



1HY 2020 Results Presentation & Transformation Update

August 7, 2020



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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Continued strategy execution within unprecedented pandemic environment

Impact from pandemic with notable differences at segment level

- Comparable¹⁾ net revenue CHF 576.2 m, -16.2%
- Impact on Bystronic muted by solid order book going into H1, FoamPartner and Mammut more affected
- Group EBIT CHF 49.9 m or CHF 1.8 m adjusted for divestment gain²⁾

Relentless focus on key initiatives, benefitting from strong capital position

- Multiple milestone achievements across segments; continued 'Cash, Cost, Complexity' mitigation
- Flourishing digital sales and digital client engagement
- Group transformation on track

Signs of business recovery towards end of H1

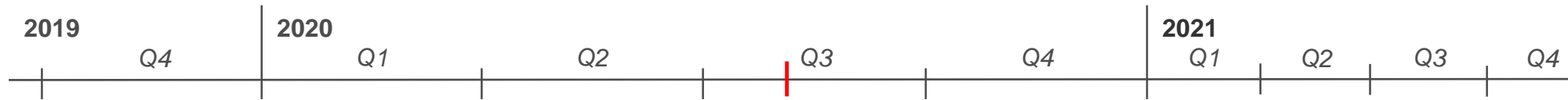
- Bystronic order entry notably improved from low point in April
- FoamPartner YTD business activities in Asia recovered almost to PY level
- Mammut with substantial channel shift towards direct-to-consumer business

Expecting improved client activity in H2 vs H1, but further efforts needed to restore profitability

¹⁾ At stable FX and adjusted for CiS ²⁾ CHF 48.1 million from the sale of Schmid Rhyner as per the end of February 2020

Group transformation plan towards strategic focus on Bystronic

Preparations largely finalized – tactical adjustments on timing



Divestment
Schmid Rhyner

▲ Signing
▲ Closing

Today

Strategic
evaluation

Divestment **Mammut**

▲ Closing

Strategic
evaluation

Divestment **FoamPartner**

▲ Closing

Strategy and organizational
development **Bystronic**

▲ Strategy Day

Corporate functions
Preparation

Transition

Bystronic
Readiness

Group strategy execution & transformation management

▲ 2021 AGM

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



Sheet Metal Processing Bystronic



Market lockdowns resulting in significant order volatility

CHF m	1HY20	1HY19	%
Net revenue	372.6	448.6	-16.9%
Operating result (EBIT)	27.9	57.8	-51.8%
EBIT margin	7.1%	12.5%	-540 bp
Net operating assets	291.7	239.7	21.7%



Product innovation: ByStar Fiber 8025, large formats up to 2.5 x 8m

Operational performance

- Comparable net revenue -12.0%
- Business activities impacted by travel restrictions and temporary closure of several production sites
- Order entry -20.0% in H1 (comparable); April -41.6%, followed by recovery; June -4.7%, incl. growth in Central Europe and China; order cancellations at low level
- Net revenue lower across product segments and regions; growth in Korea and Germany
- Increase of NWC from higher inventories and postponed order deliveries

Order backlog per mid 2020 of CHF 200.3 m (-17.3% vs. YE 2019) with impact on H2 revenue

Sheet Metal Processing

Pushing product innovation and market coverage

Modularity and flexible automation as enablers of client productivity

Product and software launches

Cutting

- ByStar Fiber 15 kW
- ByStar Fiber 6225 & 8025 (large formats)
- BySmart Fiber 8 kW & 10 kW
- ByTube 130

Bending

- Robot Manager
- Modular Tool Changer
- Bending Cell (with Xpert Pro)
- Bending Cell Smart (with Xact Smart or Xpress)



New digital client engagement in H1 incl. virtual product launches and client trainings

Market coverage and client engagement

Progress and achievements in H1

- US assembly line and experience center
- Groundbreaking of experience center in Korea
- Strengthened Benelux market organization
- New virtual product launches & client trainings
- Enhanced digital collaboration

Sheet Metal Processing

Strategy and organizational development on track

The strategy will be developed further ...

... with additional elements



Regional differentiation

while keeping strong central functions

Increased focus on

service across all geographies

Increased focus on

solutions, building on digital capabilities

Best people

- Brand experience
- Culture & mindset
- People development
- Organization evolution

Value creating growth

- Portfolio
- Coverage
- Software
- Automation

Business excellence

- Sales & Service
- Innovation & partnerships
- Operations & support
- Global footprint

Outperform market as enabler of best-in-class client productivity



Chemical Specialties FoamPartner Schmid Rhyner



Successful sale of Schmid Rhyner – FoamPartner with automotive exposure

CHF m	1HY20	1HY19	%
Net revenue	122.8	181.4	-32.3%
Operating result (EBIT)	1.7 ¹⁾	8.6	-80.1%
EBIT margin	1.4% ¹⁾	4.8%	-340 bp
Net operating assets	138.6	165.8	-16.4%

¹⁾ 2020 excluding capital gain of CHF 48.1 million from the divestment of Schmid Rhyner



Oral and nasal coverings with fine-cell material structure as well as foam systems for manufacturers of hospital and care supplies

Operational performance

- Comparable net revenue -20.2%
- EBIT including divestment gain of CHF 49.8
- Decline across regions and market segments; Mobility with revenue decline of 35.2%; higher resilience in Specialties and Living & Care
- Temporary closure of several production sites
- Consistent implementation of key initiatives, e.g. opening of new Converting Center and strengthened innovation pipeline

FoamPartner with operational progress and notable business recovery in Asia

FoamPartner with progress in modernization and optimization

New Converting Center in Duderstadt

- High degree of automation with productivity gain of ~20%
- Enhanced capacity to grow in technical foam solutions

New warehouse in Changzhou

- Insourcing to eliminate external costs
- Optimization of working capital

Business Excellence (BEX)

- Programs at all major sites
- Focus on material yield & productivity

Business IT

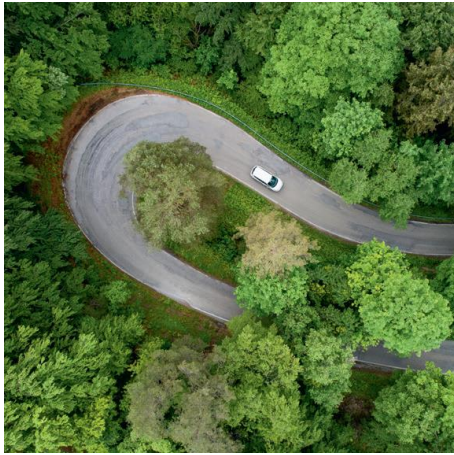
- Extension of CRM software
- Initiation of SAP S/4 HANA

Marketing

- Upgrading of marketing materials
- Increased online and social media activities



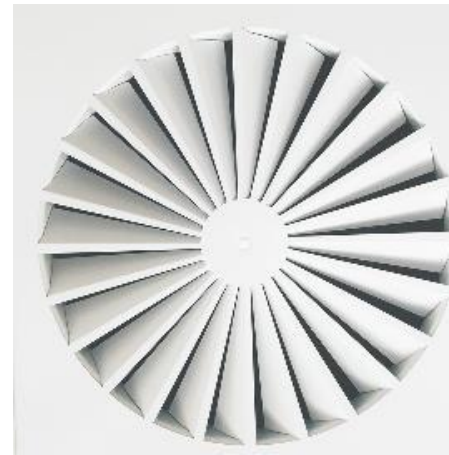
Innovative pipeline of sustainable foam products and solutions



Mobility
RegiSeal® e-Thermo



Mileage range increase
of electric cars



Specialties
RegiSeal® TN & Aqua



Low-emission sealing for
equipment & machines



Mobility
OBoNature™



Vehicle interior based on
sustainable resources



Living & Care
EvoPoreHRC®



Lightweight mattress foam for
motorhomes & caravans



Outdoor Mammut



Disrupting impacts in complex supply chain – growth of digital business

CHF m	1HY20	1HY19	%
Net revenue	80.9	117.9	-31.4%
Operating result (EBIT)	-23.3	-5.3	340.5%
EBIT margin	-28.8%	-4.5%	-2430 bp
Net operating assets	136.1	134.6	1.1%

Operational performance

- Comparable net revenue -29.1%
- Decline across regions; dominant physical channels closed for ~40 days; digital net sales of CHF 15.9 m, +73.6%
- EBIT reflecting seasonally weaker H1 business and impacts by lockdowns with delayed sell-in
- Strengthen focus on key markets and further improve distribution model
- New organizational structure with “Brand & Consumer” and “Product” departments



Women's Protect Down Bag -21C



Taiss Pro High GTX Men



Trion Nordwand 15



Halo Outfit

2020 ISPO Gold Awards

Initiated measures with CHF 1.6 m restructuring costs in H1 to improve profitability & resilience

Selected initiatives to strengthen business resilience

Further enhance focus on DTC business

- Notable shift in client behavior with impact on channel mix
- Growth in own digital of 92.9%, masked by decline in physical channels (MBS, FOC); DTC net sales of CHF 31.9 m or -10.0% in H1
- Increased digital engagement with tangible results, particularly in own web shop

Strengthen operational excellence

- New org structure as basis to adjust, redefine and sharpen E2E processes with strengthened responsibilities
- Improve decision making and speed
- Build transparent KPI-based performance management across functions

Reorganize set-up in international markets

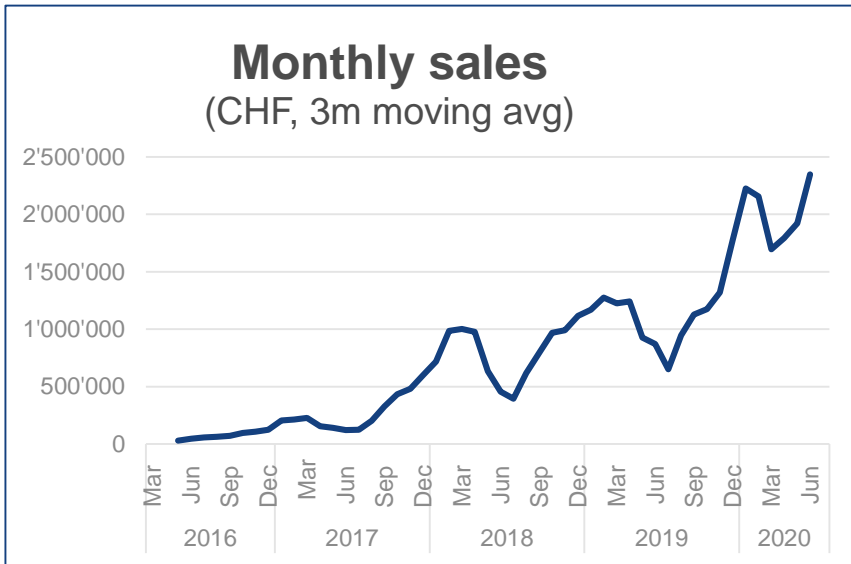
- New office in Schanghai opened and plan to consolidate regional Hong Kong office in H2
- Close / downsize / combine operations that are loss making or run at insufficient profitability levels, e.g. Korea
- Expect further low single-digit CHF m one-off restructuring costs in H2

Live up to CSR and strengthen purpose

- WE CARE strategy setting guiding principles to support suppliers amidst pandemic
- Defining measures to reduce carbon footprint towards “net zero”
- New purpose statement: “To create a world moved by mountains”

Outdoor

Growing digital reach



- Web shop available in 19 markets
- Added outlet functionality in April
- YoY performance trends
 - +58% traffic
 - +42% conversion rate
 - 5 ppt return rate
- Product & image campaigns, also benefiting other channels

Eiger Extreme

- Sales launch in June
- 4,820 items sold in 10 days
- Revenue of CHF 1 m

Local adventure challenge

- 4.5 m Instagram users reached
- 450K athletes joined challenge
- 25K joined Mammut Strava Club

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1HY 2020

Key figures

(in CHF m)	1HY20	1HY19	%
Net revenue	576.2	770.1	-25.2%
Operating result (EBIT)	49.9	90.5	-44.9%
adjusted ²	1.8	59.9	-97.0%
EBIT margin adjusted	0.3%	7.6%	-730 bp
Group result	46.6	78.2	-40.4%
as % of total revenue	7.8%	9.9%	-210 bp
Earnings per share A (CHF)	21.96	34.76	-36.8%
Net operating assets	570.3	542.9	5.0%
Return on avg NOA (RONOA) ²	0.6%	17.3%	-1670 bp
Operating free cash flow	-40.2	-10.0	302.8%
Equity ratio (%)	72.2	71.2	100 bp

¹⁾ At a constant exchange rates and adjusted for changes in the scope of consolidation.

²⁾ Annualised 2020 excluding capital gain of CHF 48.1 million from the divestment of the business unit Schmid Rhyner and 2019 excluding capital gain of CHF 30.6 million from the divestment of the Glass Processing segment.

Disposal of Glass Processing segment in H1 2019 and Schmid Rhyner business unit in H1 2020

- Divestment gains CHF 30.6 m in 2019 and CHF 48.1 m in 2020

Significant impacts of pandemic

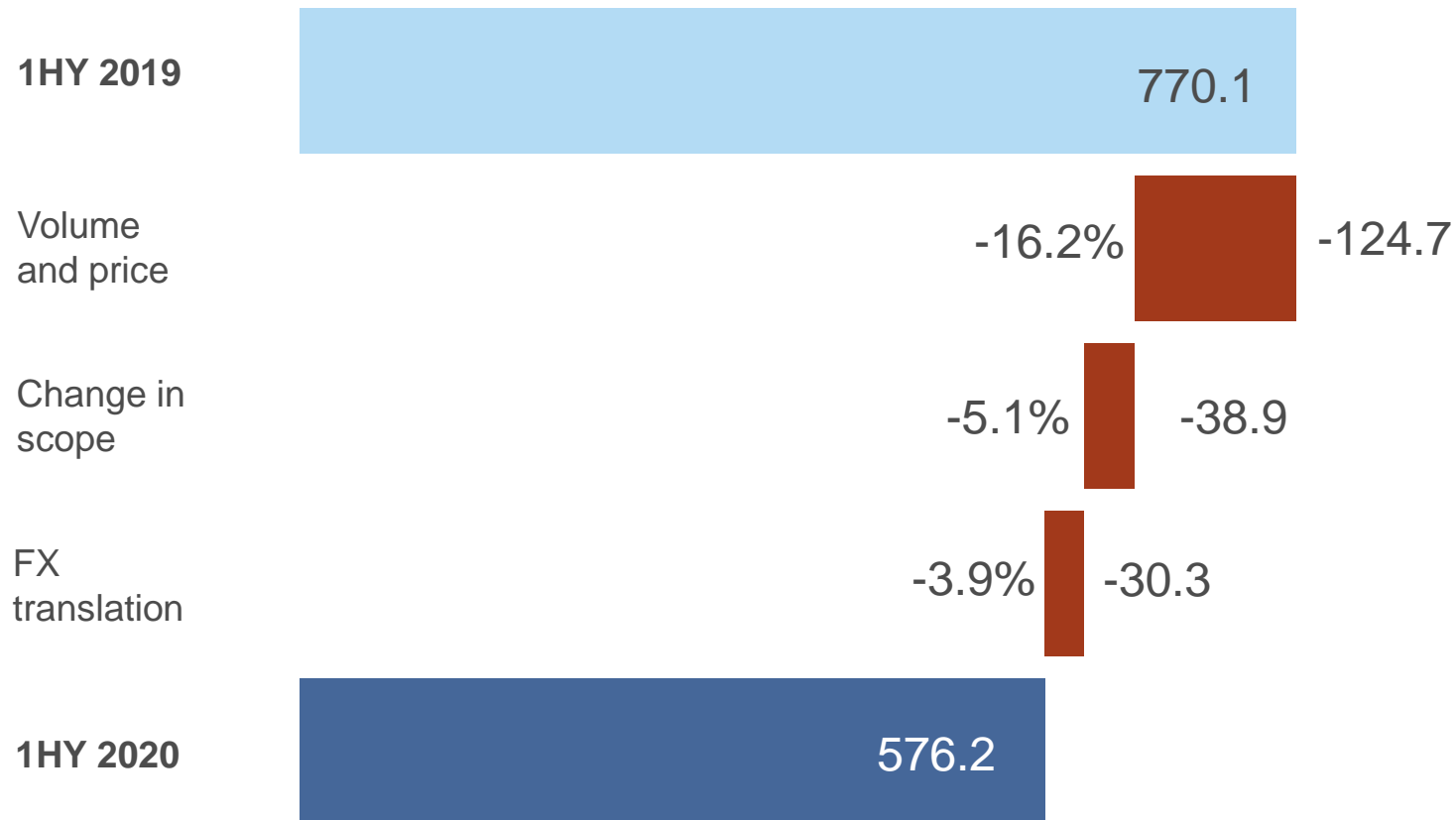
- Comparable¹⁾ net revenue -16.2%
- Adjusted²⁾ EBIT of CHF 1.8 m
- Operating cash outflow CHF -40.2 m
- NOA +5.0%, mainly driven by increased net working capital

Equity ratio 72.2% with net cash position of CHF 238.2 m

Group Net revenue

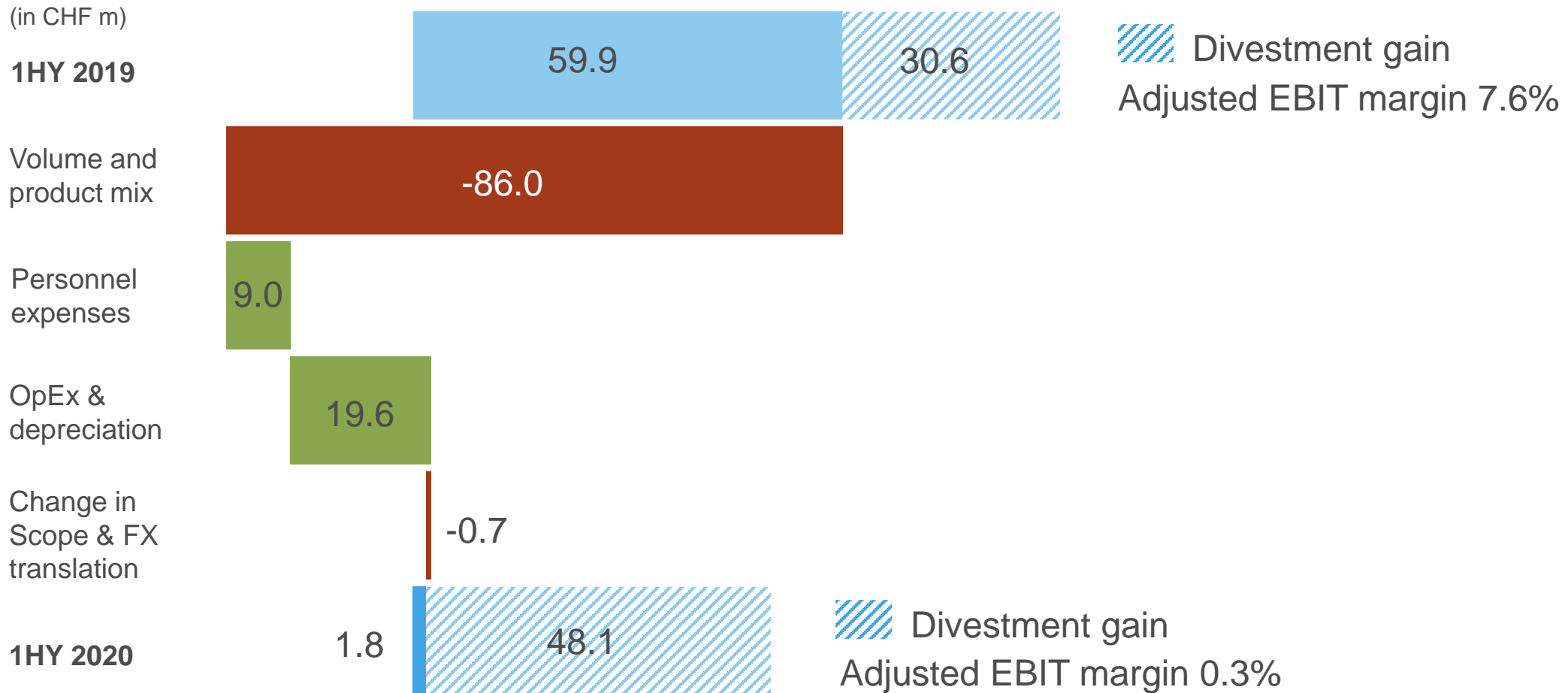
Lower client activities across segments and adverse FX trends

(in CHF m)



Group EBIT

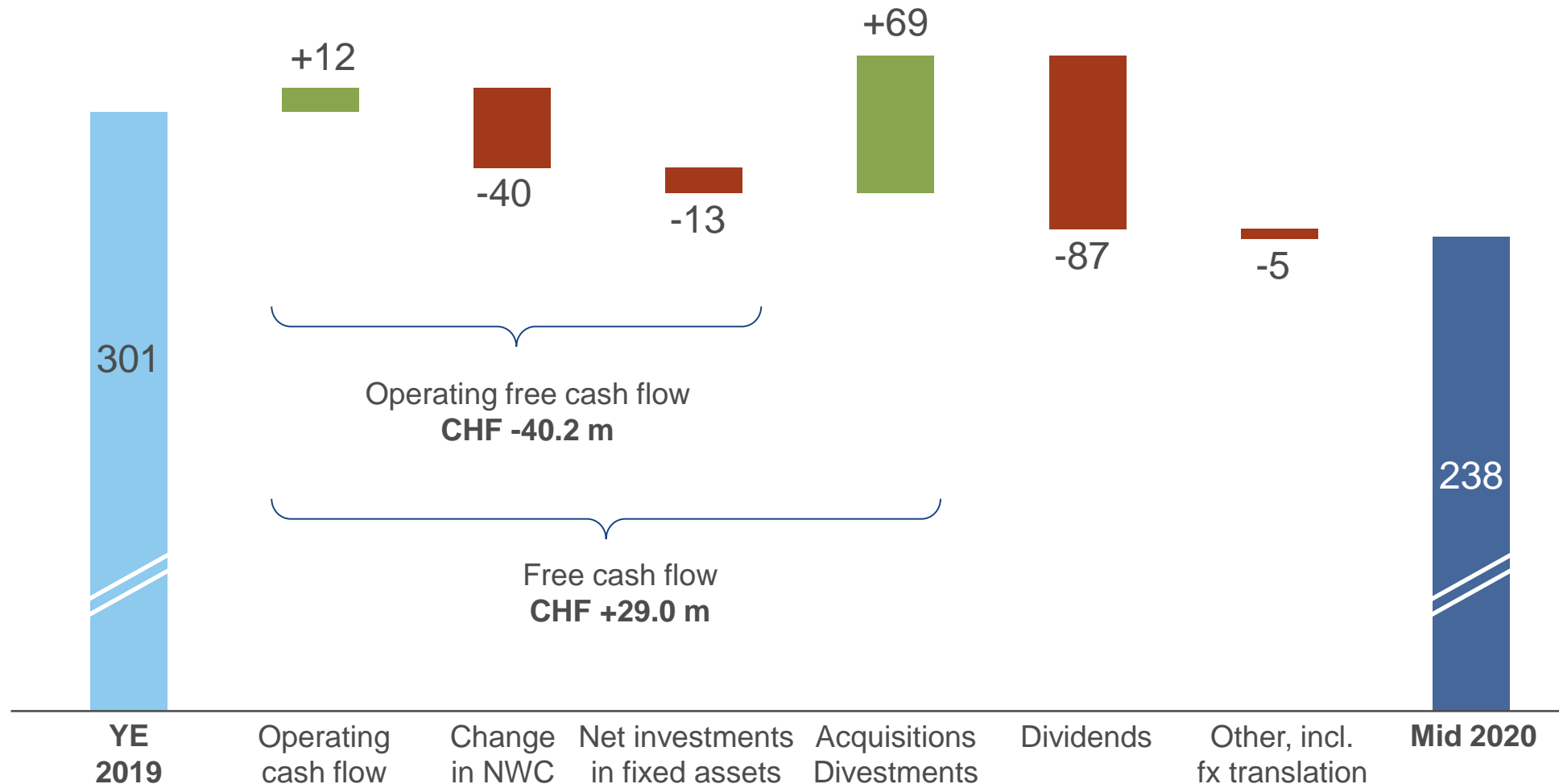
Impacts at EBIT level partly mitigated by cost savings



Group Cash position

Lower OPFCF and return of excess liquidity after sale of Schmid Rhyner

(in CHF m)



Actions launched swiftly in March to mitigate adverse impacts

CHF ~40 m cost savings by YE 2020 under muted H2 recovery scenario

Cash

- Daily monitoring of liquidity
- Cash management initiatives on both, asset and liability side
- At this point, no major credit losses

Cost

- ~1'500 employees affected by short-time work
- Re-prioritization of OPEX and CAPEX initiatives
- Reduction of temporary workforce

Complexity

- Outdoor with new organizational structure and reduced novelty rate
- Selected simplification of operations and focus on key projects only
- Pushing digital sales, digital client engagement and internal collaboration

Safeguarding health of employees, clients and other stakeholders as priority throughout the crisis

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We further mitigate the impact from the pandemic and initiated a 'rightsizing' program

- Implement 'Cash, Cost, Complexity' program with cost savings of CHF ~40 m by YE
- Start to structurally reduce cost base and to re-allocate resources
- Minimize lockdown related overstock and write-downs at Mammut

We remain focused on our operational plans and the strategic agenda

- Drive further progress at FoamPartner and Mammut
- Present Bystronic strategy in Q4, 2020
- Execute portfolio strategy, subject to pandemic

We confirm our outlook for 2020, communicated on June 9, 2020

- Further recovery of business activities expected in H2, but still vulnerable
- Positive mid-double-digit million CHF EBIT (incl. divestment gain)
- Substantially lower net sales compared to previous year

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Q&A

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Completed materiality assessment for Bystronic 'stand-alone'

- Bringing the Conzzeta ESG strategy to the next level
- Inaugural CO₂ footprint assessment for the Niederönz site (scope 1,2,3) to be launched in H2



Bystronic head office and Competence Center Cutting in Niederönz

Environmental topics



Energy & Climate change



Resource efficiency



Longevity & cyclability

Material topics Bystronic as a stand-alone company

Economic topics



Data management



Innovation & business model viability



Economic performance

Social topics



Product safety



Engagement & wellbeing



Diversity & inclusion

FoamPartner 'stand-alone' financial & business profile

	1HY20	1HY19
Net revenue	115.8	155.0
EBITDA	7.5	13.5
EBIT	2.2	7.6
EBIT margin on TR	1.9%	5.0%
Net operating assets	138.6	139.6



Living & Care

Premium comfort foams and core constructions for ergonomic mattresses and pillows, for POS, e-Commerce and medical institutions.



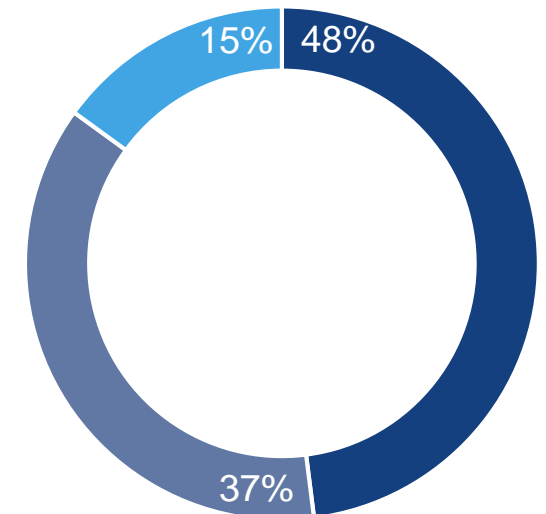
Mobility

Acoustically & thermally effective components for sound absorption, quality foam rolls for cladding of vehicle interiors, and 2K-PUR foam systems for molded automotive parts.



Specialties

Customized foam products for technical and industrial applications in the area of sealing, filtration, surface treatment, packaging and cleaning.



H1 net revenue split by market segment

Half-year results overview

(in CHF m)	1HY17	2HY17	2017	1HY18	2HY18	2018	1HY19	2HY19	2019	1HY20
Net revenue	623.5	859.3	1'482.8	853.3	928.9	1'782.2	770.1	803.0	1'573.2	576.2
Total revenue	658.6	842.3	1'500.9	875.8	920.8	1'796.7	787.7	791.4	1'579.1	594.2
EBIT	38.3	84.9	123.2	66.3	80.5	146.8	90.5	76.7	167.2	49.9
in % of TR	5.8%	9.0% ³	7.6% ³	7.6%	8.7%	8.2%	7.6% ²	9.8%	8.7% ²	0.3% ¹

¹ Excluding capital gain of CHF 48.1 million from the divestment of the Schmid Rhyner business unit as per end of February 2020.

² Excluding capital gain of CHF 30.6 million from the divestment of the Glass Processing segment as of end of March 2019.

³ Excluding capital gain of CHF 8.8 million from the divestment of the US joint venture as of end of June 2017.

Income statement

(in CHF m)	1HY20	1HY19
Net revenue	576.2	770.1
Inventory and own work capitalized	18.0	17.6
Total revenue	594.2	787.7
Other operating income	53.4	36.6
Material expenses	-290.4	-365.8
Personnel expenses	-169.4	-198.3
Other operating expenses	-118.4	-151.0
Depreciation	-19.5	-18.6
Operating result (EBIT)	49.9	90.5
Financial result	-2.1	1.4
Income taxes	-1.2	-13.7
Group result	46.6	78.2
Minorities	1.2	6.4

Balance sheet

(in CHF m)	1HY20	1HY19
Cash, cash equivalents and securities	238.2	389.9
Receivables	210.6	264.5
Prepaid expenses and accrued income	23.8	15.5
Inventories	329.2	327.2
Property, plant and equipment	257.1	257.7
Financial assets	68.9	69.0
Intangible assets	27.6	22.1
Short-term liabilities	273.5	329.6
Long-term liabilities	48.0	57.8
Shareholders' equity	834.0	958.6
Total assets	1'155.4	1'345.9

Cash flow statement

(in CHF m)	1HY20	1HY19	▲
Cash flow from operating activities before change in net working capital	12.3	56.4	-44.1
Change in net working capital	-39.9	-51.9	12.0
Cash flow from operating activities	-27.6	4.5	-32.1
Net investments in property, plant and equipment and intangible assets	-13.9	-17.9	4.0
Net investment in financial assets without securities	1.3	3.4	-2.1
Operating free cash flow (OPFCF)	-40.2	-10.0	-30.2
Change in scope	69.2	74.5	-5.3
Free cash flow	29.0	64.5	-35.5

2020		
August 7	Publication of half-year results 2020, incl Conference Call	Conzzeta
August 11	Roadshow Zurich	ZKB
September 24	Investora Conference, Zurich	Investora
October 16	9M Trading Update	Conzzeta
November 4/5	The Swiss Equity Conference, Zurich	ZKB
November 19	Swiss Mid Cap Conference, Zurich	Credit Suisse
2021		
February 3	12M Trading Update	Conzzeta
March 16	2020 Results & Media / Analyst Conference, Zurich	Conzzeta
April 21	Annual General Meeting, Zurich	Conzzeta

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Thank you very much
for your interest.

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