

Ad hoc announcement pursuant to Art. 53 LR

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## Schweiter Technologies gears up for the future

- **The rapid and marked deterioration of economic trends in Europe with continuing high costs for raw materials and energy is leaving its mark on sales and profits in the second half-year**
- **Measures to improve efficiency and reduce costs have been introduced and are bolstering future competitiveness**
- **The one-time expenses for the package of measures are affecting the 2022 business result**
- **Schweiter is making substantial additional investments in energy efficiency in production processes**

Steinhausen, Friday, October 21, 2022 – Economic developments in Europe since the middle of the year have significantly affected the business environment for Schweiter Technologies, with performance failing to meet expectations in the third quarter of 2022, particularly in the Display segment. A reduction in sales and higher costs, especially for raw materials and energy, will have a negative impact on results for 2022. All segments outside Europe performed in line with expectations, some showing pleasing progress. For the year as a whole, Schweiter Technologies is anticipating overall sales to be somewhat lower and reckoning with an operating profit (EBITDA) including restructuring costs of between CHF 80 and 90 million.

In Europe, the Display segment saw an unexpectedly sharp fall-off in demand and price level due to the worsening business environment. In addition, customers' expectations with regard to declining raw material prices are leading to a reduction in distributors' stocks and consequently to temporarily lower revenues. This is further intensifying competitive pressure. The Architecture segment in Europe has also seen a slowdown in the wake of the economic uncertainties. Additionally, very high energy costs currently put pressure on margins.

By contrast, in the USA both the Display and Architecture businesses are continuing to show very pleasing performance levels, with a significant year-on-year increase. In Asia too, the Architecture business is performing at the level achieved in the first half of 2022. This is also the case with Transport and Industry. As anticipated, restrained demand from wind energy customers continued to affect the Core Materials operations. However, in China positive indications are pointing towards an upturn starting in the fourth quarter.

The economic situation is expected to remain challenging in the coming months too, especially in Europe. Schweiter will therefore be taking this opportunity to step up its significant investments in product innovations and new equipment to increase flexibility and efficiency. Schweiter is also investing substantially in energy efficiency in production processes in order to increase future competitiveness.

Schweiter Technologies has also implemented structural cost-reduction measures at an early stage. An extensive package of measures to reduce personnel and other operating expenditure is being implemented. These include the application of flexible working time models and short-time working. In Europe, some staff cuts will sadly be unavoidable.

The accelerated investment and cost-cutting measures now implemented will impact the result in the second half of 2022 with one-time expenses in the single-digit million range. However, the various measures to increase efficiency and flexibility will improve the structural cost basis and so bolster future competitiveness.

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**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, and train and bus manufacturing.*

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