



CHERRY SE

HAMBURGER INVESTORENTAGE

HAMBURG, 5 FEBRUARY 2025



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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.



OVERVIEW

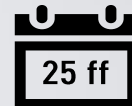
FROM A HIGH-COST SWITCH PRODUCER TO AN INTEGRATED PERIPHERALS PLAYER



- VOLUME DRIVEN
- SWITCHES AT THE CORE
- MARGIN DESTROYING DISTRIBUTION AGREEMENTS
- PRICE EROSION ON GREY MARKET
- TOO MANY LEGAL ENTITIES



- RESTRUCTURING YEARS
- SWITCH ASSEMBLY TO CHINA
- NEW MARGIN AND PRICE MODEL FOR PERIPHERALS
- SW/CLOUD BUSINESS MODELS IN DH&S
- INTEGRATION AND STREAM-LINING OF GROUP STRUCTURE



- MARGIN DRIVEN
- SWITCHES INTEGRATED INTO PRODUCT MANAGEMENT
- NEW PARTNER PROGRAM EFFECTIVE JAN 25
- COMBINED SALES AND MARKETING FOR OFFICE, GAMING, HYGIENE, AND SECURITY PERIPHERALS

OUR MARKETS

Gaming



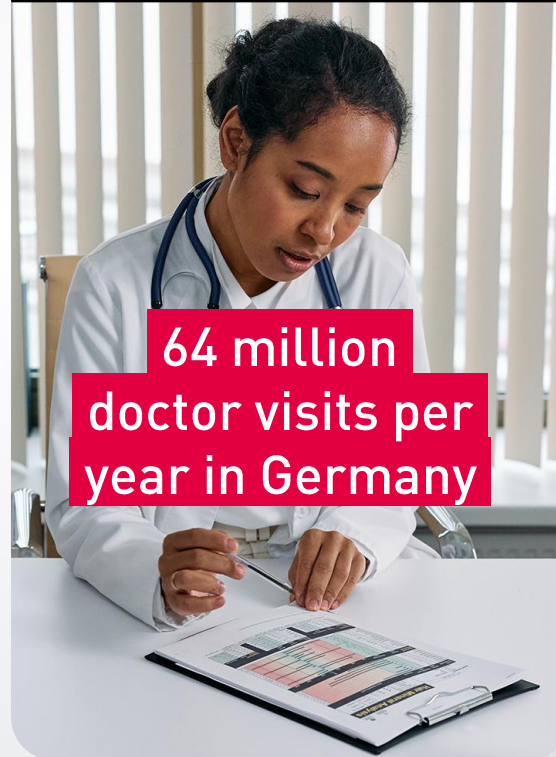
**3.2 billion gamers
worldwide**

Office



**80 million
work from home
in Europe**

Digital Health



**64 million
doctor visits per
year in Germany**

Industrial



**30 billion
connected devices
by 2030**

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



TWO-MEMBER EXECUTIVE BOARD



Oliver Kaltner, CEO

Experienced CEO with proven track record in IT, digital, consumer electronics and branded companies, both in large corporations and SMID as well as start-ups.



Dr. Udo Streller, COO

More than 20 years of management experience in operational excellence, including constructing and managing factories, R&D, product management, supply chain management procurement.



DIVISIONAL UPDATE

CLEAN-UP AND RAMP-UP

Restructuring Update

- From sell-in to pay-for-performance; reseller bonus driven by sell-out
- Abandoning low-margin deals as of Q4 24 increased average street price
- Ongoing SKU reduction to refocus on high margin products

- Retail activation: CHERRY displays in 170 MediaMarkt outlets since February
- CHERRY XTRFY: MediaMarkt online listing
- New Sales and Marketing unit for all Peripherals should foster growth in North America

e-com

- December sell-out up sharply y-o-y
- Strong Black Week
- December sell-in above expectations

- Amazon 2024 up > 20% y-o-y
- Gaming: strong growth in mice, while keyboards were flat

APAC

- FY 2024 targets achieved
- Distribution successfully diversified
- Intensified competition in entry segment
- Local sales to be hired for South Korea

- Magnetic keyboard to be launched in H2 25
- Category expansion to mice and headsets in 2025
- New Shanghai office to attract and maintain talent

GAMING AND OFFICE LAUNCHES AT CES

CHERRY XTRFY MX 8.3 TKL Wireless



CHERRY XTRFY H3 Wireless Headset



CHERRY KW 300 MX/KW 300W MX



CHERRY XTRFY MX 10.1 Wireless



KW 550 MX LP



High Speed Gaming Mousepads



RED BULL GAMING GARDEN SPONSORSHIP



**NEW E-SPORTS HOTSPOT AT SAP GARDEN IN MUNICH EQUIPPED WITH XTRFY PERIPHERALS
... LOCATED UNDER CHERRY BLOSSOM TREES**

DH&S BENEFITTING FROM REGULATION

Focus

- Strong benefit from connecting new healthcare professionals to TI
- Beginning refresh cycle for existing users in the German healthcare system
- Digital Health market expected to grow at a 10% CAGR over the next decade
- Joint sales and marketing for Hygiene & Security and Office & Gaming keyboards

Terminals

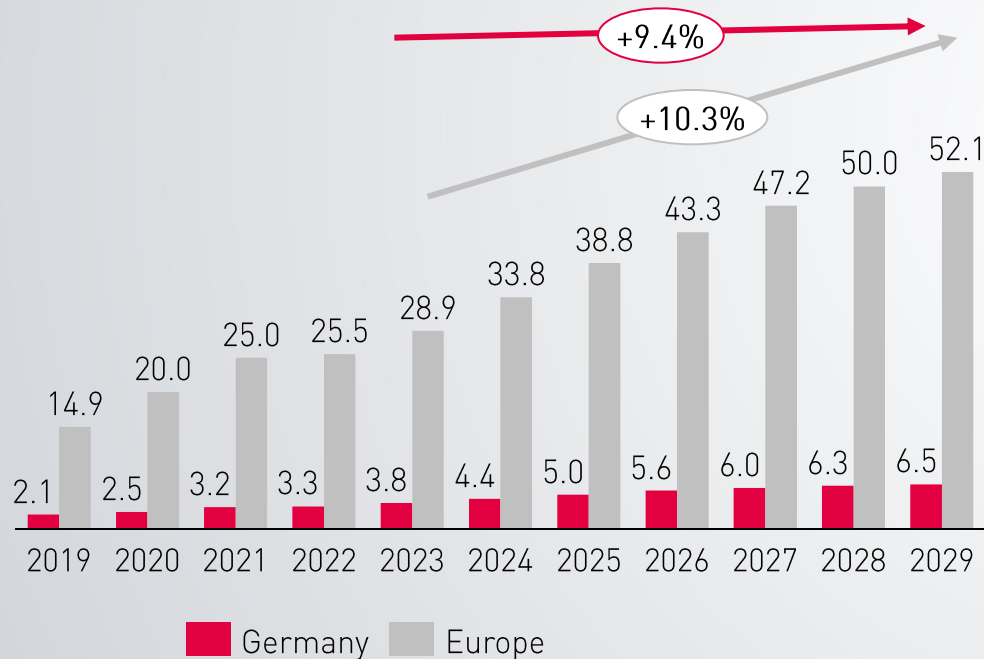
- 2024 unit sales above plan
- Extra momentum as of July 25 from mandatory TI onboarding for ambulatory and stationary care providers
- eHealth terminal refresh cycle for major roll-outs in 2018-2020 ramping up

Recurring Revenues

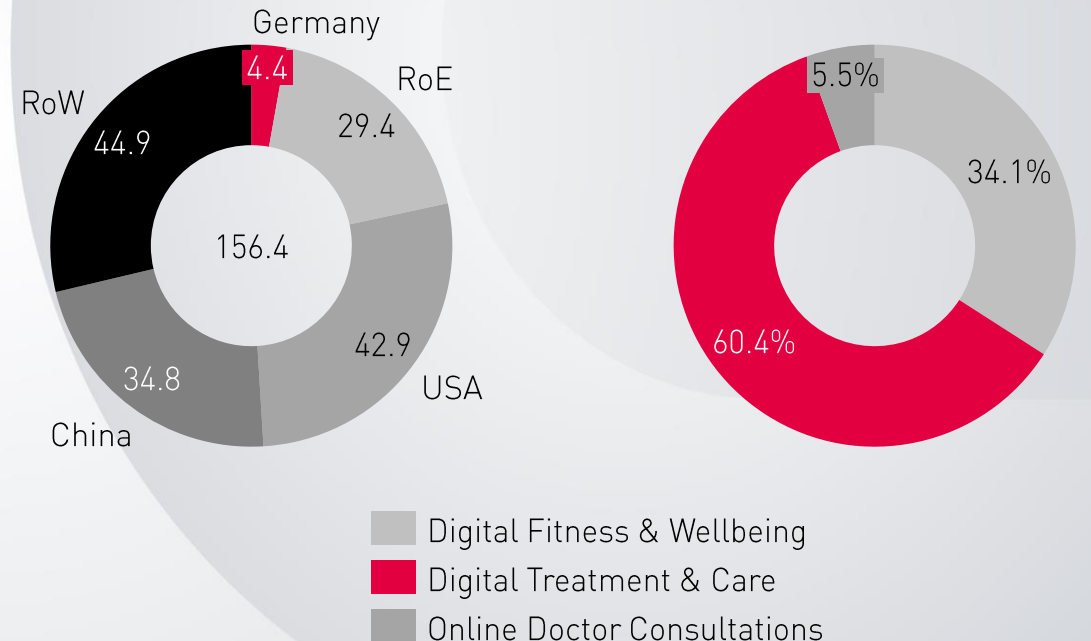
- TI Messenger: strong push expected from ePa rollout
- Terminal Management System (TMS): first contracts signed; extra demand to stem from additional professions
- SmartLink:
 - ✓ Product approval received in October 24
 - ✓ Provider approval slightly delayed due to extremely high requirements for submitted documents; expected for mid Q1 25

DIGITAL HEALTH MARKET TO GROW C. 10% P.A. UNTIL THE END OF THE DECADE

DIGITAL HEALTH MARKET REVENUE EUROPE AND GERMANY (in EUR bn)



GLOBAL DIGITAL HEALTH MARKET (in EUR bn)



COMPONENTS – MIXED PICTURE

Chinese Operations

- New MX2A toolings and plastic parts in place since Sep 2024
- ... together with design improvements further increased quality
- Production at full capacity since Dec 2024
- Business with Asian keyboard manufacturers gaining traction

Product Pipeline

- MX3 to be launched mid 2025
- Additional analog switches in development; to be launched late 2025
- Launch of community switches in Q1 25 (Cherry Blossom and Cherry Northern Light)

Market

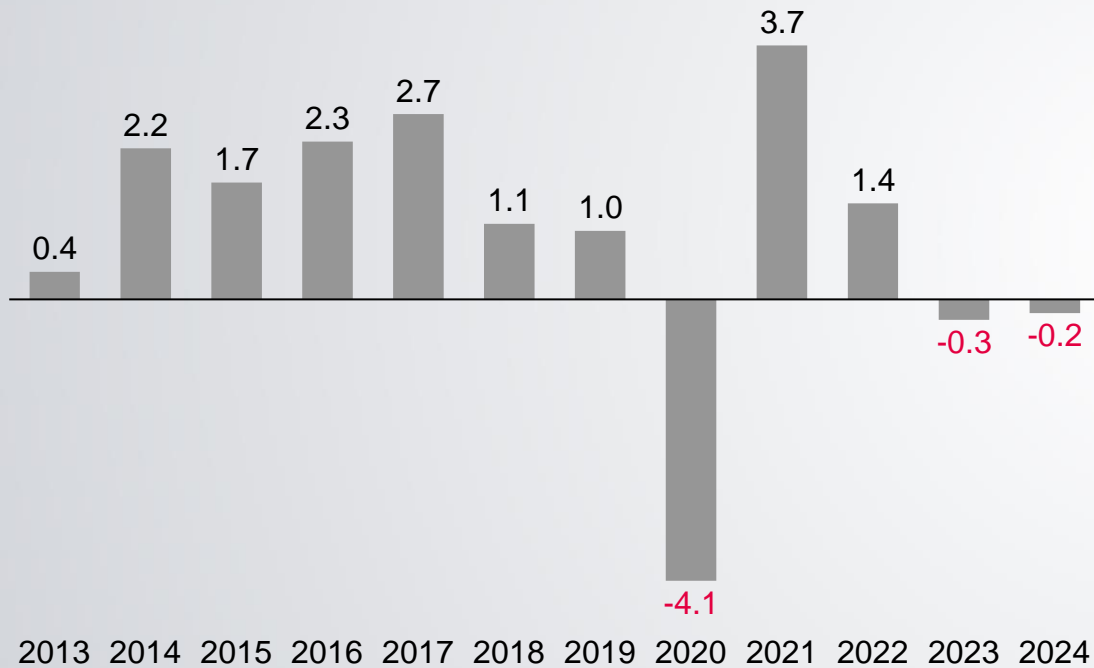
- Notebook end market still lackluster, thus limiting ULP momentum
- Mechanical keyswitch market challenging with Chinese competition fighting over 0.1 cent cost differences
- Accelerating market dynamics and ever-shorter product cycles in China
- LP switches gaining traction in the desktop / office market
- Analog switches gaining popularity
- Increasing volumes of Inductive Key Switch



OUTLOOK

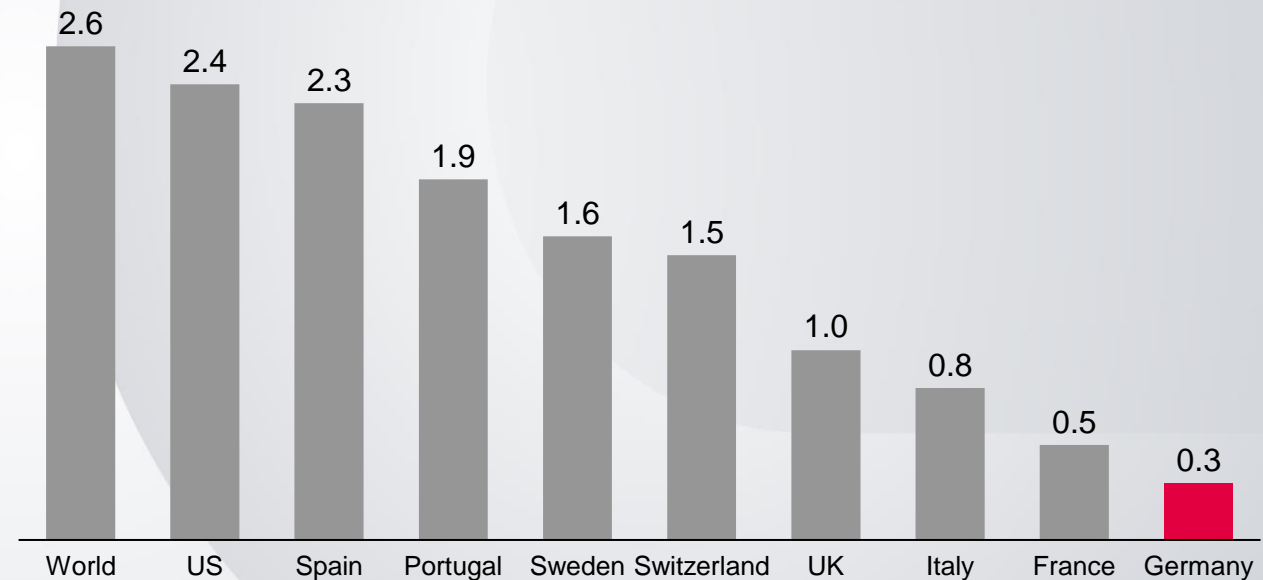
GERMANY CLEARLY THE GROWTH LAGGARD

GERMAN REAL GDP GROWTH 2013 - 2024 (in %)



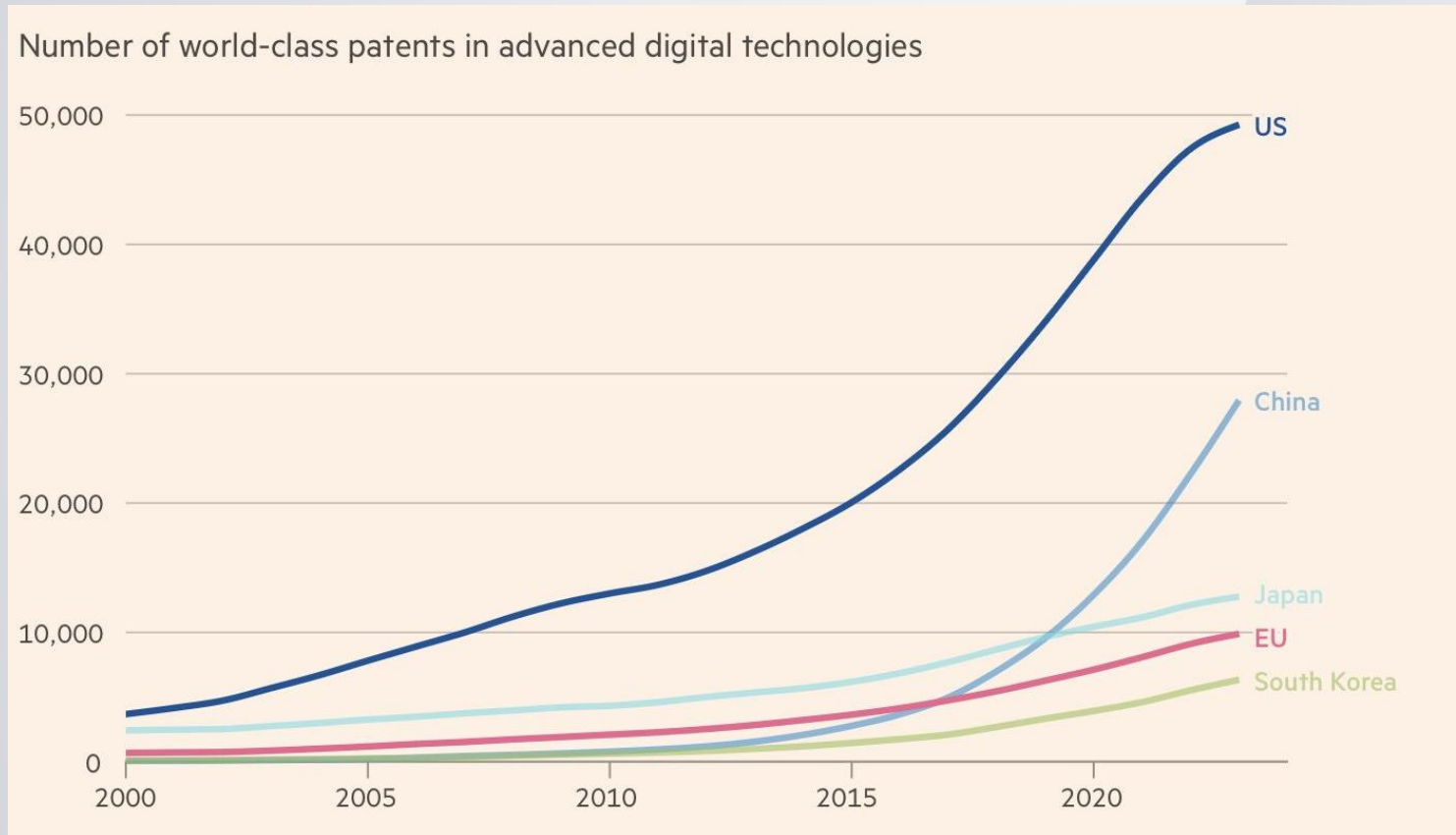
* Source: Destatis, 15 January 2025

GDP GROWTH ASSUMPTIONS 2025e (in %)*



* Source: Berenberg Economics Research, Forecasts at a Glance, 13 January 2025

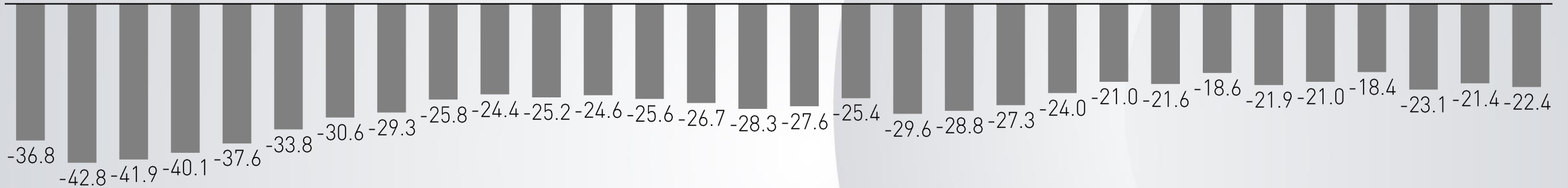
EUROPE HAS FALLEN BEHIND – GAP IS GROWING



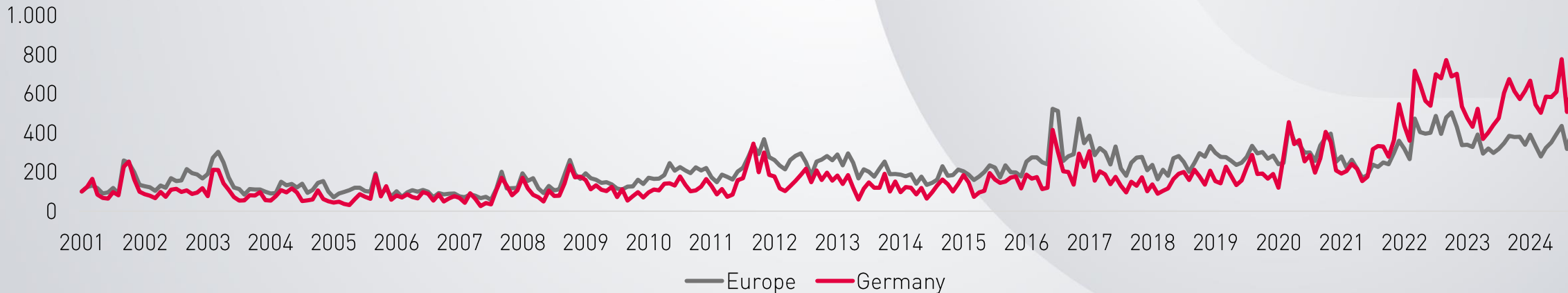
- With 0.7% of GDP the **EU's public R&D spending equals that of the US**
- **US private sector R&D** spending however, almost **twice as high** at 2.3% of GDP (vs. 1.2% in the EU)

LOW CONSUMER CONFIDENCE AND HIGH UNCERTAINTY IN GERMANY

CONSUMER CONFIDENCE SUFFERING ANOTHER SETBACK (from Sep 2022 to Feb 2025)



NEWS COVERAGE ABOUT POLICY-RELATED ECONOMIC UNCERTAINTY (Jan 2001 = 100)



EUR 3.5M COST CUTTING PROGRAM



C. EUR 3.5 M
SAVED FROM
SEP TO DEC
2024



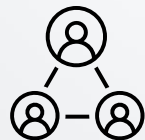
MARKETING



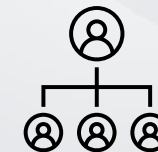
SERVICES



IT PROJECTS



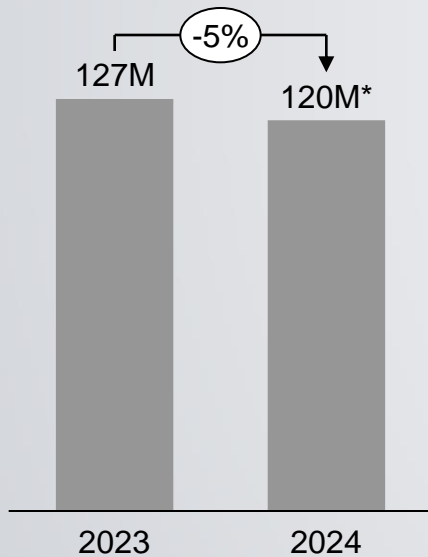
HR WORKSHOPS



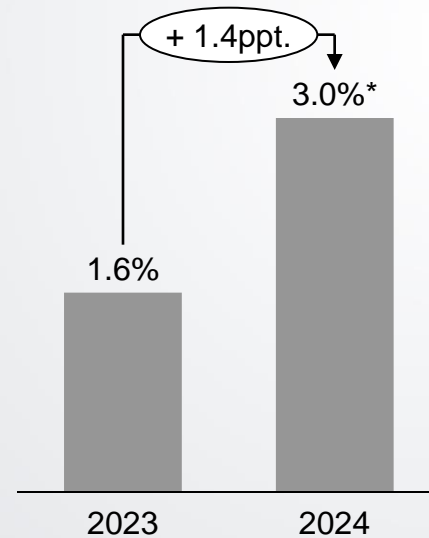
HIRING FREEZE

FY 2024 FORECAST

2024 REVENUES*
C. EUR 120M



2024 ADJ. EBITDA*
MGN. OF C. 3%



* Revised on 22 Oct 2024 from a revenue range of EUR 140 – 150 m and an adj. EBITDA margin range of 7 – 8% previously

SELECTED H1 2025 DATES

05.02.2025 | Hamburger Investorentage (HIT) - Hamburg

27.02.2025 | Preliminary FY 2024 figures

27.03.2025 | Annual Report 2024

02./03.04.2025 | MKK Münchner Kapitalmarktkonferenz - Munich

30.04.2025 | Preliminary Q1 2025 figures

30.04.2025 | Annual Analyst Conference - virtual





IR CONTACT

NICOLE SCHILLINGER
SVP INVESTOR RELATIONS

EMAIL: IR@CHERRY.DE
PHONE: +49 9643 2061 848
WEB: [HTTPS://IR.CHERRY.DE](https://ir.cherry.de)

