



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

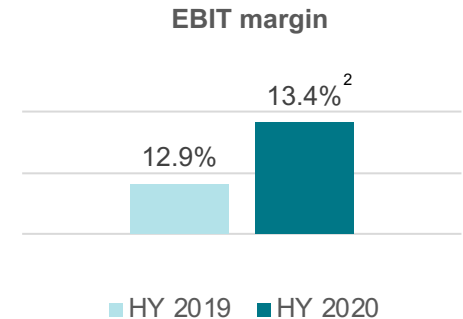
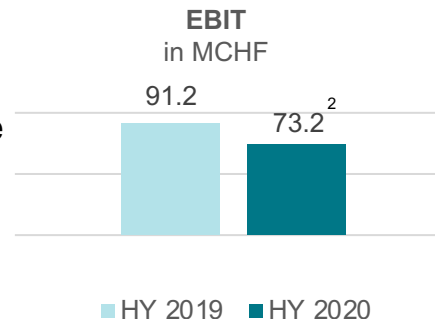
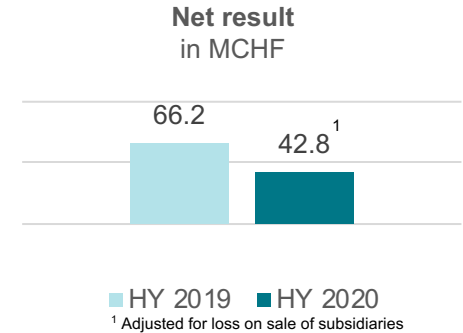
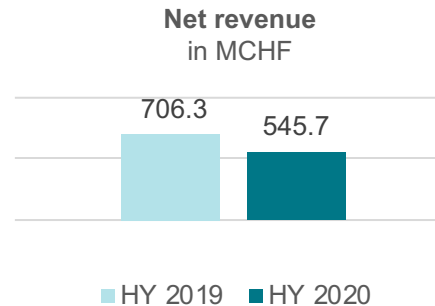
Announced strategic focus on system-critical elastomer components implemented

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



² 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

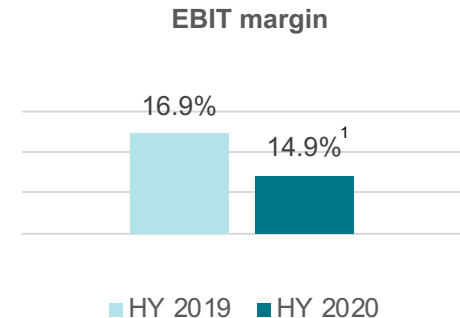
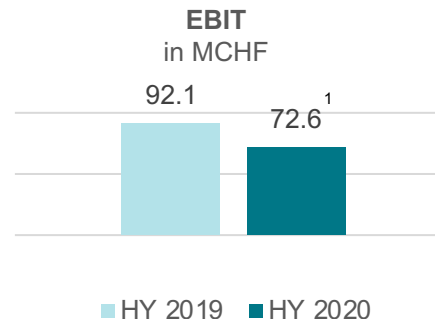
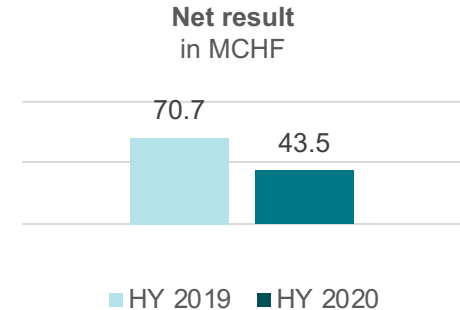
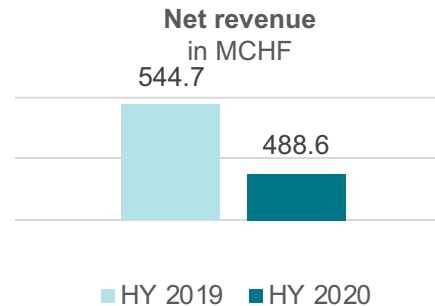
Continuing operations limits organic sales decline to 5.2% thanks to strong Healthcare, Food & Beverage and Reichelt business

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%

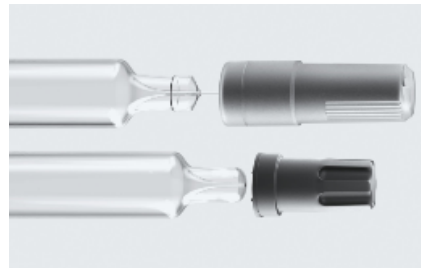
EBIT includes some CHF 3.5 million or some 5% negative currency effects

Early cost-saving measures have helped to secure profitability



¹ 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

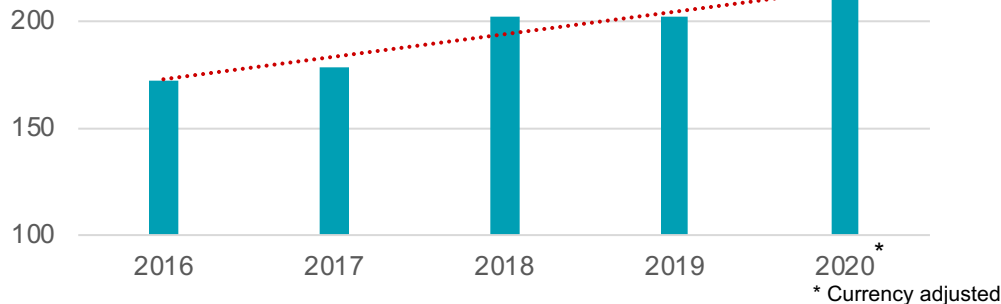
21.7%

Adjusted EBIT
margin

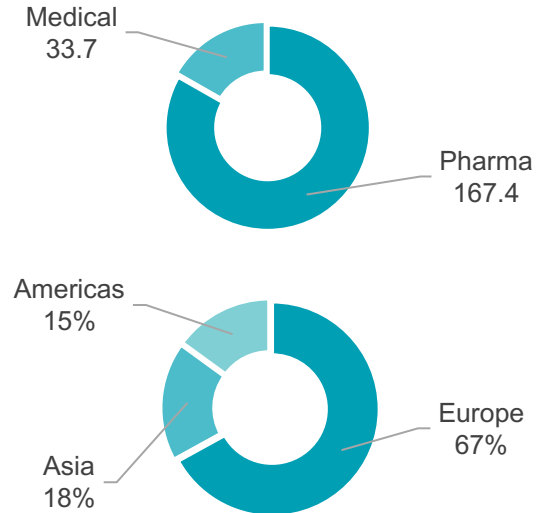
2,145

employees (FTE)

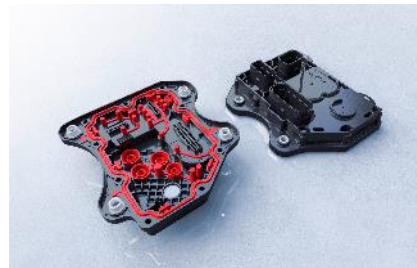
Revenue development in CHF million



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

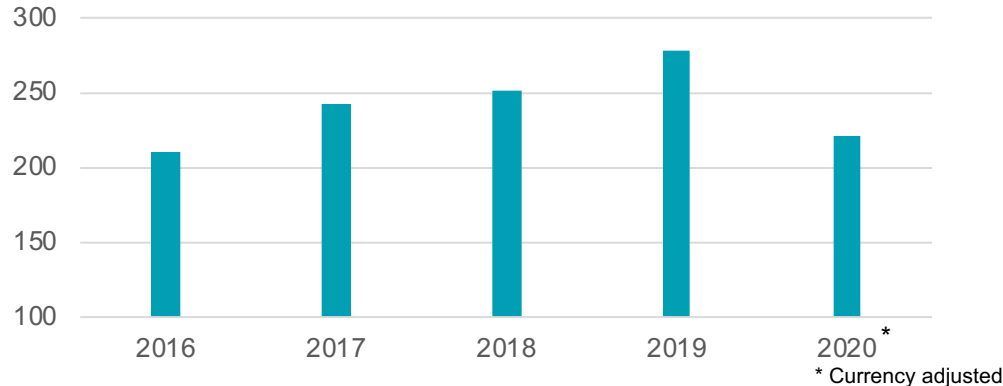
10.0%

Adjusted EBIT
margin

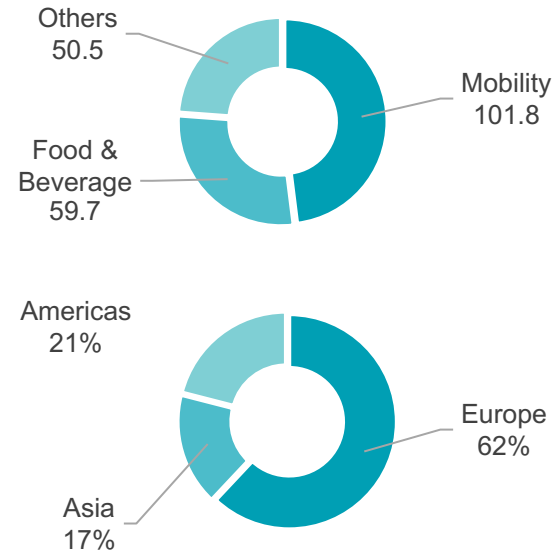
4,044

employees
(FTE)

Revenue development in CHF million



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

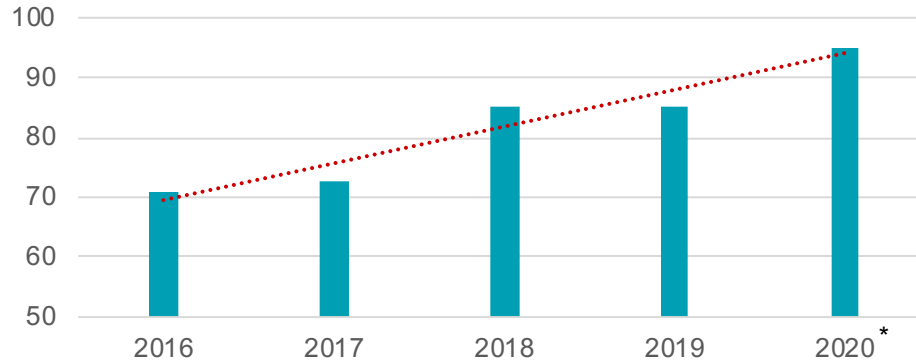
8.3%

EBIT
margin

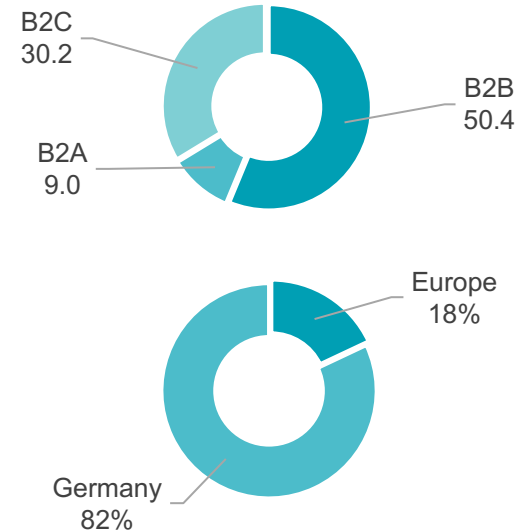
269

employees
(FTE)

Revenue development in CHF million



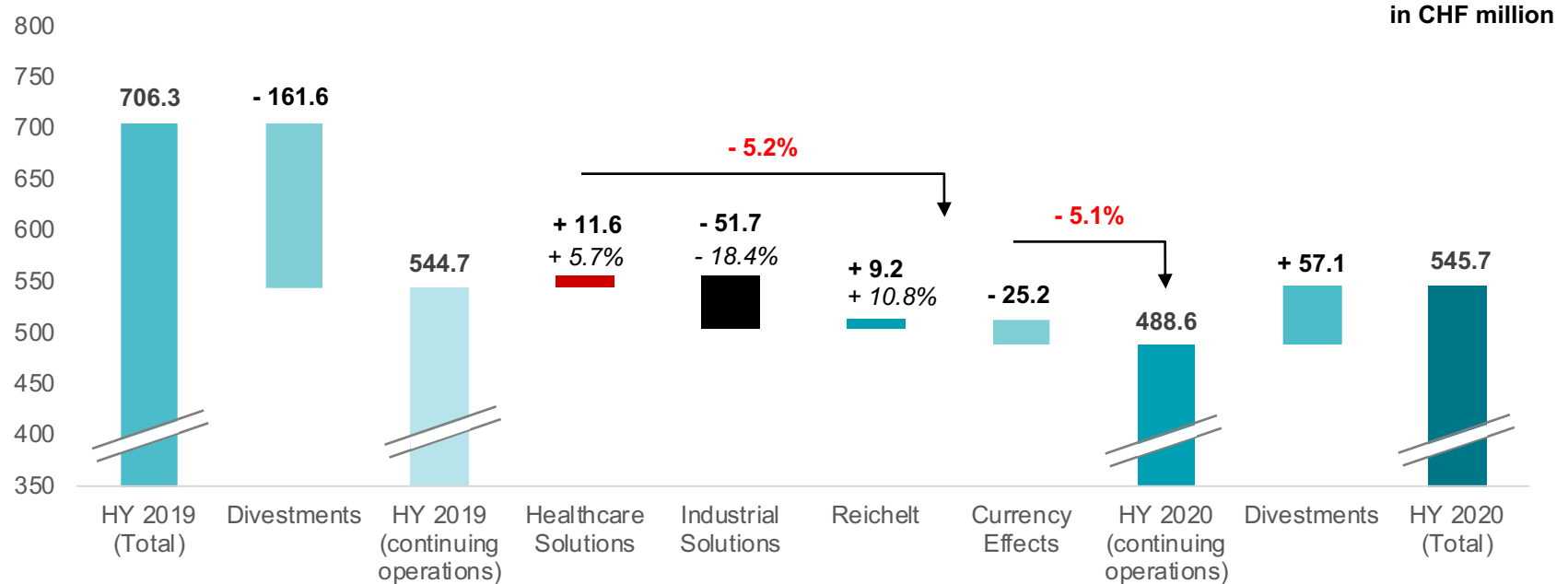
Revenue split in CHF million



Financial Review

Walter Scherz, CFO

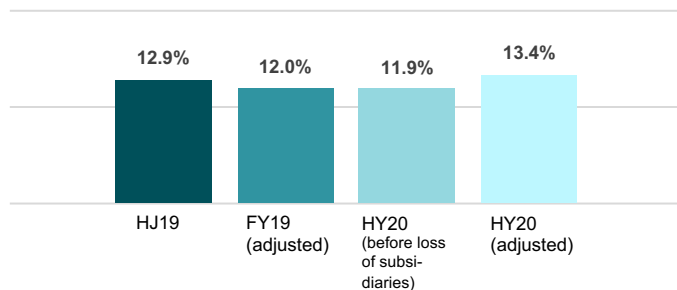
Revenue development influenced by divestments and individual markets



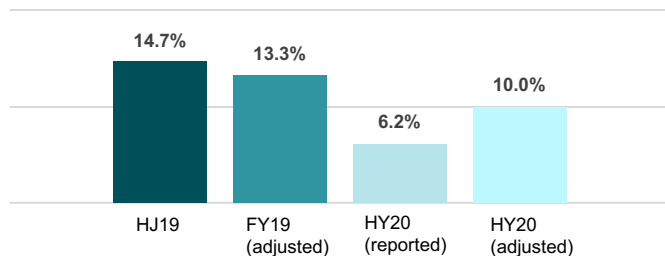
Resilient performance in a challenging environment

EBIT margin in %

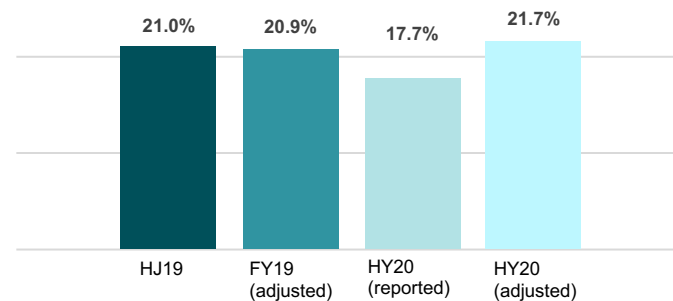
GROUP



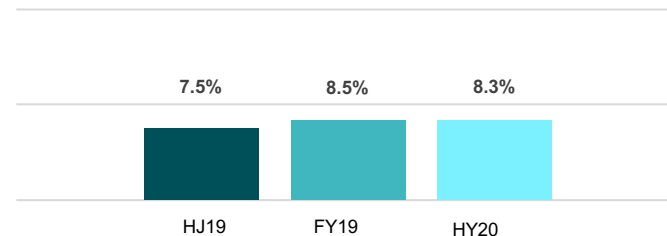
INDUSTRIAL SOLUTIONS



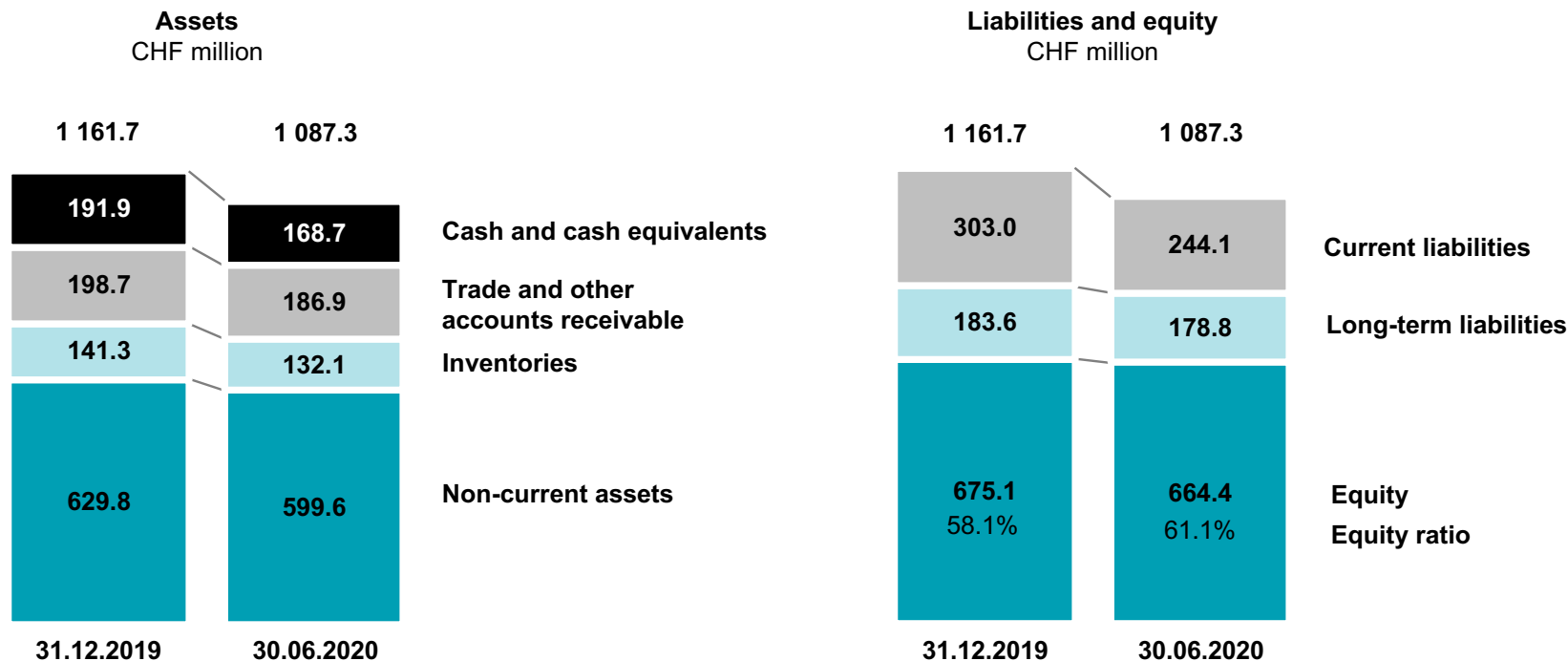
HEALTHCARE SOLUTIONS



REICHELT

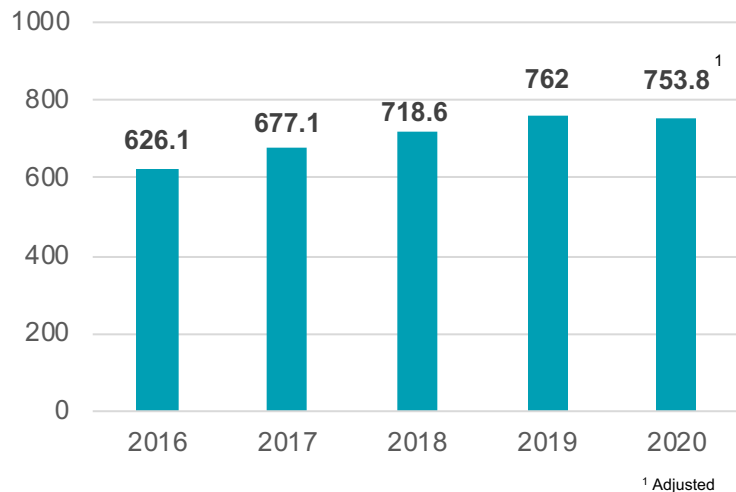


Strong balance sheet helps to pursue future opportunities in Corona times

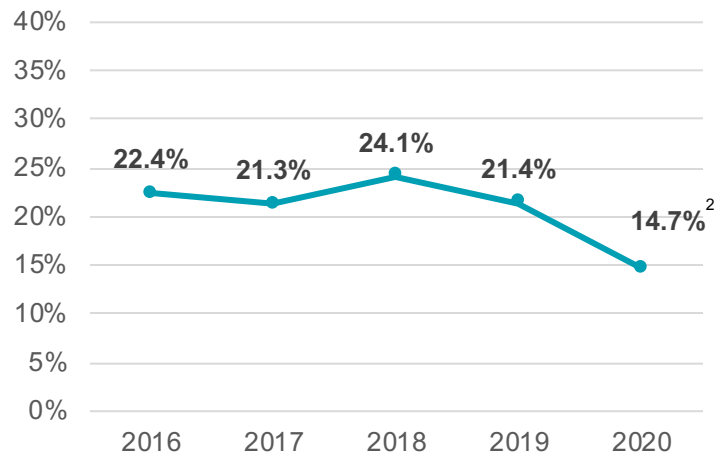


ROCE development driven by lower absolute EBIT and constant capital employed

Average capital employed

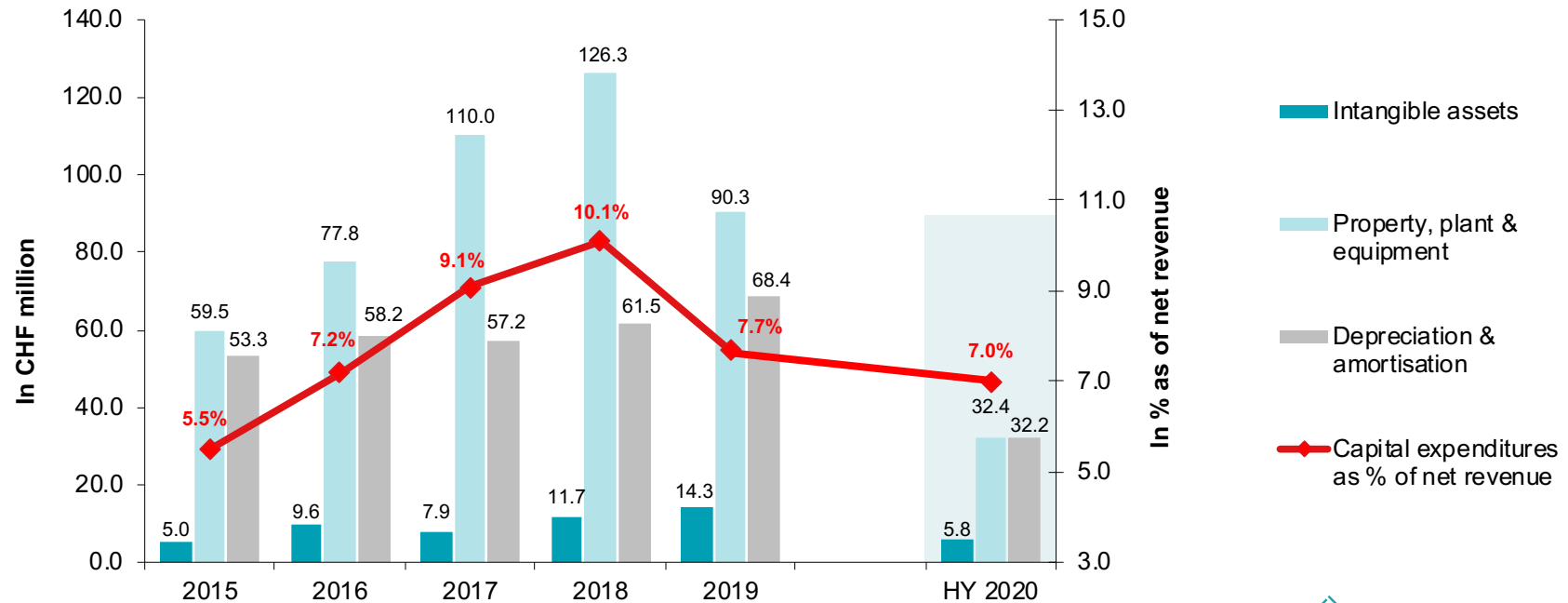


ROCE (LTM)



² 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
Net revenue	488.6	57.1	545.7	544.7	161.6	706.3
Costs of goods sold	(370.3)	(46.5)	(416.8)	(395.6)	(129.3)	(524.9)
Gross profit	118.3	10.6	128.9	149.1	32.3	181.4
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)	-	-	-
Operating result	64.5	(463.9)	(399.4)	92.1	(0.9)	91.2
Net finance result	(6.6)	(0.3)	(6.9)	(2.9)	(0.3)	(3.2)
Earnings before tax (EBT)	57.9	(464.2)	(406.3)	89.2	(1.2)	88.0
Income tax expenses	(14.4)	(1.0)	(15.4)	(18.5)	(3.3)	(21.8)
Net result	43.5	(465.2)	(421.7)	70.7	(4.5)	66.2
Net result per bearer share (in CHF)	2.56	(27.36)	(24.80)	4.16	(0.27)	3.89

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
Total assets	1 087.3	1 161.7	1 345.6
Current liabilities	244.1	303.0	323.0
Long-term liabilities	178.8	183.6	183.1
Total liabilities	422.9	486.6	506.1
Equity	664.4	675.1	839.5
Total liabilities and equity	1 087.3	1 161.7	1 345.6
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
Net cash from operating activities	79.1	88.3
- Of which change in net working capital	(24.1)	(36.4)
Net cash used in investing activities	(18.5)	(48.9)
- Of which property, plant and equipment, net	(37.7)	(44.6)
- Of which disposal of subsidiaries (net of cash disposed of)	19.3	-
Free Cash Flow	60.6	39.4
Net cash used in financing activities	(79.8)	(28.9)
- 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)
Net change in cash and cash equivalents	(19.2)	10.5
Cash and cash equivalents (end of period)	168.7	180.3

Outlook

Dirk Lambrecht, CEO

Engineered by



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



DATWYLER

Strategic priorities

DRIVE PROFITABLE GROWTH



Opening of the Health
Care plant in the USA



Access new
markets



Promotion of new techno-
logies and skills



Reduction of resource consumption
Increase of sustainability



Expansion of Health
Care capacity in India



Innovative new products
and applications



Expansion into new
geographical markets

INCREASE AGILITY



Empowerment
of employees



Employee survey underlines high
levels of commitment and motivation



Vision of a self-learning
organisation



Culture change



Automated guided
vehicles (AGV)



Robotic process
automation (RPA)



Use of big data



Modernization and expansion
of the ERP software package



Digitalisation of all
HR processes

ACCELERATE DIGITALISATION



DATWYLER

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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