

Release of an ad hoc announcement pursuant to Art. 53 KR
 Hinwil (Switzerland), EMBARGOED UNTIL March 7, 2022, 07:00 a.m. CET

Press Release of the Belimo Group

Belimo Thrives in a Strong Market

Belimo has achieved double-digit top-line growth and expanded margins in a recovering market, despite a challenging supply chain situation.

The year 2021 has been exceptional for Belimo. Supported by a strong market recovery and with customer confidence back across all regions, the Group was able to maintain the growth momentum of the first half-year. Belimo was well-positioned to benefit from pent-up demand and governmental stimulus on strengthened fundamental drivers such as measures for improved energy efficiency and enhanced indoor air quality in buildings. Despite the global supply-chain shortages, Belimo could once more prove its operational excellence by achieving a strong on-time delivery performance under difficult circumstances. Sophisticated inventory management and the flexibility of our employees and suppliers were vital factors that helped convert the additional demand into sales. In local currencies, net sales growth of 16.6 percent was posted compared with the previous year. In Swiss francs, net sales rose by 15.7 percent, to CHF 765.3 million.

All in all, Belimo logged an operating income (EBIT) of CHF 145.4 million, which equals an EBIT margin of 19.0 percent. Net income increased by 33.3 percent to CHF 115.5 million. Free cash flow declined by CHF 47.7 million to CHF 45.5 million due to a tactical investment of CHF 60.0 million in term deposits to limit the effect of negative interest rates. Research and development spending was 7.3 percent of net sales (previous year 8.1 percent), which equates to CHF 56.0 million.

In 2021, Belimo has continued to improve its ESG footprint. In line with the mission to “Create Healthier Indoor Comfort with Less Energy” sustainability goals have been introduced. The Group is striving to double the absolute CO₂ savings from its sold field devices from a current 8.2 million tons of CO₂e to 16.4 million tons of CO₂e in 2030.

The Board of Directors is proposing a dividend of CHF 8.50 per share at the 2022 Annual General Meeting (previous year CHF 7.50, adjusted for the share split conducted in 2021).

Net Sales by Market Regions

in CHF 1,000	2021	%	Growth in local currencies in %	2020	%
Europe	375,556	49	15.9	322,285	49
Americas	291,387	38	18.1	253,875	38
Asia Pacific	98,400	13	14.4	85,067	13
Group ¹⁾	765,343	100	16.6	661,226	100

¹⁾ Due to rounding, amounts presented may not add up precisely to the totals provided.

Europe. In the market region Europe, the Group achieved net sales of CHF 375.6 million, corresponding to a growth in local currencies of 15.9 percent (16.5 percent in Swiss francs). According to the data provider Euroconstruct, the European non-residential market output reversed the losses of 2020 in their entirety.

Belimo increased its market share and enjoyed above-market growth in all countries during the reporting period. The main reasons for this favorable outcome were reliable on-time performance, an expanded sales organization, and an attractive product offering. The trend of conventional heating system retrofits towards heat pumps or pellet burner systems could be observed all over Europe, most prominently in the DACH region. As a result, the Original Equipment Manufacturer (OEM) business grew steadily, and water applications registered strong performance. Contracting business kept up due to the numerous projects that had been postponed during the previous year. Belimo also increased its leading positions with damper actuators for air applications.

In Germany, sales grew by 12.4 percent in local currency due to a strong comparison period and a pronounced

lack of industry capacity. Labor shortages meant that several contractors announced increasing difficulties with taking on new projects. In Belgium, Belimo expanded its sales network in June 2021 by founding the distribution company BELIMO Belgium BV. In Italy and France, pent-up demand contributed greatly to the double-digit growth figures in 2021 after lockdowns had strongly impacted these markets in 2020.

Americas. In the Americas market region, the Group registered net sales of CHF 291.4 million, which corresponds to a growth of 18.1 percent in local currencies (14.8 percent in Swiss francs). The economies in the Americas – and likewise the heating, ventilation, and air conditioning systems (HVAC) and building automation markets – recovered earlier than anticipated from the pandemic, resulting in solid gains throughout the region.

Belimo sales in all countries have developed strongly, clearly outperforming the market as a whole. The retrofit market, which had been impacted by the pandemic in 2020, was a significant source of growth. Retrofit projects rebounded in early 2021 due to the lifting of access restrictions for maintenance personnel and continued to remain strong throughout the year. Superior lead times were another factor that added to share gains in all segments. In the US, Belimo experienced strong sales growth due to high demand from the data center market. In Canada, growth has been primarily driven by the contracting business in hospital and school projects. Air applications grew faster than those of water and were bolstered by demand from OEM damper manufacturers supporting the data center market.

Asia Pacific. In the Asia Pacific market region, the Group registered net sales of CHF 98.4 million. The measures implemented to mitigate the COVID-19-related negative health and economic impact differed greatly among the affected countries. While some nations enjoyed extensive stimulus packages, many in Southeast Asia did not, thus hampering local growth. This averaged out to a net sales growth of 14.4 percent in local currencies (15.7 percent in Swiss francs).

Belimo achieved high growth in its key markets China and India. Belimo China managed to return to the growth levels last seen in 2019, helped by strict COVID-19 policies and favorable market conditions. Growth rates in the second half of the year turned out to be considerably lower than in the first, due to a more robust comparison period. Transportation and data center markets did however continue to experience significant growth. Room pressurization solutions were particularly successful and aided the acquisition of major projects in the hospital and pharma vertical. Commercial market development was slower as private companies remained cautious. After a severe mid-year second COVID-19 wave, Belimo India sales bounced back during the second half of 2021, resulting in significantly above-average market growth. Market development in Southeast Asia and Australia generally failed to meet expectations due to prolonged strict lockdowns, thus putting many large-scale projects temporarily on hold. The market focused instead on minor retrofits, refurbishment, and replacement projects. While air applications saw robust growth in most market regions, water applications registered a considerably higher growth rate, especially in India and China.

Net Sales by Applications

in CHF 1,000	2021	%	Growth in local currencies in %	2020	%
Air	423,381	55	15.5	368,415	56
Water	341,961	45	17.9	292,812	44
Total ¹⁾	765,343	100	16.6	661,226	100

¹⁾ Due to rounding, amounts presented may not add up precisely to the totals provided.

Outlook 2022. After a robust expansion of the global economy in 2021, 2022 will likely bring another year of above-potential recovery growth. Additionally, supply chain shortages have led to input cost increases that will be recovered by price adjustments, translating into an extraordinary inflationary growth component. In addition, growth for the HVAC industry is expected to be above average due to the fundamental trends of urbanization, indoor air quality requirements, and energy efficiency investments in existing buildings. Lastly, market share gains, market development, and new product applications support the Group's organic long-term growth path.

The war in Ukraine has increased risks, while the imminent impact is limited to the Group's sales in the Ukraine and Russia. However, the implications of the recent geopolitical developments on the global economy and the HVAC market cannot be assessed at present. Global supply chain shortages may become even more critical than last year and might impact the business negatively. Furthermore, skilled labor shortages with respect to consulting engineers and contractors and further potential setbacks caused by the pandemic are casting a shadow on the positive outlook. On balance, planning at Belimo is based on a sales revenue growth rate in local currencies around its five-year average. Belimo continues to pursue its long-term growth strategy, allocating significant resources for research, development, operational excellence, and sales network expansion. This results in higher expenditures, following an overleveraged 2021. Additional investments in production, logistics, and global customization capacities are projected to impact cash flow in 2022 and subsequent years.

Key Figures of the Belimo Group for the 2021 Financial Year

in CHF 1,000 (unless indicated otherwise)	2021	2020	Change
Net sales	765,343	661,226	+15.7%
Earnings before interest, taxes, depreciation, and amortization (EBITDA) in percent of net sales	178,395 23.3%	139,337 21.1%	+28.0%
Earnings before interest, taxes (EBIT) in percent of net sales	145,363 19.0%	108,065 16.3%	+34.5%
Net income in percent of net sales	115,504 15.1%	86,641 13.1%	+33.3%
Cash-effective investments in property, plant and equipment and intangible assets	46,725	28,964	+61.3%
Cash flow from operating activities in percent of net sales	153,049 20.0%	125,668 19.0%	+21.8%
Free cash flow ¹⁾ in percent of net sales	45,544 6.0%	93,274 14.1%	-51.2%
Return on equity (ROE)	23.1%	17.4%	
Return on invested capital (ROIC)	26.0%	24.7%	
Earnings per share, in CHF	9.41	7.05 ²⁾	+33.5%
Dividend per share, in CHF	8.50 ³⁾	7.50 ²⁾	+13.3%
Number of employees (FTEs) as at December 31	1,921	1,826	+5.2%
Actuators shipped, in million items	7.8	6.9	+12.5%
Total CO ₂ savings of Belimo devices, in million tons of CO ₂ e	8.2	7.3	+12.5%

¹⁾ Free cash flow declined due to a tactical investment of CHF 60.0 million in term deposits to limit the effect of negative interest rates.

²⁾ A twenty-for-one share split was conducted in 2021. Earnings and dividend per share for the prior period have been adjusted for reasons of comparability.

³⁾ Proposal to the Annual General Meeting on March 28, 2022.

The Belimo Group is the global market leader in the development, production, and sales of field devices for the energy-efficient control of heating, ventilation and air-conditioning systems. The focus of our core business is on damper actuators, control valves, sensors, and meters. The Company reported sales of CHF 765 million in 2021 and occupies approximately 2,000 employees. Information about the Company and its products is available at www.belimo.com. The shares of BELIMO Holding AG have been traded on the SIX Swiss Exchange since 1995 (BEAN).

Link to the Annual Report 2021, including the integrated Sustainability Report:

<http://www.belimo.com/financial-reports>

Link to the definitions of Alternative Performance Measures:

<http://www.belimo.com/financial-summary>

The Media and Financial Analysts Conference on the 2021 Financial Statements will be held at the Widder Hotel in Zurich and online today, starting at 10:00 a.m. CET.

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Agenda	Publication of Annual Report 2021 / Media and Financial Analysts Conference Annual General Meeting 2022 Dividend Payment Publication of Semiannual Report 2022 Capital Markets Day 2022	March 7, 2022 March 28, 2022 April 1, 2022 July 26, 2022 September 7, 2022