

Hinwil (Switzerland), EMBARGOED UNTIL March 8, 2021, 07:00 a.m. CET

Press Release of the Belimo Group

Belimo: Maintaining Long-Term Focus in Challenging 2020

Belimo performed well in a highly uncertain environment and a contracting HVAC market. The Group managed to maintain sales in local currencies and expand market shares across regions.

An overall shrinking and volatile market, globally stressed supply chains and the implementation of strict hygiene measures called for everyone's utmost effort at Belimo in 2020. Given these challenges, Belimo performed well. The Company maintained steady sales in local currencies (+/- 0.0 percent) despite a contracting Heating-, Ventilation and Air Conditioning (HVAC) market due to shut construction sites and restricted access to buildings. In Swiss francs, net sales declined by 4.5 percent, to CHF 661.2 million. Operating income (EBIT) came in at CHF 108.1 million, representing an EBIT margin of 16.3 percent (2019: 17.9 percent). The strong operating result, which was achieved despite adverse conditions caused by the COVID-19 pandemic and unfavorable foreign exchange rate movements of the Swiss franc, confirms the resilience of the Belimo strategy. Net income declined compared to the previous year period by 28.5 percent to CHF 86.6 million. The transitional provisions of the Swiss tax reform applied in 2019 had a nonrecurring, positive effect of CHF 22.1 million in the comparison period. Free cash flow amounted to CHF 93.3 million (11.2 percent higher than in the previous year). Following its growth strategy, Belimo once again increased its investment in research and development from 7.3 percent of net sales in 2019 to 8.1 percent in 2020.

The Board of Directors proposes a dividend of CHF 150.00 per share at the 2021 Annual General Meeting. To facilitate employees' access to the Employee Share Purchase Plan (ESPP) and to increase the marketability of the shares, the Board of Directors proposes to split the existing 615,000 registered shares at a nominal value of CHF 1.00 each on a twenty-for-one basis, resulting in 12,300,000 registered shares at a nominal value of CHF 0.05 each.

Europe. In the market region Europe, the Group registered net sales of CHF 322.3 million, corresponding to an increase in local currencies of 1.8 percent in comparison with the previous year (-2.0 percent in Swiss francs). The economic situation in Europe has gained noticeable momentum in the second half-year. In its largest market region, Belimo grew faster than the contracting HVAC market.

Americas. In the Americas, the Group registered net sales of CHF 253.9 million, which corresponds to a decline of 1.8 percent in local currencies (-7.0 percent in Swiss francs). The pandemic has led to a contraction of most economies. Similarly, the HVAC market has been negatively impacted throughout the region, as most countries experienced disruptions. In the US, sales contracted due to overall HVAC market headwinds driven by COVID-19. Projects were delayed due to lockdown measures and the retrofit market was impacted by restricted access to buildings.

Asia Pacific. In the Asia Pacific market region, Belimo recorded CHF 85.1 million in sales, corresponding to a decrease of 1.1 percent in local currencies (-6.6 percent in Swiss francs). Belimo China sales profited from the quick containment of the virus, leading to a double-digit sales growth from April to October in local currencies.

Net Sales by Market Regions

in CHF 1,000	2020	%	Growth in local currencies in %	2019	%
Europe	322,285	49	1.8	328,777	48
Americas	253,875	38	-1.8	272,849	39
Asia Pacific	85,067	13	-1.1	91,054	13
Group	661,226	100	0.0	692,680	100

Growth Strategy and Innovation. In 2020, Belimo focused on pursuing its strategic initiatives, strengthened its global market leadership, and expanded its sensor offering by completing a bolt-on acquisition.

Grow Existing Business with Actuators and Valves. In its first growth initiative, Belimo successfully expanded its market share across regions, accelerated its presence in key markets, and further strengthened its global market leadership. Belimo expanded its expertise in Indoor Air Quality (IAQ) along with the "Seven Essentials of Healthy Indoor Air" to respond to the demand for healthy indoor spaces. For that purpose, Belimo is leading an international team of internal and external industry experts including medical doctors (find more information on www.belimo.com).

Enter Sensor Business. In 2020, a newly developed range of room sensors was launched: An innovative range of IAQ sensors that can be wirelessly configured with the Belimo Assistant App for quick commissioning. Also, Belimo completed a bolt-on acquisition of Montreal-based air quality and gas sensors specialist Opera Electronics Inc. Core applications include vehicle emissions monitoring in car parks, refrigeration gas leak detection and combustible gas monitoring in HVAC plant rooms.

Offer Selected Performance Devices. In the reporting period, significant development resources have been allocated to further advance the product range of the Belimo Energy Valve™ with innovative energy metering technology in order to continue innovating this flagship product with new product launches planned for summer 2021. Another representative of the Performance Devices product category is the Belimo Zone-Ease™ VAV, a device that accurately controls the flow of conditioned air in zone applications. A new version with a Power over Ethernet (PoE) interface has been introduced.

Grow Asia Pacific. Belimo continued to gain market share and momentum with its growth strategy of the Asia Pacific market region through sustained sales, marketing and operations. In China, Belimo expanded its sales network by opening four new sales and customer service hubs in the major metropolitan areas Chengdu, Hangzhou, Changsha and Qingdao with Belimo operating now a total of ten hubs. Besides product sales and support, training and consulting customers is a major task of these hubs.

Net Sales by Applications

in CHF 1,000	2020	%	Growth in local currencies in %	2019	%
Air	368,415	56	0.0	385,480	56
Water	292,812	44	-0.1	307,200	44
Total	661,226	100	0.0	692,680	100

Outlook 2021. The effects of the pandemic and an increased consciousness for indoor air quality are projected to affect all construction projects in the long run. Many HVAC systems in existing buildings should be retrofitted for healthy indoor air. Furthermore, new building codes and government-funded programs such as the EU Climate Target Plan 2030 that should reduce buildings "greenhouse gas emissions by 60 percent and energy consumption for heating and cooling by 18 percent"¹. The output for non-residential construction is forecasted to return to growth in Europe. The pandemic is likely to continue to hurt economic activity throughout the Americas market region during the first half of 2021. In most countries in the Asia Pacific market region, the commercial building market is expected to remain sluggish throughout 2021. In China, the market outlook for the sectors healthcare, warehousing/logistics, datacenters and public transportation is strong. The Indian market is bound to recover in 2021.

On balance, Belimo expects sales revenue growth in local currencies to pick up over the course of the year, completing with an annual growth rate slightly below its five-year average. This is due to the continued negative impact by the pandemic in the first half year and a strong comparative baseline in the first quarter. Persisting unfavorable exchange rates are likely to weigh negatively on profitability in 2021. Despite the hampered sales revenue growth outlook, Belimo pursues its long-term growth strategy, allocating significant resources for research, development and sales network expansion.

¹ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: "A Renovation Wave for Europe – Greening our buildings, creating jobs, improving lives", SWD(2020) 550 final, October 2020.

Key Figures of the Belimo Group for the 2020 Financial Year

in CHF 1,000 (unless indicated otherwise)	2020	2019	Change
Net sales	661,226	692,680	-4.5%
Operating income (EBITDA) in percent of net sales	139,337 21.1%	154,224 22.3%	-9.7%
Operating income (EBIT) in percent of net sales	108,065 16.3%	123,869 17.9%	-12.8%
Net income in percent of net sales	86,641 13.1%	121,103 17.5%	-28.5%
Cash-effective investments in property, plant and equipment and intangible assets	28,964	40,652	-28.8%
Cash flow from operating activities in percent of net sales	125,668 19.0%	125,400 18.1%	+0.2%
Free cash flow in percent of net sales	93,274 14.1%	83,852 12.1%	+11.2%
Return on equity (ROE)	17.4%	25.6%	
Return on invested capital (ROIC)	24.7%	27.8%	
Earnings per share, in CHF	141.02	197.00	-28.4%
Dividend per share*, in CHF	150.00	150.00	0.0%
Number of employees (FTEs) as at December 31	1,826	1,789	+2.1%
Actuators shipped, in million items	6.9	7.2	-3.2%
Total CO ₂ savings of Belimo devices, in million tons of CO ₂ e	7.3	7.6	-3.3%

* Proposal to the Annual General Meeting on March 29, 2021.

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 661 million in 2020 and has around 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 2020, including the integrated sustainability report:

<http://www.belimo.com/financial-reports>

Link to the definitions of Alternative Performance Measures:

<http://www.belimo.com/financial-summary>

The Media and Financial Analysts Conference on the 2020 financial statements will be held online today, starting at 10:00 a.m. The event will be held in German, the slides will be in English.

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Agenda	Publication of Annual Report 2020 / Media and Financial Analysts Conference Annual General Meeting 2021 Dividend Payment First Day of Trading After Share Split (Subject to Approval by the Annual General Meeting) Publication of Semiannual Report 2021	March 8, 2021 March 29, 2021 April 6, 2021 April 7, 2021 July 22, 2020