

Annual results 2020

Lower revenue and result due to the pandemic – consistent strategy implementation

- Net revenue CHF 1,283.5 million, -10.4%¹; net revenue H2 CHF 707.4 million, -4.7%¹
- Operating result (EBIT) CHF 79.7 million, incl. CHF 47.4 million divestment gain
- Group result CHF 66.9 million and earnings per share CHF 31.46
- On the finishing stretch with the strategic transformation and the focusing on Bystronic
- Proposed dividend of CHF 60.00 (class A shares)

Group in CHF m	2020	2019	Change
Net revenue	1,283.5	1,573.2	-18.4%
comparable ¹			-10.4%
Total revenue	1,273.6	1,579.1	-19.3%
Operating result (EBIT)	79.7	167.2	-52.3%
adjusted ²	32.3	137.3	-76.5%
as a % of total revenue, adjusted ²	2.5%	8.7%	-620 bp
Group result	66.9	136.8	-51.1%
as a % of total revenue	5.3%	8.7%	-340 bp
Minority interests	1.9	11.1	-83.2%
Operating free cash flow	51.5	40.6	26.8%
Cash and cash equivalents	273.3	300.9	-9.2%
Total assets	1,150.6	1,266.0	-9.1%
Shareholders' equity	796.1	880.1	-9.5%
as a % of total assets	69.2%	69.5%	-30 bp
Net operating assets (NOA)	507.8	550.7	-7.8%
Return on average net operating assets (RONOA) ²	4.1%	20.0%	-1590 bp
Number of employees at year-end on December 31	4,891	5,026	-2.7%
Earnings per class A share, in CHF	31.46	60.85	-48.3%
Dividend per class A share, in CHF ³	60.00	42.00	42.9%
Dividend per class B share, in CHF ³	12.00	8.40	42.9%

¹ At stable exchange rates and adjusted for changes in the scope of consolidation.

² 2020 excluding divestment gain of CHF 47.4 million from the disposal of the Schmid Rhyner business unit and 2019 excluding divestment gain of CHF 29.9 million from the disposal of the Glass Processing segment.

³ 2020 as proposed by the Board of Directors.

Zurich, March 16, 2021 – The 2020 annual financial statements, which report a decline in revenue of 18.4% compared with the previous year and an operating result (EBIT) of CHF 79.7 million, were strongly influenced both by the impact of the coronavirus pandemic and by the divestments of the Schmid Rhyner business unit at the end of February 2020 and the Glass Processing segment at the end of March 2019. The disposals resulted in a loss of contributions to revenue and earnings. However, the transactions also resulted in divestment gains of CHF 47.4 million in 2020 and CHF 29.9 million in 2019.

On a comparable basis, i.e. adjusted for changes in the scope of consolidation and at stable exchange rates, the Group's net revenue in 2020 was 10.4% below the previous year. As expected, business activities in all segments accelerated in the second half of the year compared with the first half which was particularly weak due to the pandemic. In that first half-year, revenue on a comparable basis was 16.2% lower than the prior period. After the partial recovery, net revenue in the second half of the year was still 4.7% below the prior year period on the same basis.

The "Cash, Cost, Complexity" program introduced in March to mitigate the economic impact of the pandemic was prepared and implemented according to the needs of each business unit. The operating result (EBIT) includes one-off effects in the amount of around CHF 14 million, mainly associated with organizational measures in the Outdoor segment and in context of the Group's strategic transformation, announced in December 2019. The reported EBIT reached CHF 79.7 million compared with CHF 167.2 million in 2019 and includes the above-mentioned divestment gains. Excluding these, adjusted EBIT was CHF 32.3 million (previous year: CHF 137.3 million), yielding an EBIT margin of 2.5% (8.7%). The Group result amounted to CHF 66.9 million (CHF 136.8 million) and earnings per class A registered share were CHF 31.46, down 48.3% from the previous year. Despite the lower operating result, free cash flow from operating activities was CHF 51.5 million, which exceeded the previous year's figure (CHF 40.6 million). Cash and cash equivalents amounted to CHF 273.3 million (CHF 300.9 million) at year-end, and the equity ratio reached 69.2% (69.5%).

As part of the Group's strategic transformation, Conzzeta still expects the closing of the transaction for the sale of the FoamPartner business unit by the end of the first quarter of 2021 and the sale of the Mammut business unit towards the middle of 2021, subject to market conditions. As part of its "Strategy 2025", which was presented at a virtual Capital Markets Day on November 10, 2020, the sole remaining business unit Bystronic will further improve customer proximity with new technical solutions and services.

According to Michael Willome, Conzzeta Group CEO: "The exceptionally challenging 2020 financial year was dominated by the pandemic and the strategic transformation of the Conzzeta Group. Our results show that we were able to consistently continue with important projects to promote growth and operational improvements, not least thanks of our solid capitalization. Although we were unable to fully escape the adverse consequences of another lockdown in the second half of the year, we made significant progress in a generally more active business environment, including by strengthening the earnings power of our companies. The realization of our strategy to focus on Bystronic is also within reach."

The Board of Directors proposes to the Annual General Meeting of April 21, 2021, the distribution of a dividend of CHF 124.2 million. The proposal allows shareholders to participate in the excess liquidity of the company, as announced in December 2019 in context of the strategic transformation. Besides the transformation progress, the proposal also considers the capital needs of Bystronic and the current market environment. Subject to the approval of the Annual General Meeting, CHF 60.00 will thus be paid out for each class A registered share and CHF 12.00 for each class B registered share.

Trends and outlook: Conzzeta is within reach of completing its strategic transformation. Bystronic shall remain well capitalized for the implementation of its "Strategy 2025" in order to be able to act flexibly as a growth-oriented company in a market of the future. All of Conzzeta's business units have started 2021 with positive momentum, while the business environment remains challenging

due to the tense pandemic situation and ongoing macroeconomic uncertainties. For the continued business of Bystronic, a return to growth is expected in 2021 in line with the targets communicated at the Capital Markets Day on November 10, 2020, with revenue growth of 5% to 8% as well an EBIT margin of around 8%, which is still at the lower end of the target range.

Segments in CHF m		2020	2019	Change
Sheet Metal Processing	Order intake	777.4	929.4	-16.4%
	comparable ¹			-11.4%
	Net revenue	801.4	936.0	-14.4%
	comparable ¹			-9.4%
	Total revenue	791.1	941.3	-16.0%
	Operating result (EBIT)	52.3	121.1	-56.8%
	as a % of total revenue	6.6%	12.9%	-630 bp
Chemical Specialties (discontinued segment)	Net revenue	264.0	346.6	-23.8%
	comparable ¹			-9.0%
	Total revenue	264.4	341.8	-22.7%
	Operating result (EBIT)	62.2	14.2	337.1%
	Adjusted ²	14.8	14.2	3.8%
	as a % of total revenue, adjusted ²	5.6%	4.2%	140 bp
Outdoor (discontinued segment)	Net revenue	218.4	268.4	-18.6%
	comparable ¹			-16.2%
	Total revenue	218.4	268.4	-18.6%
	Operating result (EBIT)	-24.5	7.5	–
	as a % of total revenue	-11.2%	2.8%	–

1 At stable exchange rates and in the Chemical Specialties segment adjusted for the change in the scope of consolidation.

2 2020 excluding divestment gain of CHF 47.4 million from the disposal of the Schmid Rhyner business unit.

The Sheet Metal Processing segment (Bystronic) generated net revenue of CHF 801.4 million in 2020 (previous year: CHF 936.0 million). At stable exchange rates, revenue declined by 9.4%. Order intake was CHF 777.4 million (CHF 929.4 million), 11.4% lower than the previous year on the same basis, and the order book level at year-end was CHF 206.8 million (CHF 242.3 million). The operating result amounted to CHF 52.3 million (CHF 121.1 million) with an EBIT margin of 6.6% (12.9%). Following an already weaker trend in the sheet metal processing market in 2019, customer demand collapsed in the first half of the year due to the pandemic and the widespread lockdowns. On the production side, there were certain supply bottlenecks and the temporary shut-down of some of our own plants. In the second half of the year, there was a partial recovery in business activity across all regions and product areas, with order intake in the fourth quarter 2.4% higher than in the same quarter of the previous year (8.4% at stable exchange rates). The lower operating result compared with the previous year resulted from the loss of revenue, increased margin pressure as well as expenses in connection with the strategy implementation. Various steps were taken to strengthen Bystronic's market position in the reporting year, consistent with its "Strategy 2025". They included the takeover of Weber Laserservice BV, a longstanding Benelux service partner, and the acquisition of the remaining minority interests in DNE Laser in China. In Korea, construction commenced on a new building with an area of more than 3,000 m², which will serve

as the headquarters for the local organization and also house a brand experience center for the Asian growth market.

The Chemical Specialties segment (FoamPartner and Schmid Rhyner) generated net revenue of CHF 264.0 million in 2020 (previous year: CHF 346.6 million). Adjusted for changes in the scope of consolidation and at stable exchange rates, revenue declined by 9.0%. A divestment gain of CHF 47.4 million resulted from the sale of the Schmid Rhyner business unit at the end of February 2020. Without this one-off effect, the operating result amounted to CHF 14.8 million (CHF 14.2 million) with an EBIT margin of 5.6% (4.2%). In the first half of the year, the FoamPartner business unit had to temporarily close various production sites in China, Europe and the USA due to the pandemic. As far as customers were concerned, the adverse effects of temporary production shut-downs in the automotive industry were particularly relevant. In the second half of the year, and despite additional challenges due to production disruptions experienced by suppliers of isocyanates and polyols, the business recovered from the mid-year pandemic-induced slump. Revenue continued to increase across the board in all regions and was, at stable exchange rates, 9.8% higher in the fourth quarter than in the fourth quarter of 2019. As part of the Conzzeta Group's strategic transformation, a binding agreement was signed in November 2020 with Recticel, a Belgian polyurethane chemicals specialist based in Brussels and listed on Euronext, to sell the FoamPartner business unit for an enterprise value of CHF 270 million. The transaction is expected to be concluded by the end of the first quarter of 2021, subject to regulatory approval.

The Outdoor segment (Mammut Sports Group) generated net revenue of CHF 218.4 million in 2020 (previous year: CHF 268.4 million). At stable exchange rates, revenue declined by 16.2%. The operating result was CHF -24.5 million (CHF 7.5 million) and mainly reflects the pandemic-related volume losses. It also includes one-off effects in the amount of CHF 11.9 million, mainly associated with organizational measures targeted at strengthening future profitability by reducing the recurring cost base by over CHF 10 million compared to the previous year. In a challenging environment, efforts were stepped up, building on the preparatory work of recent years, to implement the scalable online business models with a stronger end-customer focus. As a result, the B2C business grew by 9.3% in 2020, despite the repeated retail store lockdowns, with a significant revenue increase in the digital channels: Revenue from Mammut's own online store increased by 82.3% to CHF 27.1 million, while revenue from digital marketplaces increased by 55.9% to CHF 13.2 million. Due to the pandemic, collection and sales plans had to be fundamentally revised several times whereby the extensively rejuvenated collection over the past few years proved to be an advantage. The trend towards increased outdoor activities by the population in many sales markets could thus be served with attractive products. Consequently, the business in the continuously dominant sales channel with the wholesale partners for the fall/winter collection 2021/2022 was about 7% higher than the previous year.

Notes

Conzzeta's results' conference today, with the discussion of the annual results for 2020, an outline of the next transformation steps and the 2021 outlook for Bystronic, will be broadcast [here](#) as a webcast from 11.15 am CET on. Participants who wish to participate in the Q&A over the phone are asked to register [here](#) 30 minutes prior to the start to receive their personalized dial-in details.

Please note that today Conzzeta sent out other media releases on the strategic transformation and the changes to the Board of Directors.

All media releases sent out today, the results' presentation, the annual report and the summary report can be found [here](#).

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About Conzzeta

Conzzeta is a diversified Swiss group of companies. It stands for innovation, market orientation and entrepreneurship. About 5,000 employees at more than 60 locations worldwide work in the Sheet Metal Processing, Foam Materials and Outdoor business units. In December 2019, Conzzeta announced its strategic focusing on the Sheet Metal Processing business unit and the sale of all its other activities. Conzzeta AG is listed on the SIX Swiss Exchange (CON).