

2015 Results Presentation

22 March 2016



conzzeta

Disclaimer

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Agenda

- **Conzzeta transformation**

Ernst Bärtschi
Chairman of the Board of Directors

- **2015 annual results**

Kaspar W. Kelterborn
Group CFO

- **CEO priorities & outlook**

Michael Willome
Group CEO

- **Q&A**

- **Buffet lunch**

Conzzeta in transition

Business Portfolio

- 2014 Divestment ixmation
- 2014 Acquisition Benien
- 2015 Spin-off PLAZZA

Transparency

- 2014 Early adoption of Swiss GAAP FER 31; Enhanced segment reporting

Corporate Governance

- 2014 Merger with Tegula AG; revised shareholder structure
- 2014 Revised composition of Board of Directors
- 2015 Change of CEO

-
- Core shareholders with 51% of voting rights and 29% of capital
 - Long-term perspective
 - Focus on growth and value creation

Conzzeta with formalized group strategy

1. **Conzzeta is developing** a business portfolio in markets with potential for above average growth and sustainable value creation by securing leading positions in its target markets.
2. **Innovative solutions** for our clients, regional expansion and operational excellence combine to provide long-term returns in the top quartile of the respective peer groups, Conzzeta supports its individual business units in creating their unique value proposition and helps management realize ambitious targets.
3. **Conzzeta aims to ensure** its business units are “best choice” for customers. All business units contribute to meeting the Group targets, balancing the Group portfolio in terms both of diversified business cycles and geographical footprint.
4. **The Group seeks** value creation above cost of capital with a solid balance sheet and professional risk management. It envisages a pay-out ratio of between one third and half of the annual profit, in consideration of the economic situation and Conzzeta’s outlook.

Solid results within a challenging environment

Net revenue: CHF 1141 million; +1.7%¹⁾

- Overall volume growth despite currency turmoil
- Growth in the Americas region: +17.5%

Operating result (EBIT): CHF 81 million; -11.7%²⁾; EBIT Margin 7.1%

- Bystronic with strong result; turn around at Bystronic glass
- Consumer businesses with significant challenges

Group result: CHF 59 million; net revenue margin 5.2%

- Earnings per share: CHF 28.65 (PY: CHF 31.00³⁾)

Dividend proposal to the 2016 AGM: CHF 10 (A share) / CHF 2 (B share)

¹⁾ Comparable, i.e. at constant foreign exchange rates and considering change in scope. ²⁾ Comparable, excluding release of provisions of CHF 10.5 m in 2014. ³⁾ Adjusted for 1:4 share split in 2015.

- **Conzzeta transformation**

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Kaspar W. Kelterborn
Group CFO

- **Business performance review**

- **Financial results**

2015 key figures

(in CHF m)	2015	2014	Δ %	
Net revenue	1140.8	1195.7	-4.6	+1.7% ¹⁾
Operating result (EBIT)	80.8	104.3 ²⁾	-22.5	-11.7% ³⁾
EBIT margin	7.1%	8.7%		
Group result	59.3	61.4	-3.4	
Net operating assets	413.3	517.4	-20.2	RONOA: 13.4%
Balance sheet	1221.7	1451.1	-15.8	Spin-off Piazza Currency impact
Equity ratio (%)	78.6	78.1	+0.5ppt	
Free cash flow	-60.1	73.4	-	Reclassification cash deposits in HY1 2015

¹⁾ Comparable, i.e. at constant foreign exchange rates and considering change in scope. ²⁾ Including CHF 10.5 m reversal of provisions.

³⁾ Comparable, excluding release of provisions of CHF 10.5 m in 2014.

Sheet metal processing

Strong result in 2015

- Comparable net sales +3.8%
- Strong EBIT margin further up to 9.6%

Business trends

- Strong net sales in the US
- Volume growth in Europe more than offset by adverse currency trends
- Slow-down in Asia, particularly in 2HY15

Successful product portfolio

- Fibre laser >70% of laser sales
- >50% of net sales with products introduced within last three years
- New Global Performance Line to complement top range products:
 - BySmart Fiber laser
 - Xact Smart press brake

CHF m	2015	2014	Δ%
Net revenue	570.9	580.7	-1.7
Operating result (EBIT)	55.4	54.3	2.1
EBIT margin	9.6%	9.3%	-
Net operating assets	162.1	166.5	-2.6





MAMMUT

Sporting goods

Difficult environment throughout 2015

- Comparable net sales -1.7%
- Operating result incl. CHF 2.4 m restructuring costs
- Combination of adverse factors
 - Currencies, weather, markets

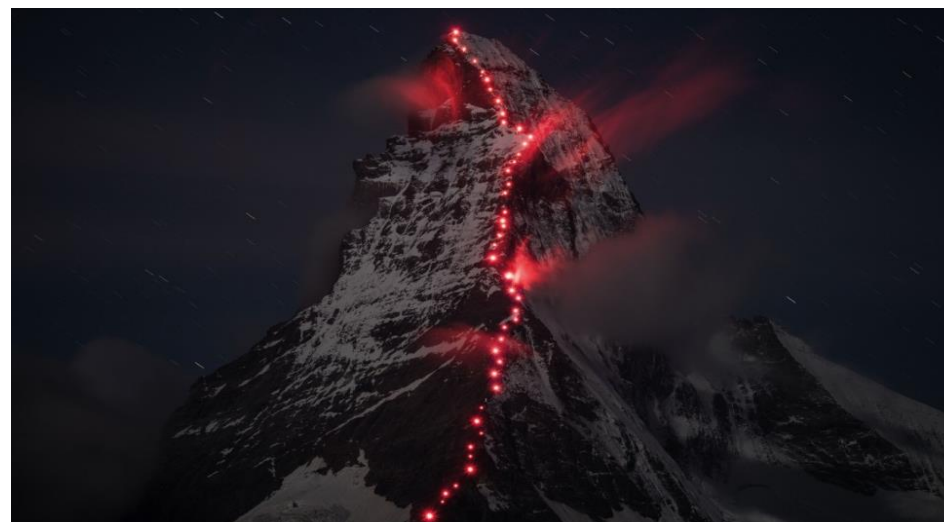
Business trends

- Net sales decline in Euro zone and Switzerland, partially offset by solid growth in the US and Asia
- Continued volume expansion in apparel
- 75 mono-brand stores, mainly in Europe and Asia

Initiatives

- Outsourcing of rope production (mid 2016)
- Reorganization of sales organization
- Revised strategic plan

CHF m	2015	2014	Δ
Net revenue	235.3	249.9	-5.8%
Operating result (EBIT)	0.1	20.8	-
EBIT margin	0.0%	8.3%	-
Net operating assets	113.6	131.9	-13.9%



Challenging markets in Europe

- Comparable net sales -6.3%
- Operating result incl. CHF 1.7 m restructuring costs

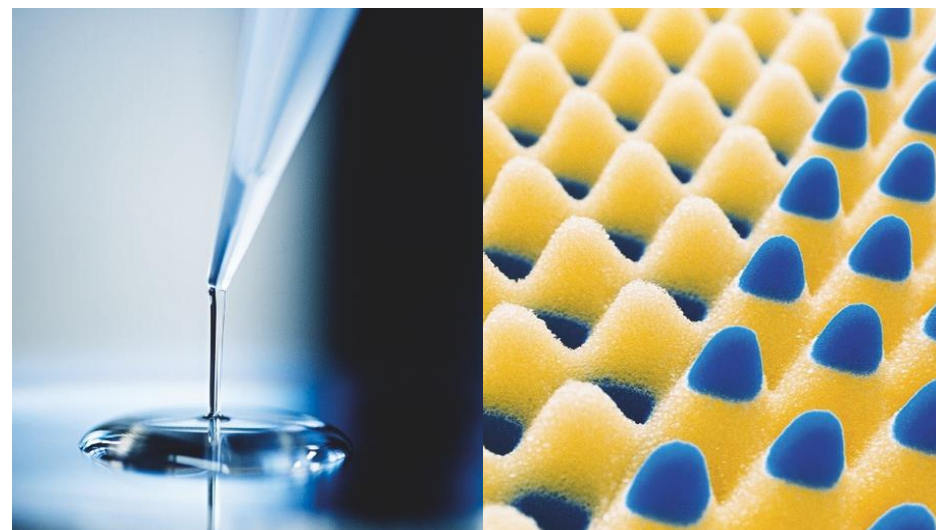
FoamPartner

- Adverse foreign currency trends and competitive pressure in Europe
- Alignment of production capacity
- Growth in the US and Asia
- Solid demand in noise reduction

Schmid Rhyner

- Restrained markets in Europe, incl. continued decline in commercial printing
- Repositioning towards packaging industry ongoing
- Increased demand for specialties, incl. “soft touch” and low migration products

CHF m	2015	2014	Δ%
Net revenue	204.5	219.2	-6.7
Operating result (EBIT)	18.5	23.8	-22.2
EBIT margin	9.1%	10.8%	
Net operating assets	110.9	116.4	-4.7



Glass processing

Positive developments in 2015

- Comparable net sales +13.9%
- Capacity adjustments and restructuring with positive results

Business trends

- Automotive glass with strong 1HY from large client orders in the US
- Architectural glass with strong sales performance in 2HY in Europe
- Strong service business with broad installed basis

Initiatives

- Continued restructuring & strategic review due to historic earnings volatility
- Innovation effort to complement top range products with mid range solutions

CHF m	2015	2014	Δ%
Net revenue	119.9	109.5	9.4
Operating result (EBIT)	6.4	-5.1	224.9
EBIT margin	5.6%	-4.4%	-
Net operating assets	23.1	30.5	-24.3



- **2015 annual results**

Kaspar W. Kelterborn
Group CFO

- **Business performance review**

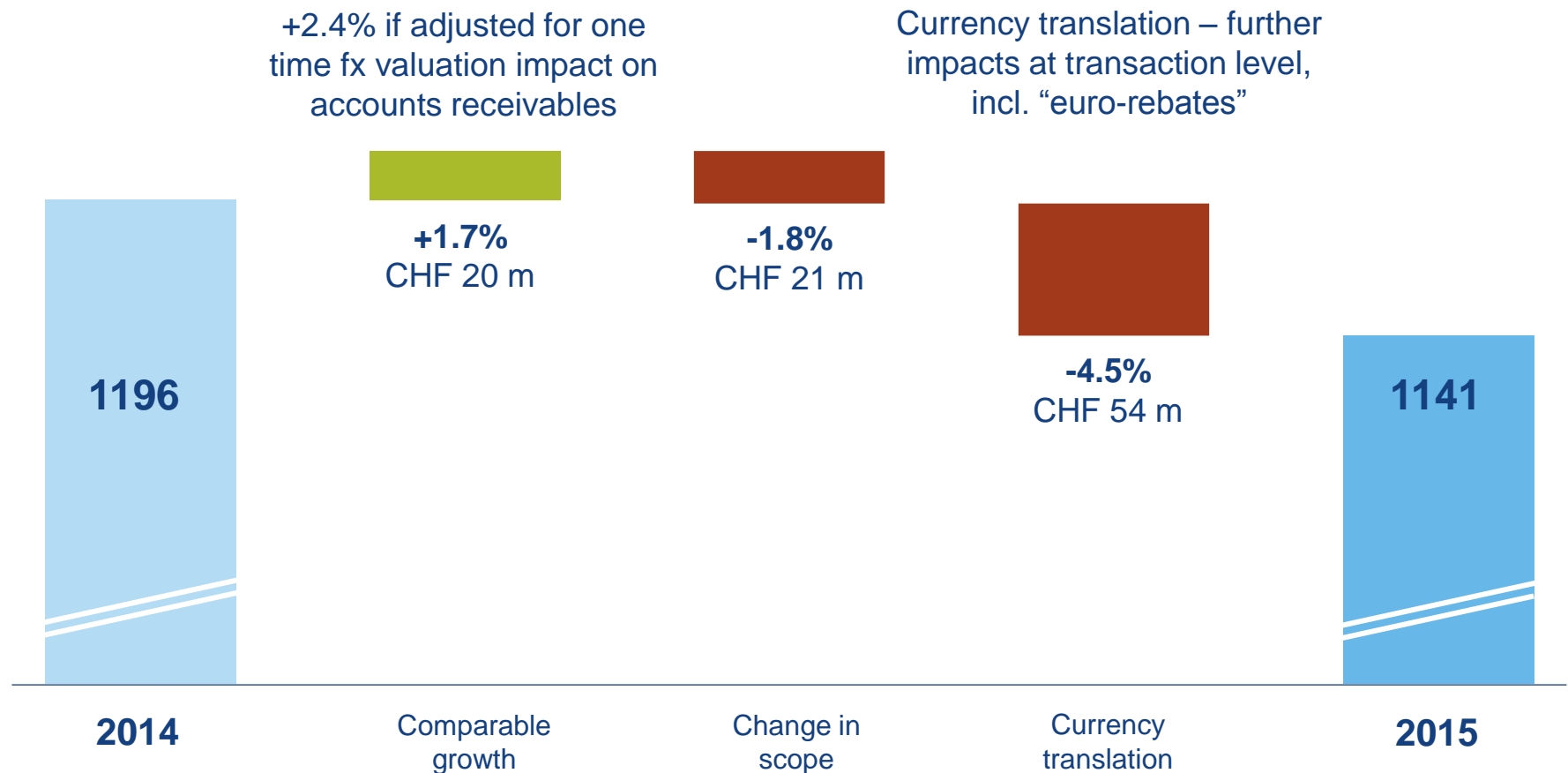
- **Financial results**

Consolidated income statement

(in CHF m)	2015		2014		Δ %
Net revenue	1140.8		1195.7		-4.6
Δ Inventory and own work capitalized	-2.3		8.7		
Total revenue	1138.5	100%	1204.4	100%	-5.5
Cost of materials	- 540.6		- 568.4		
Personnel expenses	- 283.6		- 298.1		
Other operating expenses	- 205.0		- 202.7		
Depreciation	- 28.5		- 30.9		
Operating result (EBIT)	80.8	7.1%	104.3	8.7%	-22.5
Financial result	- 2.7	-0.2%	4.9	0.4%	
Extraordinary result	- 0.6	-0.1%	-23.7	-2.0%	
Taxes	- 18.2	-1.6%	- 24.1	-2.0%	
Group result	59.3	5.2%	61.4	5.1%	-3.4

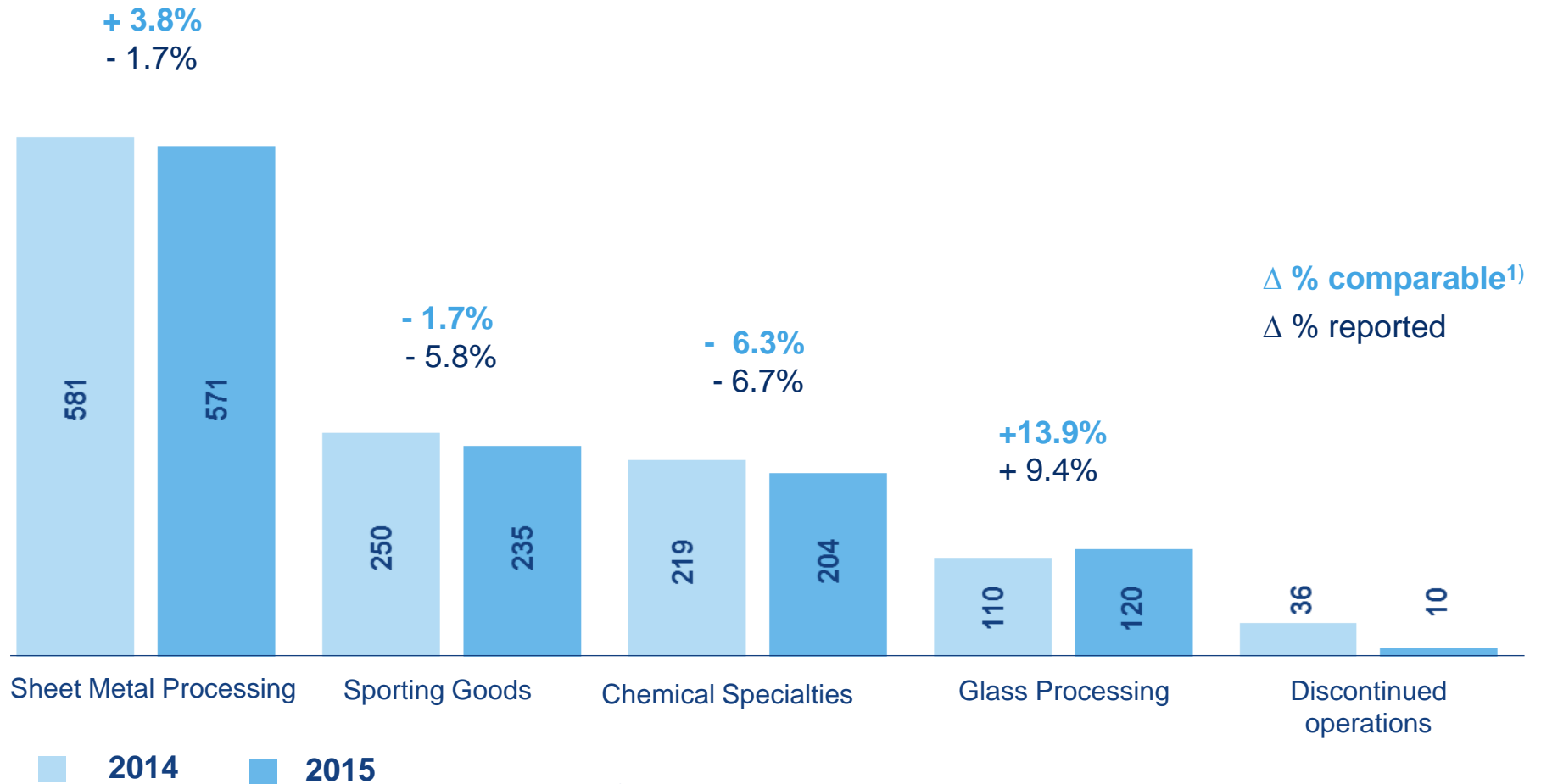
Net revenue driven by currency impact – comparable growth of 1.7%

(in CHF m)



Solid revenue in sheet and glass – restrained in other businesses

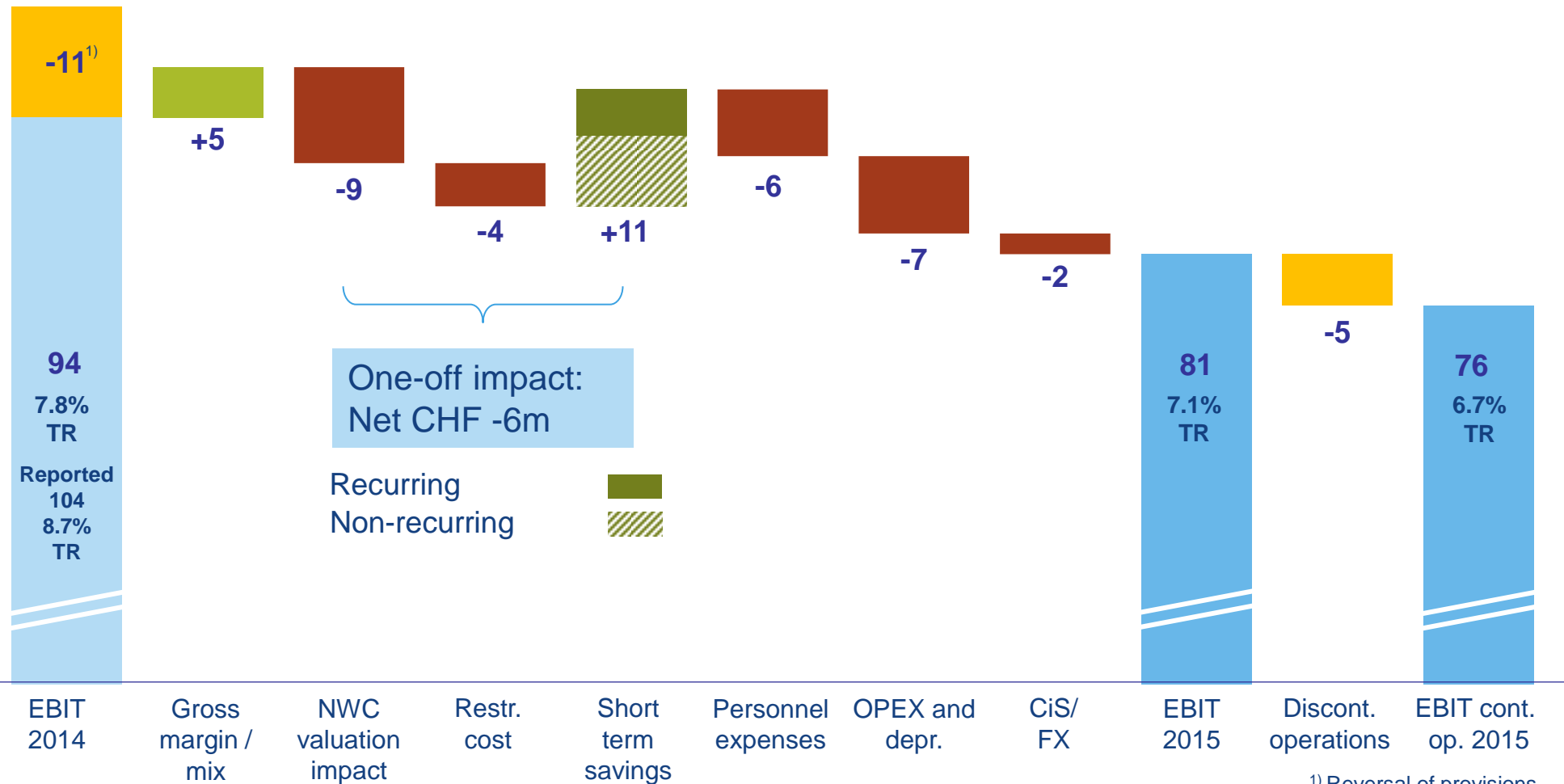
(in CHF m)



¹⁾ At constant foreign exchange rates and considering change in scope.

EBIT reflects margin pressure, one-time effects and costs for business growth

(in CHF m)



¹⁾ Reversal of provisions.

Seasonal pattern less pronounced in 2015

(in CHF m)	2014	1HY 2015	2HY 2015	2015
Net revenue	1 195.7	543.7	597.1	1 140.8
Total revenue	1 204.4	553.6	584.9	1 138.5
Operating result (EBIT)	104.3 ¹⁾	36.5	44.3	80.8
in % of total revenue	8.7% ¹⁾	6.6%	7.6%	7.1%

- 1HY with currency turmoil and mitigating measures; 2HY with increased macro-economic uncertainties in Asia, subdued winter business and non-recurring restructuring costs
- 2HY 2015 net revenue +9.8% vs. 1HY 2015 and -6.9% vs 2HY 2014
- 2HY 2015 EBIT margin at 7.6 % vs. adjusted 10.4% in 2HY 2014

¹⁾ Including CHF 10.5 m reversal of provisions.

Group result

(in CHF m)	2015		2014		Δ %
Operating result (EBIT)	80.8	7.1%	104.3	8.7%	- 22.5
Financial result	- 2.7	- 0.2%	4.9	0.4%	
Extraordinary result	- 0.6	- 0.1%	- 23.7	- 2.0%	
Taxes	- 18.2	- 1.6%	- 24.1	- 2.0%	
Group result	59.3	5.2%	61.4	5.1%	- 3.4
Earnings per registered share A	28.65		31.00		- 7.6

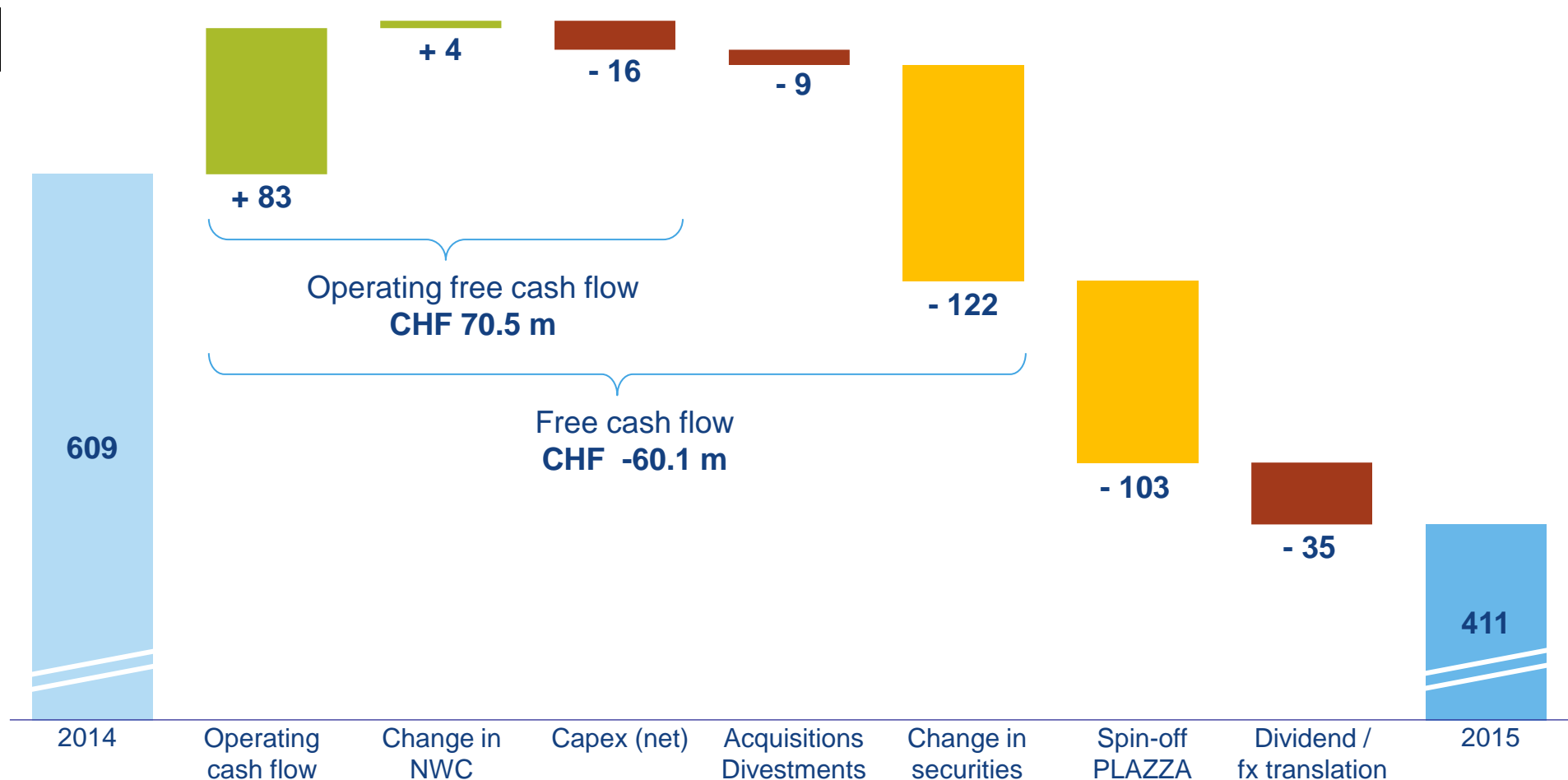
- Financial result CHF 7.4 m lower vs 2014, driven by lower returns and currency losses
- Extraordinary result better in 2015, driven by loss from disposal of ixmation in 2014 (CHF 26.3 m), partly offset by costs in connection with the PLAZZA spin-off
- Effective tax rate 23.2% for 2015; expected tax rate for 2016 in the mid 20ies
- Comparison of EPS impacted by capital transactions in 2014 and 2015

Cash flow statement

(in CHF m)	2015	2014	Δ abs.
Cash flow from operating activities before change in net working capital	82.7	91.7	- 9.0
Change in net working capital	4.1	12.3	- 8.2
Cash flow from operating activities	86.8	104.0	- 17.2
Net investments in property, plant and equipment and intangible assets	- 19.5	- 22.5	3.0
Net investments in financial assets without securities	3.2	3.3	-0.1
Operating free cash flow	70.5	84.8	- 14.3
Change in securities	- 122.0	47.9	- 169.9
Change in operating activities	- 8.6	- 59.3	58.8
Free cash flow	- 60.1	73.4	- 133.6

Cash position driven by PLAZZA spin-off and reclassification of cash deposits

(in CHF m)

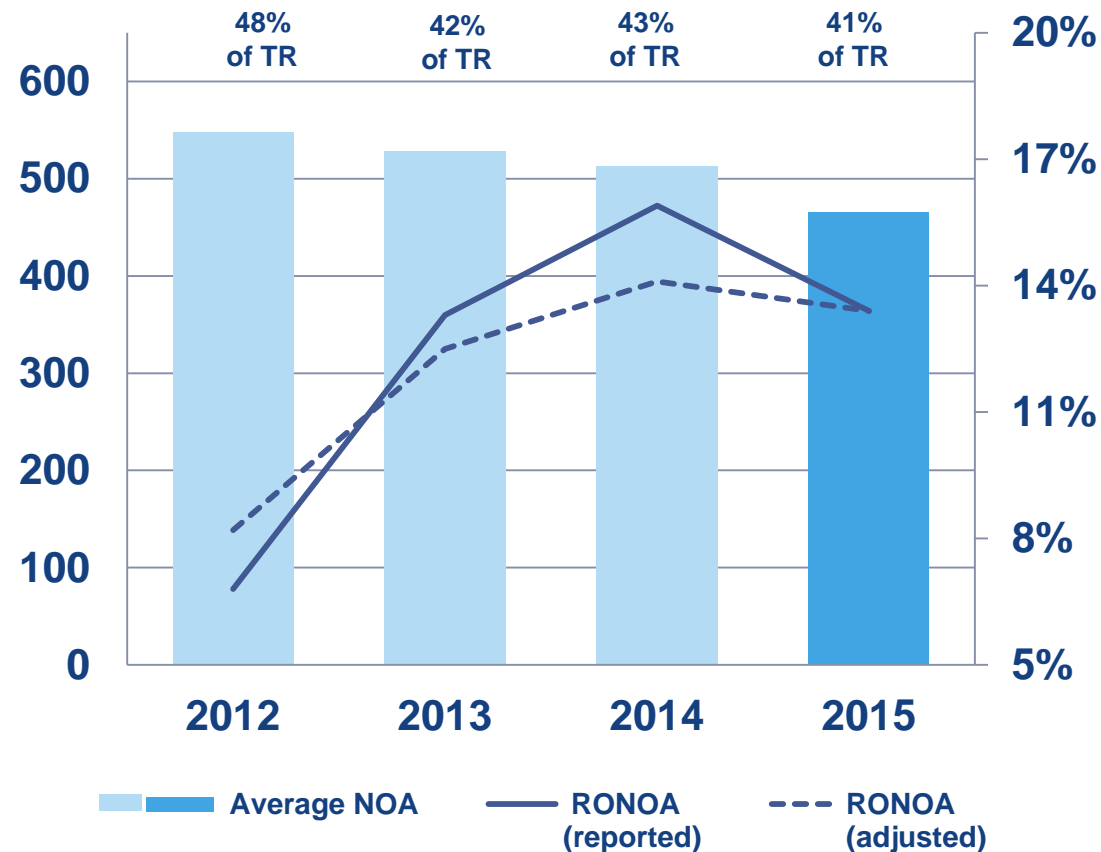


Balance sheet

(in CHF m)	2015	2014
Cash, cash equivalents and securities	540.8	617.1
Receivables	176.2	196.9
Prepaid expenses and accrued income	6.3	4.4
Inventories	227.6	256.2
Property, plant and equipment	202.5	314.2
Financial assets	59.3	53.5
Intangible assets	9.0	8.7
Short-term liabilities	213.7	252.9
Long-term liabilities	48.1	65.4
Shareholders' equity	959.9	1 132.8
Total assets	1 221.7	1 451.1

RONOA of 13.4% above cost of capital

(in CHF m)



Continued efforts to improve capital efficiency

- Average NOA reduced to 41% of Total Revenue (TR)
- Spin-off Piazza
- Net Working Capital (NWC) down to 19.9% of Total Revenue
- Capital expenditures (CAPEX) down to 1.8% of Total Revenue

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Conzzeta business portfolio

Sheet metal processing (Bystronic)

- Innovative product offering, ranging from stand-alone machines up to automated solutions; growth potential from new mid-range products ex China and Germany
- Global opportunities from digitalization of production processes (Industry 4.0) across sectors

Sporting goods (Mammut Sports Group)

- Strong brand with good position in DACH¹⁾ markets; track record of double digit growth in North America and Asia
- New strategic initiatives ahead

Chemical Specialties (Foam Partner and Schmid Rhyner)

- Global leadership position in technical foams; good demand for customized solutions, currently masked by headwind in comfort foam
- Repositioning of Schmid Rhyner from commercial printing towards packaging solutions ongoing, based on unique technology

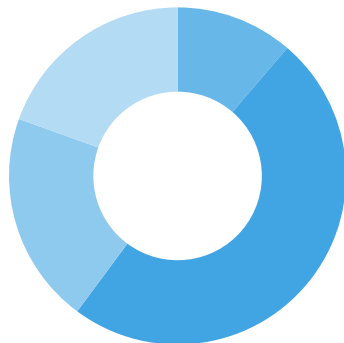
Glass processing (Bystronic glass)

- Restructuring ongoing, with good progress; new product initiatives on track
- Evaluation of strategic options well advanced

¹⁾ Germany, Austria, Switzerland

Conzzeta business footprint and initial CEO priorities

Net revenue by region



- 60% of net revenues from Europe
- Regional revenue split stable since 2011
- Generally high cost base in Switzerland



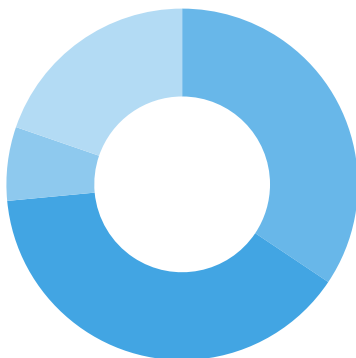
Need to focus on innovative solutions and selected markets where we can secure leading positions



CEO priorities

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

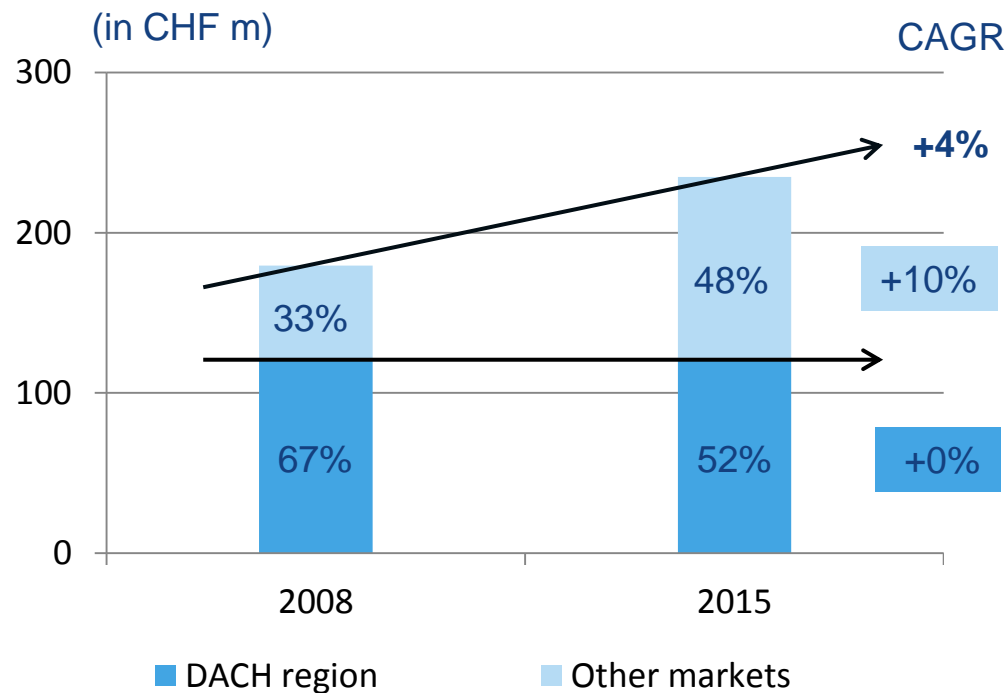
Head count by region



■ Switzerland ■ Europe ■ Americas ■ / Asia & Others

Mammut – leading position in DACH region and international growth

Net sales trend 2008 – 2015¹⁾



Footprint

- Volume growth in DACH²⁾ region masked by adverse currency developments and currency related rebates in Switzerland
- Strong net sales growth in other markets
- Sustained internationalization, >50% of net sales remain in DACH region

Strong footprint in DACH region and growth track in other markets provide good base for further internationalization

¹⁾ Excluding Toko divested in 2010. ²⁾ Germany, Austria, Switzerland

Maturing outdoor industry provides challenges, but remains attractive

Outdoor industry trends

Continued market growth, though at lower level

- DACH region with low single digit growth rate since 2008
- USA and Japan slightly higher
- Double digit growth in selected developing markets

Competitive pressure

- New players – niche specialists and established sports / fashion brands
- Fragmented market but increased transparency from e-commerce

Maturing industry

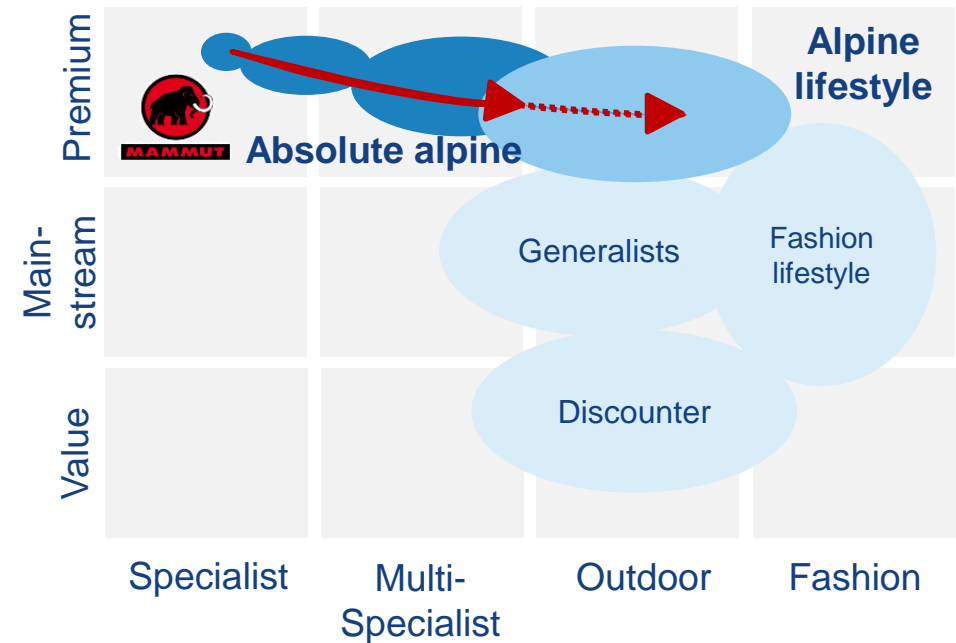
- Differentiation
- Multichannel management
- Digitalization
- Monitoring of customer trends to actively steer sales tactics and collection development

Mammut to embrace potential of maturing industry and to invest in digitalization for growth and improved surface productivity

Drive international growth and make greater use of customer potential

Strategic agenda

- Strengthen cooperation with wholesale partners and expand network of retail mono-brand stores as well as online channel
- Improve channel management with better space control
- Master digitalization to improve efficiency
- Invest in growth markets with existing footprint, i.e. Japan, Korea, China, USA, UK
- Successful development from premium specialist to premium generalist – further expand in outdoor and develop alpine lifestyle segment



Build on credible positioning to increase scale and profitability

Strategic initiatives launched in January 2016

Multichannel Management & digitalization

- Improved space management (retail and wholesale)
- Monitoring of client trends to steer collection
- Expand online channel

Internationalization

- Defined priority locations for strategic growth
- Expand network of mono-brand stores
- Leverage from improved space management and product ranges

Client segmentation

- “Absolute alpine” within premium segment
- Combine functionality, quality and design
- Approach outdoor activists

January 2016

Kick off

2017

2018

2019

2020

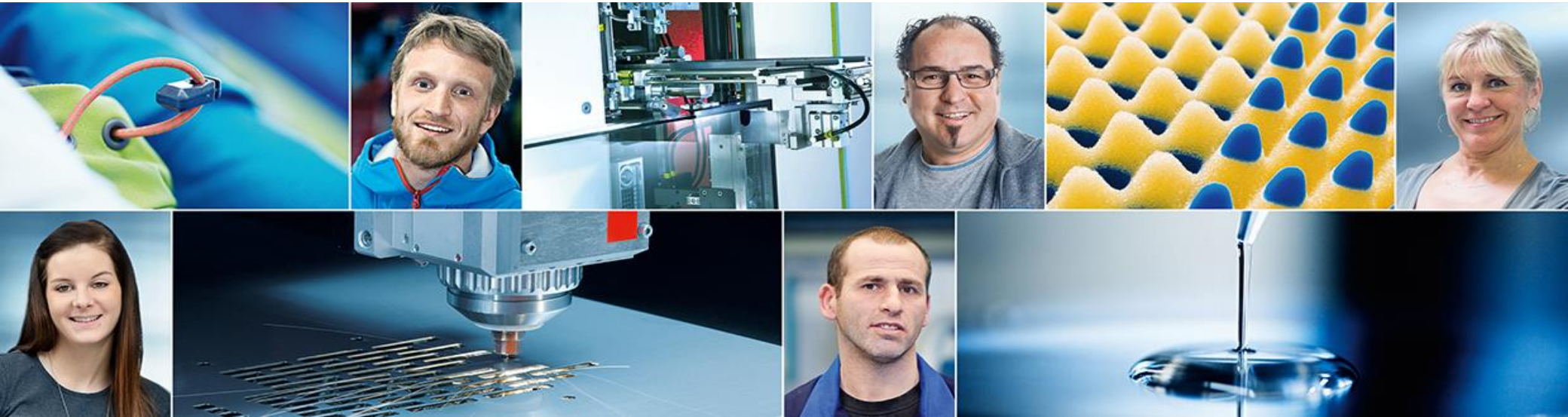
Coordinated effort to develop footprint and business model over the next 5 years

Conzzeta outlook and financial guidance for 2016

- Conzzeta with innovative product portfolio & financial strength
- Consistent execution of group strategy with long-term perspective
- Drive internationalization and growth outside DACH region
- Change program for Mammut Sports Group under way; three goals
 - Multichannel management & digitalization
 - Internationalization
 - Client segmentation
- Uncertain macroeconomic outlook
 - Europe stable growth at low level
 - Moderate growth in the US
 - Volatility in developing regions

Within current environment, we expect moderate growth for 2016 with slightly improved EBIT margin

Thank you!



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Financial Appendix: Net revenue by segment – reported and comparable¹⁾

(in CHF m)	2015		2014	Δ % comparable ¹⁾
		% Total		
Sheet Metal Processing	570.9	50.0%	580.7	+ 3.8%
Sporting Goods	235.3	20.6%	249.9	- 1.7%
Chemical Specialties ²⁾	204.5	17.9%	219.2	- 6.3%
Glass Processing	119.9	10.5%	109.5	+ 13.9%
Discontinued Operations ³⁾	9.6	0.8%	36.2	- 0.1%
Other	0.6	0.0	0.2	
Total Conzzeta	1 140.8	100%	1 195.7	+ 1.7%

1) At constant foreign exchange rates and considering change in scope.

Changes in scope of consolidation:

2) 2015: Acquisition Benien: CHF +4.9 m

3) 2015: Divestment Real Estate CHF -9.6 m; 2014: Divestment ixmation: CHF -17.3 m

Financial Appendix: EBIT by segment – reported and comparable¹⁾

(in CHF m)	2015		2014		Δ % Comparable ¹⁾
	EBIT margin %		EBIT margin %		
Sheet Metal Processing	55.4	9.6%	54.3	9.3%	+ 5.2%
Sporting Goods	0.1	-	20.8	8.3%	- 97.5%
Chemical Specialties	18.5	9.1%	23.8	10.8%	- 23.9%
Glass Processing	6.4	5.6%	- 5.1	- 4.4%	+ 216.8%
Discontinued Operations ²⁾	4.9	52.1%	16.9	44.9%	- 2.0%
Other	- 4.5		- 6.4		
Conzzeta	80.8	7.1%	104.3	8.7%	- 10.6%
Conzzeta (comparable)	82.8	6.8%	93.8	7.8%	- 11.7%

1) At constant foreign exchange rates and considering change in scope.

2) 2014 negative EBIT contribution imputation of CHF 3.9 m.

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