

Cherry continues profitable growth in first nine months

- Group revenue increases by 31.3% to around EUR 123.4 million (9M 2020*: EUR 93.9 million)
- Adjusted EBITDA margin increases to 29.6% (9M 2020*: 28.4%)
- PROFESSIONAL business records growth of 48.3% to EUR 60.2 million (9M 2020*: EUR 40.6 million)
- GAMING business grows by 18.2% to EUR 63.2 million (9M 2020*: EUR 53.3 million)
- Forecast for Group revenue specified to around EUR 170 million in fiscal year 2021 (corresponds to approx. 30% growth)
- EBITDA margin (adjusted) expected at around 30% for fiscal year 2021 (FY 2020*: 28.5% adjusted)
- Double-digit revenue growth also predicted for fiscal year 2022

Munich, November 15, 2021 – Cherry AG [ISIN: DE000A3CRRN9] today released figures for the third quarter 2021 and the first nine months of the fiscal year and specified its forecast for the full year.

“With growth of over 30% in the first nine months, we continued our successful growth course in the third quarter,” said Rolf Unterberger, CEO of Cherry AG, commenting on the Company’s business performance in the current fiscal year. “Our medium- and long-term global growth will continue to be driven by the major trends in gaming and mobile working.”

The third quarter was characterized by a high sales growth of 26.1 % to € 43.1 million (previous year*: € 34.2 million) despite international supply chains disruptions.

"We have seen improved EBITDA margins this year so far, which clearly demonstrates the strength of brand and the quality of our products," adds Bernd Wagner, CFO and COO of Cherry AG.

The strongest business in terms of revenue was GAMING with a share of 51.2% of total revenue in the first nine months, followed by the PROFESSIONAL business area with 48.8%. The revenue split in Q3 was 49.2 % for GAMING and 50.8 % for PROFESSIONAL.

Accordingly, revenue in the GAMING business area grew at a rate of 18.4 % to EUR 63.2 million in the first nine months of the current fiscal year (previous year*: EUR 53.3 million). With an adjusted EBITDA margin of 37.7% (previous year*: 37.7%), profitability in this business area remained at a high level.

In the third quarter, Cherry continued to expand its direct sales channel and prepare its entry into new regional markets for Gaming (Peripherals), particularly in Australia, Indonesia and Malaysia. In operational terms, the Gaming (Peripherals) business was significantly influenced by the addition of new products to the range, such as the MX 3.0S Wireless keyboard, special-purpose mice, headsets and central control software to optimize the range of products sold

in China. In the Components business (switches), in addition to Dell, four further customers were won for the ULP switch (mechanical switch for laptops) with a height of only 3.5mm, which will be supplied from the beginning of 2022. Mechanical switches for laptops are set to be one of the key growth drivers for Cherry during the next few years.

Furthermore, the first phase of a new switch innovation continued to progress successfully in Q3 towards a market introduction in 2022.

Revenue in the PROFESSIONAL business area grew at a rate of 48.3 % in the first nine months of the fiscal year to EUR 60.2 million (previous year*: EUR 40.6 million), supported by the increased B-2-C business with office peripherals, by the successful roll out of our e-health terminals into the German healthcare market, as well as by the first-time consolidation of Active Key GmbH upon acquisition on May 7, 2021, resulting in strong third-quarter growth of 54.8 % to EUR 21.9 million (previous year*: EUR 14.1 million). The product portfolio in the Peripherals (Office & Industry) business was expanded to include the new G80 – 3000N TKL and MX 10.0N mechanical keyboards as well as the STREAM KEYBOARD WIRELESS, the 2.4-GHz wireless version of the popular STREAM KEYBOARD. In addition, Cherry has added a new distributor for B2B and B2C peripherals in China. In the Digital Health business, Cherry's total addressable market has increased with gematik GmbH's approval of outpatient and inpatient care facilities as user groups for Cherry e-health terminals. At the German Nursing Day in early October, the ST-1506 e-health terminal, which won the iF Design Award among other distinctions, was presented as a highly secure, hygienic and easily disinfectable touchscreen solution.

A new generation of high-performance production assembly machines for manufacturing mechanical switches is expected to start production in Q4 2022. These state-of-the-art assembly machines mark a milestone for a new generation of production technology and are expected to make a substantial contribution towards further boosting efficiency.

The current industry-related market environment continues to be characterized by various uncertainties such as the effects of the COVID-19 pandemic, limited availability of semiconductors and resin granules, and high transport costs due to the disruption of global supply chains. This has had an impact on growth momentum in the third quarter.

Cherry took concrete measures to secure its strategic growth course in the medium and long term. Thus, the Management Board's forecast of double-digit revenue growth for the 2022 fiscal year remains in place.

The Management Board also continues to predict a clearly positive overall economic performance for the Cherry AG Group in the current fiscal year.

The Management Board has now specified its revenue forecast for the current fiscal year to around EUR 170 million to take account of the current uncertainties regarding supply chains, particularly in China, and the temporary fluctuations in the ordering behavior of customers.



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The Management Board continues to predict an increase in operating profitability to an adjusted EBITDA margin of around 30 % (previous year*: 28.5 %).

*) 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.

The unaudited interim report is available on the Company's website at www.cherry-world.com.



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About Cherry

Cherry AG [ISIN: DE000A3CRRN9] is a global manufacturer of high-end mechanical keyboard switches and computer input devices. The business focus is on mechanical keyboard switches for gaming keyboards as well as various computer input devices, which are used in a wide range of applications – especially in the areas of gaming, office, industry and cybersecurity as well as solutions for the healthcare industry. Since its founding in 1953, Cherry, with its two business areas Gaming and Professional, has stood for innovative and high-quality products that are developed specifically to meet the needs of its customers.

Cherry has its operational headquarters in Auerbach in Germany's Upper Palatinate region and employs over 500 people in production facilities in Auerbach, Zhuhai (China) and Vienna (Austria) as well as in several sales offices in Auerbach (Germany), Paris, London, Kenosha (USA), Taipei and Hong Kong.

More information at: <https://www.cherry-world.com/>

Contact:

Dr. Kai Holtmann
Investor Relations
Einsteinstraße 174, c/o Design Offices Bogenhausen, 81677 Munich, Germany
Postal address: Cherrystrasse 2, 91275 Auerbach, Germany
T +49 (0)175-1971503
F +49 (0)9643 20 61-900
E-mail: kai.holtmann@cherry.de