



EQUITY FORUM INVESTOR PRESENTATION

September 5, 2022

CHERRY AT A GLANCE – FINANCIAL HIGHLIGHTS H1 2022



€ 65.9m

Revenue down 18.0% from H1/2021,
(yet up 10.1% from H1/2020*)



14.3%

EBITDA margin (adj.) down 15.9pp. y-o-y,
(yet up 1.9pp. Q2/2022 vs. Q1/2022)



528

Employees down 4.7%



€ 0.3m

Operating cashflow up € 2.7m. y-o-y



€ 37.9m

Net cash



M&A

Ongoing discussions with potential targets



Global market leader



Innovation and quality
leadership



Brand recognition



Blue chip customer
base



Global multichannel
sales



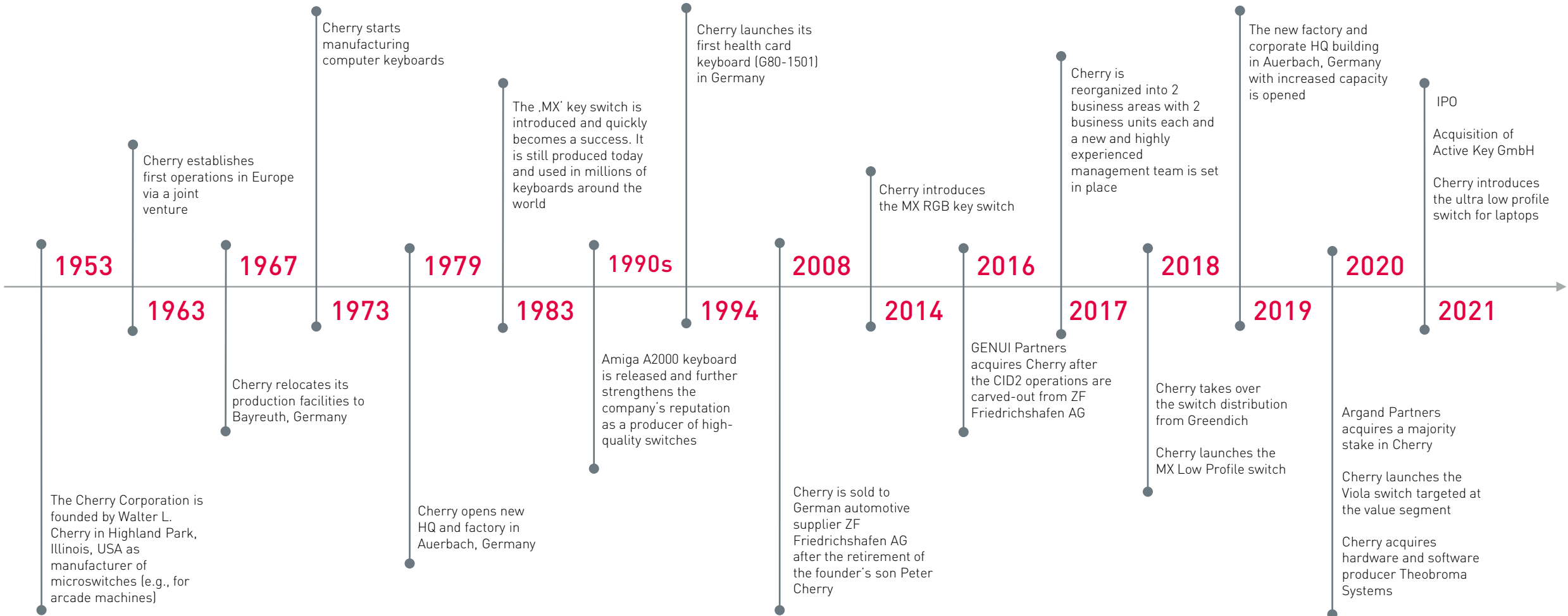
Scalable production
base



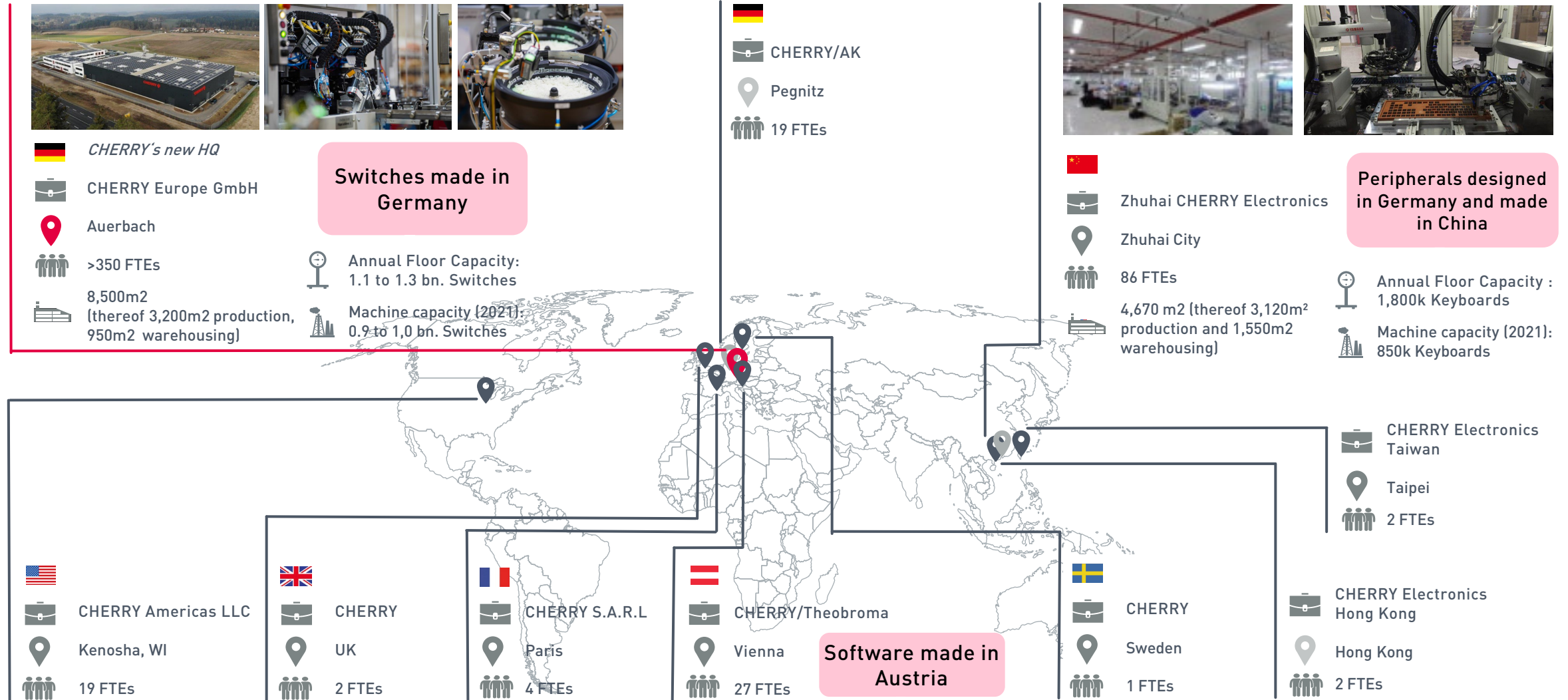
Solid financial profile

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

LONG TRACK RECORD OF KEYBOARD MANUFACTURING



GLOBAL FOOTPRINT WITH HIGHLY AUTOMATED PRODUCTION



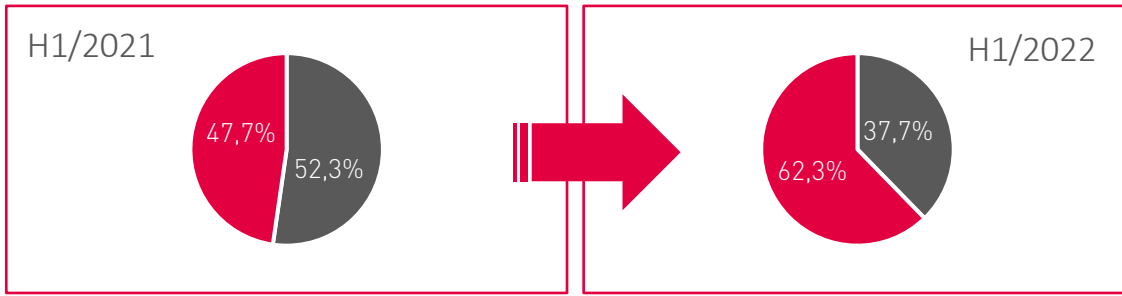
FTE figures as of Dec. 31, 2021

INTRODUCTION OF BUSINESS AREAS




SIGNIFICANCE OF PROFESSIONAL BUSINESS CONTINUES TO GROW

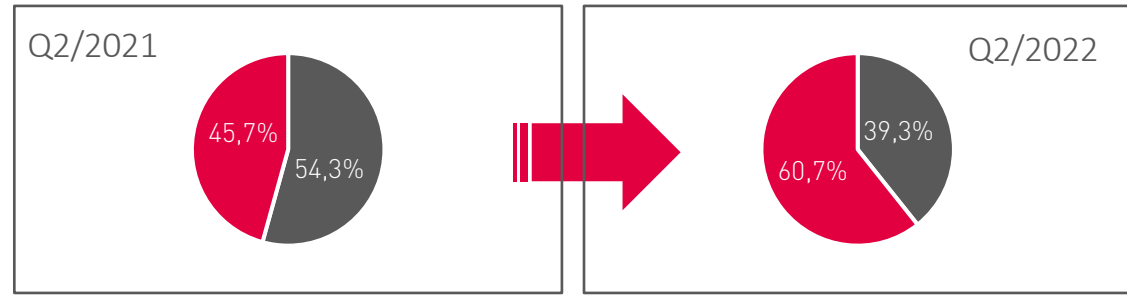
PROFESSIONAL

<p>Peripherals</p> <p>Ergonomic keyboards & mice</p>  <p>Wireless keyboards & mice</p> 	<p>Digital Health</p> <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

<p>Components</p> <p>MX switch</p>  <p>MV switch</p>  <p>Ultra low profile switch</p>  <p>Low profile switch</p> 	<p>Gaming Devices</p> <p>Gaming keyboard</p>  <p>Gaming mice</p>  <p>Gaming headsets</p> 
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CURRENT BUSINESS SITUATION AND MARKET ENVIRONMENT

MAIN HIGHLIGHTS IN H1/2022

- 🔥 New customer announcements for market launch of high-end devices featuring ULP switches (e. g. DELL, MSI, XMG, Corsair)
- 🔥 Launch of several new wireless gaming devices
- 🔥 Further expansion of product portfolio and sales channels – strong growth in e-commerce for office peripherals
- 🔥 > 100,000 e-health terminals sold in German telematic infrastructure (July)
- 🔥 Several new awards (e. g. German innovation award for ULP)

MARKETS AND ECONOMIC ENVIRONMENT

- 🔥 Supply chain disruptions and lock-downs in China
- 🔥 Keyboard markets in China/USA/Europe are temporarily slowing down
- 🔥 Lower demand and high inventories at manufacturers and distributors
- 🔥 Soft economic outlook for end consumer demand in 2022 due to inflation
- 🔥 Long-term secular market trends remain positive

MOST RECENT PRODUCT LAUNCHES BY EXAMPLE



CHERRY MX 8.2 TKL Wireless – elegant gaming professional Wireless and incredibly fast with a latency of around 1 ms



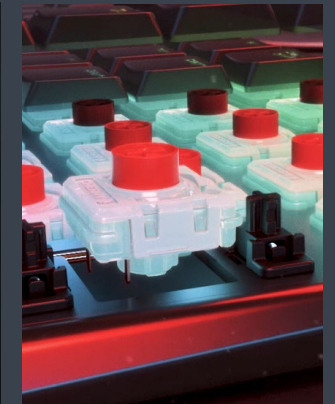
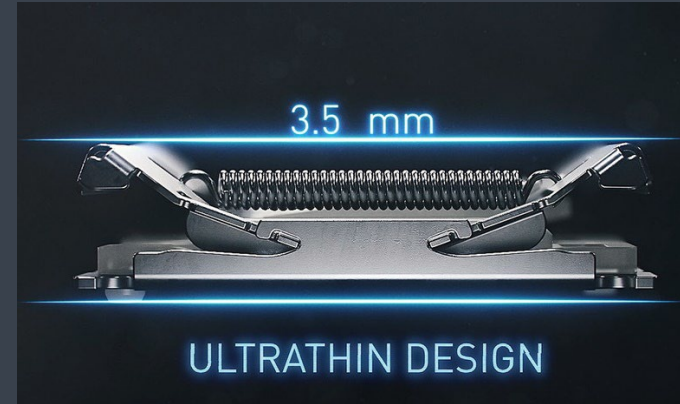
CHERRY MW 4500 – more ergonomics, less fatigue
Angled shape corresponds much better to natural wrist position

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

CHERRY MX SWITCH PORTFOLIO

CHERRY MX is the world leader in mechanical switch technology



CHERRY
MECHANICAL KEYSWITCH
TECHNOLOGY



MX BLACK



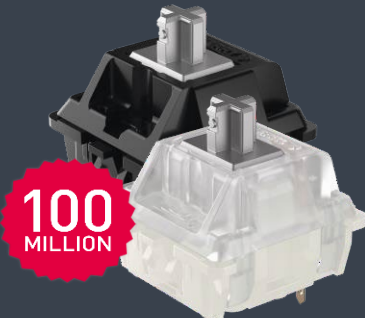
MX BLUE



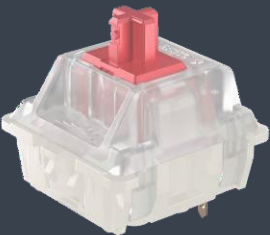
MX BROWN



MX RED



MX SPEED SILVER



MX SILENT RED



MX SILENT BLACK



MX SPECIAL



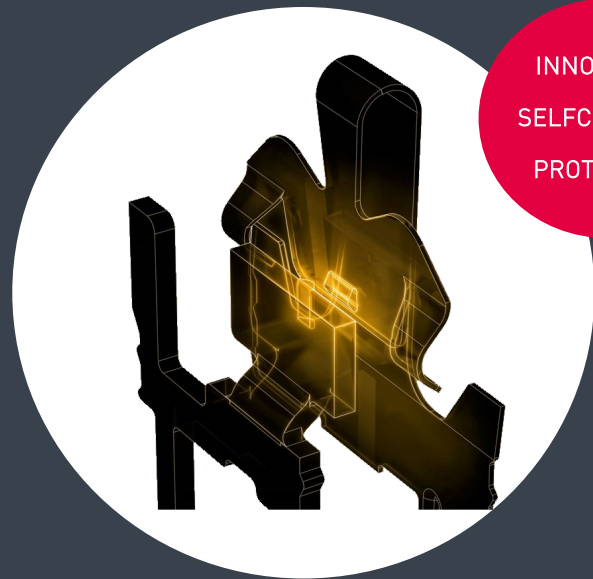
MX LOW PROFILE



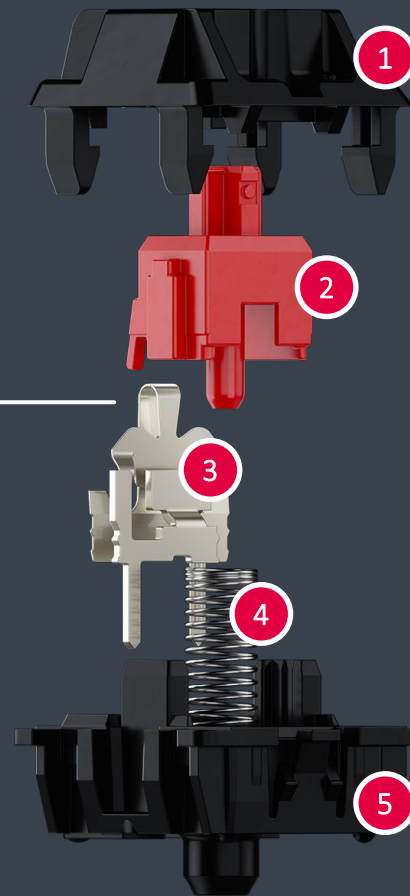
MX ULTRA LOW PROFILE

QUALITY LEADER FOR MECHANICAL SWITCHES

CHERRY invented the mechanical Gaming switch in 1983



INNOVATION
SELFCLEANING
PROTECTION



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



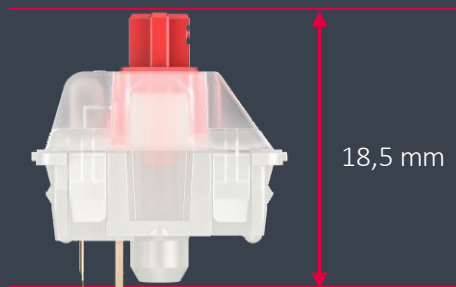
MX STANDARD



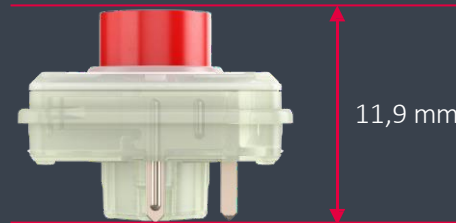
MX LOW PROFILE



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.

UNIQUE CHERRY BRAND AWARENESS

Based on +35 years market leadership of CHERRY MX technology



AW410K RGB Mechanical Gaming Keyboard, Alienware/DELL



Encoder Gaming Keyboard, OMEN/HP



K70 RGB Mechanical Keyboard, Corsair



ROG Strix Scope RGB Mechanical Keyboard, ROG/Asus



THE STANDARD

→ CHERRY MX industry leading technology



MADE IN GERMANY

→ Premium manufacturing processes



MAXIMUM DURABILITY

→ CHERRY guarantees up to 100m actuations



BEST CONTACT SYSTEM

→ Unique and unmatched gold cross point



HIGHEST QUALITY

→ Inhouse lab and quality testing



INNOVATION LEADER

→ More than 100 innovations

MX ULP CUSTOMER / PRODUCT LINE-UP



CHERRY
MECHANICAL KEYSWITCH
TECHNOLOGY

Alienware M, Alienware X and Dell G platforms



Corsair VOYAGER a1600



XMG NEO 15



Cairn Mesa | Key



MSI GT77 TITAN



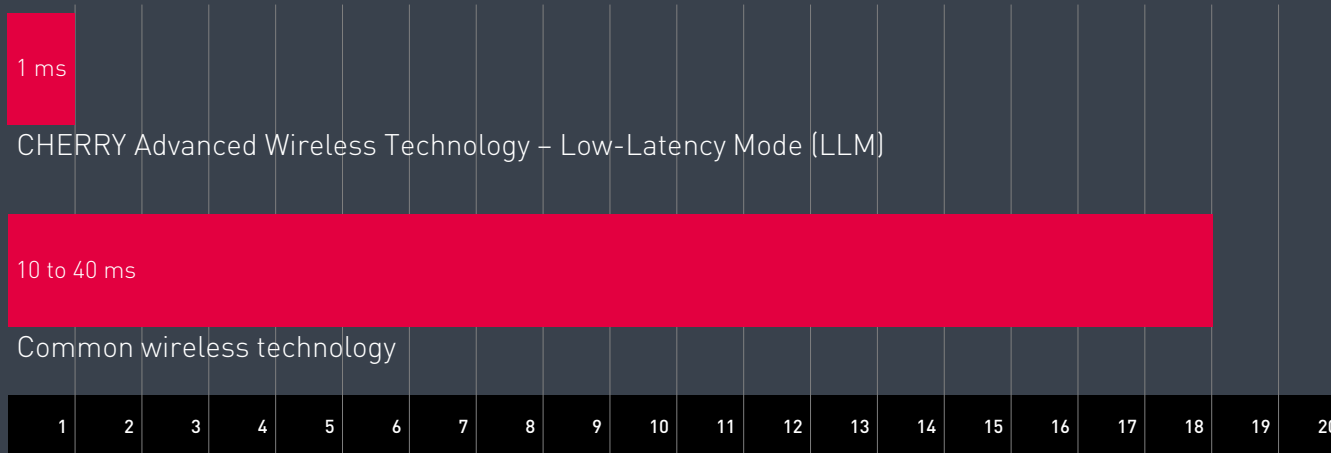
more to come...

ADVANCED WIRELESS TECHNOLOGY (LLM)

THE CORE OF THE CHERRY ADVANCED WIRELESS TECHNOLOGY

- ◆ Safe and stable connection
- ◆ Fast as cabled - but wireless (1ms)
- ◆ Choose your favorite connection:
 - ◆ Low-Latency Mode (LLM)
 - ◆ 3x Bluetooth channels
 - ◆ USB-Cable-Connection

CONNECTION INTERVAL & TRANSMISSION LATENCY*



OPTIMIZED COEXISTENCE

- ◆ To minimize coexistence/susceptibility to other devices and sources of radio interference, LLM uses 40 channels in the ISM radio band, switching channels up to 1600 times per second using Frequency Hopping Spread Spectrum (FHSS).
- ◆ For comparison, typical proprietary RF radio methods use 5-8 channels to avoid interference sources.



* Under ideal conditions, LLM enables a connection interval and transmission latency of 1 ms.

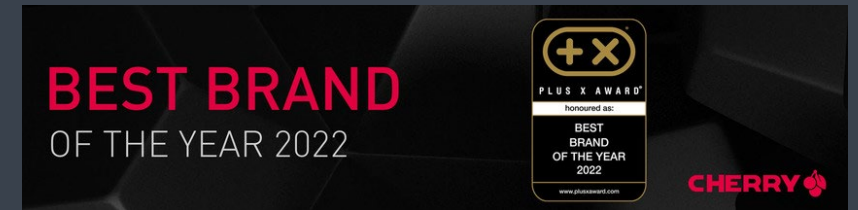
CHERRY GAMING – LATEST DEVELOPMENTS

NEW SWITCHES / SWITCH VERSIONS

- ❖ Market launch of CHERRY MX Ultra Low Profile switch (tactile version) for use in premium Office Notebooks
- ❖ Development of new analogue switch technology with customizable functionalities nearing completion, allowing for a completely new gaming experience

NEW GAMING DEVICES / KEYBOARDS

- ❖ Portfolio expansion with new CHERRY Advanced Wireless Technology keyboards with only 1ms latency, creating an upgrade cycle (e. g. MX3.0S, MX8.2S, MX2.0S)
- ❖ New gaming devices with smaller form factors to meet current market trend (esp. 60-80% keyboards) (e.g.: MX3.0S TKL as well as 60% keyboard versions MX LP2.1 and MX LP6.1)
- ❖ Launched new gaming mice MC1.1 and MC1.1 Plus to enter the big entry gaming mouse market segment
- ❖ New special edition variant of MX2.0S dedicated for cyberbars and Internet cafes in China



CHERRY PERIPHERALS GROWTH DRIVEN BY HYBRID WORKPLACES

PERIPHERALS STRATEGIC ELEMENTS

- ❖ Expansion and diversification of the product portfolio with new wireless keyboards and desktop combinations for specific user & target groups
- ❖ Focused penetration of regional markets, particularly in Europe, Asia and North America, via selected sales channels
- ❖ Expansion of e-commerce sales especially via major direct-to-consumer online marketplaces in Europe and the USA (staged approach)

WORK-FROM-ANYWHERE TREND FIRMLY ESTABLISHED

- ❖ Up to 89% of employees will have remote working agreements in the future
- ❖ Increased embedded base and trend towards wireless peripherals and ergonomics will increase consumer demand



THE FUTURE OF CHERRY DIGITAL HEALTH

Market share of +50% in German Telematics Infrastructure as strategic target

CHERRY DIGITAL HEALTH STRATEGIC ELEMENTS

- Further vertical and horizontal growth
- Leveraging quality leadership in the core markets
- Leveraging synergies by cross-selling via existing Peripherals sales channels
- Expanding fields of applications, i. e. point-of-sale, industry, and shared office workplaces
- Exploitation of strategic potential for new software-based products and applications in TI 2.0

ST-1506 EHEALTH TERMINAL: FORWARD-LOOKING KEY FEATURES

- ST-1506 Product **Update for Ti-as-a-Service** Environments available (Firmware Update)
- First terminal with **online remote management** via REST-API
- **Hygienic and easy to clean** PIN pad for patients with touchscreen glass surface
- Prepared with a camera and NFC interface
- eGK and HBA slot with **ESD discharge** function for electrostatic charged cards
- **Ready for future applications**



Shaping the future

CHERRY emphasizes on technology. According to the idea, that form must follow function, CHERRY aims to design simple and useful IT peripherals, components, and software that is built to last for a better tomorrow

CHERRY PROFESSIONAL – LATEST DEVELOPMENTS

Preparing for continued growth via portfolio expansion and e-commerce business

NEW PRODUCTS AND MARKET TRENDS

- ❖ Portfolio expanded, including wireless technology with focus on:
 - ❖ Ergonomic design
 - ❖ Optimized typing feel due to ULP tactile switches
 - ❖ Reduced form factor without number pad
 - ❖ High-quality materials
 - ❖ Specific radio frequency and Bluetooth® standards
 - ❖ Further products under development for knowledge workers, streamers and creators

E-COMMERCE – CURRENT STATUS

- ❖ E-Commerce Europe is further growing
- ❖ Focus on digital sales market in the USA

DIGITAL HEALTH – CURRENT AFFAIRS

- ❖ Strong growth with expanded market share
- ❖ The "Telematics Infrastructure 2.0" is currently being designed and new software- and service-based revenue streams with the next generation of telematics infrastructure are expected from 2025 to 2027



KC 4500 ERGO



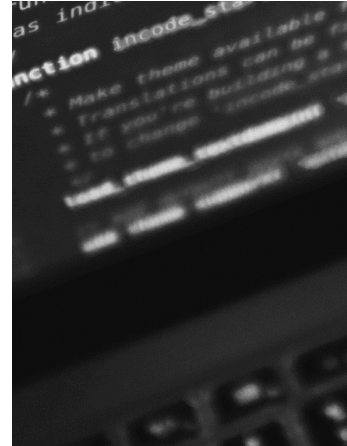
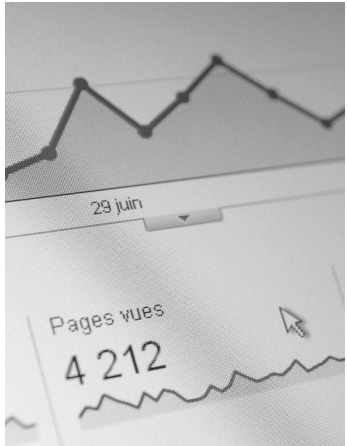
Slidepad Ergo



eHealth Terminal ST-1506

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

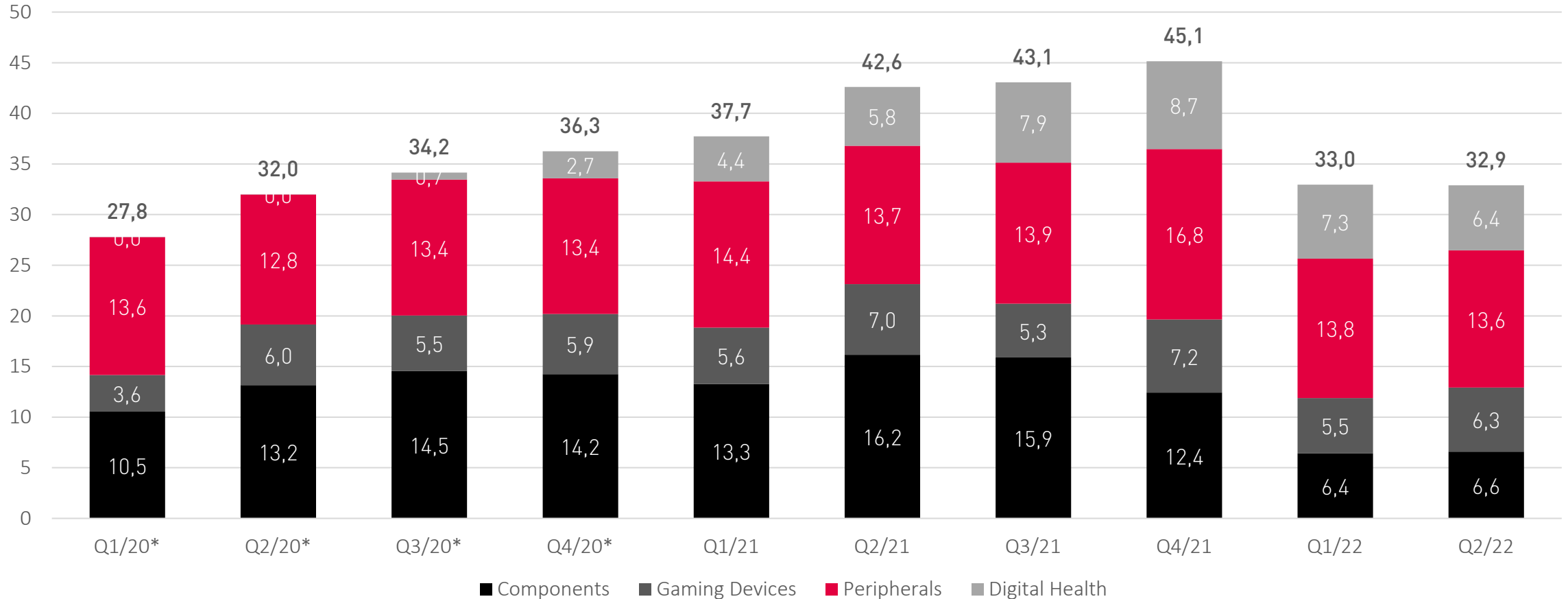
CHERRY DISTRIBUTION STRATEGY

- Online Marketplaces (B2B & B2C)
- Third Party e-Retailer
- Direct Sales & Affiliate
- E-Procurement Platforms
- +
- Stationary Retail
- Resellers / Distributors

FINANCIAL DEVELOPMENT OF BUSINESS UNITS

Underlying double digit growth rate of 13.9% CAGR (FY 18*/21)

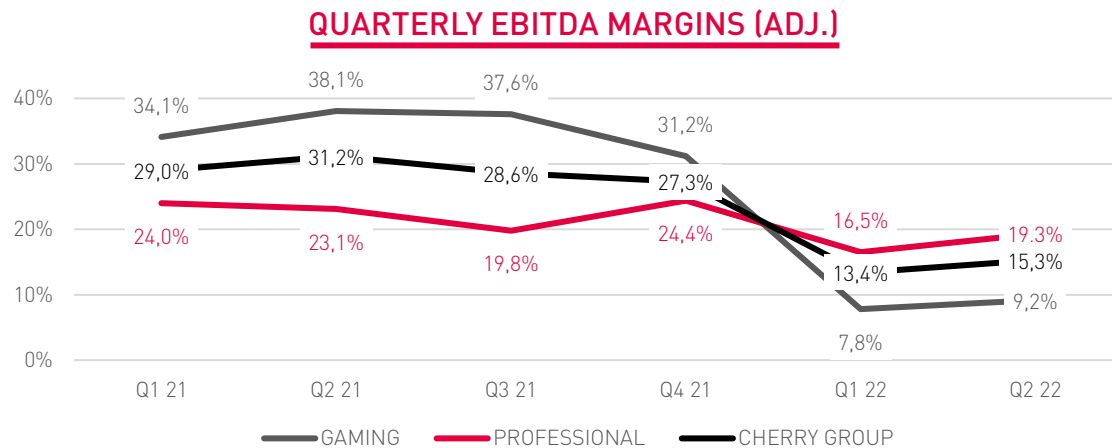
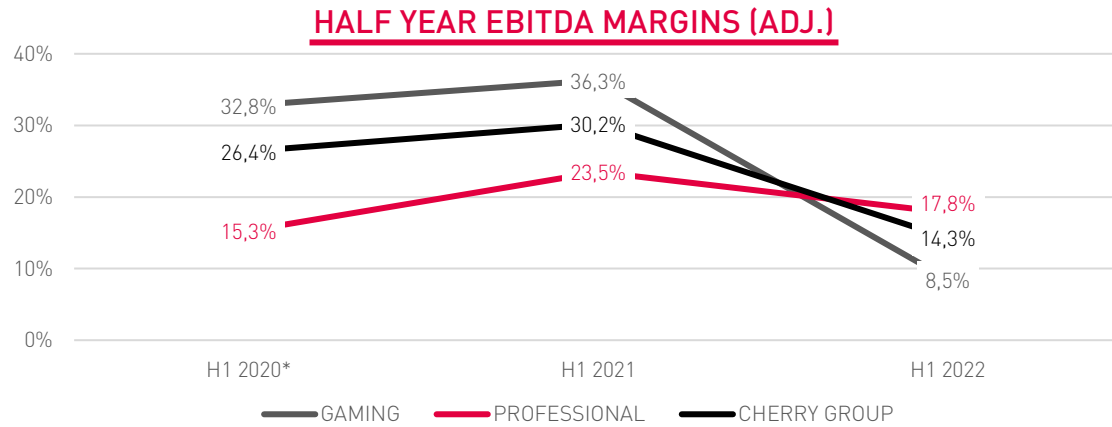
BUSINESS UNIT REVENUE IN €M



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

DOUBLE-DIGIT GROUP PROFITABILITY SUSTAINED IN H1 2022

Despite supply chain disruptions, lower demand for switches, and various lockdowns in China



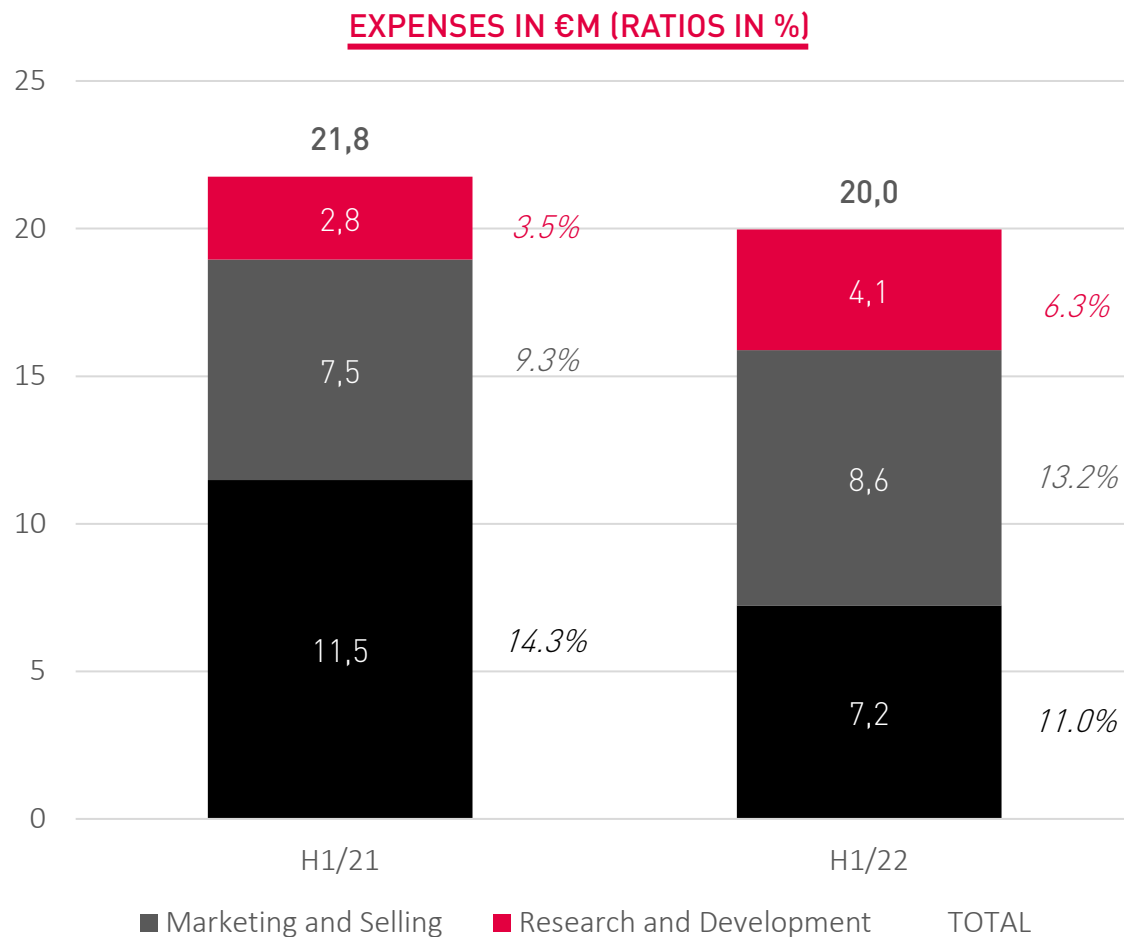
14.3% EBITDA MARGIN (ADJ.) IN H1 2022

- ❖ 17.8% EBITDA margin (adj.) in PROFESSIONAL business influenced by:
 - ❖ Increased prices for raw materials incl. FX effects
 - ❖ Expansion of global sales staff
- ❖ 8.5% EBITDA margin (adj.) in GAMING business influenced by:
 - ❖ Disruptions in global supply chains
 - ❖ Temporary closure of Chinese production and logistics sites
 - ❖ Current trend towards smaller gaming keyboards
- ❖ Group EBITDA margin for Q2 2022 sequentially up 1.9pp. from Q1 2022

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

FURTHER INVESTMENTS IN FUTURE GROWTH

In order to capitalize on existing business opportunities



- ❖ Research and development
 - ❖ Higher amortization of capitalized development costs
 - ❖ Higher internal and external staff costs
- ❖ Marketing and selling expenses
 - ❖ Implementation of the e-commerce strategy (being adjusted)
 - ❖ Higher staff and hiring costs for new sales staff
 - ❖ Reclassification of MDF to revenue deductions EUR - 0.7m and higher marketing and logistics expenses EUR +0.3m
- ❖ Administration expenses
 - ❖ EUR -3.8m share-based program in H1 2021 (being adj.)
 - ❖ EUR -1.4m IPO expenses in H1 2021 (being adj.)
 - ❖ Costs relating to a publicly listed company and conversion into SE

CURRENT FORECAST FY 2022 – FURTHER OUTLOOK

Updated as of July 18, 2022

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

FORECAST UPDATE BASED ON:

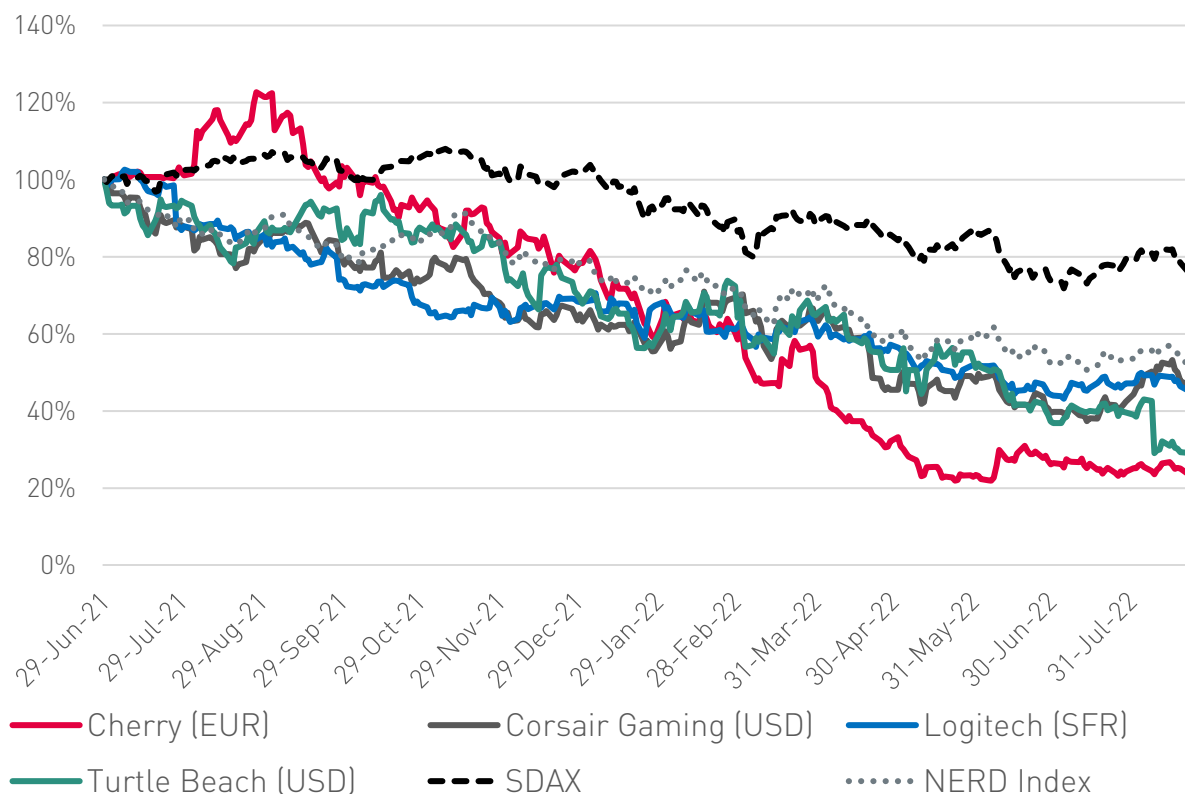
- Global slowdown in economic growth and rising inflation expected in the further course of the year as a result of the Ukraine war
- Ongoing supply chain disruptions as a result of the lockdowns in China
- High inventory levels at customers
- Decline in demand for certain mechanical keyboard switches

FURTHER OUTLOOK

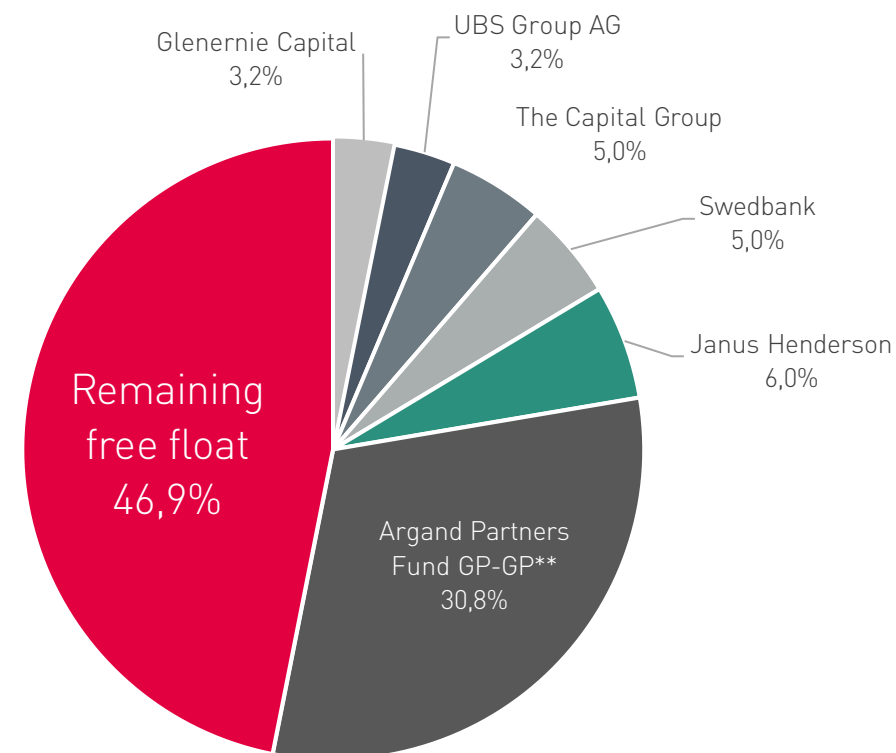
- GAMING**
Lower revenue level in GAMING business area for fiscal year 2022 than previously assumed (previously: revenue growth in the mid-single-digit percentage range)
- PROFESSIONAL**
Revenue growth in the low double-digit percentage range for fiscal year 2022 (as previously expected)
- Beyond 2022**
Continue double-digit growth and expand adjusted EBITDA margin on Group-level

SHARE PERFORMANCE / CURRENT SHAREHOLDER STRUCTURE

RELATIVE SHARE PERFORMANCE



SHAREHOLDER STRUCTURE



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

FINANCIAL CALENDAR 2022

Date	Event
September 5 – 6	Equity Forum
September 19	Berenberg - German Corporate Flagship Conference
November 15	Interim Financial Statement Q3/9M 2022
November 16	Münchener Kapitalmarkt Konferenz
November 17	M.M. Warburg – Meet the Future Conference
November 28 - 30	Eigenkapitalforum

FORWARD LOOKING STATEMENTS

Disclaimer

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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.

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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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