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Press Release of the Belimo Group

Belimo: Profitable Growth with Impact

2019 was an excellent year for Belimo. Amidst a more uncertain overall macro-economic environment, the Company once again achieved outstanding sales performance and generated above-average growth.

In 2019, the Group posted above-average growth and expansion of market presence in all of its market regions. The success of Belimo has been supported by a solid non-residential construction market. The water business performed particularly well. Belimo logged a market-share expansion in water applications with water shares now trending at 44.3 percent (prior year: 43.1 percent) of total sales of CHF 692.7 million.

Belimo once again increased its profitability in 2019 and achieved an operating income (EBIT) of CHF 123.9 million, equaling an EBIT margin of 17.9 percent. Net income rose with respect to the comparison period by 40.5 percent to CHF 121.1 million, with a positive, nonrecurring effect stemming from the transitional provisions of the Swiss tax reform applied by Belimo in the amount of CHF 22.1 million. All market regions contributed to the favorable result, especially the Americas as the main growth driver.

The Board of Directors proposes a dividend of CHF 150.00 per share at the 2020 Annual General Meeting.

Europe. Belimo Group registered net sales of CHF 328.8 million in its largest market region, which corresponds to a growth of 3.6 percent, or 6.8 percent on a currency-adjusted basis in comparison with 2018. Supported by an uninterrupted trend towards increasing regulatory requirements for building efficiency, the heating, ventilation and air conditioning (HVAC) market in Europe saw solid growth in 2019.

Americas. In the Americas market region, the Group increased its sales to CHF 272.8 million, representing a growth of 12.3 percent in Swiss francs, or 11.0 percent on a currency-adjusted basis, further establishing the position of Belimo as a market leader. Healthy economic growth in the US and Canada translated into positive market conditions for the region. In the US and Canada in particular, 2019 has been a highly successful year for Belimo with excellent growth rates of 11.4 percent and 18.9 percent, respectively. All segments recorded significant growth in prior-year comparison, with the performance of products for water applications such as the Belimo Energy Valve™ markedly ahead of air applications.

Asia Pacific. In the Asia Pacific market region, Belimo recorded CHF 91.1 million in sales, corresponding to a gratifying growth of 10.7 percent, or 12.7 percent on a currency-adjusted basis, in an increasingly difficult market environment. Growth momentum picked up in the second half of 2019, resulting in a higher all-year performance.

Net Sales by Market Regions

in CHF 1,000	2019	%	Growth in local currencies in %	2018	%
Europe	328,777	48	6.8	317,200	49
Americas	272,849	39	11.0	242,885	38
Asia Pacific	91,054	13	12.7	82,283	13
Group	692,680	100	9.2	642,368	100

Growth Strategy and Innovation. Belimo also continued to pursue its growth strategy in 2019 with the four strategic initiatives and pressed ahead with its research and development activities accordingly.

Grow Existing Business with Actuators and Valves. Belimo has further established its market share and broadened its product portfolio. While both air (actuators) and water (control valves) applications reported steady growth, the valve segment, in which Belimo has a lower market share in comparison with actuators, grew at a gratifyingly strong rate.

Enter Sensor Business. Sensors are a key technology for achieving a favorable room climate and optimizing the use of energy. They measure temperature, humidity, pressure, air quality, air flow or energy in rooms, air ducts and pipes. Belimo launched pipe and duct sensors as its first product range in 2017. Since then, the Company has continued to expand its offering, while further experiencing strong sales growth in the segment. Belimo sensors are now well-accepted in the industry – thereby further strengthening the positioning of Belimo as a one-stop shop for all field devices.

Offer Selected Performance Devices. Belimo drives the trend towards making field devices smarter, allowing for substantial additional energy savings in comparison with conventional valves. The combination of sensor, actuator and valve technologies and embedded logic is key when it comes to making devices “smart”. These “Performance Devices” such as the Belimo Energy Valve™ had a substantial impact on the Company’s high rate of growth in 2019.

Grow Asia Pacific. The Asia Pacific region represents an important, fast-growing market, where Belimo is strengthening its presence and expanding its leading position. Increased investments for developing sales and distribution capabilities as well as the launch of further products specifically developed for the region characterized the period under review. Belimo pushed ahead with its cluster strategy in selected Chinese metropolitan areas. It now runs sales offices in six cities, with imminent plans for opening four new ones.

Net Sales by Applications

in CHF 1,000	2019	%	Growth in local currencies in %	2018	%
Air	385,480	56	7.1	365,442	57
Water	307,200	44	11.9	276,926	43
Total	692,680	100	9.2	642,368	100

Outlook 2020. Belimo continues to be confident of its markets, but nonetheless expects a revenue growth slightly below the five-year average. Overall, the long-term outlook remains positive, as the main drivers of growth in form of megatrends remain unchanged. Increased uncertainty, however, has a dampening effect on the short-term and mid-term outlooks.

The US construction market remains to be strong, albeit late-cycled. Belimo anticipates stable market development in most European countries. The economy in certain European countries, however, remains challenging, e.g. in Germany and Great Britain. With the Energy Performance of Buildings Directive (EPBD) of the European Union coming into effect in 2020, an increased demand for building automation in European countries is anticipated in the years ahead. In Asia Pacific, the outbreak of the Coronavirus is likely to affect sales revenues, especially in China. A major strain on the global economy continues to be the U.S.-China trade conflict, with potential negative ramifications for overall economic conditions. In Europe, continuing Brexit-related uncertainties may have negative impacts on the regional economy. In addition, currency risks persist.

Despite a lower expected growth rate for 2020, Belimo continues to invest in its growth initiatives.

New integrated sustainability report. In order to provide greater transparency to its stakeholders, Belimo set out to further advance its sustainability reporting based on the international reporting framework of the Global Reporting Initiative (GRI). The new reports also quantifies the impact of Belimo products in the field, reducing energy consumption and CO₂ emissions by a factor of 24 in relation to their resource input.

Key Figures of the Belimo Group for the 2019 Financial Year

in CHF 1,000 (unless indicated otherwise)	2019	2018	Change in %
Net sales	692,680	642,368	7.8
Operating income (EBIT) in percent of net sales	123,869 17.9%	109,839 17.1%	12.8
Net income in percent of net sales	121,103 17.5%	86,209 13.4%	40.5
Cash flow from operating activities in percent of net sales	125,400 18.1%	113,938 17.7%	10.1
Free cash flow in percent of net sales	83,852 12.1%	94,261 14.7%	-11.0
Earnings per share, in CHF	197.00	140.22	40.5
Dividend per share, in CHF	150.00*	100.00	50.0
Cash effective investments in property, plant and equipment and intangible assets	40,652	20,491	98.4
Research and development in percent of net sales	50,683 7.3%	47,248 7.4%	7.3
Number of employees as at December 31 (FTEs)	1,789	1,640	9.0

* Proposal to the Annual General Meeting on March 30, 2020.

The Belimo Group is a leading global manufacturer of innovative electrical actuator, valve, and sensor solutions for heating, ventilation, and air conditioning systems. The Company reported sales of CHF 693 million in 2019 and has approximately 1,900 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).

Link to the Annual Report 2019, including the new integrated sustainability report:

www.belimo.com/financial-reports

Link to the definitions of Alternative Performance Measures:

www.belimo.com/financial-summary

There will be a Media and Financial Analysts Conference on the 2019 financial statements at the WIDDER HOTEL in Zurich (Switzerland) today, starting at 10:00 a.m.

Contact	Dr. Markus Schürch, CFO	+41 43 843 65 01
Agenda	Publication of Annual Report 2019 / Media and Financial Analysts Conference	March 9, 2020
	Annual General Meeting 2020	March 30, 2020
	Dividend Payment	April 3, 2020
	Publication of Semiannual Report 2020	August 3, 2020
	Publication of Sales 2020	January 21, 2021
	Publication of Annual Report 2020 / Media and Financial Analysts Conference	March 8, 2021
	Annual General Meeting 2021	March 29, 2021