

SCHWEITER TECHNOLOGIES



Media & Analyst Conference Half-Year Results 2014

Zurich – August 15, 2014

1 Welcome and Introduction



2 Half-Year Results 2014

3 Division Information

4 Strategy of Schweiter Technologies

5 Outlook

One Group – Two Leading Divisions

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3A Composites

Revenues: 600 - 800 MCHF / Employees: 2'200 (of which 500 in Ecuador)



SSM Textile Machinery

Revenues: 70 - 100 MCHF / Employees: 240



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■ **3A Composites**

- 14% increase in order intake, 10% growth in net sales
- Double digit growth in Core Materials and Architecture
- Increased profitability with > 10% EBITDA-margin
- Excellent results in Architecture and Display
- Innovations / new products and increased sales & marketing efforts leading to market share gains
- Recovery of wind industry in Core Materials despite continued price pressure

■ **SSM Textile Machinery**

- Excellent results (EBITDA-margin > 18%) driven by sales increase of 15% and strong process machine business (Giudici)

■ **Group**

- Double digit growth in net sales and profit

3A Composites

in CHF Mio.	H1 2014	H1 2013	Total 2013	H1/H1 in %
Orders received	349.9	306.1	627.9	14%
Net sales	333.1	301.9	612.0	10%
EBITDA <i>in % of net sales</i>	33.8 10.1%	31.3 10.4%	57.6 9.4%	8%
Employees (end of period)	2232	2193	2081	2%

- Good performance driven by excellent results in Architecture and Display
- Growth of Architecture business in “traditional” countries as well as in growth markets (Asia, Middle East)
- Innovations / new products and increased sales & marketing efforts leading to market share gains
- Core Materials benefitting from recovery of wind industry and success in marine market
- New technology for Balsa wood processing and erection of most modern site in Ecuador well on track
- Transportation below expectations due to project delays and long customer certification processes

	H1 2014	H1 2013	Total 2013	H1/H1 in %
in CHF Mio.				
Orders received	41.4	39.1	78.2	6%
Net sales	42.2	36.7	73.7	15%
EBITDA	7.7	4.8	8.1	60%
<i>in % of net sales</i>	<i>18.2%</i>	<i>13.1%</i>	<i>11.0%</i>	
Employees (end of period)	240	244	242	-2%

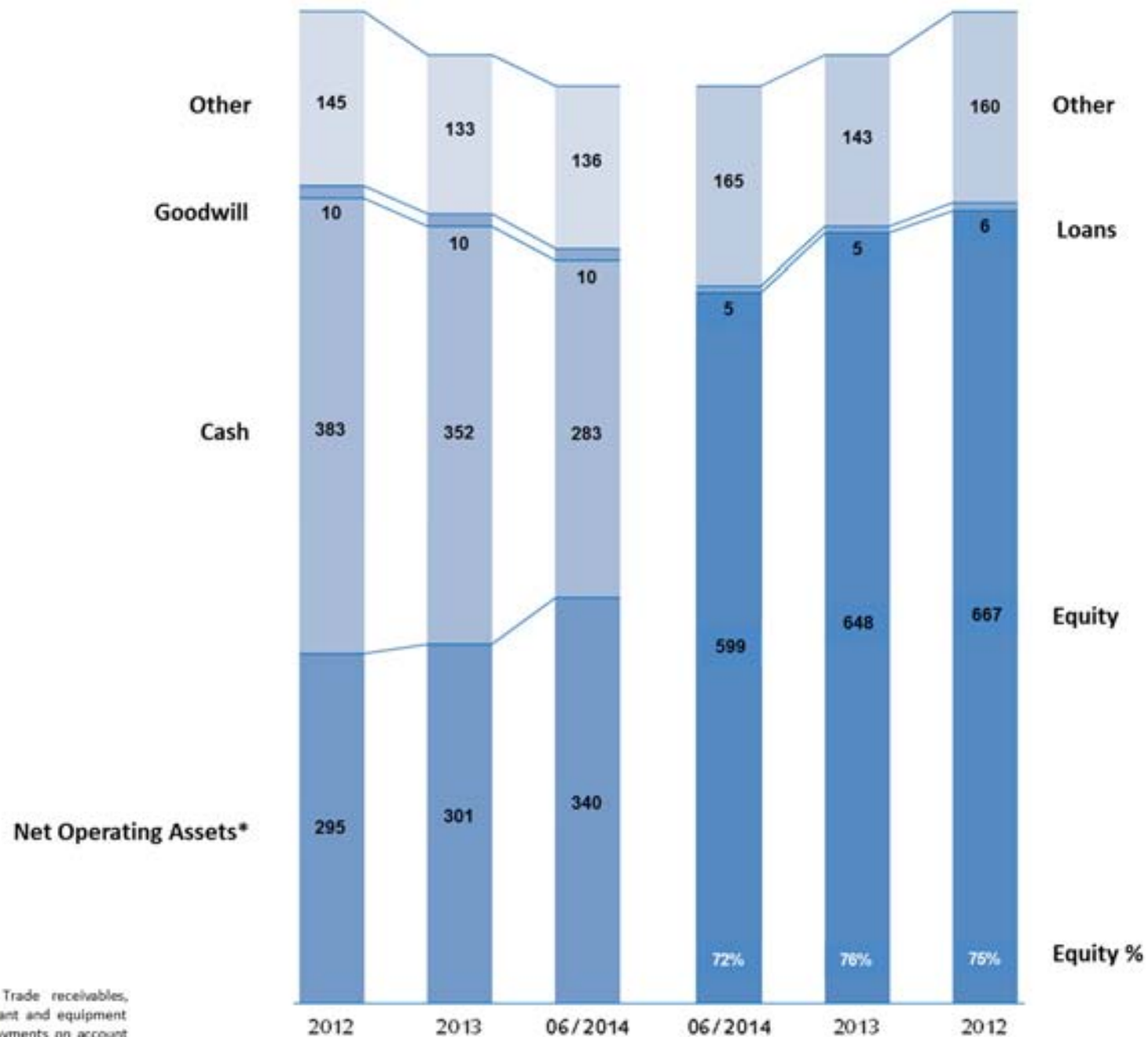
- Excellent results driven by sales increase and strong process machine business
- Benefits of Giudici acquisition materialized
- Dominant market position in Asia
- Strong demand in Turkey
- Continued R&D expenditures to extend strategic position
- New machines DURO (precision package winder for technical yarns), NOVA (conventional single covering machine) and TG1-AT (manual air texturing machine) presented at ITMA Asia in June 2014

	H1 2014	H1 2013	Total 2013	H1/H1 in %
in CHF Mio.				
Orders received	391.3	345.2	706.1	13%
Net sales	375.5	338.9	686.2	11%
EBITDA	40.3	35.1	68.7	15%
<i>in % of net sales</i>	<i>10.7%</i>	<i>10.4%</i>	<i>10.0%</i>	
EBIT	28.7	22.5	45.5	28%
Net income	20.8	17.3	30.2	20%
Employees (end of period)	2478	2443	2392	1%

Strong Balance Sheet

mCHF

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*Net Operating Assets = Trade receivables, inventories and property, plant and equipment minus trade payables and payments on account received from customers

Balance Sheet Highlights

- Cash position CHF 283 Mio.
- Practically no short/long term bank liabilities
- Goodwill CHF 10 Mio.
- Shareholders' Equity CHF 599 Mio. = CHF 415 per share
- Equity ratio 72%

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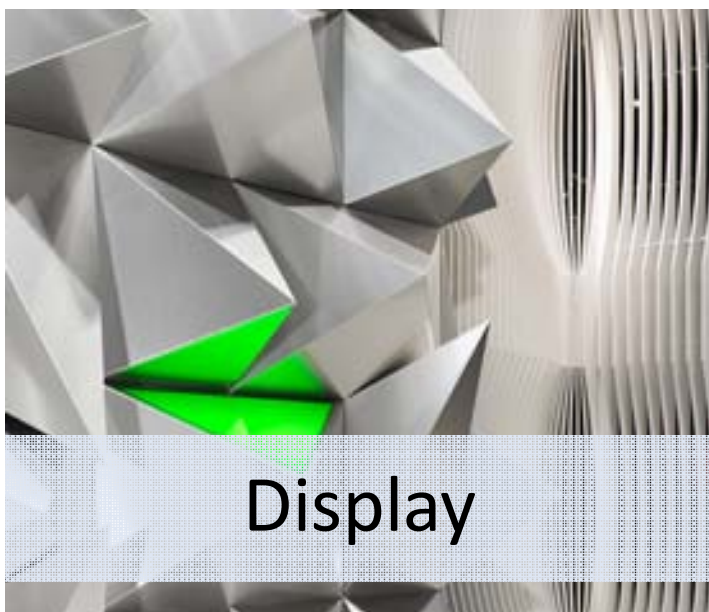
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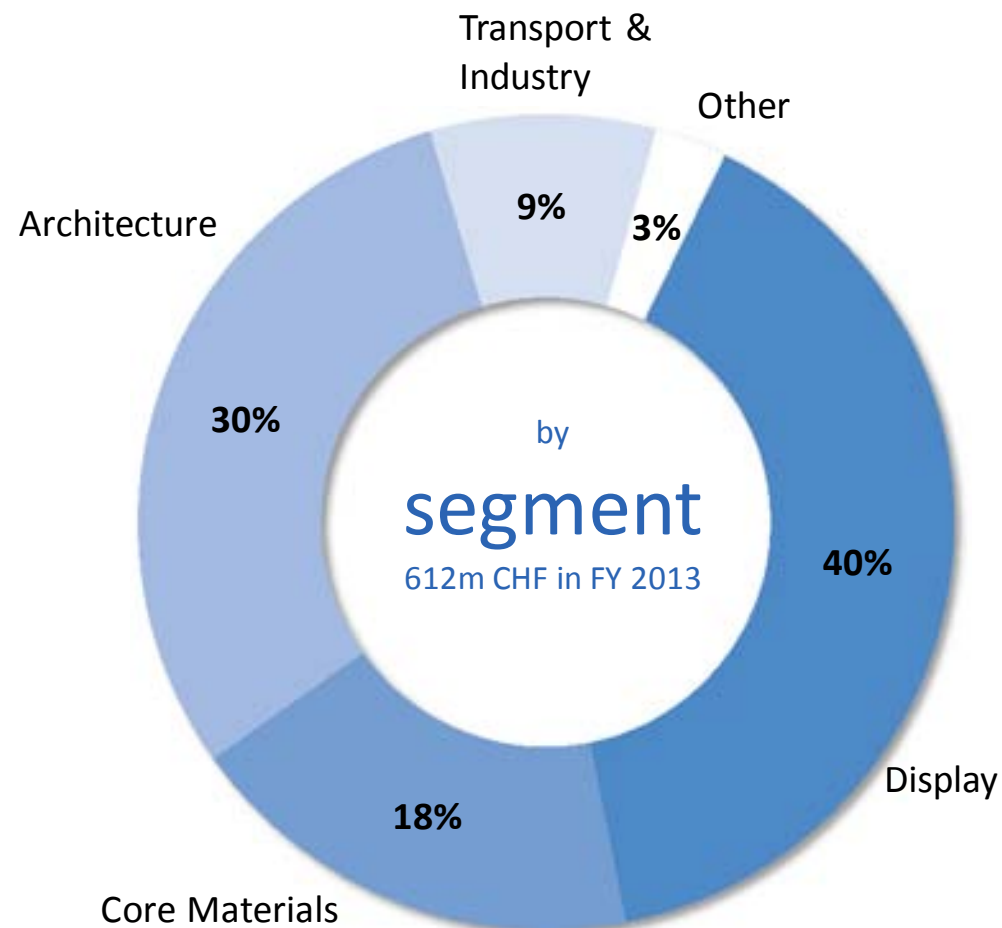
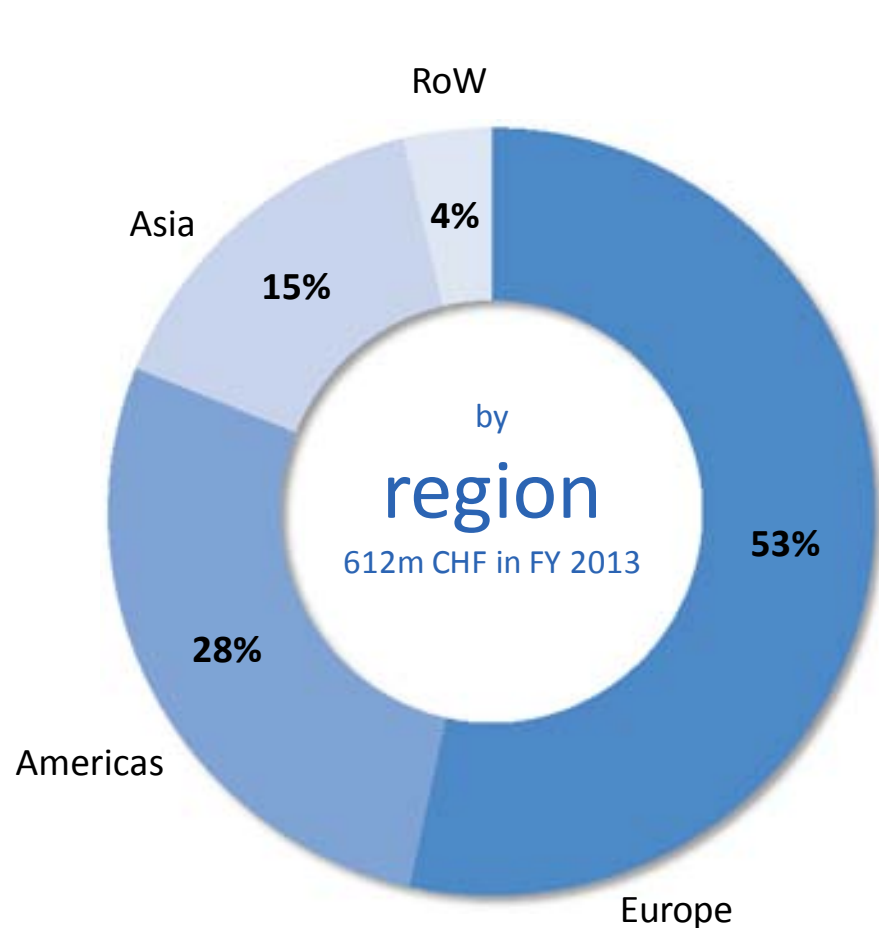


3A Composites – Market segments

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3A Composites - Revenue Breakdown 2013



Core Materials for Sandwich Solutions



Materials

- **Engineering Plastics**
 - Polyester (PET)
 - Polyetherimide (PEI)
 - Polyvinylchloride (PVC)
 - Polystyrene (PS)
 - Polyurethane (PUR)
- **Balsa**
 - Standard Balsa (Baltek SB)
 - Premium Balsa (Baltek SBC)
 - Veneer based Balsa (Banova & Baltek VBC)



Products

- **Structural Airex and Baltek Core Materials**
 - Plain Sheets
 - Contour Core
 - Kit
- **Banova FLEX Bending Plywood**
- **Balsa PLY Panels**



Segments/Applications

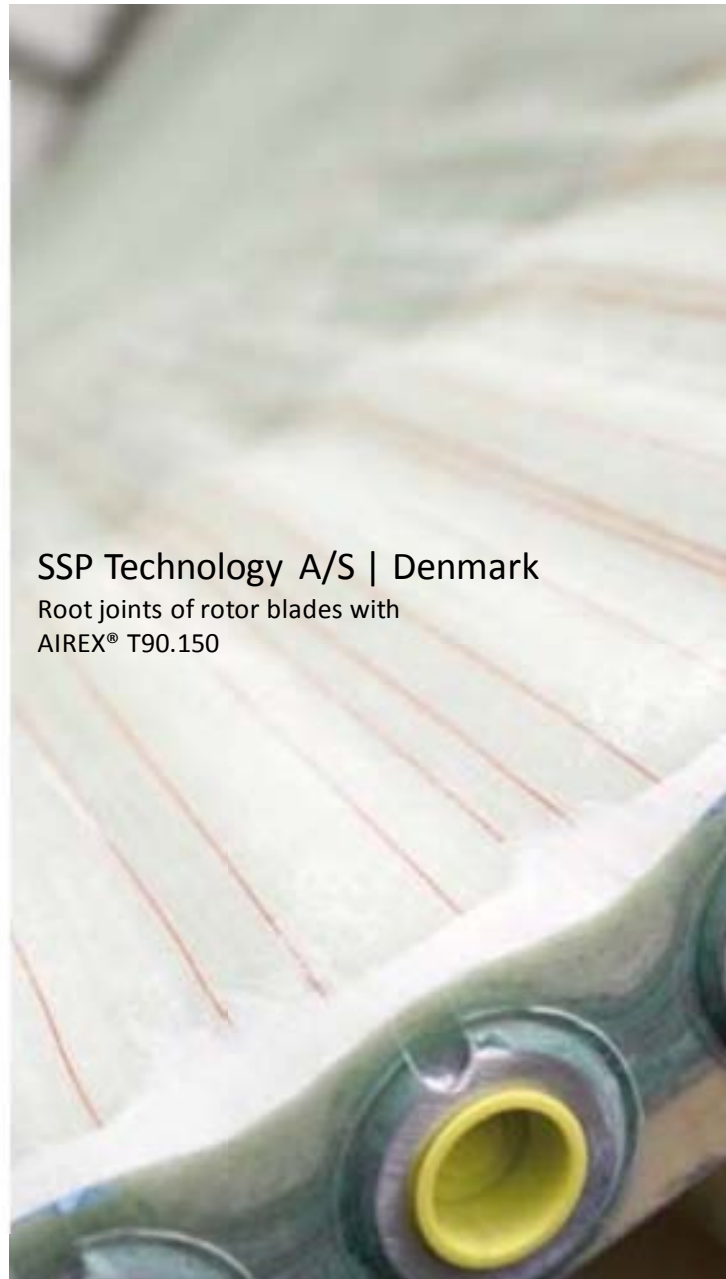
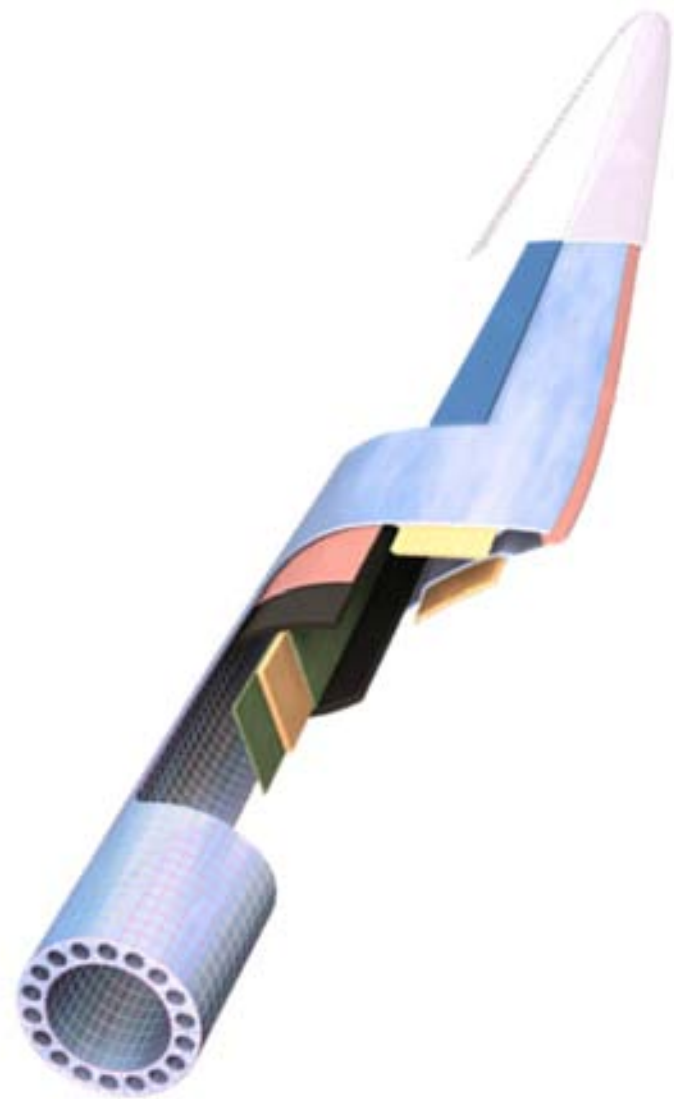
- **Structural and semi-structural sandwich applications**
- **Wind Energy:** Blades and Nacelles
- **Marine:** Motoryachts, Sailing Yachts, Multihull
- **Road:** Bus & Coach, Trucks, Vans & Recreational Vehicles
- **Rail:** Highspeed, Intercity, People Mover
- **Aerospace:** Radome, Interior parts
- **Infrastructure:** Road & Pedestrian Bridges



Brands

AIREX™
BALTEK™
BANOVA

Core Materials // Wind Energy



SSP Technology A/S | Denmark
Root joints of rotor blades with
AIREX® T90.150



Sierra del Trigo | Jaén, Spain

Core Materials // Marine



Core Materials // Aerospace



Interior panels of Airbus A330 and A340
AIREX® R82.60



Plane „Ravin 500“ | South Africa
Wings: AIREX® R63
Fuselage and cabins: AIREX® C70

Core Materials // NEW Applications Balsa



Lightweight panels

Combined with various facings attain a high level of stiffness and can be fitted with print-ready, decorative or scratch-resistant surface



Bending plywood

Is characterised by its incredibly small bend radii whilst still offering the lowest weight and maximum panel thickness.



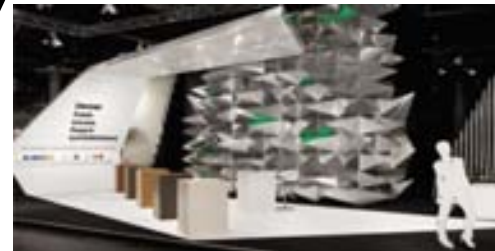
Structural core material

Retain their unique mechanical properties with the optimal alignment of the different layers of veneers and the integration of other materials.



Interior & Furniture for

Caravan & Recreational vehicles
SuperYacht, yacht, cruise & ferry ships
Bus & Rail



Exhibition & shop fitting
Furniture
Architectural components



Structural sandwich for

Bridges
Ski & Snow boards
Vehicles
Wind power plants



Architecture Markets



Materials

- **Skin Material:** Aluminum sheets
- **Core Material:**
 - Polyethylene (PE)
 - Fire Rated PE (Plus)
 - Non Combustible PE (A2)
 - Aluminum-Honeycomb



Products

- **Aluminium Composite Materials (ACM)**

- Alucobond Standard Panels
- Alucoond Fire Rated Panels
- Alucore Honeycomb Panels

with a wide range of different **surface design**:

- Mill Finish
- Clear Coat
- Butler Finish
- Standard and Customized Colours
- Spectra Colours



Segments/Applications

- **Market Segments:**
 - Sport, Airport, Public Space, Retail, Hotel, Hospital, Corporate, Residential
- **Applications**
 - Facades / Flying Roofs
 - Exterior/ Interior Cladding
 - Corporate Identity Signage



Brands

ALUCOBOND[®]
ALUCOBOND[®]A2
ALUCOBOND[®]plus
ALUCORE[®]

Architecture // Alucobond (1)

Paul F. Cullum Tower | North Bergen, New Jersey



©Daniel Lunghi

Paläon, Schöninger Speere | Germany



“My Vacation Mobile Living Units”
by Coodo | Germany



©Coodo

Architecture // Alucobond (2)

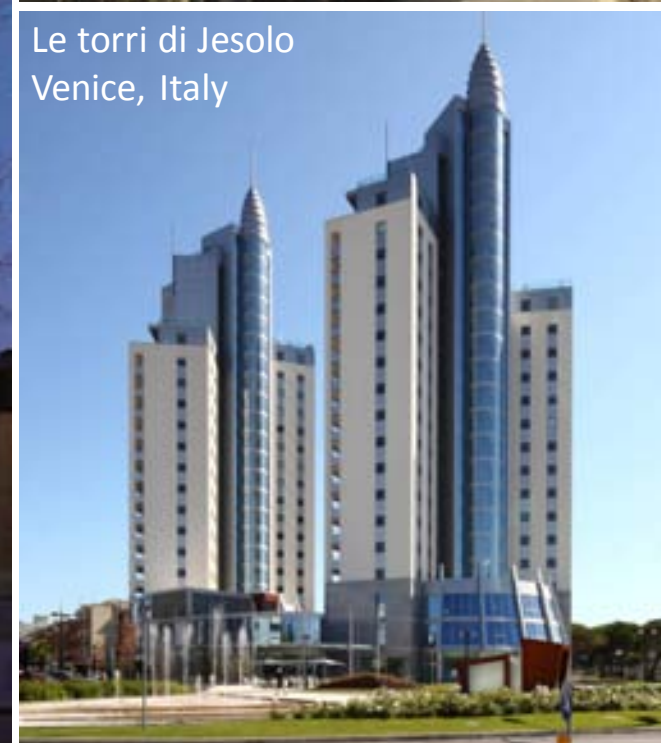
Concert & Congress Hall | Uppsala, Sweden



German National Library
Germany



Le torri di Jesolo
Venice, Italy



Display Markets



Materials

- **Skin Material:** Coated Aluminum, Paper, Polystyrene, Coated Paper, PVC, Self adhesive Films
- **Core Material:** Polystyrene (PS)
Polyurethane (PUR)
Polyethylene (PE)
Polypropylene (PP)
Aluminum-Honeycomb



Products

- Aluminum Composite Materials (ACM)
- Foamed Sheets
- Foam Boards



Segments/Applications

- Fotomounting
- Routed Sign Faces
- Exhibit Constructions
- Kiosks / Carts
- Digital Printing
- Interior / Exterior Signs
- POP Displays
- Screen Printing
- Dimensional Letters
- Shop Fitting



Brands

DIBOND™

FOREX™

KAPA™

FOME-COR™

FOAM-X™

HYLITE™

SINTRA™

GATORFOAM™

SMART-X™

FOAMALITE™

Display Markets (1)



Gatorfoam® tree display
CSI Printing & Graphics | USA



Gatorfoam® Dimensional Sign | USA

Shop window, Mode Zinser | Singen, Germany



© dfrost GmbH & Co. KG

Display Markets (2)



C&A Signage | Düsseldorf, Germany



Routed lettering using SMART-X®

Transport & Industry Markets



Materials

- Engineering Foams
 - PET, PVC, PUR, PEI
- Balsa based Core Materials
- Balsa Plywood Panels & Bending Plywood
- Aluminium Composite Material (ACM)
- GRP Sandwich Material
- Aluminium Honeycomb Panels
- Lightweight Foamboards



Products

- 3D Front Cabins for Railway Vehicle
- Structural Aluminium-Foam Sandwich Elements
- Sandwich Solutions with integrated Functions (eg floor heating)
- Interior Parts
- Headliners and Roof reinforcements for Automotive
- Insulation solutions
- GRP Sandwich Rotorblades



Segments/Applications

- Railway Body Shell (Roofs, Floors, Cabins)
- Bus & Coach Roof and Floors
- Automotive Headliner and Interior
- Recreational Vehicle & Marine Furniture
- Insulated Truck Walls and Floors
- Air Conditioning Equipment
- Building Interior
- Ski and Snowboards



Brands

KAPA
ALUCORE
COMFLOOR
INNOCAB
XBODY

AIREX
BALTEK
BANOVA

Transport & Industry (1)



COMFLOOR®
Integrated Floor Heating System



INNOCAB® Front Cabin
sandwich-panel structures made of fiber-reinforced plastic



Transport & Industry (2)



Kooiker BV, Fiby composite kipper | Netherlands



Core Materials / Wind

- Secure leading positions in Balsa (sourcing, processing, markets)
- Exploit growth potential in PET
- Keep dominant position in China (cooperation with local partners)
- Expand presence in US (new site in "wind belt")
- Invest in future markets (e.g. Brazil, India)
- Push innovations (2nd gen. PET, new structural foams)
- Grow non-wind business

Architecture / Display

- Change from production to radical marketing/ sales orient. (e.g. Architecture centric approach)
- Invest in growth markets in Asia
- Focus on innovation and total solutions (e.g. FR products, decorative fassades)
- Dual branding (high end vs. standard prod.)

Increasing participation in High-Growth Economies

Assets in North America

- ◆ 4 sites
- 328 Employees

Assets In Europe

- ◇ Headquarters in Cham, CH
- ◆ 6 Sites
- 793 Employees



Assets in South America

- ◆ 3 sites
- ◆ Headquarters in Guayaquil
- ◇ Sales office
- 106 plantations; 9'364 ha in Ecuador (thereof 4500ha Balsa plantations)
- 609 Employees

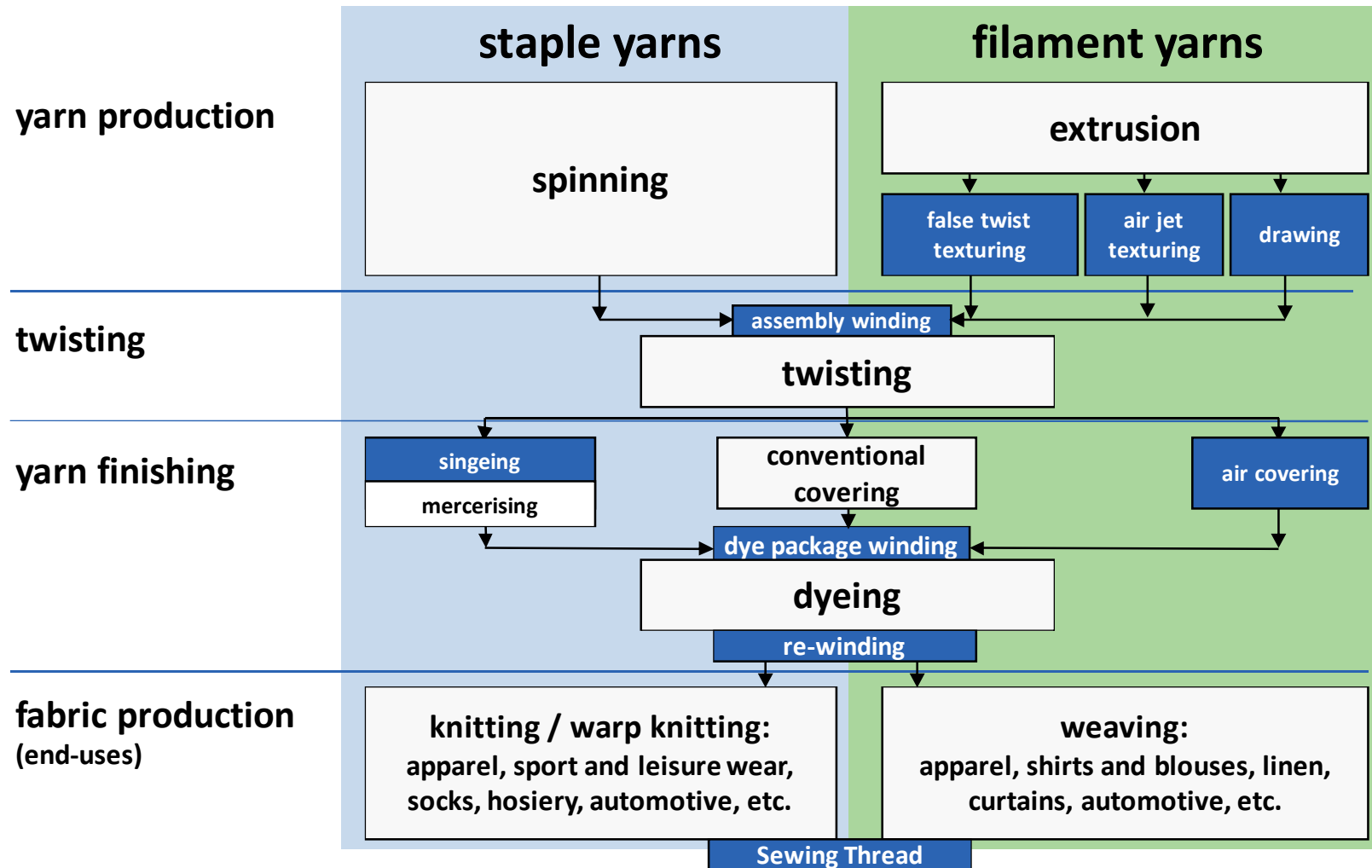
Assets in Asia

- ◆ 6 Sites
- ◆ Headquarters in Singapore
- ◇ Sales office
- 351 Employees

SSM – leading ⁺Swiss technology
for yarn processing and winding



Strong niche positions in the production chain



All blue marked areas are supported by SSM equipment

SSM Textile Machinery

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Sewing Thread Finish-Winding
lubetex™ / SSM TK2-20



Air Texturing
Polyester Home Furnishing / SSM DP5-T



Air Texturing
Glass fibre / SSM DP5-T

SSM Textile Machinery

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Italian Factory, SSM GIUDICI TG.30 / False Twist Texturing



Sewing Thread
Finish-Winding
Kingspool / SSM TK2-20 KT



Sewing Thread Finish-Winding
Kingspool with «Snap» /
SSM TK2-20

Own manufacturing base in Asia

- Fully owned subsidiary under Swiss management serves as local manufacturing centre for the Asian market (since 2003)
- All know-how sensitive key components provided from Switzerland
- Facility also used for marketing & training purposes
- 1/3rd of sales generated ex China factory

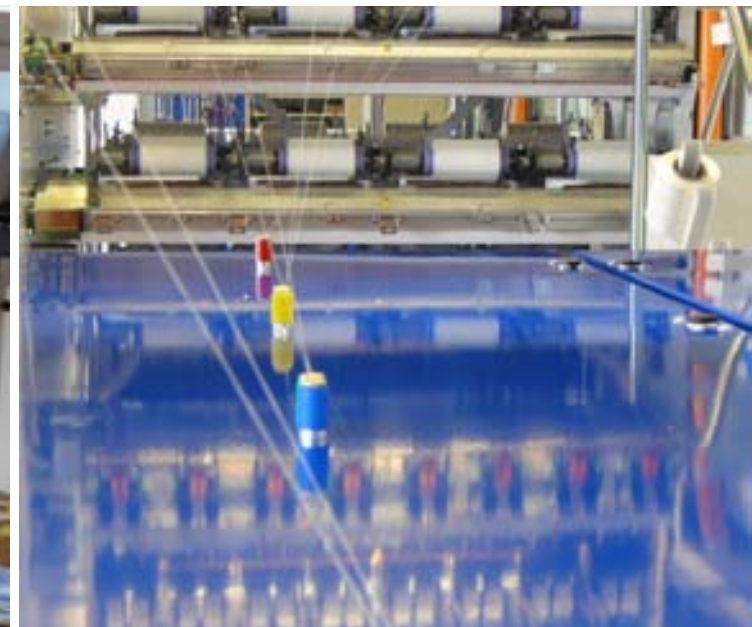


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SSM Giudici Facility in Galbiate, IT

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- **General strategy considerations:**

- Invest into attractive industrial activities with growth potential
- Apply proven concepts of innovation management, supply chain management, direct marketing/sales organization and lean structures

- **Focus on Composite business as dominant business field**

- **High net cash position allow further acquisitions in current as well as new business areas**

- **Attractive dividend / payback of free cash to shareholders**

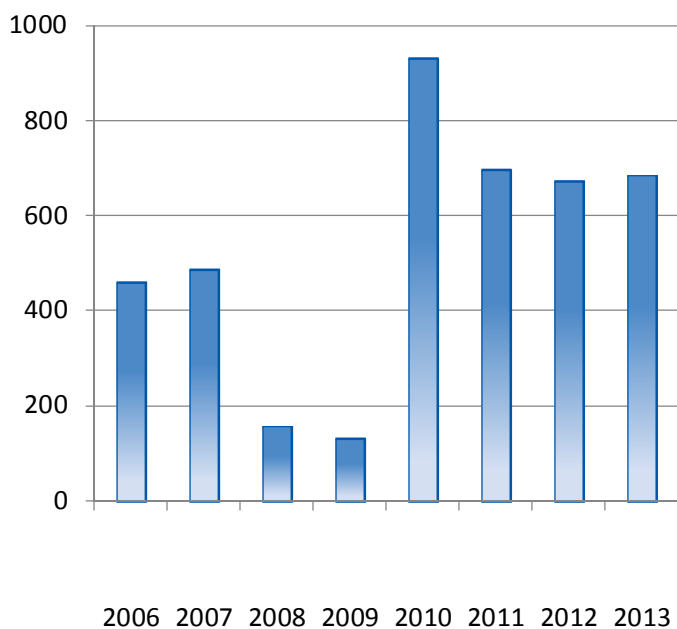
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Group Performance

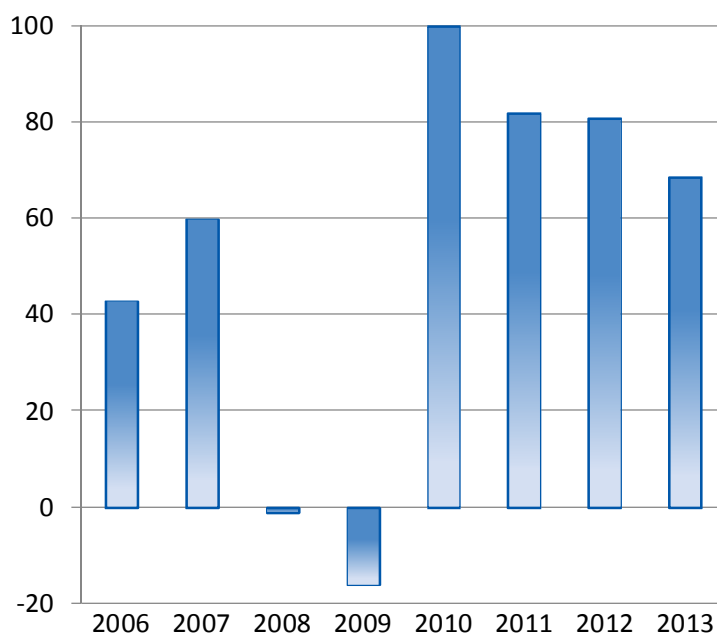
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Revenues



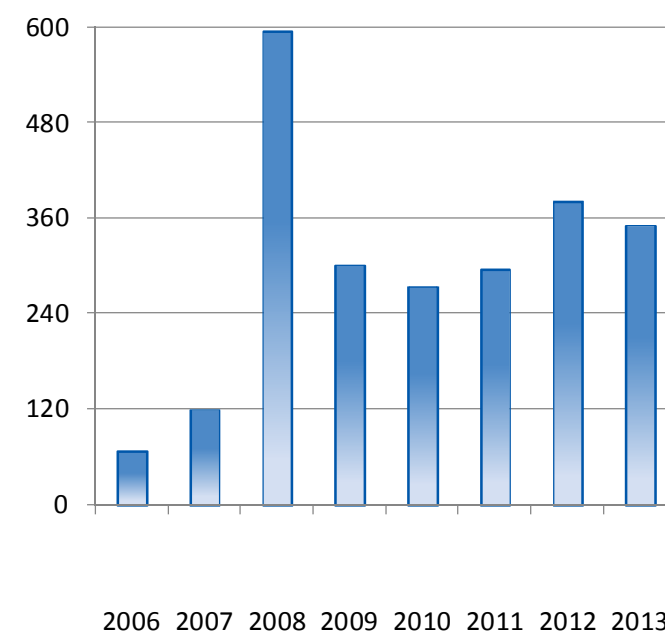
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EBITDA

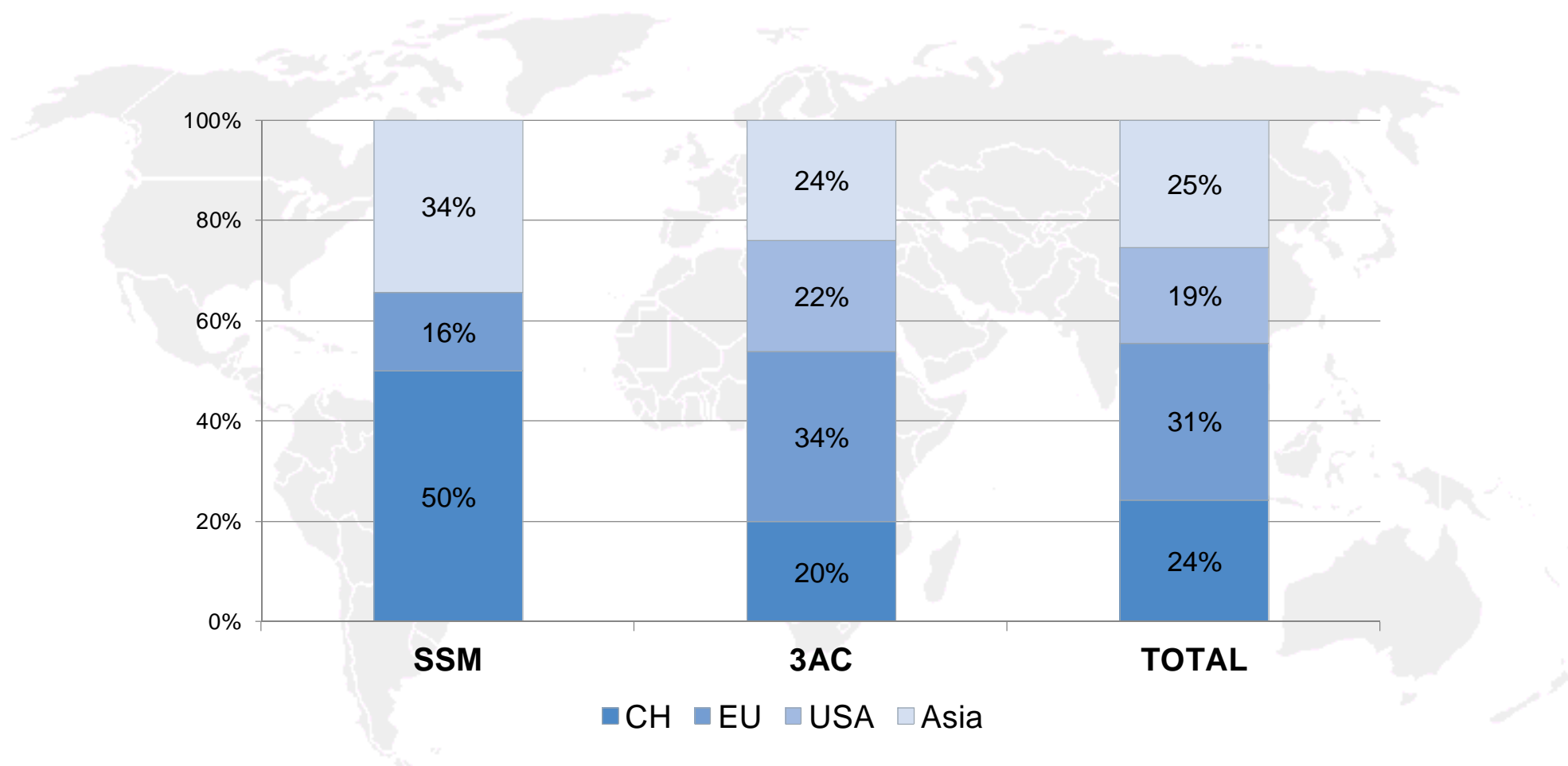


mCHF

Net Cash



Employees per region YE 2013 (excl. Ecuador)



■ 3A Composites

- Further recovery of wind business – price pressure remains
- Target further increase of sales in Core Materials outside wind business (marine and industrial applications)
- Solid outlook for global Architecture and Display business activities
- Raw material prices slightly increasing

■ SSM Textile Machinery

- Good H2 expected. Slight decrease of volume and operating result in 2nd half.
- Continued success of texturizing business / process machines expected
- Technical yarn segment as attractive new niche

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