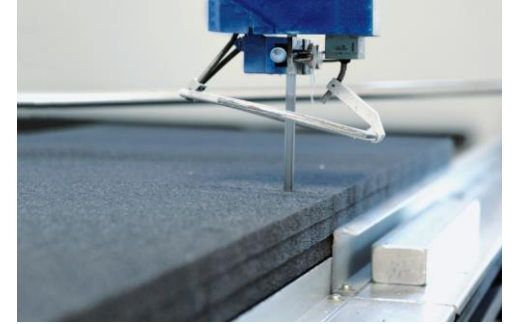


conzzeta



2019 Results Presentation

Zurich, March 17, 2020



Disclaimer & rules for the day

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.

Although the greatest possible care was taken with the preparation of the presentation, Conzzeta takes no responsibility for its completeness or correctness. Unless otherwise specified, the figures are based on the annual results for 2019.

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.

New coronavirus Last update: 6.3.2020

PROTECT YOURSELF AND OTHERS

✓ NEW

Keep your distance.
For example:

- Protect the elderly by keeping a safe distance.
- Keep your distance from others in a queue.
- Keep your distance at meetings.

STILL IMPORTANT:

- ✓ Wash your hands thoroughly.
- ✓ Avoid shaking hands.
- ✓ Cough and sneeze into a tissue or the crook of your arm.
- ✓ Stay at home if you have got a high temperature and a cough.
- ✓ Always call ahead before going to the doctor's or the emergency department.

www.foph-coronavirus.ch

Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra
Swiss Confederation

Bundesamt für Gesundheit BAG
Office fédéral de la santé publique OFSP
Ufficio federale della sanità pubblica UFSP
Uffizi federal da sanadad publica UFSP

QR code: Scan for translation

- Group result & business update Michael Willome, Group CEO
- Financial results Kaspar W. Kelterborn, Group CFO
- Priorities & outlook Michael Willome, Group CEO
- Q&A

2019 results summary and dividend proposal

Enhanced margin in all segments and special distribution

- General slowdown in capital goods and automotive markets
- Net revenue CHF 1'573.2 m, -4.9% at comparable¹⁾ level
 - Reported -11.7%
- Operating result (EBIT) CHF 167.2 m, stable at comparable¹⁾ level
 - Reported +13.9%
- EBIT margin 8.7%, +50 bp
 - Excluding divestment gain of CHF 29.9 m
- Group result (before minorities) CHF 136.8 m, +19.2%
 - EPS (A share) CHF 60.85, +30.1%
- Operating free cash flow CHF 40.6 m, -51.3%
 - Driven by lower business volume and increase of NWC
 - Operating investments CHF 69.8 m, reinvestment rate of 1.8

With divestment of Schmid Rhyner closed as per end of February 2020, dividend proposal to the AGM: CHF 42.00 (A share), including special distribution of CHF 24.00

¹⁾ At stable foreign exchange rates and adjusted for change in scope.

Successful divestment of Schmid Rhyner as per Feb 28, 2020

conzzeta

We transform into a focused, technology-oriented industrial company



Divest, subject to market conditions

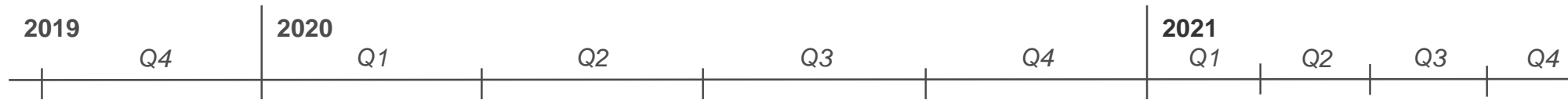
- Businesses with progress and enhanced margins in 2019
- Good positions in Europe, but lack of scale in growth markets

Focused growth strategy

- Main business with 60% of net revenue and 88% of EBIT in 2019
- Leading positions, critical mass and growth potential

Operational progress across segments created strategic options

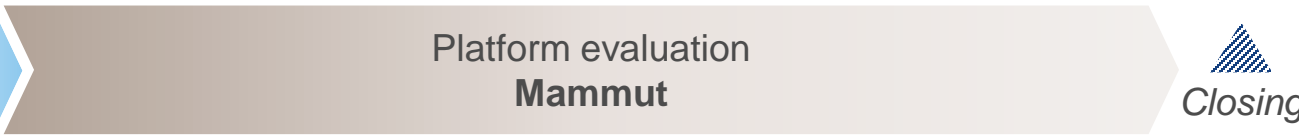
Our indicative timeline for the Group transformation



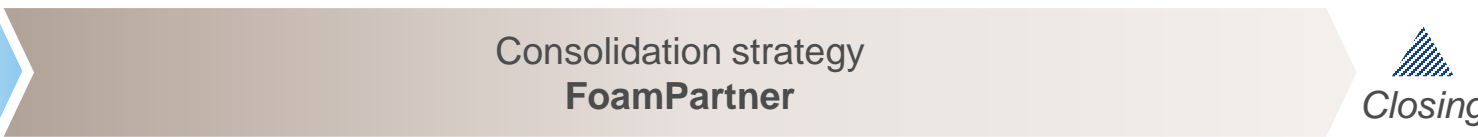
Platform evaluation
Schmid Rhyner



Strategic evaluation



Strategic evaluation



Strategy and organizational development
Bystronic



Corporate functions
Preparation

Transition

Bystronic
Readiness



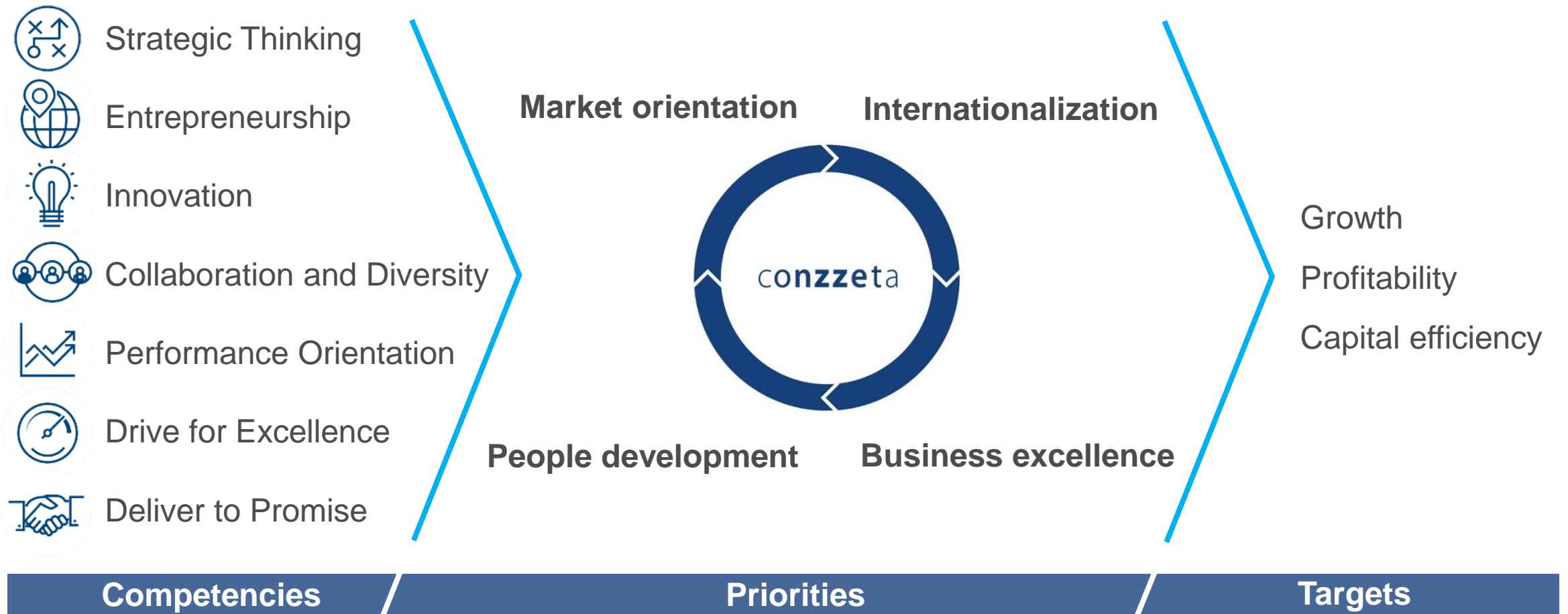
Group strategy execution & transformation management



Create and / or select best suitable platforms for all Business Units to foster leading positions globally, built on innovative value potentials

Step-by-step transformation of corporate center

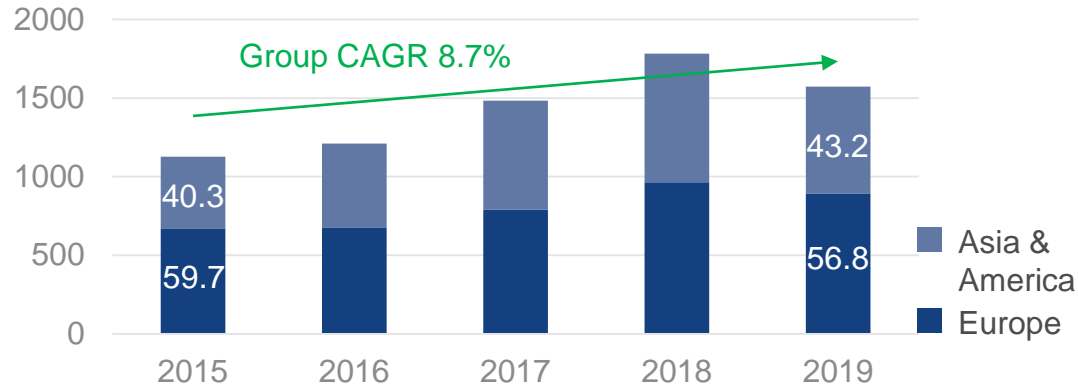
Our framework implemented in 2016 will continue to serve us well through the change process



We delivered on our priorities and financial aspiration with strengthened capabilities

Net revenue (CHF m)

Share in Asia and America +290 bp



EBIT-Margin (%)

2017, 2019 excl. divestment gains



The 4th cohort of the Conzzeta Talent Development Program gathering for a week in Eschenz, Switzerland, February 2020

People development

Tailor-made programs with ~350 participants

Business Excellence

Mission portfolio with CHF >50 m benefit by 2021

Strategy and M&A

Structured planning and seamless deal execution

Bystronic

Sheet Metal Processing Bystronic



Resilient performance amidst challenging markets in Asia

CHF m	2019	2018	Δ%
Net revenue	936.0	1'013.20	-7.6
Operating result (EBIT)	121.1	132.5	-8.6
EBIT margin	12.9%	12.8%	10 bp
Net operating assets	248.3	204.0	21.7%

Operational performance

- Comparable net revenue -6.4%
- Growth in US more than offset by decline mainly in Asia
- Growth in Bending and Service offset by decline in Cutting
- Resilient margin, benefitting from CHF 6.7 m non-recurring items
- Net operating assets significantly up from non-sustainable low PY level
- Capex programs on track – Niederönz completed, expect US opening in H1 2020



Mobile Bending Cell 80

Product / service innovation while building market presence in growth regions to enhance coverage

We're developing a business strategy to accelerate growth

Key elements

- Innovation rate
- Smart factory & solutions
- World class service

— Growth —

- Market strategies & regional expansion
- Client segmentation & product / service offering
- Structured M&A process with established pipeline



Differentiation

- Attract, develop, retain talents
- Build succession pipeline
- Improve agility and accountability

Business Excellence

- Live up to the claim of “World class manufacturing”
- Continued optimization of manufacturing costs
- Improve efficiency of administrative functions

— Talents —

Continued transformation from single machine manufacturer towards solutions provider

Bystronic growth opportunities in the mid-client segment

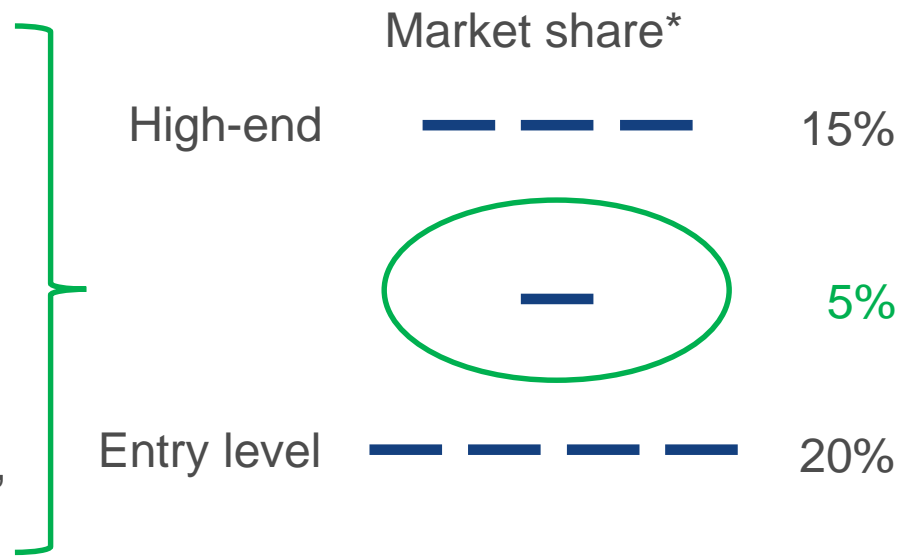
Tailored product launches to increase market share



BySmart Fiber laser cutting machine



Xact Smart bending machine, with automation



*Bystronic estimates for 2018

Evolving demand for automation also in mid-client segment

Bystronic footprint expansion

Regional hubs – local presence

North America



Assembly & brand experience center to open in H1 2020

Europe



R&D, manufacturing & global brand experience center

China

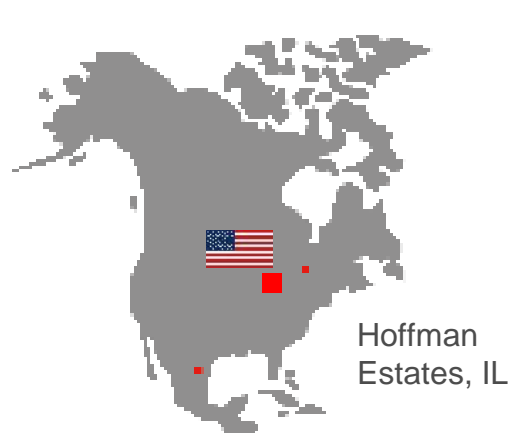


R&D, manufacturing & brand experience centers

Asia



Brand experience centers & local sales organizations





Chemical Specialties FoamPartner Schmid Rhyner



Chemical Specialties (discontinued business)

Operational progress driven by FoamPartner

CHF m	2019	2018	Δ%
Net revenue	346.6	382.9	-9.5
Operating result (EBIT)	14.2	5.8	144.3
EBIT margin	4.2%	1.5%	270 bp
Net operating assets	156.4	167.0	-6.7

Operational performance

- Comparable net revenue -7.9%
- Decline across regions and segments, driven by challenging markets
- Improved operating result and margin at FoamPartner, driven by lower input costs and operational progress, partly offset by weaker result at Schmid Rhyner
- Footprint optimization at FoamPartner on track, CHF 1.8 m implementation costs in 2019; expect opening of new converting center in Duderstadt, Germany, by end of April
- Successful sale of Schmid Rhyner



MetroSnap concept car

FoamPartner delivers foam know-how for acoustic and thermal insulation in Rinspeed's new MetroSnap

Continued focus on operational improvements with enhanced efforts for product innovation

FoamPartner key initiatives 2020

Drive topline growth and operational improvements



New RegiSeal® E-Themo

Mileage range enhancement for electrical vehicles



New OboSky®

Improved vehicle interior climate with optimized processing & longer lifetime

- **Push innovation** and application engineering, e.g.
 - increased mileage range through light weight foam solutions for electrical vehicles, including OEM roadshow with concept car
- Deliver on **business excellence** initiatives, e.g.
 - improved productivity in Europe through state-of-the-art converting center, delivering productivity and enabling growth on 8500 m²
- Continue to **modernize** the way we work, e.g.
 - upgraded marketing activities, progressive IT-infrastructure and extensive people development programs

2019 FoamPartner	Net revenue	297.0
stand-alone financials	EBITDA	25.6
CHF m	EBIT	13.6
	EBIT margin on TR	4.7%
	Net operating assets	133.1



Outdoor Mammut



Outdoor (discontinued business)

Recovery in profitability masked by weak Q3 delivery performance

CHF m	2019	2018	Δ%
Net revenue	268.4	253.4	5.9
Operating result (EBIT)	7.5	5.2	42.0
EBIT margin	2.8%	2.1%	70 bp
Net operating assets	149.6	126.7	18.1

Operational performance

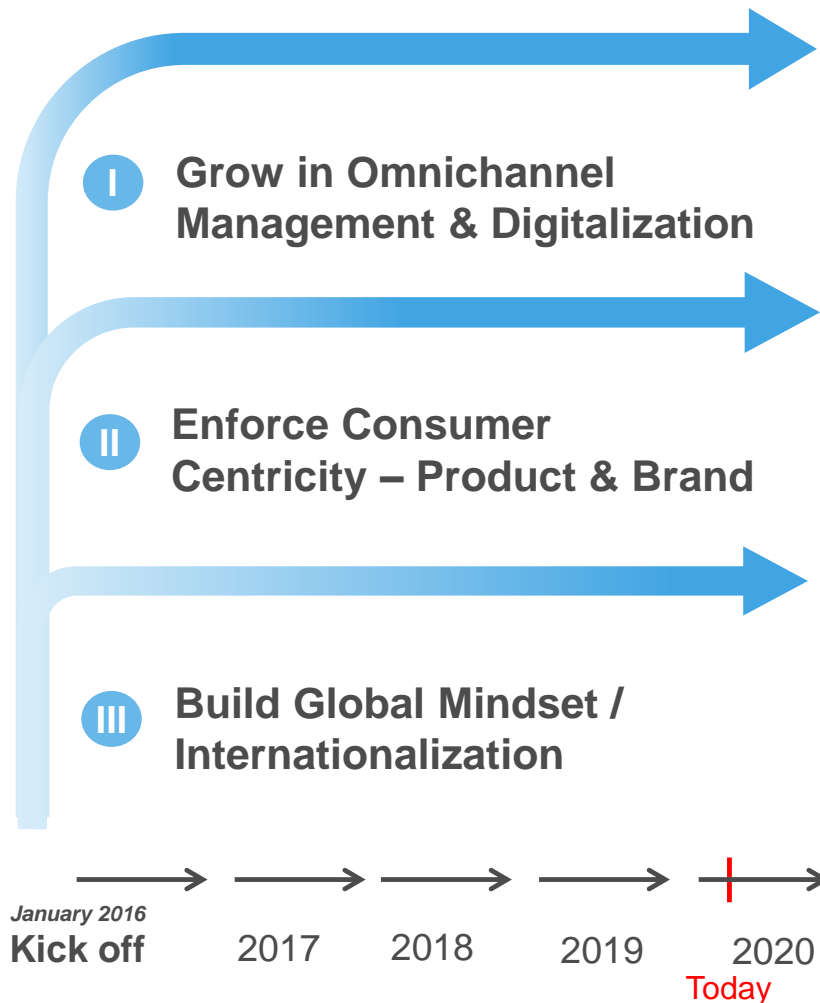
- Comparable net revenue +6.8%
- Growth across regions and channels with disproportionate growth in digital (>50%)
- EBIT recovery, but impacted by weak delivery performance in Q3 – launch of Business Excellence measures to better cope with enhanced complexity from new products and omnichannel distribution
- Progress with scalable business models and digital platform strategies; own web shop now available in 19 markets



At the ISPO 2020 in Munich, Mammut won two Gold Awards in the “Outdoor” category for the **HALO Outfit** and **TAISS Pro High GTX®** product innovations.

Further progress with gross margin from premium strategy and successful product launches

The 5 year strategy program is in its final phase



Priorities for 2020

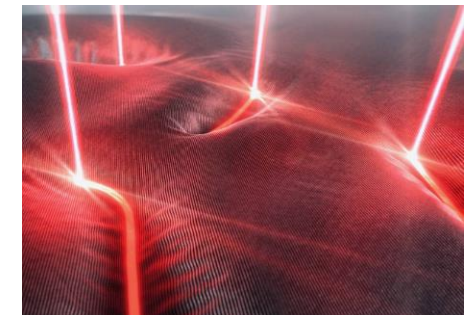
- Push **innovation** with core mountain expertise and urban consumer needs
- Deliver **growth** – across channels and in defined growth markets
- Further develop **digital**, also with integrated go-to-market process
- Strengthen **operations** with a focus on delivery performance
- Further improve **margin** at EBIT level



Photics HS Thermo Hooded Jacket

World's first laser fused and therefore fully waterproof down jacket.

Presented in Nov, 2019;
ISPO Award winner 2019.



-
- Group result & business update Michael Willome, Group CEO
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-
- Q&A
-

Consolidated income statement

(CHF m)	2019	2018	Δ %
Net revenue	1'573.2	1'782.2	-11.7%
Δ Inventory and own work capitalized	6.0	14.5	
Total revenue	1'579.1 100%	1'796.7 100%	-12.1%
Other operating income	43.0	8.4	
Cost of materials	-738.9	-875.4	
Personnel expenses	-378.9	-404.4	
Other operating expenses	-298.7	-342.2	
Depreciation	-38.5	-36.3	
Operating result (EBIT)	167.2 10.6%	146.8 8.2%	+13.9%
Financial result ¹⁾	-0.1	-2.5	
Taxes	-30.3	-29.5	
Group result	136.8 8.7%	114.8 6.4%	+19.2%

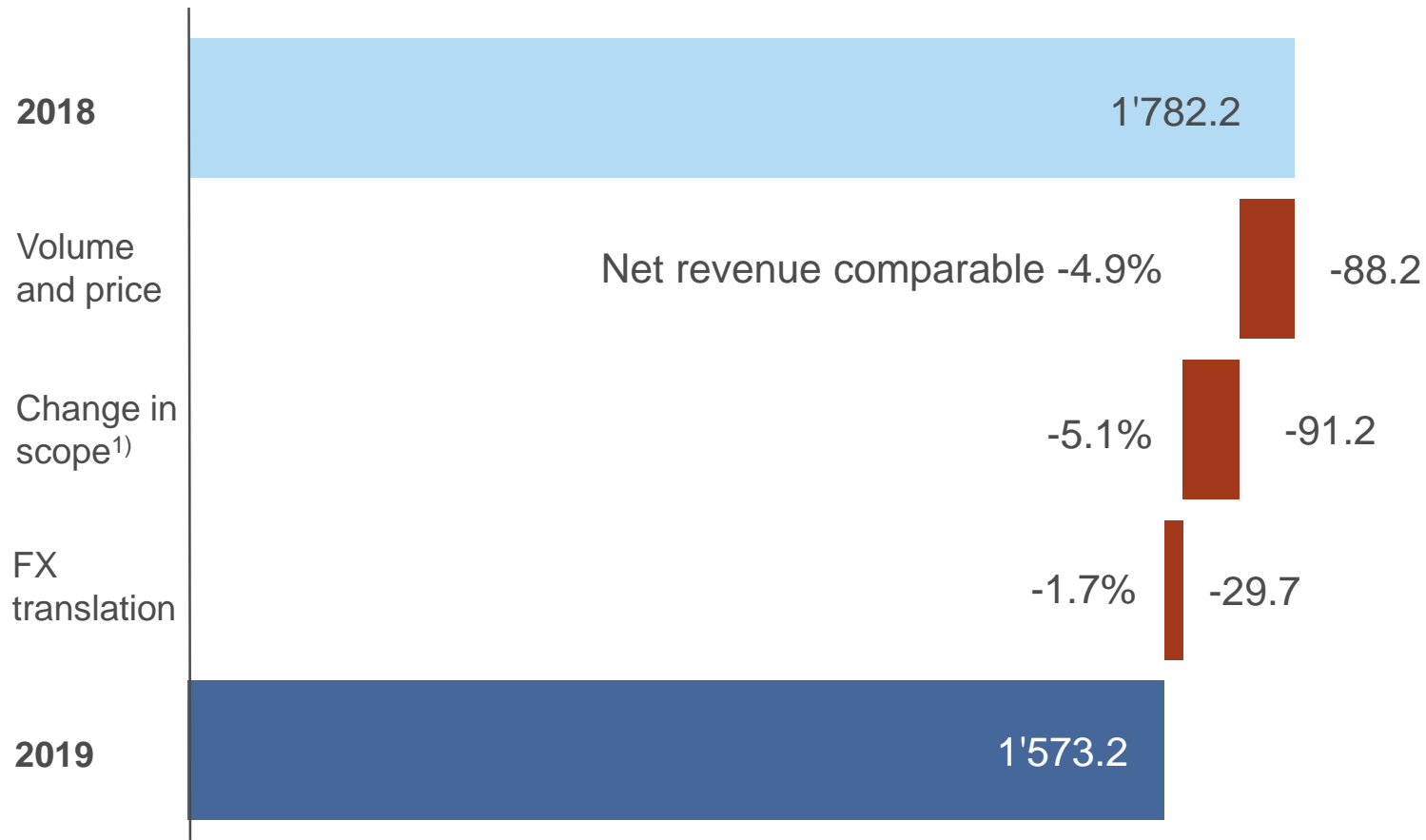
2019 incl. CHF 29.9 m
divestment gain (no tax)

¹⁾ Incl. result from unconsolidated investments.

Group net revenue

Decrease in comparable net revenue by 4.9%

(CHF m)

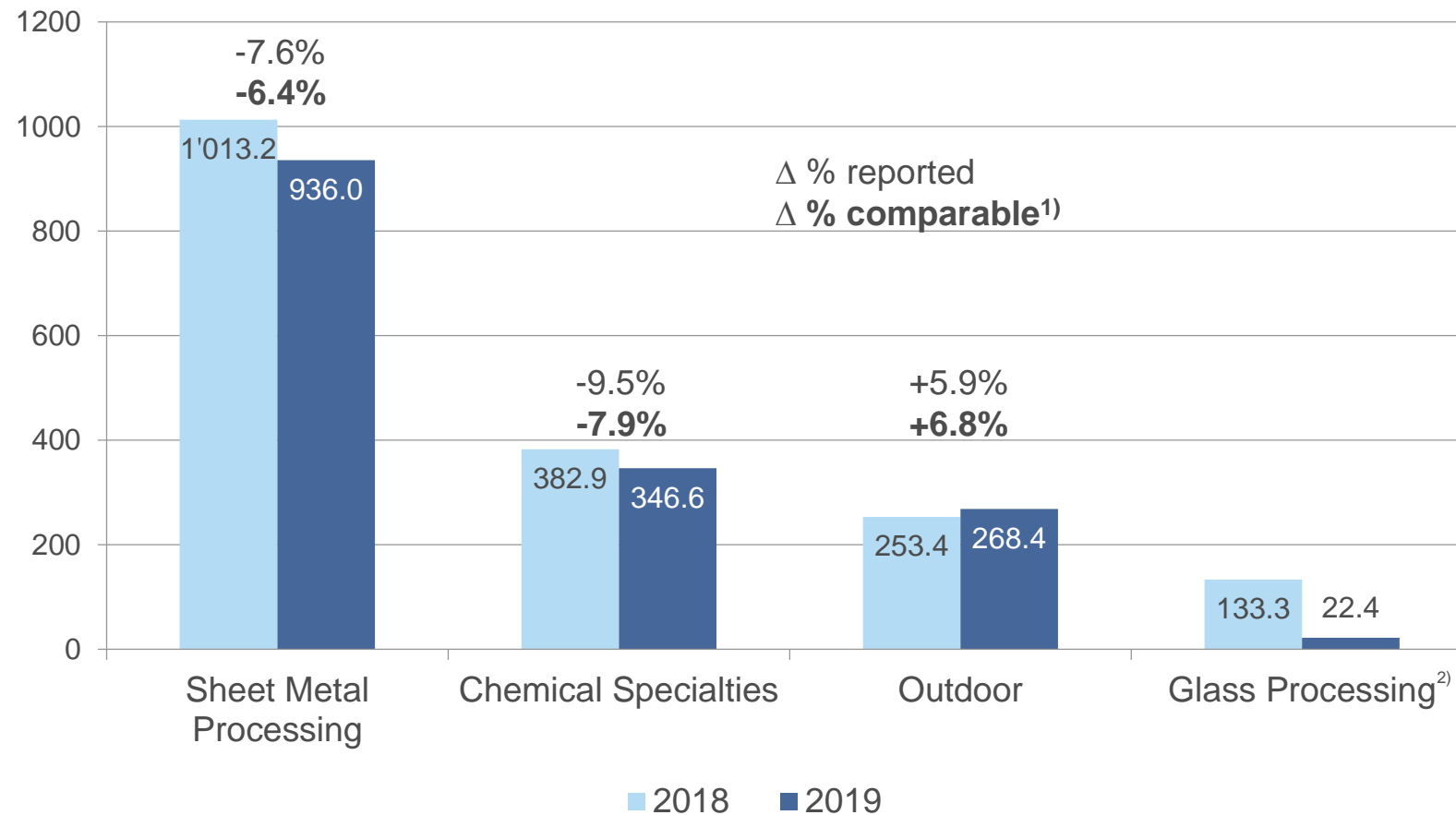


¹⁾ Sale of the Glass Processing segment in 2019 partly offset by the acquisition of two companies in the segment Sheet Metal Processing in 2018.

Net revenue by segment

Largely market-driven declines, partly offset by growth in Outdoor

(CHF m)



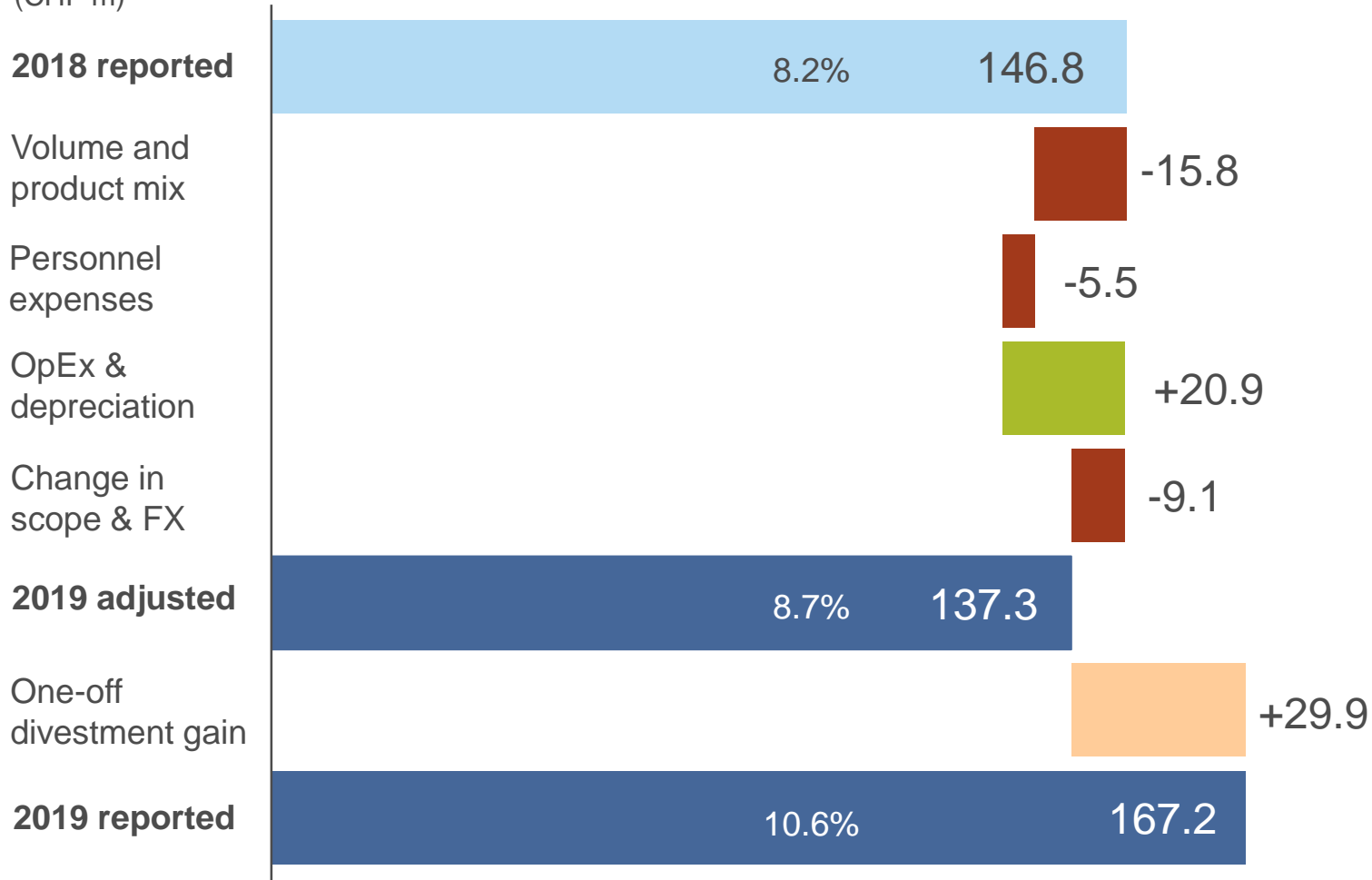
¹⁾ At stable foreign exchange rates and adjusted for change in scope.

²⁾ 2019 includes a 3-month period until sale of the Glass Processing segment as of April 1, 2019

Group EBIT

EBIT margin improved from 8.2% to adjusted 8.7%

(CHF m)



- CHF 6.7 m benefit from non-recurring items in Sheet Metal Processing
- CHF 1.8 m of reorganization costs in FoamPartner business unit
- CHF 1m of project costs related to new Group strategy

Earnings per share up by 30.1% with lower deductions for minorities

(CHF m)	2019		2018	
Operating result (EBIT)	167.2	10.6%	146.8	8.2%
Financial result ¹⁾	-0.1		-2.5	
Taxes	-30.3		-29.5	
Group result	136.8	8.7%	114.8	6.4%
Attributable to Conzzeta shareholders	125.8		96.6	
Attributable to minority interests	11.1		18.2	
Earnings per registered share A	60.85		46.76	

¹⁾ Including result from unconsolidated investments.

- Financial result driven by favorable asset performance of employer contribution reserves
- 2019 effective tax rate of 18.1% (PY 20.4%), benefitting from divestment gain free of tax
- Lower minority interests driven by lower results of DNE Laser and increase of participation to 70%

Comparison of half-year results

Typical seasonal pattern with stronger H2

(CHF m)	1HY 2016	2HY 2016	2016	1HY 2017	2HY 2017	2017	1HY 2018	2HY 2018	2018	1HY 2019	2HY 2019	2019
Net revenue	522.7	687.4	1'210.0	623.5	859.3	1'482.8	853.3	928.9	1'782.2	770.1	803.0	1'573.2
Total revenue	543.0	667.8	1'210.8	658.6	842.3	1'500.9	875.8	920.9	1'796.7	787.7	791.4	1'579.1
Operating result (EBIT)	26.2	58.2	84.4	38.3	76.1 ²⁾	114.4 ²⁾	66.3	80.5	146.8	59.9 ¹⁾	77.4	137.3 ¹⁾
in % of total revenue	4.8%	8.7%	7.0%	5.8%	9.0%	7.6%	7.6%	8.7%	8.2%	7.6%	9.8%	8.7%

¹⁾ Excluding capital gain of CHF 29.9 million from the divestment gain of the Glass Processing segment as of April 1, 2019.

²⁾ Excluding capital gain of CHF 8.8 million from the divestment of the US joint venture as of July 1, 2017.

2HY 2019 vs 2HY 2018

- Net revenue -13.6% (excl. Glass Processing -6.4%)
- Operating result -3.9% (excl. Glass Processing +2.0%)

2HY 2019 vs 1HY 2019

- Net revenue +4.3% (excl. Glass Processing +7.4%)
- Operating result +29.1% (excl. Glass Processing +31.6%)

Quarterly business trends 2019

Revenue catch-up in Q4 vs subdued Q3

	Q1			Q2			Q3			Q4		
	2018	2019	Δ %	2018	2019	Δ %	2018	2019	Δ %	2018	2019	Δ %
Order entry												
Sheet Metal Processing	241.5	222.2	-8.0%	273.2	228.4	-16.4%	242.0	242.9	0.4%	246.2	235.9	-4.2%
Net revenue Group¹⁾	430.6	394.4	-8.4%	422.7	375.7	-11.1%	453.2	366.4	-19.2%	475.7	436.6	-8.2%
Sheet Metal Processing	224.4	207.9	-7.3%	252.9	240.7	-4.8%	258.4	213.6	-17.3%	277.5	273.7	-1.4%
Chemical Specialties	102.3	93.5	-8.6%	100.5	87.9	-12.6%	92.1	84.0	-8.8%	87.9	81.3	-7.6%
Outdoor	70.5	70.8	0.3%	40.5	47.1	16.3%	72.2	68.8	-4.7%	70.2	81.7	16.3%

- Subdued revenue performance in Q3 partly mitigated in Q4, with notable revenue growth in Outdoor and resilient revenue performance in Sheet Metal Processing
- Net revenue growth excluding Glass Processing: Q1 -6.3%; Q2 -4.6%; Q3 -13.3%, Q4 +0.2%

¹⁾ As reported, i.e. including Glass Processing segment, divested as per the end of Q1, 2019.

Consolidated cash flow statement

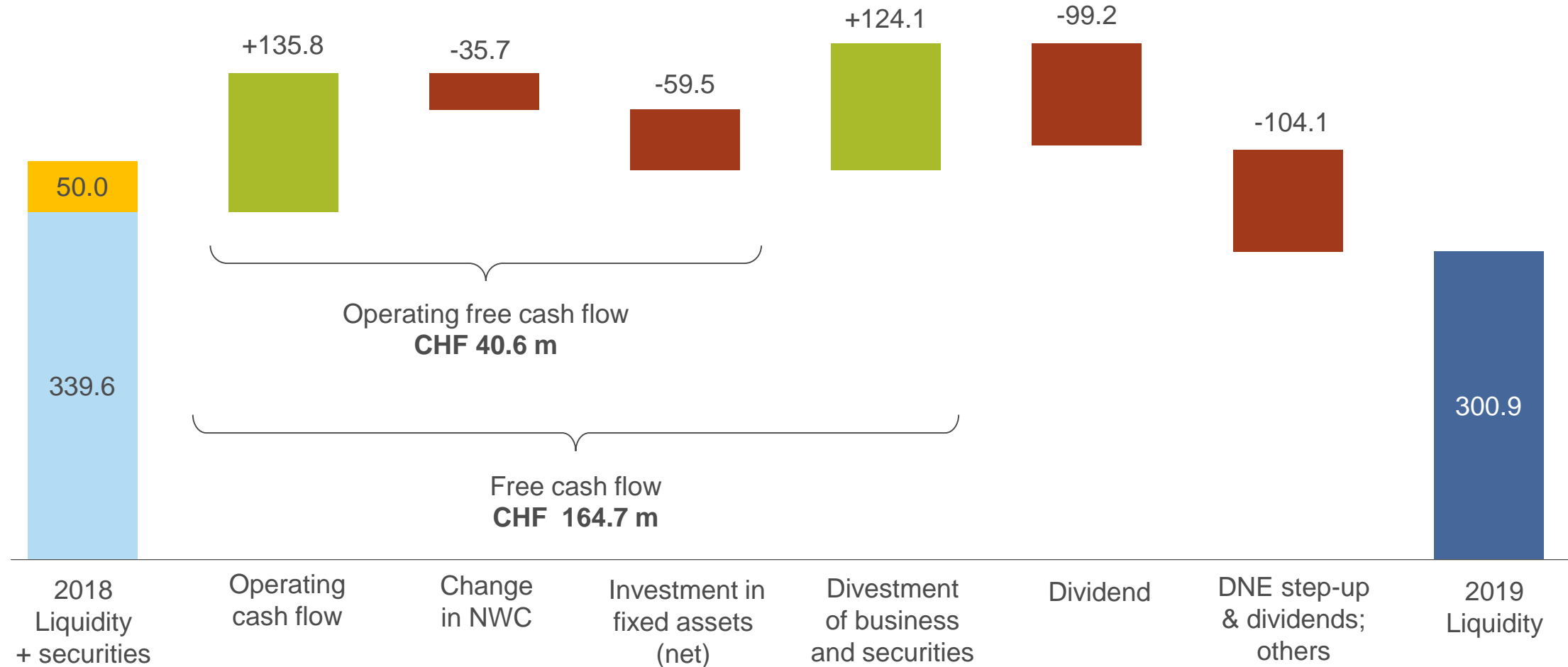
OPFCF driven by lower business volume and higher NWC

(CHF m)	2019	2018	Δ abs.
Cash flow from operating activities before change in net working capital	135.8	160.2	-24.4
Change in net working capital	-35.7	-16.2	-19.6
Cash flow from operating activities	100.1	144.0	-43.9
Net investments in property, plant and equipment and intangible assets	-65.5	-71.1	5.6
Net investments in financial assets without securities	6.0	10.5	-4.5
Operating free cash flow (OPFCF)	40.6	83.4	-42.8
Change in scope	74.1	-41.4	115.5
Divestment of securities	50.0		50.0
Free cash flow	164.7	42.0	122.7

Group cash position

Actively managing the continuously strong cash balance

(CHF m)



Consolidated balance sheet

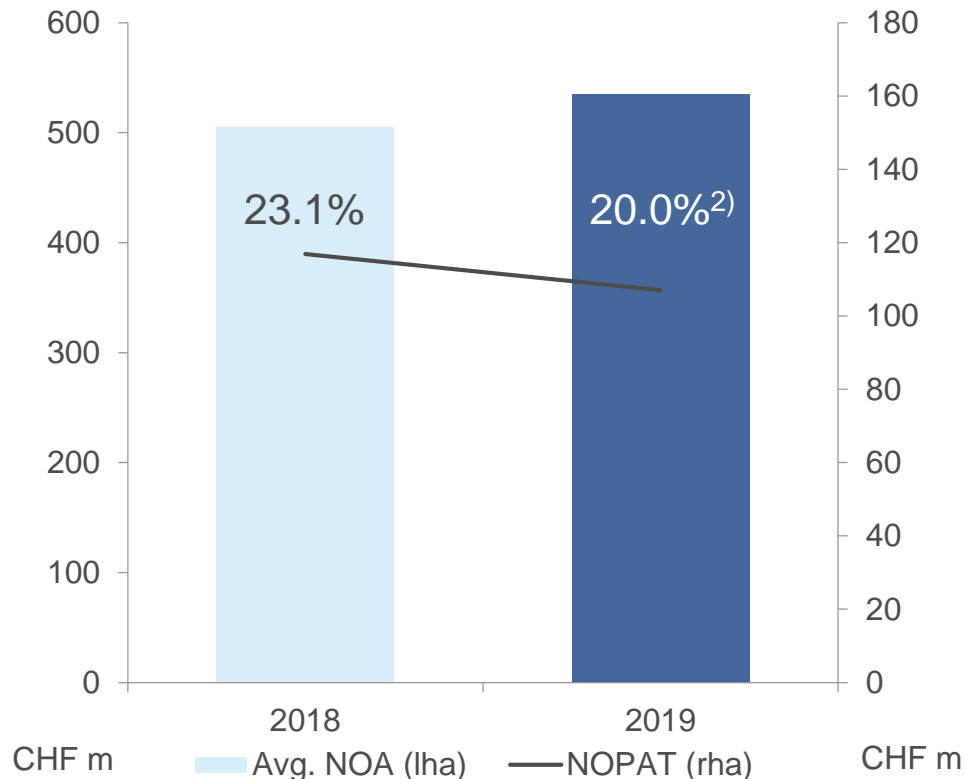
Equity ratio maintained at high level

(CHF m)	2019	2018
Cash, cash equivalents and securities	300.9	389.6
Receivables	272.7	283.2
Prepaid expenses and accrued income	11.1	13.1
Inventories	304.2	323.1
Property, plant and equipment	276.1	268.7
Financial assets and deferred tax assets	72.9	66.4
Intangible assets	28.0	22.1
Short-term liabilities	329.8	379.7
Long-term liabilities	56.1	59.6
Shareholders' equity	880.1	926.9
Total assets	1'266.0	1'366.2
Equity ratio	69.5%	67.8%

Group RONOA

Lower capital return, but still well above aspiration level of 15%

Return on net operating assets (RONOA¹⁾)



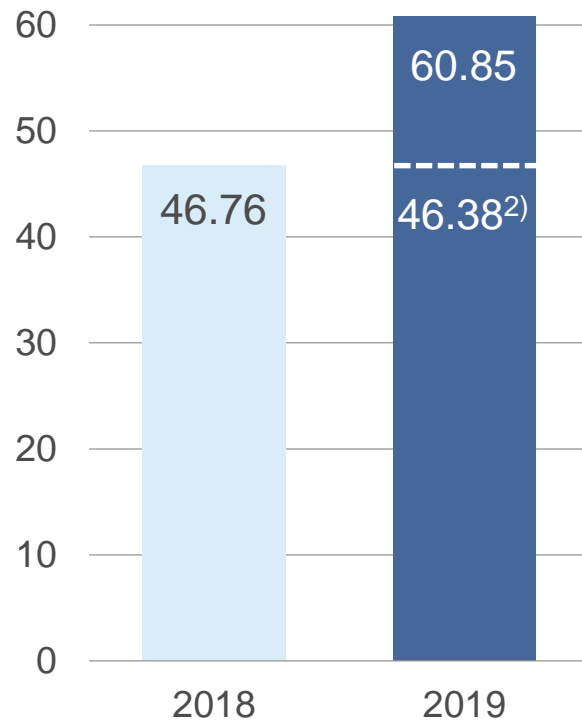
- Avg. NOA of CHF 535.4 m, or 33.9% of Total revenue (PY 28.1%), reflecting increase in NWC and elevated CAPEX level
- Net working capital of CHF 289.6 m, or 18.3% of Total revenue (PY 16.0%) with some catch-up in Sheet Metal Processing
- Gross capital expenditures of CHF 69.8 m, with reinvestment rate at ~1.8x

¹⁾ Definition: Operating profit after tax (NOPAT) in % of average net operating assets (NOA); NOA excl. cash, cash equivalents and securities.

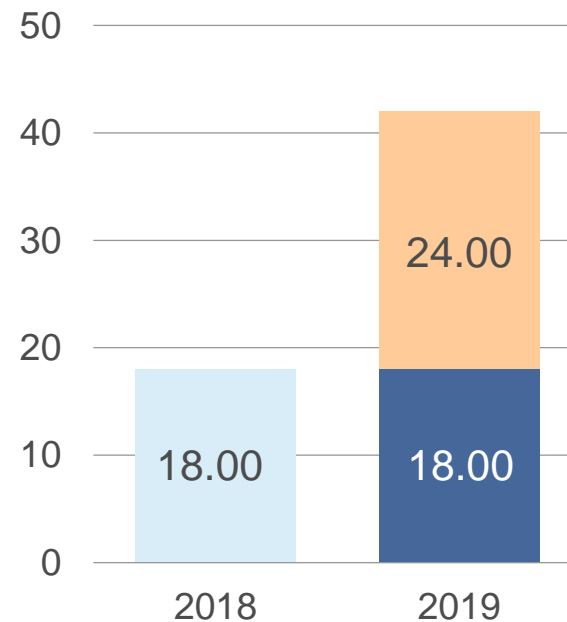
²⁾ Excluding capital gain of CHF 29.9 million from the divestment of the Glass Processing segment.

Proposed dividend with special distribution from subsequent event

Earnings per share A¹⁾ (CHF)



Dividend proposal 2019 (CHF)



- EPS share A CHF 60.85, or CHF 46.38 excluding divestment gain
- Dividend proposal of CHF 42.00
 - CHF 18.00 base component at PY level, despite uncertain environment; pay-out ratio of 38.9%²⁾
 - Special distribution of CHF 24.00 to reduce excess liquidity after disposal of Schmid Rhyner

¹⁾ Average # shares 2018: 1'823'990; 2019:1'823'881.

²⁾ Excluding capital gain of CHF 29.9 million from the divestment of the Glass Processing segment.

-
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 - Q&A
-

We're managing through challenging times

Impacts

- No confirmed COVID-19 case across Conzzeta Group; several employees in self-quarantine as precautionary measure
- Interruption of production in China; current process of normalization will take time
- European sites operational with implemented safety measures; installations of equipment manufactured in Italy postponed
- Supply chain challenges across segments with delays and global shipment constraints
- Postponement or cancellation of exhibitions and events across segments; adverse impacts from weak client and consumer sentiment

Mitigating measures

- Coordination at Group level with implementation by site-specific response teams; active communications to employees & clients
- Implemented safety measures, following instructions / recommendations from authorities
- Implemented travel restrictions and supporting digital engagement / home office etc.
- Continuously dealing with business issues across functions on an ad hoc-basis; trying to maintain sales efforts
- Initiated first cost saving and cash preservation measures, e.g. with active capacity management and hiring freezes

Priorities and outlook 2020

SARS-CoV-2 presents a dynamic situation

- Expect more challenges across regions, despite initial recovery in China
- Weak start into 2020 – expect beginning of normalization in H2
- Continued mitigating action; try to stay close to clients and employees

We remain focused on our plans and the strategic agenda

- Drive further progress at FoamPartner and Mammut
- Prepare mid-term growth strategy for Bystronic, to be presented in fall
- Execute portfolio strategy, subject to market conditions

Under current conditions, no reasonable outlook possible for 2020

- 2020 will be a transition year for Conzzeta
- Work on disposal projects as planned, indicative timeline has been set
- Outperform relevant market with Bystronic

-
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Q&A

Thank you very much
for your interest.