



# Earnings Call Semiannual Results 2024

BELIMO Holding AG

July 22, 2024

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## Overview



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# 01 HY1 in Brief

## Financial Performance Above Historical Averages

### Net Sales



- **Strong net sales growth** of +9.7% in LC; reported +5.6% to CHF 473.5 million (5Y average: 9.0%).
- **Americas** sales up by +17.6% in LC, helped by booming demand in the data center segment.

### Operating Result



- **Proportional increase in EBIT to CHF 93.0 million** with EBIT-margin of 19.6%, driven by contribution margin expansion absorbing adverse FX movement (5Y average: 17.8%).
- **Free cash flow of CHF 69.8 million**, up +27.8% on comparable basis vs. HY1 2023.

### The Bigger Picture



- Strong growth of **Control Valves** (+11.9% in LC) continued, on top of high comparable base.
- **Data Centers** and **Renovation Market** offer pockets of high demand despite mixed trends in the broader construction industry.

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# 02 Business Highlights

## Leveraging Opportunities in Strategic High-Growth Markets

Market



### Supporting megatrends

- Energy efficiency, climate change, urbanization, safety in buildings, and digitization.
- Our reliable source of resilience and growth.



### Strong retrofit demand

- Attractive economic proposition with short payback periods.
- Helping to ease strain on the grid from strongly rising electricity demand and demand volatility.



### Normalizing supply chain

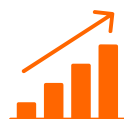
- Reducing lead times and stable material input costs.

Belimo



### Capacity expansion and strategic initiatives

- Balanced investment focusing on strengthening the natural hedging.
- Capacity expansion in execution.



### Outperforming its markets

- Strategically aligned to attractive pockets of growth.
- Demonstrated ability to outperform in demanding construction market.



### New product introductions

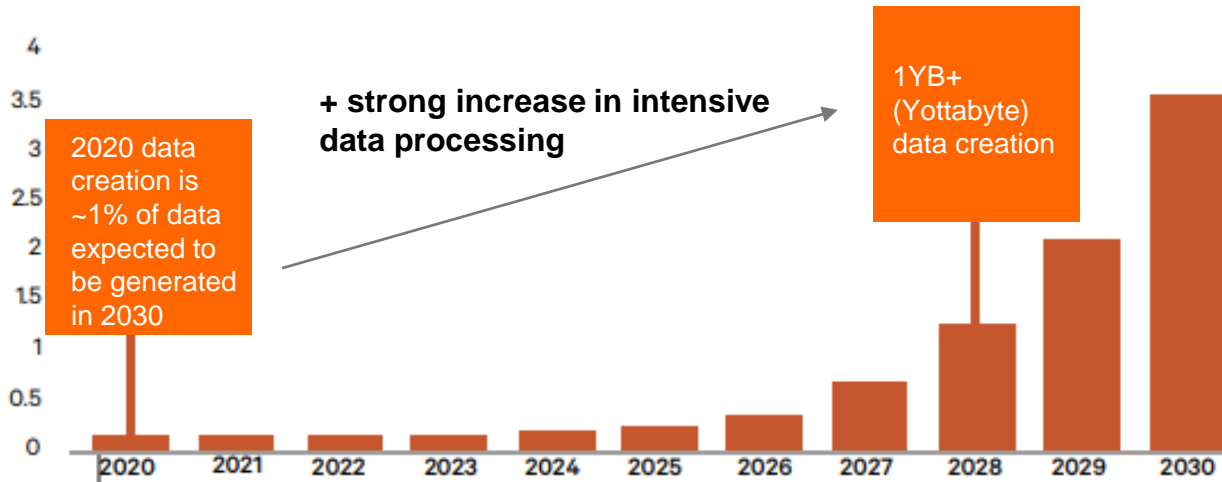
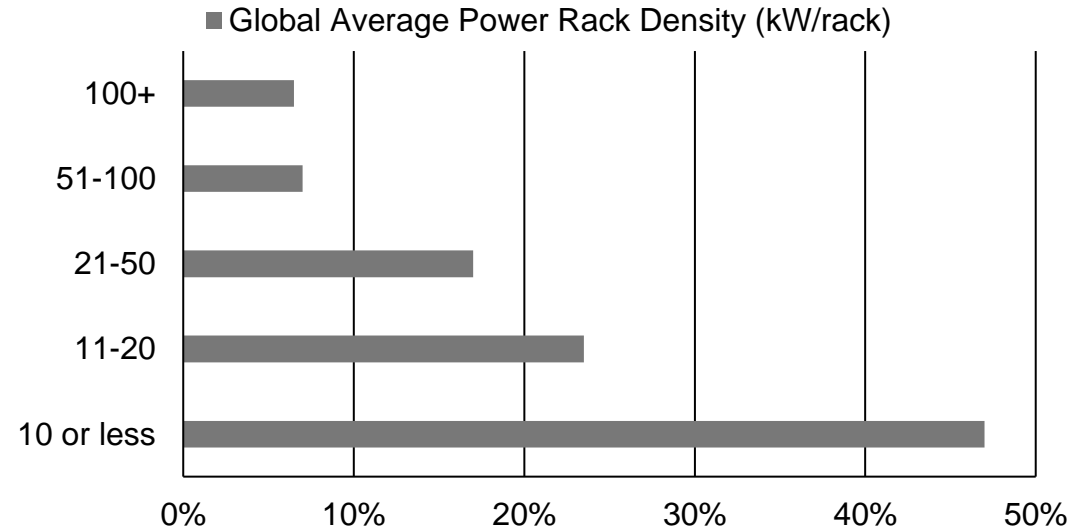
- Strengthening Belimo's offering in high growth markets.

# 02 Business Highlights

## Spotlight Data Centers: Enabling Sustainable Digitization



**Processing of growing data volumes drives cooling demand:** Handling more data requires more processing power. Strong growth in power density per processing unit is driving growth in cooling demand per data center. Furthermore, as power density increases, cooling becomes mission critical to chip performance.

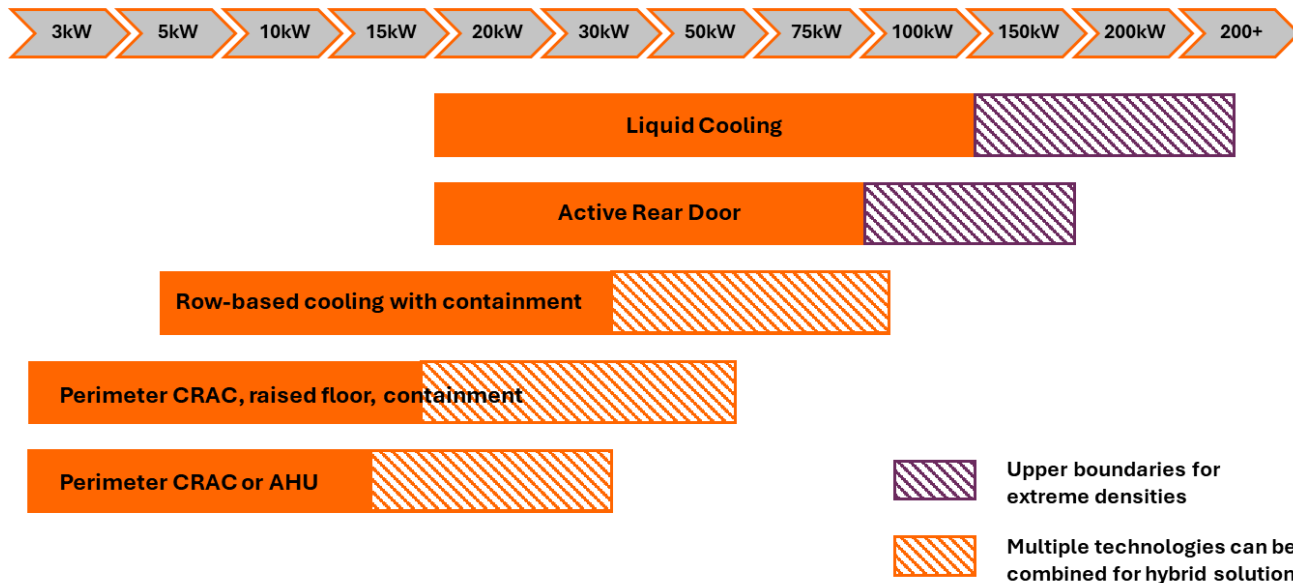
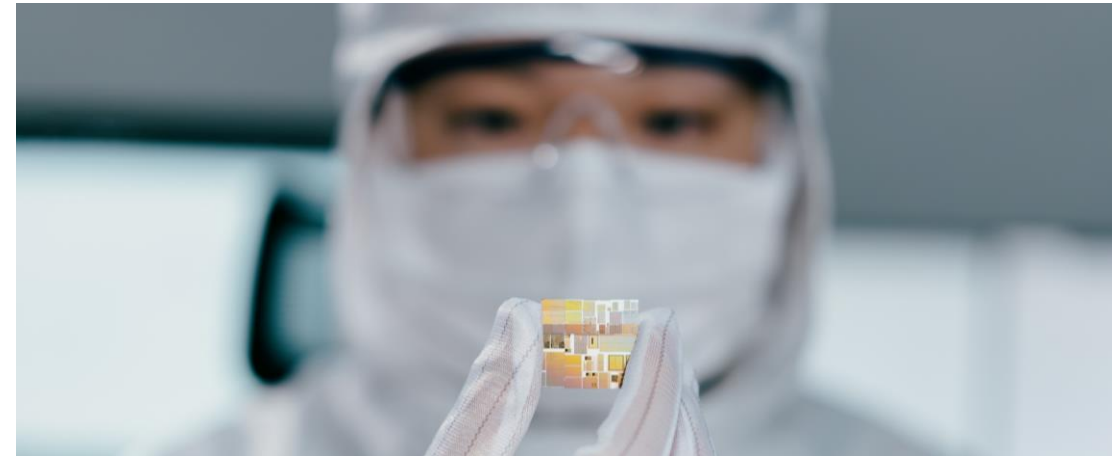


- Belimo's products help remove more heat with less energy, enabling new chip designs and data centers to scale faster, save operating costs, and increase operational flexibility.
- Technology trends as well as data center related capex support the demand.

## 02 Business Highlights

# Spotlight Data Centers: As Heat Production per Rack Increases, Cooling Becomes Mission-Critical for Chip Performance

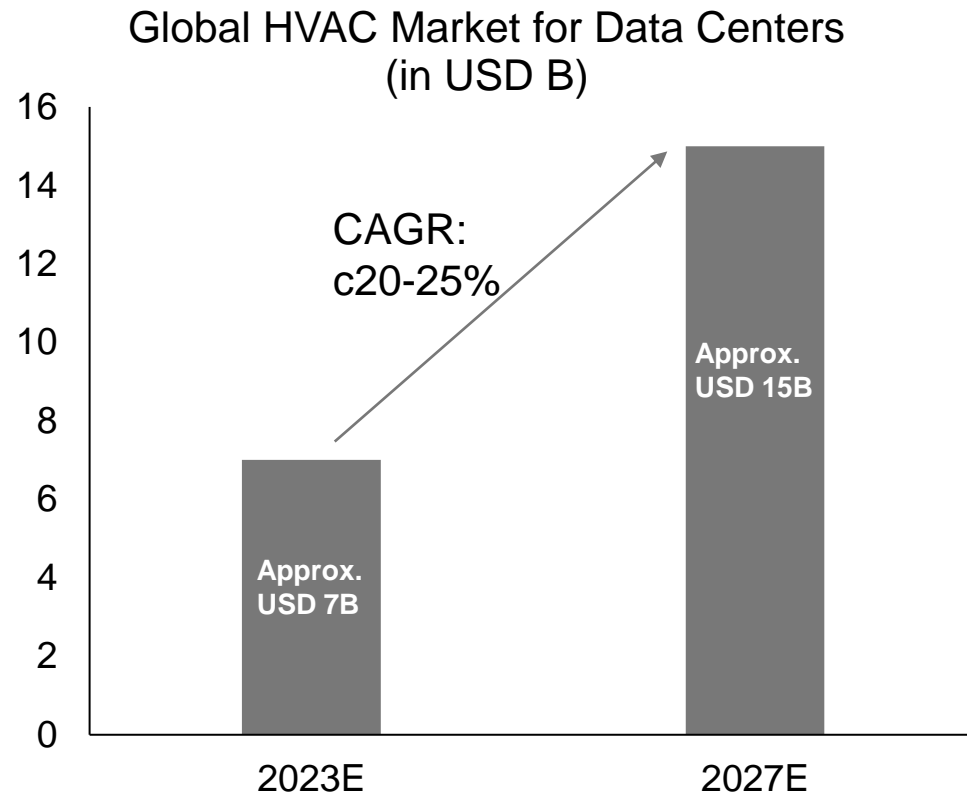
Belimo established close collaborations with hyperscalers and leading AI chip designers and increasingly demanding cooling applications deepen those relationships.



- Belimo’s product portfolio has use cases for all five technologies, especially when integrated in an intelligent solution.
- Shift to liquid cooling is strongly benefiting demand for Belimo’s Pressure-Independent Products such as Belimo Energy Valve™, CCV and EPIV.

## 02 Business Highlights

### Spotlight Data Centers: Long Runway for Broad-Based Growth



- All three Belimo's product lines – intelligent actuators, valves, and sensors – are interconnected to enable applications for data centers.
- Belimo's share of HVAC-related data center spent increases with power density per rack.



## 02 Business Highlights

### Spotlight Product Launch: Belimo's M600 Microchip Goes Live



**Belimo launched new JR Butterfly Control Valve in March 2024:** Designed specifically for critical infrastructure, such as data centers and hospitals, and powered by the new MOCK ASIC (M600) microchip.

*"The new Advanced Butterfly Valves with the JR actuator transformed our approach to the retrofit. The simple, straightforward electrical access and the ability to calibrate the valves with just a smartphone using the Belimo Assistant app significantly reduced our installation labor."*

Project Manager,  
Alabama-based Controls Company



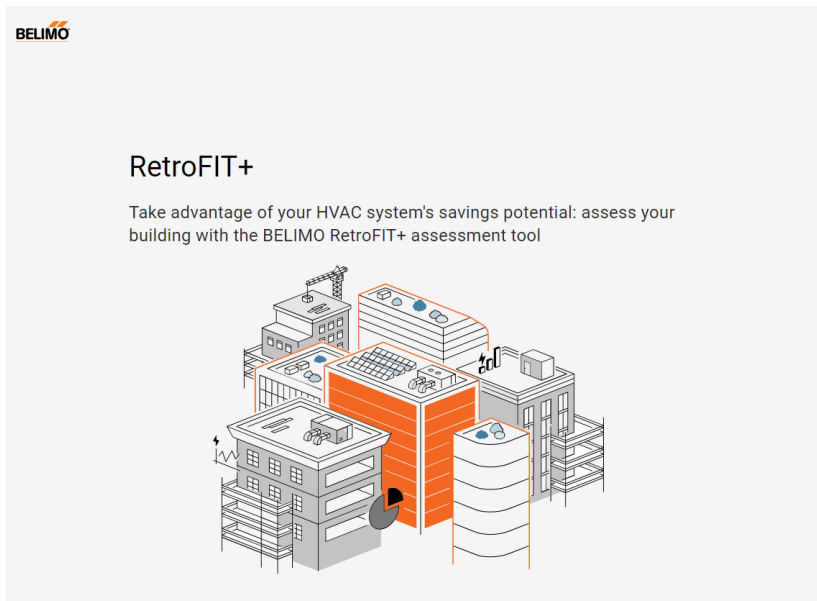
- M600 is the basis for creating a diverse product portfolio made up of homogenous modules using only a few different PCBs.
- Advantages over prior generation of products include significantly better control, lower power consumption, and lower noise emissions.
- M600 features innovative motor technology, developed and patented by Belimo, which makes intelligent use of cogging torque.

## 02 Business Highlights

# Spotlight Product Launch: Digital Support of RetroFIT+



**Belimo launched RetroFIT+ Assessment Tool in June 2024.** With that, Belimo's enablement toolkit for RetroFIT+ continued to grow, supporting the Company's efforts to address industry bottlenecks and to unlock renovation potential.



English [Deutsch](#)

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- This tool improves the process of assessing the energy efficiency potential of existing HVAC systems by reducing the evaluation time from several days to just a few hours.
- Based on the established standard ISO 52120, it helps to identify CO2 savings potential and provides financial insights, such as the break-even point of a retrofit project.
- It is a sales-enablement tool, enhancing our fact-based approach to creating customer value and empowering Belimo's RetroFIT+ partners.

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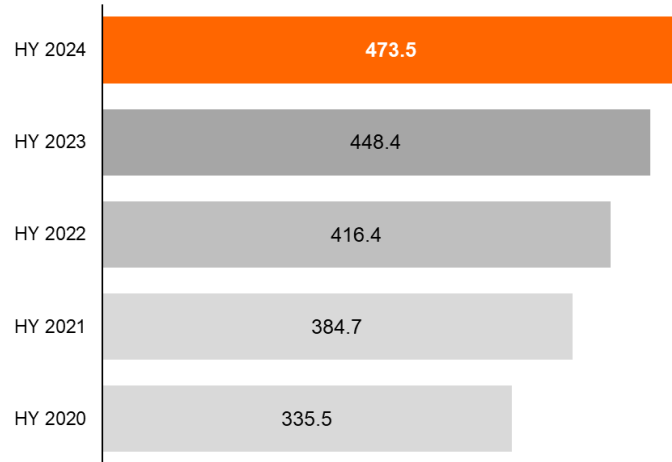
# 04 Financial Highlights

## Overview of Net Sales in HY1 2024

Net Sales Development

**Net Sales**  
in CHF million

**473.5**



**Net Sales Growth**  
in CHF (in %, HY1)

**5.6**

**Net Sales Growth**  
in LC (in %, HY1)

**9.7**

Regions & Business Lines

### Net Sales by Regions



- 42% EMEA
- 46% Americas
- 12% Asia Pacific

### Net Sales by Business Lines



- 46% Damper Actuators
- 49% Control Valves
- 5% Sensors and Meters



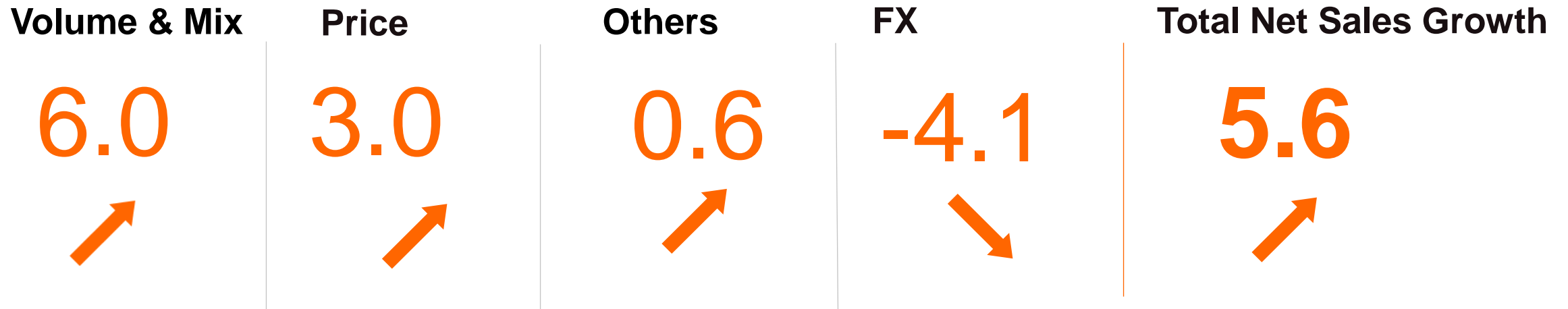
# 04 Financial Highlights

## Overview of Net Sales in HY1 2024

### Net Sales Bridge in CHF

(in % for the HY1 2024 – compared to HY1 2023)

Net Sales Composition



➔ **Positive volume & mix effect** driven by customer mix and high-end pressure independent control valves

➔ **Positive price realization** almost compensating for the FX headwind

# 03 Market Regions

## Global Presence Enables Strong Growth



Growth Rates in Local Currencies

of Total Net Sales

2%

### EMEA

Strong growth in renovation-related demand and data centers.

### EMEA

Challenging construction market backdrop.

42%

18%

### Americas

Booming demand in data center cooling and industrial applications.

### Americas

Strong and broad-based market demand.

46%

10%

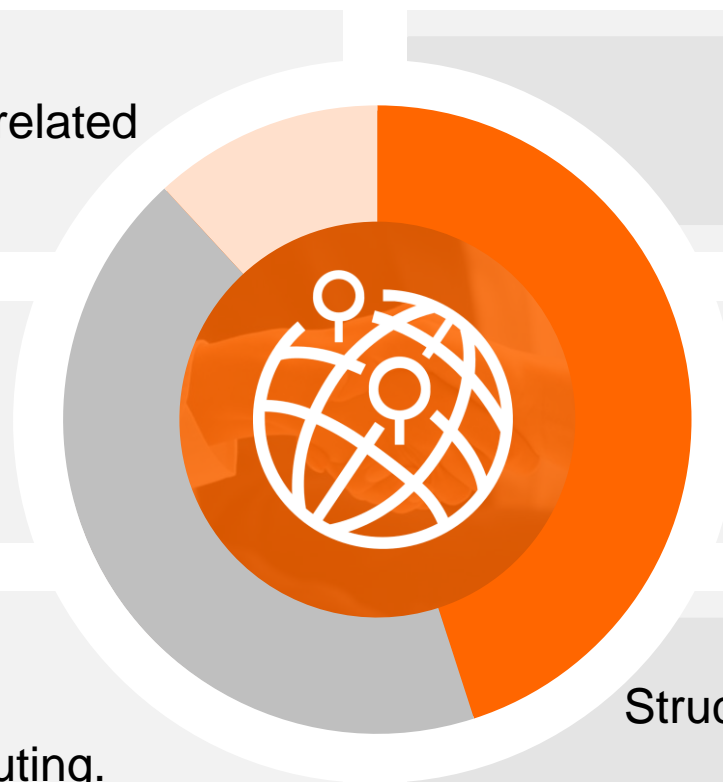
### Asia Pacific

Structural growth continues, both China and India contributing.

### Asia Pacific

Structurally growing HVAC market.

12%

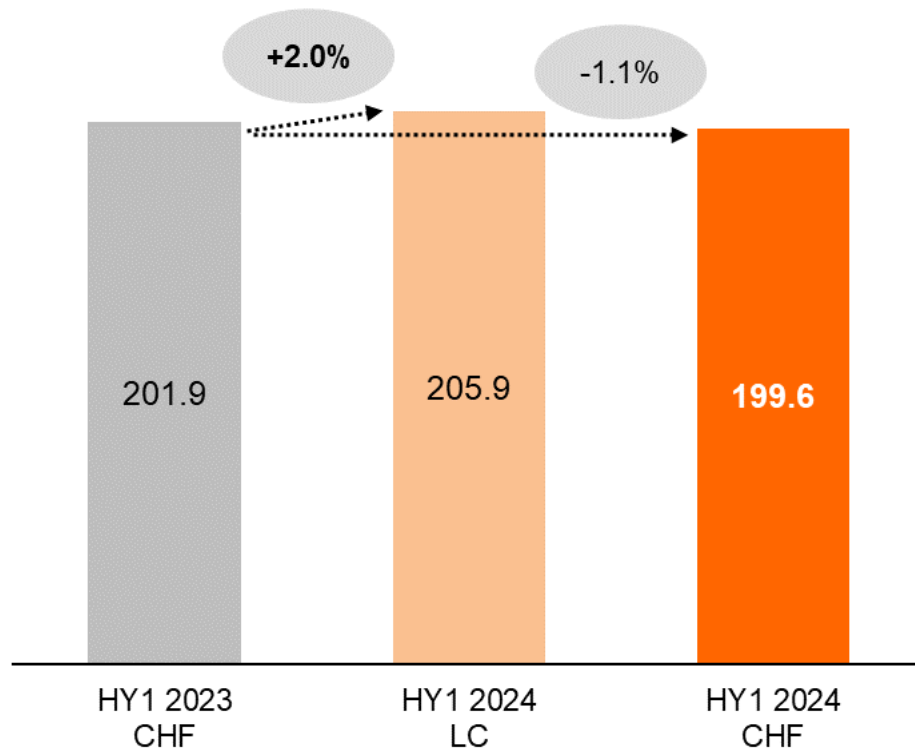


## 03 Market Regions

### Sales Review by Region – EMEA

#### EMEA

in CHF million, LC adjusted at previous year rates



Belimo HY1 2024, July 22, 2024



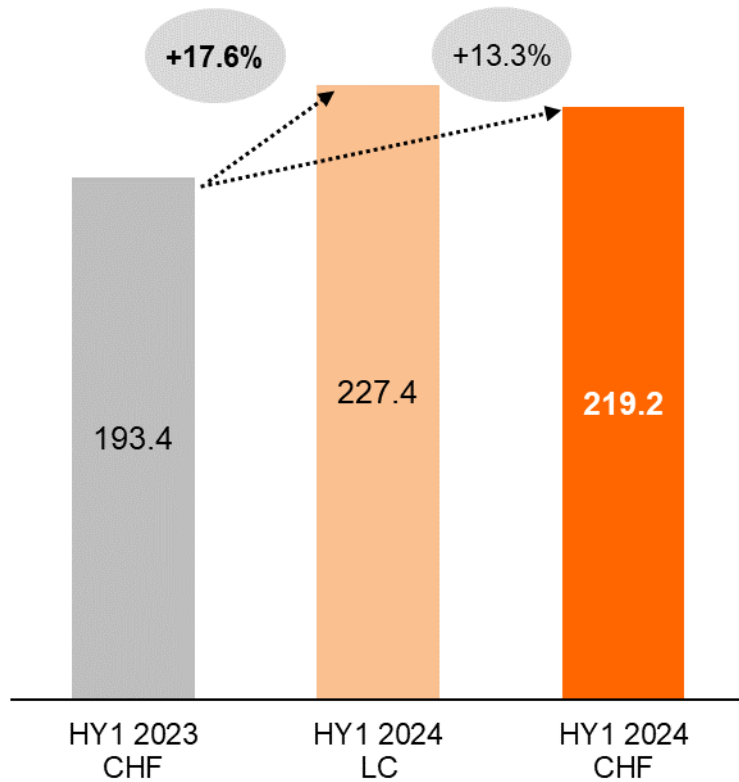
- **Positive sales performance** of 2.0% in LC despite mixed markets and strong base effect.
- **Germany:** Very strong performance in the contracting channel supported by RetroFIT+ initiative offsetting difficult market conditions.
- **Data Center** projects gain momentum.

## 03 Market Regions

### Sales Review by Region – Americas

#### Americas

in CHF million, LC adjusted at previous year rates



Belimo HY1 2024, July 22, 2024



- **Net sales growth** of 17.6% in LC in a fundamentally supportive construction environment.
- Broad based positive demand trend across **all verticals but new office buildings**.
- Particularly strong demand in **data center** market and many **large-scale factory projects**.

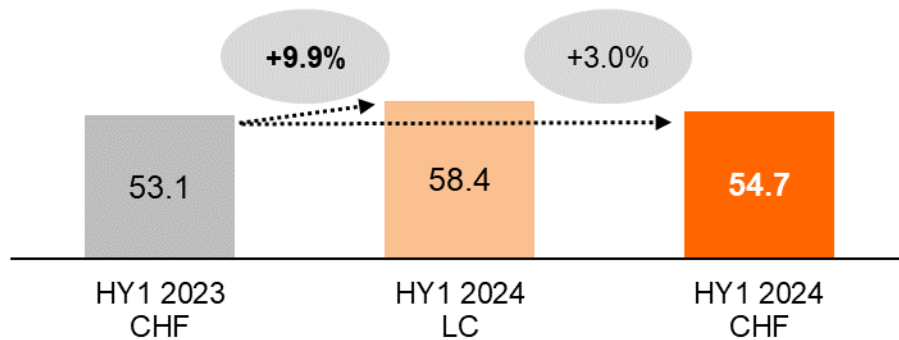


## 03 Market Regions

### Sales Review by Region – Asia Pacific

#### Asia Pacific

in CHF million, LC adjusted at previous year rates



Belimo HY1 2024, July 22, 2024



- Above Group-average net sales growth of 9.9% in LC, business recovery in China driven by attractive verticals.
- Increasingly more buildings constructed according to domestic or international **green building standards.**

# 01 HY1 in Brief

## Broad-Based Strong Performance, Further Market Share Gains

Growth Rates in Local Currencies

of Total Net Sales

6%

### Damper Actuators

Growth re-accelerates, helped by RetroFIT+ and data centers

### Damper Actuators

Business line with highest global market share.

46%

12%

### Control Valves

Continued double-digit growth.

### Control Valves

Increasing share in largest market segment.

49%

29%

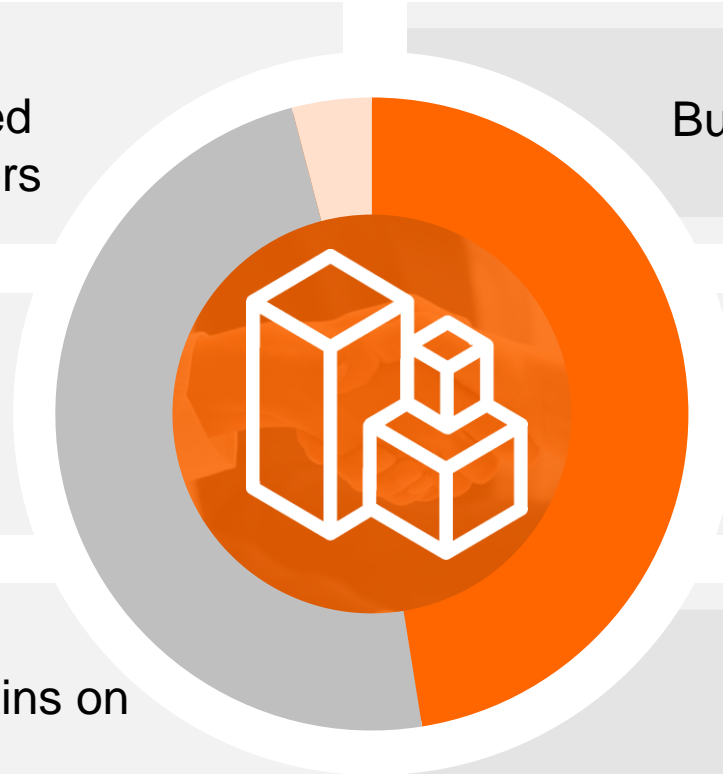
### Sensors and Meters

Youngest business line remains on strong growth path.

### Sensors and Meters

Introduced in 2017.

5%

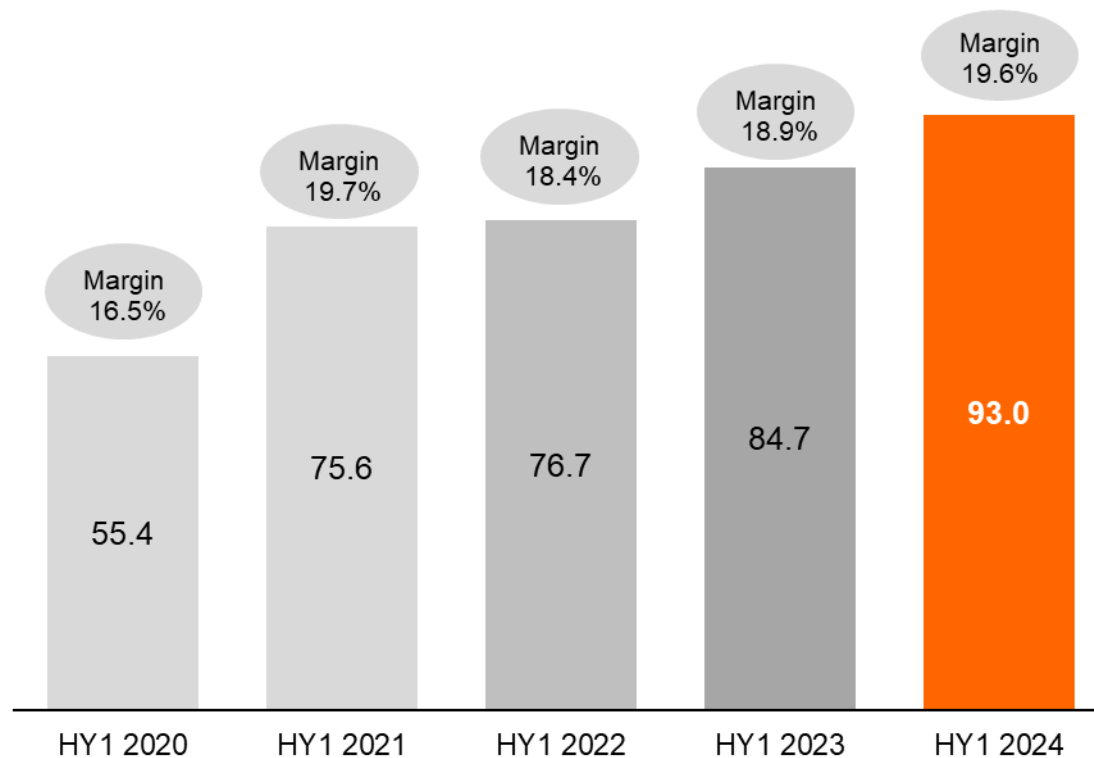


# 04 Financial Highlights

## Improved Operational Results

### EBIT

in CHF million



- EBIT rose to **CHF 93.0 million or 19.6%** of sales (PY CHF 84.7 million; 18.9% EBIT-Margin).
- Increase in contribution margin.
- Balanced expanding of workforce supporting long term growth strategy.

# 04 Financial Highlights

## Continued Stable Development Expected in Material Costs



### Good visibility over major cost factors

-  Overstock upstream in supply chain
-  Inflation in producing countries
-  Volatile energy costs
-  Electronics component back to normal
-  Transport lead times increased by 4 weeks compared to 2023

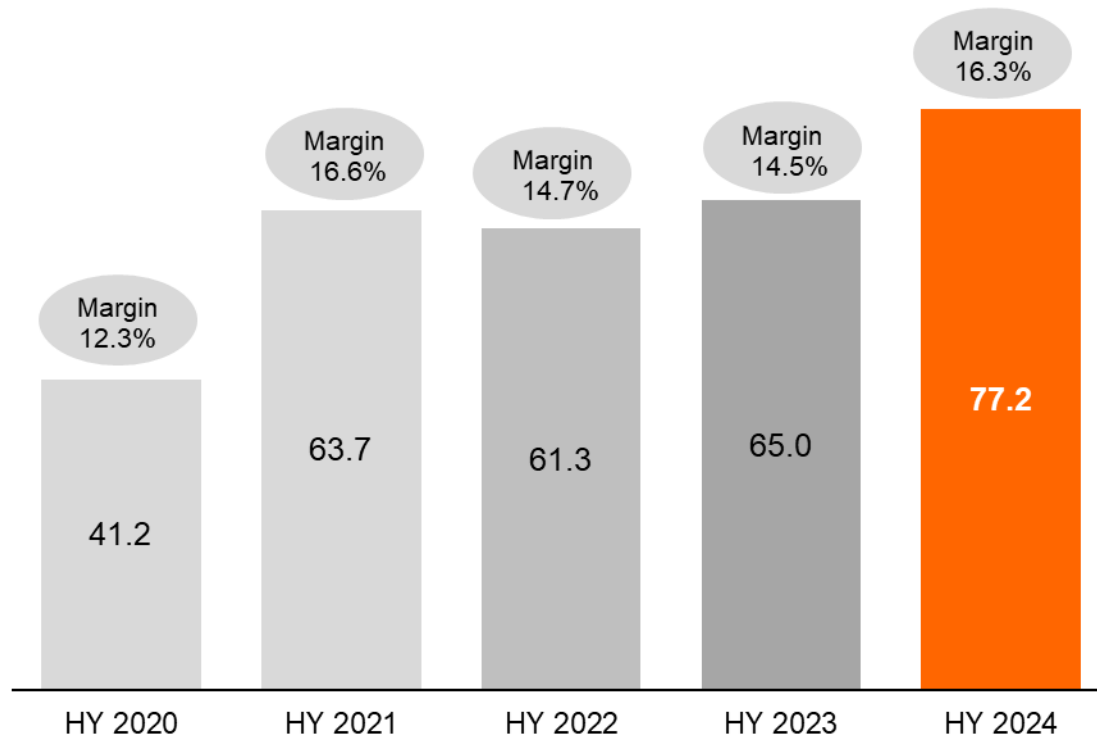
Average 2024 impact from inflation trending significantly lower than in 2023, volatility in markets remains



# 04 Financial Highlights

## Increase in Net Income Supported by Lower Interest Expenses

### Net Income in CHF million

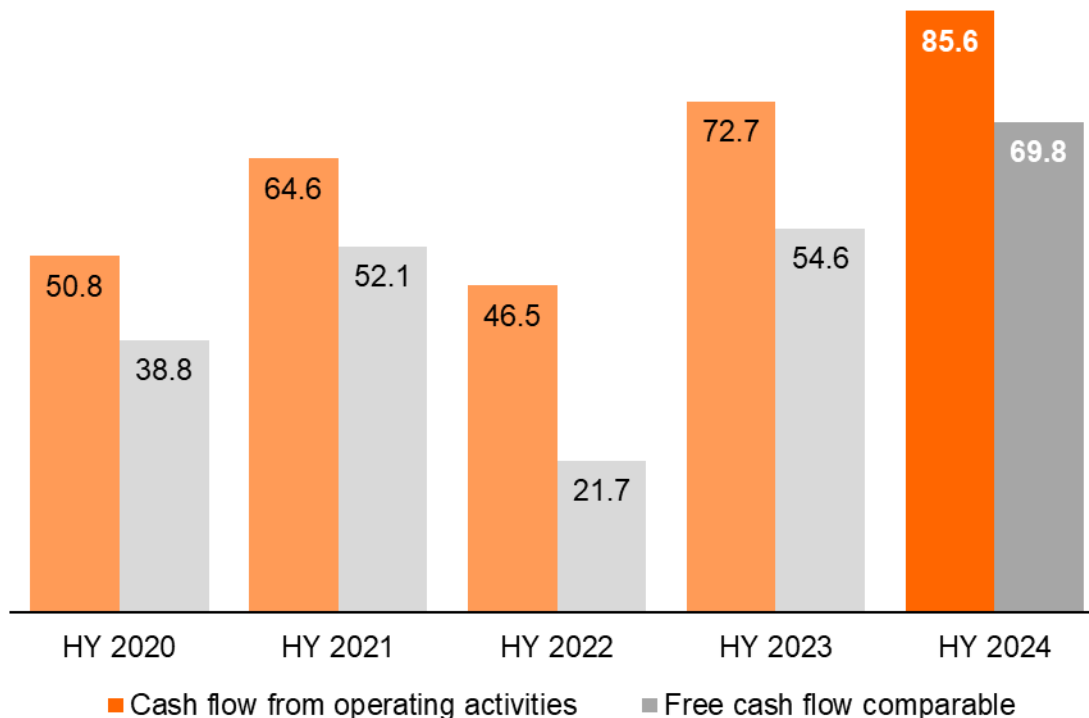


- **Net income** of CHF 77.2 million, 18.8% above PY (CHF 65.0 million); 16.3% of net sales.
- Lower FX losses and lower interest expenses.
- Increased earnings per share (EPS) of CHF 6.28 (PY CHF 5.29).

# 04 Financial Highlights

## Increase in Free Cash Flow

### Cash Flow in CHF million



*Free cash flow comparable = Free cash flow – change in term deposits*

- **Operating cash flow** of CHF 85.6 million (PY CHF 72.7 million) rose driven by higher net income.
- Higher **Free cash flow** of CHF 69.8 million (PY CHF 54.6 million, adjusted for term deposit), up 27.8% on comparable basis.
- **Capex investments** in property, plant and equipment and intangible assets of CHF 16.4 million (PY 18.7 million).

## 04 Financial Highlights

### Continued Strong Equity Ratio

| in CHF million                | 12.31.2023   | 06.30.2024   |
|-------------------------------|--------------|--------------|
| Cash and cash equivalents     | 110.8        | 76.4         |
| Other current assets          | 279.0        | 321.5        |
| Non-current assets            | 272.2        | 281.3        |
| <b>Assets</b>                 | <b>662.0</b> | <b>679.2</b> |
| Current liabilities           | 113.3        | 146.0        |
| Non-current liabilities       | 18.2         | 21.5         |
| Total equity                  | 530.5        | 511.6        |
| <b>Liabilities and equity</b> | <b>662.0</b> | <b>679.2</b> |

- **Reduced cash and cash equivalents** of CHF 76.4 million compared to CHF 110.8 million on Dec 31, 2023, driven by the dividend distribution in April 2024.
- **Net liquidity at CHF 57.6 million** (Dec 31, 2023, CHF 98.0 million) and **total equity at CHF 511.6 million** (Dec 31, 2023, CHF 530.5 million).
- **Equity ratio at 75.3%** (Dec 31, 2023, 80.1%).

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# 05 Outlook FY 2024

## Sales Growth Above Five-Year Average

### Sales Growth

- Higher YoY growth in HY2 2024 helped by weaker comparison base. Sequentially nearly stable sales relative to HY1.

### Risks

- FX impact on the top and bottom line, uncertainties regarding global economic developments.

### Profitability

- Full year EBIT margin likely to be impacted by annualization of cost increases, as seen in the past. Belimo continues to pursue its long-term growth strategy and to invest in capacity expansion.



# 05 Outlook FY 2024

## Outlook by Market Region



### Americas

Solid market demand and sales expected, in absolute terms similar sales in H2 are expected as achieved in H1 2024.



### EMEA

Roughly stable demand in HY2 2024 throughout the market region.

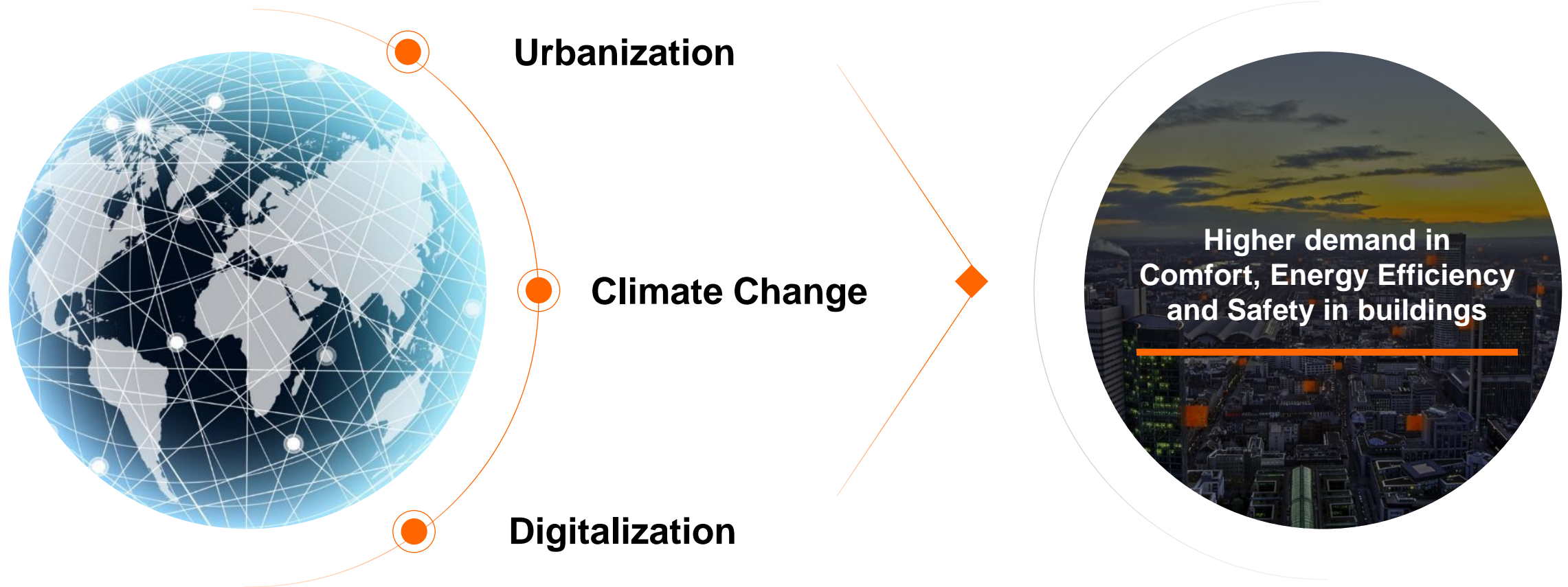


### Asia Pacific

Acceleration in sales expected through the second half of the year.

# Positioned to Outperform Over the Long Term

## Core Business Benefiting From Strong Secular Tailwinds





# Publications and Agenda



## **Belimo Capital Markets Day 2024**

September 4, 2024

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## **Publication of Sales 2024**

January 20, 2025

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## **Publication of Annual Report 2024**

February 24, 2025

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## **Annual General Meeting 2025**

March 24, 2025

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## **Ex-Dividend Date**

March 26, 2025

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## **Dividend Payment**

March 28, 2025

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# Forward-Looking Statements



This presentation contains comments relating to future developments which are based on assumptions and estimates made by BELIMO Holding AG. Although the Company assumes the expectations of these forward-looking statements to be realistic, they contain risks. Because of this, the actual results might be significantly different from the forward-looking statements.

Various factors may cause actual results to differ materially in the future from those reflected in forward-looking statements contained in this report:

- Changes in the economic and business environment.
- Exchange rate and interest rate changes.
- The introduction of competing products.
- Inadequate acceptance of new products or services.
- Changes in the business strategy.

BELIMO Holding AG neither plans nor commits itself to keep these prospective comments up to date.





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