

INDUSTRIAL SOLUTIONS

Datwyler is a leading supplier of system-critical elastomer components to the attractive global Mobility, Oil & Gas, General Industry and Food & Beverage markets. For instance, customer-specific components make an important contribution to driver and passenger safety in every second car worldwide. Leading core competencies in solution design, material expertise and operational excellence as well as a worldwide presence with its own production sites form the successful basis for this. As a recognised development partner, Datwyler maintains close, long-standing relationships with global innovation leaders and has in-depth knowledge of technologies and development trends in the markets it serves.



Target groups

- Automotive system suppliers
- Oil and gas service companies
- Aerospace
- Manufacturers of power tools
- Process and drinking water treatment industries
- Manufacturers of portioned food products

Geographical markets

- Europe, North and South America, Asia

Products and services

Food & Beverage

- Sealing solutions for food and beverage industry

Mobility

System-critical components for

- Electromobility of the future
- Active assistance and safety systems
- Brake systems
- Fuel and engine management
- Exhaust gas aftertreatment (Selective Catalytic Reduction)

Oil & Gas

- Sealing components for upstream systems

General Industry

- Sealing components for power tools, water and process industries



With its Lean & Clean production concept, Datwyler is setting new standards for the production of custom and system-critical components for mobility applications.

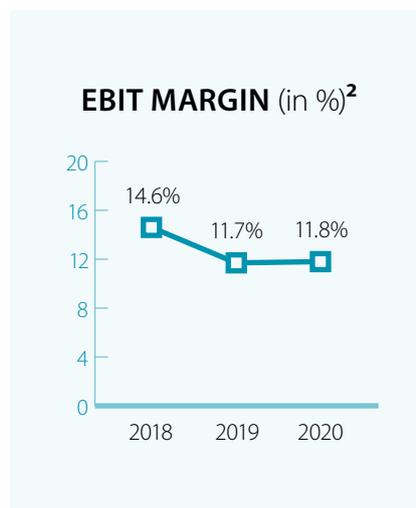
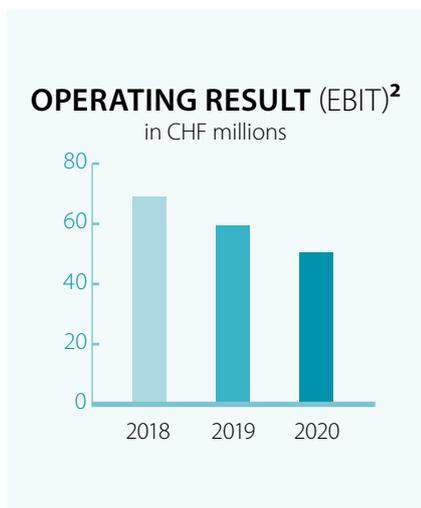
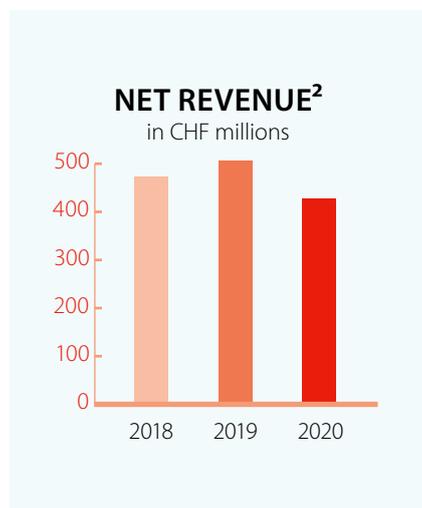
Industrial Solutions recovers slightly in the second half of the year

Revenue and earnings

- Due to the substantial negative impact of the pandemic, revenue for continuing operations in the Industrial Solutions business area (excluding the divested Civil Engineering business unit) fell to CHF 427.5 million (previous year: CHF 505.3 million). This corresponds to a currency-adjusted decline of 11.4%.
- Thanks to the rapid adjustment of the cost structures and the encouraging performance of the Food & Beverage business, the EBIT margin improved slightly to 11.8% (previous year: 11.7%). The operating result (EBIT) amounted to CHF 50.4 million (previous year: CHF 59.1 million).

Important developments in 2020

- The Mobility, General Industry and Oil & Gas business units were hit by the negative economic effects of the pandemic in the second quarter. Whereas Mobility and General Industry business showed signs of a recovery from the third quarter onwards, the Oil & Gas business remained under considerable pressure in the second half of the year.
- The Food & Beverage business unit was able to accelerate growth compared with the previous year. Having signed a new multi-year contract with Nespresso up to 2030, Datwyler set about expanding capacity accordingly. Production also got under way for a further customer in the third quarter.



² Continuing operations

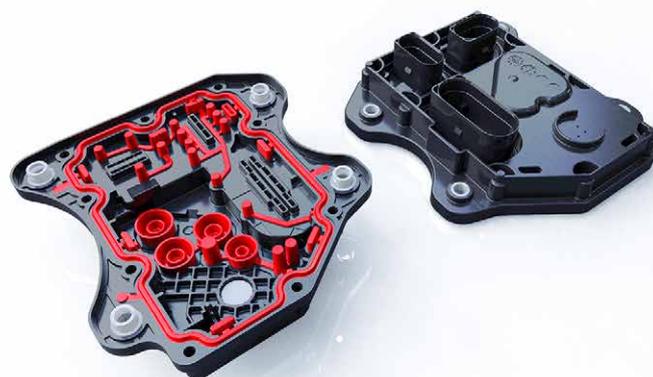
- The integration of the companies Bins and Parco originally acquired in 2018 was completed successfully.
- The Civil Engineering business with elastomer profiles for application in superstructure, underground and railway construction was sold in May.

Current priorities

- Electromobility is the clear focus topic in the Mobility business unit's strategy. Datwyler is currently developing a large number of system-critical components for vehicle electrification. Smart rubber products with integrated sensors enable new applications for active assistance and safety systems in vehicles.
- By investing in a new center of competence for surface technology at the Swiss site, Datwyler strengthens its leading position in the market for multi-component parts in combination with elastomers. These products play a particularly important role in systems for electric vehicles.
- In the Food & Beverage business unit, Datwyler is investing in a significant expansion of production capacities at the Swiss site so that it can handle the volumes forecast by customers.

Outlook

- The further effects of the pandemic on consumer behaviour and the economy remain uncertain. However, Datwyler is confident that the recovery of the markets in the fourth quarter and the good order backlog in the Industrial Solutions business area will lead to high single-digit revenue growth in 2021.
- In the Food & Beverage business unit, Datwyler expects the next few years to bring strong growth and an altered customer and product mix, which will weaken margins.
- The demand situation in the Oil & Gas business unit will only improve with a significantly higher oil price.



Multi-component housing made of thermoplastic with molded-on seal made of liquid silicone rubber for an electronic control unit in vehicles.

- In the General Industry business unit in particular, Datwyler is constantly assessing potential acquisition targets as a way of gaining access to new technologies and markets in order to drive organic growth.

KEY FIGURES OF INDUSTRIAL SOLUTIONS²

in CHF millions	2020	2019
Net revenue	427.5	505.3
Operating result (EBIT) ¹	50.4	59.1
Operating result as % of net revenue ¹	11.8%	11.7%
ROCE ¹ in %	17.1%	20.0%
Average capital employed ¹	294.8	295.5
Capital expenditures ¹	33.7	28.7
Number of full-time equivalents (at year-end)	4'015	4'362

²Continuing operations



33.7
CHF million
Capital expenditures



4'015
Full-time equivalents



17.1%
ROCE

¹ Datwyler Group uses certain financial performance measures that are not defined by Swiss GAAP. The definition of these alternative performance measures are published under: [datwyler.com/investors/publications](https://www.datwyler.com/investors/publications)