



HEALTHCARE SOLUTIONS

Datwyler is a leading supplier of system-critical elastomer components for injectable drug delivery systems. These components are used in billions of prefilled syringes, glass vials and cartridges worldwide, improving patients' lives. With a worldwide network of highly automated production facilities, Datwyler is able to supply locally manufactured components to global pharmaceutical companies in the key economic regions. The market for healthcare components is low cyclical and is characterised by high entry barriers and structural growth trends such as the aging society in industrialised countries or the increase in living standards in emerging markets.



Target groups

- Pharmaceutical and biotech companies
- Manufacturers and contract fillers of injectable drugs
- Manufacturers of diagnostic and medical products
- Manufacturers of parenteral drug delivery systems

Geographical markets

- Europe, North and South America, Asia, Australia

Products and services

- High-quality rubber components for prefilled syringes, pens and injection systems
- Components and closures for injectable drugs in vials
- Rubber components for blood collection systems, IV administration sets, disposable syringes, etc.
- Rubber components for diagnostics and medical devices



The new, highly automated production facilities will enable Datwyler to participate overproportionally in the growth of the healthcare market in the future.

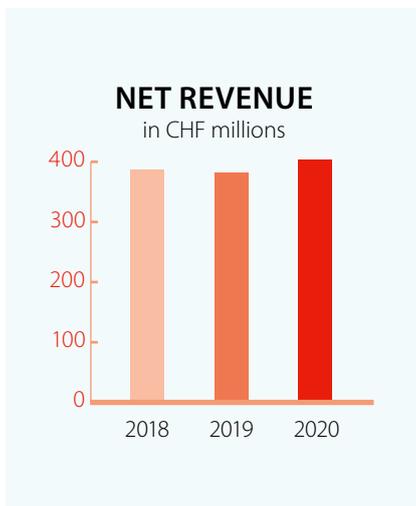
Healthcare Solutions reports increasing growth in revenue and margins

Revenue and earnings

- The pandemic has led on the one hand to additional expenses in the Healthcare Solutions business area and on the other to increased demand for high-quality coated components for COVID-19 vaccines and treatments.
- Revenue rose to CHF 403.4 million (previous year: CHF 380.6 million). Having accelerated continuously over the course of the year, growth ultimately reached a figure of 11.8%, adjusted for the impact of the strong Swiss franc.
- Despite expenses for managing the impact of the pandemic, start-up costs for new production capacities, higher depreciation and negative currency effects, Datwyler succeeded in improving the operating result (EBIT) by 24.1% to CHF 79.2 million (previous year: CHF 63.8 million). This equates to a significantly higher EBIT margin of 19.6% (previous year: 16.8%).

Important developments in 2020

- To maintain delivery capacity during the COVID-19 pandemic, products had to be moved from one site to other sites within a very short space of time. The Datwyler approach of operating all of its locations around the world according to uniform standards proved its worth in this situation.
- A further expansion of production capacities in India and the US.
- Optimisation of the product portfolio thanks to the successful launch of the new NeoFlex components for prefilled syringes and cartridges, manufactured according to the FirstLine production standard. The seamless fluoropolymer coating of the NeoFlex components offers maximum protection for the quality of sensitive biotech medicines, optimises the functionality of the prefilled syringes and improves patient safety.



- A substantially expanded selection of ready-to-use components at several sites and the introduction of steam sterilisation.

Current priorities

- Contribution to the fight against the COVID-19 virus: Datwyler supports pharmaceutical customers in the provision of life-saving vaccines and treatments with its system-critical components.
- Expansion of production capacities at existing sites through continuous increases in productivity with a focus on automation and through additional work shifts (24 hours, seven days a week).
- Investment in additional facilities for coating components in order to eliminate bottlenecks and respond to growing demand.
- Further expansion of production capacities through the extension of the site in India. Owing to delays in construction due to the pandemic, the second plant is now scheduled to go into operation in the second quarter of 2022.
- Significant expansion of local presence and the partner networks in the US, China, India and selected emerging countries so that we can serve customers better with local support in these rapidly growing markets.



Datwyler's system-critical elastomer components are used in billions of pharmaceutical vials and syringes worldwide.

- The additional production capacities and the expansion of our local presence will enable us to increase our market share and participate in market growth to a disproportionately high extent in the future.

Outlook

- In light of the structural growth trends towards high-quality products and the increasing demand for coated components for COVID-19 vaccines and treatments, Datwyler expects to achieve revenue growth well into double figures in 2021.
- To minimise quality risks, manufacturers of COVID-19 vaccines favour coated components. This will have a positive impact on the average margin for the product mix.

KEY FIGURES OF HEALTHCARE SOLUTIONS

in CHF millions	2020	2019
Net revenue	403.4	380.6
Operating result (EBIT) ¹	79.2	63.8
Operating result as % of net revenue ¹	19.6%	16.8%
ROCE ¹ in %	23.7%	24.6%
Average capital employed ¹	334.2	259.8
Capital expenditures ¹	54.4	64.6
Number of full-time equivalents (at year-end)	2'228	2'156



54.4
CHF million
Capital expenditures



2'228
Full-time equivalents



23.7%
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)