



Q3/9M 2021 – INVESTOR & ANALYST CONFERENCE CALL

November 15, 2021

TODAY'S PRESENTERS



Rolf Unterberger
- CEO



Bernd Wagner
- CFO & COO

CHERRY AT A GLANCE – FINANCIAL HIGHLIGHTS 9M 2021

FACTS & FIGURES

Strong performance in first 9 months 2021 to continue structural company growth



€ 123.4m

Revenue
up 31.3%



29.6%

EBITDA margin (adjusted)
up 1.2 pp.



569

Employees
up 14.7%



€ 63.4m

Cash and cash equivalents
up 176.9%



€ 43.1m

Net cash
due to IPO proceeds




M&A

Successful
integration of Active
Key

GROWTH DRIVERS FOR GAMING


Global gaming market



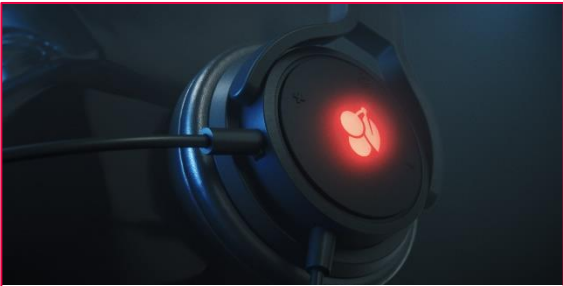



Increasing number of gamers



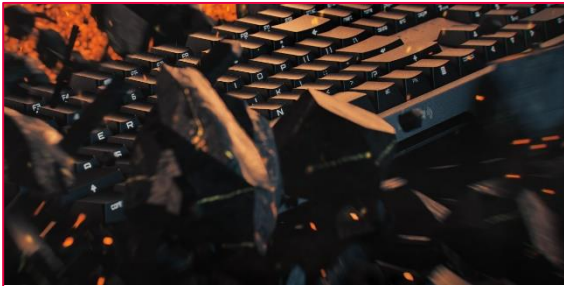



Increasing game control complexity






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.

OPERATIONAL HIGHLIGHTS GAMING

Important steps for future growth

Scope of business - supporting growth dynamics



- Dell plus four additional strategic customers were added for CHERRY's mechanical ULP (ultra low profile) switches.
- New markets were entered together with new distributors, incl. Malaysia, Australia and Indonesia.

Leading innovator – introducing advanced technology



- The first phase of a new switch innovation continued to progress successfully in Q3 towards a market introduction in 2022.
- CHERRY developed the Advanced Wireless Technology for keyboards, enabling a connection transmission latency of 1 ms in RF mode plus basic connection features like three Bluetooth 5.1 channels and a corded connection.
- New generation of high-performance production assembly machines with increased efficiency expected to start in Q4 2022.



MX6C-K3NB



THE AWARD-WINNING SERIES

CHERRY MX 2.0S, HC 2.2 and MC 2.1.



OPERATIONAL HIGHLIGHTS PROFESSIONAL PERIPHERALS

Important steps for future growth

Scope of business - supporting growth dynamics



- Cherry's total addressable market has increased with gematik GmbH's approval of outpatient and inpatient care facilities as new user groups for Cherry e-health terminals.
- New product segments and additional wireless devices were developed to support the work from home trend and to meet the demands of the creator consumer group.

Environmental awareness - part of the business model



- Plastic-free packaging for all products in the Professional business area has been established in Q3.



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

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

Organic Growth

Inorganic Growth

PERFORMANCE 9M/Q3 2021 OVERVIEW

STRONG PROFITABLE SALES GROWTH

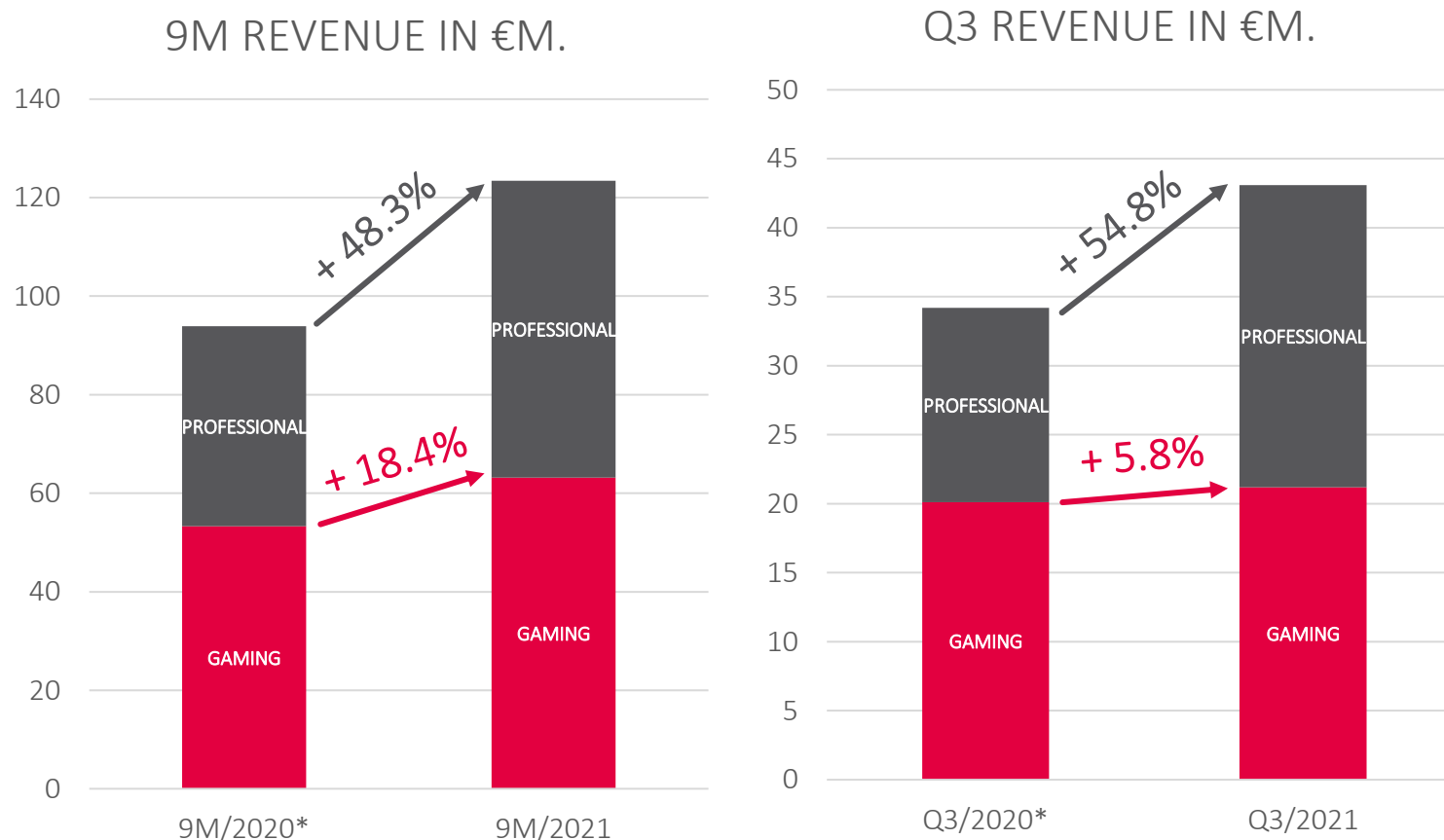
- 9M 2021 was marked by a strong revenue growth of 31.3% and an improved profitability of 29.6% EBITDA margin (adjusted)
- Corporate Transactions, loan repayments and IFRS-required accounting caused high non-recurrent one-off effects in current fiscal year

IN €M/ AS INDICATED	9M 2021	9M 2020*	Δ	Q3 2021	Q3 2020*	Δ
Revenue	123.4	93.9	31.3%	43.1	34.2	26.1%
EBITDA adj.	36.5	26.7	36.9%	12.3	10.9	12.9%
EBITDA	31.1	26.3	18.2%	12.2	10.6	14.7%
EBITDA margin (adj.)	29.6%	28.4%	1.2 pp.	28.6%	31.9%	-3.3 pp.
EBITDA margin	25.2%	28.0%	-2.8 pp.	28.3%	31.1%	-2.8 pp.
EBIT (adj.)	25.6	19.2	33.2%	8.5	8.3	2,3%
EBIT	20.1	18.8	7.0%	8.4	8.1	4.4%
EBIT margin (adj.)	20.7%	20.4%	0.3 pp.	19.8%	24.4%	-4.6 pp.
EBIT margin	16.3%	20.0%	-3.7 pp.	19.5%	23.6%	-4.1 pp.

* 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.

STRONG REVENUE GROWTH THROUGHOUT THE GROUP

Growing throughout both business areas with mixed momentum



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REVENUE GROWTH AT 31.3% YOY IN 9M 2021

- Sales in GAMING grew by 18.4% to €63.2m. in 9M
- Sales in PROFESSIONAL grew by 48.3% to €60.2m. in 9M, supported by B2C business, digital health roll-out and Active Key consolidation.

FORECAST FY 2021 SPECIFIED – UNDERLYING GROWTH DYNAMICS

Profitable growth path

IN €M/ AS INDICATED	FY 2020*	9M 2021	FORECAST FY 2021
Revenue	130.2	123.4	<i>around 170</i>
EBITDA margin (adj.)	28.5%	29.6%	<i>around 30%</i>

BUSINESS UNIT	UNDERLYING GROWTH DYNAMICS
Gaming Peripherals	++
Components (Switches)	+++
Professional Peripherals (Office & Industry)	++
Digital Health	+++

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FORECAST SPECIFIED AS YEAR END COMES INTO FOCUS

- Strong revenue growth of 30%
- supply chain disruptions, particularly in China, and temporary fluctuations in the ordering behavior of customer
- Profitability forecast reiterated with an improved EBITDA margin of around 30%
- Multiple secular growth trends and underlying market dynamics support future growth

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

APPENDIX

RECONCILIATION TO ALTERNATIVE PERFORMANCE MEASURES (ESMA)

9M 2021 was marked by high non-recurrent one-off effects

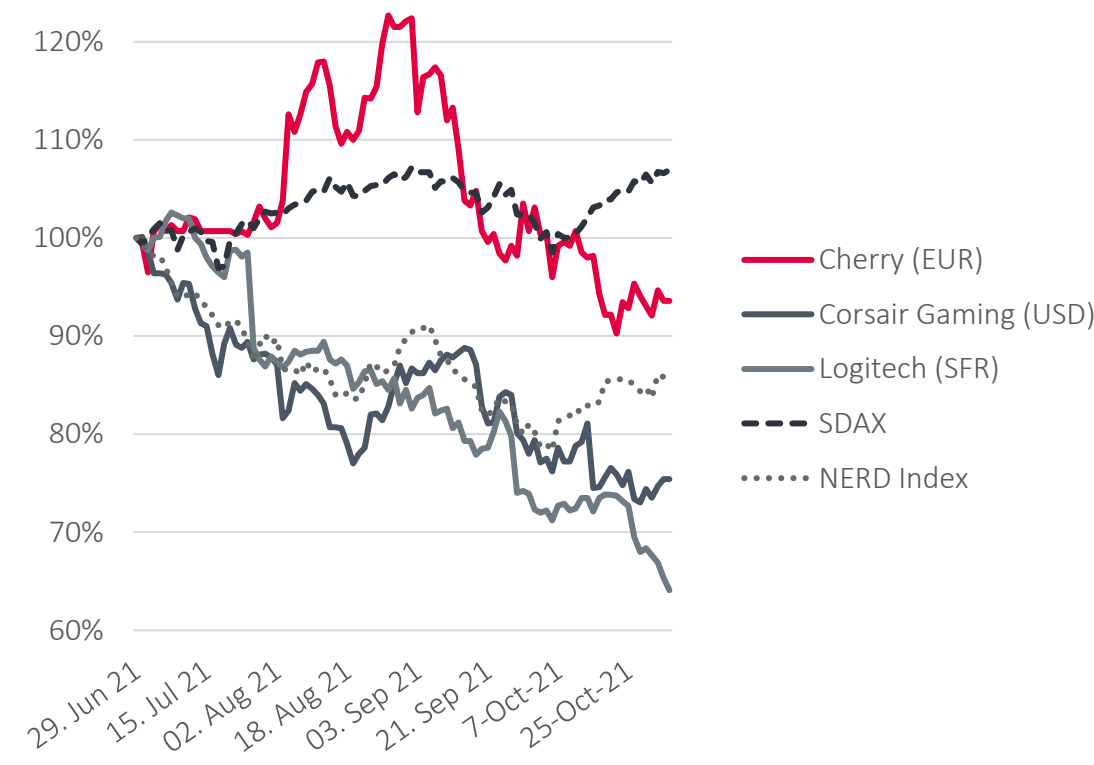
IN €M.	9M 2021	9M 2020*
Consolidated profit/loss	3.5	13.6
+ Income taxes	2.9	4.6
- Financial result	13.7	0.6
EBIT	20.1	18.8
+/- Staff expenses (incl. share-based staff expenses) / (income)	3.7	-
+ Expenses in connection with capital market transactions	0.9	-
+ Expenses in connection with M&A transactions	0.8	0.1
+ Expenses in connection with natural disaster and pandemic	0.0	0.1
+ Other one-off cost	0.1	0.2
<i>Total operating result adjustments</i>	<i>5.5</i>	<i>0.4</i>
Adjusted EBIT	25.6	19.2

IN €M.	9M 2021	9M 2020*
Adjusted EBIT	25.6	19.2
+ Depreciation and amortization	11.0	7.5
Adjusted EBITDA	36.5	26.7
EBIT	20.1	18.8
+ Depreciation and amortization	11.0	7.5
EBITDA	31.1	26.3

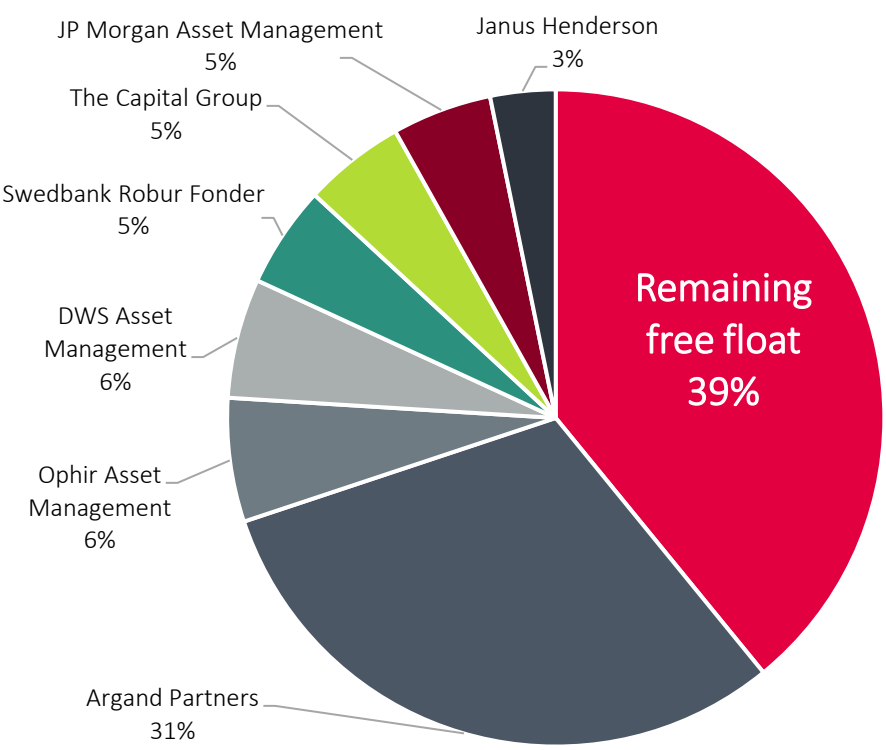
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SHARE PERFORMANCE AND CURRENT SHAREHOLDER STRUCTURE

RELATIVE SHARE PERFORMANCE



SHAREHOLDER STRUCTURE



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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