



V-ZUG Group

Analyst Presentation June 2020

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1. Information for Investors

Spin-off and listing of V-ZUG

Transaction Rational (1/2)

Sharpened corporate governance combined with increased responsibility of Board of Directors and management of V-ZUG and clear structures will unlock additional potential to:

- boost top line growth
- accelerate internationalization
- improve profitability

V-ZUG, a pure play with gross sales above CHF 500 million is ready for this step:

- Development plan for industrial area in Zug approved and vertical factory on a solid path
- In the near future V-ZUG will have new and state of the art production facilities in Zug and Sulgen with sufficient resources to grow substantially
- Investments in new technological platform in an advanced stage. New platform proven to work (launch of Advanced line in 2019)
- SAP implementation and IT outsourcing as basis for further operational improvements, digitization of products and business models

1. Information for Investors

Spin-off and listing of V-ZUG

Transaction Rational (2/2)

Spin-off will increase strategic and operational flexibility of V-ZUG

- Higher flexibility for various types of strategic steps
- Management focuses on V-ZUG business only (excl. Gehrig)

V-ZUG will be led by an independent management team which is diversified and highly experienced. New CEO Peter Spirig successfully led the Door Division at Arbonia AG, Arbon, and will take over in Q3-2020

Listing of shares will strengthen V-ZUGs brand recognition in Switzerland and abroad towards various stakeholders

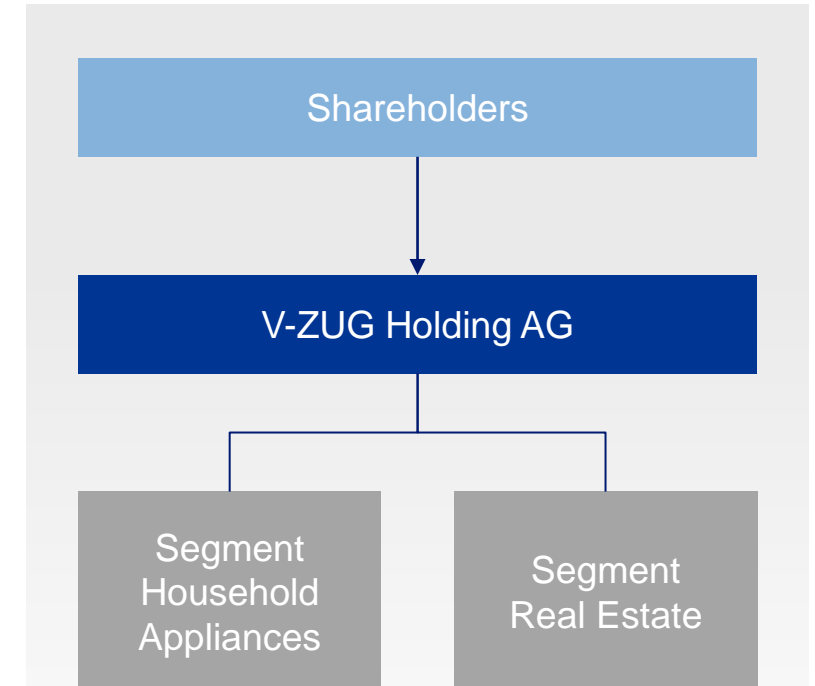
Investments are clarified, planned and/or in execution.

A solid platform to generate substantial free cash flow in the future.

1. Information for Investors

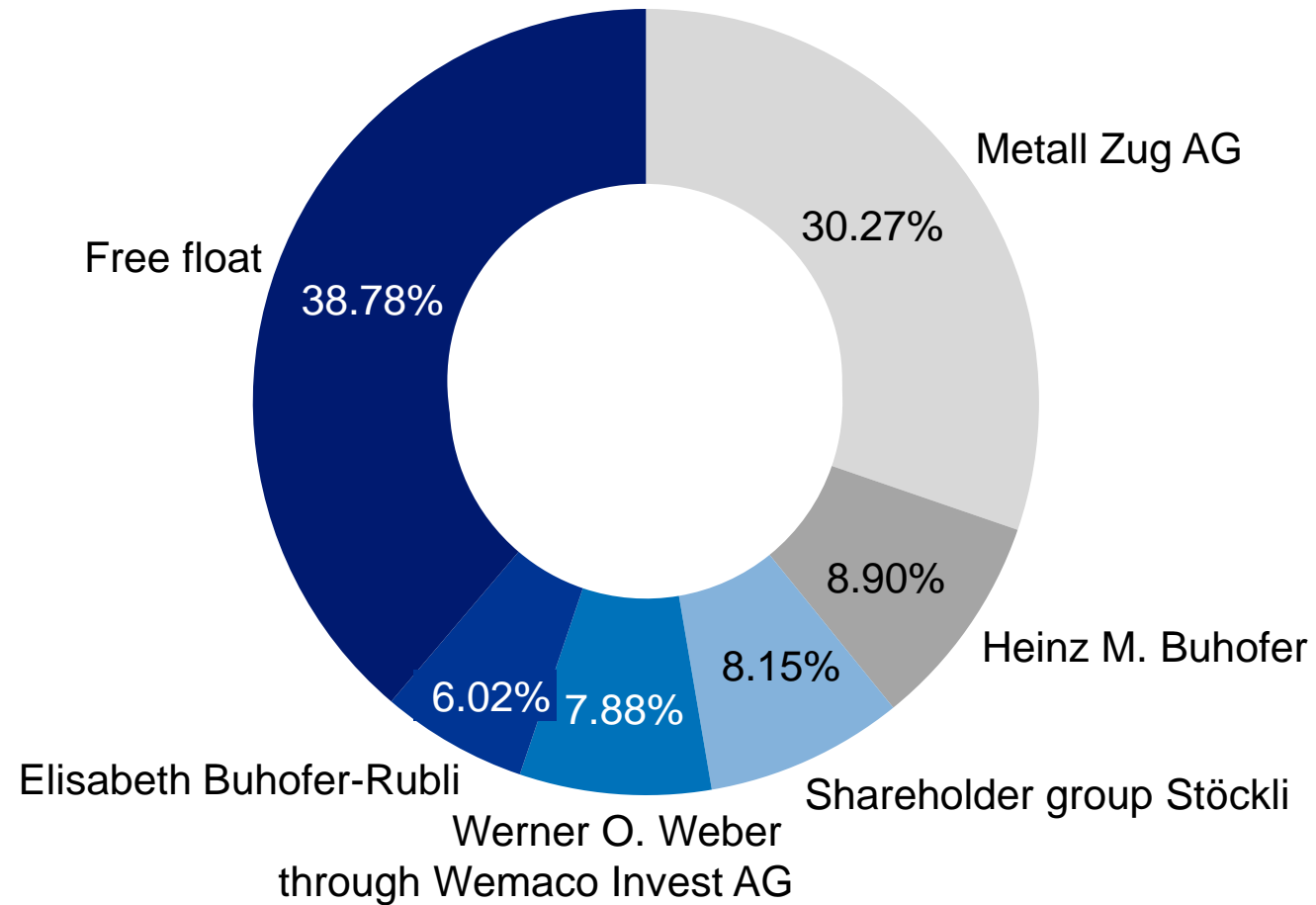
Transaction

- Set up of V-ZUG-Holding AG (as of November 28, 2019)
 - 100% owned by Metall Zug AG
 - Share capital: CHF 1,215,000
 - 4.5 million shares with a nominal value of CHF 0.27 per share
- Contribution in kind of V-ZUG AG, V-ZUG Services AG, V-ZUG Infra AG (northern area in Zug), MZ Infra AG (Sulgen)
- Gehrig Group AG remains with Metall Zug AG
- Capital increase (planned as of end of April 2020) of CHF 110 million. Metall Zug will get 1,928,571 shares of V-ZUG Holding AG representing 30% of the share capital of V-ZUG Holding AG
- Shares of V-ZUG Holding AG will be distributed to the shareholders of Metall Zug AG:
 - 10 shares V-ZUG Holding AG per 1 type B-share of Metall Zug
 - 1 share V-ZUG Holding AG per 1 type A-share of Metall Zug
- Opting-out
- Planned first trading date: June 25, 2020
- Ticker symbol: VZUG



1. Information for Investors

V-ZUG Holding AG: Expected Shareholder structure after Spin-off



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2. V-ZUG Group – Overview

A Success Story for more than 100 years



Metall Zug was founded in 1887 as a galvanizing plant. V-ZUG, founded in 1913 as “Verzinkerei Zug” with 39 employees. Today, V-ZUG employs more than 2,000 people and is market leader in Switzerland.

2. V-ZUG Group – Overview

At a Glance

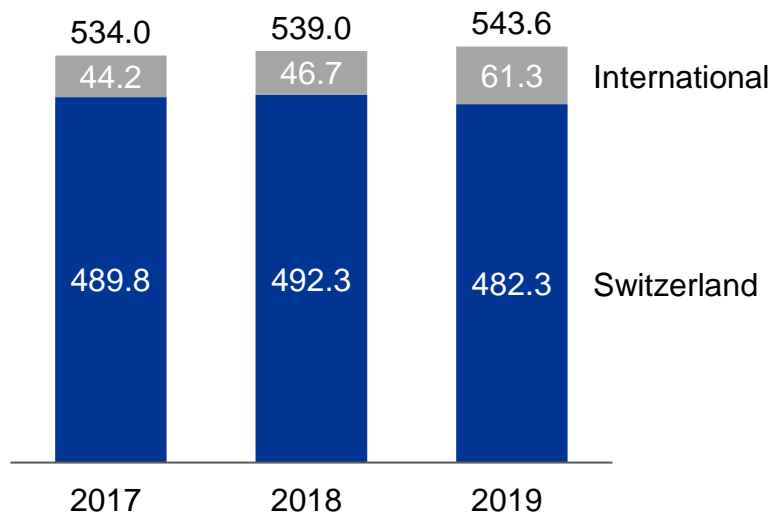
Market Leader in Switzerland

Stable sales in Switzerland based on leading market position ensures solid foundation for the workload of the production capacity

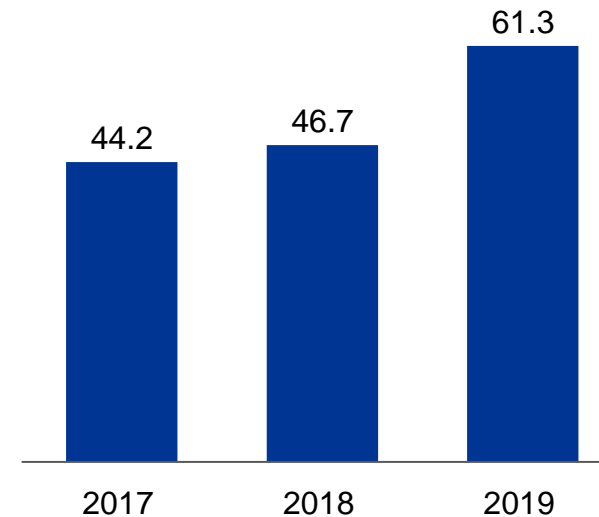
Focus on top premium segment in selected international markets

Growing international sales is highly promising and addressable market size is huge

Net sales with 3rd parties
in million CHF



International net sales with 3rd parties
in million CHF



2. V-ZUG Group – Overview

Reporting Segment: Household Appliances



Kitchen: CHF 357.5 million

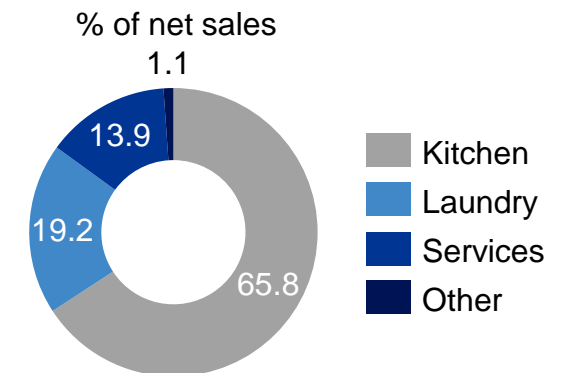


Laundry: CHF 104.6 million



Service & Others: CHF 81.5 million

- Swiss market leader in innovative and high-quality household appliances for the private kitchen and laundry
- Leading in design, easy, comprehensive and user-friendly functionalities, as well as water and energy consumption (sustainability)
- First class service as a unique and strategic attribute offering outstanding response time and first-time repair




2. V-ZUG Group – Overview

Reporting Segment: Real Estate

Two legal entities



- V-ZUG Infra AG, Zug: 35,000 sqm operating land and buildings in Zug: Technology Cluster Zug northern area including ZugGate, Mistral, Zephyr Hangar, Zephyr Central East (as of 2023), Zephyr Central West Compact (as of ~2026)
- MZ Infra AG, Sulgen: 52,000 sqm operating land and buildings (29,000 sqm) in Sulgen, incl. buildings let to Belimed



 Land and buildings of V-ZUG in the city of Zug as part of Technologycluster Zug



Land and buildings of MZ Infra in Sulgen

 24,000 sqm for V-ZUG refrigerators
 28,000 sqm for Belimed sterilizers

2. V-ZUG Group – Overview

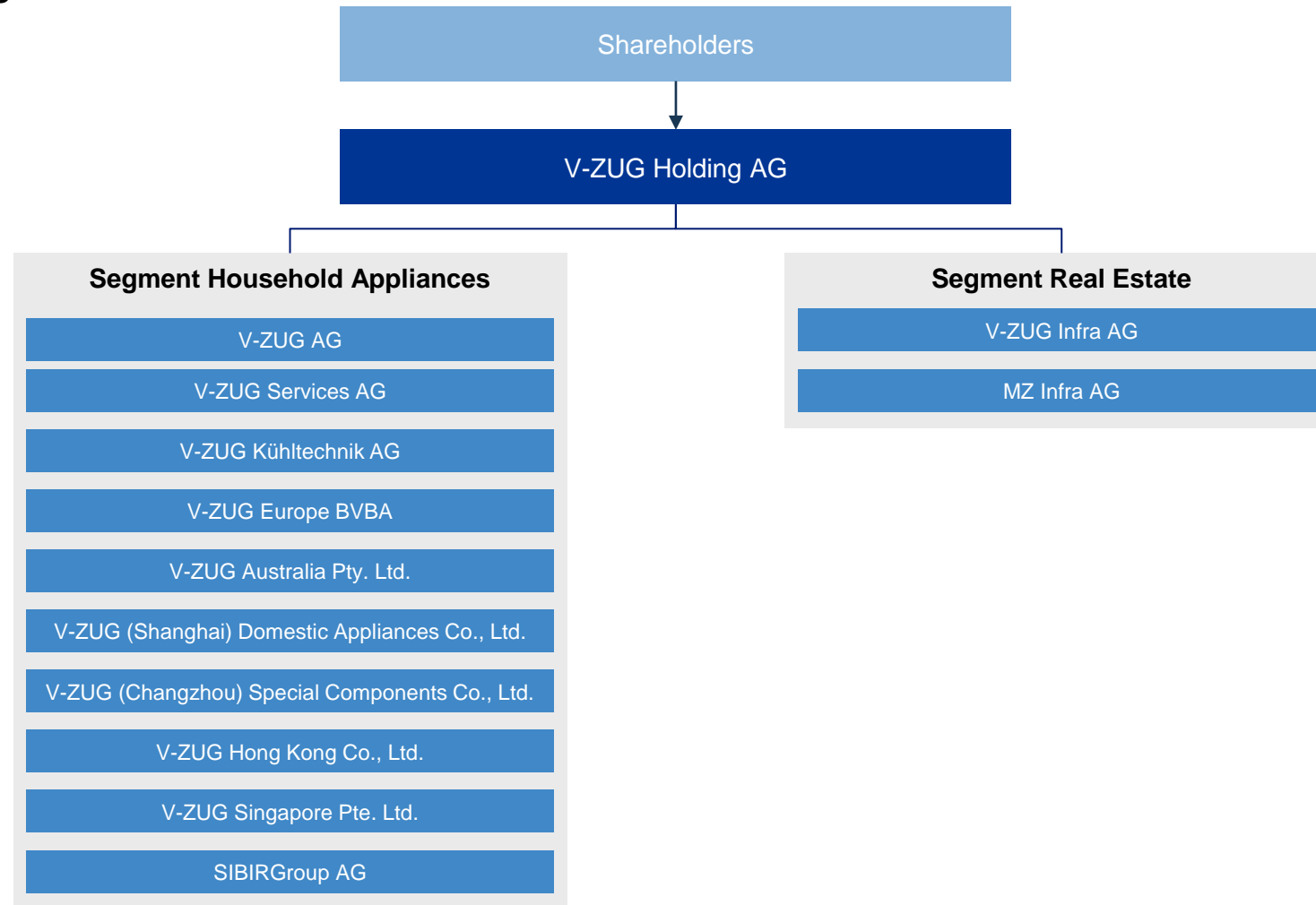
Segment Reporting: Real Estate

Reasons for disclosing a reporting segment “Real Estate”

- Increase transparency
 - by separated performance of “Household appliances” and “Real Estate”
 - of costs and investments of real estate business
- Optimize checks & balances by separating «user» and real estate «provider / facility manager» function, leading to
 - Optimized investments
 - Optimized utilization of buildings and land
- Professional management of real estate segment due to synergies and cooperation with Tech Cluster Zug AG
- Awareness for value and cost of land and buildings

2. V-ZUG Group – Overview

Legal / Segment Organization



2. V-ZUG Group – Overview

Board of Directors



Oliver Riemenschneider, Chairman *1962, Swiss resident
Master of Mechanical Engineering, ETH Zurich; MBA City University Bellevue, Washington, USA; Advanced Management Program INSAED

Group Senior Vice President, Managing Director Business Unit Turbocharging, ABB



Prof. Dr. Annelies Häcki-Buhofer *1954, Swiss resident
PD Dr. Phil. I, University Zurich

Management functions at the faculty of humanities and social sciences, University of Basel, 2002–2015; Professor for German linguistics, University of Basel, 1989–2015; Member of the Board of Directors Zug Estates Holding AG since 2012; Member of the Board of Directors MZ-Immobilien AG, 1997–2012



Dr. Jürg Werner *1956, Swiss resident
Dr. sc. tech. ETH Zurich, Postgraduate diploma in business management
CEO Metall Zug AG since June 1, 2012 (retired as of March 31, 2020)

CEO V-ZUG AG, 2010-2013; COO V-ZUG AG, 2010; Head R&D V-ZUG AG and Member of the Executive Board, 1996-2009; Head of Fire Detector Development at Cerberus AG, 1989-1996, Researcher at Bell Communications Research Inc., USA, 1987-1989, Scientific Assistant at Swiss Federal Institute of Technology ETH Zurich, 1981-1987

2. V-ZUG Group – Overview

Board of Directors



Prisca Hafner *1967, Swiss resident

Banking professional, CAS in Executive Coaching, IAP Institute for Applied Psychology, Zurich

Chief Human Resources Officer, COMET Group, Flamatt, 2018 – 4.2020; Global Head Human Resources, Oerlikon Balzers, 2008 – 2016; various HR functions CREDIT SUISSE, Zurich and London



Tobias Knechtle *1972, Swiss resident

Master Business Administration (lic.rer.pol.), University Bern

CFO Valora Group, Muttenz, 2014–2019; Vice President, Senior Vice President Finance, Kudelsky Group, 2009 – 2014, Principal, CINVEN Private Equity, Frankfurt and London, 2005 - 2009; various positions Boston Consulting Group, Zurich and Sao Paulo, 1998 - 2005



Petra Rumpf *1967, Swiss & German resident

Master Business Administration, Clark University, MA, USA

Global Head Dental Service Organizations, Straumann Group, Basel, since 2018. Global Head of Corporate Development and Special Channels, Nobel Biocare AG, Zurich, 2007 – 2015, various functions at Capgemini Consulting, 1991 - 2007

2. V-ZUG Group – Overview

New CEO as of Q3, 2020



Peter Spirig *1973, Swiss resident

Master in Civil Engineering, ETH Zurich; MBA City University Bellevue, Washington, USA;
Advanced Management Program INSAED

Arbonia AG (May 2016 to present)

Member of the Executive Committee / Head of Doors Division

Responsible for strategic direction setting at Group level and for the Doors division (revenues of CHF 380m, 5 plants, 1,900 employees; main markets: Germany, Switzerland, Poland, Italy, Czech Rep, France)

President, Franke Asia / Member Franke Group Management Board – Hong Kong (2013 - 2016)

Management of all of Franke's activities in Asia, as well as strategic direction setting at the Group level.

President, Franke Foodservice Systems Asia – Hong Kong (2009 - 2013)

Chief Executive Officer, Holcim (Lanka) Ltd – Colombo (2004 - 2009)

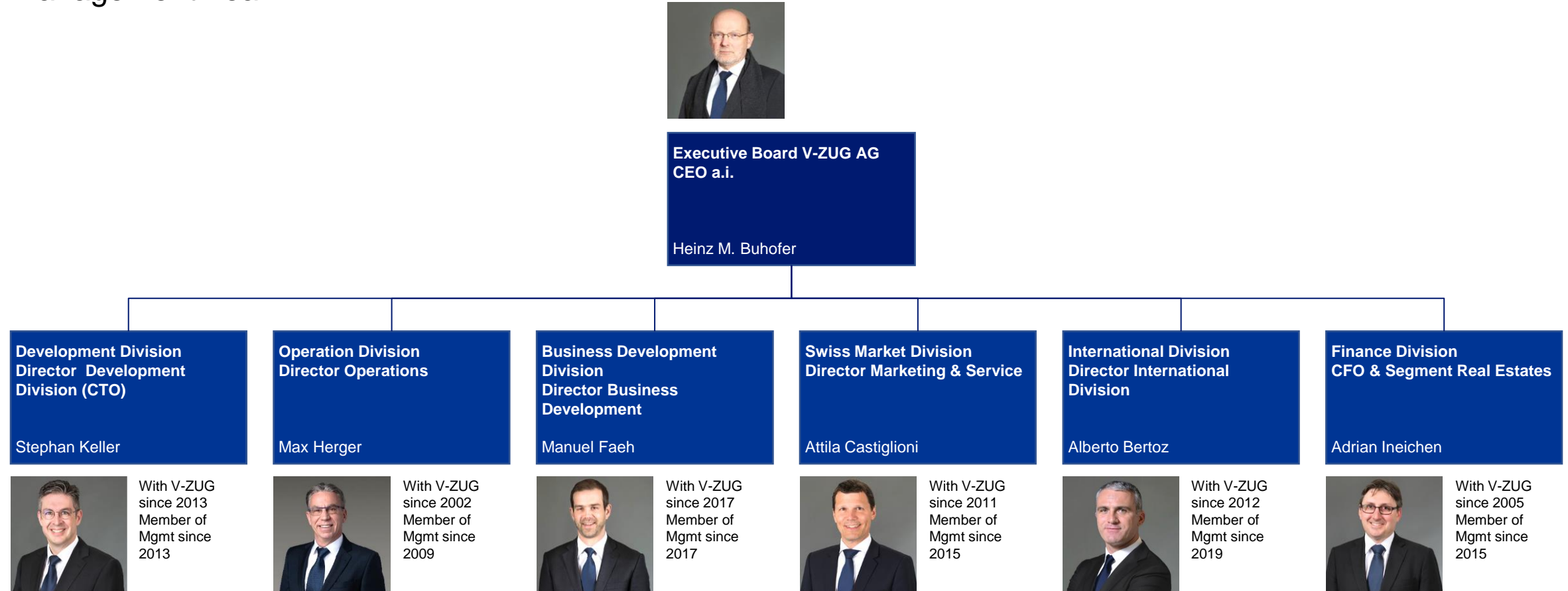
Assistant to Executive Committee Member of Holcim – Zurich / Bangkok (2002 - 2004)

Project Manager at Ernst Basler + Partners AG – Zurich (1999 - 2000)

Managing Director of Pom + Consulting (Singapore) Pte Ltd – Singapore (1998)

2. V-ZUG Group – Overview

Management-Team

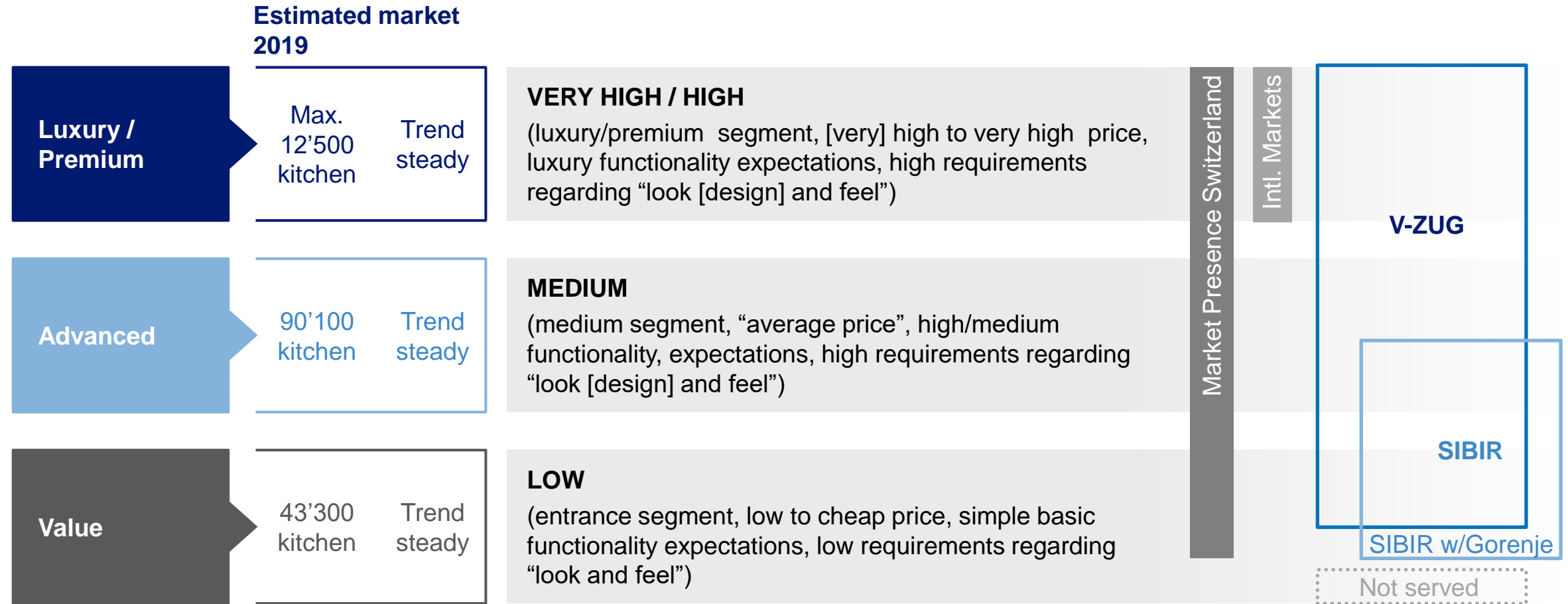


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3. Markets

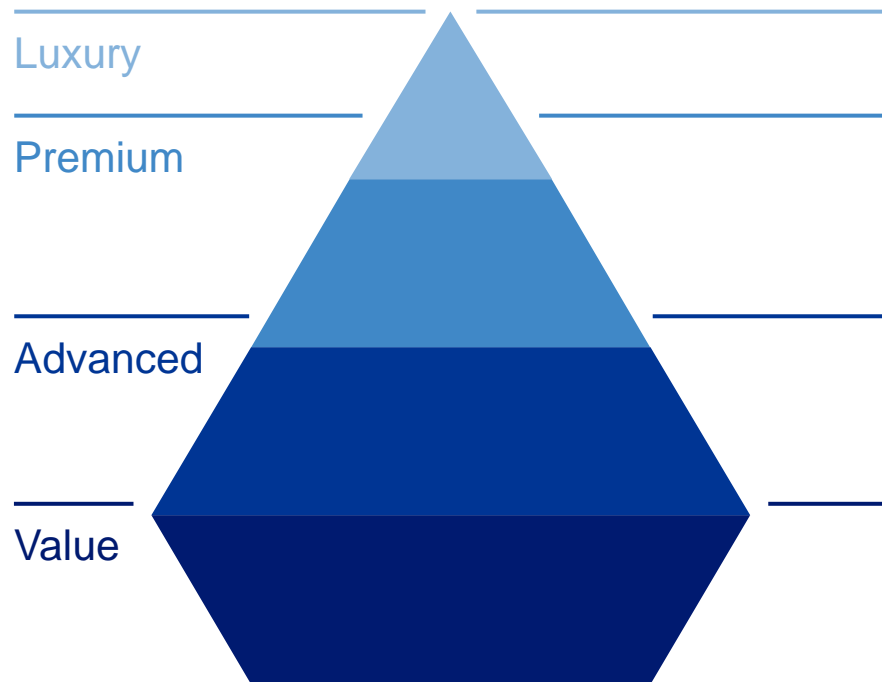
Market and Potential: Switzerland (incl. Positioning in International Markets)



Source: Kitchen Market Study – Wüst & Partner, 2017

3. Markets

Switzerland (revenue streams)



Kitchen
2/3 of sales



Laundry
1/3 of sales



Medium to Luxury segment
50%

Premium segment for single family houses
60%

Premium segment for multi family houses
25%

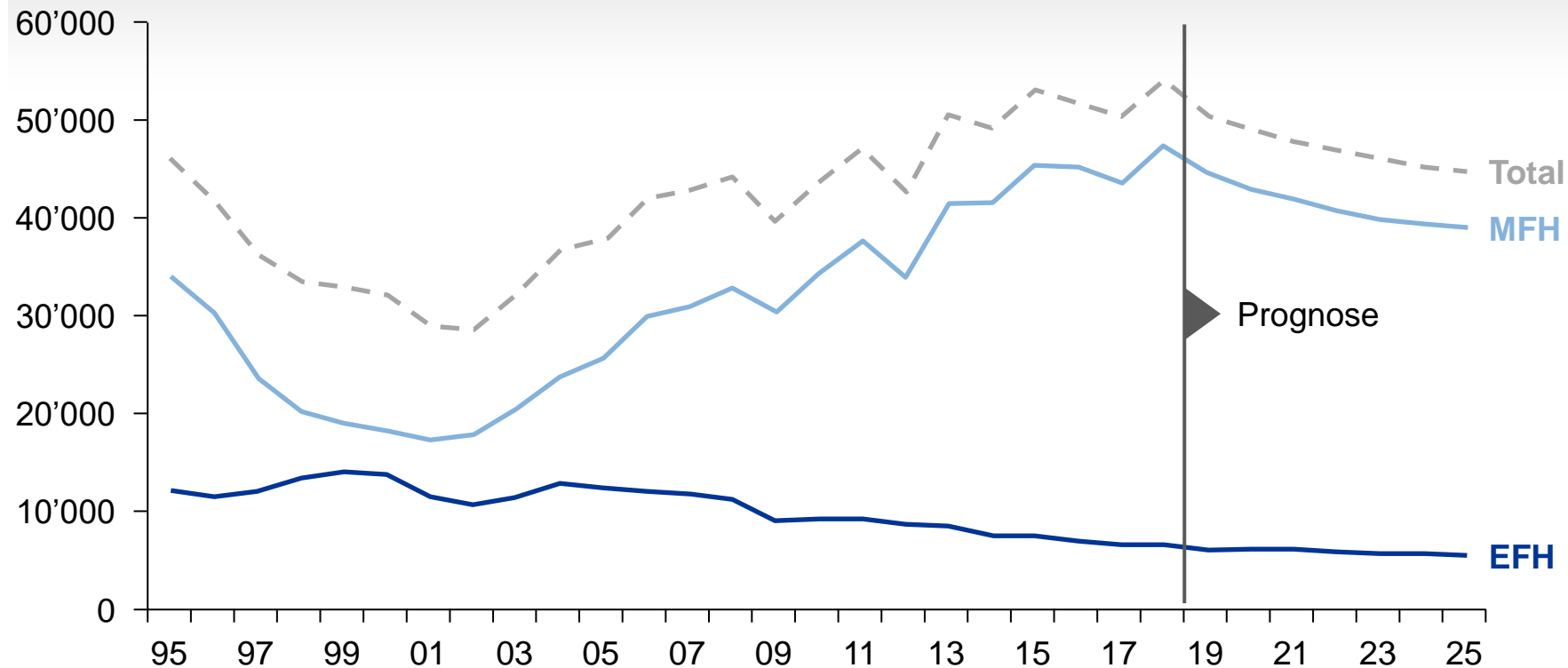
Entry to medium segment
50%

Entry segment
15%

3. Markets

Switzerland: BAK Building forecast: until the year 2025

Forecast: No. of new build flats per year in a longterm comparison and forecast



New build flats are expected to decline slightly but are still on a high level.

The main drivers of demand are:

- New build flats
- Refurbishments
- Replacements

→ Approx. 1/3 each

3. Markets

Switzerland: Highlights

Market

- Strong market forecast overall in real estate

Product Range

- Competitive product range (laundry / kitchen) serving full range (built-in appliance-) market with clear market-leadership in Switzerland

Competitors

- Heterogeneous market with many competitors acting in the Swiss market. Main competitors are Miele, Electrolux, Bosch, Siemens, Gaggenau, Samsung (and more)

Service & Support

- Best-in-class Service & Support with more than 270 technicians in Swiss market for V-ZUG (excluding Sibir)

Cooking advice

- Approx. 50 consultants in pre- and after sales (cooking workshops, home advise and more)

Sales Organization

- Acting sales organization with strong relationships to customers (investors, kitchen builders, retailers and more) and ZUGORAMA's (showroom's) across whole Switzerland

SIBIRGroup

- (Re-)Positioning of V-ZUG subsidiary with
 - a clear mission as multibrand service company (home appliance market) addressing mainly real estate management companies and real estate cooperatives
 - 45 technicians in the market

3. Markets

International: Business development

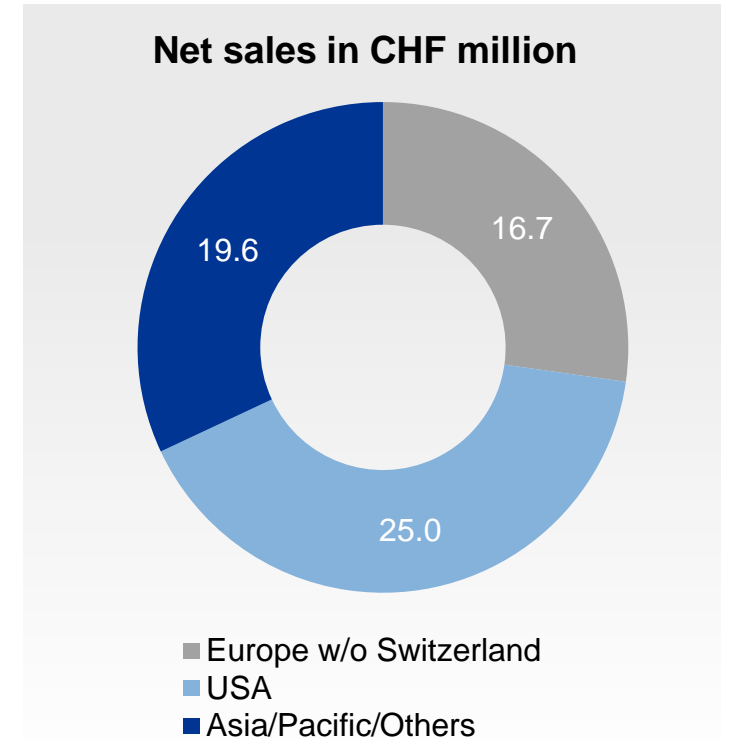
- V-ZUG's international business shows a healthy annual sales growth of around 20%
- Highest share of growth coming from V-ZUG own branded business, across all V-ZUG key regions
- A solid turnover with OEM business is supporting the international business
- After a «seeding» phase in the past years, V-ZUG expects an increasing profitability in the coming years
- The international share in sales is expected to grow mid-term to >20% of total sales



3. Markets

International: Focus on selected markets and metropolitan areas

The international strategy is based on a focused metropolitan approach concentrating on selected markets / cities with the highest potential for a premium home appliance brand. In selected markets V-ZUG is represented with a direct presence (legal subsidiaries), in others with strong sales or OEM partner.



■ via V-ZUG Subsidiary ■ via V-ZUG Partner

3. Markets

International – Business development: three strong sales channels

V-ZUG internationally has a targeted approach focusing on **retail business** mostly through international premium kitchen brands, **project business** and **OEM business**.

Retail Business

- Sales through premium international and selected local kitchen cabinet manufacturers
- Selected sales directly out of ZUGORAMA (showrooms) if requested by end users
- Sales through dedicated appliance specialist partners
- Sales through shop in shops (e.g. Lane Crawford in CN / HK)
- Sales through V-ZUG studios (e.g. specialist appliance shopping mall in Shanghai)

Project Business

- Sales directly to property developers in markets / cities with large high-end property developments such as: London (UK), Shanghai (CN), Beijing (CN), Hong Kong (CN), Singapore (SG), Melbourne (AU) and Sydney (AU)
- In selected cases selling through a business partner
- Highly influenced by architects and designers, therefore a key target group for marketing activities

OEM Business

- Design, development and production of appliances for one OEM partner in North America & International
- Family run business with similar values / size as V-ZUG and very strong presence in their US home market
- Initially started with the Combi-Steamer and now extended to other product categories
- Strong relationship to OEM partners thanks to co-development within V-ZUG core technologies

3. Markets

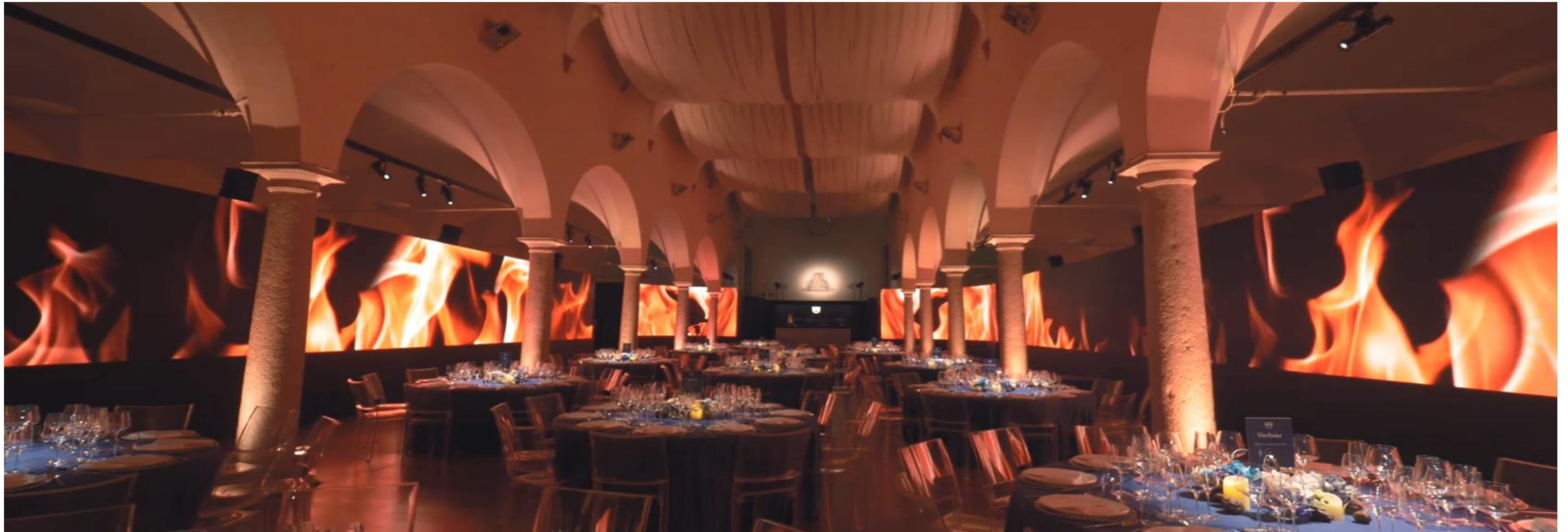
International branding: Value Proposition – Focus on Premium Product Range only



Focus on the 'Excellence' line of products – in line with targeted positioning, origin and price segment

3. Markets

International branding: Premium / Luxury Positioning



The stage of V-ZUG brand at 'Fuorisalone Milano' in 2018

3. Markets

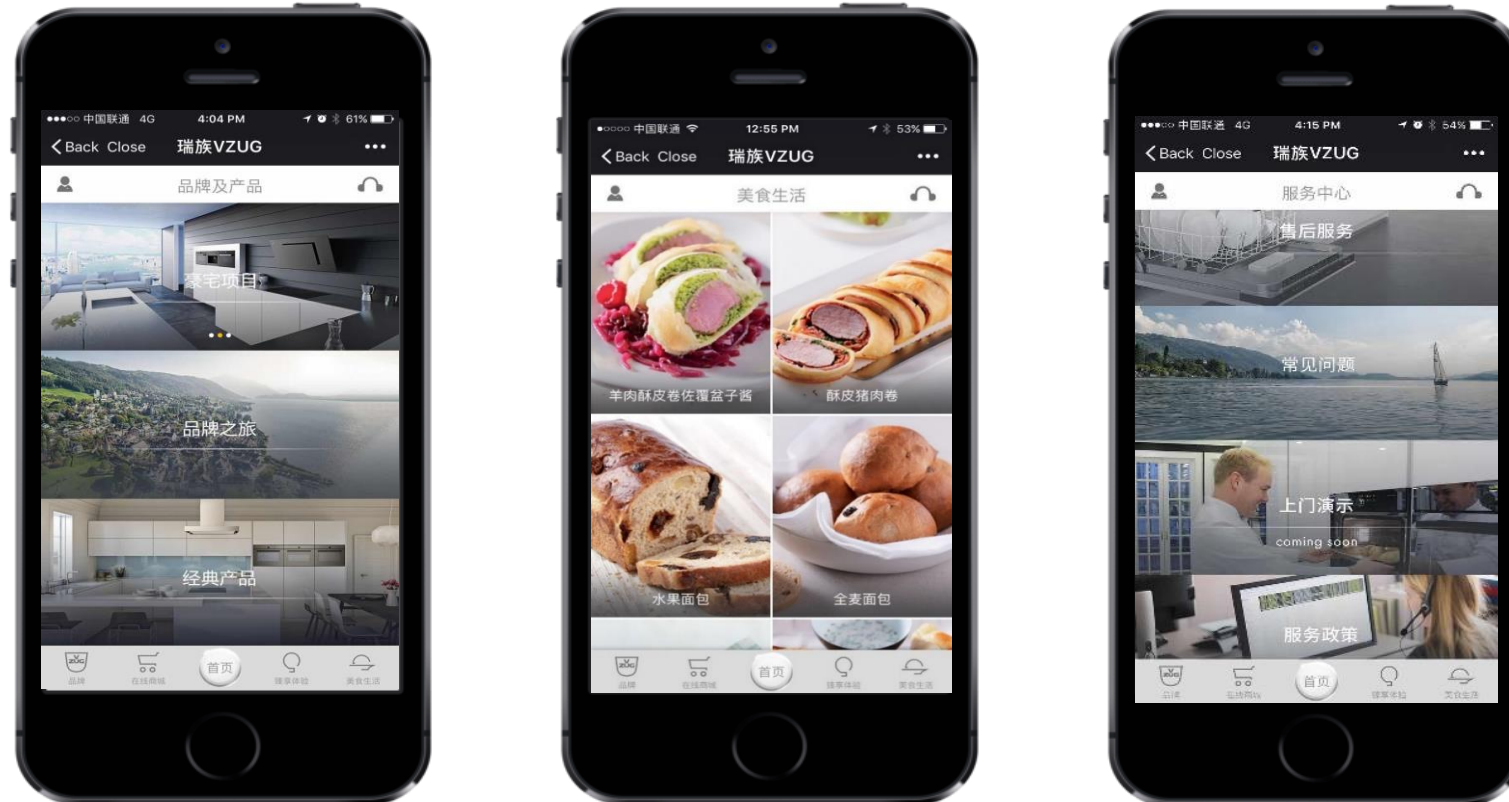
International branding: V-Dining



Thinking out of the box: Flagship restaurant in Singapore

3. Markets

International branding: Digital Customer Interaction



V-Zug's 'digital concierge', a WeChat based app that allows for digital interaction with V-ZUG's customers in China.

3. Markets

International – Project Business: China – Beijing – Armani Central Park



- 56 units in two buildings all completely fitted out with V-ZUG appliances
- For the first time, Armani Casa, the design arm of the Italian fashion brand, is using V-ZUG appliances in one of their real estate developments
- One of the most expensive properties in Beijing with CNY 150k / m² (app. CHF 20k / m²)
- Worked as a “light tower” project for V-ZUG, putting us on the landscape of all luxury property developers in and outside of China

3. Markets

International – Project Business: China – Shenzhen – Ruifu



- China Resources, a Shenzhen based conglomerate with more than USD 90bn turnover, has chosen V-ZUG for their most recent development
- Also known as Andaz Hotel, the 135 units in a tower of the Houhai Financial HQ has been completely sold out
- With CNY 158k / m² (app. CHF 21k / m²) these are amongst the most luxurious apartments in Shenzhen
- They chose V-ZUG because of the brand positioning (events / showrooms perfectly matching with their development)

3. Markets

Global brand ambassadors



3. Markets

Zugorama in Zug and Gourmet Academy



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4. V-ZUG: A pure play

Strategy: Cornerstones

Mission

- V-ZUG is a premium brand and a Swiss manufacturer of home appliances, offering inspiring and innovative solutions. V-ZUG's core values are reliability, perfection and sustainability.

Main strategic objectives

- Strengthen and extend market leadership in its domestic market Switzerland
- International expansion in selected markets

Value Proposition

- Full range of best-in-class built-in appliances for the 'premium' segment and 'convenience' segments for the Swiss market
- Best-in-class built-in appliances for the 'premium' segment for international markets
- Products and services guarantee perfect results for cooking and textile care. They are acknowledged top in quality, design, user experience, functionality and durability

4. V-ZUG: A pure play

Strategy: Initiatives

To secure a sustainable success, V-ZUG has defined 5 strategic initiatives

Strategic Initiative	Objectives
Service & Support by Digital Solutions	<ul style="list-style-type: none">▪ Increase process efficiency by 10% and >90% service coverage for own appliances by 2024 (direct and indirect)
Market Switzerland	<ul style="list-style-type: none">▪ Volume growth with sensitive price management, B2C opportunities and further improve collaboration with partners
Digital Sales Channels B2B	<ul style="list-style-type: none">▪ Increase customer orders through digital channels
Textile Range	<ul style="list-style-type: none">▪ Further develop textile care business as complementary offering by investing in innovations
International Markets	<ul style="list-style-type: none">▪ Double the international business by 2024 and being consistently acknowledged among the top 3 premium brands in all markets where V-ZUG operates

4. V-ZUG: A pure play

Strategy: Governance Areas

To secure a sustainable success, V-ZUG has defined 5 strategic governance areas

Governance Areas

Product Portfolio Management

IT Management

Production

Digital Beyond

People, Organization, Culture

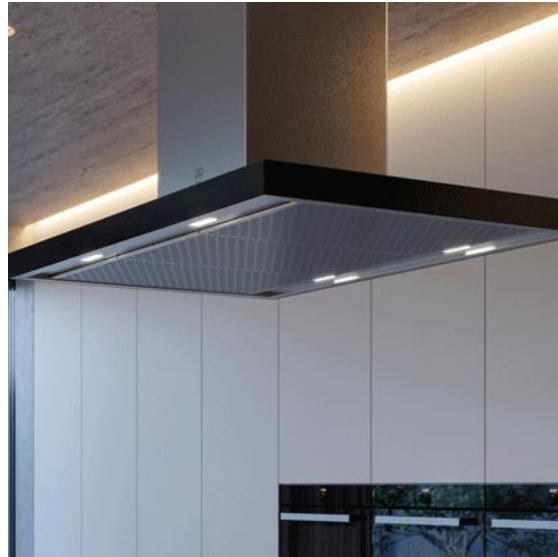
4. V-ZUG: A pure play

Products and Services: Steamers, Combi-Steamers and Ovens



4. V-ZUG: A pure play

Products and Services: Hobs and Range Hoods



4. V-ZUG: A pure play

Products and Services: Refrigerators & Coolers



4. V-ZUG: A pure play

Products & Services: Dishwashers



4. V-ZUG: A pure play

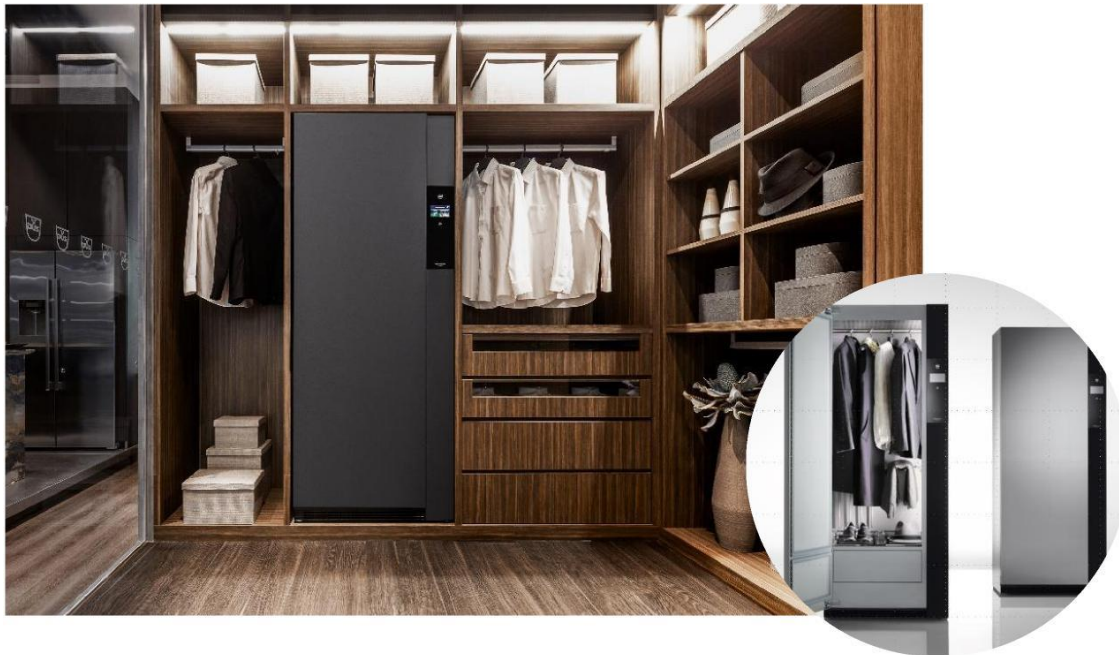
Products & Services: Laundry



4. V-ZUG: A pure play

Products and Services: Refresh butler as a door opener in international luxury business

Your best clothes deserve to be treated gently



4. V-ZUG: A pure play

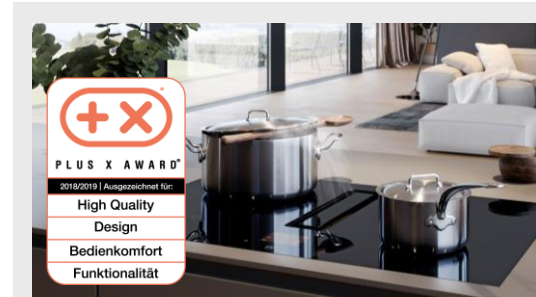
Products & Services: Awards for products and brand recognition



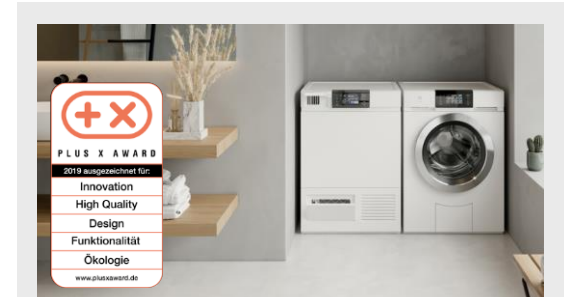
Winner of the **Red Dot Award: Product Design 2018** for the noble design line Pureness.



Plus X Award 2018 for the highly flexible induction hub Fullflex.



Plus X Award 2018 for the induction hub Fusion with integrated air extraction.



Plus X Award 2019: for the DualDry washing machine.



Several **internationally renowned** prizes for the design philosophy of V-ZUG to optimally combine functionality and aesthetics in the products.



Regularly among most trusted brand in the household appliances category in the **European Trusted Brands** report from Reader's Digest.



Successful Launch of Adora V6000 OptiLift with visual recognition.

4. V-ZUG: A pure play

Innovations: R&D



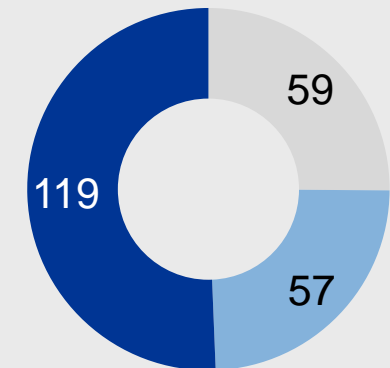
“It is not the strongest of the species that survives, but rather, that which is most adaptable to change.”

People make the difference

235 employees
in R&D, design, digital products & services and V-ZUG lab
(more than 10% of total workforce)

Less than 5 years with V-ZUG

More than 10 years with V-ZUG



5 to 10 years with V-ZUG

With Master or bachelor degree: 183

4. V-ZUG: A pure play

Innovations: R&D

Effective and efficient use of key competences and skills

Steam

- Combi-steamer: Steam cooking and steam in combination with conventional heating
- Washing machine: The Steam anti-crease program sanitizes, refreshes and decreases the laundry
- Dishwasher: The steamfinish programme sanitizes and makes glass shine
- Refresh Butler: Sanitizes refreshes and decreases the laundry

Heat pump

- Dryers
- Washing machines: World first and world unique, most efficient in the market
- Dishwashers: World first and world unique, most efficient in the market
- Refresh butler

4. V-ZUG: A pure play

Innovations: V-ZUG regularly presented world firsts



2001
Fondue/raclette
programme



2004
Steam anti-crease
programme



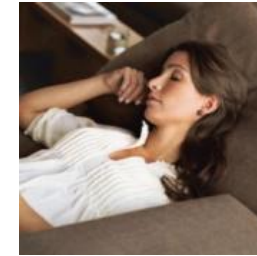
2005
V-ZUG-Home



2007
GourmetSteam
programme



2008
V-ZUG WetClean



2008
Vibration Absorbing
System (VAS)



2009
BakeOmatic



2012
SteamFinish



2013
Adora SLQ WP
washing machine



2013
REFRESH-BUTLER



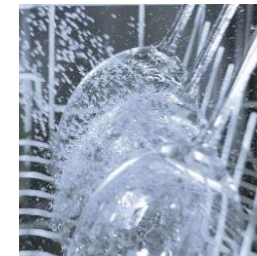
2014
Dishwasher with
heat pump
technology



2015
Combi-Steam MSLQ



2017
OptiGlass



2017
Programme Party



2019
Dual Dry



2019
Guided Cooking

4. V-ZUG: A pure play

Innovations: V-ZUG Lab to be prepared to shape the future of household appliances

Purpose

- Protected innovation area allowing ideas and concepts with further distance to V-ZUG core business

Goal

- Anticipate topics that may affect V-ZUG business to a relevant degree within 3 to 5 years

Tasks

The V-ZUG Lab has been assigned with the following main tasks to support the execution of the strategy:

1. Elaborate Proof-of-Concepts for new offerings and solutions beyond the current business model and offering
2. Create a comprehensive and seamless food & cooking experience, based on an open ecosystem
3. Support digital implementation projects (products and processes) with specific, focused and concerted actions

Location

- Innovationspark Zentralschweiz, Rotkreuz (connected to building excellence innovation ecosystem)

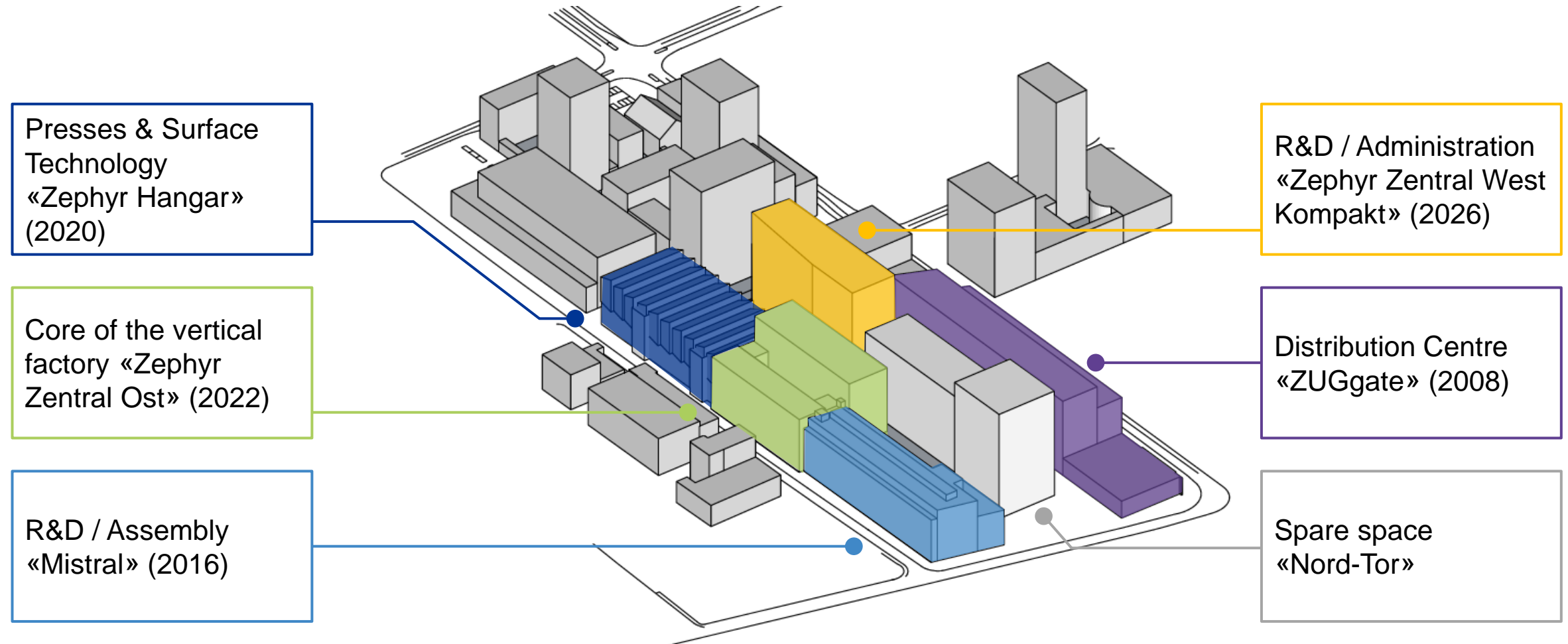
4. V-ZUG: A pure play

Innovations: V-ZUG Lab: Artificial intelligence supports preventive maintenance



4. V-ZUG: A pure play

Infrastructure: Vertical factory on 40% of the current footprint, capable to produce up to 100% more output



4. V-ZUG: A pure play

Infrastructure: V-ZUG is realizing a new refrigeration production plant in Sulgen



High-end and high-quality refrigerators are key as a strategic pillar and for international growth

→ Start of production in 2022

4. V-ZUG: A pure play

Infrastructure: Transformation follows the principles of customer centricity, efficiency and digitalization



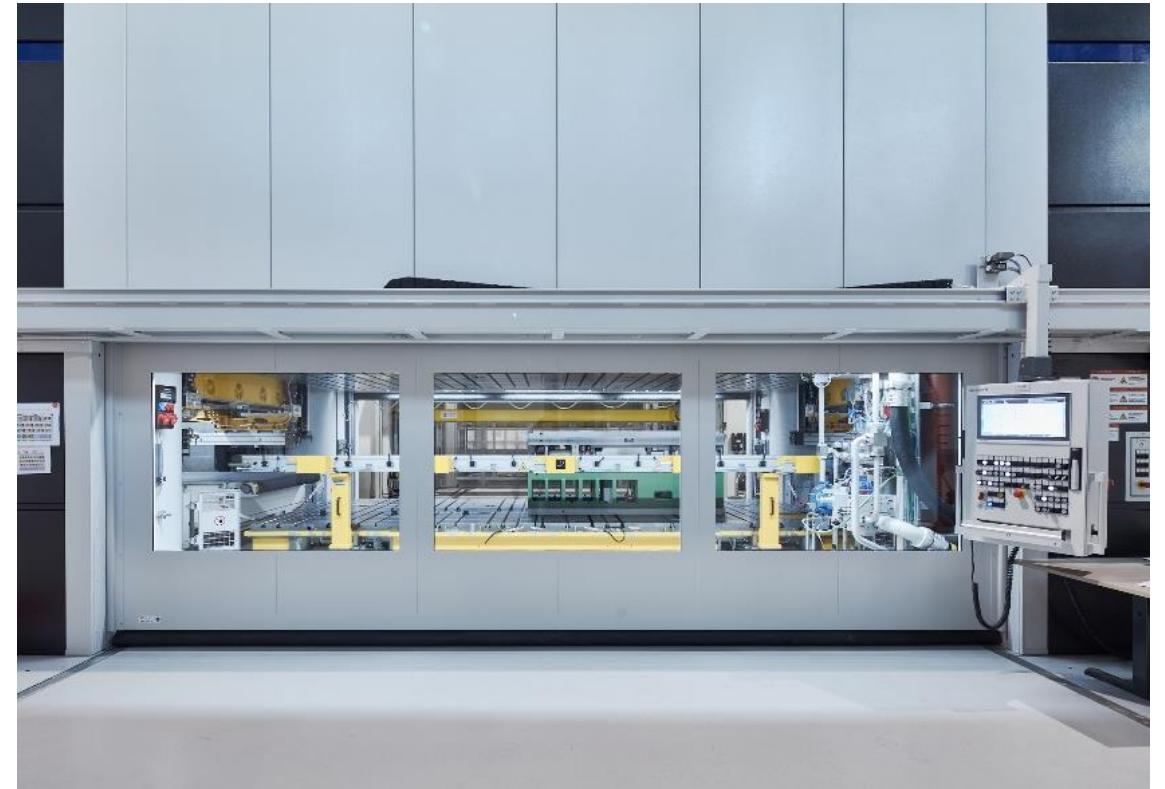
Vertical factory and transformation of production site in Zug will further improve efficiency

- Optimized material- and information flow
- Reduction of throughput time up to 50%

4. V-ZUG: A pure play

Operations: A strong heritage and state of the art production is ensuring „Swiss made“

With 700 employees in operations (600 in Zug and 100 in Sulgen) V-ZUG ensures a short „time to market“ with a high flexibility in production.



4. V-ZUG: A pure play

Service & Support – a USP worldwide

Immediate
reaction
2 days max.
urgencies
same day

1 Intervention
per service job
>90% successful
at first visit

Direct
appointment
booking
1 call / 1 mail is
sufficient

Always
nearby in
Switzerland
22 service
locations

250 trained
technicians
outside
Switzerland
know-how and
dedication

Recycling
Circular
economy
approx. 70% of
components in
Switzerland are
recycled (Source
RUAG)

Over 300
technicians in
Switzerland
experience and
dedication

15 yrs.
Service
guarantee
long-lasting
support

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5. Sustainability

Sustainability as a part of the Corporate strategy

Values

Any success can only really be counted as such if it is sustainable and has been achieved with due respect for society

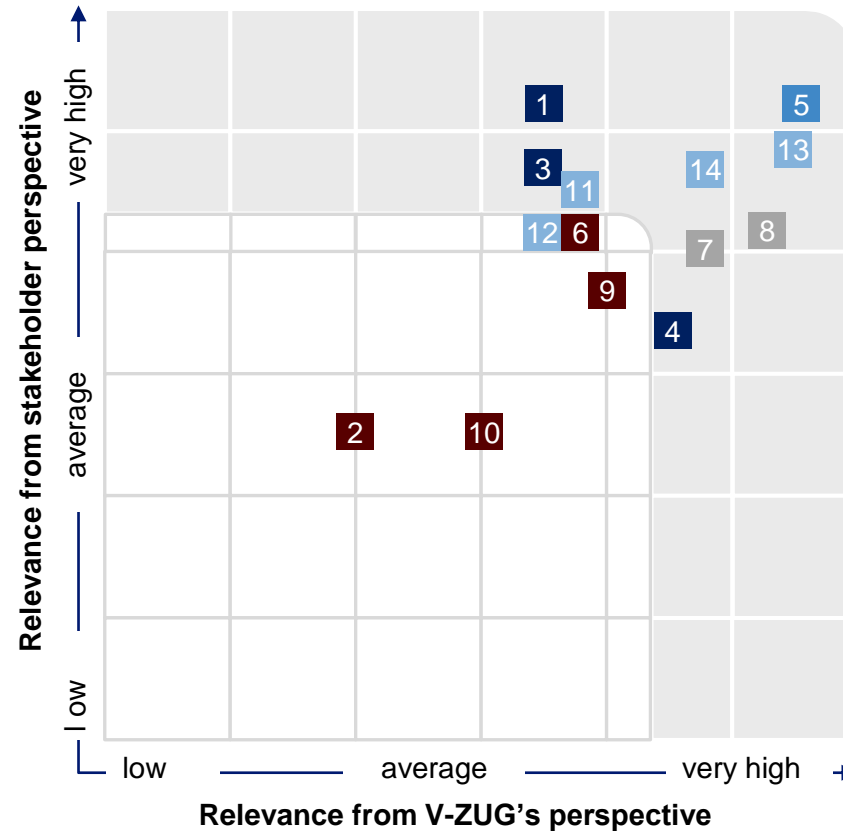
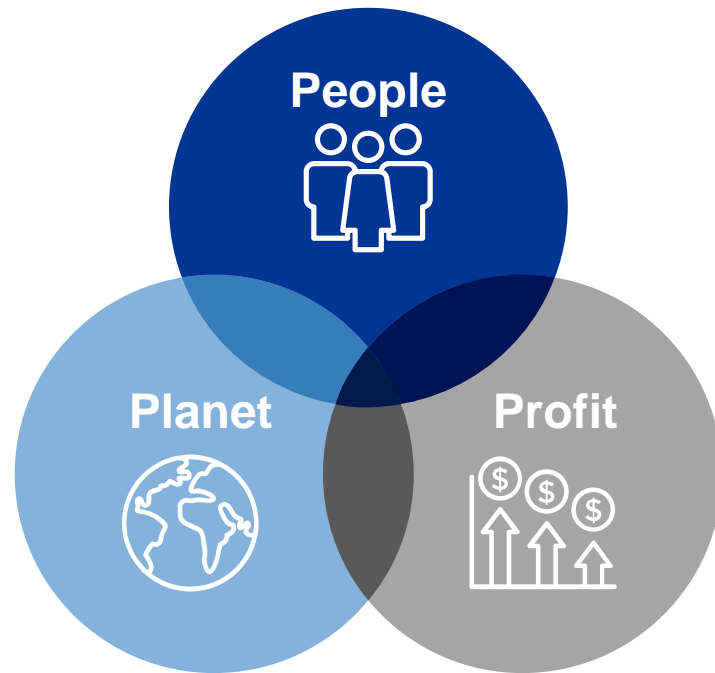
Example: Spare parts availability

- V-ZUG: up to 15 years (since many years)
- EU regulations as of 2021: 10 years



5. Sustainability

Systematic approach and methodology



Products and services

- 5 Safe and resource-efficient products

Employees

- 7 Employee motivation and development
- 8 Occupational health and safety

Energy and climate

- 1 Energy management and greenhouse gas emissions
- 2 Waste management
- 3 Material and resource efficiency

Society

- 11 Corporate governance
- 12 Compliance
- 13 Economic performance
- 14 Swiss Made and indirect economic impacts

Non-priority themes

- 2 Water management
- 6 Responsible sourcing
- 9 Diversity and equal opportunities
- 10 Social engagement and regional contribution

5. Sustainability

Circular economy

Use
Repair
Re-Use

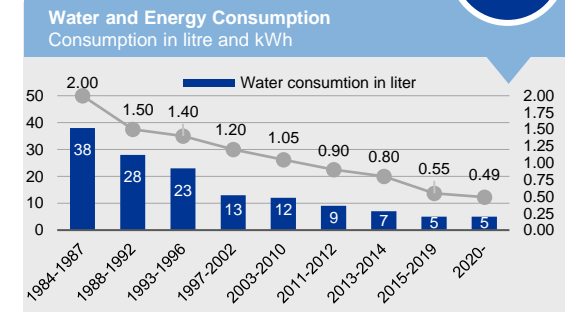
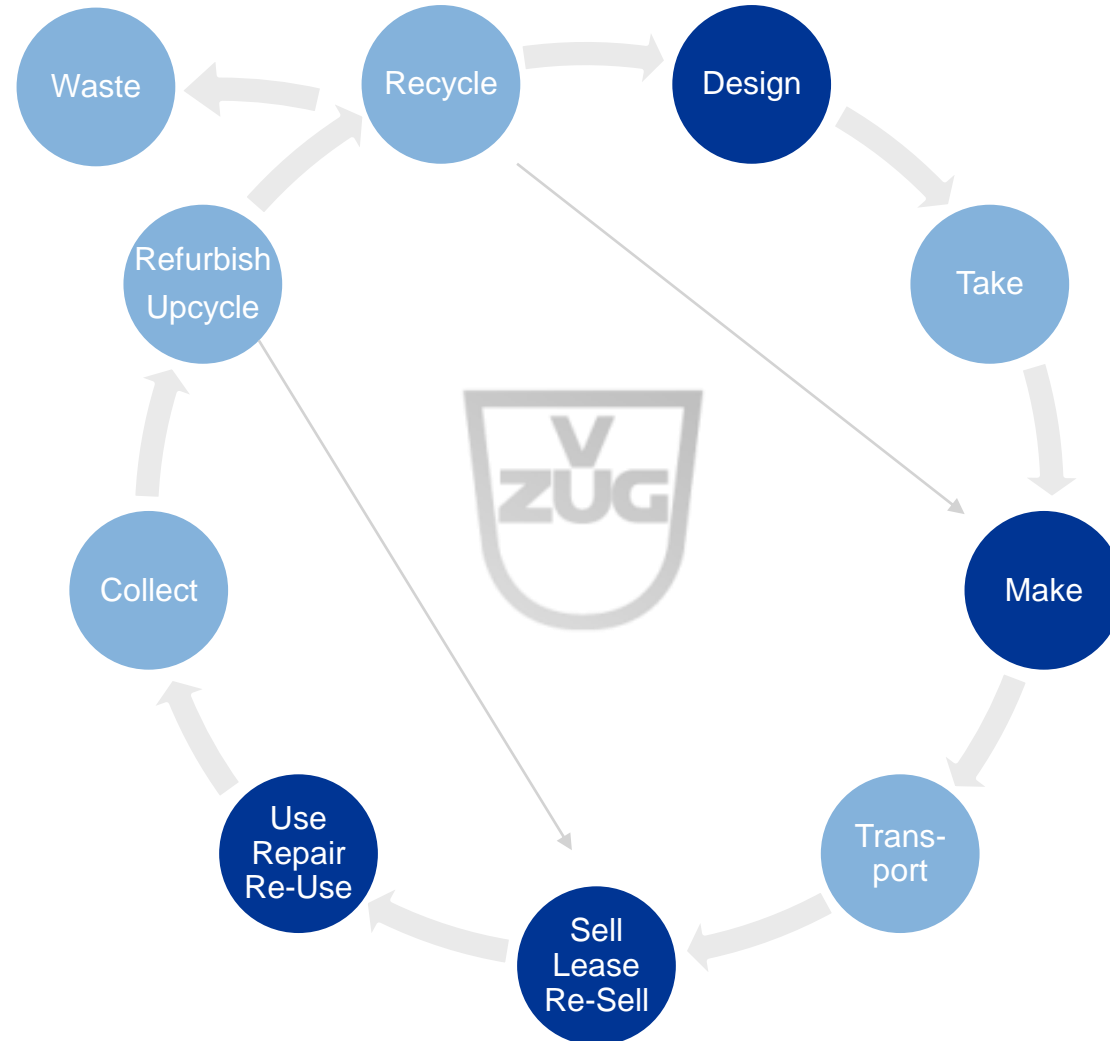


OptiTime



SmartStart

Sell
Lease
Re-Sell



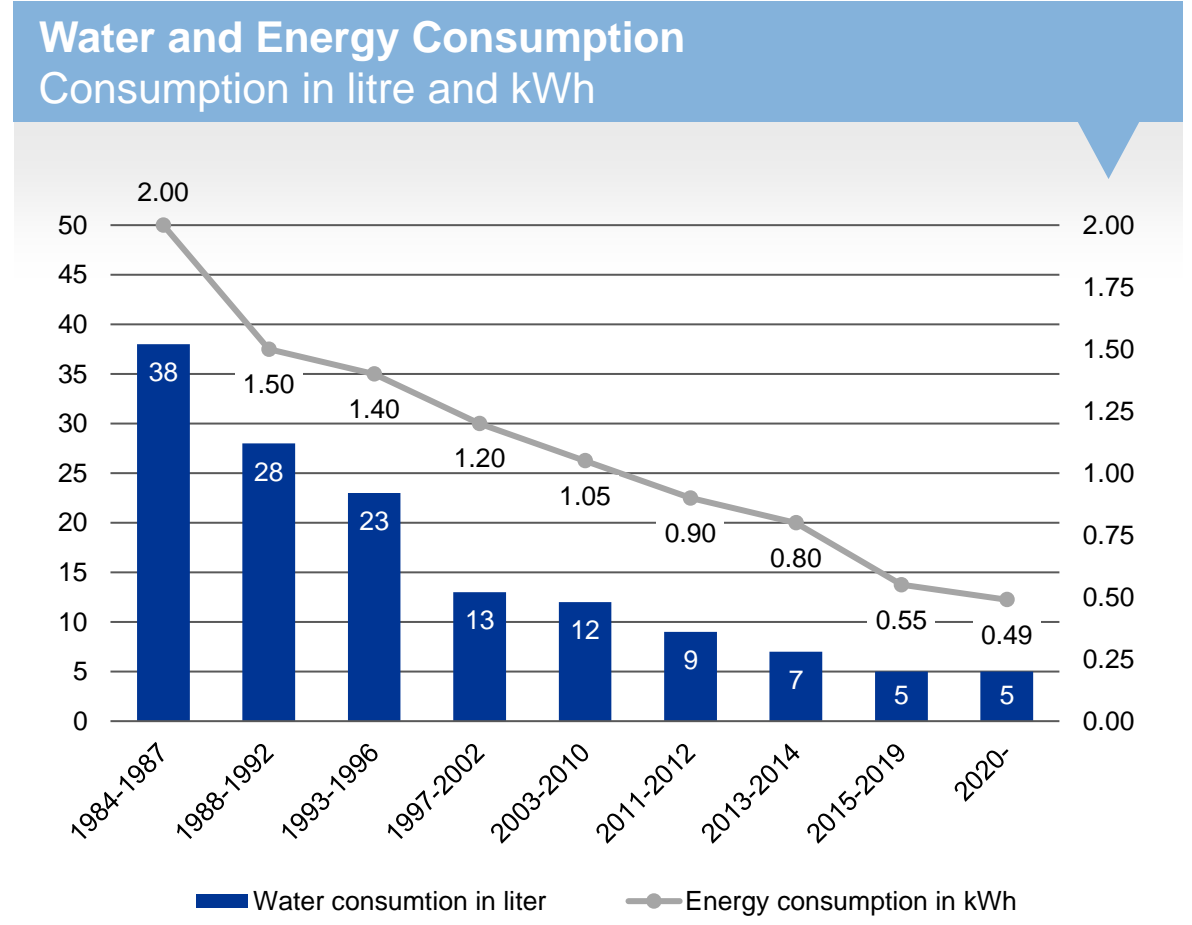
5. Sustainability

Example: Adora, the most economical dish washer



A+++ -40%

Incredibly low energy consumption, a whole **40% lower** than the best declarable rating of A+++.



5. Sustainability: CO₂ neutral production in Zug in 2021

Energy & Climate: Contribution to the future



- Target agreement in EnAW program
- Low-CO₂ and largely autonomous “Multi Energy Hub” to supply V-ZUG with as much locally renewable energy as possible from solar energy, groundwater and lake water.
- Verticalizing production while also optimizing processes means that, in future, we will need only around 40% of the current space.
- Solar panels on all new buildings
- Maximum use of wood as a construction material.

Content

- ① Information for Investors
- ② V-ZUG Group – Overview
- ③ Markets / Brand positioning / Channel & Markets
- ④ V-ZUG: A pure play
 - Strategy
 - Products and Services
 - Innovations
 - Infrastructure
 - Operations
 - Service & Support
- ⑤ Sustainability
- ⑥ **Financial Information**

6. Financial Information

2019 Result V-ZUG Group

CHF million	2019	Δ	2018	Δ	2017
Net sales to third parties	543.6	0.9%	539.0	0.9%	534.0
Operating income (EBIT)	29.6 ¹	-38.7%	48.2	-22.8%	62.4
<i>EBIT margin in %</i>	<i>5.4¹</i>	<i>-360bp</i>	<i>9.0</i>	<i>-270bp</i>	<i>11.7</i>
EBITDA	56.9	-19.2%	70.4	-20.5%	88.5
<i>EBITDA margin in %</i>	<i>10.5</i>	<i>-260bp</i>	<i>13.1</i>	<i>-350bp</i>	<i>16.6</i>
Cash flow from operating activities	37.7	-41.4%	64.3	+10.5%	58.2

- Lower sales in Switzerland mainly due to delivery issues related to ERP Go-Live and bumpy launch of new kitchen line FOCUS advanced based on new technology platform
- Strong sales increase (+31.3%) outside of Switzerland
- Higher OPEX related to ERP stabilization and digital resp. physical transformation weigh on result. Higher material cost for new products are not compensated with efficiency gains in transition phase

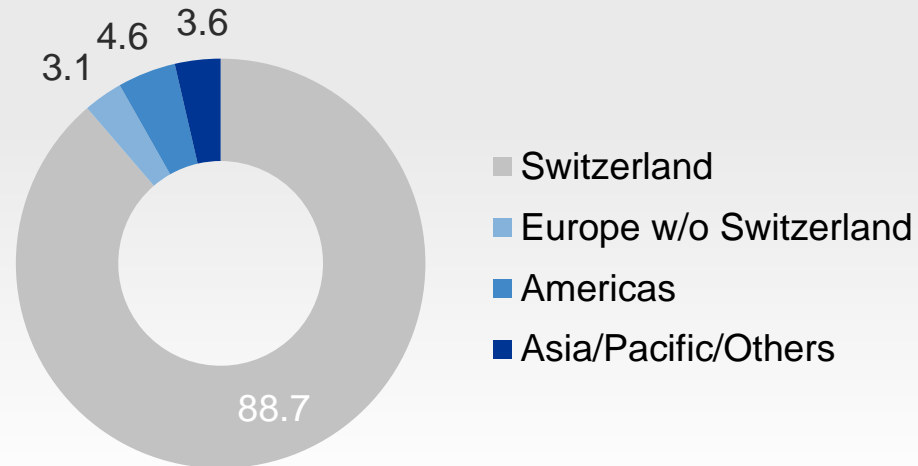
¹ Including CHF 3.1 million provision for soil remediation; EBIT adjusted CHF 32.7 million (margin adjusted: 6.0%)

6. Financial Information

2019 Result Segment Household Appliances

CHF million	2019	Δ	2018	Δ	2017
Net sales to third parties	543.6	0.9%	539.0	0.9%	534.0
Operating income (EBIT)	28.3	-36.5%	44.5	-27.2%	61.1
<i>EBIT margin in %</i>	5.2	-310bp	8.3	-310bp	11.4

Net sales by region in %



- For comments see previous page
- The first time, the international business takes a share of more than 10% of total Net sales

6. Financial Information

2019 Result Segment Real Estate

CHF million	2019	Δ	2018	Δ	2017
Net sales to third parties	-	-	-	-	-
Operating income (EBIT)	1.3	-64.9%	3.7	+208.3%	1.2
<i>EBIT margin in %</i>	-	-	-	-	-

- EBIT 2019 includes a provision of CHF 3.1 million for soil remediation in Zug
- Vertical factory in Zug and Refrigerator factory in Sulgen on track and within budget
- CAPEX of CHF 6.5 million in Project Zephyr Hangar Komplett in Zug, CHF 13.0 million in Refrigerator Factory in Sulgen and CHF 0.8 million in Belimed buildings in Sulgen in 2019

6. Financial Information

Income Statement

CHF million	2019	in %	2018	in %	2017	in %
Gross sales	551.7	100.0	553.5	100.0	548.3	100.0
Net sales	543.6	98.5	539.0	97.4	534.0	97.4
Other operating income	9.8	1.8	8.8	1.6	10.9	2.0
Cost of materials (incl. Δ inventories)	-186.8	34.0	-180.3	32.6	-170.8	31.2
Personnel expenses	-203.3	36.9	-203.3	36.7	-192.9	35.2
Depreciation/amortization/impairment on tangible/intangible assets	-27.4	5.0	-22.2	4.0	-26.1	4.8
Other operating expenses	-106.4	19.3	-93.8	17.0	-92.6	16.9
Operating income (EBIT)	29.6	5.4	48.2	8.7	62.4	11.4
Financial result	-0.7	0.1	-0.7	0.1	-0.6	0.1
Income before taxes	28.9	5.2	47.6	8.6	61.8	11.3
Taxes	-1.6	0.3	-6.7	1.2	-8.6	1.6
Net income	27.3	5.0	40.9	7.4	53.2	9.7

6. Financial Information

Balance Sheet

CHF million (December 31)	2019	in %	2018	in %	2017	in %
Cash and cash equivalents / securities	36.3	7.7	40.6	9.9	66.6	17.5
Other current assets	152.4	32.3	138.2	33.7	126.3	33.2
<i>Current assets</i>	188.7	40.0	178.8	43.6	192.9	50.7
Tangible assets	240.2	50.9	194.1	47.3	158.3	41.6
Financial & intangible assets	42.8	9.1	37.1	9.1	28.9	7.6
<i>Fixed assets</i>	283.0	60.0	231.2	56.4	187.2	49.3
Total assets	471.7	100.0	410.0	100.0	380.1	100.0
Current & long-term financial liabilities	79.0	16.7	27.0	6.6	20.5	5.4
Other liabilities	151.0	32.0	153.7	37.5	141.1	37.1
<i>Total liabilities</i>	230.0	48.8	180.7	44.1	161.6	42.5
Shareholders' equity	241.6	51.2	229.3	55.9	218.5	57.5
<i>Equity Ratio</i>	51.2%		55.9%		57.5%	
Total liabilities and shareholders' equity	471.7	100.0	410.0	100.0	380.1	100.0

- Financial liabilities and Shareholders' equity shown before capital increase of CHF 110 million contributed by Metall Zug
- After the capital increase as of 30.04.2020
 - the Equity ratio will increase to about 70% (excluding other P&L impacts since December 31, 2019),
 - V-ZUG has a net cash position of more than CHF 30 million and
 - the debt capacity amounts to more than CHF 100 million

6. Financial Information

Cash Flow Statement

CHF million	2019	2018	2017
Cash flow from operating activities	37.7	64.3	58.2
▪ of which taxes paid	-5.8	-7.9	-8.7
Cash flow from investing activities	-69.0	-66.4	-47.7
▪ of which investments in tangible assets	-65.7	-55.9	-39.6
▪ of which investments in intangible assets	-3.6	-9.0	-8.3
Cash flow from financing activities	27.1	-22.0	-38.2
▪ of which dividend	-15.0	-30.0	-45.0
Currency translation effects	-0.2	-0.3	0.1
Change in “Net cash and cash equivalents”	-4.3	-24.4	-27.6
Free cash flow	-31.3	-2.1	10.5

6. Financial Information

Tax Rate and impact of tax reform and AHV Financing (TRAF)

CHF million	2019	2018	2017
Total Tax expenditure	-1.6	-6.7	-8.6
Total Tax liabilities	14.8	18.9	20.0
Income before taxes	28.9	47.6	61.8
Weighted average applicable tax rate	16.6%	15.4%	14.5%
Weighted average calculated taxes	-4.8	-7.3	-9.0
Taxes according to income statement	-1.6	-6.7	-8.6
Reported tax rate	5.5%	14.1%	14.0%

Impact of Tax reform 2020 (TRAF)

- Reduction of tax rate in Zug from 14.6% to 12.0% and in Sulgen from 16.4% to 13.6%
- Additional deduction of 50% of certain R&D costs on cantonal level (total R&D costs 2019: CHF 60.9 million) can further reduce tax burden
- Tax relief on cantonal level (Zug) limited to 70% of taxable profit
- Patent box as an additional option

6. Financial Information

Net Working Capital

CHF million	31.12.2019	31.12.2018	31.12.2017	2019 High ¹⁾	2019 Low ¹⁾
Trade receivables third gross	56.8	46.9	43.2	61.6	37.1
Value adjustment	-2.1	-1.8	-1.2	-2.5	-2.0
Trade receivables third net	54.7	45.1	42.0	59.1	35.1
Total inventories gross	94.1	92.5	82.7	104.8	93.7
Total value adjustments inventories	-17.3	-16.0	-15.6	-17.3	-16.4
Total inventories net	76.8	76.5	67.1	88.0	77.3
Trade payables	-20.7	-27.1	-17.5	-20.7	-27.6
Advanced payments from customers	-3.8	-1.2	-2.2	-2.2	-4.7
Total Net Working Capital	107.0	93.3	89.4	124.2	80.1

1) The values considered are highs resp. lows during 2019 but are not necessarily realized in the same month.

6. Financial Information

Dividend Policy

- V-ZUG Holding AG strives for a dividend policy that is geared primarily by the level of the recoverable profit
- In the medium and long term the pay-out ratio is expected to be between 20% and 40% of the net income
- In the first three years after the spin-off, however, it is to be assumed that no dividend will be paid. It is planned to use the funds primarily for investments in products, markets and the production sites in Zug and Sulgen.



V-ZUG: Why invest in V-ZUG



- Proved to be able to generate double digit EBIT-margins, significantly above industry average
- Market leader in Switzerland with a unique and strong position:
 - Nationwide strong and long-lasting network with key partners
 - Unbeatable service network and proximity to customers
- Niche player in the Premium segment in selected international markets:
 - with Swiss Made and sustainability as Unique Advertising Proposition
- Proved its ability to lead innovations in the industry thanks to
 - Committed and enthusiastic teams
 - Lean and fast processes

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