

Ordinary Annual General Meeting 2018

Michael Willome, Group CEO



Zurich, April 24, 2018

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.

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 2017 and 2016.

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.

Conzzeta 2017 results summary

Strong sales growth and enhanced profitability

Net revenue CHF 1'482.8 m, **+22.5%**

- Comparable¹⁾ growth +14.3%

Operating result CHF 123.2 m; **+46.0%**

- EBIT margin 8.2%; adjusted for one-off gain: 7.6%

Group result CHF 97.4 m, **+52.4%**

- Group result margin 6.5%; adjusted: 5.9% (PY 5.3%)

Return on Net operation assets **21.5%**

- Adjusted : 19.5% (PY 15.6%)

Order entry **+25.0%**¹⁾ (investment goods)

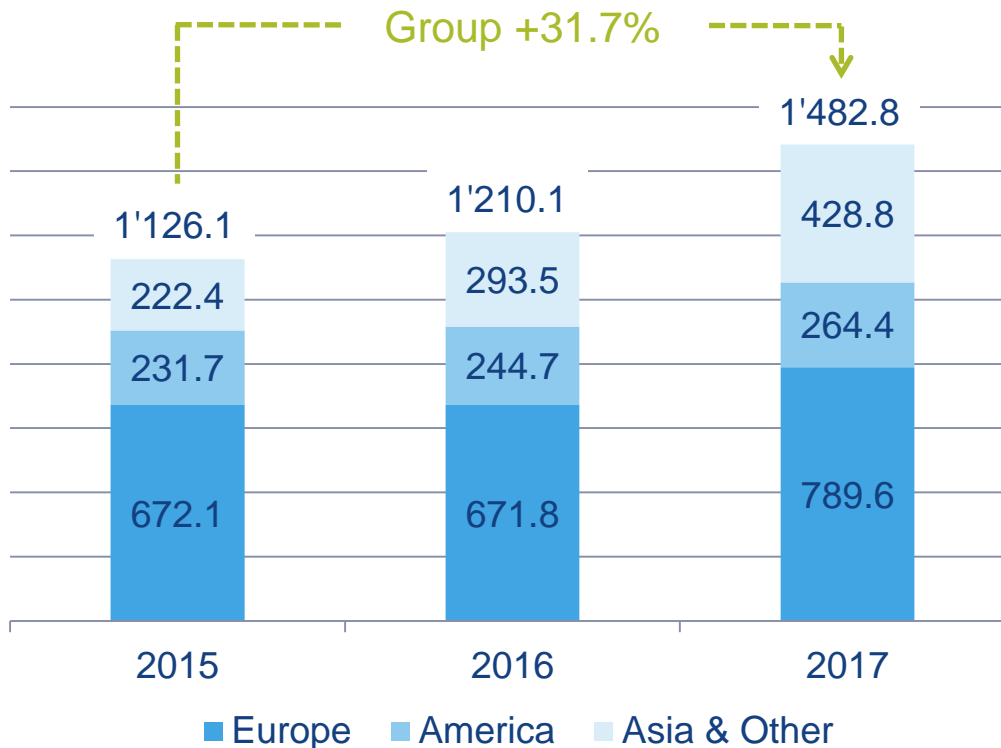
- Generally increased client activity

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

Internationalization – net revenue in Asia +95.5% vs YE 2015

Conzzeta

Net revenue by region in CHF m



**Innovative portfolio
of products & solutions –
strengthening footprint
in growth regions**

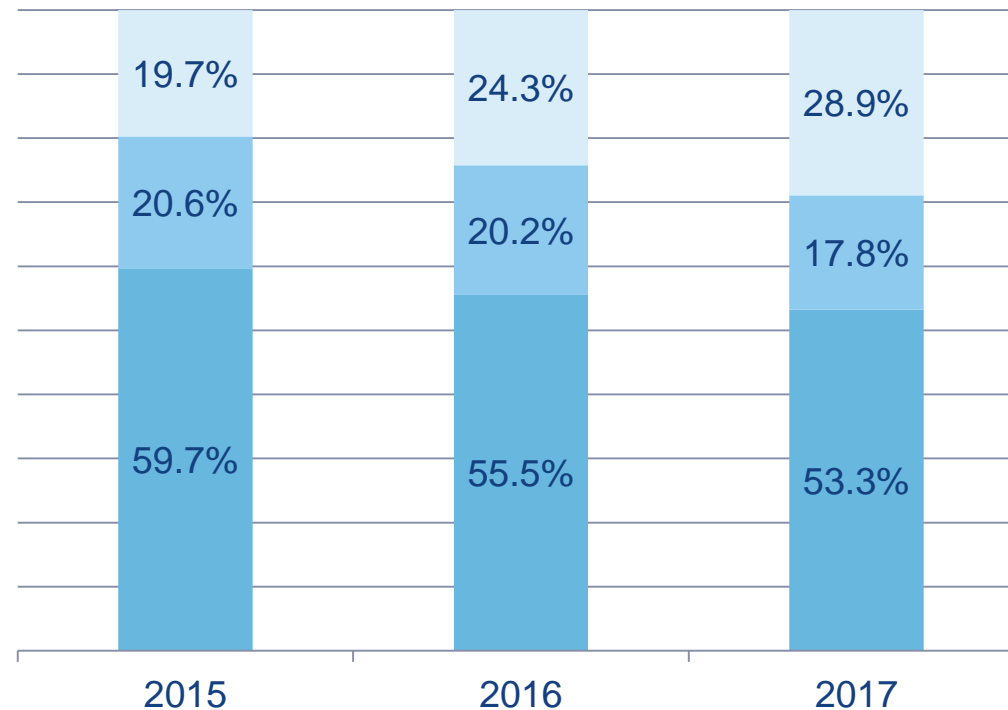
Group Priorities

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

Market Orientation – footprint shifted towards Asian growth region

Conzzeta

Net revenue distribution by region in %



Global

Growth outlook 2022

Asia Pacific	5.4%
North America	1.8%
Europe	1.7%

Annual GDP Growth in %;
Source: IMF, October 2017
World Economic Outlook

People Development & Business Excellence – initial initiatives and enhanced capabilities

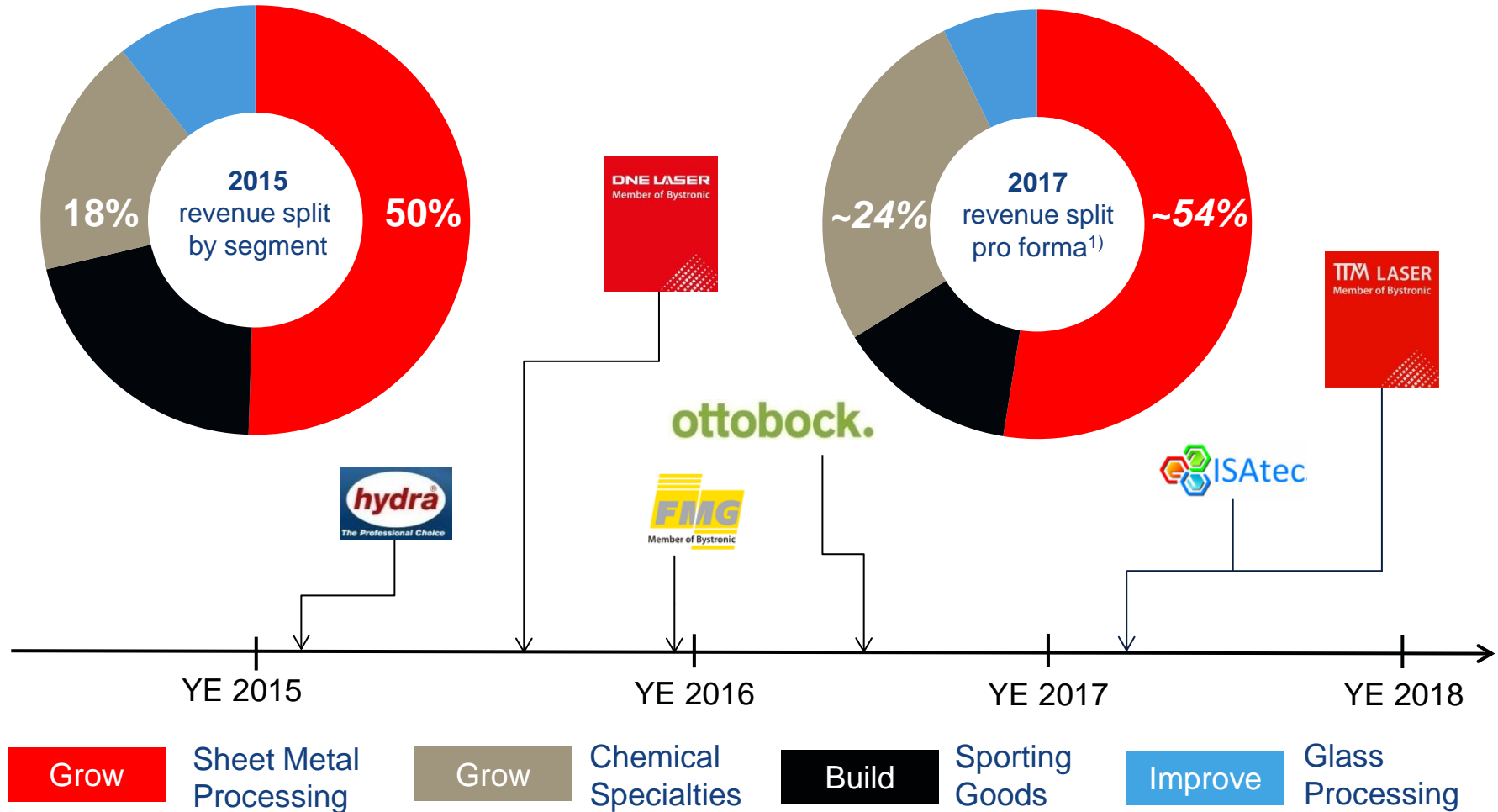
- **Inaugural Group-wide talent development program**
 - 15 participants delivered 9 specific projects with measurable contribution and benefits under “rapid results approach”
- **Introduction of Global Management Team**
 - ~80 most senior managers; aligning bonus schemes and introducing share-based long-term incentive plan
- **New corporate Strategy and M&A function**
- **Rollout of Business Excellence (BEX)**
 - Collaborative initiative across the Group with defined initiatives within every Business Unit



The 15 participants of the inaugural Talent Development Program, Hong Kong, June 2017

Excellence drives performance, and performance leads to success

Consistent M&A strategy drives enhanced revenue contribution from defined growth segments



¹⁾ Pro forma, i.e. Conzzeta 2017 Net revenue incl. OB 4M17 revenue annualized.

Sheet Metal Processing with very strong momentum

CHF m	2017	2016	Δ
Net revenue	856.1	650.9	+31.5%
Operating result (EBIT)	98.0	63.0	+55.5%
EBIT margin	11.2%	9.7%	+150 bps
Net operating assets	173.0	159.0	+8.8%



ByStar Fiber with ByTrans Cross, BySort and ByTower

Operational performance

- Comparable net revenue +23.7% with double-digit growth across all regions
- Continuously high level of innovation
- Strong demand for newly introduced products, including high performance cutting systems, mobile bending equipment, automation & software solutions (e.g. Bystronic MES)
- Continued investments in building global footprint, market development and productivity

High level of order entry maintained with high order backlog for 1HY2018

Sheet Metal Processing with significant CAPEX program for 2018 / 2019

Building a resilient global footprint

OPEX and CAPEX investments to capture growth opportunities globally, to reduce dependency from regional cycles and to mitigate continued competitive price pressure



2018 / 2019 new experience & assembly center in the US



New sales / service organizations, in 2017 mainly in APAC region

2018 / 2019 Niederönz (CH): Modernization of production site



Sporting Goods with notably better 2HY EBIT performance



MAMMUT

CHF m	2017	2016	Δ
Net revenue	228.6	232.9	-1.9%
Operating result (EBIT)	0.1	1.2	-91.7%
EBIT margin	0.1%	0.5%	-40 bps
Net operating assets	116.5	108.1	+7.8%



Operational performance

- Net revenue including reduction of CHF 9.5 m low-margin sales to support premium position
- Notably better 2HY EBIT performance of CHF 10.0 m vs. CHF 5.8 m in 2HY 2016
- 2HY with increased contribution margin from improved wholesale quality and enhanced retail capabilities
- Annual cost base up by CHF ~12 m with >30 additional FTE's to build capabilities in international markets, digitalization, retail and design in context of 5 year strategy program

Efforts to build “sell out”-mentality with progress in regard to channel mix

Strategy program overview – building retail capabilities & wholesale excellence as response to competitive pressure and change in client behavior

Multichannel Management & Digitalization

- I
 - Deepening relationships with selected wholesale partners
 - Strengthening and enhancing direct to consumer business
 - Holistic consumer data management

Consumer Centricity – Product & Brand

- II
 - Innovative products and designs in preparation
 - Reducing collections to increase style efficiency
 - Enhancing margin contribution and eliminating liquidations sales

Internationalization

- III
 - Set-up of ASIA hub in Hong-Kong
 - Enhancing reach through 3rd party online market places
 - Optimizing sales efficiency in DACH region

January 2016

Kick off

2017

Today 2018

2019

2020

Consistent, steady progress with implementation; 2017 as year of transition; enhanced revenue and result contribution expected for 2018, but still below aspiration level

Chemical Specialties with lower operating result masked by one-off gain



CHF m	2017	2016	Δ
Net revenue	279.2	219.7	+27.1%
Operating result (EBIT)	24.8	23.1	+7.4%
EBIT margin	8.8%	10.5%	-170 bps
Net operating assets	186.9	112.7	+65.8%



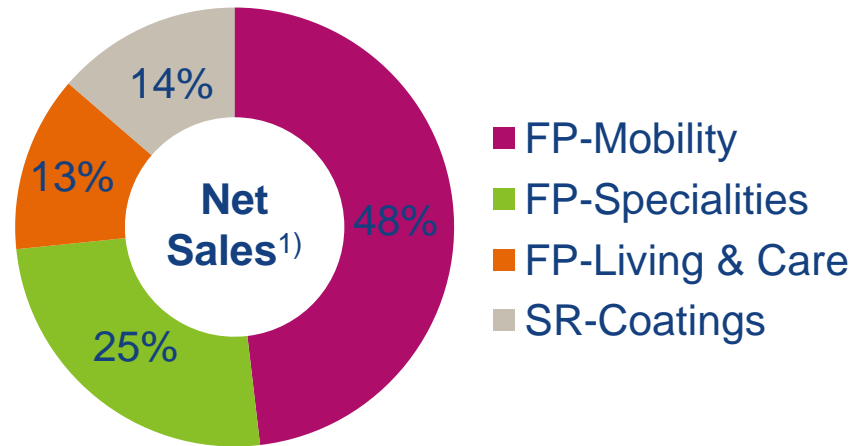
Operational performance

- Comparable net revenue +4.9%, Otto Bock Kunststoff consolidated as of September 1, 2017
- EBIT margin excluding CHF 8.8 m one-off divestment gain of 5.7%
- Margin pressure particularly within foaming businesses, driven by increased raw material costs and integration costs
- Defective raw material supply in fall 2017 well managed

Priorities 2018 for new FoamPartner management: Pricing, OB / FP integration and regional strategies

Chemical Specialties – opportunities within Foam Partner business unit after 2017 M&A transactions

Foam Partner

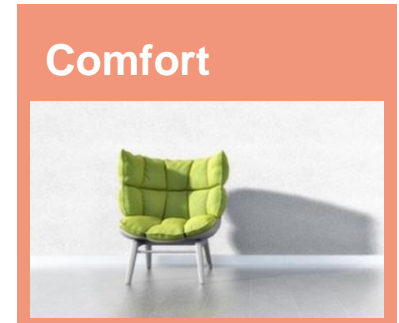


- Complementary product portfolio with enhanced footprint and resolved legacy structures in China and the US
- New management team announced 29th of January - integration on track
- Footprint optimization in Europe from 2018 onwards to align with growth plans

Become best in Foam!

1) 2017 pro forma Net revenue split by market segments

Otto Bock Kunststoff



FoamPartner global footprint expansion and re-alignment

Region Americas



FoamPartner
Swisstex
Hydra Sponge

Woodbridge FoamPartner

Otto Bock PU Technologies
Rochester Hills (70 Empl.)



Region Europe



FoamPartner
Fritz Nauer (CH)
Büttikofer (CH)
Reisgies (D)
Benien (D)
Kureta (D)
Frina Mousse (F)

Otto Bock Kunststoff
Duderstadt (280 Empl.)



FoamPartner Bock PUM
Changzhou (70 Empl.)



Region Asia-Pacific



FoamPartner
FoamPartner Bock PUM
FoamPartner Bock Trading
FoamPartner Singapore Pte

FoamPartner Bock Trading
Shanghai (10 Empl.)

FP footprint

OB locations added

Locations divested

Glass Processing with accelerated momentum in 2 HY

CHF m	2017	2016	Δ
Net revenue	119.3	106.9	+11.6%
Operating result (EBIT)	6.3	1.0	+530%
EBIT margin	5.4%	0.9%	+450 bps
Net operating assets	23.1	19.3	+19.7%



B'CHAMP

Operational performance

- Accelerated momentum in 2HY17 in regard to net revenue and order entry
- EBIT favorably impacted by reduced cost base in German manufacturing site
- Measures to further optimize global processes and to enhance efficiency ongoing, first progress to strengthen sales and operations in China
- New product features to process automotive thin glass, broadening areas of application

Good progress and continued efforts towards the Group's financial aspiration

Group key figures– Conzzeta with continuously strong equity position

(in CHF m)	2017	2016	Δ	
Net revenue	1'482.8	1'210.0	+22.5%	+14.3% comparable
Operating result (EBIT)	123.2	84.4	+46.0%	Incl. CHF 8.8m one-off gain
EBIT margin	8.2%	7.0%	+120 bps	7.6% excl. one-off gain
Group result	97.4	63.9	+52.4%	
Minorities	13.7	3.7	+10.0 m	
Net operating assets	490.7	401.6	+22.2%	
Balance sheet	1'323.3	1'255.4	+5.4%	
Equity ratio (%)	68.2	75.0	-680 bps	} Driven by M&A
Free cash flow	-96.0	92.9	-	

Ausblick – wir streben führende Marktpositionen an

1. Regional growth strategies
 - In Asia and North America we can make the difference
2. Client focus
 - Segmentation, data analytics, premium experience
3. Innovation & digitalization
 - Across all dimensions – products, services, processes
4. Portfolio management
 - M&A is part of our strategy, but only based on a position of strength
5. People excellence
 - We search and develop the talents for the best teams possible

We had a very strong 1st quarter and continue to invest into the future – many thanks for your trust and support!

conzzeta