

conzzeta



Differentiated steering for leading positions

Investor Presentation
Zurich, June 2019



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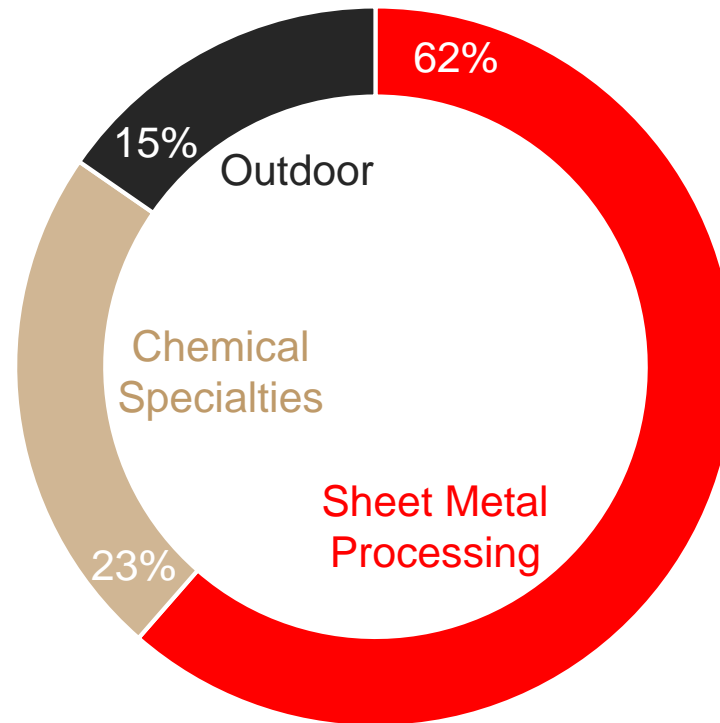
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We are a Swiss group of businesses

We stand for innovation, market orientation and an entrepreneurial spirit

~5'000 people worldwide
CHF 0.4 bn net cash position
Entrepreneurial anchor stakeholders

Net revenue 1'648.9 m¹⁾



1. Striving to become a **leader** in target markets and **developing a business portfolio** with above-average growth prospects and long-term value creation.

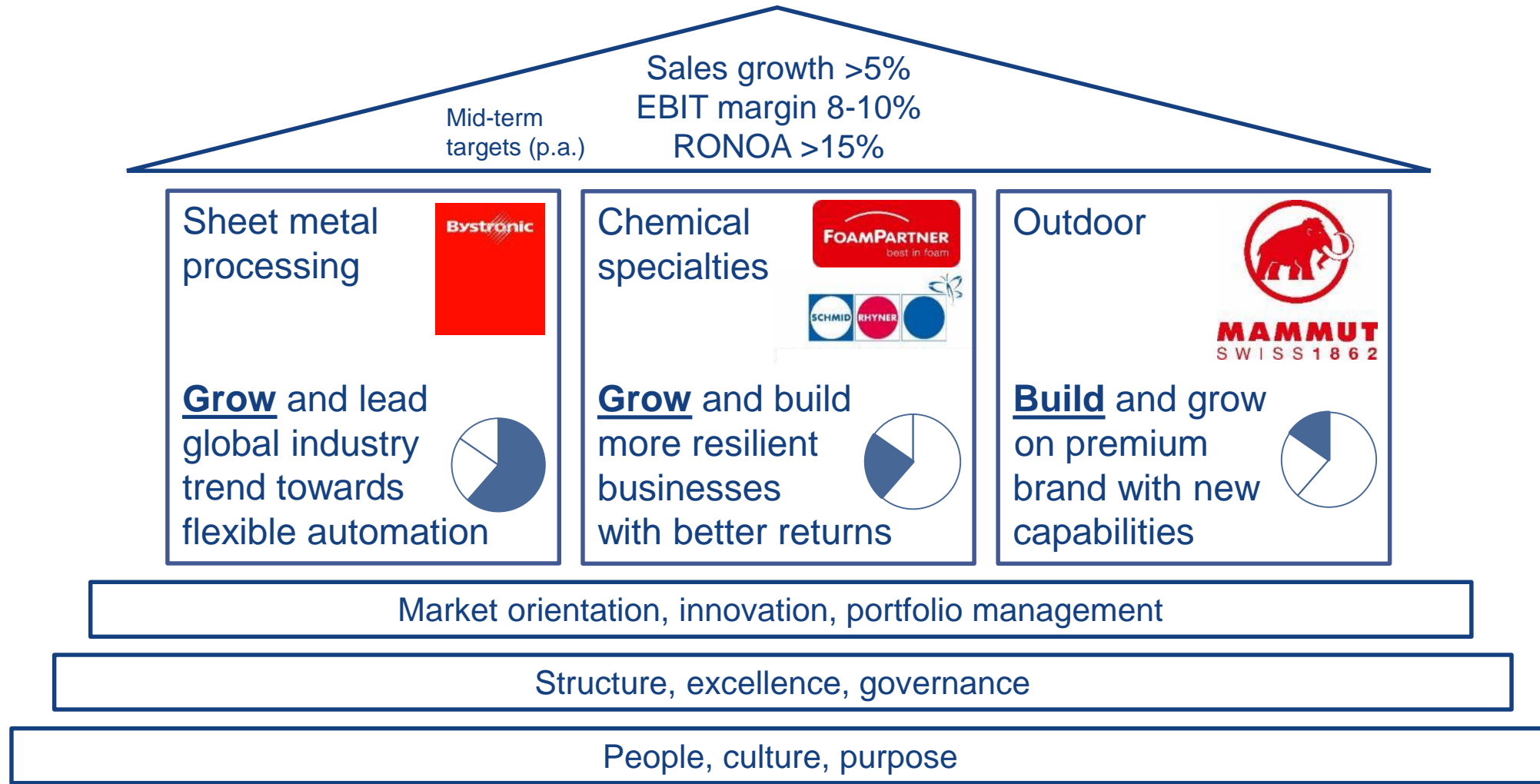
3. Pursuing **medium-term financial targets** to which **all business units should contribute** over their diverse industry cycles.

2. Supporting and promoting **innovation, growth and business excellence** across all Business Units for long-term returns in the top quartile of the respective peer group.

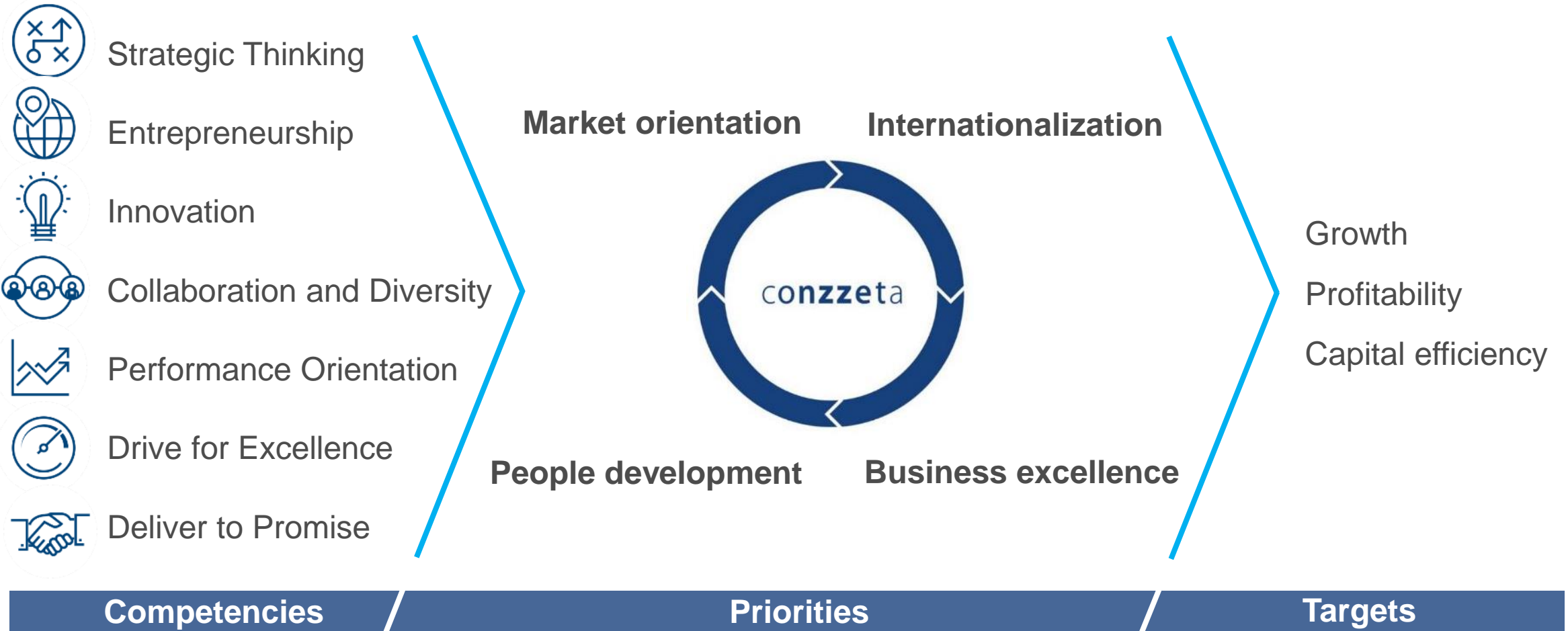
4. Operating with a **strong balance sheet** and aspiring for a **consistent dividend flow** of between one third and one half of the Group result.

¹⁾FY 2018, excluding Glass Processing, divested as per April 1st 2019.

Differentiated steering for leading market positions



Consistent priorities and enhanced capabilities to drive excellence, success, performance



Continuously sharpening the profile towards sustainable value creation

Business strategies

Bystronic: No. 1 solution provider in sheet metal processing

FoamPartner: Transformational upscaling towards “Best in Foam”

Schmid Rhyner: Innovative coatings to turn surfaces into experience

Mammut Swiss 1862: Digital leader in the outdoor industry



Portfolio management



ottobock.

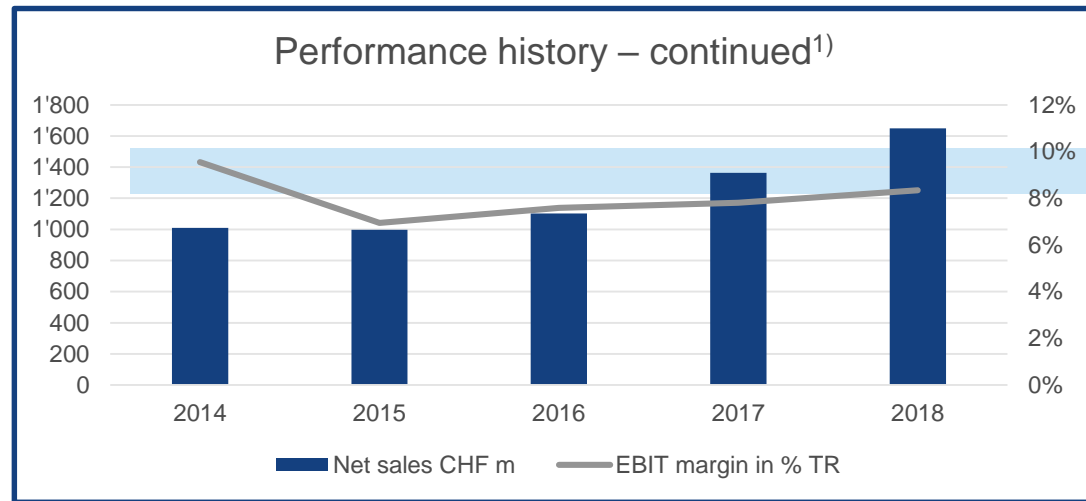


Acquisitions

Divestments



Stepping towards a more focused business portfolio to deliver on our financial aspiration more consistently



5yr performance history continued operations

- NS CAGR of 13.1% (vs 11.3% incl. Glass)
- Ø EBIT margin 8.0% (vs. 7.4% incl. Glass)

Divestment of Glass Processing segment as a structurally diluting business per April 1, 2019, after turn-around and subsequent operational improvements over recent years

Strategic benefits

- reduced complexity
- strengthened focus
- enhanced margin and growth potential

Continued operations with significant profitable growth over 3 years

- 65% net sales growth to CHF 1'648.9 m
- 100% EBIT increase to CHF 139.2 m

EBIT margin aspiration of 8% to 10%.

¹⁾ Excl. ixmation and Piazza divested in 2014 and 2015 respectively; excl. CHF 8.8 m divestment gain in 2017; excl. Bystronic glass, divested in 2019.

Group KPI's continued operations

I.e. without Glass Processing segment, divested as per April 1, 2019

(CHF m)	2018	2017
Order entry	1'003	943
Net revenue	1'649	1'363
Total revenue	1'668	1'383
EBIT	139.2	108.1 ¹⁾
<i>% of TR</i>	8.3	7.8 ¹⁾
Group Result	108.9	84.1 ¹⁾
<i>% of TR</i>	6.5	6.1 ¹⁾
EPS	43.8	38.2
RONOA (%)	22.9	21.4
OPFCF	76.9	62.6

Continued operations 2018 (pro forma)

- Order entry +6.6%
- Net revenue +20.6%
- Slight impacts to margins and RONOA

Trading update Q1 2019

- Expected slowdown compared to strong previous-year quarter
- Order entry -8% (Sheet Metal Processing)
- Net revenue -6.3%

¹⁾ Excluding CHF 8.8 m divestment gain

Slow-down in 1Q 2019 compared to very strong start to 2018

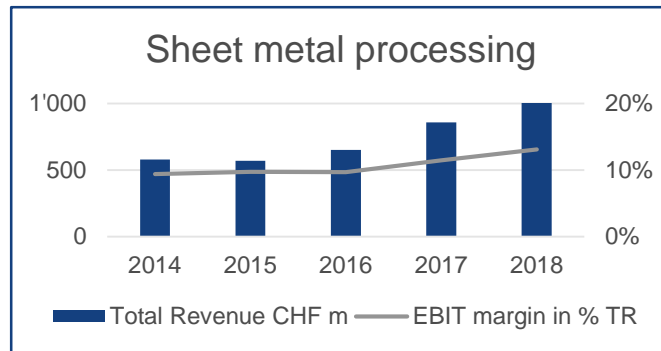
2018 revenue trends CHF m	Q1			Q2			Q3			Q4		
	2017	2018	Diff.	2017	2018	Diff.	2017	2018	Diff.	2017	2018	Diff.
Order entry Group	232.9	276.1	18.6%	275.1	305.4	11.0%	266.0	267.7	0.6%	293.3	279.8	-4.6%
Net revenue Group	300.1	430.6	43.5%	323.4	422.7	30.7%	386.6	453.2	17.2%	472.7	475.7	0.6%
Sheet Metal Processing	158.8	224.4	41.2%	206.1	252.9	22.7%	235.4	258.4	9.7%	255.7	277.5	8.5%
Chemical Specialties	57.8	102.3	77.0%	56.4	100.5	78.3%	54.2	92.1	70.0%	110.9	87.9	-20.7%
Outdoor	59.6	70.5	18.4%	35.3	40.5	14.7%	68.1	72.2	6.0%	65.5	70.2	7.1%
Glass Processing	24.0	33.6	40.1%	25.7	28.8	12.0%	29.0	30.7	5.8%	40.5	40.2	-1.0%

2019 trading update CHF m	Q1		
	2018	2019	Diff.
OE Sheet Metal Processing	241.5	222.2	-8.0%
Net revenue (continued)	430.6	394.4	-6.3%
Sheet Metal Processing	224.4	207.9	-7.4%
Chemical Specialties	102.3	93.5	-8.6%
Outdoor	70.6	70.8	0.3%

- Development of quarterly growth rates reflects more challenging operating environment as of mid 2018 and base effect compared to strong H1 2018
- 2018 order entry Sheet Metal Processing: Q1 CHF 241.5; Q2 CHF 273.2; Q3 CHF 242.0; Q4 CHF 246.2

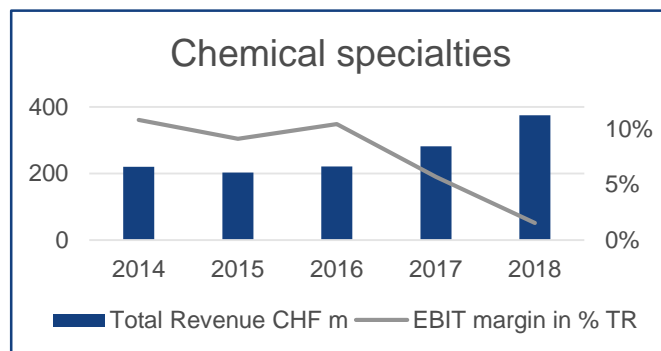
Outlook for 2019

Demonstrate resilience



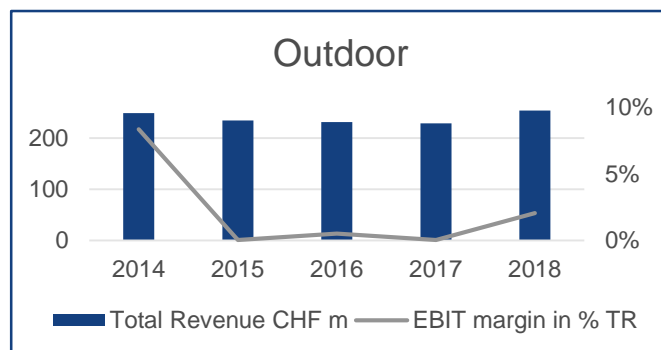
Status

- Industry slow-down from high level
- Very healthy 12.8% margin in 2018
- Focus on service, software, automation



Status

- Normalization of input cost
- Innovation, also for FP automotive
- Turn-around FP America and China



Status

- Deliver on 5 year strategy plan
- Build scale to dilute higher cost base
- Strive for further margin improvement

Outlook statement from March 20:

With enhanced geopolitical and macroeconomic uncertainties for 2019, we currently expect net revenue for the continued businesses at previous-year level.

Without the gain of CHF 28 m to 31 m from the divestment of the Glass Processing segment, we expect profitability at EBIT level more broadly supported across the continued segments and with a slightly improved EBIT margin for the Group.

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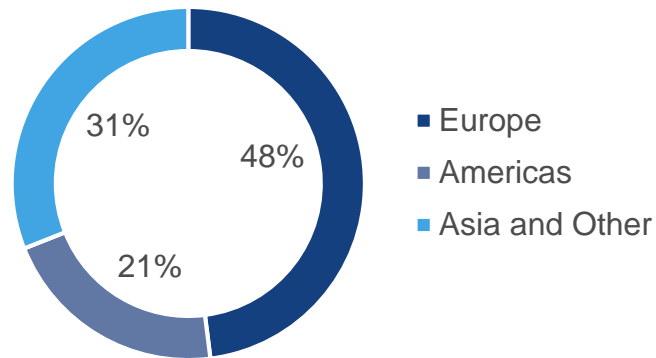
Bystronic

Sheet Metal Processing Bystronic

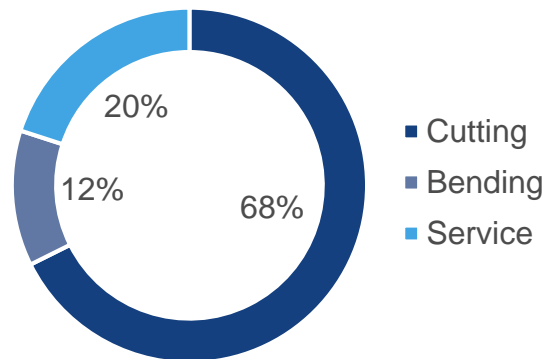


Sheet Metal Processing Business profile Bystronic

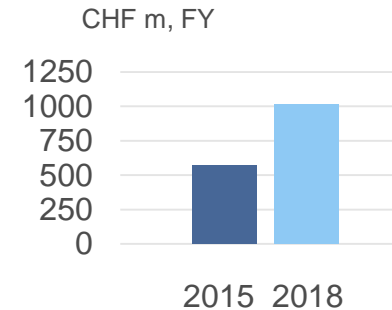
Net revenue by region¹⁾



Net revenue by business segment¹⁾



¹⁾ FY18



Net revenue trend

CAGR 21.4%

Organic growth across regions;
acquisitive mainly in Asia

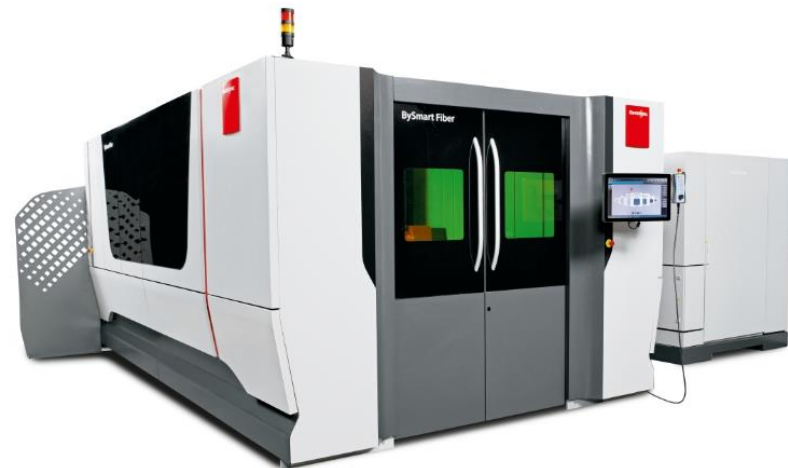
Market and position

- Technology leadership position, in cutting, bending, automation (Industry 4.0)
- USD ~7.5 bn global market; Bystronic with #3 position in accessible market
- Customer structure
 - 80% job shops, 20% OEMs
 - Diversified across industry sectors
 - No customer with >1% of Net revenue

Sheet Metal Processing

Another year of strong performance

CHF m	2018	2017	%
Net revenue	1'013.2	856.1	18.3
Operating result (EBIT)	132.5	98.0	35.2
EBIT margin	12.8%	11.2%	160 bp
Net operating assets	204.0	173.0	17.9



BySmart Fiber

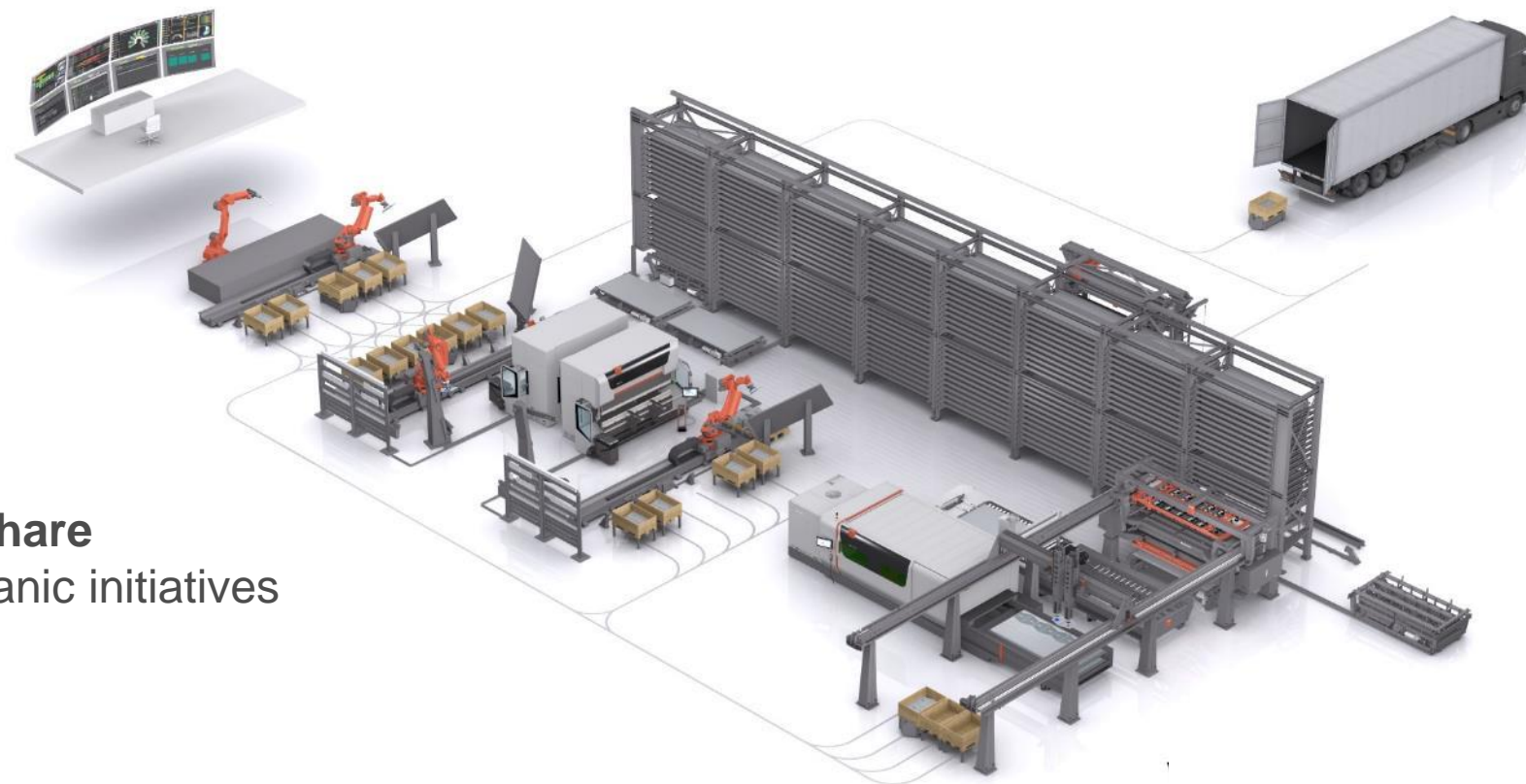
Operational performance

- Double-digit growth across regions and client segments
- Comparable net revenue +14.9%, reflecting acquisitions of TTM Laser and Antil
- New competence centers 'Tube Processing', 'Automation' and 'Software' in addition to 'Cutting' and 'Bending'
- Ongoing investments in innovation, footprint and business excellence

Order backlog slightly higher than previous year with more regional differentiation



Bystronic's vision is to be the number 1 partner in the sheet metal and tube industry, by combining best solutions and services to make customers leaders in world class manufacturing



Growth strategy
to achieve **>20% market share**
through organic and anorganic initiatives

Vision Smart Factory

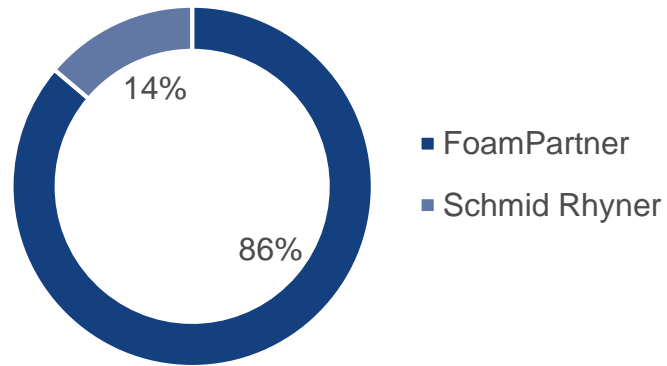


Chemical Specialties FoamPartner Schmid Rhyner

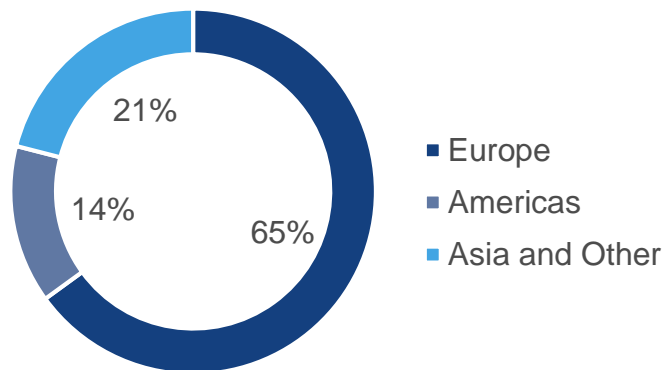


Business profile FoamPartner & Schmid Rhyner

Net revenue by business unit¹⁾

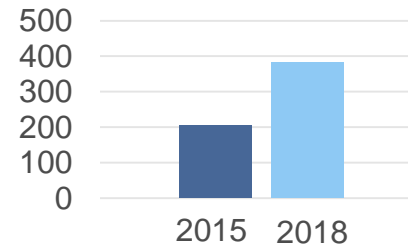


Net revenue by region¹⁾



¹⁾ FY18

CHF m, FY



Net revenue trend

CAGR 23.4%

Growth across regions driven by Otto Bock Kunststoff acquisition

Market and position

- **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**
 - USD ~8bn global market; foam as fragmented market with <25% market share of top 5 players
 - Largely customized solutions

Enhanced scale amidst a challenging operating environment

CHF m	2018	2017*	%
Net revenue	382.9	279.2	37.1
Operating result (EBIT)	5.8	16.0	-63.8
EBIT margin	1.5%	5.7%	-420 bp
Net operating assets	167.0	186.9	-10.7

* Excluding CHF 8.8 m divestment gain

Operational performance

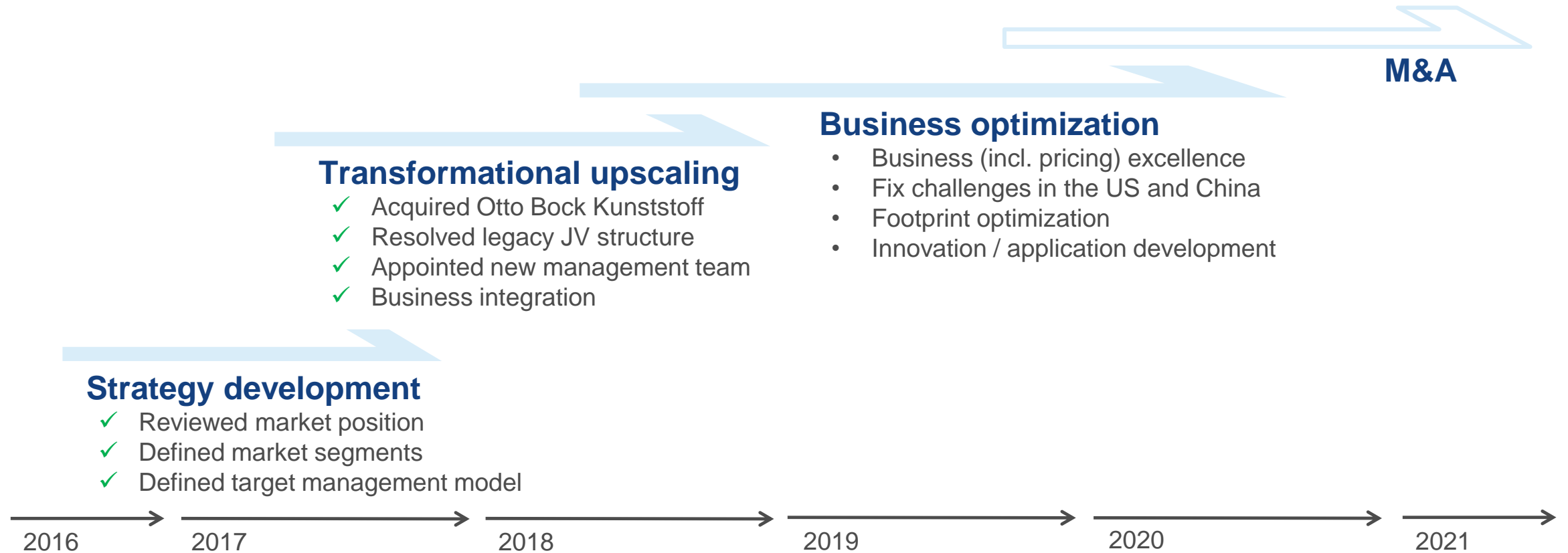
- Double-digit growth across regions, driven by acquisition of Otto Bock Kunststoff
- Comparable net revenue -2.5%, driven by significant revenue decline in Q4
- EBIT decline from CHF 16.0 m (adjusted for divestment gain) to CHF 5.8 m
 - Integration- / reorganization costs CHF 5.5 m
 - Higher input costs, despite easing in 2nd HY, broadly offset by pricing measures
 - Unprecedented slow-down in mobility in Q4 due to generally weak automotive industry and specific competitive pressure in Asia



Multiple measures defined to improve profitability

FoamPartner transformational roadmap

Driving economies of scale from enlarged platform



Resolution of legacy JV constraints to unlock growth potential and to optimize footprint – CHF 15 million CAPEX program to invest in infrastructure and new capabilities for 2019/2020

Clear priorities and defined action plans

Regional strategies

- **Turn around America**
 - Re-focus organization
 - Site consolidation
 - Growth in Specialties
- **Transition in Asia**
 - Improve yield & quality
 - Drive innovation automotive rolls
 - Growth in Specialties
- **Deliver in Europe**
 - Footprint optimization
 - Margin management
 - Strengthen sales organization

Overall organization

- **Modernize**, e.g.
 - CRM tool
 - ERP system
 - Facility upgrades
- **Excellence**, e.g.
 - New foaming strategies
 - Digitalization of foaming process
 - Order management & logistics
- **Innovation**, e.g.
 - Improved durability of sponges
 - New prepolymer technology for automotive rolls
 - New ether-based sealing products

Deliver on integration; aspire to become 'best in foam' with EBIT-Margin of 10% over the mid-term

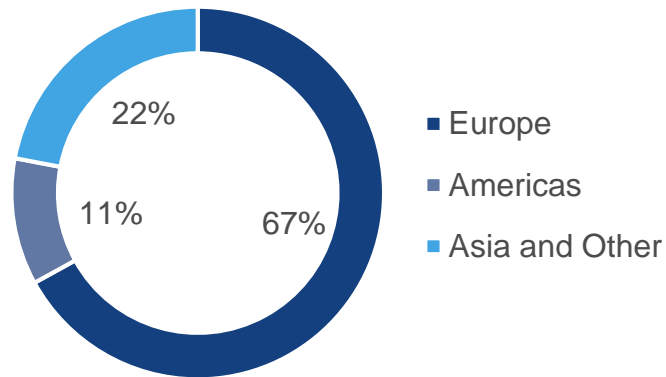


Outdoor Mammut

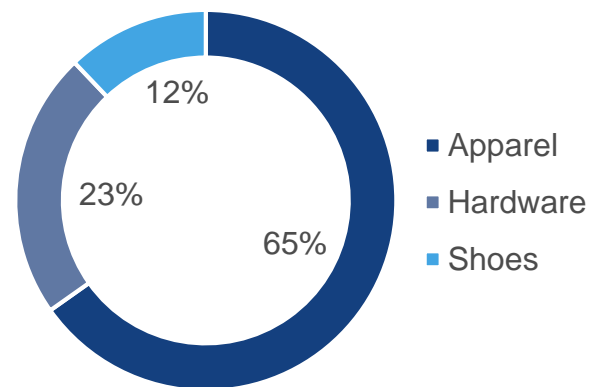


Outdoor Business profile Mammüt

Net revenue by region¹⁾

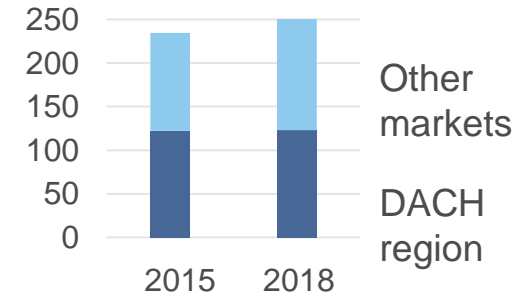


Net revenue by product category¹⁾



¹⁾ FY18

CHF m, FY



Net revenue trend

CAGR 4.1%
Elimination of low margin sales and reduced footprint exposure in DACH region

Market and position

- Fragmented USD ~25 bn outdoor market with only few global brands; Mammüt as premium brand with ~#7 market position
- Responding to competitive pressure and change in client behavior with 5 years strategic plan launched in early 2016
- Build-up of retail capabilities and wholesale excellence ongoing

Implementation of 5 year strategic plan on track

CHF m	2018	2017	%
Net revenue	253.4	228.6	10.9
Operating result (EBIT)	5.2	0.1	n.a.
EBIT margin	2.1%	0.1%	210 bp
Net operating assets	126.7	116.5	8.8

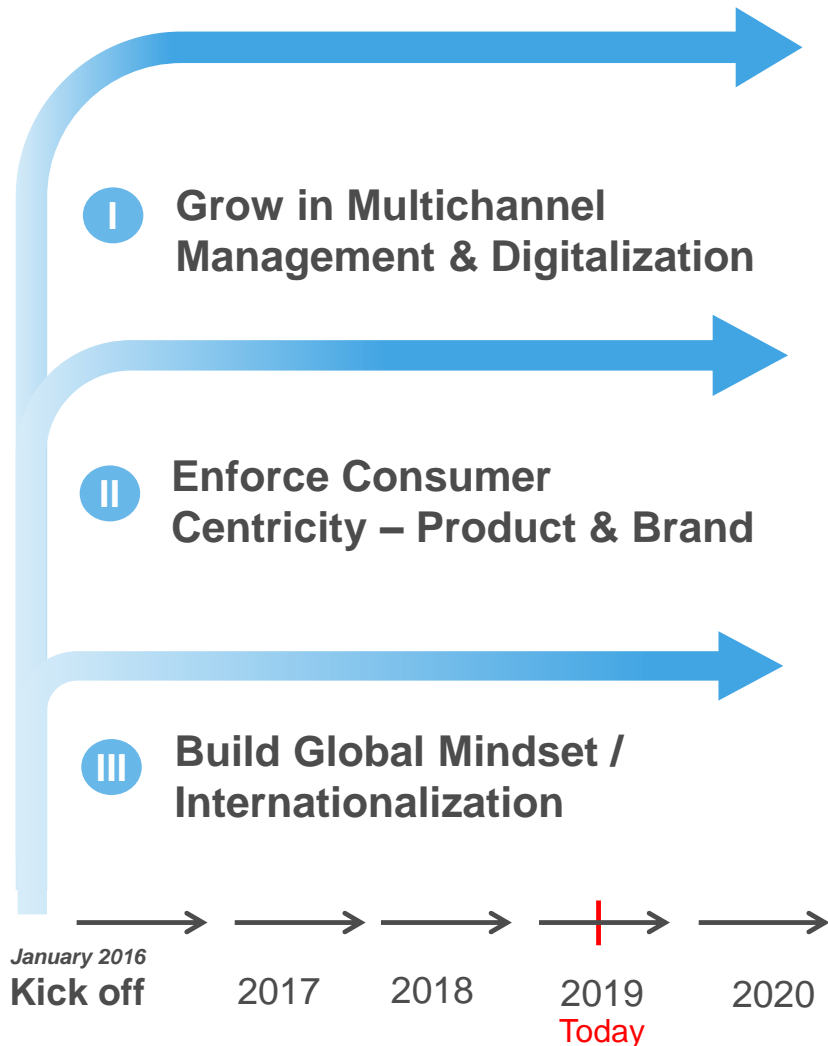


Operational performance

- Double-digit growth across regions; comparable growth at stable fx-rates 9.4%
- Successful product innovations for WS 2018, i.e. 'Barryvox' and 'Eiger Extreme'
- EBIT improved to CHF 5.2 m, despite increased cost base in context of 5 year strategic plan
- Gross margin up by 390 bp, over last 2 years with higher volume, product innovation and continued channel shift
- Pushing digital transformation
- Launching 'Mammut We Care' strategy

Pre-orders for SS 2019 above PY

5 year strategy program with selected achievements



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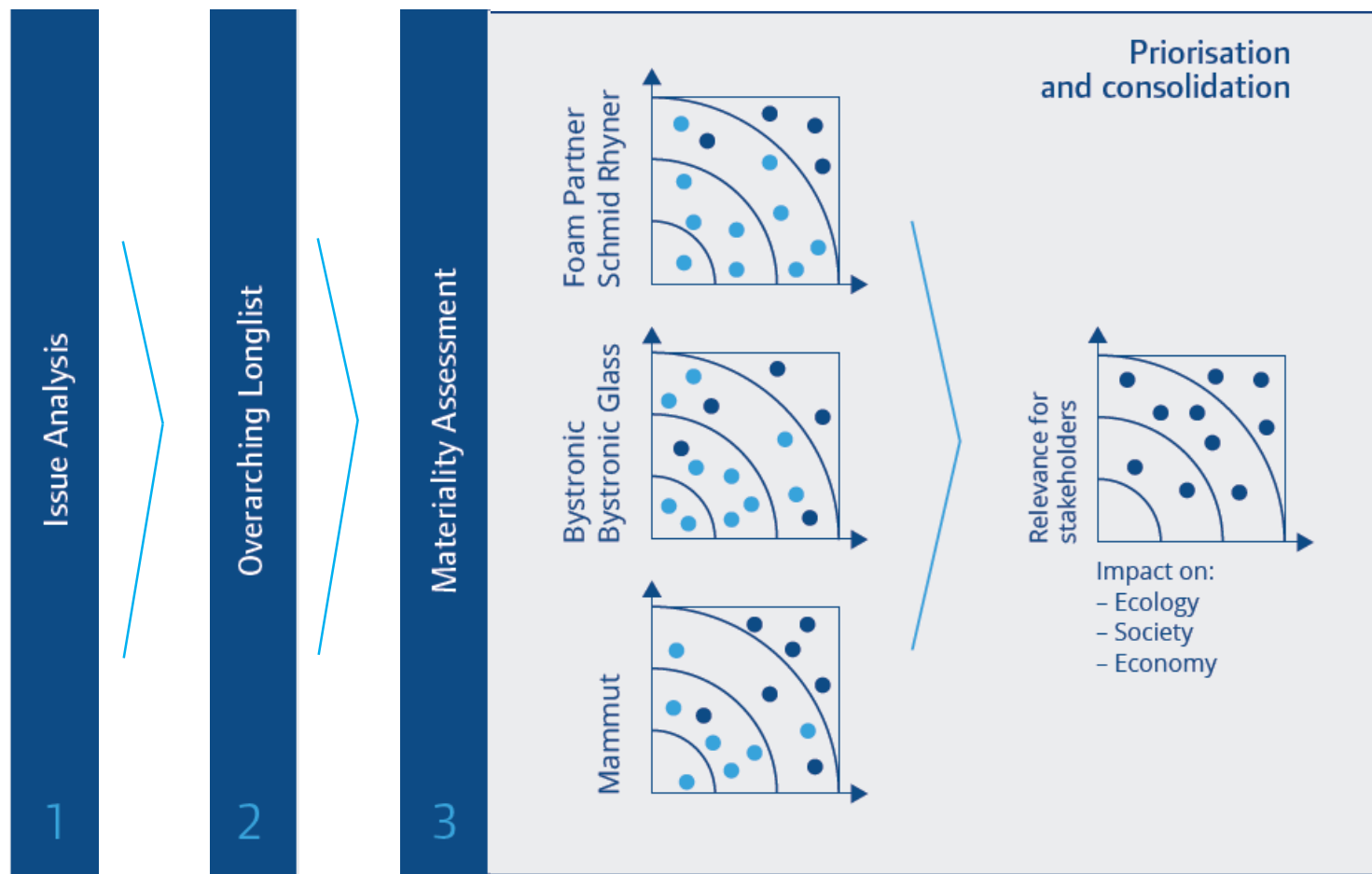
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Embracing secular trends with a less complex portfolio structure

2018 Materiality Assessment



Identified material topics

Ecology

- Energy & Climate Change
- Chemicals in Production
- Longevity & Cyclability

Society

- Product Health & Safety
- Working Conditions
- Diversity & Inclusion

Economy

- Innovation
- Viability of Business Models
- Economic Performance

Ernst Bärtschi



Lic. oec. HSG, born 1952
Chairman of the BoD
since 2014

Jacob Schmidheiny



Lic. oec. publ., born 1943
Member of the BoD
since 1977

Robert F. Spoerry



Dipl. Masch.-Ing. ETH, MBA,
born 1955
Member of the BoD
since 1996

Dr. Matthias Auer



Dr. iur., born 1953
Member of the BoD
since 1996

Urs Riedener



Lic. oec. HSG, born 1965
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Dr. Roland Abt



Dr. oec. HSG, born 1957
Member of the BoD
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Philip Mosimann



Dipl. Ing. ETH, born 1954
Member of the BoD
since 2007

Michael König



Dipl. Ing. Chem., born 1963
Member of the BoD
since 2019

Michael Willome



Lic. oec. HSG, born 1966
Group CEO
since 2016

Kaspar W. Kelterborn



Lic. oec. HSG, born 1964
Group CFO
since 2006

Barbara Senn



Attorney at Law, LL.M., born 1967
General Counsel since 2010
Member of the Group Executive
Board since 2014

Alex Waser



Automobile Engineer HTL, MBA, born 1967
**Head of the Sheet Metal Processing
business unit**
since 2013

Dr. Oliver Pabst



Dr. oec. HSG, born 1966
**Head of the Outdoor
business unit**
since 2016

Dr. Michael Riedel



Dr. rer. nat., born 1968
**Head of the Foam Materials
business unit**
since January 2018

Jakob Rohner



Dipl. Ing. HTL, MBA, born 1958
**Head of the Graphic Coatings
business unit**
since 2011

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2019		
June 5 – 6	Roadshow London	Mainfirst
June 13	Roadshow Frankfurt	Mainfirst
June 26	Roadshow Zurich	ZKB
June 27	Roadshow Geneva	Mainfirst
August 10	Half-year results 2019	Conzzeta
September 19	Investora Conference, Zurich	Investora
October 16	9M Trading Update	Conzzeta
November 7	The Swiss Equity Conference, Zurich	ZKB
November 15	Swiss Mid Cap Conference, Zurich	Credit Suisse
2020		
February 5	12M Trading Update	Conzzeta
March 17	2019 Results & Media / Analyst Conference, Zurich	Conzzeta
April 20	Annual General Meeting, Zurich	Conzzeta

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The information in this presentation about the business performance of the Conzzeta Group is of a summary nature only. The information in the Annual Report and half-year report of Conzzeta AG and on the website www.conzzeta.com prevails.

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The presentation also contains statements about expected future financial and operational developments which are based on subjective assessments. Any liability for loss or damage arising directly or indirectly from the information in this presentation is expressly excluded.

Thank you very much
for your interest.

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Valor 24401750
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Reuters CONC.S
Bloomberg CON:SW