

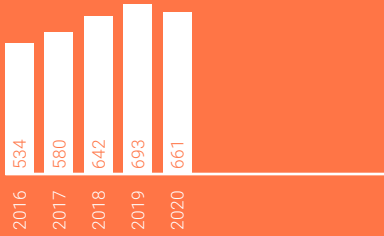
# Sum mary Annual Re port 20

# Key Figures

## Net Sales

in CHF million

# 661.2



## EBIT

in CHF million

# 108.1

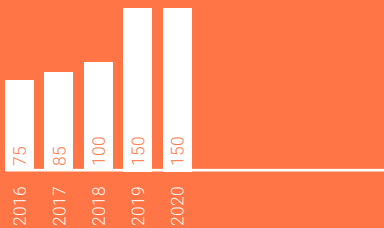
in % of net sales

# 16.3

## Dividends

per share in CHF

# 150



## FTEs

Worldwide

# 1826

## Research and Development

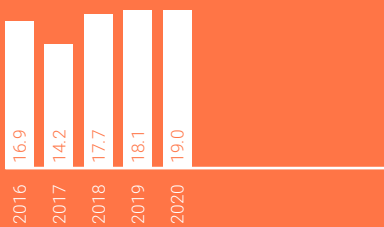
in % of net sales

# 8.1

## Operating Cash Flow

in % of net sales

# 19.0



## Total CO<sub>2</sub> Savings of Belimo Devices

in millions of tons CO<sub>2</sub>e

# 7.3

## CO<sub>2</sub> Savings Achieved per Device

24 × Saving



1 × Input



# Letter to the Shareholders



Dear Shareholders,

We are looking back at a financial year of unprecedented challenges and volatility due to the COVID-19 pandemic. Despite the adverse circumstances, Belimo was able to maintain steady net sales in local currencies (+/- 0.0 percent). In Swiss francs, net sales decreased by 4.5 percent to CHF 661.2 million. The Group succeeded in achieving an operating income (EBIT) of CHF 108.1 million, which equals to an EBIT margin of 16.3 percent. Net income decreased by 28.5 percent to CHF 86.6 million, whereas in the comparison period, the Swiss tax reform's transitional provisions we applied had a positive nonrecurring effect of CHF 22.1 million. Free cash flow amounted to CHF 93.3 million and was 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 last decade of sustained investments into Operational Excellence have paid off. The Group was able to maintain superior service levels and high product availability throughout the pandemic. More importantly, Belimo managed to keep its employees safe and is proud of having abstained from introducing mandatory reduced working hours. Instead, we seized the opportunity to further strengthen our employees' training by introducing new e-learning formats (see story on page 34 of the Annual Report 2020). We also continued implementing our four long-term strategic initiatives (see page 11 to 13 of this report) and completed a bolt-on acquisition of Opera Electronics Inc., a specialist in air quality and gas sensors. As a result, our customers will benefit from an even wider sensor offering in the future.

We are firmly convinced that our entrepreneurial activity should make a meaningful contribution to society. We support the UN 2030 Agenda for Sustainable Development through our operations, focusing on seven of the 17 goals (see page 7 of the Annual Report 2020). Alongside our contribution to the area "Climate Action" (SDG #13), the goal of "Good Health and Well-Being" (SDG #3) has been especially important in 2020. Belimo provides solutions that ensure indoor air quality for occupants' safety and comfort and enable critical applications such as required in isolation or operating rooms in hospitals.

Belimo has been a member of the United Nations Global Compact (UNGC) since 2013. UNGC is a strategic policy initiative for businesses committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labor, environment, and anti-corruption. Belimo is specifically engaged in encouraging the development and diffusion of environmentally friendly technologies (principle #9). The Communication on Progress for the financial year 2020 is laid out in this report.

To further provide transparent information on sustainability performance, Belimo reports in accordance with the GRI Standards' "Core" reporting option as defined by the non-governmental organization Global Reporting Initiative (GRI).

The Board of Directors proposes a dividend of CHF 150.00 per share at the 2021 Annual General Meeting. Based on the closing price of CHF 7 680.00 on December 31, 2020, which equates to a return of 2.0 percent per share.

On behalf of the Board of Directors and the Group Executive Committee of BELIMO Holding AG, we thank all our stakeholders for their loyalty and trust during this extraordinary year. In particular, we thank our employees who have been working in this challenging environment under strict safety conditions.

We would also like to thank you, our esteemed shareholders, for the great trust you place in us and your loyalty to BELIMO Holding AG. We wish you good health and send our best regards.



Patrick Burkhalter  
Chairman of the Board of Directors



Lars van der Haegen  
CEO

# Performance

## Economic Performance

# Maintaining Focus in Challenging 2020

Belimo performed well in a highly uncertain environment and a contracting HVAC market. The Group managed to maintain steady sales and grow in its largest market region Europe in local currencies, thereby expanding market shares across regions and accelerating its presence in key markets.

A year without historical precedent. The COVID-19 pandemic required to master challenges at all levels. 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. 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. However, Belimo was able to win market shares irrespective of these difficulties.

The confirmation of Belimo as an essential manufacturing sector supplier helped support continuous operations. All Belimo locations have introduced strict measures to protect their employees' health beyond governmental requirements. Despite the aggravating circumstances, all employees delivered top performance every day with great motivation and tireless dedication, enabling to master a challenging year together.

This dedication has been confirmed by the positive results of this year's employee survey, in which employees expressed a great com-

## Net Sales by Market Regions

	2020	%	Growth in local currencies in %	2019	%
in CHF 1 000					
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
<b>Group</b>	<b>661 226</b>	<b>100</b>	<b>0.0</b>	<b>692 680</b>	<b>100</b>

mitment with an engagement score of 8.9 (see page 30 of the Annual Report 2020). Belimo was also awarded the title of LEADING EMPLOYER in 2020. Leading Employers is one of the most comprehensive studies on employer qualities in Europe based on the evaluation of a variety of data sources. The award is given to employers in the top 1 percent of the study.

**Market Overview**

The second quarter was severely impacted by heavy lockdown measures leading to closed construction sites and restricted building access in many regions. These lockdown measures affected business performance and lead to volatile markets and significant uncertainties across the industry. Customer confidence noticeably improved during the second half-year, resulting in new project inquiries and many construction sites returning to regular operation.

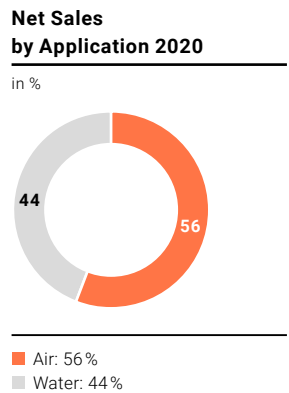
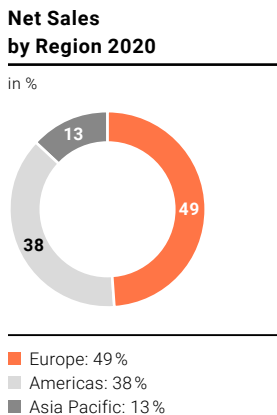
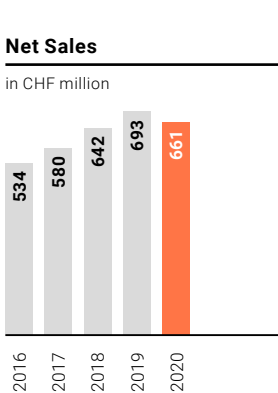
COVID-19 affected regions and segments very differently, and regional sales performance was equally heterogeneous. In Europe, the largest market region of Belimo, the Group increased sales by 1.8 percent in local currencies in the period under review. In the Americas, sales developed ahead of a dwindling overall HVAC market but still followed a negative trend

1.8 percent below previous year levels. In the Asia Pacific market region, net sales in local currencies only slightly declined by 1.1 percent, impacted by severe lockdown measures in countries outside of China. China was an exception, as output returned quickly to pre-COVID-19 levels after the strict lockdown measures, then experienced double-digit sales performance from April to October in local currencies compared to 2019.

Overall, indoor air quality has become a significant topic across segments and is gaining importance in discussions about new projects. The market for hospitals and data centers performed best, while offices underperformed due to closed buildings and working from home schemes.

**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.



The main contributing factor to growth was construction activity – namely new construction and major refurbishment – returning to pre-COVID-19 levels after the summer. Governments mostly granted access to construction sites and major projects generally proceeded. With an increasing focus on indoor air quality, the trend to upgrade insufficient HVAC systems in buildings was starting to support demand.

In Germany, the government introduced subsidies geared to support the upgrading of existing HVAC systems to improve indoor air quality in buildings. The largest market of Belimo in Europe performed solidly with growth in local currencies. Belimo benefited from a relatively stable construction activity, winning numerous large projects.

Sales in Southern European countries improved during the second half of the year despite being impacted by strict lockdowns. Original Equipment Manufacturer (OEM) activity, especially fire damper manufacturers in Central Eastern Europe grew positively. Other regional highlights included the Nordics. Sales in the Middle East experienced a slowdown due to sluggish construction output on the backdrop of low oil prices.

While the business with air applications remained flat, water applications sales grew thanks to numerous innovative valve products, especially the Belimo Energy Valve™. The sensor business for both air and water applications developed very well.

### Americas

In the Americas market region, 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.

Despite adverse economic conditions, Belimo Americas' sales in all countries developed better than the HVAC market. One significant factor was the ability of Belimo to reliably ship products throughout the pandemic – with sites and distribution centers continuing to perform. Many projects underway in 2020 were, however, delayed due to lockdowns or economic uncertainty. Construction activity began to recover late in the year as government-mandated restrictions on outdoor construction were lifted. Yet, overall non-residential new construction declined in 2020.

The pandemic strongly impacted the retrofit market. Access to many buildings was restricted for contractors, and the demand for maintenance was generally low given economic uncertainties. Nonetheless, numerous segments are showing a growing demand for upgrading HVAC systems to increase indoor air quality. This can be mainly observed in education, healthcare, and public spaces such as airports and train stations.

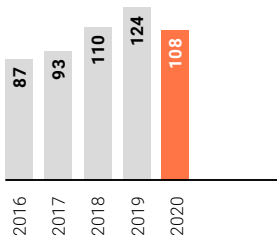
The OEM business has experienced healthy development given the challenges caused by the pandemic, with the data center market being the largest contributor to growth. Another positive factor has been OEM orders to equip fan coil units with differential pressure sensors for filter monitoring. With a trend toward advanced and improved filtration control in their offerings due to COVID-19, Belimo products are a perfect match for OEMs' requirements. The contracting channel, however, did not grow as the effects of the pandemic continued to negatively impact new construction and retrofit market activity throughout the final three quarters of the year.

In the US, the largest market of Belimo in the Americas, sales contracted due to overall HVAC market headwinds driven by the pandemic, as non-residential new construction firmly declined

Continued on page 8

### EBIT

in CHF million

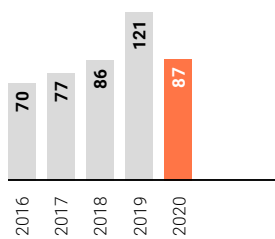


#### Resilient Strategy

Steady sales in local currencies, strong crisis management for the workforce and supply chain, as well as disciplined cost management resulted in a solid EBIT of CHF 108.1 million, despite adverse conditions caused by the COVID-19 pandemic and unfavorable foreign exchange rate movements mainly of the US-Dollar and the Euro. The strong operating result with an EBIT margin of 16.3 percent confirms the resilience of the Belimo strategy.

### Net Income

in CHF million

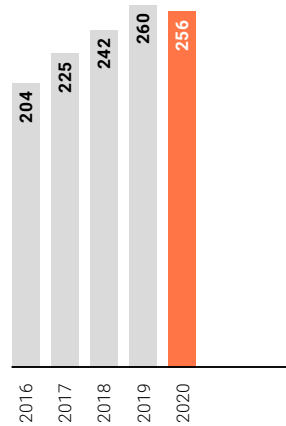


#### Nonrecurring Tax Effects in Previous Year

Under challenging conditions, Belimo achieved a net income of CHF 86.6 million, which is comparable to 2018. The decline of CHF 34.5 million compared to 2019 is mainly attributable to transitional provisions of the Swiss tax reform applied in the previous year, which had a nonrecurring positive effect of CHF 22.1 million in 2019. Furthermore, net income was negatively impacted by foreign exchange losses of CHF 5.6 million in the year under review (previous year loss of CHF 2.4 million). Earnings per share amounted to CHF 141.02 (previous year CHF 197.00).

### Operating Expenses

in CHF million



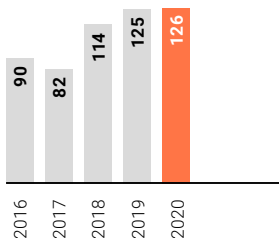
#### Pursuing Strategic Initiatives

In the year under review, Belimo mitigated the financial impact of economic disruptions through selective cost saving measures, mainly in travel and marketing expenses. Long-term prosperity was ensured by pursuing -strategic growth initiatives and a targeted hiring policy. Consequently, total expenses for research and development amounted to 8.1 percent of sales or 6.1 percent higher compared to the previous year.



## Cash Flow from Operating Activities

in CHF million



### Excellent Cash Flow from Operating Activities

In 2020, Belimo was able to preserve a sound net working capital balance. Focused collection activities maintained healthy aging of trade receivables. Inventory only slightly increased despite elevated safety stock of critical parts and components. Our strong supply chain and strategic inventory management ensured high product availability and short lead times throughout the pandemic. It resulted in a strong cash flow from operating activities of CHF 125.7 million (previous year CHF 125.4 million). Cash flow used in investing activities amounted to CHF 32.4 million. Besides CHF 29.0 million capital expenditures in property, plant

## Balance Sheet as at 31 December, 2020

in % of total assets

### Assets

Cash and cash equivalents	28%
Other current assets	34%
Non-current assets	38%

### Liabilities and Shareholders' Equity

Current liabilities	13%
Non-current liabilities	3%
Shareholders' equity	84%

and equipment and intangible assets, this included CHF 2.7 million for the acquisition of all shares of Opera Electronics Inc., a specialist for air quality and gas sensors located in Canada.

Free cash flow amounted to CHF 93.3 million and was 11.2 percent higher than in the previous year.

Cash flow used in financing activities was CHF 98.6 million. It contained the dividend payment of CHF 92.2 million to the shareholders of BELIMO Holding AG, in addition to leasing payments and the purchase of treasury shares.

### Strong Balance Sheet

Belimo once again successfully maintained a healthy and strong balance sheet in 2020. Total shareholders' equity amounted to CHF 489.3 million or 83.9 percent of total assets.

The strong free cash flow compensated for the higher dividend distribution to the shareholders of BELIMO Holding AG, leading to a cash and cash equivalents balance of CHF 164.9 million at year end, 28.3 percent of total assets respectively.

In order to further reduce its substantial cash reserves, the Board of Directors of BELIMO Holding AG will propose a dividend of CHF 150.00 at the Annual General Meeting.

Continued from page 5

in 2020. Canada's results were ahead of the previous year – supported by a strong OEM channel benefiting from data center demand for air handling units containing Belimo actuators, valves, and sensors. Belimo Brazil was the best performing sales group within Belimo Americas in comparison to 2019 with sales growth in the upper single digits in local currencies.

The pandemic has had a similar impact on both air and water applications sales. The sensor product range developed pleasantly in 2020 on the back of an accelerated bundling approach in sales and a successful introduction of room sensors.

### 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). The region experienced a severe economic downturn caused by the pandemic. Likewise, HVAC markets were heavily affected. Overall, Belimo maintained or even improved its market position.

China was the first country to enter lockdowns early in the year. After an initial period of strict government measures, the country managed a swift recovery and finished the year with positive GDP growth, the only major economy to do so. Belimo China sales likewise profited from the quick containment of the virus, leading to a double-digit sales growth from April to October in local currencies compared to the previous year. Government efforts to upgrade hospitals benefited the OEM business, with design institutes increasing their standards. These could be met with smart sensor and actuator solutions for pressurized rooms. In addition, sales of damper actuators for subway tunnels benefited from increased investment in government infrastructure projects.

Sales in most other countries in the Asia Pacific market region suffered under the pandemic's impact, with India being one of the most heavily affected countries. Lengthy lockdowns halted most construction projects in the countries for several months. Sales declined considerably in the second and third quarter but have started to recover again in the fourth quarter.

Across the Asia Pacific market region, retrofit projects have been negatively impacted due to building access restrictions or budget cuts. Also, new construction in segments such as hotel, office, retail, and entertainment/leisure were impacted, while data centers and healthcare-related projects noticeably gained ground.

OEM business performed well, primarily through air applications such as fire and smoke actuators, spring return actuators, and sensors for the healthcare and pharmaceutical market segments. The contracting business, on the other hand, was heavily affected, as government-induced measures hindered access to construction sites or enforced full closures.

While sales with air applications grew significantly, water applications growth declined. The sensor business for both air and water applications grew at a double-digit rate. Moreover, sales of the Belimo Energy Valve™ developed very positively in China.

### Business 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 aim to reduce buildings "greenhouse gas emissions by 60 percent and energy consumption for heating and cooling

by 18 percent”.<sup>1</sup> As countries around the world push for more green building initiatives, the necessary investments are expected to follow.

As COVID-19 lockdown measures impacted non-residential building use, the construction sectors for healthcare, education, public safety, warehousing/logistics, data centers and public transportation are likely to experience a sustained positive development. In contrast, construction sectors for retail, hotel, office, amusement/recreation, and airport buildings are likely to experience a delayed recovery or a longer lasting negative impact.

The output for non-residential construction is forecasted to return to growth in Europe. The primary growth drivers are expected in the healthcare, education, data centers, and warehousing/logistics sectors. Despite some uncertainties as to the effects of Brexit, Belimo expects no significant negative consequences.

The pandemic is likely to continue to hurt economic activity throughout the Americas market region during the first half of 2021. New construction activity is forecasted to improve slightly but might not reach pre-COVID-19 levels in the short term. Retrofit activity is anticipated to rebound in late 2021, driven by a backlog of retrofit projects combined with upgrade demand driven by pandemic-inspired upgrades to improve indoor air quality.

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, data centers 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.

<sup>1</sup> Communication from the European 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.

### Remunerations: Board of Directors and Group Executive Committee

The total remuneration is within the amount approved by the Annual General Meeting on March 30, 2020.

#### Remuneration Board of Directors 2020<sup>1)</sup>

	Fixed remuneration
in CHF 1 000	
Remuneration assigned to the Members of the Board of Directors 2020	<b>895</b>
Approved remuneration by the Annual General Meeting 2020	950

#### Remuneration Group Executive Committee 2020<sup>2)</sup>

	Fixed remuneration	Variable remuneration	Total remuneration
in CHF 1 000			
Remuneration assigned to the Members of the Group Executive Committee 2020	<b>2 511</b>	<b>1 476</b>	<b>3 987</b>
Approved remuneration by the Annual General Meeting 2020	3 100	2 700	5 800

<sup>1)</sup> At the Annual General Meeting on March 30, 2020, Stefan Ranstrand was newly elected to the Board of Directors.

<sup>2)</sup> Peter Schmidlin left the Group Executive Committee in March 2020.

### Employee Share Purchase Plan (ESPP) for Employees

To foster and strengthen a sense of ownership among employees, Belimo introduced the Employee Share Purchase Plan (ESPP) in 2020. It allows the eligible employees to purchase shares at preferential conditions. The program's scope is initially limited to the Belimo subsidiaries in Switzerland, the US and Hong Kong (China). It is planned to be expanded to additional locations in 2021.



Scan the QR code to view the comprehensive remuneration report 2020 and to find out more about the ESPP.

[bit.ly/2UYwlom](https://bit.ly/2UYwlom)

## Balanced Investment Portfolio

# Growth Strategy and Innovation

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

In its first growth initiative, Belimo successfully expanded its market shares across regions, accelerated its presence in key markets, and further strengthened its global market leadership. In the reporting year, the Company introduced the sensor-actuator solution VRU Universal for variable air volume control (VAV). The new product supersedes three existing products with one solution for critical applications such as laboratories or hospitals. In hospitals, for example, the VRU Universal controls negative room pressure in isolation rooms or positive room pressure in operating theaters. The product seamlessly integrates into any building automation system and can be configured wirelessly with the Belimo Assistant App.

Meanwhile, the new service and logistics center located in Großbröhrsdorf (Germany) began serving individual customer needs through the so-called Design-to-Order process (DTO). The highly flexible offering provides unique mechanical, electrical, and software configurations or bundles (see page 89 of the Annual Report 2020). This expands retrofit services and processes to respond to increased demand for energy efficiency upgrades in buildings. In

addition to these retrofit services, Belimo expanded its expertise in Indoor Air Quality (IAQ) along with the “Seven Essentials of Healthy Indoor Air” (see illustration on page 12 of this report) 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. Furthermore, Belimo has made substantial investments in the advancement of its actuator, valve and sensor platforms for further modularization and streamlining that will create a seamless customer experience while improving operational excellence.

Finally, Belimo completed the development of its smallest damper actuator, the CM-Mini. The CM-Mini was designed for small residential and light commercial air handling units that are mostly required to fulfill green building standards or codes. Thanks to its small size, the CM-Mini can also be applied to move louvers in air-outlets. Ensuring adequate airflows in rooms and preventing viral cross-contamination of people through aerosols has become a key topic during the COVID-19 pandemic. The new actuator will be launched in spring 2021.

### Enter Sensor Business

The sensor business is the second strategic initiative of Belimo. On the back of continued strong marketing and sales efforts, the Company won market shares in all three regions. 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. The top sensor of the range, which measures all essential indoor health parameters, temperature, relative humidity and CO<sub>2</sub>, has a plain, timeless design and is the thinnest of its kind in the market. Precision and reliability have been a key design requirement and one of the main features is that these sensors measure the room instead of the wall temperature, unlike many products in the market. This was achieved through a meticulous housing and component design by Belimo experts from various engineering disciplines. Belimo continued to expand its portfolio of pipe and duct sensors by adding hygrostats, duct thermostats, frost monitors, and a double differential air pressure sensor, designed to dynamically monitor filter contamination. Moreover, Belimo introduced the SAP variant configurator also for sensors at its Großröhrsdorf (Germany) location, allowing customized products such as sensors with a customer logo.

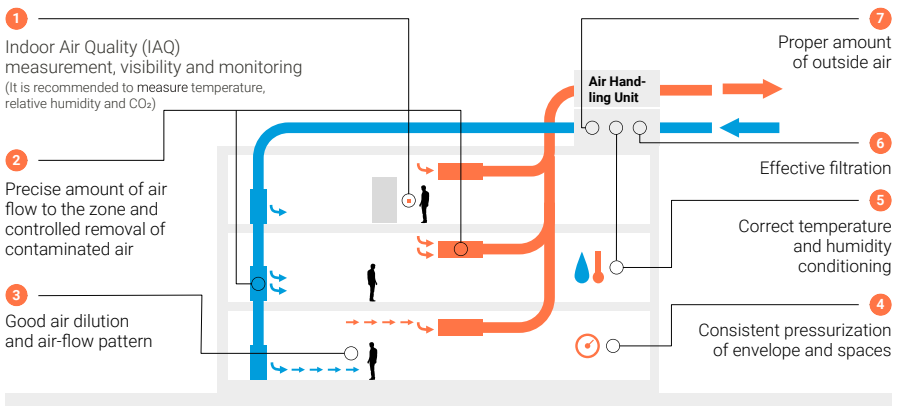
Belimo completed a bolt-on acquisition of the Montreal-based air quality and gas sensors specialist Opera Electronics Inc. Belimo had been

planning a range of specialty air quality and gas sensors as part of its growth strategy. By acquiring Opera, Belimo was able to implement this product range expansion. Opera develops and manufactures a solid range of air quality and gas sensors for buildings. Core applications of Opera include vehicle emissions monitoring in car parks, refrigeration gas leak detection and combustible gas monitoring in HVAC plant rooms. While Opera has mainly been focused on the Canadian market, the acquisition allows Belimo to leverage its global marketing, sales, and logistics network. Consequently, Belimo customers can benefit from an even wider range of field-devices.

### Offer Selected Performance Devices

A decade ago, Belimo launched the development of the Belimo Energy Valve™ in collaboration with MIT (Massachusetts Institute of Technology) in Boston (Massachusetts, USA) and the University of Colorado in Boulder (USA). The product is a combination of sensors, an actuator, a valve and embedded logic, forming a new product category that was named: Performance Devices. Since its introduction in 2012,

## The Seven Essentials of Healthy Indoor Air



the Belimo Energy Valve™ has won more than 20 innovation awards and is optimizing energy efficiency in thousands of buildings worldwide.

This product brings additional transparency to facility management by measuring thermal energy, controlling the heating or cooling load and optimizing its performance, i.e. solving the so-called "Delta T Syndrome" in HVAC systems. This Internet of Things (IoT) product has been enhanced over the years and versions 2 and 3 have been introduced. In the reporting period, significant development resources have been allocated to further advance the product range with innovative energy metering technology in order to continue innovating this flagship product with new product launches planned for summer 2021. Customers who utilize the Belimo Energy Valve™ understand the significant advantages of this technology compared to traditional, pressure-dependent valves. To further penetrate this technology in the market, it is important that key measures to thoroughly train the Belimo sales forces and customers are continued. Therefore, major internal and external training efforts on the Belimo Energy Valve™ were undertaken in 2020 (see story on page 36 in the Annual Report 2020). Another representative of the Performance Devices product category is the Belimo ZoneEase™ 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. This technology combines power supply and communications in one cable for simplified installation and increased operating safety.

### Grow Asia Pacific

Belimo continued to gain market shares 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. With most trade shows canceled due to the virus, webinars and online meetings were also the primary tool to stay in touch with customers in China. One highlight was the joint webinar of Belimo China with the China Journal of HVAC on the Belimo Energy Valve™ with 13 900 participants.

COVID-19 lockdowns strongly impacted growth initiatives in India and some of the planned additional marketing and sales expansion efforts had to be postponed to 2021. However, Belimo started the design and construction of its new facility in Navi Mumbai (India) with customization, sales, and a customer experience center and looks forward to opening this new site that will achieve the platinum level of the Indian Green Building Council standard (IGBC) in fall 2021.

100 Million Actuators

# Belimo Sets 100 Million Milestone







**Belimo is continuing its success story by celebrating 100 million actuators delivered worldwide. A moment to thank our customers for their loyalty.**


At the beginning of 2020, Belimo delivered its 100 millionth actuator, and in doing so, reached another milestone in the Company's history. Belimo confirms its growth course and continues to stand for innovative products that sustainably increase comfort, energy efficiency and safety in buildings. The 100 millionth actuator was handed over to Darryl Boyce, President of ASHRAE (American Society of Heating, Refrigerating and Air-Conditioning Engineers, a leading professional association seeking to advance HVAC systems' design and construction) by James Furlong, Head of Americas and Lars van der Haegen, CEO of Belimo, for installation in ASHRAE's new corporate facility in Atlanta (Georgia, USA).

**Energy Savings and Comfort**

"We are proud to look back on our 100 million actuators," says Lars van der Haegen. "It's about technical innovations and their impact on sustainability." Buildings are responsible for 40 percent of global CO<sub>2</sub> emissions. With proper building controls systems, energy savings of up to

50 percent can be achieved in comparison with buildings which lack such features. The ambition of Belimo is always to increase both energy efficiency and comfort. "Our 100 millionth actuator – a PR actuator, which was made as our anniversary product – offers the same sustainable added value for our customers." The PR actuator is part of a motorized butterfly valve that is used in water applications and, thanks to a power consumption of only 20 Watts, reduces energy consumption by over 80 percent in comparison with competitor products. "We believe that not only the best products and world-class logistics have been indispensable for achieving our 100 million milestone: also essential are our employees, who continuously aim to exceed customer expectations when it comes to value. Our partnerships and our customers' great trust in us have made this possible. We want to thank them for this joint success."

**Find out More and Visit:**



[www.belimo.com/100million](http://www.belimo.com/100million)

# Sensing a Building's Health

**Most people spend 90 percent of their time indoors and breathe 12 000 liters (3170 gallons) of air per day. With its sensors and actuators, Belimo contributes to better and healthier indoor air and addresses some of the challenges in the wake of COVID-19.**

While the effects of volatile organic compounds (VOC) on humans have been discussed within the context of "sick building syndrome," the role that dry air plays in spreading

microbes, including viruses, is often neglected. Viruses can spread through small droplets of water. The lower the air humidity, the quicker small droplets may evaporate and turn into aerosols, which enables them to travel great distances.

Viruses in small droplets and aerosols can travel through large open indoor spaces such as offices and survive for several hours, thereby infecting more people.

### **The "Sweet Spot" in Humidity**

Furthermore, many bacteria and viruses become much

more infectious when exposed to dry air. In temperate climate zones, air humidity indoors often drops to a relative humidity of less than 40 percent during colder months. However, the "sweet spot" for indoor air humidity is 40 to 60 percent, as this dramatically reduces the risk of disease transmission and enables the body to better repair and protect itself. Therefore, proper humidification strategies and the permanent measurement of the relative humidity level in the different zones are essential for maintaining stable and healthy indoor air quality in buildings.

VOCs are organic chemicals, such as Formaldehyde and Benzene, which originate from many different sources like perfumes, paint, carpets, building materials, and smoke. They are a significant contributor to “sick building syndrome” – a condition caused by staying in a building – and impact the well-being of users.

Even low VOC concentrations can irritate mucous membranes (eyes, nose, and respiratory tract) as well as cause headaches, fatigue, and nausea. High concentrations of certain VOCs can also lead to other health issues. For most chemical compounds, authorities have set maximum levels for VOC concentrations in workplaces. This can be measured directly and controlled by appropriate ventilation and air purification.

### Controlled Ventilation

Central air handling units (AHUs) and air distribution systems are required to provide fresh, filtered, and conditioned air to building zones instead of recirculating stale air inside a room. The advantage of this approach: the supply air’s quality can be centrally controlled in an AHU at any time.

Temperature and humidity sensors continuously measure the thermal conditions of the supply air. Deviations

are immediately detected and corrected. Pressure sensors above the filters detect early on when a filter is dirty and needs to be replaced. This ensures a consistent air flow. All zones in the building benefit from a higher level of comfort and safety.

In addition to centrally controlling air quality, the conditioned air in each room can be measured and controlled individually. Room sensors that continuously measure all environmental parameters, including temperature, humidity, CO<sub>2</sub> content, and the presence of VOCs, are essential for our health and well-being. An increase in CO<sub>2</sub> or VOC concentrations in a room, for example, through the presence of many people or a copy machine creating additional emissions, is immediately detected, and the air damper of the duct can be opened to provide more fresh air to the corresponding room and extract contaminated air. This instantly restores comfort to a healthy level.

However, adequate control is only possible if the right values are appropriately measured. This is especially true for the air quality of the room. Many sensors on the market are known to drift over time. Humidity sensors from Belimo with a capacitive poly-

mer sensor element are not affected by high humidity and contamination. By default, they offer up to two percent accuracy and long-term deviation of less than +/-0.25 percent. High accuracy and long-term stability are essential for ensuring optimum indoor air quality.

On average, sensors account for only 0.08 percent of the total HVAC investment in a building. Therefore, selecting a quality device that ensures reliable measurement is quickly amortized through the improved health and productivity of the building’s occupants.



#### Find Out More

Watch the video with David Alliband, Manager

Sensor Solutions at Belimo, explaining why sensors are the foundation of comfort: [bit.ly/32S2qsb](https://bit.ly/32S2qsb)



#### Supporting the 40to60rh Petition

Belimo supports the petition

that calls the World Health Organization to include a relative humidity level of 40 to 60 percent in regulations: [40to60rh.com](https://40to60rh.com)

# A Glimpse of the Future

**The new Belimo room sensors and room operating units are an ideal addition to the existing product range.**

With its new room sensors and room operating units, Belimo literally sets foot in the room, providing manifold advantages to users. The product range expansion for visible areas of the room offers an esthetic design for the architect, quick assembly for the installers, easy commissioning for system integrators and a comfortable room climate for users.

Belimo room sensors have the slimmest design of any active sensor on the market – even the multi-temperature, humidity and CO<sub>2</sub> sensor has a depth of just 22 millimeters (0.87 inches) and fits seamlessly into any environment.

### **Easy Installation**

Despite its slim construction, everything is designed for easy installation. For example, the sensors are equipped with pluggable push-in spring-loaded terminal blocks.



The mounting plates are compatible with all standard wall sockets and can therefore easily be used around the world. The ease of installation reduces errors during assembly or wiring and as a result saves costs.

Using near-field communication (NFC), the Belimo Assistant App simplifies commissioning and diagnostics and enables important parameters to be set with a smartphone. The App was devel-

oped to offer device settings and operating data for all active Belimo room devices at your fingertips. Using the smartphone's NFC function, it provides wireless and efficient configuration, control and on-site operation of room sensors, even if the sensor is not connected to a power supply.



#### Find Out More

Watch the video on the development of the new room

sensors and room operating units:

[bit.ly/3iSybqN](https://bit.ly/3iSybqN)

# Five-Year Summary of the Belimo Group

	2020	2019	2018	2017	2016
in CHF 1 000					
<b>Income statement</b>					
Net sales	661 226	692 680	642 368	579 853	533 650
Operating income (EBITDA)	139 337	154 224	134 999	117 388	110 280
in % of net sales	21.1%	22.3%	21.0%	20.2%	20.7%
Operating income (EBIT)	108 065	123 869	109 839	92 621	86 964
in % of net sales	16.3%	17.9%	17.1%	16.0%	16.3%
Personnel expenses	192 020	188 263	171 195	157 877	146 354
in % of net sales	29.0%	27.2%	26.7%	27.2%	27.4%
Research and development	53 772	50 683	47 248	44 423	37 721
in % of net sales	8.1%	7.3%	7.4%	7.7%	7.1%
Operating expenses	256 372	260 471	242 499	224 952	204 341
in % of net sales	38.8%	37.6%	37.8%	38.8%	38.3%
Depreciation and amortization	31 272	30 355	25 160	24 767	23 315
in % of net sales	4.7%	4.4%	3.9%	4.3%	4.4%
Net income	86 641	121 103	86 209	77 490	69 753
in % of net sales	13.1%	17.5%	13.4%	13.4%	13.1%
<b>Cash flow</b>					
Cash flow from operating activities	125 668	125 400	113 938	82 318	90 282
in % of net sales	19.0%	18.1%	17.7%	14.2%	16.9%
Free cash flow	93 274	83 852	94 261	54 857	75 151
in % of net sales	14.1%	12.1%	14.7%	9.5%	14.1%
Investments in property, plant and equipment and intangible assets	28 964	40 652	20 491	24 919	15 796
Dividend distribution	92 241	61 494	52 256	46 092	39 937

Alternative performance measures that are not defined or specified in IFRS, are described under the following link:  
[www.belimo.com/financial-summary](http://www.belimo.com/financial-summary)



Scan the QR code to view the comprehensive financial report 2020 or go to:  
[bit.ly/36lHhRH](http://bit.ly/36lHhRH)



Scan the QR code to view the definitions of non-GAAP measures or go to:  
[bit.ly/320wR23](http://bit.ly/320wR23)

	2020	2019	2018	2017	2016
in CHF 1 000 (unless indicated otherwise)					
<b>Balance sheet</b>					
Total assets	583 458	602 002	531 472	491 886	451 869
Cash and cash equivalents	164 942	172 563	155 138	113 178	103 670
in % of total assets	28.3%	28.7%	29.2%	23.0%	22.9%
Current assets	361 316	374 897	348 281	302 503	267 012
in % of total assets	61.9%	62.3%	65.5%	61.5%	59.1%
Net working capital	167 899	176 453	166 667	161 610	138 240
in % of net sales	25.4%	25.5%	25.9%	27.9%	25.9%
Non-current assets	222 142	227 105	183 191	189 383	184 857
in % of total assets	38.1%	37.7%	34.5%	38.5%	40.9%
Current liabilities	78 364	77 748	71 089	63 481	53 536
in % of total assets	13.4%	12.9%	13.4%	12.9%	11.8%
Non-current liabilities	15 831	16 910	23 140	14 755	29 368
in % of total assets	2.7%	2.8%	4.4%	3.0%	6.5%
Shareholders' equity	489 263	507 344	437 243	413 650	368 965
in % of total assets	83.9%	84.3%	82.3%	84.1%	81.7%
<b>Key figures</b>					
Net sales year-on-year growth, in %	- 4.5%	7.8%	10.8%	8.7%	8.2%
Net sales in local currencies year-on-year growth, in %	0.0%	9.2%	9.6%	8.2%	6.8%
Return on equity (ROE), in %	17.4%	25.6%	20.3%	19.8%	19.8%
Return on invested capital (ROIC), in %	24.7%	27.8%	27.8%	23.4%	23.8%
Quick ratio, in %	320.6%	344.3%	347.6%	321.2%	342.1%
Days sales outstanding (DSO)	53.1	54.9	55.8	56.3	55.0
Inventory period (DIO)	159	145	144	145	145
Equity-to-fixed-assets ratio, in %	227.4%	230.8%	251.3%	226.2%	215.5%
Number of employees (FTEs, yearly average)	1 824	1 712	1 591	1 483	1 416
Net sales per employee	363	405	404	391	377
Actuators shipped, in million items	6.9	7.2	6.7	6.3	5.9

Alternative performance measures that are not defined or specified in IFRS, are described under the following link:

[www.belimo.com/financial-summary](http://www.belimo.com/financial-summary)

# Information for Investors

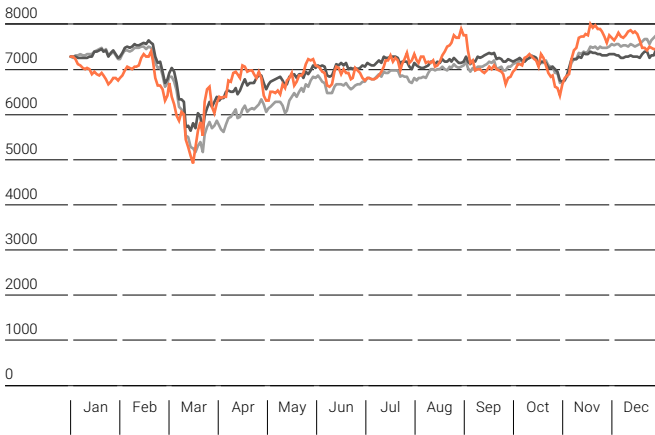
	2020	2019	2018	2017	2016
<b>Share capital</b>					
Number of registered shares as at December 31	615 000	615 000	615 000	615 000	615 000
Average number of outstanding shares	614 924	614 943	614 834	614 691	614 493
<b>Information per average outstanding share</b>					
Earnings, in CHF	141	197	140	126	114
Cash flow from operating activities, in CHF	204	204	185	134	147
Operating income (EBIT), in CHF	176	201	179	151	142
Shareholders' equity, in CHF	796	825	711	673	600
<b>Information per registered share</b>					
Dividend, in CHF (as proposed by the Board of Directors for next year)	150	150	100	85	75
Return on dividend as at December 31, in %	2.0%	2.1%	2.5%	2.0%	2.4%
Payout ratio, in % of net income attributable to Belimo shareholders	106.4%	76.1%	71.3%	67.5%	66.1%
Price-earnings ratio as at December 31	54.5	37.0	28.1	33.9	27.1
<b>Stock market prices in CHF</b>					
High	8 090	7 300	4 995	4 380	3 408
Low	4 675	3 930	3 750	3 021	2 221
Year-end	7 680	7 290	3 940	4 266	3 078
<b>Market capitalization in CHF million</b>					
High	4 975	4 490	3 072	2 694	2 096
Low	2 875	2 417	2 306	1 858	1 366
Year-end	4 723	4 483	2 423	2 624	1 893
In % of shareholders' equity as at December 31	965%	884%	554%	634%	513%
<b>Average daily trading volume</b>					
In number of shares	1 047	935	424	331	356

Alternative performance measures that are not defined or specified in IFRS, are described under the following link: [www.belimo.com/financial-summary](http://www.belimo.com/financial-summary)



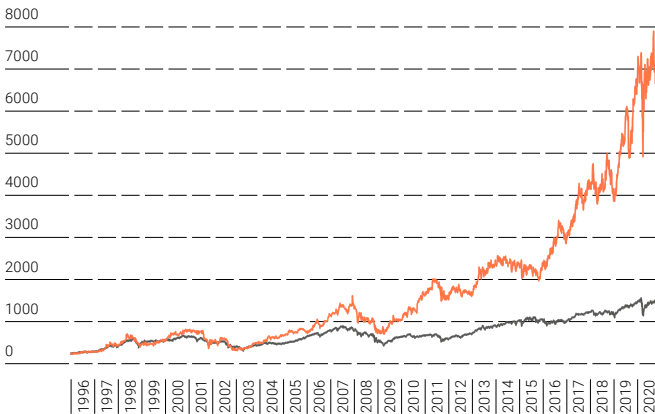
## Performance since January 1, 2020

in CHF



## Performance since IPO

in CHF



- Belimo registered share (ISIN: CH0001503199)
- SMCI (Swiss Middle CAP Index), adjusted
- SPI (Swiss Performance Index), adjusted

## Publications and Agenda

Annual General Meeting 2021	March 29, 2021
Dividend Payment	April 6, 2021
Publication of Semiannual Report 2021	July 22, 2021
Publication of Sales 2021	January 20, 2022
Publication of Annual Report 2021 / Media and Financial Analysts Conference	March 7, 2022
Annual General Meeting 2022	March 28, 2022

The Annual Report including the remuneration report as well as the reports of the statutory auditors are available for consultation at the registered office of the Company or at [www.belimo.com/financial-reports](http://www.belimo.com/financial-reports).

**Credits**

Concept/Editing: BELIMO Holding AG, Hinwil (Switzerland)  
Design/Realization: Greuter Stähli Grafik, Zurich (Switzerland)

Photography:  
André Gutzwiller, Wila (Switzerland)  
BELIMO Holding AG and its subsidiaries, Hinwil (Switzerland)

This Summary Annual Report has been published on March 8, 2021, in English and German. The English version is binding.

Due to rounding, amounts presented throughout this report may not add up precisely to the totals provided. All ratios and variances are calculated using the underlying amount rather than the presented rounded amount.

**BELIMO Holding AG**  
**Brunnenbachstrasse 1**  
**8340 Hinwil**  
**Switzerland**  
**Phone +41 43 843 61 11**  
**E-mail [ir@belimo.ch](mailto:ir@belimo.ch)**

**[www.belimo.com](http://www.belimo.com)**