

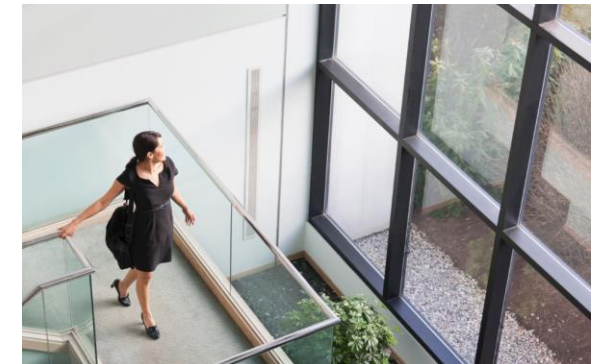
conzzeta



Investor Presentation

Michael Willome, Group CEO

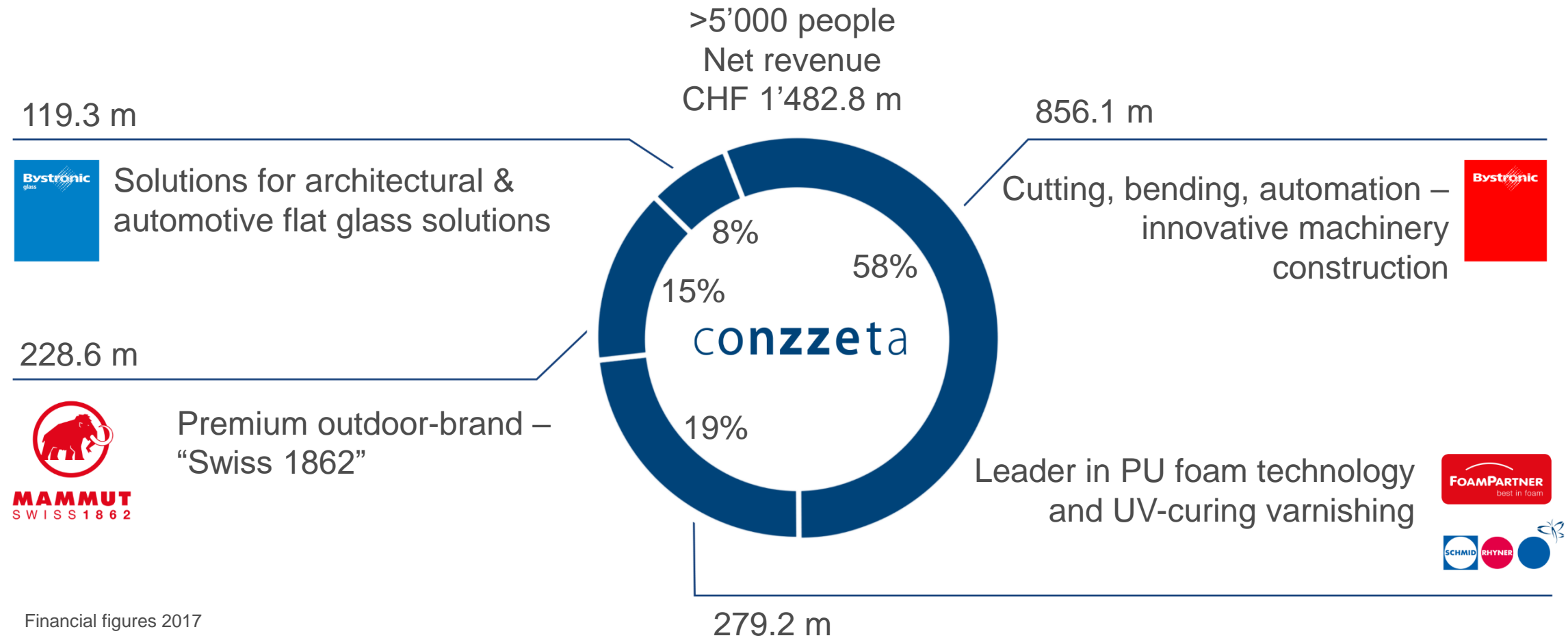
Baader Helvea Swiss Equities Conference
Bad Ragaz, January 10 & 11, 2019



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 - Sheet Metal Processing: Bystronic
 - Chemical Specialties: FoamPartner and Schmid Rhyner
 - Outdoor: Mammut
 - Glass Processing: Bystronic glass
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Conzzeta portfolio overview

Striving for leading positions in attractive target markets

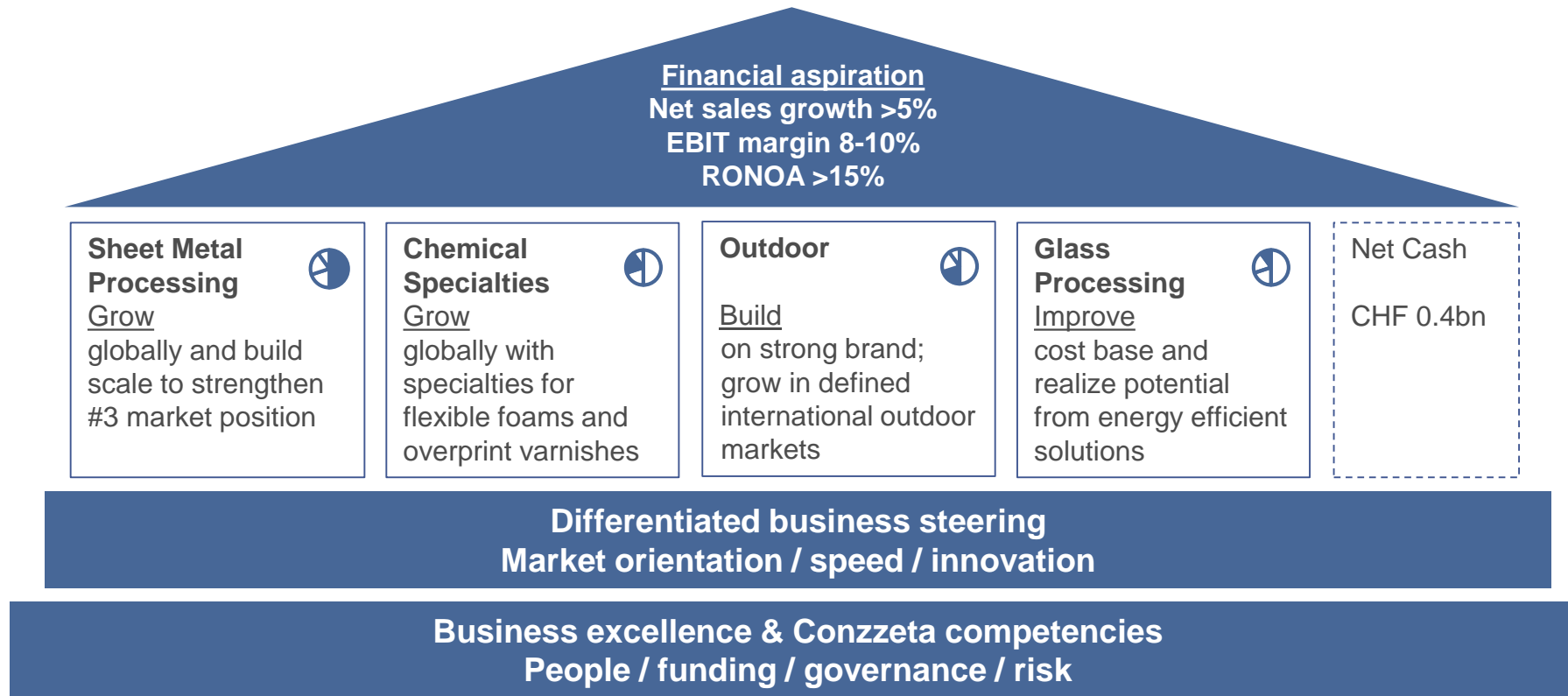


Financial figures 2017

Differentiated business steering

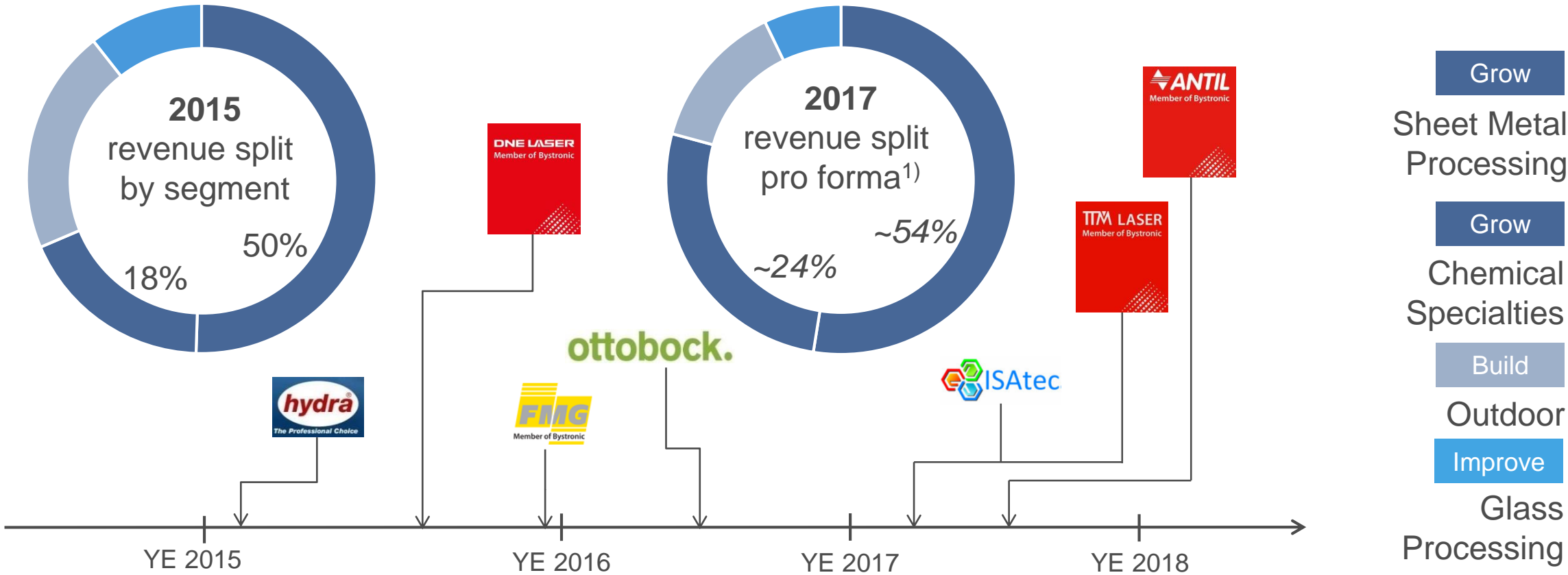
With focus on market orientation and value creation

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



Consistent strategy execution

Enhanced revenue contribution from defined growth segments



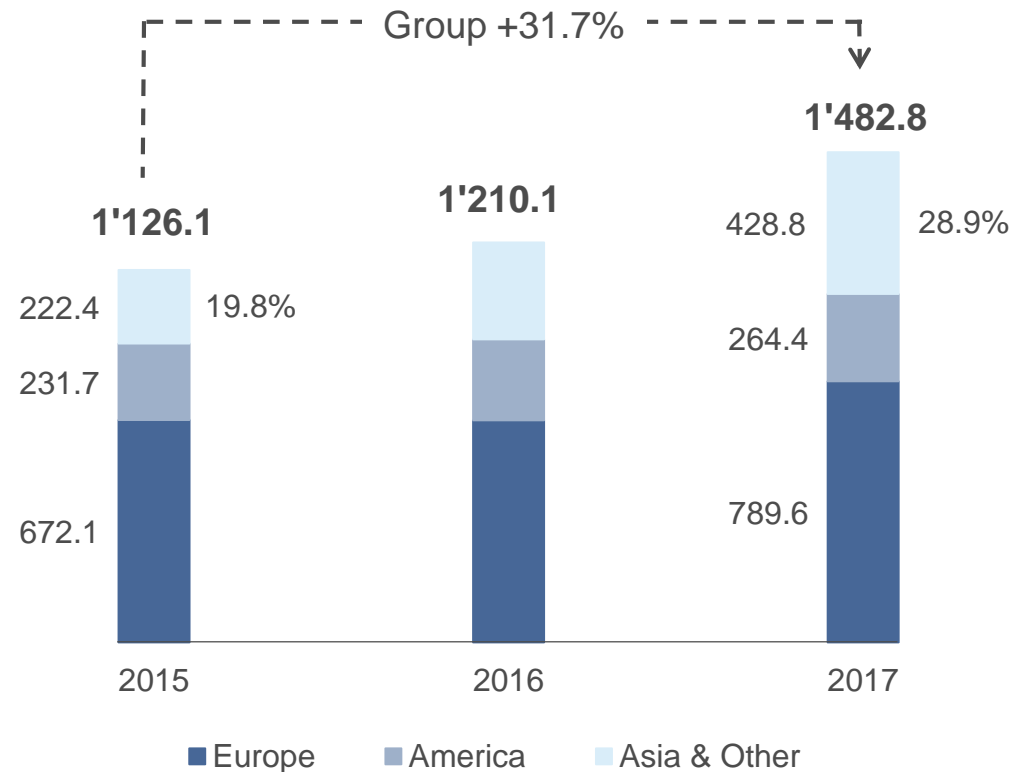
¹⁾ Pro forma, i.e. Conzzeta 2017 Net revenue incl. OB 4M17 revenue annualized.

Internationalization & Market Orientation

Net revenue in Asia +95.5% vs YE2015

Conzzeta

Net revenue by region in CHF m



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

Group Priorities

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

People Development & Business Excellence

Enhanced strategic and operational capabilities

Group-wide Talent Development Program

Launched in 2017; by now, 33 participants delivered 18 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 2nd Conzzeta TDP cohort in Shanghai, June 2018

Excellence drives performance,
and performance leads to success

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Bystronic

Sheet Metal Processing Bystronic



Sheet Metal Processing

Very strong momentum

CHF m	1HY18	1HY17	Δ
Net revenue	477.3	364.9	+30.8%
Operating result (EBIT)	62.6	39.9	+57.0%
EBIT margin	12.5%	10.1%	+240 bps
Net operating assets	177.6	179.4	-1.0%



TTM Laser 3D cutting system for profiles and tubes

Operational performance

- First-time consolidation of TTM Laser; comparable net revenue +25.7%
- Continued double-digit growth rates across regions
- Significant improvement of operating result, benefitting from enhanced scale, client segmentation and innovative product portfolio
- Continued efforts to strengthen market presence and global footprint; further improve productivity to mitigate price pressure
- Healthy level of order entry maintained with high order backlog for 2HY 2018

Well positioned to grow volumes, but expect growth rates to slow down



Chemical Specialties FoamPartner Schmid Rhyner



Chemical Specialties

Continued margin pressure from raw material costs

CHF m	1HY18	1HY17	Δ
Net revenue	202.8	114.2	+77.6%
Operating result (EBIT)	9.2	9.9	-7.4%
EBIT margin	4.6%	8.6%	-400 bps
Net operating assets	188.3	114.3	+64.7%



Automotive rolls

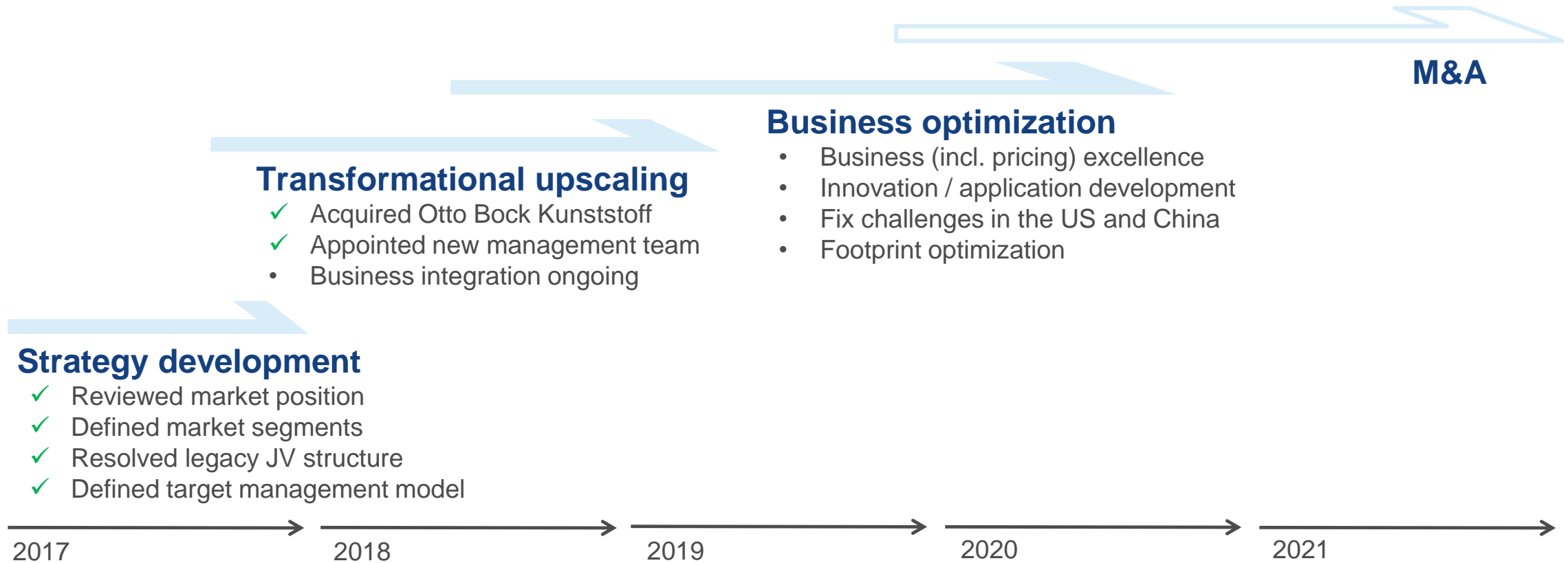
Operational performance

- Comparable net revenue +3.8%
- Integration Otto Bock Kunststoff on track; consolidated as of Sep 1, 2017
- Growth across market segments and deepened presence in all regions
- Lower Operating result driven by elevated raw material and reorganization costs (combined net impact after pricing measures CHF ~5 m)
- Continued focus on pricing, OB / FP integration and regional strategies; additional Business Excellence initiatives to strengthen operations

Efforts ongoing to restore profitability and to realize mid-term margin potential

„NEW“ FoamPartner

Driving economies of scale from enlarged platform



Resolution of legacy JV constraints to unlock growth potential and to optimize footprint – CHF 15 million CAPEX program to invest in infrastructure and new capabilities for 2019/2020

„NEW“ FoamPartner team Has finalized it's mission & strategy

Mission

Strengthen position as a globally operating player with focus on attractive strategic segments (Specialties, Living & Care, Mobility) and leading application development capabilities, supported by efficient global operations with cost leadership across the entire supply chain.

Strategic Pillars

1. Fully integrate Otto Bock Kunststoff, achieving full synergies
 2. Focus on strategic segments and foster application development capabilities
 3. Expand presence in growth regions
 4. Drive cost leadership and reduce profit volatility in relation to raw-material price fluctuations
- + Catalyze growth through targeted acquisitions in line with strategic growth directions

Become best in foam with an EBIT margin of 10% over the mid-term



Outdoor Mammut



Outdoor

With improved performance

CHF m	1HY18	1HY17	Δ
Net revenue	111.1	94.9	+17.0%
Operating result (EBIT)	-6.4	-9.9	+35.2%
EBIT margin	-5.8%	-10.4%	+460 bps
Net operating assets	115.3	106.7	+8.1%

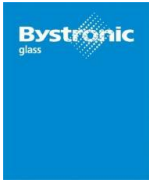


New Mammut Delta X Collection

Operational performance

- Comparable net revenue +14.2%
- Double-digit growth in Europe & Asia driven by successful product launches and dynamic direct to consumer business, partly offset by lower revenue in Americas
- Implementation of 5 year strategic plan on track to build critical capabilities in international markets, digitalization, retail and design
- Seasonally weaker 1HY result notably improved versus PY, despite increase of cost base by CHF ~2 m in context of strategic plan

Encouraging progress with better visibility on brand and product initiatives



Glass Processing Bystronic glass



Bystronic glass

Good momentum from 2HY 2017 carried into 1HY 2018

CHF m	1HY18	1HY17	Δ
Net revenue	62.4	49.7	25.6%
Operating result (EBIT)	2.9	1.8	+63.3%
EBIT margin	4.6%	3.4%	+120 bps
Net operating assets	22.7	20.7	+10.0%



B'JUMBO XXL

Operational performance

- Comparable net revenue +22.7%
- Good momentum from 2HY 2017 carried into 1HY 2018, benefitting from large client projects completed in 1Q 2018
- Double-digit net revenue growth in architectural and automotive glass, driven by very strong demand in Asia
- Improved result, also reflecting ongoing measures to further optimize processes and efficiency; e.g. BEX initiative at German site to enhance throughput
- Continued push for standardization and innovation globally, including platform strategy and additional product capabilities

Good financial and strategic progress,
but striving for further improvements

Sales trend

9M 2018

CHF m	9M 2018	9M 2017	%
Group			
Net revenue	1306.5	1010.1	+29.3
comparable ¹⁾			+14.0
Order intake for capital goods	849.2	774.0	+9.7
Net revenue segments			
Sheet Metal Processing	735.6	600.4	+22.5
Chemical Specialties	294.9	168.4	+75.1
Outdoor	183.2	163.0	+12.4
Glass Processing	93.1	78.8	+18.1

- **Growth rates** as expected slowing down with base effect from strong previous year period, as expected
- **Net revenue** with double-digit growth across segments and regions
- **Order intake** in China slowing down from high levels and amidst macro uncertainties; continued good momentum in Europe and particularly the US

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

Outlook 2018

Unchanged from 1HY 2018 reporting event

- Consistent strategy execution with long-term perspective
- Group priorities remain unchanged
 1. Market orientation
 2. Business excellence
 3. People development
 4. Internationalization
- Improvements of operating results in Chemical Specialties, Outdoor and Glass Processing are well on track, but require time for full implementation
- Elevated raw material prices for Chemical Specialties; Outdoor segment with increased cost base
- Order entry for investment goods continuously good in Europe and particularly in the US, but slowing momentum in China
- Growth rates to slow down with base effect from strong 2nd HY 2017

Within current environment, we expect net revenue growth for 2018 of around 20% and an EBIT margin without special effects at the lower end of the 8% to 10% mid-term target range

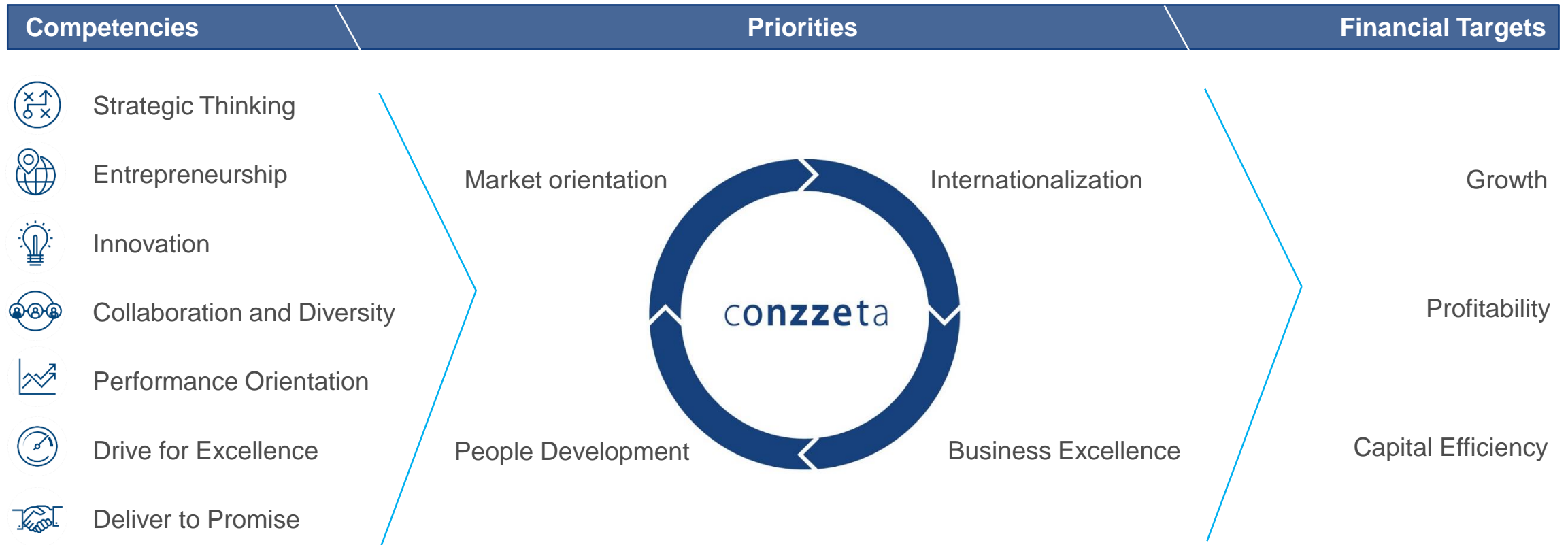
Thank you very much
for your time!

Conzzeta Management AG
Giesshuebelstrasse 45
8045 Zurich, Switzerland

www.conzzeta.com
Phone +41 44 468 24 44
investor@conzzeta.com

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Conzzeta Leadership model



Stable core shareholder base, solid capital base and modern governance as the basis for innovation, entrepreneurship and sustainable value creation

Results summary

1HY 2018

Overall strong business trend

Especially strong across segments at the beginning of the year

Net revenue CHF 853.3 m, +36.8%; comparable¹⁾ +19.7%

Double-digit growth across all regions and segments, with benefits from M&A

Operating result (EBIT) CHF 66.3 m, + 72.9%; EBIT margin 7.6%, + 180 bps

Progress in Sheet, Glass and Outdoor partly offset by lower result in Chemicals

Order entry investment goods CHF 581.5, +14.5%

At unprecedented level, driven by Sheet

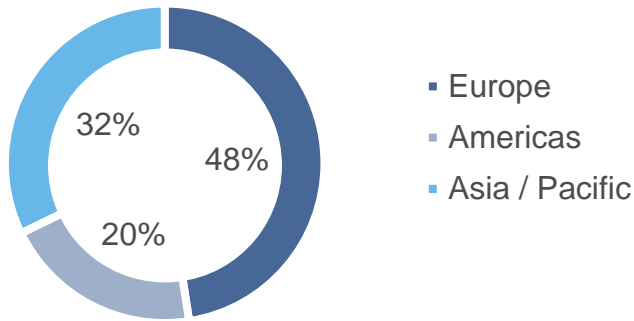
Good progress on strategic initiatives

Tangible results become apparent

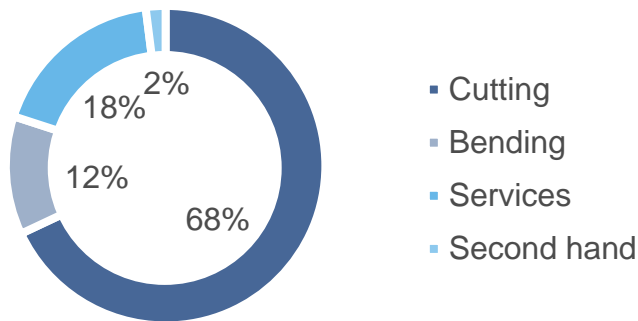
¹⁾ At constant exchange rates and adjusted for changes in the scope of consolidation.

Sheet Metal Processing Business profile Bystronic

Net revenue by region¹⁾

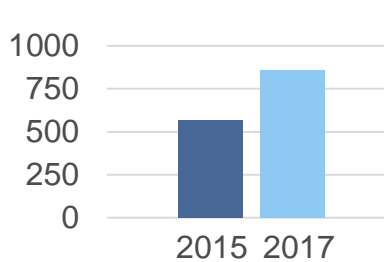


Net revenue by business segment¹⁾



¹⁾ 1 HY18

CHF m, FY



Net revenue trend

CAGR 22.7%

Organic growth across regions;
acquisitive mainly in Asia

Market and position

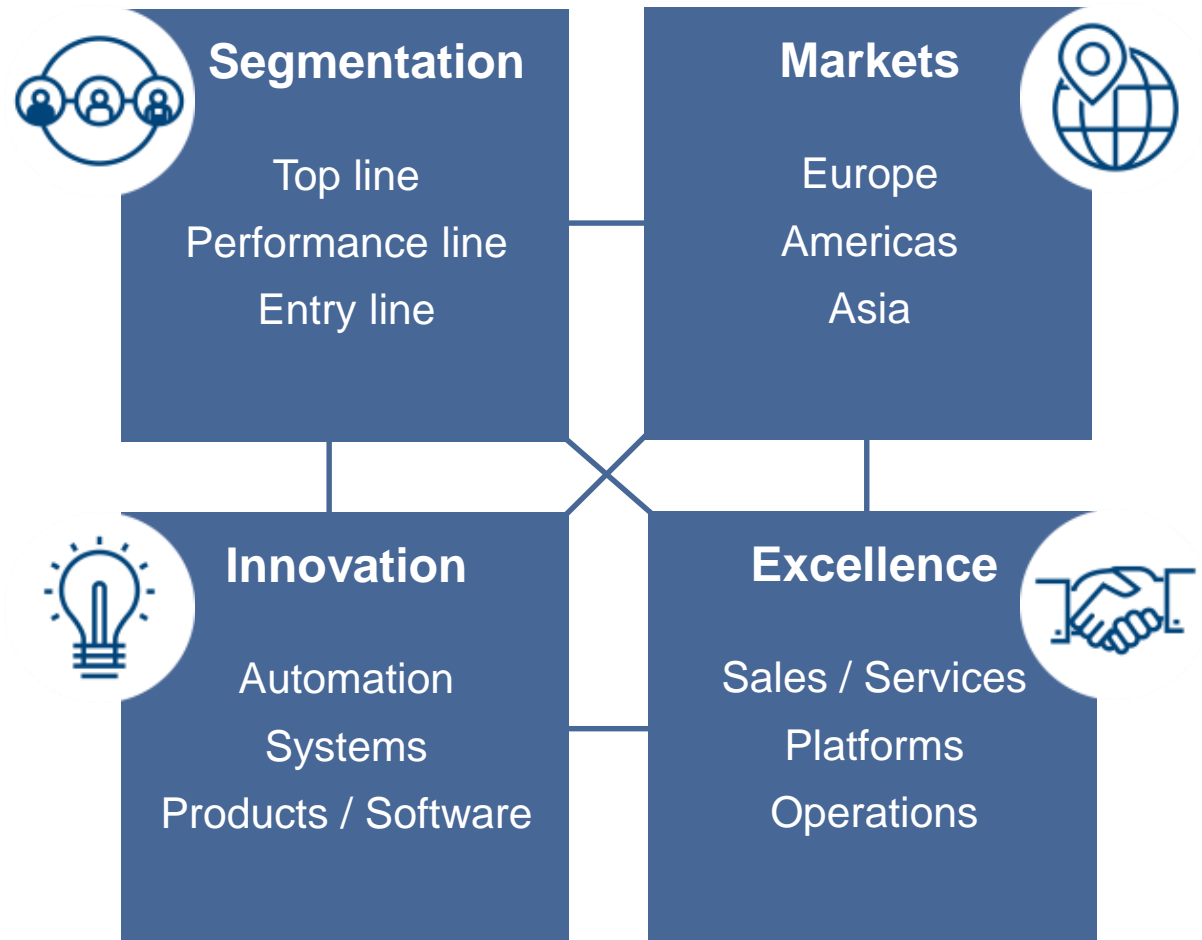
- Technology leadership position, in cutting, bending, automation (Industry 4.0)
- USD ~10 bn global market; Bystronic with #3 position in accessible market
- Customer structure
 - 80% job shops, 20% OEMs
 - Diversified across industry sectors
 - No customer with >1% of Net revenue

Ongoing investments

To realize opportunities from fundamental market trends

Aspiration

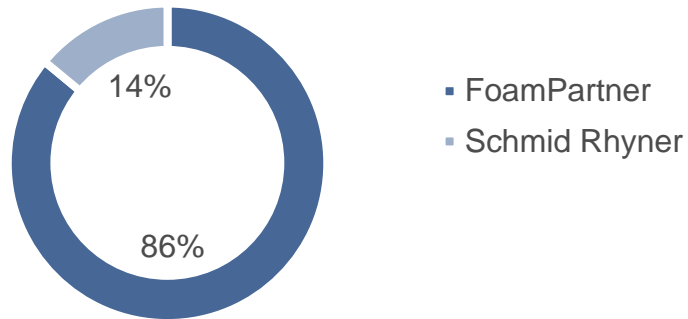
- Deliver targeted client offerings with an holistic life-cycle management
- Drive innovation, also to be the trusted partner for integrated end-to-end solutions
- Exploit market potential globally and ensure client proximity
- Ensure world-class operations and efficiency to lead by example



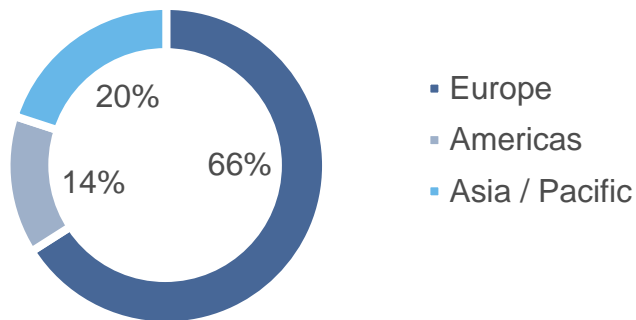
Chemical Specialties

Business profile FoamPartner & Schmid Rhyner

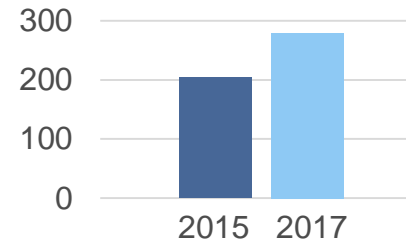
Net revenue by business unit¹⁾



Net revenue by region¹⁾



CHF m, FY



Net revenue trend

CAGR 17.0%
 Growth across regions driven by Otto Bock Kunststoff acquisition

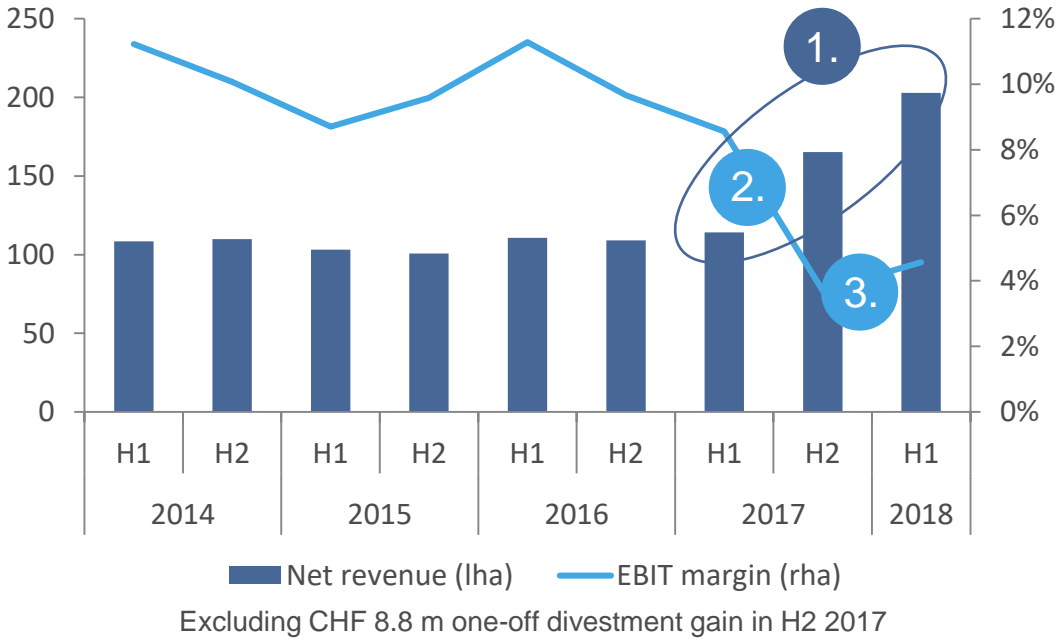
Market and position

- **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**
 - USD ~10bn global market; foam as fragmented market with <25% market share of top 5 players
 - Largely customized solutions

¹⁾ 1 HY18

Chemical Specialties

Performance trend driven by FoamPartner



1.

Acquisition of Otto Bock Kunststoff as part of Conzzeta’s growth strategy for Chemical Specialties; largest ever M&A transaction of Conzzeta, almost doubling business volume of FoamPartner Business Unit

2.

Adverse EBIT margin trend driven by input costs – i.e. FoamPartner raw material costs notably up by ~40% since 2016 amidst elevated competitive pressure in Asia and operational legacy issues in the US

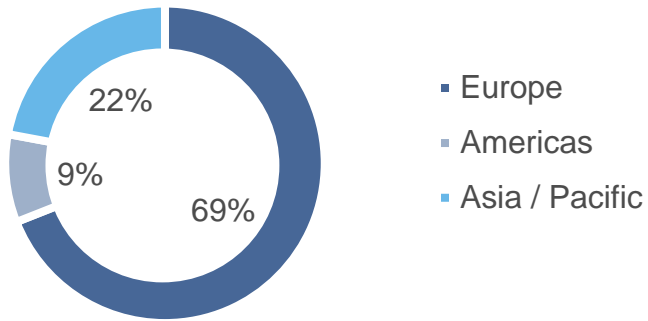
3.

Early recovery, driven by initial mitigating pricing measures in Europe and product mix

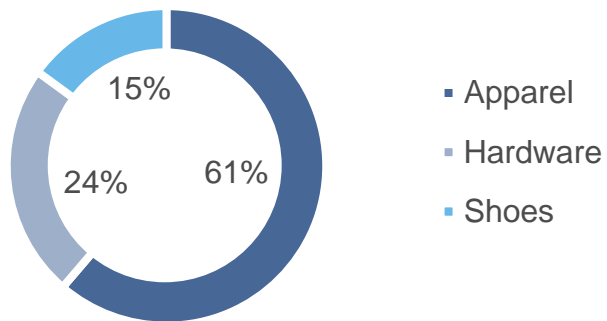
“NEW” FoamPartner: Recover segment profitability by creating a more resilient FoamPartner organization – doubled in size, with enhanced capabilities and more efficient processes

Outdoor Business profile Mammut

Net revenue by region¹⁾

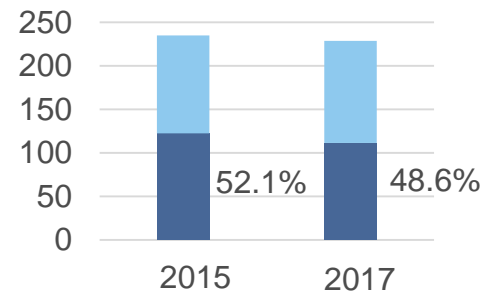


Net revenue by product category¹⁾



¹⁾ 1 HY18

CHF m, FY



Net revenue trend

CAGR -1.4%

Elimination of low margin sales and reduced footprint exposure in DACH region

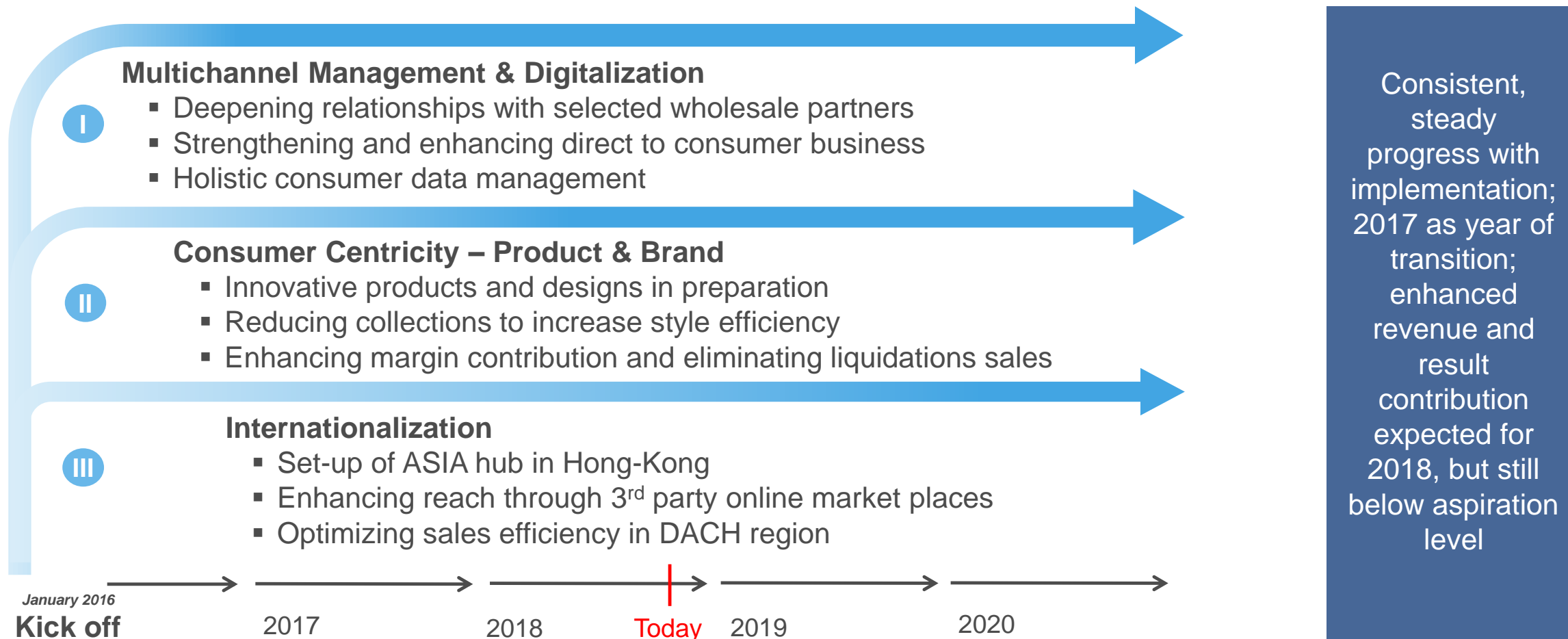
■ DACH region

Market and position

- Fragmented USD ~25 bn outdoor market with only few global brands; Mammut as premium brand with ~#7 market position
- Responding to competitive pressure and change in client behavior with 5 years strategic plan launched in early 2016
- Build-up of retail capabilities and wholesale excellence ongoing

Strategy program overview

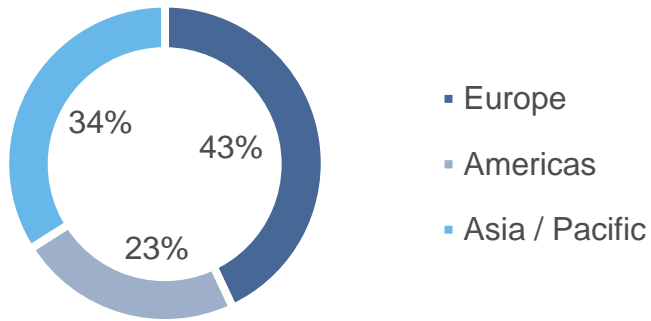
Building retail capabilities & wholesale excellence as response to competitive pressure and change in client behavior



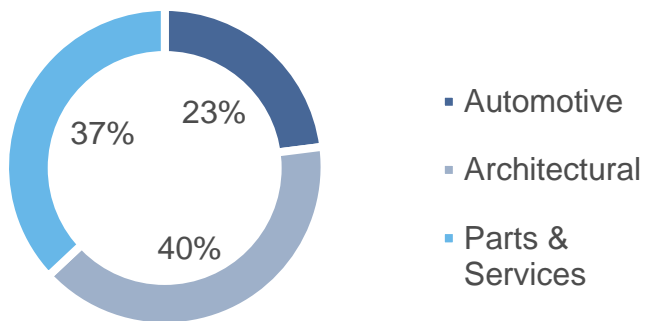
Glass Processing

Business profile Bystronic glass

Net revenue by region¹⁾

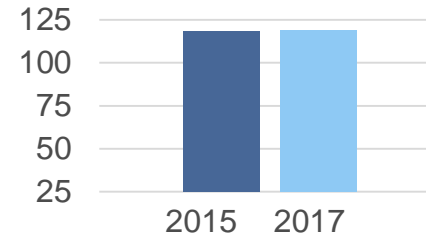


Net revenue by business segment¹⁾



¹⁾ 1 HY18

CHF m, FY



Net revenue trend

CAGR 0.3%
Growth in Asia offset by slow down in Americas

Market and position

- Solutions and services for the processing of architectural and automotive glass
- USD ~8bn global market; Bystronic glass with #2 position in accessible market
- Efforts ongoing to become a more integrated company with improved processes and a strengthened footprint in Asia

Bystronic glass

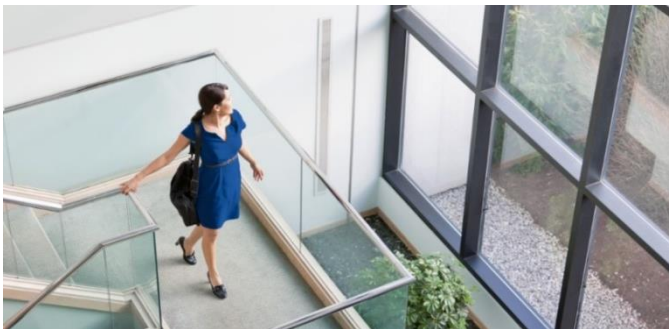
Adjusting organization to better meet client demand

Market drivers and market structure

- Increasing requirements in regard to energy efficiency and noise reduction
- Stable growth trend in architectural markets from continued urbanization above GDP growth
- Opportunities from trend to thin-glass applications in automotive markets
- Narrow market structure with elevated result volatility in automotive

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, e.g. 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