



# CHERRY SE Investor Presentation

LUGANO ROADSHOW  
17 & 18 June 2024



## **DISCLAIMER**

This presentation contains forward-looking statements.

These statements are based on the current views, expectations and assumptions of the management of Cherry SE 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 SE 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 SE does not assume any obligation to update any forward-looking statements.

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 herein or its accuracy or completeness. The information in this presentation is subject to change.

## **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.

A pink mechanical keyboard is the central focus, resting on a mousepad with a blue and white marbled pattern. To the right of the keyboard is a white computer mouse. On the mousepad, near the keyboard, there is a black paperclip and two small, clear plastic components, likely keyboard switches. The background is dark, and a red curved shape is visible in the top right corner.

# COMPANY OVERVIEW

# Our Promise

CHERRY is a globally operating developer and manufacturer of high-end input devices and solutions.

With our hardware, software and cloud services, we enable people to participate in the digital world.

Solution-driven and customer focused, CHERRY continually strives to learn and create. We are inspired to provide responsibly developed products. With our hardware, software and cloud services, we enable efficient and reliable participation in the digital world.

With us, you enter excellence.



# Our Markets

## Gaming



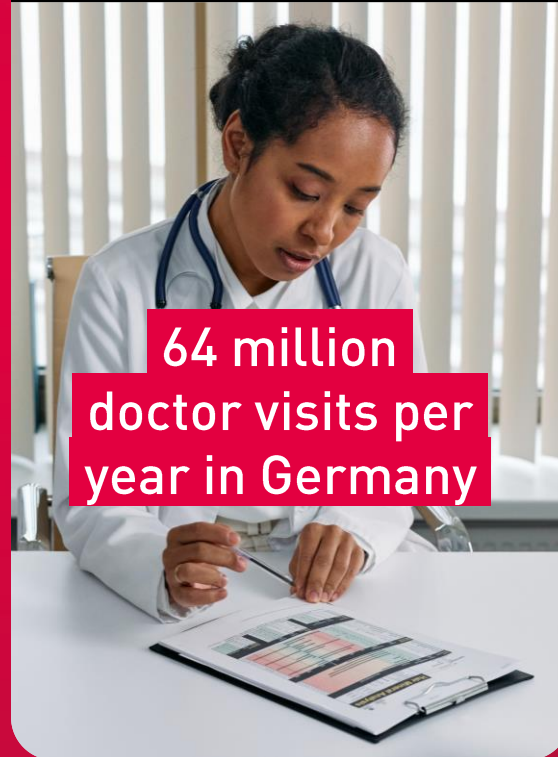
3.2 billion gamers  
worldwide

## Office



80 million  
work from home  
in Europe

## Health



64 million  
doctor visits per  
year in Germany

## Industrial



30 billion  
connected devices  
by 2030

# Our Signature Products

## Keyboards and Mice



### **STREAM Series**

Our bestseller for more than 15 years, designed and developed for office environments and hygiene.

## Microphones



### **UM Microphone Series**

Our pioneering products of a new category, increasing the CHERRY Ecosystem.

## Switches



### **MX Switches**

Our famous mechanical switches that set the gold standard for keyboards and which we continually reinvent.

# Our Signature Products

## eHealth



### **eHealth Terminal ST-1506**

Market Leader in newly sold eHealth terminals across Germany.

## Robotics



### **Tiger**

Our System-on-Module (SOM) provides AI capabilities for autonomous mobile robots or IoT applications.

## Software and Cloud



### **SmartLink**

The SaaS enables fully mobile e-prescriptions and is the foundation for additional eHealth services.

# Our Commitment to User Centricity

## Customized Solutions



We value the individual. We offer numerous ways to customize our products — from keyboards to IoT-devices.

## User Driven Development



We value user knowledge, developing products in close collaboration — from gaming devices to single-board computers.

## Outstanding Client Support



We value reliability. For us, reliability does not only mean durability, but also being there when you need it.

## Highly Ergonomic Design



We put the health of our user center stage. Our products are designed to make interaction as natural as possible.



# A Selection of Awards We Won

Juries worldwide have honored the outstanding quality of our products and services, their highly innovative design, our focus on sustainability and customer satisfaction.



reddot

**Red Dot Award**  
recognizes design  
excellence.



The **German Design Award** highlights  
innovative design and  
developments in  
circular economy.

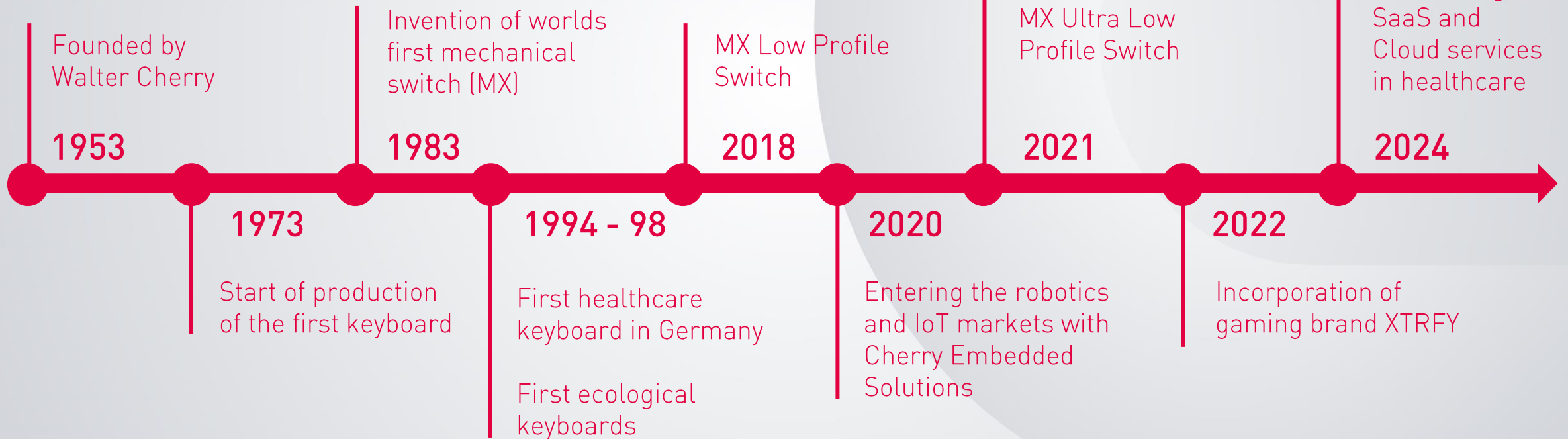


**IF Design Award**  
is one of the most  
prestigious and rele-  
vant design compe-  
titions in the world.



The **German Innovation Award**  
honors products,  
projects, and achieve-  
ments that sustainably  
improve life.

# >70 Years of US Innovation and German Engineering

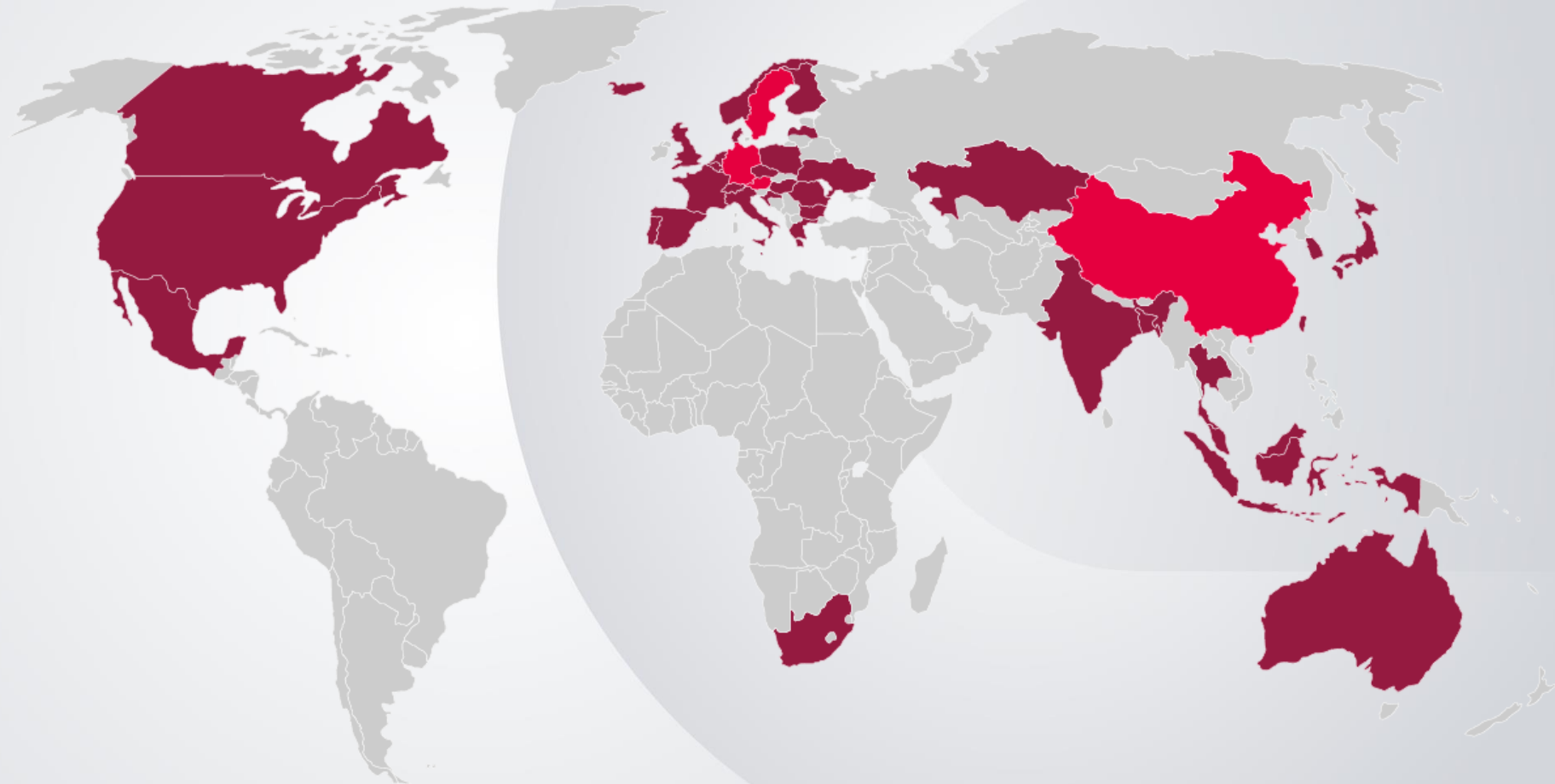


# CHERRY Worldwide

**We are an international powerhouse.**

Our design, development and manufacturing teams work across 4 countries.

Our core sales network spans 30+ countries, with numerous more countries supplied by distribution partners.



# Our Global Development & Production

## Cherry SE

### Cherry Europe / Germany



Innovation for MX and ULP product lines as well as development and production of MX2 and ULP switches

### Cherry Embedded Solutions / Austria



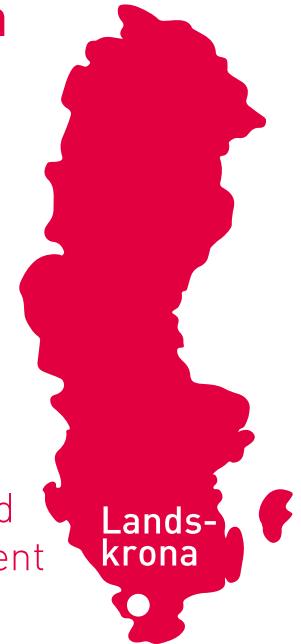
Development / manufacturing of System-on-Modules (SoM), Single-Board Computers (SBC) and Full-Custom Design Devices (FCD)

### Zhuhai Cherry Electronics / China



Development and production of office and gaming hardware

### Cherry XTRFY / Sweden



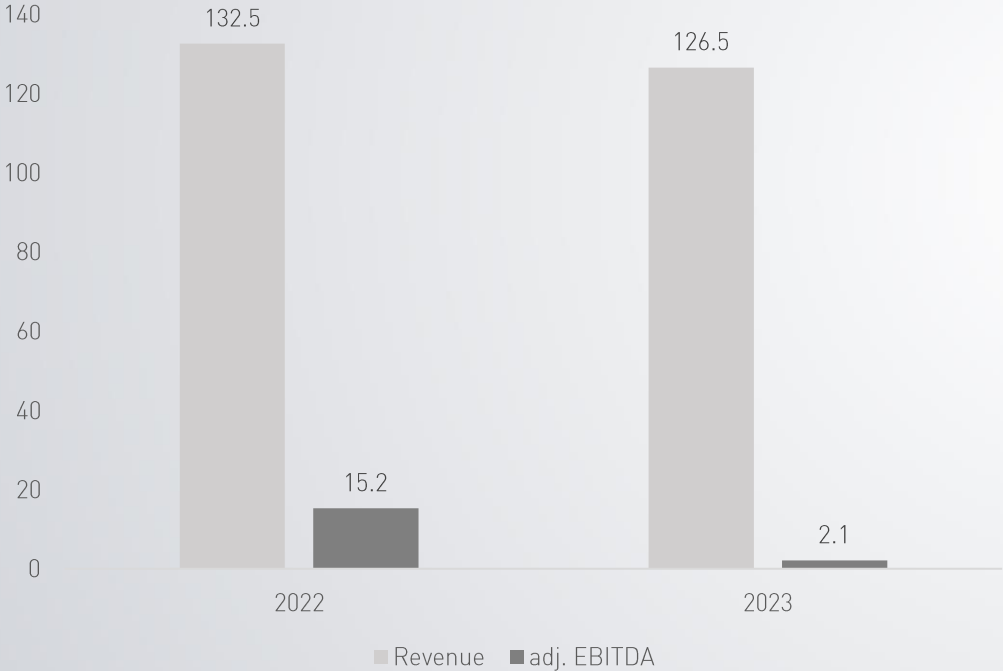
Design and development of gaming devices

A pink mechanical keyboard is the central focus, resting on a mousepad with a blue and white marbled pattern. To the right of the keyboard is a white computer mouse. On the mousepad, near the keyboard, there is a black paperclip and two small, clear plastic components, likely keyboard switches. The background is dark, and there are pink curved shapes in the top right and bottom left corners.

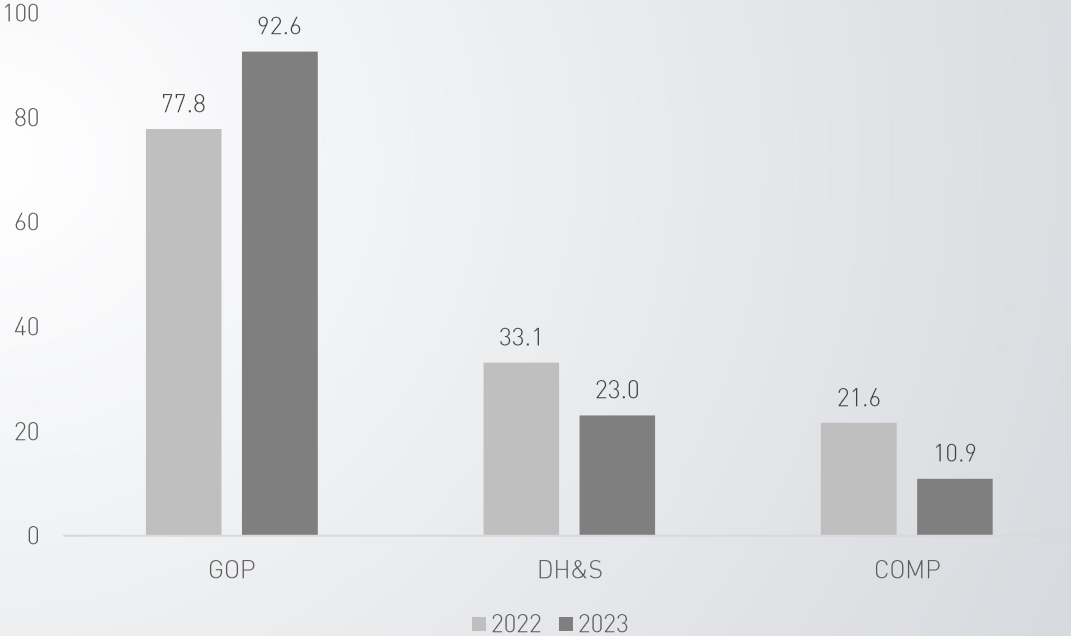
# BUSINESS UPDATE

# TRANSFORMATION YEAR 2023 - KEY FINANCIALS

2023 group revenue and adj. EBITDA (in EUR m)



2023 revenue by business unit\* (in EUR m)



\* GOP = Gaming and Office Peripherals, DH&S = Digital Health & Solutions, COMP = Components

# COUNTERMEASURES INITIATED TO INCREASE FINANCIAL PERFORMANCE



## MX2A Switch

- FY 2023: Project North
- FY 2024: Full implementation
- Cost savings: € >5,5m p.a.



## Management

- Intense and strict cost and cash management to improve financial strength



## New Partners

- Focus markets: DACH, France, UK, Netherlands, Spain, Americas, China
- Additional direct & distribution partners: Media Markt / Saturn, Elgiganten, Fnac&Darty and Dixons



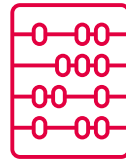
# FINAL STEPS WERE TAKEN TO CLOSE THE CHAPTER OF OVERPROMISING & UNDERDELIVERY

## Management taking action to turn around Cherry



- 2023 marks Cherry's turn of time, from overpromising until 2023 to delivery from 2024 onwards
- Successful clean-up of operating structure by COO Dr. Udo Streller
- Streamlining of financial structure and processes by Interim CFO Volker Christ in progress

## Prudent and conservative balance sheet adjustment



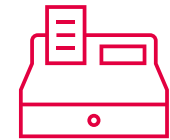
- Impairment of EUR 96m signalling our conservative stance, leaving the Price-to-book-ratio at around 0.5x on current share price levels
- We gave the new auditor an additional two to three weeks to finalize the audit.

## Financing secured



- EUR 25m credit line
- Agreement with UniCredit includes covenant holiday until 31 March 2025

## Cost cutting targets 2024



- EUR 5.5m restructuring benefits
- EUR 4.6m SG&A savings
- EUR 3.1m materials savings / other



# BUSINESS STRATEGY – IT'S ALL ABOUT EXECUTION & RELEVANCE

2024 revenues € 140m - € 150m  
EBITDA margin 7-8%  
driven by organic growth

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PROFITABILITY

Strict cost management  
Restructuring program  
Streamlined product portfolio  
Debt reduction & internal financing

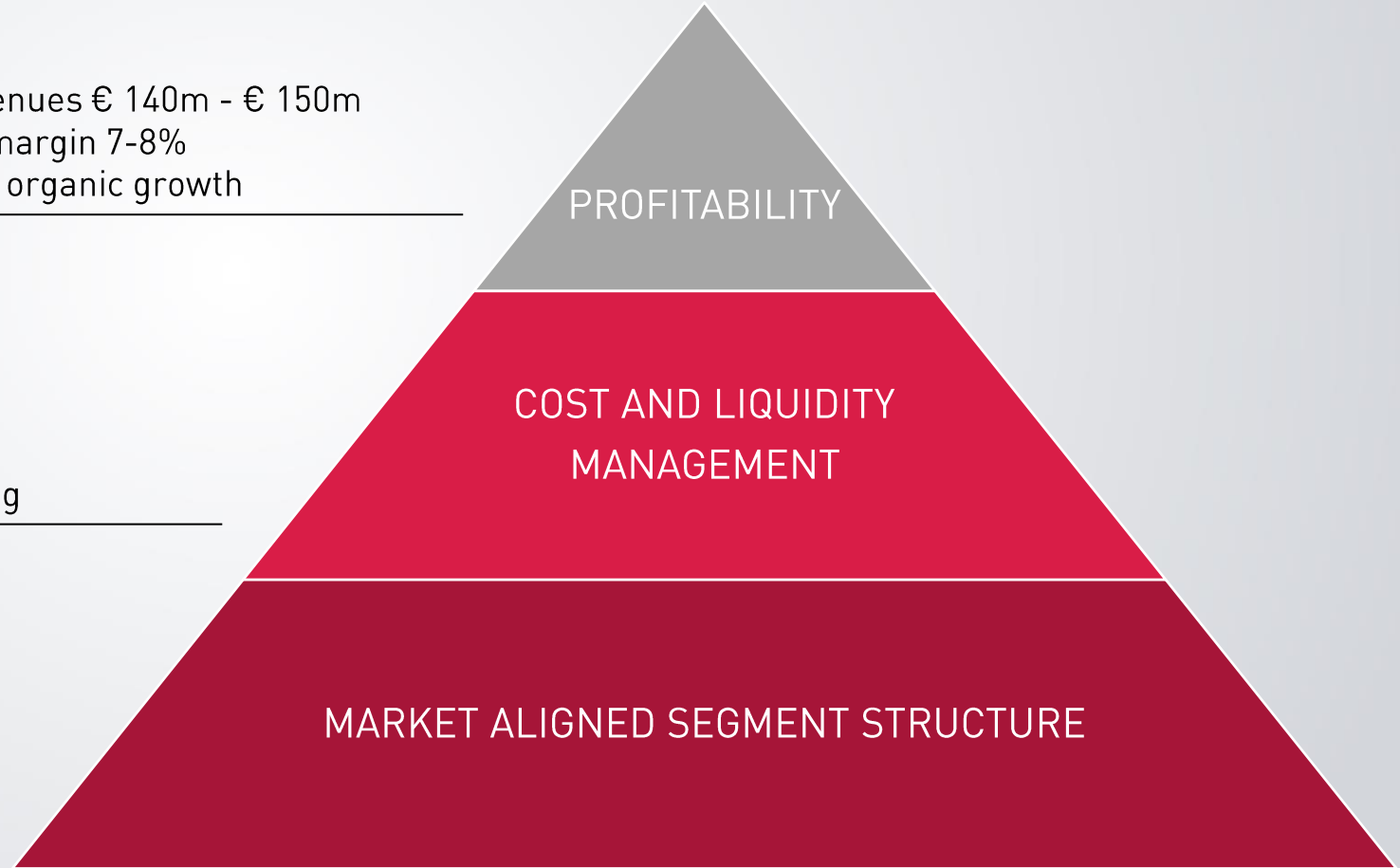
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COST AND LIQUIDITY  
MANAGEMENT

Focus on growth areas & innovation  
Trends: Esports, hybrid work,  
dynamic healthcare market.  
Additional distribution partners

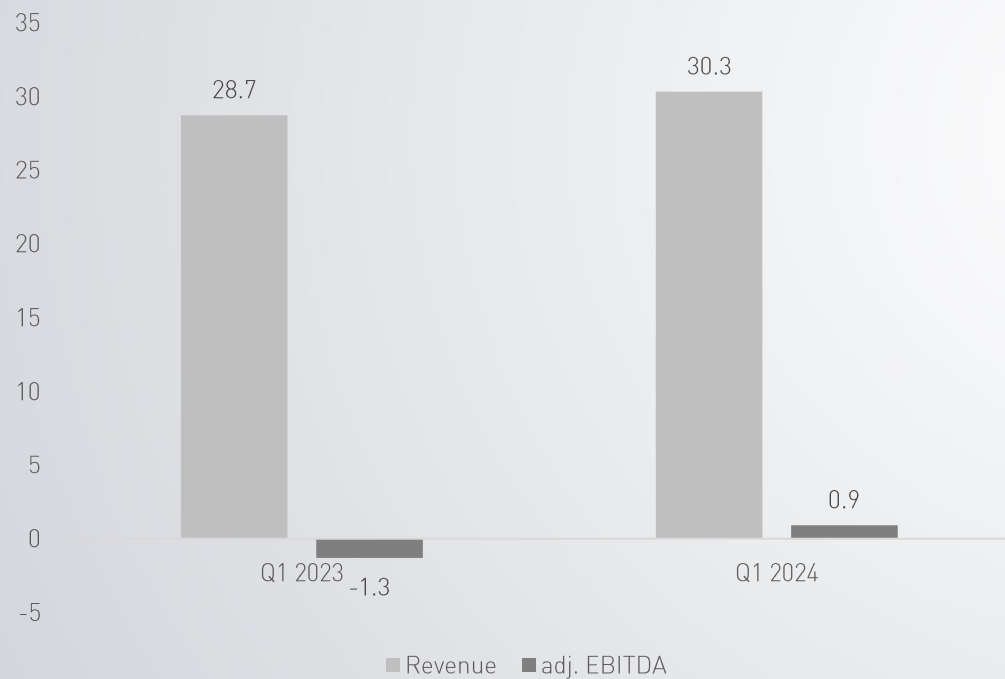
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MARKET ALIGNED SEGMENT STRUCTURE

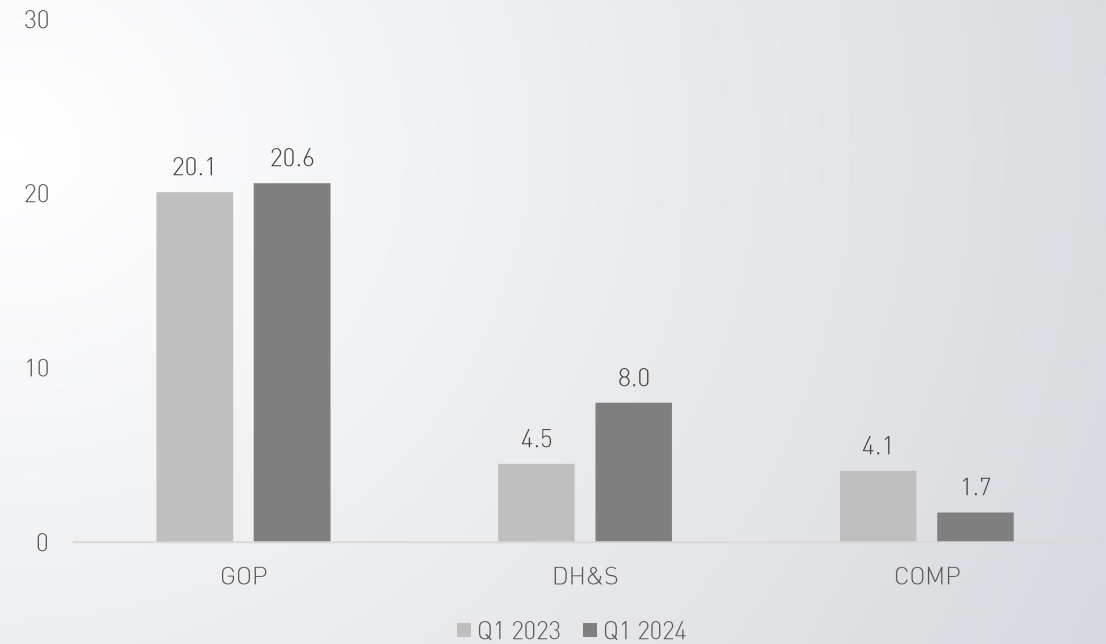


# MEASURES TAKEN LED TO A STRONG START

Q1 24 group revenue and adj. EBITDA (in EUR m)



Q1 24 revenue by business unit\* (in EUR m)



\* GOP = Gaming and Office Peripherals, DH&S = Digital Health & Solutions, COMP = Components

A pink mechanical keyboard is the central focus, resting on a mousepad with a blue and white marbled pattern. To the left of the keyboard, a black binder clip is attached to a white cord. Above the keyboard, two clear mechanical key switches with red stems are visible. To the right, a white computer mouse is partially visible. The background is a dark, textured surface. The word "OUTLOOK" is centered in white, bold, sans-serif font over the keyboard.

OUTLOOK

# DIVISIONS POSITIONED FOR GROWTH

## Components

keyboard & notebook switches

### Switch Business

- Start of China assembly for partner products by mid-year to drive pricing flexibility and regain tracking with Global Keyboard brands
- Successfully launched first keyboard and peripheral devices with MX Multipoint analog switch at COPMPUTEX trade fair in Taipei
- Global market share expected to recover from the current c. 10%



## Gaming and Office Peripherals

keyboards / mice / headsets / microphones

### Peripherals

- Improved resource allocation in focus markets
- New distribution partners and retail listings
- Inventory management on track
- Share of direct contracts to rise further
- Successful XTRFY product launches



## Digital Health & Solutions

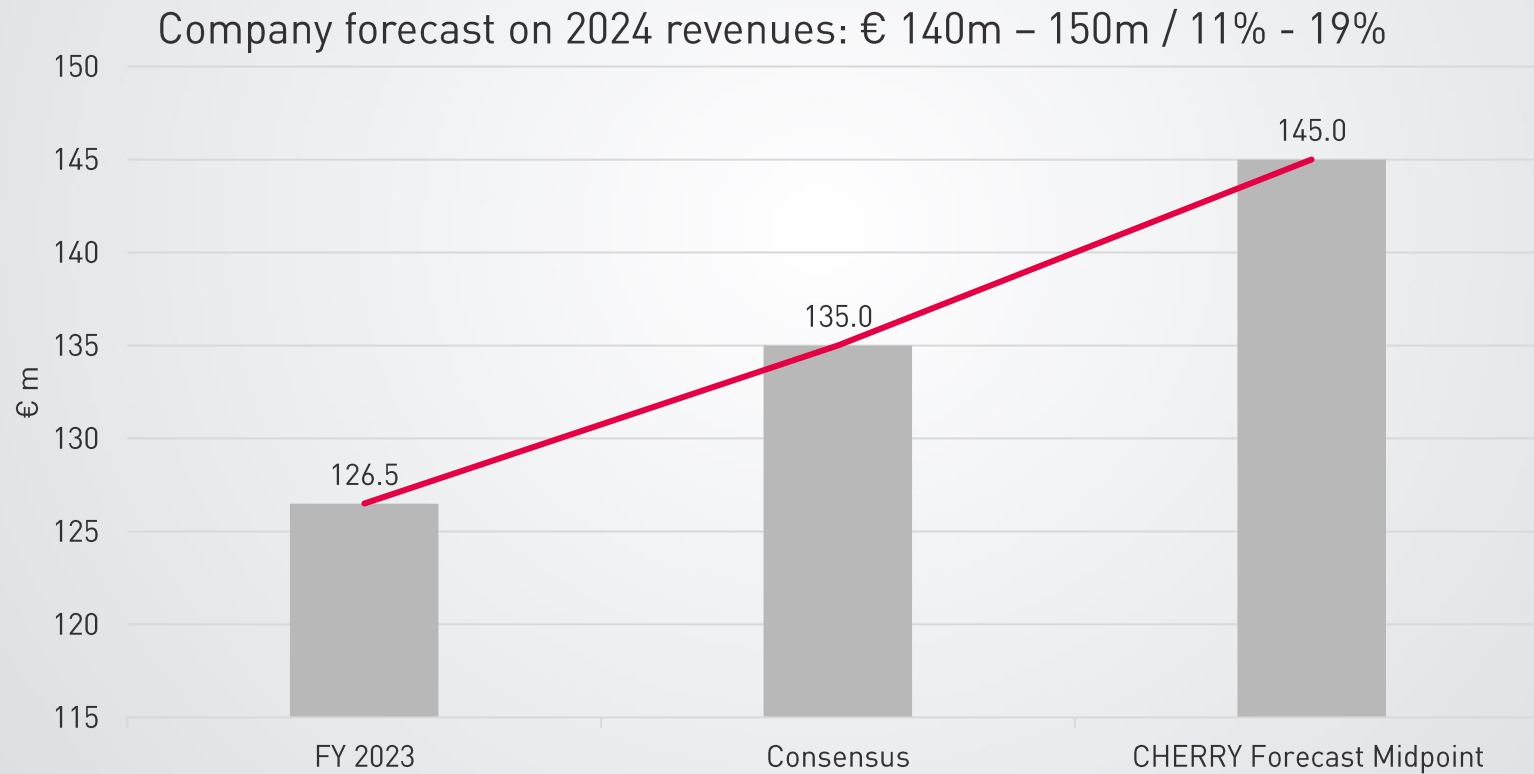
eHealth terminals / encryption & disinfection devices

### Health & Security

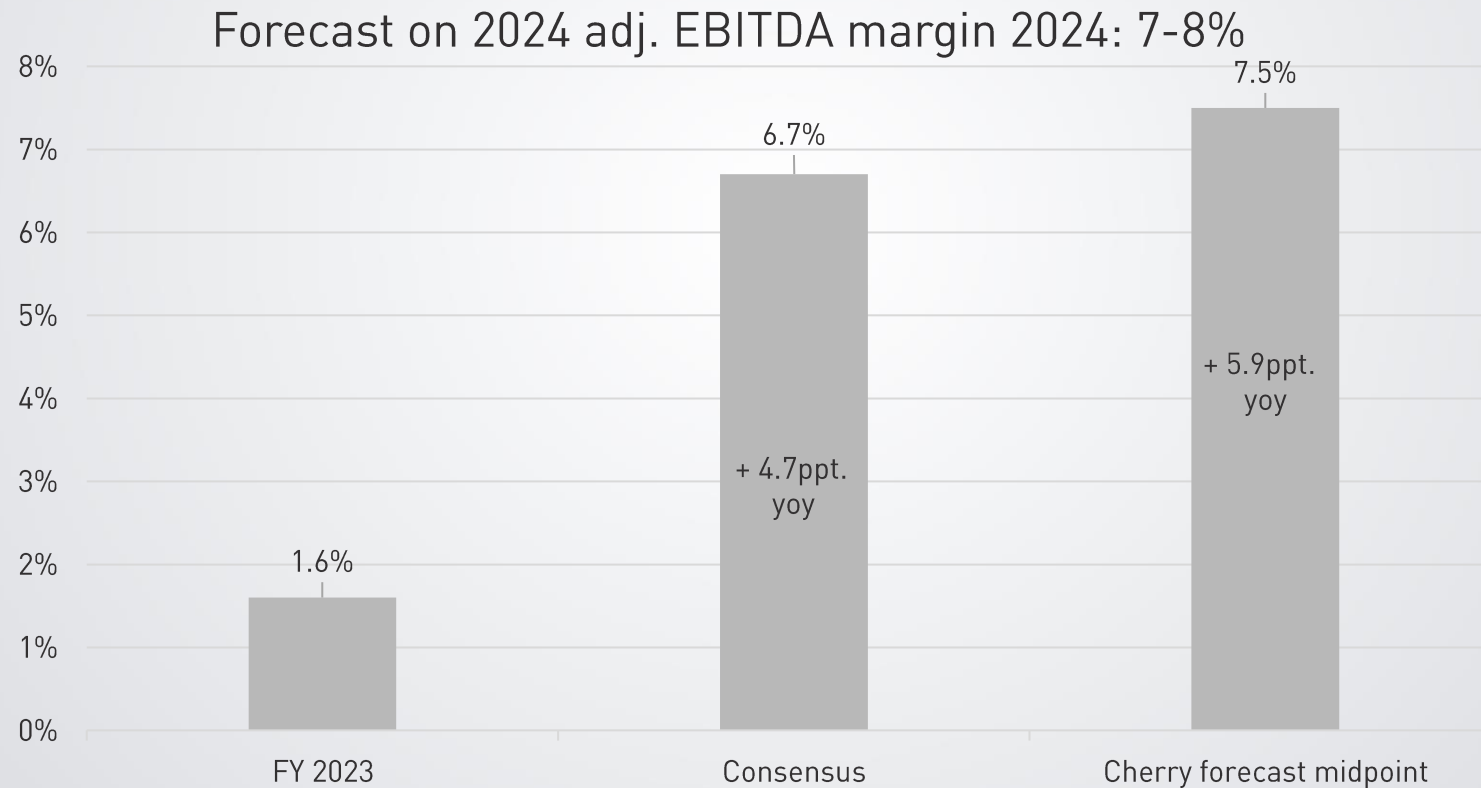
- High eHealth terminal market share complemented by TMS kicking in
- Continued dynamics in terminal sales driven by new customer groups
- Promising leap across the Atlantic of Protected Peripherals



# FY OUTLOOK: DOUBLE DIGIT TOPLINE GROWTH



# OUTLOOK FY 2024: PROFITABILITY TO INCREASE BY C. 5.9PPT. YOY





# IR CONTACT

**NICOLE SCHILLINGER**  
**SVP INVESTOR RELATIONS**

Email: [nicole.schillinger@cherry.de](mailto:nicole.schillinger@cherry.de)

Phone: +49 9643 2061 848

Web: <https://ir.cherry.de>

