



Annual Results Press Conference Analyst Presentation Datwyler Group

4 March 2016





Review and outlook

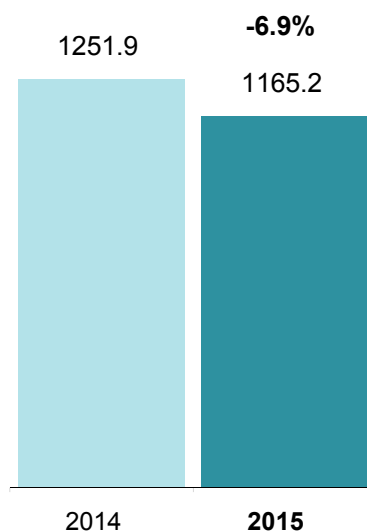
Dr. Paul J. Hälg, CEO

Datwyler Group

Key profit figures reported

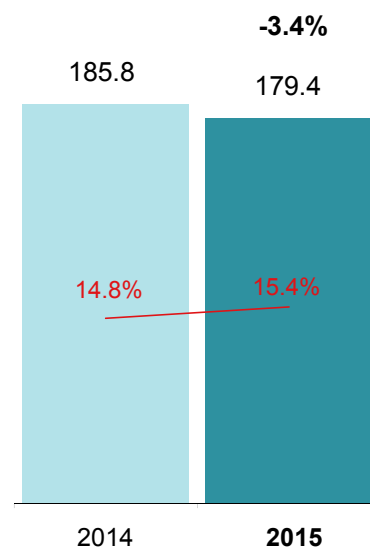
- Strong franc puts pressure on revenue and profit development
- Slight increase of EBITDA and EBIT margin
- Decrease of net result due to currency effects and higher tax rate

Net revenue



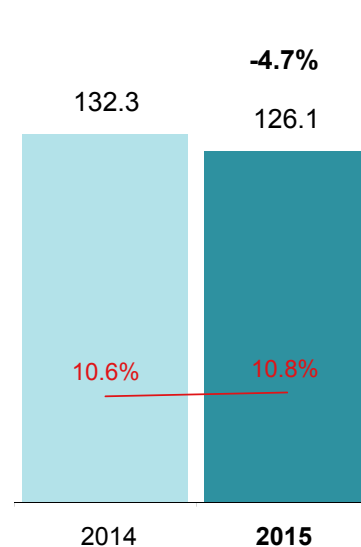
EBITDA

EBITDA margin in %

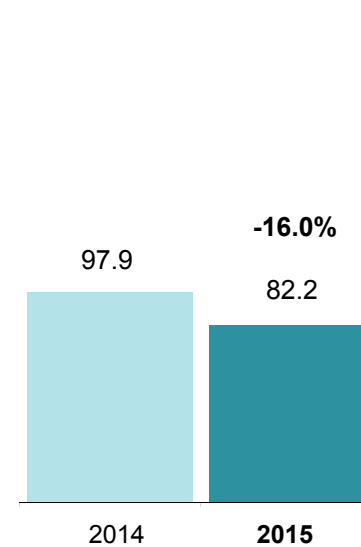


EBIT

EBIT margin in %



Net result



In CHF million

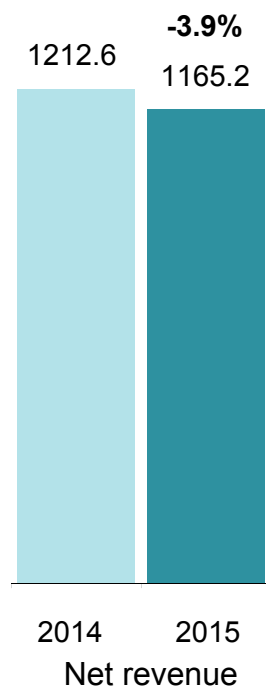
Previous year incl. Maagtechnic (sold as per 1 April 2014)

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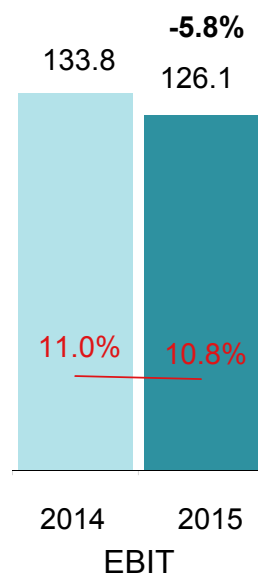
Adjusted key financials 2015

- Organic growth of 1.8%
- Currency adjusted EBIT-margin nearly stable despite one-time costs

Continuing Operations

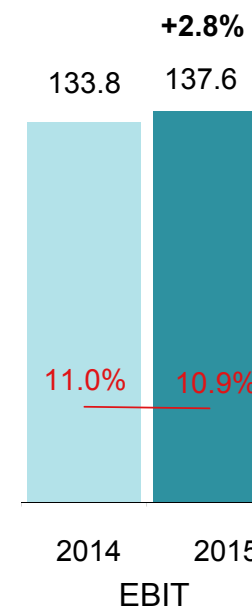
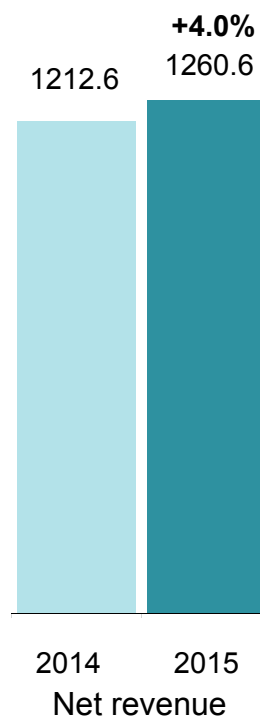


In CHF million



EBIT margin in %

Continuing Operations Currency adjusted

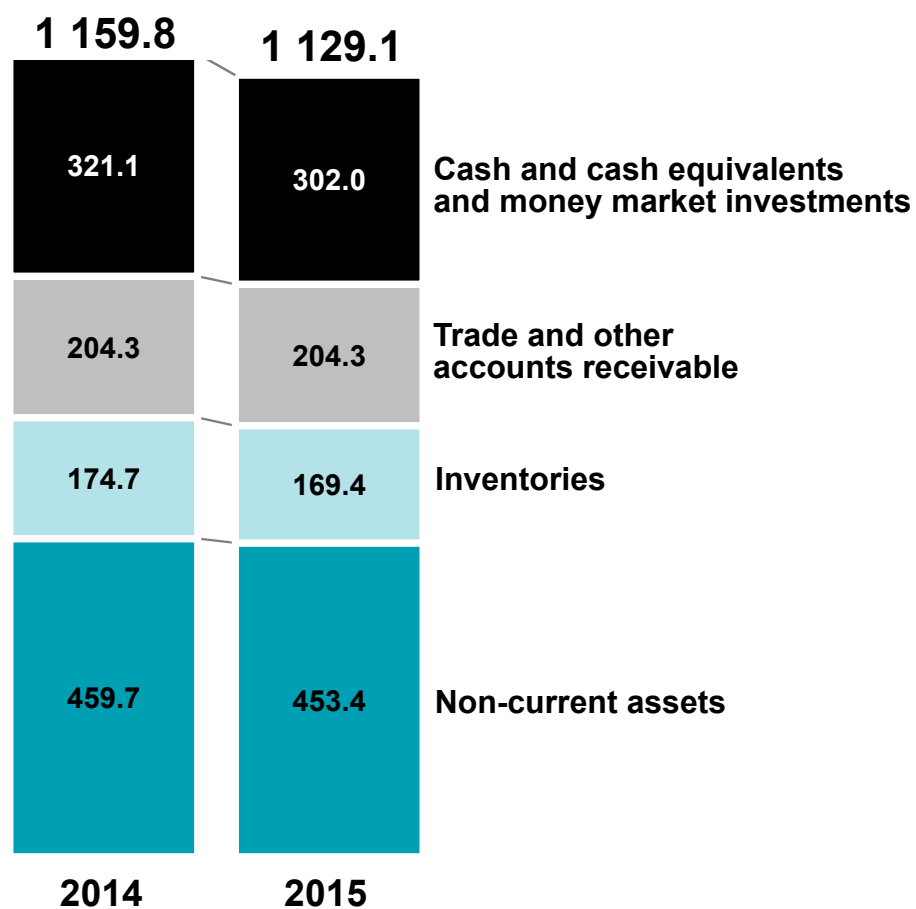


EBIT margin in %

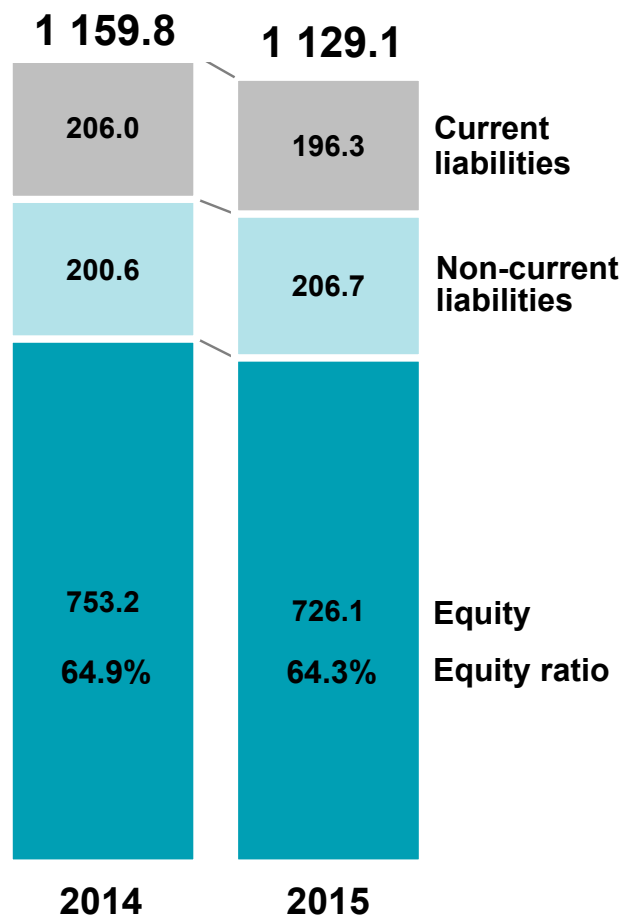
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Balance sheet structure

Assets CHF millions



Liabilities and equity CHF millions

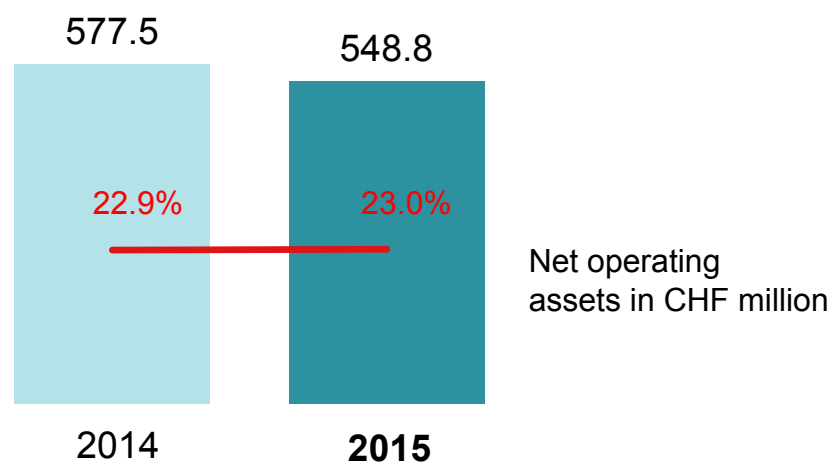


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Return on Capital

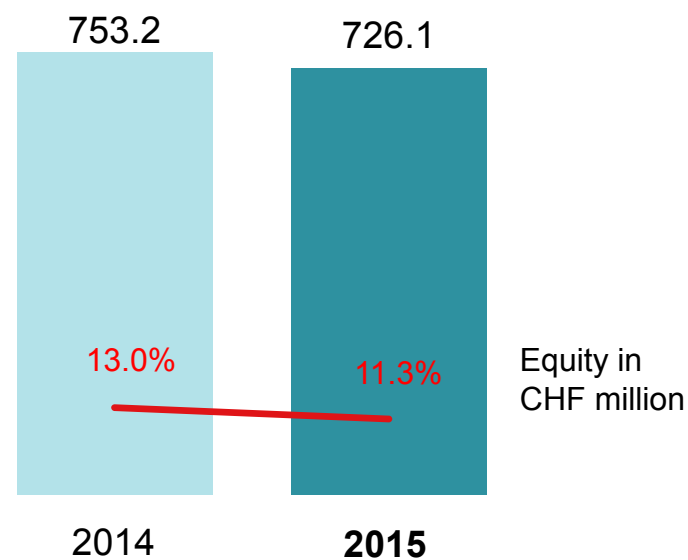
RONOA %

(EBIT / net operating assets)



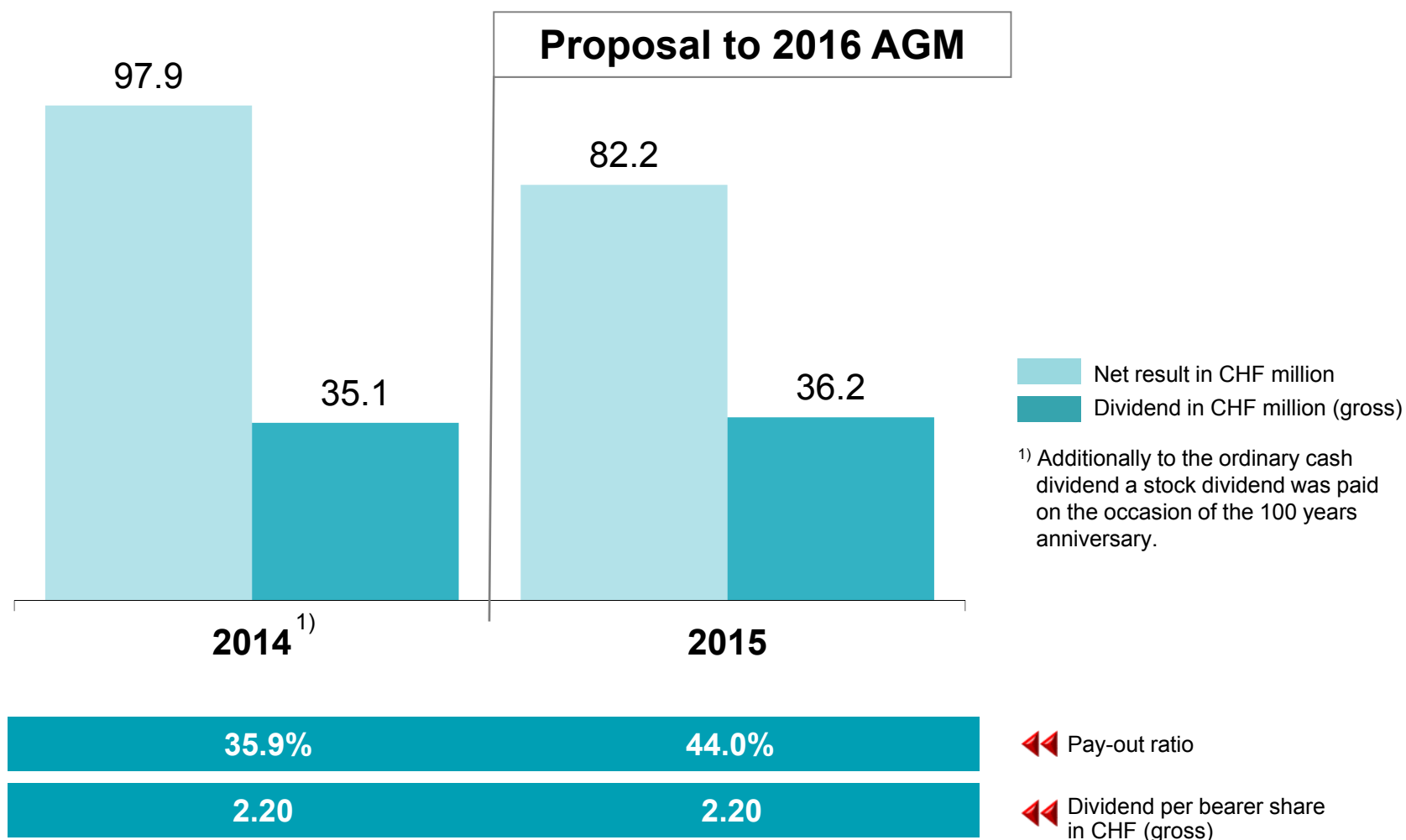
ROE %

(net result / equity)



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Dividend of CHF 2.20 per bearer share





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Strategic focus

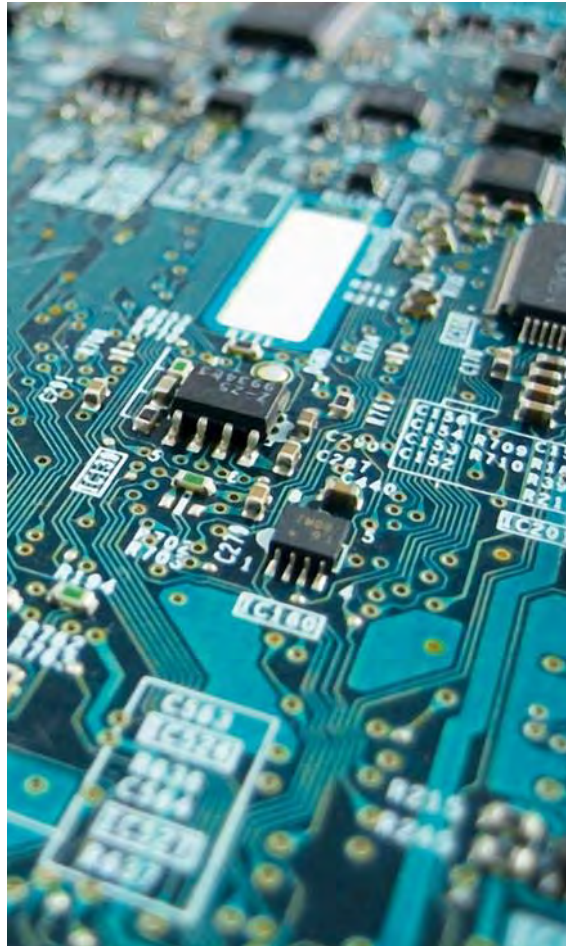


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Two focused divisions

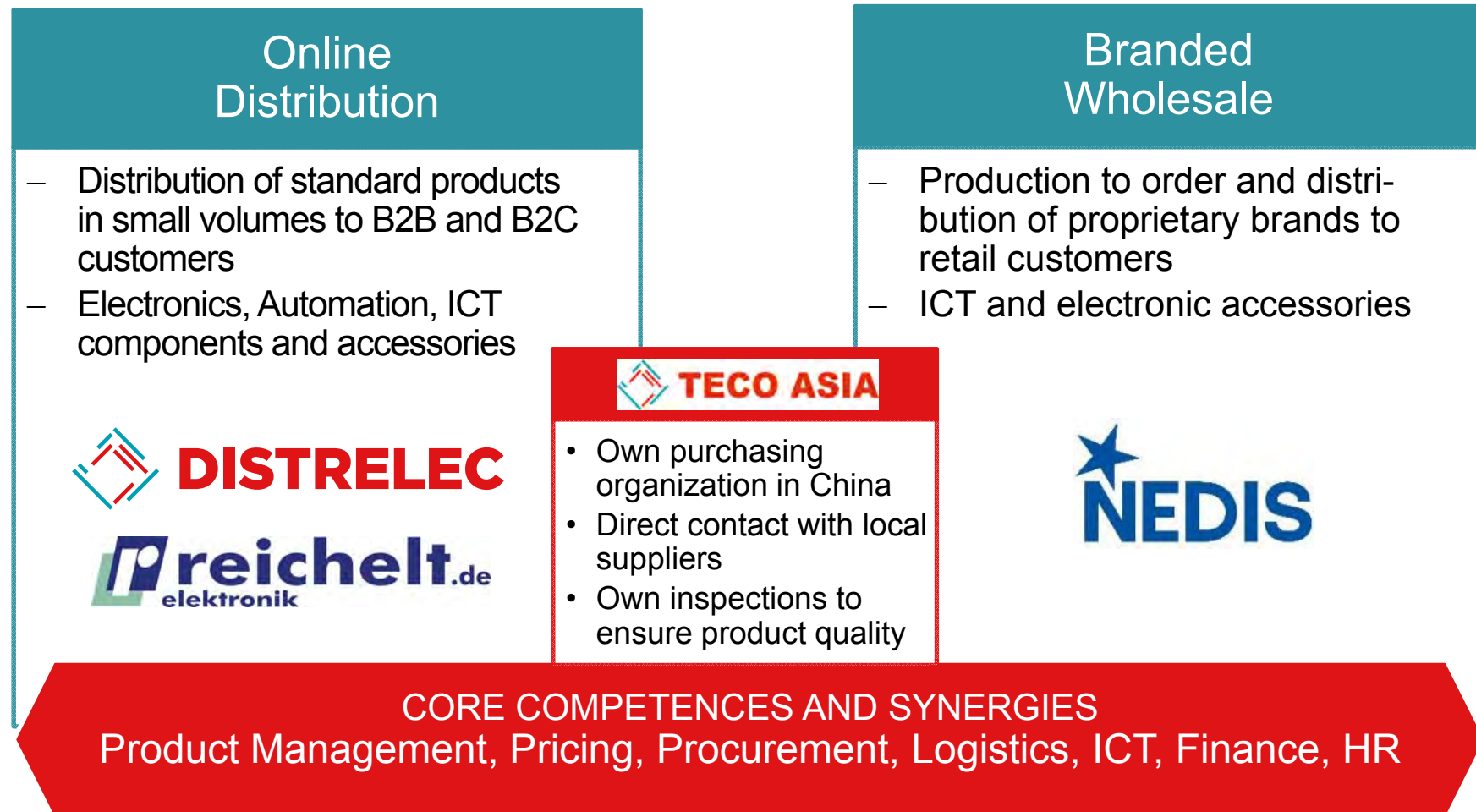
	Technical Components	Sealing Solutions
		
Products	Distribution of electronic, automation and ICT components and accessories (online distribution and branded wholesale)	Sealing systems and solutions, elastomer and aluminium/plastic closures, stoppers and plungers; precision moulded elastomer and metal components; special seals, profiles and gaskets
Markets	EUROPE Manufacturing companies, trades, retailers, resellers, universities, private consumers	GLOBAL Pharmaceutical, diagnostics, automotive, civil engineering and consumer goods
Revenue	Approx. CHF 500 million	Approx. CHF 700 million
Employees	1'300	5'700

Technical Components

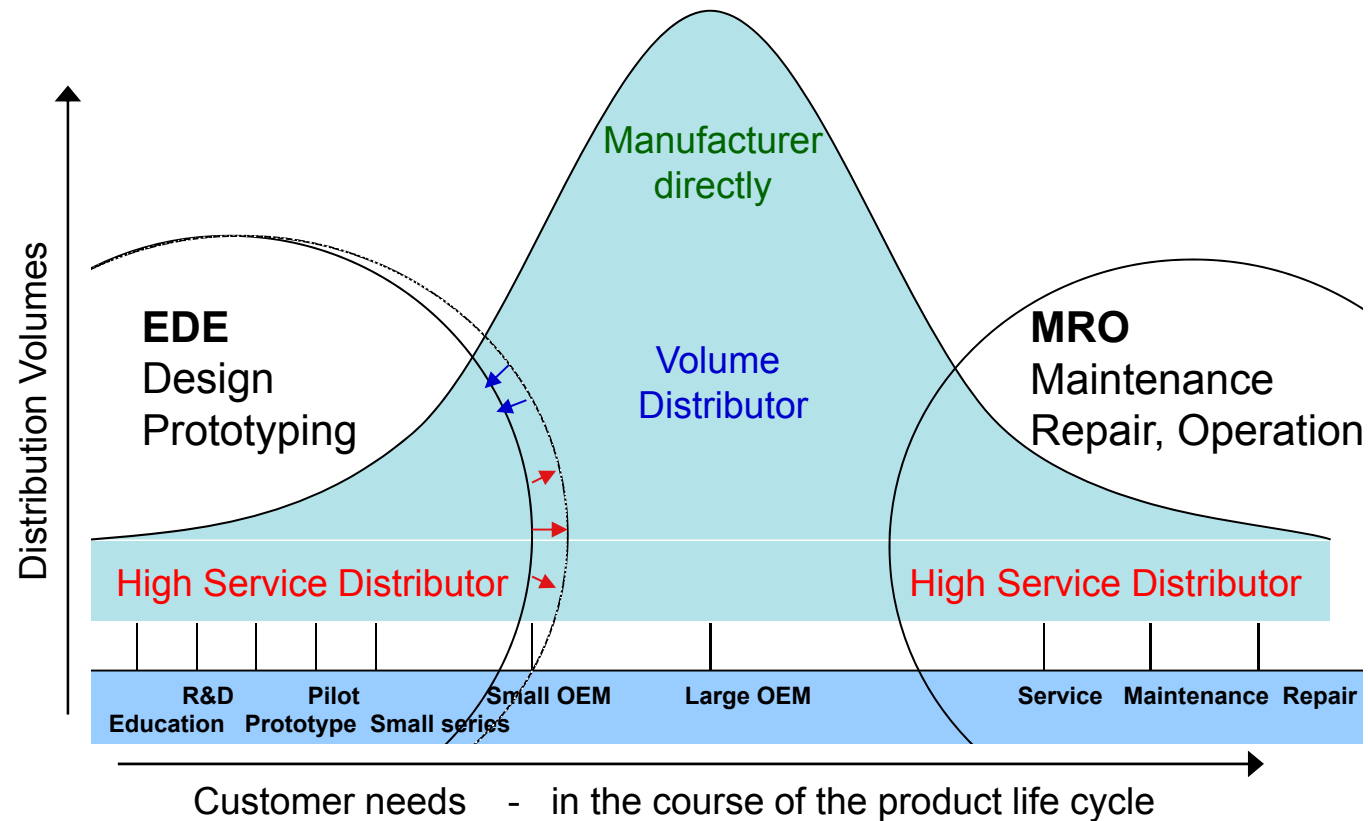


Technical Components

Two synergistic business models



Technical Components: Online Distribution Business model



Technical Components: Branded Wholesale Markets and products



Technical Components: Branded Wholesale Business model



Each product/brand is carefully positioned with a unique price point.



Place

We advise where to sell our products:



Promotion

We combine products/concepts with the basic Marketing Materials as well as appealing Point of Sales Materials:

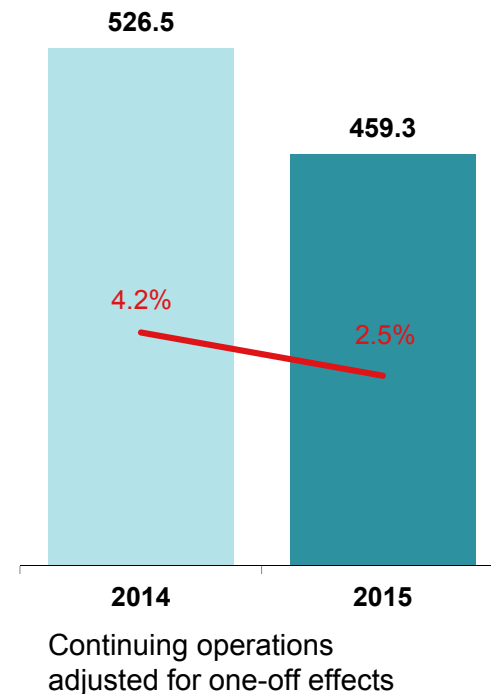


Technical Components 2015

New platform operational – early indicators positiv

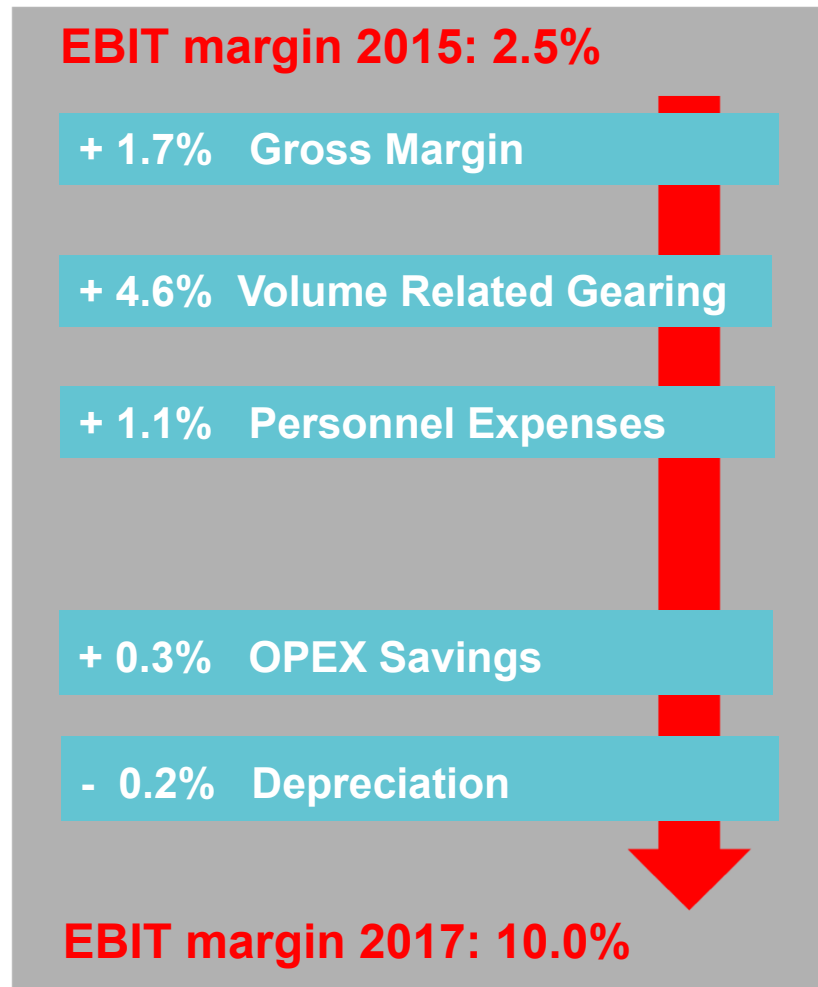
- New management team with industry experience
- Focus on rapid implementation of strategic integration projects
- Demanding market conditions coupled with unsatisfactory supply capability lead to loss of market share
- 2.4% decrease in organic revenue (negative translation effect of CHF 54.8 million or -10.4%)
- EBIT margin squeezed due to missing revenue, strong Swiss franc and one-time costs
- Adjusted EBIT margin of 2.5%
- Early indicators for 2016 with positiv trend:
 - Availability clearly increased
 - Increase of number of active customers
 - Daily revenues and value of orders increase
 - Supplier Awards for growth

Net revenue in CHF million
EBIT as % of net revenue



Technical Components

Steps to improve profitability



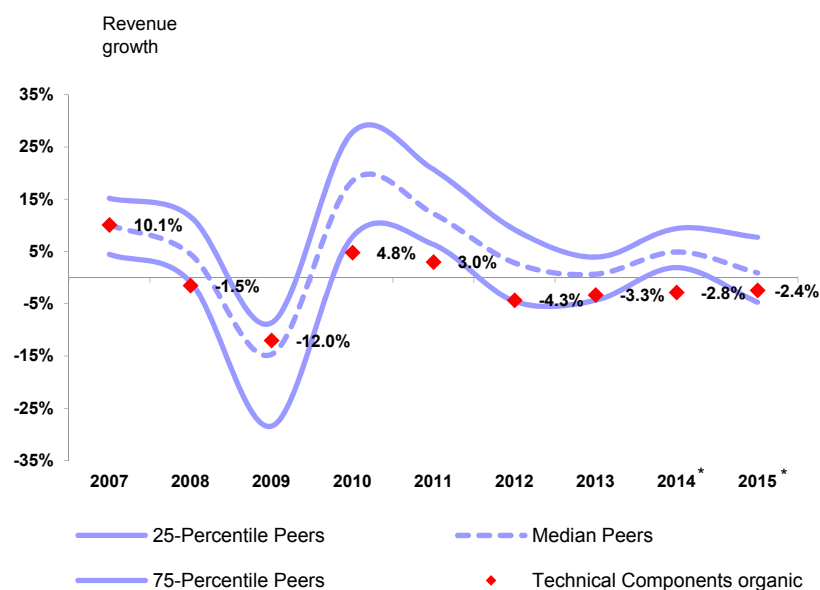
- Bundle purchasing volume
- Joint direct sourcing in Asia
- Focus on more profitable customer segments (MRO)
- Increase ratio of own brands
- Return to turnover level of 2013
- Centralization of logistics in NL
- Financial Shared Service Center in Latvia
- Increase sales and marketing efficiency
- More automated processes
- Lower ICT costs
- Lower rental and maintenance costs
- Increase web focus of marketing
- Increased supplier support for marketing cooperation

Technical Components continuing operations

Benchmark

Growth in revenue

Revenue development behind peers



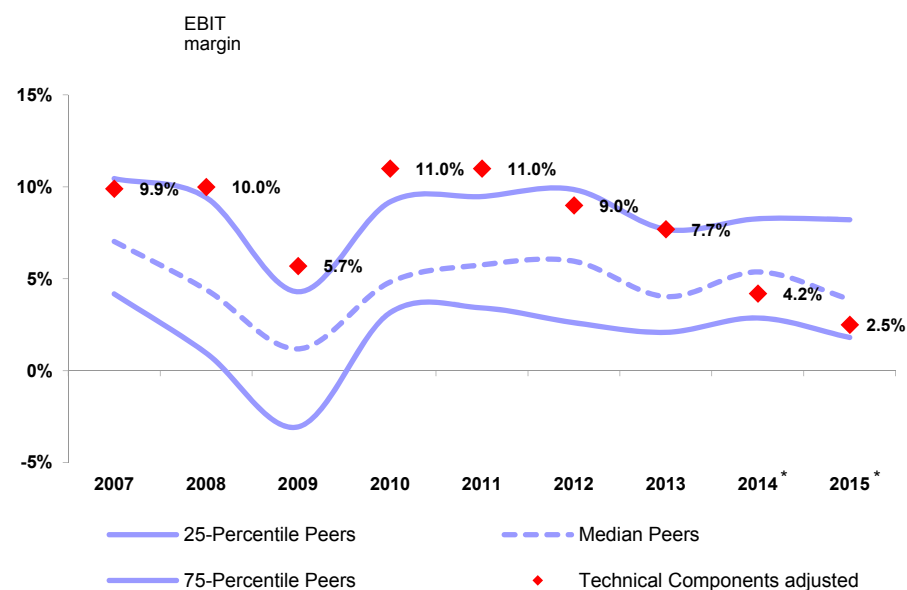
Peer group: All Peers

Analysis January 2016 by
www.obermatt.com

* Peer Data 2014/2015 September to September
Previous years until 2013 is inclusive of Maagtechnic

EBIT margin

Decline of EBIT margin due to the integration projects



Peer group: All Peers

Analysis January 2016 by
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Technical Components

Strategic priorities



Market penetration through increased customer segmentation



Geographical expansion into new European countries



Expansion of product range and combined sourcing



Implementation of synergies based on an integrated business

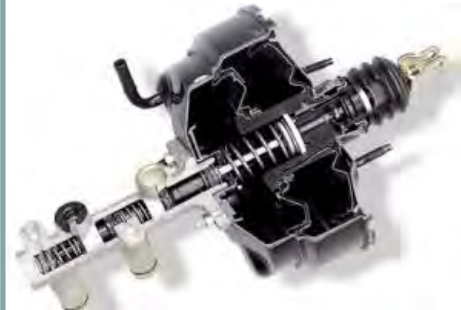
Sealing Solutions



Sealing Solutions

Leading core competences for global market segments

Automotive



Health Care



Civil Engineering



Consumer Goods

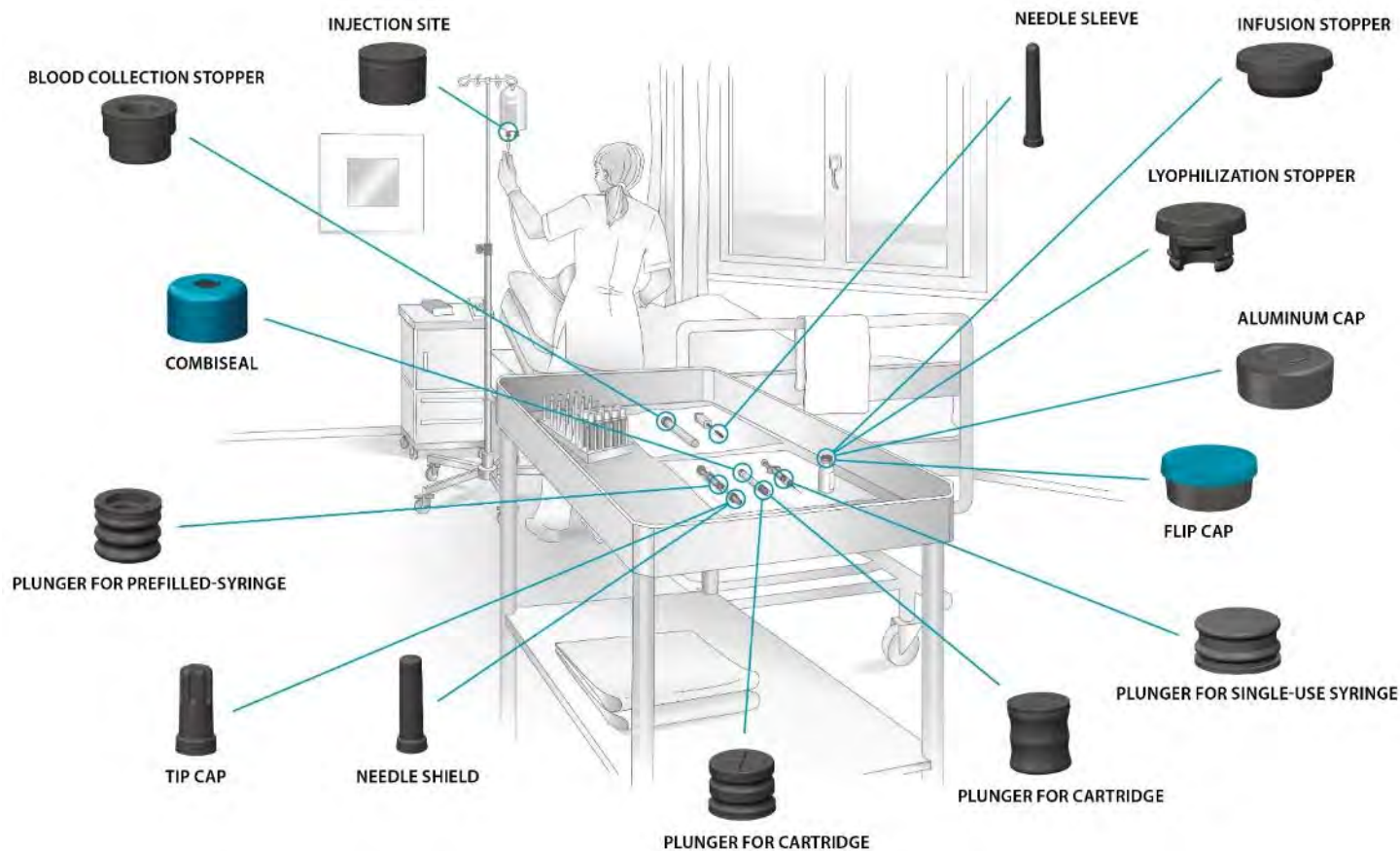


CORE COMPETENCES
MATERIALS
ENGINEERING
PROCESSES

Sealing Solutions Health Care

Market position: 2 / market size: CHF 1'600 million

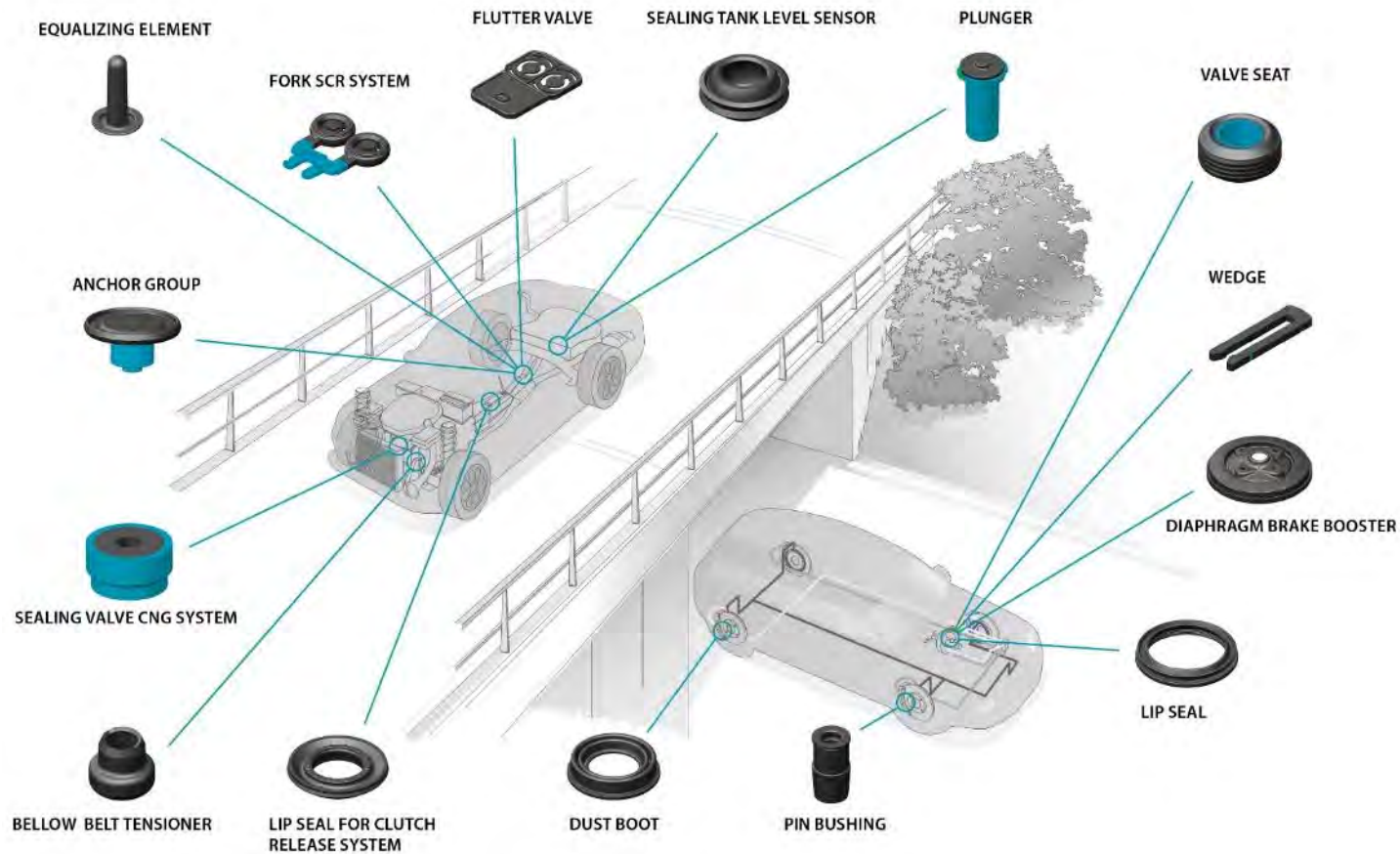
High quality components and closures for injectable drugs
(Container closures / injection systems / diagnostic and disposables)



Sealing Solutions Automotive

Market position: 1 / market size : CHF 500 million

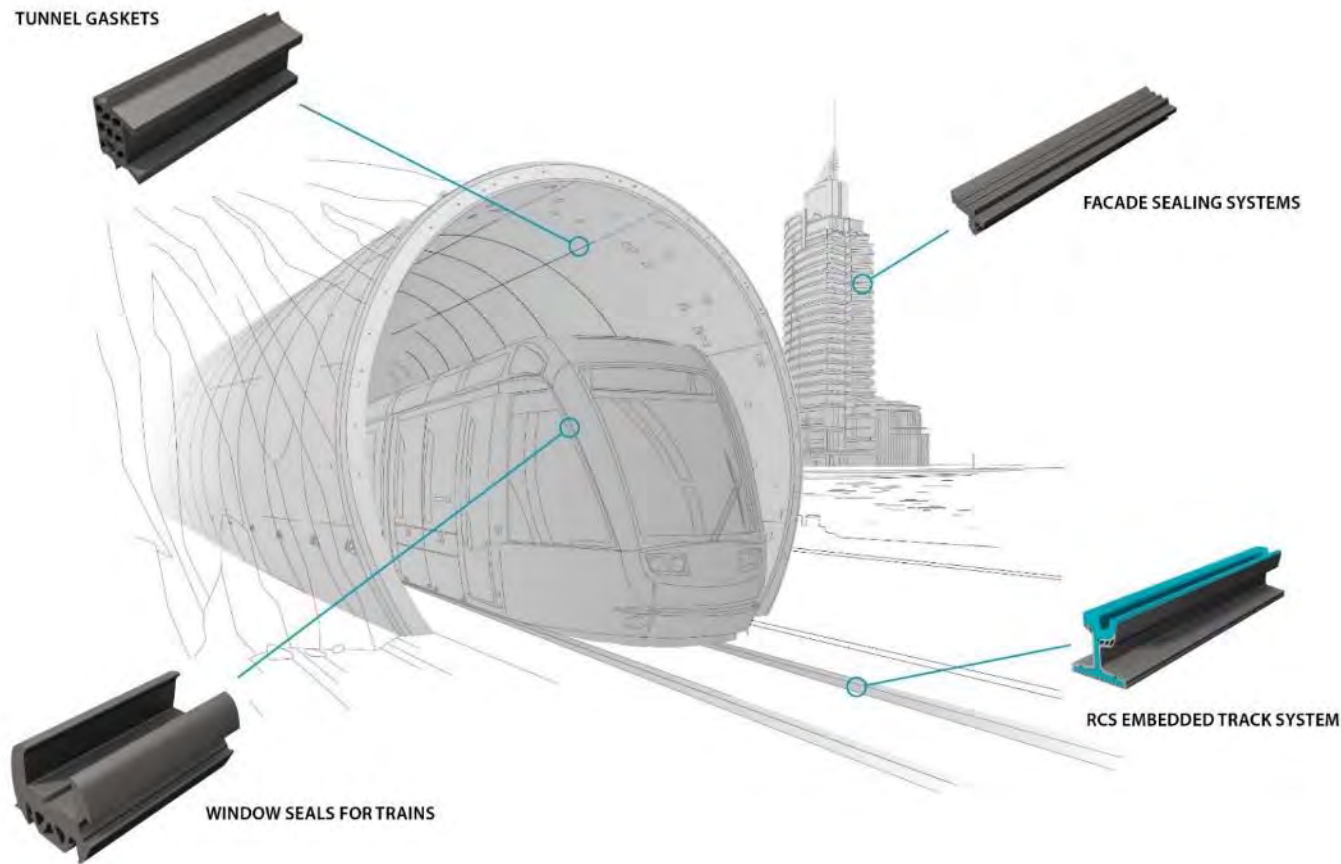
Precision seals for applications in vehicles
(Brakes, fuel and engine management, comfort and safety applications)



Sealing Solutions Civil Engineering

Market position: 1 / market size : CHF 200 million

Sealing systems for tunnel construction, civil engineering, track superstructure and building facades



Sealing Solutions Consumer Goods

Market position: 1 / market size : CHF 300 million

Sealing rings and aluminium capsules for Nespresso

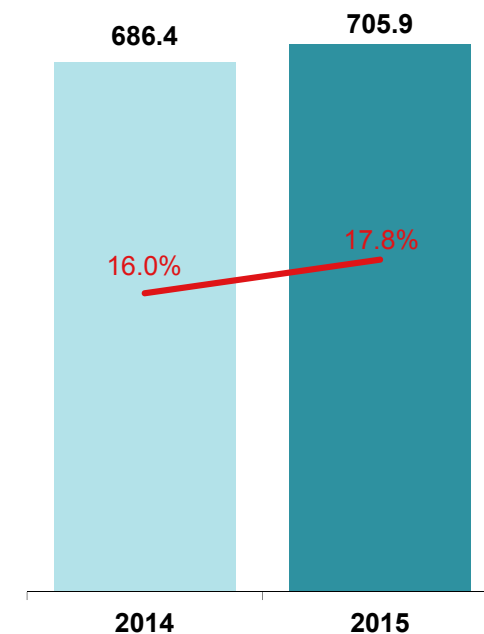


Sealing Solutions 2015

Pleasant level of demand in all market segments

- 4.9% organic revenue growth (negative translation effect of CHF 40.5 million or -5.9%)
- Except Civil Engineering, all segments reported growth
- High capacity utilisation and favourable raw material prices
- Further increase of EBIT margin to 17.8%
- Standardisation of processes in all segments
- New mixing plant in China operational
- Plant in Pune/India being extended
- Columbia Engineered Rubber successfully integrated
- Acquisition of Origom in Italy opens up O-ring market

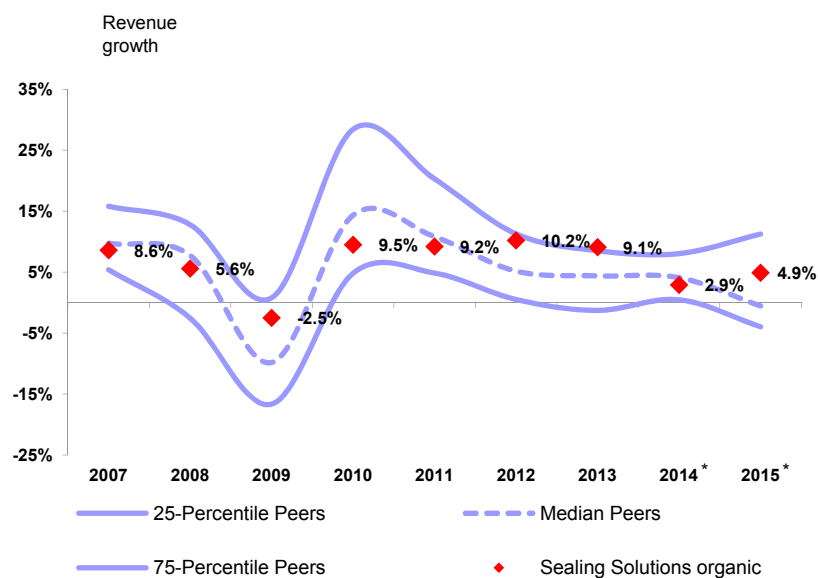
Net revenue in CHF million
EBIT as % of net revenue



Sealing Solutions Benchmark

Revenue growth

Revenue growth in the upper middle range of the peers



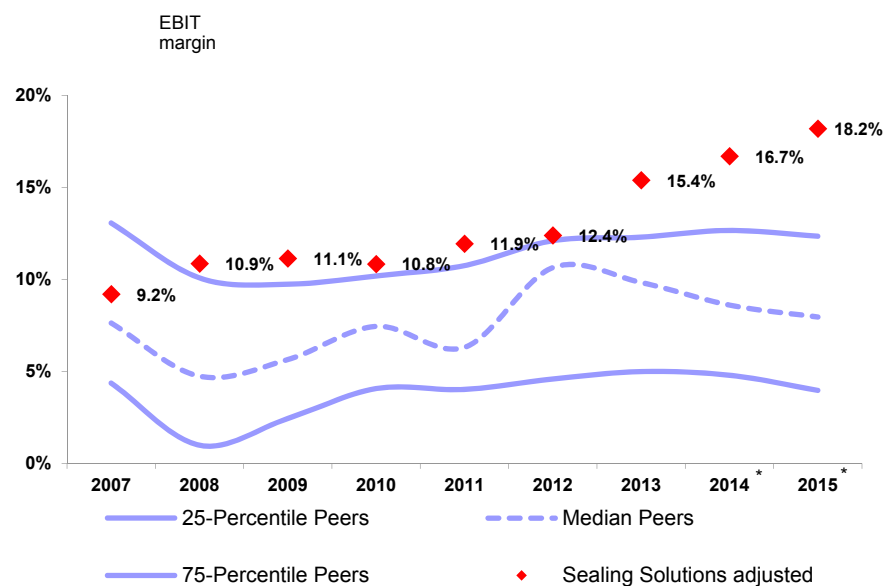
Peer group: All Peers

Analysis January 2016 by
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* Peer Data 2014/2015 September to September

EBIT margin

Thanks to strong niche position EBIT margin is well above industry average

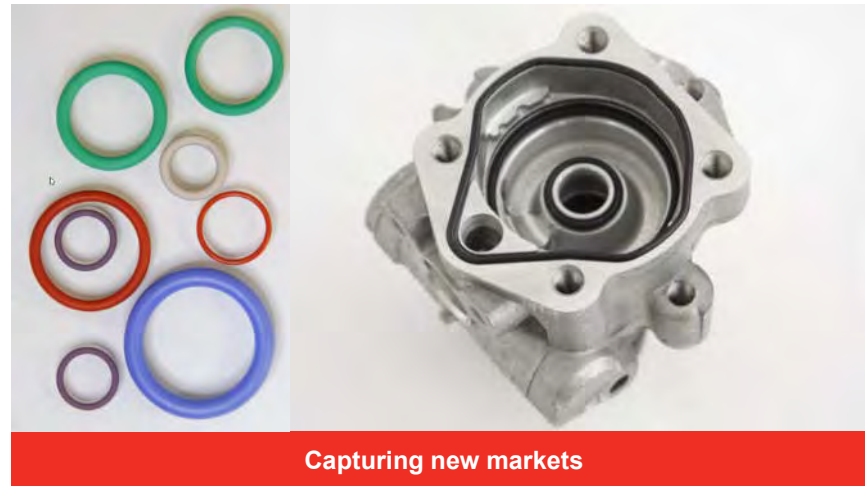


Peer group: All Peers

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Sealing Solutions

Strategic priorities



Datwyler Group outlook 2016

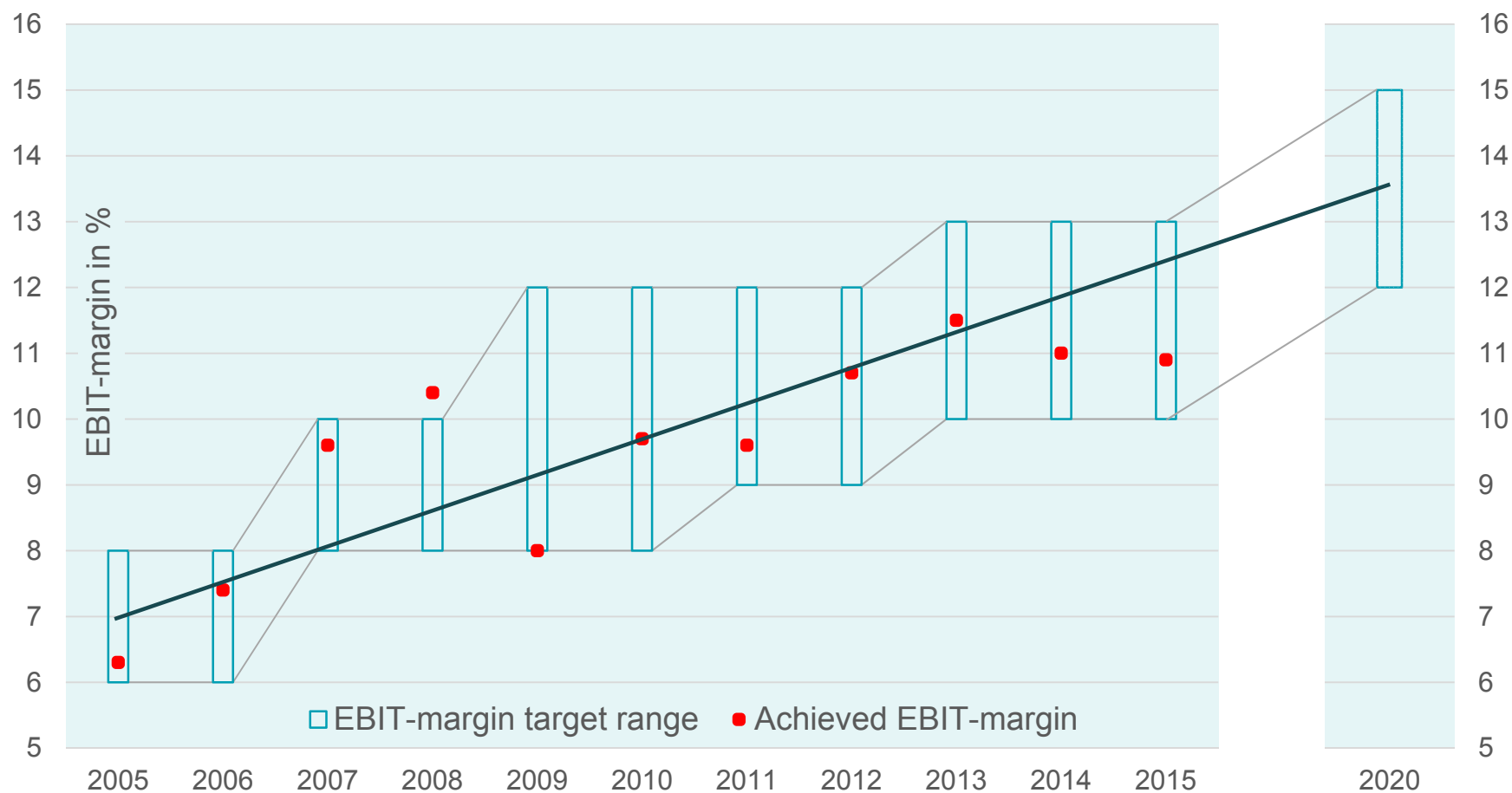
Potential for growth in both divisions

- KB Technical Components:
 - New infrastructure platform to underpin organic and inorganic growth
 - EBIT margin around 5%, from 2017 above 10%
 - Market conditions to remain challenging
- KB Sealing Solutions:
 - Growth above market averages across all segments thanks to strong positions
 - Raw material costs to remain stable at low levels
 - Tapping into new technologies and niche markets through further acquisitions
- Datwyler Group:
 - Revenue target above CHF 1'200 million
 - EBIT margin within target range of 10% to 13%
 - Acquisitions in both divisions



Datwyler Group outlook

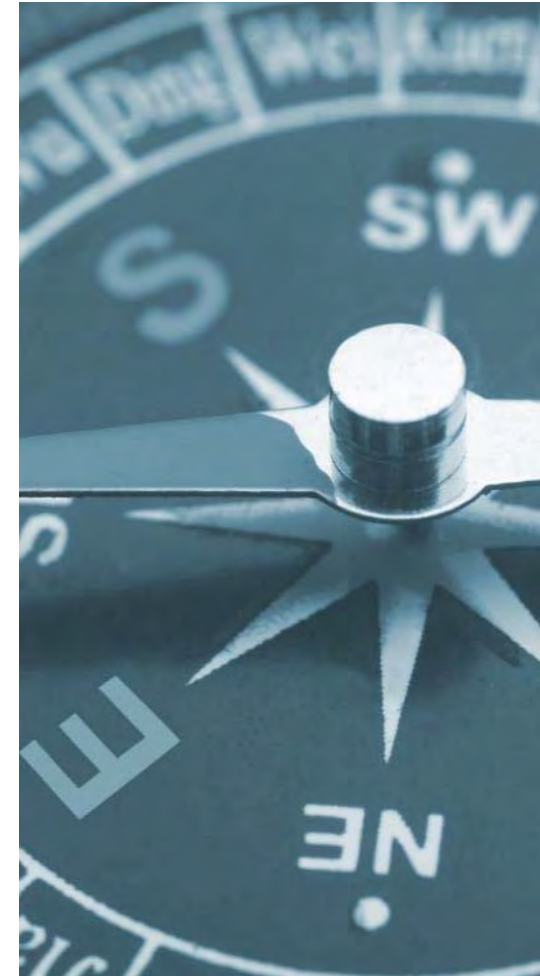
2020 growth target: revenue CHF 2 billion, 12%–15% EBIT-margin



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Early succession plan BoD and Executive Management

- Resignation of Ulrich Graf as Chairman at the Annual General Meeting 2017
- Recommendation of Paul Hälg for election as new Chairman at the Annual General Meeting 2017
- Appointment of Dirk Lambrecht as new CEO starting as per 1 January 2017
- Recommendation of Zhiqiang Zhang for election as new Director at the Annual General Meeting 2016



Datwyler Group

Dirk Lambrecht new CEO as of 1 January 2017

- Dirk Lambrecht (1960, DE), qualified mechanical engineer
- Head of the Datwyler Sealing Solutions Division since 2005
- Has successfully initiated and managed the growth strategy of the Sealing Solutions division
- Successful merger of the two former divisions and rapid integration of sealing specialists acquired in China and Korea
- Before joining Datwyler, he held a number of international management positions with Phoenix AG in Hamburg



Datwyler Group

Zhiqiang Zhang proposed for election to BoD at 2016 AGM

- Zhiqiang Zhang; born 1961; Chinese national; Bachelor of Sciences from Northern Jiatong University, Beijing (China); MBA from Queen's University, Kingston (Canada)
- Member of the wider management team at the Swedish firm Sandvik since 2012; Chairman for the Greater China Region and Head of Emerging Markets
- Previously employed in various management positions at Siemens and Nokia with responsibility for developing the Chinese market
- Experience of various industries
- Sound business network in China
- Member of the Board of Directors of the Georg Fischer Group since 2005



**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.

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