
SEMI-ANNUAL REPORT 2024

SCHWEITER TECHNOLOGIES

LETTER TO SHAREHOLDERS

Dear Shareholder

In a challenging environment, Schweiter Technologies generated net sales of CHF 527.8 million, a year-on-year decrease of –6% (–4% after currency adjustments). The measures adopted to ensure price discipline, greater efficiency and reduced costs proved effective and the growth of profitability and earnings was sustained, despite the lower sales volume. The Group achieved EBITDA of CHF 45.9 million or 8.7% of net sales (previous year: CHF 42.9 million; 7.7%), while EBIT came to CHF 24.1 million (previous year: CHF 23.4 million). Net income at CHF 20.3 million (previous year: CHF 11.9 million) increased thanks to the higher operating result, one-time effects in the previous year and the positive impact on financial expenses of the weaker Swiss franc in the reporting period. The marked rise in free operating cash flow was due above all to measures taken to optimize net working capital and disciplined investment expenditure, recorded at CHF 30.4 million (previous year: CHF 10.3 million).

Despite the market-related drop in sales, 3A Composites continued to improve profitability. The North America region reported sales growth that was driven by the Architecture business, while Europe was affected across all segments by the negative economic environment. Business in the Asian markets declined overall, despite growth in the Architecture segment. The downward trend was due to declining demand in the wind business and a further intensification of price pressure in China. Nevertheless, all businesses achieved higher margins through a systematic focus on customer proximity, price strategy, improved efficiency and cost discipline.

The Display business generated slightly lower sales in both core markets of Europe and North America while at the same time increasing profitability. Demand from distributors in particular showed a significant increase towards the end of the half-year period in anticipation of rising prices. Sales of sustainable material solutions continued to follow a positive trend. In Europe, the business unit launched a new digital customer experience with its “Virtual Supermarket”. Successes in materials purchasing also contributed significantly to the increase in profitability.

The Architecture business delivered growth and increased profitability driven by strong momentum in North America. In Europe, sales continued to be affected by subdued demand due to the slowdown in the construction industry, which led to low production capacity utilization in some areas. However, strict cost discipline with regard to spending on materials and personnel proved effective, and it was possible to increase margins despite the pressure on sales. Thanks to growth in China and India, sales growth was achieved in the Asia/Pacific region, with a slight increase in profitability compared with the previous year.

As expected, performance in the Core Materials business was weaker than in the previous year. Reduced demand, especially in the wind energy sector, and increasing pressure on prices, in China in particular, were reflected in a decrease in sales. Numerous cost reduction measures, process innovations and efficiency gains nevertheless generated increased relative operating profitability compared with the previous year.

The Transport & Industry business was increasingly confronted with a declining dynamic in the end markets. In the industry segment, applications were affected by the weak economy, while the road and rail segment felt the impact of customer-induced delays. Profitability fell slightly year on year.

Update on the «Accelerate» performance program

As announced in March, Schweiter Technologies is implementing its performance-enhancement program «Accelerate», aimed at improving efficiency and innovation. This will enable the company to enhance its global competitiveness by increasing its customer proximity and innovative strength and systematically optimizing operational excellence along the entire value chain from purchasing to production and sales.

As part of «Accelerate», Schweiter Technologies has decided to close down the 3A Composites Display production plant in Mainz by the end of 2024. Schweiter Technologies has instructed the company's management to initiate all the necessary steps, while respecting all participation rights of the local works council and German law. The self-polymerization of MMA (methyl methacrylate) for extruded acrylic sheets was profitable in the past but no longer has a future, due to disruptive changes in the supplier markets. Schweiter Technologies will continue to offer extruded acrylic sheets, but production will be consolidated accordingly.

The global «Accelerate» program will incur one-off costs of up to CHF 20 million in the 2024 financial year, but the package of measures is expected to achieve an annual reduction in operating costs of CHF 10 million from 2025. The efficiency measures should be completed by the end of 2024.

Consolidation of ZNL into Architecture business and new lead in Asia and North America

Schweiter Technologies consolidated Jiangsu ZNL Coating New Materials, which was acquired at the end of February with a majority holding of 60%. The company, based in Changzhou City, is an innovative manufacturer of aluminum sheets with a workforce of some 50 employees producing high-quality façade solutions in a variety of colors. This acquisition strengthens the Architecture business and creates opportunities for growth in China and the Asian markets. Schweiter Technologies has an obligation to purchase the remaining 40% of the shares in the company.

On an organizational level, the 3A Composites management team will be strengthened through the appointment of a new head for North America and streamlined by consolidating the European and Asian Architecture businesses under a single management structure.

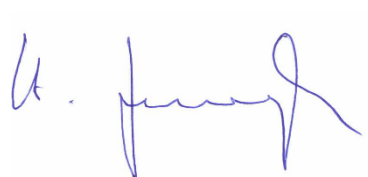
Outlook for 2024

Schweiter Technologies is confident that the initiatives it has implemented and introduced provide favorable conditions for profitable growth. The Group is therefore optimally equipped to profit from relevant megatrends such as sustainability and the increasing demand for mobility and meet the associated increase in demand from customers for lightweight applications with innovative solutions.

The Group is, however, proceeding on the assumption that the dynamic in the end markets will continue to be affected by uncertainties and volatility. The performance of the Display, Transport & Industry, and Architecture businesses in Europe will be impacted by the subdued market and consumer sentiment, whereas demand in the North American business is likely to remain healthy, particularly in the Architecture segment. In the Asia/Pacific region, expectations for Architecture are reasonably positive. The Core Materials business will continue to feel the effects of delayed demand in the wind-energy markets and price pressure in China.

Schweiter Technologies therefore anticipates the sales trend for the year as a whole to be flat or slightly down after currency adjustments and is cautiously optimistic in its assessment of the conditions for further growth in profitability.

Steinhausen, 14 August 2024



Dr Heinz O. Baumgartner
Chairman of the Board of Directors

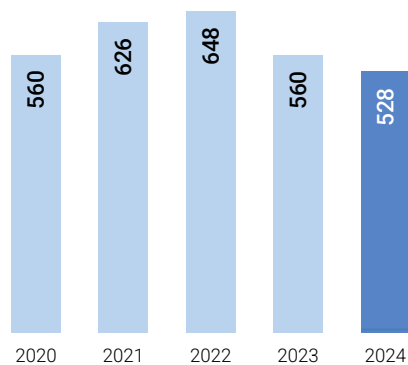


Roman Sonderegger
Group CEO

KEY FIGURES FIRST HALF OF 2024

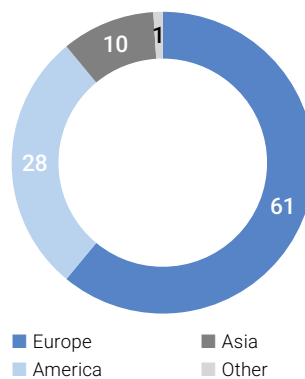
NET SALES

in CHF m



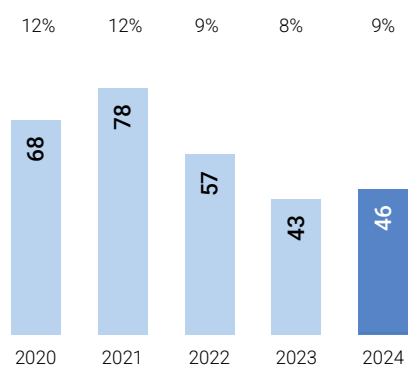
NET SALES BY SALES MARKET

in %



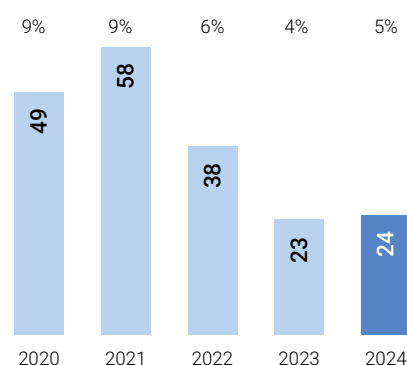
EBITDA / %

in CHF m



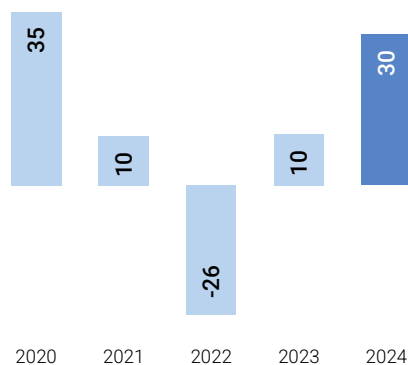
EBIT / %

in CHF m



FREE OPERATING CASH FLOW

in CHF m



SHAREHOLDERS' EQUITY

in CHF m

738

EQUITY RATIO

67%

CONSOLIDATED INCOME STATEMENT

(IN CHF M)	First half of 2024	%	First half of 2023	%
Net sales	527.8	100.0	559.5	100.0
Change in inventories of semi-finished and finished goods	-1.1	-0.2	-7.4	-1.3
Material expenses	-264.4	-50.1	-299.5	-53.5
Personnel expenses	-113.9	-21.6	-105.2	-18.8
Other operating expenses	-105.5	-20.0	-106.4	-19.0
Other operating income	3.0	0.6	1.9	0.3
EBITDA	45.9	8.7	42.9	7.7
Depreciation and amortization	-21.8	-4.1	-19.5	-3.5
EBIT	24.1	4.6	23.4	4.2
Financial income	4.7	0.9	0.4	0.1
Financial expenses	-3.1	-0.6	-7.1	-1.3
Income before taxes	25.7	4.9	16.7	3.0
Income taxes	-5.4	-1.0	-4.8	-0.9
Net income	20.3	3.8	11.9	2.1
Net income attributable to				
the shareholders of Schweiter Technologies AG	20.5	3.9	11.9	2.1
the non-controlling interests	-0.2	-0.0	0.0	0.0
EARNINGS PER SHARE (IN CHF)				
– undiluted	14.2		8.3	
– diluted	14.2		8.3	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(IN CHF M)	First half of 2024	First half of 2023
Net income	20.3	11.9
OTHER COMPREHENSIVE INCOME		
Items that may be reclassified subsequently to the statement of income:		
– Exchange differences on translation of foreign operations	30.9	–11.1
– Tax effects	0.0	0.0
Exchange differences reclassified to the statement of income	0.0	0.6
Total	30.9	–10.5
Items that will not be reclassified subsequently to the statement of income:		
– Revaluation of defined benefit plans	6.5	–0.8
– Tax effects	–1.2	0.2
Total	5.3	–0.6
Total other comprehensive income	36.2	–11.1
Comprehensive income	56.5	0.8
Comprehensive income attributable to		
the shareholders of Schweiter Technologies AG	56.7	0.8
the non-controlling interests	–0.2	0.0

CONSOLIDATED BALANCE SHEET

ASSETS (IN CHF M)	30 June 2024	%	31 December 2023	%
CURRENT ASSETS				
Cash and cash equivalents	92.8		93.8	
Trade receivables	177.8		159.9	5
Inventories	197.1		185.4	5
Other current assets	36.0		28.8	
Total current assets	503.7	45.6	467.9	44.9
NON-CURRENT ASSETS				
Property, plant and equipment	346.8		332.1	
Intangible assets (incl. goodwill)	193.8		185.0	
Other non-current assets	60.1		57.7	
Total non-current assets	600.7	54.4	574.8	55.1
Total assets	1 104.4		1 042.7	
LIABILITIES AND SHAREHOLDERS' EQUITY (IN CHF M)				
LIABILITIES				
Current financial liabilities	74.6		75.0	
Trade payables	82.9		58.9	5
Prepayments received from customers	4.7		3.2	
Accrued expenses and deferred income	47.8		47.5	5
Other current liabilities	28.5		26.6	
Total current liabilities	238.5	21.6	211.2	20.3
Non-current financial liabilities	34.7		35.1	
Deferred tax liabilities	32.2		29.0	
Non-current provisions	9.2		10.2	
Employee benefits	46.2		50.8	
Other non-current liabilities	5.9		0.0	6
Total non-current liabilities	128.2	11.6	125.1	12.0
Total liabilities	366.7	33.2	336.3	32.3
SHAREHOLDERS' EQUITY				
Share capital	1.4		1.4	
Reserves	733.7		705.0	
Shareholders of Schweiter Technologies AG	735.1	66.6	706.4	67.7
Non-controlling interests	2.6		0.0	
Total shareholders' equity	737.7	66.8	706.4	67.7
Total liabilities and shareholders' equity	1 104.4		1 042.7	

CONSOLIDATED STATEMENT OF CASH FLOWS

(IN CHF M)	First half of 2024	First half of 2023
Net income	20.3	11.9
Depreciation and amortization	21.8	19.5
Change in provisions and employee benefits	-1.1	-2.6
Other positions not impacting cash	0.1	-1.2
Income taxes	5.4	4.8
Financial result	-1.6	6.7
Change in working capital	3.4	-5.9
Income taxes paid	-4.7	-3.1
Cash flow from operating activities¹	43.6	30.1
Purchase of subsidiaries	-6.2	-15.5
Purchase of property, plant and equipment ¹	-9.4	-14.9
Proceeds from sale of property, plant and equipment ¹	0.4	0.0
Proceeds from sale of biological assets ¹	0.8	0.0
Purchase of intangible assets	-0.1	-0.3
Repayment of financial assets	0.1	0.6
Increase in financial assets	-0.1	-0.2
Interest received	0.1	0.2
Cash flow from investing activities	-14.4	-30.1
Repayment of leasing liabilities ¹	-5.1	-4.9
Increase in financial liabilities	0.0	30.3
Repayment of financial liabilities	-4.8	0.0
Interest paid	-2.3	-1.8
Dividend paid	-21.5	-28.6
Cash flow from financing activities	-33.7	-5.0
Currency exchange differences on cash and cash equivalents	3.5	-1.4
Change in cash and cash equivalents	-1.0	-6.4
Cash and cash equivalents as of 1 January	93.8	85.9
Cash and cash equivalents as of 30 June	92.8	79.5

¹ Free operating cash flow

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(IN CHF M)	Share capital	Retained earnings	Currency translation adjustments	Total	Non- controlling interests	Total shareholders' equity
Balance as of 1 January 2023	1.4	847.0	-95.6	752.8	0.0	752.8
Net income		11.9		11.9	0.0	11.9
Other comprehensive income		-0.6	-10.5	-11.1	0.0	-11.1
Comprehensive income		11.3	-10.5	0.8	0.0	0.8
Share-based remuneration		-0.1		-0.1		-0.1
Dividends		-28.6		-28.6	0.0	-28.6
Balance as of 30 June 2023	1.4	829.6	-106.1	724.9	0.0	724.9
Balance as of 1 January 2024	1.4	845.9	-140.9	706.4	0.0	706.4
Net income		20.5		20.5	-0.2	20.3
Other comprehensive income		5.3	30.9	36.2	0.0	36.2
Comprehensive income		25.8	30.9	56.7	-0.2	56.5
Share-based remuneration		-0.6		-0.6		-0.6
Dividends		-21.5		-21.5	0.0	-21.5
Change in non-controlling interests				0.0	2.8	2.8
Change in liabilities towards non-controlling interests		-5.9		-5.9		-5.9
Balance as of 30 June 2024	1.4	843.7	-110.0	735.1	2.6	737.7

6

NOTES TO THE SEMI-ANNUAL STATEMENTS

1. CONSOLIDATION PRINCIPLES

These condensed, unaudited semi-annual statements of the Swiss-domiciled Schweiter Technologies AG and its subsidiaries have been prepared in accordance with IAS 34 "Interim Financial Reporting" and should be read in conjunction with the consolidated annual financial statements 2023.

They are based on the accounting principles presented in the Annual Report 2023, which were applied with no changes other than the following new or amended standards and interpretations.

2. ADOPTION OF NEW OR REVISED ACCOUNTING POLICIES

Amendments to standards

IAS 1	Classification of Liabilities as Current or Non-current	1
IAS 1	Non-current Liabilities with Covenants	1
IFRS 16	Lease Liability in a Sale and Leaseback	1
IAS 7 and IFRS 17	Supplier Finance Agreements	1

¹ There are no or no material impacts on the consolidated financial statements of Schweiter Technologies.

Issued standards not yet adopted

The following new and revised standards and interpretations are issued by the IASB. These standards were not effective for the reporting period and have not been early adopted in the present consolidated financial statements.

New standards

		Effective for annual periods beginning on or after	Planned adoption by Schweiter Technologies	
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027	Financial year 2027	1

¹ The impact on the consolidated financial statements of Schweiter Technologies is still being evaluated.

Amendments to standards

		Effective for annual periods beginning on or after	Planned adoption by Schweiter Technologies	
IAS 21	Lack of Exchangeability	1 January 2025	Financial year 2025	1
IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date deferred indefinitely	N/A	1

¹ No or no material impact is expected on the consolidated financial statements of Schweiter Technologies.

The preparation of the semi-annual statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and disclosure of contingent liabilities at the date of the semi-annual statements. If, in the future, such estimates and assumptions, which are based on management's best judgment at the date of the semi-annual statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

The Group operates in businesses whose income statements are not characterized by major seasonal fluctuations. Income tax expense is recognized based upon the best estimate of the weighted average income tax rate expected for the full financial year.

3. OPERATING SEGMENTS

FIRST HALF OF 2024 (IN CHF M)	3A Composites	Other/Eliminations	Group
Net sales	527.8	0.0	527.8
EBIT	24.2	-0.1	24.1
Net income	16.8	3.5	20.3
Assets	1 099.8	4.6	1 104.4
Liabilities	679.8	-313.1	366.7
Employees at 30 June	4 573 ¹	7	4 580

¹ Of which 1 310 employees in balsa plantations and sawmills in Ecuador and Papua New Guinea

Regions	Europe	Americas	Asia	Other	Total
Net sales	319.0	149.5	51.6	7.7	527.8

First half of 2023 (in CHF m)	3A Composites	Other/Eliminations	Group
Net sales	559.5	0.0	559.5
EBIT	24.4	-1.0	23.4
Net income	11.7	0.2	11.9
Assets	1 104.1	2.1	1 106.2
Liabilities	688.4	-307.1	381.3
Employees at 30 June	4 663 ¹	7	4 670

¹ Of which 1 358 employees in balsa plantations and sawmills in Ecuador and Papua New Guinea and 420 employees in JMB Wind Engineering, acquired as of 31 May 2023

Regions	Europe	Americas	Asia	Other	Total
Net sales	343.0	146.2	60.9	9.4	559.5

4. CHANGE IN SCOPE OF CONSOLIDATION

On 26 February 2024, Schweiter Technologies acquired 60% of the shares in Jiangsu ZNL Coating New Materials, an innovative aluminum solid sheet manufacturer delivering high-end, multi-color façade solutions. The company is headquartered in Changzhou City in Jiangsu Province, China. The acquisition is complementing the architecture business solution portfolio and supports the sustainable growth vision in China and the Asian markets. Schweiter Technologies has the obligation to acquire the remaining 40% of the shares of the company.

The goodwill arising from the acquisition essentially reflects the value of the expected buyer-specific synergies. The goodwill is not tax-deductible. The transaction costs of CHF 0.1 million are included in other operating expenses.

The acquisition object was created as part of the transaction and would therefore not have been able to contribute to the Group's revenue and net income for the period from 1 January 2024 to the date of acquisition.

Non-controlling interests in an acquired company are recognized either at fair value or at the corresponding proportionate share of the net assets acquired. The decision is made individually for each acquisition. For the acquisition of ZNL, the Group has decided to recognize the non-controlling interests at its proportionate share of the identifiable net assets acquired.

In the case of JMB Wind, which was acquired on 31 May 2023 and has branches in Poland, Portugal and Brazil, adjustments were made to the accounting of property, plant and equipment, deferred tax liabilities and goodwill recognized at the time of acquisition.

Overview of the acquired assets and liabilities recognized at the time of acquisition

(in CHF m)	ZNL ¹	JMB Wind ²
Cash and cash equivalents	0.0	6.2
Trade receivables	0.0	6.2
Inventories	0.0	6.2
Other current assets	0.1	1.1
Total current assets	0.1	19.7
Property, plant and equipment	9.6	17.4
Intangible assets	0.7	6.2
Total non-current assets	10.3	23.6
Total assets	10.4	43.3
Current financial liabilities	-0.3	-0.9
Trade payables	0.0	-10.3
Accrued expenses and deferred income	0.0	-0.8
Other current liabilities	0.0	-0.6
Total current liabilities	-0.3	-12.6
Non-current financial liabilities	-1.2	-6.5
Deferred tax liabilities	-1.9	-1.5
Total non-current liabilities	-3.1	-8.0
Total liabilities	-3.4	-20.6
Total fair value of identifiable net assets acquired	7.0	22.7
Non-controlling interests	-2.8	0.0
Goodwill	2.0	13.5
Total	6.2	36.2
Cash and cash equivalents acquired	0.0	-6.2
Fair value of pre-existing 40% interest in JMB Wind Engineering	0.0	-14.5
Cash outflow from purchase of subsidiaries	6.2	15.5

¹ The initial accounting for the acquisition completed in the first half of 2024 is provisional. The fair values assigned to the identifiable assets acquired and liabilities assumed are still subject to change.

² After the twelve-month measurement period

5. CHANGE IN WORKING CAPITAL

The decrease in working capital results mainly from higher trade payables.

6. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities include the obligation to acquire the remaining 40% stake in Jiangsu ZNL Coating New Materials (see Note 4).

7. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

In the period under review, the commitments to take delivery under purchase contracts for raw materials have increased by CHF 120.5 million from CHF 403.2 million to CHF 523.7 million. Outstanding commitments to take delivery of property, plant and equipment increased by CHF 0.6 million from CHF 5.2 million to CHF 5.8 million.

8. EVENTS AFTER THE BALANCE SHEET DATE

No further events occurred between the balance sheet date and the date of publication of this Semi-Annual Report which could have a significant impact on the consolidated semi-annual financial statements for 2024.

This interim report was approved and released for publication by the Board of Directors of Schweiter Technologies AG on 12 August 2024 by way of a circular resolution.

DATES AND CONTACTS

PUBLICATIONS AND DATES

24 September 2024
Innovation & Capital Markets Day, in Singen, Germany

28 February 2025
Publication Annual Report 2024

9 April 2025
General Meeting at the Theater Casino Zug

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English translation

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