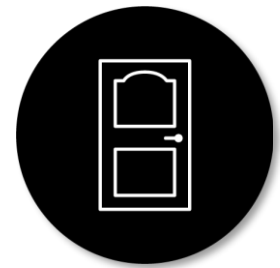
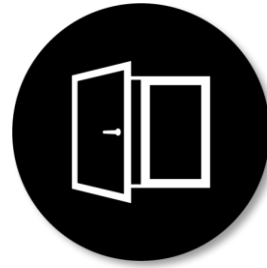
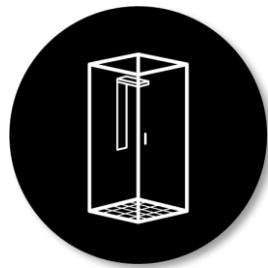


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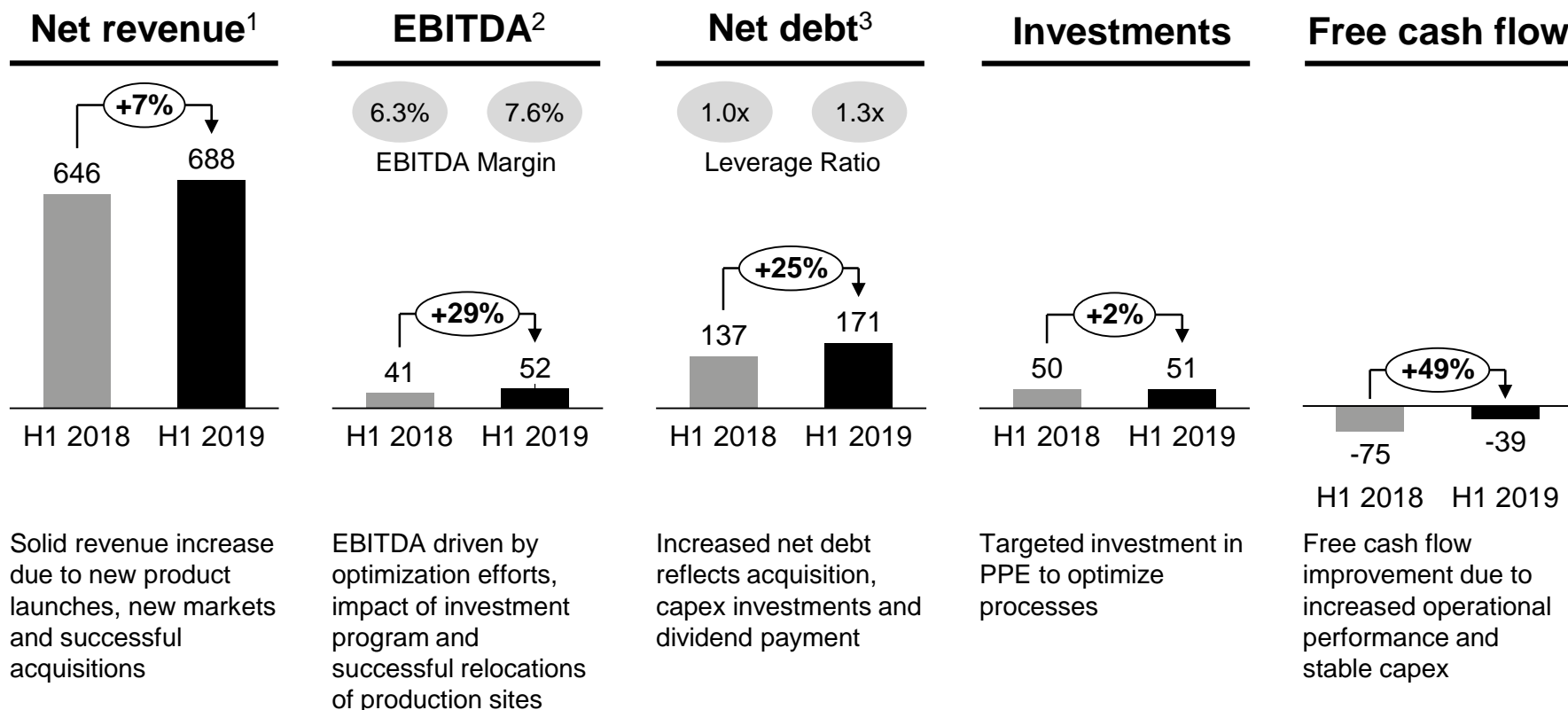


Arbonia – H1 2019 Results – 13th August 2019

Alexander von Witzleben, CEO
Daniel Wüest, CFO

H1 2019 summary

Overview key metrics (CHF M)



Performance improvement vs. H1 2018 shows initial benefit of implemented strategy

2019: Including IFRS 16

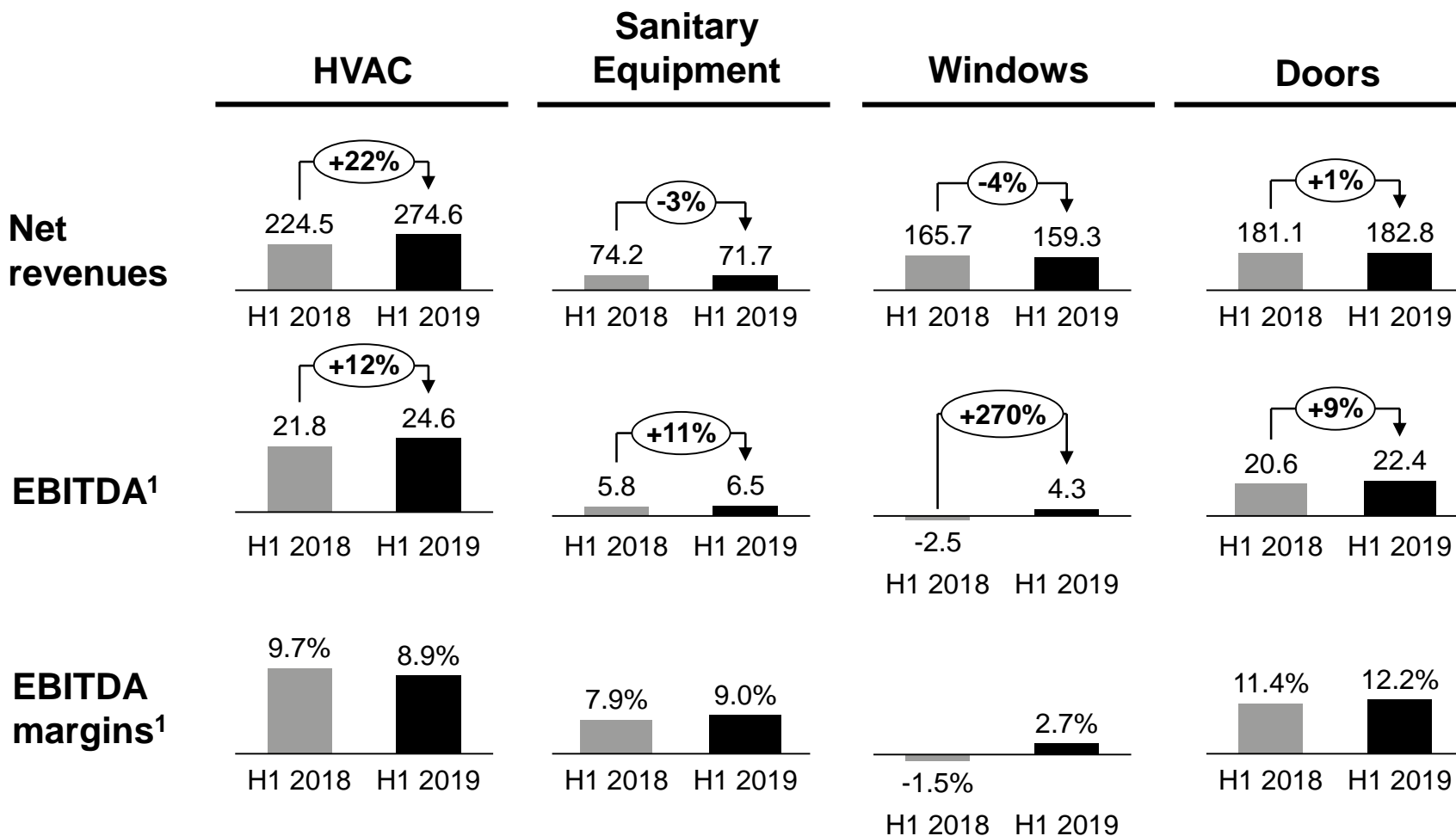
¹ Organic revenue growth adjusted for currency and acquisition effects 1.4%

² EBITDA figures without one-time effects – EBITDA with one-time effects H1 2018 CHF 44.2 M and H1 2019 CHF 48.3 M

³ 2019: Excluding IFRS 16 effect. Net debt including IFRS 16 effect CHF 225 M

H1 2019 summary

Performance by Division (CHF M) – reflects focus on bottom-line



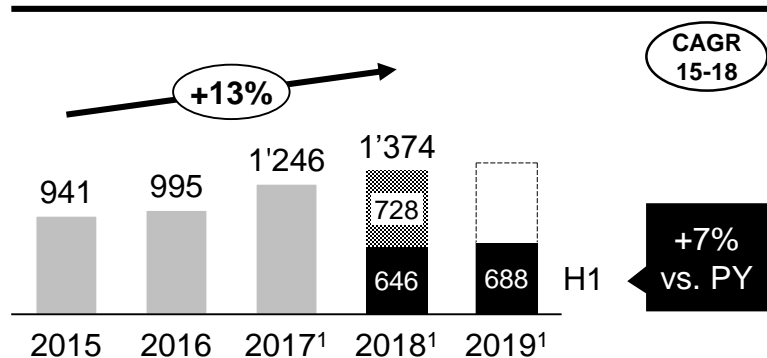
2019: Including IFRS 16

¹ EBITDA figures without one-time effects

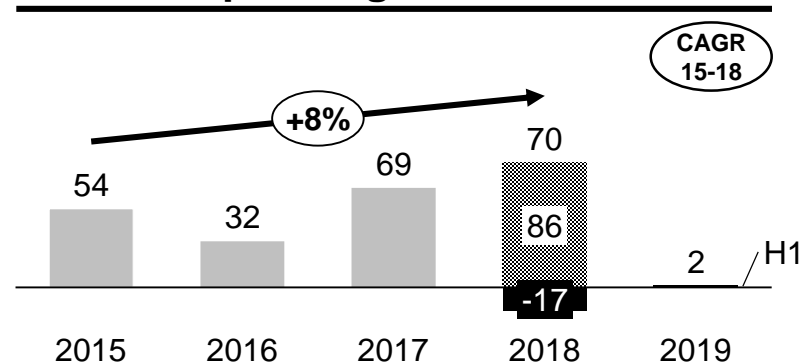
Arbonia's 5-year performance: Successful transformation

Key figures 2015-2019 (CHF M)

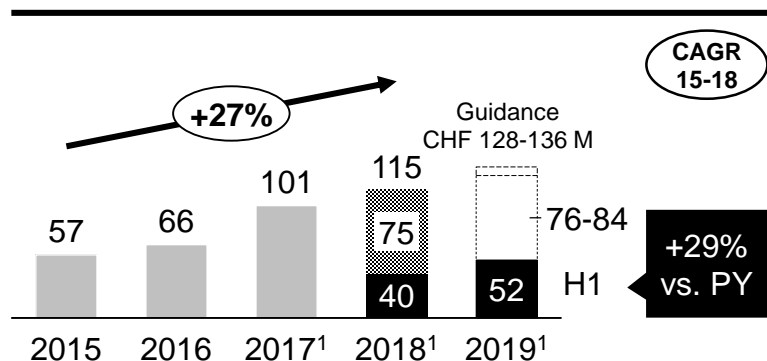
Net revenue



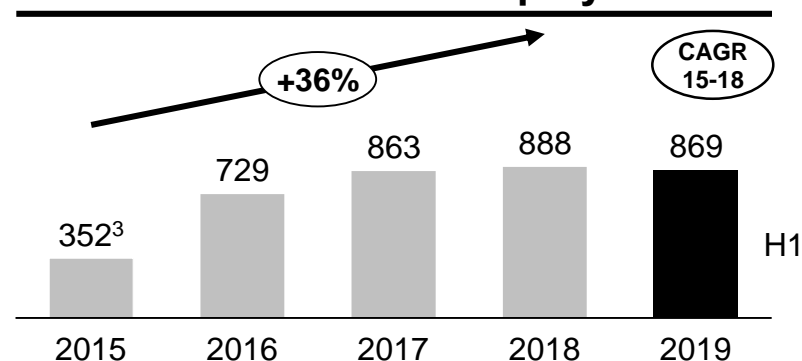
Operating cash flow



EBITDA²



Shareholders' equity

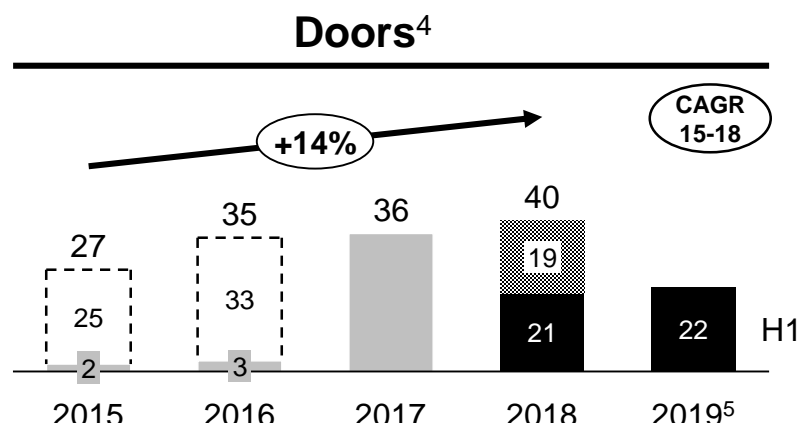
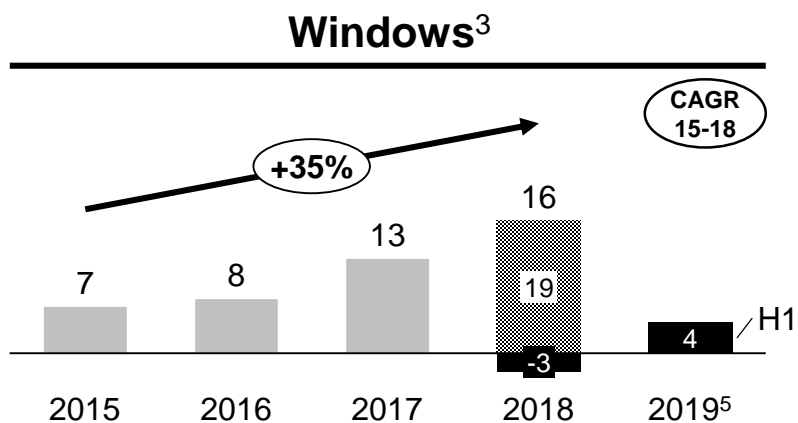
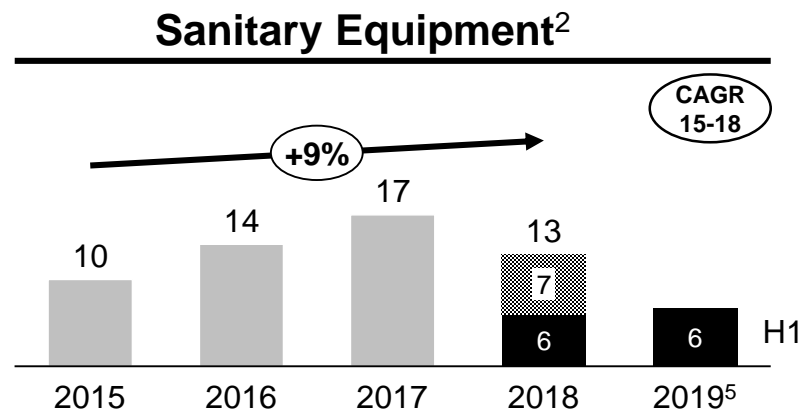
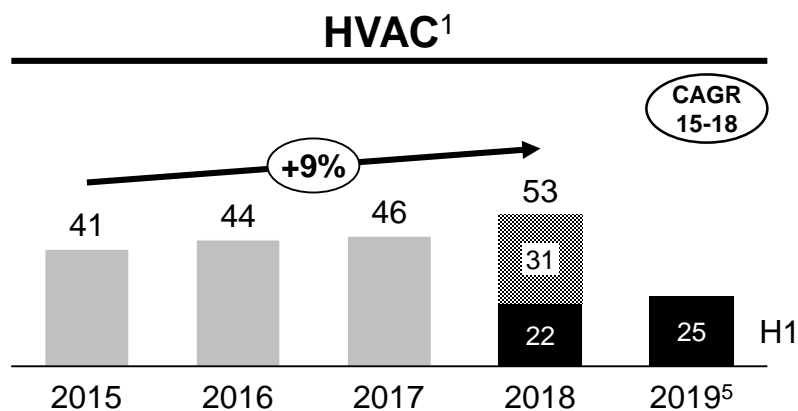


Repositioned group as basis for future profitable growth

2019: Including IFRS 16 | 1 Continuing operations from 2017 | 2 Without one-time effects | 3 H1 2015: CHF 187 M

Arbonia's 5-year EBITDA performance: Divisions

Key figures 2015-2019 (CHF M)



EBITDA figures without one-time effects

1 Acquisition of Vasco Group in June 2018 and Tecna in September 2018

2 Acquisition of Koralle Group in October 2017

3 Acquisition of Wertbau in October 2015

4 Without disposed Profile Systems Business Unit. Acquisition of Looser Group in December 2016

5 Including IFRS 16

Corporate Development Strategy



Objective: Strengthen the leading market position as an emerging European building components supplier

Plant productivity

New production site in Stupino (RUS)



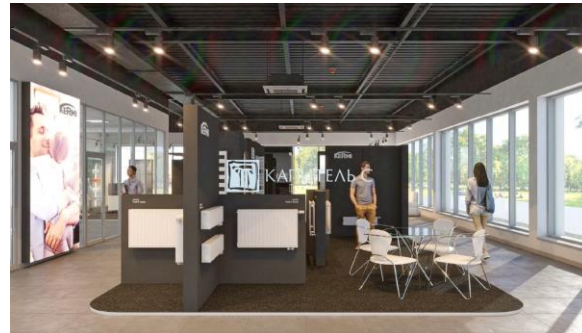
New plant – 15.000 m² covered area



First of two welding lines



Painting line



Show room for local customers

- Building completed, technology installed
- Ramp-up of new production competence center in Stupino started
- Best product offering to local customer base
- Core team setup finished / know-how transfer from Germany to Russia completed
- Initial annual capacity of 300'000 radiators (up to 600'000 maximum capacity)
- Opening ceremony October 2019

I Plant productivity

Relocation projects

Altstätten Switzerland (Windows)

- After completion of PVC relocation to Slovaktual (SK) in 2016, transfer of remaining EgoKiefer wood and wood/alu quantities to Langenwetzendorf / Wertbau completed by end of 2019
- End of production in Altstätten (CH) presumably end of December 2019¹
- Increase in production volume at Wertbau of 40-50% in 2019 compared to 2018 levels
- Reduction of c. 120 FTE in Switzerland compared to average Swiss blue collar work force in 2018



Zedelgem Belgium (HVAC)

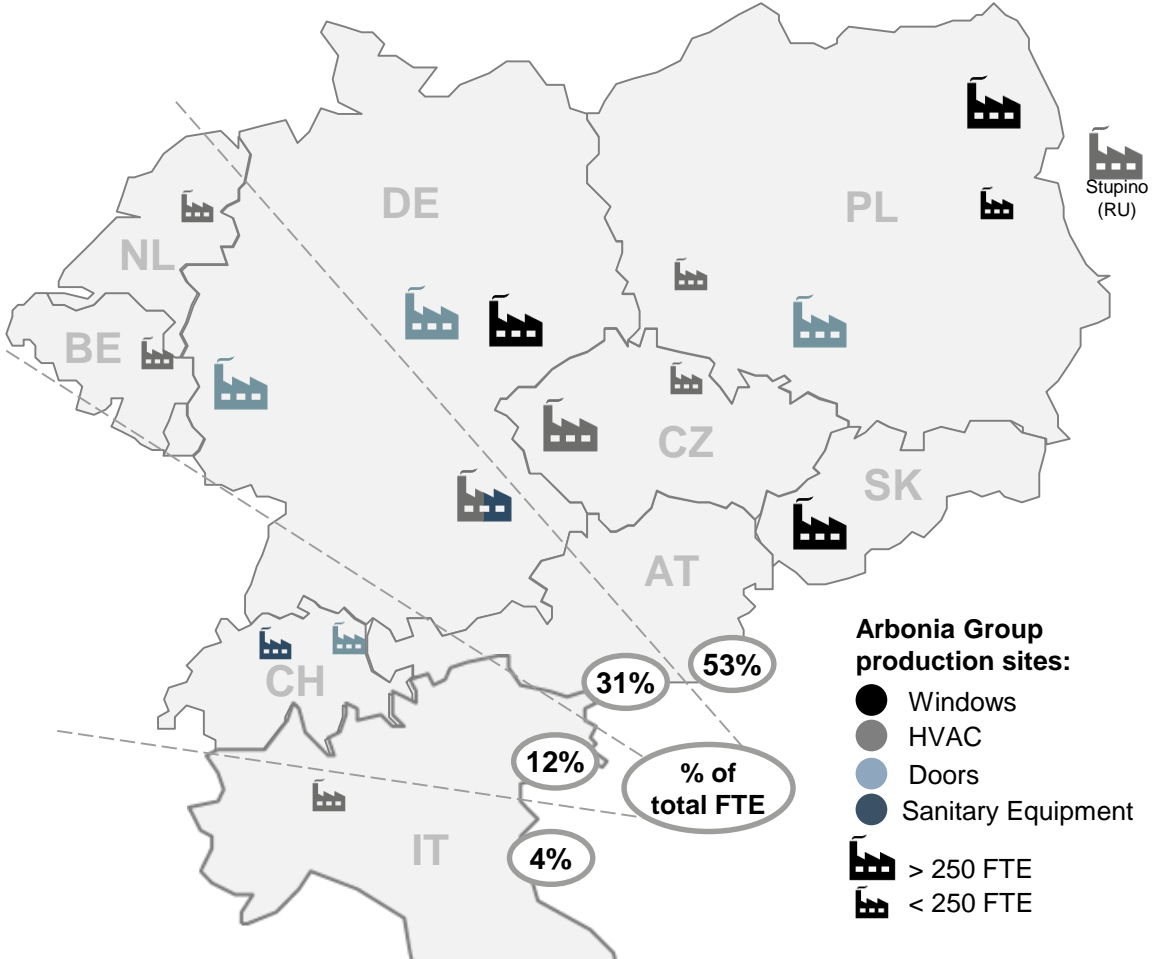
- Consolidation of European steel panel radiator production in highly automated production sites (Plattling/DE, Tubbergen/NL)
- Relocation of production concluded in July 2019, selected functions will operate in Zedelgem (BE) until Q4 2019
- Expected reduction of c. 80 FTE until Q4 2019
- No productivity decrease over eight months of implementation



¹ 10 FTE will remain in Altstätten to produce front doors

Market leadership

Balanced production footprint across Europe (as of 2020)


























Results of 5-year restructuring and repositioning:

- Consolidated and modernized production set-up across Europe to provide both **proximity** to key markets and **low cost** structures
- Strong footprint in Eastern Europe enables access to new growth regions in construction
- Diversification mitigates local risks (market, currency, employment, political, etc.)

Market leadership

Arbonia brand portfolio

ARBONIA

Region	HVAC	Sanitary Equipment	Windows	Doors
	 		 Fenster und Türen	 Objekttüren nach Mass
 	  	 	 Mehr Licht zum Leben	 Türen die zu Ihnen passen  Türen für Ihr Zuhause
Other European countries (Benelux, Poland, Slovakia, Italy, Spain, Czech Republic, Russia, etc.)	  		 	

Arbonia's footprint enables local market leadership underpinned by our brand portfolio

Customer value

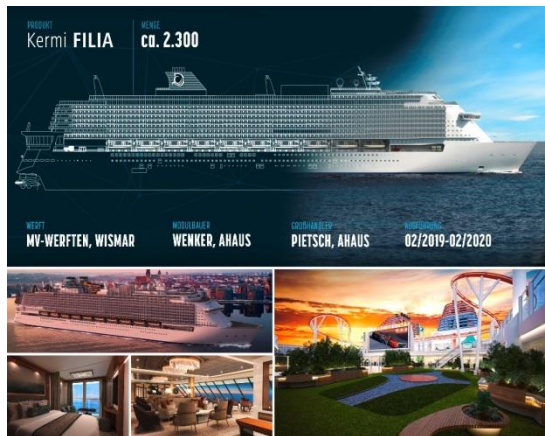
HVAC & Sanitary Equipment

HVAC System solution



- Numerous new products and systems launched in 2019
- Complete product portfolio for HVAC and energy management
- Integrated R&D and sales activities for speed and synergies

Sanitary Equipment Project business

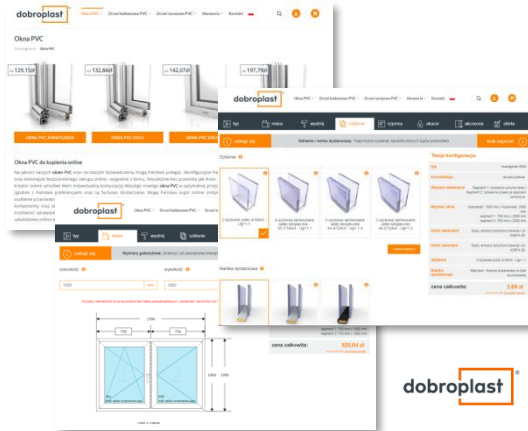


- Wide range of shower enclosures for the special demands of cruise liners, hotels and mobile homes
- Capability for customized single solutions
- Short and reliable on time delivery
- Supporting the product choice based on visualised construction drawings
- 20 years guaranteed availability for spare parts
- Pre fitted products save assembling time

Customer value

Windows & Doors

Windows Webshop



- Dobroplast launched an online window configurator covering the entire Polish market
- Customers benefit from lean and efficiently structured processes, short lead times, professional installation and transparent pricing
- Replication and scalability of configurator in other markets
- Positive feedback from customers and partners

Doors Project business



«The Circle» – die grösste Baustelle der Schweiz

Sie gilt als die momentan grösste private Hochbau-Baustelle der Schweiz. Gebaut wird auf 30'000 m² Bodenfläche. Es entstehen auf bis zu elf Stockwerken unter anderem zwei Hotels mit 1500 Zimmern sowie ein Kongresszentrum für bis zu 2500 Besucher. Geplant sind weiter ein medizinisches Zentrum des Zürcher Universitätsspitals und 6500 Arbeitsplätze.

Bei den Ausschreibungen zum Bau von «The Circle» am Flughafen Zürich hat RWD Schlatter den Zuschlag für einen Grossauftrag erhalten. Der Generalunternehmer HBS Real Estate AG hat RWD Schlatter beauftragt, Türen im Wert von rund CHF 8 Mio. zu liefern. Bis zur Fertigstellung des Projekts im Jahr 2020 wird die RWD Schlatter über 3.200 Türen geliefert haben.



- RWD Schlatter is the most competent partner in Switzerland for planning, producing, and installing multi-purpose functional doors in large and complex buildings
- “The Circle”: Volume CHF 8 M for 3'200 doors; Mixed-use, premium segment standard; contains offices, hotels and restaurants, medical center, and a convention hall
- Hospital center Chur (CH): Volume CHF 5 M for 700 doors; Hospital room doors require highest standards regarding fire protection, soundproofing, hygiene and durability

Customer value

Our digitalization objectives



Division objectives
 Shared resources
 Divisions



Collaborations



...

Summary repositioning and restructuring

Business transformation completed

2015: Distressed Swiss industrial holding

- Underinvested production sites with limited power to compete for market shares
 - Underestimated impact of Swiss Franc appreciation
-
- Local independent entities with a wide range of product offering in few markets (focus on Switzerland and Germany)
-
- High level of product focus and engineering skills
 - Two out of three divisions with operating losses

2019: Emerging European building components supplier

- Highly automated, modern and cost-efficient production sites
 - Gaining Quality and Price leadership
-
- Integrated and empowered Divisions with regional presence
 - Clear focus on defined core markets for components in Europe
-
- Increased understanding of customer value through proximity, introduction of new customer oriented business models and digitization

2020 onwards

- Focus on profitable organic growth complemented by M&A
- Deferred maintenance capex program almost completed (except Doors divisions)
- Reducing maintenance capex ratio on group level
- Additional selected bolt-on acquisitions to secure and expand technological, system and/or geographical leadership if incremental underlying margin improvement
- Selected expansion projects to fundamentally improve profitability
- Getting started in digitalization
- Full exploitation of productivity potential from 2020+ onwards

Focus on profitable growth

Mid-term financial roadmap from 2020 onwards

Following completion of business transformation

Value generation

- Organic and inorganic top-line growth with focus on underlying bottom-line performance
- Focus on (operational) free cash flow generation (before M&A and selected expansion capex projects)
- Ongoing and sustainable dividend distribution linked to underlying profit

Capex

- Clear distinction between maintenance and expansion capex
- Reduction of maintenance capex ratio to blended industry standard of c. 4% of sales on Group level
- In addition, selected expansion capex projects with sustainable positive impact on divisional and group profitability

Financial flexibility

- Strong balance sheet and equity ratio to provide financial flexibility to finance M&A and larger expansion capex projects

P&L

Without one-time effects

In CHF M	1-6/2019 ¹	in %	1-6/2018 ²	in %
Net revenues	688.4	100.0	645.6	100.0
Cost of material and goods	-322.9	-46.9 ^I	-312.7	-48.4
Personnel expenses	-238.5	-34.7 ^{II}	-223.2	-34.6
Other operating expenses	-98.8	-14.4	-95.1	-14.7
EBITDA	52.3^{III}	7.6	40.5	6.3
Depreciation, amortisation, impairments	-31.4 ^{IV}	-4.6	-22.9	-3.5
EBITA	21.0	3.0	17.6	2.7
PPA amortisation	-9.5	-1.4	-9.3	-1.4
EBIT	11.5	1.7	8.4	1.3
Net financial results	-0.6 ^V	-0.1	-4.3	-0.7
Group result before income tax	10.9	1.6	4.1	0.6
Income tax expenses	-3.9	-0.6	-1.4	-0.2
Group result	7.0	1.0	2.7	0.4

I Cost of material

- Product mix improvement

II Personnel exp.

- Ratio unchanged to H1 18 but 3.8 percentage points better than H1 15

III EBITDA

- EBITDA up 29% (15% IFRS 16 adjusted)

IV Depreciation

- Higher depreciations due to IFRS 16, Vasco and capex related investments 18/19

V Financial result

- Positive impact from reclassification of inter-company loans

Blue figures are adjusted for one-time effects

1 Including IFRS 16

2 Including Vasco since 1 June 2018, restated

P&L

With one-time effects

In CHF M	1-6/2019 ¹	in %	1-6/2018 ²	in %
Net revenues	688.4	100.0	645.6	100.0
Cost of material and goods	-322.9	-46.9	-312.7	-48.4
Personnel expenses	-243.3	-35.3 ^I	-223.2	-34.6
Other operating expenses	-99.3	-14.4	-95.7	-14.8
EBITDA	48.3^{II}	7.0	44.2	6.9
Depreciation, amortisation, impairments	-31.4	-4.6	-22.9	-3.5
EBITA	17.0	2.5	21.4	3.3
PPA amortisation	-9.5	-1.4	-9.3	-1.4
EBIT	7.5	1.1	12.1	1.9
Net financial results	-0.6	-0.1	-3.3	-0.5
Group result before income tax	6.9	1.0	8.9	1.4
Income tax expenses	-3.5	-0.5	-2.4	-0.4
Group result	3.5	0.5	6.4	1.0

I Personnel exp.

- Up due to restructuring charges at Vasco and EgoKiefer plus ramp-up Stupino plant

II EBITDA

- Includes c. CHF 5 M one-time restructuring costs Vasco, EgoKiefer, ramp-up costs Stupino plant and CHF 1 M repayment of property tax paid (CHF 4 M net one-time effect)

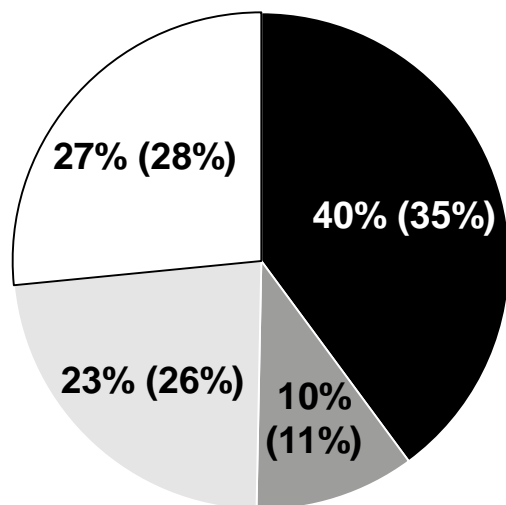
¹ Including IFRS 16

² Including Vasco since 1 June 2018, restated

Net revenues by Division and Region

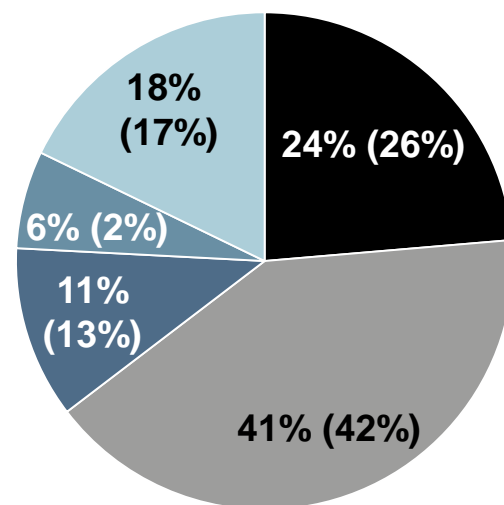
Relative share of HVAC up mainly due to acquisition of Vasco

Net revenues by Division¹



- HVAC
- Sanitary Equipment
- Windows
- Doors

Net revenues by Region¹



- Switzerland
- Germany
- Eastern Europe²
- Benelux
- RoW

¹ The figures in brackets show the values of the previous year

² Eastern Europe: PL, CZ, SK and RU

Organic Growth

Growth based on price effects across all divisions

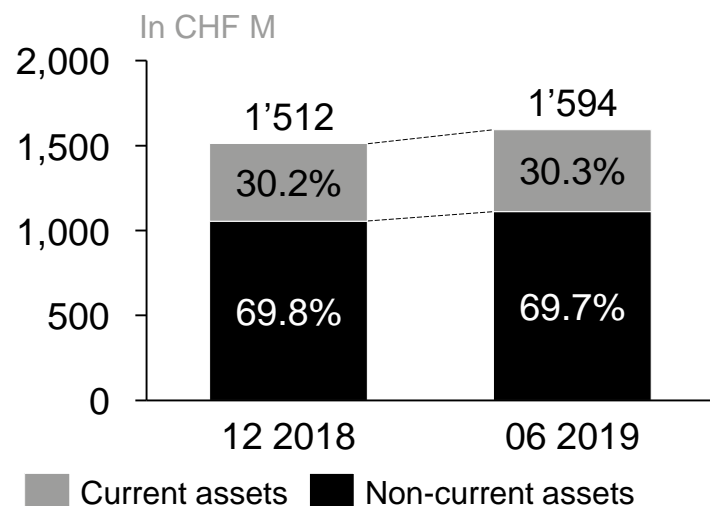
Net revenues as reported in CHF M	1-6/2019	1-6/2018¹	Δ Year Total	Currency Effects	Acqui- sition Effects	Organic Growth²
Arbonia	688.4	645.6	+6.6%	-2.9%	+8.1%	+1.4%
HVAC	274.6	224.5	+22.3%	-3.5%	+23.2%	+2.6%
Sanitary	71.7	74.2	-3.3%	-2.7%	0.0%	-0.6%
Windows	159.3	165.7	-3.9%	-1.8%	0.0%	-2.1%
Doors	182.8	181.1	0.9%	-3.2%	0.0%	+4.1%

1 Including Vasco since 1 June 2018

2 Adjusted for currency and acquisition effects

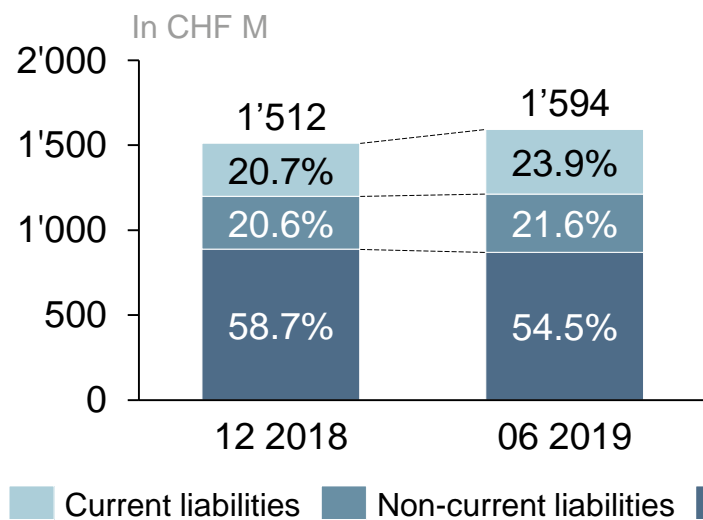
Financials

Balance sheet



I Assets

- Working capital increase due to seasonality of operations
- IFRS 16, capitalisation of right-of-use assets (leases) of c. CHF 50 M

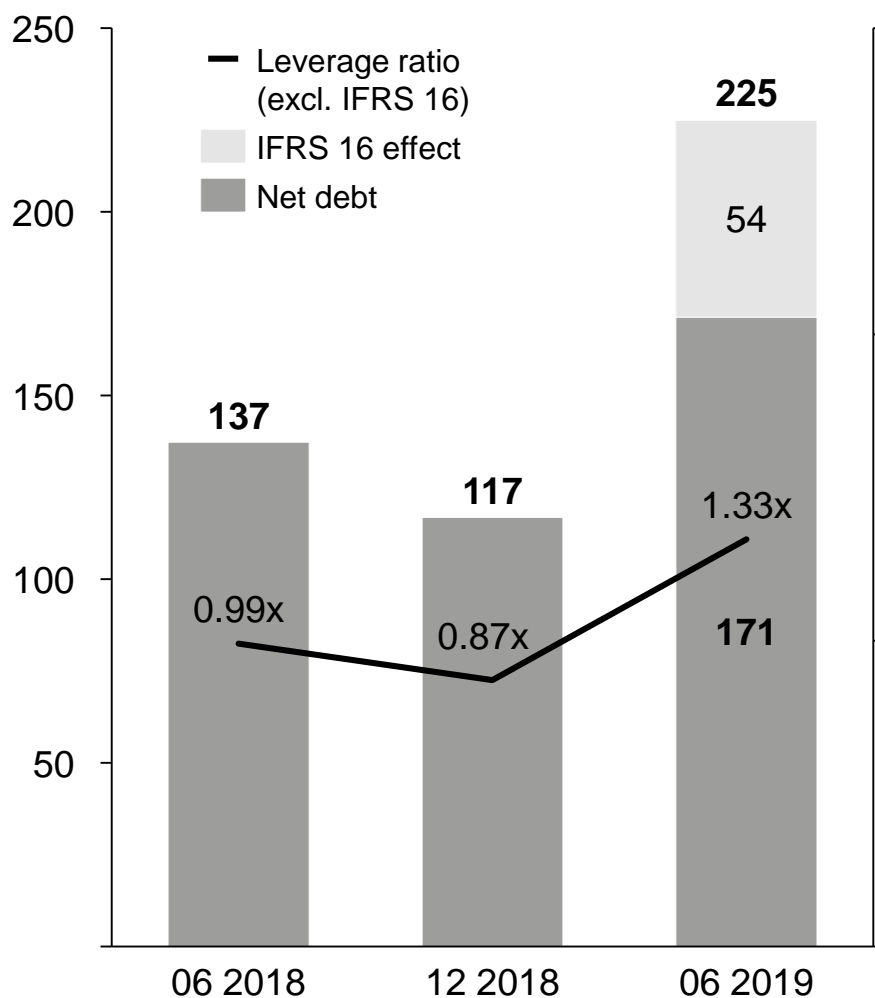


II Liabilities

- Current and non-current liabilities increased due to IFRS 16 lease liabilities (c. CHF 50 M)
- Shareholders' equity marginally down due to dividend payment and fx translation effects

Net debt as of June 2019

In CHF M



I Net debt

- Net debt increased CHF 34 M to CHF 171 M compared to H1 2018 due to acquisition, capex investments and dividend payment
- Seasonal decrease until year end expected

II Leverage ratio (excl. IFRS 16 effects)

- Leverage increased to 1.33x (excl. IFRS 16 effects)
- Slight support in the coming years from reduction of IFRS 16 liabilities

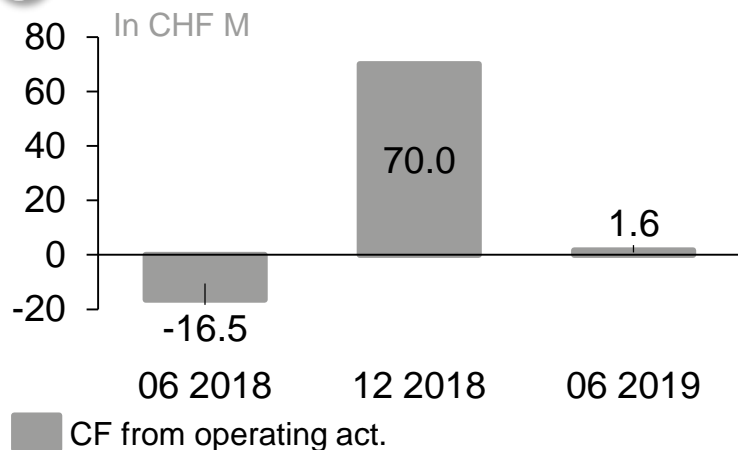
III Real estate

- Still own non-operational real estate c. CHF 25 M market value

Financials

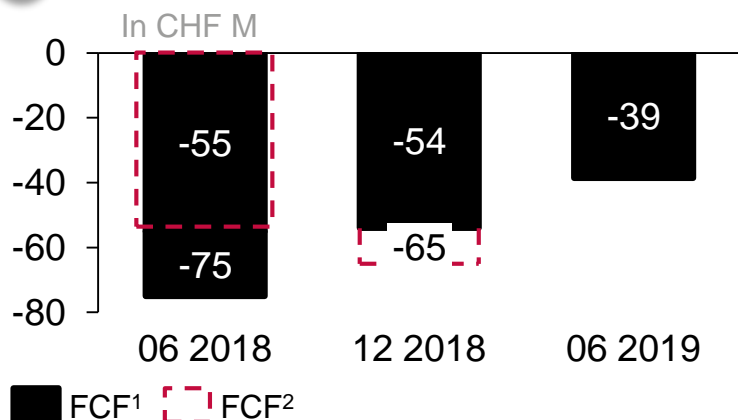
Cash flow statement

I Cash flow from operating activities



- Cash flow from operating activities turned positive in H1 2019
- Excluding IFRS 16 cash flow from operating activities is c. CHF -4 M and still c. CHF 12 M ahead of H1 2018
- Typically lower cash flow from operating activities due to seasonality of business
- Cash flow generation heavily skewed towards 2nd half of year

II Free cash flow






































- Negative free cash flow due to seasonality but substantially better compared to H1 2018 due to operational performance and lower capex

1 Free cash flow (cash flow from operating and investing activities)

2 Free cash flow (cash flow from operating and investing activities, without divestments and acquisitions of businesses)

Market outlook 2019

Europe (real growth)

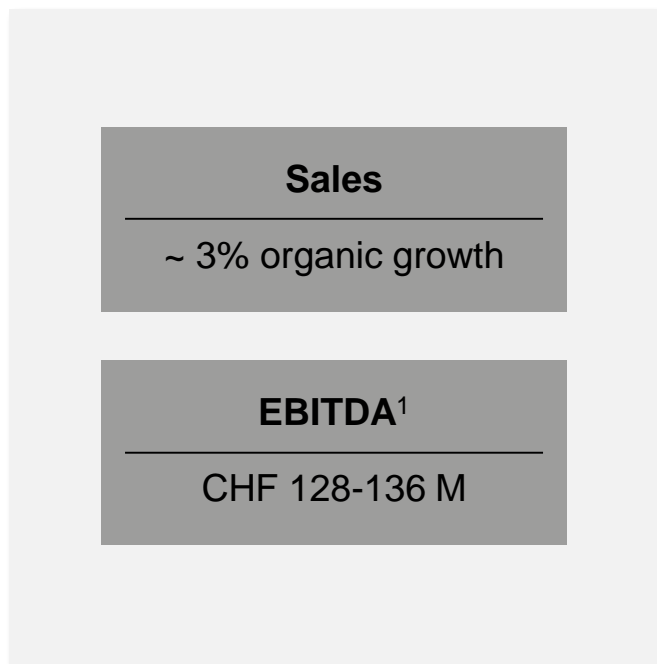
Country	Residential		Non-residential		Comment	Revenues 2018	Relevance			
							H	S	W	D
		-3.4%		2.8%	Residential market suffers from increased vacancy in residential segment	26%	✓	✓	✓	✓
		0.9%		-0.6%	Continuously high demand for residential construction expected	40%	✓	✓	✓	✓
		1.5%		2.8%	Fairly steady growth, outperforming overall economic growth	4%	✓	✓	—	✓
		3.2%		4.8%	Growth performance of the construction industry will slow down on high levels		✓	✓	—	✓
		4.4%		6.1%	Construction industry with positive growth outlook	11%	✓	✓	✓	✓
		3.8%		5.1%	Slowdown in the construction industry expected		✓	✓	✓	✓
		4.5%		-0.9%	Slowdown in the construction industry expected		✓	✓	✓	✓
		1.3%		2.0%	Recovery period followed by slowing growth	6%	✓	✓	—	✓
		7.1%		2.7%	Construction industry is enjoying a favourable time		✓	✓	—	—
		7.1%		4.3%	Positive construction output but slowing down from previous levels and instable politics since May.		✓	—	—	—
 > 5%  1.1-5%  -1-1%  -1.1- -5%  <-5%						Others	13%			

Source: 87th Euroconstruct country report (June 2019)

Outlook

Guidance 2019

Guidance as of 02/2019



Confirmation of guidance for full year 2019

¹ Including IFRS 16

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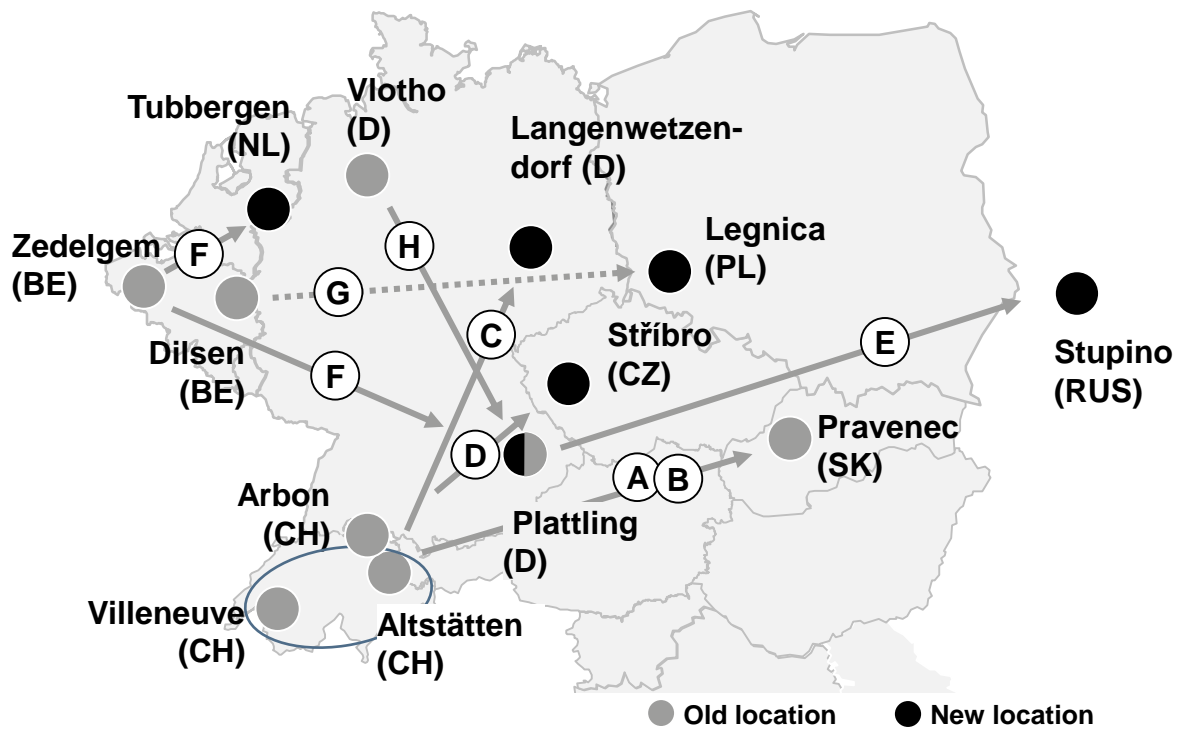
Back-up slides

II Market leadership

Relocation projects

Our ambitious relocation projects will be completed in 2019

	From	To
Windows	(A) Villeneuve (CH)	Pravenec (SK)
	(B) Altstätten (CH)	Pravenec (SK)
	(C) Altstätten (CH)	Langenwetzendorf (D)
HVAC	(D) Arbon (CH)	Střibro (CZ)
	(E) Plattling (D)	Stupino (RUS)
	(F) Zedelgem (BE)	Tubbergen (NL), Plattling (D)
	(G) Dilsen (BE)	Partially: Legnica (P)
SANIT.	(H) Vlotho (D)	Plattling (D)



Transfer of production over 6'000 km and ~640 employees in CH, D and BE affected

Revenue breakdown other important countries

Including FX effects and effects from acquisitions and divestments

In CHF M	Actual 06 2019	in % of NR
Poland	37.2	5.4%
Italy	33.3	4.8%
France	24.7	3.6%
Belgium	24.6	3.6%
Netherlands	17.6	2.6%
Czech Republic	17.3	2.5%
Slovakia	14.9	2.2%
Austria	13.0	1.9%
Spain	9.2	1.3%
Russia	7.7	1.1%

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