

Media release

Figures for 2015

Strong revenue growth, rise in earnings

Horgen, 18 March 2016 – In 2015, Schweiter Technologies posted a double-digit growth in sales and earnings. Net revenues rose by 20% (+23% in local currencies, of which 2% organic), climbing to CHF 915.4 million (2014: CHF 765.6 million). The acquisitions made during the financial year contributed significantly to revenue growth and performed well. 3A Composites achieved strong growth of 28% in local currencies (4% organic growth). In a difficult market environment, SSM Textile Machinery recorded a 13% decline in revenues in local currencies compared to the previous year's high figure.

EBITDA increased by 13% (+16% in local currencies) to CHF 92.1 million (2014: CHF 81.7 million) despite the challenges resulting from the sharp appreciation of the Swiss franc and the one-time costs incurred during the financial year for the takeover and integration of the acquired companies. Despite the previous year's currency gains, net income increased by 10% to CHF 50.1 million (2014: CHF 45.5 million).

Cash flow from operating activities amounted to around CHF 66 million and cash and cash equivalents came to more than CHF 170 million after CHF 115 million had been spent on acquisitions and approximately CHF 57 million had been distributed in the form of a dividend. The equity ratio was 68%. An unchanged distribution of CHF 40 per bearer share will be proposed at the Annual General Meeting on 3 May 2016.

Schweiter Technologies is holding its annual media conference today at Hotel Marriott, Neumühlequai 42, in Zurich, at 11.00 a.m.

The 2015 Annual Report and investor presentation can be found at: <http://www.schweiter.ch/s1a200/investoren/geschäftsberichte-präsentationen.html>

Key figures

Schweiter Technologies Group (in CHF millions)	2015	2014	+ / -
Orders received	955.2	800.0	19%
Net revenues	915.4	765.6	20%
EBITDA	92.1	81.7	13%
<i>as a % of net revenues</i>	<i>10.1%</i>	<i>10.7%</i>	
EBIT	65.9	57.5	15%
Net income	50.1	45.5	10%
Information by division (in CHF millions)			
3A Composites			
Orders received	885.5	710.7	25%
Net revenues	840.8	677.2	24%
EBITDA	85.5	70.1	22%
<i>as a % of net revenues</i>	<i>10.2%</i>	<i>10.4%</i>	
EBIT	60.5	47.1	28%
SSM Textile Machinery			
Orders received	69.7	89.3	-22%
Net revenues	74.3	87.9	-16%
EBITDA	9.1	14.6	-38%
<i>as a % of net revenues</i>	<i>12.3%</i>	<i>16.6%</i>	
EBIT	8.0	13.4	-41%

3A Composites

3A Composites can once again look back on a very solid financial year. In addition to the acquisitions, strong demand in the Core Materials business for wind power in China and the Marine sector in the USA made particularly strong contributions to growth.

Growth in the Architecture and Display business in Europe was stronger than in the economy as a whole. However, the significant appreciation of the Swiss franc adversely affected the positive results from the European business operations in the reporting currency (CHF).

In the Middle East and Asia Pacific, the Architecture business was unable to sustain the encouraging growth of recent years owing to political uncertainties and project postponements.

The Transportation sector performed well, posting double-digit growth compared to the weak prior-year period.

EBITDA increased markedly to CHF 85.5 million (2014: CHF 70.1 million). The increase is attributable in part to the acquisitions and in part to the particularly strong improvement in the Core Materials sector as a result of the increase in sales in the wind market coupled with efficiency improvements at various locations. In addition, a double-digit increase in profitability of the US Architecture and Display business was achieved through selective price increases and cost savings.

Architecture

Growth in the European market was boosted by a continuing sound development of construction activity in many European countries (particularly Germany, the UK, Poland and Turkey). Consultancy services for developers and architects in the area of surface design for buildings contributed significantly to the increase in revenues, as did demand for the new innovative ALUCOBOND® façade surfaces. Sales in the US market increase by a modest amount. Stronger growth was prevented by the absence of new major projects in South America and delays to projects in the North American market. In the Middle East and Asia Pacific, the Architecture business was characterized by political uncertainties, project postponements and a general reluctance to invest in individual countries. The impact of the fall in oil prices on construction activity in the Middle East and the exchange rate fluctuations in some Asian countries continue to present challenges for the division. However, the market presence was continuously expanded in all core markets.

Display

As in the previous years, this business area increased its market share in Europe. Revenues once again grew faster than the economy. Steady growth was made possible by a strong dealer network coupled with end consumer-focused sales operations and a comprehensive product range. The French, Italian and Spanish markets made

particularly pleasing progress, while the other countries continued to improve moderately on their already very high level. The acquisition of Polycasa during the year under review ideally complemented the existing product range and significantly strengthened the market position in the transparent materials segment. The integration process progressed well, as did Polycasa's business. Joint innovations will create potential for further growth and the opening up of new business areas.

Core Materials

Business once again improved significantly compared to previous year. Both the wind and non-wind sectors achieved double-digit increases in revenues and earnings and grew their market share. Global demand among wind energy customers continued to grow, though with large regional disparities. Market growth was particularly evident in China, where nearly half of all on-shore wind turbines are manufactured. Thanks to its broad spectrum of products, which ranges from foams to balsa, and its strong brands, 3A Composites remains the preferred supplier for leading manufacturers of wind turbines. The integration of PNG Balsa, which was acquired during the year under review has gone smoothly so far, and there have already been successes in the marketplace. Having an alternative to the existing supply from Ecuador enabled us to conclude additional long-term contracts with major wind turbine manufacturers. In the

non-wind sector, the marine market developed very pleasingly, particularly in the USA. Revenues in Europe increased significantly, despite low growth in Northern Europe and stagnating markets in Southern Europe.

Transportation

Both the rail vehicles segment and the buses segment posted double-digit growth in revenues. The buses business benefited particularly from the clearance of an investment backlog in the UK market which had resulted from the postponed introduction of the EURO 6 emissions standard. The rail vehicles business enjoyed sustained high demand. It also benefited from the integration of Plastwag, which was acquired during the year under review, as well as from the resulting proximity to key customers in Central and Eastern Europe, a low-cost production base and complementary additions to the technology and product portfolio. Exchange rate effects and restructuring costs weighed on margins, producing an overall result that is not yet satisfactory.

SSM Textile Machinery

Compared to the strong prior-year period, net revenues fell to CHF 74.3 million (2014: CHF 87.9 million). EBITDA stood at CHF 9.1 million (2014: CHF 14.6 million). On the one hand, the appreciation of the Swiss franc added to the pressure on prices from European competitors. On the other hand, the cotton/staple fiber sector in China con-

tinued to trend at a relatively low level, while the man-made fibers sector, which enjoyed a boom the previous year, consolidated. However, pleasing growth in revenues was recorded in Taiwan. In addition, India, our second main market in Asia, is showing signs of pent-up demand which should continue to benefit SSM Textile Machinery in the coming year.

Outlook

Both divisions have begun the new year successfully, with a solid order backlog.

At 3A Composites, the Core Materials sector is benefiting from sustained strong demand from wind power customers. The Architecture and Display sectors have posted gratifying revenues for the start of the year which are up on the previous year.

SSM Textile Machinery has begun the year at approximately the same level as the previous year. Turkey and some Southeast Asian markets are showing positive signs of a further recovery.