



# Examples



**BELIMO®**

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# The Potential of Existing Buildings

## Overview



### 1. Regulatory Drivers



### 2. Technology Drivers



### 3. Strategic Initiative RetroFIT+

# The Potential of Existing Buildings

## Technology Drivers: The Example of Commercial Reversible Heat Pumps



- Heating/cooling of buildings responsible for **16% of global energy related GHG emissions**.
- Depending on power generation mix, heat pumps can save ~80% of CO<sub>2</sub>e / kWh comp. to traditional fossil-fueled boilers.
- Path to net zero requires >2x capacity provided by heat pumps by 2030.
- The ten warmest years in history have all occurred since 2010.
- **Cooling degree days projected to increase by ~25%** by 2050.
- Total amount of commercial buildings floor area cooled is expected to rise from 65% to 85%; biggest increases in Indonesia and Mexico.
- **Increased awareness for IAQ** (82% of millennials feeling safer in offices with real-time information).
- Updated standards and guidelines with IAQ-focus (ASHRAE 62.1-2022, ISO 52120-1:2022).
- Growing number of building certifications and frameworks focusing on IAQ (WELL, RESET AIR, ALDREN).
- Installed solar PV capacity has grown 20x since 2010.
- **PV helps to lower the cost of meeting peak cooling load.**
- With decreasing feed-in tariffs, self-consumption for cooling becomes increasingly attractive.
- **Countless policies support the replacement of fossil-fueled boilers with heat pumps globally, prominent examples include:**
  - EPBD in Europe
  - IRA in the US
  - Dual Carbon Target in China.

# The Potential of Existing Buildings

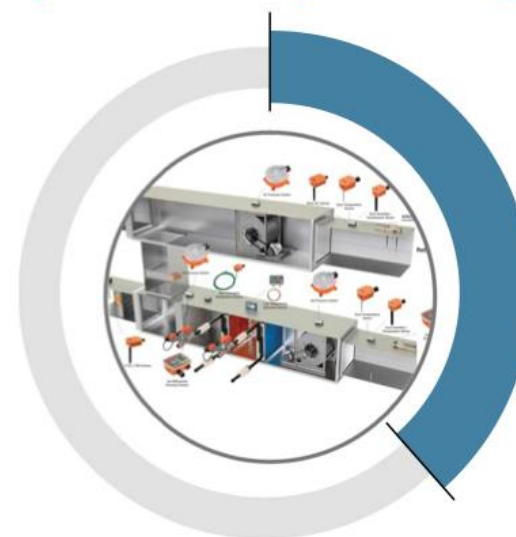


## Regulatory Drivers: Why HVAC Efficiency in Existing Buildings Matters



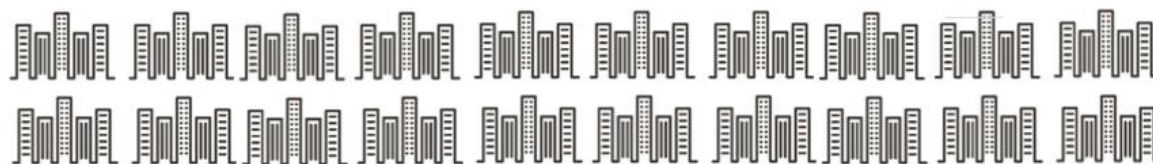
**40%**

of worldwide energy consumption can be attributed to buildings



**40%**

of the energy used in buildings is used for HVAC



Existing Buildings

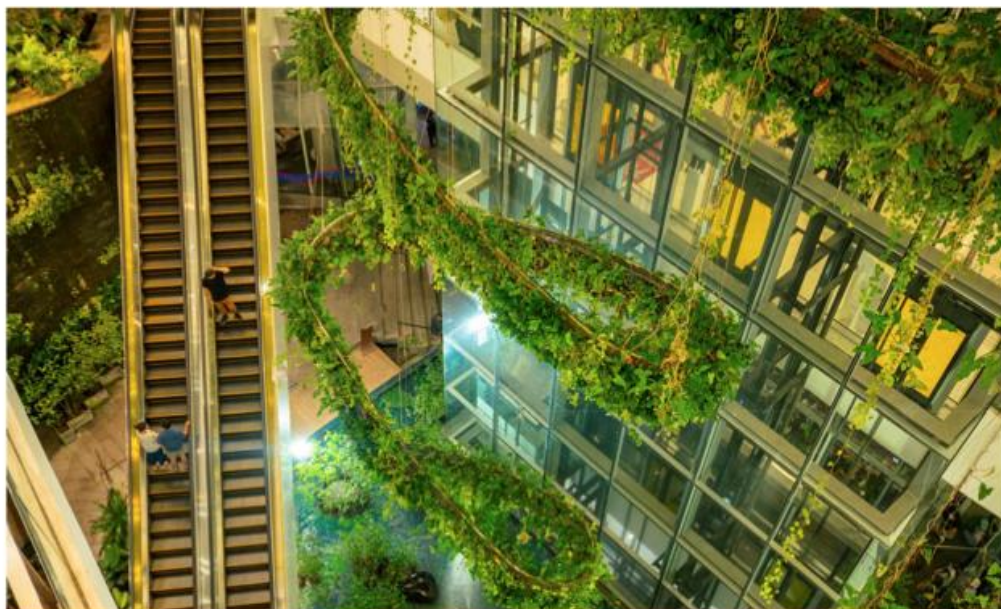
 ~ **2%**

new buildings per year

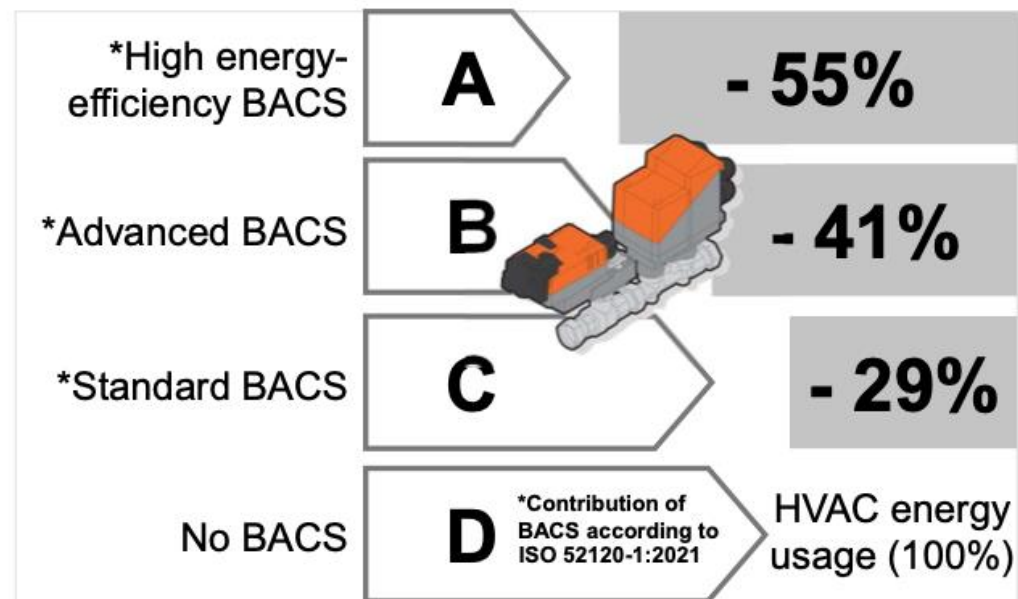


# Welcoming Remarks

## Today Addressing the Challenges of Tomorrow



HVAC systems are responsible for ~16% of global energy consumption. The largest lever lies in the existing building population, as it represent ~98% of buildings globally.



Building Automation, Controls and Building Management (BACS), of which smart field devices are a key component, can reduce HVAC energy usage by as much as 55%.

# Welcoming Remarks and Introduction

## CEO Keynote: What Made 2023 a Special Year



Market



Supporting megatrends



Anticipated surge in the renovation sector



Demanding economic development



Normalizing supply chain

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Capacity expansion and strategic initiatives



External launch of RetroFIT+



Green Factory Building



Employee survey and value campaign

# Sales Development 2023

## 2023 in a Nutshell



Market



### Supporting megatrends

- Energy efficiency, climate change, urbanization, safety in buildings, and digitization.
- Our reliable source of resilience and growth.



### Demanding economic development

- Inflation pressures, rising interest rates, and slowing business momentum in the construction industry.
- Adverse FX rate development.



### Normalizing supply chain

- Reducing lead times and stabilizing material input costs
- Destocking trend following the supply chain disruptions in 2022.

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### Capacity expansion and strategic initiatives

- Nearly 100 new employees onboarded during the year.
- Logistics capacity expansion with elevated CAPEX.



### External launch of the RetroFIT+

- Initiative to further unleash the energy efficiency potential of existing buildings.



### Green Factory Building

- Platinum Certification (IGBC) of the India Green Building Council (IGBC) for our building in India.
- Strong business in India.



# Welcoming Remarks and Introduction

## Pursuing our Growth Path in a Demanding Environment

<b>Strong Financial Performance</b> 	<b>Successful Growth Strategy Execution</b> 	<b>Outlook and Priorities for 2024</b> 
<ul style="list-style-type: none"><li>› <b>Net Sales of CHF 859 million</b> and 7.2% sales growth in Local Currencies.</li><li>› <b>EBIT margin of 17.8%</b>, despite inflation and slowing business momentum in the construction industry.</li><li>› <b>Free Cash Flow of CHF 136 million</b> supporting logistics capacity expansion in the future.</li></ul>	<ul style="list-style-type: none"><li>› Despite demanding economic environment and challenging HY2 2023 <b>net sales growth almost at growth of previous 5-year average.</b></li><li>› Growth in LC is spread almost evenly over our regions (EMEA +6.4%, Americas +7.7% and Asia Pacific +8.2%).</li><li>› Continued strong growth of <b>control valves</b>, driving global market shares.</li><li>› Successfully growing sales of <b>sensors and meters</b> with 31.0% growth in LC.</li></ul>	<ul style="list-style-type: none"><li>› For 2024, we expect a <b>sales growth</b> in LC at the lower end of guided growth corridor.</li><li>› <b>RetroFIT+ Projects</b> are expected to pick up despite economic uncertainty, signs of recession, and higher interest rates.</li><li>› The group remains committed to its long-term growth strategy <b>expanding its capacity</b> mainly in logistics and customization leading to an <b>elevated CAPEX level.</b></li></ul>











