

Hinwil, August 5, 2019, 07:00 a.m. CET

Press release of the Belimo Group

Belimo continued its growth path - successful first half-year

Belimo increased its sales by 9.3 percent to CHF 355.2 million in the first half-year 2019. On a currency-adjusted basis, this corresponds to a growth of 9.9 percent.

Operating income before interest and taxes (EBIT) rose to CHF 67.1 million (2018: CHF 59.5 million) resulting in an EBIT margin of 18.9 percent (18.3 percent). Advantageous currency effects among the factors contributed to this margin increase. A net income of CHF 53.4 million (CHF 47.6 million) and earnings per share of CHF 86.85 (CHF 77.40) resulted.

Belimo generated a free cash flow of CHF 26.0 million (CHF 49.6 million). The investment of CHF 10 million as a short-term fixed cash deposit as well as higher capital expenditure, among others for the purchase of the building for the new service and logistics center near Dresden, reduced the free cash flow in the reporting period. Net liquidity was CHF 113.6 million at the end of June and the equity ratio was 77.9 percent.

Europe. The largest market region of the Belimo Group recorded sales growth of 3.6 percent, and 6.8 percent on a currency-adjusted basis. The growth is attributable to the consistently good development of all European markets. In the second half-year Belimo will open a new service and logistics center in Großröhrsdorf near Dresden (Germany). This will bring Belimo even closer to its customers in Germany, Northern and Eastern Europe, and thus offers the possibility for customer-specific adaptations as well as an increased delivery readiness.

Americas. This market region experienced an extremely successful first half-year 2019 in the USA thanks to a good market environment. In Canada and Brazil sales also grew far above average. All of these factors resulted in an increase in sales in the market region of 17.0 percent, and on a currency-adjusted basis of 14.0 percent. The contribution of the market region rose to 40 percent (37 percent) of total sales.

Asia Pacific. Sales in the Asia Pacific market region grew by 9.0 percent, in currency-adjusted terms by 10.5 percent. China in particular, the largest market in the region, made an important contribution to sales growth thanks to the consistent implementation of the growth strategy. One positive highlight in the Chinese market is the good development of the OEM business. However, uncertainties arising in China from the US-China trade dispute have become increasingly noticeable among market participants. Furthermore, the remaining markets in the Asia Pacific region did not develop as expected.

Thanks to the innovations launched in the past few years in the area of control valves, Belimo was able to further expand its market share in water applications resulting in a currency-adjusted growth 15.4 percent and a contribution of 45 percent (42 percent) to total sales.

Seen in the context of the entire group, the strong demand for innovative and strategically important products such as sensors and Belimo ZoneEase™ VAV proves the sales organization's advisory competence. The Belimo Energy Valve™ and zone valves from the ZoneTight™ line also made a good impression with strong sales.

Net sales by market regions

in CHF 1,000	1st half 2019	%	Growth in local currencies in %	1st half 2018	%
Europe	170,251	48	6.8	164,315	51
Americas	142,153	40	14.0	121,507	37
Asia Pacific	42,826	12	10.5	39,281	12
Group	355,229	100	9.9	325,103	100

Net sales by applications

in CHF 1,000	1st half 2019	%	Growth in local currencies in %	1st half 2018	%
Air	197,118	55	5.9	188,062	58
Water	158,111	45	15.4	137,041	42
Total	355,229	100	9.9	325,103	100

Outlook. Belimo is confident overall about the rest of the 2019 financial year. In the Europe market region, the company is expecting average business development for the second half of 2019. A still strong US economy continues to promise a good second half for the building automation sector in the Americas. In the Asia Pacific region, the Asia Pacific strategic growth initiative should compensate for reduced growth in the main market China. As a result, there should be good sales growth in the region, although slightly below expectations.

For the overall year 2019, the EBIT margin is expected to trend lower. In addition to a possible escalation of the trade dispute between the USA and China, ongoing risk factors include in particular currency risks, which could have a negative impact on the margin. Due to additional resources for the growth strategy, costs are expected to trend higher in the second half of 2019.

Belimo Group key figures

in CHF 1,000 (unless indicated otherwise)	1st half 2019	1st half 2018	Change in %
Net sales	355,229	325,103	9.3
Operating income (EBIT) in percent of net sales	67,118 18.9%	59,525 18.3%	12.8
Net income in percent of net sales	53,407 15.0%	47,584 14.6%	12.2
Cash flow from operating activities in percent of net sales	52,979 14.9%	56,954 17.5%	-7.0
Free cash flow in percent of net sales	25,974 7.3%	49,644 15.3%	-47.7
Earnings per share, in CHF	86.85	77.40	12.2
Investments in property, plant and equipment and intangible assets	17,388	7,710	125.5
Number of employees (FTEs, six-month average)	1,663	1,558	6.8

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 642 million in 2018 and more than 1,700 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 Semiannual Report 2019:

www.belimo.com/financial-reports

Link to the Definitions of Alternative Performance Measures:

www.belimo.com/financial-summary

Contact	Dr. Markus Schürch, CFO	Phone +41 43 843 62 32
Agenda	Publication of Semiannual Report 2019	August 5, 2019
	Publication of Sales 2019	January 23, 2020
	Publication of Annual Report 2019/ Media and Financial Analysts Conference	March 9, 2020
	Annual General Meeting 2020	March 30, 2020