



## TECHNICAL COMPONENTS

The Datwyler Technical Components division is one of Europe's leading high-service distributors with local representation, a modern omni-channel offering and an attractive product range. It comprises three specialised brands – Distrelec, Reichelt and Nedis. Altogether, the Technical Components division offers an extended range of up to 500'000 products for Custom Production of Electromechanic Goods, maintenance, automation, electronics, ICT and home/consumer electronics, with excellent availability and fast delivery times.



### Target groups

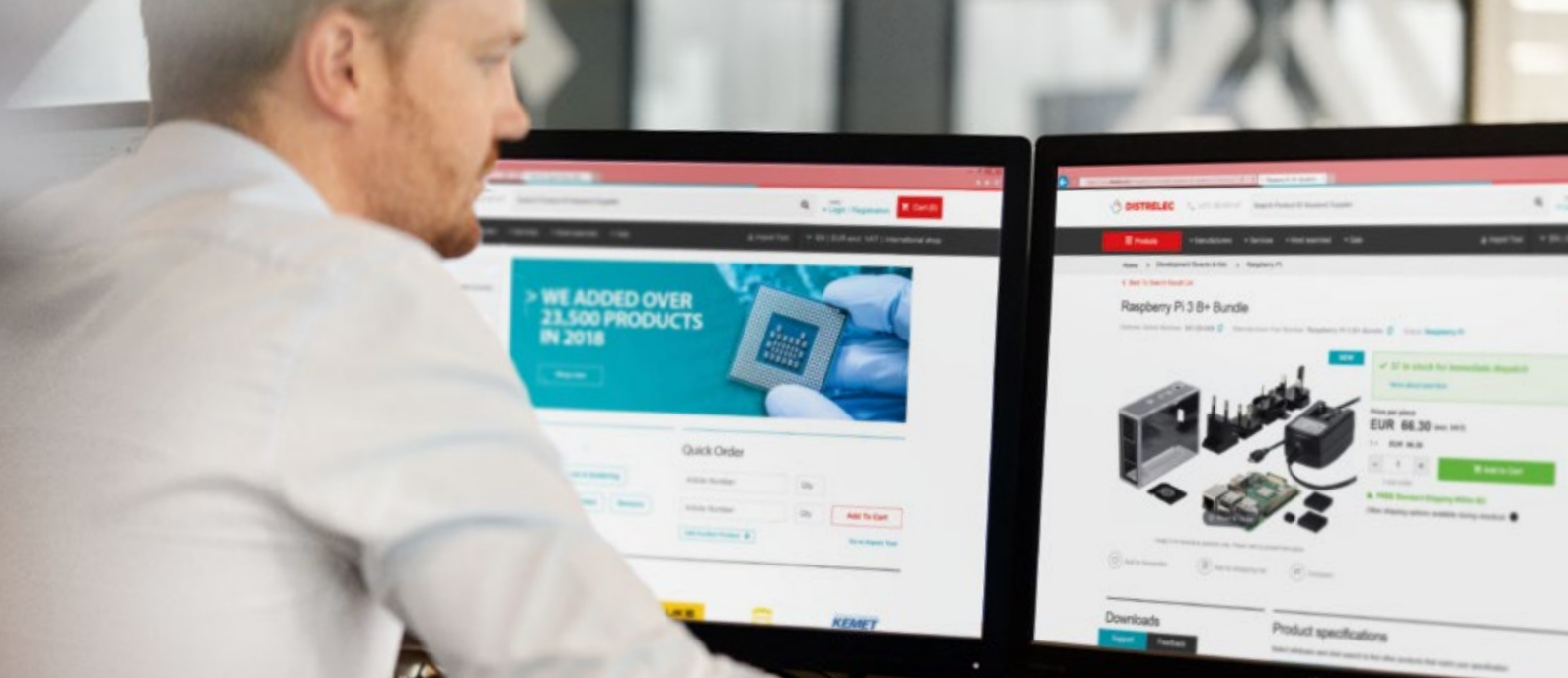
- Custom Production of Electromechanic Goods (CPE)
- Maintenance, Repair, Operations (MRO)
- Automation
- Electronic Design Engineers (EDE)
- Online and retail distributors of home and consumer electronics

### Geographical markets

- Europe

### Products and services

- Maintenance and safety
- Electronic components and accessories
- Automation
- Connectors
- Electrical engineering
- T&M equipment
- Network technologies
- ICT components and accessories
- Building technology and building automation
- Alarm and security technology



Distrelec has further improved the performance of its web shop and now has one of the fastest and most customer-friendly solutions in the industry.

## Targeted measures to drive organic growth

### Revenue and earnings

- The Technical Components division increased its revenue by 2.6% to CHF 470.5 million (previous year: CHF 458.6 million). Adjusted for positive currency effects, this means that revenue remained the same in organic terms. Per trading day revenue increased by 0.6%.
- While Reichelt made a disproportionately large contribution to revenue growth – on the back of international expansion and a sharper focus on business-to-business customers – Nedis further streamlined its range for the wholesale supply of home/consumer electronics with a view to improving margins, accepting that this would curb revenue.
- Thanks to consistent cost control, operating result (EBIT) improved to CHF 14.5 million (previous year: CHF 11.0 million). This was achieved in spite of the one-off costs for implementing the one-brand strategy pursued by Nedis.
- A keener focus on more attractive customer segments helped improve the EBIT margin to 3.1% (previous year: 2.4%).

### Important developments in 2018

- Distrelec improved collaboration in terms of procurement, product, category and marketing management at its Manchester site. The central enterprise hub is continuously improving operating performance, and this is reflected in improvements in key performance indicators relating to service, customer satisfaction and the online shop.
- Reichelt continued to drive international expansion during the reporting year with online shops in local languages. It managed to do this without neglecting the domestic market, as evidenced when the German trade magazine *Elektronik* awarded the company the title of “Electronics Distributor of the Year”.
- Nedis successfully launched its new one-brand strategy at the IFA trade fair in Berlin. At the same time, the company improved product quality, fine-tuned product management and made sales more efficient.

### Current priorities

- Datwyler is using state-of-the-art digital technologies to help with predictive analysis in relation to online distribution. This enables Distrelec and Reichelt to address their target customers with increasingly personalised offers. Drawing on its market analysis, Distrelec is now focusing on so-called Custom Production of Electromechanical Goods (CPE). This relates to an attractive segment of small and medium-sized enterprises. Essentially, these are businesses which produce relatively small runs of high-tech products, tend to place orders of above-average value and are not catered for by mass-market providers. The product categories favoured by CPE customers have seen revenue grow over the past three years.
- In 2019, Reichelt is planning to launch three new online shops in the relevant local languages in Italy, Belgium and Spain. As well as pursuing international expansion, the company is sharpening its focus on the high-margin business-to-business market with new products and marketing activities.
- Nedis is using the new one-brand strategy and working towards accessing new customer groups such as big online dealers or the promotional products sector.
- Shared procurement initiatives are being stepped up. In particular, the growing range of own-brand RND and Nedis products is being marketed by all three distribution companies.

### Outlook

- The emphasis is on continuously improving the shopping experience, focusing on business-to-business customers, expanding the range and driving organic growth. The various measures introduced will provide a platform for this.
- Making better use of distribution centres and ensuring consistent cost control will have a positive impact on both margins and profitability.

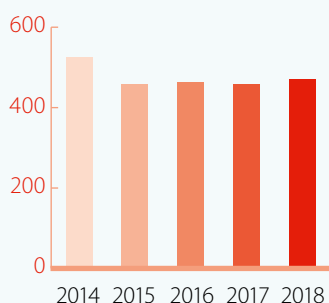
## KEY FIGURES OF TECHNICAL COMPONENTS

in CHF millions	2018	2017
Net revenue	470.5	458.6
Operating result (EBIT)	14.5	11.0
Operating result as % of net revenue	3.1%	2.4%
ROCE in %	6.7%	5.2%
Average capital employed	217.4	210.7
Capital expenditures	3.4	7.1
Number of full-time equivalents (at year-end)	1'113	1'112

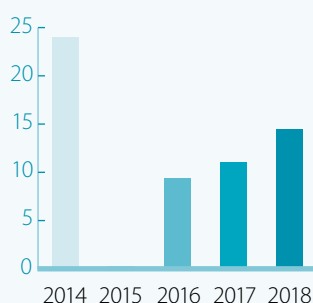


**471 mn**  
Net revenue in CHF

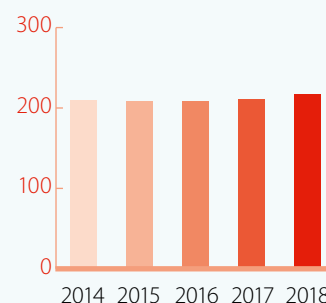
### NET REVENUE in CHF millions



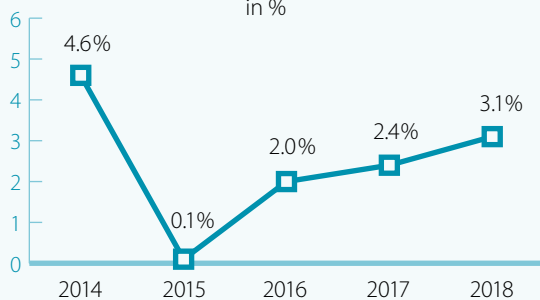
### OPERATING RESULT (EBIT) in CHF millions



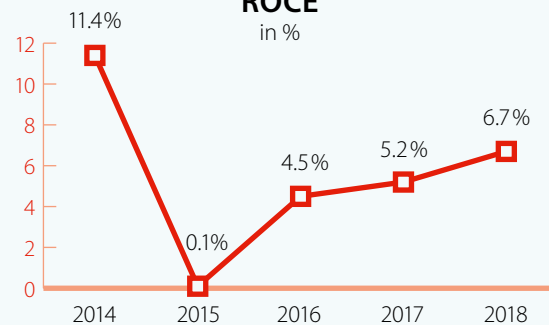
### CAPITAL EMPLOYED average in CHF millions



### EBIT MARGIN in %

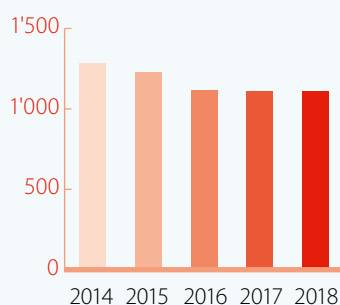


### ROCE in %

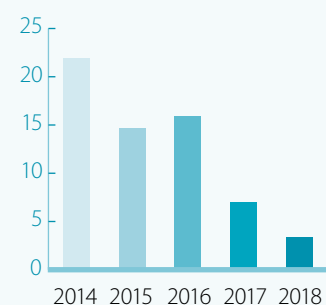


**250'000**  
Products in stock

### FULL-TIME EQUIVALENTS at year-end



### CAPITAL EXPENDITURES in CHF millions



**1'100**  
Full-time equivalents

2014 continuing operations (without Maagtechnic)