CONNECT.

HALF-YEAR REPORT 2022

DOUBLE-DIGIT SALES GROWTH IN LOCAL CURRENCIES IN ALL REGIONS

NEGATIVE CURRENCY EFFECTS ON SALES AND EARNINGS

RESULTS ALSO HIT BY SIGNIFICANT RISE IN COST OF RAW MATERIALS

flooring. movement.

The Forbo Group – a leading manufacturer of floor coverings, building and construction adhesives, as well as power transmission and conveyor belt solutions – reported net sales of CHF 667.3 million in the first half of 2022 (prior-year period: CHF 623.1 million), which reflects growth of 11.4% in local currencies (7.1% in the corporate currency). Operating profit (EBIT) decreased by 4.3% to CHF 78.6 million (prior-year period: CHF 82.1 million). The EBIT margin came to 11.8% (prior-year period: 13.2%). Group profit saw a decline of 5.0% to CHF 60.3 million (prior-year period: CHF 63.5 million).

Dear shareholders,

Forbo made a good start to 2022 after the pandemic-affected performances of previous years. However, recent months have been characterized by the major challenge of persistent steep increases in raw material prices.

Negative currency effects, significant increases in the cost of raw materials, transport and energy, along with increases in personnel and other costs, combined to strongly impact profitability. It was possible to reduce the extent of this, albeit with a certain time lag, through the implementation of sales price increases on our part. In addition, sales growth in Asia/Pacific was affected by the renewed imposition of COVID lockdowns in China.

On the whole, Forbo responded with considerable success to these challenges in an increasingly difficult environment. The short-term bottlenecks in the supply chains were successfully rectified and this, combined with raising the minimum stock levels of raw materials, ensured that the availability of our products was guaranteed to the greatest possible extent.

Double-digit sales growth in all regions

In the first half of 2022, Forbo achieved a considerable increase in sales in local currencies of 11.4% to CHF 667.3 million (prior-year period: CHF 623.1 million), which equates to a rise of 7.1% in the corporate currency. All regions contributed to this growth in local currencies: +14.0% in Asia/Pacific, +11.1% in Europe and +10.7% in the Americas. These increases are primarily attributable to sales price rises. In many customer segments, demand plateaued at pre-pandemic levels.

The conversion of local sales into the corporate currency reveals the trends of the individual currencies in combination with the respective geographical market presence of the divisions. Overall, Flooring Systems was harder hit by the negative currency effects than Movement Systems, with the pound sterling, the Swedish krona and the Turkish lira having a particularly significant impact. Overall, the currency-related decline in sales amounted to around CHF 27 million, which is largely attributable to the euro when viewed across the Group as a whole.

Flooring Systems reported sales growth of 12.9% in local currencies (7.8% in the corporate currency). Projects in the transport, retail, gastronomy, hotel and leisure facilities segments as well as in healthcare saw increased growth.

Movement Systems reported a sales increase of 8.3% in local currencies (5.5% in the corporate currency). The contributions of very diverse customer segments were evenly balanced. In the logistics segment, demand for extensions and new plants levelled off, whereas the maintenance and service business for online commerce continued at a high level.

Profitability impacted by strong increases in raw material prices
Negative currency effects and distinctly higher costs for raw materials, transport and energy, along with higher personnel and other cost increases, significantly impacted profitability compared with the prior-year period. Due to the proportion of the overall value chain including assembly and services accounted for by raw materials, the effect on Movement Systems was less marked than on Flooring Systems. Sales price rises reduced the scale of the impact, but there was a time lag before their effect was felt on sales, especially in Flooring Systems, due to the high proportion of project business.

Operating profit before depreciation and amortization (EBITDA) came to CHF 106.3 million (prior-year period: CHF 109.9 million), corresponding to a decline of 3.3%. The EBITDA margin stood at 15.9% (prior-year period: 17.6%). Operating profit (EBIT) decreased by 4.3% to CHF 78.6 million (prior-year period: CHF 82.1 million), resulting in an EBIT margin of 11.8% (prior-year period: 13.2%).

Group profit
On the basis of the lower operating profit, a marginally higher tax rate and a slightly higher financial expense, Forbo posted a Group profit of CHF 60.3 million (prior-year period: CHF 63.5 million), corresponding to a decline of 5.0%. Due to the share buyback program completed in 2022 and the associated cancelation of shares, earnings per share (undiluted) increased by 5.1% and amounted to CHF 42.60 (prior-year period: CHF 40.52).

Equity ratio remains strong
Equity at end of June 2022 stood at CHF 532.4 million (year-end 2021: CHF 521.8 million), corresponding to an increase of 2.0%. The equity ratio was 52.2% (year-end 2021: 53.2%).

Solid balance sheet
After cancelation of the 165,000 treasury shares from the share buyback program 2019–2022 in the second quarter of 2022, Forbo held net cash in the amount of CHF -36.0 million (year-end 2021: CHF 56.2 million). This reduction is largely attributable to the dividend payment, the share buyback and the distinctly higher operating working capital due to the substantial increase in raw material prices. In addition, Forbo held treasury shares worth CHF 93.2 million, based on the share price at end of June 2022.

Performance of the divisions
The **Forbo Flooring Systems** division reported net sales of CHF 456.2 million in the first half of 2022 (prior-year period: CHF 423.1 million). All regions reported a double-digit sales growth in local currencies: Asia/Pacific showed the clearest increase, followed by the Americas and then Europe, which just reached double digit figures. The increase was achieved despite construction materials becoming scarcer and more expensive again, which led to the postponement of some projects. In Europe, France, Italy, Spain, Portugal and Poland recorded above-average growth. Sweden and Great Britain were also very successful. Growth in high single-digit figures was achieved by the DACH region. The Netherlands saw moderate growth. In the Americas, the USA, Canada and Brazil continued to show pleasing positive momentum. In Asia/Pacific, sales presented a very mixed picture. Japan, South Korea, Southeast Asia and Turkey saw above-average growth, Australia remained at the previous year's level and China recorded a strong decline in sales due to the COVID lockdowns.
The building and construction adhesives activity reported good overall sales growth in an increasingly challenging market environment.

Operating profit (EBIT) decreased by 5.8% to CHF 58.2 million (prior-year period: CHF 61.8 million). This reduction is due to the substantial increases in the cost of raw materials and transport, along with higher energy and personnel costs. Due to the high proportion of project business, sales price adjustments could be implemented only with a certain time lag, meaning that the additional costs were not offset in full. Negative currency effects also reduced profit when translated into the corporate currency. The EBIT margin decreased accordingly to 12.8% (prior-year period: 14.6%). Following the successful launch of the new "TopshieldPro" linoleum coating, the second half-year will see a focus on attractive new collections of vinyl and textile floor coverings, which will be accompanied by a global sustainability initiative. At the same time, it will be necessary to address the respective market environments by applying strict cost management and adopting a flexible approach.

The **Forbo Movement Systems** division reported net sales of CHF 211.1 million in the first half of 2022 (prior-year period: CHF 200.0 million). All regions reported pleasing sales growth in local currencies: in Europe this was in the double-digit range, in the Americas somewhat more moderate and in Asia/Pacific well above the level of the previous year. In Europe, Germany, Switzerland, Denmark, France, Italy and Spain recorded double-digit growth. Pleasing progress was also made in Sweden and the Netherlands. In the Americas, the main market USA saw a moderate growth in sales in the face of various market challenges, as did Canada. Mexico, with a strong customer base in the food segment, showed pleasing growth, as did Columbia, a growth market. Asia/Pacific showed a mixed trend. Growth drivers were Japan, India, Southeast Asia and Turkey. Sales in core markets such as China and Australia declined slightly below those of the previous year.

Operating profit (EBIT) rose by 8.3% to CHF 27.4 million (prior-year period: CHF 25.3 million). Movement Systems was also affected by the increased cost of raw materials, transport, energy and personnel, as well as negative currency effects. Sales price adjustments served to offset these impacts. The EBIT margin came to 13.0% (prior-year period: 12.7%). The focus for the second half-year will be on completing the launch of the new Fullsan product line of homogenous conveyor belts with the introduction of two further innovative and more sophisticated belt types. Additional production capacity for Transilon belts is in preparation. Combined with strict cost management, the key elements for success will be optimal operational planning and coordination along the value chain.

Russia/Ukraine

At our two local production plants for Flooring Systems in Kaluga and Stary Oskol, we produce vinyl floor coverings and building and construction adhesives primarily for the local market. We are in regular contact with local management in both divisions and are doing everything possible to support our employees and business operations in Russia and Ukraine at a local level. In this we adhere at all times to the applicable legal provisions. We are continuously monitoring the situation and adapting our considerations and measures accordingly.

Outlook for 2022
Due to the extremely volatile market environment and a difficult geo and fiscal political situation, Forbo will not forecast sales or earnings for 2022 overall.

Despite the challenging situation, Forbo has consistently implemented the strategy and remains on track.

Based on many years of successful business and a solid and health financial foundation, Forbo is in a strong position to meet the challenges that lie ahead and ensure the long-term success of the company.

With its strong brand, Forbo is able to contribute to the reduction of the global carbon footprint with its sustainable, high-quality products and innovative solutions in both divisions, and thanks to its technical expertise, leading market positions and global presence is well placed to forge ahead with its key strategy areas.

Elections to the Board of Directors at the Ordinary General Meeting 2023
In view of the geopolitical challenges, This E. Schneider, Executive Chairman of the Board of Directors since 2014, will, at the request of the Board of Directors, stand for election at the Ordinary General Meeting in spring 2023 as full-time Chairman of the Board of Directors.

This E. Schneider
Executive Chairman

Michael Schumacher
CEO

Forbo Holding Ltd
Baar, July 29, 2022

Consolidated balance sheet and income statement

Condensed consolidated balance sheet		
Unaudited, CHF m	30.6.2022	31.12.2021
Assets		
Current assets	**621.7**	**553.6**
Cash and cash equivalents	54.7	93.3
Trade and other receivables and accrued income	259.4	197.4
Inventories	307.6	262.9
Non-current assets	**398.0**	**428.0**
Property, plant, and equipment, intangible assets and goodwill	367.9	390.4
Deferred tax assets	28.9	37.4
Other non-current assets	1.2	0.2
Total assets	**1,019.7**	**981.6**
Shareholders' equity and liabilities		
Current liabilities	**372.7**	**314.5**
Current financial liabilities	103.8	50.8
Trade payables	95.8	112.2
Current provisions, accrued expenses, current tax and other liabilities	173.1	151.5
Non-current liabilities	**114.6**	**145.3**
Non-current financial liabilities	31.2	31.6
Employee benefit obligations, non-current provisions, and deferred tax liabilities	83.4	113.7
Total liabilities	**487.3**	**459.8**
Shareholders' equity	**532.4**	**521.8**
Total shareholders' equity and liabilities	**1,019.7**	**981.6**

Condensed consolidated income statement		
Unaudited, CHF m	First half 2022	First half 2021
Net sales	**667.3**	**623.1**
Cost of goods sold	– 434.3	– 391.3
Gross profit	**233.0**	**231.8**
Operating expenses	– 154.4	– 149.7
Operating profit	**78.6**	**82.1**
Financial result	– 0.7	– 0.1
Group profit before taxes	**77.9**	**82.0**
Income taxes	– 17.6	– 18.5
Group profit	**60.3**	**63.5**
Group profit attributable to shareholders of Forbo Holding Ltd	60.3	63.5
Earnings per share, total		
Basic earnings per share in CHF	42.60	40.52
Diluted earnings per share in CHF	42.60	40.52

The accompanying notes are an integral part of the half-year report.

Consolidated comprehensive income statement and statement of changes in equity

Consolidated comprehensive income statement

Unaudited, CHF m	First half 2022	First half 2021
Group profit	**60.3**	**63.5**
Items that will not be reclassified to the income statement:		
Remeasurements of employee benefit obligations, net of taxes	21.8	7.3
Items that were or may be subsequently reclassified to the income statement:		
Translation differences	– 13.5	20.1
Other comprehensive income, net of tax	**8.3**	**27.4**
Total comprehensive income	**68.6**	**90.9**
Total comprehensive income attributable to the shareholders of Forbo Holding Ltd	68.6	90.9

Consolidated statement of changes in equity first half 2022

Unaudited, CHF m	Share capital	Treasury shares	Reserves	Translation differences	Total
January 1, 2022	**0.2**	**– 0.1**	**882.7**	**– 361.0**	**521.8**
Group profit			60.3		60.3
Other comprehensive income, net of tax			21.8	– 13.5	8.3
Total comprehensive income			**82.1**	**– 13.5**	**68.6**
Share-based payments			2.0		2.0
Treasury shares	– 0.1	0.1	– 24.7		– 24.7
Dividend payment			– 35.3		– 35.3
June 30, 2022	**0.1**	**– 0.0**	**906.8**	**– 374.5**	**532.4**

Consolidated statement of changes in equity first half 2021

Unaudited, CHF m	Share capital	Treasury shares	Reserves	Translation differences	Total
January 1, 2021	**0.2**	**– 0.1**	**1,032.8**	**– 349.4**	**683.5**
Group profit			63.5		63.5
Other comprehensive income, net of tax			7.3	20.1	27.4
Total comprehensive income			**70.8**	**20.1**	**90.9**
Share-based payments			2.8		2.8
Treasury shares		– 0.0	– 68.1		– 68.1
Dividend payment			– 31.4		– 31.4
June 30, 2021	**0.2**	**– 0.1**	**1,006.9**	**– 329.3**	**677.7**

The accompanying notes are an integral part of the half-year report.

Consolidated cash flow statement

Condensed consolidated cash flow statement		
Unaudited, CHF m	First half 2022	First half 2021
Group profit	**60.3**	**63.5**
Depreciation of property, plant, and equipment, and amortization of intangible assets	27.7	27.8
Increase in net operating working capital	– 106.8	– 82.7
Other adjustments for non-cash items	8.8	26.1
Net cash flow from operating activities	**– 10.0**	**34.7**
Purchase of property, plant, and equipment, and intangible assets	– 8.7	– 10.6
Other cash flows from investing activities	0.6	0.2
Net cash flow from investing activities	**– 8.1**	**– 10.4**
Payment of lease liabilities	– 8.4	– 8.9
Increase in current financial liabilities	50.1	
Purchase of treasury shares	– 27.5	– 60.9
Dividend payment	– 35.3	– 31.4
Net cash flow from financing activities	**– 21.1**	**– 101.2**
Decrease in cash and cash equivalents	– 39.2	– 76.9
Translation differences on cash and cash equivalents	0.6	4.3
Cash and cash equivalents at beginning of year	93.3	255.8
Total cash and cash equivalents as at June 30	**54.7**	**183.2**

The accompanying notes are an integral part of the half-year report.

Notes to the condensed consolidated half-year financial statements (unaudited)

01 General information

This condensed consolidated interim report of Forbo Holding Ltd and its subsidiaries (hereinafter 'the Group') covers the six-month period from January 1, 2022 to June 30, 2022 (hereinafter 'reporting period') and was drawn up in accordance with International Accounting Standard 34 (IAS 34) 'Interim Financial Reporting'. The consolidated half-year financial statements do not include all information reported in the consolidated full-year financial statements and should therefore be read in conjunction with the consolidated financial statements as at December 31, 2021. During the reporting period, the two sales organizations Forbo Tema S.r.l. and Realbelt GmbH in the Movement Systems segment were absorbed by their parent companies Forbo Siegling Italia S.p.A. and Forbo Siegling GmbH respectively for the purpose of simplifying the Group structure.

The consolidated half-year financial statements have not been audited by the auditor. They were approved for publication by the Board of Directors on July 28, 2022.

02 Group accounting principles

The accounting principles applied in the consolidated half-year report are in line with the accounting policies set out in the annual report 2021, with the exceptions listed below:

The following relevant amended standards and interpretations of the International Accounting Standards Board (IASB) were applied for the first time in the business year that began on January 1, 2022:

- Amendments to IAS 16 'Property, Plant and Equipment: Proceeds before Intended Use'
- Amendments to IAS 37 'Onerous Contracts – Cost of Fulfilling a Contract'
- Amendments to IFRS 3 'Reference to the Conceptual Framework'
- Annual improvements to IFRS 2018–2020

Standards, interpretations or amendments that have been published but are not yet mandatory have not been adopted early. The first-time adoption of the abovementioned amended standards and interpretations had no impact on the half-year report presented here.

The preparation of the consolidated half-year financial statements requires management to use estimates and assumptions that may affect reported revenues, expenses, assets, liabilities, and contingent liabilities at the date of the financial statements. If the estimates and assumptions used by management to the best of its knowledge at the date of the financial statements happen to differ from subsequent actual facts, the original estimates and assumptions will be adjusted in the reporting period in which the facts have changed. The consolidated half-year financial statements do not contain any significant new discretionary decisions and estimates used by management compared with the consolidated financial statements as at December 31, 2021.

Income tax expenditure is predicted on the basis of average actual tax rates during the current business year.

03 Segment information

The Group is a global producer of Flooring Systems and Movement Systems. The divisions correspond to the internal management structure and are run separately because the products that they manufacture, distribute, and sell differ fundamentally in terms of production, distribution, and marketing.

In the Flooring Systems division, the Group develops, produces, and sells linoleum, vinyl floor coverings, entrance flooring systems, carpet tiles, needle felt floor coverings, Flotex, the washable textile flooring, and building and construction adhesives, as well as various accessory products required for laying, processing, cleaning, and care of flooring. In the Movement Systems division, the Group develops, produces, and sells high-quality conveyor and processing belts, as well as plastic modular belts, and drive, timing and flat belts made of synthetic materials. Corporate includes the costs of the Group headquarters and certain items of income and expenses that are not directly attributable to a specific segment.

The Flooring Systems and Movement Systems divisions are reportable segments. The identification of the reportable segments is based on internal management reporting to the Executive Chairman of the Board of Directors and to the Chief Executive Officer of the Group, and hence on the financial information used to review the performance of the operational units in order to reach a decision on the allocation of resources.

The Executive Chairman of the Board of Directors and the Chief Executive Officer assess the performance of the segments based on their operating result (EBIT). The net financial result is not allocated to the segments since it is Corporate Treasury that exercises central control over the financial result.

First half 2022

Unaudited, CHF m	Flooring Systems	Movement Systems	Corporate/ Elimination	Total
Total sales	456.2	211.2	– 0.1	667.3
Inter-segment sales		– 0.1	0.1	
Net sales to third parties	456.2	211.1		667.3
Operating profit (EBIT)	58.2	27.4	– 7.0	78.6
EBITDA[1)]	75.0	38.0	– 6.7	106.3
Operating assets	578.1	335.4	22.6	936.1
Capital expenditure[2)]	6.5	2.2	0.0	8.7
Number of employees (June 30)	3,134	2,564	38	5,736

1) Operating profit before depreciation and amortization
2) Purchase of property, plant, and equipment, and intangible assets (excluding leasing)

First half 2021

Unaudited, CHF m	Flooring Systems	Movement Systems	Corporate/ Elimination	Total
Total sales	423.1	200.1	– 0.1	623.1
Inter-segment sales		– 0.1	0.1	
Net sales to third parties	423.1	200.0		623.1
Operating profit (EBIT)	61.8	25.3	– 5.0	82.1
EBITDA[1)]	79.2	35.1	– 4.4	109.9
Operating assets	554.7	326.5	19.3	900.5
Capital expenditure[2)]	7.0	3.6	0.0	10.6
Number of employees (June 30)	3,055	2,424	40	5,519

1) Operating profit before depreciation and amortization
2) Purchase of property, plant, and equipment, and intangible assets (excluding leasing)

Reconciliation of segment information to the income statement and balance sheet:

Unaudited, CHF m	First half 2022	First half 2021
Total segment result (EBIT)	**78.6**	**82.1**
Financial result	– 0.7	– 0.1
Group profit before taxes	**77.9**	**82.0**

Unaudited, CHF m	30.6.2022	31.12.2021
Total operating assets	**936.1**	**850.9**
Non-operating assets	83.6	130.7
Total assets	**1,019.7**	**981.6**

Operating assets include 'Trade and other receivables and accrued income', 'Inventories', 'Property, plant, and equipment, intangible assets and goodwill', and 'Other non-current assets'. Non-operating assets include 'Cash and cash equivalents, and 'Deferred tax assets'.

The following table shows revenue broken down by geographic region and by the two product groups that are identical with the reportable segments.

Net sales per segment by region

	Flooring Systems		Movement Systems	
Unaudited, CHF m	First half 2022	First half 2021	First half 2022	First half 2021
Regions				
Europe	342.4	326.9	87.5	81.9
Americas	75.2	63.0	69.9	63.9
Asia/Pacific and Africa	38.6	33.2	53.7	54.2
Total net sales to third parties	**456.2**	**423.1**	**211.1**	**200.0**

04 Balance sheet

The change in cash and cash equivalents can be found in the consolidated cash flow statement.

Trade and other receivables and accrued income, as well as inventories, showed an increase compared with year-end 2021. Trade receivables increased as a result of higher sales. Inventories increased primarily due to the higher costs for raw materials and were also subject to the usual build-up in the first half of the year.

Property, plant, and equipment reduced from CHF 294.8 million to CHF 278.5 million in the first half of 2022 (of which CHF 44.8 million for leased property, plant, and equipment). Investments in property, plant, and equipment of CHF 15.5 million (of which CHF 6.8 million for leased property, plant, and equipment) were offset by depreciation of CHF 25.6 million (of which CHF 8.0 million for leased property, plant, and equipment). Intangible assets and goodwill decreased with amortization of CHF 2.1 million (prior-year period: CHF 2.3 million) to CHF 89.4 million (end of previous year: CHF 95.6 million).

Due to the sanctions against Russia and other measures taken in connection with the situation in Ukraine, assets in Russia and Ukraine were tested for impairment. The expected recoverable amounts of the assets exceeded their carrying amounts.

The total current financial liabilities of CHF 103.8 million (end of previous year: CHF 50.8 million) include leasing liabilities of CHF 13.1 million (end of previous year: CHF 13.7 million), money market financing of CHF 86.3 million (end of previous year: CHF 36.2 million) and liabilities from derivative financial instruments of CHF 4.4 million (end of previous year: CHF 0.8 million). The non-current financial liabilities include leasing liabilities only.

Trade payables decreased by CHF 16.4 million. This change was timing-related. The other non-financial positions in current liabilities increased by CHF 21.6 million. This increase is largely attributable to higher accrued expenses.

Employee benefit obligations, non-current provisions, and deferred tax liabilities reduced by CHF 30.3 million, of which CHF 28.2 million was accounted for by the employee benefit obligations contained therein. These decreased due to higher discount rates. The remeasurements of employee benefit obligations was credited to the consolidated comprehensive income statement.

Shareholders' equity increased by CHF 10.6 million to CHF 532.4 million compared with December 31, 2021. Due to the higher total assets, the equity ratio saw a decline from 53.2% on December 31, 2021 to 52.2% on June 30, 2022. The increase in equity by the total comprehensive income of CHF 68.6 million was offset mainly by the dividend payment of CHF 35.3 million and the repurchase of treasury shares in the amount of CHF 24.7 million under the share buyback program 2019–2022.

Under the share buyback program authorized by the Ordinary General Meeting of April 5, 2019, Forbo repurchased a total of 165,000 Forbo registered shares between March 22, 2021, and March 16, 2022, either via the second trading line of the SIX Swiss Exchange (90,165 shares) or at a fixed price (74,835 shares). At the Ordinary General Meeting of April 1, 2022, the shareholders of Forbo Holding Ltd approved the capital reduction of 10% of the share capital from CHF 165,000 to CHF 148,500 with the corresponding amendment to the Articles of Association. The capital reduction was completed with the entry in the Commercial Register of the Canton of Zug on June 16, 2022 and was published in the SHAB on June 21, 2022. The exchange adjustment took place on the same day.

05 Income statement

Net sales increased by 7.1% in the corporate currency to CHF 667.3 million. In local currencies, the sales increase came to 11.4%, largely attributable to price rises. All regions contributed to the sales trend with double-digit growth rates.

The cost of goods sold saw a disproportionate increase due to the significantly higher prices of raw materials. Year on year, operating expenses were slightly higher.

Operating profit (EBIT) in the reporting period came to CHF 78.6 million, which was CHF 3.5 million (4.3%) lower than the same period the previous year.

In both periods, the financial result included the interest expense for leased assets of CHF – 0.4 million and interest receipts of almost CHF 0.2 million. It also included foreign exchange gains and losses.

Income tax amounted to CHF 17.6 million, corresponding to a tax rate of 22.6%. The tax rate was slightly higher than for the same period the previous year.

The resulting Group profit came to CHF 60.3 million and was thus CHF 3.2 million lower than in the same period the previous year.

Undiluted earnings per share on the basis of the average number of shares in circulation amounted to CHF 42.60 in the reporting period (prior-year period: CHF 40.52). Diluted earnings per share also came to CHF 42.60 (prior-year period: CHF 40.52).

06 Cash flow statement

Cash flow from operating activities came to CHF – 10.0 million, which was therefore substantially lower than the same period the previous year. This was the result of the sales-related increase in capital tied up in trade receivables on the one hand and on the other hand the increase of inventories due to the rise in purchasing prices and the deliberate build-up of raw materials.

As in the same period the previous year, cash flow from investing activities reflects the cash outflow for investments in property, plant, and equipment and in intangible assets. The cash flows are subject to the payment terms of the projects and therefore differ during the course of the year.

In the reporting year, in addition to the cash outflow of CHF 35.3 million for the dividend, payments of CHF 8.4 million for leasing obligations, and the purchase of treasury shares amounting to CHF 27.5 million, cash flow from financing activities also included an inflow of CHF 50.1 million from money market financing.

07 Main exchange rates applied

The following exchange rates against the CHF have been applied for the most important currencies concerned:

			Income statement Average exchange rate, 6 months		Balance sheet On balance sheet date	
Exchange rates			**2022**	**2021**	**30.6.2022**	**31.12.2021**
Eurozone	EUR	1	1.0320	1.0945	0.9972	1.0343
USA	USD	1	0.9438	0.9080	0.9541	0.9140
Great Britain	GBP	1	1.2260	1.2606	1.1571	1.2337
Japan	JPY	100	0.7685	0.8430	0.6984	0.7942
China	CNY	100	14.5815	14.0323	14.2396	14.3418
Sweden	SEK	100	9.8448	10.8043	9.3303	10.1041

08 Events after the balance sheet date

Between the balance sheet date and the date of publication of this half-year report, no events occurred that could have a significant effect on the half-year financial statements 2022.

Calendar

Media and financial analysts' conference for the business year 2022:	Thursday, March 2, 2023
Ordinary General Meeting 2023:	Thursday, March 30, 2023
Half-year report 2023:	Friday, July 28, 2023

Our half-year report is published in German and in English translation. The German version is authoritative.

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