

Press release, 15 November 2018

Datwyler sees attractive growth potential in health care market

Visit of the European First Line plant on Investor Day

Several structural trends are sustaining growth in the global health care market. Depending on the sub-segment and world region, annual growth for components for injectable drugs is over 10%. With its leading first line manufacturing standard and global presence, Datwyler is best positioned to capitalize on these growth opportunities. On the Investors' Day, investors, analysts and journalists will be given an insight into the First Line plant in Belgium. The previous annual targets for sales and EBIT margin are confirmed.

The Datwyler Group is giving an in-depth insight into its growth strategy in the health care market on today's Investors' Day. At the Datwyler site in Alken, Belgium, investors, analysts and journalists will have the opportunity to visit the leading First Line production standard.

Leading partner of global pharmaceutical and biotechnology companies

Datwyler has been a leading partner to global pharmaceutical and biotechnology companies for more than 40 years. Datwyler's Sealing Solutions division offers its customers a wide range of specialized and unique elastomer compounds, coatings and production standards. The high-quality components make it possible to efficiently prepare injectable drugs in modern administration systems such as prefilled syringes or pens and administer them safely to patients.

Attractive market with structural growth drivers

On Investors' Day in Belgium, Datwyler Executive Committee members and representatives of the Sealing Solutions division's management will explain the growth drivers in the global healthcare market and how Datwyler can benefit above average from their core competencies and investment strategy. Structural trends such as an ageing society in the industrialized countries, increased access to modern healthcare for a broader population in the emerging markets, the increase in chronic diseases such as diabetes and the increase in injectable drugs are holding growth high. Depending on the region, the market for high-quality components for injectable drugs is growing at between 5% and 10% per year, with high entry barriers and attractive margins. For sub-segments of this market, such as prefilled syringes or innovative delivery systems, independent market observers forecast worldwide growth of 10% and 15% per annum up to 2025, respectively.

Innovative production standard for high-quality elastomer components

Datwyler recognized the growth potential of the health care market early on and has invested in recent years in expanding production capacities and further developing the production standard. With the First Line Standard, Datwyler has an advanced manufacturing concept for its high-growth, high-quality elastomer components. The First Line Standard comprises state-of-the-art clean room technology, automatic production cells, fully automatic camera inspection and a unique washing process. The innovative manufacturing concept exceeds the highest quality standards of the European and American regulatory authorities and is certified according to ISO 15378.

50% increase in first line production capacity by 2020

At the end of September, Datwyler commissioned a new First Line plant in Middletown, USA, after a construction period of only two years. Together with the existing First Line capacities in Belgium and the recently expanded First Line capacities in India, Datwyler will in future be able to supply customers in the three most important economic regions of the USA, Europe and Asia with locally produced First Line components. The new production capacity will enable Datwyler to increase its global first-line volume by 50% by 2020 and accelerate profitable growth. The Health Care business already accounts for the largest share of the Datwyler Group's sales.

Confirmation of full year targets

Datwyler Group CEO Dirk Lambrecht confirms the annual sales and EBIT margin targets communicated so far on Investor Day. The Group continues to expect net sales of between CHF 1,350 million and CHF 1,400 million. Despite rising raw material prices and start-up costs for the new plants, the EBIT margin should remain within the target range of 12% to 15%. The Technical Components Division is working intensively on implementing measures to stimulate profitable growth in the distribution of electronic components. Distrelec is investing in the predictive analysis of customer data in order to be able to serve customers even more specifically and individually in the future. Reichelt is performing well thanks to its strategic expansion with local webshops in several European countries. And Nedis has successfully reduced the number of product brands from more than ten to the strong new product brand Nedis. Customer feedback on the new brand identity and the new products has been consistently positive.

The Investor Day presentation is available at the following link after 2pm:

<https://www.datwyler.com/en/investors/publications/>

Datwyler Group (www.datwyler.com)

The Datwyler Group is a focused industrial supplier with leading positions in global and regional market segments. With its technological leadership and customised solutions, the Group delivers added value to customers in the markets served. Datwyler concentrates on markets that offer opportunities to create more value and sustain profitable growth. The Sealing Solutions division is a leading supplier of custom sealing solutions to global market segments, such as the health care, automotive, civil engineering and consumer goods industries. The Technical Components division is one of Europe's foremost high-service distributors of maintenance, automation, electronic and ICT components and accessories. With a total of some 50 operating companies, sales in over 100 countries and more than 8'000 employees, the Datwyler Group generates annual revenue of some CHF 1'300 million. The Group has been listed on the SIX Swiss Exchange since 1986 (security number 3048677).

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Photos (in print quality): <http://www.datwyler.com/en/media/image-library/>

Financial Calendar:

Annual Press Conference and Analyst Conference	8 February 2019
Annual General Meeting	12 March 2019
Interim Report 2019	13 August 2019