



Siegling – total belting solutions

RELIABILITY.

For every production and processing constellation, we elaborate the individually appropriate solution. This is also necessary in the food production industry where especially strict hygiene regulations apply. Small goods such as candies have to be carefully conveyed so that they reach their final destination without being damaged in the production process. With individual finishing options for the widest possible range of applications, we can guarantee careful transport and the cleanliness of your product.



MOVEMENT SYSTEMS



FLEXIBILITY.



RELIABILITY.

TWO DIVISIONS WITH LEADING MARKET POSITIONS

Forbo aims to operate primarily in business areas in which it has or can achieve a leading global market position – something it has achieved for both Flooring Systems and Movement Systems.

Strategic directions

To be successful in the market place as a Group with differently aligned operations, the individual divisions act independently and flexibly, but always along the strategic directions defined for the Group as a whole:

- Based on a pronounced customer focus, a high level of service, innovation, digital transformation, and a strong global brand, we are creating global leadership positions in clearly defined market segments.
- Due to a strong market orientation, we shape markets and drive profitable growth.
- We are developing significant positions in growth markets.
- We are acquiring companies to extend our product range, to consolidate and/or reinforce market access.
- We are developing a high-performance culture and providing the relevant skills and competences at all levels.

Flooring Systems

The Flooring Systems division offers a broad and attractive range of environmentally friendly natural linoleum, high-quality vinyl floors, entrance matting systems for cleaning and drying shoes, carpet tiles, needle felt, and Flotex, the washable textile flooring. Thanks to their excellent technical properties and attractive designs, these flooring products are invariably the first choice for public buildings, department stores, hospitals, and other healthcare facilities, schools, libraries, commercial and office spaces, leisure centers, shops, hotels, restaurants, and cafeterias as well as for applications in the residential market. With a market share of about 70 percent, Forbo is the world leader in linoleum.

Flooring Systems also provides ready-made adhesives for floor covering installations, parquet flooring, and ceramic tiles, leveling compounds for the construction industry as well as liquid floors under the trade name Eurocol.

Movement Systems

Movement Systems is a global industry leader for sophisticated conveyor and processing belts, plastic modular belts, top-quality power transmission belts, as well as timing and flat belts made of synthetic materials. These products are known under the brand name Siegling. They are used in a wide range of applications in industry, trade, and the service sector, including conveyor and processing belts in the food industry, treadmill belts in fitness studios, and flat belts in mail distribution centers.

MOVEMENT SYSTEMS





RELIABILITY

EFFICIENT AND TAILOR- MADE

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MOVEMENT SYSTEMS: IMPRESSIVE CUSTOMER-SPECIFIC APPLICATIONS

‘Multiple activities on the operational side, along with the consistent implementation of our strategic initiatives in all business areas, had a very positive impact on Movement Systems in 2017. We successfully launched innovative and application-specific products that generate added value for our customers in the production and logistics process and selectively expanded our distribution and service structures. Globally, we optimized various processes, especially in the supply chain, fabrication, and production and we trained our people at all levels of the organization in these technical topics and areas. In terms of productivity, we succeeded in further increasing our efficiency and our performance through a number of local investments and the use of new tools.’

The Movement Systems division generated net sales of CHF 389.8 million in the year under review (previous year: CHF 367.5 million), which reflects a substantial year-on-year increase of 6.1% in the corporate currency (+5.8% in local currencies). The division’s share of Group sales was 31.3%. All three regions, most markets, and all customer segments contributed to varying degrees to this significant increase in sales revenue. We gained market share in key segments despite the mixed business environment. This sales growth coupled with consistently executed operational activities designed to improve global processes across the board again had a positive impact on operating profit (EBIT), which climbed to CHF 49.3 million (previous year: CHF 45.3 million). This increase of 8.8% was achieved despite the additional expansion of capacity in China. The EBIT margin edged up to 12.6% (previous year: 12.3%).



Jean-Michel Wins
Executive Vice President
Movement Systems

Strong sales growth again

Almost all markets contributed to the gratifying sales expansion with a variety of growth stimuli. The Europe region maintained its strong growth path and reported the largest increase in sales. The core markets in Germany and southern Europe made a larger-than-average contribution to this increase.

The Americas region also reported a solid increase in sales, partly due to the growth market in Mexico but also to demand in the main market USA, which posted a strong recovery in key customer segments during the year under review.

A number of smallish markets in Asia/Pacific reported very satisfactory developments, while the larger markets such as Japan and China continued to record solid growth. Only India posted a slight decline, following several successful years with above-average growth, owing to unfavorable economic conditions.

All customer segments posted higher sales

All customer segments contributed to the strong growth, even though sales and market trends showed wide regional disparities in some cases. Our impressive and high-quality customer-specific solutions, coupled with ongoing innovative range improvements and exciting features, are a cornerstone of this success.

Demand in the logistics segment was exceptionally high due to a number of large-scale projects for international courier services and airports, especially in Europe and North America. Food-processing, industrial manufacturing, sports treadmills, and tobacco posted

satisfactory growth, though the results showed significant regional disparities in some cases. The sales trend in the textile sector and in the generally downtrending paper and printing industry was moderately positive.

Innovation partner for our customers

Movement Systems not only supplies a wide range of conveyor and power transmission belts but is also a reliable source of technical know-how for all-in solutions and an innovation partner for both original equipment manufacturers and end customers. In the year under review, the division developed numerous innovative products for very specific applications that have big advantages and increase efficiency in both production and processing.

For the logistics segment we developed a special coating with longitudinal grooves for moving heavy and sturdier goods. Its grip properties and low operating noise levels are particularly convincing. We expanded our sustainable and energy-saving AmpMiser2.0 product line by adding four new belt types for specific applications in various areas of logistics. These conveyor belts have even lower friction coefficients, meaning higher energy savings and lower operating noise levels. The new AmpMiser conveyor belts are more flame-resistant than previous developments, and their especially robust fabric design gives them greater lateral tear resistance.

We created two innovative solutions for the food-processing industry. One of them is an elastic weighing belt conveyor that is integrated into the production process. Its elasticity, physical properties, and the resulting runnability make it ideal for use in the packaging phase of food processing. The other is a new series of plastic modular belts that we developed mainly for the pastries industry that need cooling and packaging lines, especially for small items such as cookies, crackers, and snacks that have to be moved across narrow transfer gaps during processing.

One of the innovations launched in the reporting year was a new processing belt for the wood panel industry. The sophisticated surface coating almost entirely prevents wood fibers from sticking to the belt and also inhibits the accumulation of moisture, thereby preventing the build-up of dirt and hydrolysis. The belt is used mainly in the manufacture of particleboard, medium-density fiberboard (MDF) and oriented strand board (OSB). OSB is high-quality waferboard that is

produced in an environmentally friendly way using a high proportion of recycled wood materials.

Investments to drive future growth

While continuing to invest in expansion in growth markets, we have also invested in new technologies and efficiency-enhancing measures in various fabrication and production facilities in order to promote sustainable growth and further improve customer service. The purchase of local, customer-specific tools for fabrication processes helps us streamline the handling of assembly orders. These are state-of-the-art tools such as cutting machines, heat presses, cooling stations, punch presses using waterjet technology, bending machines, and laser measurement systems.

The biggest capital expenditure item of Movement Systems at present, however, is the new plant in Pinghu, China, which will provide additional production capacity for Transilon conveyor belts, mainly for the Asia/Pacific region. The plant is slated to come on stream mid-2018.

Operational excellence remains the focus

The successful start-up of operations at Pinghu will certainly be one of the key topics in the 2018 business year. At the same time we are working on optimizing various global areas of operations in order to further improve customer satisfaction in terms of delivery times and increase both our productivity and our efficiency.

We will continue to expand our product offering with innovative ideas that are geared specifically to the needs of our varied customer segments and thus position ourselves in a wide range of industries with added value in production or logistics processes and further strengthen our global market position.

GUARANTEEING SEAMLESS PRODUCTION

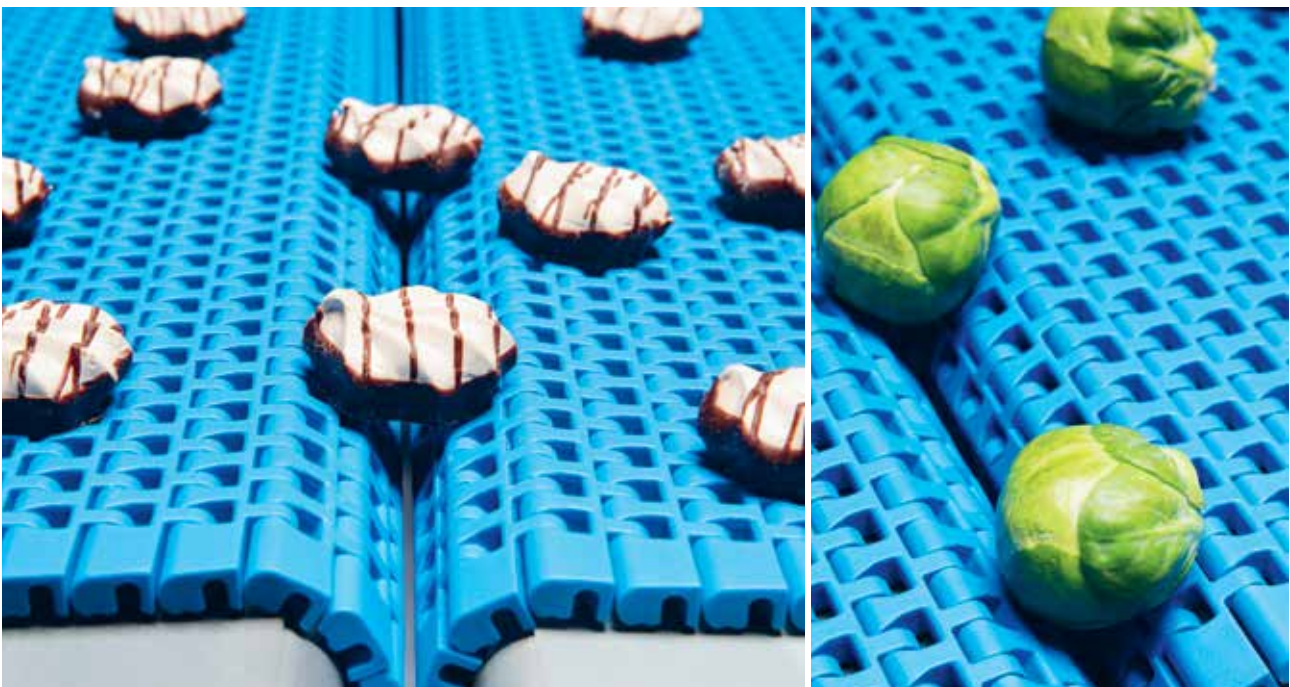
You will find Movement Systems present wherever power is transmitted and automated production and conveyor processes have to run smoothly. Our solutions for different configurations and requirements across a wide range of industries are renowned for innovation, precision, reliability, and cost effectiveness. In the year under review, Movement Systems again demonstrated that it is a professional partner in the development of industry-specific and customized solutions.

In keeping with our strategic goals, we have selectively expanded in particular the range of Extremultus high-efficiency flat belts and Prolink plastic modular belts as well as our main product group, the Transilon conveyor belts. In the two examples from the food-processing industry described hereafter, we show how

the challenges arising in connection with customer installations continuously inspire Movement Systems to develop innovative solutions. Our processing and conveyor belts are the ideal choice for the production of food, where strict hygiene standards and regulations have to be adhered to. Geared to individual needs and equipped for the stringent requirements of the food-processing industry, they ensure efficiency, quality, hygiene, and careful transportation of goods.

Plastic modular belt for the pastries industry

The product portfolio of the Prolink plastic modular belts features important innovations for the food industry. The new Series 14 supplements the product range, especially for the pastries industry with refrigeration and packaging lines on which small confectionery items such as cookies, crackers, and snacks have to be carefully transported during processing and packaging, without any damage or loss across narrow transfer gaps. This series is also suitable for the processing of meat, poultry, fish and seafood, as well as fruit and vegetables.



PROLINK SERIES 14



EXTREMULTUS WEIGHING BELT

The robust design with its single-row sprocket construction ensures that goods remain securely on the belt as well as excellent belt tension and wear resistance. The closed, solid belt edge prevents damage at the edges. Moreover, the new headless pin system simplifies belt assembly and dismantling for maintenance.

'INDUSTRY-SPECIFIC INNOVATIONS'

Highly elastic weighing belt

Movement Systems has developed a new, highly elastic Extremultus belt especially for use in check-weighing systems. This innovation is already enjoying great popularity among weighing system manufacturers. Weighing is needed mostly as part of other processes such as packaging, labeling, portioning, or cutting, for example in the case of food or in the packaging of screws or plastic parts. Our polyurethane belt meets the latest hygiene requirements and is remarkable for its special construction, its elasticity, and the resulting tracking properties; with these features it's ideal for use in an extremely wide range of processes in the food and packaging industries. Elastic belts are easy to track when short center distances apply, thus saving the use of complicated belt handling devices. Other advantages are outstanding resistance to grease, oils, and aggressive cleaning agents and to the buildup of moisture (hydrolysis). The new Extremultus belt is thermally stable up to 60° C and is antistatic.