

Hinwil, March 12, 2018, 07:00 a.m.

Press release of the Belimo Group

Belimo reports broadly based growth and solid profitability

Belimo can look back on a good financial year. Sales in Swiss francs increased by 8.7 percent to CHF 579.9 million. In currency-adjusted terms, this equals a growth of 8.2 percent. Belimo increased its expenses on research and development by CHF 6.7 million in order to improve innovative capacity while nevertheless achieving a solid operating income (EBIT) of CHF 92.6 million, corresponding to an EBIT margin of 16.0 percent. Net income rose by 11.1 percent year-on-year to CHF 77.5 million. Earnings per share were CHF 126.06.

Return on equity (ROE) was 19.8 percent, while the return on invested capital (ROIC) was 23.4 percent. Cash flow from operating activities declined by 8.8 percent to CHF 82.3 million. Free cash flow amounted to CHF 54.9 million.

The Board of Directors proposes a dividend of CHF 85 per share at the 2018 annual general meeting.

Europe. Sales in the Europe market region grew by 8.4 percent and in currency-adjusted terms by 8.1 percent. Strong growth contributions came from Germany, Poland, Italy and the Netherlands. Water and fire protection applications experienced the strongest growth. There was above-average growth in sales of innovative valve solutions and initial success was achieved with the introduction of new sensors.

Americas. Sales in the Americas market region grew by 7.9 percent and in currency-adjusted terms by 6.9 percent. Belimo USA experienced above-average growth compared to the general economy. With the exception of Brazil, all markets contributed to this positive result. The Canada subsidiary made a particularly strong contribution to the positive sales developments, with double-digit growth. Thanks to the continued expansion of our range with innovative products, the company has continued to increase market leadership for water applications.

Asia Pacific. Sales in the Asia Pacific market region grew by 12.5 percent and in currency-adjusted terms by 13.1 percent. The Asia Pacific region recorded strong economic growth, exceeding expectations in most countries. Belimo China and Australia made high growth contributions. The markets in South Korea, India and Hong Kong also made major contributions to the strong growth in the region. The market introduction of innovative products increased awareness of Belimo in the region, further developing and reinforcing its position in the industry.

Net sales by market regions

in CHF 1,000	2017	%	Growth in local currencies in %	2016	%
Europe	280,834	48	8.1	259,175	49
Americas	226,460	39	6.9	209,957	39
Asia Pacific	72,559	13	13.1	64,518	12
Group	579,853	100	8.2	533,650	100

Net sales by applications

in CHF 1,000	2017	%	Growth in local currencies in %	2016	%
Air	329,602	57	7.4	305,911	57
Water	250,251	43	9.4	227,739	43
Total	579,853	100	8.2	533,650	100

Innovation. Research and development capacities were increased in the year under review, to ensure sufficient resources are available for existing business and new growth initiatives.

Multiple projects have been running over the past year for new damper actuators for air applications and control valves for water applications. There has also been major progress in the development of application-specific integrated circuits (ASIC) and motors. In the field of sensors, expertise was expanded and further sensor projects have been started, representing an innovative pipeline for future market launches. In the field of modular products (performance devices) the platform technology consisting of intelligent edge devices has been developed further with industrial bus interfaces or with Internet connection to the Belimo Cloud. Furthermore, the development of a system for controlling air and water flows in multi-family houses was driven forward in the reporting year. The advantages of the Belimo multi-family house solution comprise increased quality assurance for installation and operation, guaranteeing comfort and energy efficiency.

Outlook. The growth in the building technology sector, based on the long-term trends of urbanization, energy efficiency, safety and digitization, is likely to continue worldwide on the basis of positive economic forecasts.

We expect satisfactory development of private and public building activities in the Europe market region. Various key indicators for the Americas market region indicate a continued upward trajectory in the US economy, despite the eight-year expansion phase. In the Asia Pacific market region, the strategy for a stronger presence should support the constant expansion of our market leadership.

Given the additions to the sensor product range and the market potential generated by the new digital and communicating systems in the Belimo product range, expenses on research and development will remain on a high level in relation to sales in order to improve innovative capacity.

We aim to achieve sustainable and profitable growth as we continue to focus steadily on the robust Belimo values of customer value, operational excellence, solution leadership and a credibility culture.

Key figures of the Belimo Group for the 2017 financial year

in CHF 1,000 (unless indicated otherwise)	2017	2016	Change in %
Net sales	579,853	533,650	8.7
Operating income (EBIT) in percent of net sales	92,621 16.0%	86,964 16.3%	6.5
Net income in percent of net sales	77,490 13.4%	69,753 13.1%	11.1
Cash flow from operating activities in percent of net sales	82,318 14.2%	90,282 16.9%	-8.8
Free cash flow in percent of net sales	54,857 9.5%	75,151 14.1%	-27.0
Earnings per share, in CHF	126.06	113.51	11.1
Dividend per share, in CHF	85.00*	75.00	13.3
Investments in property, plant and equipment and intangible assets	24,919	15,796	57.8
Research and development in percent of net sales	44,423 7.7%	37,721 7.1%	17.8
Number of employees as at December 31 (FTEs)	1,532	1,440	6.4

* Proposal to the annual general meeting on April 9, 2018.

The Belimo Group is a leading global manufacturer of innovative actuator, valve, and sensor solutions for heating, ventilation, and air conditioning systems. The Company reported sales of CHF 580 million in 2017 and has around 1,600 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).

There will be a media and financial analysts conference on the 2017 financial statements at the WIDDER HOTEL in Zurich today, starting at 10:00 a.m.

Link to the Annual Report 2017: www.belimo.com/financial-reports

Contact	Beat Trutmann, CFO	Tel. +41 43 843 62 65
Agenda	Publication of Annual Report 2017/ Media and Financial Analysts Conference	March 12, 2018
	Annual General Meeting 2018	April 9, 2018
	Dividend Payment	April 13, 2018
	Publication of Semiannual Report 2018	August 6, 2018
	Publication of Sales 2018	January 24, 2019
	Publication of Annual Report 2018/ Media and Financial Analysts Conference	March 11, 2019
	Annual General Meeting 2019	April 1, 2019