
Ad hoc announcement pursuant to Art. 53 of the Listing Rules of SIX Exchange

Figures for the first half of 2024

Increased profitability and earnings in challenging end markets

- **Slight downturn in sales: -4% currency adjusted**
- **Increased profitability: EBITDA margin 8.7% (PY 7.7%); +7% absolute**
- **Rise in net income: +71%**
- **Significant increase in cash flow: +194%**
- **«Accelerate» performance program on schedule**
- **Consolidation of ZNL joint venture in China**

Steinhausen, 14 August 2024 – In a challenging environment, Schweiter Technologies generated net sales of CHF 527.8 million, a year-on-year decrease of -6% (-4% after currency adjustments). The measures adopted to ensure price discipline, greater efficiency and reduced costs proved effective and the growth of profitability and earnings was sustained, despite the lower sales volume. The Group achieved EBITDA of CHF 45.9 million or 8.7% of net sales (previous year: CHF 42.9 million; 7.7%), while EBIT came to CHF 24.1 million (previous year: CHF 23.4 million). Net income at CHF 20.3 million (previous year: CHF 11.9 million) increased thanks to the higher operating result, one-time effects in the previous year and the positive impact on financial expenses of the weaker Swiss franc in the reporting period. The marked rise in free operating cash flow was due to measures taken to optimize net working capital and disciplined investment expenditure, recorded at CHF 30.4 million (previous year: CHF 10.3 million).

BUSINESS PERFORMANCE, FIRST HALF OF 2024

Despite the market-related drop in sales, **3A Composites** continued to improve profitability. The North America region reported sales growth that was driven by the Architecture business, while Europe was affected across all segments by the negative economic environment. Business in the Asian markets declined overall, despite growth in the Architecture segment. The downward trend was due to declining demand in the wind business and a further intensification of price pressure in China. Nevertheless, all businesses achieved higher margins through a systematic focus on customer proximity, price strategy, improved efficiency and cost discipline.

KEY FIGURES FOR SCHWEITER TECHNOLOGIES GROUP

(in CHF millions)	H1 2024	H1 2023	+ / -	+/- fx adj.
Net sales	527.8	559.5	-6%	-4%
EBITDA	45.9	42.9	+7%	+9%
as % of net sales	8.7%	7.7%		
EBIT	24.1	23.4	+3%	+5%
as % of net sales	4.6%	4.2%		
Net income	20.3	11.9	+71%	
Free operating cash flow ¹⁾	30.4	10.3	+194%	

¹⁾including repayment of leasing liabilities

The **Display** business proved to be resilient and generated slightly lower sales in both core markets of Europe and North America while at the same time increasing profitability. Demand from distributors in particular showed a significant increase towards the end of the half-year period in anticipation of rising prices. Sales of sustainable material solutions continued to follow a positive trend. In Europe, the business unit launched a new digital customer experience with its “Virtual Supermarket”. Successes in materials purchasing also contributed significantly to the increase in profitability.

The **Architecture** business delivered growth and increased profitability driven by strong momentum in North America. In Europe, sales continued to be affected by subdued demand due to the slowdown in the construction industry, which led to low production capacity utilization in some areas. However, strict cost discipline with regard to spending on materials and personnel proved effective, and it was possible to increase margins despite the pressure on sales. Thanks to growth in China and India, sales growth was achieved in the Asia/Pacific region, with a slight increase in profitability compared with the previous year.

As expected, performance in the **Core Materials** business was weaker than in the previous year. Reduced demand, especially due to a delay of the next wind cycle, and increasing pressure on prices, in China in particular, were reflected in a decrease in sales. Numerous cost reduction measures, process innovations and efficiency gains nevertheless generated increased relative operating profitability compared with the previous year.

The **Transport & Industry** business was increasingly confronted with a declining dynamic in the end markets. In the industry segment, applications were affected by the weak economy, while the road and rail segment felt the impact of customer-induced delays. Profitability fell slightly year on year.

UPDATE ON THE «ACCELERATE» PERFORMANCE PROGRAM

As announced in March, Schweiter Technologies is implementing its performance-enhancement program «Accelerate», aimed at improving efficiency and innovation. This will enable the company to enhance its global competitiveness by increasing its customer proximity and innovative strength and systematically optimizing operational excellence along the entire value chain from purchasing to production and sales.

As part of «Accelerate», Schweiter Technologies has decided to close down the 3A Composites Display production plant in Mainz by the end of 2024. Schweiter Technologies has instructed the company's management to initiate all the necessary steps, while respecting all participation rights of the local works council and German law. The self-polymerization of MMA (methyl methacrylate) for extruded acrylic sheets was profitable in the past but no longer has a future, due to disruptive changes in the supplier markets. Schweiter Technologies will continue to offer extruded acrylic sheets, but production will be consolidated accordingly.

The global «Accelerate» program will incur one-off costs of up to CHF 20 million in the 2024 financial year, but the set of measures is expected to achieve an annual reduction in operating costs of CHF 10 million from 2025. The efficiency measures should be completed by the end of 2024.

CONSOLIDATION OF ZNL INTO ARCHITECTURE BUSINESS AND NEW LEAD IN ASIA AND NORTH AMERICA

Schweiter Technologies consolidated Jiangsu ZNL Coating New Materials, which was acquired at the end of February with a majority holding of 60%. The company, based in Changzhou City, is an innovative manufacturer of aluminum sheets with a workforce of some 50 employees producing high-quality façade solutions in a variety of colors. This acquisition strengthens the Architecture business and creates opportunities for growth in China and the Asian markets. Schweiter Technologies has an obligation to purchase the remaining 40% of the shares in the company.

On an organizational level, the 3A Composites management team will be strengthened through the appointment of a new head for North America and streamlined by consolidating the European and Asian Architecture businesses under a single leadership.

OUTLOOK FOR 2024

Schweiter Technologies is confident that the initiatives it has implemented and introduced provide favorable conditions for profitable growth. The Group is therefore equipped to profit from relevant megatrends such as sustainability and the increasing demand for mobility and meet the associated increase in demand from customers for lightweight applications with innovative solutions.

The Group is, however, proceeding on the assumption that the dynamic in the end markets will continue to be affected by uncertainties and volatility. The performance of the Display, Transport & Industry, and Architecture businesses in Europe will be impacted by the subdued market and consumer sentiment, whereas demand in the North American business is likely to remain healthy, particularly in the Architecture segment. In the Asia/Pacific region, expectations for Architecture are reasonably positive. The Core Materials business will continue to feel the effects of delayed demand in the wind-energy markets and price pressure in China.

Schweiter Technologies therefore anticipates the sales trend for the year as a whole to be flat or slightly down after currency adjustments and is cautiously optimistic in its assessment of the conditions for further growth in profitability.

FINANCIAL CALENDAR

- Innovation and Capital Markets Day: 24 September 2024, Singen / Germany
- Publication of annual results, 2024: 28 February 2025

The complete Semi-Annual Report for 2024 can be found on our website www.schweiter.com.

A media conference on the 2024 half-year results for investors, analysts and media representatives will take place at the Marriott Hotel, Neumühlequai 42, Zurich, today at 11.00 a.m.

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ABOUT SCHWEITER TECHNOLOGIES

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, paper and plastic sheets, lightweight boards and core materials based on balsa wood and PET foam. These materials are used in lightweight applications, primarily in the areas of visual communication (display), architecture, wind energy, industry, railway and bus construction and shipbuilding.

The company has distribution facilities and production sites at 40 locations in Europe, America, and the Asia-Pacific region, and employs 4,600 people. Schweiter Technologies AG is listed on SIX Swiss Exchange with the ticker symbol SWTQ.