



Schaffner Group

The expert in electromagnetics

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WE PROVIDE OUR CUSTOMERS WITH
ELECTROMAGNETIC SOLUTIONS TO
OPERATE THEIR ELECTRONIC
SYSTEMS EFFICIENTLY AND
RELIABLE.

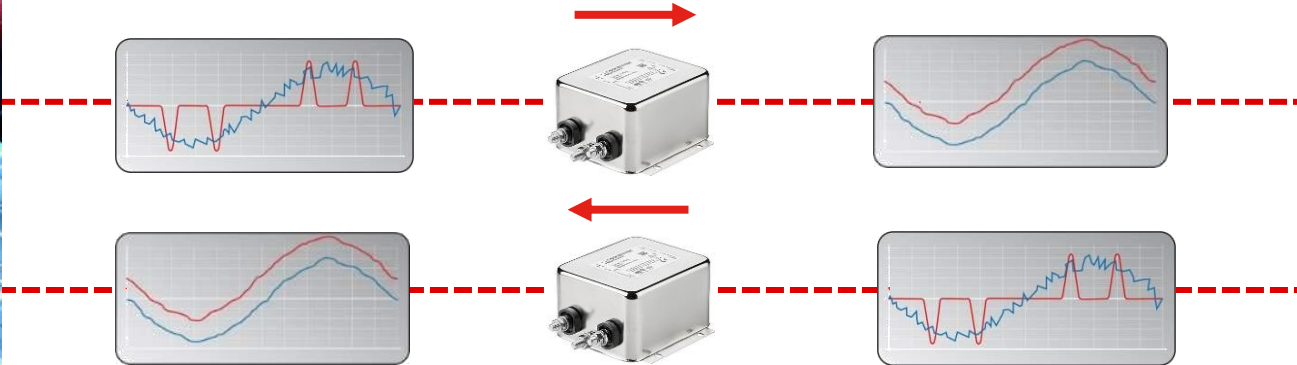
We ensure the secure operation of electronic systems



Schaffner EMC technology protects electronic systems from grid distortions...



... and protects multiple electronic systems within a network from distorting each other.



Our technologies are used in major markets driven by growth trends



Technological progress requires electrical networks

Digitization multiplies electronic systems

Increasing demand for EMC-solutions

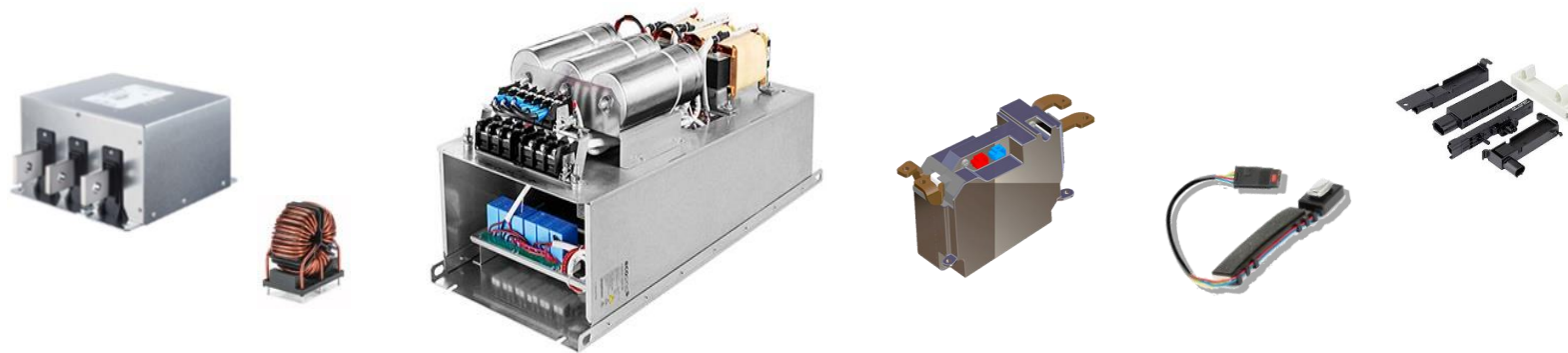
E-mobility will play a dominant role

Efficient use of electrical energy as a global trend



Strong market position with broad customer base

- World market leader with broadest range of EMC filters in industrial markets (approx. 30% market share).
- Numerous service and application centers globally to be close to customers.
- Global network of distributors and own distribution centers to guarantee fast delivery.
- Strong automotive position with antennas for keyless authentication systems.
- Leveraging core EMC knowledge into growing e-mobility market.



ebmpapst

OMRON

Fuji Electric

SIEMENS



DAIMLER

AVNET






Continental
The Future in Motion

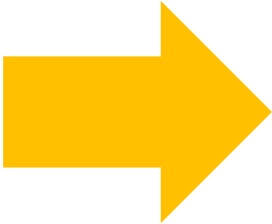
OUR STRATEGY FOR FUTURE GROWTH

2021: Schaffner focus on core competence EMC-filter solutions

3 individual business lines (until June 2021)

EMC division	
Automotive division	
Power Magnetics division (divested June 21)	

July 2021



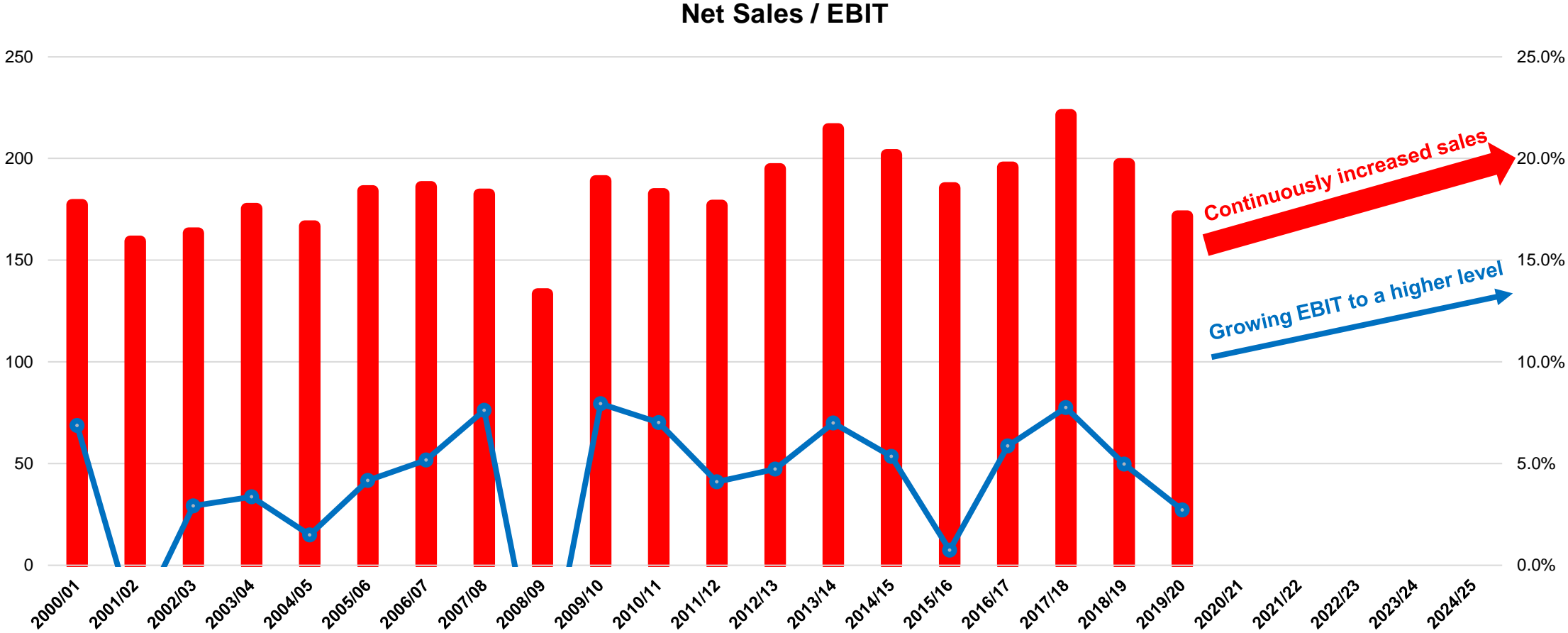
Focus on core competences EMC-filter solutions

Industrial	
Automotive	
	

- Little synergies
- High complexity in organization
- Broad product portfolio with filters, transformers, chokes

- Focus on higher margin business
- Reduced complexity in organization
- Streamlined product portfolio

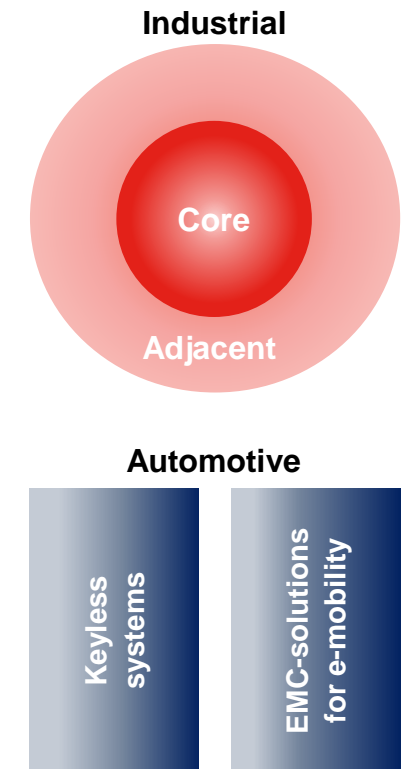
Temporary lower sales but higher level of profitability



Our strategy to accelerate profitable growth

We fully focus on our core competence EMC solutions and gain further momentum through the continued execution of our growth initiatives!

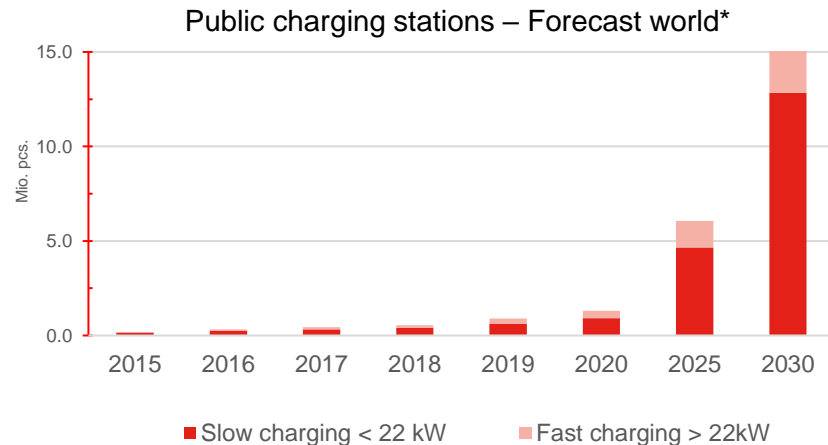
- We strengthen our strategic industrial markets with EMC filter solutions through penetration and expansion of product portfolio.
- We expand into additional growth markets around our core business with new technologies and new sales approaches.
- We strengthen our antenna business with new designs for electrical and non-electrical car platforms.
- We build a strong pillar in e-mobility with EMC-filter solutions / magnetics components based on existing customer relations.



Growth market: EV-charging

Market:

- Stationary EV-charging stations must increase substantially to support the growth of e-mobility in the coming years
- Beside of China, Europe is the market with biggest potential



*IEA (2021), Global EV Outlook 2021

Schaffner position:

- Good position in all relevant markets (Europe, Asia, USA)
- Two types of charging stations:
 - Wall box (home charging)
 - Power < 22kW
 - Power conversion managed by vehicle
 - Simple EMC solution
 - Fast charging
 - Power 22-500 kW
 - High DC power provided by utility company
 - Sophisticated EMC solution



Growth market: Data centers

Market:

- Data center market is growing about 10% CAGR until 2025
- Main drivers for data center growth:
 - Internet of things
 - Cloud storage
- Big 3 players (Microsoft, Amazon, Google) owns 50% of hyperscale data centers

Schaffner position:

- Schaffner provides active and passive harmonic filters for data centers



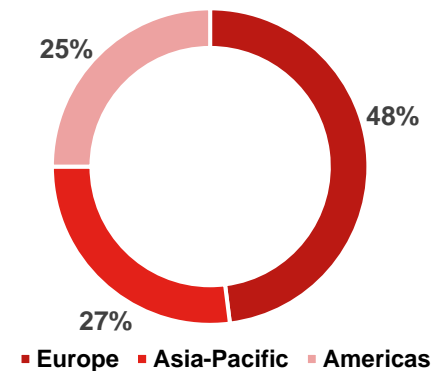
- Filters are mostly used for cooling systems and UPS applications of data centers
- Good position with several major data center operators globally
- Average project size CHF 250-500k

KEY FINANCIALS FROM HY1 2020/21

Successful first half of fiscal 2020/21 (1st Oct. 2020 to 31st Mar. 2021)

in CHF m	H1 2020/21	H1 2019/20	Δ in %
Order intake	95.0	91.3	4.1%
Net sales	88.1	86.0	2.4%
EBIT	7.0	0.7	899.6%
EBIT margin	8.0%	0.8%	–

Sales by region H1 2020/21



H1 2020/21 per March 31, 2021

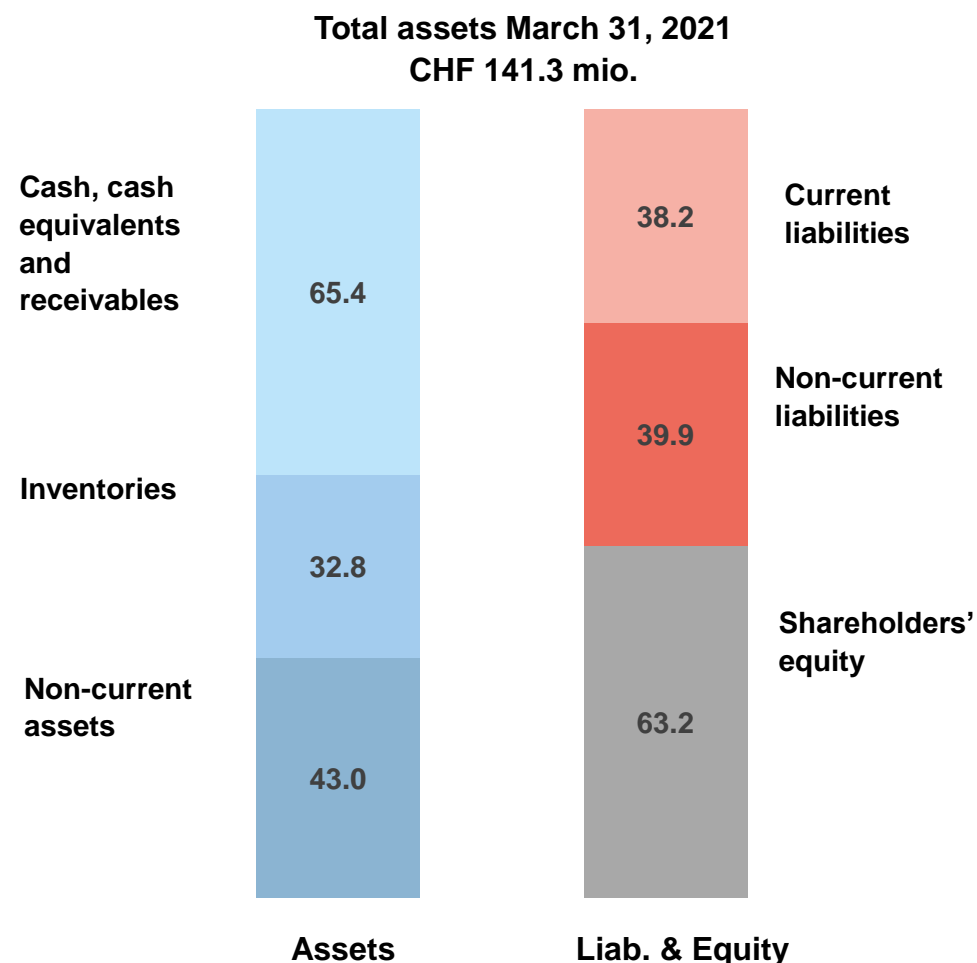
- Strong position in key markets and economical recovery supported Schaffner business.
- Good momentum in automotive industry, driven by e-mobility.
- Very strong order intake in key industrial markets.
- Substantial increase in profitability.
- Sale of Power Magnetics Division sharpens Schaffner's strategy to focus on core business of EMC-filter solutions.

Continued business with strong performance

in CHF m	H1 2020/21	H1 2019/20	Δ in %
Order intake	82.1	67.2	+22.2%
Net sales	70.2	63.3	+11.0%
EBIT	6.9	0.4	n.m.
EBIT margin	9.9%	0.6%	–
EBITDA	9.5	2.5	+274.4%
EBITDA margin	13.5%	4.0%	–

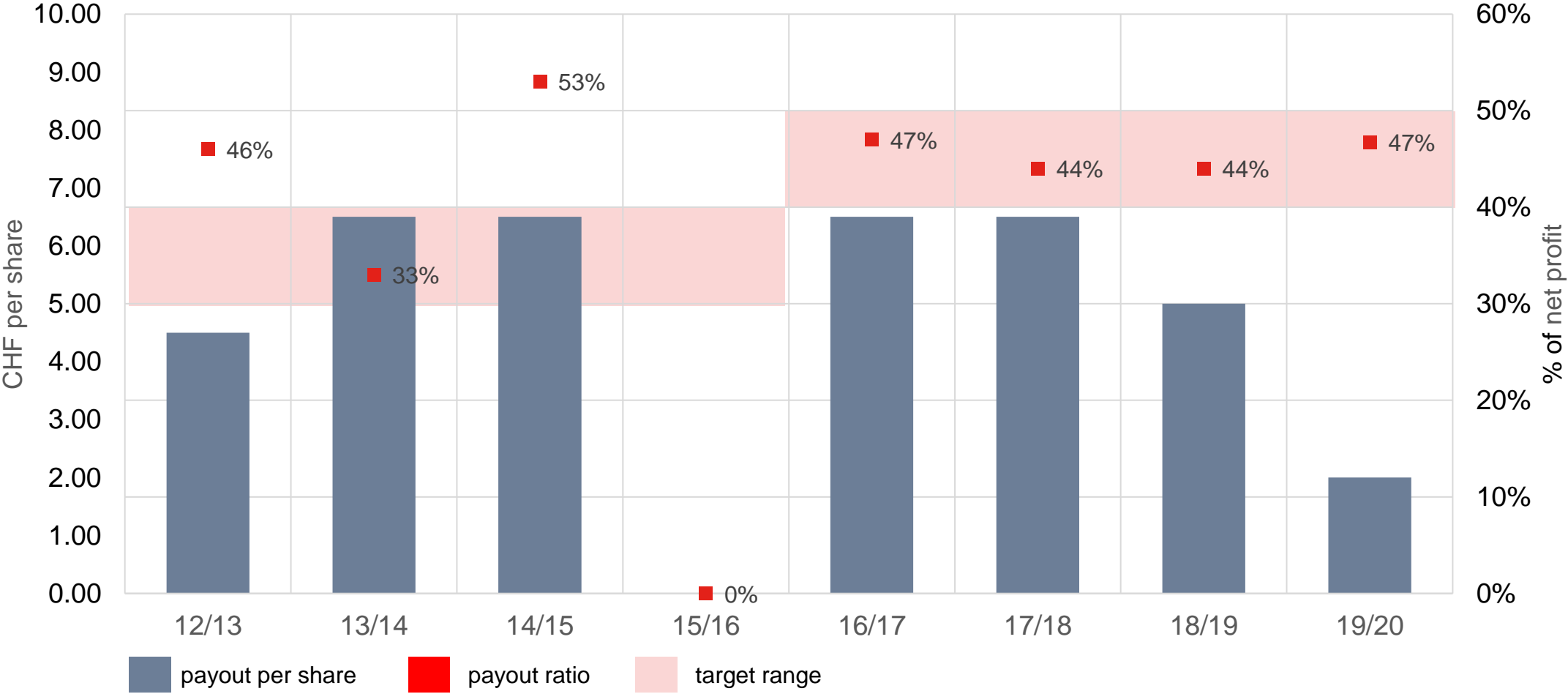
- Strong order intake in core business with book to bill rate 1.2.
- Net sales grew in continued business by 11%.
- High EBIT-margin despite higher overhead portion.

Solid balance sheet



- Equity ratio: 44.7% (30.9.2020: 44.5%)
- Net debt: CHF 10.5 m (30.9.2020: 20.8 m)
- Impact of challenging supply chain situation due to COVID 19 well managed.
- Overdue on receivables further reduced and no bad debts.
Days sales outstanding (DSO): 66 days (30.9.2020: 68 days)
- Power Magnetics divestment will have positive impact on equity ratio and net debt
- Goodwill recycling will not have an impact on balance sheet

Dividend policy: Target pay-out ratio of 40-50% of net operating income



OUTLOOK

Outlook (1/2)

Market trends

- Continued momentum in strategic industrial markets with very strong order intake.
- Strong demand led to a partial shortage of raw material and price increases.
- Logistic very challenging with long transportation time, substantially higher cost, unpredictable schedule.
- Automotive with strong demand but impacted by semiconductor shortage.

Schaffner positioning

- Structure further aligned to fully focus on core competence of EMC filter solutions for growth markets.
- Continued execution of strategic initiatives show positive impacts.

Outlook (2/2)

Our Guidance for FY 2020/21

- We expect net sales of at least CHF 170 million (Power Magnetics business included until end of Q3).
- Our core business may therefore grow by almost 15%.
- We expect to achieve double-digit EBIT-margin in HY2, and therefore to further improve EBIT-margin before goodwill recycling for the whole financial year.

Review of mid-term targets ahead

- Mid term-targets will be adjusted after closing of FY 2020/21.

Schaffner Group – key success factors



- 1) Focus on EMC filter solutions with broad product portfolio for major growth markets
- 2) Schaffner's electro-magnetic competence being leveraged into e-mobility.
- 3) Potential to move into adjacent growth markets through innovation and/or bolt-on acquisitions.
- 4) Core technology of high importance for several industries and high barriers to enter.
- 5) Mid-term topline growth potential to boost margin expansion.
- 6) Direct sustainability impact by enabling more efficient use of electrical energy.
- 7) Committed anchor shareholder with long-term perspective.

THANK YOU FOR
YOUR ATTENTION