

# Media & Analyst Conference Half-Year Results 2020

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Zurich – August 17, 2020

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1 Welcome and Introduction

2 Half-Year Results 2020

3 Strategic Focus

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# Schweiter at a Glance

SCHWEITER TECHNOLOGIES IS A **GLOBAL GROUP**, MANUFACTURING AND COMMERCIALIZING **COMPOSITE PANELS AND COMPOSITE SOLUTIONS**

## Key Figures 2019



~ 1.2 bn CHF sales



> 126 mCHF EBITDA



Global presence in more than 50 countries



Equity ratio ~70%



Dividend pay out:  
40 CHF per share

## Portfolio



Development, manufacturing and sale of

- Aluminum composite panels
- Core materials for sandwich structures
- Plastic sheets and lightweight foamboards
- integrated lightweight systems

concentrating on the segments

- Display
- Architecture
- Core Materials
- Transport & Industry

## Strategy & Goals



Focus on innovation, customer centricity and value creation as key success factor

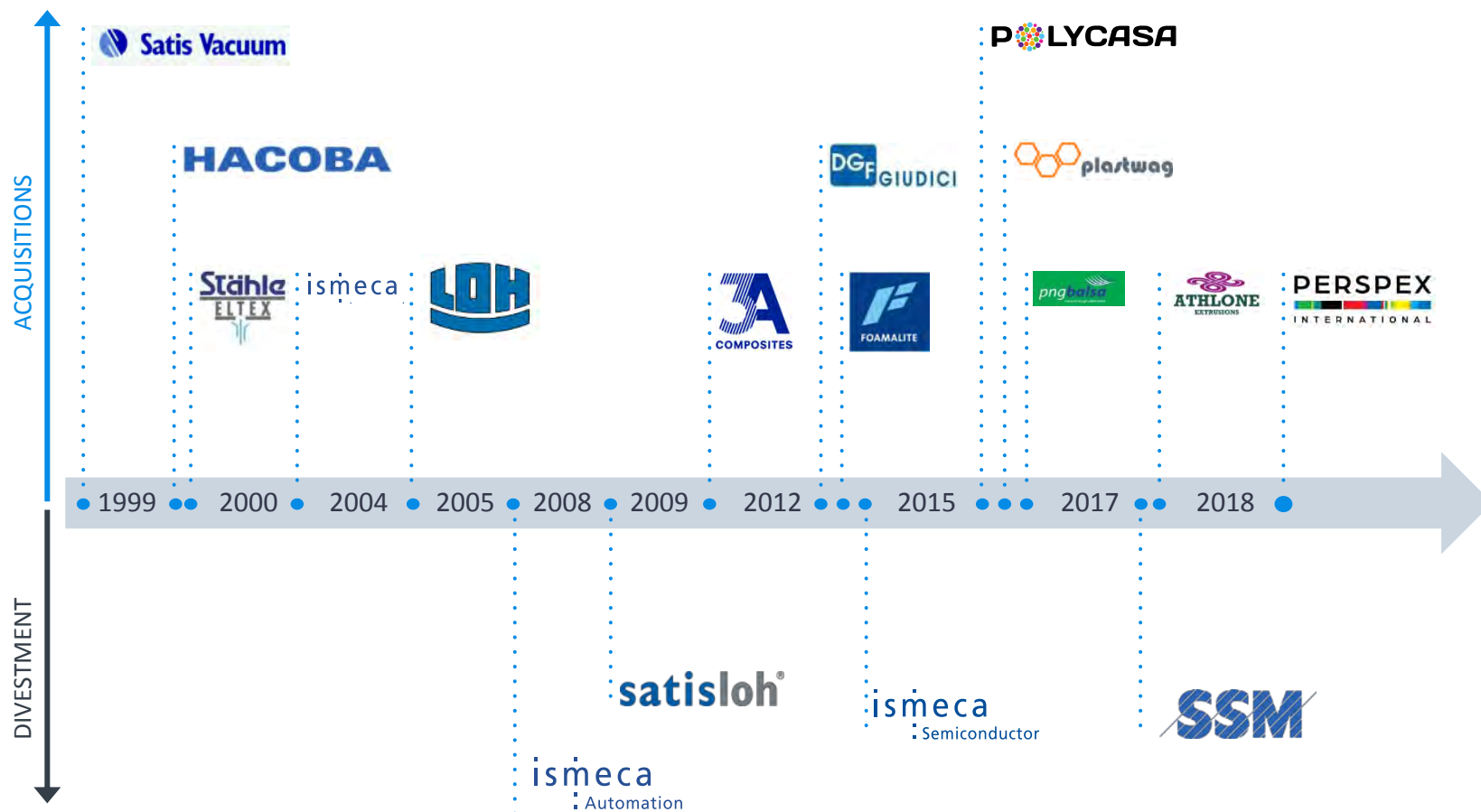


Strengthen the current positions through organic growth and strategic acquisitions



Promote lean structures and direct lines of communication

# 17 successful transactions since 1998



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# Highlights H1 2020

# 12%

EBITDA margin

**EBITDA of ~68 mCHF  
representing a +10% increase  
vs. H1 2019**

**Improvement of EBITDA margin  
by +2%-points**

**Selective sales price  
adjustments and favorable raw  
material notations**

# +14%

Increase in EBIT

**Core Materials and Display  
business with above-average  
profitability growth**

**Profitability boosted by an  
ongoing high demand in the  
wind energy market**

**Extraordinary high demand in  
clear sheet business offsetting  
subdued demand for non-  
transparent products**

# 56mCHF

Operating Cash Flow

**Operating cash flow  
improvement of +64% vs. H1  
2019**

**Tight working capital  
management and good  
collection of outstanding A/R**

**Cash balance of 114 mCHF  
- after a dividend distribution  
of 57 mCHF**



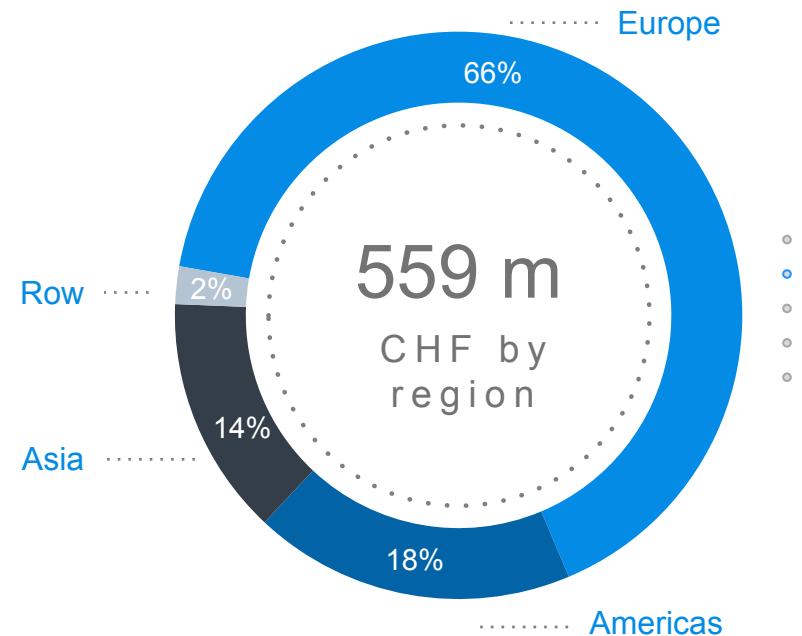
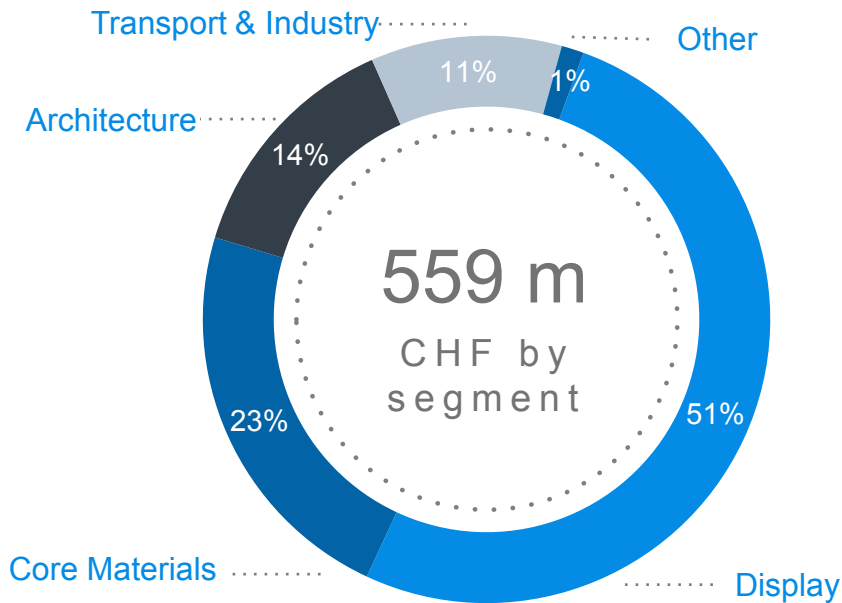
# Group Results

<i>in m CHF</i>	<b>H1 2020</b>	<b>H1 2019<sup>2)</sup></b>	<b>Total 2019<sup>2)</sup></b>	<b>H1/H1 %</b>
Net sales	559.5	613.7	1179.6	-9%
EBITDA	67.9	61.8	123.1	10%
<i>in % of net sales</i>	<i>12.1%</i>	<i>10.1%</i>	<i>10.4%</i>	
EBIT	49.3	43.1	85.2	14%
Net income	35.3	33.1	60.0	7%
Employees (end of period) <sup>1)</sup>	4 444	4 058	4 185	10%

<sup>1)</sup> of which 1 559 employees (H1 2019: 1 131 employees) in balsa plantations and sawmills in Ecuador and in Papua New Guinea

<sup>2)</sup> 2019 restated

# Revenue Breakdown H1 2020





## 3A Composites Results

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- Core Materials with a double-digit percentage increase of topline fueled by an ongoing high demand from wind customers in all regions with the most pronounced growth in China. Above-average profitability increase driven by high capacity utilization of the production sites and selective price increases.
- Display business characterized by two completely different dynamics: record demand of clear sheet products leading to maximum capacity utilization while demand for non-transparent products - for advertising, trade fairs and interior fittings - dropped significantly as of mid-March. Above-average profitability growth benefitting from favorable raw material notations, high capacity utilization in the clear sheet production and strict cost discipline at all sites.
- The American architecture business repeated the previous year's success and maintained revenue levels, while the European and Asian architecture businesses experienced a decline in sales. China, India, Middle East and Southern Europe were particularly affected by the lockdown measures and project delays.
- The Transportation business was negatively impacted by temporary production stops at several key customers as well as by project postponements.

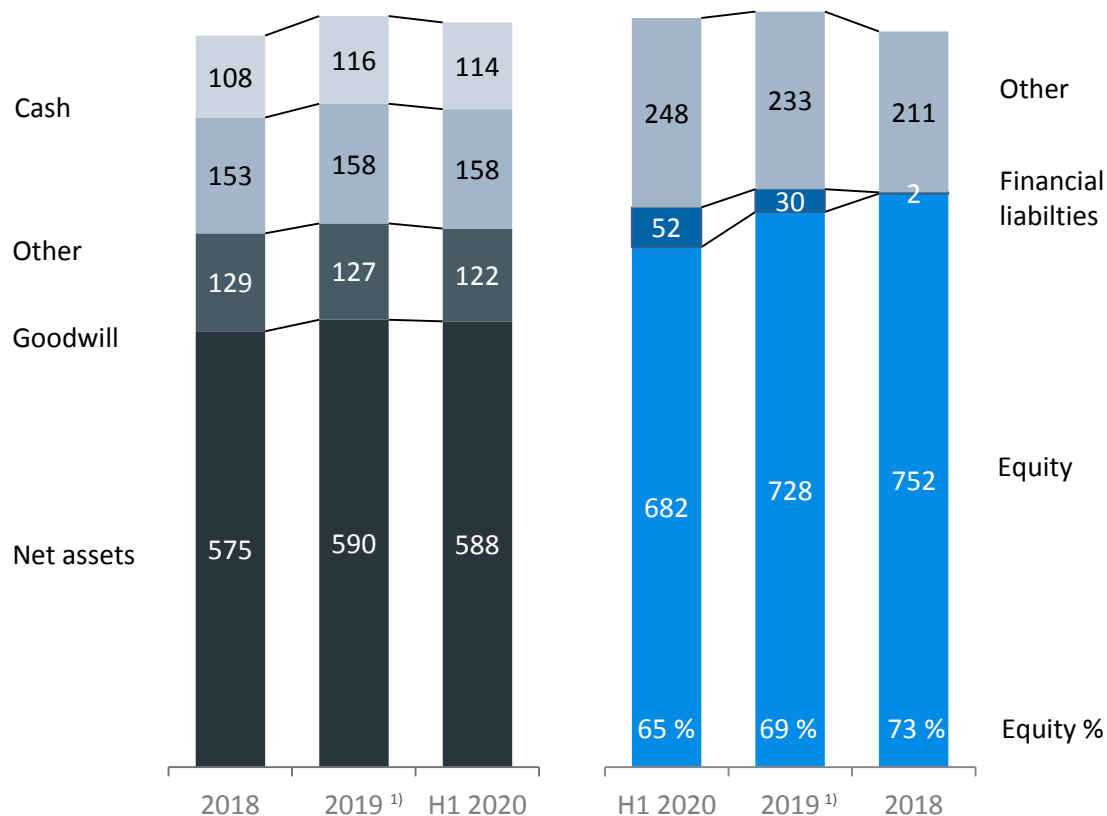
# Strong Balance Sheet

Cash position 114 mCHF

Low level of financial liabilities

Shareholders' Equity  
682 mCHF = CHF 476 per share

Equity ratio 65%



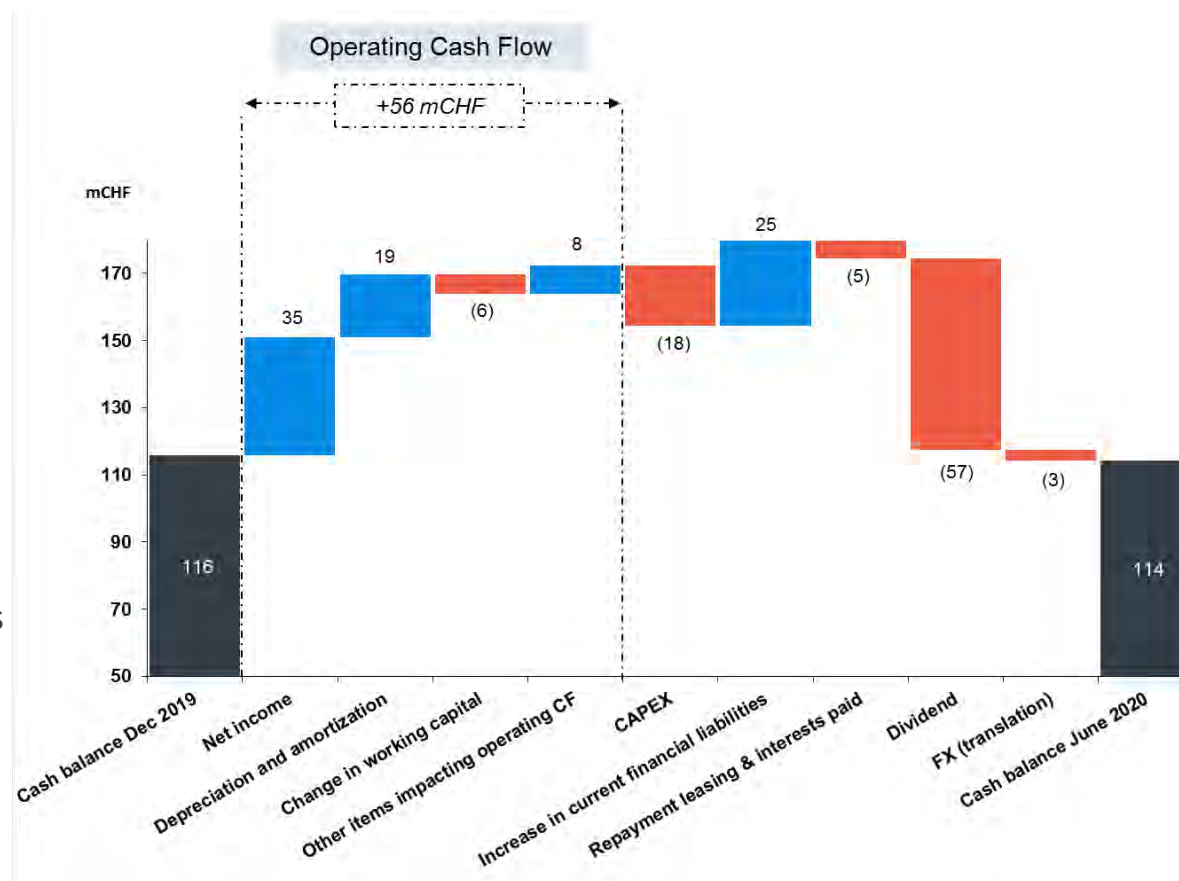
<sup>1)</sup> 2019 restated

# Cash Development

Cash position of 114 mCHF after dividend distribution of 57mCHF

Significantly improved operating cash flow (+64% vs. H1 2019)

Capex of 18 mCHF - investments for enhancing production efficiency and expanding product offerings



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# Strategic Focus

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- General strategy considerations:
  - Invest in attractive industrial activities with growth potential
  - Apply proven concepts of innovation management, supply chain management, direct marketing/sales organization and lean structures
- Grow Composite business organically as well as by acquisitions
- Empower acquired companies to support the Composite business model
- Attractive dividend considering not only the amount of planned investments but also the desired ratio of self-financing to external financing



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# Outlook H2 2020

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- Display business: Normalization of the demand for clear sheet products, while the demand for non-transparent products is expected to gradually recover.
- Strong demand in Core Materials' business expected to continue in H2, fueled by the wind power industry and applications in the non-wind area.
- Positive outlook for Architecture business due to strong project pipeline, re-opening of construction sites in China, India, Middle East and Southern Europe as well as ongoing high demand for fire retardant and non-combustible products.
- The Transport & Industry business continues to benefit from a solid order backlog and strong demand for weight-saving solutions for buses, mobile homes and rail vehicles – albeit on a lower level compared to 2019.





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# APPENDIX

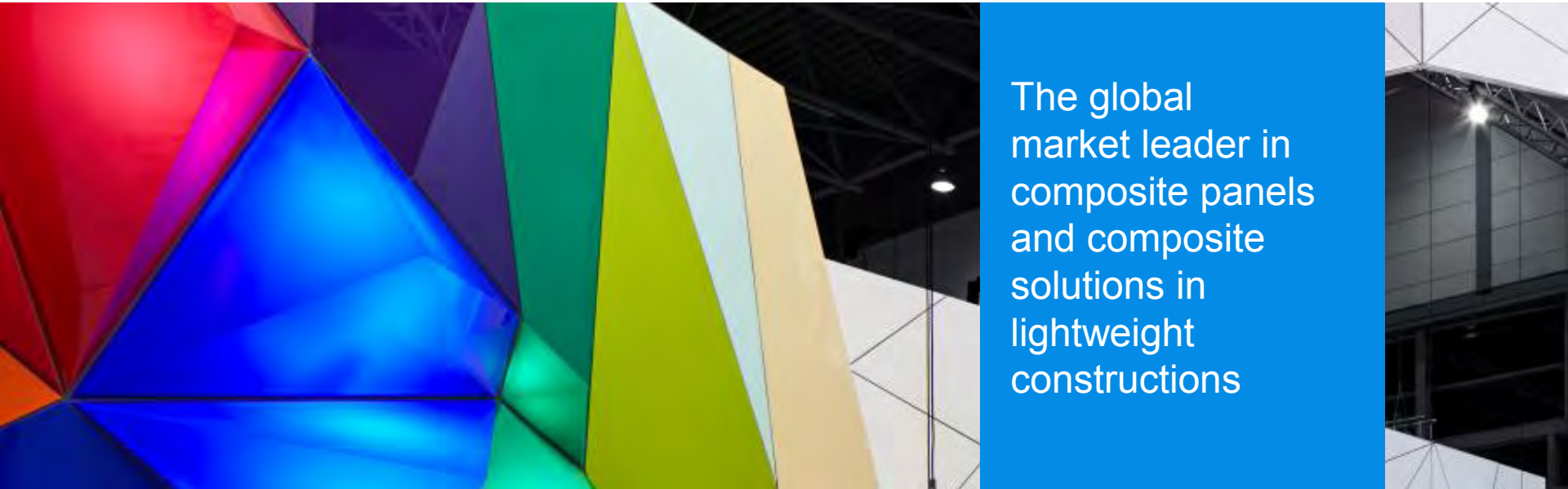
DIVISIONAL  
INFORMATION





# 3A Composites

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The global market leader in composite panels and composite solutions in lightweight constructions



# 3A Composites - Business Idea

## Select attractive market segments

with unmet or latent need for raw material; efficient, low weight, high performance multi-material solutions area

Offer broad range of segment specific specialties



Own efficient and reliable manufacturing technologies



Source commodity raw materials



## Identify and evaluate

opportunities for segment specific sandwich offering

## Design

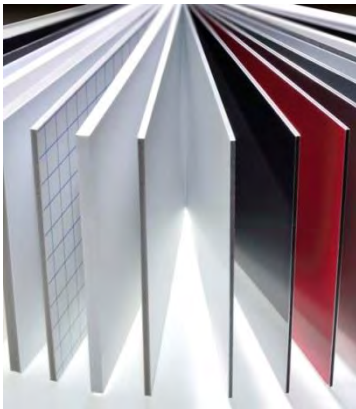
the most effective sandwich configuration

## Specify

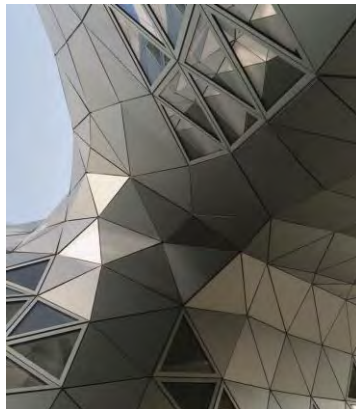
the most cost efficient raw materials



# 3A Composites – Market Segments



**Display**



**Architecture**



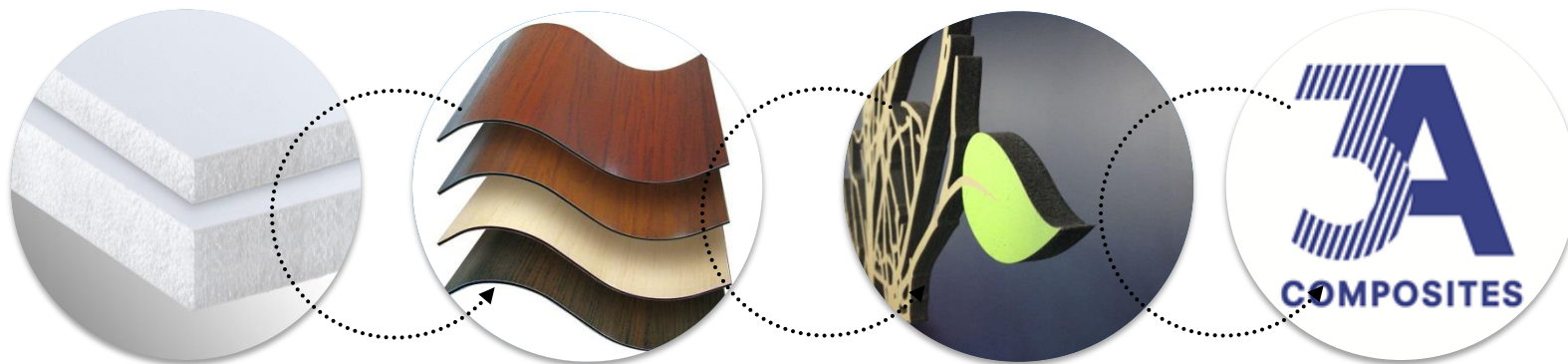
**Core Materials**



**Transport  
& Industry**



# Display



## M

aterials

### Skin Material

Coated Aluminum, (Coated)  
Paper, Polystyrene, PVC

### Other Materials

(Poly-)Methyl Methacrylate  
(MMA), Polycarbonate (PC),  
Styrene Acrylonitrile Copolymer  
(SAN), Polyethylene terephthalate  
/ -glycol (PET/PETG), Polystyrene  
(PS), Polyurethane (PUR),  
Polyethylene (PE), Polypropylene  
(PP), Aluminum-Honeycomb

## P

roducts

### Aluminum Composite Materials (ACM)

### Foamed Sheets

### Foam Boards

### Clear Sheets

## A

pplications

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

## B

rands

**DIBOND®**

**FOREX®**

**KAPA®**

**FOAM-X®**

**GATORFOAM®**

**FOAMALITE®**

**POLYCASA**

**CRYLUX™**

**CRYLON™**

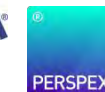
**AKRYLON™**

**HYLITE®**

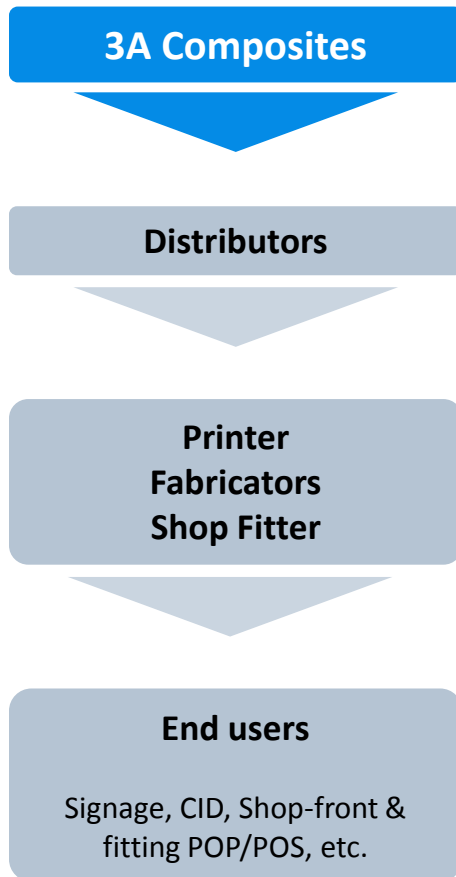
**SMART-X®**

**SINTRA®**

**FOME-COR®**



# Display



## Way to Market - Push & Pull Sales Concept

Strong offering position towards distributors based on a complementary product range

Build on strong distribution network – working with leading European distributors

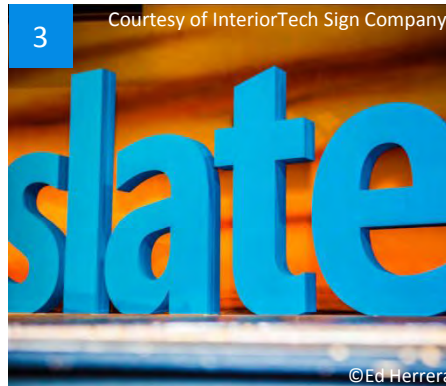
Sales activities address all players in the chain to specify 3A material and create market demand

Field sales force activities focus on fabricators, decision maker and influencer

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- 
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# Display



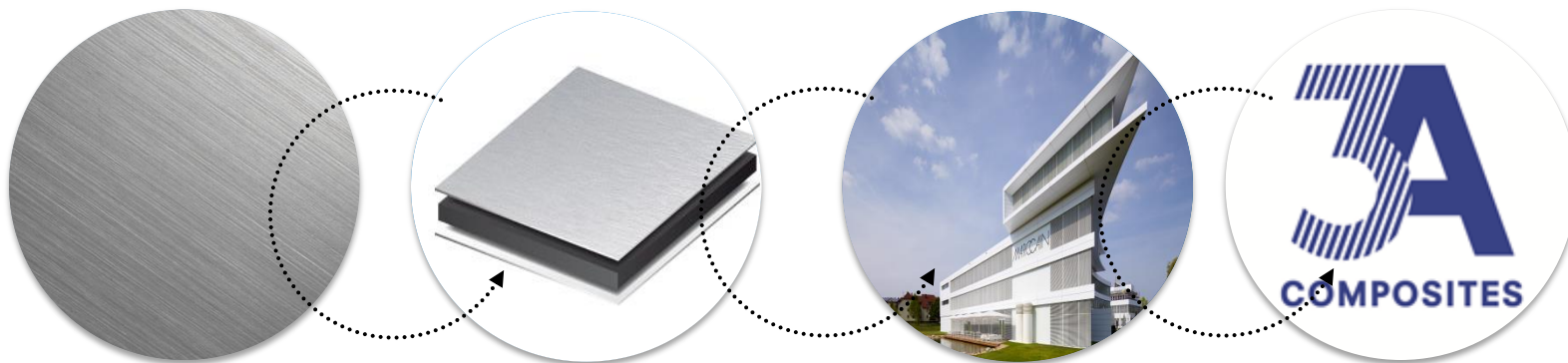
## References

- 1 Art project "Fin Sin Fin"  
Berlin | Germany  
**DIBOND®**
- 2 Ceiling display at Fespa 2018  
Berlin | Germany  
**DISPA® | KAPA® | SMART-X®**
- 3 Life-size marketing letters  
Connecticut | U.S.A.  
**GATORFOAM®**
- 4 Exhibition stand at K 2019  
Dusseldorf | Germany  
**PERSPEX®**





# Architecture



## Materials

### Skin Material

Aluminum sheets

### Core Material

Non Combustible PE (A2)  
Fire Rated PE (Plus)  
Polyethylene (PE)  
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
- Wood
- Sparkling
- Anodized
- NaturAL

## Applications

### Market Segments

- Sport, Airport, Public Space, Retail, Hotel, Hospital, Corporate, Residential

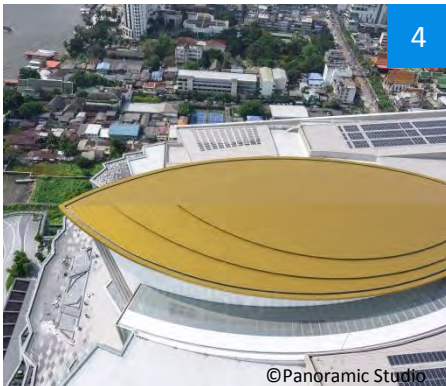
### Applications

- Facades / Flying Roofs
- Exterior/ Interior Cladding
- Corporate Identity Signage

## Brands

**ALUCOBOND®**  
**ALUCOBOND®A2**  
**ALUCOBOND®plus**  
**ALUCORE®**

# Architecture



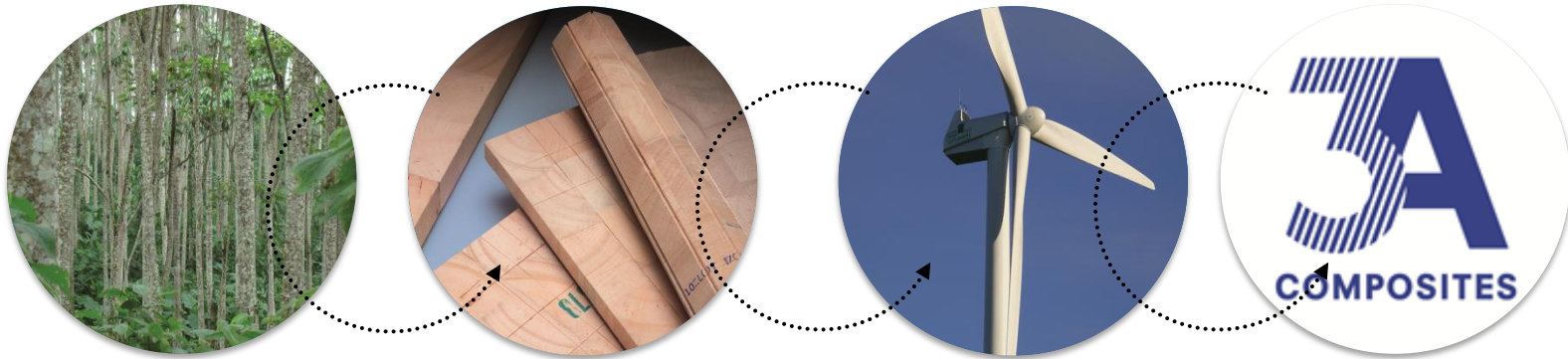
## References

- 1 Great Northern Way Pavilion  
Vancouver | Canada  
**ALUCOBOND® Spectra**
- 2 Cordeel Headquarter  
Temse | Belgium  
**ALUCOBOND® PLUS naturAL Reflect**
- 3 Beijing Daxing International Airport  
Beijing | China  
**ALUCOBOND® PLUS | ALUCORE®**
- 4 ICONSIAM  
Bangkok | Thailand  
**ALUCOBOND® Plus**





# 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 (Baltek VBC)

## Products

### Structural Airex and Baltek Core Materials

- Plain Sheets
- Contour Core
- Kit

### 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

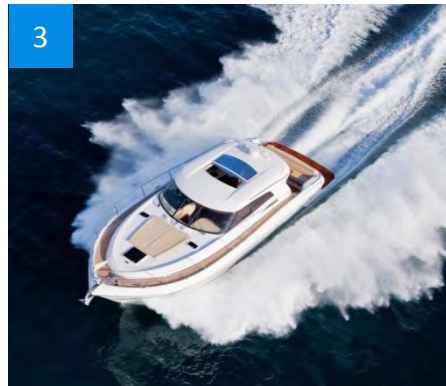
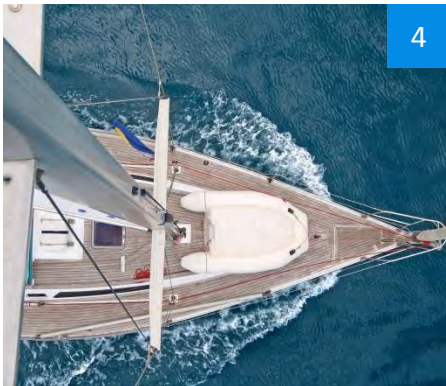
**Infrastructure:**

Road & Pedestrian Bridges

## Brands



# Core Materials



## References

1 Major Wind Blade OEM, Brazil

**AIREX® T92.100 SealX**

2 Automotive Sandwich

**AIREX® T92 | AIREX® T10**

3 Yachts & motorboats hulls, bottoms  
& decks

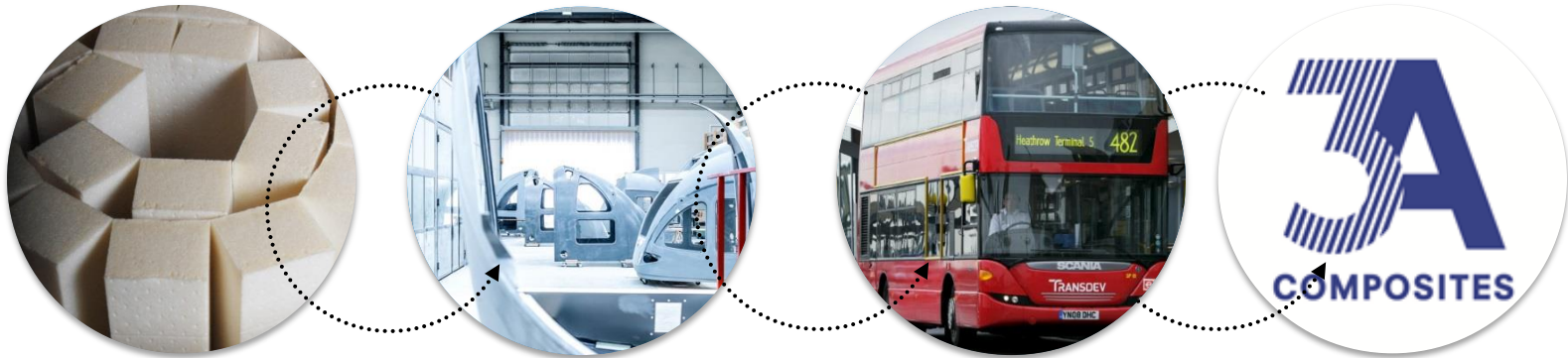
**BALTEK® SB | AIREX® T92 | AIREX® T10**

4 Sailboat hull bottoms, decks & top sides

**AIREX® T92 | BALTEK® SB**



# Transport & Industry



## Materials

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

## Products

- 3D Front Cabins for Railway  
Vehicle
- Structural Aluminum-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

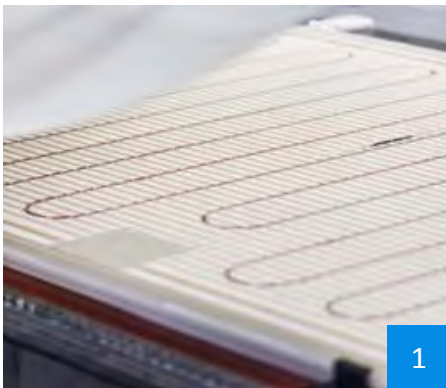
## Applications

- 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

**COMFLOOR®** **BALTEK®**  
**INNOCAB®** **ALUCORE®**  
**XBODY®** **KAPA®**  
**INFIT®** **AIREX®**

# Transport & Industry



## Products

- 1 **COMFLOOR®**  
Lightweight, modular, strong floor system  
(heated & unheated)
- 2 **INNOCAB®** Sandwich FRP Front Cabin  
(incl. painting, bonding, assembly)
- 3 **INFIT®**  
Ready-to-assemble, customized interior  
solutions  
(e.g. wall -, roof cover)
- 4 **XBODY®**  
Sandwich Roof – Volvo 9900

# Strong Global Presence

## ASSETS IN NORTH AMERICA

- 4 production sites (USA)
- Sales / Admin office (USA)
- ~ 380 Employees

## ASSETS IN EUROPE

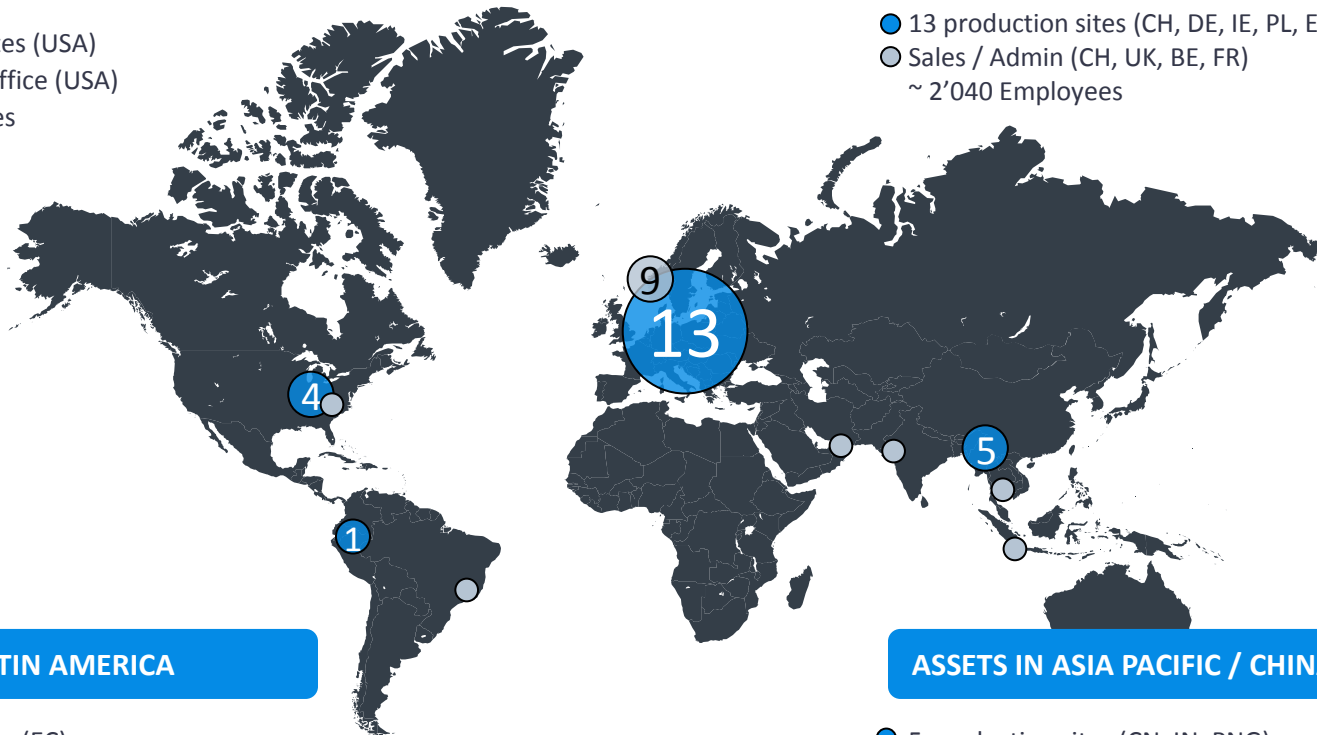
- 13 production sites (CH, DE, IE, PL, ES, CZ, SK, UK)
- Sales / Admin (CH, UK, BE, FR)
- ~ 2'040 Employees

## ASSETS IN LATIN AMERICA

- 1 production site (EC)
- Sales office (BR)
- >11'000 ha FSC® certified plantations in Ecuador
- ~ 750 Employees

## ASSETS IN ASIA PACIFIC / CHINA

- 5 production sites (CN, IN, PNG)
- Sales / Admin office (CN, SGP, UAE, IN, IND)
- >2'200 ha FSC® certified plantations in PNG
- ~ 1400 Employees





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