

Ad hoc announcement pursuant to Art. 53 LR

Figures for first half 2022

Schweiter sees sales continue to grow in first half year

- Sales growth of 5% at constant exchange rates (+3% in Swiss francs), supported by price increases and greater sales volumes for architecture products
- EBITDA at CHF 57.0 million (previous year: CHF 77.8 million)
- Results impacted by significant cost increases and COVID lockdown in China

Steinhausen, August 17, 2022 – Schweiter Technologies recorded healthy organic sales growth and hit a record high. Net sales increased by 3% (in local currencies: +5%) to reach CHF 647.8 million. Price adjustments and increased efficiencies did not suffice to fully offset the sharp rise in material and energy costs and negative currency effects, which led to a lower operating profit in the first half year in comparison with the high baseline set the previous year. The Group achieved EBITDA of CHF 57.0 million (previous year: CHF 77.8 million). EBIT came to CHF 37.8 million (previous year: CHF 58.3 million), while net income was CHF 27.3 million (previous year: CHF 45.5 million).

BUSINESS PERFORMANCE, FIRST HALF 2022

3A Composites built on the success of the 2021 business year, achieving an increase in sales once again in the first half of 2022. The rise primarily reflected the sales price increases as well as higher sales volumes in the Architecture business. Despite the ongoing challenges surrounding supply chains, Schweiter was again able to guarantee availability of all products during the first half of 2022.

Pressure on prices in the business with Wind customer OEMs and the vastly increased prices of raw materials, energy and transport had an impact on profits for the half year. This negative effect was mitigated somewhat by sales price increases and the creation of further efficiencies.

Key figures**Schweiter Technologies Group**

(in CHF millions)	H1 2022	H1 2021	+ / -
Net sales	647.8	626.4	+3%
EBITDA	57.0	77.8	-27%
in % of net sales	8.8%	12.4%	
EBIT	37.8	58.3	-35%
Net income	27.3	45.5	-40%

The **Display business** performed well overall, both in terms of sales and earnings, but was affected by different dynamics in the various markets:

The first half year saw a decline in demand for clear sheet products after the exceptionally strong pandemic-related growth shown in the previous periods and a return to normal sales figures in successive results. On the other hand, the business in non-transparent sheets maintained the positive trend seen in display markets, communication, trade fair construction and shop design, with sales sufficient to compensate for the temporarily weaker demand for transparent sheets. As such, sales in Europe developed pleasingly, while in the USA the trend that began in the second half of last year continued, leading to a significant increase in sales.

The **Architecture business** successfully maintained the strong growth momentum of the previous year and recorded a double-digit increase in sales in percentage terms and higher sales volumes in all regions compared with the first half of the previous year. Performance in the Asia region was mixed: India and the southeast Asia area showed growth while China suffered under the renewed lockdown, suppressing volumes and profitability in Asia overall.

The **Core Materials business** recorded a positive result but, in line with expectations, was unable to improve on the record results of the first half of 2021. The cyclical fall-off in demand from wind energy customers already witnessed in the second half of the previous business year continued in 2022. The recovery of the wind business in China which had been expected to begin in the second quarter failed to materialize due to the strict lockdown measures. Sales volumes for PET products were increased in the first half of the year, however, whereas demand for balsa products saw a slight decline. Higher raw material costs and price pressure from global OEMs, particularly in China, impacted margins compared with the previous year. Demand remained stable outside of the wind business.

The **Transport business** was below the level of the previous year despite an increase in the order book. Repeated project postponements by customers resulted in lower year-on-year sales; significantly higher material and energy prices, which could only be transferred to customers in part, also led to a temporary fall in profitability, along with start-up costs for new projects.

INVESTING IN SUSTAINABILITY

At the beginning of March 2022, Schweiter Technologies published its Sustainability Report for the 2021 business year, the first to be certified according to the standards of the Global Reporting Initiative, laying the foundation for open and transparent sustainability reporting. The Sustainability Report is available to view or download here: <https://www.schweiter.ch/s1a264/group/sustainability.html>

Schweiter Technologies contributes through its business activity in a number of ways to a sustainable future, as can be seen from its investment in April in Swedboard International AB (www.swedboard.se), a company that manufactures environmentally friendly printable sheets for the Display business. With this targeted investment, the Group is consciously expanding its product portfolio in the Display business to help customers reduce their ecological footprint.

OUTLOOK

A variety of product innovations and significant investments in a wide range of new equipment to improve efficiency and flexibility will bolster competitiveness through new applications and a lower cost base.

However, the market environment will remain challenging in the second half of 2022. The uncertain economic environment, the tense geopolitical situation and its implications for the economy, and the ongoing uncertainties relating to the COVID pandemic in China will continue to present challenges. Business performance in the second half-year is therefore expected to be within the same parameters as in the first.

Steady demand is anticipated in the Display and Architecture businesses in Europe and the USA, despite a slight fall-off due to the gloom surrounding the expected performance of the economy. In the Asian Architecture business, it should now be possible to complete the orders postponed as a result of the lockdown in China.

In the Core Materials business, stable demand is expected in Europe and America. In China, a revival in the wind market is expected to begin in the fourth quarter.

Roman Sonderegger, who joined the company as future CEO on May 1, 2022, successfully completed his induction period and will assume responsibility as Group CEO as of October 1, 2022.

The complete Semi-Annual Report for 2022 can be found on our website www.schweiter.com.

A media conference on the 2022 half-year results for analysts, media representatives, and investors will take place at the Marriott Hotel, Neumühlequai 42, Zurich, today at 11.00 a.m.

For further information please contact:

Martin Klöti, CFO

Tel. +41 41 757 77 00

investor@schweiter.com

ABOUT SCHWEITER

Schweiter Technologies, with its head office in Steinhausen, Switzerland, is a globally active Group focusing on composites solutions with its division [3A Composites](#). The main activities include the development, production and distribution of high-quality composites, plastic sheets, foamboards and core materials based on balsa wood and PET foam. These materials are used primarily in the areas of visual communication (display), architecture, wind energy, construction, ship-building, and automotive.

The company has offices, distribution facilities and production sites at 40 locations in Europe, America, and the Asia-Pacific region, and employs some 4 400 people. The bearer shares of Schweiter Technologies AG (SWTQ) are listed on SIX Swiss Exchange AG, Zurich.