

Media & Analyst Conference 2017



WELCOME

Zurich - March 13, 2017

Content

- 1 Welcome and Introduction
- 2 Results 2016
- 3 Strategic Focus / Acquisitions
- 4 Outlook
- 5 Appendix / Divisional information





Schweiter at a Glance

SCHWEITER TECHNOLOGIES IS A GLOBAL TECHNOLOGY GROUP COMPRISING THE TWO DIVISIONS
3A COMPOSITES AND SSM TEXTILE MACHINERY

Key Figures 2016

-  1bn CHF sales
-  125m CHF EBITDA
-  Global presence in more than 50 countries
-  Equity ratio ~70%
-  Dividend proposal: 40 CHF per share

Portfolio

-  **Development & manufacturing of composite panels,**
 - **materials for sandwich solutions,**
 - **integrated sandwich components**concentrating on the segments
 - Core Materials
 - Architecture
 - Display
 - Transport & Industry
-  **Traditional machinery making**
 - Textile machinery

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

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One Group – two leading Divisions



3A
COMPOSITES

3A Composites

Global market leader in composite panels and core materials for sandwich solutions

Revenues: 800 - 1100 MCHF

Employees: ~4'100
(of which ~1'650 in Ecuador and Papua New Guinea)

SSM

SSM Textile Machinery

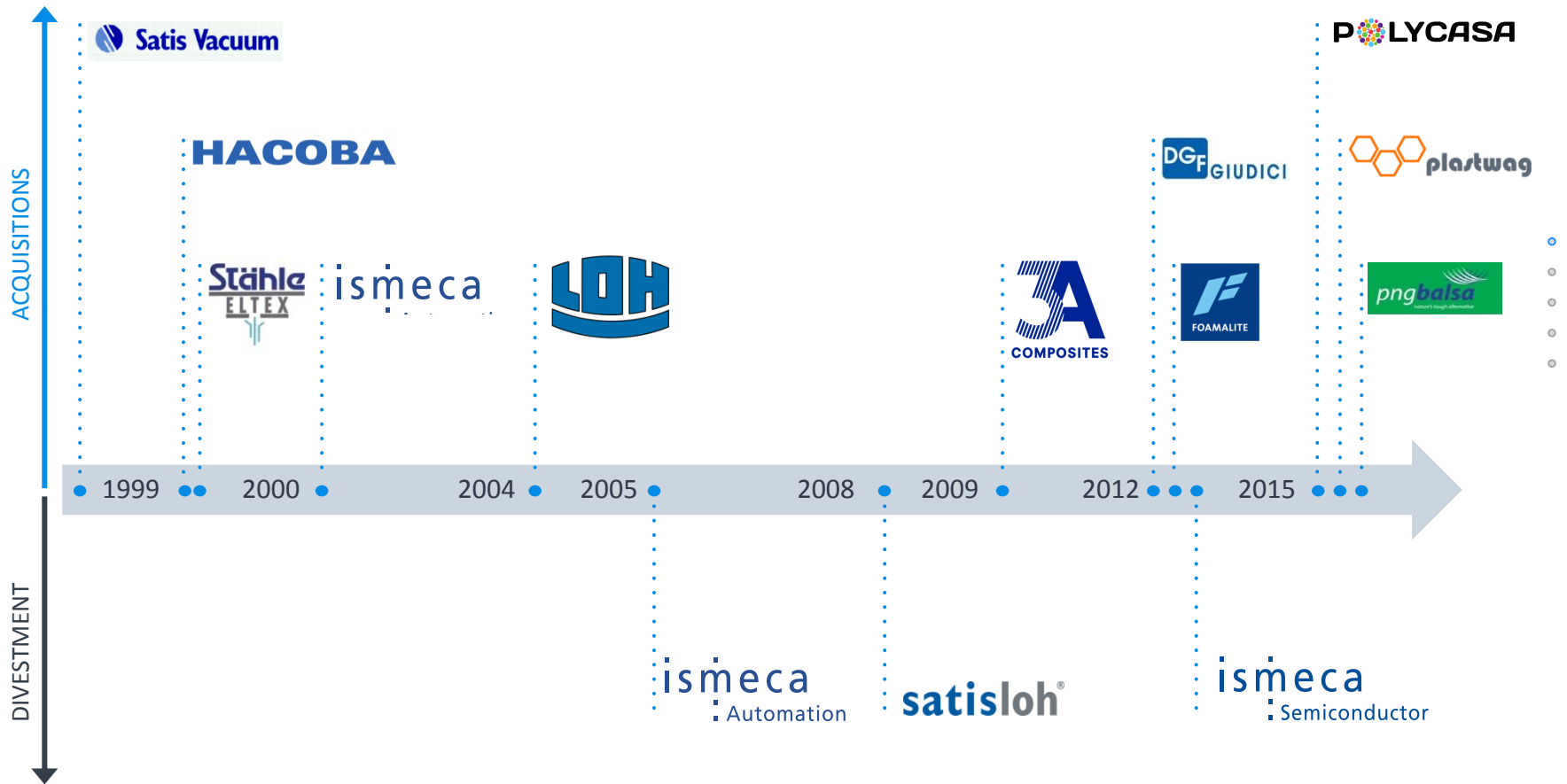
Leading manufacturer of machines for yarn processing and precision winding

Revenues: 70 - 100 MCHF

Employees: ~250

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14 successful transactions since 1998



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Highlights 2016

10%

Increase in Sales

Sales record of 1 bn CHF sales

Above industry benchmark increase in sales and profitability in Display EU

Significant growth of top & bottom line in Core Materials

Sound performance of Architecture in EU & US

Double digit sales and earnings growth in Textile Machinery

>12%

EBITDA margin

EBITDA of 125m CHF represents all-time high

Significant margin improvements in both divisions

EBITDA % in 3A Composites reached > 12%

Further improvement of EBITDA % in Textile Machinery to 15%

49%

Increase in Operating Cash Flow

41% increase in net income

Tight working capital management

High cash balance of 179m CHF



Group Results

<i>in m CHF</i>	H1 2016	H2 2016	Total 2016	Total 2015	%
Orders received	548.0	500.3	1 048.3	955.2	10%
Net sales	501.3	502.1	1 003.4	915.4	10%
EBITDA	61.5	63.5	125.0	92.1	36%
<i>in % of net sales</i>	<i>12.3%</i>	<i>12.6%</i>	<i>12.5%</i>	<i>10.1%</i>	
EBIT	48.2	49.0	97.2	65.9	48%
Net income	34.5	36.1	70.6	50.1	41%
Employees (end of period) ¹⁾	4 475	4 332	4 332	4 689	-8%

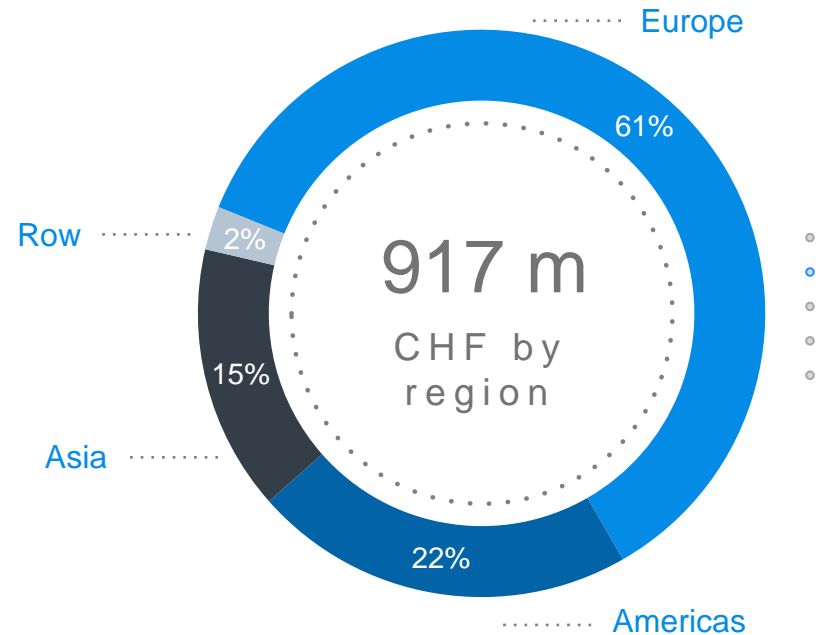
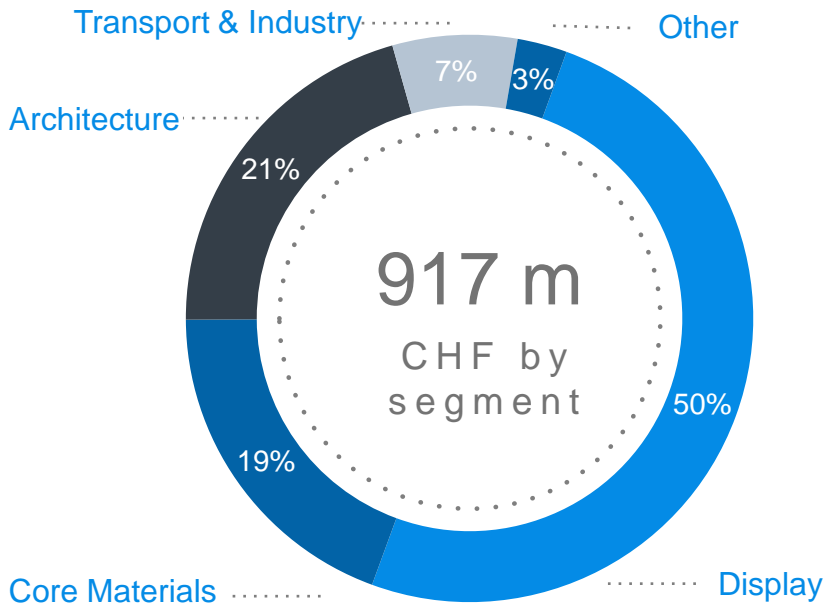
¹⁾ of which 1 649 employees (2015: 1 977 employees) in balsa wood plantations and sawmills in Ecuador and Papua New Guinea

3A Composites Results

<i>in m CHF</i>	H1 2016	H2 2016	Total 2016	Total 2015	%
Orders received	498.8	447.7	946.5	885.5	7%
Net sales	462.3	454.9	917.2	840.8	9%
EBITDA	57.9	57.5	115.4	85.5	35%
<i>in % of net sales</i>	12.5%	12.6%	12.6%	10.2%	
EBIT	45.1	43.6	88.7	60.5	47%
Employees (end of period) ¹⁾	4 218	4 080	4 080	4 432	-8%

¹⁾ of which 1 649 employees (2015: 1 977 employees) in balsa wood plantations and sawmills in Ecuador and Papua New Guinea

3A Composites Revenue Breakdown 2016



3A Composites Results

- Performance of European Display business significantly better than industry benchmark. Product innovations and expansion of the display portfolio with transparent sheet materials from the acquired Polycasa group were key drivers
- Continuous growth in Core Materials' wind and non-wind business supported by a further gain in market share. Double digit improvement of profitability
- Double digit growth of US Architecture top-line. US Display top-line below expectations, but with increased profitability
- Strong performance of European Architecture business in the second half of the year resulting in satisfying growth of sales and earnings
- Slight increase in topline of Asia Pacific Architecture business driven by record sales in South-East Asia and significantly improved top-line in Middle East. Double digit improvement of profitability. Temporary dip in demand in China stymied higher growth
- Doubling sales in bus business supported significant growth of Transport & Industry business however, profitability to be further improved

SSM Results

<i>in m CHF</i>	H1 2016	H2 2016	Total 2016	Total 2015	%
Orders received	49.2	52.6	101.8	69.7	46%
Net sales	38.8	47.1	85.9	74.3	16%
EBITDA	5.3	7.4	12.7	9.1	39%
<i>in % of net sales</i>	13.6%	15.7%	14.8%	12.3%	
EBIT	4.8	6.8	11.6	8.0	46%
Employees (end of period)	251	246	246	251	-2%

SSM Results

- Orders received of > 100 m CHF represents best value in the last decade
- Double digit growth of top-line benefitting from innovations presented at the International Textile Machinery Exhibition in 2015
- Above-average growth of earnings supported by economies of scale, efficiency improvements and cost reduction initiatives
- Solid sales in high-volume markets China and Indian subcontinent
- Significant sales increase of high-end markets in Europe
- Continued R&D expenditures to further expand product portfolio and to secure market leadership



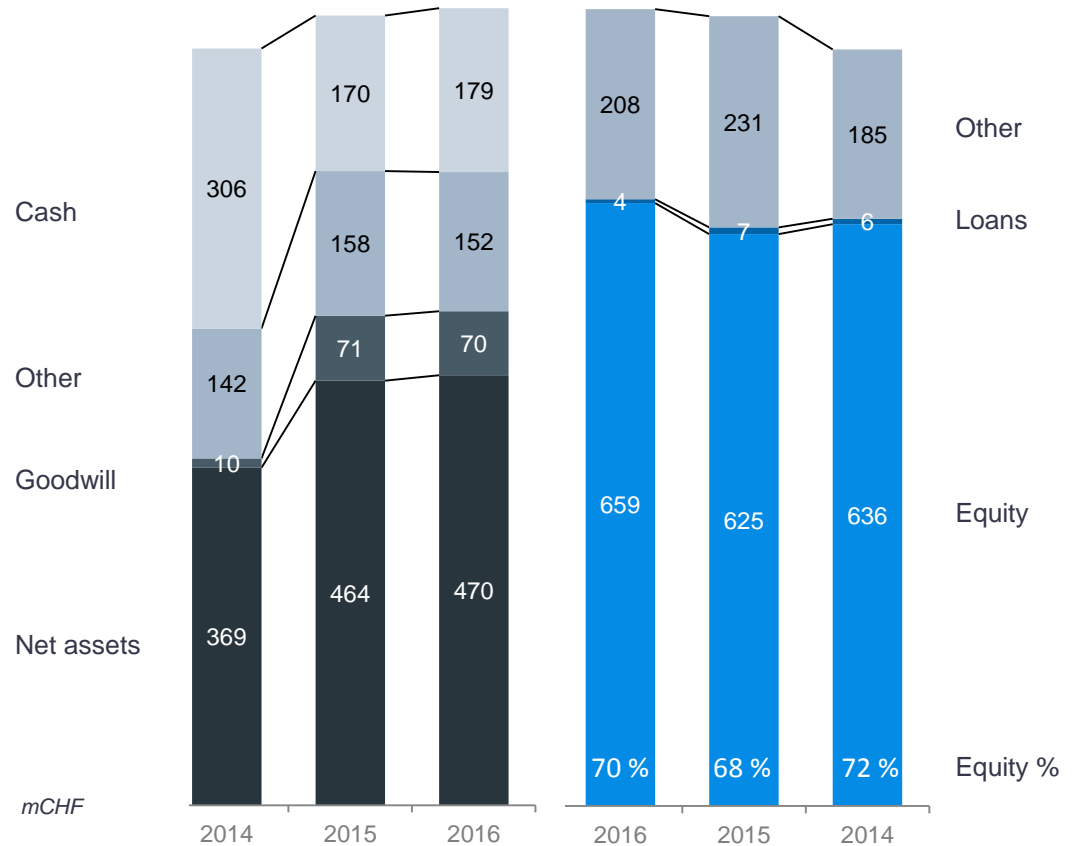
Strong Balance Sheet

Cash position CHF 179 Mio.

Practically no short & long term bank liabilities

Shareholders' Equity CHF 659 Mio. = CHF 460 per share

Equity ratio 70%



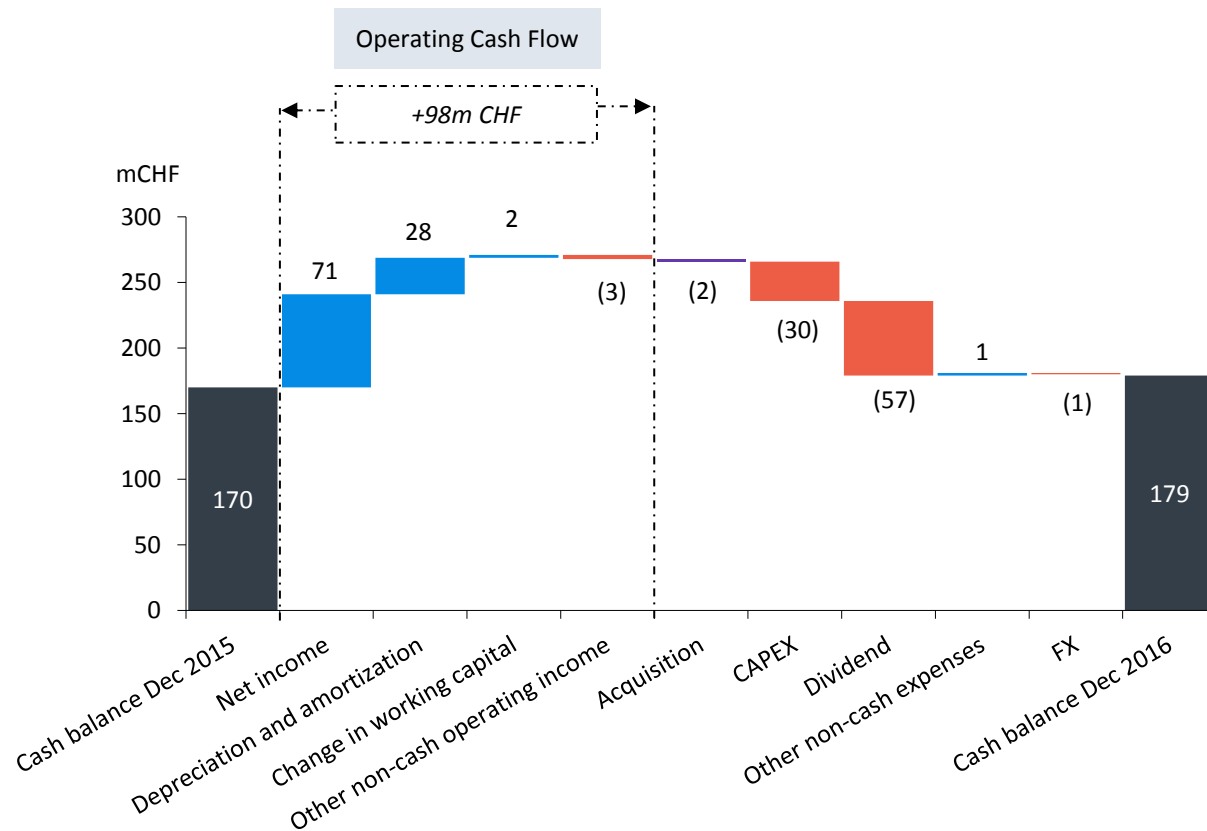
Cash Development

Strong cash position

Significant increase in operating cash flow

Tight working capital & CAPEX management

Dividend payment of CHF 57 Mio.



Cash Flow Development

<i>in m CHF</i>	Total 2016	Total 2015	%
Net income	70.6	50.1	41%
Depreciation & amortization	27.8	26.2	6%
Change in working capital	1.6	-11.6	
Other non cash operating income/expense	-2.4	1.0	-347%
Operating Cash Flow	97.6	65.7	49%
Cash Flow from investing activities	-28.2	-134.6	79%
Cash Flow before financing activities	69.4	-69.0	201%
Dividend	-57.3	-57.3	0%
Repayment of financial liabilities	-2.0	-1.5	-35%
FX	-1.2	-7.7	85%
Cash Flow of the year	8.9	-135.5	107%

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Strategic Focus

- General strategy considerations:
 - Invest into attractive industrial activities with growth potential
 - Apply proven concepts of innovation management, supply chain management, direct marketing/sales organization and lean structures
- Focus on Composite business as dominant business field
- Empower acquired companies to support the Composite business model
- High cash balance allows further acquisitions in current and new business fields
- Attractive dividend / payback of free cash to shareholders



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Outlook 2017

General

- Promising start to 2017
- Ongoing initiatives at all sites to further increase efficiencies and profitability

3A Composites

- Positive outlook for Architecture and Display business in Europe and North America
- Ongoing high demand of Wind and Non-wind business (marine and industrial applications in Core Materials) in EU and US. Price pressure in Chinese Wind market continues
- Increased demand for high-quality, fire retardant Architecture products in Middle East and Asia
- Strong demand for light weight solutions in Mass Transportation
- Raw material price development needs scrutiny

Outlook 2017

SSM Textile Machinery

- Solid performance for 2017 expected based on an order backlog above the 3-year average
- Key markets like China, India, Bangladesh and Pakistan expected to continue positive development
- Positive signs for further growth in high-end markets
- Ongoing focus on innovations and efficiency improvements



APPENDIX

DIVISIONAL
INFORMATION

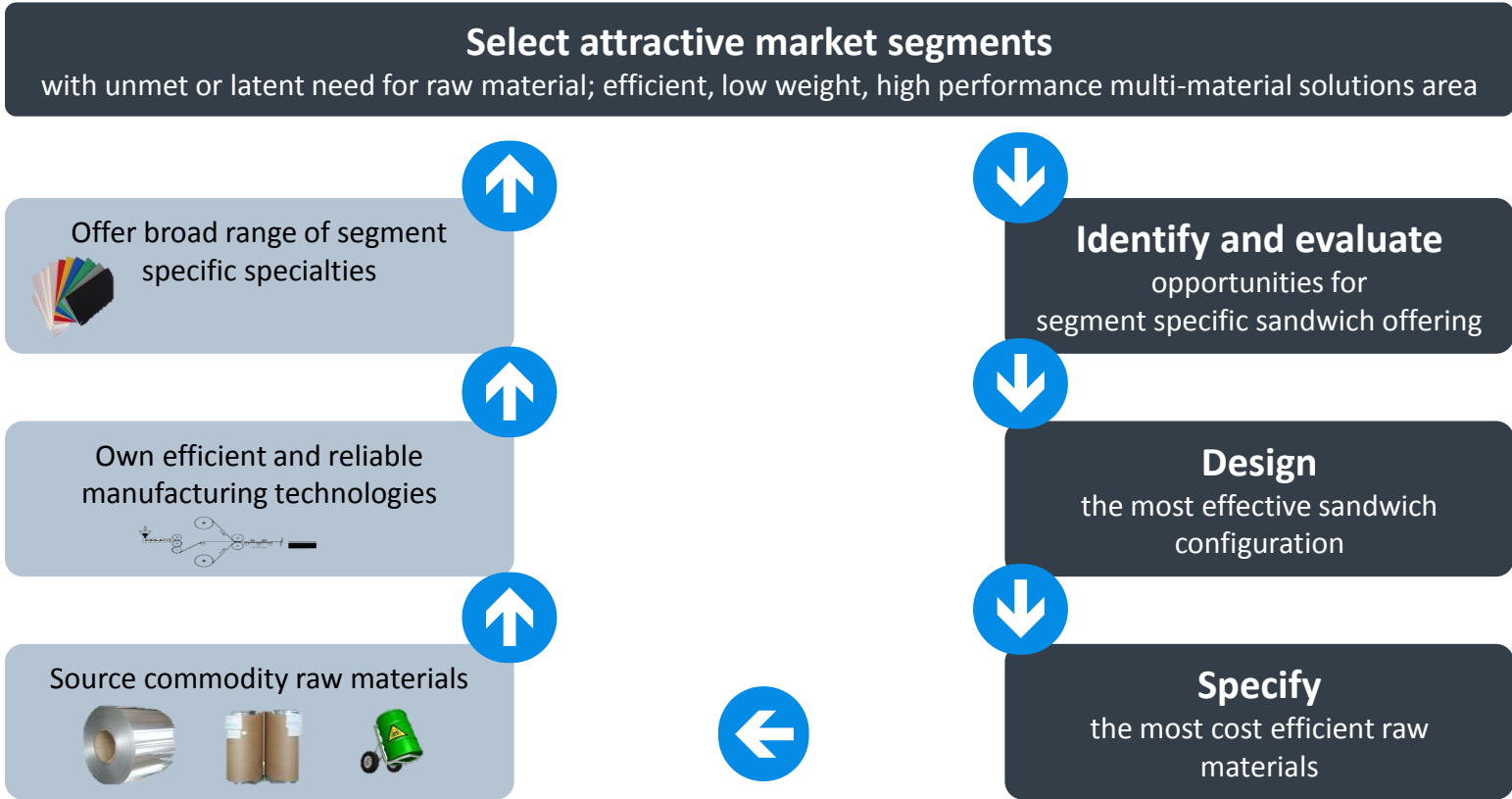
3A Composites



The global market leader in composite panels and core materials for sandwich solutions



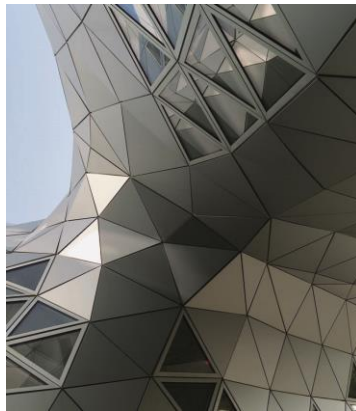
3A Composites - Business Idea



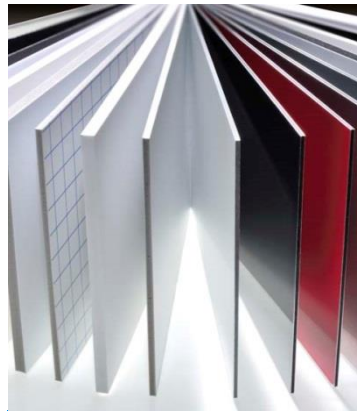
3A Composites – Market Segments



Core Materials



Architecture



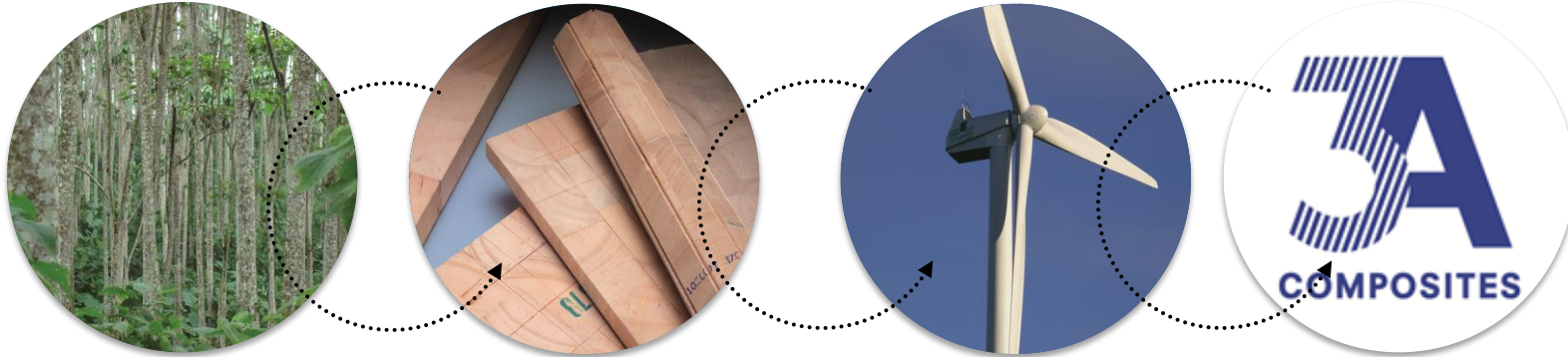
Display



**Transport
& Industry**



Core Materials



M

aterials

Engineering Plastics

- Polyester (PET)
- Polyetherimide (PEI)
- Polyvinylchloride (PVC)
- Polystyrene (PS)
- Polyurethane (PUR)

Balsa

- Standard Balsa (Baltek SB)
- Premium Balsa (Baltek SBC)
- Veneer based Balsa (Banova & Baltek VBC)

P

roducts

Structural Airex and Baltek Core Materials

- Plain Sheets
- Contour Core
- Kit

Banova FLEX Bending Plywood

Balsa PLY Panels

A

pplications

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

B

rands

AIREX

BALTEK

BANOVA

Core Materials



References

- 1 Wind turbine blade
BALTEK® SBC | AIREX® T10 | AIREX® T92

- 2 Airbus rigid high performance core material
AIREX® R82

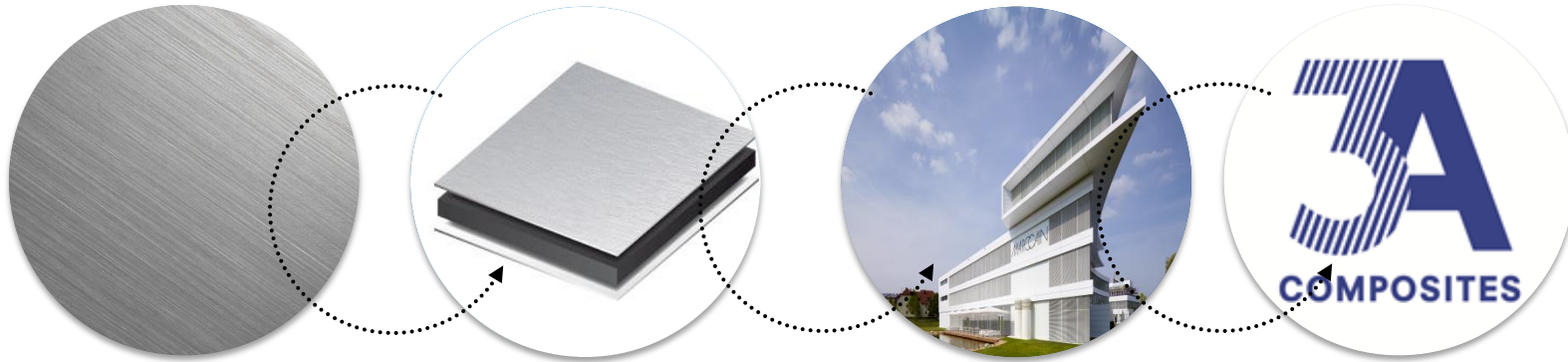
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- 3 Interior & Furniture for Super yachts
BANOVA®

 -

- 4 Bcomp ski cores
BALTEK® VBC

Architecture



Materials

Skin Material

Aluminum sheets

Core Material

Polyethylene (PE)
Fire Rated PE (Plus)
Non Combustible PE (A2)
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

Applications

Market Segments

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

Applications

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

Brands

ALUCOBOND®

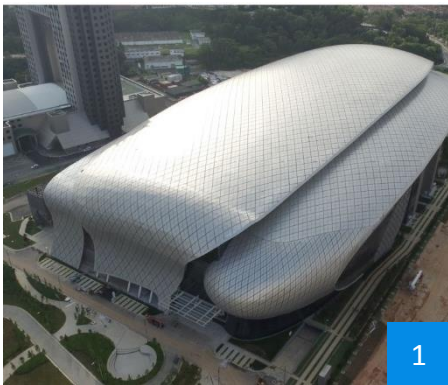
ALUCOBOND®A2

ALUCOBOND®plus

ALUCORE®



Architecture



References

1 MITEC Convention Centre
Kuala Lumpur | Malaysia
ALUCOBOND® Plus

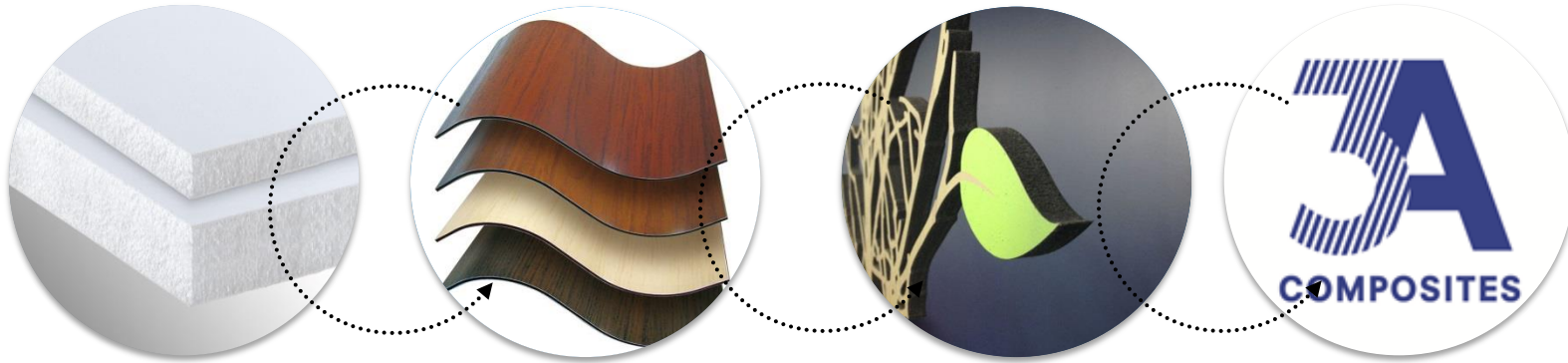
2 Air traffic tower
San Francisco | U.S.A.
ALUCOBOND® Plus

3 Villagio Vista Commercial Office
Accra | Ghana
ALUCOBOND®

4 Marina Barrage shelters
Singapore
ALUCOBOND® Plus



Display



M

aterials

Skin Material

Coated Aluminum, Paper, Polystyrene, Coated Paper, PVC, Self adhesive Films

Core Material

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® | HYLITE® |
| FOREX® | SMART-X® |
| KAPA® | SINTRA® |
| FOAM-X® | FOME-COR® |
| GATORFOAM® | |
| FOAMALITE® | |
| POLYCASA | |
| BANOVA | |

Display



References

1 Shop Design Hirmer Moden
Munich | Germany
KAPA® bright

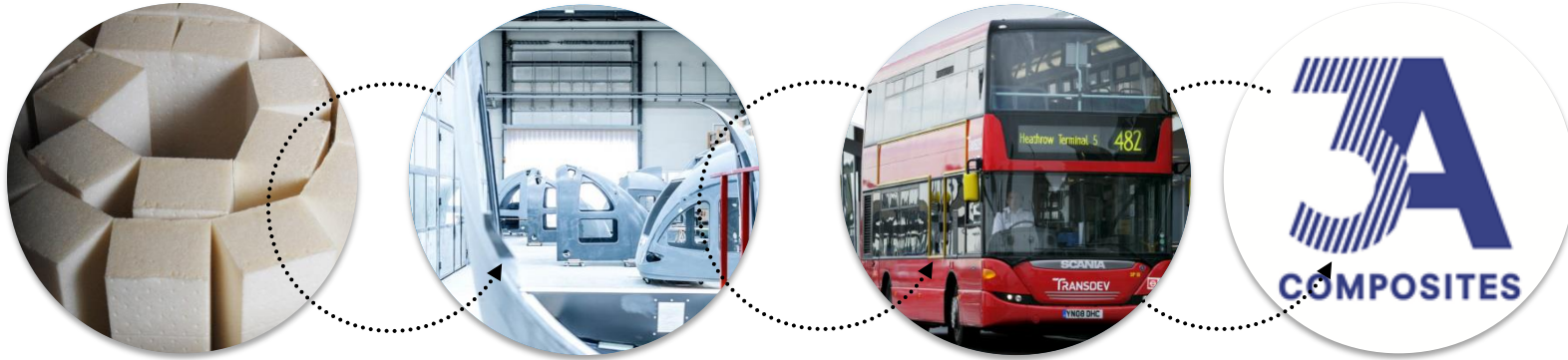
2 Wide Format Digital Printing Sample
Davidson | North Carolina | USA
BANOVA® print

3 Show-Truck Hugo Boss
Germany
DIBOND®

4 Office application
Hooglede – Gits | Belgium
CRYLUX®

-
-
-
-
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Transport & Industry



Materials

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

Products

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



Transport & Industry



Products

1 **COMFLOOR®**
Integrated Floor Heating System
Bombardier Twindexx

2 **INNOCAB®** Sandwich FRP Front Cabin
Stadler FLIRT3

3 **ALUCORE®** side flap/cladding
Zikun Fahrzeugbau GmbH

4 **XBODY®**
Sandwich roof & intermediate deck
ADL Enviro 500s



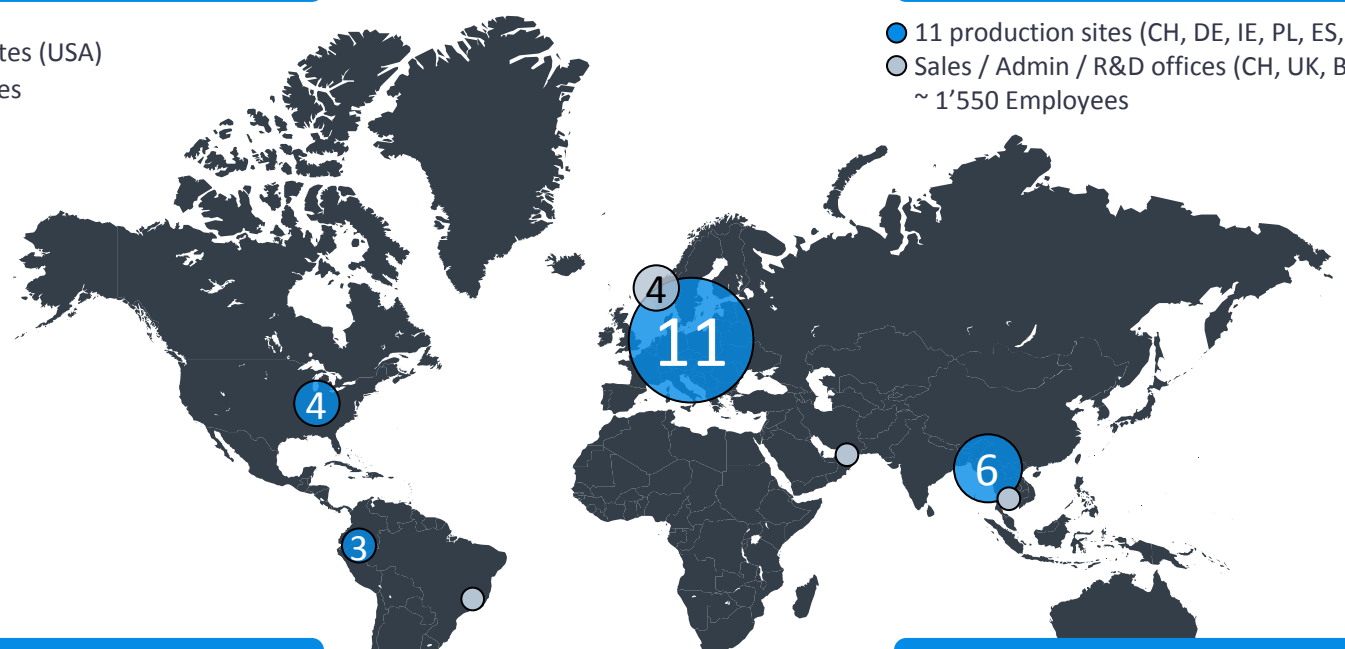
Strong Global Presence

ASSETS IN NORTH AMERICA

- 4 production sites (USA)
~ 350 Employees

ASSETS IN EUROPE

- 11 production sites (CH, DE, IE, PL, ES, CZ, SK)
- Sales / Admin / R&D offices (CH, UK, BE)
- ~ 1'550 Employees



ASSETS IN LATIN AMERICA

- 3 production sites (EC)
- Sales office (BR)
- 106 plantations; 9'298 ha in Ecuador
- ~ 750 Employees

ASSETS IN ASIA PACIFIC / CHINA

- 6 production sites (CN, IN, PNG)
- Sales office (SGP, UAE)
- ~ 1'500 Employees

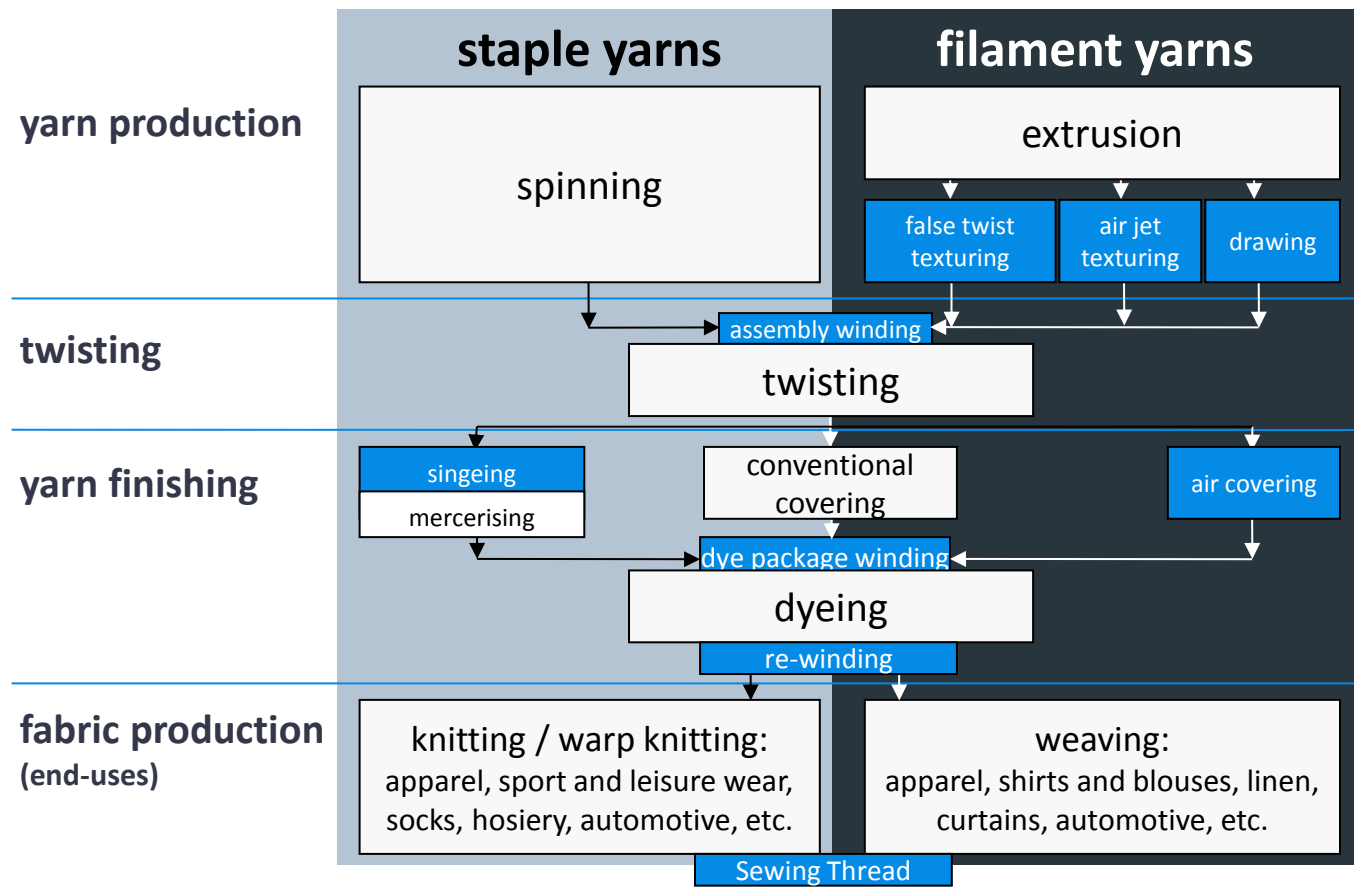
SSM Textile Machinery



Leading manufacturer of machines for yarn processing and precision winding

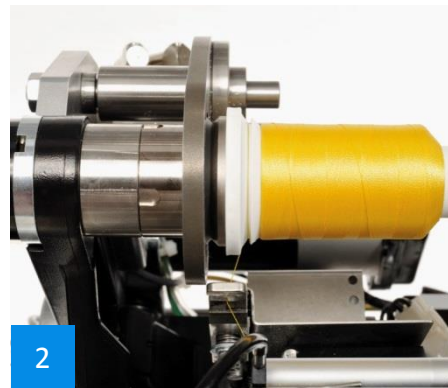
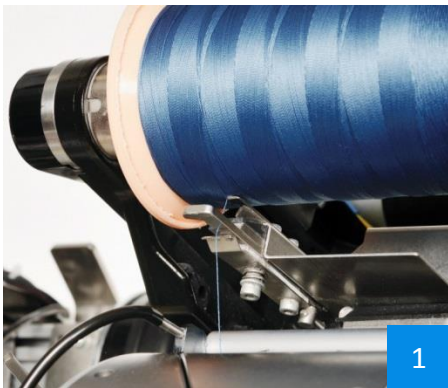


SSM - Strong niche positions in the production chain



All blue marked areas are supported by SSM equipment

SSM Textile Machinery



Products

1 Sewing Thread Finish-Winding
Kingspool / SSM TK2-20 KT

2 Sewing Thread Finish-Winding
**Kingspool with «Snap» /
SSM TK2-20**

3 Air Texturing
Glass fibre / SSM DP5-T

4 Italian Factory, SSM GIUDICI
TG.30 / False Twist Texturing



Strong Global Presence



- Sales, Manufacturing, Service
- Representative offices
- Local service stations

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