

Datwyler Group

Half year results 2017





Agenda

Business review and outlook
Dirk Lambrecht, CEO

Financial Review
Reto Welte, CFO

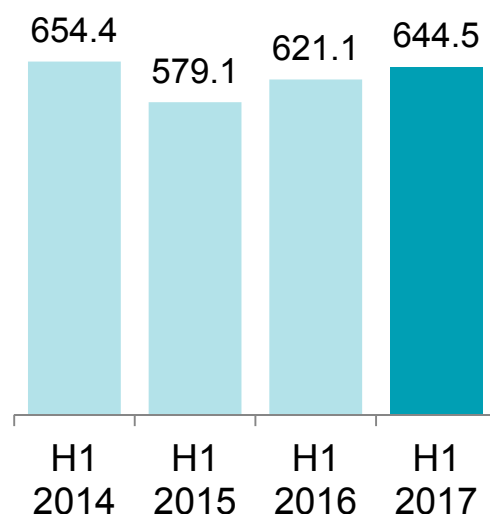
Questions and answers

Key Financials first half 2017

Adjusted EBIT-margin slightly above prior year

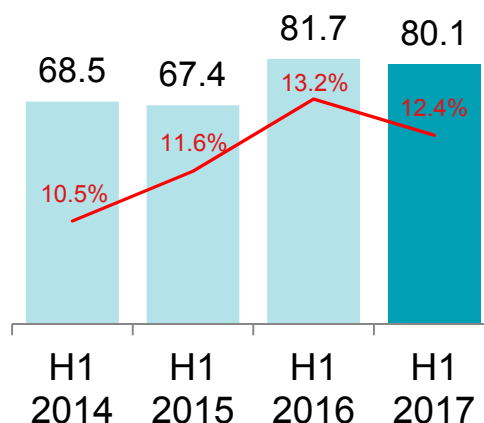
- Sales growth of 3.8%, thereof 2.2% organic
- Adjusted EBIT-margin at 13.5% (PY 13.4%), before one-off costs of CHF 6.6 million
- Net result slightly lower due to higher tax expenses

Net revenue (in CHF million)

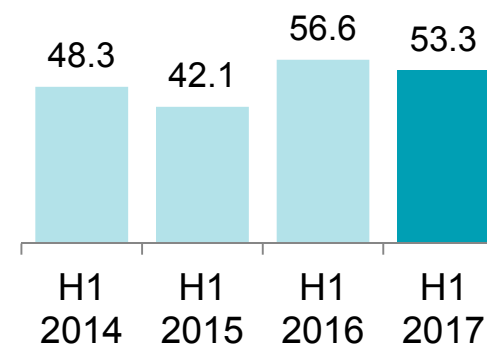


EBIT (in CHF million)

EBIT margin in %



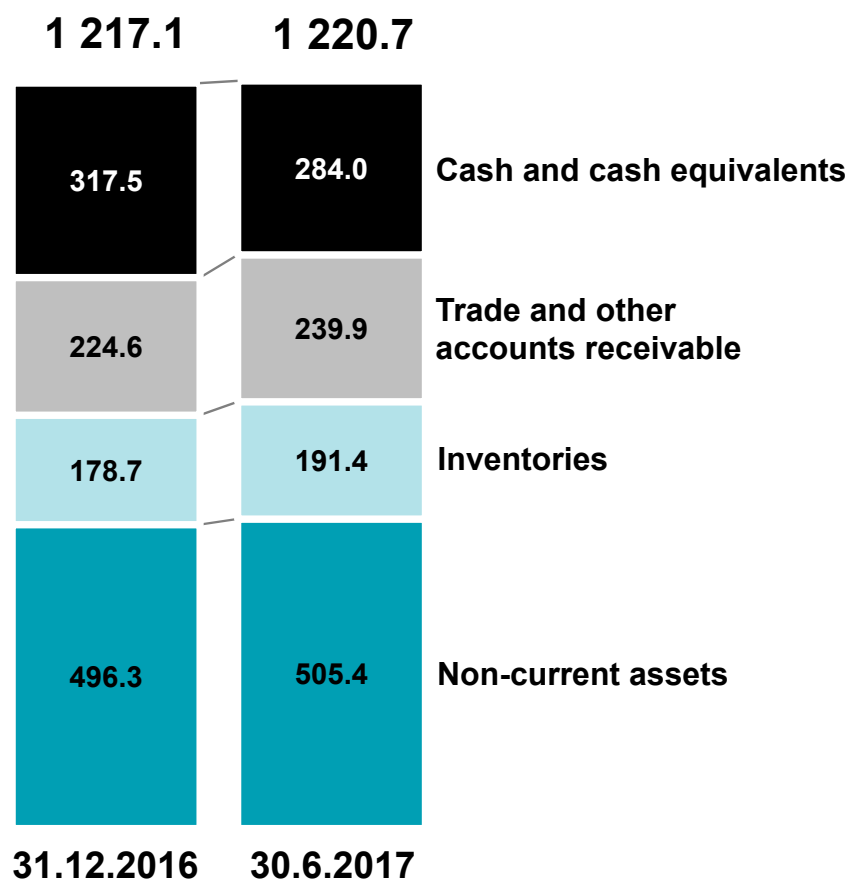
Net result (in CHF million)



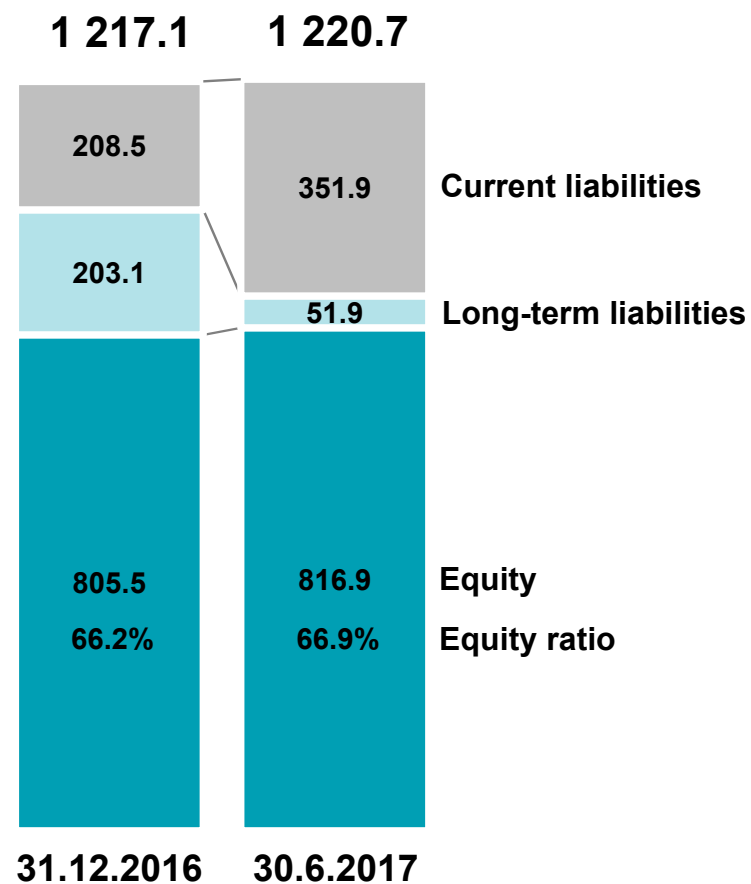
Balance sheet

Liquidity supports planned growth

Assets CHF million





Liabilities and equity CHF million



Datwyler Group

Two focused divisions

	Sealing Solutions	Technical Components
		
Products	Sealing systems and solutions, elastomer and aluminium/plastic closures, stoppers and plungers; precision moulded elastomer and metal components; special seals, profiles and gaskets	Distribution of maintenance, automation electronic and ICT components and accessories (online distribution and branded wholesale)
Markets	GLOBAL Health care, automotive, civil engineering and consumer goods	EUROPE Manufacturing companies, trades, retailers, resellers, universities, private consumers
Revenue 2016	CHF 753.3 million	CHF 462.6 million
Employees	6,000	1,200

Sealing Solutions division



Sealing Solutions

Leading positions in attractive global market segments



Consumer Goods

1

CHF 250 m.

2

CHF 1,600 m.



Health Care



Automotive

1

CHF 2,400 m.

1

CHF 650 m.



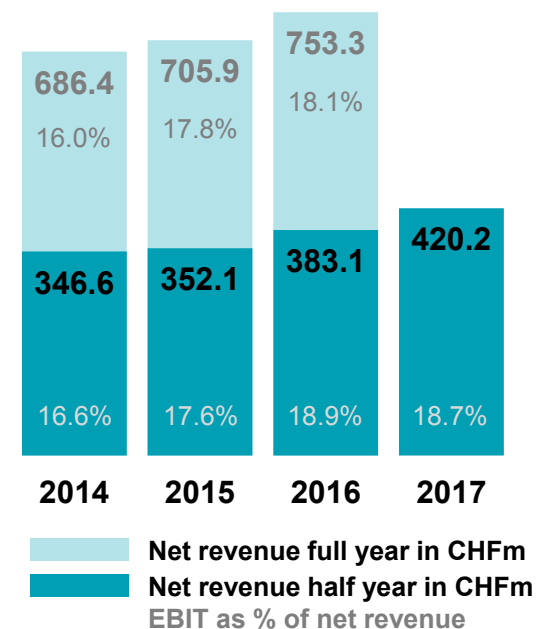
Civil Engineering

High market
and growth
potential

Sealing Solutions Division first half 2017

Acceleration of profitable growth thanks to leading global positions

- Revenue growth of 9.7%, thereof 6.2% organic, thanks to leading positions and start of series production of new components.
- Higher EBIT for the fifth consecutive time since the merger of the former two divisions. EBIT-margin at 18.7%.
- Health Care with above market growth in high quality components for prefilled syringes.
- Automotive with strong revenue growth, specially in China and in Selective Catalytic Reduction applications
- Civil Engineering significantly above prior year.
- Continuing growth of the Nespresso project.
- Integration of 2016 acquired German company Ott on track.



New Health Care plant in the USA on track

- Serve the growing needs of leading US health care companies for high qualitative components
- Greenfield manufacturing plant setting new industry standards
- Ultra-modern clean room technology and fully automated production cells
- Investment of more than CHF 100 million



Technical Components division



Technical Components

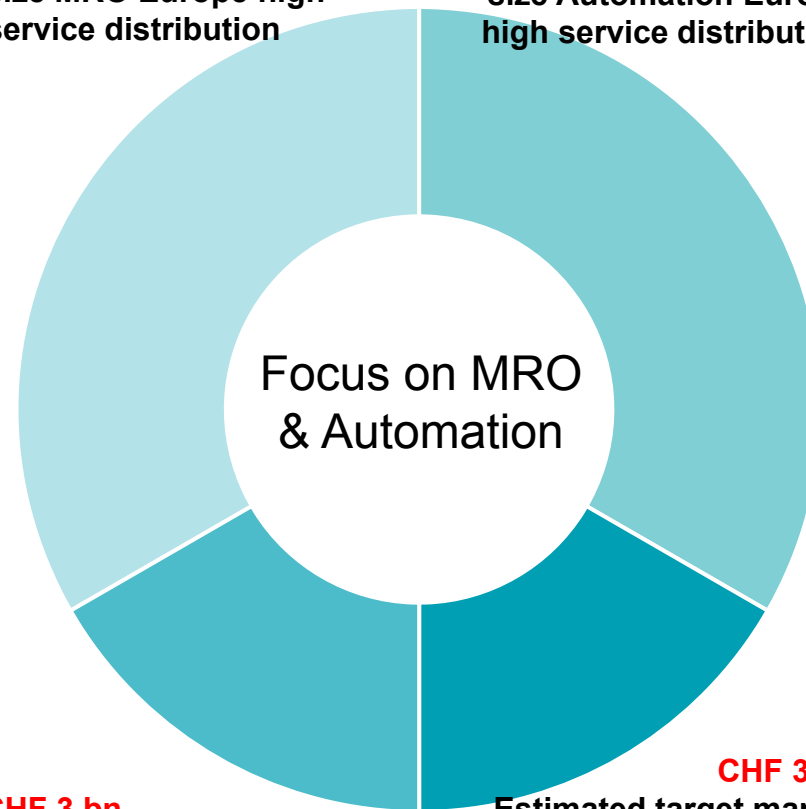
Four important market segments



CHF 6 bn
Estimated target market size MRO Europe high service distribution



CHF 6 bn
Estimated target market size Automation Europe high service distribution



CHF 3 bn
Estimated target market size Wholesale/ Consumer Electronics Europe

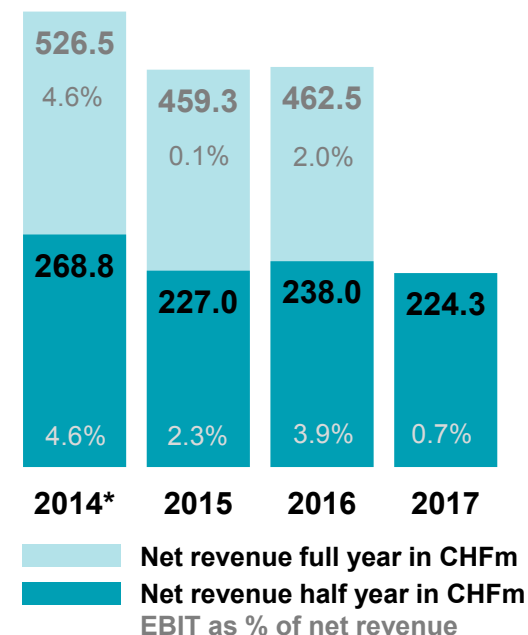


CHF 3 bn
Estimated target market size EDE&Production Europe high service distribution

Technical Components Division first half 2017

Encouraging B2B demand – weak B2C business

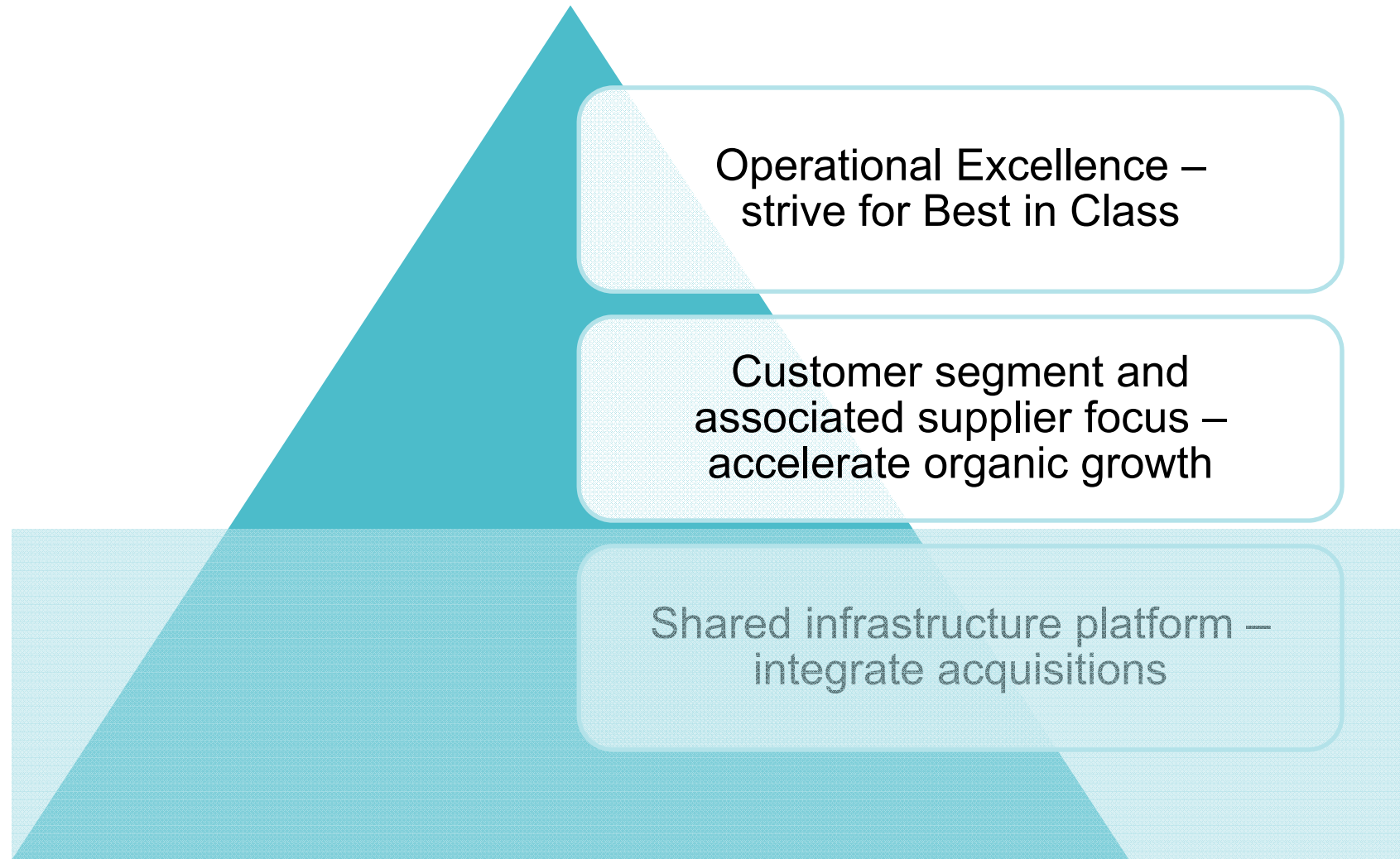
- Organic revenue decline of 4.1% due to weak demand affecting B2C-business and home/consumer electronics wholesaler Nedis.
- Encouraging demand in the core B2B-business of Distrelec and Reichelt and for the new house brand RND.
- Lower sales volume lead to an EBIT decline despite strong cost control and improved commercial margins.
- Adjusted EBIT-margin of 3.6% before one-off costs of CHF 6.6 million.
- New Distrelec Enterprise Hub in Manchester on track; planned annual cost savings of CHF 3 million.
- Reichelt with profitable growth and further potential, specially by accelerating the international expansion.
- Nedis with serious drop in revenue in a very challenging and competitive market environment. Strategy is under review and new improvement measures are being implemented.



* excluding Maagtechnic

Technical Components

Performance improvement plan





New Distrelec Enterprise Hub in Manchester

- Central steering of product, supplier, purchasing, e-commerce and marketing management
- Significantly increase quality and productivity of proposition delivery
- Boost the range of products and services on offer to customers
- Expected one-off costs of CHF 8 million planned annual cost savings of CHF 3 million

Datwyler Group outlook for 2017

Focus on accelerating organic growth

– Datwyler Group:

- Revenue between CHF 1'270 and 1'310 million
- Adjusted EBIT margin in the upper half of target range of 11% - 14%, total one-off costs of approximately CHF 10 million

– Sealing Solutions division:

- Above market growth in all four segments thanks to strong positions
- Accelerate growth by intensifying sales, technical services and marketing activities, by expanding capacities and by upgrading production processes

– Technical Components division:

- Enhance segmentation of markets and customers
- Align value proposition and offering strategy more effectively with current and future customer needs
- New Distrelec Enterprise Hub, accelerated internationalisation of Reichelt, strategy under review at Nedis





Agenda

Business review and outlook
Dirk Lambrecht, CEO

Financial Review
Reto Welte, CFO

Questions and answers

Consolidated Income Statement

in CHF millions	30.06.2017 unaudited	30.06.2016 unaudited	% change
Net revenue	644.5	621.1	3.8%
Costs of goods sold	(477.9)	(455.0)	5.0%
Gross profit	166.6	166.1	0.3%
Research and development expenses	(13.1)	(11.9)	10.1%
Marketing and selling expenses	(44.2)	(46.9)	(5.8%)
General and administrative expenses	(37.2)	(32.4)	14.8%
Other operating income	8.0	6.9	15.9%
Other operating expenses	(0.0)	(0.1)	n/a
Operating result before interest & taxes (EBIT)	80.1	81.7	(2.0%)
Net finance result	(4.0)	(5.2)	(23.1%)
Earnings before tax (EBT)	76.1	76.5	(0.5%)
Income tax expenses	(22.8)	(19.9)	14.6%
Net result	53.3	56.6	(5.8%)
Net result per bearer share entitled to dividend (in CHF)	3.14	3.44	(8.7%)




Condensed Consolidated Balance Sheet

in CHF millions	30.06.2017 unaudited	31.12.2016	30.06.2016 unaudited
Current assets	715.3	720.8	694.3
Non-current assets	505.4	496.3	452.4
Total assets	1 220.7	1 217.1	1 146.7
Current liabilities	351.9	208.5	217.8
Long-term liabilities	51.9	203.1	203.7
Total liabilities	403.8	411.6	421.5
Equity	816.9	805.5	725.2
Total liabilities and equity	1 220.7	1 217.1	1 146.7
<i>Equity ratio (%)</i>	66.9%	66.2%	63.2%
Net cash surplus	280.7	313.5	107.3

Condensed Consolidated Cash Flow Statement

in CHF millions	30.06.2017 Unaudited	30.06.2016 unaudited
Net result	53.3	56.6
Non-cash items and changes in working capital	(1.2)	(179.4)
Net cash from operating activities	52.1	(122.8)
Net purchases of property, plant and equipment	(39.3)	(26.2)
Earn-out payments	(0.4)	(2.0)
Net purchases of other non-current assets/Sale of money market investments	(2.5)	56.7
Net cash (used in)/provided by investing activities	(42.2)	28.5
(Repayment of)/Net proceeds from bank debt	(2.0)	0.5
Net decrease in other long-term liabilities	(0.1)	(0.2)
Purchase of treasury shares	(3.2)	-
Dividend paid to shareholders	(37.4)	(36.2)
Net cash used in financing activities	(42.7)	(35.9)
Net change in cash and cash equivalents	(32.8)	(130.2)
Cash and cash equivalents at 1 January	317.5	242.0
Effect of exchange rate changes on cash and cash equivalents	(0.7)	(0.8)
Cash and cash equivalents at 30 June	284.0	111.0

Segmental Reporting by Division

	Sealing Solutions	Technical Components	Datwyler Group
in CHF millions			
NET REVENUE			
First half 2017	420.2	224.3	644.5
First half 2016	383.1	238.0	621.1
EBIT			
First half 2017	78.6	1.5	80.1
First half 2016	72.5	9.2	81.7
EBIT MARGIN			
First half 2017	18.7%	0.7%	12.4%
First half 2016	18.9%	3.9%	13.2%



Agenda

Business review and outlook
Dirk Lambrecht, CEO

Financial Review
Reto Welte, CFO

Questions and answers



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.

Dätwyler Holding Inc.

Gotthardstrasse 31, 6460 Altdorf

T +41 41 875 11 00, F + 41 41 875 12 05

info@datwyler.com, www.datwyler.com

