

Ad hoc announcement pursuant to Art. 53 LR

## Media Release

### Financial Statements 2021

#### Schweiter increases sales and achieves the second-best result in the history of the company

Steinhausen, March 4, 2022 – In a challenging business environment, Schweiter Technologies was once again able to increase sales year on year. Even though the operating result was slightly reduced relative to the exceptionally high basis for comparison, the result was still the second best in the history of the company.

Net sales rose to CHF 1'226.9 million (previous year: CHF 1'160.2 million), corresponding to growth of 6% (5% in local currencies). Affected by the deferred passing on of higher costs for raw materials, energy and transport along with one-off integration expenses for the foamboard business acquired the previous year from Newell, Group EBITDA fell by 14% to CHF 151.5 million (previous year: CHF 175.7 million), corresponding to a return on sales of 12.3%. EBIT fell to CHF 111.3 million (previous year: CHF 137.6 million), while net income was CHF 84.4 million (previous year: CHF 103.5 million).

Cash and cash equivalents came to around CHF 123 million and the equity ratio was almost 70%. The Board of Directors will propose paying a dividend of CHF 40 per bearer share at the General Meeting on 6 April, 2022.

The media conference will be held today at 11 a.m. at the Marriott Hotel, Neumühlequai 42, in Zurich.

The 2021 Annual Report and the investor presentation can be downloaded from: <https://www.schweiter.ch/s1a200/investors/financial-reports-presentations.html>

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## Key figures

<b>Schweiter Technologies Group</b> (in CHF million)	<b>2021</b>	<b>2020</b>	<b>+ / -</b>
Net sales	1'226.9	1'160.2	+6%
EBITDA	151.5	175.7	-14%
as a % of net sales	12.3%	15.1%	
EBIT	111.3	137.6	-19%
Net income	84.4	103.5	-18%

### Business performance

Schweiter Technologies' products continued to enjoy extremely high demand in 2021. In terms of sales, the Group achieved the best result in its history and – following an exceptionally profitable previous year – the company recorded its second-highest profit ever. The first half year in particular saw very substantial growth in sales and profits. Demand for core materials for the wind energy sector fell away in China and the USA in the second half of the year but sales of products for the American display, architecture and marine markets flourished, achieving record high levels.

The biggest challenges in the 2021 business year involved meeting delivery deadlines in the face of limited availability of certain raw materials and significant bottlenecks among a range of supply and transport companies. Managing production at a time when projects were being put on hold by customers also proved challenging. Despite the supply bottlenecks for certain raw materials and restrictions affecting transport capacities, it was possible to keep supplier and warehouse management systems operating well and guarantee high product availability. Many of the costs for raw materials, energy and transport rose

sharply and were offset after a slight deferral by price rises, except for products in the Display segment in the USA.

### Display

The European Display market segment showed moderate growth in 2021 and profited from a renewed increase in demand in the areas of digital printing and shop design, while sales of clear sheets returned to normal after the previous year's Covid-related surge in demand for protective partitions.

By contrast, the American Display business saw a substantial rise in sales of around 50% year on year. Traditional applications such as advertising and interior design benefited greatly from catch-up effects after Covid restrictions. The foamboard business of Newell Brands Inc., acquired in the previous year and since fully integrated into the company, also contributed to the growth in sales.

Volatile increases in raw material, energy and transport costs resulted in temporarily reduced profitability despite higher capacity utilization and ongoing sales price rises. One-off integration costs for the foamboard business acquired from Newell Brands Inc. further impacted the result for this reporting period.

### *Architecture*

All in all, the Architecture market segment enjoyed a very successful year in 2021. The European construction industry registered a speedy recovery from the previous year's pandemic-related downturn, with the business almost achieving double-digit percentage sales growth in Europe. Continuously adjusting sales prices against the backdrop of sharp rises in the cost of aluminum led to a rise in profitability.

The Architecture business in the USA continued the growth trajectory begun two years ago. With a rise in sales of over +30% and a disproportionately large increase in profitability, the North American Architecture market segment outstripped its European counterpart in both sales and profit for the first time ever in 2021.

The Asian Architecture business was affected in many countries by the imposition of severe restrictions on contacts, the closure of construction sites and the postponement of projects. Nevertheless, thanks to a well-stocked project pipeline, the segment was able to achieve a moderate increase in year-on-year sales. The significantly higher purchase costs for aluminum and other raw materials together with a modified product mix had a dampening effect on profitability, however.

### *Core Materials*

The Core Materials market segment can look back over a year of two parts. The first half of the year was characterized by steady demand from wind energy and marine cus-

tomers, with good utilization of the production sites. In the second half, demand for wind turbine rotor blades fell away in comparison to the very strong period the previous year. On the other hand, sales in the non-wind sector saw a double-digit increase in percentage terms thanks to record levels of demand in the US marine market.

The continuing strain on supply chains, price increases for raw materials and disruptions to business caused by measures to combat the Covid pandemic were further challenges to make themselves felt in the second half-year. Nonetheless, in terms both of sales and profit, the market segment achieved the second-best performance in its history after the record year of 2020, and emphatically reaffirmed its leading position in the PET and balsa sectors.

### *Transport*

The Transport segment faced challenges as customers halted production and put projects on hold. However, the first signs of an imminent recovery in the market were visible. While sales in 2021 were roughly at the previous year's level, the order book showed a significant improvement, especially in the rail vehicles business. By contrast, road vehicles, and the touring coach business in particular, continued to be affected by the current crisis. Profits in 2021 were hit by significantly higher prices for materials and energy and start-up costs for new projects. It was possible to pass on only some of the cost increases to the market. To limit the negative effects on profitability, operat-

ing processes were optimized and further cost-saving measures introduced.

## **Outlook**

3A Composites made a solid start to the new business year. Due to the current political situation, however, any forecast is subject to considerable uncertainty.

Despite a slight slowdown in economic momentum and uncertainties associated with the future course of the pandemic and political imponderables, performance is expected to continue at a good level.

Economic forecasts for Europe and the USA predict further growth for 2022. After months of pandemic-related restrictions, people's need for in-store shopping experiences and restaurant visits will increase again significantly. This development should see a rise in demand for the high-quality display products of 3A Composites. Demand for products for trade fair construction is also expected to show a gradual increase.

The Architecture market segment envisages further sales growth in 2022, supported by continuing high levels of activity in the European construction industry and catch-up effects from projects that had been delayed and deferred in Asia. Continued sales growth is also anticipated for the North American market, despite a pandemic-related pause in the commencement of new building projects.

The Core Materials business is expecting demand to increase from the second quarter, especially in China. The medium- and

long-term prospects for the business with wind energy customers also remain positive. Weight-saving solutions for applications in marine engineering, construction and industry are opening up further growth opportunities for the segment.

In Transport, demand for lightweight solutions, especially for rail vehicles and buses, is expected to remain high and enable further growth.

## **First sustainability report to GRI standards**

Many aspects of Schweiter Technologies' business activities contribute to the achievement of a sustainable future. The lightweight construction of Schweiter products helps to reduce the amount of energy they consume during operation and so cut CO<sub>2</sub> emissions. For Schweiter Technologies, social sustainability means accepting social responsibility for employees and those living in the vicinity of production sites, as well as for partners in the supply chain. It also entails supporting social partnership projects. This is all accomplished on the basis of good governance and fair business practices. During the reporting year, Schweiter Technologies identified key areas of sustainability and ESG in which the company can achieve maximum impact. For the first time, Schweiter is reporting extensively on these areas in accordance with the standards of the Global Reporting Initiative (GRI).

## **General Meeting**

The company will continue to pay an attractive dividend in addition to its investments in organic growth and acquisitions. The payout ratio is determined by the target ratio of equity to debt financing as well as by the amount of planned capital spending. The Board of Directors will propose paying an unchanged dividend of CHF 40 per bearer share at the General Meeting. This adds up to a total payout of about CHF 57 million.

## **Management changes**

As has already been communicated, Heinz Baumgartner is stepping down from his role as CEO at his own request, but will remain a member of the Board of Directors.

Roman Sonderegger will join the company as future CEO from 1 May 2022 and assume the duties and role of his predecessor after an introductory period.