



FY 2022 INVESTOR PRESENTATION

MARCH 30, 2023

TODAY'S PRESENTERS – NEW 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.

STRATEGIC OUTLOOK BY CEO OLIVER KALTNER

MARKET CHALLENGES	MANAGEMENT ACTIONS	2023 – A TRANSITION YEAR	PRODUCT SEGMENTS
INTER-NATIONALIZATION	M & A	PEOPLE & CULTURE	CHERRY 

Confidence in the investment is the sum of confidence in the management, the business plan, and its implementation.

FINANCIALS FY 2022 OVERVIEW

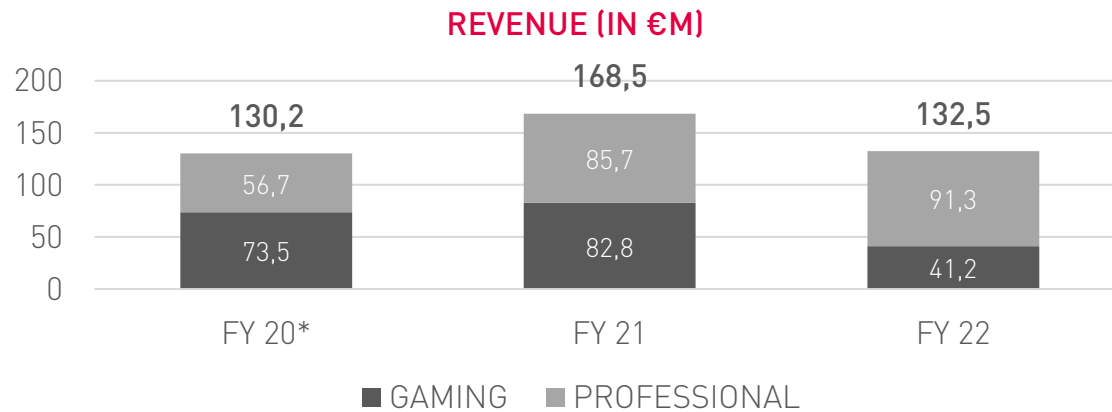
Disappointing Fiscal year 2022 with low sales forecast visibility the whole year

in €m/ as indicated	FY 20*	FY 21	FY 22	Δ 21/22	Q4/21	Q4/22	Δ 21/22
Revenue	130.2	168.5	132.5	-21.4%	45.1	34.5	-23.5%
Gross profit	50.8	68.9	36.9	-46.5%	18.0	5.6	-68.8%
Gross profit margin in %	39.0%	40.9%	27.8%	-13.1pp.	39.9%	16.3%	-23.6pp.
OPEX	-25.8	-41.3	-73.4	+77.9%	-10.5	-42.2	+302.6%
EBIT	25.0	27.6	-36.5		7.5	-36.6	
Depreciation & Amortization	10.3	15.2	15.3	+0.5%	4.2	3.7	-11.4%
Impairment GW / Viola	-	-	33.4		-	33.4	
Adjustments	1.8	6.1	3.0	-51.0%	0.6	1.1	+73.0%
EBITDA (adj.)	37.1	48.9	15.2	-68.9%	12.3	1.6	-87.2%
EBITDA margin (adj.) in %	28.5%	29.0%	11.5%	-17.5pp.	27.3%	4.6%	-22.7pp.

* Basis: Unaudited condensed consolidated interim financial statements of Cherry Holding GmbH

FINANCIAL PERFORMANCE OF BUSINESS AREAS

Cyclical downturn and changes in product mix impacted revenue and profitability



MAIN IMPACTS ON REVENUE

GAMING (-50,2%)

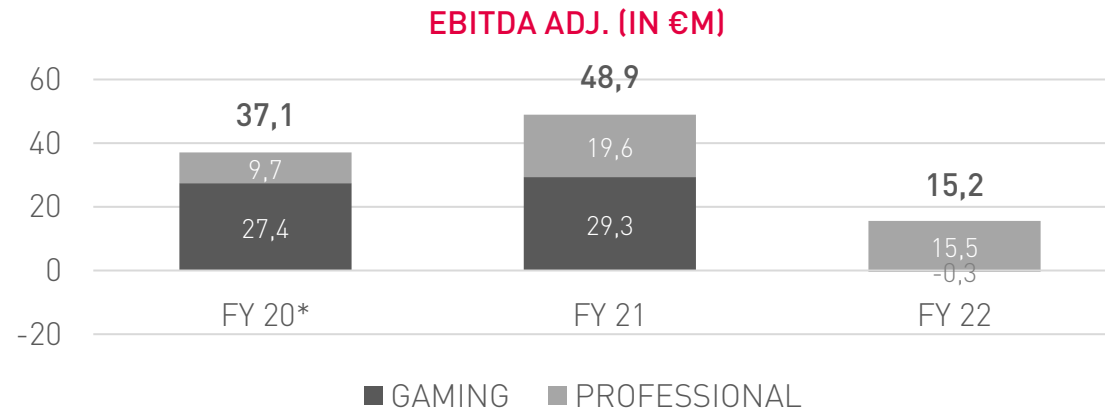
- Lower switch demand due to high customer inventory and mini-keyboard trend

PROFESSIONAL (+6,5%)

- Office sales grew by 10,8% to previous year fueled primarily by office and industry products and Security & PoS products

MAIN IMPACTS ON EBITDA (adj.)

- Idle cost of lower switch production
- Market development costs for entering the e-Commerce sales channels

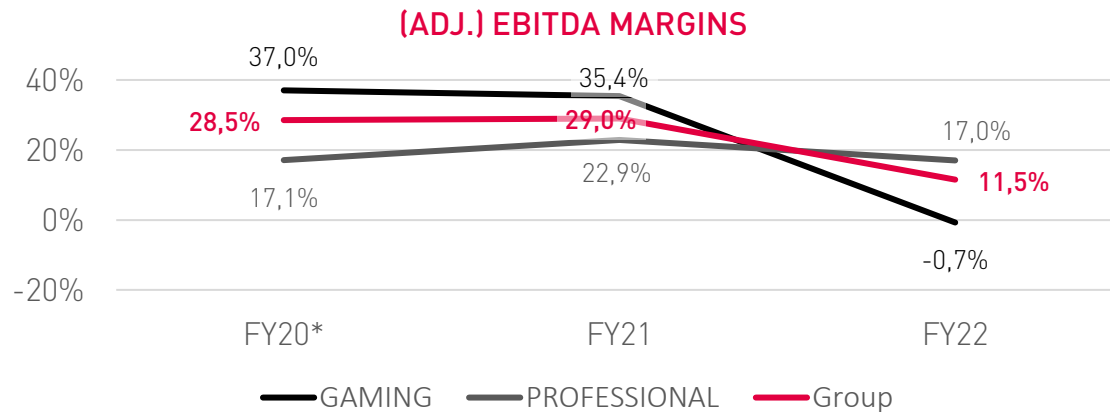


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PROFITABILITY OF BUSINESS AREAS

Profitability declined primarily due to macroeconomic headwinds, cyclical decline of switch sales and one-off impairment write-off

11.5% GROUP EBITDA MARGIN (adj.)
DOWN 17,5 pts yoy



17.0% PROFESSIONAL EBITDA MARGIN (adj.) DOWN 5,9 pts yoy due to:

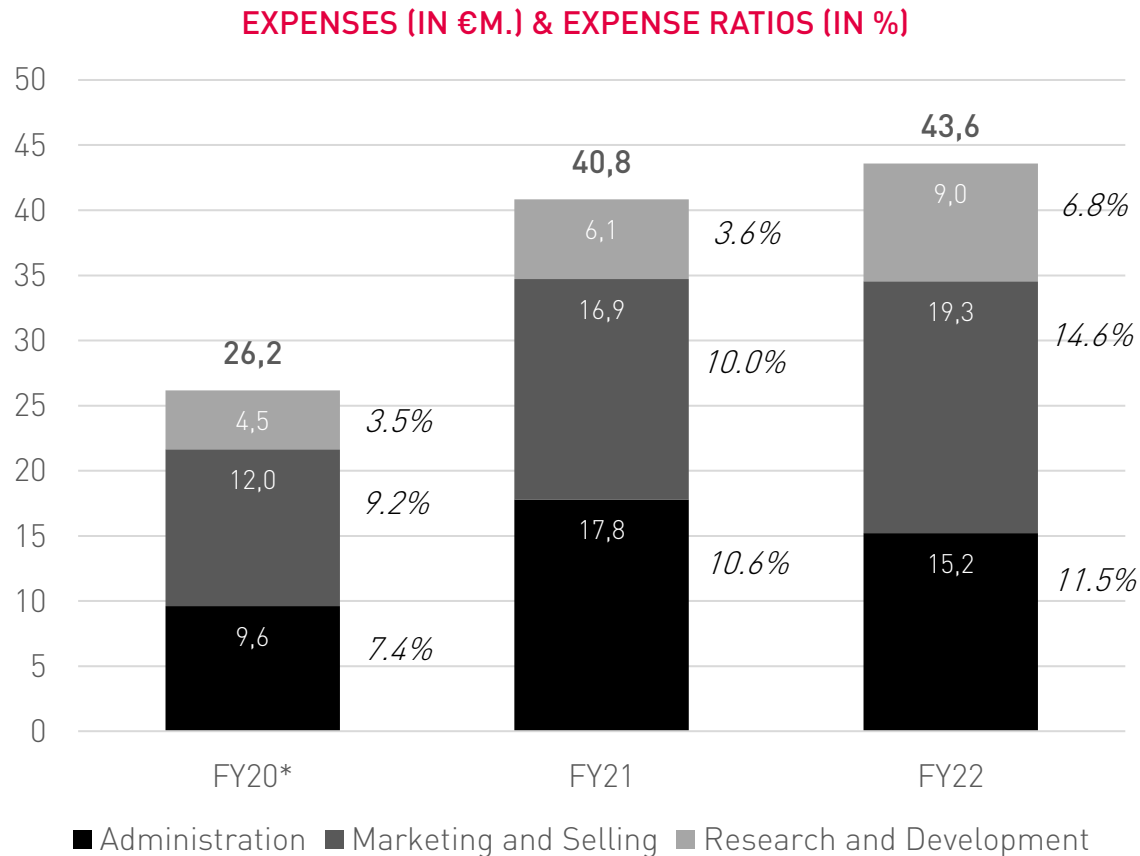
- e-commerce expansion with higher marketing expenses and expansion of sales staff
- Higher prices for materials & U\$ effects

-0.7% GAMING EBITDA margin (adj.) DOWN by 36,1 pts yoy due to:

- Significant excess inventory at customers caused low demand and low prices due to inventory clearance
- Trend to Mini Keyboards with 20-30% less switches

INVESTING FOR GROWTH

Management will realign Cherry's cost structure to our top line going forward



We are investing in

Research and Development up 2.9 m€ yoy

- Scaled expansion and innovation of product portfolio continued to create successful future products

Marketing and Selling up 2.4 m€ yoy

- Further implementation costs of e-Commerce strategy (marketing, consulting and personnel costs)
- Marketing & selling to support Gaming Goes Global in Q2/2023
- Reclassification of MDF in 2022 to revenue deductions (EUR -1.9m)

Administration expenses

- Digitalization of processes

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STRONG FINANCIAL POSITION

Enables further organic and inorganic growth opportunities within the long-term secular trends

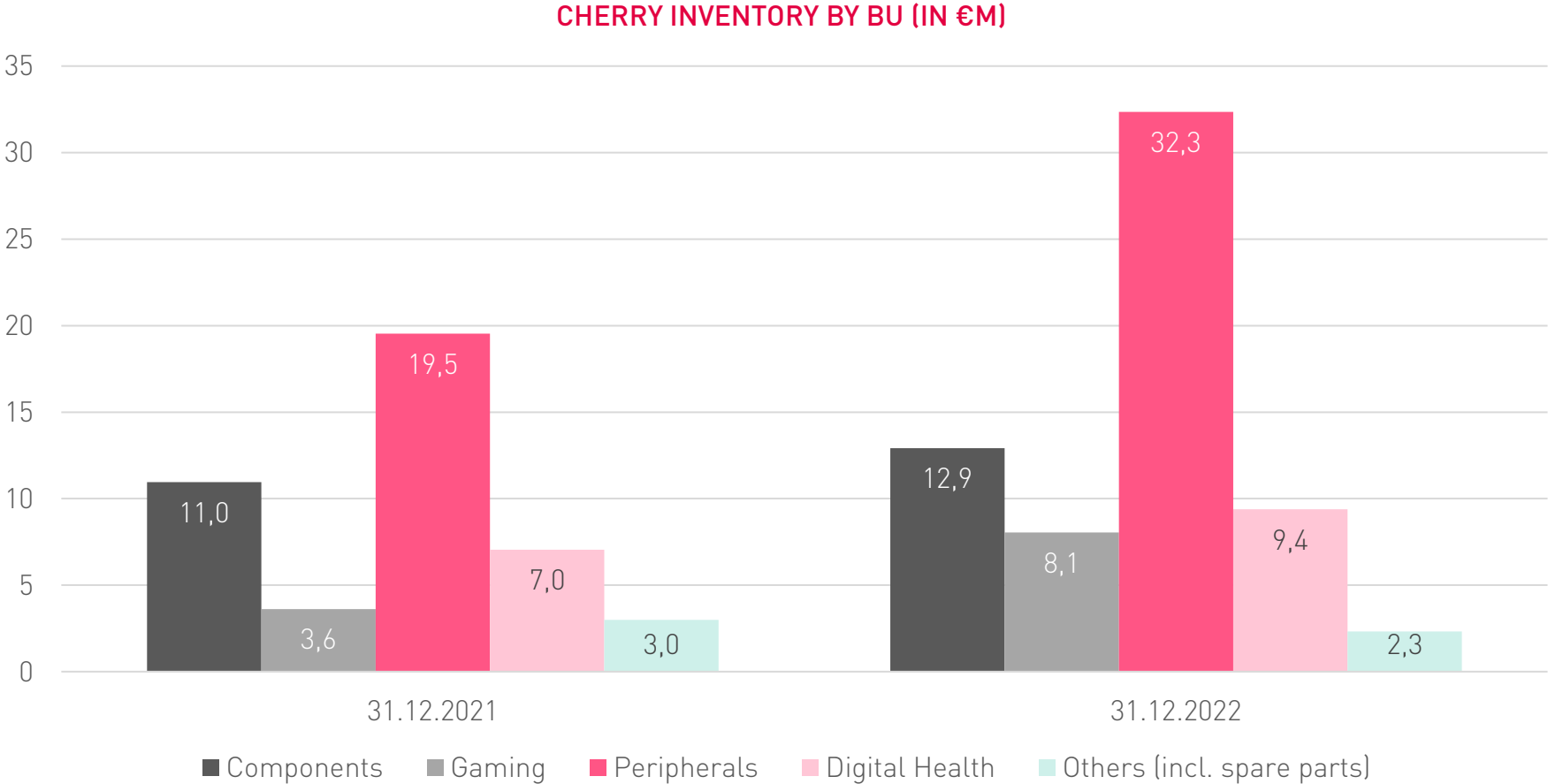
TOTAL GROUP ASSETS OF 379.1 m€

- 🍷 Strong cash position of 92.8 m€
- 🍷 Net cash is 29.9m€
- 🍷 Own shares 907.117 (6,8 m€) as of December 31, 2022, available for M&A
- 🍷 Net working capital* of 40.9m€
- 🍷 Inventory level of 65.0 m€ for e-Commerce enables future sales and cash generation
- 🍷 Strong Equity ratio of 66.4%

* Current assets (without cash and cash equivalents) less current liabilities (without financial liabilities)

INVENTORY

Target to adjust in 2023 the DIO to the normalized supply chain



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CASH FLOW 2022

Positive Operating Cash Flow and improved Free Cash Flow

in €/m/ as indicated	FY 22	FY 21	+/-
Net result	-35.7	9.3	-45.0
Depreciation, amortization, impairment (+) on fixed assets	47.8	15.0	32.8
Increase (-) / decrease (+) in inventories, trade receivables and other assets	-19.6	-28.7	9,1
Increase (+) / decrease (-) in trade liabilities and other liabilities	14.6	3.8	10.8
Increase (+) / decrease (-) others	-1,3	8,4	-9,7
Operating Cash Flow	5.8	7.8	-2.0
Investment Cash Flow	-11.3	-14,4	3.1
= Free Cash Flow	-5.5	-6.6	1.1
Financing Cash Flow	-11.2	92,4	-103,6
Cash at end of year	92.8	109.7	-16,9

OPERATING CASH FLOW

- Continue to generate positive Operating Cash Flow
- Net loss mainly due to non-cash impairment of goodwill (29,9m€) and Viola switches (3,6m€)

INVESTING CASH FLOW

- Capitalized development costs for scaling new products
- Last installment for Active Key

FINANCING CASH FLOW

- Share Buy Back program in 2022 (6,8 m€)
- 2021 IPO proceeds

OUTLOOK FISCAL YEAR 2023 – A TRANSITION YEAR

Prudent forecast given low visibility – mid-term aim to return over 20% adj. EBITDA margin

IN €M/
AS INDICATED

FY 2022

FORECAST FY 2023

Group revenue

132.5

135-165

EBITDA margin
(adj.)

11.5%

10-14%








GAMING

Double-digit revenue growth and a slightly higher adj. EBITDA margin (2022: - 0.7%)





PROFESSIONAL

Single-digit revenue growth and a slightly lower adj. EBITDA margin (2022: 17.0%)

CURRENT FORECAST BASED 2023 ON:

-  Macro factors remain challenging in 2023 with high inflation, interest rates
-  Q1 sales expected to be low due to high inventory levels at customers
-  Xtrfy contributes to Gaming from January 2023
-  Q2 Cherry starts first in Q2 with “Gaming Goes Global”
-  HY2 E-health terminals and PinPad strong in H2 as regulatory constraints end
-  Expansion of e-commerce activities in the US market planned
-  Improved supply chain and no further lock-downs in China

Profitability will be impacted by:

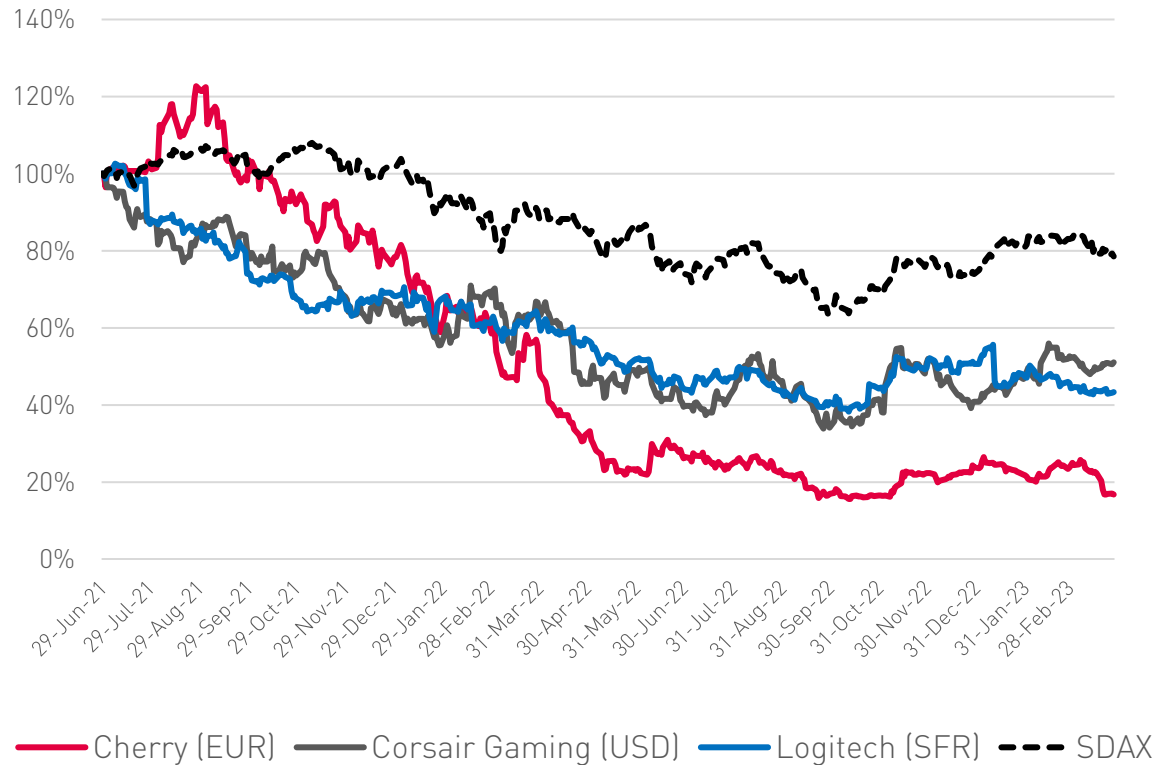
-  Shift in product mix – low switch sales assumed
-  Low capacity-utilization in switch production
-  2nd ULP assembly machine will start in June
-  Strong cost / OPEX management

APPENDIX

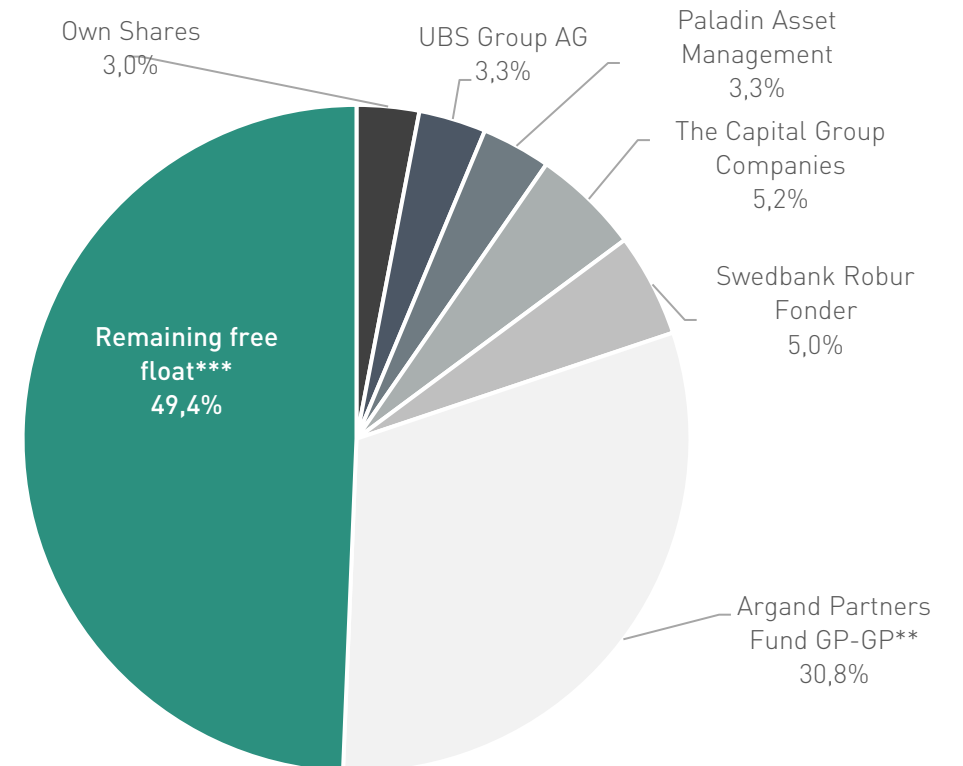


RELATIVE SHARE PERFORMANCE & CURRENT SHAREHOLDER STRUCTURE

RELATIVE SHARE PERFORMANCE



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 1.8% held directly and indirectly by the members of the Management Board.

CHERRY SHARE BUY BACK 2022

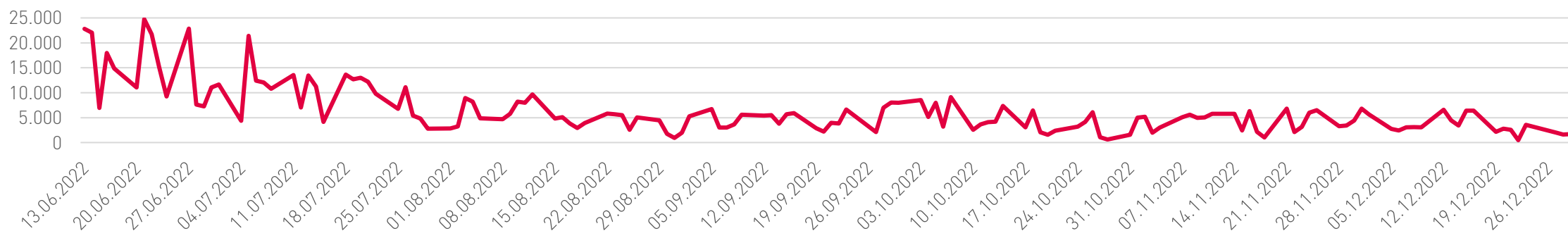
OVERVIEW

- 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 31, 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	256,905	6.1301	1,574,849.21
Cumulated	907,117	7.5001	6,620,594.03

NO. OF SHARES REPURCHASED



FINANCIAL CALENDAR 2023

DATE	EVENT
January 5/6	ODDO Forum
February 8	Hamburger Investorentag (HIT)
March 2	Metzler Small- and MicroCap Days
March 10	ODDO TMT
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
June 16	Warburg Highlights
August 14	Half-year report 2023
September 4/5	Equity Forum
September 18/19/20	Berenberg Flagship German Corporate Conference
November 15	Interim report for Q3/9M 2023
November 16	Münchner 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.

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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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