

## Business update

### Impact of the coronavirus pandemic

Zurich, June 9, 2020 – In line with our first quarter 2020 interim information published on April 17, 2020, business conditions deteriorated further during the second quarter of the year, despite gradually improved business trends in China. Conzzeta continues to mitigate the adverse impact of the coronavirus pandemic to the extent possible. Amidst the challenging operating environment, the announced strategic transformation of the Group continues largely as planned.

Under the title 'Cash, Cost, Complexity', the measures introduced by Conzzeta and its three business units to cushion the economic impact of the pandemic include a cost saving program with a net benefit to the operating result (EBIT) of CHF 40 million by the end of 2020. With its extensive liquid assets and the high equity ratio, Conzzeta can still implement important initiatives consistently and with a strategic perspective.

Business activities are expected to recover step by step in the second half of the year from the low levels in the first two quarters, which are also adversely affecting our first half 2020 operating performance. The divestment gain communicated earlier of around CHF 45 million from the sale of Schmid Rhyner as per the end of February 2020 will only partly offset the significant drop of the operating result in the first half of 2020.

In the current environment with still limited visibility, Conzzeta expects for the full year 2020 to report a mid-double-digit million CHF operating profit (incl. the divestment gain) with substantially lower net sales compared to the previous year. Results will reflect the at this point in time lower order entry in the Sheet Metal Processing business unit, lower volumes across all business units and write-downs of lockdown related overstock in the Outdoor business unit.

To implement the strategic focus on the Sheet Metal Processing business unit as announced on December 9, 2019, Conzzeta has made further progress with its transformation. It has completed the preparations to divest the two other business units, subject to market conditions, and continues to engage with potential buyers. Progress has also been made with the development of the strategy for the Sheet Metal Processing business unit, which shall be presented as planned at a strategy day in the fourth quarter of 2020.

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#### **Inquiries**

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#### **About Conzzeta**

Conzzeta is a diversified Swiss group of companies. It stands for innovation, market orientation and an entrepreneurial approach. About 5,000 employees at more than 60 locations worldwide work in the Sheet Metal Processing, Foam Materials and Outdoor business units. In December 2019, Conzzeta announced a strategic focus on Sheet Metal Processing and the sale of all its other activities. Conzzeta AG is listed on the SIX Swiss Exchange (SIX:CON).