



EIGENKAPITALFORUM

Investor Presentation – November 2021

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 due to IPO proceeds



M&A

Successful integration of Active Key



Founded 1953



German HQ



ca. 569 employees



x8 Global locations

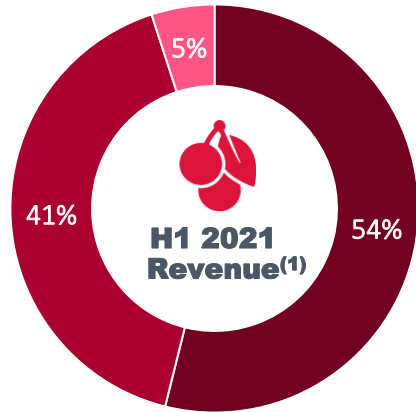
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Global player in Switches



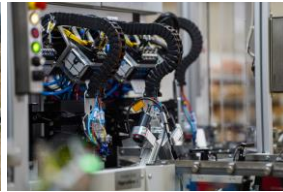
219 Trademarks,
48 Patents

DIVERSIFIED GLOBAL FOOTPRINT WITH HIGHLY AUTOMATED PRODUCTION



■ APAC ■ EMEA ■ Americas

Note: Revenue by domicile of purchasing entity not end customer



CHERRY Europe GmbH
 Auerbach
 >353 FTEs
 8,500m² (thereof 3,200m² production, 950m² warehousing)

CHERRY's new HQ
CHERRY's new HQ

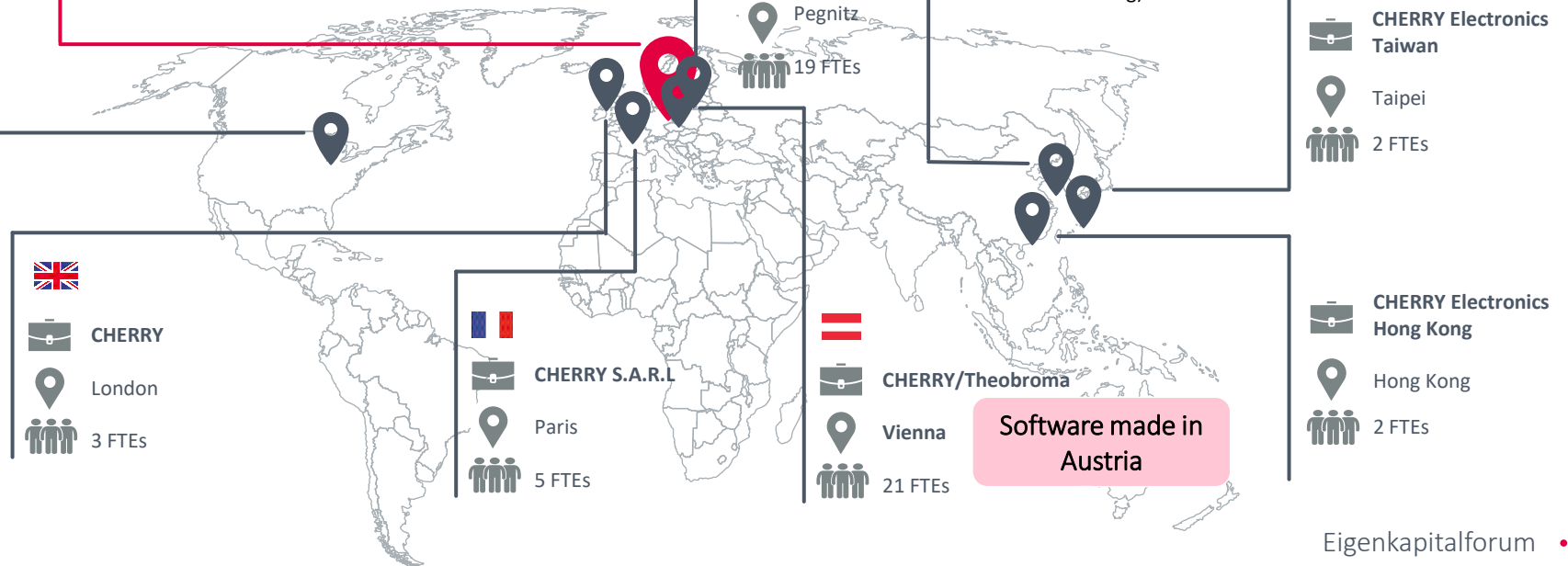
Switches made in Germany

Annual Capacity: 1,100m Switches
 Annual Output (2020): 500m Switches

Zhuhai CHERRY Electronics
 Zhuhai City
 82 FTEs
 4,670 m² (thereof 3,120m² production and 1,550m² warehousing)

Peripherals made in China

Maximum Capacity: 1,800k Keyboards
 Annual Output (2020): 850k Keyboards



INTRODUCING OUR BUSINESS UNITS



GAMING

51.2% of Revenue (9M 2021)

GAMING SWITCHES

MX switch



Viola switch



Ultra low profile switch



Low profile switch



GAMING PERIPHERALS

Gaming keyboard



Gaming mice



Gaming headsets



PROFESSIONAL

48.2% of Revenue (9M 2021)

OFFICE & INDUSTRY PERIPHERALS

Ergonomic keyboards & mice



Wireless keyboards & mice



HEALTHCARE & SECURITY PERIPHERALS

Secure telematics peripherals



Encrypted key transmission keyboards



Disinfectable / washable keyboards & mice



Secure fingerprint mice



WHY CHOOSE MECHANICAL SWITCHES?

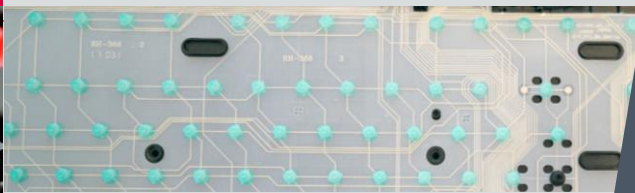


Mechanical



- ✓ Instant response (<1ms)
- ✓ Accurate typing reliable & precise
- ✓ Highly durable (over 100mn guaranteed strokes)⁽¹⁾
- ✓ Enhanced customizability and functionality

Rubberdome / Membrane



- ✗ Lower responsiveness as button needs to be fully depressed
- ✗ Finger fatigue
- ✗ Low cost but less durable (max. 5-10mn strokes)
- ✗ Limited customizability and functionalities

Video gaming enthusiasts favour PC gaming keyboards with mechanical switches

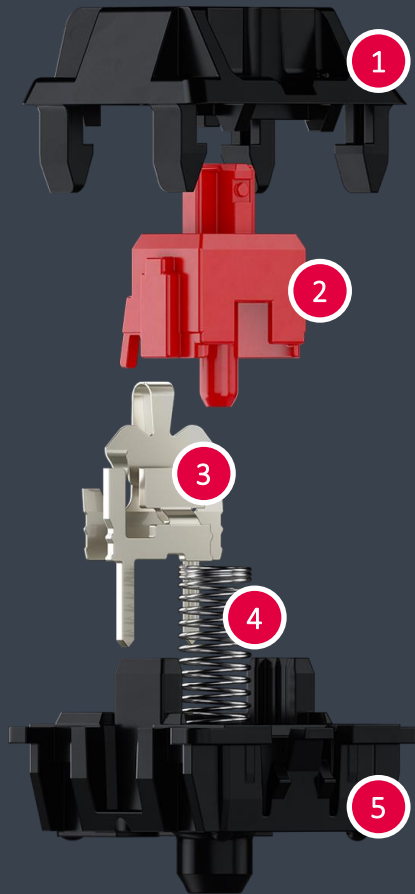
“As in other sports, specialized high-performance gear, such as gaming keyboards, mice, headsets and performance controllers, allow digital athletes to perform their best. Modern video games reward the speed and precision of user inputs, driving demand for powerful gaming components and systems.”



CHERRY IS THE CATEGORY INVENTOR & LEADER FOR QUALITY GAMING SWITCHES



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



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

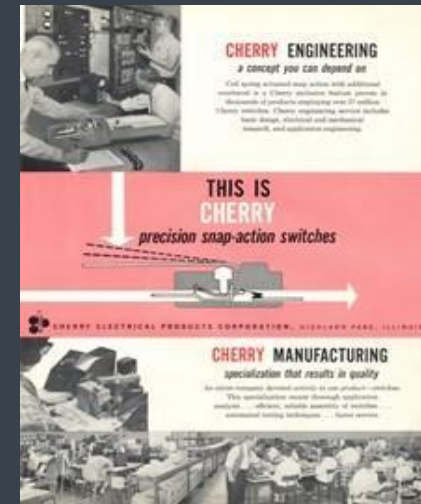
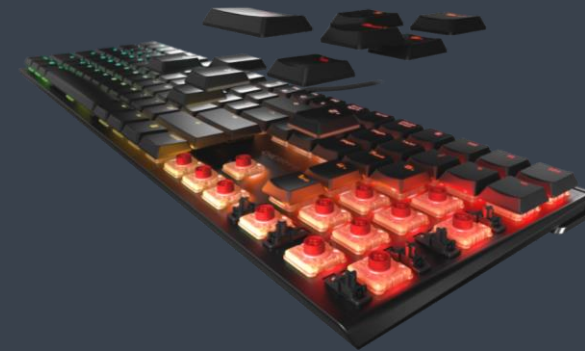
is at the heart of every CHERRY MX key switch providing incredible reliability and durability through gold's self-cleaning and corrosion-resistant characteristics

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 Launch of the MX switch in 1983

ALL CHERRY SWITCH KEYBOARDS ARE CO-BRANDED “CHERRY INSIDE” & SOLE SOURCED



AW410K RGB Mechanical Gaming Keyboard, Alienware



Encoder Gaming Keyboard, OMEN



ROG Strix Scope RGB Mechanical Keyboard, Asus



K70 RGB Mechanical Keyboard, Corsair



“CHERRY INSIDE”
Distinguishes customer products to
achieve premium pricing

QUALITY LEADERSHIP DRIVES PREMIUM PRICE POSITIONING



WHY CHOOSE CHERRY SWITCHES?

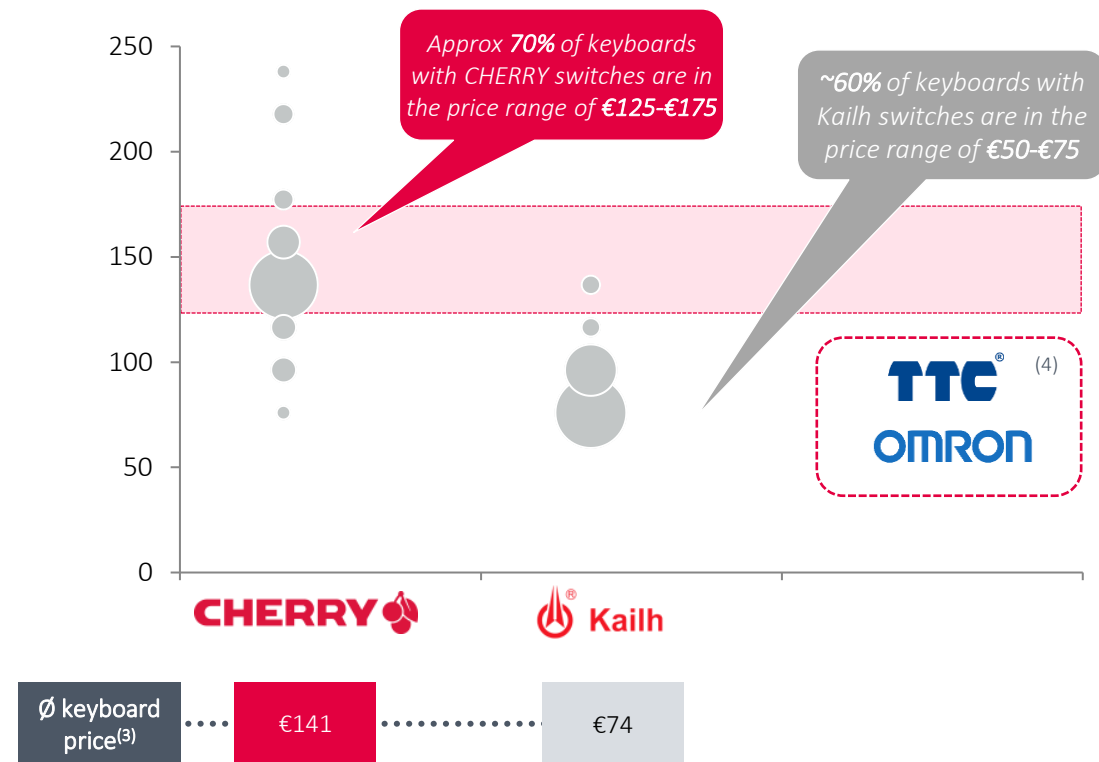
Company Assessment⁽¹⁾

Criteria	CHERRY	Kailh	OMRON	TTC [®]
Gaming focus	✓✓✓	✓	✓	✓
Workmanship	✓✓✓	✓	✓✓✓	✓
Reliance	✓✓✓	✓✓	✓✓	✓
Responsiveness	✓✓✓	✓✓	✓✓	✓✓
Reputation	✓✓✓	✓	✓✓	✓
Innovation	✓✓✓	✓	✓✓	✓✓
Made in Germany	✓✓✓			



CHERRY SWITCHES DRIVE PREMIUM PRICING FOR CUSTOMERS

Price of gaming keyboards (in €)⁽²⁾



1. Sources: Company. Based on selected categories, March 2021

2. Source: Company web crawling, company analysis, April 2021

3. Based on retail prices (incl. VAT) in Germany, not weighted to account for number of sales for each keyboard

4. Source: Company, April 2021. Detailed information on price position of Omron and TTC is not available due to white labeling.

#1 CRITICAL SUPPLIER OF SWITCHES FOR ALL BLUE CHIP NAMES



SELECTED TOP KEYBOARD MANUFACTURERS & MECHANICAL KEY SWITCH SUPPLIER BRANDS

Price category	CHERRY	CORSAIR	logitech	RAZER	ALIENWARE by DELL	OMEN by HP	COOLER MASTER	daskeyboard	ASUS
Premium Laptops >€1,500					CHERRY				
Premium ~€120–€300	CHERRY	CHERRY	logitech GX Series by Kailh	RAZER	CHERRY	CHERRY	CHERRY	CHERRY OMRON	CHERRY
High ~€80–€120			logitech Romer-G by OMRON CHERRY Niche keyboards TTC	By Kailh (white label) Greetech 惠州冠泰电子有限公司 HUZHOU GREENTECH ELECTRONICS CO., LTD.			TTC Outemu		Kailh
Medium ~€40–€80						Greetech 惠州冠泰电子有限公司 HUZHOU GREENTECH ELECTRONICS CO., LTD.			
Low ~€0–€40									

Keyboards ALWAYS **sole source** and specified in NEVER dual/multi-sourced

Keyboards ALWAYS **co-branded** "Cherry Inside" - NEVER white labelled

Source: Company web crawling and analysis, April 2021

NEW PRODUCTS 9M/21: THE CHERRY ULP SWITCH: MILESTONE INNOVATION LAUNCHED MARCH 2021



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

NEW PRODUCTS 9M/21: THE CHERRY ULP SWITCH MARKET FEEDBACK






KEY OPINION LEADER REVIEWS

-  Dave2D: “This is by FAR the best laptop keyboard ever made with mechanical switches”
-  Tom’s Hardware: “Using Cherry MX Ultra Low Profile switches really takes the everyday typing experience to the next level”
-  Linus Tech Tips: “I would absolutely take these first. Cherry always impresses me with their attention to detail”



BRANDS & CUSTOMERS

-  Dell: besides m15 and m17 R4 laptop platforms, now also shipping with new x17 laptop series
-  Further laptop brands: 3 further major gaming laptop brands* confirmed to use ULP starting CY2022
-  Further customers: 1 gaming brand* confirmed to use ULP starting CY2022 with a new Desktop Keyboard platform

* Projects are under NDA and brands can not be named yet

THE AWARD-WINNING SERIES

CHERRY MX 2.0S, HC 2.2 and MC 2.1.



NEW PRODUCTS 9M/21: THE 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

NEW PRODUCTS 9M/21: THE CHERRY HEALTHCARE TERMINAL:



EHEALTH TERMINAL ST-1506

- modern card terminal solution for workplaces in the German healthcare sector for telematics infrastructure
- approved by gematik GmbH and introduced for service providers in the German healthcare system in Q1 2021
- iF Design Award 2021 in the category of medical devices



- For reception counters in
- Clinics
 - pharmacies
 - dentist and doctor offices

Additional sectors will follow

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

GAMING SWITCHES



GAMING PERIPHERALS



PROFESSIONAL

OFFICE & INDUSTRY PERIPHERALS



HEALTHCARE & SECURITY PERIPHERALS

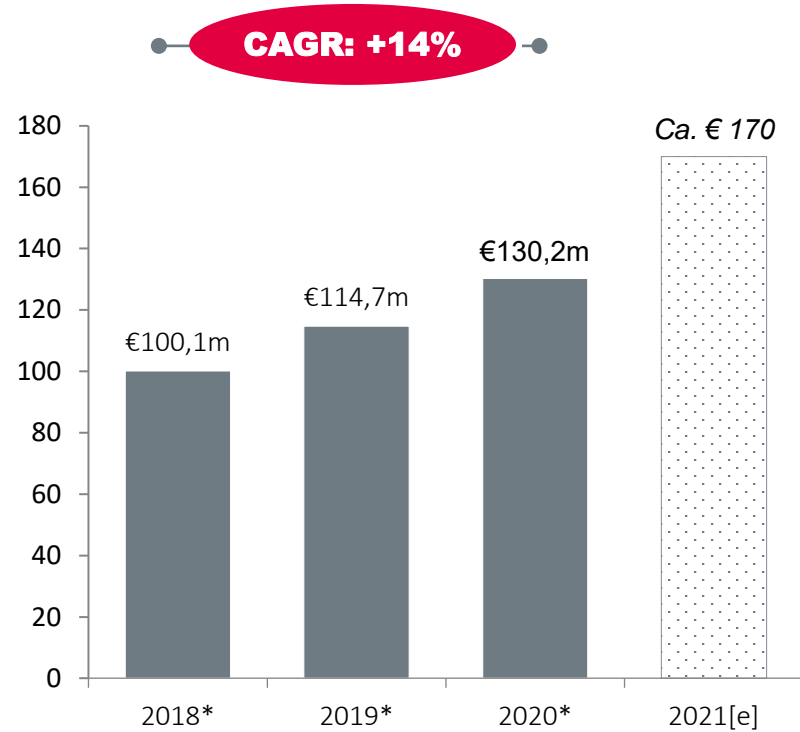


ACCELERATING ORGANIC GROUP REVENUE GROWTH



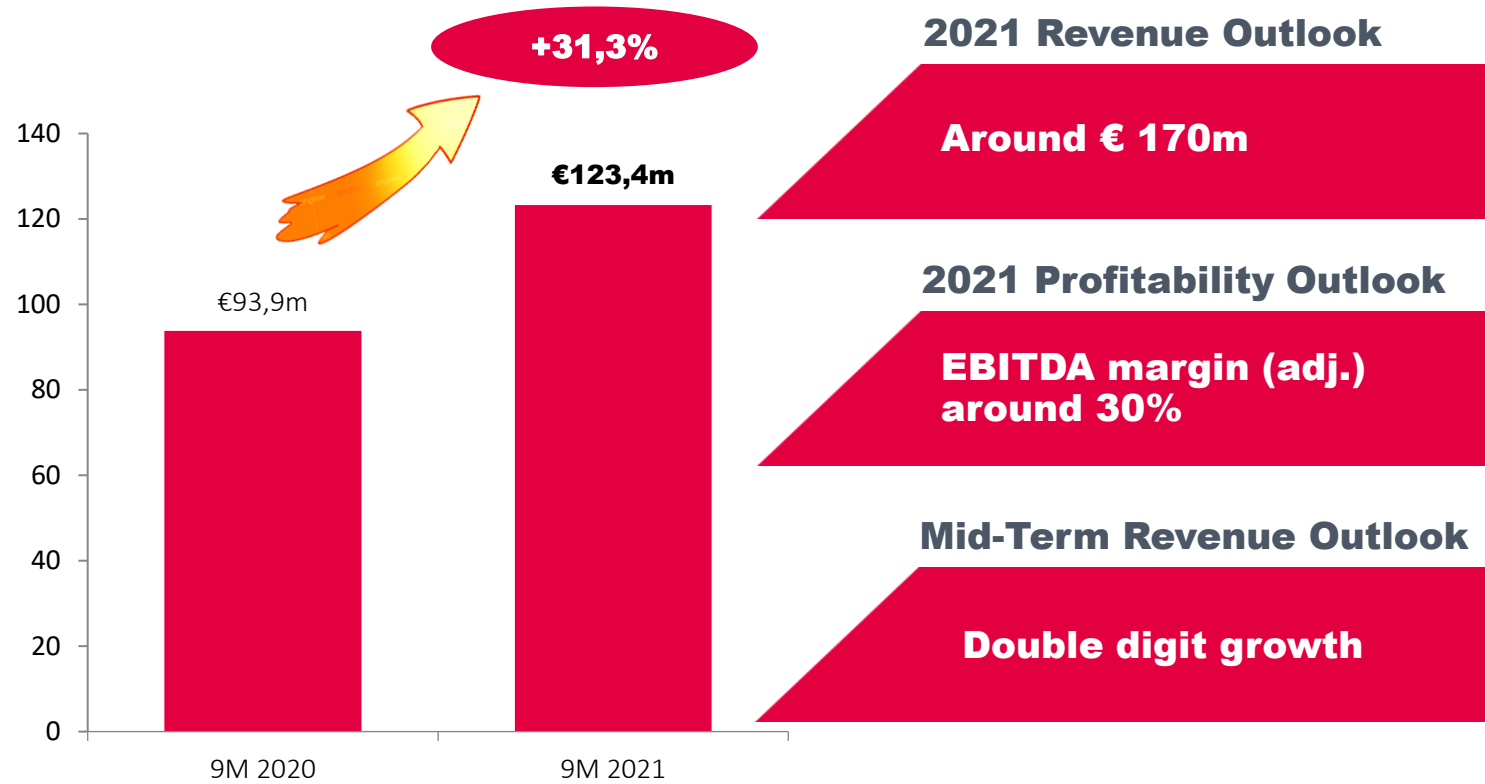
TRACK RECORD OF DOUBLE DIGIT GROWTH

Revenue (in €m)



ACCELERATING REVENUE GROWTH

Revenue (in €m)




* 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.

GROWTH DRIVERS FOR GAMING




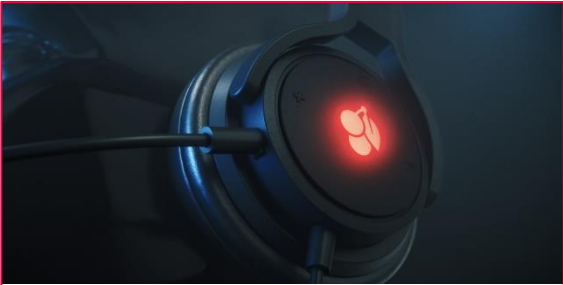
Global gaming market




 Increasing number of gamers




 Increasing game control complexity




 Trend towards professionalization of gaming




 Increasing public interest in eSports



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



 High popularity of PC games

GROWTH DRIVERS FOR PROFESSIONAL PERIPHERALS



Global professional input devices market



Increasing number of “digital creators” with willingness to buy premium



Increasing number of customers with a strong need for highly unique premium products



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



Work from home, provides a wider base for replacement cycles



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



Further roll out of ST-1506 e-health terminal

FOCUSED STRATEGY TO FURTHER OUTGROW THE MARKET



BRAND RECOGNITION

Innovative Leadership



- New products
- New technology

Retain Premium Position



- Through continued quality leadership

Geographic Expansion



- GAMING: Australia, Indonesia, Malaysia
- PROFESSIONAL: Nordic, CEE & China

M&A





- Complement product portfolio
- Complement know how / skills
- Regional presence

Organic Growth

Inorganic Growth

ACQUISITION STRATEGY





STRATEGY

-  Focus on existing 4 verticals
-  Complementary excellent products close to existing portfolio and markets
-  Increase regional strength
-  Synergies regarding market access and sales channels (international / regional)

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, other peripherals, ergonomic devices, etc.

ACQUISITION PIPELINE

-  Continues expansion of long list
-  Focus and deep dive on selected targets
-  First discussions with potential targets initiated
-  Expect to acquire 1-2 targets until mid 2022



ACQUISITIONS

- **THEOBROMA – OCTOBER 2020**



European developer & manufacturer with expertise in IoT, Industry 4.0 and Software Engineering

- **ACTIVE KEY – MAY 2021**



European manufacturer of hygienic, anti-dust, washable keyboards & mice

KEY INVESTMENT HIGHLIGHTS – WHY INVEST IN CHERRY?



1

Established number one global market position for mechanical gaming keyboard switches



Innovation and quality leader with a track record of successful new product development



Leading brand recognition and pricing power in our core markets



Impressive financial profile with high margins and attractive cash conversion



Blue chip customer base due to leading technology



Growth driven by multiple secular trends in underlying markets

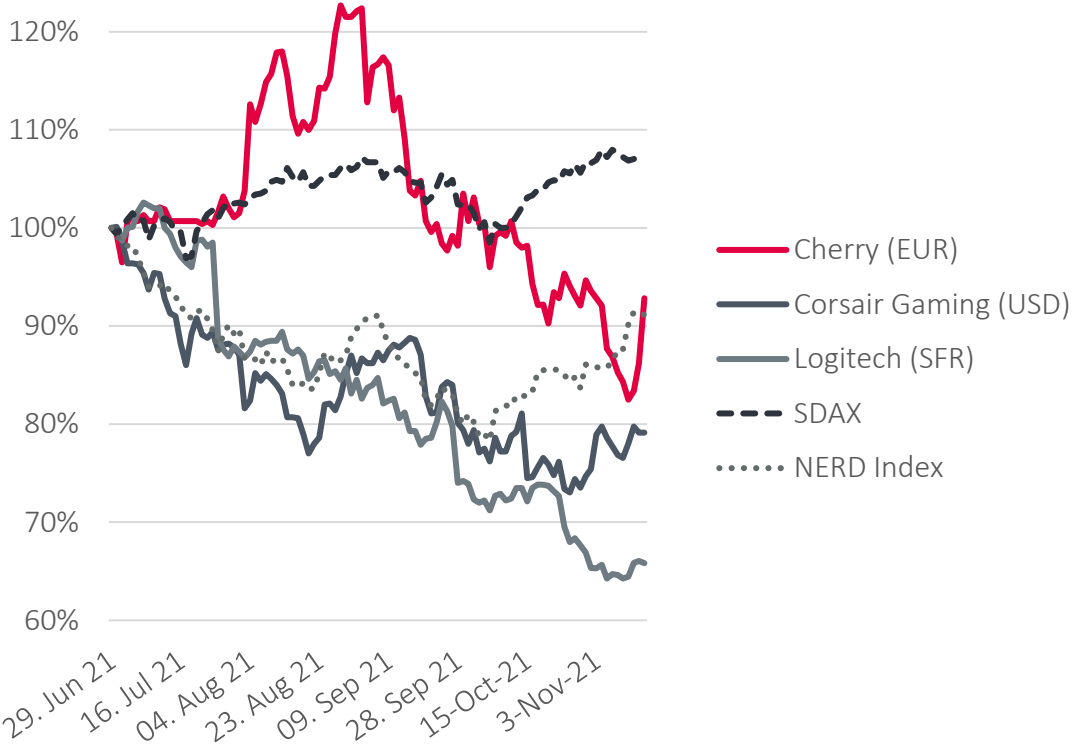


Global distribution and scalable manufacturing footprint with high-performance production assembly machines

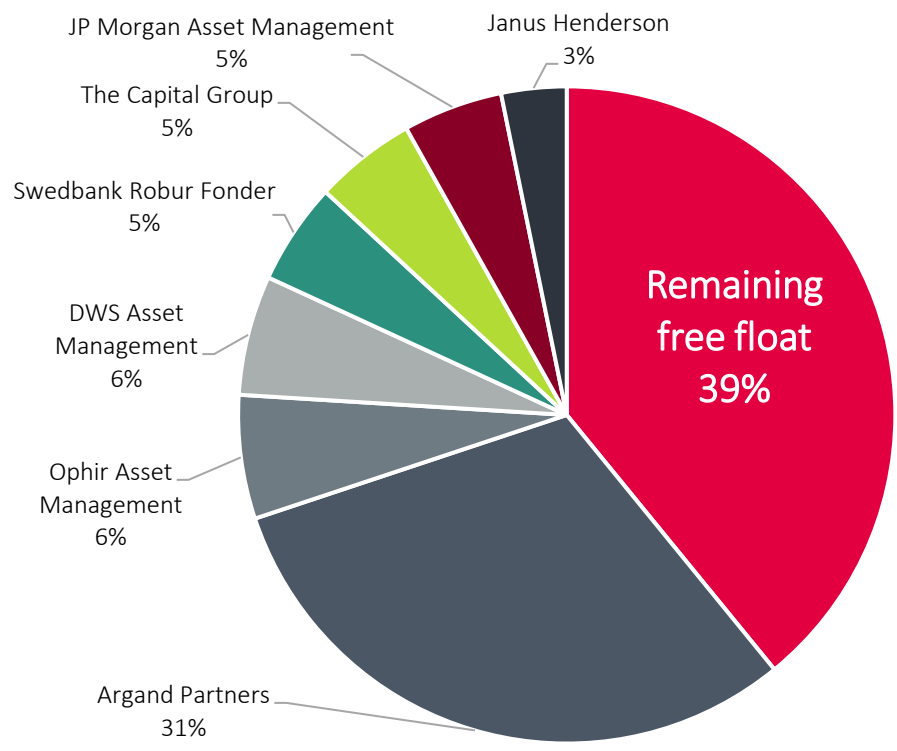
SHARE PERFORMANCE / CURRENT SHAREHOLDER STRUCTURE



RELATIVE SHARE PERFORMANCE



SHAREHOLDER STRUCTURE



FORWARD LOOKING STATEMENTS

Disclaimer

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General remark

Figures may not add up due to rounding.

THANK YOU FOR YOUR ATTENTION

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