

Investor Presentation

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conzzeta

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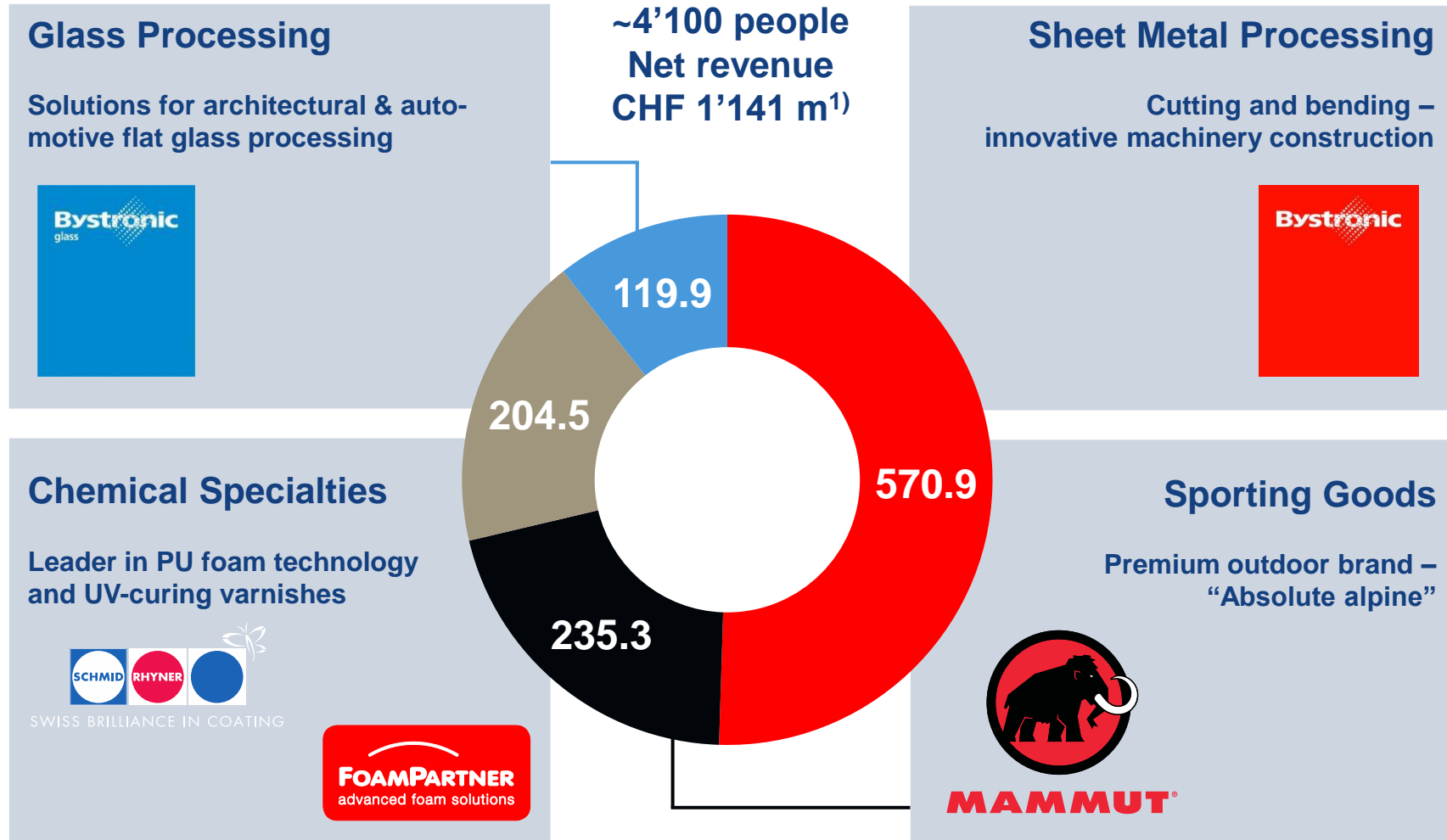
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- **Conzzeta**
- **Platforms for growth:
Sheet Metal Processing & Chemical Specialties**
- **Build and improve:
Sporting Goods & Glass Processing**
- **Financial results summary & Outlook for 2016**
- **Appendix**

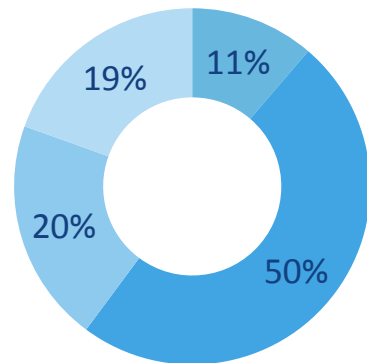
Striving for leading positions in target markets



1) FY 2015

Further develop footprint in Asia and North America

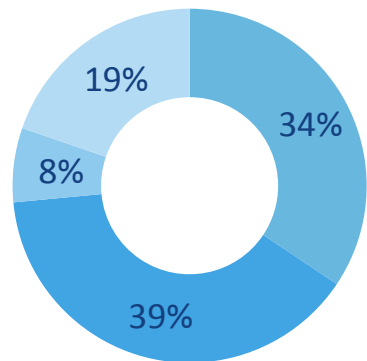
Net revenue by region¹⁾



- ~60% of net revenues from Europe
- Regional revenue split broadly stable since 2011
- Generally high cost base in Switzerland

Need to focus on innovative solutions and selected markets where we can secure leading positions

Head count by region¹⁾



Group CEO priorities

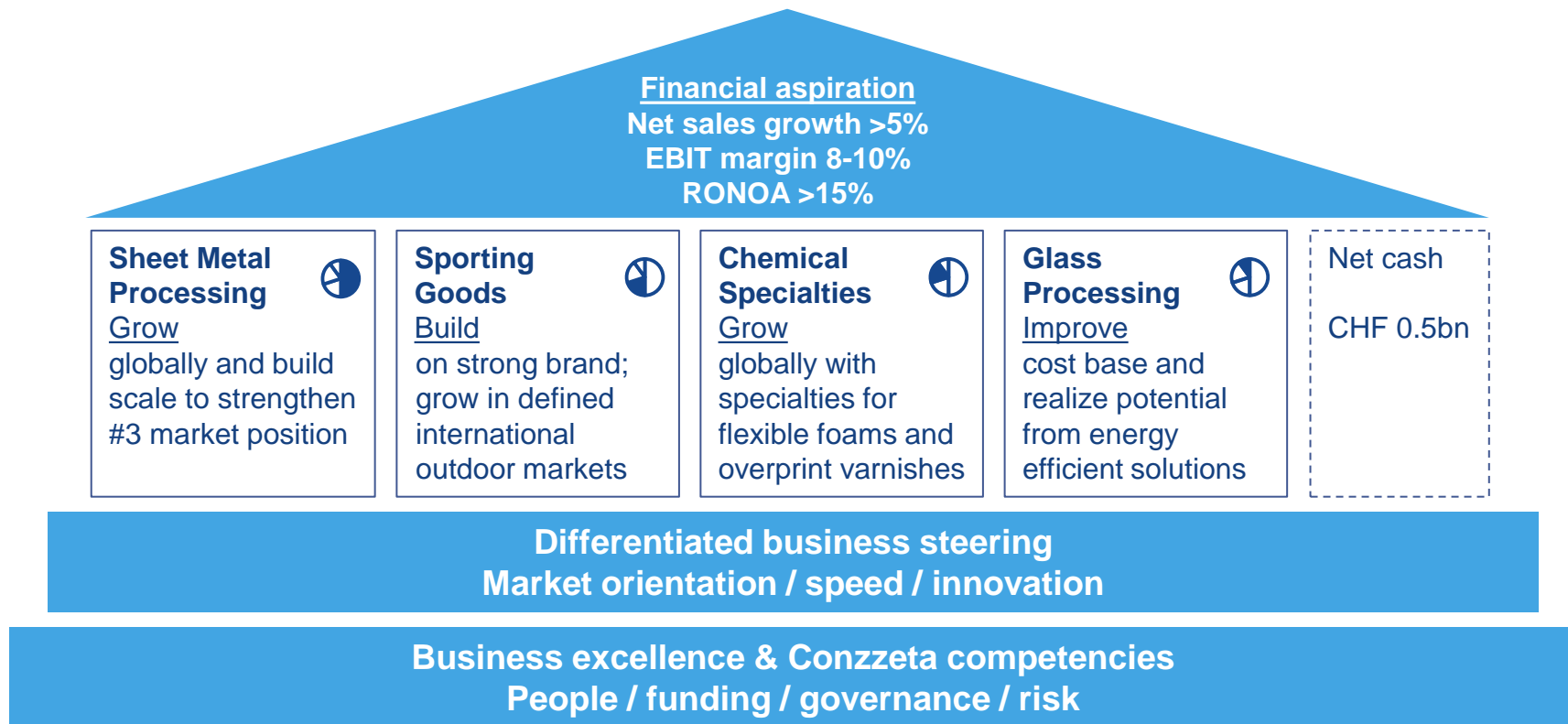
1. Market orientation
2. Operational excellence
3. People development
4. Internationalization

■ Switzerland ■ Europe ■ Americas ■ Asia & Others

¹⁾ FY 2015

Conzzeta position and aspiration

**Swiss mid cap industrial portfolio
with entrepreneurial anchor shareholders
operating in attractive global markets
with focus on value creation and dividend**



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Sheet Metal Processing: Innovative machinery construction



Within 30 years from manufacturing equipment towards integrated solutions

Best choice.

Innovation in laser cutting

Bystronic as pioneer of CO2 laser for cutting of sheet metal

Product expansion

Laser cutting proven; move into bending, automation and software to complement offering for sheet metal processing

Building market position

Building global customer base and broadening basis of installed equipment

Fiber laser

Technology shift; Bystronic as early adopter

Industry 4.0

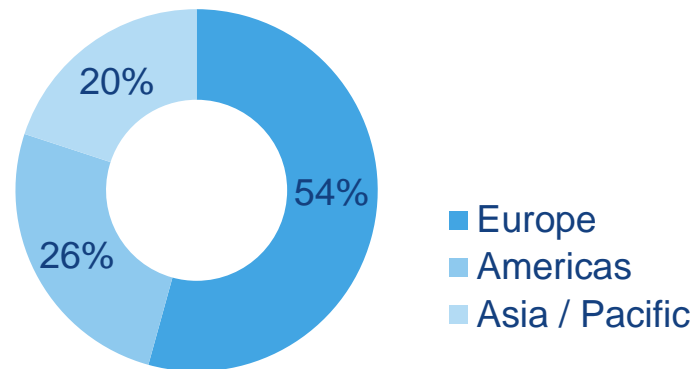
With increased performance of laser source, clients with emerging need for integrated, flexible processes and networked solutions

Today: **Global #3** market position for cutting and bending of sheet metal; **continued innovation** – >50% of net sales with products introduced within last 3 years

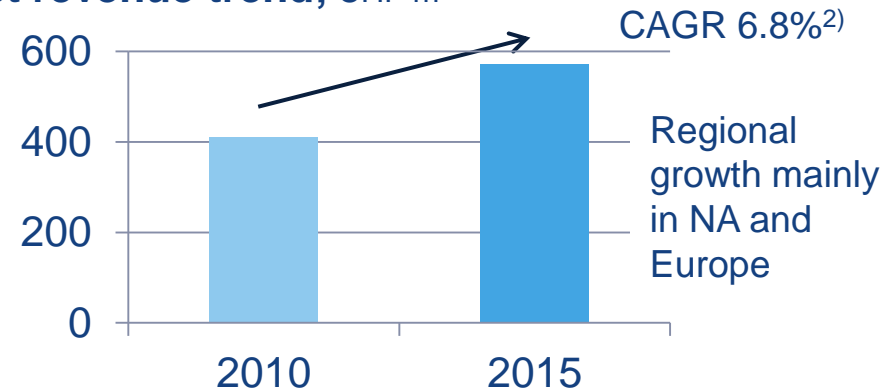


Bystronic with global footprint and sustained growth momentum

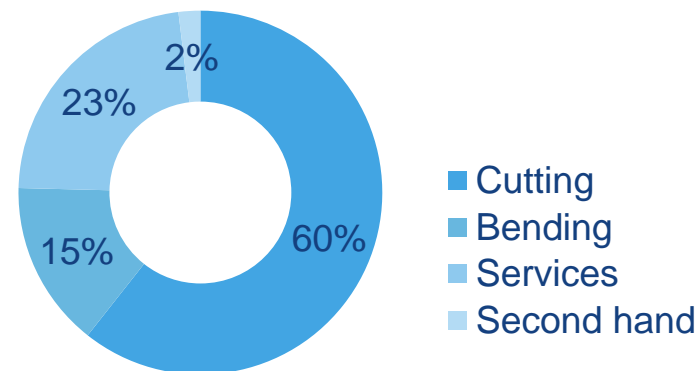
Net revenue by region¹⁾



Net revenue trend; CHF m



Net revenue by business segment¹⁾



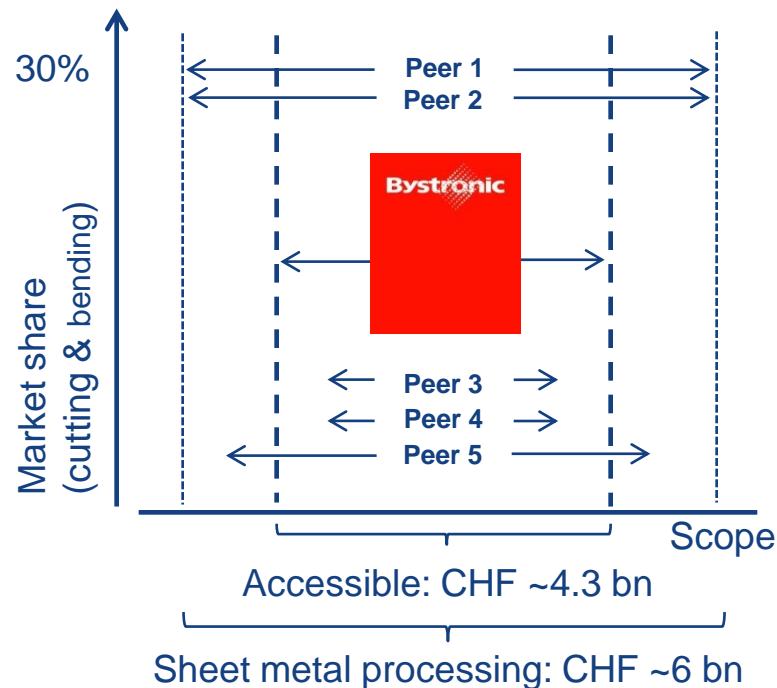
Employees and customers

- 2'229 employees³⁾
 - 545 in Switzerland and 953 in Asia
 - Additionally, 105 apprentices
- Customer structure
 - 80% job shops, 20% OEMs
 - Diversified across industry sectors
 - No customer with >1% of Net revenue

¹⁾ FY 2015; ²⁾ 10.1% at stable fx rates; ³⁾ Incl. DNE Laser as per end of November 2016

Solid top 3 position within served market

Bystronic position vs top 5 peers



World Class Manufacturing

- Help clients thrive within context of industry 4.0 / smart factory

Focus on accessible market

- Cutting & bending, incl. automation and software
- Selectively expand along process chain & build value adding services

Leverage potential

- Geographies
- Middle / entry market segments

Continuously optimize operations

- Strengthen platforms & standards

Strive for above market growth organically and through bolt-on M&A; maintain solid profitability

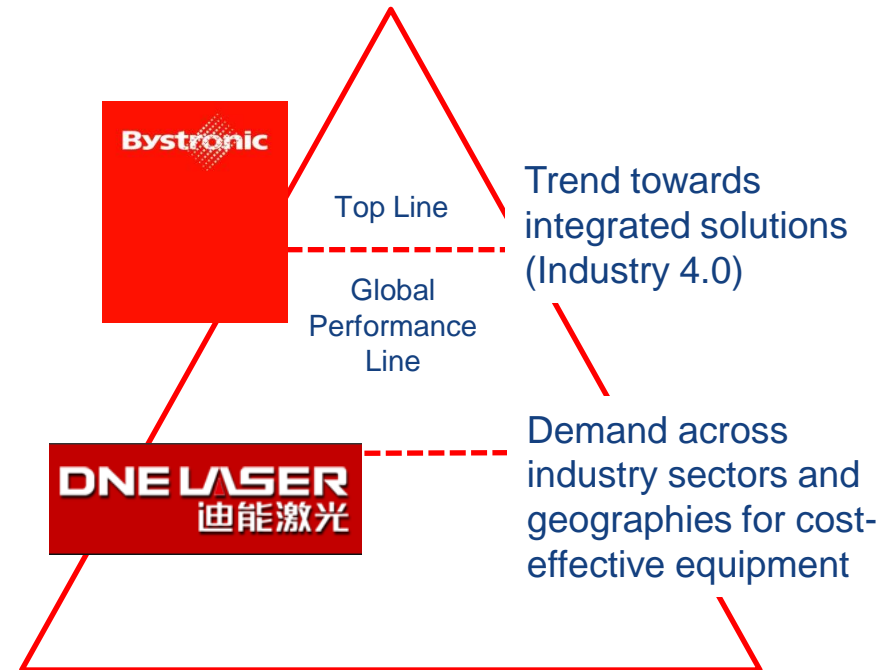
Strategy execution: Acquisition of DNE Laser, Shenzhen, China

Swift transaction

- Announced March 30 – closed July 14
- 520 employees (end of July 2016)
- CHF ~51 m revenue (FY 2015)

Complementary market positions

- Bystronic top 3 globally
- DNE Laser top 3 in China; market leader at entry level with fast growth

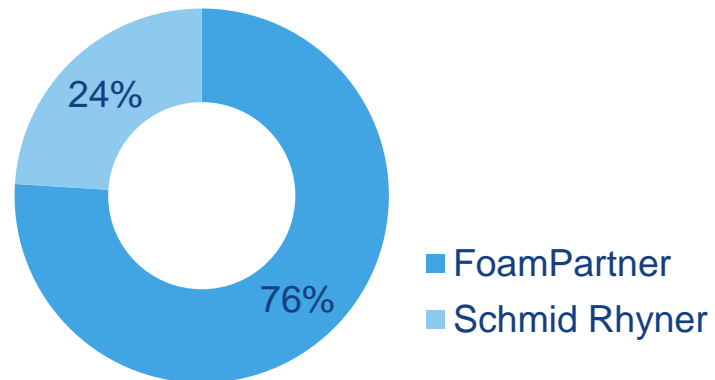


Value accretive growth strategy

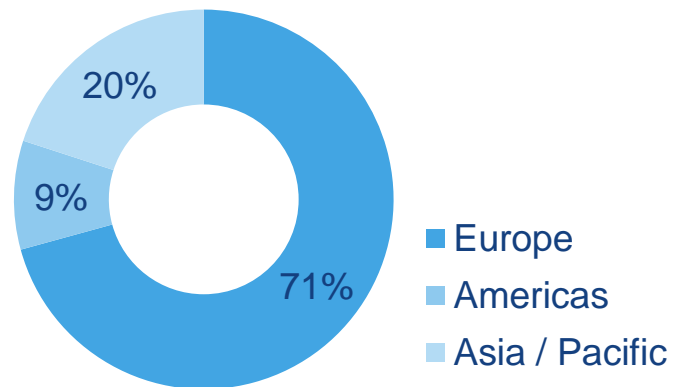
- Bystronic with full product range and strengthened global footprint
- Broadened market potential by serving middle and entry level client segments
- Two brand strategy

Chemical Specialties: FoamPartner and Schmid Rhyner

Net revenue by business unit¹⁾

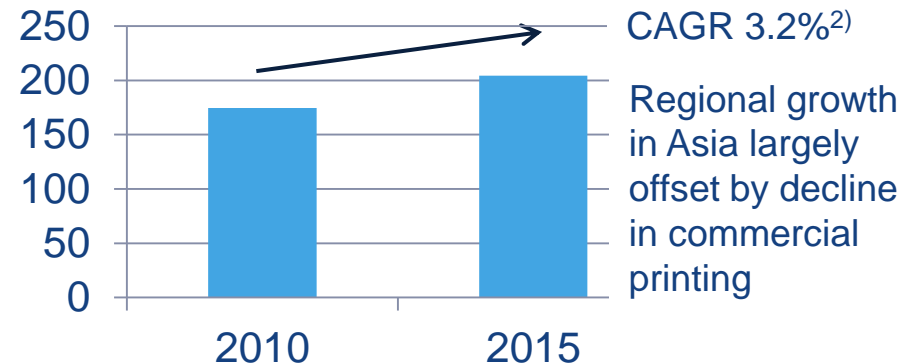


Net revenue by region¹⁾



¹⁾ FY 2015; ²⁾ 4.6% at stable fx rates

Net revenue trend; CHF m



FoamPartner

- Leader in specialty polyurethane foam technology within selected market segments

Schmid Rhyner

- Leader in UV-curing varnishes and innovation partner for graphic industry

Chemical specialties

- ~700 employees
- Product safety regulation (e.g. REACH)

Chemical Specialties operating in attractive market segments

Mobility
FoamPartner



Acoustic and thermal solutions with applications e.g. for automotive, railway, marine or aerospace

Strengthen regional platforms with focus North America and Asia

Specialities
FoamPartner



Customized solutions, e.g. filtration & purification, cleaning, surface treatment, packaging or sealing

Strengthen focus; foster leading application development capabilities

Living & Care
FoamPartner



Premium products for bedding, medical or wellness applications

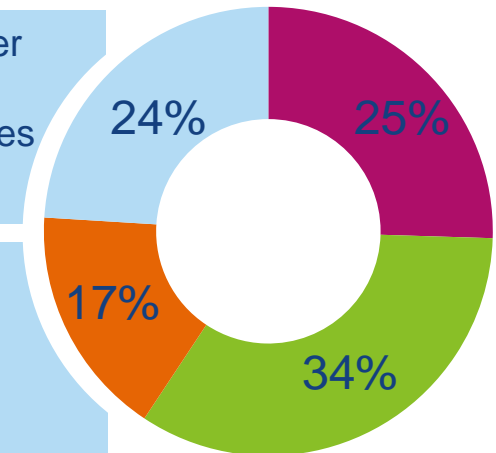
Strengthen B2B multi-channel distribution; grow in North America and Europe

Coatings
Schmid Rhyner

Leading competencies for UV-curing, low migration- and functional (touch & feel) varnishes

Accelerate growth within global packaging industry and with specialities

Net sales 2015 by segment

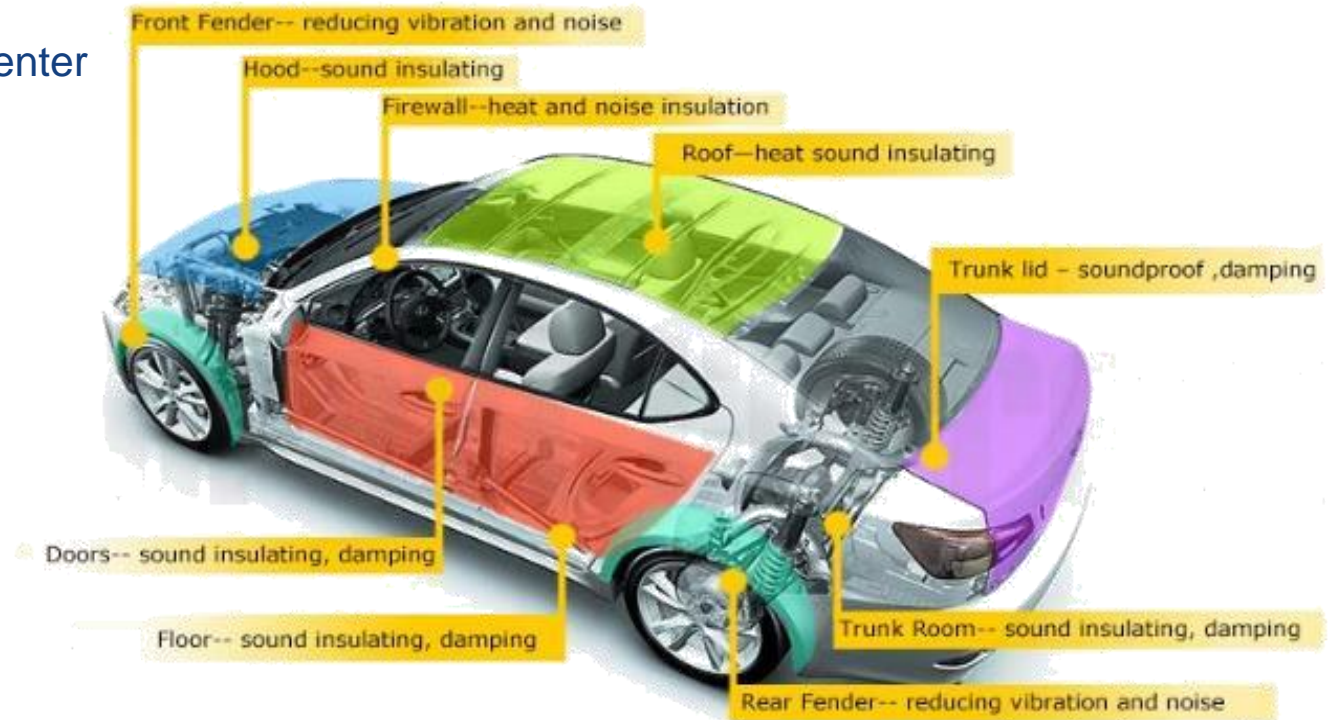


Large, global markets with above GDP growth driven by Asia and the Americas; relevant market size CHF ~8bn



Current focus on automotive engine bay and headliners

Benien as global acoustic competence center



Broad areas of further applications

also in trucks, aerospace;
e.g. body insulation, structural damping, acoustic & fire barriers, high temperature insulation, vibration isolators



Specialties – enhanced focus on specific product areas

17 product groups ...

Clustered for differentiated business steering based on growth potential, size and profitability

... with 5 defined focus areas

Dedicated segment managers and prioritized access to funding & application engineering

Sealing



Surface treatment



Filtration & purification



Cleaning



Packaging



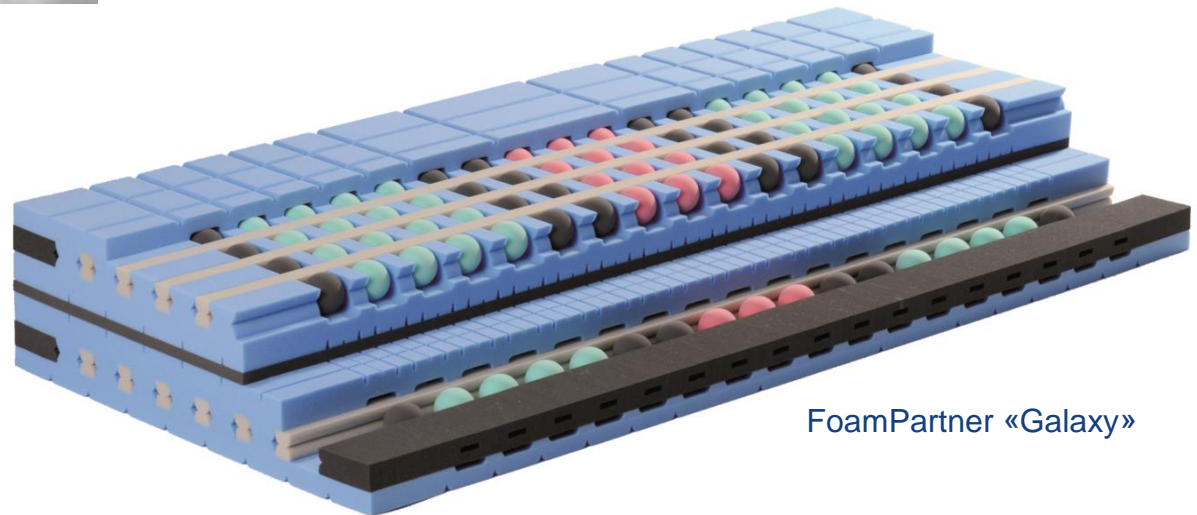


Living & Care – capture opportunities in high-end bedding markets



Protect leading market position
in Switzerland
& **develop** business
internationally

Targeted investments
in new solutions
and digital distribution channels



FoamPartner «Galaxy»



Coatings – move towards packaging industry well advanced

Schmid Rhyner

Flexible packaging solutions within tighter regulatory environment (e.g. food, cosmetics) and pioneering digital varnishing technology

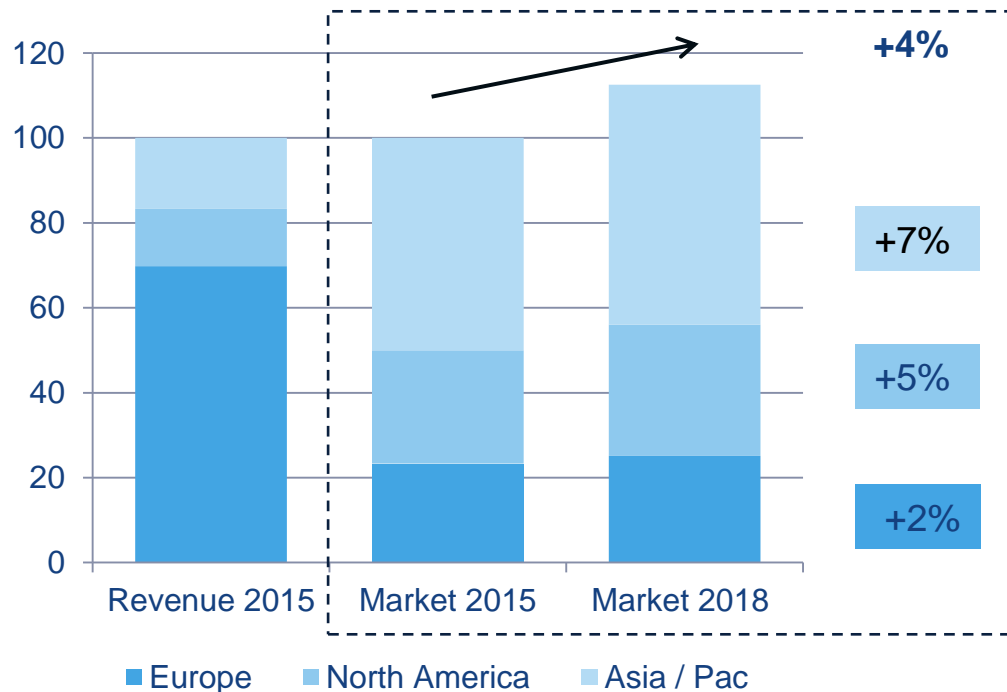


Innovative varnishes enable cost-effective **product differentiation** at point of purchase



FoamPartner – growth potential primarily in Asia and North America

Revenue, accessible market and expected market growth* by region



*FoamPartner estimates

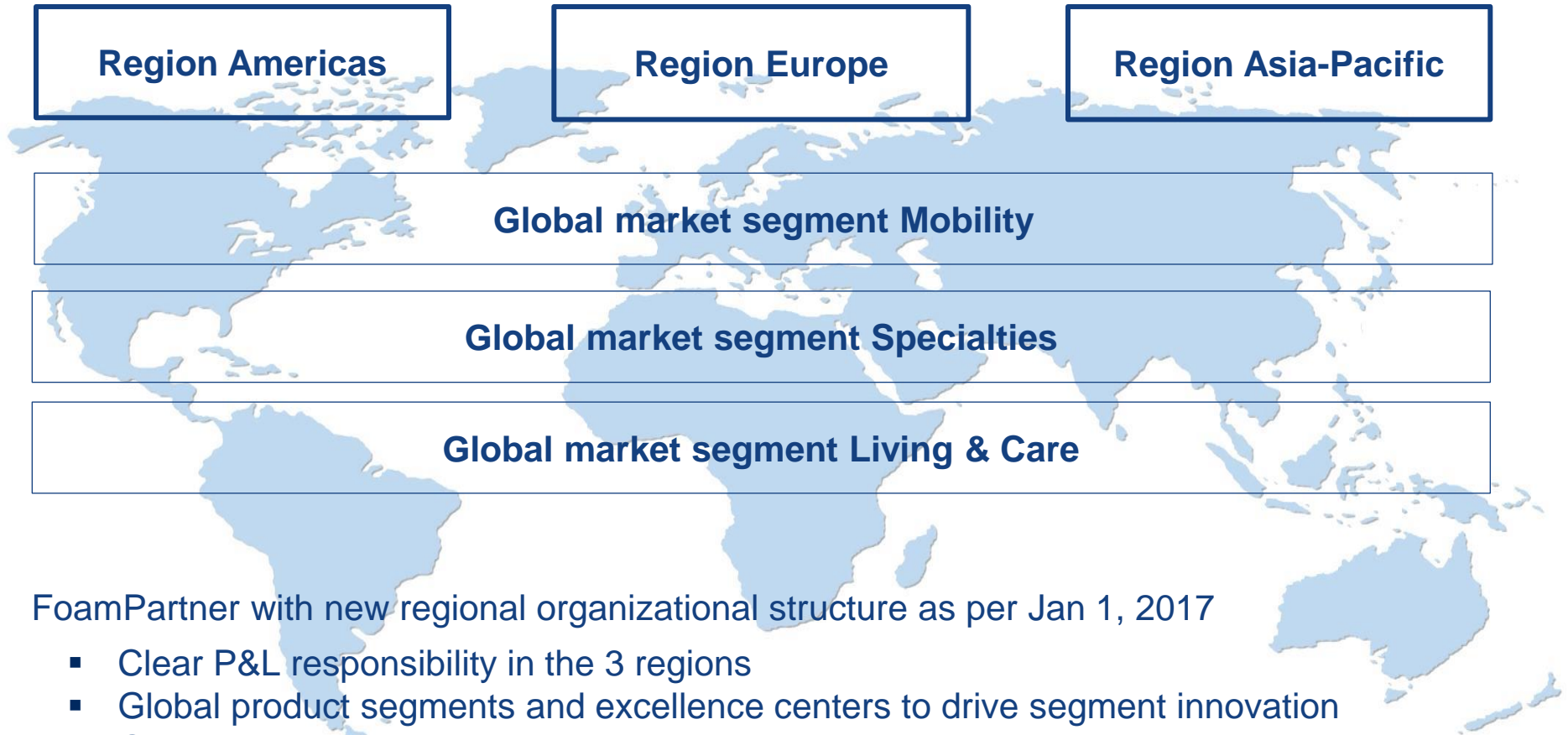
Market

- Large flexible PU market
 - Accessible CHF ~6bn
- Growth above GDP
 - Global mobility needs and growing middle class
- Fragmented, modular market

Drivers

- Urbanization & energy efficiency
 - Noise & weight reduction; thermal insulation
- Customer needs
 - System solutions & global OEM platform requirements
- Raw material costs, i.e. polyols and isocyanate

FoamPartner to strengthen client focus and accountability



FoamPartner with new regional organizational structure as per Jan 1, 2017

- Clear P&L responsibility in the 3 regions
- Global product segments and excellence centers to drive segment innovation
- Group wide support functions, e.g. Foam Development & Product Engineering

Footprint optimization in Europe under evaluation to enable growth and reduce complexity

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Sporting Goods – business profile Mammut Sports Group

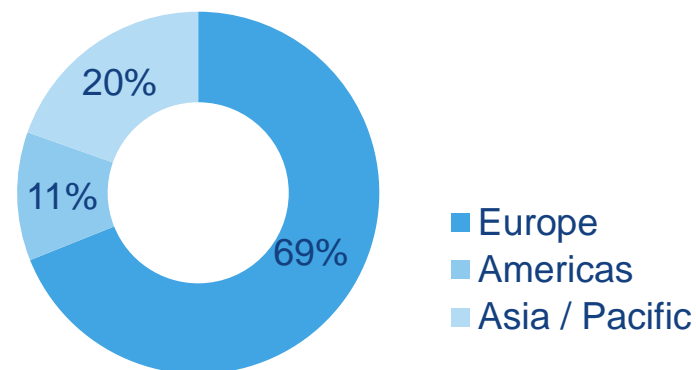
Outdoor clothing and equipment

- Mountaineering, climbing, snow sports, hiking, trail running
- Cutting-edge quality and functionality
- Premium outdoor-brand
- 5 year strategic plan launched in 2016
 - Protect leading position in DACH region
 - Accelerate international growth

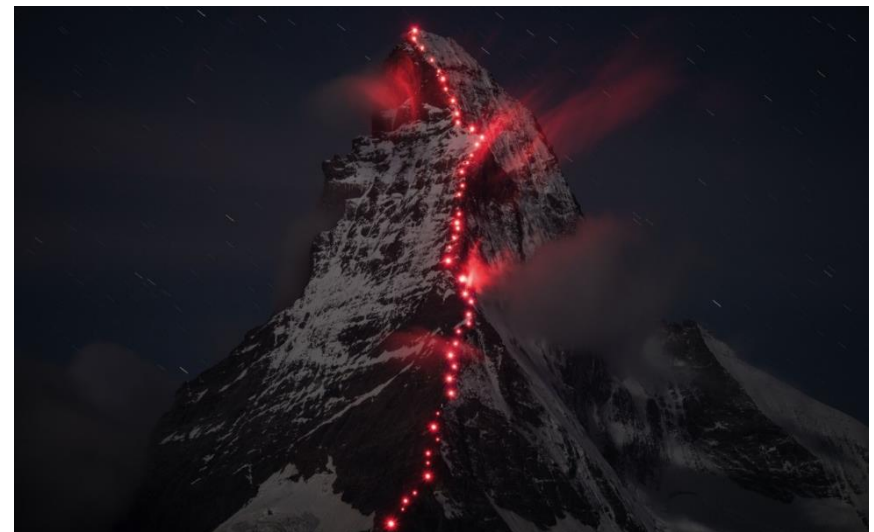
“Absolute Alpine”

- Clear brand position
- High pace of innovation
- Global sourcing and scalable infrastructure, including fully digitized central warehouse
- Present in 41 countries
- 73 Mammut stores

Net revenue by region¹⁾



¹⁾ FY 2015



Strategic initiatives launched in January 2016

Multichannel Management & digitalization

- Improved space management (retail and wholesale)
- Monitoring of client trends to steer collection
- Expand online channel

Internationalization

- Defined priority locations for strategic growth
- Expand network of mono-brand stores
- Leverage from improved space management and product ranges

Client centricity

- “Absolute alpine” within premium segment
- Combine functionality, quality and design
- Approach outdoor activists

January 2016

Kick off

2017

2018

2019

2020

Coordinated effort to develop footprint and business model over the next 5 years

Glass Processing – business profile Bystronic glass

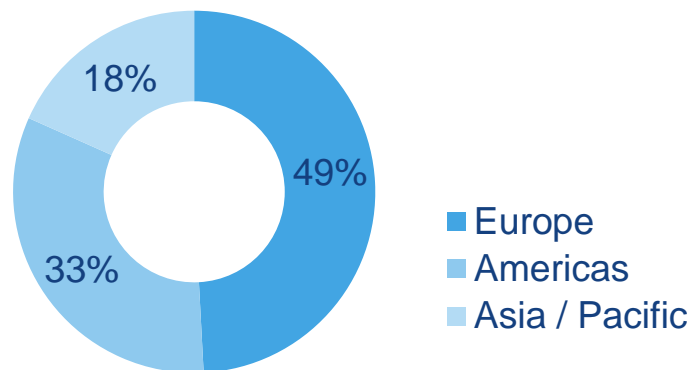
Solutions for flat glass processing

- Architectural glass (insulating glass manufacturing, handling)
- Automotive glass (pre-processing, cutting, grinding, assembling, handling)
- Display, solar and thin glass (cutting, grinding, assembly, handling)

High value adding system solutions

- Full processing solutions from cutting to inspection in cooperation with partners
- Comprehensive service packages
- Targeting markets for energy-efficient architectural and light-weight thin glass
- 3 production sites; 6 sales companies
- Broad installed basis in ~60 countries

Net revenue by region¹⁾



¹⁾ FY 2015



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2016 HY results – summary

Muted start into 2016

- Below-average order book at YE 2015
- Macroeconomic uncertainties

Stable Group result of CHF 20.9 (PY CHF 21.2)

- Group profit margin stable at 3.8%

Higher order entry across segments

- Investment goods +14.2%¹⁾

Operating performance amidst challenging environment

- Net revenue CHF 524.6 million; -3.8%¹⁾
- Operating result (EBIT) CHF 26.2 million; -18.1%¹⁾

Dedicated efforts to accelerate growth and efficiency

- Approx. 50% of cost increase in 1HY 2016 directly related to specific initiatives

¹⁾ Comparable, i.e. at constant foreign exchange rates and considering change in scope.

Conzzeta Outlook for 2016

Conzzeta with innovative product portfolio & financial strength

Consistent execution of group strategy with long-term perspective

Drive internationalization and growth outside DACH region

Uncertain macroeconomic outlook

- Europe stable growth at low level
- Moderate growth in the US
- Volatility in developing regions

2HY16 will reflect

- First-time consolidation of DNE Laser
- Costs from optimization and cost efficiency measures

Within current environment, we expect moderate organic growth for 2016 and profitability at EBIT level comparable with 2015; in addition FY numbers will include the first-time consolidation of DNE Laser and any restructuring costs

Thank you!

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Conzzeta in transition

Business Portfolio

- 2014 Divestment ixmation
- 2014 Acquisition Benien
- 2015 Spin-off PLAZZA
- 2016 Acquisitions Hydra, DNE Laser, FMG

Transparency

- 2014 Early adoption of Swiss GAAP FER 31; Enhanced segment reporting

Corporate Governance

- 2014 Merger with Tegula AG; revised shareholder structure
 - 2014 Revised composition of Board of Directors
 - 2016 New Group CEO
-

- Core shareholders with 51% of voting rights and 29% of capital
- Long-term perspective
- Focus on growth and value creation

Group strategy

Conzzeta is developing a **business portfolio** in markets with potential for above average growth and sustainable value creation by securing **leading positions** in its target markets.

Innovative solutions for our clients, regional expansion and operational excellence combine to provide long-term returns in the top quartile of the respective peer groups. Conzzeta supports its individual business units in creating their unique value proposition and helps management realize ambitious targets.

Conzzeta aims to ensure its business units are “best choice” for customers. **All business units contribute to meeting the Group targets**, balancing the Group portfolio in terms both of diversified business cycles and geographical footprint.

The Group seeks **value creation above cost of capital** with a solid balance sheet and professional risk management. It envisages a **pay-out ratio** of between one third and half of the annual profit, in consideration of the economic situation and Conzzeta’s outlook.

Key figures as per HY 2016

(in CHF m)	1HY16	1HY15	Δ	
Net revenue	524.6	543.7	-3.5%	Comparable: -3.8% ¹⁾
Operating result (EBIT)	26.2	36.5	-28.4%	Comparable: -18.1% ¹⁾
EBIT margin	4.8%	6.6%		
Group result	20.9	21.2	-1.7%	
Net operating assets	430.0	413.3*	+4.0%	Driven by higher order backlog for 2HY16
Balance sheet	1227.3	1221.7*	+0.5%	
Equity ratio (%)	77.8	78.6*	-0.8ppts	Reclassifications of cash deposits; operating free cash flow broadly stable at CHF 9.5 million
Free cash flow	126.1	-121.9	-	

¹⁾ Comparable, i.e. at constant foreign exchange rates and considering change in scope.

* December 2015.

Sheet Metal Processing – results update

CHF m	1HY16	1HY15	Δ
Net revenue	256.8	265.7	-3.4%
Operating result (EBIT)	17.7	26.8	-33.8%
EBIT margin	6.5%	9.5%	-3.0ppts
Net operating assets	187.8	159.3	+17.9%



ByStar Fiber

Operational performance

- Moderate start into 2016
- Comparable net revenue -4.5%
- Below-average backlog per YE 2015
- Growth in Asia; net sales in US and European markets below strong PY
- Growth and efficiency initiatives – avg FTEs 1'729, up 73 or 4.4%

Market development

- Challenging macro environment with improved momentum towards mid year
- Continued competitive pressure

Order entry up 17% in 1HY with solid order backlog for 2HY16 for new product generation

Sporting Goods – results update

CHF m	1HY16	1HY15	Δ
Net revenue	101.4	99.3	+2.1%
Operating result (EBIT)	-4.5	-5.9	+23.3%
EBIT margin	-4.5%	-6.0%	+1.5ppts
Net operating assets	109.9	129.8	-15.3%



Operational performance

- International growth in target markets, partly offset by decline in DACH region
- Growth in hardware broadly offset by decline in apparel
- Comparable net revenue -0.1%

Market development

- DACH region with subdued weather conditions and competitive pressure

Initiatives

- Start implementing 5 year strategic plan
- New B2C sales organization
- Launch of online shop
- Outsourcing of rope production (mid 2016)

Chemical Specialties – results update

CHF m	1HY16	1HY15	Δ
Net revenue	111.0	103.4	+7.3%
Operating result (EBIT)	12.5	8.9	+40.2%
EBIT margin	11.3%	8.6%	+2.7ppts
Net operating assets	114.0	110.7	+3.0%

Operational performance

- Growth in Asia and the US
- Comparable net revenue +2.7%
- Favorable margin development from cost, product mix and fx trends
- Flat revenue trend in Europe

FoamPartner

- Growth in technical foams, particularly with acoustic solutions
- Weak demand in comfort products

Schmid Rhyner

- Decline in commercial printing largely offset by growth with low migration and functional varnishes for packaging products



Glass Processing – results update

CHF m	1HY16	1HY15	Δ
Net revenue	55.2	64.8	-14.8%
Operating result (EBIT)	2.1	5.0	-58.0%
EBIT margin	3.6%	8.3%	-4.7ppts
Net operating assets	21.3	27.2	-21.7%



Operational performance

- Weaker results in automotive, after exceptionally strong PY
- Growth and solid order entry in architectural glass across regions
- Comparable net revenue -16.9%
- Solid order book for 2HY16

Market development

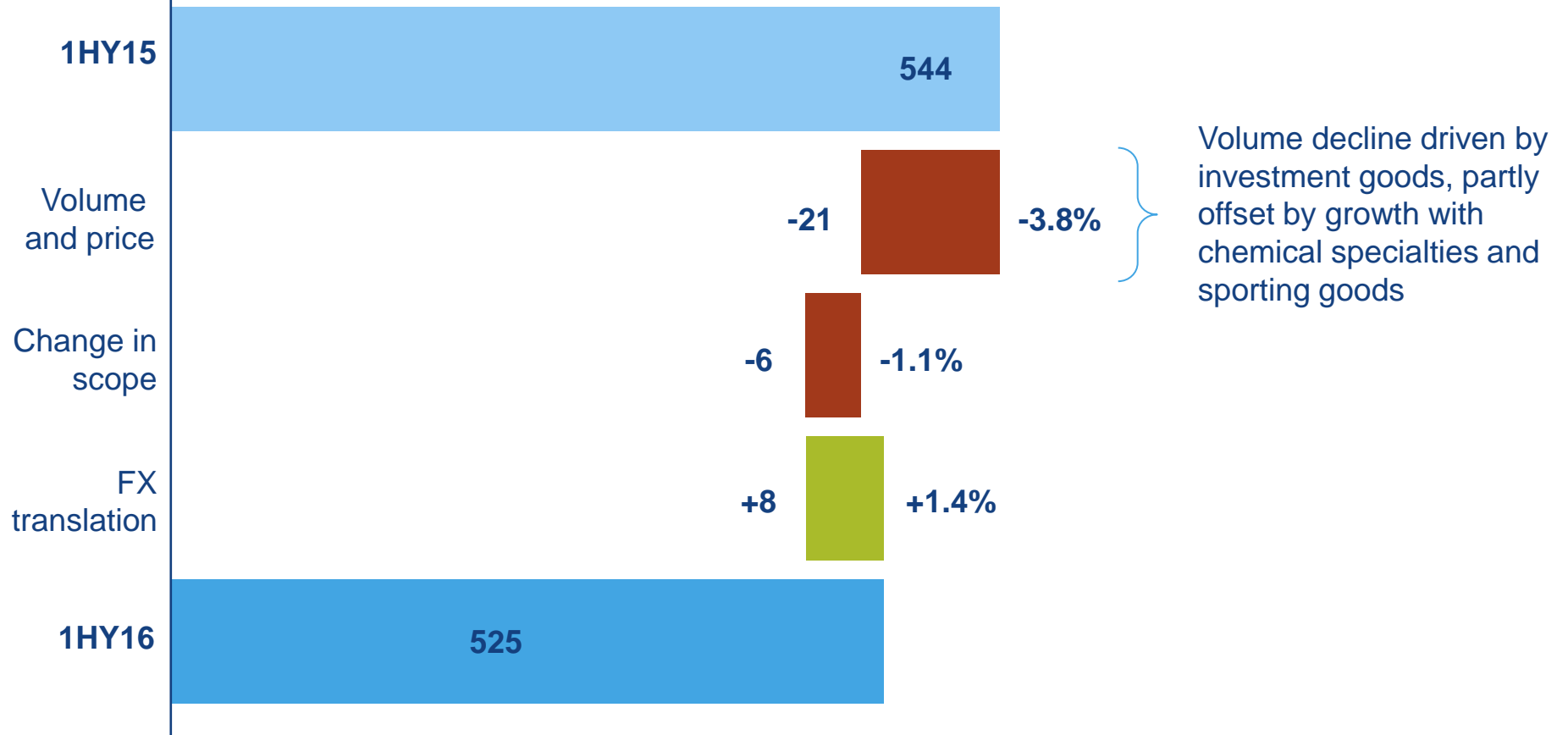
- Increasing requirements in regard to energy efficiency and noise reduction

Initiatives

- Comprehensive review concluded
- Need for further efficiency measures to strengthen cost position
- Innovation drive to complement high-end solutions with quality mid-range products

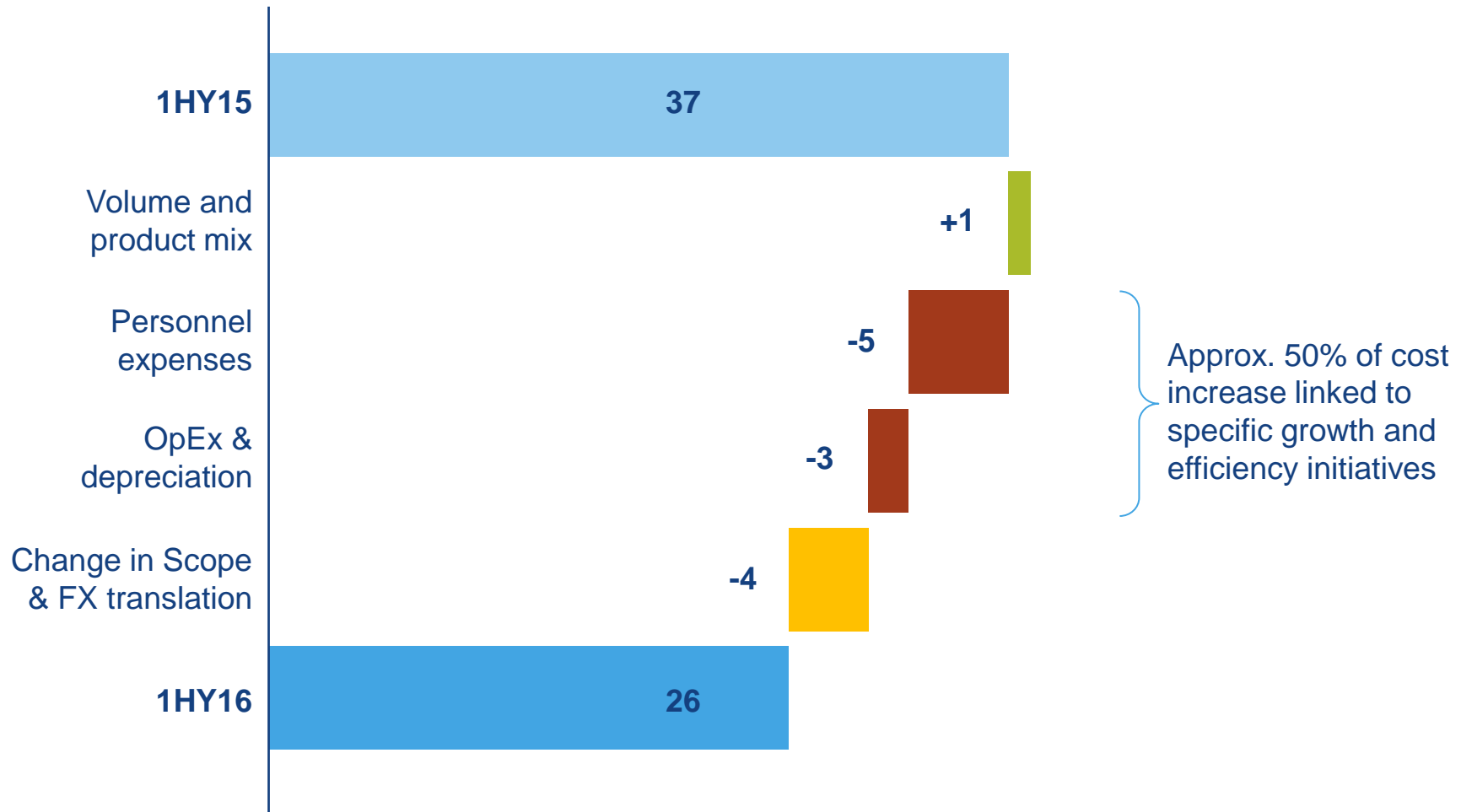
Development of Net revenue 1HY16

(in CHF m)



Development of EBIT 1HY16

(in CHF m)



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