

# Media & Analyst Conference 2016

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Zurich - March 18, 2016

# Content

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- 1 Welcome and Introduction
- 2 Results 2015
- 3 Strategic Focus / Acquisitions
- 4 Outlook
- 5 Appendix / Divisional information





# Schweiter at a Glance

SCHWEITER TECHNOLOGIES IS A GLOBAL TECHNOLOGY GROUP COMPRISING THE TWO DIVISIONS  
**3A COMPOSITES AND SSM TEXTILE MACHINERY**

## Key Figures 2015

-  ~915m CHF sales
-  >90m CHF EBITDA
-  Global presence in more than 50 countries
-  Equity ratio ~68%
-  Dividend proposal: 40 CHF per share

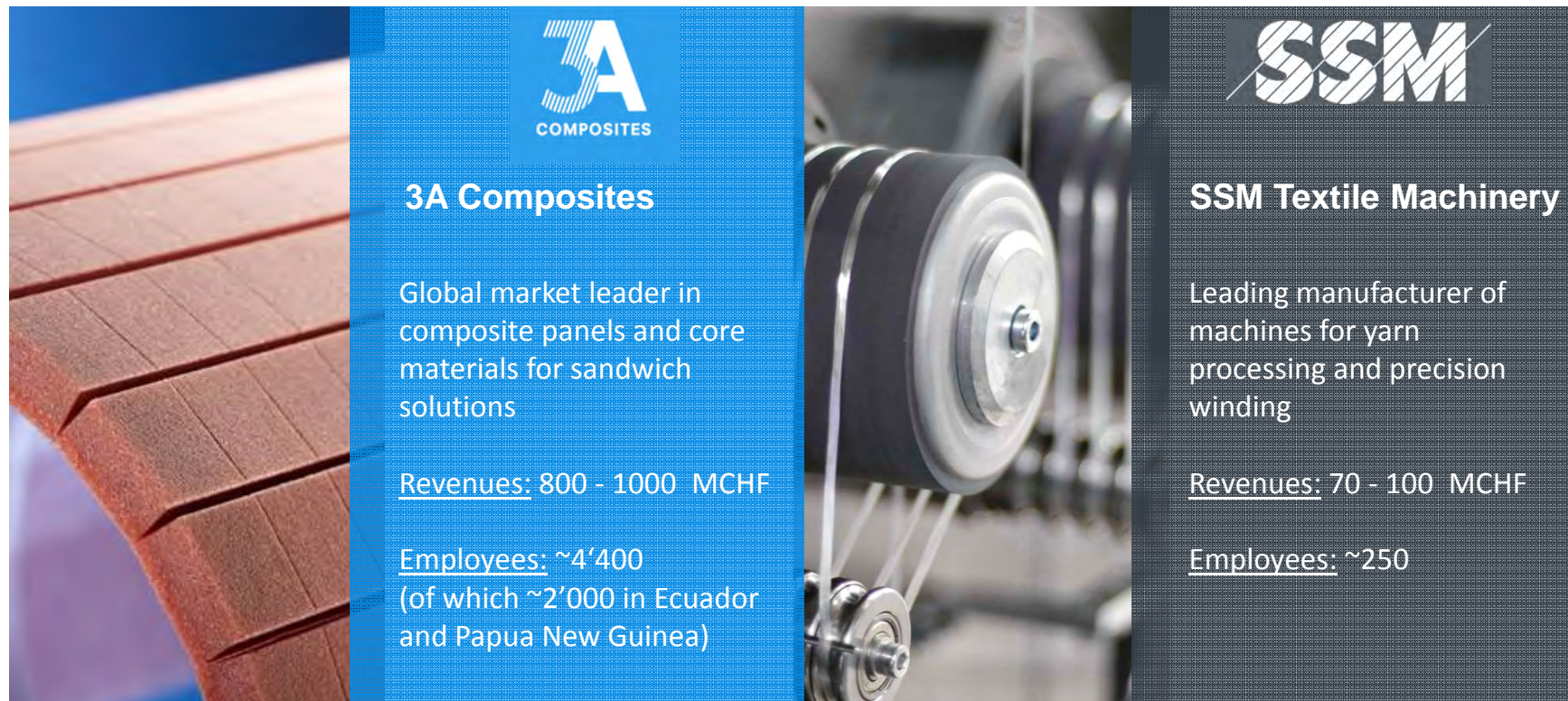
## Portfolio

-  **Development & manufacturing of**
  - **composite panels,**
  - **materials for sandwich solutions,**
  - **integrated sandwich components**concentrating on the segments
  - Core Materials
  - Architecture
  - Display
  - Transport & Industry
-  **Traditional machinery making**
  - Textile machinery

## Strategy & Goals

-  Focus on innovation, customer centricity and value creation as key success factor
-  Strengthen the current positions through organic growth and strategic acquisitions
-  Promote lean structures and direct lines of communication

# One Group – two leading Divisions






**3A**  
COMPOSITES

**3A Composites**

Global market leader in composite panels and core materials for sandwich solutions

Revenues: 800 - 1000 MCHF

Employees: ~4'400  
(of which ~2'000 in Ecuador and Papua New Guinea)



**SSM**

**SSM Textile Machinery**

Leading manufacturer of machines for yarn processing and precision winding

Revenues: 70 - 100 MCHF

Employees: ~250

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# Highlights 2015

**20%**

Increase in Sales

Successful execution and  
integration of acquisitions

Double digit growth of top &  
bottom line in Core Materials

Sound performance of  
Architecture & Display in  
Europe & US

Lower sales in SSM due to  
investment cycle

**>10%**

EBITDA margin

Increased margins in  
3A Composites  
(w/o acquisitions)

Double digit margins despite  
FX challenges

All acquisitions  
contribute to profitability

High EBITDA % kept >12% in  
Textile Machinery

**50%**

Increase in Operating  
Cash Flow

10% increase in net income

Tight working capital  
management

High cash balance of  
170m CHF



# Group Results

<i>in CHF Mio.</i>	<b>H1 2015</b>	<b>H2 2015</b>	<b>Total 2015</b>	<b>Total 2014</b>	<b>%</b>
Orders received	463.7	491.5	955.2	800.0	19%
Net sales	431.0	484.4	915.4	765.6	20%
EBITDA	43.8	48.3	92.1	81.7	13%
<i>in % of net sales</i>	<i>10.2%</i>	<i>10.0%</i>	<i>10.1%</i>	<i>10.7%</i>	
EBIT	31.5	34.4	65.9	57.5	15%
Net income	18.7	31.4	50.1	45.5	10%
Employees (end of period) <sup>1)</sup>	4810	4689	4689	2764	70%

<sup>1)</sup> of which 1977 employees (2014: 797 employees) in balsa wood plantations and sawmills in Ecuador and Papua New Guinea

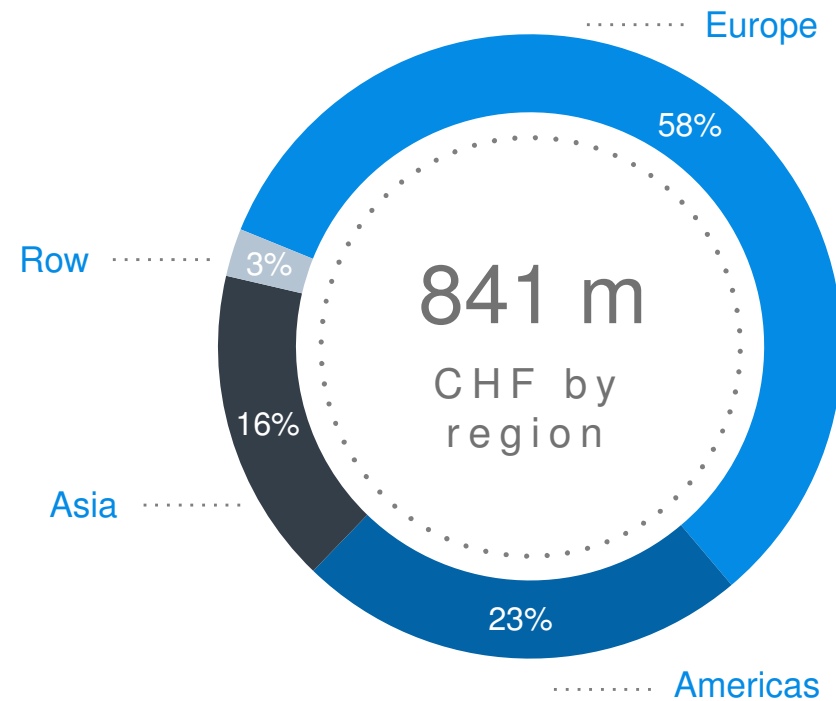
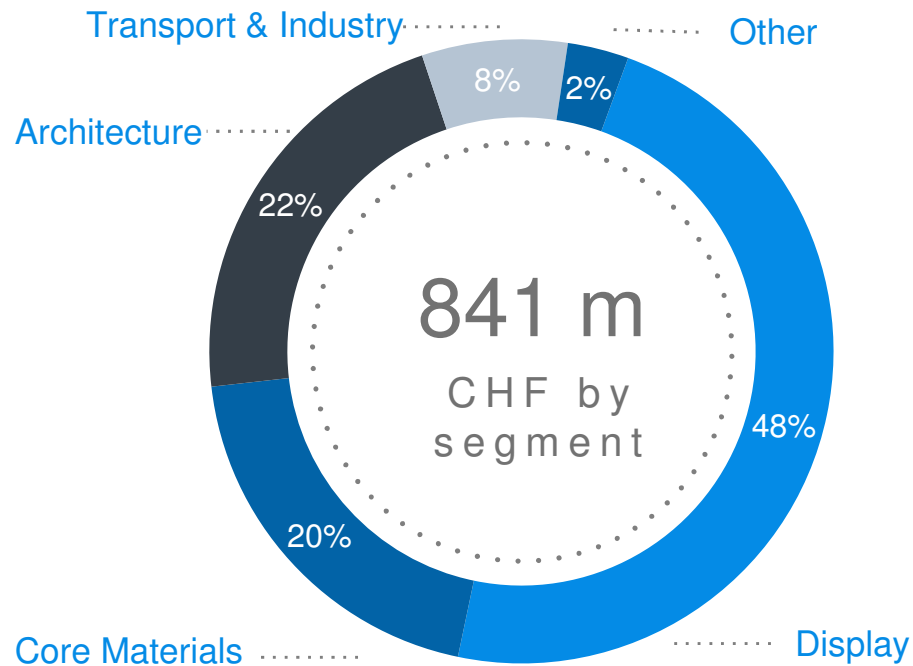
# 3A Composites Results

<i>in CHF Mio.</i>	<b>H1 2015</b>	<b>H2 2015</b>	<b>Total 2015</b>	<b>Total 2014</b>	<b>%</b>
Orders received	427.4	458.1	885.5	710.7	25%
Net sales	392.5	448.3	840.8	677.2	24%
EBITDA	40.6	44.9	85.5	70.1	22%
<i>in % of net sales</i>	<i>10.3%</i>	<i>10.0%</i>	<i>10.2%</i>	<i>10.4%</i>	
EBIT	28.9	31.6	60.5	47.1	28%
Employees (end of period) <sup>1)</sup>	4552	4432	4432	2514	76%

<sup>1)</sup> of which 1977 employees (2014: 797 employees) in balsa wood plantations and sawmills in Ecuador and Papua New Guinea



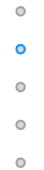
# 3A Composites Revenue Breakdown 2015



## 3A Composites Results

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- Double-digit growth of top-line Core Materials supported by an ongoing recovery of the wind segment in China. Continuous gain of market share
- Performance of European Architecture and Display business better than industry benchmark
- US Display business with strengthened profitability, US Architecture sales flat
- Strong position in high-growth countries in Architecture (Asia, Middle East) with some challenges in 2015 (overall economic and FX situation, project delays)
- Ongoing initiatives at all sites to further increase efficiencies and profitability growth
- Acquisitions contributed significantly to the increase in net sales and profitability. Integration well on-track with promising synergies to be fully exploited from 2016 on
- Performance driven by innovations, customer focus and superior products



# SSM Results

<i>in CHF Mio.</i>	<b>H1 2015</b>	<b>H2 2015</b>	<b>Total 2015</b>	<b>Total 2014</b>	<b>%</b>
Orders received	36.3	33.4	69.7	89.3	-22%
Net sales	38.3	36.0	74.3	87.9	-16%
EBITDA	4.5	4.6	9.1	14.6	-38%
<i>in % of net sales</i>	<i>11.7%</i>	<i>12.8%</i>	<i>12.3%</i>	<i>16.6%</i>	
EBIT	3.9	4.1	8.0	13.4	-41%
Employees (end of period)	252	251	251	244	3%



# SSM Results

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- Lower sales as anticipated due to reduced investment activities in some key markets
- Appreciation of CHF and consolidation of chemical fibres business after strong growth in previous year
- Good performance in Taiwan, India and Bangladesh
- Countermeasures executed to absorb impact of CHF appreciation
- Various innovations well received at the International Textile Machinery Exhibition in Milan (ITMA)
- Continued R&D expenditures to secure market leadership



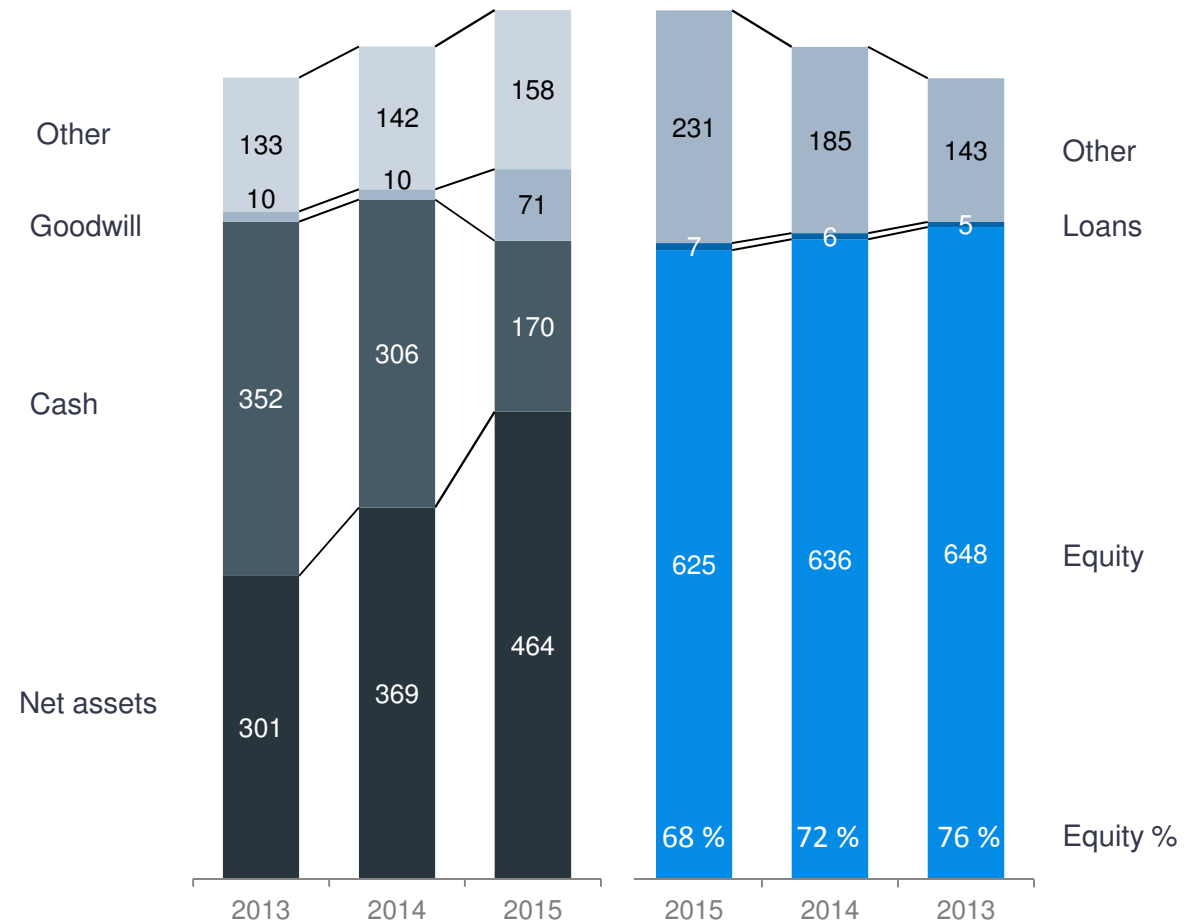
# Strong Balance Sheet

Cash position CHF 170 Mio.

Practically no short & long term bank liabilities

Shareholders' Equity  
CHF 625 Mio. = CHF 436 per share

Equity ratio 68%



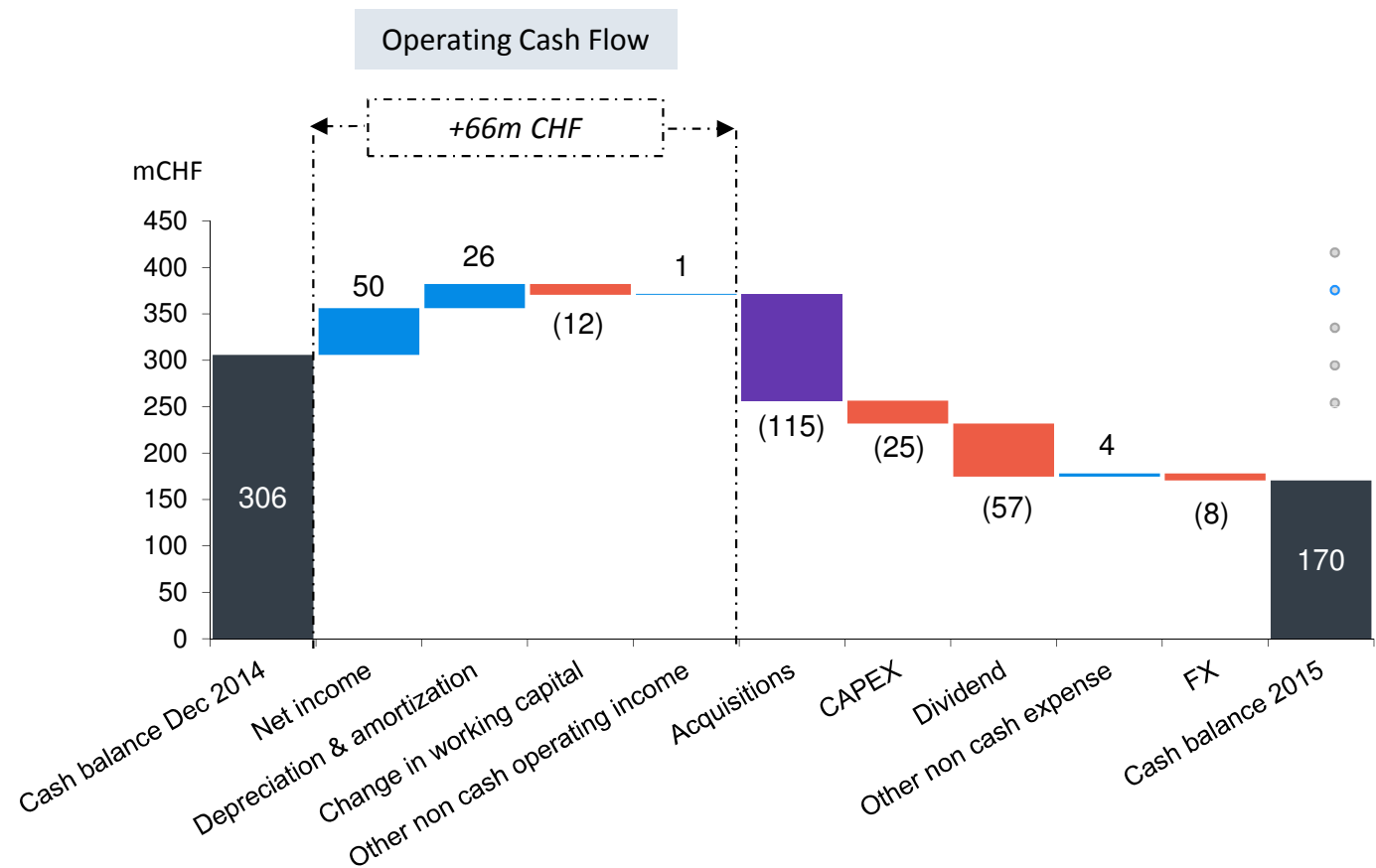
# Cash Development I

Cash position CHF 170 Mio.

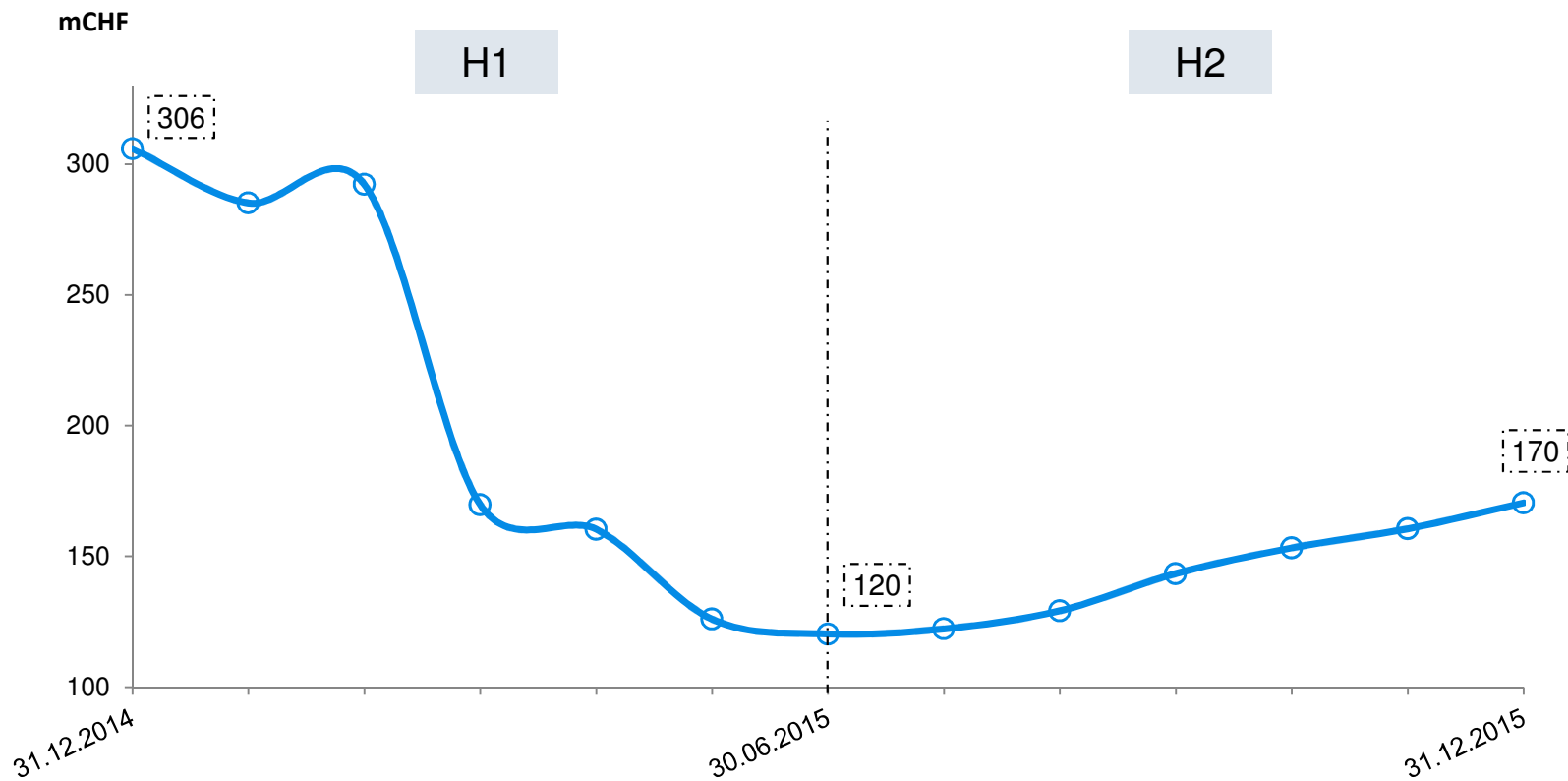
CHF 115 Mio. cash out for acquisitions

Dividend payment of CHF 57 Mio.

Tight working capital management



# Cash Development II



# Cash Flow Development

<i>in CHF Mio.</i>	Total 2015	Total 2014	%
Net income	50.1	45.5	10%
Depreciation & amortization	26.2	24.3	8%
Change in working capital	-11.6	-22.6	49%
Other non cash operating income/expense	1.0	-3.7	126%
<b>Operating Cash Flow</b>	<b>65.7</b>	<b>43.4</b>	<b>51%</b>
Cash Flow from investing activities	-134.6	-34.3	-292%
<b>Cash Flow before financing activities</b>	<b>-69.0</b>	<b>9.1</b>	<b>-859%</b>
Dividend	-57.3	-57.2	0%
Repayment of financial liabilities	-1.5	-0.4	-248%
FX	-7.7	2.4	-417%
<b>Cash Flow of the year</b>	<b>-135.5</b>	<b>-46.1</b>	<b>-194%</b>





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# Strategic Focus

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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
- Empower acquired companies to support the Composite business model
- High cash balance allow further acquisitions in current and new business fields
- Attractive dividend / payback of free cash to shareholders



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# Outlook 2016

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## General

- Promising start in 2016
- Further integration of acquired companies / release of synergy potentials

## 3A Composites

- Ongoing high demand of global Wind business (especially in China and US)
- Further expansion of Non-wind business (marine and industrial applications in Core Materials)
- Positive outlook for Architecture and Display business in the main markets
- Expansion of footprint in Display business due to combined 3AC / Polycasa product portfolio
- Increased demand for high-quality, fire retardant Architecture products vs. economic challenges in some Middle East countries
- Strong demand for light weight solutions in mass transportation



# Outlook 2016

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## SSM Textile Machinery

- Solid performance for 2016 expected supported by an order backlog at a 3-year average
- Key markets like Turkey, Southeast Asia and India show positive signs of recovery
- Positive feedback and significant hand-shake orders at ITMA 2015
- Ongoing focus on innovations, costs and efficiencies





# — APPENDIX

DIVISIONAL  
INFORMATION

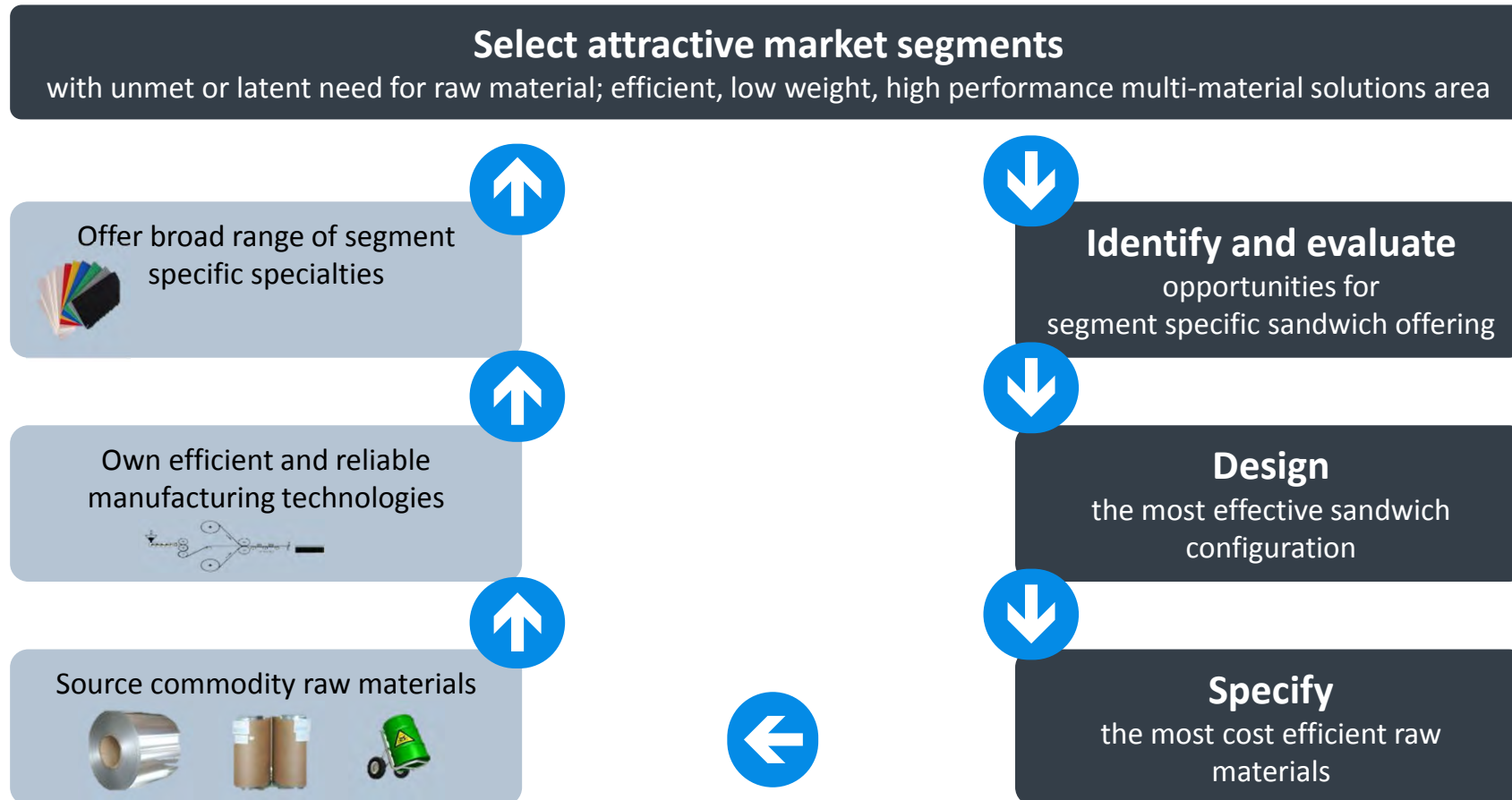
# 3A Composites

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# 3A Composites - Business Idea



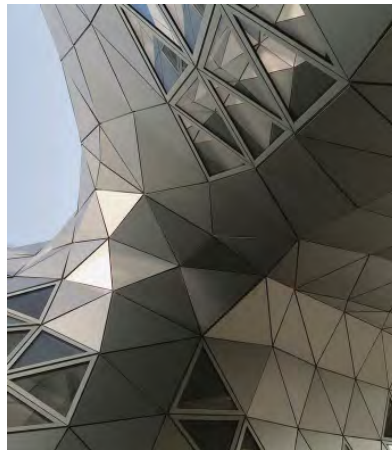


# 3A Composites – Market Segments

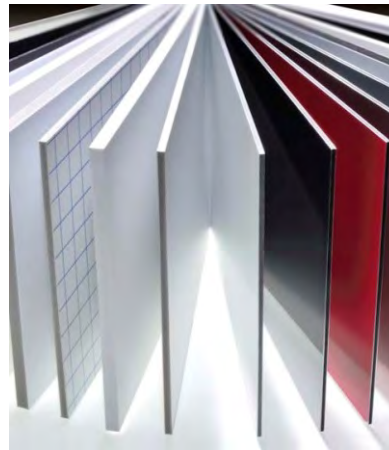
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**Core Materials**



**Architecture**



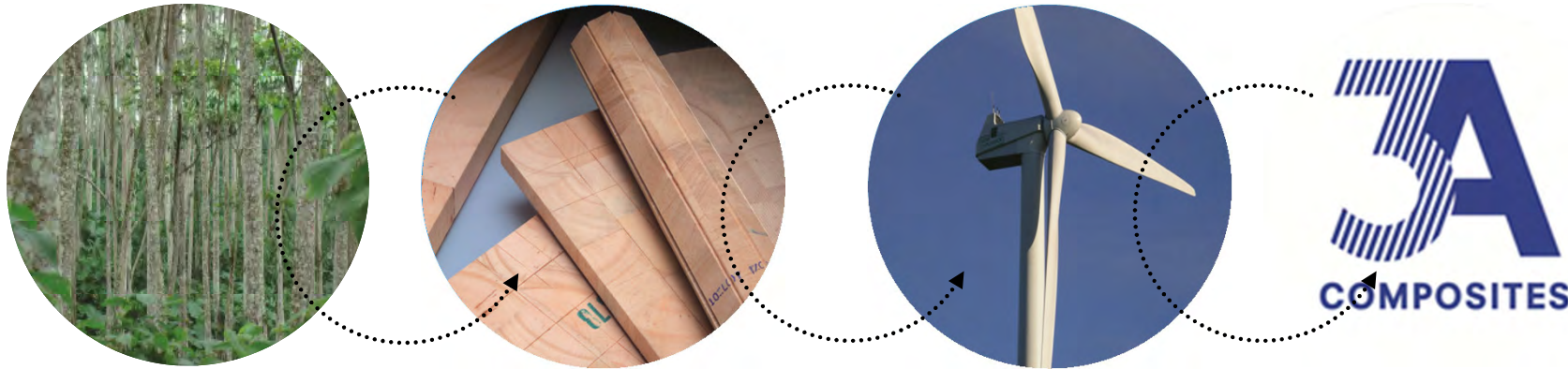
**Display**



**Transport  
& Industry**



# Core Materials



## 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

## 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

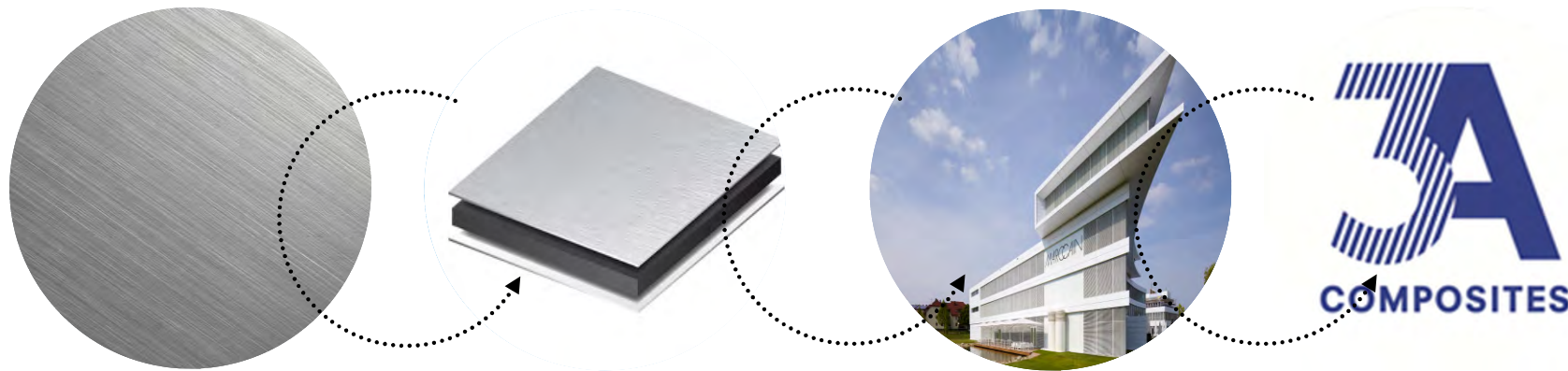


## References

- 1 SSP Technology A/S | Denmark  
Root joints of rotor blades with  
**AIREX® T90.150**
- 2 Sailing yachts and motorboats,  
Bavaria | Germany  
**AIREX® C70**
- 3 Interior & Furniture for Super yacht  
**BANOVA®**
- 4 Kon-Tiki2  
Expedition raft made of **BALSA** logs



# Architecture



## 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
- Alucobond Fire Rated Panels
- Alucore Honeycomb Panels

with a wide range of different surface design:

- Mill Finish
- Clear Coat
- Butler Finish
- Spectra Colours

## 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

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## References

1 Paläon, Schöninger Speere  
Schöningen | Germany  
**ALUCOBOND® mirror**

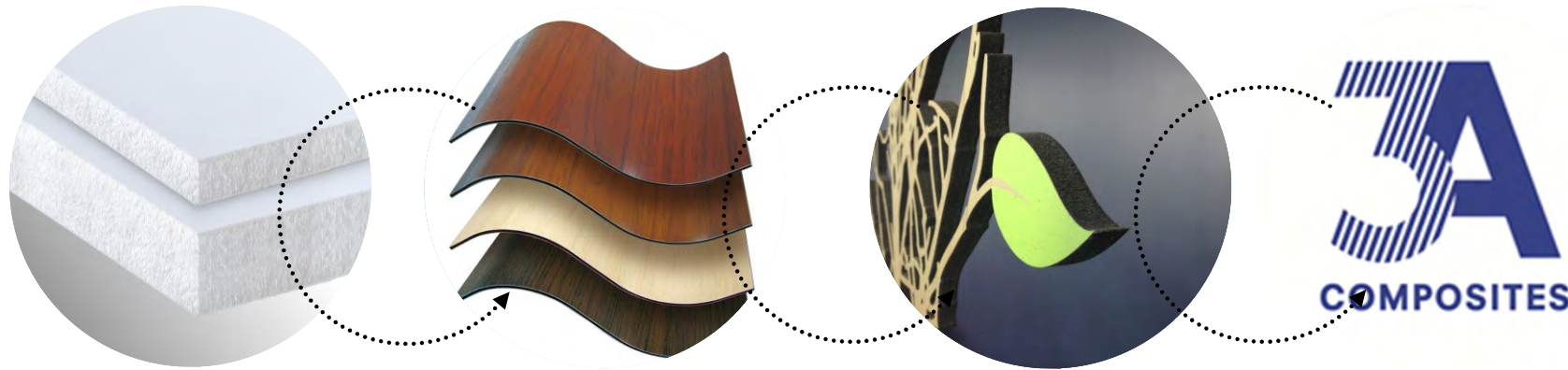
2 ONGC Office  
Mumbai | India  
**ALUCOBOND® Plus**

3 Sunshine Radiotherapy Services Building  
St. Albans | Australia  
**ALUCOBOND® Plus spectra**

4 Glen Innes Music and Art Centre  
Auckland | New Zealand  
**ALUCOBOND® design**



# Display



## 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

### Clear Sheets

## Applications

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

## Brands

**DIBOND®**

**FOREX®**

**KAPA®**

**FOAM-X®**

**GATORFOAM®**

**FOAMALITE®**

**POLYCASA**

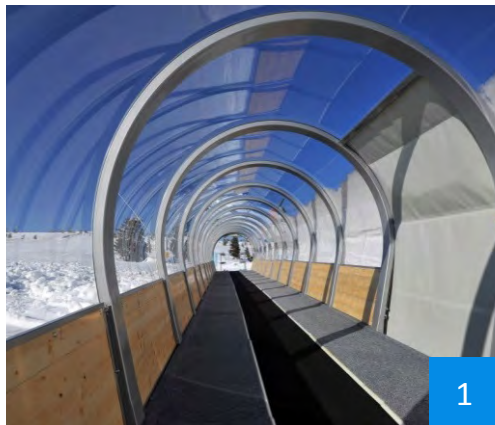
**HYLITE®**

**SMART-X®**

**SINTRA®**

**FOME-COR®**

# Display



## References

1 Ski tunnel  
Kopaonik | Serbia  
**Polycasa® PC**

2 Shop window, Mode Zinser  
Singen | Germany  
**GATORFOAM®**

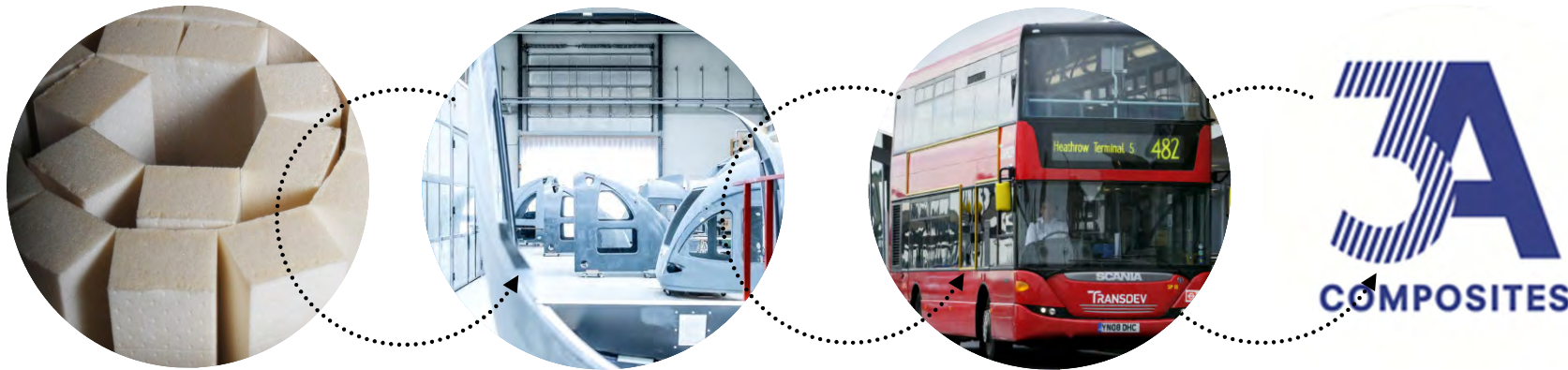
3 C&A Signage  
Düsseldorf | Germany  
**KAPA®**

4 Pop Up Retail Shopping Bags  
London | UK  
**DIBOND®**





# Transport & Industry



## 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 (e.g. floor heating)
- Interior Parts
- Headliners and Roof reinforcements for Automotive
- Insulation solutions
- GRP Sandwich Rotorblades

## Applications

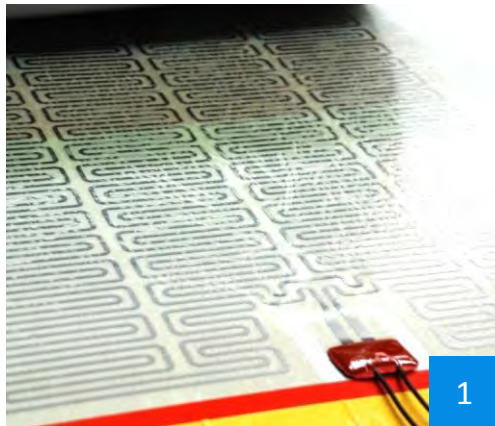
- Railway Body Shell (Roofs, Floors, Cabins)
- Bus & Coach Roof and Floors
- Automotive Headliner and Interior
- Recreational Vehicle & Marine Furniture
- Insulated Truck Walls and Floors
- Air Conditioning Equipment
- Building Interior
- Ski and Snowboards

## Brands





# Transport & Industry



1



2



4



3

## Products

1 **COMFLOOR®**  
Integrated Floor Heating System

2 **INNOCAB®** Front Cabin  
Sandwich-panel structures made  
of fiber-reinforced plastic

3 **KAPA®** Term automotive DVDs

4 **XBODY®** sandwich parts



# Strong Global Presence

## ASSETS IN NORTH AMERICA

- 4 production sites (USA)  
337 Employees

## ASSETS IN EUROPE

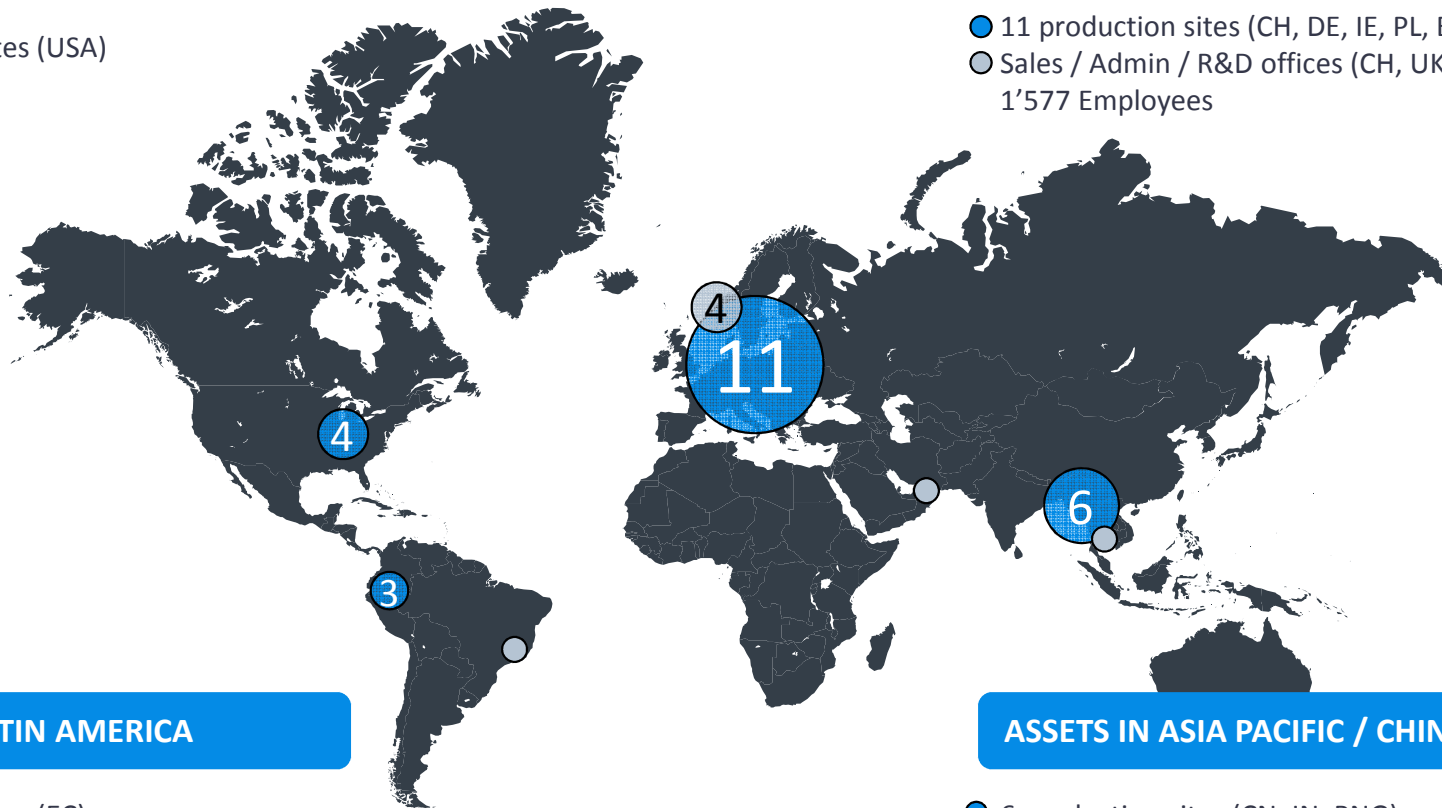
- 11 production sites (CH, DE, IE, PL, ES, CZ, SK)
- Sales / Admin / R&D offices (CH, UK, BE)  
1'577 Employees

## ASSETS IN LATIN AMERICA

- 3 production sites (EC)
- Sales office (BR)  
106 plantations; 9'298 ha in Ecuador  
822 Employees

## ASSETS IN ASIA PACIFIC / CHINA

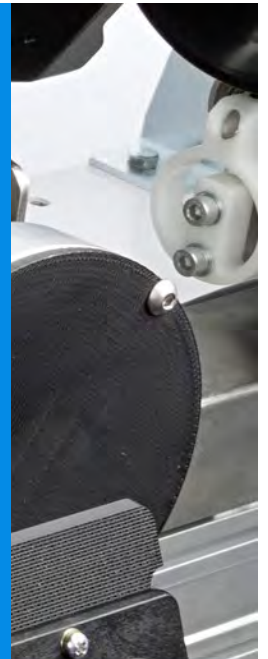
- 6 production sites (CN, IN, PNG)
- Sales office (SGP, UAE)  
1'696 Employees



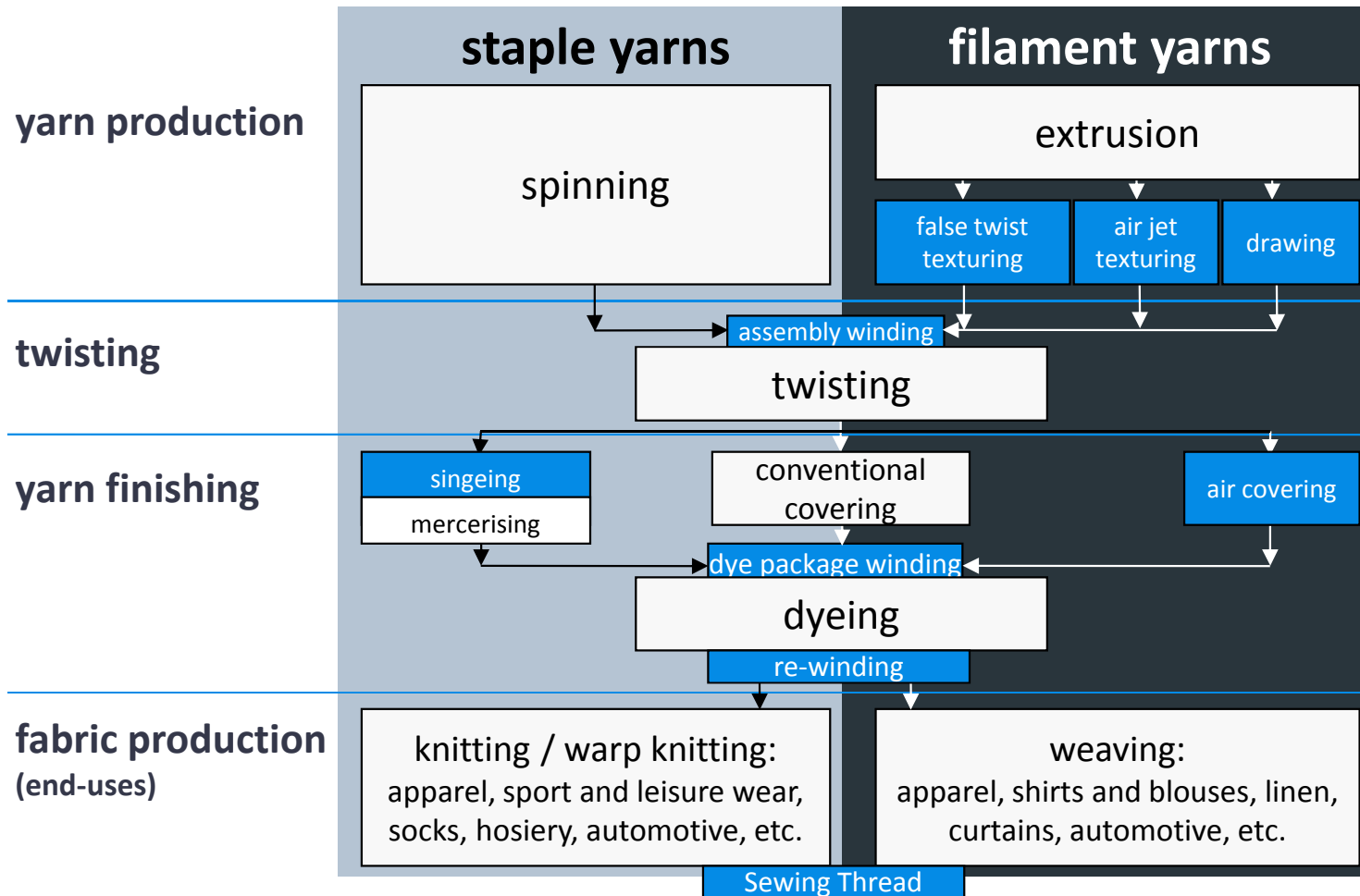
# SSM Textile Machinery



Leading  
manufacturer of  
machines for  
yarn processing  
and precision  
winding



# SSM - Strong niche positions in the production chain

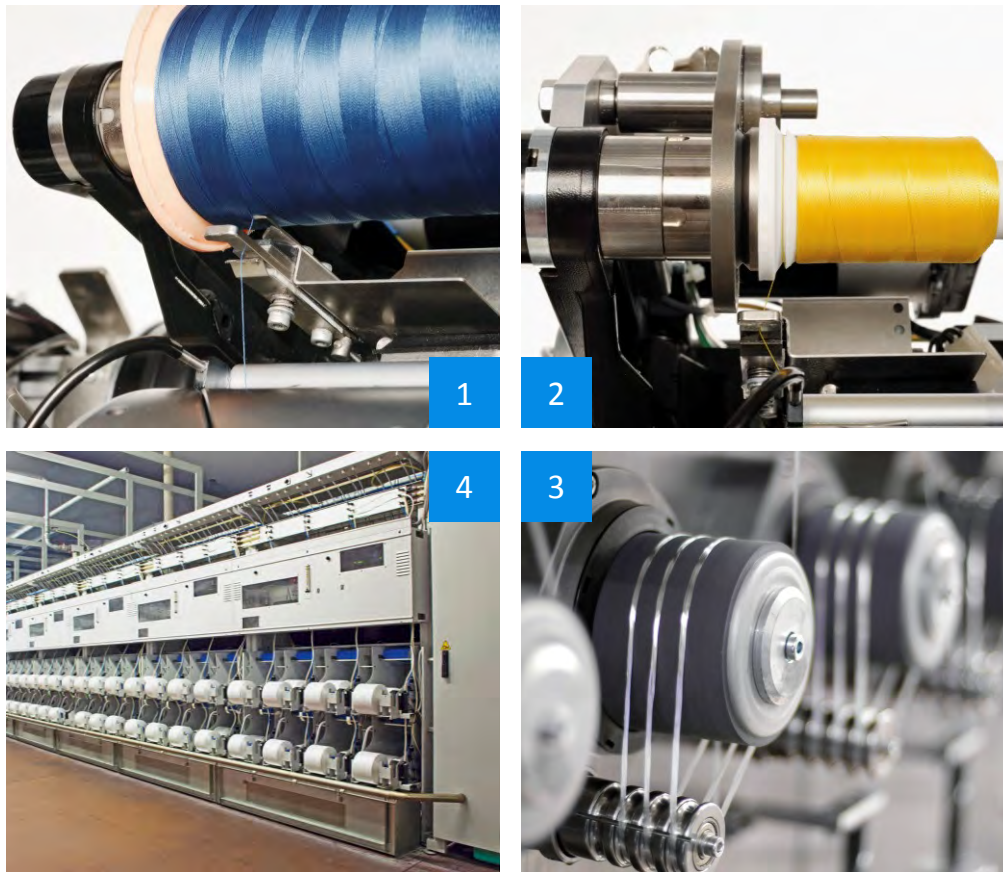


All blue marked areas are supported by SSM equipment



# SSM Textile Machinery

## Products



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

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

3 Air Texturing  
**Glass fibre / SSM DP5-T**

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



# Strong Global Presence



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