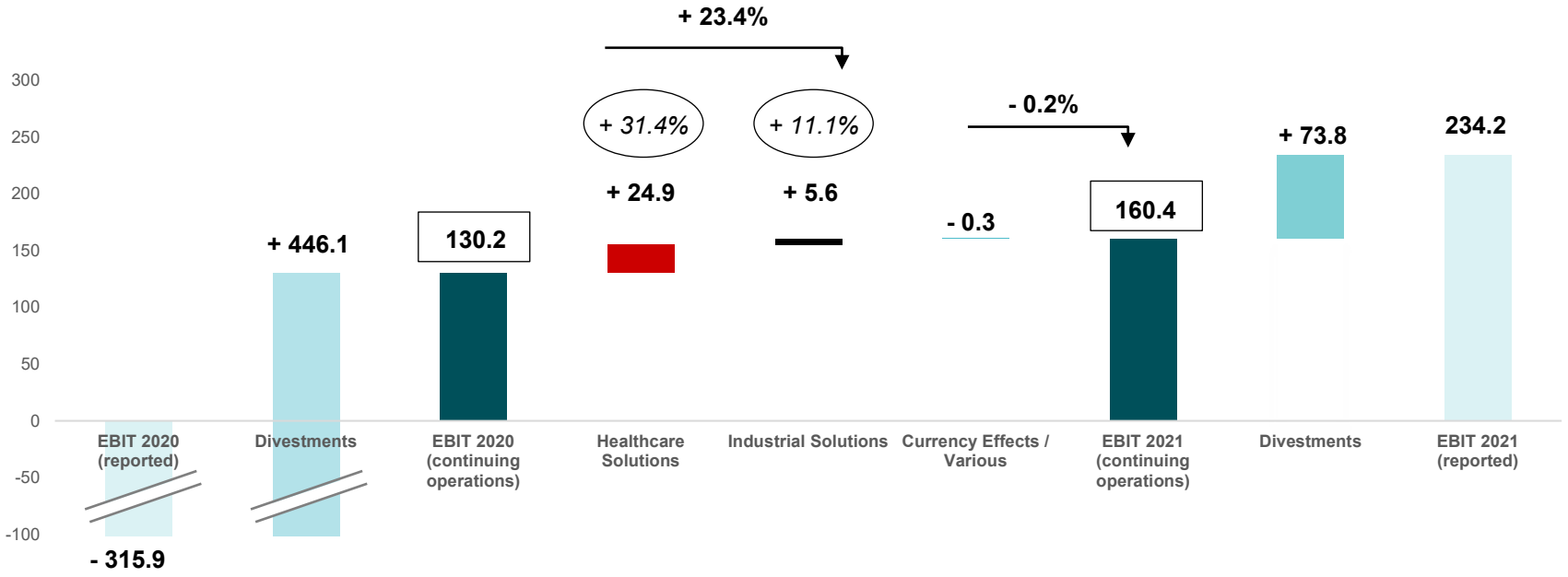
Both business areas with improved profitability – CHF 73.8 million EBIT contribution from Reichelt

in CHF million



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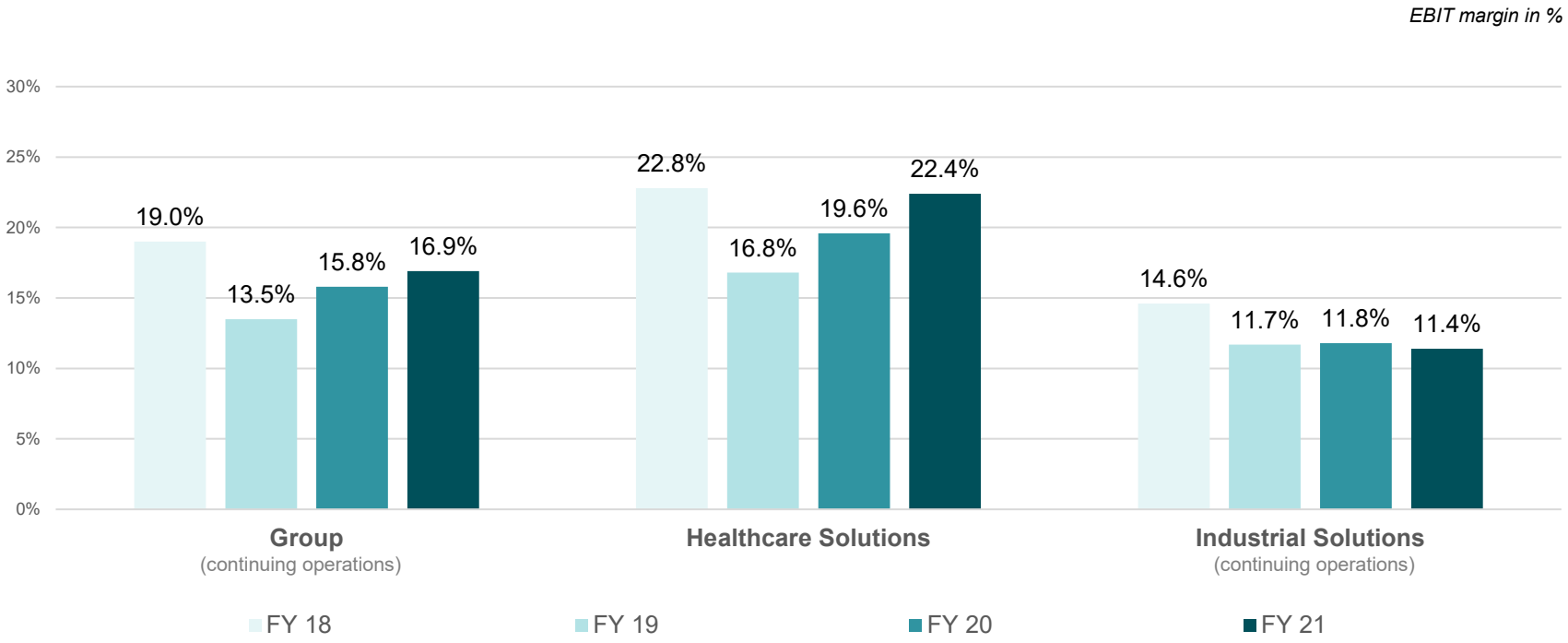
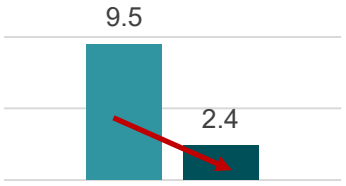
Resilient EBIT-margins in a challenging environment



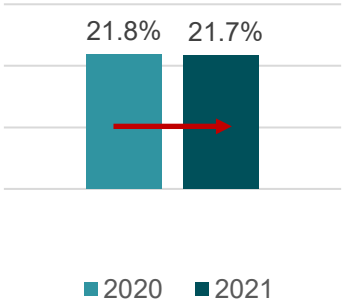
Finance expenses substantially lower, while weighted average tax rate remained stable at 21.7%

Total interest and finance expenses



Net finance costs decreased to CHF 2.4 million, with lower interest expense of CHF 1.4 million and due to less volatility on unhedged currencies.

Weighted average income tax rate



The Group's weighted average income tax rate remained stable at 21.7% (previous year 21.8%), while absolute income tax expense increased to CHF 37.8 million.

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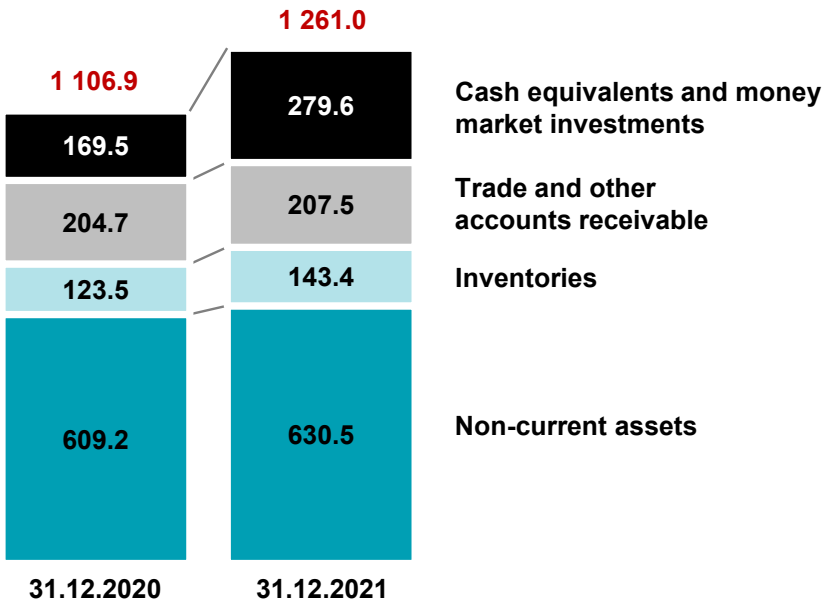
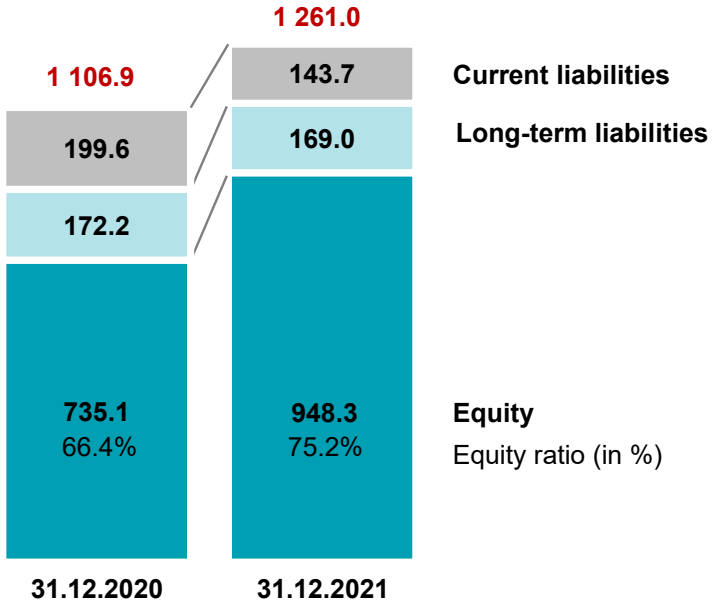
Further strengthened balance sheet as a solid base

in CHF million





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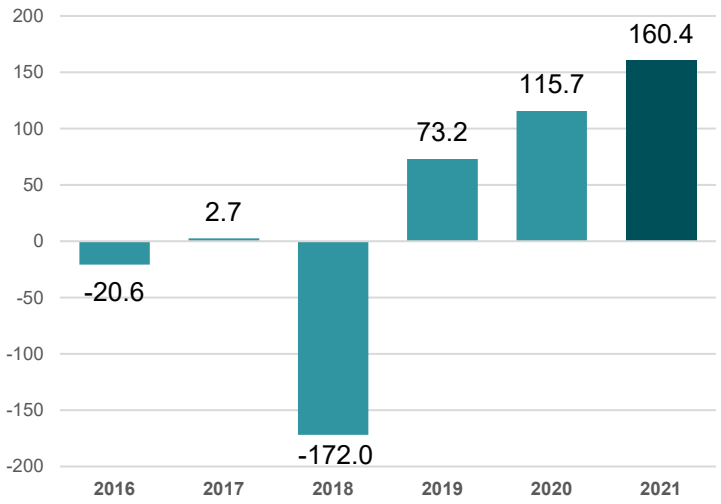
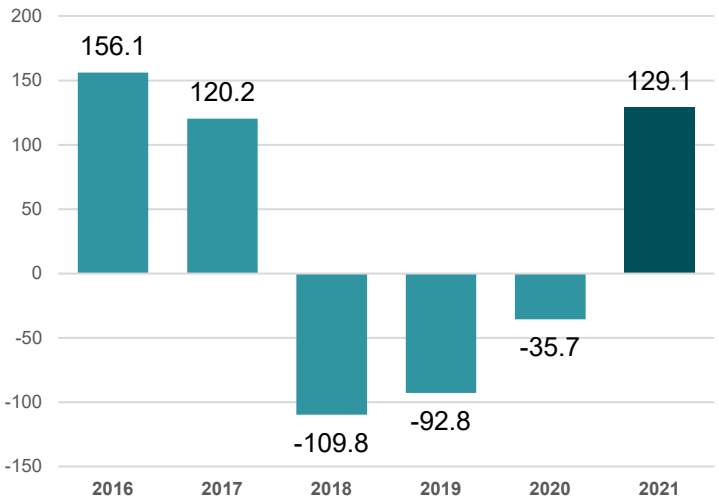
Strong free cash flow and net cash balance will enable to pursue future growth opportunities

FREE CASH FLOW
(before changes in money market investments)



NET CASH / NET DEBT



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Condensed consolidated cash flow statement: **Further increase of liquidity**

in CHF million	2021	2020
Net cash from operating activities	**183.5**	**185.3**
- Of which change in net working capital, income tax paid and interest paid/received	(54.8)	(39.8)
Net cash used in investing activities	**(23.1)**	**(69.6)**
- Of which property, plant and equipment, net	(100.3)	(79.2)
- Of which money market investments	(60.0)	-
- Of which disposal of subsidiaries (net of cash disposed of)	145.9	19.3
Free Cash Flow	**160.4**	**115.7**
Net cash used in financing activities	**(113.0)**	**(132.7)**
- Of which proceeds from/(repayment of) bank debt, net	0.4	(45.9)
- Of which repayment of loan payable to Pema Holding AG	(55.0)	(33.5)
- Of which dividend payment	(54.4)	(51.0)
- Of which purchase of treasury shares	(3.9)	(1.6)
- Effect of exchange rate changes on cash and cash equivalents	2.7	(5.4)
Net change in cash and cash equivalents	**47.4**	**(17.0)**
Cash and cash equivalents at 31 December	**219.6**	**169.5**

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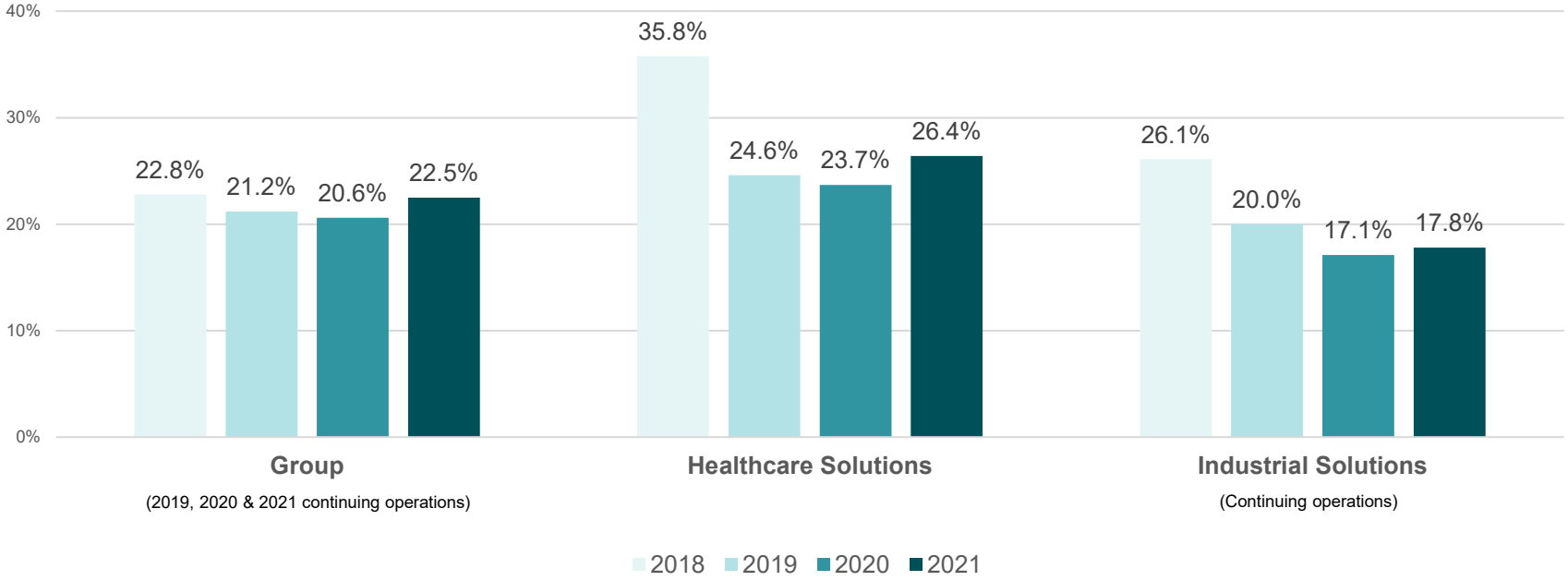
ROCE development still influenced by recent growth investments



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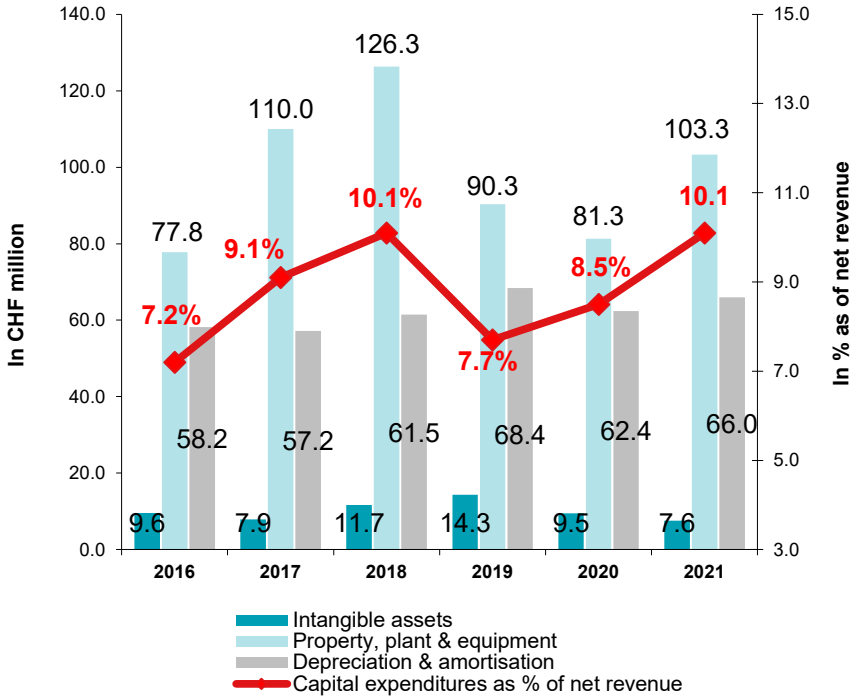
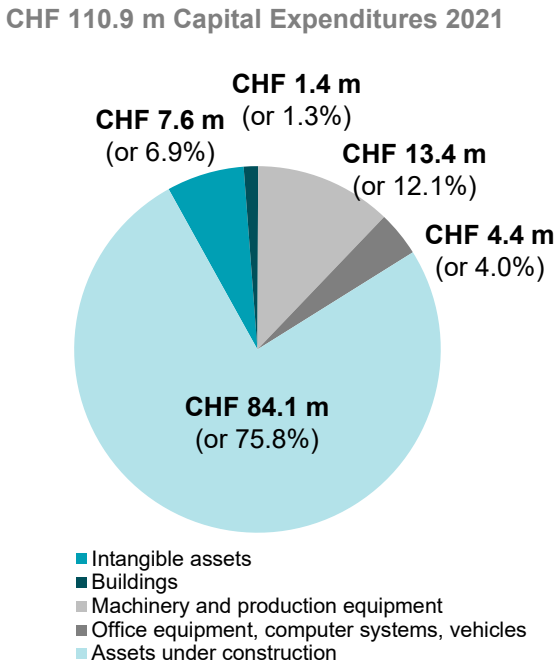
Capital expenditures above long-term average due to attractive business growth opportunities





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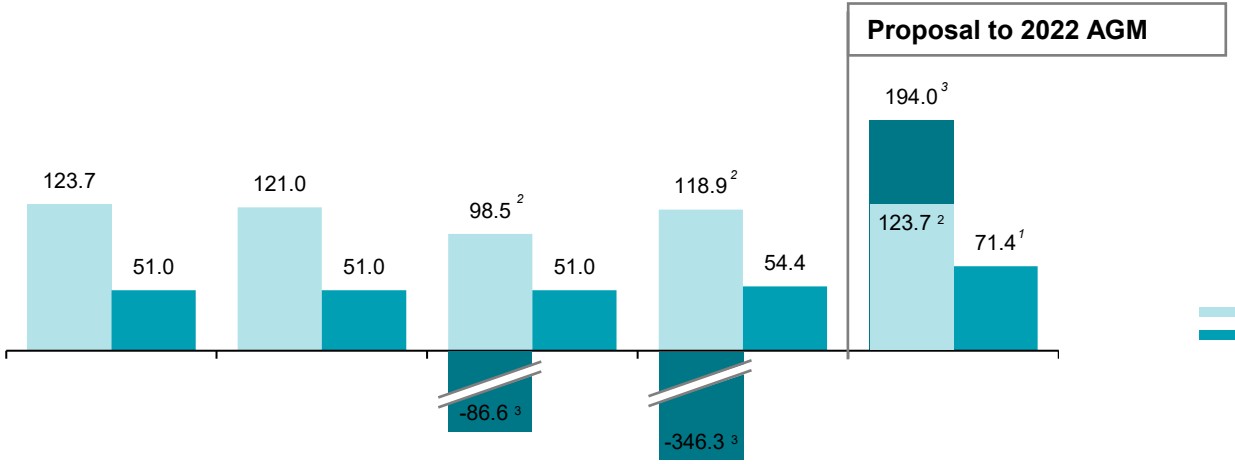
Dividend increase by 31.25% to CHF 4.20 / bearer share



2017	2018	2019	2020	2021
41.2%	42.1%	51.8% 4	45.8% 4	36.8%
3.00	3.00	3.00	3.20	4.20 1

Net result in CHF million

Dividend in CHF million (gross)

Pay-out ratio

Dividend per bearer share in CHF (gross)

[1] *Proposal to the Annual General Meeting*
[2] *Net result continuing operations, as defined in the respective year*
[3] *Reported net result*
[4] *Pay-out ratio in relation to the net result continuing operations*

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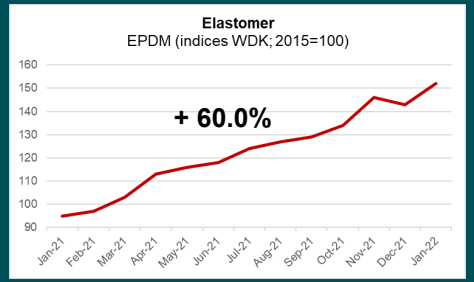
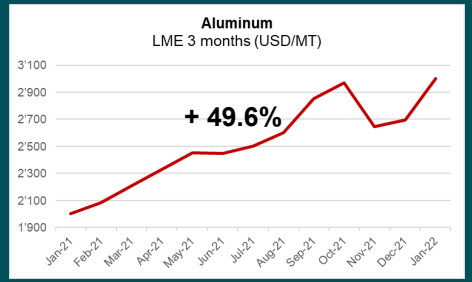
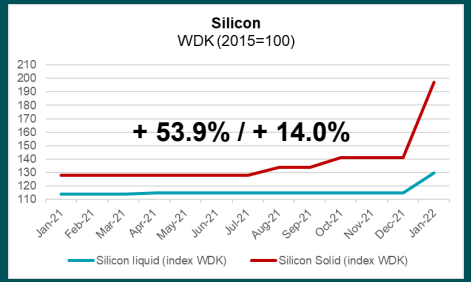
Raw materials and energy price increases will affect 2022

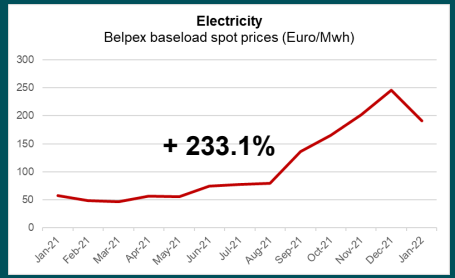
RAW MATERIALS

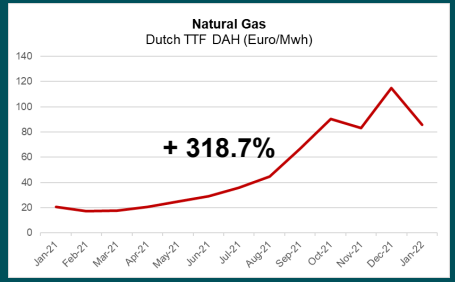






ENERGY





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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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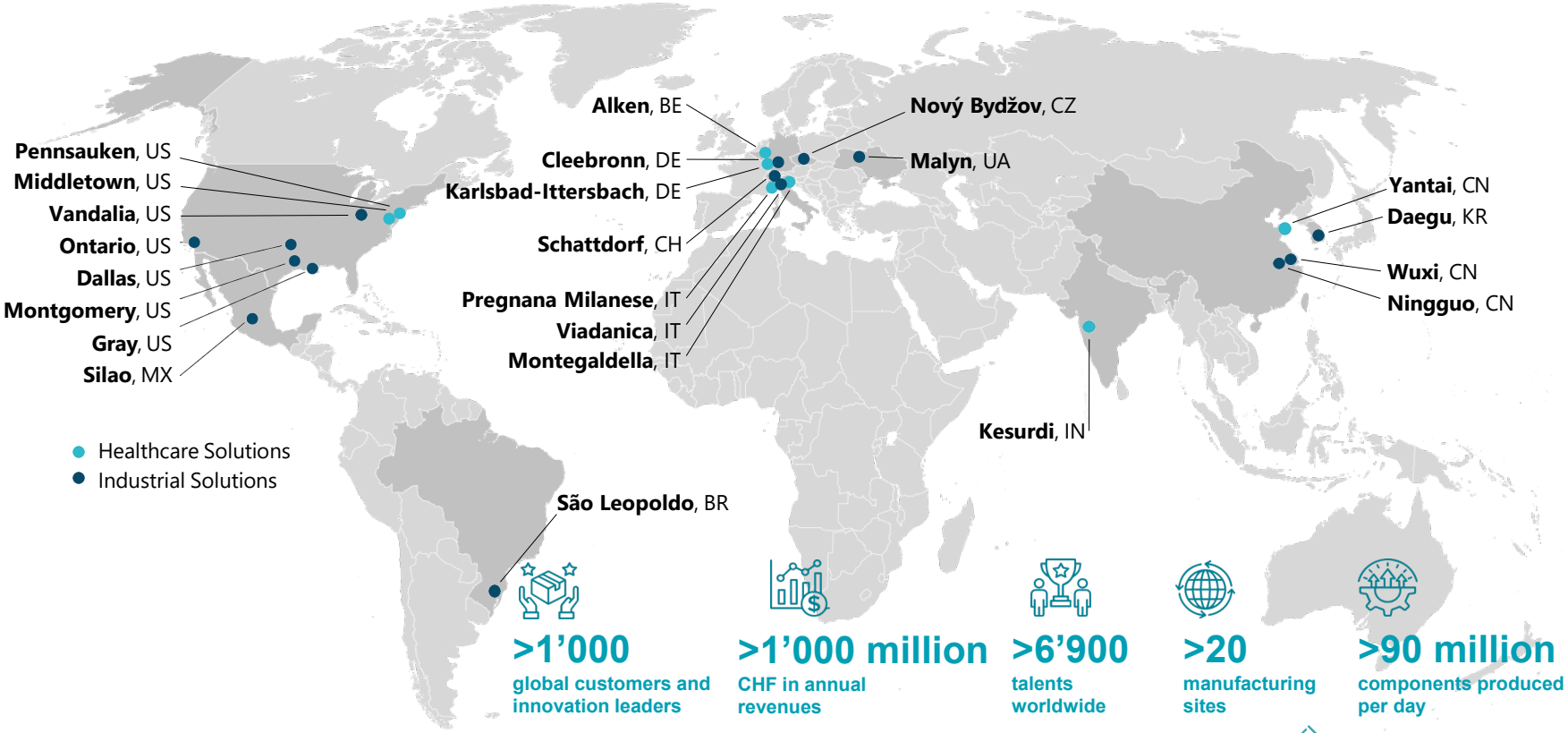
Global presence and manufacturing footprint



>1'000
global customers and innovation leaders

>1'000 million
CHF in annual revenues

>6'900
talents worldwide

>20
manufacturing sites

>90 million
components produced per day

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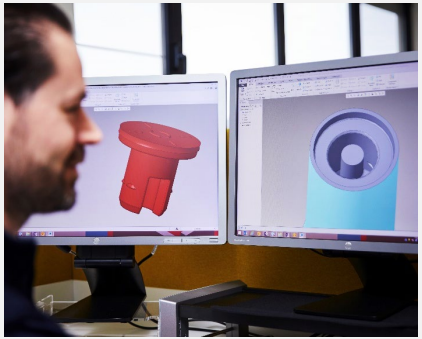
Pharma
Providing solutions to maximize patient safety

System-critical components for injectable drug delivery systems

Datwyler market position	**Market growth** (excl. Covid-19) CAGR 2022-27	**Strategic priorities**
• Leading global player • Unique coating technology and quality concept for high-end drugs • New state-of-the-art production capacities as a basis for gaining market share	•Americas: 6 - 8% •EMEA: 4 - 6% •China: 11 - 13% •India: 8 - 10% •Southeast Asia: 9 - 11% *Data source: Datwyler internal analysis September 2021*	• Accelerate growth in the US market and in the attractive biotech field • Expand our engagement in new drug packaging development • Pursue opportunities in Asia (China) and South America



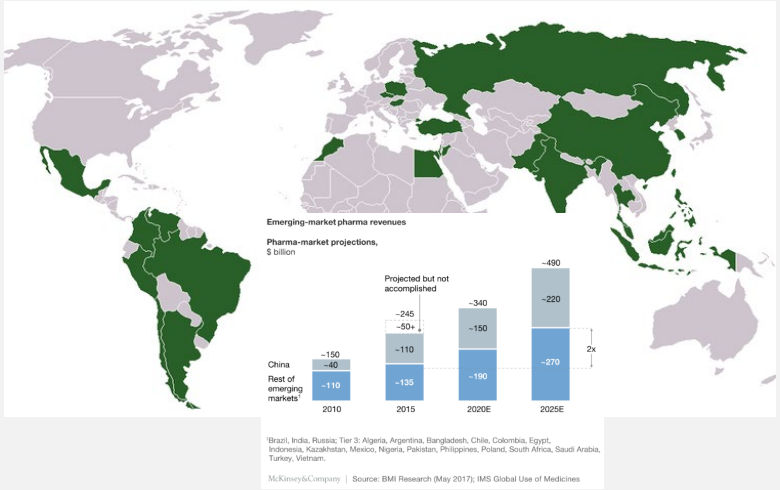
Current addressable market size for high-quality system-critical components in the healthcare industry

2 - 2.5 billion CHF

Attractive growth potential in “pharmerging” countries

Acquisition of Yantai Xinhui Packing in China

Doubling of production capacity at existing Indian plant



Market leader in component approvals for all application types in China

Additional sales and technical support specialists in emerging markets

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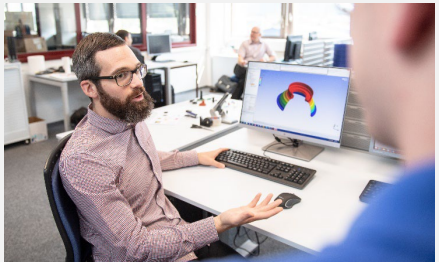
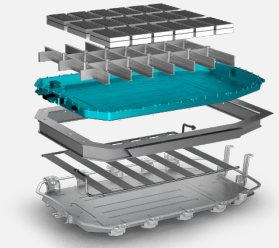
Mobility
Driving the transition towards new mobility

System-critical components for conventional and new automotive drive systems

Datwyler market position	Market growth CAGR 2022-2027[1]	Strategic priorities
• Leading co-development partner for the global automotive industry (brake systems, exhaust gas aftertreatment) • Broad technology portfolio, including multi-material components • Most advanced production facility (Lean&Clean concept in Schattdorf)	• EMEA: 5.5% • Americas: 3.7% • Asia Pacific[2]: 2.1% • Asia Pacific: 4.0% • World: 4.3% *[1]Source: LMC Light Vehicle Production (excl. low cost and economy class), Dec 2021* *[2]Including the mature markets Japan and Korea*	• Product portfolio expansion towards electrified systems, advanced driver assistance, smart components • Move into attractive adjacencies • Increase level of automation to drive high-efficiency and clean production





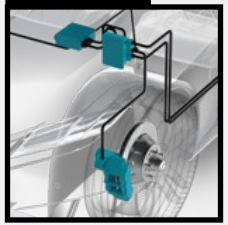
Current addressable market size for high-quality system-critical components in the mobility industry

CHF 1.7 billion

E-mobility transformation opens-up new opportunities

Current focus applications

Brakes



Emissions control

New additional focus applications

Battery Systems

Fuel cell

Vehicle interiors

Electrified powertrain

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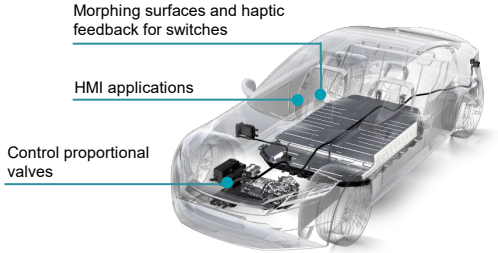
Innovative applications and projects for the car of the future

EAP (**E**lectro **A**ctive **P**olymers)

Electrical power turns into mechanical motion by elastic deformation.

Applications in HMI, vehicle thermal management in EV and hybrid cars

Noise and maintenance free
Minimal packaging size
Low energy consumption



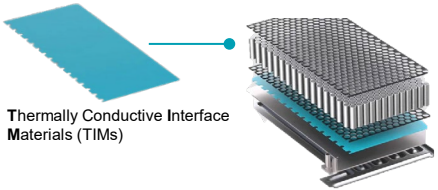
ETEMI (**E**lectrically and **T**hermal conductive and **EMI** Shielding)

Portfolio of sealing materials delivering enhanced functionalities in the area of battery systems, electric and electronic housings

Shielding of electro-magnetic interference

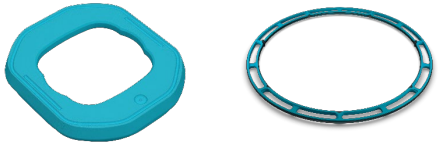
Integration of different ETEMI characteristics in one component

Sustainable solutions allowing recyclability of battery packs



Customer projects

- Brake-by-wire safety relevant components
- ADAS housings and sealings (ECU and sensors)
- Battery Systems e.g.: foldable gaskets
- Multi-K parts for e-motors



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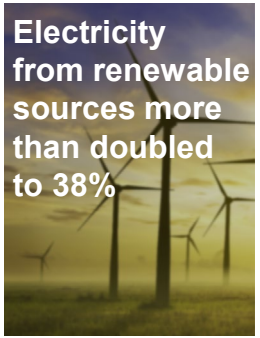
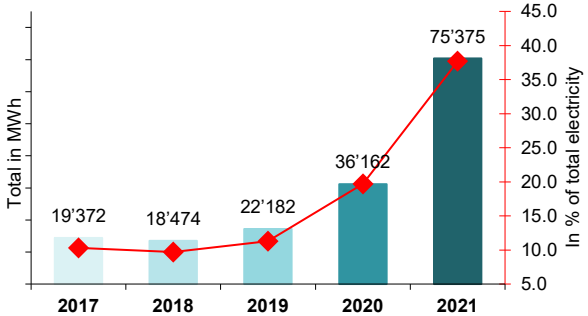
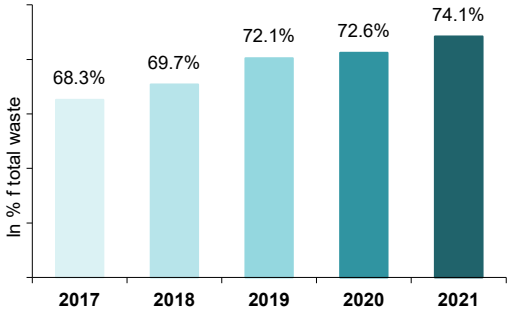
Our strategic priorities

Sustainability highlights 2021

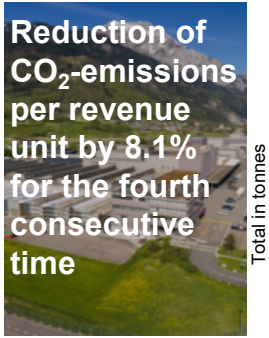


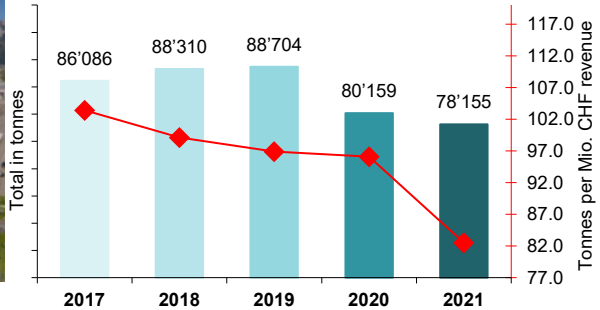


Electricity from renewable sources

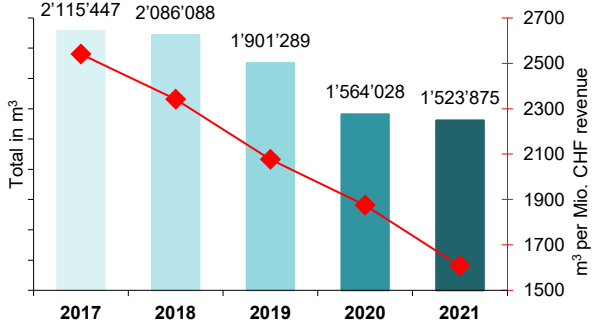


Recycled waste

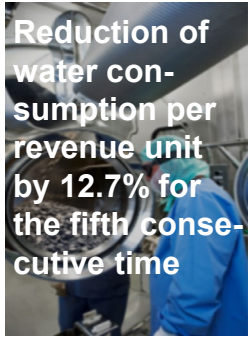




CO_2 emissions (scope 1 + 2)



Water consumption



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New Datwyler: Aggressive organic profitable growth supported by focused acquisitions

Execution of portfolio changes to set a focus on **core competencies.**

Aggressive organic and profitable growth, **leveraging the investments** of recent and future years.

M&A focused on acquisitions to **accelerate our strategy** within our existing markets.

2020 – 2021

2022 – 2024

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Midterm goals 2022 to 2024

		2021 AC (continuing operations)	2021 vs. 2020 (currency adjusted)	Goals 2022 – 2024
Healthcare Solutions	Revenue growth	CHF466.8 million	16.0%	8 – 12%
	EBIT margin	22.4%	2.8 pp	22 – 25%
Industrial Solutions	Revenue growth	CHF 488.4 million [1]	13.9%	6 – 8%
	EBIT margin	11.4%	-0.4 pp	12 – 15%
Group	Revenue growth	CHF 947.6 million	15.0%	6 – 10%
	EBIT margin	16.9%	1.1 pp	18 – 21%

1 Including intercompany revenue of CHF 7.6 million

The growth targets for the future are subject to unforeseeable economic, political and social risks and events.

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Outlook 2022

Target revenue growth: Exceed the upper value of the mid-term target range of 6% to 10%

Target EBIT margin: Aim for the lower value of the mid-term target range of 18% to 21%

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.

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Questions and Answers

Dirk Lambrecht, CEO

Walter Scherz, CFO

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Thank you

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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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