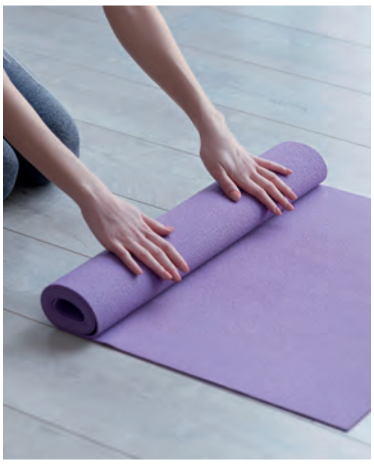
conzzeta

HALF-YEAR REPORT 2020



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Key figures – Group

CHF m	H1 2020	H1 2019	Changes
Net revenue	576.2	770.1	–25.2%
on a comparable basis [1]			–16.2%
Total revenue	594.2	787.7	–24.6%
Operating result (EBIT)	49.9	90.5	–44.9%
adjusted [2]	1.8	59.9	–97.0%
as a % of total revenue, adjusted [2]	0.3%	7.6%	–730 bp
Group result	46.6	78.2	–40.4%
as a % of total revenue	7.8%	9.9%	–210 bp
Minority interests	1.2	6.4	–80.9%
Operating free cash flow	–40.2	–10.0	302.8%
Cash, cash equivalents and securities	238.2	389.9	–38.9%
Total assets	1,155.4	1,345.9	–14.2%
Shareholders' equity	834.0	958.6	–13.0%
as a % of total assets	72.2%	71.2%	100 bp
Net operating assets (NOA)	570.3	542.9	5.0%
Return on net operating assets (RONOA) [2]	0.6%	17.3%	–1,670 bp
Number of employees on December 31	4,928	5,014	–1.7%
Earnings per class A share, in CHF	21.96	34.76	–36.8%

[1] At constant exchange rates and adjusted for changes in the scope of consolidation.

[2] 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.

Key figures – Segments

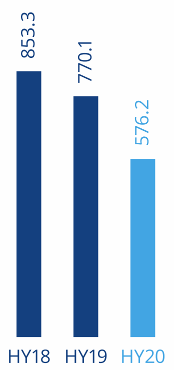
CHF m	H1 2020	H1 2019	Changes
Sheet Metal Processing			
Order intake	340.2	450.6	–24.5%
on a comparable basis [1]			–20.0%
Net revenue	372.6	448.6	–16.9%
on a comparable basis [1]			–12.0%
Total revenue	391.3	461.9	–15.3%
Operating result (EBIT)	27.9	57.8	–51.8%
as a % of total revenue	7.1%	12.5%	–540 bp
Chemical Specialties (discontinued segment)			
Net revenue	122.8	181.4	–32.3%
on a comparable basis [1]			–20.2%
Total revenue	122.1	180.2	–32.2%
Operating result (EBIT)	49.8	8.6	477.9%
adjusted [2]	1.7	8.6	–80.1%
as a % of total revenue, adjusted [2]	1.4%	4.8%	–340 bp
Outdoor (discontinued segment)			
Net revenue	80.9	117.9	–31.4%
on a comparable basis [1]			–29.1%
Total revenue	80.9	117.9	–31.4%
Operating result (EBIT)	–23.3	–5.3	340.5%
as a % of total revenue	–28.8%	–4.5%	–2,430 bp

[1] At constant exchange rates and adjusted for changes in the scope of consolidation.

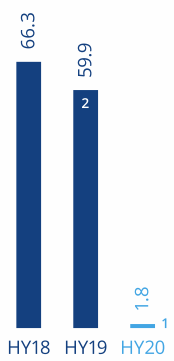
[2] 2020 excluding capital gain of CHF 48.1 million from the divestment of the business unit Schmid Rhyner.

Performance indicators

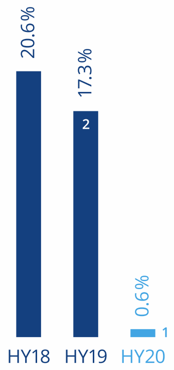
Net sales growth
(Net revenue in CHF m)



Profitability
(EBIT in CHF m)



Capital efficiency
(RONOA)



Financial targets[3]
(mid-term)

Net sales growth
Over 5% growth in net sales

Profitability
EBIT margin from 8% to 10%

Capital efficiency
Over 15% return on net operating assets (RONOA)

[1] Excluding divestment gain of CHF 48.1 million

[2] Excluding divestment gain of CHF 30.6 million

[3] With the announced new strategic direction, the financial targets will be redefined in due course.

Implementation of operating and strategic priorities in the challenging pandemic environment

The global pandemic environment has left a deep mark on Conzzeta's earnings for the first half of 2020. We had to take extensive countermeasures in order to mitigate the multilayered impacts as far as possible. At the same time, we continued to work on important projects and achieved significant milestones during the reporting period.

First of all, the protection of our own employees and responsible dealings with our business partners were of key importance. We made considerable efforts to help our customers, even during the crisis, with innovative offerings and solutions. Not least thanks to the solid capital position we have built up over the decades, we were able to consistently work on important projects of the Group and business units, also in the pandemic environment. Our employees deserve particular thanks for their exceptional dedication to crisis management.

Structural adjustments

Due to the diversity of their business models, our business units were affected by the widespread lockdowns, interrupted supply chains, and global travel restrictions in different ways. At Bystronic, the order backlog mitigated the adverse impact on revenue and results, even though it was already somewhat lower at the start of the reporting period compared to the previous year due to the weakening of the investment cycle in 2019. By means of operational improvements, FoamPartner was able to partially mitigate its dependency on business in the automotive segment, which has been particularly challenged not only since the outbreak of the pandemic. At Mammut, however, it was not possible to prevent a significant widening of the loss in the seasonally weaker first half of the year due to the almost complete closure of the proportionally dominant physical sales channels for around 40 days, the complex supply chains in the outdoor business and the additional expense caused by the pandemic. Thanks to the significant change in customer behavior during the crisis, Mammut achieved a 93% revenue increase in its own online business.

The measures we initiated in March to mitigate the financial impact will reduce the Group's cost base by around CHF 40 million by year-end. Despite extensive use of the support mechanisms provided and the encouraging revival of the business following the lifting of the lockdowns toward the end of the reporting period, structural measures going beyond this will be required for reasons of "rightsizing." This will be a matter of adjusting the cost base to the foreseeable protracted recovery of the economy. At the same time, the allocation of resources available must be prioritized even more clearly.

Using opportunities

Due to the sharp rise in the acceptance of digital sales and collaboration opportunities, product launches, sales meetings and customer trainings were conducted virtually for the first time during the reporting period. The consideration of the social and environmental effects of doing business, which is also gaining in political importance in the context of combating the pandemic, is of increasing importance to our clients. Mammut's sustainability strategy WE CARE proved to be a useful and fair framework for dealing with suppliers affected by business closures in less developed countries. All business units take environmental aspects into consideration when developing products. With RegiSeal® e-Thermo, for example, FoamPartner presented a solution for electric mobility that reduces energy consumption and extends the range of the vehicle thanks to improved insulation.

With the commissioning of the new Bystronic assembly plant in Chicago, USA, and the new FoamPartner converting center in Duderstadt, Germany, we achieved important milestones in the first half of the year even under difficult conditions. In addition, Bystronic broke ground for a new experience center in the Asian growth region not far from Incheon International Airport near South Korea's capital, Seoul. With such promising projects, we want to take advantage of the opportunities of the future, despite or precicely because of the current challenges. This includes the continued improvement of our processes and the continuously increased activities in Asia and other growth markets.

Outlook for 2020

The announced strategic focus on Bystronic is well on track. The divestment of the Schmid Rhyner business unit was completed by the end of February 2020, and the gain on disposal of CHF 48.1 million is recognized in our half-year results. The preparations for the further divestitures have now also been concluded. We are currently holding concrete discussions on the sale of FoamPartner, and we envisage approaching the market with regard to Mammut in the second half of the year, subject to the pandemic situation. The presentation of Bystronic's revised strategy is planned for the fourth quarter.

We fully support official measures for combating the pandemic and hope for an easing and a progressive recovery of business activities in the second half of the year. However, we continue to expect significant uncertainties, also with regard to the social impacts of the pandemic, the future course of global trade disputes, and the outcome of the upcoming presidential election in the USA.

The order backlog at Bystronic at mid-year was 17.3% below the level at the end of 2019, which will have an adverse impact on the accounts in the second half of the year, despite the improved order intake towards the end of the first half. For this reason, and in view of the uncertainties mentioned above, Conzzeta confirms its expectation for the 2020 financial year of an operating result (including the gain on the sale of Schmid Rhyner) in the mid double-digit CHF million range, with substantially lower net sales compared to the previous year.

Ernst Bärtschi
Chairman of the Board of Directors

Michael Willome
Group CEO

Group business performance

Pandemic-related decline in revenue and result

On a comparable basis, net revenue was down 16.2% on the previous year. A gain of CHF 48.1 million resulted from the divestment of Schmid Rhyner in context of the announced focus on Bystronic. The adjusted operating result without this one-off effect was CHF 1.8 million. The measures introduced to mitigate the impact of the pandemic showed their first results. Following the end of the comprehensive lockdowns, customer activities increased again toward the end of the reporting period.

The half-year 2020 results, with a 25.2% decline in revenue compared to the previous year and an operating result (EBIT) of CHF 49.9 million, are strongly impacted by both, the effects of the coronavirus pandemic and the divestitures of the Glass Processing segment at the end of March 2019 and the Schmid Rhyner business unit at the end of February 2020. The disposals resulted in a loss of contributions to revenue and earnings. However, the transactions resulted in divestment gains of CHF 30.6 million in the first half of 2019 and CHF 48.1 million in the first half of 2020. On a comparable basis, i.e. adjusted for the changes in the scope of consolidation and at constant exchange rates, the Group's net revenue in the first half of 2020 was 16.2% below the previous year. The adverse effects of changes in the scope of consolidation amounted to CHF 38.9 million and those from currency effects to CHF 30.3 million.

The coronavirus pandemic and its effects were the dominant topic for most of the reporting period. In the Bystronic and FoamPartner business units, various production facilities had to temporarily suspend operations, and in the Mammut business unit the physical sales channels, which are dominant in terms of revenue, remained closed for around 40 days. Business performance largely followed the staggered course of the pandemic in the regions relevant for Conzzeta. After the lockdowns were lifted in various markets, activities recovered rapidly, but only partially overall. In China, Bystronic's order intake and FoamPartner's net revenue in June were up on the previous year.

The measures initiated by the Group in March under the heading of "Cash, Cost, Complexity" to mitigate the economic consequences include a cost savings program with a contribution to the operating result of around CHF 40 million by the end of 2020. Depending on the area of activity and business model, the business units, but also the Group staff, are affected by the pandemic in different ways. Accordingly, the individual measures were defined for each specific unit. Initial savings were already realized in the second quarter. Thanks to this and excluding the divestment gains, the adjusted operating result for the reporting period amounted to CHF 1.8 million (previous year: CHF 59.9 million) with an EBIT margin of 0.3% (7.6%). The Group result for the first half of 2020 was CHF 46.6 million (CHF 78.2 million), with minority interests of CHF 1.2 million (CHF 6.4 million). The earnings per class A registered share were CHF 21.96 and as such 36.8% down on the previous year.

The cash inflow from the disposal of the Schmid Rhyner business unit was CHF 71.2 million. The Group retained its important initiatives thanks to its extensive liquid assets and high capital base. Investments in property, plant and equipment and intangible assets amounted to CHF 20.2 million (CHF 18.6 million). Mainly due to the lower level of business activity in the first half of the year due to the pandemic on the one hand, and to prudent procurement planning to ensure ability to deliver and to delayed deliveries on the other, free operating cash flow of CHF –40.2 million was below the previous year (CHF –10.0 million). After the distribution of an unchanged ordinary dividend for the 2019 financial year and excess cash from the disposal of Schmid Rhyner totaling CHF 86.8 million, Conzzeta held cash and cash equivalents of CHF 238.2 million at mid-year with an equity ratio of 72.2%.

SHEET METAL PROCESSING – BYSTRONIC

Solutions for cutting, bending and automation.

The Sheet Metal Processing segment (Bystronic) generated net revenue of CHF 372.6 million (previous year: CHF 448.6 million). On a comparable basis, net revenue was down 12.0% on the previous year. The new machine business in particular was notably affected by the pandemic across all product areas, initially in China, later in most other important sales regions. In April, order intake plummeted by more than 40% due to travel restrictions and business shutdowns. The resumption of economic activity brought a clear recovery towards the end of the reporting period. Order intake in June was down just under 5% on the previous year. With increased margin pressure, order intake for the first half of the year was CHF 340.2 million, down by 24.5% on the previous year or by 20.0% taking currency effects into account. The order book as of mid-year reached CHF 200.3 million, compared with CHF 254.4 million as of the end of June 2019. The operating result amounted to CHF 27.9 million (CHF 57.8 million), yielding an EBIT margin of 7.1% (12.5%).

Bystronic's own production was also affected by business shutdowns at staggered times. Plants in China, Europe and America had to be temporarily closed down. Despite the adverse environment, it was possible to assemble the first laser cutting systems in the new US production site in April. The opening of the associated experience center for customer demonstrations to convey the technological capabilities is planned for the second half of the year, which will significantly strengthen Bystronic's position in the North American market. The groundbreaking for a new experience center in Korea likewise took place during the reporting period. Various product innovations were also launched. In the "Cutting" product segment, these included systems with even higher performance and options for processing additional sheet metal formats. Additional automation solutions for manufacturing cells were introduced in the "Bending" product segment, including high-performance programming software.

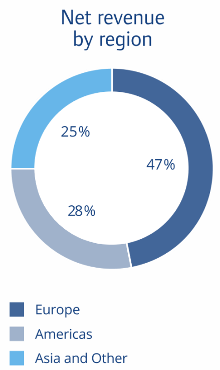
In order to mitigate the impact of travel restrictions, considerable efforts were made to stay close to the market with new digital options. These included virtual product demonstrations and training, also to show customers the benefits of available efficiency-enhancing systems and automation solutions. In the context of sustainable development, an analysis of the climate impact of business activities was initiated for the Niederönz site in order to further improve energy efficiency and ecological sustainability across the entire value chain in cooperation with suppliers and customers.

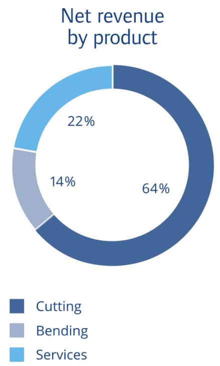
Overview Bystronic

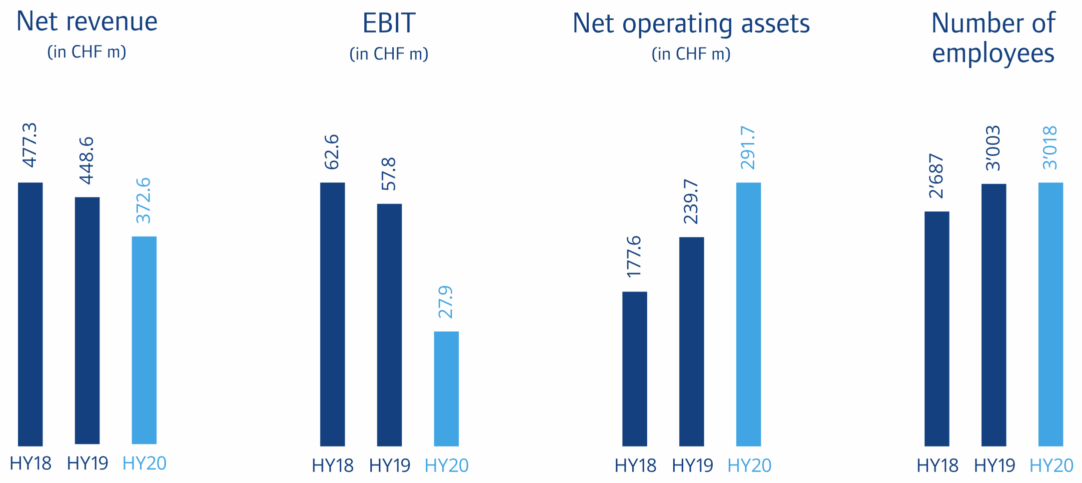
Head: Alex Waser

Presence: worldwide, 31 sales and service companies; 9 development and production sites in Switzerland, Germany, Italy, Romania, USA and China

www.bystronic.com






Net revenue
(in CHF m)
477.3
448.6
372.6
HY18 HY19 HY20
EBIT
(in CHF m)
62.6
57.8
27.9
HY18 HY19 HY20
Net operating assets
(in CHF m)
177.6
239.7
291.7
HY18 HY19 HY20
Number of employees
2'687
3'003
3'018
HY18 HY19 HY20

CHEMICAL SPECIALTIES – FOAMPARTNER AND SCHMID RHYNER

Polyurethane foams.

The Chemical Specialties segment (FoamPartner and Schmid Rhyner) generated net revenue of CHF 122.8 million (previous year: CHF 181.4 million). On a comparable basis, net revenue was down 20.2% on the previous year. A divestment gain of CHF 48.1 million resulted from the disposal of the Schmid Rhyner business unit as per the end of February 2020. Without this one-off effect, the operating result amounted to CHF 1.7 million (CHF 8.6 million) with an EBIT margin of 1.4% (4.8%). The FoamPartner business unit also had to temporarily close down various production sites in China, Europe and the USA due to the pandemic. Revenue in all market segments and regions was down on the previous year despite additional revenue with cleaning and hygiene products and products for medical-related uses. Production shutdowns in the automotive industry had a particularly adverse impact. The mobility market segment’s share of revenue (excluding the divested Schmid Rhyner business unit) amounted to 48% as of mid-year 2020 following the disproportionate 35.2% decline in revenue in the first half of the year, compared with 55% at the end of 2019.

During the reporting period, progress was made in the implementation of ongoing efficiency measures, innovation projects and modernization of management processes. The new converting center with additional capacity in Duderstadt was commissioned on time in April and the Stadtallendorf site was closed as of June 30. Both the production and storage areas were extended at the Changzhou site in China in order to significantly improve logistics processes and enable future growth. With RegiSeal® e-Thermo, a new solution for electric mobility was presented that reduces energy consumption and extends the range of the vehicles thanks to improved insulation. A further innovation for vehicle interiors is the OBoNature™ product family manufactured using sustainable raw materials, which enables an efficient and resource-saving processing while creating an improved interior climate.

Under the keywords “Planet, People, Performance,” FoamPartner is preparing the formalization of a comprehensive sustainability concept, which will be communicated in the second half of the year and will serve as a basis for the further development of business activities and sharpening of the market presence. In the first half of the year, the continued modernization of management processes included business excellence programs at various sites, for instance for the improvement of material yield and of further digitalization. IT systems for improved resource planning and customer management were also introduced.

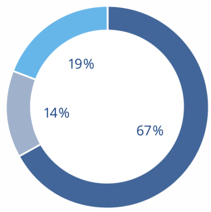
Overview FoamPartner

Head: Michael Riedel

Presence: worldwide sales network in 54 countries; 13 production, processing and sales locations in Europe, Asia/Pacific and America

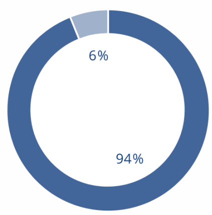
www.foampartner.com

Net revenue by region

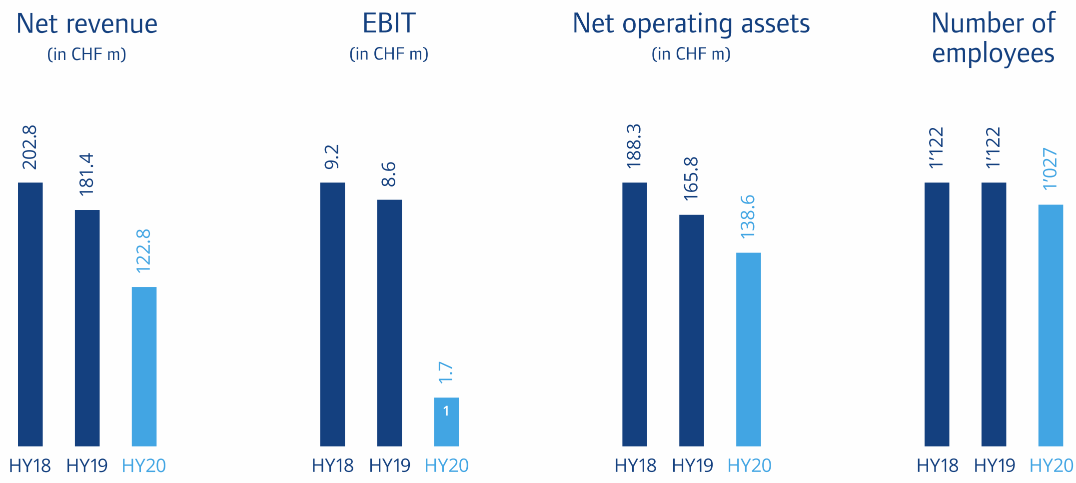


Europe
Americas
Asia and Other

Net revenue by business unit



FoamPartner
Schmid Rhyner



[1] Excluding divestment gain of CHF 48.1 million

OUTDOOR – MAMMUT SPORTS GROUP

Clothing and mountaineering equipment.

The Outdoor segment (Mammut) generated net revenue of CHF 80.9 million (previous year: CHF 117.9 million). On a comparable basis, net revenue was down 29.1% on the previous year. The operating result in the seasonally weaker first half of the year was CHF –23.3 million (CHF –5.3 million). The offline sales channel with specialist retailers and monobrand stores, which dominates in terms of share of revenue, remained almost completely closed for around 40 days in the first half of the year, whereas net revenue in the digital channels increased significantly. The delivery of most of the summer collection was delayed until mid-May due to the closed stores. Because of the temporary interruptions in the production of the winter collection, this too had to be re-planned to a large extent with considerable effort.

In the context of Mammut's strategy and to mitigate the impact of the pandemic, various measures were introduced in the reporting period. These include a further organizational development step to strengthen organizational responsibilities and streamline central processes. With new overall responsibilities for "Brand & Consumer" and "Products", the aim is to accelerate the expansion of the direct-to-consumer business, to sharpen the market presence across all channels and to make fundamental improvements in the supply chain. In addition, the further focusing of the product portfolio and the optimization of Mammut's international presence are planned, whereby initial restructuring costs of CHF 1.6 million were incurred in the first half of the year. The measures are intended to adapt the organization to existing challenges and changing market requirements and to structurally improve profitability.

In coping with the pandemic, as part of the sustainability strategy WE CARE, care was taken to protect the suppliers by, among other things, not canceling any orders for which production had already started or been completed. The "Close the Loop" project to recycle climbing ropes was launched in collaboration with a climate protection organization in order to conserve natural resources in outdoor sports. In the reporting period, the new purpose statement "To create a world moved by mountains" arose from Mammut's long-standing systematic concern with the social and environmental aspects of its own business activities. This is because, in addition to ensuring adequate profitability, sustainable management that includes all stakeholders is becoming more important for Mammut's own future viability.

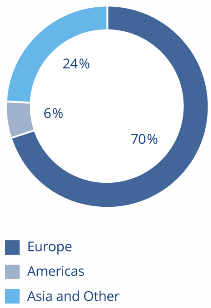
Overview Mammut Sports Group

Head: Oliver Pabst

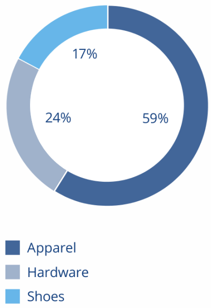
Presence: worldwide sales network in 40 countries; head office and product development in Seon (Switzerland); numerous production partners in Europe and Asia

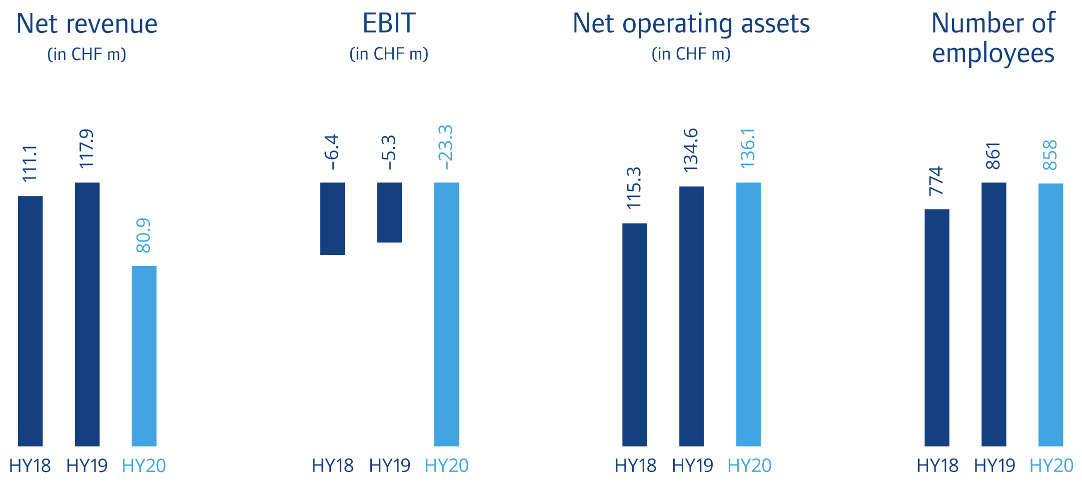
www.mammut.com

Net revenue by region



Net revenue by product




Net revenue
(in CHF m)
111.1
117.9
80.9
HY18 HY19 HY20
EBIT
(in CHF m)
–6.4
–5.3
–23.3
HY18 HY19 HY20
Net operating assets
(in CHF m)
115.3
134.6
136.1
HY18 HY19 HY20
Number of employees
774
861
858
HY18 HY19 HY20

Income statement – Group

CHF million	January – June 2020	January – June 2019
Net revenue	**576.2**	**770.1**
Changes in inventories 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/impairments on property, plant and equipment	–15.0	–15.0
Amortization/impairments on intangible assets	–4.5	–3.6
Operating result (EBIT)	**49.9**	**90.5**
Financial result	–2.1	1.4
Result before taxes	**47.8**	**91.9**
Income taxes	–1.2	–13.7
Group result	**46.6**	**78.2**
Attributable to Conzzeta AG shareholders	45.4	71.8
Attributable to minority interests	1.2	6.4
Earnings per class A registered share, in CHF	21.96	34.76
Earnings per class B registered share, in CHF	4.39	6.95
Diluted earnings per class A registered share, in CHF	21.96	34.76
Diluted earnings per class B registered share, in CHF	4.39	6.95

Balance sheet – Group

CHF million	June 30, 2020	December 31, 2019	June 30, 2019
Cash and cash equivalents	238.2	300.9	339.9
Securities			50.0
Trade receivables	162.5	226.1	213.3
Prepayments to suppliers	4.9	4.5	5.8
Other receivables	43.2	42.1	45.4
Prepaid expenses and accrued income	23.8	11.1	15.5
Inventories	329.2	304.2	327.2
Current assets	**801.8**	**889.1**	**997.1**
Property, plant and equipment	257.1	276.1	257.7
Intangible assets	27.6	28.0	22.1
Financial assets	53.7	59.2	55.2
Deferred tax assets	15.2	13.7	13.8
Non-current assets	**353.6**	**377.0**	**348.8**
Assets	**1,155.4**	**1,266.0**	**1,345.9**
Trade payables	94.5	129.2	101.5
Advance payments from customers	47.0	54.6	62.6
Short-term financial liabilities	0.6	0.1	4.5
Other short-term liabilities	33.1	30.2	26.4
Accrued expenses and deferred income	75.6	84.5	104.5
Short-term provisions	22.8	31.2	30.0
Short-term liabilities	**273.5**	**329.8**	**329.6**
Long-term financial liabilities	4.1	4.1	3.6
Other long-term liabilities	0.3	0.4	0.4
Pension fund liabilities	1.2	1.3	1.9
Long-term provisions	24.4	27.3	31.8
Deferred tax liabilities	17.9	23.1	20.1
Long-term liabilities	**48.0**	**56.1**	**57.8**
Share capital	4.1	4.1	4.1
Capital reserves	36.7	37.5	98.6
Treasury shares	–2.6	–3.9	–2.3
Retained earnings	790.4	836.9	846.1
Shareholders' equity excluding minority interests	**828.7**	**874.6**	**946.6**
Minority interests	5.3	5.5	12.0
Shareholders' equity including minority interests	**834.0**	**880.1**	**958.6**
Liabilities and shareholders' equity	**1,155.4**	**1,266.0**	**1,345.9**

Statement of changes in shareholders' equity – Group

CHF million	Share capital	Agio/ capital reserves	Treasury shares	Retained earnings			Total excluding minority interests	Minority interests	Total including minority interests
				Currency translation effects	Value fluctuation financial instruments	Other retained earnings			
At 6/30/2020	**4.1**	**36.7**	**–2.6**	**–98.1**	**1.5**	**887.0**	**828.7**	**5.3**	**834.0**
Group result						45.4	45.4	1.2	46.6
Dividends						–86.8	–86.8	–1.2	–88.0
Change resulting from hedging transactions					0.9		0.9		0.9
Recognition of goodwill in equity						–1.2 [1]	–1.2		–1.2
Recycling of goodwill from sale of business unit						3.9 [1]	3.9		3.9
Purchase of treasury shares			–0.1				–0.1		–0.1
Share-based remuneration									
Contribution		–1.4	1.5				0.1		0.1
Allocation		0.7					0.7		0.7
Currency translation effects				–8.8			–8.8	–0.2	–9.0
At 12/31/2019	**4.1**	**37.5**	**–3.9**	**–89.3**	**0.6**	**925.7**	**874.6**	**5.5**	**880.1**
At 6/30/2019	**4.1**	**98.6**	**–2.3**	**–88.0**	**0.4**	**933.7**	**946.6**	**12.0**	**958.6**
Group result						71.8	71.8	6.4	78.2
Dividends						–37.2	–37.2	–19.5	–56.7
Change resulting from hedging transactions					–0.3		–0.3		–0.3
Purchase of treasury shares			–1.0				–1.0		–1.0
Share-based remuneration									
Contribution		–2.0	2.6				0.6		0.6
Allocation		0.8					0.8		0.8
Currency translation effects				9.7			9.7	0.3	10.0
At 12/31/2018	**4.1**	**99.8**	**–4.0**	**–97.6**	**0.7**	**899.1**	**902.1**	**24.8**	**926.9**

[1] Refer to note 3.1 Acquisitions and divestments in the reporting period.

Cash flow statement – Group

CHF million	January – June 2020	January – June 2019
Group result	46.6	78.2
Depreciation of property, plant and equipment and amortization of intangible assets	19.2	18.6
Impairments of property, plant and equipment and intangible assets	0.4	
Gain on disposal of non-current assets and investments	–50.4	–32.1
Change in provisions and pension fund liabilities	–15.0	–2.4
Other non-cash items	11.6	–5.9
Cash flow from operating activities before change in net working capital	**12.3**	**56.4**
Change in inventories	–38.3	–41.8
Change in trade receivables	49.5	1.9
Change in prepayments to suppliers	–0.9	–2.0
Change in other receivables, prepaid expenses and accrued income	–14.3	–10.2
Change in trade payables	–31.3	0.2
Change in advance payments from customers	–5.9	9.7
Change in other liabilities, accrued expenses and deferred income	1.3	–9.7
Cash flow from operating activities	**–27.6**	**4.5**
Investment in property, plant and equipment	–15.3	–14.6
Divestment of property, plant and equipment	6.3	0.7
Investment in intangible assets	–4.9	–4.0
Investment in financial assets and securities	–1.6	
Divestment of financial assets and securities	3.0	3.4
Acquisition of business activities	–1.9 [1]	–0.2 [2]
Sale of business activities	71.2 [1]	74.7 [2]
Cash flow from investing activities	**56.6**	**60.0**
Cash flow from operating and investing activities	**29.0**	**64.5**
Purchase of treasury shares	–0.1	–1.0
Dividends paid to shareholders Conzzeta AG	–86.8	–37.2
Dividends paid to minority shareholders	–3.5 [3]	–19.5
Change in short-term financial liabilities	0.5	–6.1
Change in long-term financial liabilities	0.3	–0.8
Change in other long-term liabilities	–0.1	–0.1
Cash flow from financing activities	**–89.8**	**–64.7**
Effect of currency translation on cash and cash equivalents	–1.9	0.5
Change in cash and cash equivalents	**–62.7**	**0.4**
Cash and cash equivalents at 1/1	300.9	339.6
Cash and cash equivalents at 6/30	238.2	339.9

[1] Refer to note 3.1 Acquisitions and divestments in the reporting period.

[2] Refer to note 3.2 Acquisitions and divestments in the prior period.

[3] Dividends to minorities of CHF 2.4 million that were already approved by the Annual General Meeting as of December 31, 2019, were paid in 2020.

Notes to the interim consolidated financial statements

1 Principles of consolidated accounting

Accounting

The unaudited interim consolidated financial statements as of June 30, 2020, conform to the existing guidelines of Swiss GAAP FER in general and Swiss GAAP FER 31 "Supplementary recommendation for listed companies" in particular.

The interim consolidated financial statements should be read in conjunction with the consolidated financial statements as of December 31, 2019, because they do not include all the information contained in the consolidated financial statements.

The interim consolidated financial statements relate to the period from January 1, 2020, to June 30, 2020, and were approved for publication by the Board of Directors on August 6, 2020.

Consolidation

The interim consolidated financial statements include Conzzeta AG and the companies directly or indirectly controlled by Conzzeta AG, through investments with more than 50% of the votes, directly or indirectly, or by another means, and uniformly managed. These investments are fully consolidated. The share of the minority shareholders in the net assets and Group result is disclosed separately. Intragroup receivables and payables as well as expenses and income are offset against each other, and intragroup profits have been eliminated.

The assets and liabilities of companies included in consolidation for the first time are measured at fair value. Goodwill arising from this revaluation is offset against equity. First-time consolidations are included from the date on which control is acquired; deconsolidations from the date on which control is relinquished. When companies are sold, the amount of goodwill that was offset in equity and the cumulative exchange rate effects are charged to the income statement.

Investments in associates (at least 20%, but less than 50% of the voting rights) are accounted for under the equity method. Securities held as non-current assets are valued at acquisition cost, less any necessary value adjustments.

Significant estimates made by the management

In preparing the interim consolidated financial statements, certain assumptions must be made which affect the accounting basis to be used and the amounts reported as assets, liabilities, income and expenses and the presentation of these amounts. Management did not make any material assumptions or estimates in the interim consolidated financial statements that were new compared to those made in the consolidated financial statements as of December 31, 2019.

Coronavirus pandemic

The coronavirus pandemic had a significant impact on the business performance of the Conzzeta Group in the first half of 2020. The Group's business units, which operate in various sectors and markets, were affected by the coronavirus pandemic to varying degrees. The Board of Directors and the Executive Committee analyzed the possible scenarios depending on the course of the pandemic and have defined and initiated corresponding measures. The situation is continuously reassessed and the implementation of the measures is systematically monitored.

2 Segment information

CHF million	Net revenue		Total revenue		Operating result (EBIT)	
January – June	2020	2019	2020	2019	2020	2019
Sheet Metal Processing	372.6	448.6	391.3	461.9	27.9	57.8
Chemical Specialties (discontinued operations)	122.8	181.4	122.1	180.2	49.8	8.6
Outdoor (discontinued operations)	80.9	117.9	80.9	117.9	–23.3	–5.3
Glass Processing (discontinued operations)		22.4		27.8		31.8
Total as per segment reporting	**576.3**	**770.3**	**594.3**	**787.9**	**54.4**	**92.9**
Other	–0.1	–0.2	–0.1	–0.2	–4.5	–2.3
Total as per income statement	**576.2**	**770.1**	**594.2**	**787.7**	**49.9**	**90.5**

CHF million	Net operating assets		Employees	
June 30	2020	2019	2020	2019
Sheet Metal Processing	291.7	239.7	3,018	3,003
Chemical Specialties (discontinued operations)	138.6	165.8	1,027	1,122
Outdoor (discontinued operations)	136.1	134.6	858	861
Glass Processing (discontinued operations)				
Total as per segment reporting	**566.5**	**540.1**	**4,903**	**4,986**
Other	3.8	2.8	25	28
Total as per income statement	**570.3**	**542.9**	**4,928**	**5,014**

Definition of net operating assets

Net operating assets (NOA) include the operating current and non-current assets (not including cash, cash equivalents and securities, non-operating financial assets and deferred tax assets) less operating liabilities (not including financial liabilities and deferred tax liabilities).

Discontinued operations

Conzzeta sold the Glass Processing segment to the Finnish company Glaston Corporation effective as of April 1, 2019. The Glass Processing segment is shown under discontinued operations in below overview. Its net revenue, total revenue and operating result for 2019 comprise a 3-month period. Refer to note 3.2 for additional information on the transaction.

On December 9, 2019, Conzzeta announced that the Board of Directors of Conzzeta AG has decided that the Group's future focus will be on the Bystronic business unit. The other business units are to be divested step by step within the period of a year, market conditions permitting. The segments Chemical Specialties and Outdoor are shown under discontinued operations in below overview. All companies in the business unit are affected by the sale.

Conzzeta sold the business unit Schmid Rhyner to the German specialty chemicals group Altana effective as of February 28, 2020. Its net revenue, total revenue and operating result for 2020 comprise a 2-month period, whereas the comparison period comprises a 12-month period. Refer to note 3.1 for additional information on the transaction.

Additional information on continuing and discontinued operations

The following table shows the income statement divided into continuing and discontinued operations. The discontinued operations include the business units Glass Processing and Schmid Rhyner until the divestment as well as the business units FoamPartner and Mammut Sports Group that are available for sale. The continuing operations include the business unit Bystronic and the corporate center. Transactions between discontinued operations and continuing operations are eliminated within the Group.

The gain from the disposal of the business units Glass Processing (CHF 30.6 million in 2019) and Schmid Rhyner (CHF 48.1 million in 2020) are included in "Other operating income" and allocated to discontinued operations.

CHF million	Continuing operations		Discontinued operations		Total Group	
January – June	2020	2019	2020	2019	2020	2019
Net revenue	**372.6**	**448.5**	**203.7**	**321.7**	**576.2**	**770.1**
Changes in inventories and own work capitalized	18.7	13.3	–0.7	4.3	18.0	17.6
Total revenue	**391.2**	**461.8**	**203.0**	**325.9**	**594.2**	**787.7**
Other operating income	7.2	7.2	49.0	31.9	53.4	36.6
Material expenses	–188.9	–203.5	–101.6	–162.3	–290.4	–365.8
Personnel expenses	–106.8	–114.4	–62.6	–83.9	–169.4	–198.3
Other operating expenses	–71.0	–88.7	–50.1	–64.9	–118.4	–151.0
Depreciation/impairments on property, plant and equipment	–6.2	–5.3	–8.8	–9.7	–15.0	–15.0
Depreciation/impairments on intangible assets	–2.2	–1.7	–2.3	–1.9	–4.5	–3.6
Operating result (EBIT)	**23.4**	**55.4**	**26.5**	**35.1**	**49.9**	**90.5**
Financial result	–0.5	3.0	–1.7	–1.6	–2.1	1.4
Result before taxes	**22.9**	**58.4**	**24.9**	**33.5**	**47.8**	**91.9**
Income taxes	–6.3	–12.4	5.1	–1.3	–1.2	–13.7
Group result	**16.6**	**46.1**	**30.0**	**32.2**	**46.6**	**78.2**

3 Changes in the scope of consolidation

3.1 Acquisitions and divestments in the reporting period

Conzzeta sold the business unit Schmid Rhyner to the German specialty chemicals group Altana effective as of February 28, 2020. The transaction gave rise to a gain from disposal of CHF 48.1million (provisional) which is reported under "Other operating income".

CHF million	February 28, 2020
Current assets	19.2
Non-current assets	12.6
Assets	**31.8**
Short-term liabilities	17.1
Long-term liabilities	2.0
Liabilities	**19.1**
Net assets divested	**12.7**
Consideration	67.5
Net assets divested	–12.7
Transaction costs	–2.7
Recycling of goodwill	–3.9
Gain on disposal	**48.1**
Consideration received	65.0
Transaction costs paid	–2.4
Cash and cash equivalents disposed of	–3.1
Settlement intercompany receivable/debt	11.6
Net cash flow	**71.2**

The business unit Bystronic acquired the business activities of Weber Laserservice BV, Heteren (Netherlands), effective as of May 1, 2020. The consideration amounted to EUR 1.8 million (CHF 1.9 million). The transaction resulted in a goodwill of EUR 1.1 million (CHF 1.2 million) which was offset in equity.

3.2 Acquisitions and divestments in the prior period

Conzzeta sold the Glass Processing segment to the Finnish company Glaston Corporation effective as of April 1, 2019. The transaction resulted in a non-taxable gain from disposal of CHF 30.6 million that was recorded under “Other operating income”.

CHF million	April 1, 2019
Current assets	57.2
Non-current assets	9.3
Assets	**66.4**
Short-term liabilities	51.1
Long-term liabilities	1.0
Liabilities	**52.0**
Net assets divested	**14.4**
Consideration	63.5
Net assets divested	–14.4
Transaction costs	–3.8
Recycling of currency translation adjustments	–14.7
Gain on disposal	**30.6**
Consideration	63.5
Transaction costs already paid	–2.7
Cash and cash equivalents disposed of	–5.7
Settlement intercompany receivable/debt	19.6
Net cash flow	**74.7**

In 2019, the remaining purchase price liability of CHF 0.2 million related to the 2018 acquired company ISAtec GmbH, Wohlenschwil (Switzerland), was settled.

4 Seasonality

Due to the fact that business is strong in the winter season, the Outdoor segment usually reports higher revenue and higher margins in the second half of the year than in the first half. The other segments are not subject to regular seasonal influences.

5 Dividends

At the Annual General Meeting on April 22, 2020, a resolution was adopted to pay a dividend of CHF 42.00 (including special distribution of CHF 24.00) per class A registered share and a dividend of CHF 8.40 (including special distribution of CHF 4.80) for each class B registered share. This distribution was made only in respect of outstanding shares and totaled CHF 86.8 million.

6 Events after the balance sheet date

There were no events after the balance sheet date which would necessitate adjustments to the book value of the Group's assets or liabilities, or which require additional disclosure.

7 Currency translation rates

CHF			Half-year-end exchange rates 2020	Year-end exchange rates 2019	Half-year average rates 2020	Half-year average rates 2019
Euro area	1	EUR	1.07	1.09	1.07	1.13
USA	1	USD	0.95	0.97	0.97	1.00
Great Britain	1	GBP	1.17	1.28	1.23	1.30
Sweden	100	SEK	10.18	10.39	10.01	10.77
China	100	CNY	13.36	13.88	13.77	14.76
South Korea	100	KRW	0.08	0.08	0.08	0.09
Japan	100	JPY	0.88	0.89	0.89	0.91

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