INTERIM REPORT
2021

DATWYLER

HIGHLIGHTS

590 mn
Revenue in CHF

16.8%
EBIT margin

74.5 mn
net result in CHF

KEY FIGURES DATWYLER GROUP

in CHF millions	Six months (unaudited) ended			
	30.06.2021 unaudited	30.06.2020 unaudited	**30.06.2021 Continuing operations**	30.06.2020 Continuing operations
Net revenue	590.0	545.7	590.0	488.6
Change compared to prior period (%)	8.1%	–22.7%	20.8%	–10.3%
EBITDA (previous year: before loss on sale of subsidiaries) [1]	131.4	97.2	131.4	94.6
EBITDA as % of net revenue	22.3%	17.8%	22.3%	19.4%
EBIT (previous year: before loss on sale of subsidiaries) [1]	98.9	65.1	98.9	64.5
EBIT as % of net revenue	16.8%	11.9%	16.8%	13.2%
Operating result (EBIT)	98.9	–399.4	98.9	64.5
Operating result as % of net revenue	16.8%	–73.2%	16.8%	13.2%
Net result	74.5	–421.7	74.5	43.5
Net result as % of net revenue	12.6%	–77.3%	12.6%	8.9%
ROCE (LTM) [1] **in %**	25.2%	n/a	25.2%	16.8%
Average capital employed [1]	723.3	n/a	723.3	631.7
Net cash from operating activities	78.6	79.1		
Net cash used in investing activities	–53.3	–18.5		
Free cash flow [1]	25.3	60.6		
Net cash used in financing activities	–60.6	–79.8		
Net change in cash and cash equivalents [1]	–35.3	–19.2		
Cash and cash equivalents	137.6	168.7		
Capital expenditures [1]	54.8	38.2		
Total assets	1'181.0	1'087.3		
Equity	769.7	664.4		
Equity as % of total assets	65.2%	61.1%		
Number of employees	7'096	6'700		
Full time equivalents	6'998	6'558		

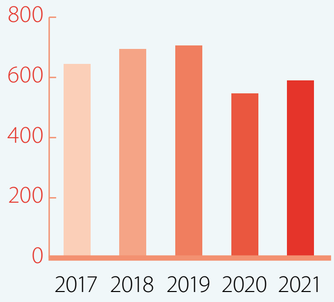
[1] Datwyler Group uses certain financial performance measures that are not defined by Swiss GAAP.
The definition of these alternative performance measures is published under: datwyler.com/investors/publications

PER SHARE DATA

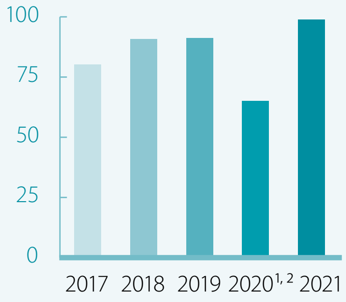
in CHF	Six months ended 30.06.2021 unaudited	Six months ended 30.06.2020 unaudited
Earnings per bearer share	4.38	–24.80
Market price (high / low) per bearer share	317/250	189 / 126

54.8 mn
Capital expenditure in CHF

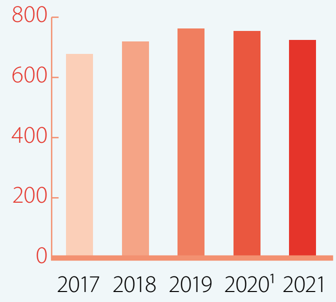
NET REVENUE
in CHF million



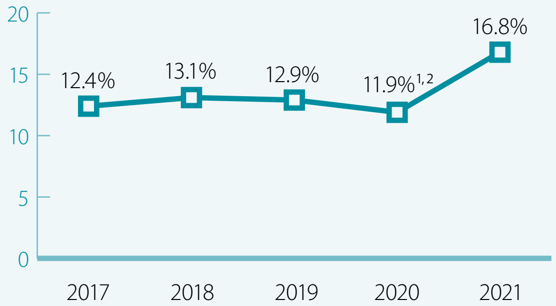
OPERATING RESULT (EBIT)
in CHF million



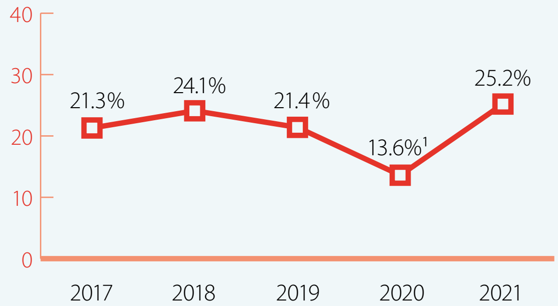
CAPITAL EMPLOYED[2]
in CHF million



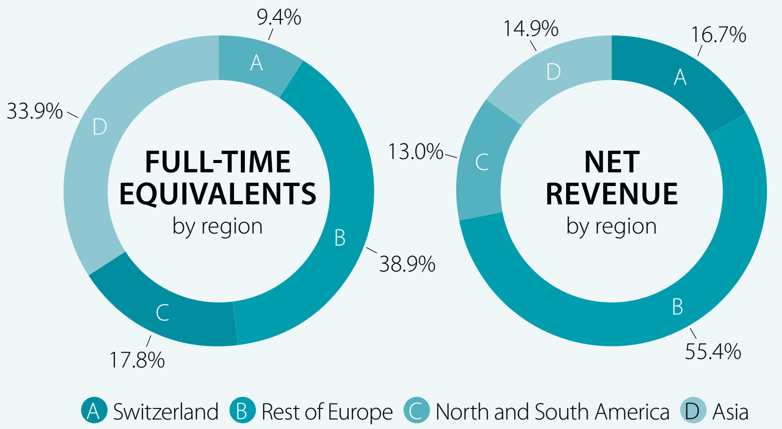
EBIT MARGIN
in %



ROCE (LTM)[2, 3]
in %



7'096
Employees



[1] Adjusted for the loss on the sale of subsidiaries.

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

[3] ROCE is calculated by dividing the operating result (EBIT) of the last twelve months (= LTM) by the average capital employed of the same period.

LETTER TO THE SHAREHOLDERS

Datwyler accelerates its profitable growth

- **The Group's strategic realignment shows potential for the future.**
- **Strong revenue growth of 20.8% to CHF 590.0 million – leading manufacturers of COVID-19 vaccines supplied.**
- **Disproportionate increase in the operating result (EBIT) by 53.3% to CHF 98.9 million, EBIT margin of 16.8%.**
- **Forecasts for revenue and EBIT margin for the year as a whole increased to over CHF 1'150 million and to above 16%.**

Once again, the COVID-19 pandemic dominated the first half of the year around the world. Unlike in the first lockdown phase in the spring of 2020, however, Datwyler's sales markets and production were significantly less affected. The safety concepts and rules of conduct at the sites were optimised continuously and proved to be effective, enabling us to protect our employees' health and guarantee delivery capacities for our customers at all times. Thanks to our modern ICT infrastructure, working from home did not limit our employees' productivity.

Large increase in profit thanks to revenue growth and cost discipline

In contrast to the pandemic-hit prior-year period, Datwyler recorded dynamic revenue growth from continuing operations of 20.8% to CHF 590.0 million (previous year: CHF 488.6 million) in the first half of 2021. The currency effect was practically negligible. Datwyler was able to achieve revenue growth – in some cases well into double digit – in almost all the markets it serves. Thanks to the good utilisation of capacity and strict cost management, the operating result (EBIT) rose disproportionately by 53.3% to CHF 98.9 million (previous year: CHF 64.5 million). As a result, the EBIT margin improved accordingly by more than three percentage points to 16.8% (previous year: 13.2%). The net result rose by 71.3% to CHF 74.5 million (previous year: CHF 43.5 million). Due to the one-off negative effects of the coronavirus pandemic in the first half of 2020, it is worth drawing a comparison with the first half of 2019 and the second half of 2020. Taking continuing operations into account, the comparison with the first half of 2019 shows that Datwyler's revenue and income rose above pre-pandemic levels by 8.0% and 7.4%, respectively. In comparison with the second half of 2020, we were able to accelerate revenue growth and improve our margin. The Healthcare Solutions and Industrial Solutions business areas generated a combined EBIT margin of 18.3% in the first half of 2021. With this figure, the profitability of the core business is already close to the former Sealing Solutions Division, highlighting the potential for the future created by the Group's strategic realignment.

Healthcare Solutions increases EBIT by more than 50%

In its Healthcare Solutions business area, Datwyler is supporting the leading vaccine manufacturers in the provision of COVID-19 vaccines. We supply, among others, BioNTech and the Serum Institute of India with system-critical elastomer components. Boosted by the additional demand due to COVID-19, revenue was up by 18.7% to CHF 238.7 million (previous year: CHF 201.1 million). The currency effect was negligible. Datwyler also posted strong organic growth in its core business for system-critical components for high-quality injectable medicines. Through its newly launched NeoFlex components, the company was able to acquire new customers and medicine projects, which will lay the foundations for long-term revenue growth. Datwyler was also able to expand its customer base via its participation in COVID-19 vaccine projects. Thanks to the high utilisation of capacities, Healthcare Solutions increased the operating result (EBIT) by 60.3% to CHF 56.9 million (previous year: CHF 35.5 million). The EBIT margin improved by around a third to 23.8% (previous year: 17.7%). One factor that contributed to this was a positive change in the product mix with a greater proportion of high-margin coated components being manufactured according to FirstLine standards.

To avoid future capacity bottlenecks and maintain delivery capabilities, Datwyler is continuing to invest in the expansion of production capacities. Over the course of 2021, CHF 75 million to CHF 85 million are being invested in additional production facilities in the existing seven healthcare sites on three continents and the second production plant at the existing site in India. In addition to the expansion of our own capacities, the limited availability of global logistical capacities is causing additional challenges. The procurement of raw materials requires increased attention, but should be ensured.

Significant recovery at Industrial Solutions

The Industrial Solutions business area experienced a significant recovery in demand in the first half of 2021. The revenue for continuing operations (excluding Civil Engineering) rose by 23.9% to CHF 249.3 million (previous year: CHF 201.2 million). Adjusted for currency effects, this equates to a growth rate of 23.2%. Thanks to the improved capacity utilisation and consistent cost management, the operating result (EBIT) rose by 50.5% to CHF 31.9 million (previous year: CHF 21.2 million). As a result, the EBIT margin improved accordingly to 12.8% (previous year: 10.5%). In total, the revenue of Industrial Solutions is still 4.7% and the EBIT 22.2% below pre-pandemic levels of 2019. In the Mobility and General Industry business units in particular, the market conditions have more or less normalised again in comparison with the pandemic-hit first half of 2020. However, the general shortage of IT components in the automobile industry is having a negative impact on global production activities, which also slows down the development of revenues in Datwyler's Mobility business unit. As a result, Mobility's revenue is still around 10% below pre-pandemic levels from 2019. With the transfer of the liquid silicone production technology to the sites in Mexico and China, Datwyler has established a global production base for complex multi-component parts, which are used in electric vehicles in particular. The company is also upgrading its Chinese site with next-generation injection moulding technology.

In the Food & Beverage business unit, the new ten-year agreement with Nespresso and the supply of further customers accelerated revenue growth. As announced, the changed product mix has a negative impact on the margin. Due to the high order backlog in the Food & Beverage business unit, Datwyler is investing an expected CHF 30 million in new production facilities and automation at the Swiss site over the course of 2021. To streamline its organisation, Datwyler further optimised the structures in the Industrial Solutions business area. Among other changes, the Oil & Gas business unit is now part of the General Industry business unit.

Strong growth at online distributor Reichelt

The online distributor Reichelt also benefited from the acceleration in the online shopping trend that occurred in the first half of 2021 as well as the additional demand for electronic equipment for home offices and home schooling. Revenue increased by 17.2% to CHF 105.0 million (previous year: CHF 89.6 million). Adjusted for currency effects, this equates to growth of 14.0%. Over the course of the reporting period, Reichelt recorded slower growth in the business-to-consumer segment and faster growth in the business-to-business segment. Thanks to the very high utilisation of capacity and operating leverage effects, the operating result (EBIT) rose by 36.5% to CHF 10.1 million (previous year: CHF 7.4 million). The EBIT margin further improved to 9.6% (previous year: 8.3%). Over the last five years, Reichelt has more than doubled its range of available products and increased the share of revenue generated outside Germany, which is growing at an above-average rate, to almost 20%. To be able to continue serving customers with its short delivery times, Reichelt is investing around CHF 10 million in a new distribution centre which will double its logistical capacities. The centre is scheduled to go into operation in 2023.

Optimistic outlook – higher forecasts

The outlook remains uncertain due to the pandemic. Thanks to the progress of global vaccination campaigns, however, we expect framework conditions in the markets relevant to us to remain mostly stable. The order books in the Healthcare and Food & Beverage businesses remain high. We are confident that the market recovery will continue for General Industry. Short-term trends in the Mobility business unit depend substantially on how the general shortage of electronic components affects the number of vehicles produced worldwide. Further uncertainty is being created by the increasingly difficult procurement situation for certain raw materials in the Mobility and General Industry business units. In most cases, rising raw material prices can be passed on to customers after a certain delay through price clauses in the contracts. For the online distributor Reichelt, the shortage of components could dampen the very high growth. Thanks to the excellent value proposition it offers, however, Reichelt still enjoys a very strong long-term market position. Against this backdrop, we are confident that, despite a seasonally weaker second half, we will be able to increase revenue to over CHF 1'150 million (previous target: CHF 1'100 million) and achieve an EBIT margin of above 16% (previous target: 15%) over the year as a whole.

This year, too, it is especially important to us to say a big thank you to our employees all around the world. They were all exemplary in sticking to the rules on hygiene and conduct to slow the spread of the COVID-19 virus while at the same time continuing to achieve excellence day in, day out. In this way, they laid the foundations that enable Datwyler to guarantee its employees' health and the company's delivery capabilities at all times. Until the pandemic is completely over, these remain our overriding objectives.

In these challenging times, we would also particularly like to thank our customers for their loyalty and the constructive working relationship. Together with our staff, we are proud that we are able to make an important contribution to overcoming the pandemic with our system-critical elastomer components. Finally, our thanks also go to our shareholders for their trust.

On behalf of the Board of Directors

Dr. Paul Hälg, Chairman

On behalf of the Executive Management

Dirk Lambrecht, CEO

Consolidated Income Statement

in CHF millions		Six months (unaudited) ended					
	Note	Continuing operations	Discontinued operations	**Total**	Continuing operations	Discontinued operations	**Total**
		30.06.2021	**30.06.2021**	**30.06.2021**	30.06.2020	30.06.2020	30.06.2020
Net revenue	1	590.0	–	590.0	488.6	57.1	545.7
Cost of goods sold		–432.3	–	–432.3	–370.3	–46.5	–416.8
Gross profit		157.7	–	157.7	118.3	10.6	128.9
Research and development expenses		–12.9	–	–12.9	–11.1	–0.9	–12.0
Marketing and selling expenses		–25.8	–	–25.8	–24.5	–6.5	–31.0
General and administrative expenses		–29.9	–	–29.9	–29.6	–2.8	–32.4
Other operating income		10.1	–	10.1	11.5	0.2	11.7
Other operating expenses		–0.3	–	–0.3	–0.1	–0.0	–0.1
Loss on sale of subsidiaries	3	–	–	–	–	–464.5	–464.5
Operating result	1	98.9	–	98.9	64.5	–463.9	–399.4
Net finance result	5	–1.2	–	–1.2	–6.6	–0.3	–6.9
Earnings before tax (EBT)		97.7	–	97.7	57.9	–464.2	–406.3
Income tax expenses		–23.2	–	–23.2	–14.4	–1.0	–15.4
Net result		74.5	–	74.5	43.5	–465.2	–421.7
Net result per bearer share (in CHF)[1]		**4.38**	**–**	**4.38**	**2.56**	**–27.36**	**–24.80**

[1] There were no dilutive effects in the first half-year of 2021 and 2020.

The accompanying notes on pages 10 to 14 are an integral part of these interim consolidated financial statements.

Consolidated Balance Sheet

Assets

in CHF millions	Note	30.06.2021 unaudited	31.12.2020	30.06.2020 unaudited
Cash and cash equivalents		137.6	169.5	168.7
Trade accounts receivable		203.0	167.8	157.7
Inventories		157.3	123.5	132.1
Other receivables		27.8	27.5	18.4
Prepayments made and accrued income		8.9	9.4	10.8
Current assets		534.6	497.7	487.7
Property, plant and equipment		559.4	525.4	514.1
Intangible assets		27.3	25.3	25.0
Deferred income tax assets		58.7	57.5	59.7
Miscellaneous financial assets		1.0	1.0	0.8
Non-current assets		646.4	609.2	599.6
Total assets	4	**1'181.0**	**1'106.9**	**1'087.3**

Liabilities and equity

in CHF millions	Note	30.06.2021 unaudited	31.12.2020	30.06.2020 unaudited
Trade accounts payable		74.8	59.8	55.2
Short-term bank debt		0.9	0.0	20.7
Current interest-bearing liabilities due to Pema Holding AG		52.0	55.0	87.0
Current provisions		17.7	14.6	13.9
Other current liabilities		48.9	33.0	29.8
Accrued expenses and deferred income		44.6	37.2	37.5
Current liabilities		238.9	199.6	244.1
Long-term bank debt		0.2	0.2	0.2
0.625% bond 2018–2024		150.0	150.0	150.1
Long-term provisions		9.6	9.5	15.3
Deferred income tax liabilities		9.8	9.4	9.6
Pension liabilities		2.7	3.0	3.5
Other long-term liabilities		0.1	0.1	0.1
Long-term liabilities		172.4	172.2	178.8
Total liabilities		411.3	371.8	422.9
Share capital		0.9	0.9	0.9
Treasury shares		–	–	–
Additional paid-in capital		205.1	205.1	205.1
Goodwill offset against equity		–355.6	–355.4	–355.4
Retained earnings		997.2	978.7	902.5
Cumulative translation adjustments		–77.9	–94.2	–88.7
Equity		769.7	735.1	664.4
Total liabilities and equity	4	**1'181.0**	**1'106.9**	**1'087.3**

The accompanying notes on pages 10 to 14 are an integral part of these interim consolidated financial statements.

Condensed Consolidated Cash Flow Statement

in CHF millions	Note	Six months ended 30.06.2021 unaudited	30.06.2020 unaudited
Net result		74.5	–421.7
Non-cash items of income and expenses		49.0	524.9
Operating cash flow before changes in working capital		123.5	103.2
Changes in net working capital		–44.9	–24.1
Net cash flow from operating activities		78.6	79.1
Net purchases of property, plant and equipment and intangible assets		–53.1	–37.7
Earn-out payments		–0.1	–0.0
Disposal of subsidiaries (net of cash disposed of)	3	–	19.3
Net purchases of other non-current assets		–0.1	–0.1
Net cash used in investing activities		–53.3	–18.5
Net proceeds from/(repayment of) bank debt		0.8	–25.0
Net repayment of loan payable to Pema Holding AG		–3.0	–1.5
Net decrease in other long-term liabilities		–0.1	–0.7
Purchase of treasury shares		–3.9	–1.6
Dividend paid to shareholders		–54.4	–51.0
Net cash used in financing activities		–60.6	–79.8
Net change in cash and cash equivalents		–35.3	–19.2
Cash and cash equivalents at 1 January		169.5	191.9
Effect of exchange rate changes on cash and cash equivalents		3.4	–4.0
Cash and cash equivalents at 30 June		**137.6**	**168.7**

The accompanying notes on pages 10 to 14 are an integral part of these interim consolidated financial statements.

Consolidated Statement of Changes in Equity

in CHF millions	Share capital [1]	Treasury shares [2]	Additional paid-in capital	Goodwill offset against equity	Retained earnings	Cumulative translation adjustments	**Total equity**
At 1 January 2020	**0.9**	**–**	**205.1**	**–780.7**	**1'374.6**	**–124.8**	**675.1**
Net result	–	–	–	–	–421.7	–	–421.7
Dividends	–	–	–	–	–51.0	–	–51.0
Purchase of treasury shares	–	–1.6	–	–	–	–	–1.6
Share award plan (see note 6)	–	1.6	–	–	–	–	1.6
Long-term incentive plan (see note 6)	–	–	–	–	0.6	–	0.6
Offset of goodwill from acquisitions	–	–	–	–0.0	–	–	–0.0
Goodwill charged to income on sale of subsidiaries (see note 3)	–	–	–	425.3	–	–	425.3
Cumulative translation adjustments charged to income on sale of foreign subsidiaries (see note 3)	–	–	–	–	–	55.3	55.3
Other currency translation differences	–	–	–	–	–	–19.2	–19.2
At 30 June 2020	**0.9**	**–**	**205.1**	**–355.4**	**902.5**	**–88.7**	**664.4**
Net result	–	–	–	–	75.4	–	75.4
Long-term incentive plan	–	–	–	–	0.8	–	0.8
Currency translation differences	–	–	–	–	–	–5.5	–5.5
At 1 January 2021	**0.9**	**–**	**205.1**	**–355.4**	**978.7**	**–94.2**	**735.1**
Net result	–	–	–	–	74.5	–	74.5
Dividends	–	–	–	–	–54.4	–	–54.4
Purchase of treasury shares	–	–3.9	–	–	–	–	–3.9
Share award plan (see note 6)	–	1.5	–	–	–	–	1.5
Long-term incentive plan (see note 6)	–	2.4	–	–	–1.6	–	0.8
Offset of goodwill from acquisitions	–	–	–	–0.2	–	–	–0.2
Currency translation differences	–	–	–	–	–	16.3	16.3
At 30 June 2021	**0.9**	**–**	**205.1**	**–355.6**	**997.2**	**–77.9**	**769.7**

[1] At 30 June 2021, the holding company's share capital was CHF 850'000 (30 June 2020 CHF 850'000).
[2] At 30 June 2021, the par value of treasury shares amounted to CHF 0 (30 June 2020 CHF 0).

The accompanying notes on pages 10 to 14 are an integral part of these interim consolidated financial statements.

Notes to the Consolidated Financial Statements

1 / SEGMENT INFORMATION

in CHF millions	Healthcare Solutions	Industrial Solutions	Technical Components	Elimi-nations	**Total Group**
Six months ended 30 June 2021:					
Revenue from external customers	238.7	246.3	105.0	–	590.0
Inter-segment revenue	–	3.0	0.0	–3.0	–
Total net revenue	238.7	249.3	105.0	–3.0	590.0
Operating result	56.9	31.9	10.1	–	98.9
Operating result as % of net revenue	23.8%	12.8%	9.6%	–	16.8%

in CHF millions	Healthcare Solutions	Industrial Solutions	Technical Components	Elimi-nations	**Total Group**
Six months ended 30 June 2020:					
Revenue from external customers	201.1	208.7	135.9	–	545.7
Inter-segment revenue	–	3.3	0.0	–3.3	–
Total net revenue	201.1	212.0	135.9	–3.3	545.7
Operating result	35.5	13.2	–448.1	–	–399.4
Operating result as % of net revenue	17.7%	6.2%	–329.7%	–	–73.2%

The Datwyler Group is a focused industrial supplier organised into two business areas with leading positions in global and regional market segments. In addition, Datwyler Group owns in the Technical Components division the electronic distributor Reichelt in Germany.

The result of the Group management functions is allocated to the two business areas Healthcare Solutions and Industrial Solutions using a revenue-based key. The business areas and Reichelt are managed independently and their business performance is measured separately.

The Business Area Healthcare Solutions offers system-critical components for containers and delivery systems for injectable drugs and diagnostics in the pharmaceutical and medical markets. The significant manufacturing and distribution companies are located in Belgium, Germany, Italy, the USA and India.

The Business Area Industrial Solutions manufactures customised system-critical components for applications in the Mobility, Food & Beverage and General Industry markets. The significant manufacturing and distribution companies are located in Switzerland, Germany, Italy, the Czech Republic, Ukraine, China, South Korea, the USA, Brazil and Mexico.

The Technical Components division currently consists of the electronic distributor Reichelt located in Germany. Until the sale of the Distrelec and Nedis subsidiaries in March 2020, see note 3, the Technical Components division was a high-service distributor of maintenance, automation, electronic and ICT components and accessories with about 30 distribution and service companies across Europe.

2 / BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying consolidated financial statements (hereinafter referred to as the "interim consolidated financial statements") comprise the unaudited interim financial statements for the six months ended 30 June 2021 (hereinafter referred to as "first half of 2021"). The consolidated financial statements are prepared in accordance with Swiss GAAP. The consolidated interim financial statements have been prepared in accordance with the rules of Swiss GAAP standard 31 relating to interim financial reporting. The interim consolidated financial statements do not include all the information and disclosures presented in the annual consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements for the year ended 31 December 2020.

The interim consolidated financial statements were authorised for issue by the Board of Directors on 9 August 2021.

The interim consolidated financial statements include all companies which belonged to the Group during the reporting period and over which Dätwyler Holding Inc. had the power to govern the financial and operating policies so as to obtain benefits from their activities. In the Datwyler Group, this is achieved when more than 50% of a Group company's share capital or voting rights is unconditionally owned directly or indirectly by Dätwyler Holding Inc. domiciled in Altdorf (Switzerland).

Discontinued operations as presented in the consolidated income statement include all Distrelec and Nedis subsidiaries including TeCo CDC B.V. as well as the two TeCo Asia sourcing companies in China and Hongkong, for which an agreement for their sale was signed on 23 December 2019. In addition, discontinued operations also include the subsidiary Dätwyler Sealing Technologies Deutschland GmbH, which was sold at the beginning of May 2020, see also note 3 explaining both transactions.

The preparation of the interim consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the date of the financial statements. If in the future such estimates and assumptions, which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

The operations of the Datwyler Group are not subject to significant seasonal variations.

3 / DISCONTINUED OPERATIONS

In the Technical Components division Datwyler Group signed an agreement on 23 December 2019 for the sale of all Distrelec and Nedis subsidiaries including TeCo CDC B.V. in the Netherlands as well as the two TeCo Asia sourcing companies in China and Hong Kong. Accordingly, these entities are presented as discontinued operations in the income statement. The closing of the transaction occurred in the first half of March 2020.

The following table shows the carrying amount of assets and liabilities disposed of at the date of sale and the result generated from the transaction.

in CHF millions	Carrying amount on sale
Cash and cash equivalents	6.6
Trade accounts receivable	9.7
Inventories	13.6
Other current assets	0.1
Property, plant and equipment	4.8
Other non-current assets	1.3
Current liabilities	–33.3
Long-term liabilities	–8.7
Net assets disposed of	**–5.9**
Cumulative translation adjustments charged to income on sale of foreign subsidiaries	55.1
Goodwill charged to income on sale of subsidiaries	415.3
Subtotal	464.5
Loss on sale of subsidiaries	–456.5
Selling price received, net of transaction costs	8.0
Less cash and cash equivalents disposed of	–6.6
Net cash inflow on disposal	**1.4**

In the Industrial Solutions segment the subsidiary Dätwyler Sealing Technologies Deutschland GmbH including its operational real estate was sold at the beginning of May 2020 and is therefore presented as discontinued operations in the income statement. The following table shows the carrying amount of assets and liabilities disposed of at the date of sale and the result generated from the transaction.

in CHF millions	Carrying amount on sale
Cash and cash equivalents	0.6
Trade accounts receivable	3.9
Inventories	4.0
Other current assets	0.4
Property, plant and equipment	10.9
Other non-current assets	1.7
Current liabilities	–5.0
Long-term liabilities	–0.2
Net assets disposed of	**16.3**
Cumulative translation adjustments charged to income on sale of foreign subsidiaries	0.2
Goodwill charged to income on sale of subsidiaries	10.0
Subtotal	26.5
Loss on sale of subsidiary	–8.0
Selling price, net of transaction costs	18.5
Less cash and cash equivalents disposed of	–0.6
Net cash inflow on disposal	**17.9**

4 / BALANCE SHEET

Total assets increased by CHF 74.1 million or 6.7% compared to year-end 2020. Cash and cash equivalents of the Group amounted to CHF 137.6 million at the end of June 2021. The decrease of CHF 31.9 million compared to year-end 2020 resulted mainly from higher capital expenditures and the dividend payment. Consolidated equity increased by CHF 34.6 million to CHF 769.7 million, representing an equity ratio of 65.2%.

5 / INCOME STATEMENT

Compared with the first half of 2020, personnel expenses increased by CHF 9.5 million to CHF 167.2 million. Compared to 30 June 2020, the number of employees including temporary staff increased by 396 to 7’096 at 30 June 2021.

Net finance expenses of CHF 1.2 million (first half of 2020 CHF 6.9 million) include net foreign exchange gains of CHF 5.4 million (first half of 2020 losses of CHF 2.7 million) and net losses on derivative financial instruments of CHF 5.7 million (first half of 2020 losses of CHF 3.1 million). Net interest expense amounted to CHF 0.5 million in the first half of 2021 (first half of 2020 CHF 0.7 million).

6 / SHARE AWARD PLAN AND LONG-TERM INCENTIVE PLAN

Since 2007, Directors and senior executives have received a portion of their remuneration in the form of bearer shares of Dätwyler Holding Inc.

The share award plan was introduced in 2007 and since 2019 only directors are participating in this plan. The awarding of shares is based on a fixed monetary amount. The number of shares to be awarded, representing the fixed monetary amount, is determined based on current market value. Share-based payments under the share award plan are recognised as personnel expenses in full at issue date, because the voting and dividend rights of shares awarded are transferred to the beneficiaries at issue date. The shares awarded under the share award plan may not be sold for a period of five years after issue date. In June 2021, Directors were awarded a total of 4’879 (June 2020 8’924) bearer shares of Dätwyler Holding Inc., which were purchased for this purpose from the related party Pema Holding AG at market prices. Personnel expenses relating to the share award plan amounted to CHF 1.5 million (first half of 2020 CHF 1.6 million), without impact on additional paid-in capital (first half of 2020 no impact on additional paid-in capital).

Since 2018, a long-term incentive plan exists for senior executives, granting the participants a conditional right to receive bearer shares of Dätwyler Holding Inc. subject to fulfilment of certain conditions after completion of a three-year vesting period. Participants leaving the company before completion of the three-year vesting period usually will forfeit the right to receive shares. The number of shares to be received after completion of the vesting period is dependent on the share price performance as well as on achieving three performance targets in comparison with a peer group of companies. Personnel expenses for the long-term incentive plan attributable to the first half of 2021 amounted to CHF 0.8 million (first half of 2020 CHF 0.6 million). Under this plan, shares were awarded for the first time in April 2021, when 8’356 bearer shares of Dätwyler Holding Inc. were purchased for this purpose from the related party Pema Holding AG at market prices and distributed to the participants of the long-term incentive plan.

7 / EVENTS AFTER BALANCE SHEET DATE

The Board of Directors and the Executive Management are not aware of any significant events occurring up to the date of approval of the interim consolidated financial statements on 9 August 2021 that would cause an adjustment of the carrying amounts of the Group’s assets and liabilities.

8 / CURRENCY TRANSLATION RATES

	Six months ended 30 June 2021		Six months ended 30 June 2020	
	Closing rate at 30.06.	Average rate first half-year	Closing rate at 30.06.	Average rate first half-year
100 CNY	14.24	14.01	13.40	13.72
1 EUR	1.10	1.09	1.07	1.06
1 USD	0.92	0.91	0.95	0.97

Datwyler – leading provider of high-quality, system-critical elastomer components

Datwyler is focusing on high-quality, system-critical elastomer components and has leading positions in attractive global markets such as healthcare, mobility, food & beverage and general industry. With its recognised core competencies and technological leadership, the company delivers added value to customers in the markets served. Datwyler concentrates on markets that offer opportunities to create more value and sustain profitable growth. With a global presence with more than 20 operating companies, sales in over 100 countries and more than 7'000 employees Datwyler, headquartered in Switzerland, generates annual sales of more than CHF 1'000 million (including online distributor Reichelt). The Group has been listed on the SIX Swiss Exchange since 1986 (security no. 3048677).
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Important dates

Capital Market Day	30 September 2021
Annual Press Conference and Analyst Conference	18 February 2022
Annual General Meeting	16 March 2022
Interim Report	26 July 2022

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