



Q4/FY 2024 PRELIMINARY FINANCIAL RESULTS

MUNICH, 27 FEBRUARY 2025



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GENERAL REMARK

Figures may not add up due to rounding.



OVERVIEW
CEO OLIVER KALTNER

IN Q4 WE MISSED OUR OWN EXPECTATIONS



Volume switches: Increasing pressure on competitiveness

Americas below expectations

Peripherals pricing prioritized over sell-in quotas

Lackluster corporates and consumer spending

DH&S with >30% FY growth as budgeted

FY sales at EUR110m, below EUR120m forecast

FY adj. EBITDA margin -2% vs. c. 3% forecast

Highlight: EUR 7.8m FCF in the 4th quarter

NEW ORGANIZATIONAL STRUCTURE



SIGNIFICANT CHANGES SINCE 1 JANUARY 2025

Complete reorganization within Europe

Centralized product management, sales, and marketing für Components and Peripherals

Components integrated into COO led product management and development unit

European distribution network realigned with "Distribution & Fulfillment" strategy

DH&S to remain separate

CHERRY Peripherals the one-stop-shop for marketing & sales of Office, Gaming, Hygiene, and Security finished goods

From 1 Feb Alex Hecker (ex Sonos, ex MS, ex Sony) in charge of Global Sales and Marketing Peripherals

New Partner Program

SPECIFIC ACTION POINTS

New contracts negotiated with partners, valid from 2025

Dry up grey market in DACH region

Stock rotations to support sell-through and sell-out

Development of "product allocation by partner" model

>50% higher street prices on affected products

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 streamlining of group structure



- Margin driven
- Switches integrated into product management
- New partner program effective January 25
- Combined sales and marketing for Office, Gaming, Hygiene, and Security Peripherals

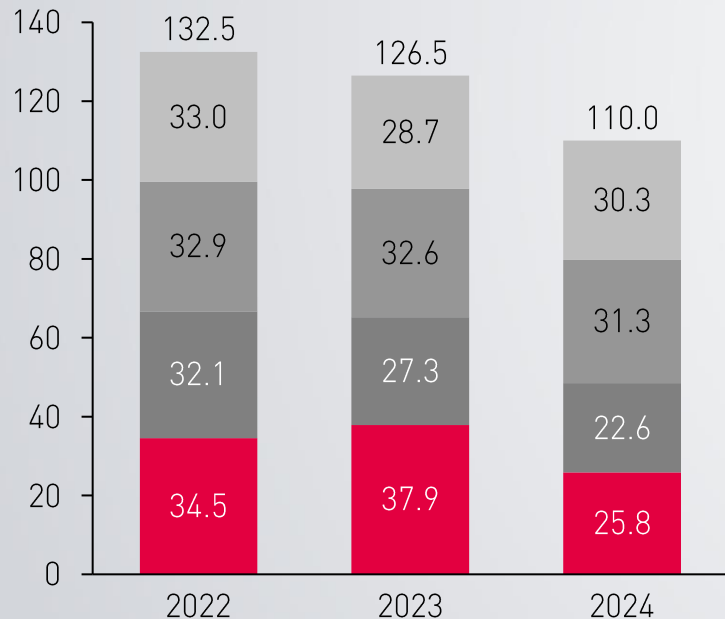


Q4/FY 2024 FINANCIALS
EVP FINANCE & IT VOLKER CHRIST

Q4 REVENUE HIT TRANSLATED INTO NEGATIVE ADJ. EBITDA MARGIN

FY REVENUE

(IN EUR M)

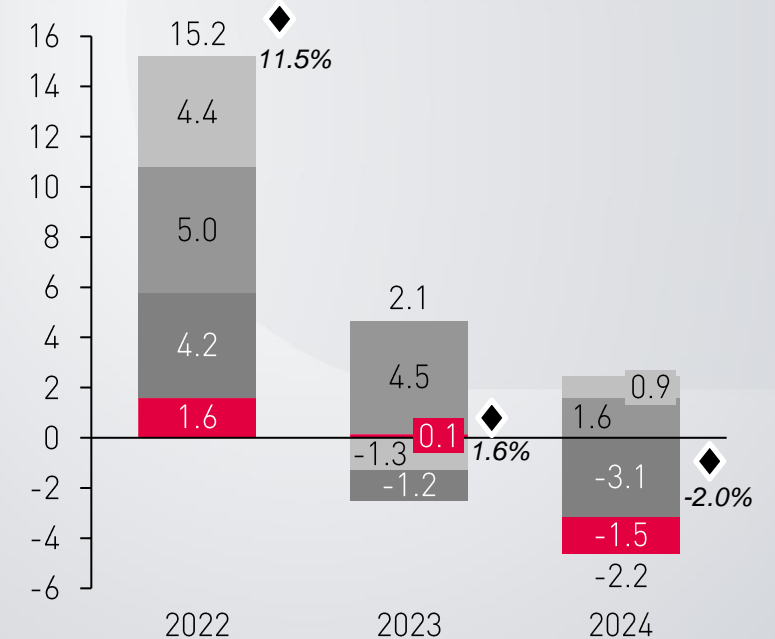


- FY 24 revenue at EUR 110.0m, 13% below 23's EUR 126.5m
- Q4 24 revenue at EUR 25.8m, 32% below 23's EUR 37.9m
- Resulting Q4 EUR 6.4m gross profit hit led to impaired fixed cost coverage
- FY 24 adj. EBITDA at EUR -2.2m
- Q4 24 adj. EBITDA at EUR -1.5m, up qoq, down yoy.

■ Q1 ■ Q2 ■ Q3 ■ Q4

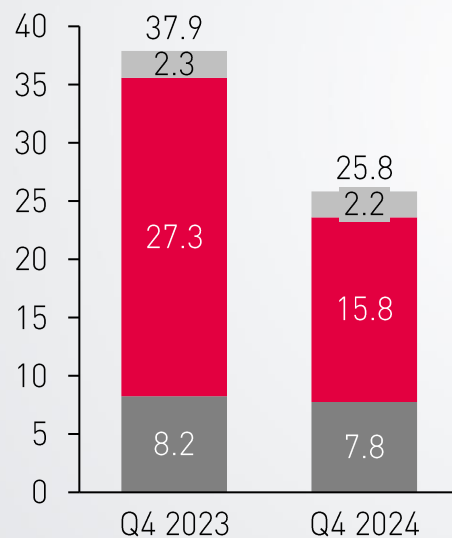
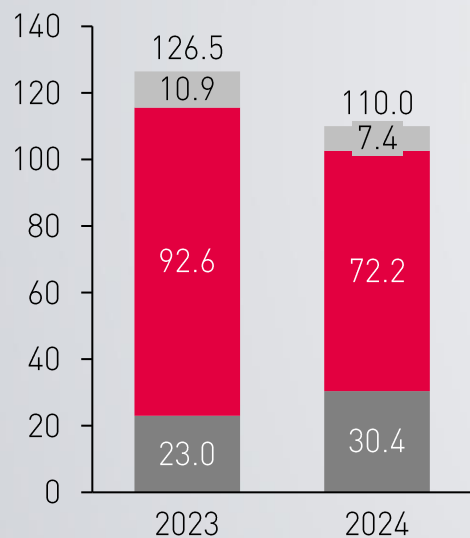
FY ADJ. EBITDA

(IN EUR M; MGN. IN %)

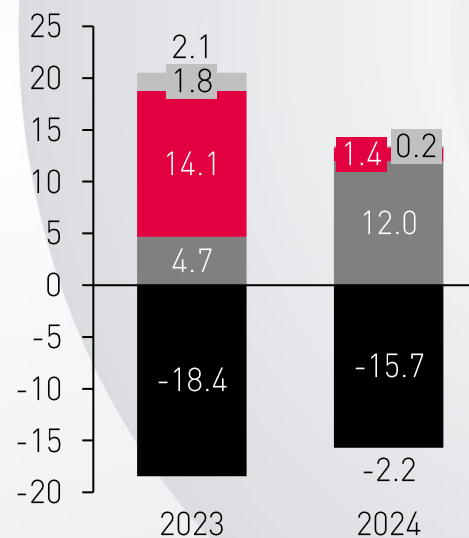


Q4 REVENUE AND ADJ. EBITDA SPLIT

REVENUE SPLIT (IN EUR M)



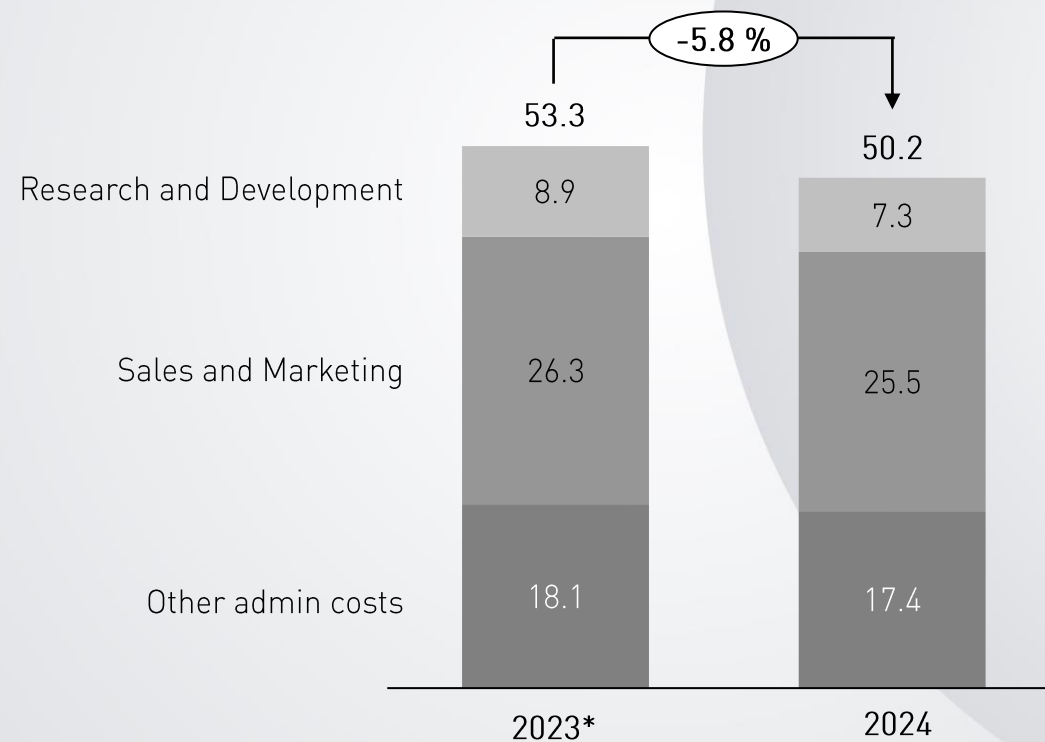
ADJ. EBITDA SPLIT (IN EUR M)



COMP GOP DH&S CORPORATE

2024 SHOWED GOOD OPEX CONTROL

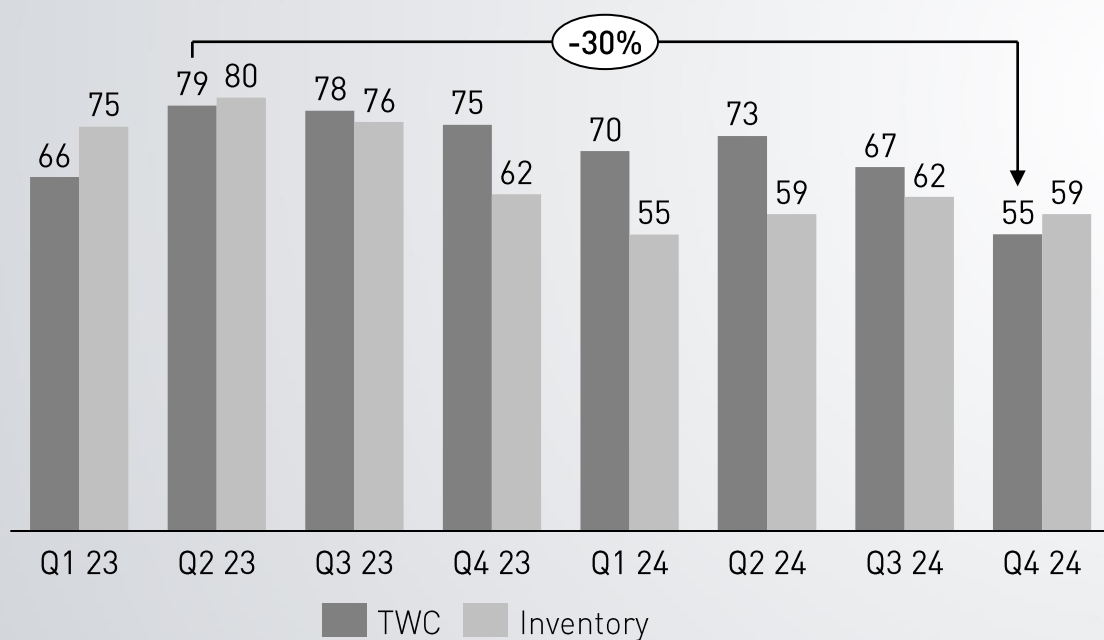
R&D, SALES & MARKETING, ADMIN COSTS (in EUR m)



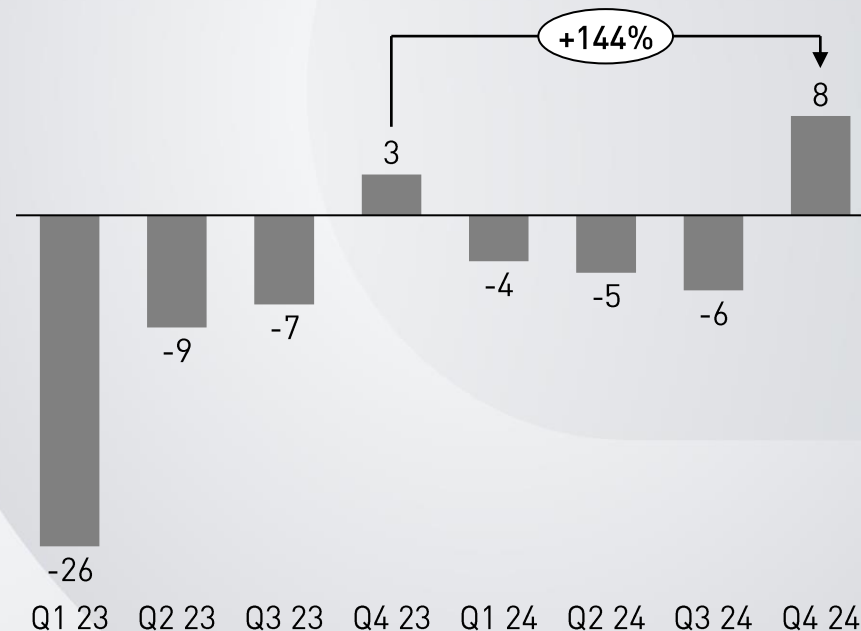
* for better comparability before impairment

STRONG Q4 TWC REDUCTION LIFTED FREE CASH FLOW BY EUR 5M YOY

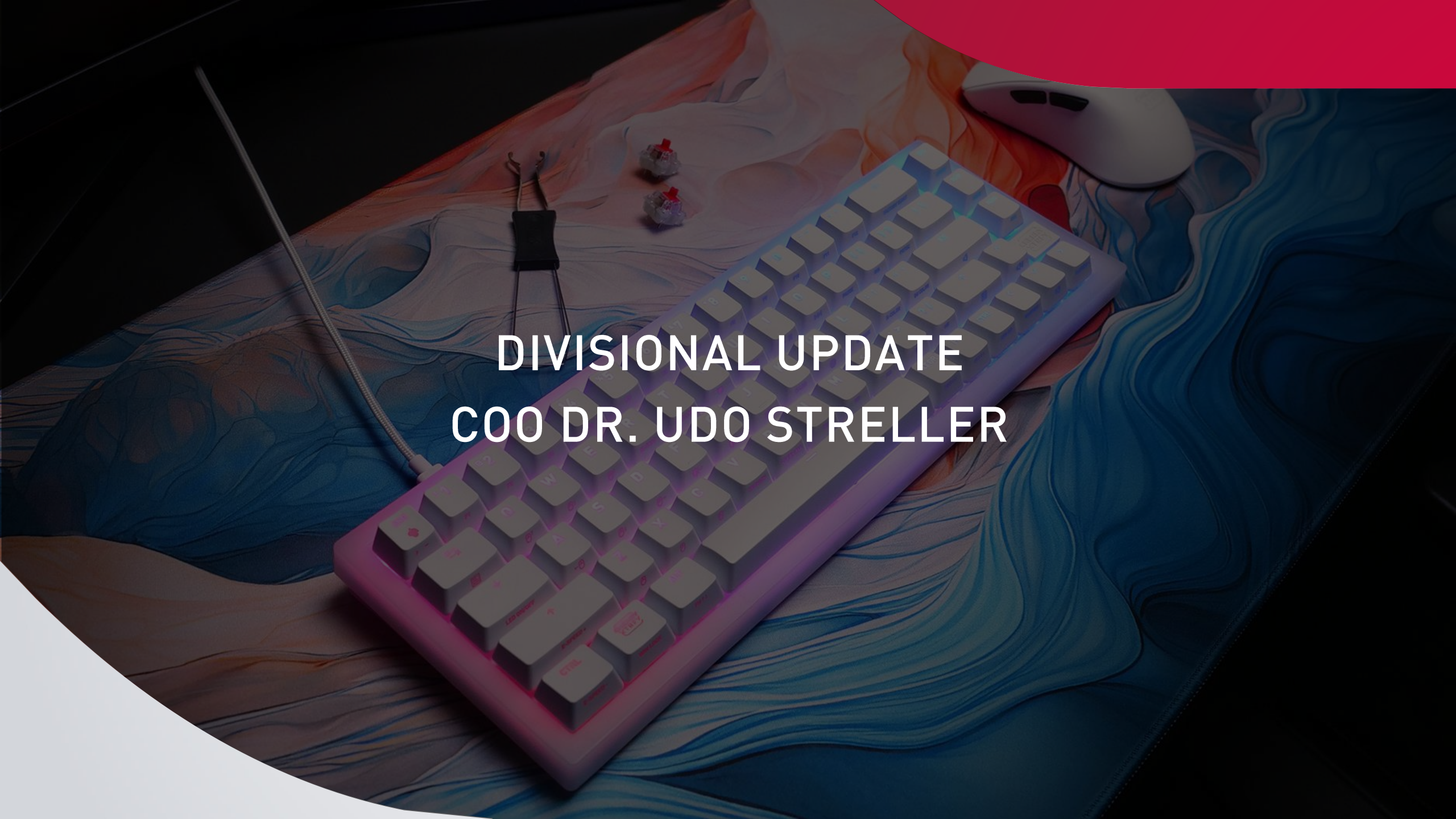
TRADE WORKING CAPITAL* (in EUR m)



FREE CASH FLOW (in EUR m)



* Inventories + Trade Receivables ./ Trade Payables



DIVISIONAL UPDATE
COO DR. UDO STRELLER

COMPONENTS: TOUGH ENVIRONMENT

Disappointing 2024

- Sales below own expectations
- Adj. EBITDA only break-even

Competitive Environment

- Switch volume business dominated by China
- Ever-shorter product cycles

End Markets

- Notebook end market still lackluster, thus limiting ULP momentum, leading to order push-outs

Chinese Assembly since H2 24

- MX2 assembly for partner products shifted to China
- Consequent reduction of unit costs
- Adjusted size of organization

Product Pipeline I

- MX3 timely in preparation and to be launched mid 2025
- Successful re-entry into community switch field with MX Purple, next MX Northern Light & MX Blossom

Product Pipeline II

- Additionally, there are new Cherry analog switches in development
- ... and to be launched in the course of 2025, too



PERIPHERALS TURNAROUND ON TRACK

Roll-out: New Partner Model

- Q4 increase in street prices
- New integrated Sales and Marketing approach
- Ongoing SKU reduction

Retail Activation

- CHERRY displays in 170 MediaMarkt outlets since 1st February
- MediaMarkt online listing for CHERRY XTRFY

Portfolio Optimization

- Ongoing complexity reduction of product portfolio
- SKU reduction by -50% targeted

E-Commerce

- Dec 24: strong sell-out
- Strong growth in Gaming mice
- 2024: Amazon up > 20% yoy
- Certified by Alibaba

CHERRY Americas

- Establishment of adequate partner network should finally reactivate US momentum
- With > 40% yoy growth in Jan, Office traction starts to materialize

CHERRY APAC

- 2024 targets achieved
- Distribution diversified
- New Shanghai office
- Deepseek to be integrated into AI mice



DH&S – GROWTH DRIVER AND STABLE PILLAR

Strong Growth in 2024

- > +30% yoy
- Strong momentum in terminals
- Pleasing development in hygiene and security

E-health Terminals

- 80% market share in new terminals sales
- Q1 25 rather back end loaded due to strong Nov & Dec 24

Hygiene Keyboards

- Establishment of adequate partner network should finally reactivate US momentum
- Strong hygiene requirements in Europe and the US

Terminal Management System

- Remote management and administration of card terminals
- 2025e: scaling TMS sales via partners

SmartLink

- Provider certification now expected for end of Q1
- Production start and transactional sales expected for H1

TI-Messenger

- Provider certification targeted for Q1
- Launch in model region Würzburg

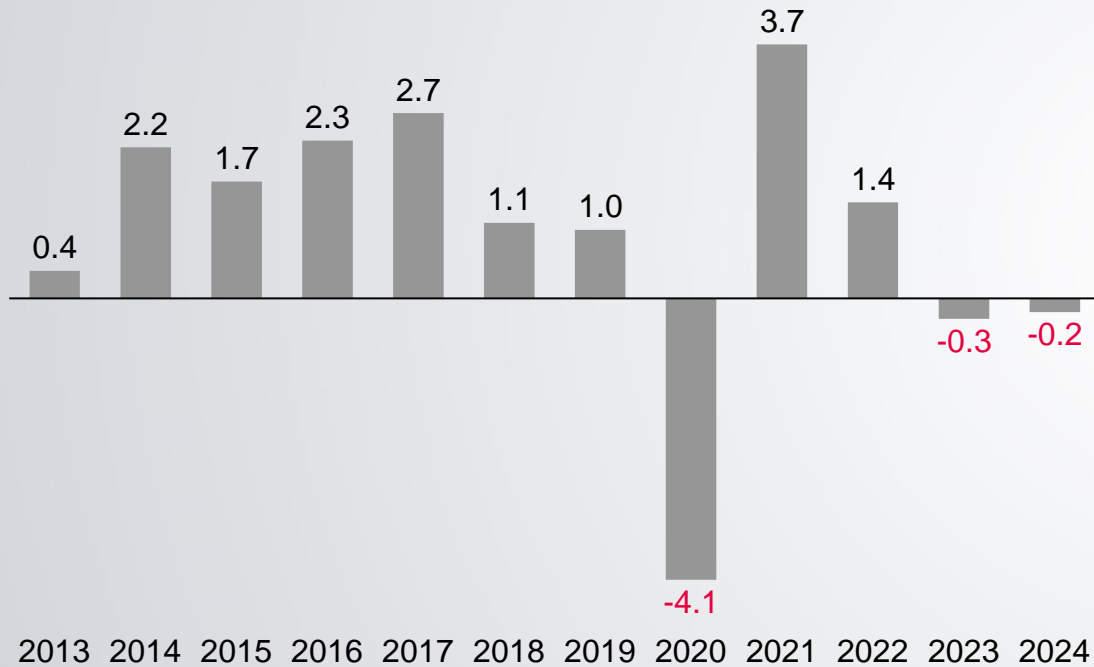




OUTLOOK
CEO OLIVER KALTNER

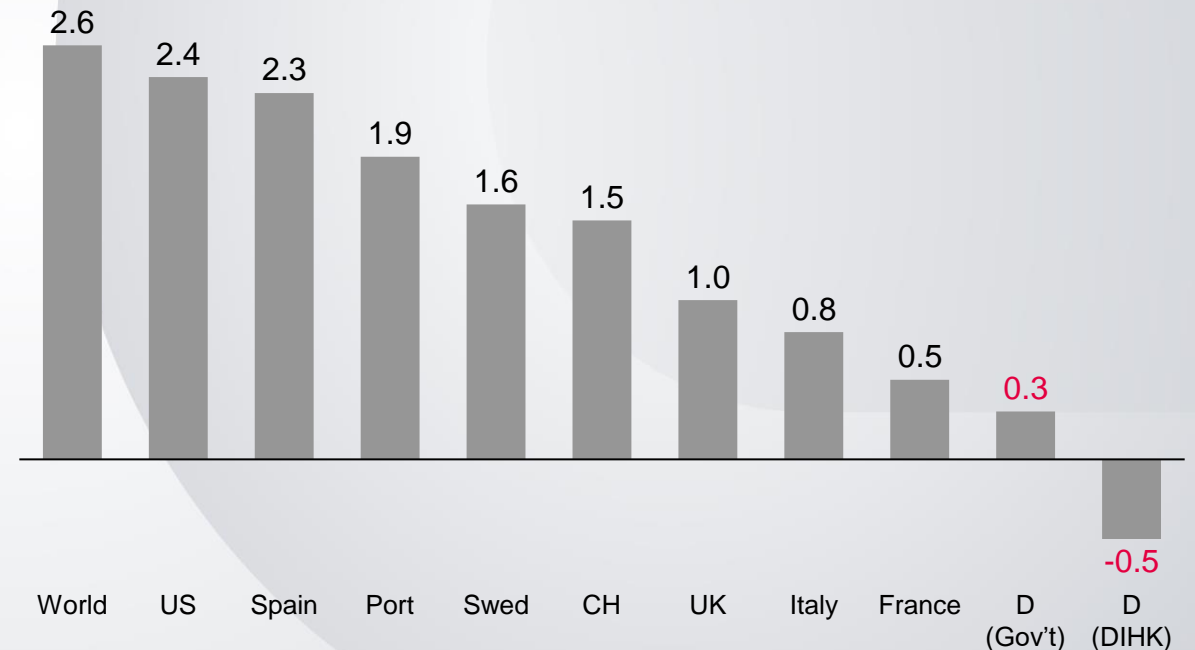
GERMANY CLEARLY THE GROWTH LAGGARD

GERMAN REAL GDP GROWTH 2013 - 2024 (in %)



* Source: Destatis, 15 January 2025

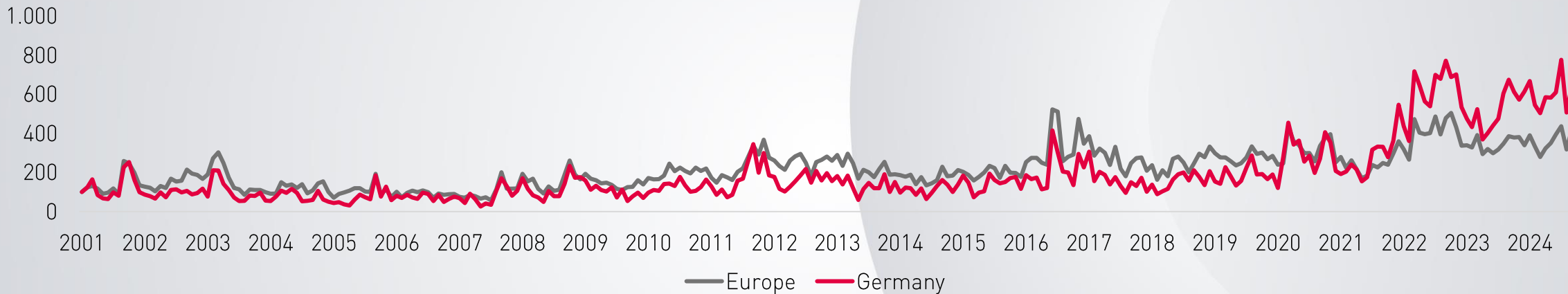
GDP GROWTH ASSUMPTIONS 2025e (in %)*



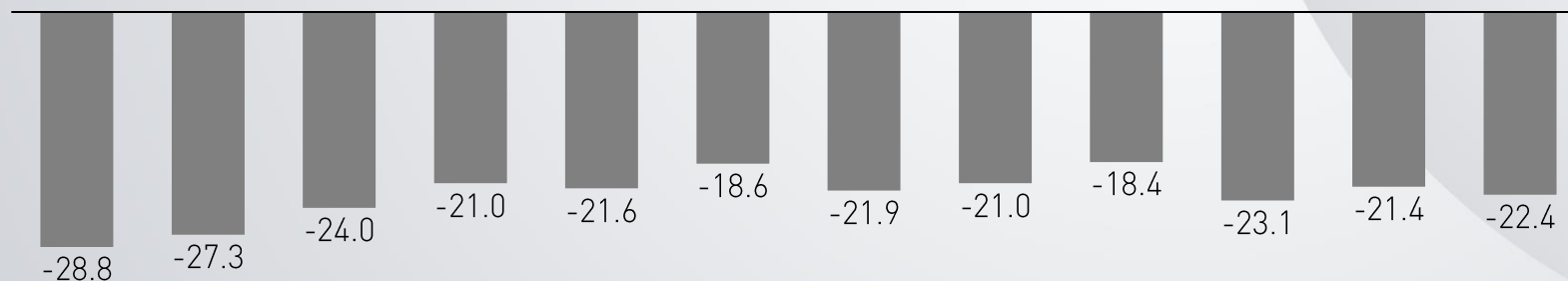
* Sources: Berenberg Economics Research, Forecasts at a Glance, 13 January 2025; DIHK

HIGHER UNCERTAINTY LEADS TO LOWER CONSUMER CONFIDENCE IN GERMANY

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



CONSUMER CONFIDENCE GERMANY NOT RECOVERING (Mar 24 – Feb 25)



IMPACT OF NEW US TARIFFS

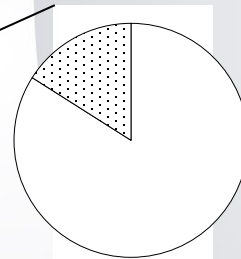
TOTAL PRODUCTS SHIPPED (schematic)



Non-Chinese Cherry products shipped to the USA

Made in China Cherry products shipped to the USA

MADE IN CHINA PRODUCTS SHIPPED TO THE USA (schematic)



Keyboards and desktop sets
Mice

New tariffs
Existing tariffs

Impact:

- 10% (additional) tariffs on all products Made in China that are being shipped to the USA
- So far already 25% imposed on mice, now 35% on mice
- Additional c. USD 1m impact possible 2025 based on current assumptions
- Possible price adjustments

PRIORITIES 2025 BY BUSINESS UNIT

PERIPHERALS

CHERRY Europe

- Revenue and margin growth
- Master distribution model
- Product allocation policy

CHERRY Americas

- Revenue and margin growth
- Expand peripherals sales
- New partner network

DH&S

- Strong benefit from connecting new healthcare professionals to TI
- Beginning refresh cycle for existing users in the German healthcare system

- TI Messenger: strong push from ePa
- Terminal Management System: extra demand from additional professions
- SmartLink provider approval expected for mid Q1 25

COMPONENTS

- Pursue stringent portfolio strategy in the analog switch segment

- In H2 complete portfolio covered and positioned more broadly

China:
Launch of
CHERRY
AI mouse



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



EUR 3.5M COST CUTTING PROGRAM ON TRACK



C. EUR 3.5 M
SAVED FROM
SEP TO DEC
2024



MARKETING



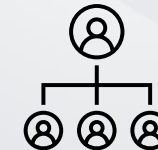
SERVICES



IT PROJECTS



HR WORKSHOPS



HIRING FREEZE

FY 2025 FORECAST DRIVERS

OPPORTUNITIES



Peripherals pricing uplift after grey market dry up



Positive margin impact of new partner programs



DH&S new professions and replacement demand



New German government's initiatives



US specific product portfolio; Hygiene peripherals push; sales force expansion



Strong cash and cost control

CHALLENGES



Ongoing subdued consumer spending due to (geo)political uncertainties



Negative margin impact of US administration's new tariff regime



Extremely high certification requirements for SmartLink



Capital Allocation



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