



CHERRY 

BERENBERG EU OPPORTUNITIES

Investor Presentation – March 16, 2022

CHERRY AT A GLANCE – FINANCIAL HIGHLIGHTS 9M 2021



€ 123.4m

Revenue up 31.3%



29.6%

EBITDA margin (adj.) up 1.2 pp.



569

Employees up 14.7%



€ 63.4m

Liquidity up 176.9%



€ 43.1m

Net cash

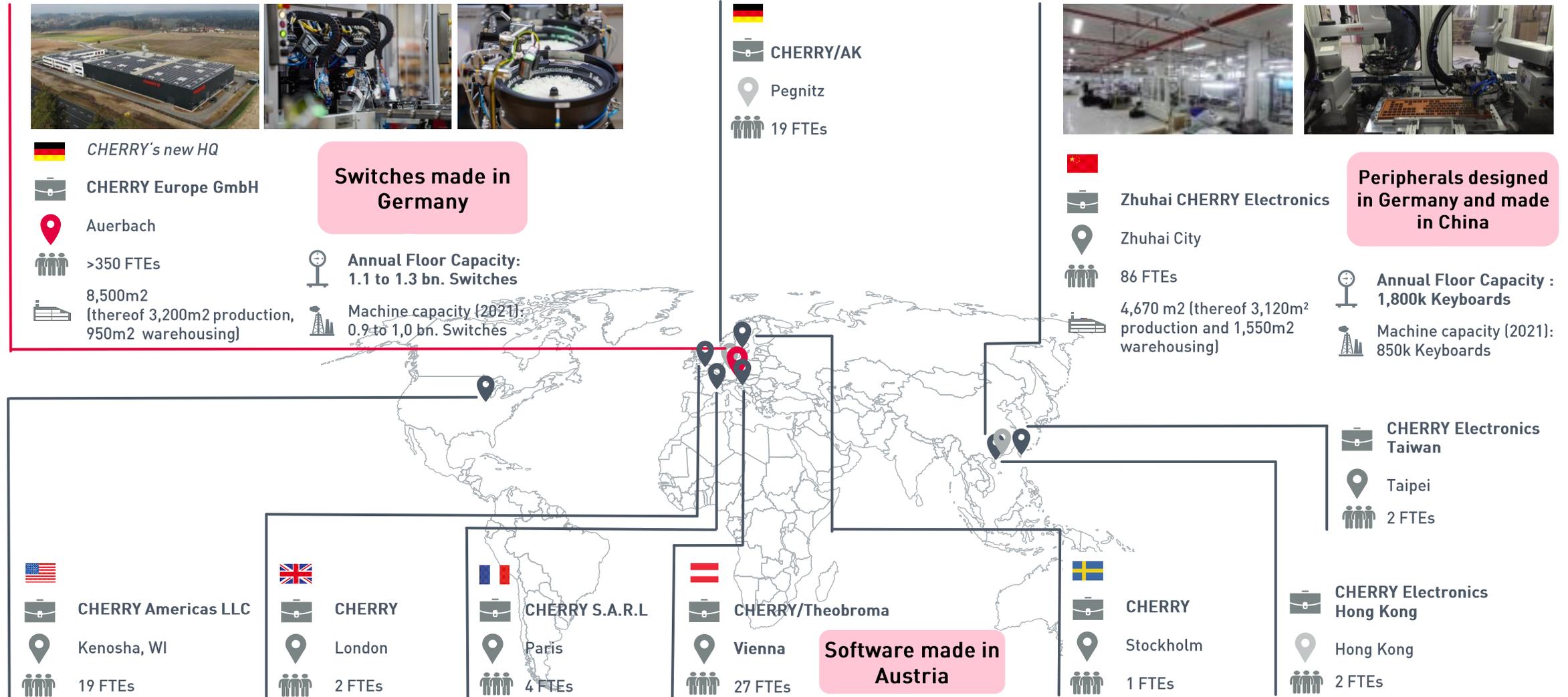


M&A

Successful integration of Active Key

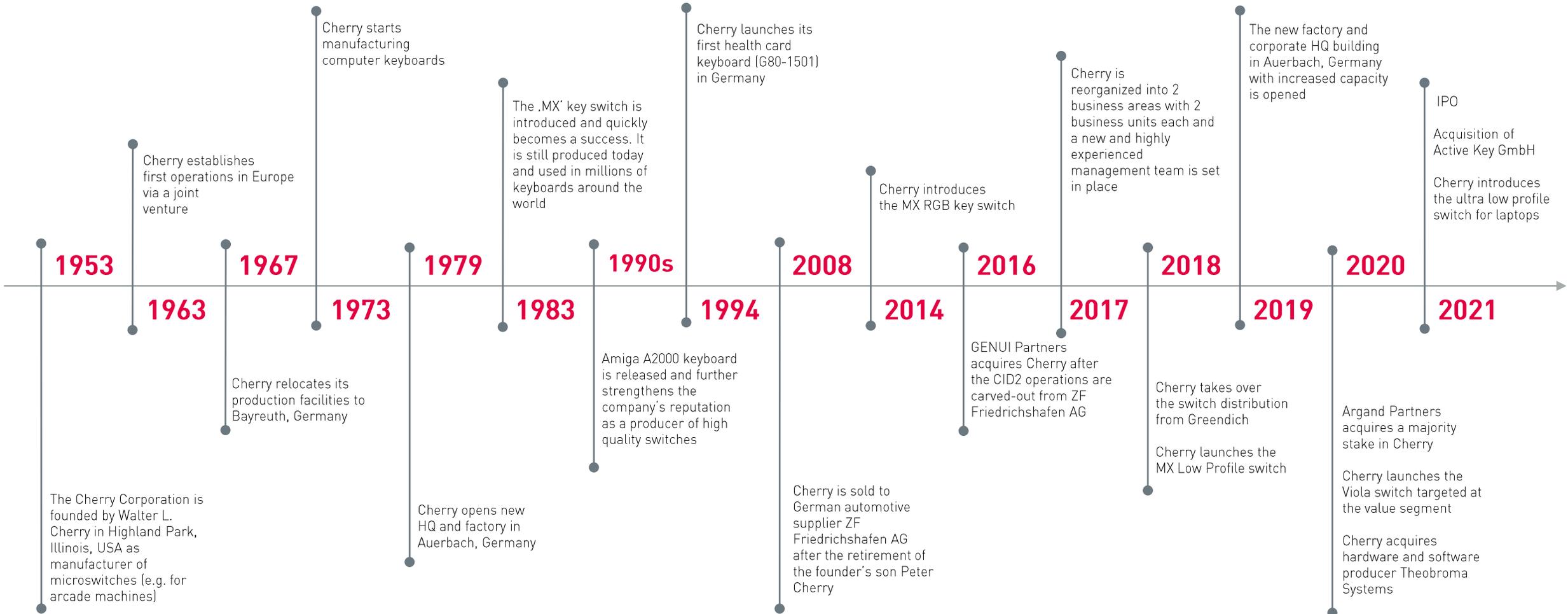
					
Founded 1953	German HQ	ca. 569 employees	x8 Global locations	Global player in Switches	219 Trademarks, 48 Patents

GLOBAL FOOTPRINT WITH HIGHLY AUTOMATED PRODUCTION



FTE figures as of Dec. 31, 2021

LONG TRACK RECORD OF KEYBOARD MANUFACTURING



INTRODUCING OUR BUSINESS AREAS

GAMING

51.2% of Revenue (9M 2021)

Business Unit Components

MX switch



Viola switch



Ultra low profile switch



Low profile switch



Business Unit Gaming Devices

Gaming keyboard



Gaming mice Gaming headsets



PROFESSIONAL

48.8% of Revenue (9M 2021)

Business Unit Peripherals

Ergonomic keyboards & mice



Wireless keyboards & mice



Business Unit Digital Health

e-health terminal for German healthcare market



Encrypted key transmission keyboards



Disinfectable / washable keyboards & mice



Secure fingerprint mice



BUSINESS AREA GAMING

OVERVIEW CHERRY KEYBOARD TECHNOLOGIES



RUBBERDOME

- Reliable
- Cheap
- Quiet

SCISSOR or CHERRY SX

- Keyboards particularly slim
- Improved typing experience
- Usually even a bit more quiet

MECHANICAL or CHERRY MX, MX LP, MX ULP, VIOLA

- Numerous technical advantages
- Signal speed / Anti-ghosting / Full n-key rollover
- Long service life of up to 100m. Actuations
- High degree of switch individualization

COMPETITIVE ADVANTAGES OF CHERRY MX TECHNOLOGY



THE STANDARD

→ CHERRY MX has set the standard for the industry while competitors mostly just follow



MADE IN GERMANY

→ Low failure rates, efficient manufacturing and industry-leading output



MAXIMUM DURABILITY

→ Due to continuous improvement, CHERRY guarantees a significantly longer service life



BEST CONTACT SYSTEM

→ The unique and unmatched gold contact system allows for incredible reliability and durability



HIGHEST QUALITY

→ Inhouse lab and quality testing guarantee through extensive tests no compromise in quality

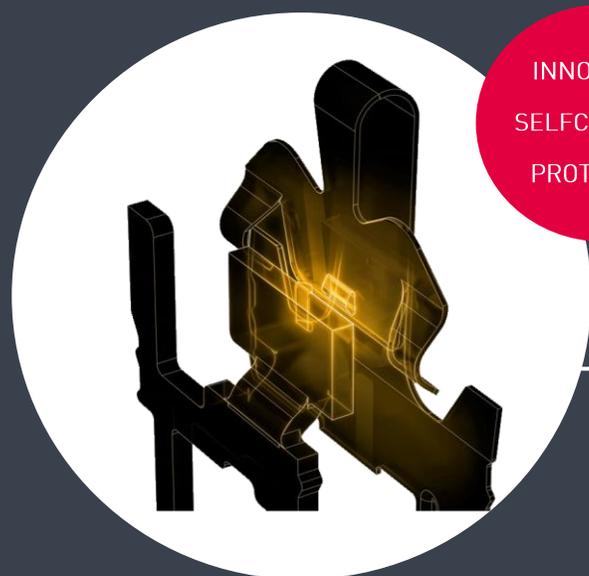


INNOVATION LEADER

→ Numerous innovations were introduced by CHERRY MX thanks to inhouse development team

INNOVATION LEADER FOR MECHANICAL SWITCHES

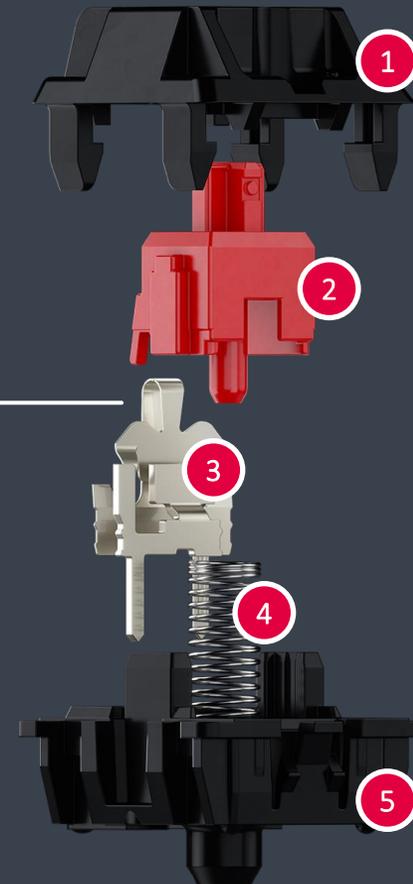
CHERRY INVENTED THE MECHANICAL GAMING SWITCH IN 1983 AND HAS AN UNPARALLELED 35+ YEARS OF EXPERIENCE



INNOVATION
SELF-CLEANING
PROTECTION



The Launch of the MX switch in 1983



1. Upper Housing

is a CAD high precision component made of plastic polymer ensuring precise movement of stem

2. Switching Slide / Stem

is a CAD high-precision component made of plastic polymer creating the pre travel and keystroke feel between the upper housing and coil spring

3. Gold Crosspoint Contact

is at the heart of every CHERRY MX key switch providing incredible reliability and durability through gold's self-cleaning and corrosion-resistant characteristics

4. Precision Coil Spring

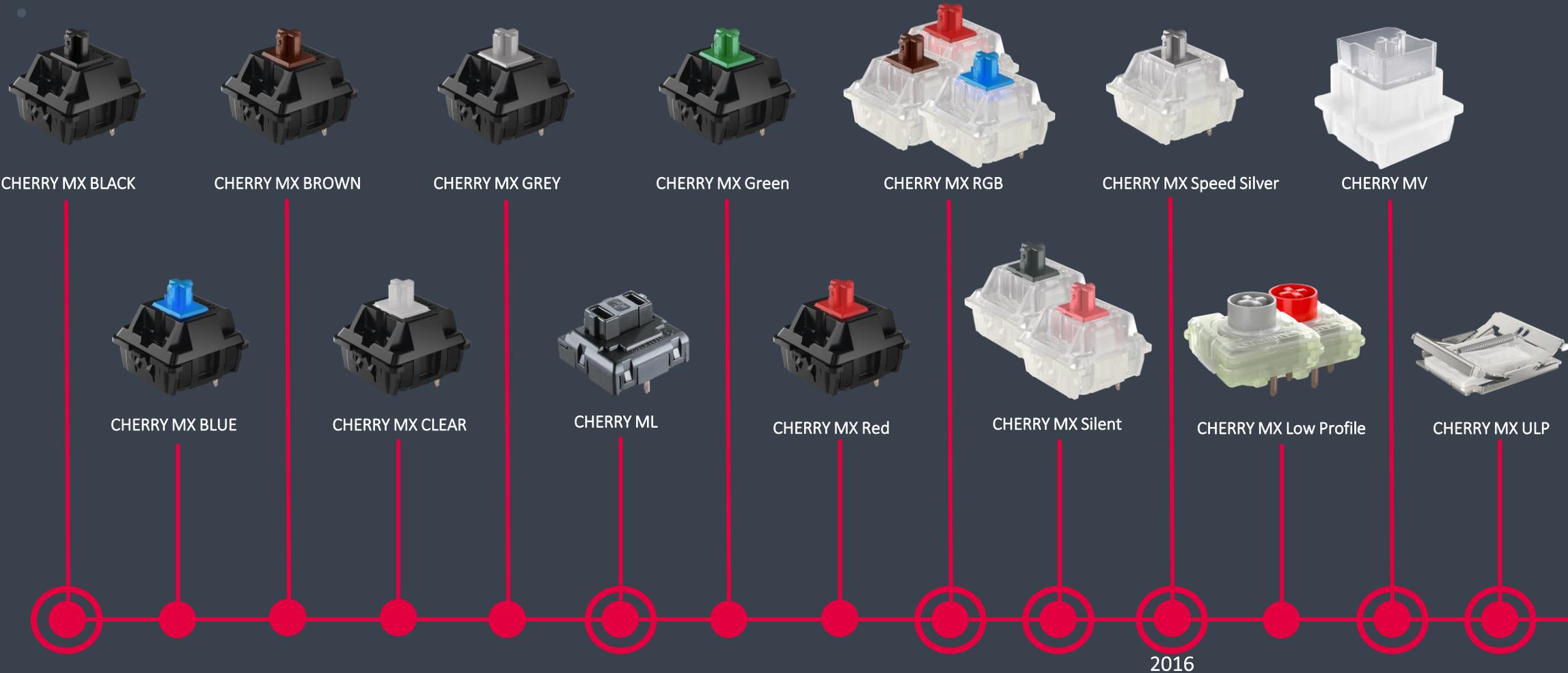
High-density molecular structure, made of metal alloy defines pressure characteristics and operating force for each switch type

5. Housing Base

made of plastic polymer and glass fibre provides dual-functionality with inner base for switch mechanism and outer base for mounting on keyboard

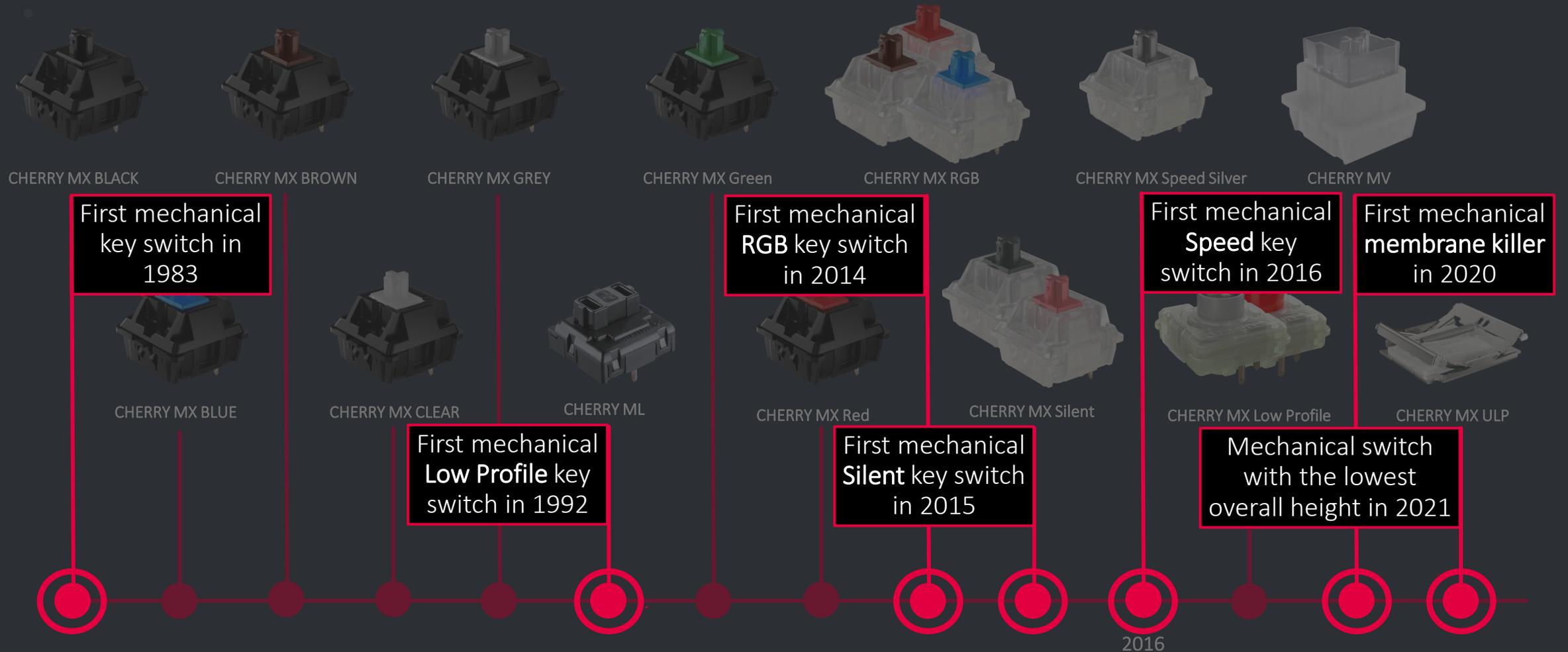
THE CHERRY MX HISTORY

Innovation & Quality "Made In Germany"



THE CHERRY MX HISTORY

Innovation & Quality "Made In Germany"



UNIQUE BRAND AWARENESS OF CHERRY SWITCHES



AW410K RGB Mechanical Gaming Keyboard, Alienware/DELL



Encoder Gaming Keyboard, OMEN/HP



ROG Strix Scope RGB Mechanical Keyboard, ROG/Asus



K70 RGB Mechanical Keyboard, Corsair

 **"CHERRY INSIDE"**
*Distinguishes customer products
to achieve premium pricing*

CHERRY ULP-SWITCH – NEXT MILESTONE IN INNOVATION

ULTRA LOW PROFILE SWITCH: CONSTRUCTION & INTEGRATION



Slim & Lightweight (2021)



Alienware M15 R4

- Price: EUR 1,500
- Height: 21mm
- Weight: 2.5kg

From Bulky & Heavy (2019)



MSI GT76 TITAN

- Price: EUR 3,800
- Height: 42mm
- Weight: 4.2kg

“With this model, the German-based company once again achieves a milestone in the development of switches.”

- Techpowerup



KEY FEATURES

- Super-thin, true mechanical switch for laptop market
- Proven Cherry MX Gold Crosspoint Technology
- High switching frequency for fast gaming / typing
- Designed for cost saving SMD assembly production

THE AWARD-WINNING SERIES – AESTHETICS MEETS GERMAN ENGINEERING

CHERRY MX 2.0S, HC 2.2 and MC 2.1.



Gamers can now combine award-winning and premium products from one brand to create a unified and harmonic appearance. In the tradition of exceptional German engineering, the MC 2.1 mouse, the HC 2.2 headset and the MX 2.0S keyboard from CHERRY not only offer excellent design but also outstanding performance and precision. The MC 2.1 is equipped with a Pixart sensor with 5,000 DPI, which can be adjusted via a switch on the mouse to find the perfect balance between precision and speed, depending on the requirements of the game. The USB 2.0 full-speed interface supports up to 1,000 data transfer rates to ensure that input is transmitted to games without delay.



BUSINESS AREA PROFESSIONAL

RECENT CHERRY PERIPHERALS LAUNCHES



G80-3000N RGB TKL
- launched 24.08.2021 -

The original updated:
Classic keys, but with state-of-the-art electronics and in a space-saving housing.

KEY FEATURES

- Wired mechanical keyboard without number pad
- Compact housing to help increase desk space
- CHERRY MX technology – All keys are precision, Gold Crosspoint switches "Made in Germany"



STREAM KEYBOARD WIRELESS
- launched 17.08.2021 -

The best STREAM ever as a wireless keyboard.

KEY FEATURES

- Maximum productivity: Super silent keystroke, unbeatable typing feel
- Highest quality: Durable key labels, our own SX scissor mechanism
- Optimum operating comfort: 3 integrated status indicators, non-slip rubber feet, 10 office & multimedia keys



DW 9100 SLIM
- launched 28.07.2021 -

Rechargeable designer desktop with many extra features.

KEY FEATURES

- Optionally connected using Bluetooth® or a 2.4 GHz wireless unit – both with AES-128 encryption
- 6 button mouse with optical sensor and switchable resolution (600/1000/1600 dpi)
- Lithium batteries in the mouse and keyboard can be recharged using USB-C

MARKET LEADING E-HEALTH TERMINAL

E-HEALTH TERMINAL ST-1506

- State-of-the-art card terminal solution for workplaces in German healthcare telematics infrastructure
- Approved by gematik GmbH and introduced for all service providers in the German healthcare system
- iF Design Award 2021 in the category of medical devices



TYPICAL RECEPTION COUNTER/WORKPLACE



- Clinics/hospitals
- pharmacies
- dentist and doctor offices
- Continuously new customer groups added

KEY FEATURES

- High-resolution color display enables optimal readability and intuitive operation
- Easily disinfectable touchscreen glass surface for hygiene
- Optional patient PIN-Pad (PP-1516) can be easily connected via USB (launch 2022)
- Can be operated without a power supply via Power-Over-Ethernet
- Prepared for reading contactless cards by NFC interface

WELL DIVERSIFIED BLUE CHIP CUSTOMER BASE

GAMING

Components



Gaming Devices



PROFESSIONAL

Peripherals



Digital Health



GROWTH DRIVERS FOR GAMING

Global gaming market



Increasing number of gamers



Increasing public interest in eSports



Trend towards professionalization of gaming



Increasing game control complexity



High gamers' buying frequency and willingness to pay for mechanical keyboards



High popularity of PC games

GROWTH DRIVERS FOR PROFESSIONAL

Global professional input devices market



The future of work is hybrid and work from home is a must for modern companies.



Increasing number of customers with a strong need for premium products and features (e.g.; wireless, ergonomics, security)



Increasing number of "digital creators"



Work from anywhere, provides a wider base for replacement cycles



All product segments undergo a shift from corded to wireless with improved battery (exchange) lifetimes.



More dedicated products for industrial and medical applications are rolled out.

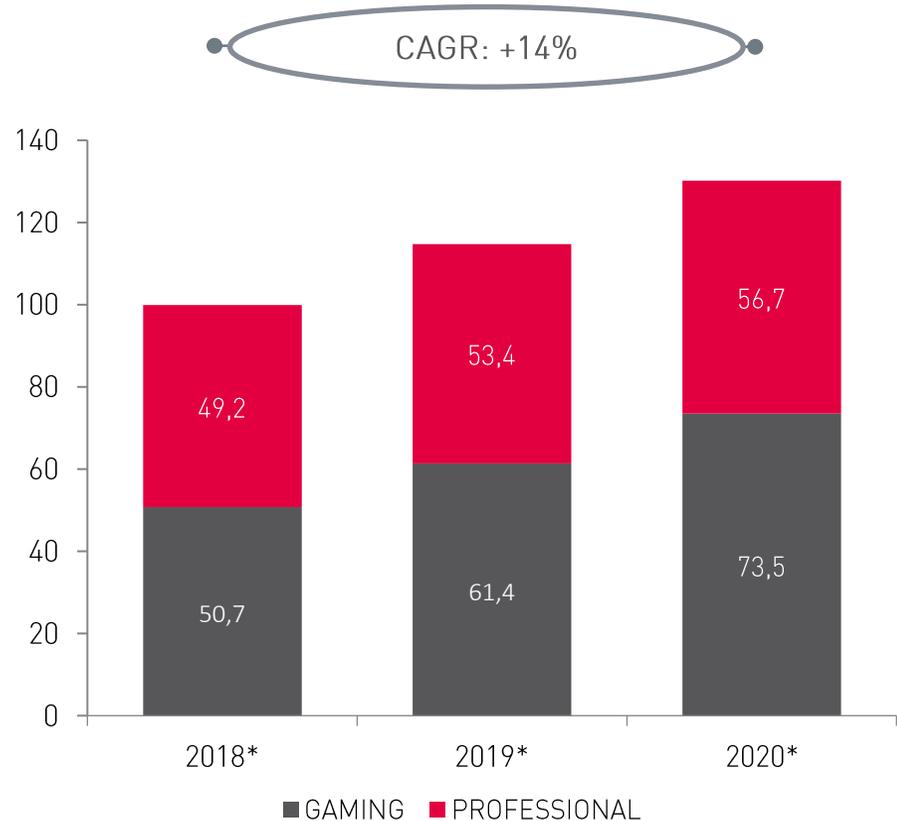


Further roll out of ST-1506 e-health terminal

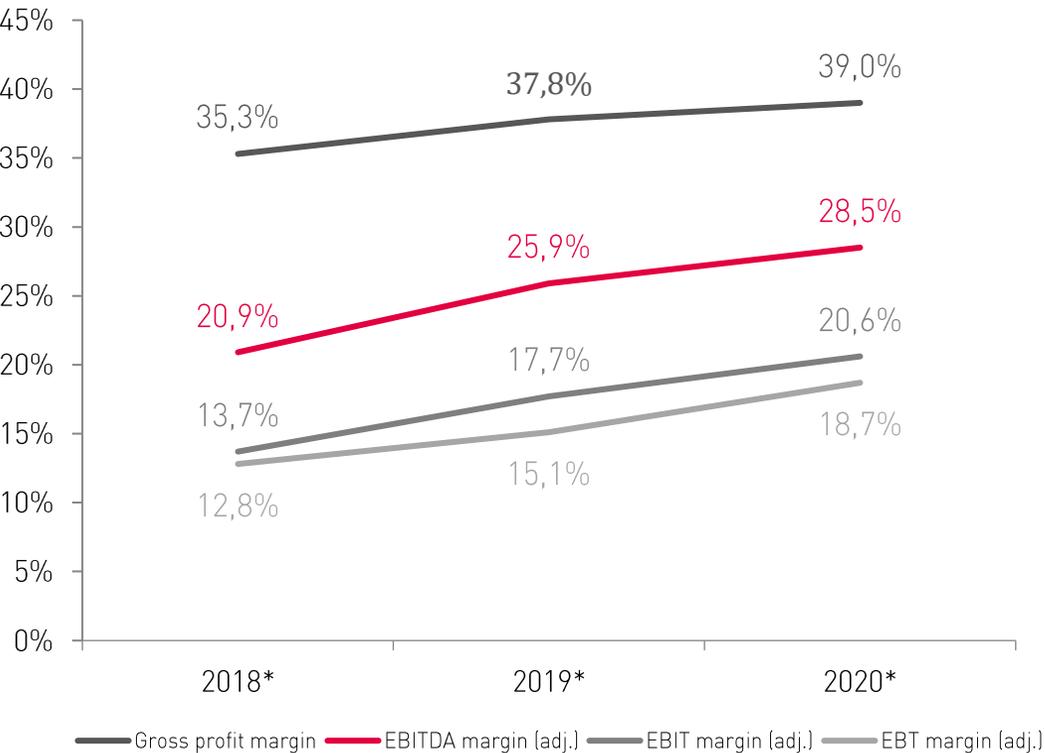
TRACK RECORD OF PROFITABLE GROWTH

SUSTAINABLE DOUBLE-DIGIT GROWTH

Revenue (in €m)



DEVELOPMENT OF PROFITABILITY LEVELS



* In the 2020 financial year, the Cherry AG Group did not yet exist in its current structure. Therefore, unaudited pro forma comparative figures of the Cherry AG Group are given for the prior-year period.

FORECAST FY 2021 – UNDERLYING GROWTH DYNAMICS

Profitable growth path

IN €M/ AS INDICATED	FY 2020*	9M 2021	FORECAST FY 2021
Revenue	130.2	123.4	<i>around 170</i>
EBITDA margin (adj.)	28.5%	29.6%	<i>around 30%</i>

IN €M/ AS INDICATED	ANALYST CONSENSUS	
Revenue	168.8	
EBITDA margin	26.7%	

BUSINESS UNIT	UNDERLYING GROWTH DYNAMICS
Components	+++
Gaming Devices	++
Peripherals	++
Digital Health	+++

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FURTHER OUTLOOK

- Underlying multiple growth drivers and mega trends support mid- and long-term growth
- Supply chain disruptions, particularly in China, and temporary fluctuations in the ordering behavior of customers expected to continue in H1/2022
- Investments in organic growth will be reflected by somewhat subdued profitability margins in FY 2022
- No direct exposure to Russia or Ukraine

DRIVING ORGANIC AND INORGANIC GROWTH

STRATEGIC ELEMENTS FOR ORGANIC GROWTH

- Expand global innovation leader position
- Develop products at the edge of technology
- Expand leading premium brand presence
- Deepen global market penetration

OPERATIONAL MEASURES FOR ORGANIC GROWTH

- Increase number, knowledge and expertise of employees
- Advanced innovation & development activities
- Expand marketing activities in B-2-B and B-2-C markets
- Increase capacity and degree of automation in production

INORGANIC GROWTH STRATEGY / M&A

- Focus on 4 existing business units
- Complementary products and markets
- Increase geographical strength
- Synergies for market access / sales channels

M&A TARGET PROFILE

- Geographic: USA, Europe, Asia
- Revenue: EUR 15m – EUR 35m
- EBITDA / EBIT margins: double digit (%)
- Product areas: complementary products e. g. headsets, mice, video collaboration, microphones, other peripherals, ergonomic devices, etc.

KEY INVESTMENT HIGHLIGHTS – WHY INVEST IN CHERRY?



Global market leader

Established market position as global market leader for mechanical gaming keyboard switches



Innovation and quality leadership

Impressive track record since 1953 in developing high-quality product innovations



Brand recognition

High international brand recognition and brand loyalty in core markets



Solid financial profile

High profitability and attractive cash conversion



Blue chip customer base

Prestigious customers place their trust in reliable, high-quality Cherry technology



Scalable production base

Highly automated assembly machines and warehouse robotics

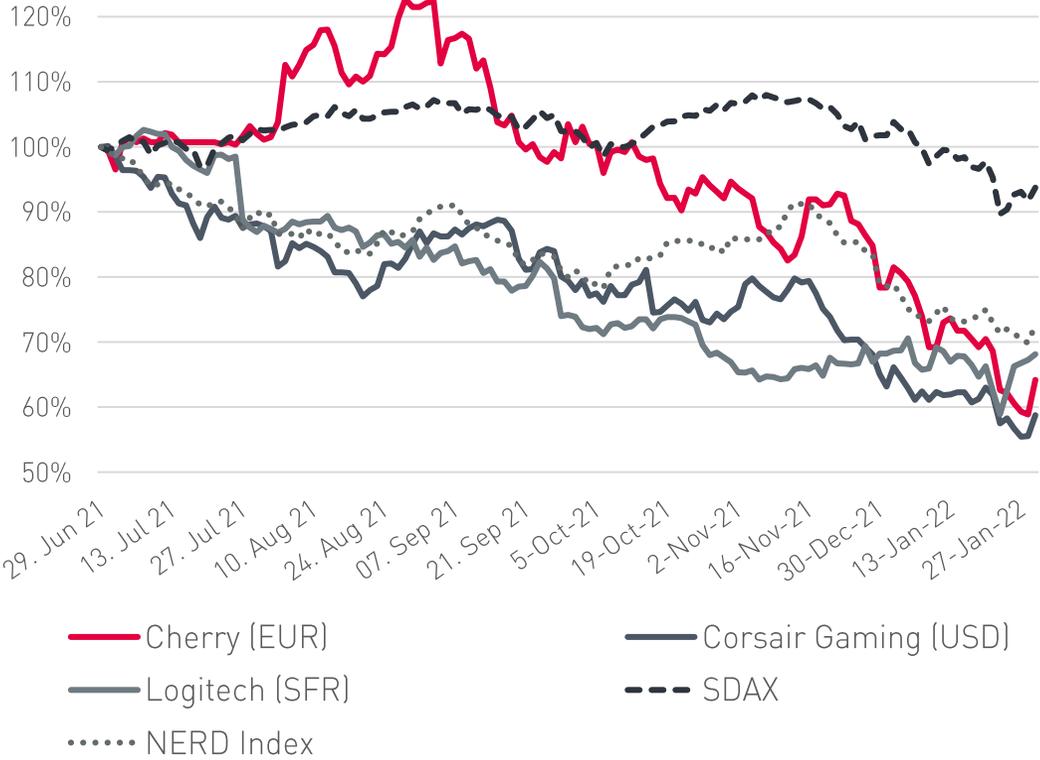


Global multichannel sales

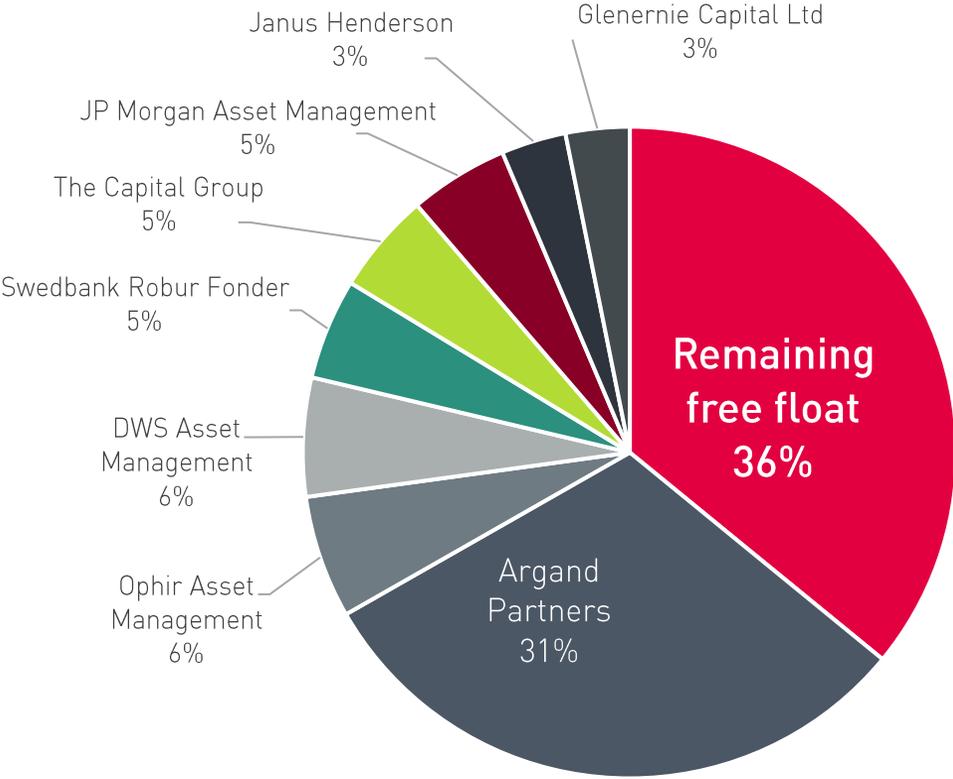
Comprehensive mix of sales channels (distributors, resellers, systems houses, retailers, e-tailers, DTC)

SHARE PERFORMANCE / CURRENT SHAREHOLDER STRUCTURE

RELATIVE SHARE PERFORMANCE



SHAREHOLDER STRUCTURE



FINANCIAL CALENDAR 2022

Date	Detail
March 31	Publication Annual Financial Report
April 4 – 5	US Roadshow (virtual)
April 7	MicroCap Days 2022
May 11	Publication Quarterly Financial Report (call-date Q1)
May 12 – 13	Stockpicker Summit
May 23 – 25	Equity Forum
June 8	Annual General Meeting
August 11	Publication Half-yearly Financial Report
September 5 – 6	Equity Forum
November 15	Publication Quarterly Financial Report (call-date Q3)
November 16	Münchner Kapitalmarkt Konferenz
November 28 – 30	Eigenkapitalforum

FORWARD LOOKING STATEMENTS

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General remark

Figures may not add up due to rounding.

THANK YOU FOR YOUR ATTENTION

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