



CHERRY 

ODDO BHF FORUM

January 5, 2023

NEW CHAIRMAN OF THE MANAGEMENT BOARD (CEO)*



Oliver Kaltner - CEO



Bernd Wagner - CFO



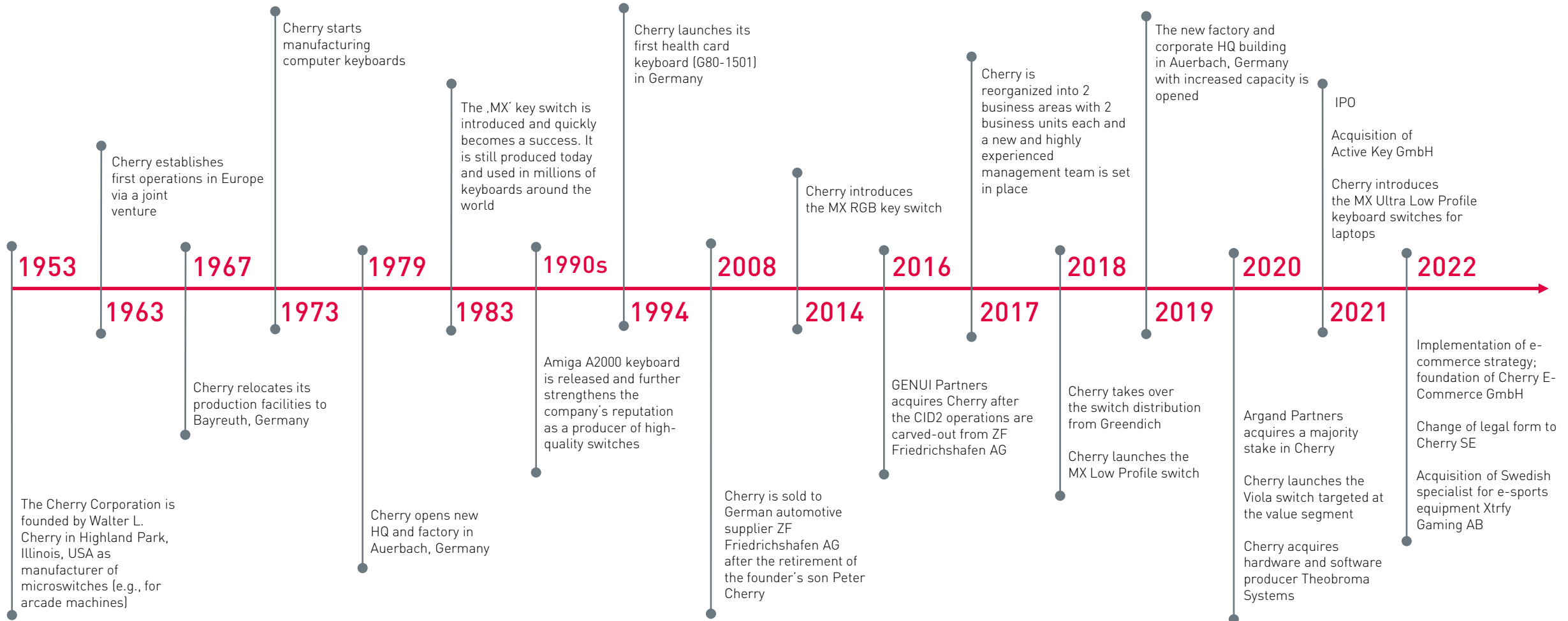
Dr. Udo Streller - COO

Oliver Kaltner brings in management experience from companies such as Leica Camera AG, Microsoft, Sony, and Electronic Arts, running global businesses with operations in EMEA, APAC and the Americas.

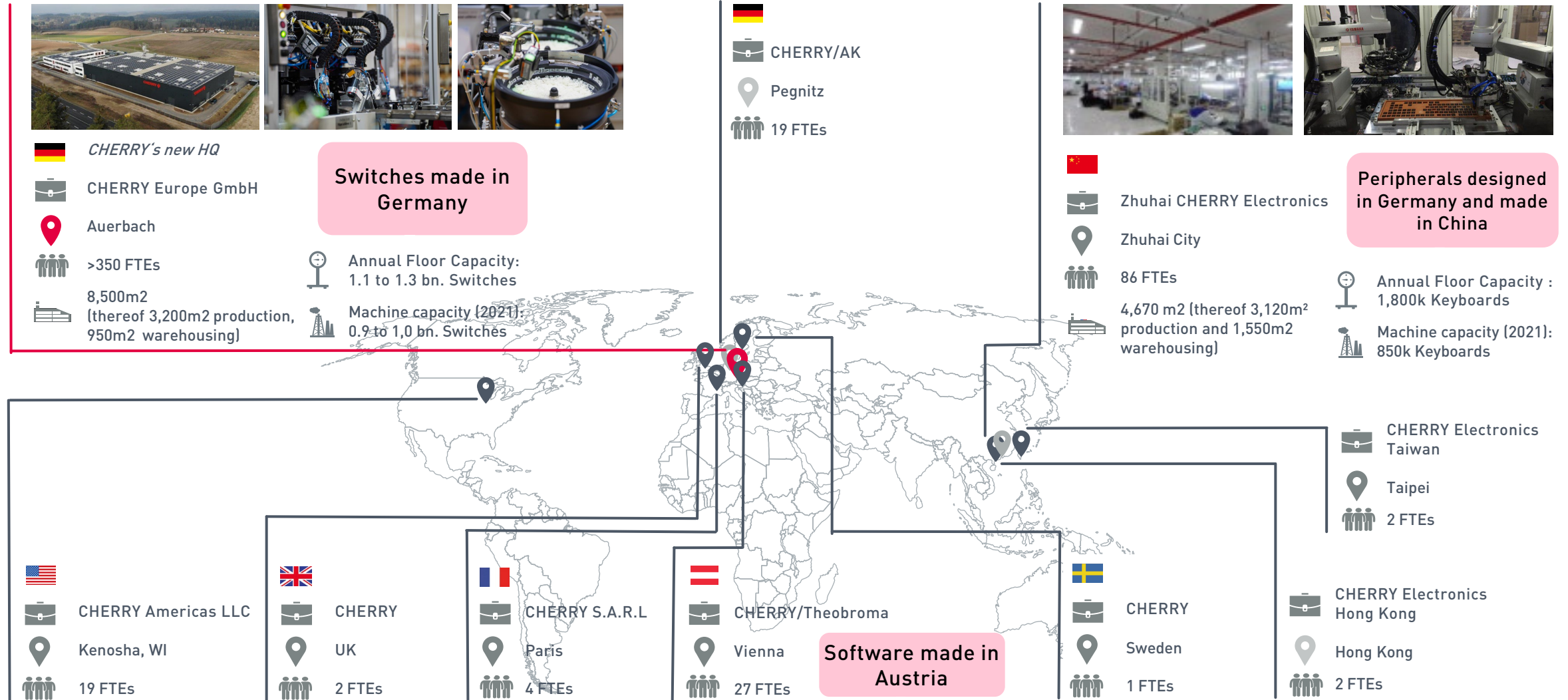
“Oliver Kaltner has a proven track record in highly successful global companies, with experience in operations, product innovation, marketing, sales, service, brand management, M&A and strategy. He is a change agent, having driven innovation and transformation for iconic brands along the value chain of hardware, software and cloud-services.” Marcel Stolk, Chairman of the Supervisory Board

* With effect from January 1, 2023.

LEADING MANUFACTURER OF MECHANICAL KEYBOARD SWITCHES AND COMPUTER INPUT DEVICES FOR GAMING, OFFICE & HEALTHCARE



GLOBAL FOOTPRINT WITH HIGHLY AUTOMATED PRODUCTION



INTRODUCTION OF OUR BUSINESS AREAS

PROFESSIONAL

<h3>Peripherals</h3> <p>Ergonomic keyboards & mice</p>  <p>Wireless keyboards & mice</p> 	<h3>Digital Health</h3> <p>e-health terminal for German healthcare market</p>  <p>Encrypted key transmission keyboards</p>  <p>Disinfectable / washable keyboards & mice</p>  <p>Secure fingerprint mice</p> 
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GAMING

<h3>Components</h3> <p>MX switch</p>  <p>MV switch</p>  <p>Ultra low profile switch</p>  <p>Low profile switch</p>  <p>GERMAN INNOVATION AWARD '22 NOMINEE</p>	<h3>Gaming Devices</h3> <p>Gaming keyboards</p>  <p>reddot winner 2022</p> <p>Gaming mice</p>  <p>GERMAN DESIGN AWARD SPECIAL WINNER 2022</p> <p>Gaming headsets</p>  <p>GERMAN DESIGN AWARD WINNER 2022</p>
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CHERRY BRAND, CUSTOMER SATISFACTION, AND PRODUCTS

In 2022, CHERRY received further awards and nominations for outstanding innovation, design, quality and sustainability. These include the IF Design Award 2022 for the MX 10.0N RGB mechanical MX Low Profile Keyboard and the Red Dot Design Award 2022 for the legendary G80-3000S TKL RGB mechanical keyboard, as well as the German Innovation Award 2022 in Gold for the patented MX Ultra Low Profile switches. In addition, CHERRY received the Plus X Awards "Best Brand of the Year 2022" in the keyboard category and "Best Customer Satisfaction 2022", based on a nationwide survey. Certifications such as the highest German sustainability certificate "Blauer Engel" for our peripherals supplement the brand image.

CHERRY AT A GLANCE – FINANCIAL HIGHLIGHTS 9M 2022



€ 98.0m

Revenue down 20.6%
(yet up 4.3% from 9M/2020*)



13.9%

EBITDA margin (adj.)
down 15.7pp.



525

Employees
down 5.2%



€ -0.8m

Operating cash flow
down € -2.3m



€ 27.3m

Net cash
(Cash and cash equivalents € 91.3m)



M&A

Ongoing negotiations
with potential targets



Global market leader



Innovation and quality
leadership



Brand recognition



Blue chip customer
base



Global multichannel
sales



Scalable production
base



Solid financial profile

* Basis: Unaudited condensed consolidated interim financial statements of Cherry AcquiCo GmbH (now Cherry AG)

ACQUISITION OF SWEDISH SPECIALIST FOR E-SPORTS EQUIPMENT

Two well-renowned brands within the gaming industry join forces



Key facts of the Xtrfy Gaming AB acquisition:

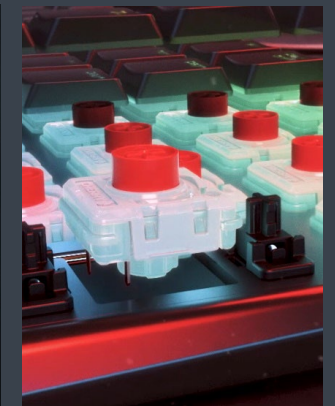
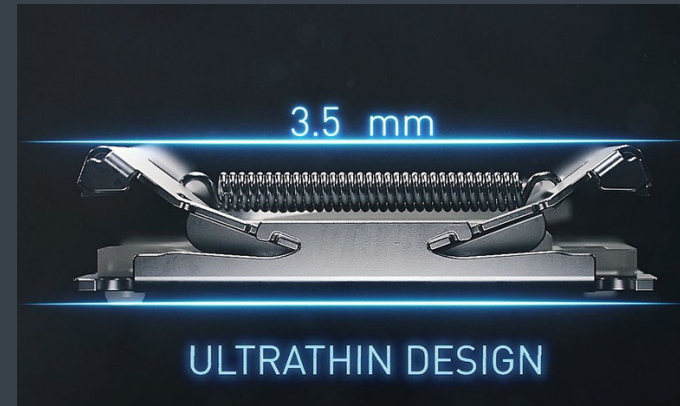
- Strong push for Cherry's GAMING business in Europe & North America
- Xtrfy team with strong roots in global e-sports scene
- Specific mice know-how, rather complementary to CHERRY portfolio
- € 7m. revenue expectation for FY 22 w/ profitability similar to Cherry SE
- Enterprise value represents 1x revenue FY22E and 7x EBITDA FY22E
- Net debt of approximately € 2m. as of Dec. 31, 2022
- Mid single-digit €m. purchase price, thereof ca. 1/3 treasury shares
- Excellent cultural fit with management team / increase in diversity
- Joint product roadmap starting Q4 2023
- Minor cost synergies expected from procurement & logistics

OVERVIEW CHERRY KEYBOARD TECHNOLOGIES

Innovation & Quality “Made by CHERRY”



CHERRY
MECHANICAL KEYSWITCH
TECHNOLOGY



RUBBERDOME

- Reliable
- Cheap
- Quiet

SCISSOR or CHERRY SX

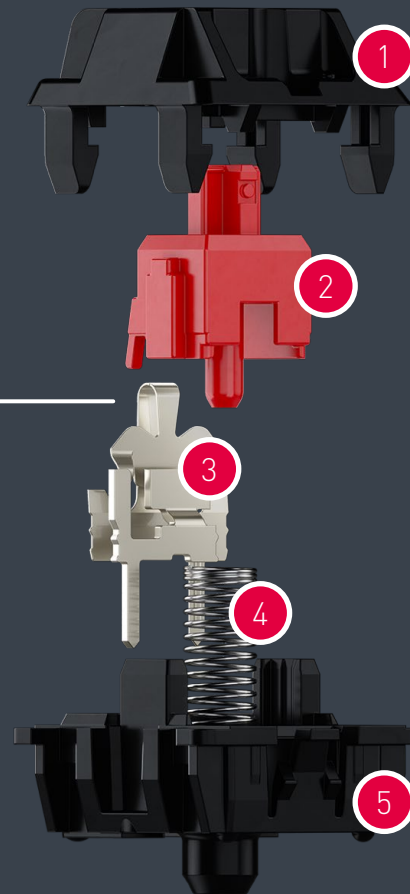
- Keyboards particularly slim
- Improved typing experience
- Usually even a bit more quiet

MECHANICAL or CHERRY MX, MX LP, MX ULP, MV (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

QUALITY LEADER FOR MECHANICAL SWITCHES

CHERRY invented the mechanical Gaming 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

INNOVATION LEADER FOR MECHANICAL SWITCHES

Innovation milestones of Cherry MX technology



CHERRY
MECHANICAL KEYSWITCH
TECHNOLOGY



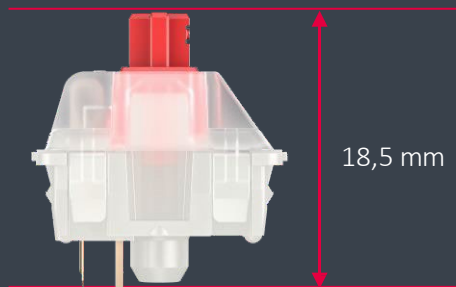
MX STANDARD



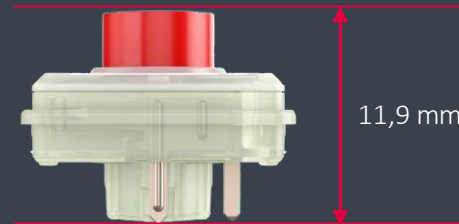
MX LOW PROFILE



MX ULTRA LOW PROFILE



18,5 mm



11,9 mm



3,5 mm

The exclusive and patented switch design includes the feature set of CHERRY MX switches that has been proven for decades, which ensures maximum precision and perfect function even in the ultra-thin design.

This is primarily due to the highly precise and extremely reliable gold crosspoint contact system as well as the special choice of materials such as stainless steel or high-temperature resistant polymer plastic, which are essential for the market-leading specifications of this switch.

CUSTOMER / PRODUCT LINE-UP FOR NEW CHERRY ULP-SWITCHES

CORSAIR's thinnest high-performance keyboard ever most recent addition to ULP customer base

Alienware M, Alienware X and Dell G platforms



Corsair VOYAGER a1600



XMG NEO 15



Cairn Mesa | Key



MSI GT77 TITAN



Corsair K100 AIR Wireless



CURRENT BUSINESS SITUATION AND MARKET ENVIRONMENT

Managing future growth in challenging environment

MARKETS AND ECONOMIC ENVIRONMENT

- ❖ Macroeconomic headwinds (high inflation rates, high inventory levels at customers and distributors, supply chain disruptions, US-Dollar remains strong, Ukraine war continues)
- ❖ Decline in consumer electronics spending in main markets

MAIN HIGHLIGHTS IN 9M/2022

- ❖ Continued investments into new product development and several new product launches in Q3
- ❖ Expansion of sales channels with distributors (B-2-B) and eCommerce (B-2-C)
- ❖ Well-balanced OPEX management to benefit from next cyclical upswing and a larger embedded base

LONG-TERM SECULAR MARKET TRENDS IN GAMING, HYBRID WORKPLACES AND DIGITIZATION OF GERMANY HEALTHCARE REMAIN POSITIVE

MOST RECENT PRODUCT LAUNCHES BY EXAMPLE

PROFESSIONAL



CHERRY KW 9100 SLIM – rechargeable design keyboard, offering first-class workmanship and innovative functions

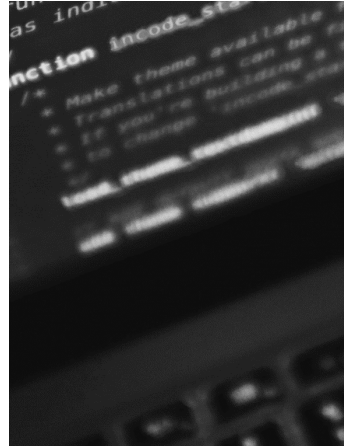
GAMING



CHERRY MX LP 6.1 Compact Wireless – professional performance when gaming or at work in a compact keyboard “to go” with matching cover

E-COMMERCE STRATEGY

Important steps for future growth via e-commerce



TARGETS

- Expansion of digital brand presence via creation of globally performant e-commerce and marketing platform.
- Acceleration of organic growth via D2C business (own web shop & marketplaces) and other e-commerce channels.

STAGED APPROACH TO TARGET MARKETS

- Phase I: Launch in Europe (Up to € 60m e-commerce revenue potential by 2026)
- Phase II: Launch in USA

CHERRY DISTRIBUTION STRATEGY

- Online marketplaces (B2B & B2C)
- Third party e-Retailer
- Direct sales & affiliate
- E-procurement platforms
- +
- Stationary retail
- Resellers / distributors

CHERRY PROFESSIONAL – LATEST DEVELOPMENTS

Further expansion of high-end wireless peripherals and sales footprint

PERIPHERALS

- ❖ Portfolio expansion with focus on wireless technology, such as
 - ❖ KW 9100 Slim rechargeable design keyboard, offering first-class workmanship and innovative functions (incl. AES-128 encryption)
 - ❖ GENTIX BT multi-device-function mouse for up to three end devices and perfect ergonomics, complementing famous GENTIX product line
- ❖ Further products under development for professional workers, streamers and creators' needs
- ❖ Significant expansion of eCommerce sales channels

DIGITAL HEALTH

- ❖ Sustain market share of > 50% in new eHealth terminal sales
- ❖ Capitalize on continued strong market demand, driven by
 - ❖ roll-out of additional applications
 - ❖ deployment to new user groups
 - ❖ synergies with connector replacement efforts
- ❖ Solidify product innovation leadership position with intro of PIN pad and new terminal release in Q1'23



KW 9100 Slim
rechargeable design keyboard
with AES-128 encryption



GENTIX BT Bluetooth® mouse
with multi-device function



G87-1505
(Since Q2/2018)



eHealth Terminal ST-1506
(Since Q1/2021)

CHERRY GAMING – LATEST DEVELOPMENTS

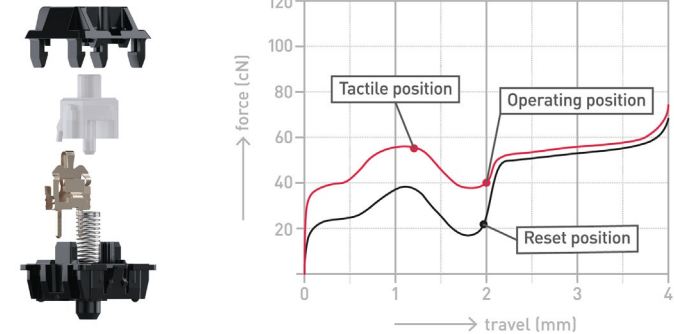
Further strengthening innovation and quality leadership in the gaming community

COMPONENTS

- Introduction of CHERRY MX Ergo Clear derivative switch, available in various versions
- Market launch of CHERRY MX ULP switch (tactile version) for use in premium keyboard segment with Corsair K100 AIR Wireless
- Development of new analogue switch technology with customizable functionalities available for marketing, allowing for a completely new gaming experience

GAMING DEVICES

- Portfolio expansion with new CHERRY Advanced Wireless Technology, creating an upgrade cycle (e. g. MX3.0S, MX8.2S, MX2.0S)
- New gaming devices with smaller form factors to meet current market trend (e. g. “60%-keyboard” versions MX LP2.1 and MX LP6.1)
- Acquisition of Xtrfy Gaming AB



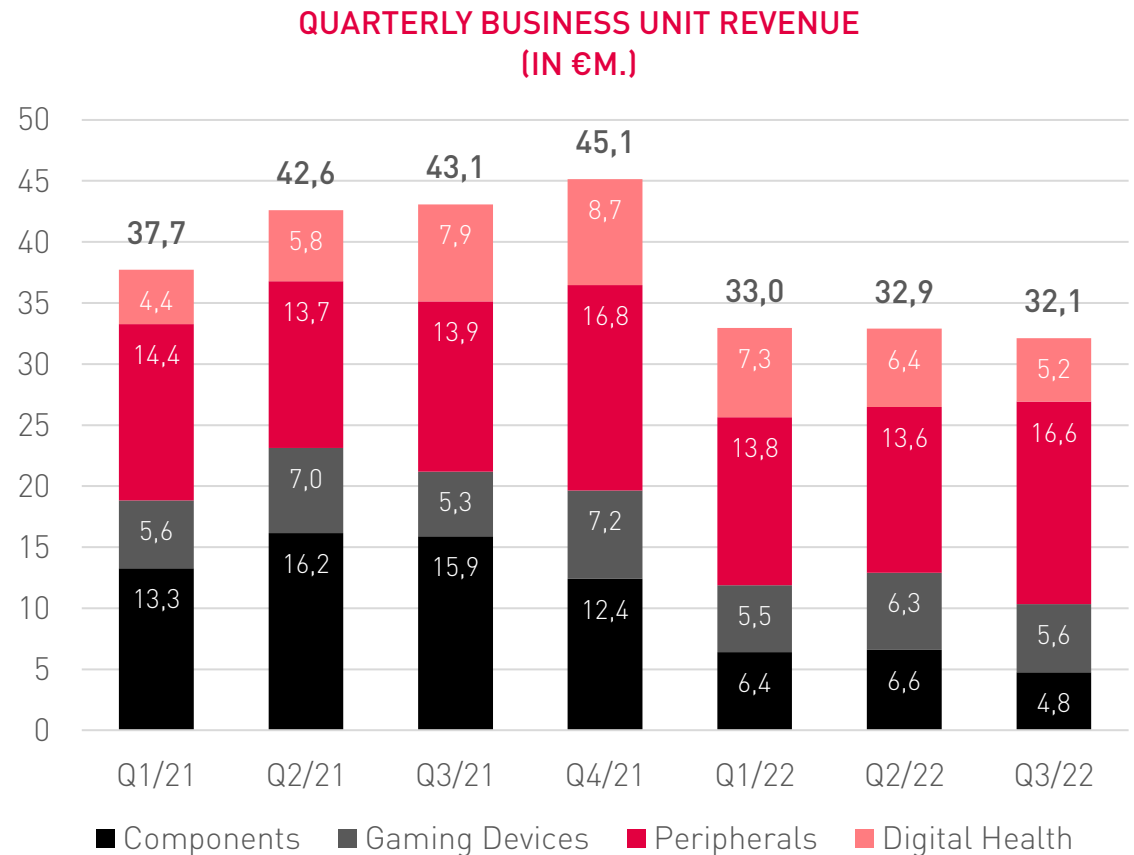
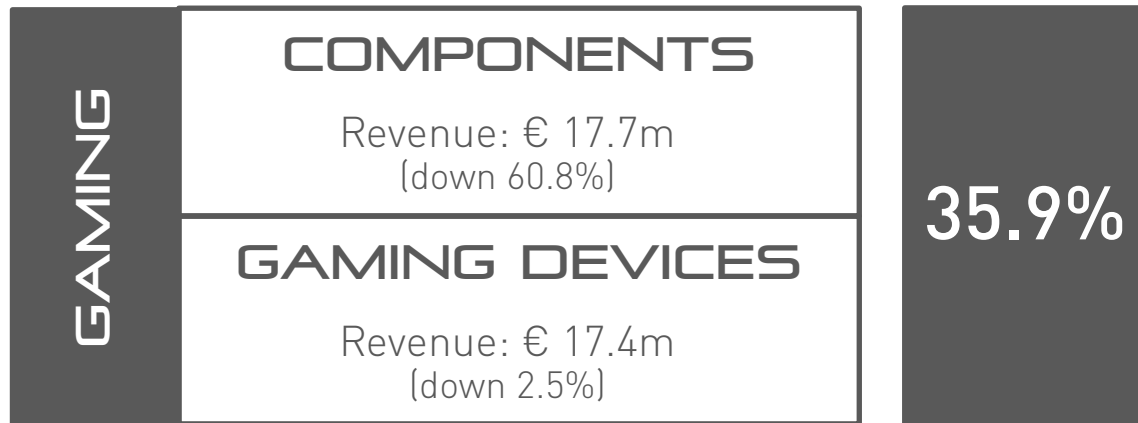
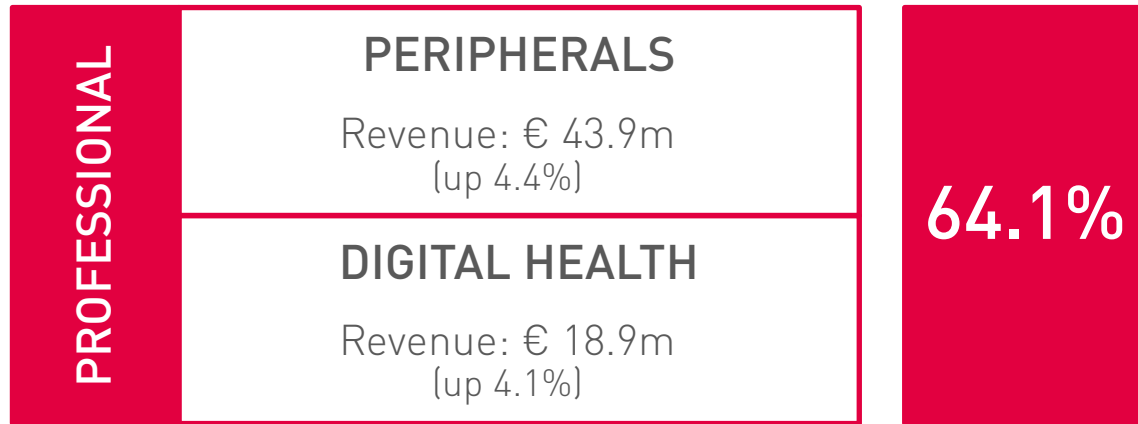
The **CHERRY MX Ergo Clear**, a derivative dedicated to the DIY-community, features a particularly tactile switching characteristic without an audible click and a light actuation force.



The **CHERRY MX LP 6.1 Compact Wireless** features a compact 68-key layout and is equipped with the new NORDIC chipset, delivering a fast, accurate, and precise response.

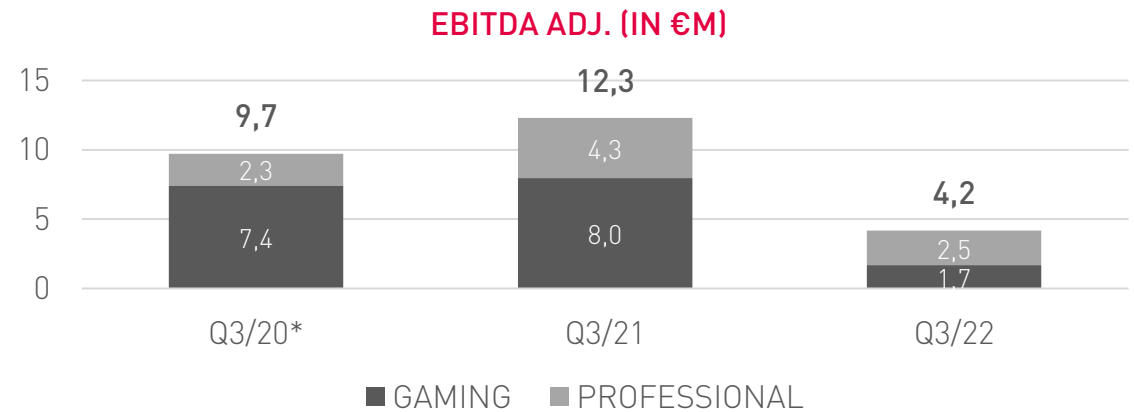
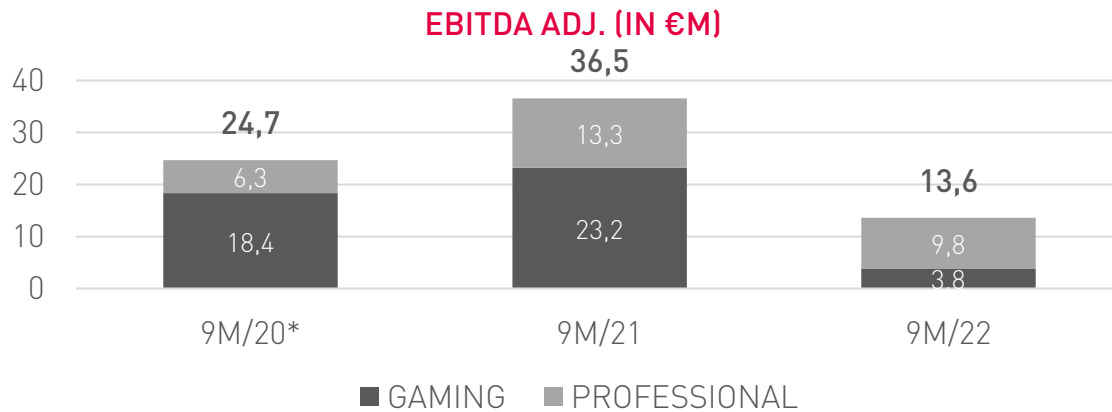
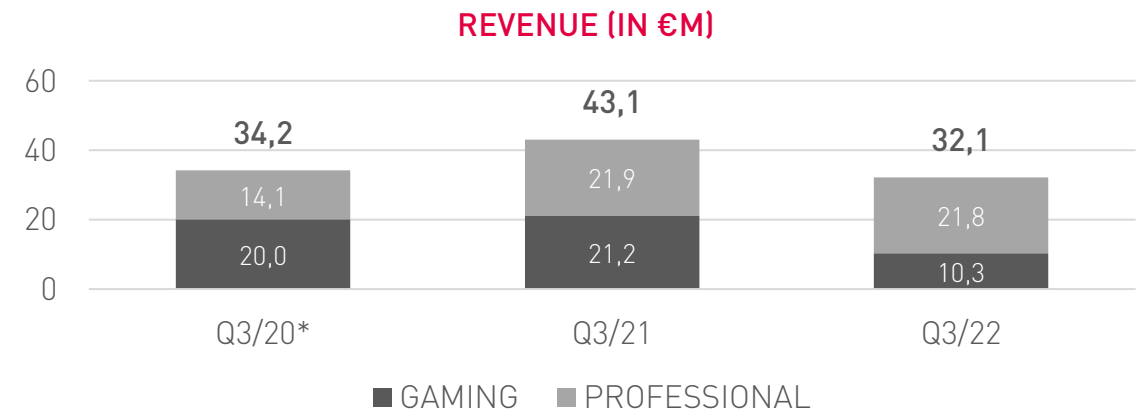
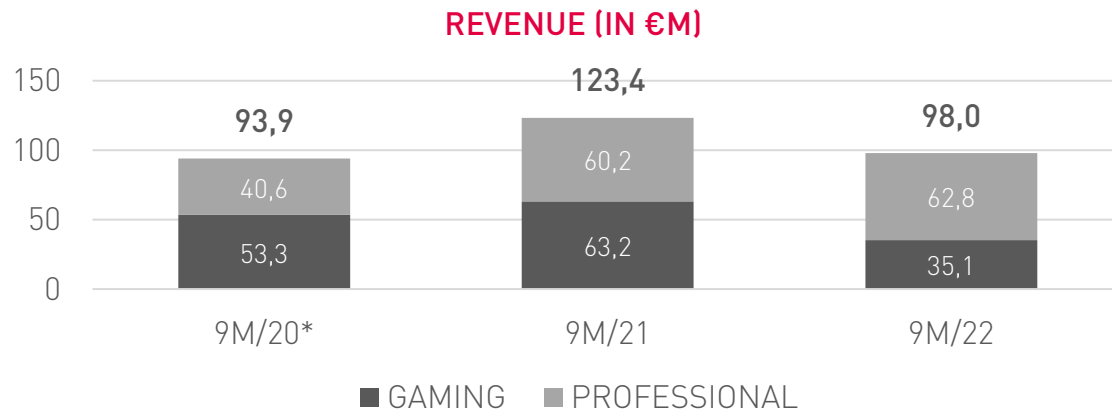
PROFESSIONAL BUSINESS SHARE CONTINUES TO GROW 9M/2022

Peripherals growth based on expansion of sales channels in B-2-B and B-2-C (eCommerce)



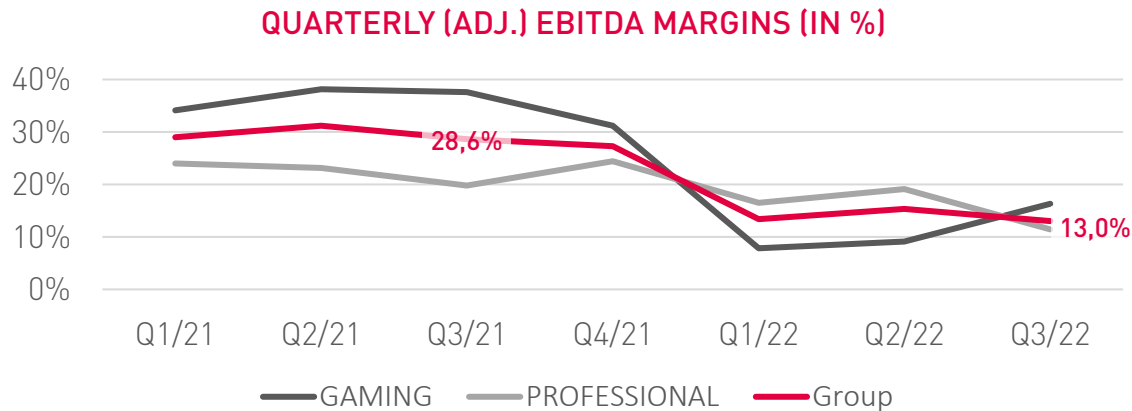
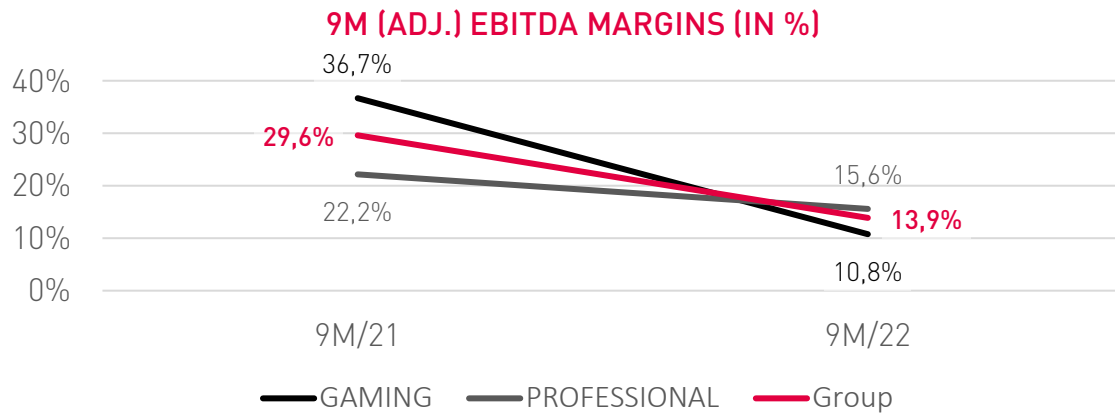
FINANCIAL PERFORMANCE OF BUSINESS AREAS

Short term effects of cyclical downturn and changes in product mix on revenue and profitability



* Basis: Unaudited condensed consolidated interim financial statements of Cherry AcquiCo GmbH (now Cherry AG).

PROFITABILITY OF BUSINESS AREAS BURDENED IN SHORT TERM



13.9% GROUP EBITDA MARGIN (ADJ.) IN 9M 2022

15.6% PROFESSIONAL EBITDA margin (adj.) influenced by:

- eCommerce expansion
- Increased prices for raw materials (incl. FX effects)

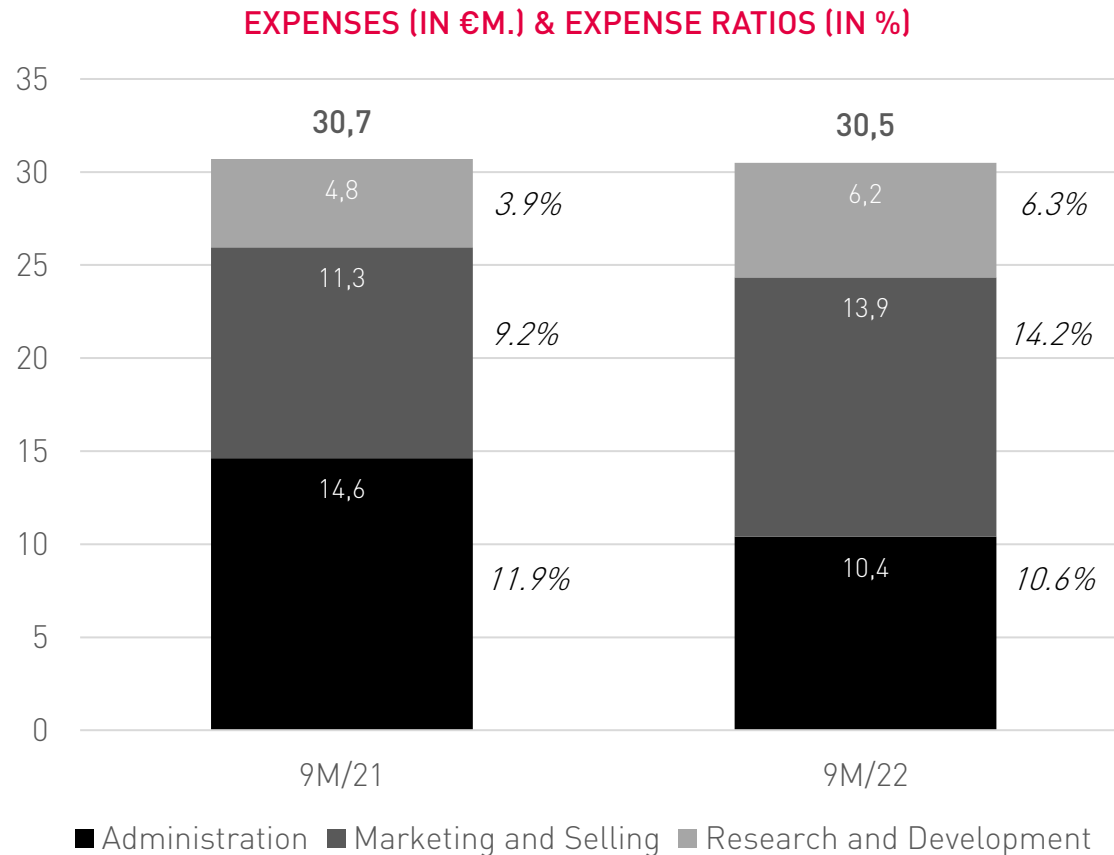
10.8% GAMING EBITDA margin (adj.) influenced by:

- Lower capacity utilization
- Disruptions in global supply chains
- Current trend towards smaller gaming keyboards

Reduction of personnel capacities in Auerbach supports profitability in GAMING business area going forward

OPEX MANAGEMENT ENABLES CONTINUATION OF GROWTH PATH

Marketing & selling expenses support peripherals growth



Research and Development

- Expansion and innovation of product portfolio continued to create future high-running products
- Higher personnel costs and depreciation of capitalized R&D expenses from previous periods

Marketing and Selling expenses

- Further implementation costs of e-Commerce strategy (marketing, consulting and personnel costs)
- Higher personnel expenses for onboarding new sales staff
- Reclassification of MDF to revenue deductions EUR -1.2m

Administration expenses

- Cost reduction mainly based on IPO-related one-off costs in 2021

CURRENT FORECAST FOR 2022 UPDATED – FURTHER OUTLOOK

Original forecast updated as of July 18, 2022, and as of Nov. 7, 2022

IN €M/ AS INDICATED	FY 2021	FORECAST FY 2022		
		AS OF MAR. 31	AS OF JUL. 18	AS OF NOV. 7
Revenue	168.5	170 – 190	150 – 170	130 – 140
EBITDA margin (adj.)	29.0%	23 to 26%	14 to 19%	13 to 15%

CURRENT FORECAST BASED ON:

- Accelerating global slowdown in economic growth
- Rising inflation as a result of the Ukraine war
- Ongoing supply chain disruptions as a result of the lockdowns in China
- High inventory levels at customers and distributors
- Decline in demand for certain mechanical keyboard switches

FURTHER OUTLOOK

GAMING

Strong decline in revenue (previously: slight increase)

PROFESSIONAL

8-10% revenue growth
(previously low double digit range growth)

Profitability impacted by:

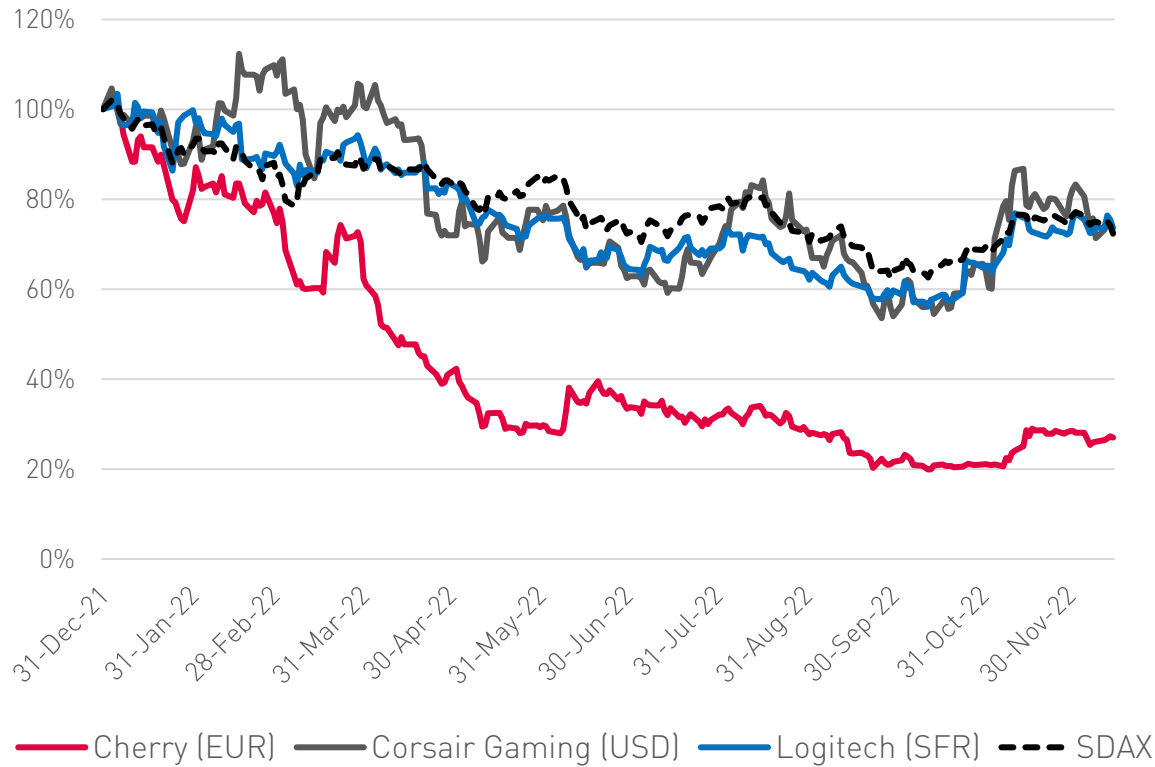
- Shift in product mix within the Group
- Lower capacity utilization
- General price increases for COGS
- Start-up and implementation costs for eCommerce

APPENDIX

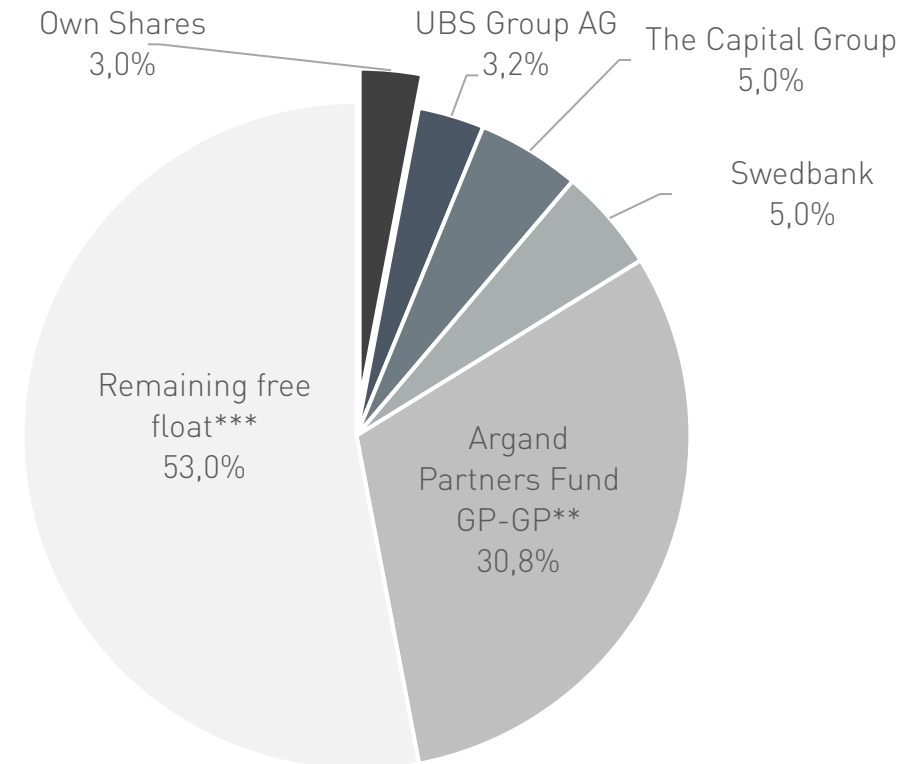


RELATIVE SHARE PERFORMANCE & CURRENT SHAREHOLDER STRUCTURE

RELATIVE SHARE PERFORMANCE FY 2022



SHAREHOLDER STRUCTURE*



* Information is based on voting rights notifications pursuant to Art. 40, Para. 1 of the German Securities Trading Act (WpHG).

** Based on internal investor reporting to Cherry, not subject to disclosure.

*** Includes 1.6% held directly and indirectly by the members of the Management Board.

CHERRY SHARE BUY BACK 2022

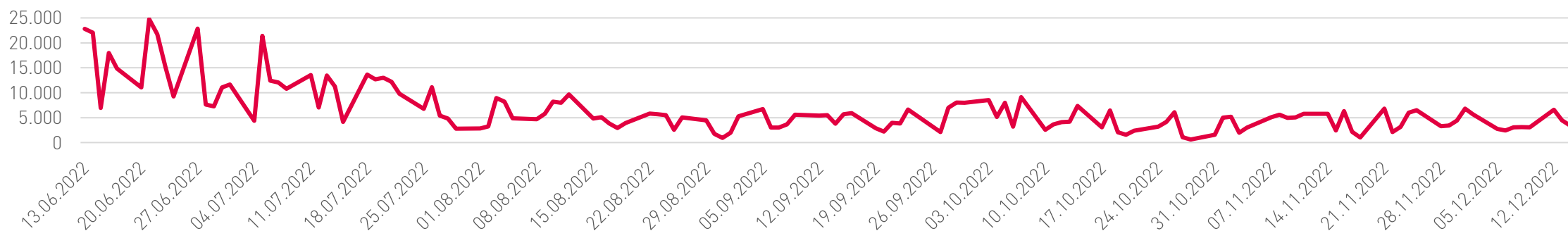
OVERVIEW

- The Management Board has resolved on June 9, 2022, with the consent of the Supervisory Board, to launch a share buyback program using the AGM authorization of June 23, 2021.
- Within the framework of the Share Buyback Program 2022, up to a total of 2,000,000 shares (corresponding to up to 8.2 % of the existing share capital of the Company) may be repurchased
- from June 13, 2022, to June 30, 2023,
- at a total purchase price (excluding incidental acquisition costs) of a maximum of EUR 25.0 million
- up to a price cap of EUR 14.00 per share.

STATUS AS OF DECEMBER 15, 2022

Date	No. of shares purchased	Average price (in €)	Purchased volume (in €)
SUBTOTAL Q2	215,318	9.0457	1,947,711.29
SUBTOTAL Q3	434,894	7.5458	3,281,642.40
SUBTOTAL Q4 (until Dec. 15)	231,130	5.9959	1,391,240.34
Cumulated	887.742	7.5078	6,620,594.03

NO. OF SHARES REPURCHASED



FINANCIAL CALENDAR 2023

DATE	EVENT
January 5/6	ODDO Forum
February 8	Hamburger Investorentag
March 30	Annual report / consolidated financial statements FY 2022
May 15	Interim report for Q1 2023
May 15	Equity Forum
May 17	Annual General Meeting
August 14	Half-year report 2023
September	Equity Forum
November 15	Interim report for Q3/9M 2023
November 16	Münchener Kapitalmarkt Konferenz

FORWARD LOOKING STATEMENTS

Disclaimer

This presentation contains forward-looking statements. These statements are based on the current views, expectations and assumptions of the management of Cherry AG and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those described herein due to factors affecting Cherry AG such as, among other things, changes in the general economic and competitive environment, capital market risks, currency exchange rate fluctuations and competition from other companies, and changes in international and national laws and regulations, in particular with respect to tax laws and regulations. Cherry AG does not assume any obligation to update any forward-looking statements.

The information contained in this presentation is for background purposes only and does not purport to be full or complete. No reliance may be placed, for any purpose, on the information contained in this announcement or its accuracy or completeness. The information in this presentation is subject to change.

Market & Industry Data

This presentation also contains estimates and other statistical data made by independent parties and by the Company relating to the Company's industry, the Company's business and the market for the Company's products and its future growth. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. In addition, projections, assumptions, and estimates of the Company's future performance and the future performance of the market for its products are necessarily subject to a high degree of uncertainty and risk.

General remark

Figures may not add up due to rounding.

THANK YOU FOR YOUR ATTENTION

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