

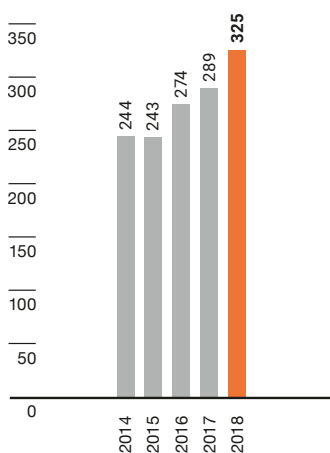
**Semi
annual
Re
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18**

Financial Summary

	1 st half 2018	1 st half 2017	Change
in CHF million			
Net sales	325.1	288.5	12.7%
Operating income before interest, taxes, depreciation, amortization (EBITDA) in percent of net sales	71.7 22.1%	61.1 21.2%	17.5%
Operating income before interest and taxes (EBIT) in percent of net sales	59.5 18.3%	49.1 17.0%	21.3%
Net income in percent of net sales	47.6 14.6%	38.4 13.3%	24.1%
Investments in property, plant and equipment and intangible assets	7.7	11.4	-32.3%
Cash flow from operating activities in percent of net sales	57.0 17.5%	35.3 12.2%	61.3%
Free cash flow in percent of net sales	49.6 15.3%	24.1 8.4%	105.9%
in CHF			
Earnings per share	77.40	62.40	24.0%
Number of employees (FTEs, six-month average)	1 558	1 452	7.3%

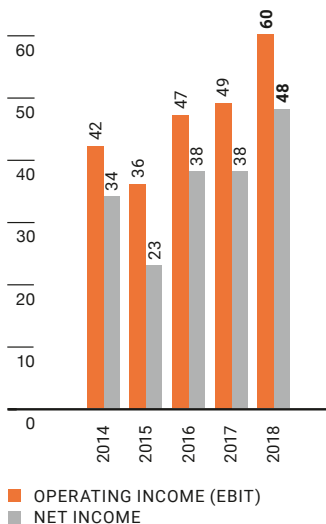
NET SALES 1ST HALF 2014–2018

in CHF million



INCOME 1ST HALF 2014–2018

in CHF million



Management Report

First half-year with strong sales growth

Dear Shareholders

Belimo is reporting a dynamic first half-year 2018 with double-digit sales growth of 12.7 percent. Sales in the first six months of the current financial year amounted to CHF 325.1 million. In currency-adjusted terms, half-year sales rose by 10.8 percent. All market regions contributed to this positive result. In local currencies, Europe grew by 12.6, the Americas by 7.6 and Asia Pacific by 14.2 percent.

Operating income before interest and taxes (EBIT) rose to CHF 59.5 million (comparison period 2017 CHF 49.1 million). The EBIT margin was 18.3 percent (17.0 percent). This resulted in a net income of CHF 47.6 million (CHF 38.4 million) and earnings per share of CHF 77.40 (CHF 62.40). Belimo generated a free cash flow of CHF 49.6 million (CHF 24.1 million). Net liquidity was CHF 109 million at the end of June 2018 and the equity ratio was 81 percent.

Europe

Supported by the good economic situation in Europe and the appreciation of the Euro against the Swiss franc, the biggest market region of the Belimo Group recorded sales growth of 19.7 percent, in currency-adjusted terms 12.6 percent. Economic growth and persistently low interest rates have had a favorable effect on investment in the private and public sectors. Demand for heating, ventilation and air conditioning technology (HVAC) from Belimo developed correspondingly positively in almost all countries in the region. Particularly noteworthy are the high growth contributions in Switzerland, Germany, Russia, France and Poland. The investments made in the sales organizations in Turkey and Sweden over recent years also led to favorable growth rates in 2018. Only the Middle East countries have been unable to match their previous year's sales due to political uncertainties and economic sanctions.

The contracting business grew faster than the Original Equipment Manufacturer (OEM) business. Both air and water applications reported double-digit sales growth. The former benefited significantly from new customers in the OEM business. In the area of water applications, the growth rates can be attributed to the innovative expansion of the product range over recent years.

Americas

The continuing trend to upgrade existing buildings with energy-saving HVAC systems and the stable demand for new building projects meant that sales in the market region Americas increased by 4.1 percent, in currency-adjusted terms 7.6 percent. All subsidiaries contributed to this successful result, with market share gains achieved particularly in the United States and Canada. In Brazil, there were signs of recovery after the stagnation of recent years.

Investments in the construction of data centers have been conducive to growth in air applications, which grew faster overall than water applications. Both the OEM and contracting business enjoyed favorable development due to the continuing good overall economic situation and the broad product range of Belimo. Successfully implemented projects included the new main building of the Lucile Packard Children's Hospital Stanford in Palo Alto, California (USA). The approximately 48 000 square meter building has been awarded the sustainability certificate LEED Platinum (Leadership in Energy and Environmental Design). Over 600 characterized control valves and around 180 air damper actuators from Belimo were installed in the building.

Asia Pacific

Sales in the market region Asia Pacific grew by 13.8 percent, in currency-adjusted terms 14.2 percent. In China in particular, Belimo had a strong first half-year with a good order volume for infrastructure projects and data centers. India and Australia also achieved convincing double-digit growth rates. In South Korea and Southeast Asia, on the other hand, the expectations were not met.

Market share of Belimo did increase in Asia Pacific. Investments in an increased market presence in China showed their first results. The recently launched products designed for the Asian market, such as the new damper actuator for variable air volume control VAV ZoneEase™ or the pressure-independent flow limiter valve (PIFLV), met with great interest. The latter is a pressure-independent zone valve for use with fan coil units, for example in hotels. Sales of air applications grew faster than those of water applications. Both the OEM and contracting business developed robustly.

Innovation

In the reporting period, further progress with research and development activities was made and additional capacities for sensor systems have been built up. In addition, new projects for damper actuators and control valves have been started. Belimo components with various industrial bus interfaces or with an Internet connection have also been further developed. Thousands of actuators, valves and sensors connected with the Belimo Cloud are already providing improved comfort and energy efficiency in buildings around the world.

In air applications, Belimo completed the market launch of the most powerful damper actuator series, the PM with a torque of 160 Newtonmeters. In water applications, the proven and rapidly growing Belimo ZoneTight™ product family has been supplemented with further innovations during the reporting period.

A new product range of Internet-connected actuators for all HVAC applications enables open communication via the application programming interface (API) as well as seamless sensor integration.

A new solution for heating and air renewal of multi-family houses has been developed for the Swiss pilot market. Furthermore, the product range of water applications has been expanded with larger flow sensors and ultrasound measurement technology. The market launch of these innovations is planned for the second half-year 2018.

Outlook

Provided that political and economic conditions do not deteriorate, Belimo is confident about the further course of the financial year. However, it will probably not be possible to maintain the high growth rate of the first half-year 2018. The good economic situation makes a favorable forecast for the market region Europe possible. Despite the long expansion phase, there are also signs of a sustained positive economic environment in the market region Americas. The outlook for the market region Asia Pacific remains good. The construction industry, combined with a growth strategy focused on Asia, will offer Belimo further opportunities particularly in China and India. In addition, the Malaysian subsidiary established during the reporting period will strengthen the market presence in Southeast Asia in the future.

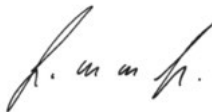
With market-oriented innovations, a deep relationship of trust with customers and suppliers, high product quality and reliable deliveries, Belimo is striving for sustainable market development for solutions with actuators, valves and sensors to control heating, ventilation and air conditioning systems.

We appreciate your trust in Belimo.

Sincerely
BELIMO Holding AG



Hans Peter Wehrli
Chairman of the Board of Directors



Lars van der Haegen
CEO

Consolidated Financial Statements

Consolidated Income Statement

	1 st half 2018	% *	1 st half 2017	% *
in CHF 1 000				
Net sales	325 103	100.0	288 483	100.0
Other operating income	741	0.2	644	0.2
Material expenses	-132 877	-40.9	-118 245	-41.0
Personnel expenses	-84 069	-25.9	-77 796	-27.0
Other operating expenses	-37 153	-11.4	-32 028	-11.1
Depreciation and amortization	-12 220	-3.8	-11 992	-4.2
Operating income (EBIT)	59 525	18.3	49 066	17.0
Financial income	350	0.1	821	0.3
Financial expenses	-1 916	-0.6	-3 176	-1.1
Financial result	-1 566	-0.5	-2 355	-0.8
Income before taxes (EBT)	57 959	17.8	46 711	16.2
Income taxes	-10 375	-3.2	-8 361	-2.9
Net income	47 584	14.6	38 350	13.3
Attributable to shareholders of BELIMO Holding AG	47 584	14.6	38 350	13.3
Earnings per share in CHF	77.40		62.40	

There are no options or other instruments that could have a dilutive effect.

* in percent of net sales

Consolidated Statement of Comprehensive Income

	1 st half 2018	1 st half 2017
in CHF 1 000		
Net income	47 584	38 350
Translation differences	- 19	- 5 536
Items that are or may be reclassified subsequently to the income statement	- 19	- 5 536
Remeasurements of post-employment benefits	5 843	9 192
Tax effect	- 851	- 1 370
Items that will not be reclassified subsequently to the income statement	4 992	7 822
Other comprehensive income, net of tax	4 973	2 286
Total comprehensive income	52 557	40 636
Attributable to shareholders of BELIMO Holding AG	52 557	40 636

Consolidated Balance Sheet

	06.30.2018	12.31.2017
in CHF 1 000		
Cash and cash equivalents	110 275	113 178
Trade receivables	102 016	83 587
Inventories	96 326	95 132
Other assets	7 810	10 030
Current tax assets	680	576
Current assets	317 107	302 503
Property, plant and equipment	162 749	166 029
Intangible assets	16 114	17 064
Financial assets	1 616	1 596
Post-employment benefits	7 749	2 466
Deferred tax assets	2 182	2 228
Non-current assets	190 410	189 383
Assets	507 517	491 886
Trade payables	25 143	17 108
Other liabilities	48 251	38 250
Current tax liabilities	490	3 778
Current liabilities	73 884	59 136
Non-current financial liabilities	1 437	1 515
Provisions	6 102	5 515
Post-employment benefits	704	747
Deferred tax liabilities	11 773	11 323
Non-current liabilities	20 016	19 100
Liabilities	93 900	78 236
Share capital	615	615
Treasury shares	-262	-262
Capital reserves	23 219	23 219
Retained earnings	390 045	390 078
Shareholders' equity	413 617	413 650
Liabilities and shareholders' equity	507 517	491 886

Consolidated Statement of Changes in Equity

	Share capital	Treasury shares	Capital reserves	Translation differences	Other retained earnings	Total retained earnings	Shareholders' equity
in CHF 1 000							
As at January 1, 2017	615	-521	22 629	-866	347 108	346 242	368 965
Total comprehensive income				-5 536	46 172	40 636	40 636
Sale of treasury shares		259	594				853
Dividends					-46 092	-46 092	-46 092
As at June 30, 2017	615	-262	23 224	-6 402	347 187	340 786	364 363
As at December 31, 2017	615	-262	23 219	-2 935	393 013	390 078	413 650
Impact from changes to accounting policies					-333	-333	-333
As at January 1, 2018	615	-262	23 219	-2 935	392 680	389 745	413 316
Total comprehensive income				-19	52 576	52 557	52 557
Dividends					-52 256	-52 256	-52 256
As at June 30, 2018	615	-262	23 219	-2 954	393 000	390 045	413 617

Consolidated Statement of Cash Flows

	1 st half 2018	1 st half 2017
in CHF 1 000		
Net income	47 584	38 350
Income taxes	10 375	8 361
Interest result	-293	-115
Depreciation of property, plant and equipment	9 434	9 659
Amortization of intangible assets	2 786	2 333
Gain on sale of property, plant and equipment	-86	-133
Other non-cash items	33	-77
Change in receivables and other current assets	-16 025	-21 270
Change in inventories	-1 448	-4 582
Change in payables and other current liabilities	18 068	14 594
Change in provisions	590	-261
Income taxes paid	-14 063	-11 541
Cash flow from operating activities	56 954	35 319
Investments in property, plant and equipment	-5 471	-9 155
Investments in intangible assets	-2 239	-2 227
Purchase of financial assets	-113	-179
Sale of property, plant and equipment	195	189
Interest received	320	161
Cash flow used in investing activities	-7 309	-11 211
Sale of treasury shares		853
Dividends paid	-52 256	-46 092
Interest paid	-31	-23
Cash flow used in financing activities	-52 287	-45 262
Translation differences arising from cash and cash equivalents	-259	-961
Change in cash and cash equivalents	-2 902	-22 115
Cash and cash equivalents at beginning of period	113 178	103 670
Cash and cash equivalents at end of period	110 275	81 555

Notes to the Consolidated Financial Statements

1 General

1.1 Corporate Information

The Belimo Group (hereinafter referred to as “Belimo” or “the Group”) is a leading global manufacturer of innovative electrical actuator solutions, valve systems and sensors for heating, ventilation and air conditioning systems. The shares of BELIMO Holding AG have been traded on the SIX Swiss Exchange since 1995 (BEAN). The registered office is in Hinwil, Switzerland.

The business activities of Belimo are not subject to any significant seasonal fluctuations.

1.2 Statement of Compliance

The unaudited consolidated interim financial statements 2018 have been prepared in accordance with IAS 34 Interim Financial Reporting.

1.3 Basis of Preparation

The consolidated financial statements are presented in Swiss francs (CHF), rounded to the nearest thousand. 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.

The same estimates and assumptions as in the consolidated annual financial statements 2017 were applied. Income taxes were calculated using the expected tax rate for the 2018 reporting year.

1.4 Changes to Accounting Policies

The new and revised standards and interpretations (see consolidated financial statements 2017), in particular IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments, had no substantial impact on these consolidated interim financial statements.

The initial application of IFRS 9 Financial Instruments led to higher allowances for doubtful trade receivables. In accordance with the transitional provisions, Belimo has not restated comparative periods. The impact of CHF 0.3 million, mainly related to trade receivables that were not yet due, was recognized at January 1, 2018 in retained earnings.

2 Changes to the Scope of Consolidation

On March 1, 2018, BELIMO Automation Malaysia SDN BHD was founded.

3 Segment Reporting

Belimo has four reportable operating segments, which performed as follows:

	Europe	Americas	Asia Pacific	Shared Services	Elimination	Total
in CHF 1 000						
1st half 2018						
Income statement						
Net sales to third parties	164 315	121 507	39 281			325 103
Other operating income				537		537
Operating expenses	-22 923	-18 067	-8 432	-80 303	8 503	-121 222
Depreciation and amortization	-1 379	-1 803	-218	-8 820		-12 220
Segment profit	140 013	101 637	30 631	-88 586	8 503	192 199
Unallocated other operating income						203
Unallocated material expenses						-132 877
Unallocated financial result						-1 566
Income before taxes (EBT)						57 959
Investments in property, plant and equipment and intangible assets	610	380	317	6 403		7 710
Balance sheet as at June 30, 2018						
Trade receivables	92 623	38 761	14 516		-43 884	102 016
Property, plant and equipment and intangible assets	9 457	47 412	1 758	120 236		178 863
Unallocated assets						226 638
Total assets						507 517

	Europe	Americas	Asia Pacific	Shared Services*	Elimination*	Total
in CHF 1 000						
1st half 2017						
Income statement						
Net sales to third parties	137 302	116 675	34 506			288 483
Other operating income				553		553
Operating expenses	- 19 853	- 17 883	- 7 468	- 72 769	8 149	- 109 824
Depreciation and amortization	- 946	- 2 032	- 127	- 8 888		- 11 992
Segment profit	116 503	96 760	26 911	- 81 103	8 149	167 220
Unallocated other operating income						91
Unallocated material expenses						- 118 245
Unallocated financial result						- 2 355
Income before taxes (EBT)						46 711
Investments in property, plant and equipment and intangible assets	736	471	144	10 031		11 382
Balance sheet as at December 31, 2017						
Trade receivables	72 636	32 242	15 772		- 37 062	83 587
Property, plant and equipment and intangible assets	10 700	48 172	1 682	122 539		183 093
Unallocated assets						225 206
Total assets						491 886

* In 2017 the definition of "Shared Services" and "Elimination" has been amended (see financial report 2017). The prior year figures in the table above were adjusted accordingly.

Sales development compared to the previous year in the market regions was as follows:

	CHF	Local currencies
Europe	19.7%	12.6%
Americas	4.1%	7.6%
Asia Pacific	13.8%	14.2%
Group	12.7%	10.8%

Overall, movements in exchange rates had an effect of 1.9 percentage points on net sales (comparison period 2017 - 0.3 percentage points).

Europe contributed 51 percent (48 percent), Americas 37 percent (40 percent) and Asia Pacific 12 percent (12 percent) to the total net sales.

The net sales by application were as follows:

	1 st half 2018	Share	1 st half 2017	Share
in CHF 1 000				
Air	188 062	58%	164 129	57%
Water	137 041	42%	124 354	43%
Total	325 103	100%	288 483	100%

In local currencies, net sales of air applications grew by 11.8 percent and net sales of water applications by 9.4 percent.

4 Dividend

As per the resolution of the Annual General Meeting of BELIMO Holding AG held on April 9, 2018, a dividend of CHF 85 per registered share was paid out on April 13, 2018.

5 Foreign Exchange Rates

The consolidated financial statements are based on the following closing and average exchange rates (rounded) for the main currencies:

	Closing Rates			Average Rates		
	06.30.2018	12.31.2017	Change	1 st half 2018	1 st half 2017	Change
in CHF						
EUR	1.16	1.17	-1.0%	1.17	1.07	9.1%
USD	0.99	0.98	1.5%	0.97	1.00	-3.8%

6 Events after the Reporting Date

The consolidated interim financial statements were authorized for issue by the Board of Directors on July 20, 2018.

No events took place between June 30, 2018, and July 20, 2018, that would require adjustments to the carrying amounts of the assets and liabilities in these consolidated interim financial statements or would need to be disclosed here.

Publications and Agenda

Publication of Semiannual Report 2018	August 6, 2018
Publication of Sales 2018	January 24, 2019
Publication of Annual Report 2018/ Media and Financial Analysts Conference	March 11, 2019
Annual General Meeting 2019	April 1, 2019

Further information for shareholders
www.belimo.com/investorrelations

This report contains comments relating to future developments which are based on assumptions and estimates of BELIMO Holding AG. Although the company assumes the expectations of these prospective comments to be realistic, they contain risks. These can lead to the actual results being significantly different from the prospective comments. Among the factors which can cause such differences are changes in the economic and business environment, exchange rate and interest rate changes, the introduction of competing products, inadequate acceptance of new products or services and changes in the business strategy.

BELIMO Holding AG neither plans nor commits itself to keep these prospective comments up to date.

Credits

Concept/Editing: BELIMO Holding AG, Hinwil (Switzerland)
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