

CONFERENCE CALL RESULTS Q1 2020

May 8, 2020

Nicolas-Fabian Schweizer (CEO)

Marc Bunz (CFO)



AGENDA



Achievements & Outlook

Financials 2019

Financials Q1 2020

Outlook

SCHWEIZER Share

ACHIEVEMENTS

Jintan

Embedding p²-Pack

Aviation

Market Access

Optimising Schramberg

ACHIEVEMENTS

Jintan

- Construction completed as planned in 2019
- Production Equipment installed as planned and released
- Organization installed successfully

Embedding p²-Pack

- First PCB Sample Production on 10.01.2020 ahead of schedule
- Start of Production in March 2020 with only 6 weeks delay due to Covid19- Shutdown
- ISO 9001 Certification received ahead of schedule
- Serial Ramp with intense focus to catch up COVID19-delay

Aviation

Market Access

Optimising Schramberg

JINTAN HIGH TECH EMBEDDING & PCB FACTORY



ACHIEVEMENTS

Jintan

Embedding p²-Pack

Aviation

Market Access

Optimising Schramberg

- First Serial Project won for 48V MOSFET Embedding with p²- Technology



- Further Projects for p²-pack applications with international Tier 1 and OEMs started
- Serial Development for High Voltage p²-pack applications started
- Partner / Second Source Business Model in development

ACHIEVEMENTS

Jintan

Embedding p²-Pack

Aviation

Market Access

Optimising Schramberg

- NADCAP Certification received for Plant Germany



- Global Market Access pre-condition given
- Strengthening of Customer Segment Aviation driven forward despite possible COVID19 impact for Aviation Market
- Defense Market under investigation

ACHIEVEMENTS

Jintan

Embedding p²-Pack

Aviation

Market Access

Optimising Schramberg

– Market Access strengthened for global footprint by installing Sales Teams and Channels in

– China for ASPAC



– Japan



– North America



– Initiation of Global Sales & Marketing Organisation

ACHIEVEMENTS

Jintan

Embedding p²-Pack

Aviation

Market Access

Optimising Schramberg

- Consequent Restructuring of Schramberg
- Stringent Cost Management
- Cost Saving Measures on Headcount Level (Short Term & Long Term)
- Full effect in 2020
- Adoption of Organisation to Strategic Targets
 - Strengthening of Sales & Marketing
 - Strengthening of Technology R&D
 - Internationalisation

Consequent Safety and Security Measures to protect
Health of employees in China and Germany started 24.01.2020

COVID19 CASES* as of 08.05.2020

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* ALL Employees, Temporary Workers and Apprentices in ALL global locations

OUTLOOK

Economy & Market

Strategy

Main Focus 2020

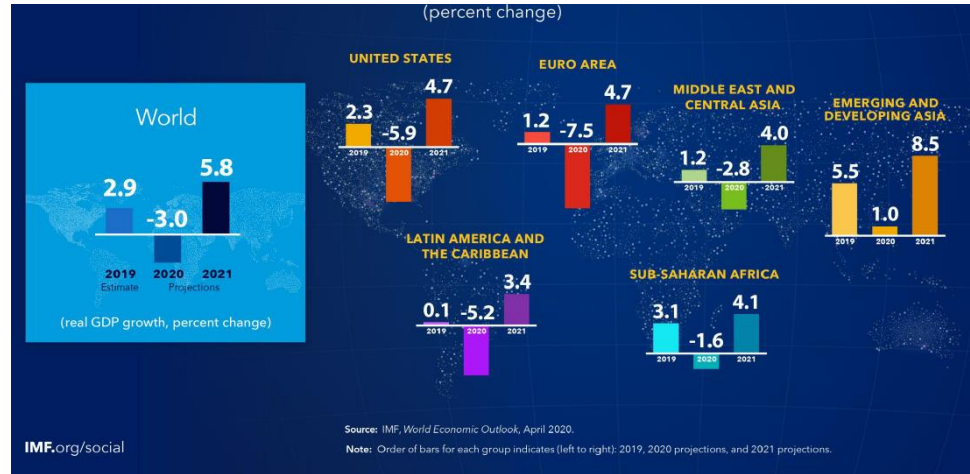


Economy & Market

Strategy

Main Focus 2020

- Global Recession in 2020 / GDP - 3.0%
- Rebound Expected 2021 / GDP + 5.8%
- Global Recession worse than financial crisis
- High degree of uncertainty



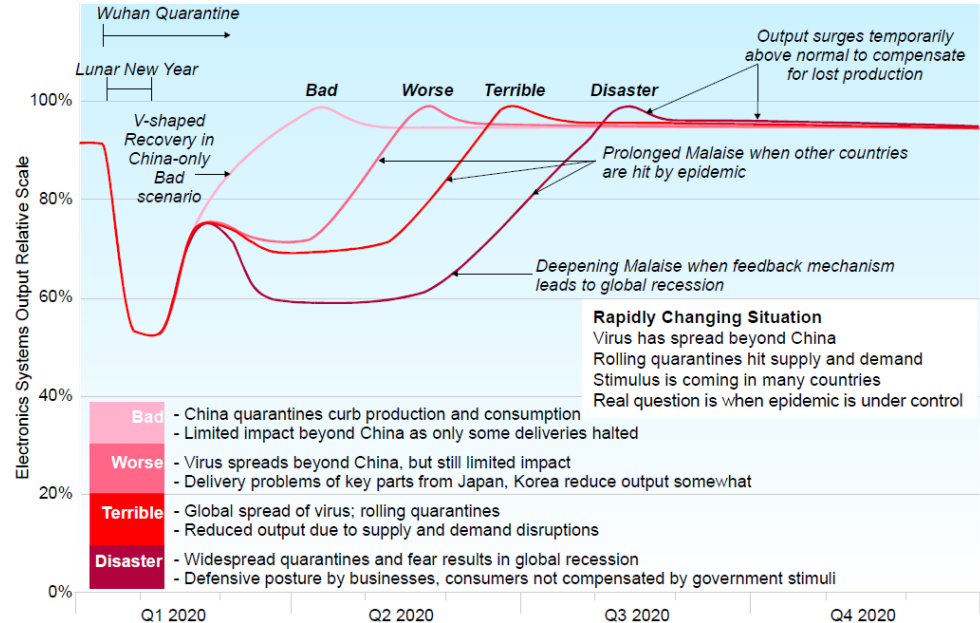
Source: IMF, World Economic Forum, April 2020

Economy & Market

Strategy

Main Focus 2020

Four Scenarios on Global Electronic Production



Note: This is a visualization of a modeling exercise to understand the timing, magnitude and regional impact of the epidemic on electronics systems production

Source: Prismark

Economy & Market

Strategy

Main Focus 2020

- Pre-Corona PCB Market growth 19/20 → + 3.3%
- Corona causes supply and demand interruptions
- Decline with - 4.9% most likely / higher decline still possible

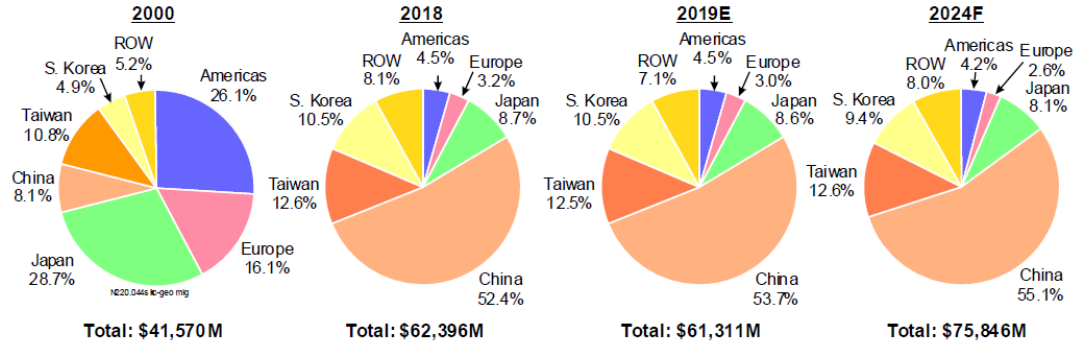
	(US\$M)	Original Forecast		Bad Scenario		Worse Scenario		Terrible Scenario		Disaster Scenario	
		2019E	2020F	2020E/2019F	2020F	2020E/2019F	2020F	2020E/2019F	2020F	2020E/2019F	2020F
Commodity	\$8,092	\$8,228	1.7%	\$8,113	0.3%	\$7,808	-3.5%	\$7,372	-8.9%	\$7,040	-13.0%
Multilayer	\$23,877	\$24,545	2.8%	\$24,235	1.5%	\$23,757	-0.5%	\$22,922	-4.0%	\$21,847	-8.5%
HDI	\$9,008	\$9,417	4.5%	\$9,133	1.4%	\$8,738	-3.0%	\$8,434	-6.4%	\$8,062	-10.5%
Substrate	\$8,139	\$8,418	3.4%	\$8,698	6.9%	\$8,505	4.5%	\$8,378	2.9%	\$7,732	-5.0%
Flex	\$12,195	\$12,725	4.3%	\$12,331	1.1%	\$11,708	-4.0%	\$11,172	-8.4%	\$10,671	-12.5%
Total	\$61,311	\$63,332	3.3%	\$62,510	2.0%	\$60,516	-1.3%	\$58,278	-4.9%	\$55,352	-9.7%

Economy & Market

Strategy

Main Focus 2020

- Automotive Rigid PCB demand declined in 2019 with further Corona Effect in 2020
- Geographic Migration of PCB Production towards China will go on



Source: Prismark

Economy & Market

Strategy

Main Initiatives 2020

- Rebound Effect in China PCB after Lockdown
 - Activity Level stronger than typically in March
 - Orders in March 2020 strong
 - However: Automotive PCB most likely to have strong decline in 2020
- First Signs of Rebound of China Automotive Sales
 - Increasing customer demand after lockdown
 - Expected shift to Individual Mobility
 - Europe Sales to be observed accordingly



BUSINESS NEWS MAY 3, 2020 / 5:39 PM / 4 DAYS AGO

GM and SAIC's China sales rebound in April as market recovers



May 06, 2020 05:48 AM | UPDATED 15 HOURS AGO

VW sees multi-speed virus rebound led by China

Edward Taylor
Reuters

Economy & Market

Strategy

Main Focus 2020

- **Group Strategy 2017+10** remains unchanged
- Initiative ‘Shaping 2025’ implemented in Group Strategy

ONECOMPANY

ONETEAM

TWOPRODUCTIONS

ONEQUALITY

ALLMARKETS

ALLCUSTOMERS

Economy & Market

Strategy

Main Focus 2020

- Execute Strategy 2017+10
- Stringent Cash & Cost Management in Group to conquer COVID Impact
- Intensive Sales Push to regain Order Strength
- Broadening of Customer Segment to Balance Portfolio (Automotive / Industrial / Aviation / Medical)
- Broadening of Global Market Access
- Strengthen and Focus Product & Technology Portfolio for respective Customer Segments & Markets

AGENDA

Achievements & Outlook

Financials 2019

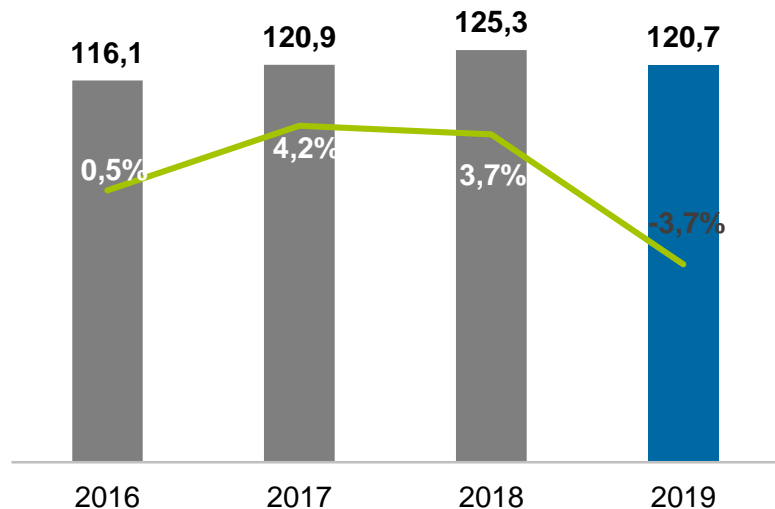
Financials Q1 2020

Outlook

SCHWEIZER Share

Revenues

in Mio. Euro / Growth rate



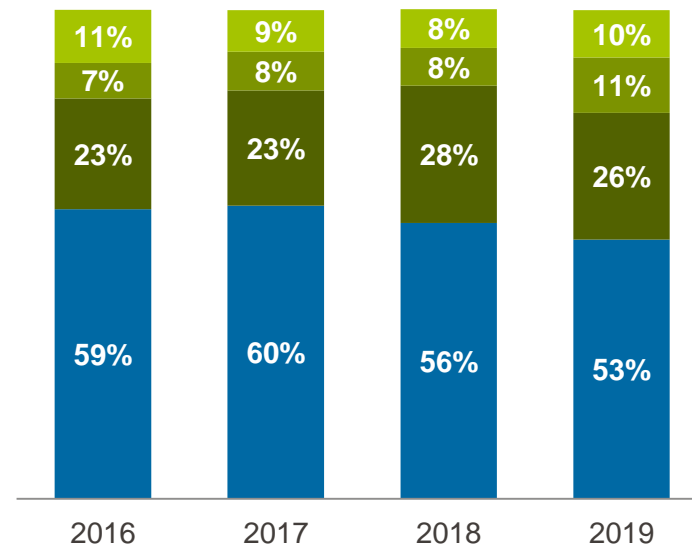
Key Figures

million EUR	2019	2018	
Revenues	120.7	125.3	-3.7%
EBITDA	0.1	9.2	n/a
EBITDA Margin (%)	0.1	7.3	
EBIT	-6.5	1.6	n/a
EBIT Margin (%)	-5.4	1.3	
Open Orders	126.7	171.2	-26.0%
Order Intake	74.9	123.8	-39.5%
Profit after Tax	-5.6	0.5	n/a
EPS (EUR)	-1.48	0.14	
Equity Ratio (%)	24.1	46.6	
Net Gearing (%)	60.7	-7.2	

Sales by Region

million EUR	2019	2018
Germany	63.8	70.5
Europe (w/o Germany)	31.2	35.1
Asia	13.6	9.6
Americas	11.7	9.9
Others	0.4	0.2
	120.7	125.3

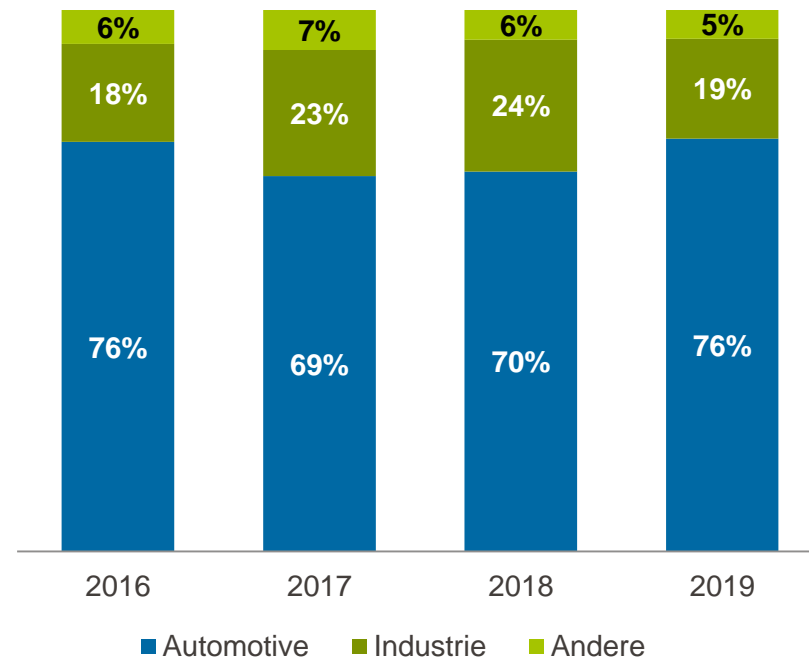
in Mio. EUR



■ Germany ■ Europe (w/o Germany) ■ Asia ■ America

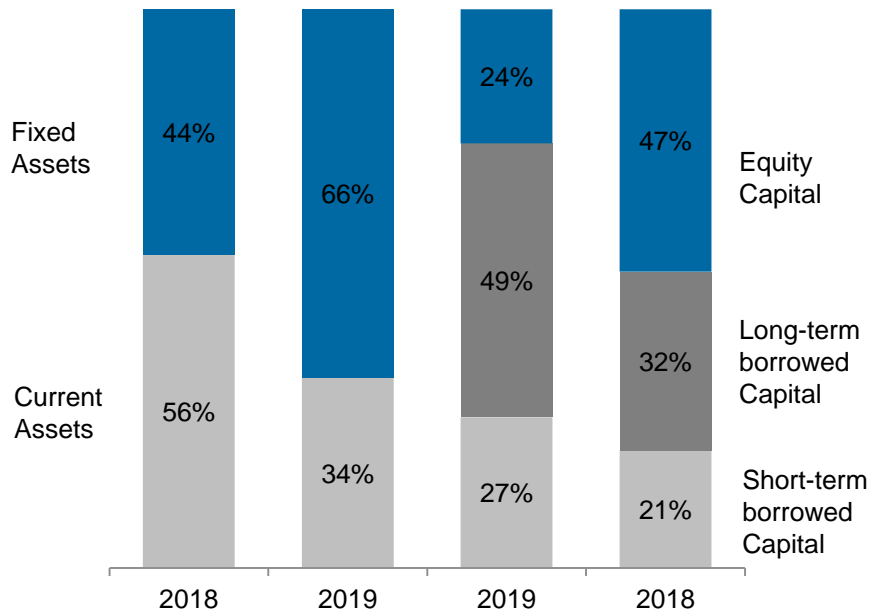
Sales by Customer Segment

million EUR	2019	2018
Automotive	92.0	87.9
Industry	22.3	30.5
Others	6.4	6.9
	120.7	125.3



Balance Structure

in Mio. EUR



million EUR	2019	2018
Assets	228.9	135.3
Equity	55.2	63.0
Equity Ratio (%)	24.1	46.6
Net Gearing (%)	60.7	-7.2

Cashflow

	2019	2018
Cashflow from Operating Activities	5.3	6.0
Cashflow from Investments	-42.0	-4.2
Cashflow from Financing Activities	40.9	16.7

Working Capital

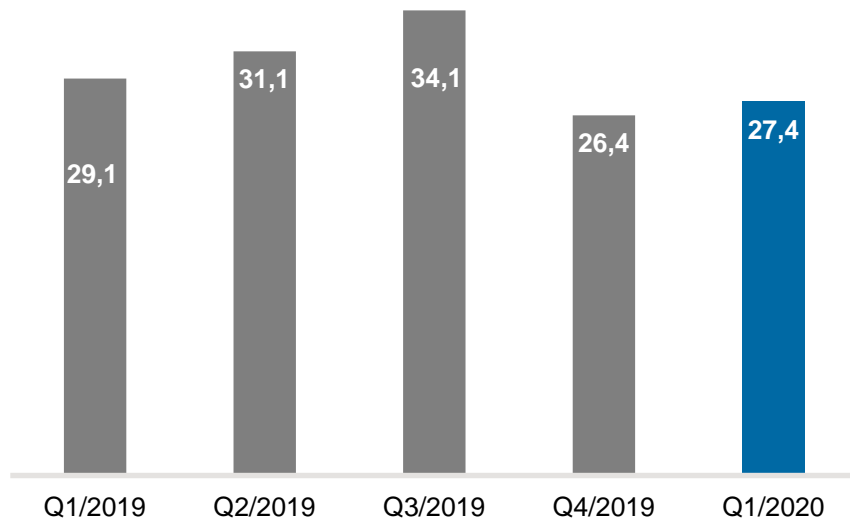
million EUR	2019	2018
Inventory (incl. contract assets)	18.9	18.8
Accounts Receivables	25.3	27.3
Accounts Payables	57.5	20.7
Working Capital	-13.3	25.4

AGENDA

Market & Strategy Update
Financials 2019
Financials Q1 2020
Outlook
SCHWEIZER Share

Revenues

in Mio. Euro

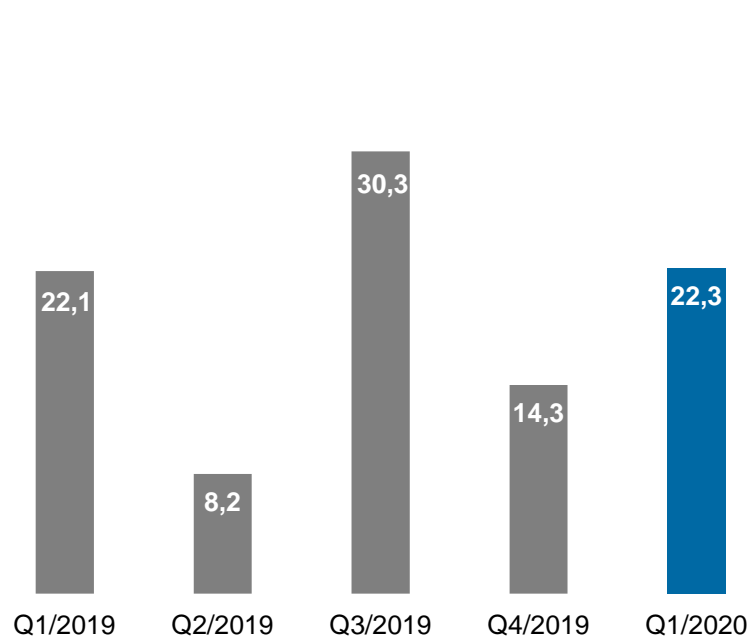


Key Figures

million EUR	Q1 2020	Q1 2019	
Revenues	27.4	29.1	-5.8%
EBITDA	-1.6	-0.1	n/a
EBITDA Margin (%)	-5.7	-0.4	
EBIT	-3.1	-1.7	n/a
EBIT Margin (%)	-11.4	-5.9	
Profit after Tax	-3.0	-2.1	n/a
Order Intake	22.3	22.1	+1.1%
	03/2020	12/2019	
Open Orders	121.0	126.7	-5.7%
Equity Ratio (%)	22.2	24.1	
Net Gearing (%)	81.8	60.7	

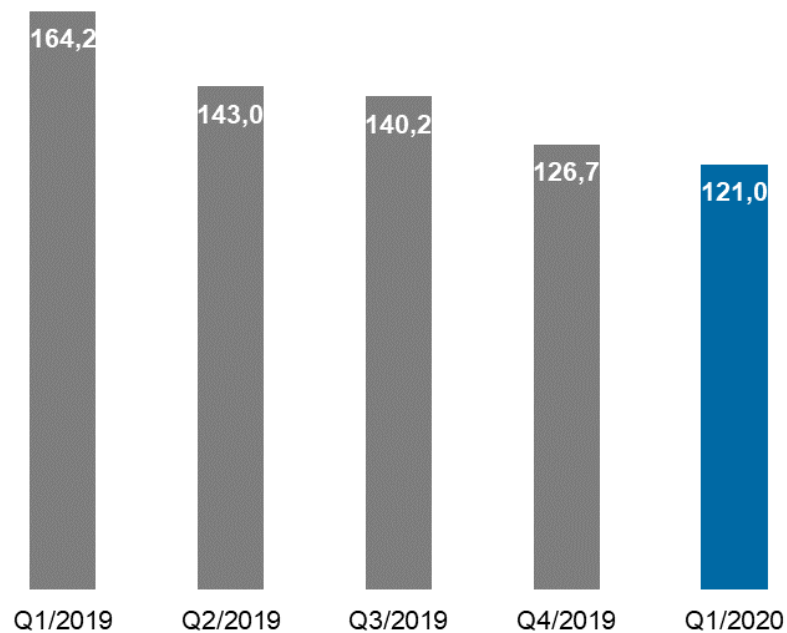
Order Intake

million EUR



Open Orders

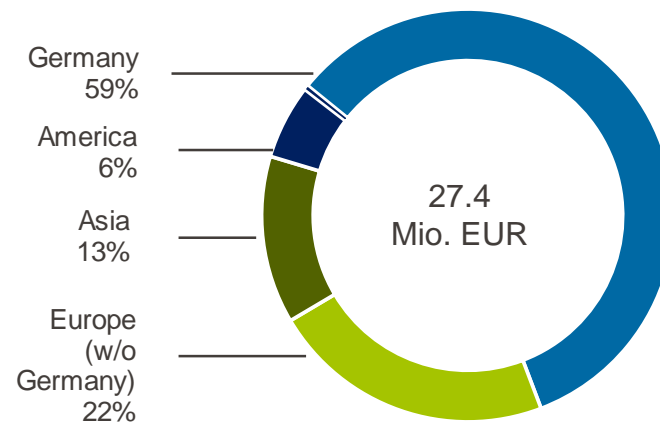
million EUR



FINANCIALS Q1 2020

Sales by Region

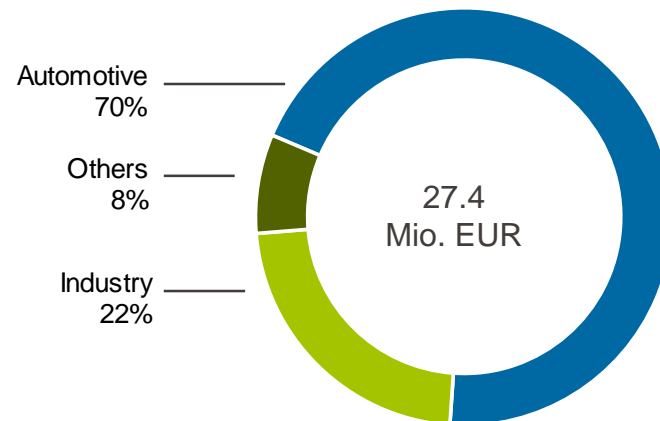
million EUR	Q1 2020	Q1 2019
Germany	16.0	15.4
Europe (w/o Germany)	6.1	8.9
Asia	3.6	3.2
Americas	1.6	1.5
Others	0.1	0.1
	27.4	29.1



FINANCIALS Q1 2020

Sales by Customer Segment

million EUR	Q1 2020	Q1 2019
Automotive	19.1	20.9
Industry	6.2	6.5
Others	2.1	1.7
	27.4	29.1



AGENDA

Market & Strategy Update

Financials 2018

Financials Q1 2019

Outlook

SCHWEIZER Share

	Actual 2019	Target 2020	
		more optimistic	more pessimistic
Sales / Growth Rate	120.7 Mio EUR / -3.7%	-10% to -15%	-20% to -25%
EBITDA Margin	0.1%	-2% to -6%	-4% to -8%
Net Gearing	61%	significant increase	significant increase
Equity Ratio	24%	significant reduction	significant reduction
Working Capital	-13.3 Mio EUR	according to change in sales	according to change in sales

AGENDA

Market & Strategy Update

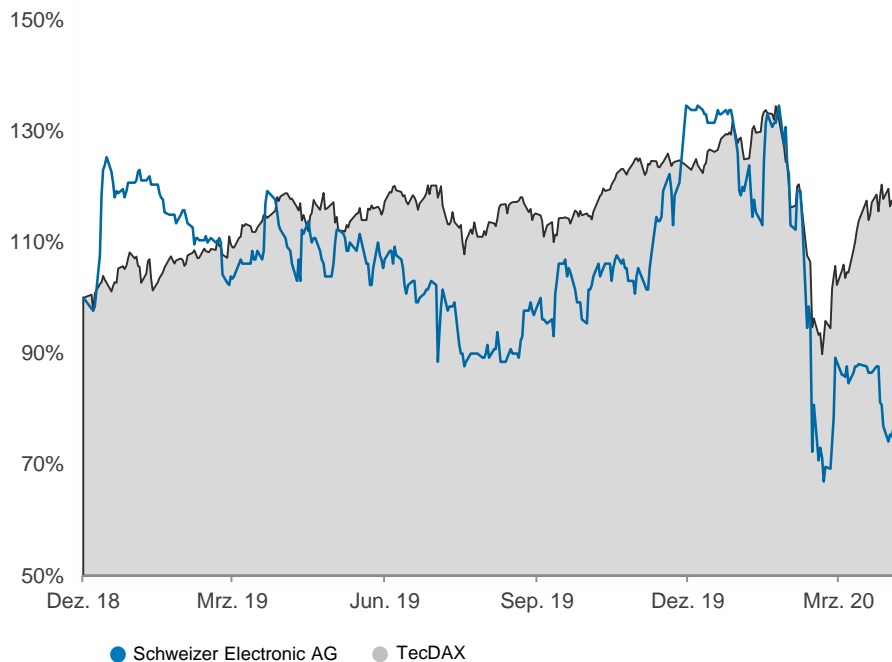
Financials 2019

Financials Q1 2020

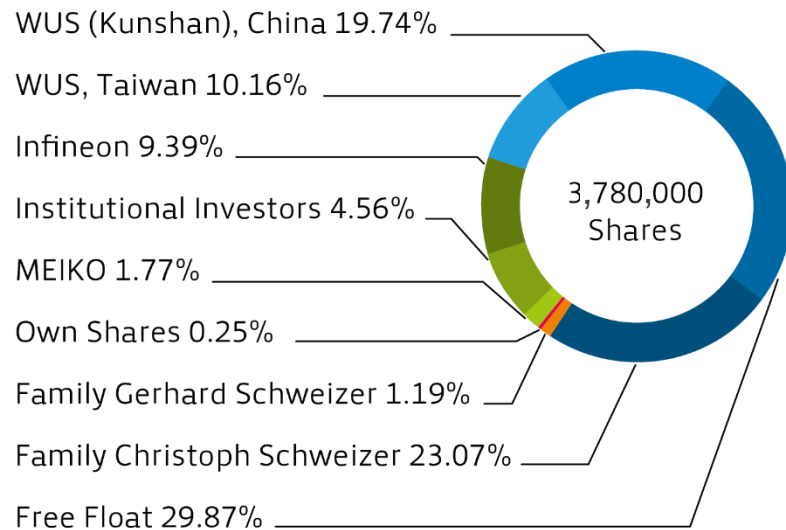
Outlook

SCHWEIZER Share

Share Price 01 January 2019 – 30 April 2020



Shareholder Structure (Dec 2019)



Q & A

STAYHEALTHY

APPENDIX

FINANCIAL CALENDAR

Date	Publication/Event
2020-05-08	Interim Report 1st Quarter
2020-05-08	Conference Call
2020-06-26	Annual General Meeting
2020-08-07	Financial Report (half-year)
2020-11-06	Interim Report 3st Quarter



EXECUTIVE BOARD



Nicolas-Fabian Schweizer

Chairman of the Executive Board / CEO

University Degree: Law

Initial appointment April 2011 and appointed until June 2022

In charge of Technology R&D, Business Development, Operations & Quality, Human Resources, Legal and Media & Communications (PR)

Marc Bunz

Dep. Chairman of the Executive Board / CFO

Master Degree in Economics, Finance & IT Management

Initial appointment April 2010 and appointed until March 2023

In charge of Sales & Marketing, Operations & Quality, Finance & Controlling, Global Supply Chain, Information Technologies and Investor Relations

SAFE HARBOUR STATEMENT



This communication contains forward-looking statements and information – that is statements about events that lie in the future, not the past. These forward-looking statements can be identified by formulations such as “expect”, “wish to”, “anticipate”, “propose”, “plan”, “believe”, “seek to”, “estimate”, “become” or similar terms. While such forward-looking statements represent our current expectations and particular assumptions, they are subject to various risks and uncertainties. A number of factors, many of which are outside the control of Schweizer, have an impact on Schweizer’s business activities, strategy and results. These factors could cause the actual results and performance of the Schweizer Group to differ materially from the information on results and performance made explicit or implied in these forward-looking statements. On our part these uncertainties arise in particular due to the following factors: Changes to the overall economic and business position (including margin developments in the major divisions), challenges posed by the integration of important acquisitions and the implementation of joint ventures and other major portfolio measures, changes to exchange and interest rates, the introduction of competing products or technologies by other companies, failure to find acceptance of new products and services among Schweizer’s target client groups, changes to the business strategy and various other factors. Should one or more of these risks or uncertainties be realised or it becomes apparent that the underlying assumptions were incorrect, this could cause the actual results to differ materially both in a positive and negative sense from the results referred to in forward-looking statements as expected, anticipated, proposed, planned, projected or estimated. Schweizer does not obligate itself and does not intend to revise or correct these forward-looking statements in light of developments which differ from those anticipated.



more
than PCBs