



Schaffner Group

# The expert in electromagnetics

**Investora 2021, Zürich**

**Marc Aeschlimann, CEO; Christian Herren, CFO**

# Caution regarding “forward-looking” statements

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

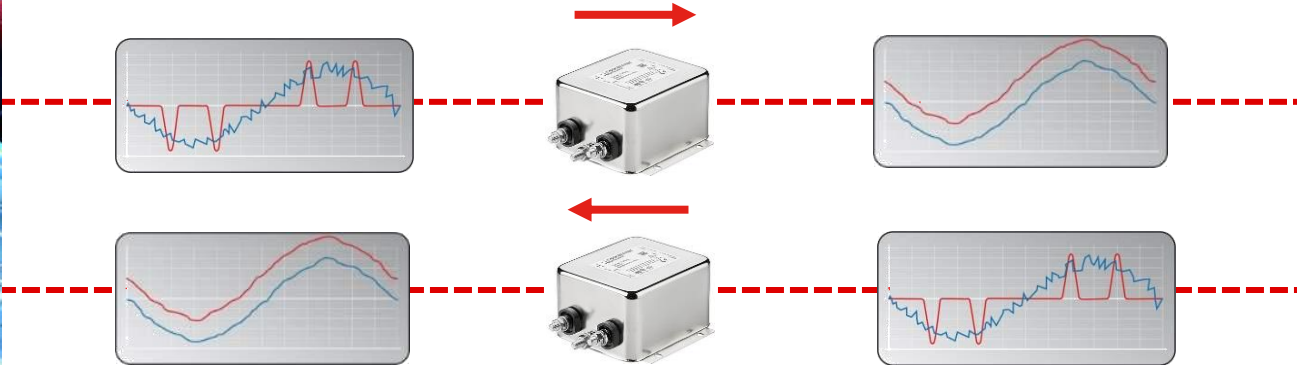
# We ensure the secure operation of electronic systems



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

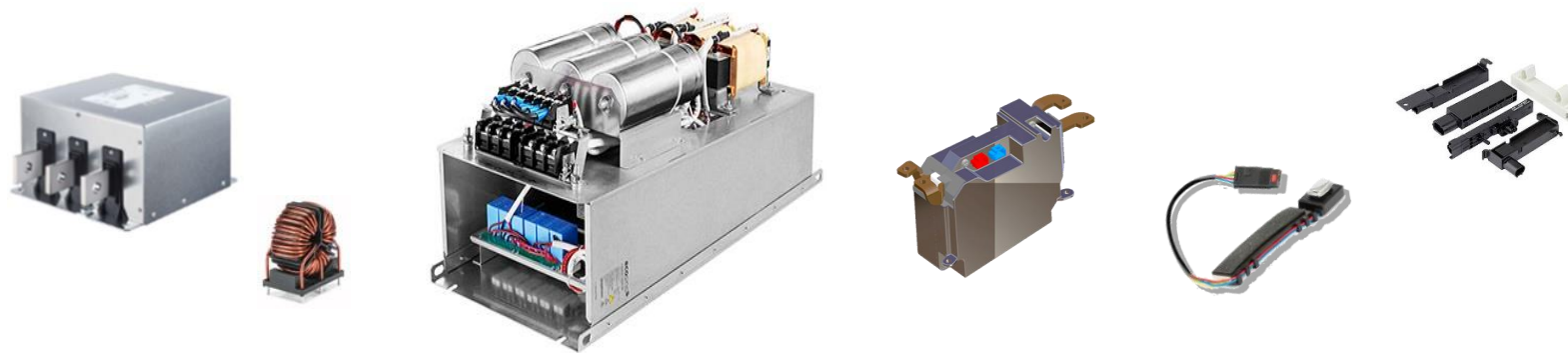
Efficient use of electrical energy as a global trend



# Strong market position with broad customer base

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- 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

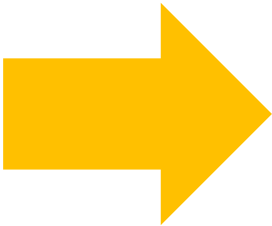
# OUR STRATEGY FOR FUTURE GROWTH

# 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

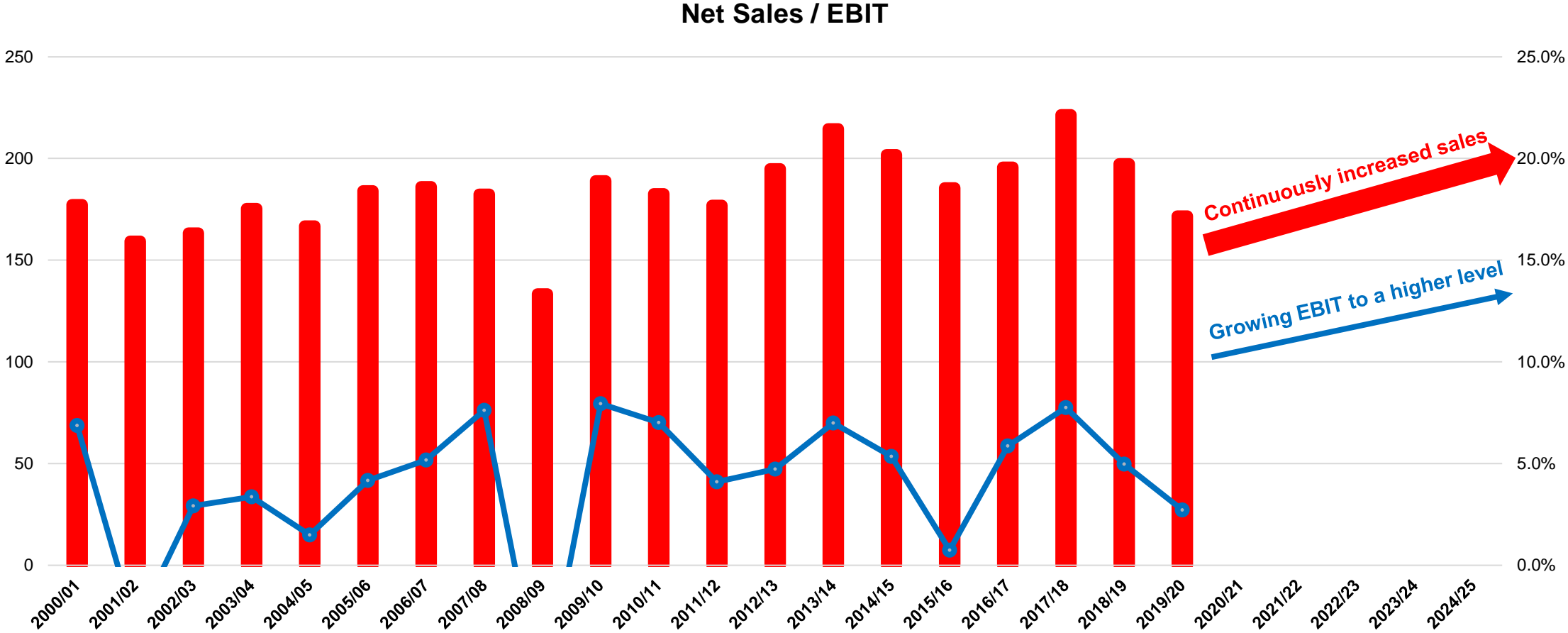
Industrial	
Automotive	
SCHAFFNER	

- 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

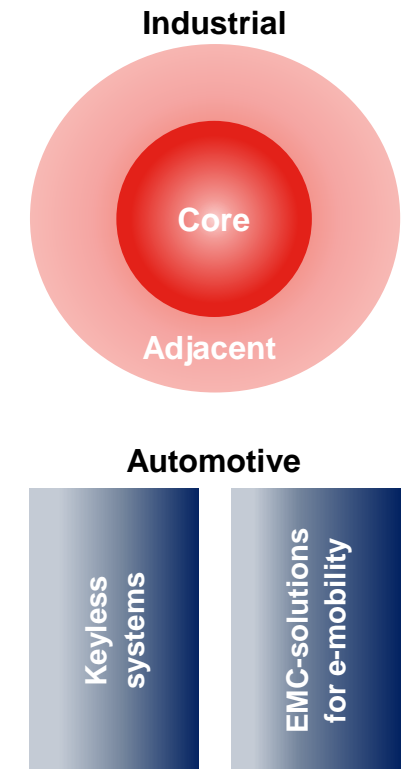


# Our strategy to accelerate profitable growth

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

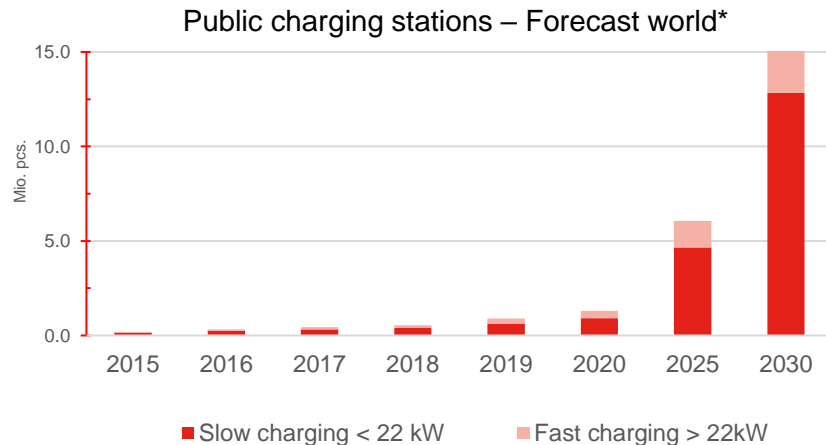
- We strengthen our strategic industrial markets with EMC filter solutions through penetration and expansion of product portfolio.
- We expand into additional growth markets around our core business with new technologies and new sales approaches.
- We strengthen our antenna business with new designs 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

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## 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

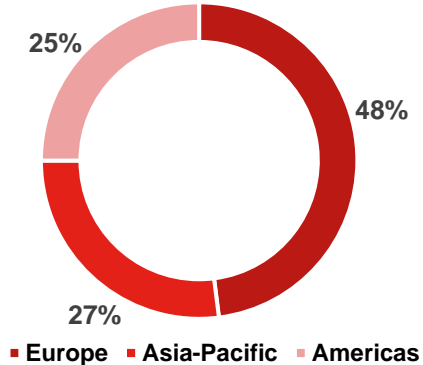
# KEY FINANCIALS FROM HY1 2020/21

# 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%	–

- 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.

Sales by region H1 2020/21



H1 2020/21 per March 31, 2021

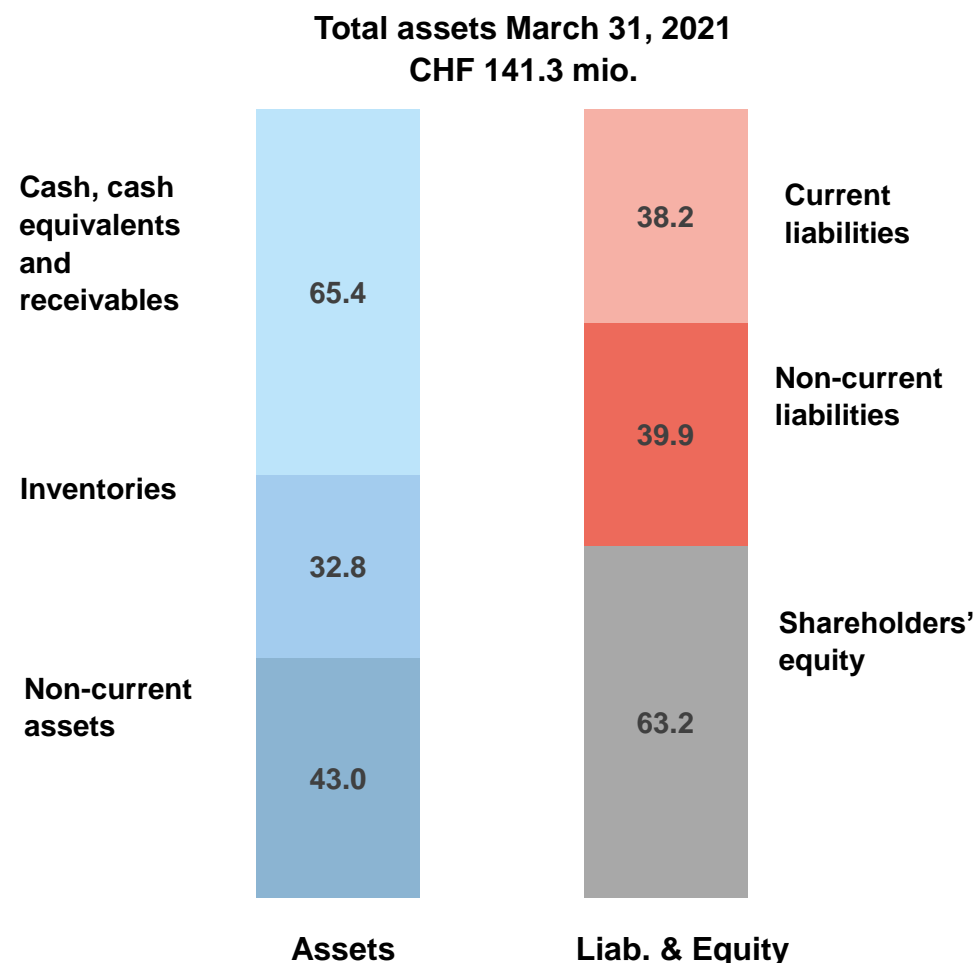
# Continued business with strong performance

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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.

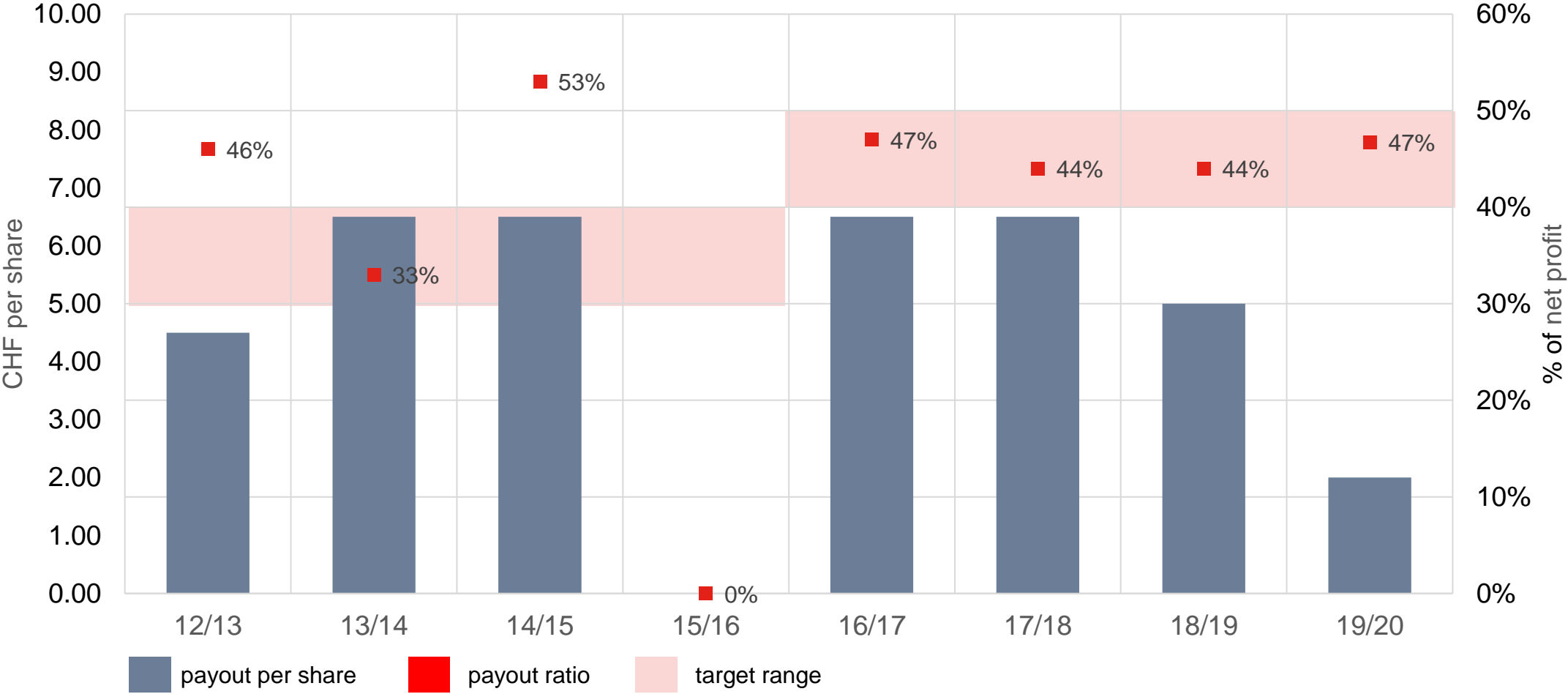
# Solid balance sheet



- 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)

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## 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)

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## 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

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- 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