

Media & Analyst Conference Half-Year Results 2019



WELCOME



Zurich – August 15, 2019

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- 3 Strategic Focus
- 4 Outlook H2 2019
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Schweiter at a Glance

SCHWEITER TECHNOLOGIES IS A **GLOBAL GROUP** DEVELOPING, MANUFACTURING AND COMMERCIALIZING **COMPOSITE PANELS AND CORE MATERIALS** FOR SANDWICH SOLUTIONS

Key Figures 2018

-  >1 bn CHF sales
-  >110m CHF EBITDA
-  Global presence in more than 50 countries
-  Equity ratio ~73%
-  Dividend pay-out: 40 CHF per share

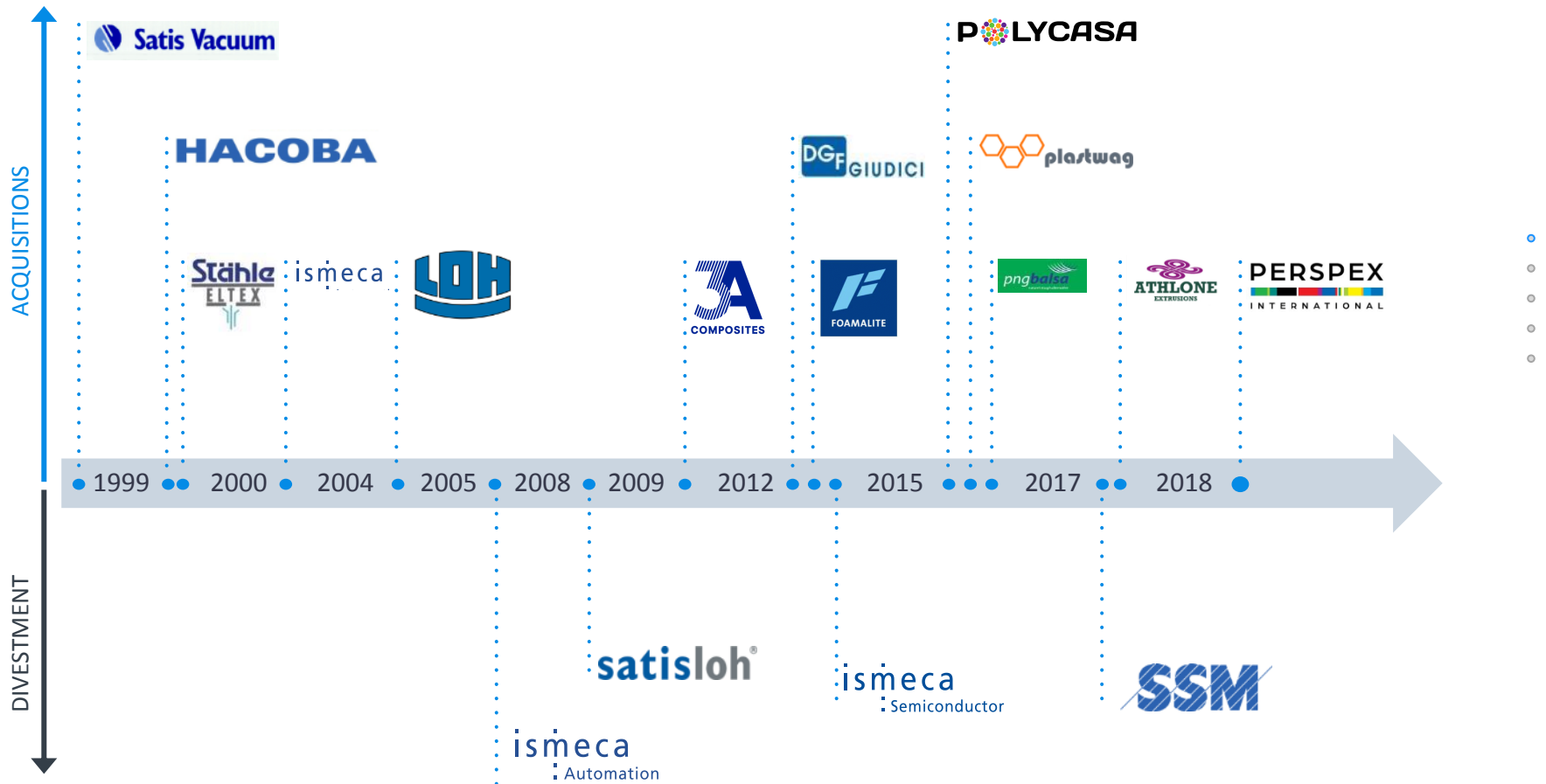
Portfolio

-  Development & manufacturing of
 - composite panels
 - materials for sandwich solutions
 - integrated sandwich components
- concentrating on the segments
 - Display
 - Architecture
 - Core Materials
 - Transport & Industry

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

17 successful transactions since 1998



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Highlights H1 2019

14%

Increase in Sales

Significant growth contribution from Perspex acquisition

Core Materials as well as Transportation with double-digit percentage increase of sales and profitability

US Architecture business with substantial top-line growth and profitability improvement

>10%

EBITDA margin

EBITDA increase of 8% vs. H1 2018

Double digit EBITDA margin maintained despite negative acquisition effect, one-time integration costs and volatile raw material notations

Sales price adjustments aligned with raw material price development

33mCHF

Operating Cash Flow

50% increase in operating cash flow vs. H1 2018

Tight working capital management. Higher working capital to support sales growth

Cash balance of 89 mCHF - after a dividend distribution of 57 mCHF



Group Results

<i>in m CHF</i>	H1 2019	H1 2018	Total 2018	H1/H1 %
Net sales	613.7	540.3	1047.4	14%
EBITDA	63.1	58.3	111.0	8%
<i>in % of net sales</i>	10.3%	10.8%	10.6%	
EBIT	44.5	44.2	82.2	1%
Net income	34.2	33.0	60.3	4%
Employees (end of period) ¹⁾	4058	3716	3947	9%

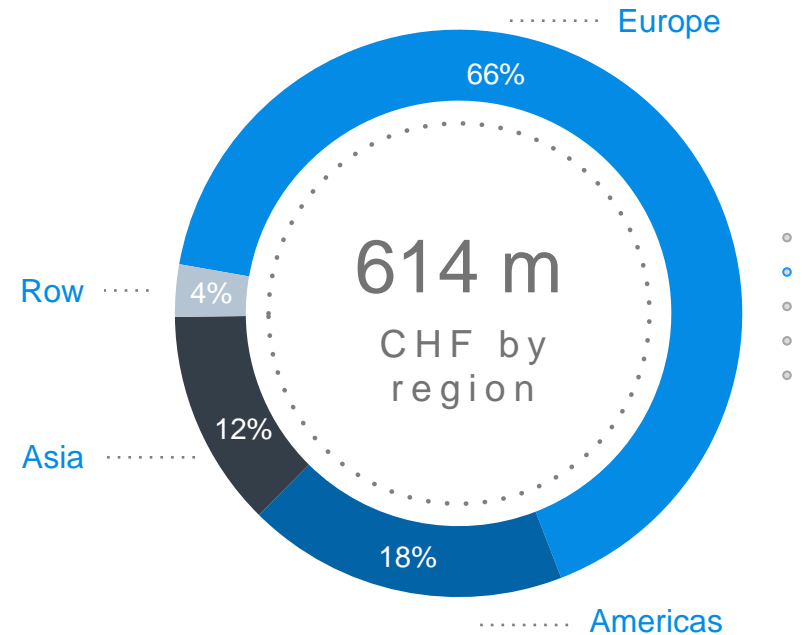
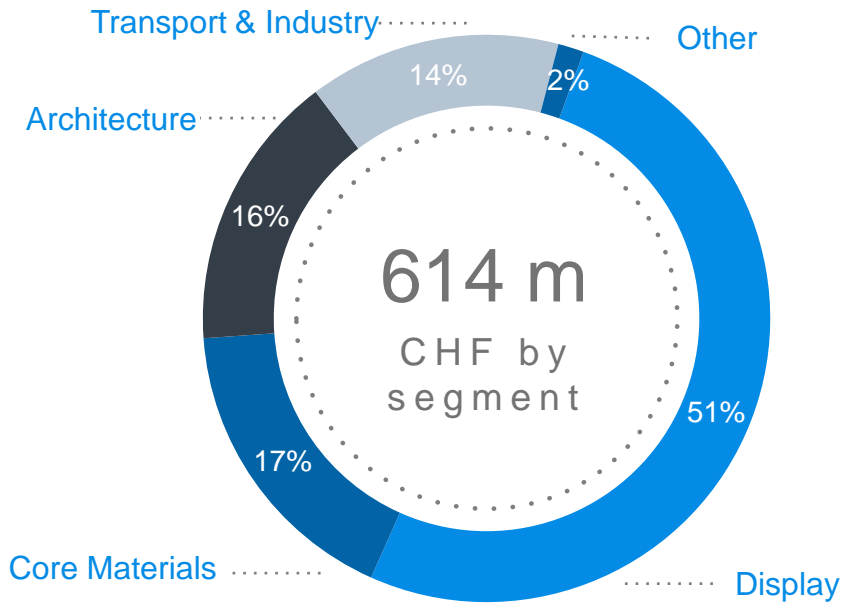
¹⁾ of which 1 131 employees (H1 2018: 1 100 employees) in balsa plantations and sawmills in Ecuador and in Papua New Guinea

3A Composites Results

<i>in m CHF</i>	H1 2019	H1 2018	Total 2018	H1/H1 %
Net sales	613.7	540.3	1047.4	14%
EBITDA	64.5	59.5	111.9	8%
<i>in % of net sales</i>	10.5%	11.0%	10.7%	
EBIT	45.9	45.4	83.2	1%
Employees (end of period) ¹⁾	4051	3709	3940	9%

¹⁾ of which 1 131 employees (H1 2018: 1 100 employees) in balsa plantations and sawmills in Ecuador and in Papua New Guinea

Revenue Breakdown H1 2019



3A Composites Results

- Successful integration of newly acquired Perspex entities significantly contributing to higher sales and earnings.
- Core Materials with double-digit percentage increase of topline and profitability fueled by strong Balsa and PET demand from wind customers in all regions. China with most pronounced growth despite continuing uncertainties surrounding the US-China trade dispute.
- Architecture: successful acquisition of major new projects resulting in double-digit increase of sales and earnings in the US. Europe and Asia slightly below prior year due to temporary demand-curbing effects (Brexit, elections in India) and a major order in China in prior year.
- Display business slightly improved versus weaker H2 2018. However, uncertainties about political and economic development dampened further organic growth and hence could not keep up with the strong prior year period.
- Sales in the Transportation sector grew at double-digit rates due to continued high demand for weight-saving solutions for buses, motorhomes and train fronts. Profitability disproportionately improved.

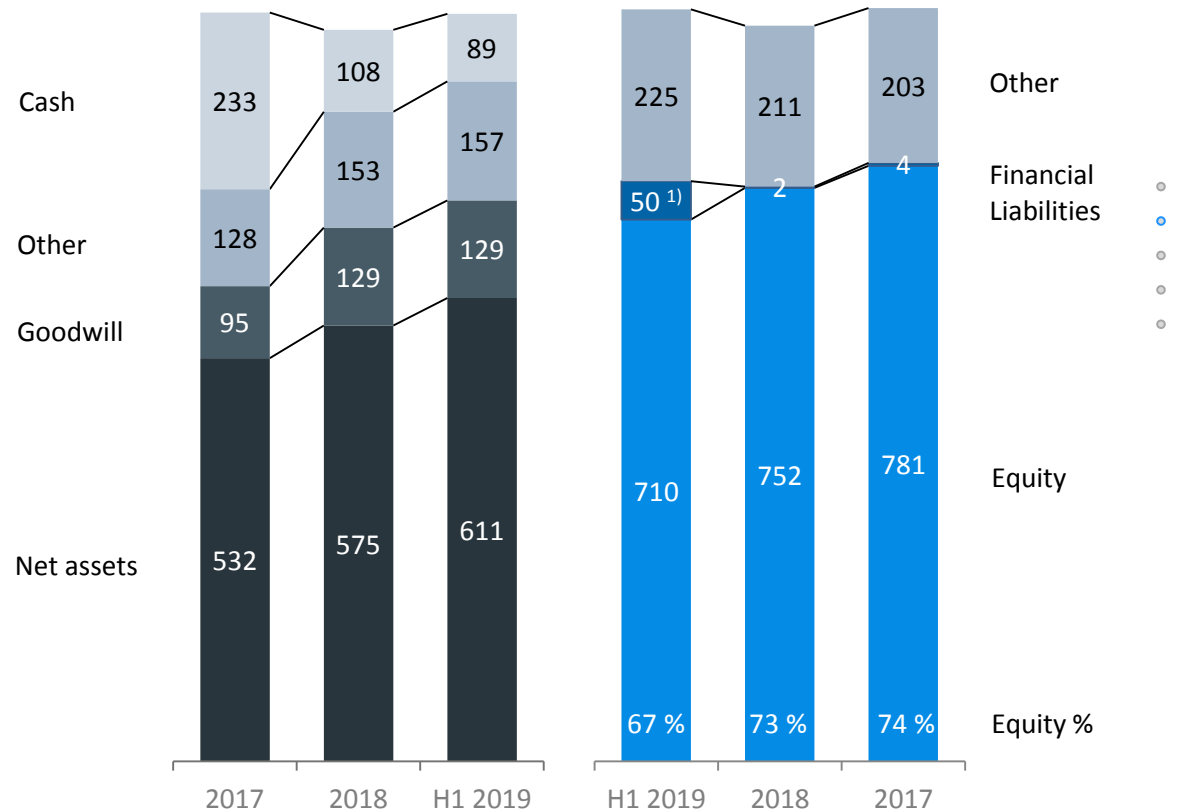
Strong Balance Sheet

Cash position 89m CHF

Low level of financial liabilities

Shareholders' Equity 710m CHF = CHF 496 per share

Equity ratio 67%



¹⁾ of which 32 MCHF relates to first-time adoption of IFRS 16

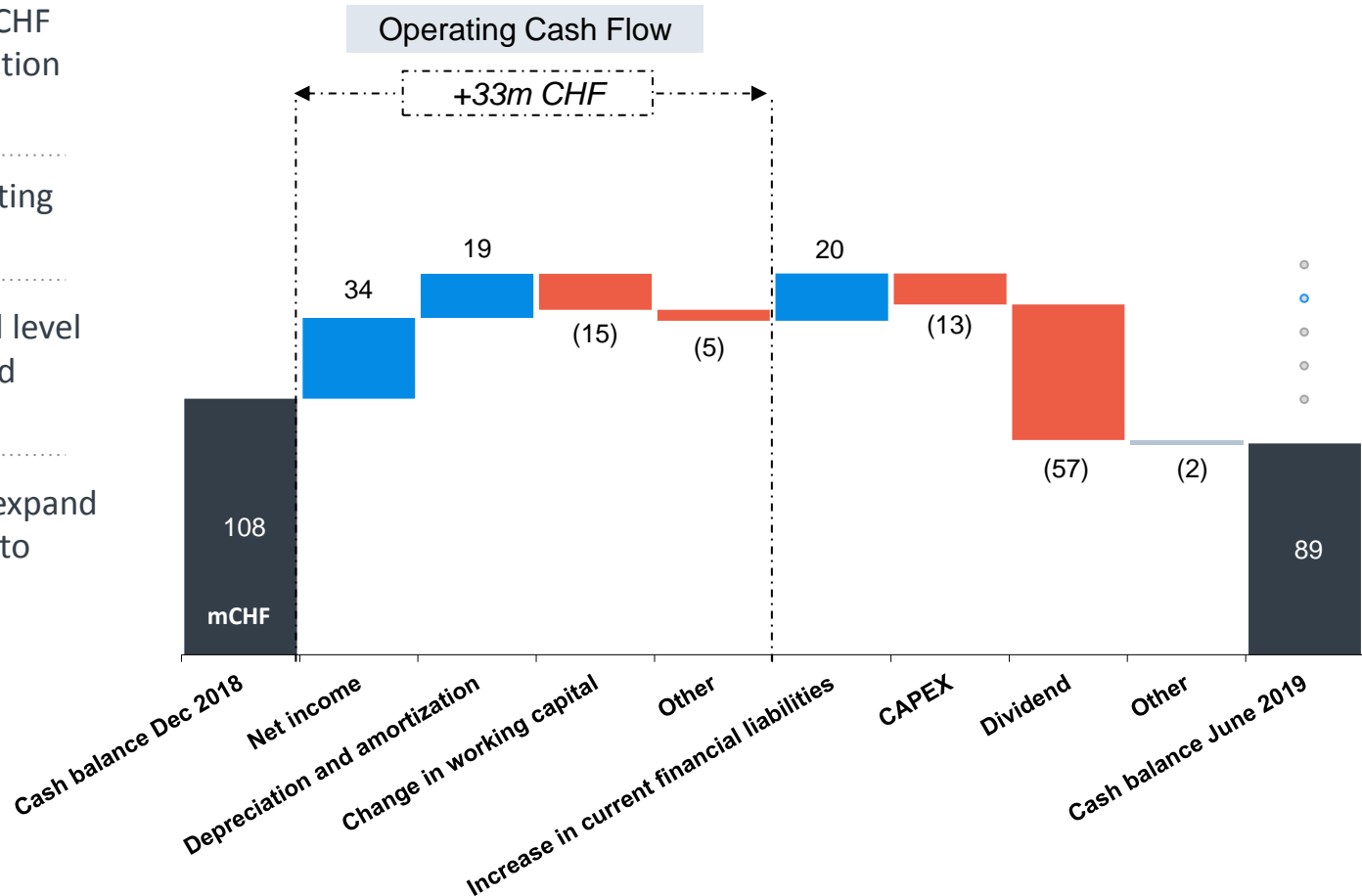
Cash Development

Cash position of 89m CHF after dividend distribution of 57mCHF

50% increase in operating cash flow

Higher working capital level due to higher sales and seasonal effect

Capex of 13m CHF to expand product offerings and to enhance production efficiency



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Strategic Focus

- General strategy considerations:
 - Invest in attractive industrial activities with growth potential
 - Apply proven concepts of innovation management, supply chain management, direct marketing/sales organization and lean structures
- Grow Composite business organically as well as by acquisitions
- Empower acquired companies to support the Composite business model
- Cash balance and available financing opportunities allow further acquisitions in current and new business fields
- Attractive dividend / payback of free cash to shareholders



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Outlook H2 2019

- Strong demand in Core Materials' business expected continue in H2, fueled by wind power industry.
- Positive outlook for Architecture business due to strong project pipeline and ongoing high demand for high-quality, fire retardant products.
- Flat market outlook for Display due to ongoing political and economic uncertainties in key markets.
- Integration of acquired Perspex business is further strengthening the Display business and will continue to contribute to its success.
- Positive outlook for the Transport & Industry business due to an ongoing strong demand for light weight solutions in the transport sector and based on a solid order backlog.



APPENDIX

DIVISIONAL
INFORMATION

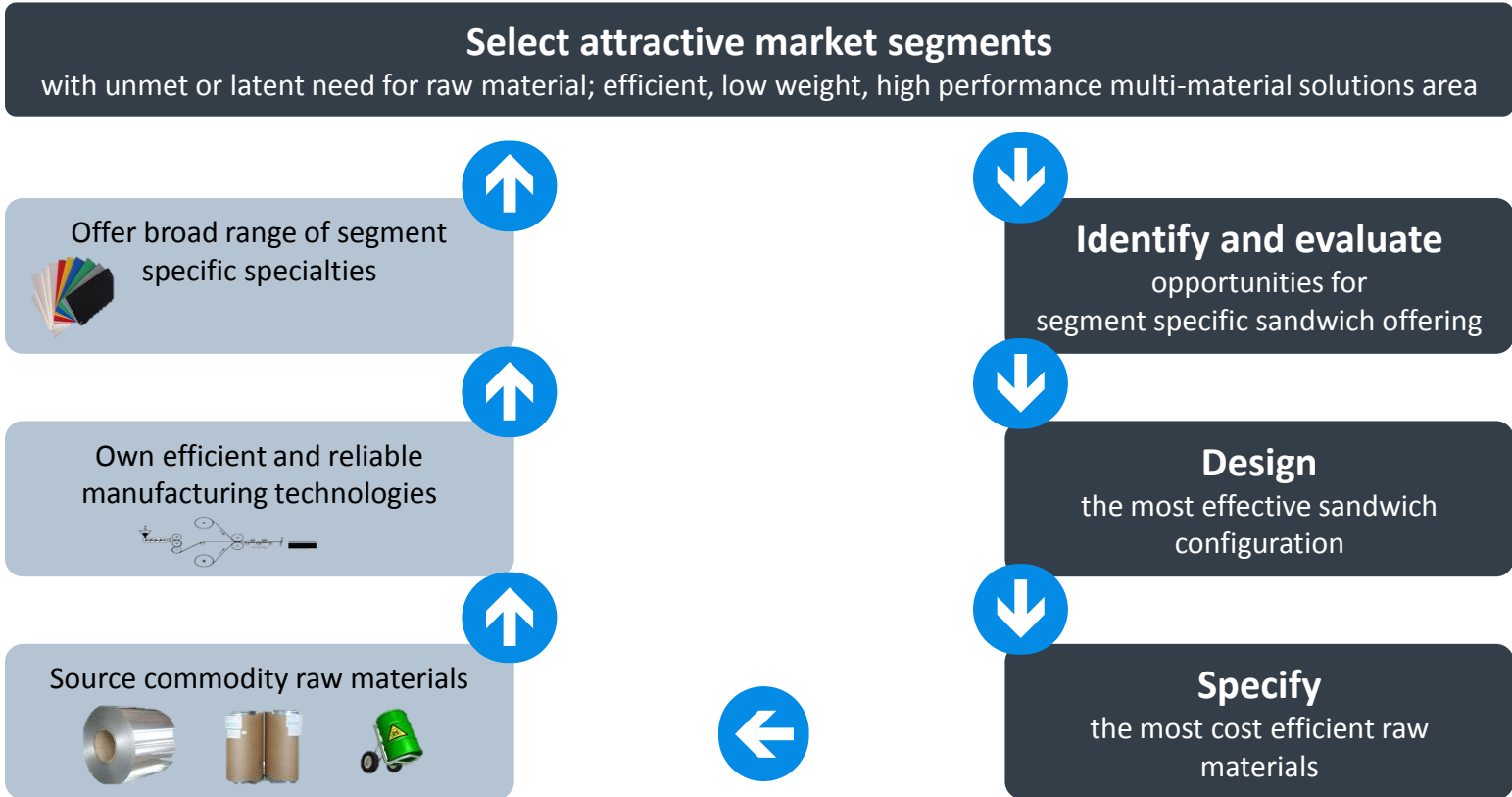
3A Composites



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



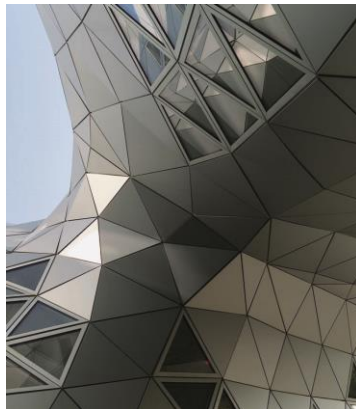
3A Composites - Business Idea



3A Composites – Market Segments



Display



Architecture



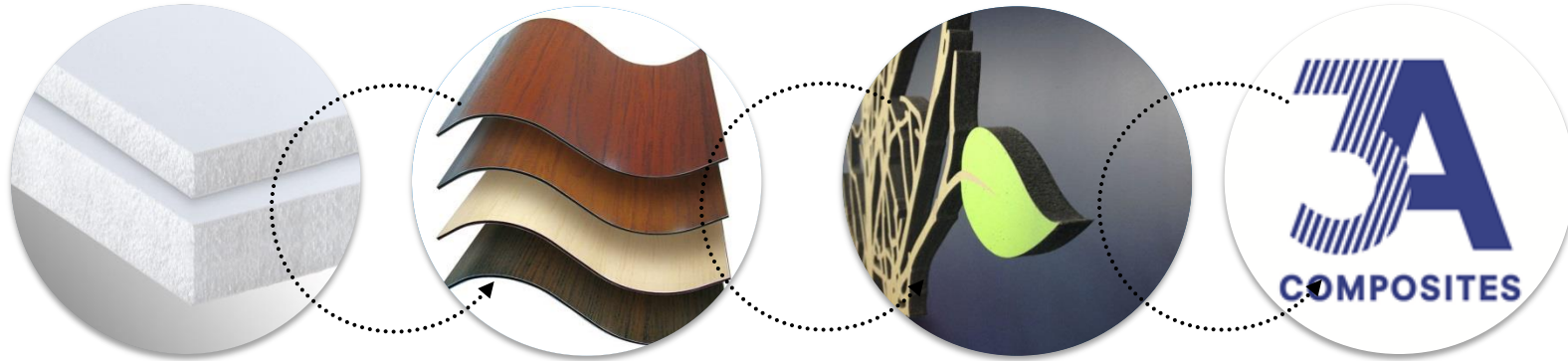
Core Materials



Transport
& Industry



Display



M

- Materials**
- Skin Material**
Coated Aluminum, (Coated) Paper, Polystyrene, PVC
- Other Materials**
(Poly-)Methyl Methacrylate (MMA), Polycarbonate (PC), Styrene Acrylonitrile Copolymer (SAN), Polyethylene terephthalate / -glycol (PET/PETG), Polystyrene (PS), Polyurethane (PUR), Polyethylene (PE), Polypropylene (PP), Aluminum-Honeycomb

P

- Products**
- Aluminum Composite Materials (ACM)**
- Foamed Sheets**
- Foam Boards**
- Clear Sheets**

A

- Applications**
- Fotomounting
 - Interior / Exterior Signs
 - Routed Sign Faces
 - POP Displays
 - Exhibit Constructions
 - Screen Printing
 - Kiosks / Carts
 - Dimensional Letters
 - Digital Printing
 - Shop Fitting

B

- Brands**
- DIBOND®
 - FOREX®
 - KAPA®
 - FOAM-X®
 - GATORFOAM®
 - FOAMALITE®
 - LYCASA®
 - CRYLUX®
 - CRYLON®
 - AKRYLON®
 - HYLITE®
 - SMART-X®
 - SINTRA®
 - FOME-COR®
 - PERSPEX®

Display

3A Composites



Distributors



**Printer
Fabricators
Shop Fitter**



End users
Signage, CID, Shop-front & fitting POP/POS, etc.

Way to Market - Push & Pull Sales Concept

Strong offering position towards distributors based on a complementary product range

Build on strong distribution network – working with leading European distributors

Sales activities address all players in the chain to specify 3A material and create market demand

Field sales force activities focus on fabricators, decision maker and influencer

-
-
-
-
-



Display



References

1 Pop-up display at Fespa 2018
Berlin | Germany
DISPA®

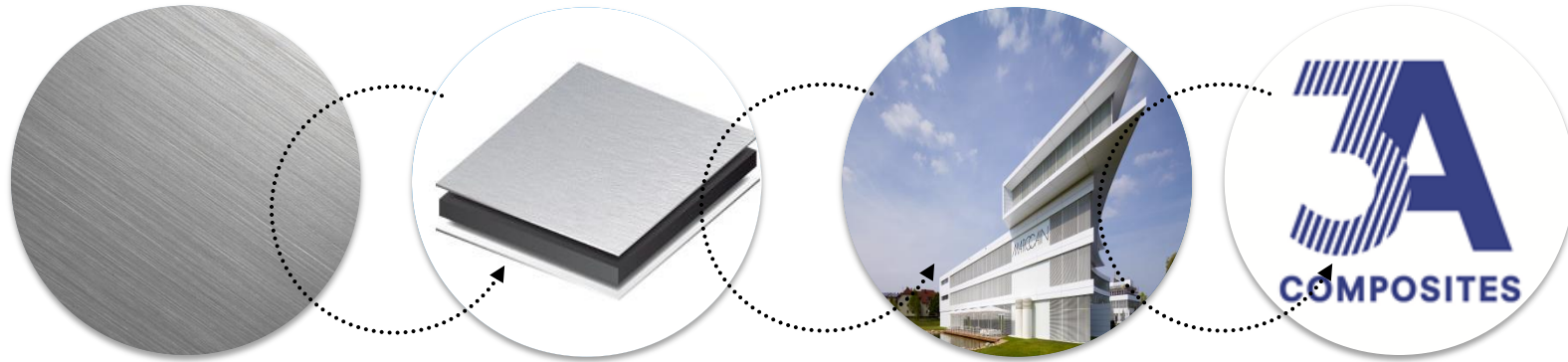
2 Historical building murals
Leeds | UK
DIBOND® print

3 Decorative stage setting
Los Angeles | U.S.A.
ALUCOBOND® mirror reflect

4 Temporary construction site signage
Warrington | UK
DIBOND® print



Architecture



Materials

Skin Material

Aluminum sheets

Core Material

Non Combustible PE (A2)
Fire Rated PE (Plus)
Polyethylene (PE)
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
- Wood
- Sparkling
- Anodized
- NaturAL

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

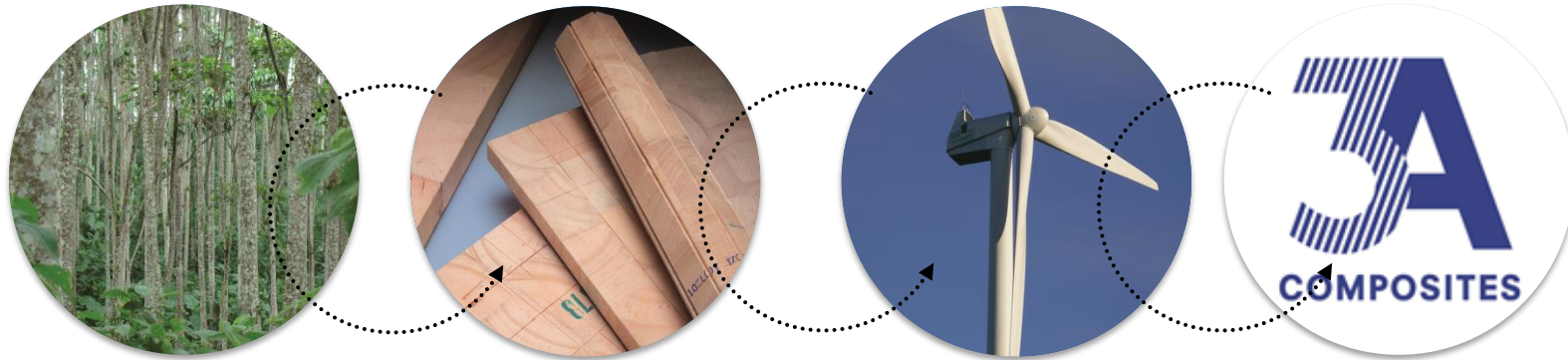


References

- 1 Fornebuporten office & residential building
Oslo | Norway
ALUCOBOND® naturAL brushed
- 2 Treasure Island Casino Resort
Welch, MN | U.S.A.
ALUCOBOND® Plus
- 3 Casa Invisible private residential
Slovenia
ALUCOBOND® naturAL Reflect
- 4 Riviera Shopping Mall
Moscow | Russia
ALUCOBOND® A2



Core Materials



Materials

Engineering Plastics

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

Balsa

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

Products

Structural Airex and Baltek Core Materials

- Plain Sheets
- Contour Core
- Kit

Balsa PLY Panels

Applications

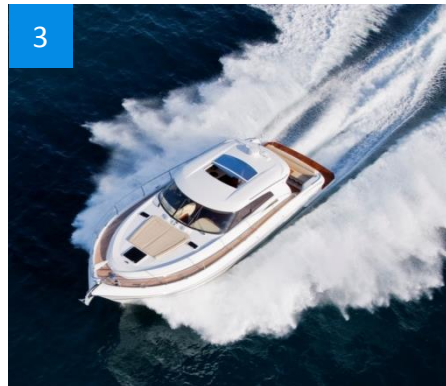
Structural and semi-structural sandwich applications

- 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

Brands



Core Materials



References

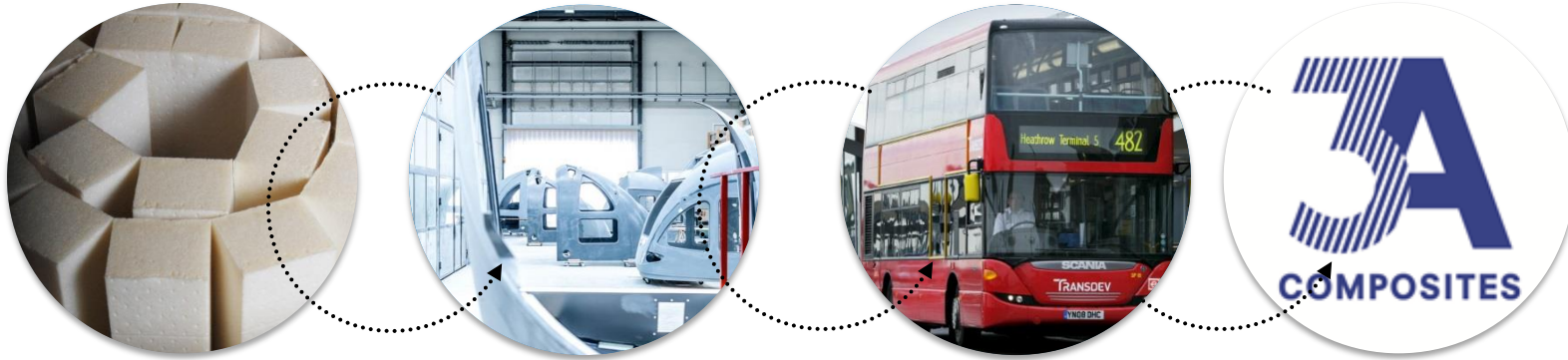
1 Major Wind Blade OEM, Brazil
AIREX® T92.100 SealX

2 Automotive Sandwich
AIREX® T92 | AIREX® T10

3 Yachts & motorboats hulls, bottoms
& decks
BALTEK® SB | AIREX® T92 | AIREX® T10

4 Plane „Ravin 500“ | South Africa
Wings: **AIREX® R63**
Fuselage and cabins:
AIREX® C70

Transport & Industry



Materials

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

Products

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

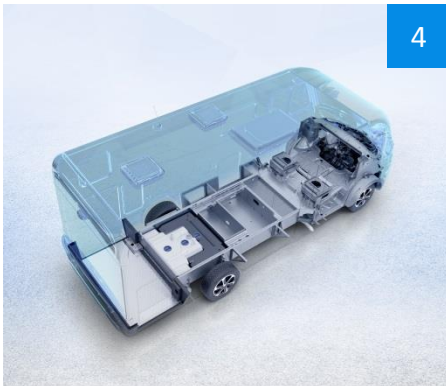
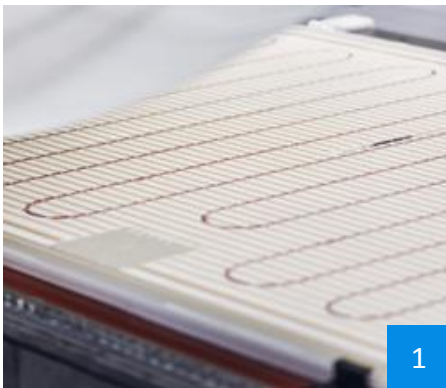
Applications

- 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®**
Lightweight, modular, strong floor system
(heated & unheated)
- 2 INNOCAB® Sandwich FRP Front Cabin**
(incl. painting, bonding, assembly)
- 3 INFIT®**
Ready-to-assemble, customized interior
solutions
(e.g. wall -, roof cover)
- 4 XBODY®**
Structural lightweight sandwich panels
- chassis components for RV's, coaches & city busses
- roof, interdeck for coaches & city busses

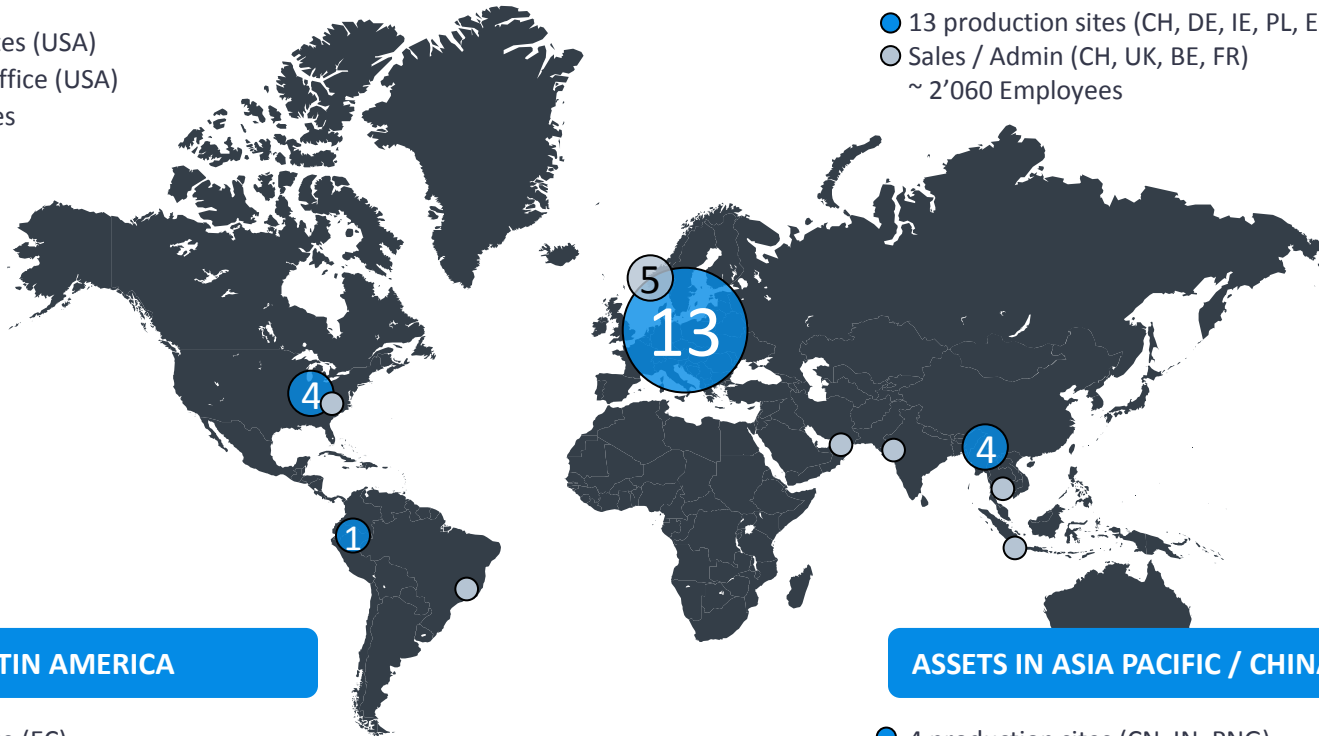
Strong Global Presence

ASSETS IN NORTH AMERICA

- 4 production sites (USA)
- Sales / Admin office (USA)
- ~ 370 Employees

ASSETS IN EUROPE

- 13 production sites (CH, DE, IE, PL, ES, CZ, SK, UK)
- Sales / Admin (CH, UK, BE, FR)
- ~ 2'060 Employees



ASSETS IN LATIN AMERICA

- 1 production site (EC)
- Sales office (BR)
- 96 plantations; 8'821 ha in Ecuador
- ~ 610 Employees

ASSETS IN ASIA PACIFIC / CHINA

- 4 production sites (CN, IN, PNG)
- Sales / Admin office (CN, SGP, UAE, IND)
- 29 plantations; 2'204 ha in PNG
- ~ 1010 Employees

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