



CHERRY 

Q1 2022 INVESTOR PRESENTATION

May 11, 2022

TODAY'S PRESENTERS



Rolf Unterberger
- CEO



Bernd Wagner
- CFO

CHERRY AT A GLANCE – FINANCIAL HIGHLIGHTS Q1 2022



€ 33.0m

Revenue down 12.6% from Q1/2021*,
[yet up 18.6% from Q1/2020*]



13.4%

EBITDA margin (adj.) down 15.6pp.*



544

Employees down 1.8%*



€ -2.7m

Operating cashflow



€ 39.5m

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), as of March 31, 2021, prepared in accordance with IFRS on interim financial reporting (IAS 34)

CHERRY GAMING – LATEST DEVELOPMENTS

NEW SWITCHES / SWITCH VERSIONS

- ULP tactile switch launch will be published end of Q2
- New switch featuring a customizable functionality allowing for a competitive advantage and a completely new gaming experience available for marketing in Q3

COMPACT GAMING KEYBOARDS

- Market launch of multi-platform 60% low latency wireless keyboards in late Q2 and Q3 (MX-LP2.1 Compact Wireless & MX-LP 6.1 Compact Wireless)

CHERRY ADVANCED WIRELESS TECHNOLOGY - KEY FEATURES

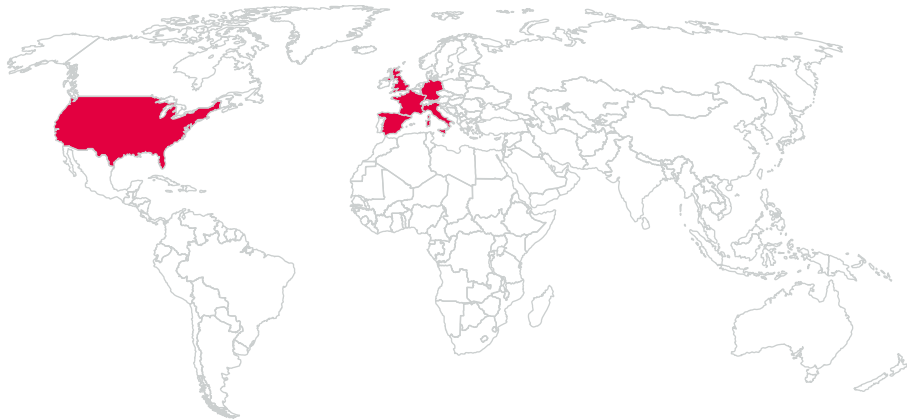
- Safe, stable and fast (1ms) connection, as if it would be corded - but wireless!
- 3-5 connection options: Low-Latency Mode (LLM), 3x Bluetooth channels, USB-Cable



CHERRY PROFESSIONAL – LATEST DEVELOPMENTS

E-COMMERCE – CURRENT STATUS

- ❖ E-commerce Europe setup is ongoing and on track. Focus is now on the digital sales market in the USA as a further expansion potential for our growing online sales business



NEW PRODUCTS AND MARKET TRENDS

- ❖ Hybrid working trend is fueling consumer electronics demand
- ❖ KW X ULP Wireless Mechanical Keyboard with its distinctive design and extra flat profile will be launched in H2

DIGITAL HEALTH – CURRENT AFFAIRS

- ❖ Strong focus on cooperation with gematik and The Federal Ministry of Health
- ❖ 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 as of 2025



PERFORMANCE Q1 2022 OVERVIEW

CHALLENGING MARKET ENVIRONMENT CONTINUES IN Q1

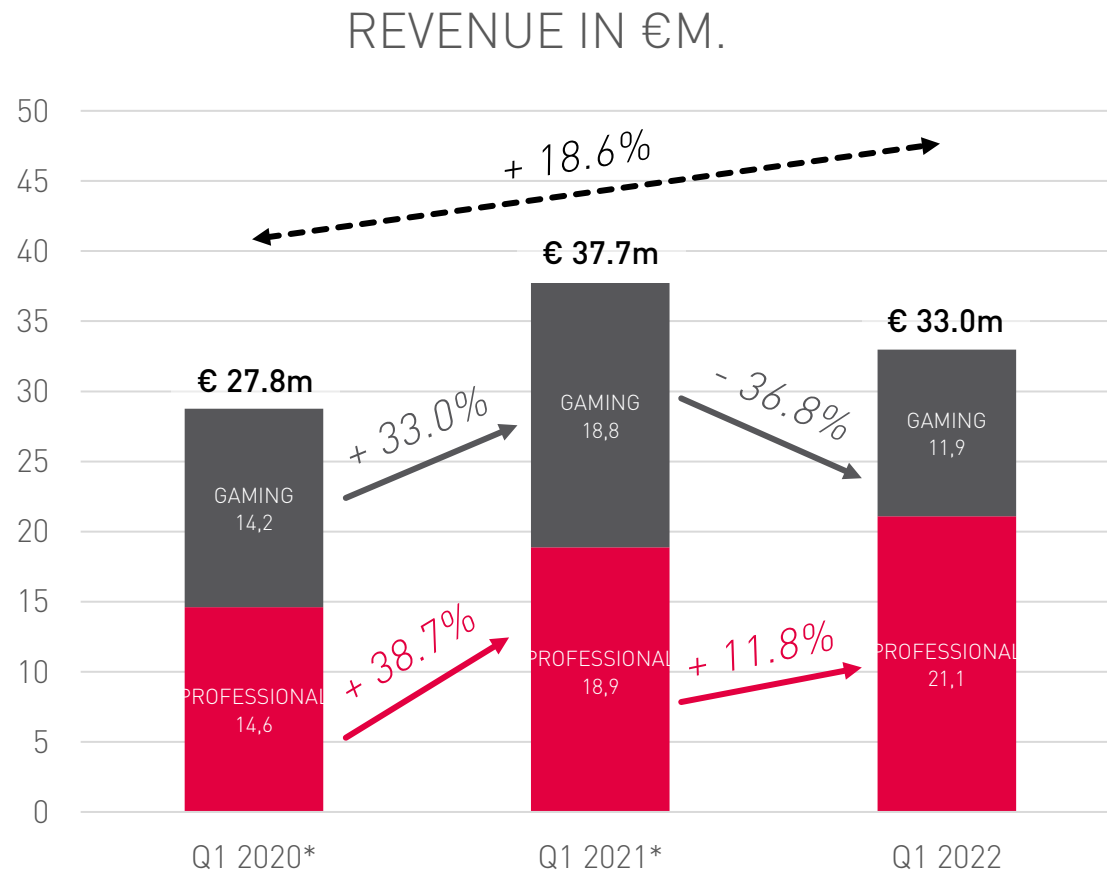
- Underlying growth drivers remain fully intact despite COVID-19 pandemic, war in Ukraine, and lockdowns in China
- Revenue growth of 18.6% compared with Q1 2020

IN €M/ AS INDICATED	Q1 2022	Q1 2021*	Δ
Revenue	33.0	37.7	-12.6%
Gross profit	9.8	15.5	-36.6%
Gross profit margin	29.9%	41.1%	-11.2pp.
EBITDA (adj.)	4.4	11.0	-59.8%
EBITDA margin (adj.)	13.4%	29.0%	-15.6pp.
EBITDA	3.9	10.1	-61.1%
EBITDA margin	11.9%	26.8%	-14.9pp.
EBIT (adj.)	0.5	7.5	-93.5%
EBIT margin (adj.)	1.5%	20.0%	-18.5pp.
EBIT	0.0	6.7	-99.8%
EBIT margin	0.0%	17.7%	-17.7pp.

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REVENUE GROWTH BURDENED BY CURRENT HEADWINDS

Mixed revenue momentum in business areas

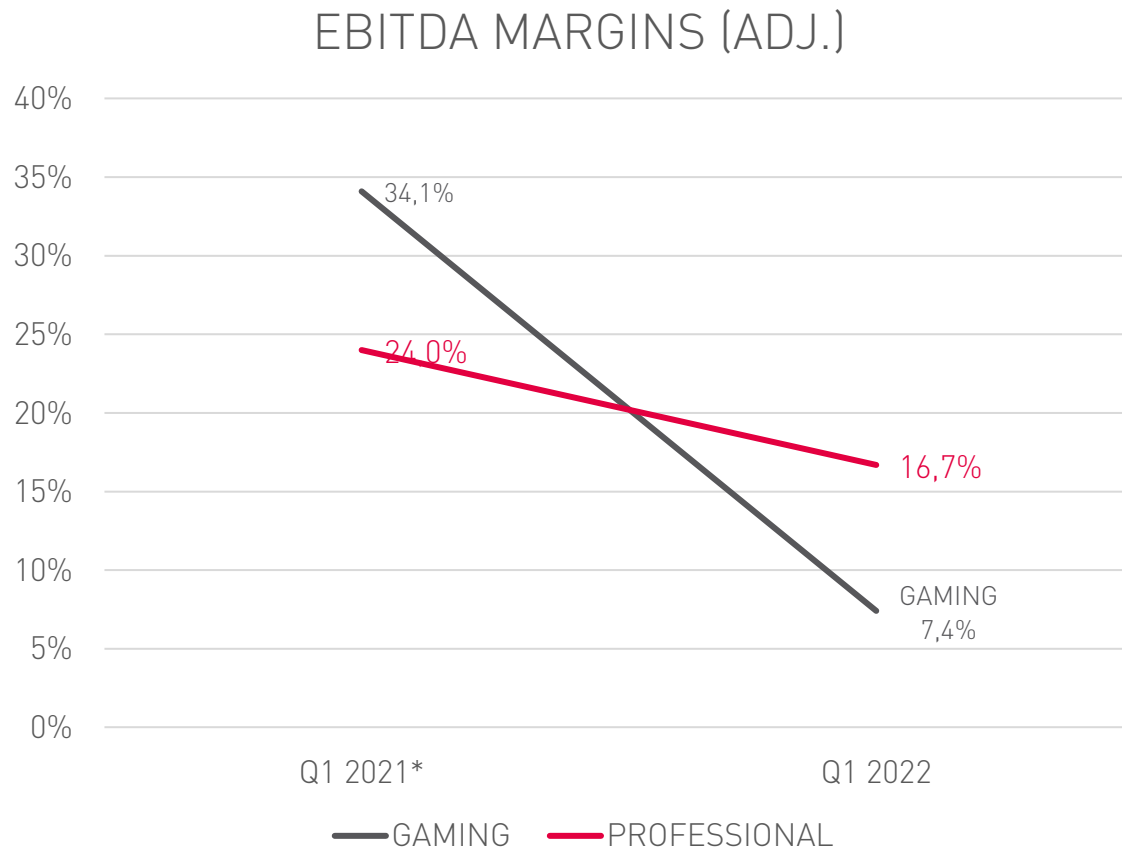


- PROFESSIONAL sales up 11.8% to € 21.1m supported by:
 - Successful roll-out of e-Health-Terminals ST-1506
 - Successful continuation of e-commerce business in Q1 2022
- GAMING sales down by 36.8% to € 11.9m influenced by:
 - Lower demand for switches due to flat end customer demand for gaming keyboards/higher demand for smaller keyboards with a reduced number of keys
 - Customer-related delays in launching new products
 - Various lockdowns in China and Hong Kong

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DOUBLE-DIGIT GROUP PROFITABILITY SUSTAINED

Reduced fixed cost coverage in GAMING business area burdens operating profitability



13.4% EBITDA MARGIN (ADJ.) IN Q1 2022

- 16.7% EBITDA margin (adj.) in PROFESSIONAL business influenced by:
 - Increased prices for raw materials
 - Expansion of marketing activities
- 7.4% EBITDA margin (adj.) in GAMING business influenced by:
 - Reduced fixed cost coverage in view of revenue decrease

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STRONG FINANCIAL POSITION AS OF MAR. 31, 2022

Well positioned to finance growth

ASSETS [IN €M.]



EQUITY & LIABILITIES [IN €M.]



FORECAST FY 2022 CONFIRMED – FURTHER OUTLOOK

Continuation of profitable growth path despite adverse market conditions

IN €M/ AS INDICATED	Q1 2021*	Q1 2022	FORECAST FY 2022
Revenue	37.7	33.0	170 – 190
EBITDA margin (adj.)	29.0%	13.4%	23 to 26%

BUSINESS AREA	REVENUE	EBITDA MARGIN (ADJ.)
GAMING	Mid single digit growth	Slight decrease
PROFESSIONAL	Low double digit growth	Slight decrease (impacted by accelerated investments in growth)

FURTHER OUTLOOK

- GAMING**
 temporary increases in material prices, shipping costs, and non-recurring marketing expenses for expansion in the Asia-Pacific region. Revenue decrease due to extensive lockdowns in China
- PROFESSIONAL**
 Accelerated investments in new products, software, manpower and marketing spends to drive future growth in the e-commerce business in EU and USA as well as the expansion into Asia Pacific
- Beyond 2022**
 Continue double-digit growth and expand adjusted EBITDA margin

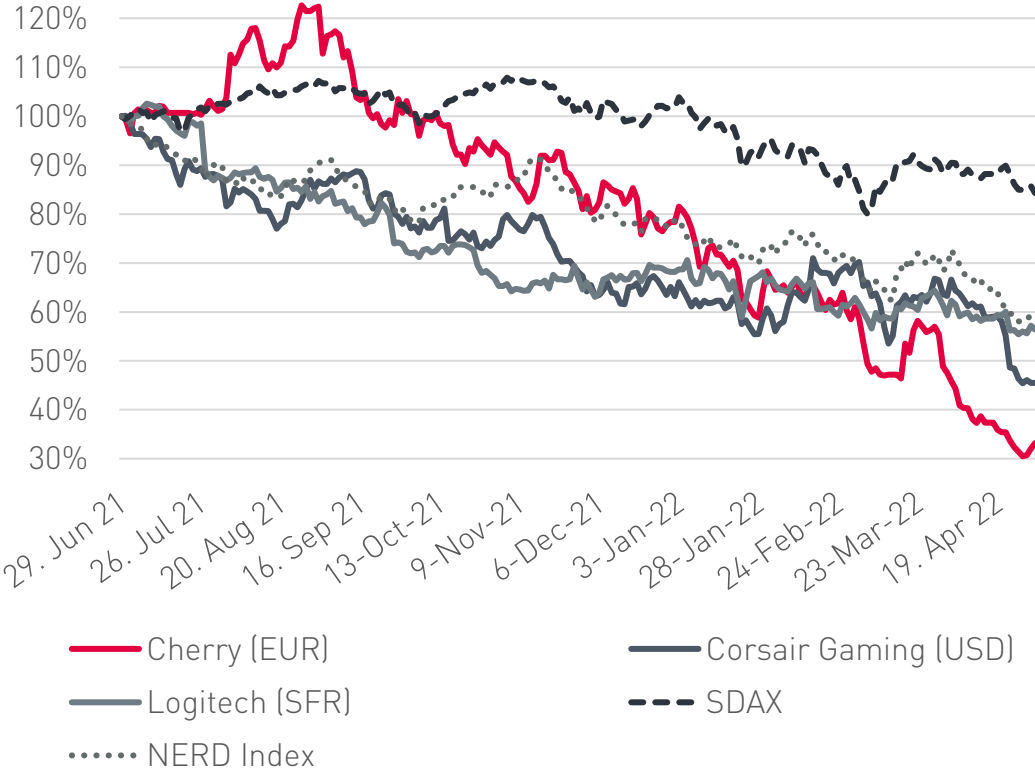
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APPENDIX

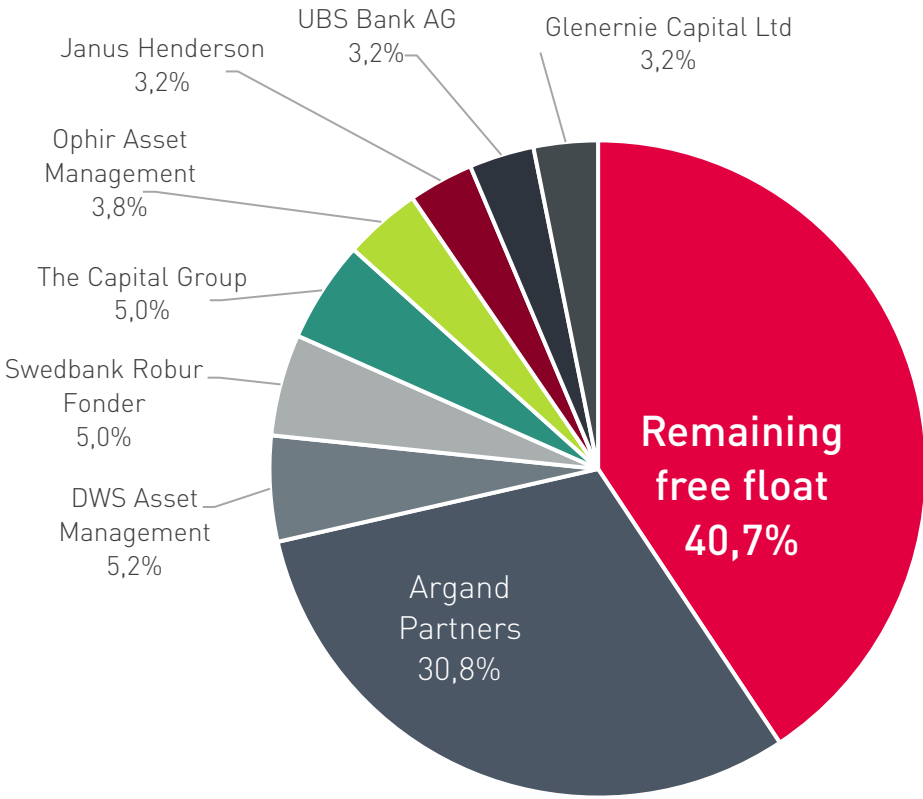


SHARE PERFORMANCE / CURRENT SHAREHOLDER STRUCTURE

RELATIVE SHARE PERFORMANCE



SHAREHOLDER STRUCTURE



RECONCILIATION TO ALTERNATIVE PERFORMANCE MEASURES (ESMA)

IN € MILLION	Q1 2022	Q1 2021*	IN € 000	Q1 2022	Q1 2021*
Consolidated profit/loss	-0.253	2.356	Adjusted EBIT	0.486	7.528
+ Income taxes	0.200	0.699	+ Depreciation and amortization	3.918	3.424
+ Financial result	0.468	3.627	Adjusted EBITDA	4.405	10.952
EBIT	0.014	6.682	EBIT	0.014	6.682
+/- Staff expenses (incl. share-based expenses) / (income)	-	0.151	+ Depreciation and amortization	3.918	3.424
+ Expenses in connection with capital market transactions	-	0.145	EBITDA	3.933	10.106
+ Expenses in connection with M&A transactions	-	0.422			
+ Expenses in connection with natural disaster and pandemic	-	-			
+ Other one-off cost	0.472	0.128			
<i>Total operating result adjustments</i>	<i>0.472</i>	<i>0.846</i>			
Adjusted EBIT	0.486	7.528			

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CHERRY VIRTUAL AGM ON JUNE 8, 2022, AT 10:00 A.M. (CEST)

AGENDA HIGHLIGHTS

- Resolution on the approval of the Compensation Report for the 2021 financial year
- Resolutions on the approval of the compensation systems for the members of the Management Board and the Supervisory Board
- Resolution on the approval of the conclusion of a profit and loss transfer agreement between Cherry AG and Cherry Digital Health GmbH
- Resolution on the conversion of the Company into a European company (Societas Europaea, SE)
- Resolution on the election of the members of the first Supervisory Board of Cherry SE
- Resolution on the creation of new Authorised Capital 2022

DEADLINES

- May 18: Record date
- June 1: Last filing date
- June 6: Last day for questions under section 1 of the COVID-19 Act

INVESTORPORTAL AND DOCUMENTS

- Registered shareholders have the opportunity to follow the Annual General Meeting live via video streaming on the InvestorPortal
- The invitation and other documents for the Annual General Meeting can be found here: <https://ir.cherry.de/home/annual-general-meeting/>



FINANCIAL CALENDAR 2022

Date	Event
May 11	Interim Financial Statement Q1 2022
May 12 – 13	HAIB - Stockpicker Summit
May 17	ABN AMRO – ODDO BHF – BeNeLux Roadshow (virtual)
May 23 – 25	Equity Forum
June 8	Annual General Meeting (virtual)
August 11	Half-year Financial Report 2022
September 5 – 6	Equity Forum
September 19	Berenberg - German Corporate Flagship Conference
November 15	Interim Financial Statement Q3/9M 2022
November 16	Münchner Kapitalmarkt Konferenz
November 28 - 30	Eigenkapitalforum

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)

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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