

Investor Update

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conzzeta

Disclaimer

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.

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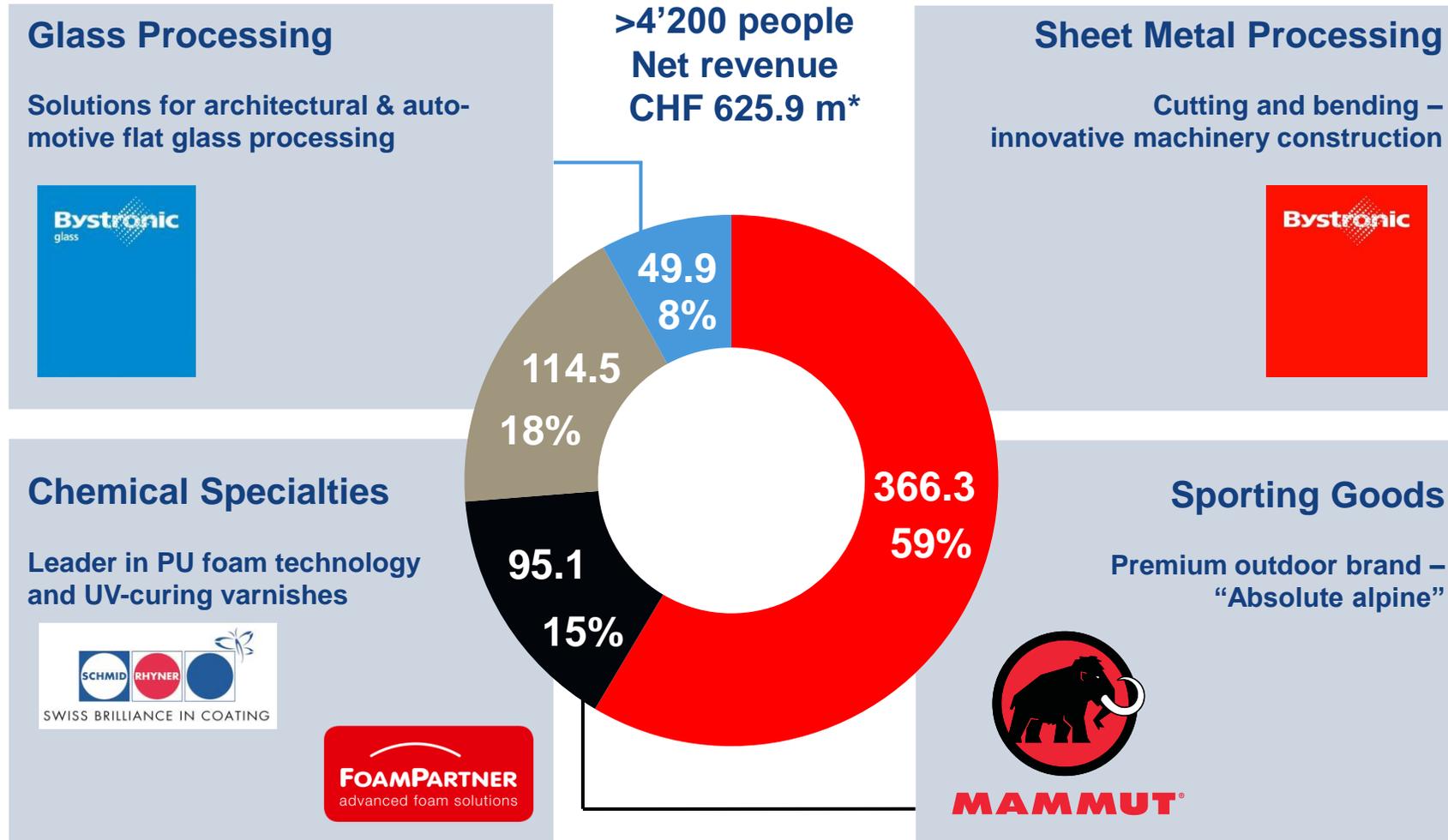
4. Chemical Specialties: FoamPartner and Schmid Rhyner

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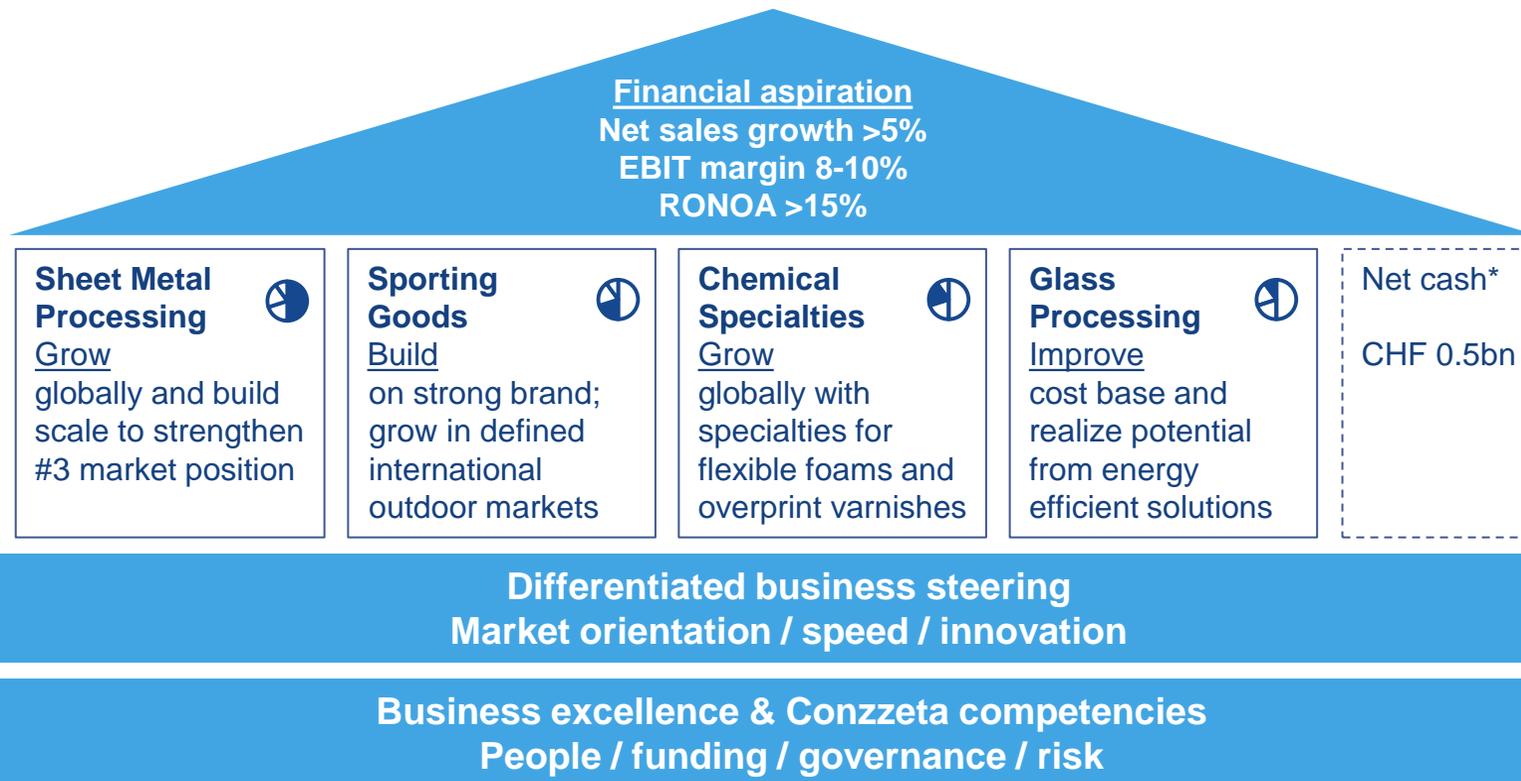
Business portfolio: Striving for leading positions in target markets



*Figures as per 1HY 2017

Position and aspiration

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



*As per 1HY 2017

Strong 1st HY 2017 versus muted 1st HY 2016

- Strong performance in Sheet Metal Processing segment and Group-wide in Asia

Net revenue CHF 625.9 m, +19.3%; comparable¹⁾ +11.1%

- Group result CHF 30.0 m, +44.0%, including Minorities of CHF 3.9 m

Continuously constructive operating environment for investment goods

- Order entry +23.0%¹⁾ vs PY with increased order backlog vs YE 2016

Successful measures to unlock growth potential in FoamPartner business unit

- Acquisition of Otto Bock Kunststoff and divestment of US Joint Venture

Strategy implementation and restructuring measures on track

- Weaker performance in Sporting Goods and reduced cost base in Glass Processing

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

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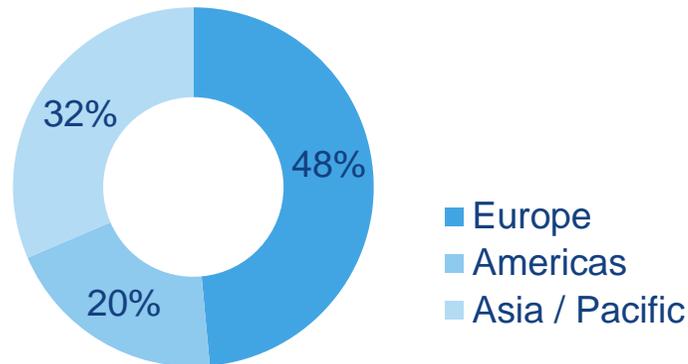
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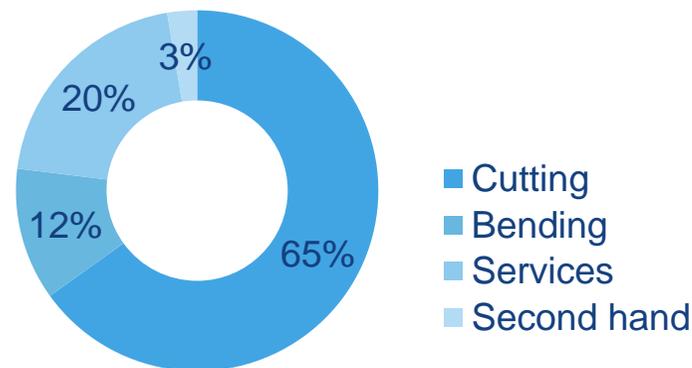
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Sheet Metal Processing business profile

Net revenue by region¹⁾

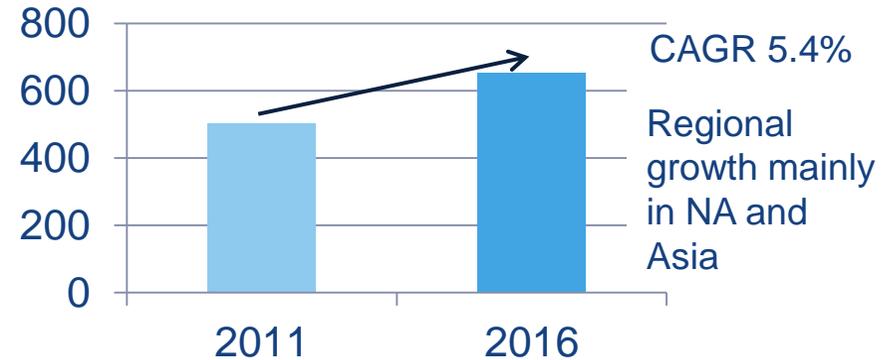


Net revenue by business segment¹⁾



¹⁾ 1HY 2017

Net revenue trend; CHF m, FY



Market volume and customer structure

- Market volume CHF ~6 bn, of which CHF ~4.3 bn accessible
- Customer structure
 - 80% job shops, 20% OEMs
 - Diversified across industry sectors
 - No customer with >1% of Net revenue

Sheet Metal Processing – results update

CHF m	1HY17	1HY16	Δ
Net revenue	366.3	256.8	+42.6%
Operating result (EBIT)	39.9	17.7	+125.0%
EBIT margin	10.1%	6.5%	+360 bps
Net operating assets	179.4	187.8	-4.5%



Production Cell with fiber laser, storage system and robot bending

Operational performance

- First-time consolidation of DNE Laser and FMG - integration completed
- Very strong momentum from 2HY 2016 continues into 2017, supported by solid market conditions and strong demand in top and entry level products
- Comparable net revenue +24.8%
- Strong improvement of operating result on higher volumes, despite continued price pressure
- Improved capital productivity
- Trend towards integrated automation to enhance client productivity

Strong HY performance with double-digit increase of order entry across regions and solid order backlog for 2HY 2017

Strategy and 2017 priorities

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

Build on solid top 3 global position within served market – strive for above market growth organically and through bolt-on M&A; maintain solid profitability



Competence Days 2017 (in-house exhibition at Bystronic' headquarters) with more than 1000 customers from 51 countries

Objectives & Priorities 2017

- Digital transformation and integrated solutions
- Technology leadership and growth plans
- Business excellence and targeted M&A

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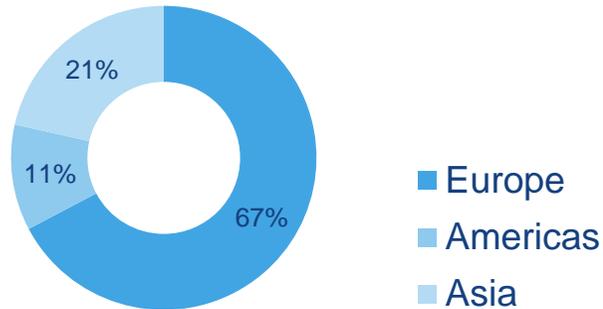
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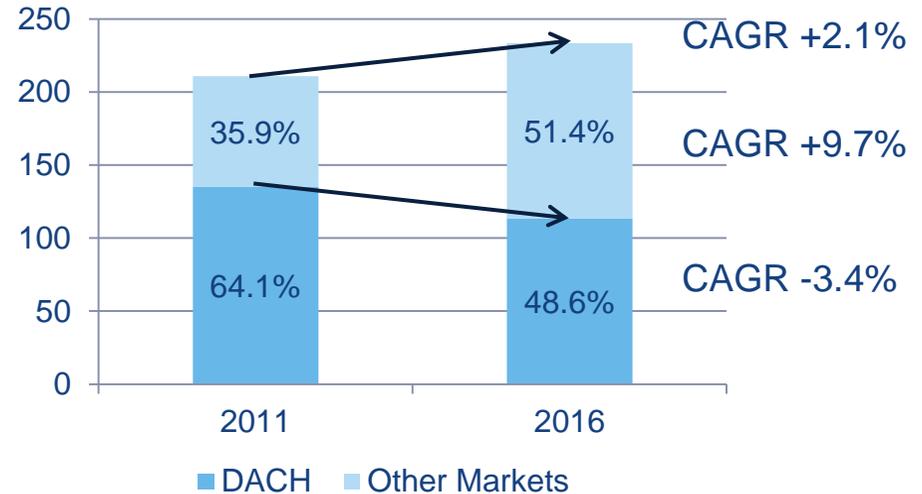
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Sporting Goods business profile

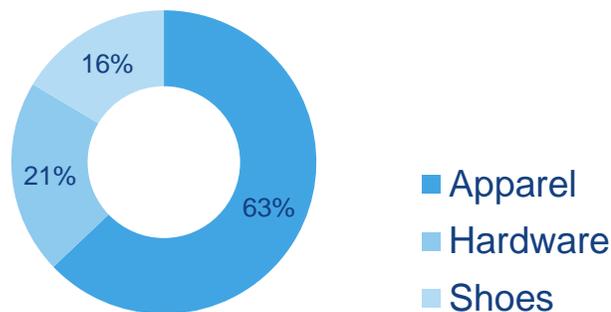
Net revenue by region¹⁾



Net revenue trend; CHF m, FY



Net revenue by product category¹⁾



Market trends and competitive position

- International growth more than offset by competitive pressure, particularly within DACH wholesale channel
- Premium brand with global ~#7 market position; growth in target markets 3 to 5%
- Implementation of 5 years strategic plan launched in early 2016 ongoing

¹⁾ 1HY 2017

Strategy program launched in January 2016

Multichannel Management & Digitalization

- I ■ Build up scalable business models - improve floor space management
- Moderate growth in MBS, fast scale of eCommerce internationally
- Qualitative enhancement of WHS-partner portfolio on global level

Consumer Centricity – Product & Brand

- II ■ Premium brand positioning – focus on product and premium consumer
- Develop signature across BU's / activities
- Improve gross margin, e.g. reduce liquidation-Sales

Internationalization

- III ■ Defined priority in regions / channels for strategic growth in each market
- Growth in Asia, consolidate DACH, strengthen America



Coordinated effort to develop footprint and business model over 5 years time period

Sporting Goods – results update

CHF m	1HY17	1HY16	Δ
Net revenue	95.1	101.4	-6.2%
Operating result (EBIT)	-9.9	-4.5	-118.7%
EBIT margin	-10.4%	-4.5%	-590 bps
Net operating assets	106.7	109.9	-2.9%

Operational performance

- Notably weaker result partly due to continued competitive pressure in DACH region, partly planned in context of strategy implementation
- Net revenue including reduction of CHF 3.3 m discount sales to support brand position
- Set-up costs to build critical capabilities in international markets, digitalization, retail and design; annualized cost base up by CHF ~11 m
- Internationalization ongoing – revenue share in DACH region 48.9%, after 51.1% in 1HY 2016

Consistent strategy implementation – 2017 as year of transition with relevant revenue contribution not before 2HY 2018



New Retail Design Concept

Milestone achievements as per 1HY 2017

- Continued cooperative efforts to enhance wholesale floor space productivity with pilot group
 - E.g. active floor management incl. data connectivity, adapted assortments or shop in shop solutions
- Push e-commerce business over own stores
 - Go-live with further selected online market places: JD.com in China in 1HY and Zalando (DACH) as well as Amazon (UK, DE) planned for 2HY
- Finalized new store concept, ready for launch early 2018, and step by step improvement of store portfolio
 - Now 76 mono-brand stores, after 77 by YE 2016
- Consolidated database from across sales channels with more specific sales KPI's
- Preparations for more focused assortment in apparel by a ~20% reduction of styles
 - Ready for winter 2017 with relaunched „Eiger Extreme“ and new „Mammut inspired by Engadin“ collections as well as next generation of avalanche beacon „Barryvox“



“Eiger Extreme” flagship collection

Build retail capabilities & wholesale excellence as response to competitive pressure and notable change in client behavior – from “sell in to sell out” mentality

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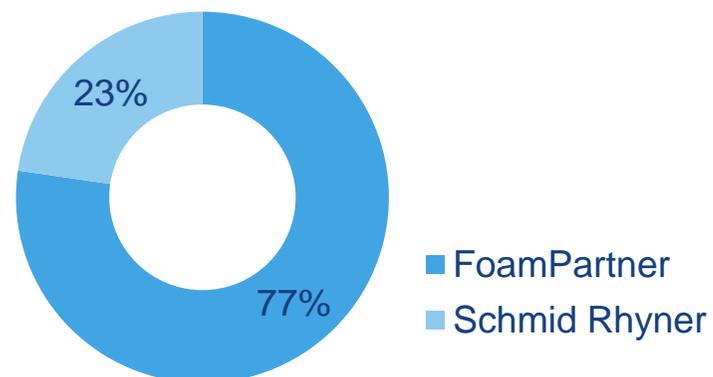
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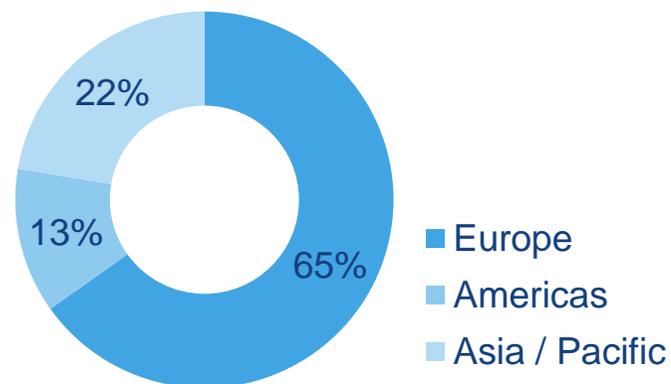
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Chemical Specialties business profile

Net revenue by business unit¹⁾

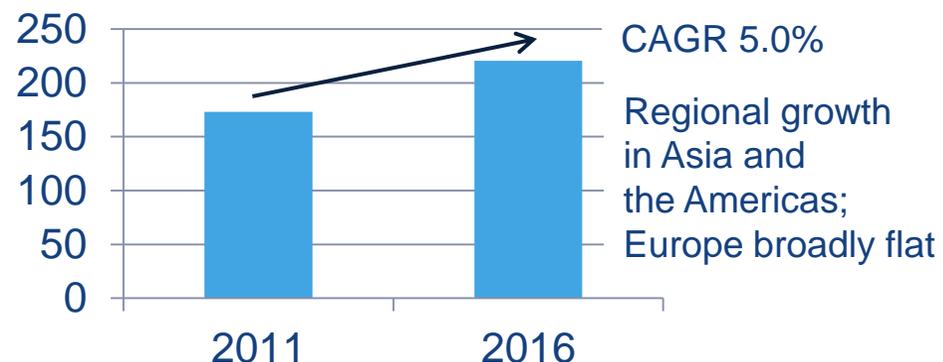


Net revenue by region¹⁾



¹⁾ 1HY 2017

Net revenue trend; CHF m, FY



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

- Relevant market size CHF ~7bn; growth above GDP driven by Asia and the Americas
- Largely customized solutions

Chemical Specialties operating in attractive market segments



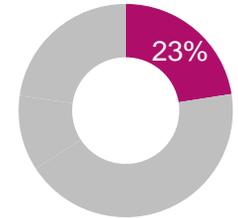
Large, global markets with above GDP growth driven by Asia and the Americas; relevant market size CHF ~7bn

Chemical Specialties operating in attractive market segments

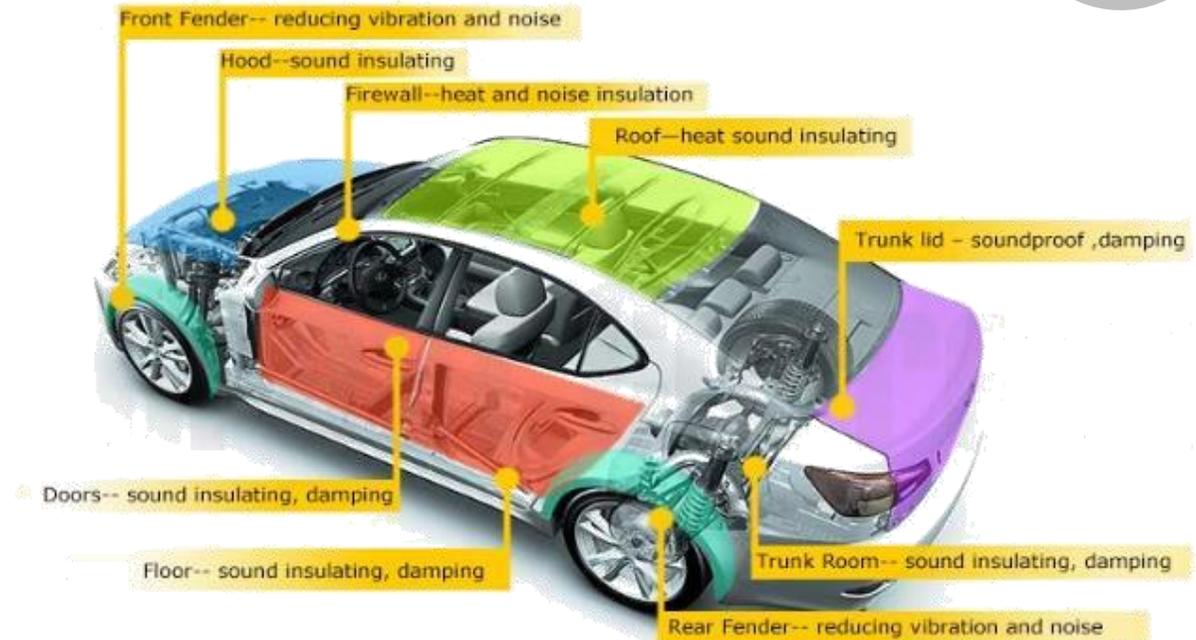
Mobility
FoamPartner



Acoustic and thermal solutions with current focus on engine bay and headliners



Broad areas of further applications also in trucks, trains, aerospace; e.g. body insulation, structural damping, acoustic & fire barriers, high temperature insulation, vibration isolators



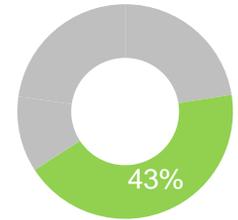
Strengthen regional platforms with focus North America and Asia

Chemical Specialties operating in attractive market segments

Specialties
FoamPartner



Largely customized solutions with broad areas of application and enhanced focus



Sealing



Surface treatment



Filtration & purification



Cleaning



Packaging



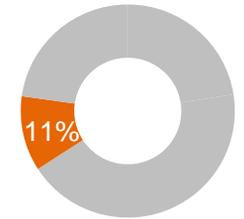
Foster leading application development capabilities

Chemical Specialties operating in attractive market segments

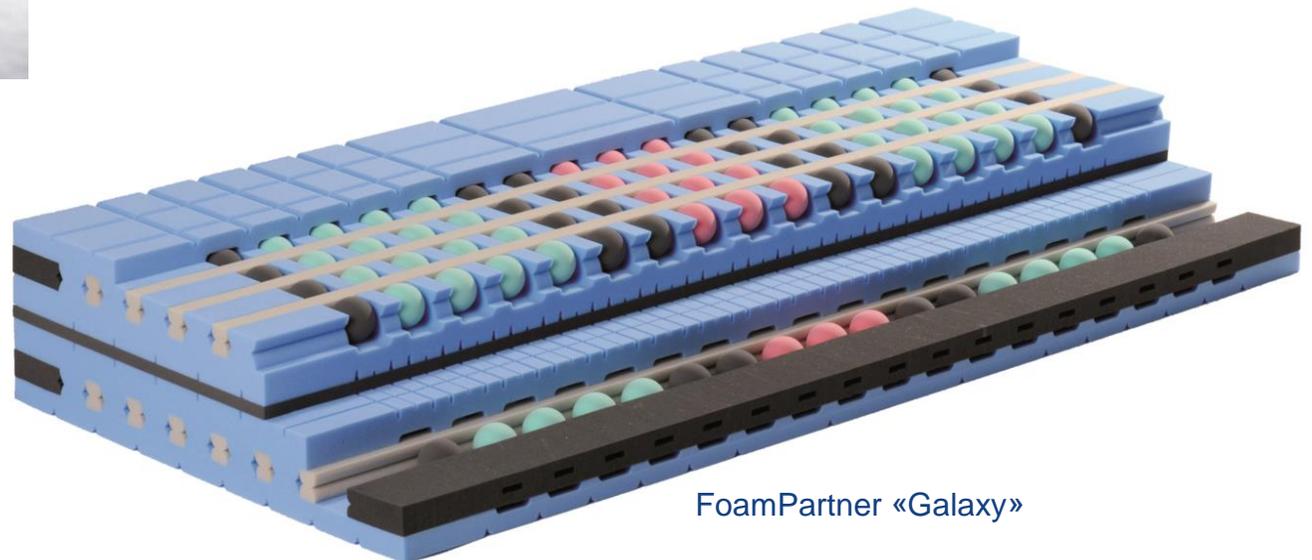
Living & Care
FoamPartner



Premium products for bedding, medical or wellness applications with leading position in Switzerland



Targeted investments in new solutions and digital B2B distribution channels



FoamPartner «Galaxy»

Chemical Specialties – results update

CHF m	1HY17	1HY16	Δ
Net revenue	114.5	111.0	+3.2%
Operating result (EBIT)	9.9	12.5	-20.6%
EBIT margin	8.5%	11.3%	-280 bps
Net operating assets	114.3	114.0	+0.3%



Acoustic test room for airplane primary insulation

Operational performance

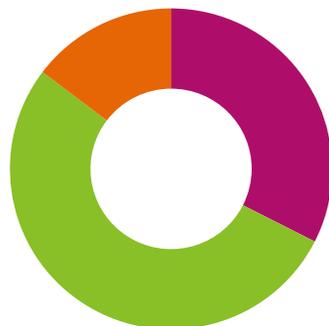
- Growth in Asia and Europe as well as in Mobility, Specialties and Coatings; Americas and Living & Care flat
- Challenging operating environment with adverse fx-trend (comparable net revenue +4.2%) and notable increase of RM prices from low PY level
- Price adjustments to mitigate adverse cost impact initiated, full benefits to come through over time
- FoamPartner with announcement to acquire Otto Bock Kunststoff and to sell 51% stake of US joint venture

Raw material prices peaked in 1HY 2017 – normalization expected towards year-end 2017

Rational of recent M&A transactions within FoamPartner Business Unit



FoamPartner



Sales*: CHF 171.5 m
Employees*: ~630

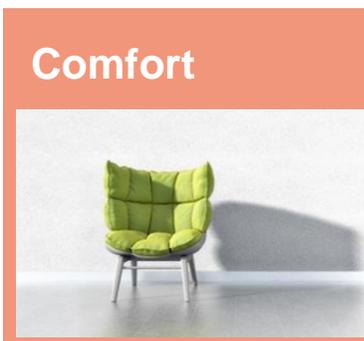
Otto Bock Kunststoff



Sales*: CHF ~143 m
Employees*: ~430

- Enhanced market position with economies of scale
- Complementary product portfolio – margin-accretive to the Group
- Unlock growth potential in China and the US through enhanced footprint and with reduced complexity

*Per YE 2016.



Transactions timeline & financials

Closing & pricing

- Acquisition Otto Bock Kunststoff announced on July 21st and closed on September 1st, 2017
- Purchase price not disclosed, but reasonable market multiple
- Retrospective closing of US divestiture per July 1st, 2017

Financial impacts

- Middle single-digit CHF m investment gain from divestiture of US joint venture in 2HY 2017; net revenue reduction of ~CHF 10 m on an annualized basis
- First-time consolidation of acquired business as per September 1, 2017
- Low single-digit CHF m integration costs from 2017 to 2019
- Middle single-digit CHF m cost synergies from 2018 to 2020

Integration process

- Complementary capabilities with limited overlaps
- ~2% cost synergies on combined cost base
- Post-merger integration planning by FoamPartner with involvement of Otto Bock Kunststoff management teams

Value accretive transactions, unlocking growth potential within FoamPartner business unit

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Glass Processing – results update

CHF m	1HY17	1HY16	Δ
Net revenue	49.9	55.2	-9.5%
Operating result (EBIT)	1.8	2.1	-13.6%
EBIT margin	3.4%	3.6%	-20 bps
Net operating assets	20.7	21.3	-3.0%



Operational performance

- Lower net revenue against strong PY in America, partly offset by growth in Europe and Asia
- Strong order intake in automotive glass for new B'CHAMP generation with option for thin glass processing, leading to overall higher order backlog vs YE 2016
- Reduced cost base at German production site; measures to enhance process efficiency ongoing and to be completed by YE 2017
- New set-up in China operational with on-site product engineering and new sales organization

Expect stronger 2HY 2017, with higher net revenue vs 1HY 2017 and benefiting from reduced cost base

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Priorities & outlook for 2017

- Consistent strategy execution with long-term perspective
- CEO agenda remains unchanged
 1. Market orientation
 2. Business excellence
 3. People development
 4. Internationalization
- Higher order backlog for 2nd HY 2017 and constructive operating environment for investment goods
- Elevated raw material prices for Chemical Specialties and Sporting Goods segment with increased cost base
- First-time consolidation of Otto Bock Kunststoff as per September 1, 2017, as well as middle single-digit CHF m investment gain from retrospective sale of US joint venture

Within current environment, we expect growth for 2017 above previous year as well as a disproportionate increase of the operating result with an improved EBIT margin of around 7.5%

Fragen und Antworten



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Conzzeta in transition

Corporate Governance

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

Transparency

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

Business Portfolio

- 2014 Divestment ixmation
- 2014 Acquisition Benien
- 2015 Spin-off PLAZZA
- 2016 Acquisitions Hydra, DNE Laser, FMG
- 2017 Acquisition Otto Bock Kunststoff, sale US JV

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

Half-yearly result overview

(in CHF m)	1HY 2015	2HY 2015	2015	1HY 2016	2HY 2016	2016	1HY 2017
Net revenue	534.3*	597.1	1'131.4*	524.6	689.7	1'214.3	625.9
Total revenue	544.2*	584.9	1'129.1*	544.9	670.2	1'215.1	661.0
Operating result (EBIT)	31.5*	44.4	75.9*	26.2	58.2	84.4	38.3
in % of total revenue	5.8%*	7.6%	6.7%*	4.8%	8.7%	6.9%	5.8%

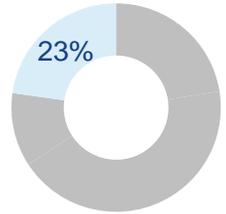
- Conzzeta 2nd HY typically stronger than 1st HY, driven by Sporting Goods
- However, 2016 results with pronounced semi-annual result trend, driven by strong 2nd HY of Sheet Metal Processing, which continued into 2017

*Continued businesses, i.e. excluding PLAZZA, spun off in June 2015

Chemical Specialties operating in attractive market segments

Coatings
Schmid
Rhyner

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



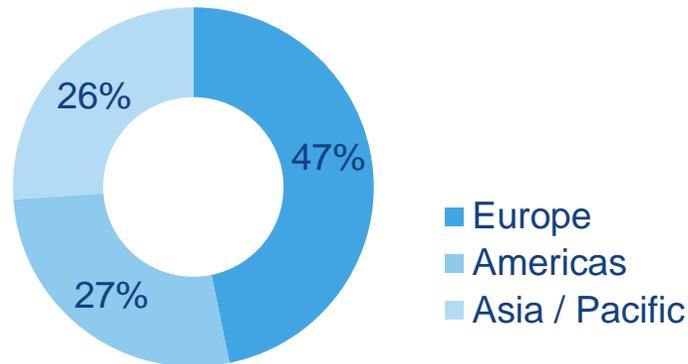
Innovative varnishes enable cost-effective **product differentiation** at point of purchase



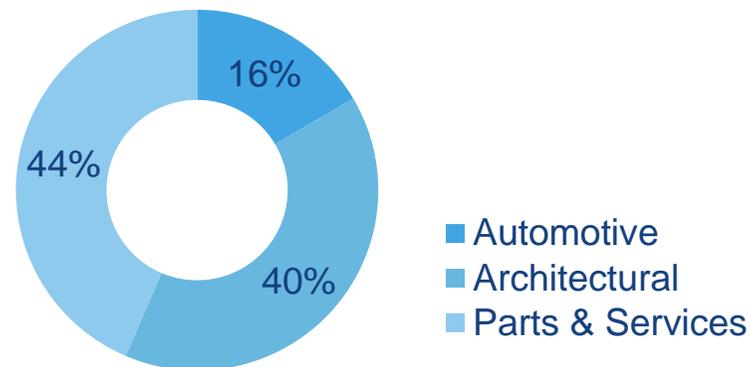
Flexible packaging solutions within tighter regulatory environment (e.g. food, cosmetics) and pioneering digital varnishing technology

Bystronic glass business profile

Net revenue by region¹⁾

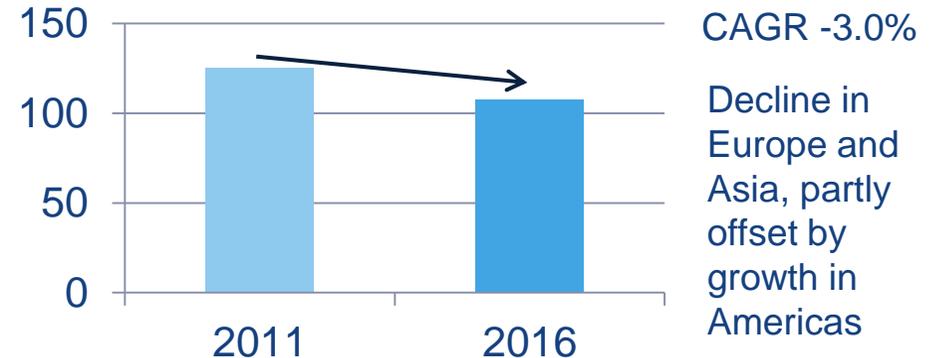


Net revenue by business segment¹⁾



¹⁾ 1HY 2017

Net revenue trend; CHF m, FY



B'One.

- Significant steps done towards a more integrated company with globally distributed capabilities, e.g.
 - enhanced internal cost transparency and improved time to market
 - rebalance cost base towards Asia and manage operations globally out of China
- Market-driven product portfolio IG in progress
- Grow the business and win back market share

Bystronic glass operating in a market with growth potential

Market drivers and market structure

- Increasing requirements in regard to energy efficiency and noise reduction
- Stable growth trend in architectural markets from continued urbanization, particularly in Asia and the Americas with above GDP growth
- Narrow market structure i.e. limited number of players on supply and demand side; as a result volatile market dynamic particularly in automotive



Accessible market ~CHF 0.7 bn with ~45% in Asia; Bystronic glass with #2 market position

Value proposition

- Focus on customers productivity in the processing of flat glass through holistic systems approach
- Full processing solutions from cutting to inspection in cooperation with partners
- Comprehensive service packages
- Market-oriented focus on energy-efficient architectural and light-weight automotive glass

Improve global operations and drive innovation to complement high-end solutions with quality mid-range products

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