

Hinwil (Switzerland), EMBARGOED UNTIL August 3, 2020, 07:00 a.m. CET

Press Release of the Belimo Group

Belimo: Delivering Strong Performance Thanks to High Product Availability

In the face of an unprecedented crisis, Belimo managed remarkably well in the first half-year of 2020. The Company was able to maintain superior service levels and high product availability throughout the COVID-19-pandemic.

Overall, sales in the first half-year of 2020 declined by 5.6 percent to CHF 335.5 million. In local currencies, the Company saw sales contract by 1.4 percent. Earnings before interest and taxes (EBIT) decreased to CHF 55.4 million (2019: CHF 67.0 million). The EBIT margin amounted to 16.5 percent (18.9 percent), with adverse currency effects among the factors contributing to the margin decrease. The bottom line is a net income of CHF 41.2 million (CHF 53.3 million) and earnings per share of CHF 67.11 (CHF 86.60) were achieved. Belimo generated a free cash flow of CHF 38.8 million (CHF 26.0 million). Net liquidity was CHF 103.1 million at the end of June 2020, and the equity ratio was 79.7 percent. Tactical measures have been implemented to mitigate the short-term financial impact.

Europe. Belimo registered strong sales in northern European countries in the first quarter, especially in Russia, Poland, and the United Kingdom as well as in Germany. Several factors contributed to this momentum, notably market share gains, as Belimo was able to maintain a stable supply chain throughout the crisis. In the second quarter, however, sales started to decline, primarily in Germany, Italy, France, the United Kingdom, and Spain. After the lockdown measures were eased, demand started recovering throughout Europe in June.

Americas. Belimo registered a good first quarter for the US and Canada that outperformed the above-average first quarter of the previous year. Substantial volume in the OEM business from data centers contributed noticeably and continued to do so throughout the pandemic, partly compensating for COVID-19 related losses. Non-residential construction suffered from COVID-19 measures in regard to service and maintenance interventions in existing buildings that were kept to a minimum. It is only in June that construction sites have started to open amid an easing of government measures across most of the region. As a result, sales volumes showed an uptick towards the end of the first half of the year.

Asia Pacific. HVAC construction output in the Asia Pacific market region started well in 2020 until the full lockdown over a prolonged Chinese New Year brought the Chinese market to a standstill. In February and March, the Chinese market rapidly focused on essential services such as hospitals, government infrastructure, and transportation projects as well as investments in data centers. Other governments were quick to follow the Chinese example with stimulus packages provided for public infrastructure. In April and May, major Chinese cities and second-tier cities went back to business as usual with the opening of construction sites. Belimo sales in China grew positively from April through June because of demand from healthcare, railway/metro stations, and data centers. In India and Malaysia, the lockdowns persisted.

Net Sales by Market Regions

in CHF 1,000	1st half 2020	%	Growth in local currencies in %	1st half 2019	%
Europe	166,026	49	2.3	170,251	48
Americas	130,353	39	-5.1	142,153	40
Asia Pacific	39,116	12	-3.5	42,826	12
Group	335,495	100	-1.4	355,229	100

Net Sales by Applications

in CHF 1,000	1st half 2020	%	Growth in local currencies in %	1st half 2019	%
Air	187,184	56	-0.8	197,118	55
Water	148,311	44	-2.1	158,111	45
Total	335,495	100	-1.4	355,229	100

Outlook. Once measures related to the pandemic start to be eased, Belimo expects the business environment to normalize in the second half of 2020 and market conditions to generally improve. In Europe, Belimo is optimistic that sales will pick up during the summer months as the order backlog remains solid. In the Americas market region, Belimo anticipates pent-up demand for delayed projects to drive volume in the second half of the year. For the Asia Pacific market region, Belimo sees a robust project pipeline and expects further market share gains based on strategic growth initiatives. Overall, revenues in the second half of 2020 are expected to be on par with the previous year, provided that measures to combat the pandemic are further relaxed. Exchange rate fluctuations are likely to weigh on profitability. Despite the economic contraction, Belimo continues to allocate significant resources to its long-term strategic initiatives and related R&D activities.

Key Figures of the Belimo Group

in CHF 1,000 (unless indicated otherwise)	1st half 2020	1st half 2019 restated ¹⁾	Change in %
Net sales	335,495	355,229	-5.6
Operating income (EBIT) in percent of net sales	55,417 16.5%	66,966 18.9%	-17.2
Net income in percent of net sales	41,203 12.3%	53,255 15.0%	-22.6
Cash flow from operating activities in percent of net sales	50,780 15.1%	52,979 14.9%	-4.1
Free cash flow in percent of net sales	38,806 11.6%	25,974 7.3%	49.4
Earnings per share, in CHF	67.11	86.60	-22.5
Cash effective investments in property, plant and equipment and intangible assets	12,082	17,388	-30.5
Number of employees (FTEs, six-month average)	1,816	1,663	9.2

¹⁾ Restatement of non-current employee benefits

The Belimo Group is a leading global manufacturer of innovative electrical actuator, valve, and sensor solutions for heating, ventilation, and air conditioning systems. The Company reported sales of CHF 693 million in 2019 and has approximately 1,900 employees. Information about the Company and its products is available on the internet at www.belimo.com. The shares of BELIMO Holding AG have been traded on the SIX Swiss Exchange since 1995 (BEAN).

Link to the Semiannual Report 2020: www.belimo.com/financial-reports

Link to the definitions of Alternative Performance Measures: www.belimo.com/financial-summary

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Agenda	Publication of Sales 2020 Publication of Annual Report 2020 / Media and Financial Analysts Conference Annual General Meeting 2021	January 21, 2021 March 8, 2021 March 29, 2021