

# Media & Analyst Conference 2017

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Zurich - July 3, 2017

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Welcome and Introduction

2

Sale of SSM Textile Machinery to Rieter

3

Acquisition of Athlone Extrusions Ltd.





# 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 payout: 40 CHF per share

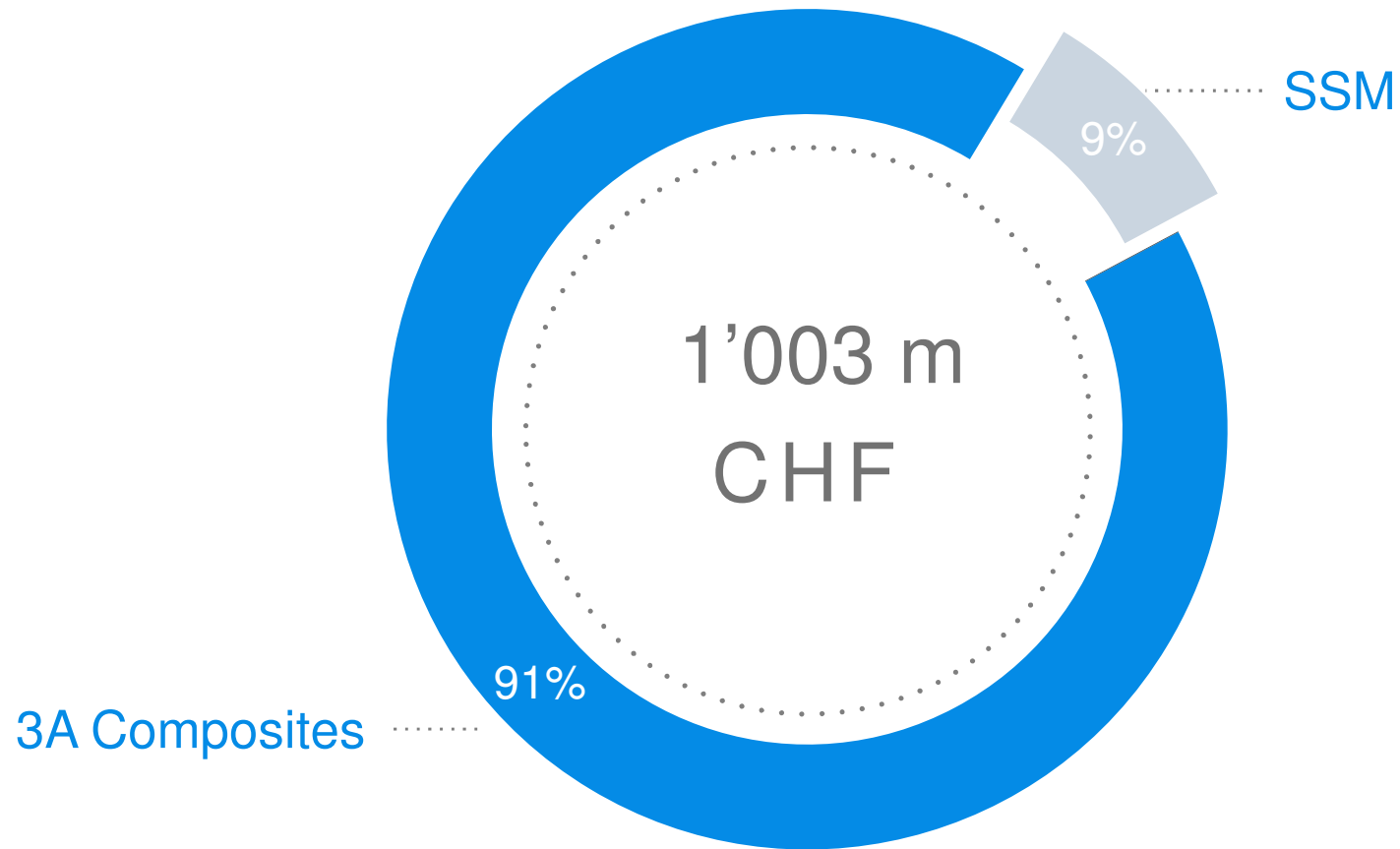
## Portfolio

-  **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

# Schweiter Technologies - Net Sales 2016



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# Rationale to sell SSM Textile Machinery

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- SSM Textile Machinery is in a very good shape, however:
  - Best ownership approach: Rieter is the better owner to further develop and expand SSM's business
  - SSM will add complementary technology & market segments to Rieter
  - SSM contributes less than 10% to Schweiter's total net sales
- Rieter will continue operating SSM's Textile Machinery business in the present form
- SSM's headquarter and R&D center of excellence will remain in Horgen; the production facilities in Switzerland, Italy and China as well as the world-wide distribution network will be preserved
- Schweiter Technologies will focus on its core business – the composite material business of 3A Composites
- Proceeds from the sale will be invested in the expansion and further development of the composite material business as well as acquisitions complementing 3A Composites



# Rieter Group - the purchasing company

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- Rieter ([www.rieter.com](http://www.rieter.com)) is the world's leading supplier of systems for short-staple fiber spinning
- Established in 1795 in Winterthur (Switzerland), Rieter is the only supplier worldwide to cover spinning preparation processes as well as all four end spinning processes currently established on the market
- With 15 manufacturing locations in nine countries, Rieter employs a global workforce of approx. 5 020 people - of whom about 20% are based in Switzerland
- Rieter is listed on the SIX Swiss Exchange under ticker symbol RIEN



# Details of the transaction

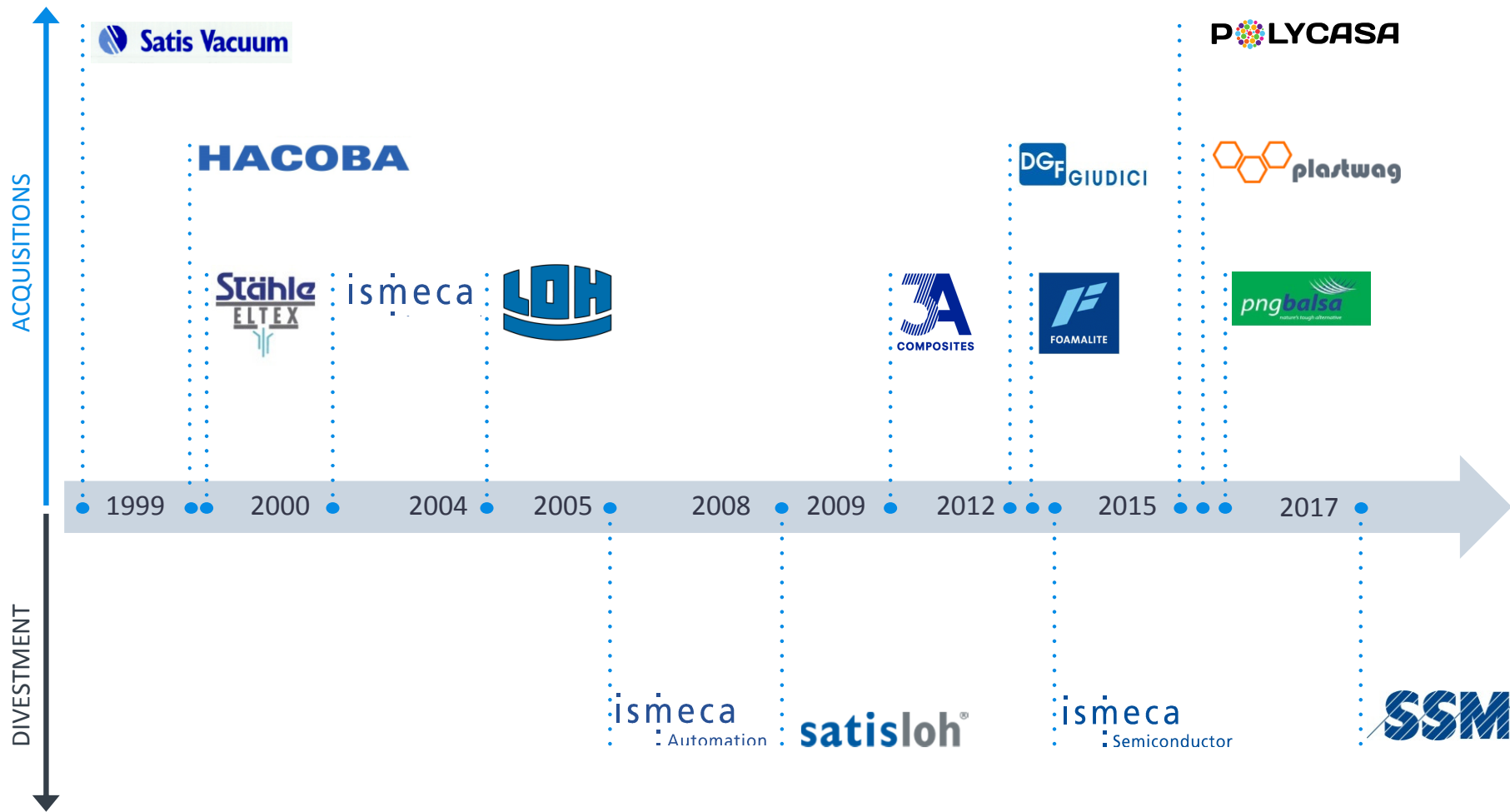
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- Share purchase agreement signed on June 30, 2017
- Simultaneous closing as of June 30, 2017
- Total proceeds of 124.2 mCHF (incl. cash balances remaining within SSM)
- Enterprise value of 100 mCHF on a cash-free / debt-free basis
- Expected book gain of approx. 90 mCHF





# 15 successful transactions since 1998



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- 3 Acquisition of Athlone Extrusions Ltd.



# Acquisition Athlone Extrusions Ltd



## Key facts

**Estimated closing date:**

July 31, 2017

**Net Sales 2016:**

EUR 62 Mio.

**Purchase Price:**

EUR 48 Mio. (cash free / debt free)

Independent thermoplastic sheet extruder and compounder

Complementary product range with a strong presence in the automotive and sanitaryware business

Similar technologies to expand product offering

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# Acquisition Athlone Extrusions Ltd

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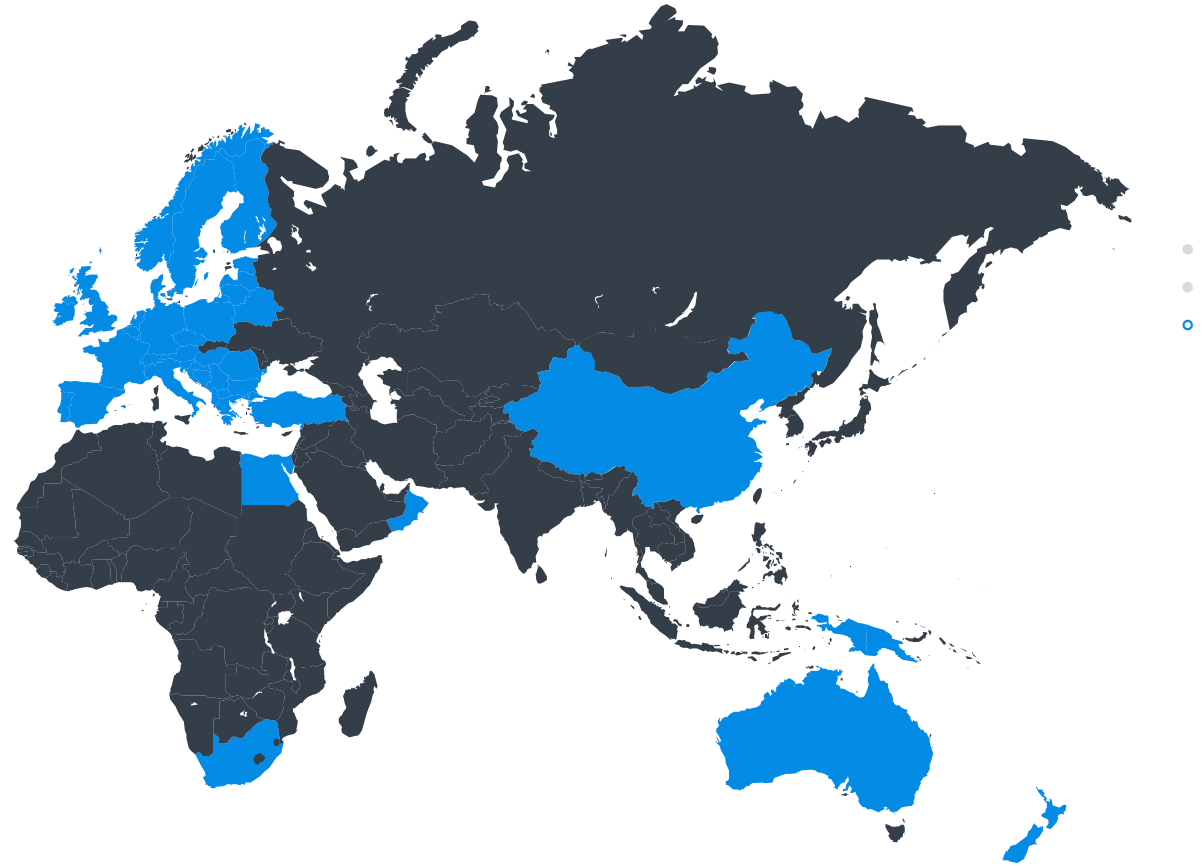
- Athlone Extrusions Ltd was founded in 1971 and is a privately owned, independent thermoplastic sheet extruder and compounder
- Since its foundation the company has had an impressive growth supported by continuous investments in the production facility to expand capacity and improve efficiency through technical innovation
- The manufacturing facility is one of the largest single site extrusion facilities in Europe (production capacity: 35 000 tonnes p.a.) and is located in the town of Athlone, Ireland



# Acquisition Athlone Extrusions Ltd

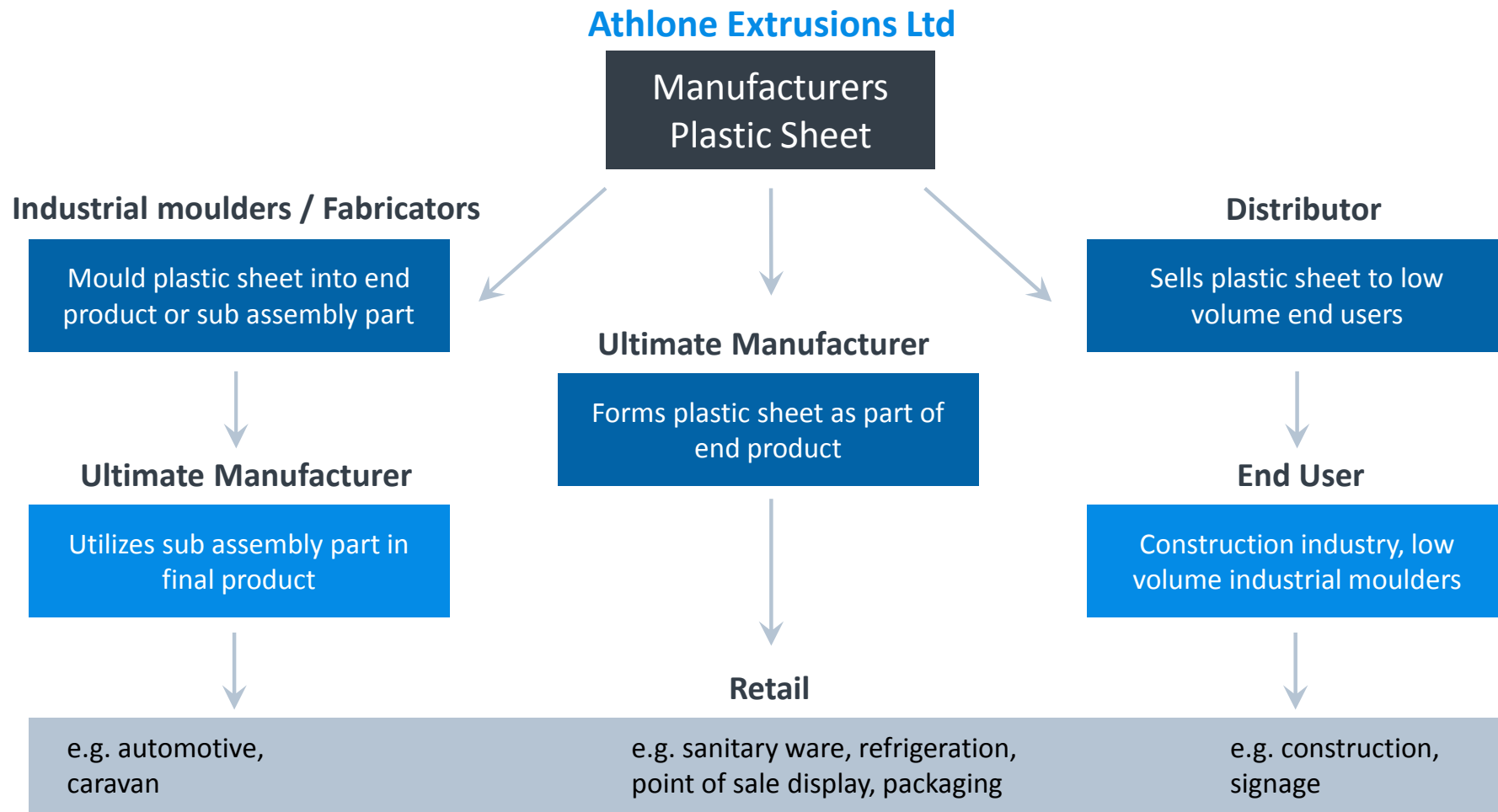
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Athlone Extrusions Ltd.  
produces in Ireland, has  
sales offices in Ireland,  
England and the  
Netherlands and exports  
to over 50 countries  
worldwide



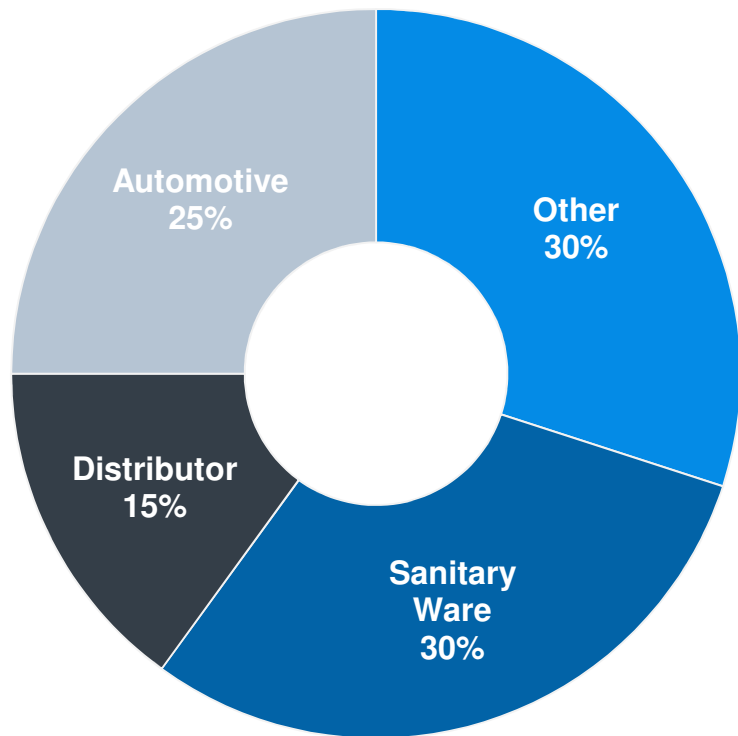
# Acquisition Athlone Extrusions Ltd

Attractive route-to-market strategy with only 15% of product sold through distributors



# Acquisition Athlone Extrusions Ltd

Sales FY 2016  
by market segment



## PRODUCTION

- Low order sizes, short batch production runs
- Short turnaround times
- Value added product specifications

## CUSTOMER RELATIONSHIP

- Qualified and experienced sales teams
- Sell direct to customer, only 15% to distributors
- Strong technical support

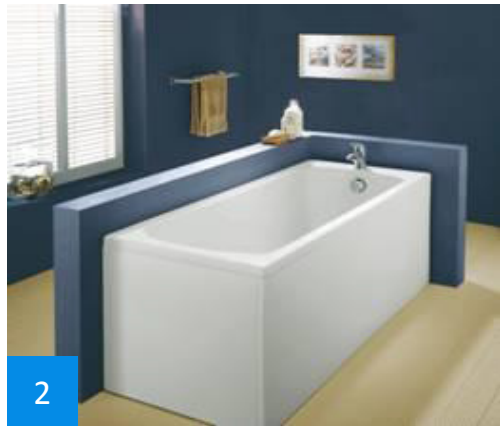
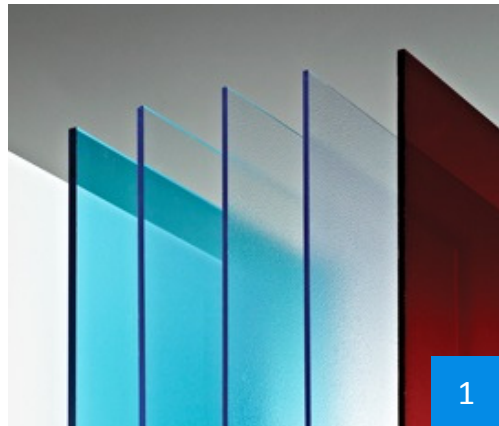
## PRODUCT DEVELOPMENT

- Proven ability to develop new markets
- Products developed in recent years include: doorskins, foils, metallics and soft touch ABS
- Current development focused on furniture products

## COST EFFICIENCY

- Very efficient in manufacturing and waste management
- Net purchaser of regrind – use all own waste and purchase waste externally at lower cost
- Variable costs managed in line with volume

# Acquisition Athlone Extrusions Ltd



## Product solutions / applications

### 1 Polystyrene:

Sheet materials used in applications where low cost and attractive appearance are requirements – e.g. as advertising displays

### 2 High Impact Polystyrene (HIPS):

Materials with high impact strengths easily moulded into products in a multitude of industry sectors – e.g. as sanitary-ware

### 3 ABS:

Materials with similar performance to HIPS but with a higher impact strength, rigidity, durability and better chemical resistance - e.g. as automotive interior trim

### 4 Acrylic - Capped ABS:

Materials with impact strength and durability combined with good scratch resistance and improved aesthetic performance – e.g. as vehicle roofs & cover panels

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# Acquisition Athlone Extrusions Ltd

- Athlone's ultimate end customers include some of the largest and most well recognised companies in the world

Automotive	Sanitary Ware	Point of Sale	Other
 			
 			
 			
 			
 			



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