



CHERRY SE

Q2/H1 RESULTS INVESTOR PRESENTATION

6 AUGUST 2024



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GENERAL REMARK

Figures may not add up due to rounding.



Q2/H1 2024 HIGHLIGHTS
CEO OLIVER KALTNER

H1 PERFORMANCE UNDERPINS REVITALIZATION



FINANCING
SECURED



HEALTHY
INVENTORY
LEVELS



ALIGNMENT OF
SALES AND
CONTROLLING



EARLIER START
OF CHINESE
ASSEMBLY



DH&S
PLATFORM
OWNERSHIP



“MARGIN OVER
VOLUME” LED TO LFL
SEQUENTIAL INCREASE
IN PROFITABILITY

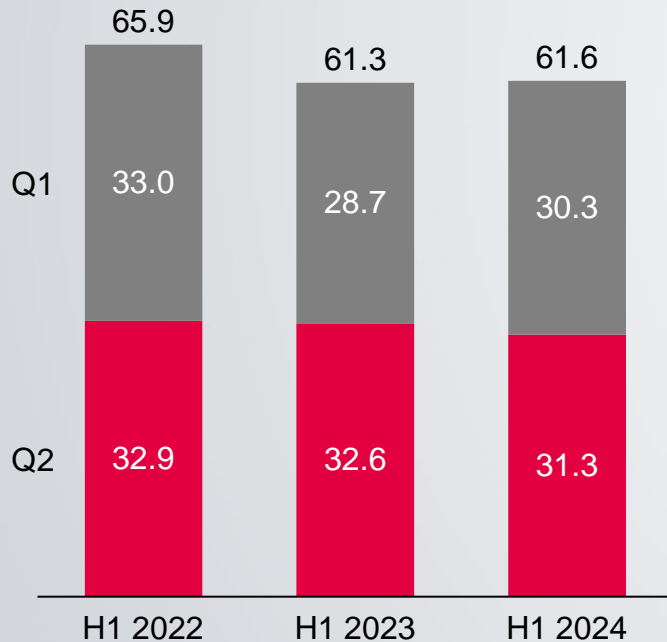




Q2/H1 2024 FINANCIALS
EVP FINANCE & IT VOLKER CHRIST

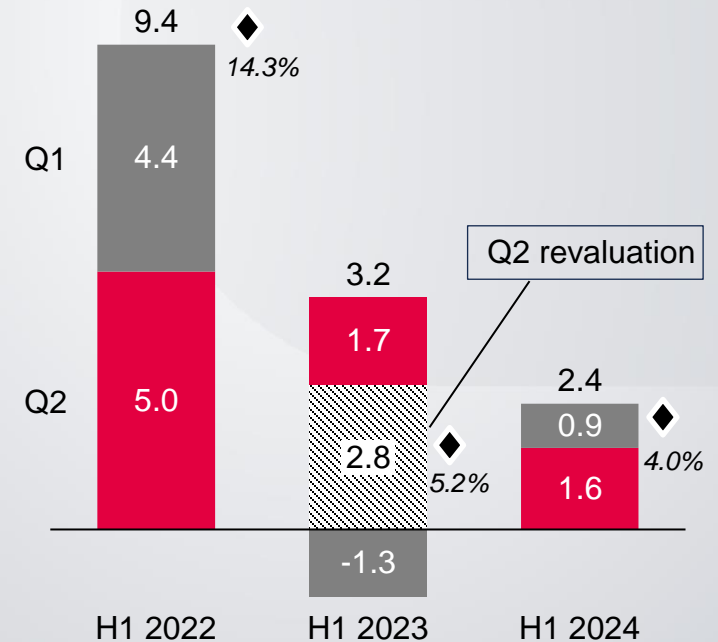
Q2 ADJ. EBITDA MGN. UP 2.3PPT. SEQUENTIALLY

H1 REVENUE (in EUR m)



- H1 Revenue slightly up y-o-y
- Q2 Revenue up 3.2% q-o-q, but slightly down y-o-y as
 - we declined high volume / low margin deals
 - Americas started slowly
 - Components faced an order delay into Q3
- Q2 Margin at 5.1%, l-f-l* on previous Q2's level and burdened by one-offs of c. EUR 0.8m**

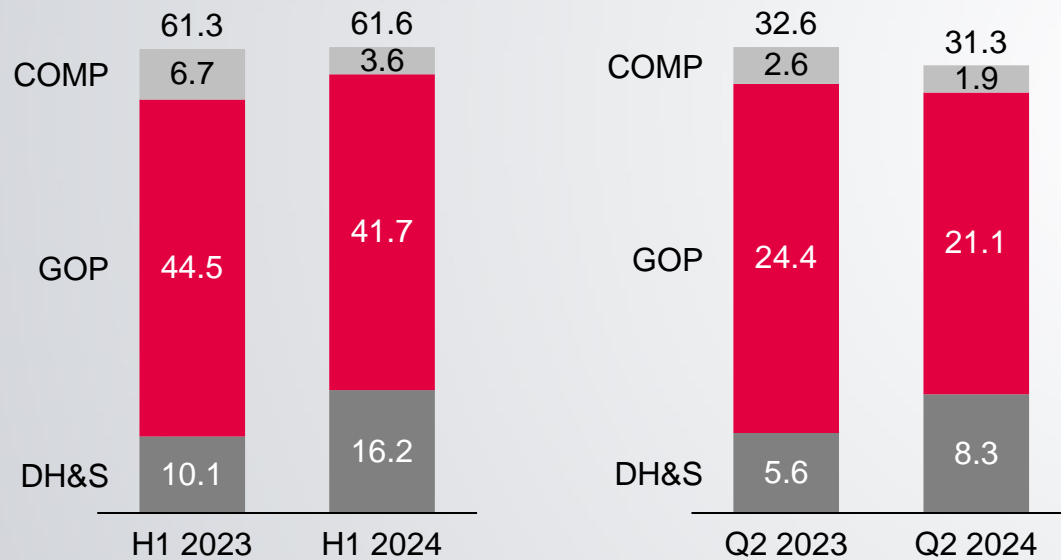
H1 ADJ. EBITDA*** (in EUR m; mgn. in %)



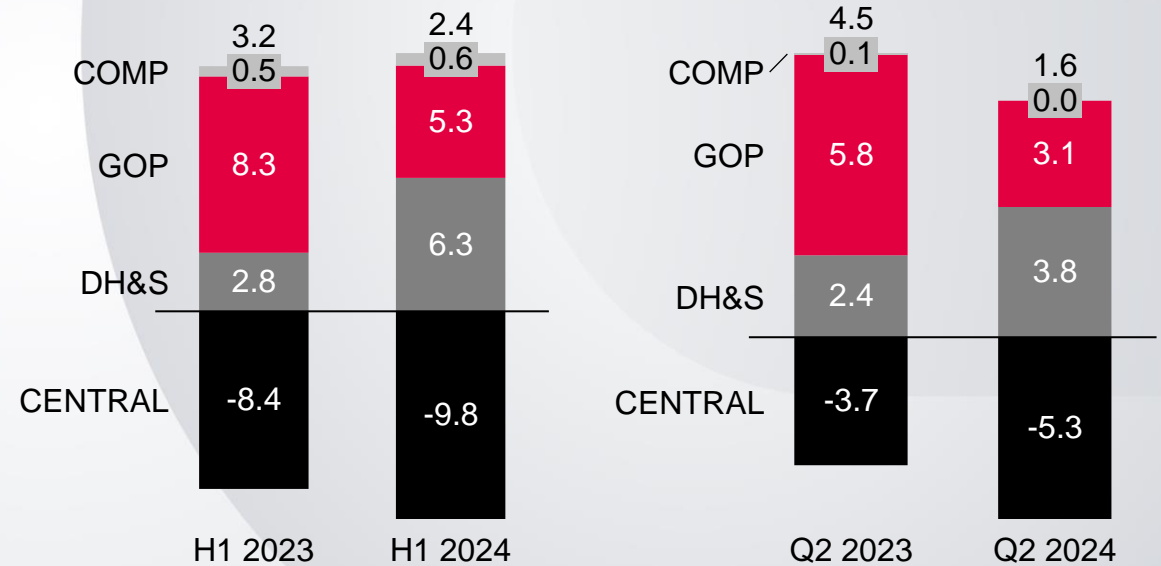
• like-for-like, i.e. without Q2 2023 revaluation effect of EUR 2.8m, when inflation led to higher valuation of inventory / finished goods ** One-off effects include additional audit costs, the renegotiation of the loan and associated costs of legal advice. *** Rounding errors may occur

SEGMENTAL OVERVIEW

REVENUE SPLIT (in EUR m)

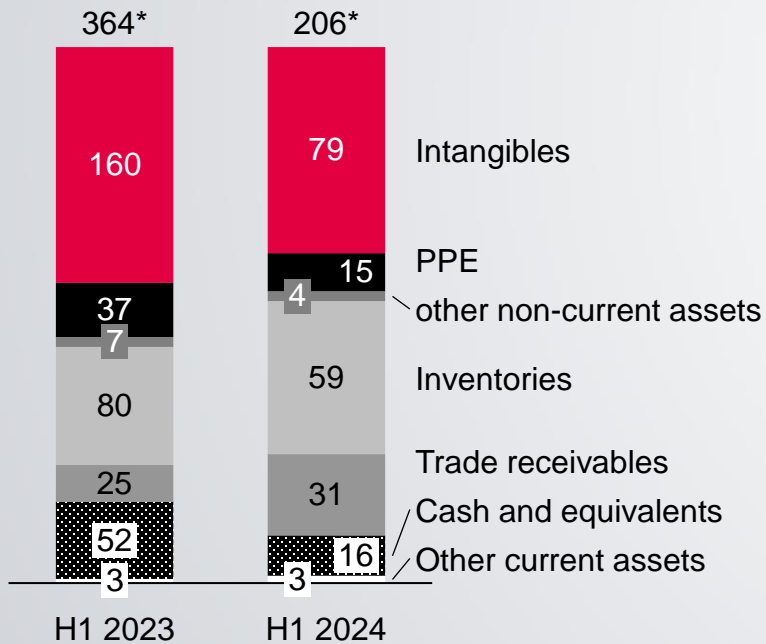


ADJ. EBITDA SPLIT (in EUR m)

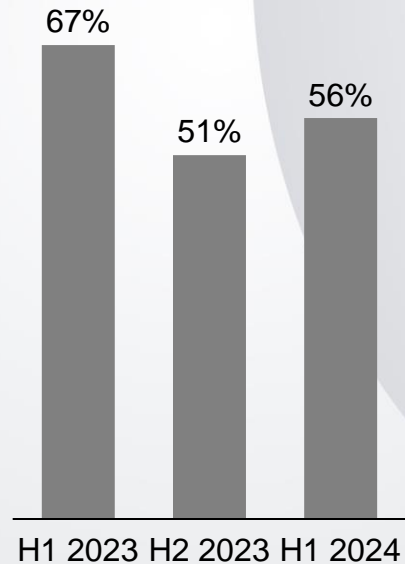


HEALTHY BALANCE SHEET RATIOS DESPITE EUR 96M IMPAIRMENT AS OF DEC 2023

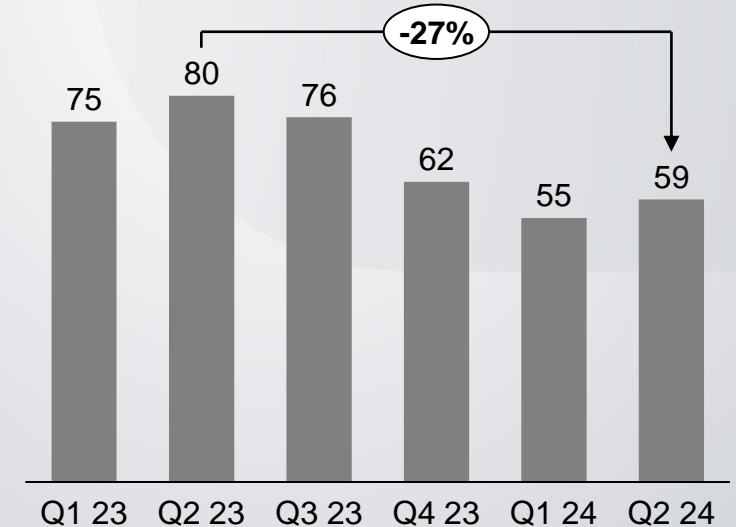
ASSET MIX (in EUR m)



EQUITY RATIO



INVENTORIES (in EUR m)





DIVISIONAL AND RESTRUCTURING UPDATE
COO DR. UDO STRELLER

„PROJECT NORTH“ RESTRUCTURING ON TRACK

MX2 assembly right at the epicentre of global keyboard production

Switch assembly for 3rd parties: **Plastics from China, major metal parts Made in Germany**

5.5m savings from redundancy of 105 employees in COMP and GOP

Resilient, fast & environmental-friendly Supply Chain setup

Ramp-up progress runs well and smoothly

Lower production costs while keeping **high Cherry quality standards**



COMPONENTS – SET FOR RECOVERY

Back to competitive pricing

Computex - new switches:

- Inductive MX Multipoint
- MX Silent Clear
- MX Low Profile 2.0

First samples delivered to OEMs and KB manufacturers in June

Customers' new products:

- MX Multipoint KB
- Fightstick MX Multipoint

New volume customers:

- Keychron (China)
- Geon (SK)
- IKBC (China)

Inventory management:

- MX1 cleared before Q4
- MX2A inventory actively managed for D prod & CN assembly



GAMING AND OFFICE PERIPHERALS REFOCUSSED

Expand Retail Reach:
New agreements and wider distribution

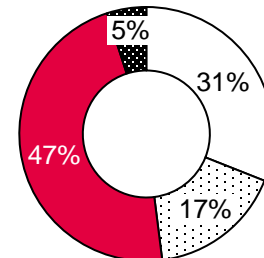
Core Market Focus:
Prioritize primary markets

Optimize SKUs:
Reduce lifecycle and streamline core SKUs

Pricing Strategy:
Prioritize margin over market share

Healthy Inventory:
Maintain optimal stock levels

WIRELESS OPPORTUNITY*



DH&S AT CORE OF OUR TRANSFORMATION TO A DIGITAL ECO SYSTEM

Benefit from progressing **digitisation in healthcare**

>75% market share in new terminal sales

New and **replacement business**

Building up new **asset-light revenue streams**

Q2 strongest quarter ever for our Hygiene & Security unit

Robust **demand and supply management** in place





OUTLOOK
CEO OLIVER KALTNER

CHALLENGES

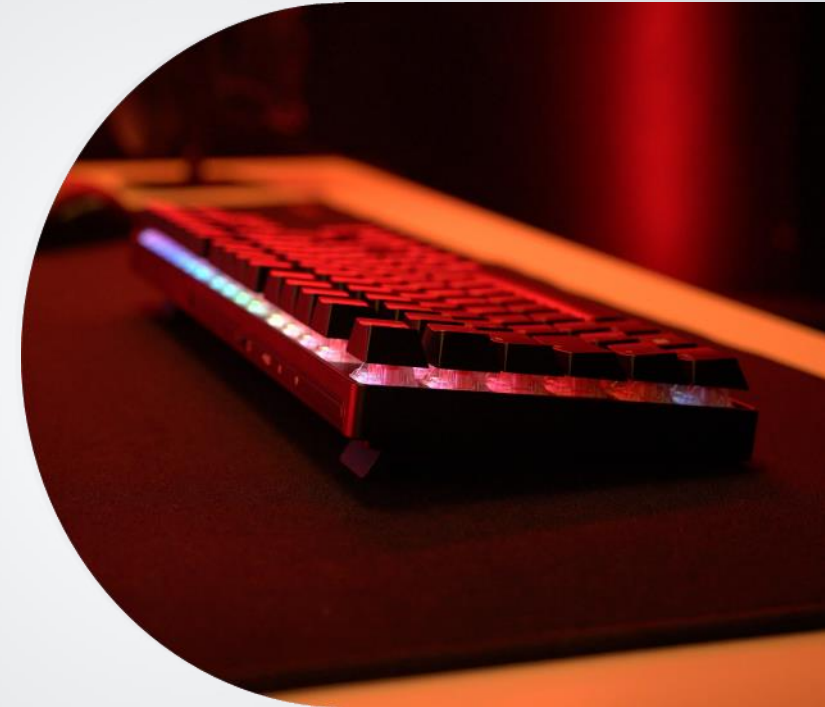


Deteriorating Macro Environment

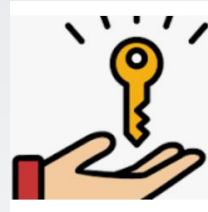
- German consumer sentiment* stagnating at very low level
- Euro Area composite PMI down to 50.9 in June, after rising in every month of 2024
- UK composite PMI on lowest level in 7 months

Low Predictability of Container Shipping Availability

- Container run ahead of US election
- Red Sea Shipping Turmoil
- Longer transport time from China to Europe
- Shortage of freight capacities
- Elevated container prices



OPPORTUNITIES



COMPONENTS

- Market potential of new switches
- Additional demand from completely new devices
- Full cost synergies from Chinese assembly
- Additional OEM signings in H2 2024

GOP

- Focus on core markets
- Minimize product variations
- Emphasize wireless
- Increase D2C
- Boost operations and presence in Americas
- Q4 specific production for Chinese gaming mkt.

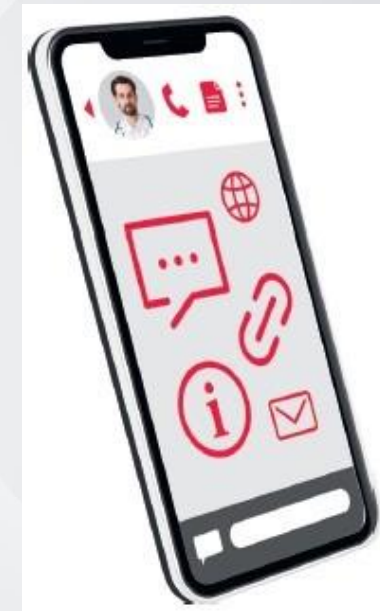
DH&S

- Recurring revenue from new & asset light offerings
- New terminal customer groups
- ePat from 15 Jan 2025
- Sales synergies Hygiene & Security

GROUP

- Brand relaunch to increase customer awareness
- Rigid margin, cost, and EBITDA steering via synchronised data
- Stricter receivables and working capital management

DH&S DEEP DIVE: NEW SW/CLOUD OFFERINGS



TMS
Terminal Management System for
remote device management

SMARTLINK
Virtualized patient authentication
service

TI-M
Messenger: certification and
launch planned for Q4

TWO-MEMBER EXECUTIVE BOARD IN FUTURE



Oliver Kaltner

CEO

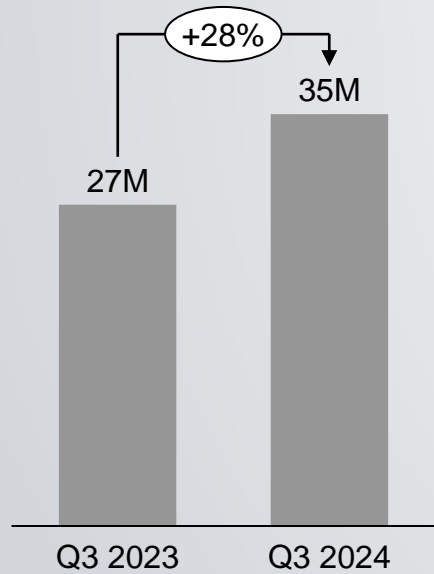


Dr. Udo Streller

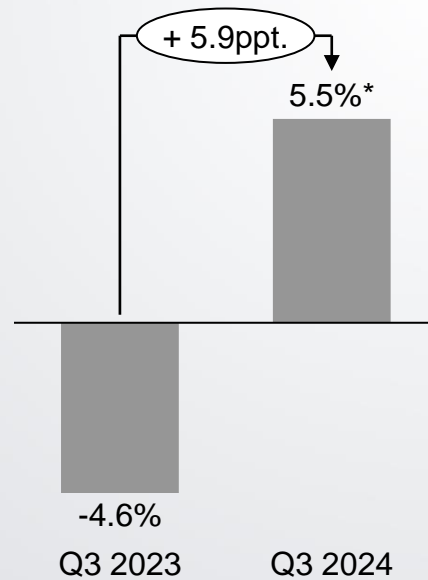
COO

Q3 2024 OUTLOOK

**Q3 24 REVENUES
AROUND EUR 35 M**



**Q3 24 ADJ. EBITDA
MGN. 5-6%**

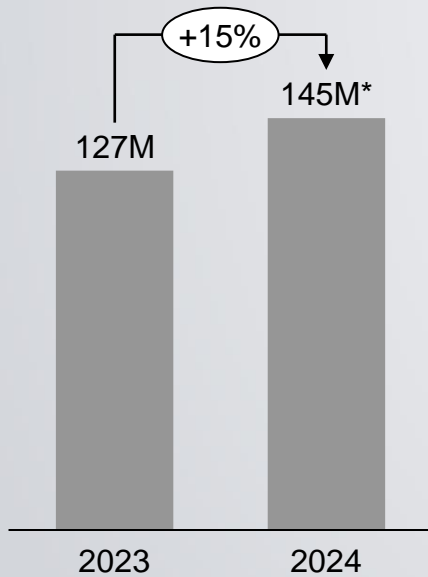


* Mid point of forecast range

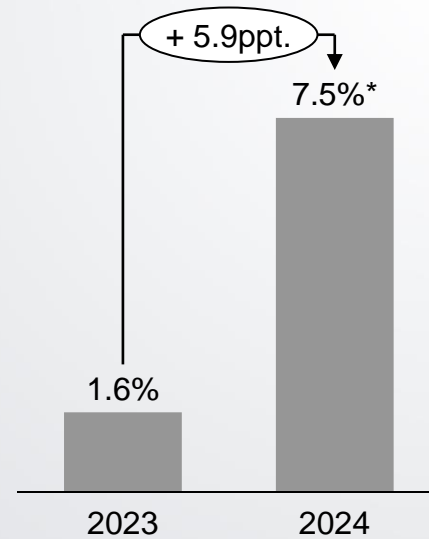


FY FORECAST CONFIRMED

2024 REVENUES
EUR 140-150M



2024 ADJ. EBITDA
MGN. 7-8%



* Mid point of forecast range





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