

Media & Analyst Conference 2019



Zurich - March 11, 2019

Content


- 1 Welcome and Introduction
- 2 Results 2018
- 3 Strategic Focus / Acquisitions
- 4 Outlook
- 5 Appendix / Divisional information




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 proposal: 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

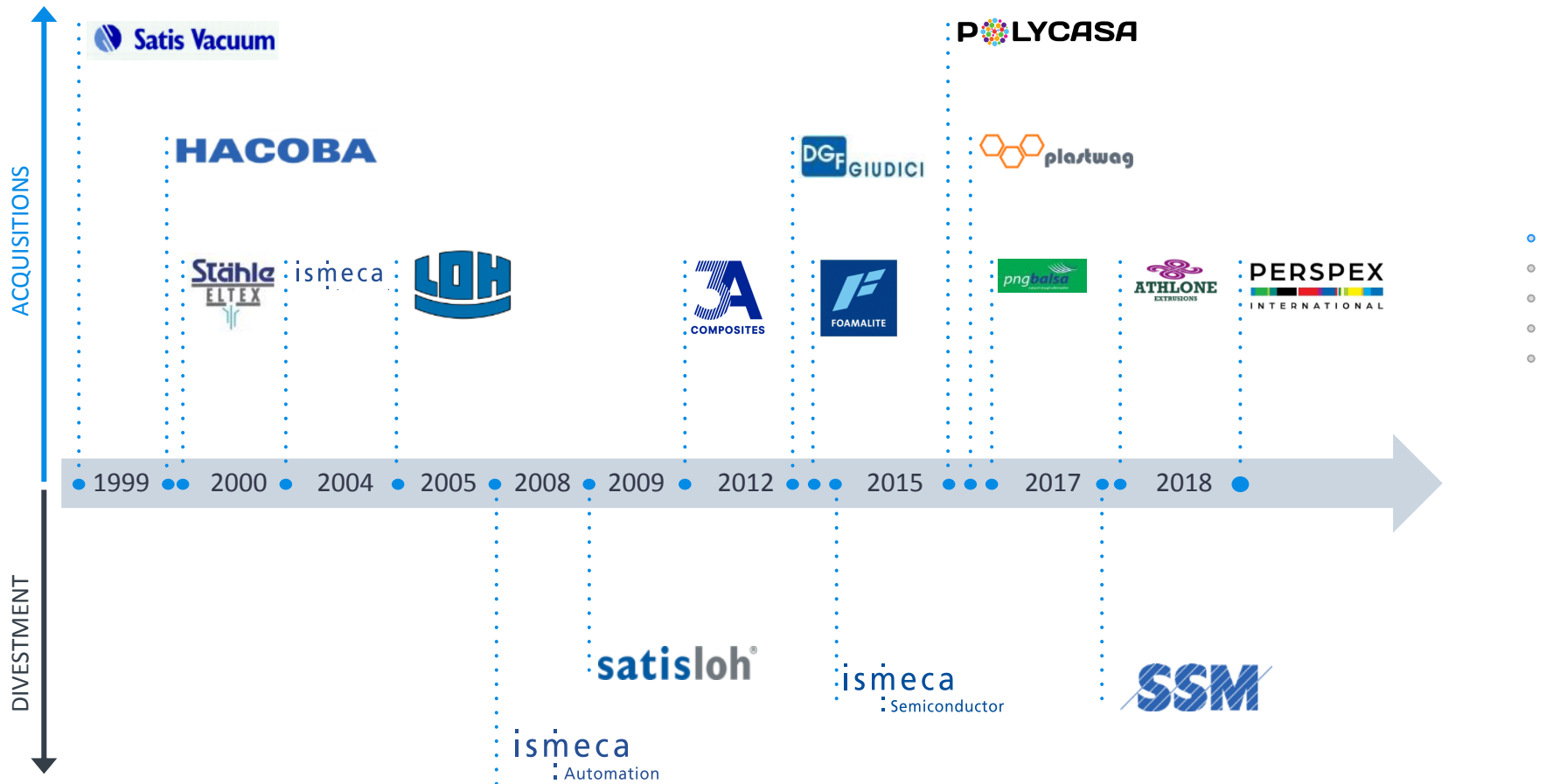
Strategy & Goals

 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



Content

- 1 Welcome and Introduction
- 2 Results 2018**
- 3 Strategic Focus / Acquisitions
- 4 Outlook
- 5 Appendix / Divisional information



Highlights 2018

7%

Increase in Sales

Record high
net sales > 1bn CHF

Architecture with double-digit
top-line growth in the US and
Asia

Improved performance in
Transport & Industry

~11%

EBITDA margin

EBITDA of 111m CHF

Double digit EBITDA margin
maintained despite increased
raw material notations

Integration of prior year
acquired Athlone Extrusions
well on track. Positive
contribution to earnings

>100m

Cash position

High cash balance after
expenditure of CHF 105 million
for Perspex acquisition

Improved operating
cash flow while working capital
increased to support further
sales growth

Dividend proposal of CHF 40
per bearer share



Group Results

<i>in m CHF</i>	H1 2018	H2 2018	Total 2018	Total 2017	%
Net sales	540.3	507.1	1 047.4	980.2	7%
EBITDA	58.3	52.7	111.0	114.4 ¹⁾	-3%
<i>in % of net sales</i>	10.8%	10.4%	10.6%	11.7%	
EBIT	44.2	38.0	82.2	87.3 ¹⁾	-6%
Net income from continuing operations	33.0	27.3	60.3	77.0 ¹⁾	-22%
Net income from discontinued operations	-	-	-	95.0	
Net income	33.0	27.3	60.3	172.0 ¹⁾	-65%
Employees (end of period) ²⁾	3 716	3 947 ³⁾	3 947 ³⁾	3 786	4%

¹⁾ including gain from divestment of investment property Neuhausen

²⁾ of which 946 employees (2017: 1 147 employees) in balsa wood plantations and sawmills in Ecuador and Papua New Guinea

³⁾ including 338 employees of Perspex (acquired as of 28 December 2018)

3A Composites Results

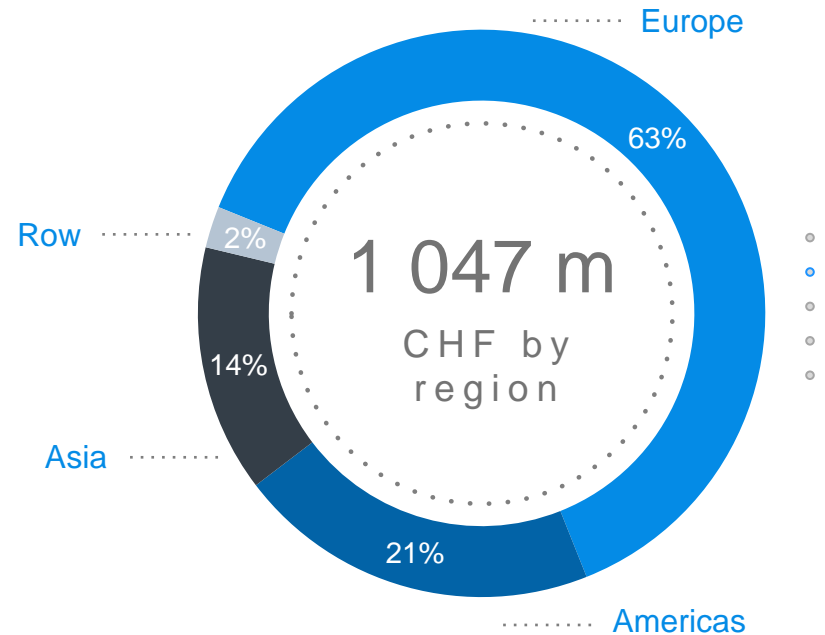
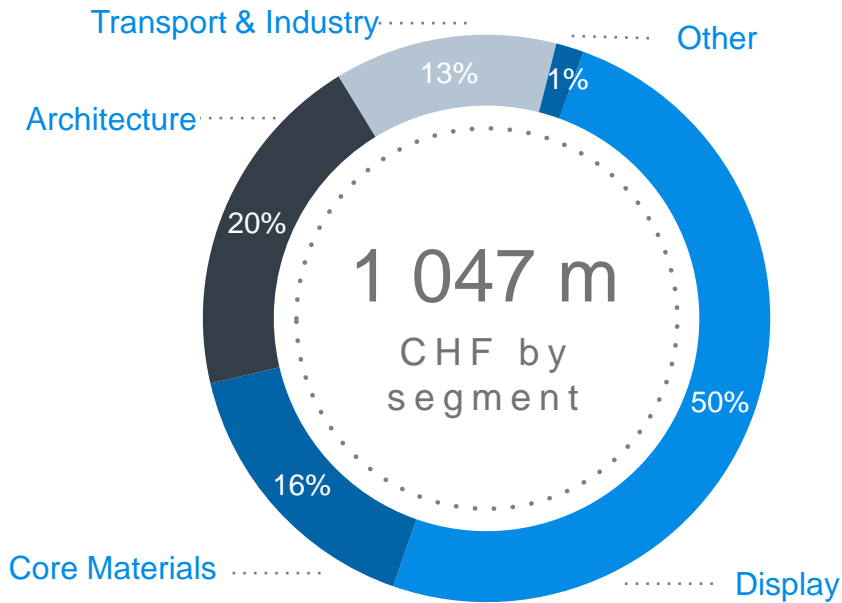
<i>in m CHF</i>	H1 2018	H2 2018	Total 2018	Total 2017	%
Net sales	540.3	507.1	1 047.4	980.2	7%
EBITDA	59.5	52.4	111.9	117.4 ¹⁾	-5%
<i>in % of net sales</i>	11.0%	10.3%	10.7%	12.0%	
EBIT	45.4	37.8	83.2	90.3 ¹⁾	-8%
Employees (end of period) ²⁾	3 709	3 940 ³⁾	3 940 ³⁾	3 779	4%

¹⁾ including gain from divestment of investment property Neuhausen

²⁾ of which 946 employees (2017: 1 147 employees) in balsa wood plantations and sawmills in Ecuador and Papua New Guinea

³⁾ including 338 employees of Perspex (acquired as of 28 December 2018)

Revenue Breakdown 2018



3A Composites Results

- Overall gratifying performance in Display. However, Q4 clearly weaker than Q 1–3 as speculations of declining raw material prices resulted in some destocking of acrylic products among some major customers.
- Continued double digit growth of US Architecture revenues and earnings after an already strong prior year.
- Double digit growth in Asia Pacific Architecture topline. Large number of construction projects in China and value-added solutions more than made up for weaker demand in Middle East in the first half of the year.
- Core Materials benefited in wind and marine from an overall positive business climate. Whereas margins were at healthy levels in marine, margins in wind remained below previous year's levels due to higher raw material prices and some price pressure from global key accounts. Muted demand in India prevented further sales growth.
- Transport & Industry had a strong second half of the year with lightweight bus and RV components as well as train front-ends posting double-digit growth rates.



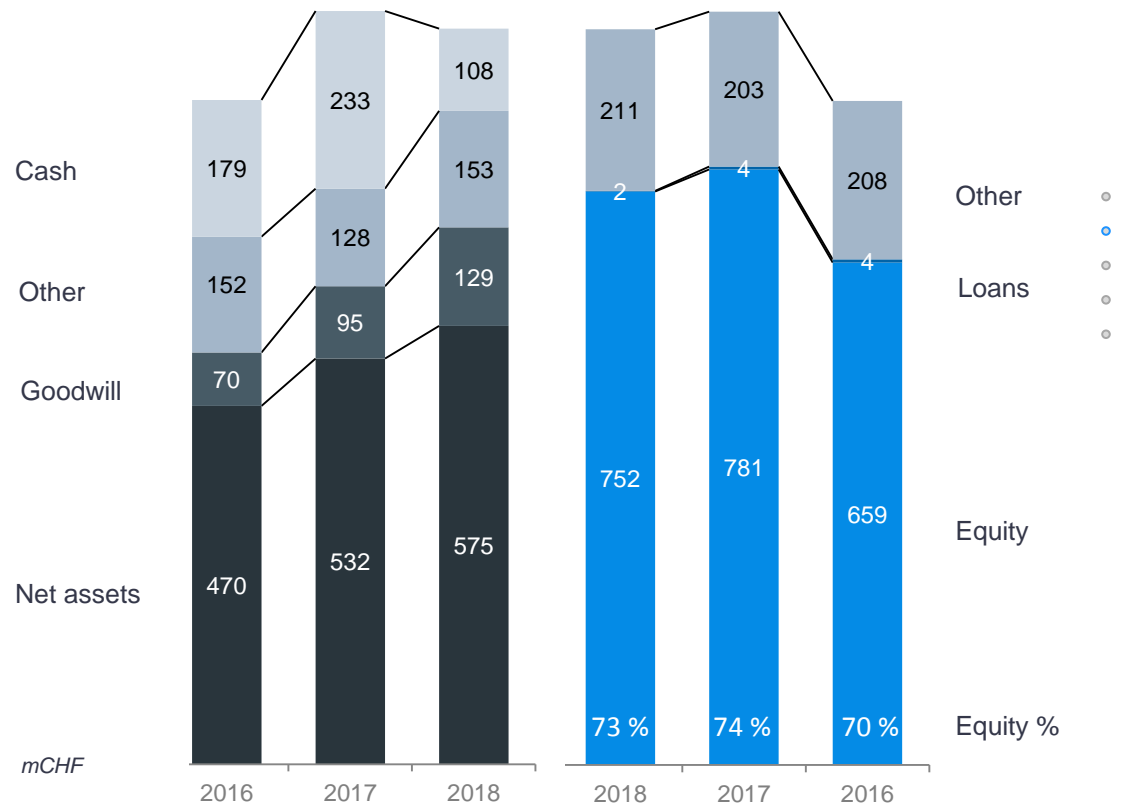
Strong Balance Sheet

Cash position 108m CHF

Practically no short & long term bank liabilities

Shareholders' Equity
752m CHF = CHF 525 per share

Equity ratio 73%

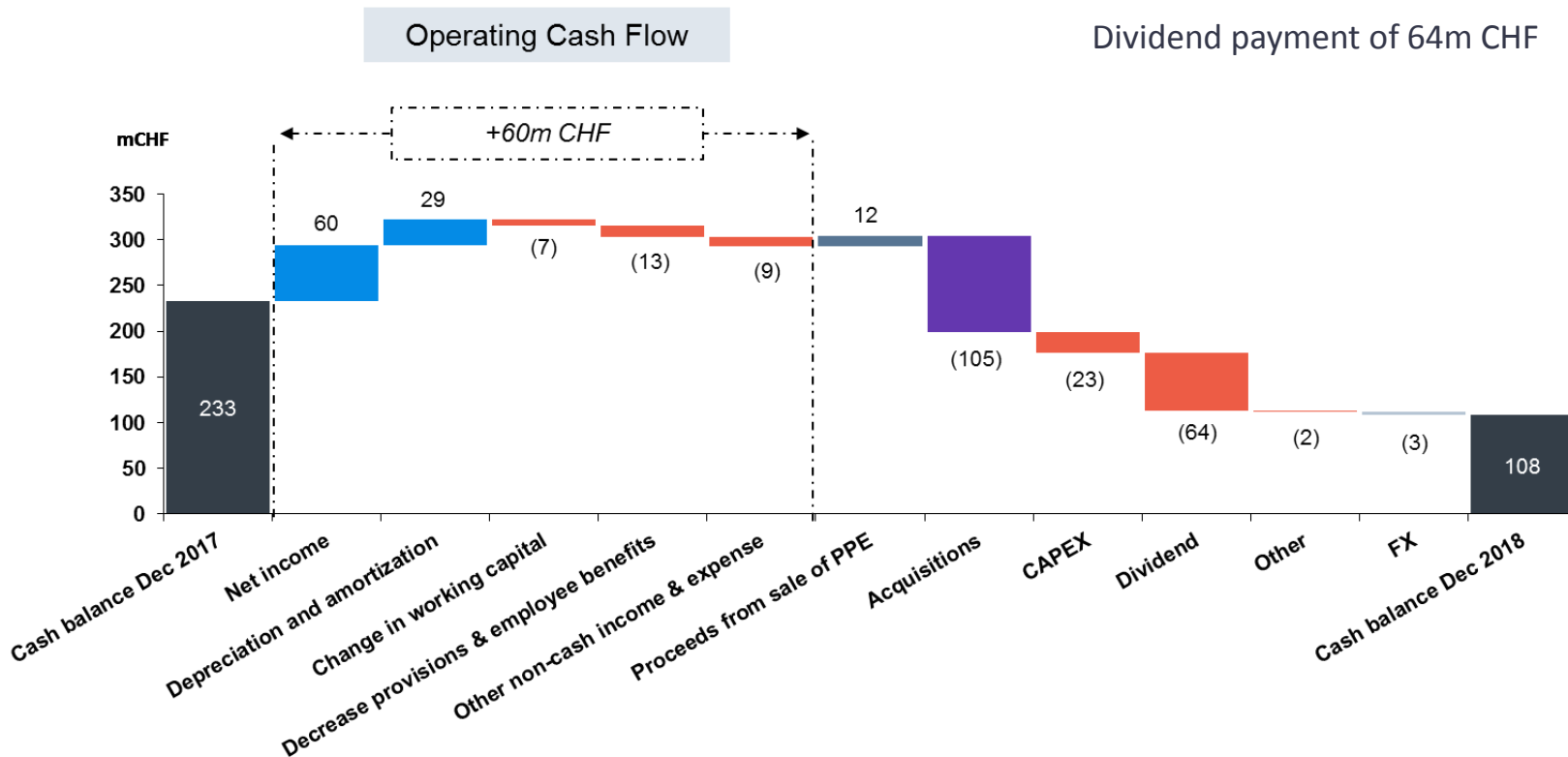


Cash Development

Cash position of 108m CHF

105m CHF cash out for
Perspex acquisition

Dividend payment of 64m CHF



Content

- 1 Welcome and Introduction
- 2 Results 2018
- 3 Strategic Focus / Acquisitions**
- 4 Outlook
- 5 Appendix / Divisional information



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
- Attractive dividend / payback of free cash to shareholders



Acquisition Perspex



Key facts

Closing date:

28 December 2018

.....

Net Sales FY ending March 31, 2018:

~126 mGBP

.....

Purchase Price:

92 mGBP (cash free / debt free)

.....

One of Europe's leading
manufacturer of acrylic sheet

.....

Complementary product range with a
strong presence in the corporate
imaging and signage business

.....

Similar technologies to expand
product offering

Acquisition Perspex

Perspex International Ltd.

Research, development and manufacturing facilities based in the UK

Global distribution network

Owner of the well-known registered trademark 'Perspex'

Headquartered in Darwen, UK

Perspex Distribution Ltd.

Full distribution service to UK based customers in the display, sanitary ware, transport and industry segments

5 branches in the UK

Offers a range of complementary products in addition to Perspex® acrylic sheets



Acquisition Perspex



Applications

1 Visual Communication & Retail

Trade fair display | Perspex® Fluorescent

2 Architecture & Construction

Car Park Facade | Perspex® Frost

3 Automotive & Transportation

Plane canopy | Perspex® Tints

4 Furniture & Interior Design

Storage units | Perspex® Frost

-
-
-
-
-

Acquisition Perspex



Applications

5 Lighting

Trade fair lighting | Perspex® Diffuse

6 Electronics & Energy

LED Clock | Perspex® acrylic

7 Sanitary Ware

Bathtub | Perspex® Stone

8 Medical Health & Safety

Blood analysis device | Perspex® Clear

-
-
-
-
-

Content

- 1 Welcome and Introduction
- 2 Results 2018
- 3 Strategic Focus / Acquisitions
- 4 Outlook**
- 5 Appendix / Divisional information



Outlook 2019

- Positive outlook for the Architecture business backed up by the buoyant construction sector in Europe, the US, and Asia. Increased demand for high-quality, fire retardant cladding products.
- Solid performance of Display segment for 2019 expected.
- Core Materials' business set to benefit from the ongoing solid demand in China, Europe and the US and initiated sales prices increases for PET and Balsa.
- Transport & Industry business continues to benefit from a solid order backlog and the ongoing strong demand for weight-saving solutions for buses, RVs and rail vehicles.
- The integration of the Perspex companies acquired at the end of 2018 will durably strengthen the Display business and make a positive contribution to revenues and earnings.



APPENDIX

DIVISIONAL
INFORMATION

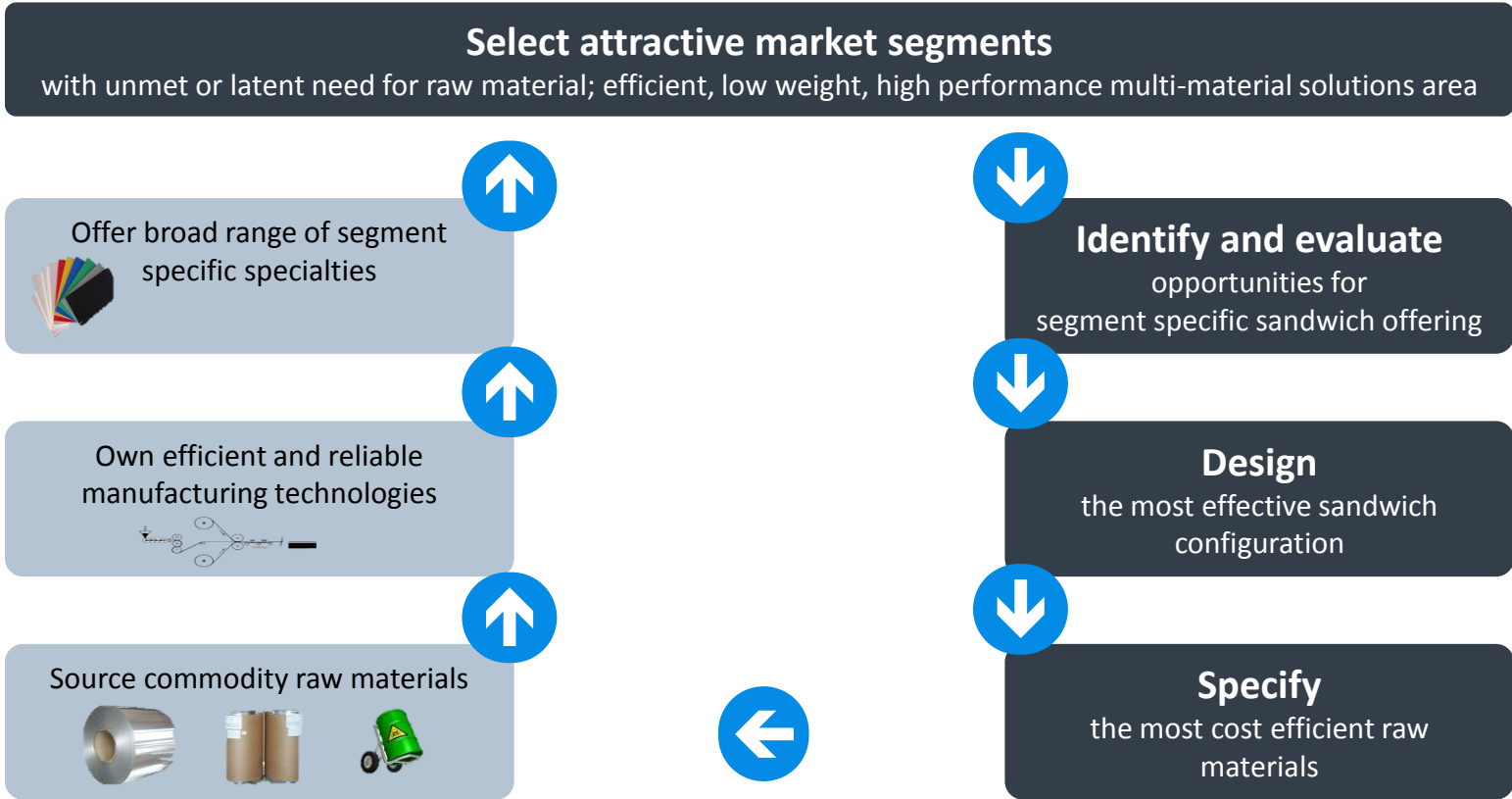
3A Composites



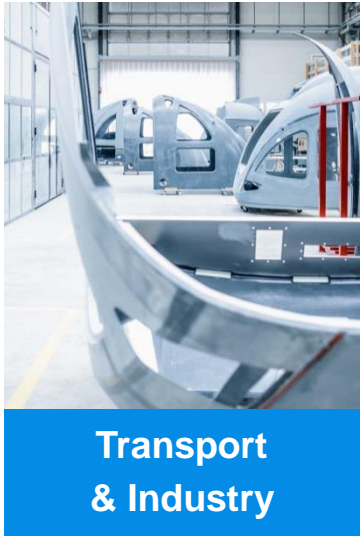
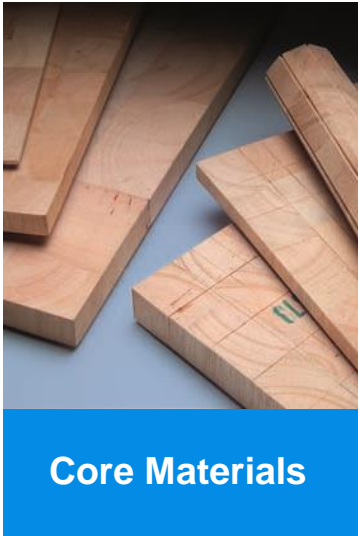
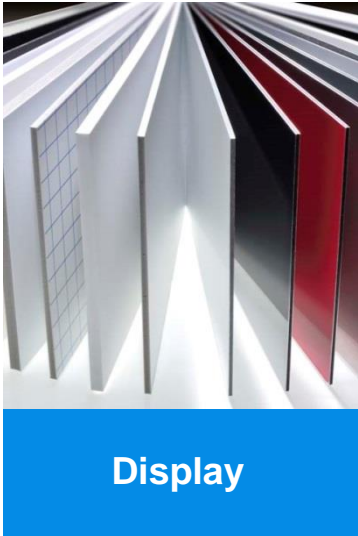
The global market leader in composite panels and core materials for sandwich solutions



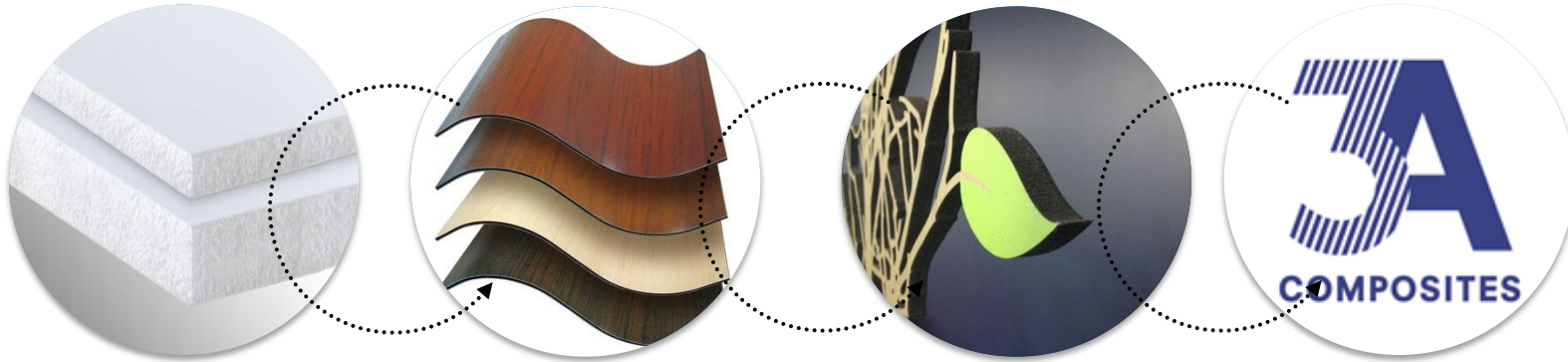
3A Composites - Business Idea



3A Composites – Market Segments



Display



M

- 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

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

A

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

B

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

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®

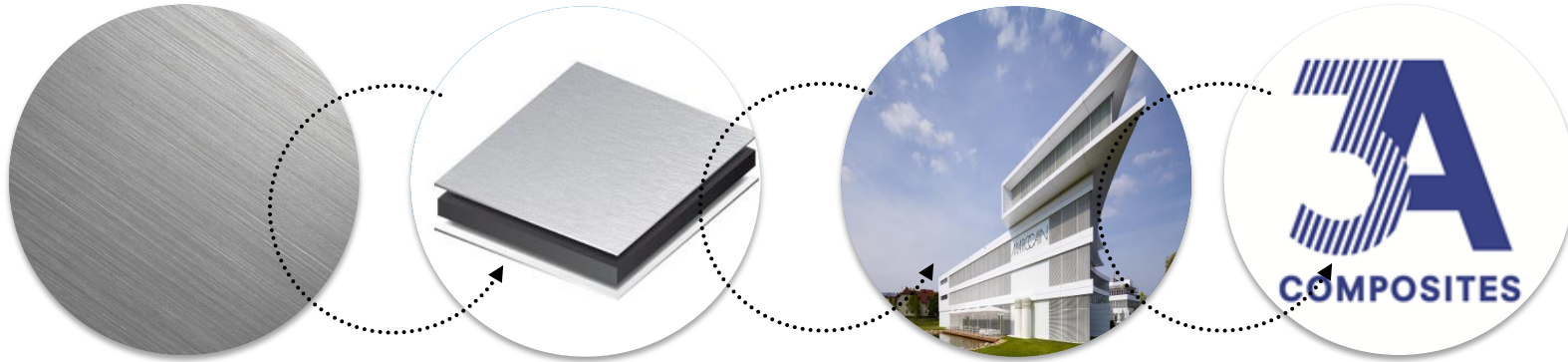
2 Historical building murals
Leeds | UK
DIBOND® print

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®

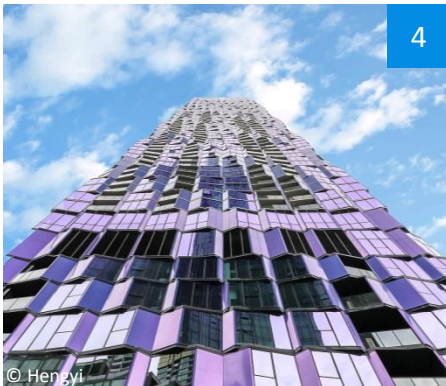
ALUCOBOND®A2

ALUCOBOND®plus

ALUCORE®



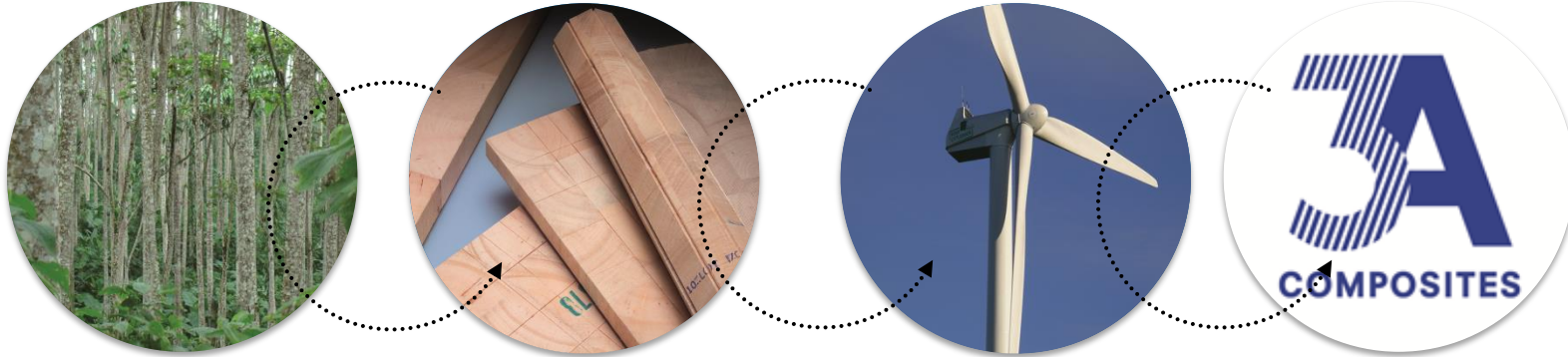
Architecture



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 Australia Lighthouse Apartments
Melbourne | Australia
ALUCOBOND® Plus spectra & sparkling

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

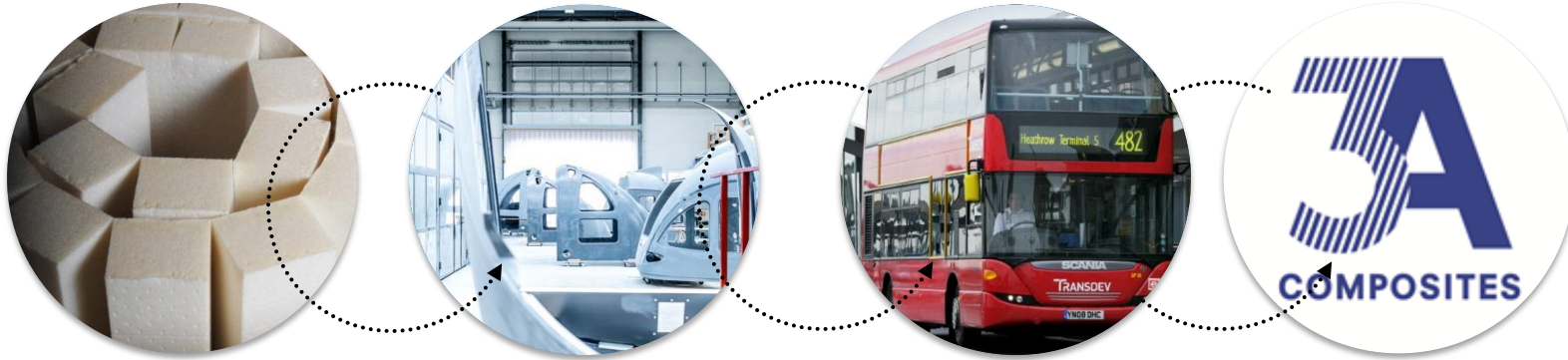
2 Automotive Sandwich
AIREX® T92 | AIREX® T10

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

4 Bcomp ski cores
BALTEK® VBC



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

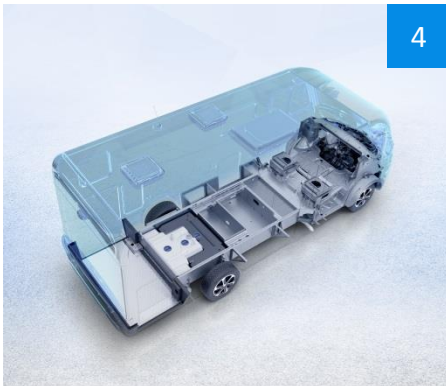
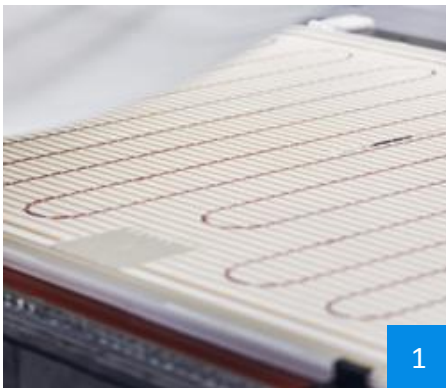
Applications

- 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

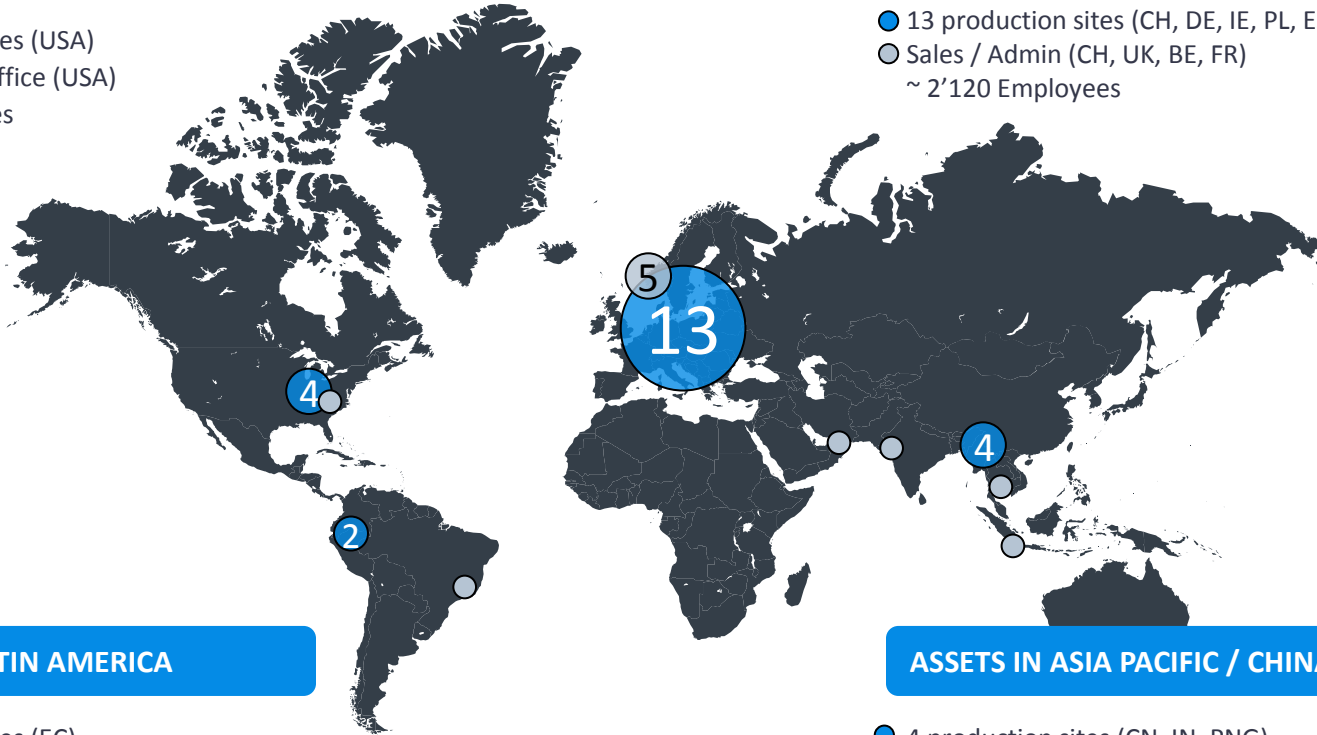
Strong Global Presence

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)
- ~ 2'120 Employees



ASSETS IN LATIN AMERICA

- 2 production sites (EC)
- Sales office (BR)
- 96 plantations; 8'821 ha in Ecuador
- ~ 550 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
- ~ 900 Employees

Disclaimer

This document is for presentation purposes only and should not be construed as an offer, invitation or solicitation to subscribe for purchase or sell any investment and neither it nor anything it contains shall form the basis of any contact whatsoever.

Opinions expressed herein reflect the current judgment of the management of Schweiter Technologies. The presentation contains forward-looking statements that involve risks and uncertainties. The actual result of Schweiter Technologies may differ materially from those anticipated in these forward-looking statements and forecasts as a result of a number of factors.

-
-
-
-
-

The management of Schweiter Technologies does not accept any liability whatsoever with respect to the use of this presentation.