

SCHWEITER TECHNOLOGIES

Ad hoc announcement pursuant to Art. 53 LR

Media Release

Half-year results for 2021: Schweiter reports strong increase in sales and earnings

Steinhausen, August 13, 2021 – Schweiter Technologies reported a strong first half in 2021 amid challenging market conditions, posting a double-digit percentage increase in sales and earnings. Group sales rose by 12% year on year to CHF 626.4 million (11% in local currencies). EBITDA was up by 15% to CHF 77.8 million (14% in local currencies). Despite some major increases in raw material costs, the return on sales improved to reach 12.4%. Operating result (EBIT) rose by 18% to CHF 58.3 million (18% in local currencies), while net income grew 29% to CHF 45.5 million.

Schweiter Technologies Group (in CHF million)	H1 2021	H1 2020	+ / -
Net sales	626.4	559.5	+12%
EBITDA	77.8	67.9	+15%
<i>as a % of net sales</i>	12.4%	12.1%	
EBIT	58.3	49.3	+18%
Net income	45.5	35.3	+29%

Business performance, first half 2021

3A Composites reported a pleasing performance with a significant increase in both sales and earnings compared with the first half of 2020. All market segments contributed to the growth in revenue.

The most difficult challenges in the first half of 2021 included meeting delivery deadlines as promised in the face of severe bottlenecks among various supply and transport companies, and managing production at a time when projects were being put on hold by customers. Despite the pressure on supply chains, it was possible to maintain supplier and warehouse

management systems and guarantee high product availability. The period saw some significant increases in raw material and transport costs, which could be compensated by sales price increases with a certain delay.

The European Display segment benefited from a renewed increase in demand in the areas of digital printing and shop design, while demand for transparent display panels showed signs of returning to normal. The US Display business also reported a tangible increase in demand for traditional applications such as advertising and interior design. The foamboard business of Newell

Brands Inc., acquired in September 2020 and since fully integrated into the company, also contributed to the growth in sales – however the result for this reporting period was impacted by the costs of restructuring and integration. Volatile increases in raw material and transport costs in the USA resulted in temporarily reduced profitability, despite higher capacity utilization and ongoing sales price rises.

The Architecture segment was marked by two contrasting trends. While the European and the US Architecture business recorded double-digit sales growth, the Asian Architecture business was affected by lockdown measures in India and project postponements in China and the Middle East. The US Architecture business in particular achieved an excellent result with high revenues.

In the Core Materials segment, the strong momentum of the previous two years was sustained. Firm demand from wind energy and marine customers together with good capacity utilization at the production sites as well as the strong market position of the PET foam and balsa segments – the latter with its own FSC-certified plantations – led to a

double-digit percentage increase in revenues and above-average profit growth.

Sales in the Transport segment were only slightly up on the previous year due to ongoing project postponements, but the demand for industrial applications showed a sharp increase.

Outlook

Despite the ongoing challenges relating to raw materials and logistics, the Group anticipates a positive performance in the second half of the year, although income will be lower in comparison with the exceptionally strong baseline of the second half of 2020.

In the Display and Architecture segments and in Transport and Industry, demand is expected to remain firm.

In the Core Materials segment, 3A Composites expects to see a cyclical decline in demand from wind energy customers, especially in China. However, plans by major energy producers to continue to invest heavily in wind power are bolstering the pleasing medium- to long-term outlook of the segment.

The complete Semi-Annual Report for 2021 can be found on our website www.schweiter.com.

A media conference on the 2021 half-year results for analysts, media representatives, and investors will take place at the Marriott Hotel, Neumühlequai 42, Zurich, today at 11.00 a.m.

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