

8 February 2019

Welcome to the
**Annual Press and Analyst
Conference of the
Datwyler Group**



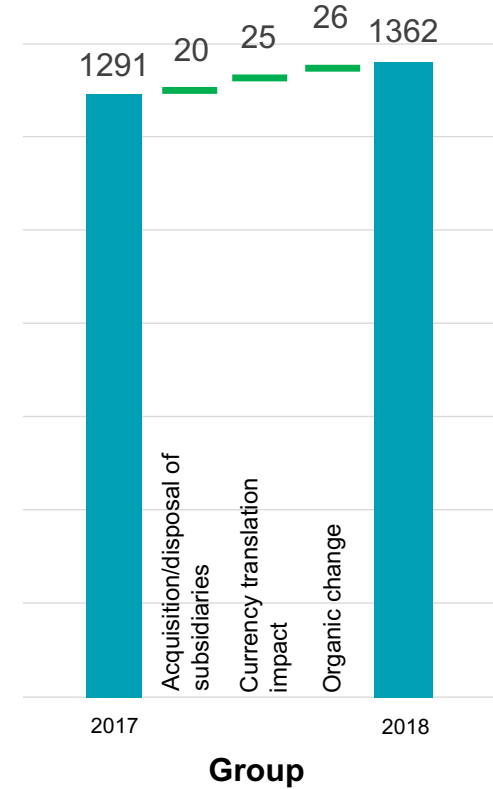
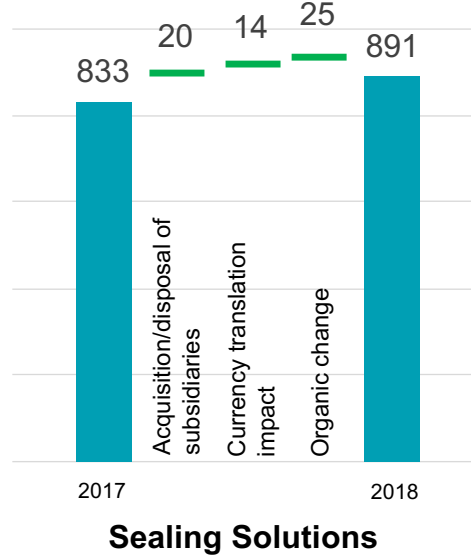
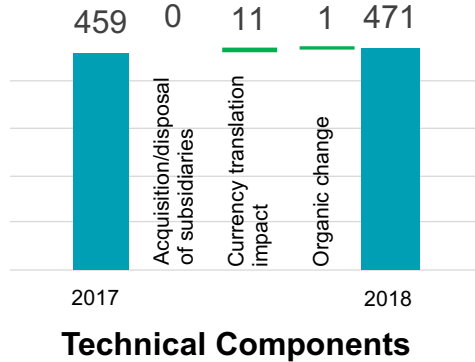
Agenda

Financial review
Reto Welte, CFO

Consolidated income statement

in CHF millions	2018	2017	Δ in %
Net revenue	1 361.6	1 291.4	5.4%
Cost of goods sold	(1 018.5)	(961.7)	5.9%
Gross profit	343.1	329.7	4.1%
Research and development expenses	(28.0)	(26.1)	7.3%
Marketing and selling expenses	(94.3)	(88.4)	6.7%
General and administrative expenses	(72.1)	(70.3)	2.6%
Other operating income	21.6	18.2	18.7%
Other operating expenses	(0.3)	(0.5)	(40.0%)
Operating result before interest and taxes (EBIT)	170.0	162.6	4.6%
Net finance result	(9.5)	(7.8)	21.8%
Earnings before tax (EBT)	160.5	154.8	3.7%
Income tax expenses	(39.5)	(31.1)	27.0%
Net result	121.0	123.7	(2.2%)
Net result per bearer share entitled to dividend (in CHF)	7.12	7.28	(2.2%)

Impact on net revenue by division



EBITDA / EBIT by division

EBITDA	2018		2017	
	EBITDA CHF million	<i>EBITDA margin</i>	EBITDA CHF million	<i>EBITDA margin</i>
Sealing Solutions	205.0	23.0%	197.3	23.7%
Technical Components	26.5	5.6%	22.5	4.9%
Group total	231.5	17.0%	219.8	17.0%

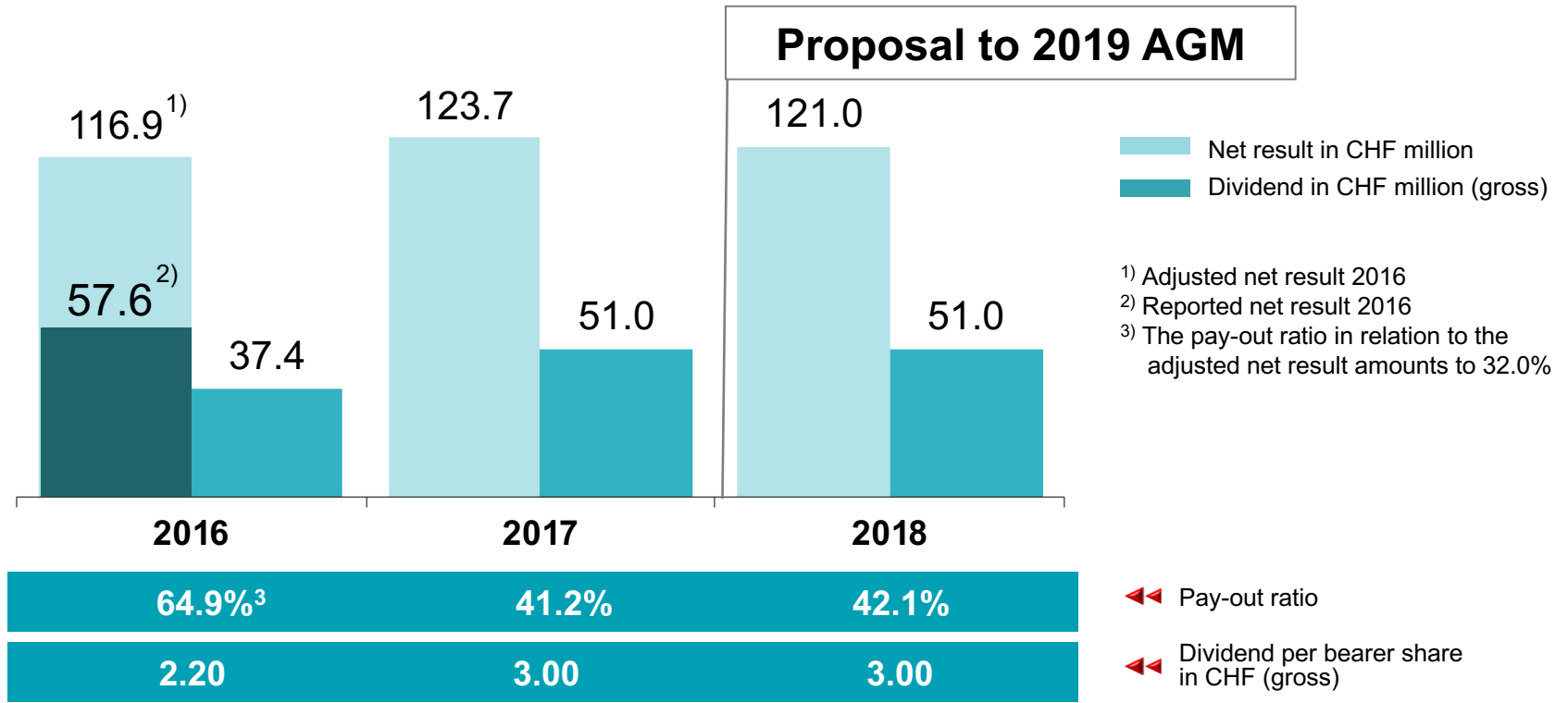
EBIT	2018		2017	
	EBIT CHF million	<i>EBIT margin</i>	EBIT CHF million	<i>EBIT margin</i>
Sealing Solutions	155.5	17.5%	151.6	18.2%
Technical Components	14.5	3.1%	11.0	2.4%
Group total	170.0	12.5%	162.6	12.6%

Finance result & income tax expenses

Finance result	in CHF million	Total 2018	Total 2017
Interest expense, net		(1.6)	(2.2)
Net foreign exchange losses on cash, intercompany & bank loans after hedging		(6.6)	(4.5)
Other finance expenses, net		(1.3)	(1.1)
Net finance result (expenses, net) ¹⁾		(9.5)	(7.8)

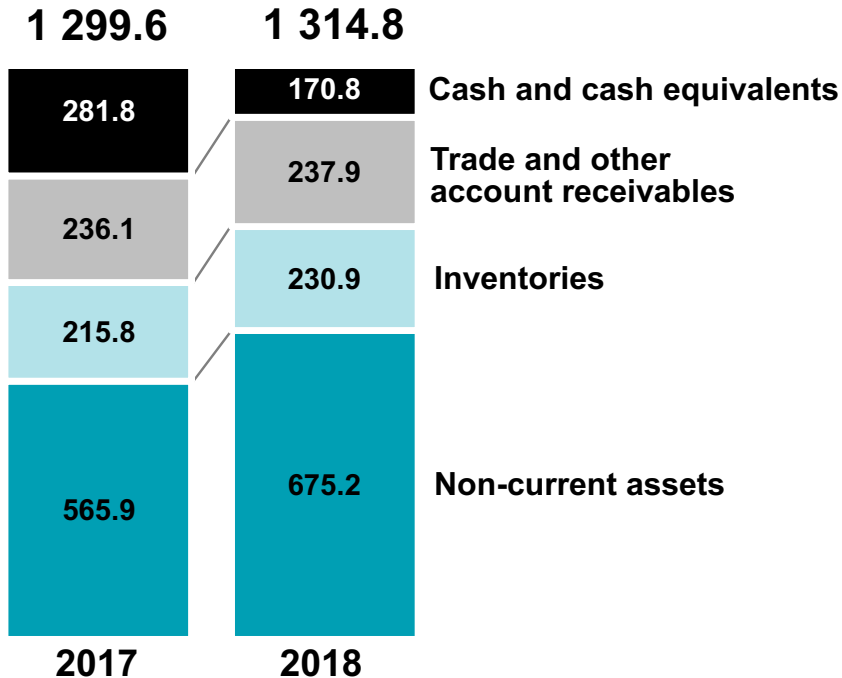
Income tax expenses	in CHF million	Total 2018	Total 2017
Earnings before tax (EBT)		160.5	154.8
Income tax expenses as reported		39.5	31.1
<i>Tax ratio as reported</i>		24.6%	20.1%
Reconciliation items, net		(1.7)	6.2
Income tax expense at the weighted average income tax rate		37.8	37.3
<i>Weighted average income tax rate</i>		23.6%	24.1%

Dividend of CHF 3.00 per bearer share

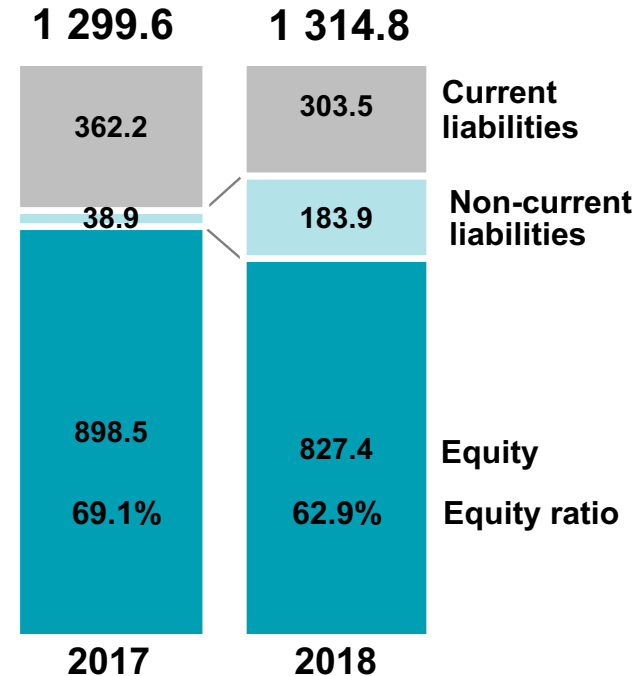


Balance sheet structure

Assets CHF million



Liabilities and equity CHF million



Consolidated balance sheet, assets

in CHF million	31.12.2018	31.12.2017
Cash and cash equivalents	170.8	281.8
Trade account receivables	198.0	201.9
Inventories	230.9	215.8
Other receivables	27.3	23.2
Prepayments made and accrued income	12.6	11.0
Current assets	639.6	733.7
Property, plant and equipment	566.2	491.9
Intangible Assets	26.0	21.7
Financial assets: Deferred income tax assets & misc. financial assets	83.0	52.3
Non-current assets	675.2	565.9
Total assets	1 314.8	1 299.6

Consolidated balance sheet, liabilities & equity

in CHF million	31.12.2018	31.12.2017
Trade accounts payable	76.3	78.5
Short-term bank debt	123.6	4.3
1.125% bond 2012 - 2018	–	150.0
Current provisions	17.0	18.0
Other current liabilities, accrued expenses and deferred income	86.6	111.4
Current liabilities	303.5	362.2
Long-term bank debt	6.9	7.3
0.625% bond 2018 - 2024	150.1	–
Long-term provisions	7.4	10.3
Deferred income tax liabilities	13.0	14.9
Pension liabilities and other long-term liabilities	6.5	6.4
Long-term liabilities	183.9	38.9
Total liabilities	487.4	401.1
Equity	827.4	898.5
Total liabilities and equity	1 314.8	1 299.6

Net working capital

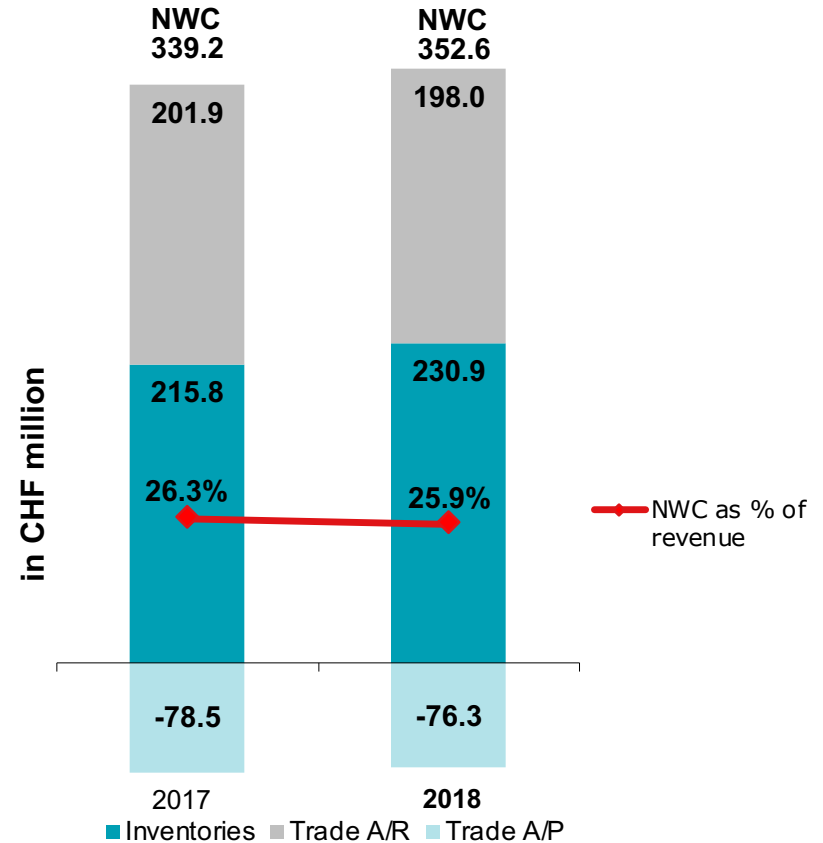
Development of key elements

Increase in net working capital of CHF +13.4 million (+4.0%)

Decrease in trade account receivables of CHF -3.9 million (-1.9%)

Increase in inventories of CHF +15.1 million (+7.0%)

Decrease in trade accounts payable of CHF -2.2 million (-2.8%)

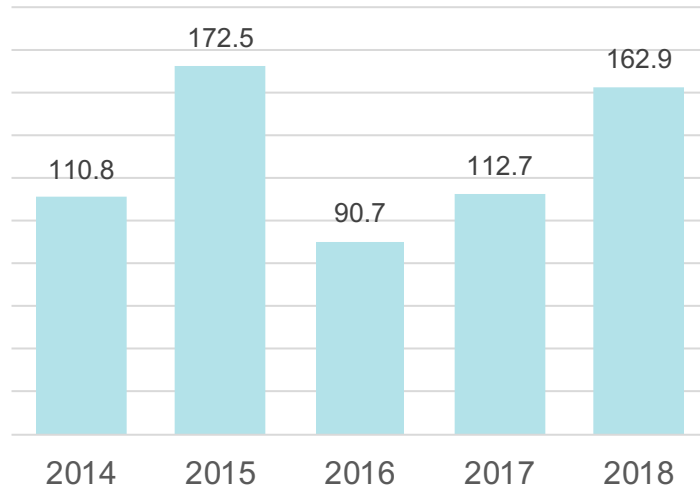


Consolidated cash flow statement

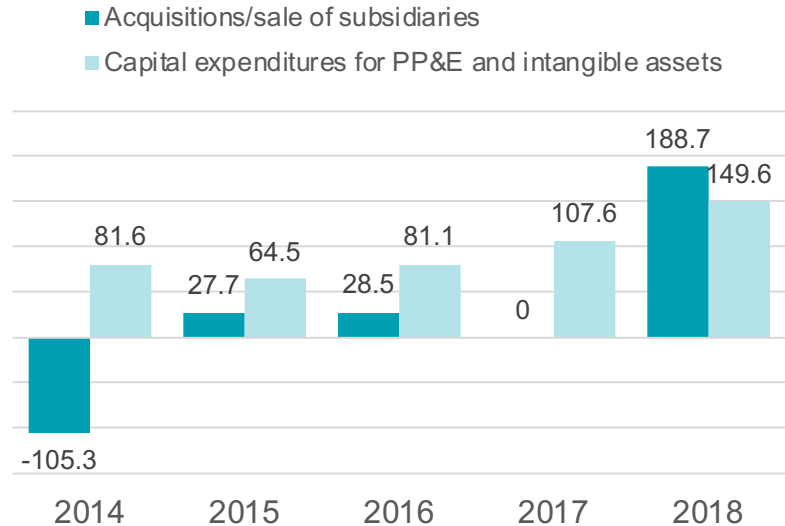
in CHF million	2018	2017
Net cash from operating activities	162.9	112.7
- Of which change in net working capital	(69.3)	(77.3)
Net cash used in investing activities	(334.9)	(110.0)
- Of which property, plant and equipment	(137.9)	(99.7)
- Of which subsidiaries (net of cash & cash equivalents)	(188.7)	–
Free Cash Flow	(172.0)	2.7
Net cash provided by/(used in) financing activities	64.0	(41.2)
- Of which proceeds/repayment of bank debt, net	57.0	(0.5)
- Of which proceeds from loan payable to Pema Holding AG	60.0	-
- Of which dividend payment	(51.0)	(37.4)
- Of which purchase of treasury shares	(1.7)	(3.2)
- Effect of exchange rate changes on cash and cash equivalents	(3.0)	2.8
Net change in cash and cash equivalents	(108.0)	(38.5)

Overview cash from operating activities, capex, acquisitions

Cash from operating activities

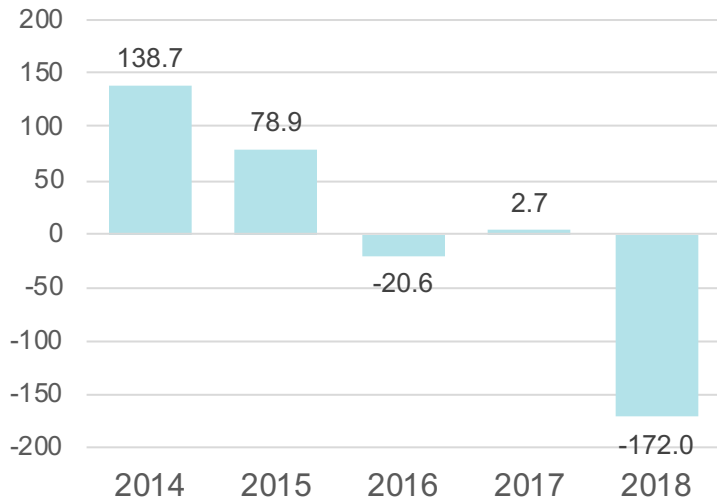


Capital expenditure/acquisitions/sale of subs.

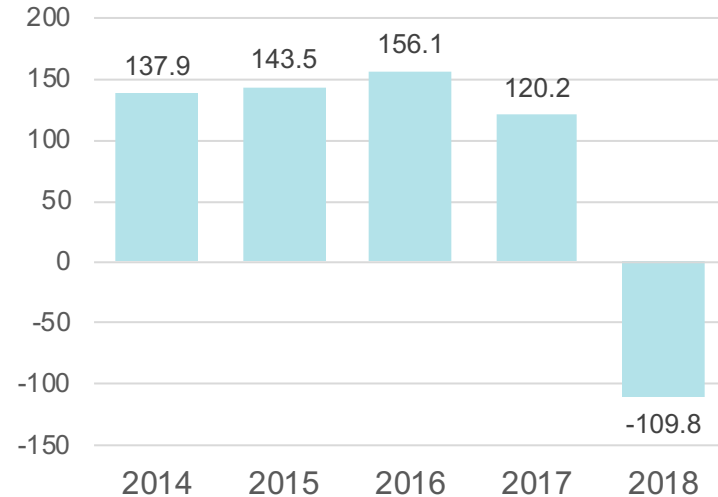


Overview free cash flow and net cash/net debt

Free Cash Flow (before changes in money market investments)

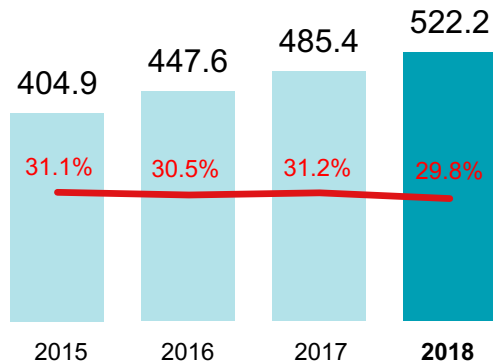


Net Cash / Net Debt

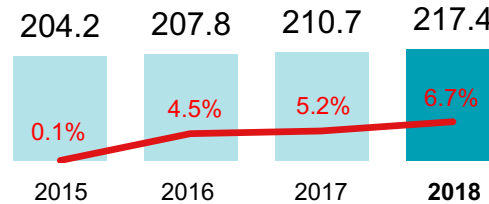


Return on Capital Employed (ROCE)

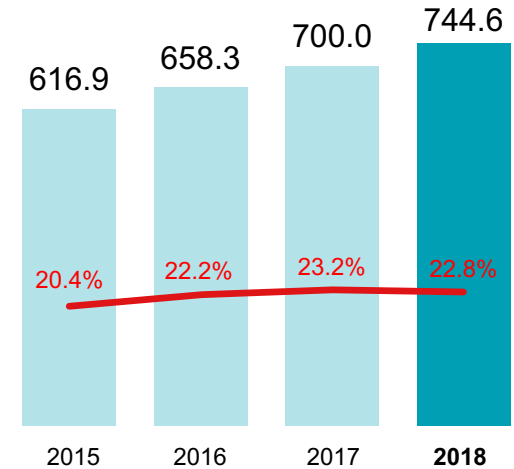
(EBIT / \emptyset Capital Employed)



Sealing Solutions



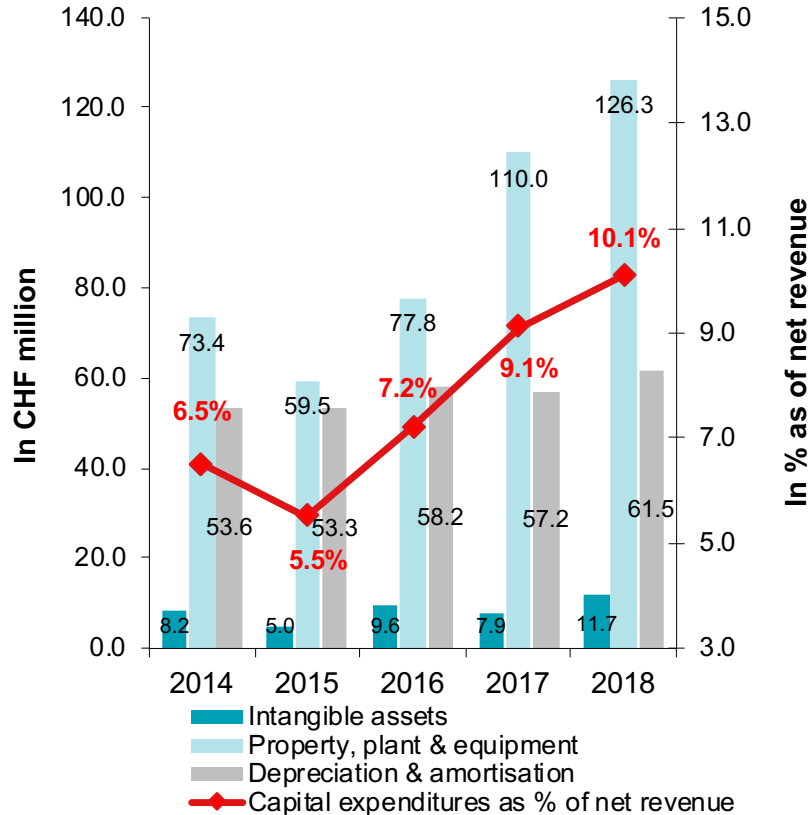
Technical Components



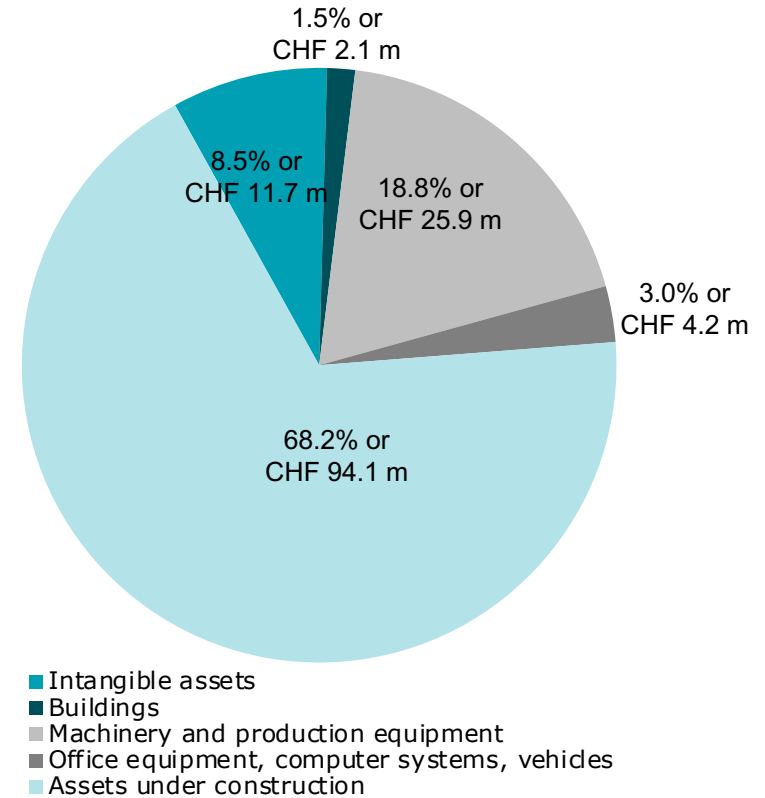
Group

In CHF million

Capital expenditure

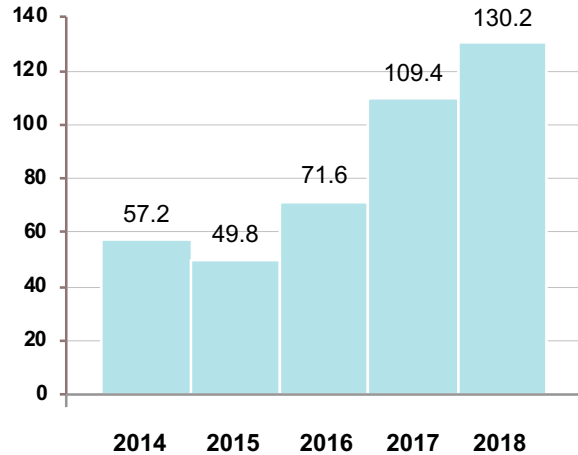


CHF 138.0 m capital expenditure 2018

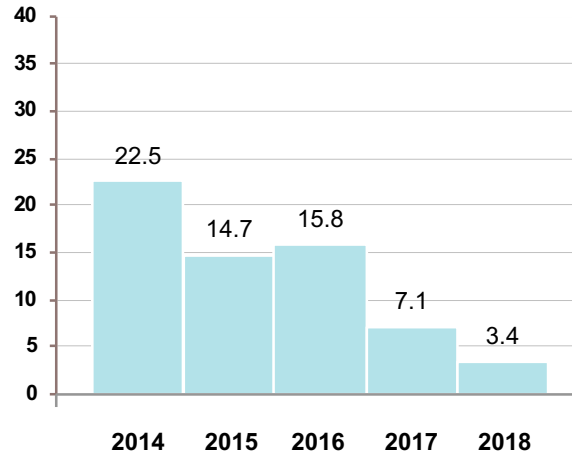


Capital expenditure by division

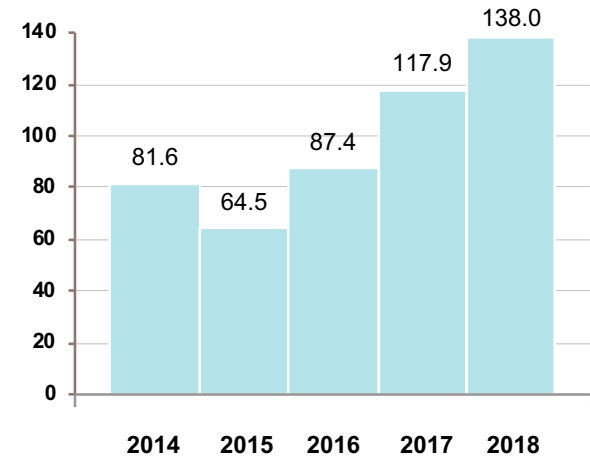
in CHF million



Sealing Solutions

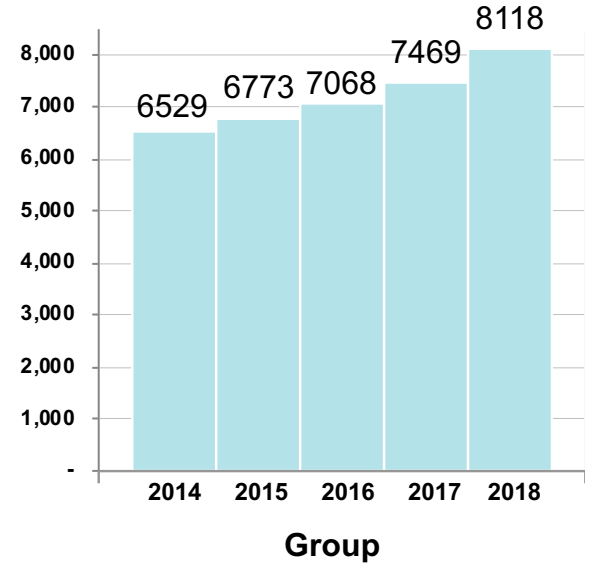
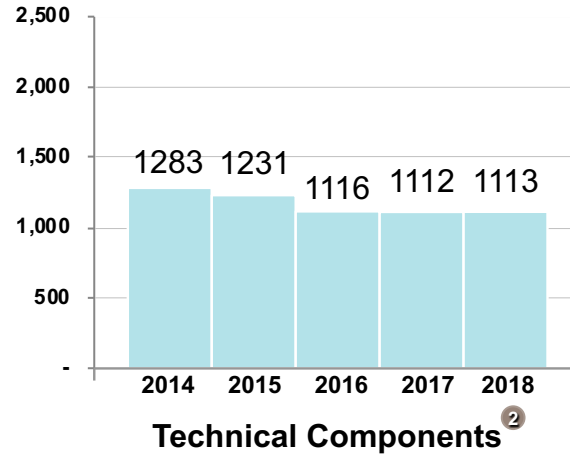
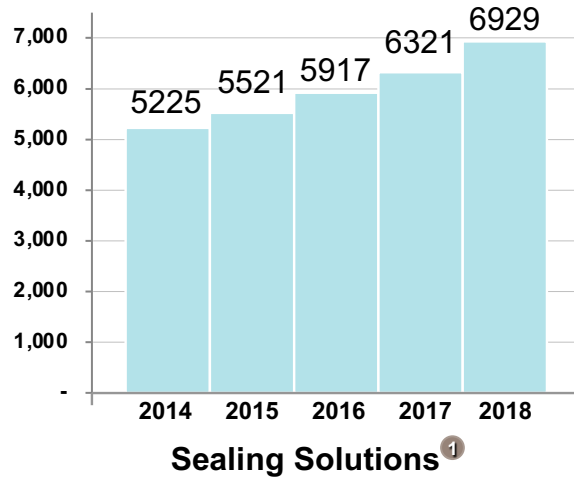


Technical Components



Group

Full-time equivalents by division (at year-end)



¹ Sealing Solutions: 2014: Acquisition Columbia Engineered Rubber; 2015: Acquisition Origom; 2016: Acquisition Ott; 2018: Acquisitions Bins and Parco

² Technical Components: 2014 Sale of Maagtechnic

Disclaimer

This presentation contains forward-looking statements that reflect the Group's current expectations regarding market conditions and future events and are therefore subject to a number of risks, uncertainties and assumptions. Unanticipated events could cause actual results to differ from those predicted and from the information contained in this presentation. All forward-looking statements in this presentation are qualified in their entirety by the foregoing.

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