



CONNECT.

HALF-YEAR REPORT 2021

DOUBLE-DIGIT ORGANIC SALES GROWTH

DISPROPORTIONATELY HIGHER OPERATING PROFIT

GROUP PROFIT DOUBLED

GUIDANCE INCREASED FOR FULL YEAR 2021

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 623.1 million in the first half of 2021 (prior-year period: CHF 542.3 million), representing a gratifying increase of 14.9% (14.3% in local currencies). Operating profit (EBIT) rose to CHF 82.1 million (prior-year period: CHF 41.1 million), an almost twofold increase. The EBIT margin improved significantly to 13.2% (prior-year period: 7.6%). Group profit doubled to CHF 63.5 million (prior-year period: CHF 31.7 million).

Dear shareholders,

Forbo made a good start to 2021 despite the ongoing COVID-19 pandemic. The first half of the year saw a continuation of the positive trend recorded in the fourth quarter of the previous year. The markets continued to revive, despite the fact that locally occurring outbreaks of COVID-19 around the world operationally challenged us again with new short-notice restrictions.

Demand rose in many markets and customer segments. Our strategy of offering high-quality products and services rather than simply expanding into volume business proved successful during these challenging times. Also under such special circumstances, we developed application-specific innovations and brought them to the market. Our globally oriented market position, our strong brand and our long-standing, close customer relationships helped us participate quickly and efficiently in the upswing.

Operating profits and margins increased significantly in the first half of 2021 and showed a disproportionate growth compared to sales. This was primarily attributable to the substantial impact of the COVID-19 pandemic in the prior-year period, when from February onwards we were confronted, unexpectedly at the time, with full lockdowns imposed at extremely short notice. Businesses forced to shut down, interruptions to supply chains and canceled or indefinitely postponed customer projects were the order of the day. In many instances this was happening in countries where we have major production plants, assembly centers and sales organizations. This had a significant negative impact on operational efficiency and productivity in the first half of 2020. At the same time, it was important for us to protect the health of our employees with hygiene and protection measures and adjustments to work processes, causing additional expense. During this period, we adapted our operating structures and processes to the prevailing circumstances.

Over the past months, due to the gratifying growth in sales, we have been able to improve utilization of our production and assembly sites considerably, which has resulted in disproportionately higher margins. The sharp increase in prices for raw materials since the end of 2020 had for now only a limited impact on the first half of 2021, but will significantly more affect earnings in the second half-year.

Double-digit sales growth in all regions

In the first half of 2021, Forbo achieved a substantial growth in sales of 14.9% to CHF 623.1 million (prior-year period: CHF 542.3 million), which equates to an increase of 14.3% in local currencies. Adjusted for currency effects, this offsets the downturn from 2020. All regions contributed to this growth in local currencies: by +14.0% in Europe, +12.9% in the Americas and +17.7% in Asia/Pacific. We are still periodically affected by COVID-19 restrictions in some local markets. In most cases, the markets which were heavily affected in the prior-year period recorded the highest increases in sales. Individual customer segments have seen varying degrees of recovery. Sales orders in the gastronomy sector was an area to show only a moderate level of recovery, a trend that applied to both divisions. For Flooring Systems it affected floor coverings for restaurants, hotels and bars. For Movement Systems it was food-processing companies in the system catering.

Translation of local sales into the corporate currency reveals the different developments in the individual currencies. Flooring Systems recorded a generally positive currency effect, whereas for Movement Systems the currency translation effect was negative overall on account of the greater share made up by the weaker Japanese yen and the US dollar.

Flooring Systems reported sales growth of 15.5% in the corporate currency (14.0% in local currencies). Projects in the healthcare and education segments are on the increase, while demand remains moderate particularly in the office space and retail segments, as well as in the gastronomy business.

Movement Systems achieved a sales increase of 13.6% in the corporate currency (14.8% in local currencies). This growth was driven in particular by the logistics segment with its expansions in e-commerce, mail distribution centers and global courier services, as well as by a return to increased operations at airports. Renewals in the industrial production segments showed a further increase; sales of sports treadmills for fitness centers are recovering hesitantly, however.

Disproportionately higher profitability

Operating profits increased sharply in the first half of 2021 and showed a disproportionate growth compared to sales. This effect was attributable in particular to increased utilization of production capacity to meet the growth in sales and improved productivity driven by the optimization of operating structures, and also to the cost reduction measures implemented in the second quarter of 2020. The effect was counteracted by higher prices for raw materials.

Operating profit before depreciation and amortization (EBITDA) came to CHF 109.9 million (prior-year period: CHF 68.4 million), corresponding to an increase of 60.7%. The EBITDA margin increased to 17.6% (prior-year period: 12.6%). Operating profit (EBIT) almost doubled to CHF 82.1 million (prior-year period: CHF 41.1 million). The EBIT margin rose to 13.2% (comparable prior-year period: 7.6%).

Group profit

On the basis of the substantially higher operating profit, Group profit doubled to CHF 63.5 million (prior-year period: CHF 31.7 million). Earnings per share (undiluted) increased by 104.2% to CHF 40.52 (prior-year period: CHF 19.84).

Equity ratio remains strong

Equity at the end of June 2021 stood at CHF 677.7 million (year-end 2020: CHF 683.5 million). The equity ratio was 60.0% (year-end 2020: 61.5%).

Solid balance sheet

Net cash came to CHF 182.4 million at end of June 2021 (year-end 2020: CHF 255.9 million). The decline was mainly due to the dividend payment and the share buyback. In addition, Forbo held treasury shares worth CHF 189.0 million, based on the share price at the end of June 2021 (year-end 2020: CHF 107.4 million based on the share price at the end of 2020). CHF 56.4 million of these are marked for cancellation as part of the share buyback program.

Performance of the divisions

The **Forbo Flooring Systems** division reported net sales of CHF 423.1 million in the first half of 2021 (prior-year period: CHF 366.2 million). All three regions reported double-digit sales growth in local currencies: Asia/Pacific showed the highest increase, followed by Europe and, slightly less, the Americas. In Europe, France, Italy and Spain benefited the most from the surge in demand. Great Britain also recorded a significant market recovery. Germany, the Netherlands, Switzerland and Eastern Europe reported a solid increase in sales. Most Nordic markets were more or less flat year-on-year. Russia again grew strongly. In the Americas region, USA recovered with growth that just hit double-digits, and Canada also saw clear catch-up effects. In Asia/Pacific, the Chinese market grew significantly and smaller markets in Southeast Asia and South Korea also performed well, so did Turkey. The building and construction adhesives activity reported very pleasing overall sales growth.

Operating profit (EBIT) rose by CHF 68.9% to CHF 61.8 million (prior-year period: CHF 36.6 million). This significant increase was attributable to the positive sales trend, the adjustment of operating structures and the strong operational leverage. In the second quarter of 2020 in particular, major production locations in France, Great Britain and the Netherlands were seriously affected by lockdowns imposed at short notice and lengthy company closures. The EBIT margin increased to 14.6% (prior-year period: 10.0%). In the coming months, further interesting collections are set to be introduced and will be attractively marketed in combination with good global availability. At the same time, the sharp increase in the cost of raw materials makes it necessary to adjust corresponding pricings on our side and to remain flexible beside prudent cost management.

The **Forbo Movement Systems** division reported net sales of CHF 200.0 million in the first half of 2021 (prior-year period: CHF 176.1 million). All three regions reported double-digit sales growth in local currencies: Asia/Pacific showed the highest increase, followed by the Americas and, slightly lower, Europe. The countries worst hit by the previous year's slump in demand, such as Great Britain, France, Italy and Spain, reported above-average growth rates. Most other markets in Europe, including Germany, Switzerland, Scandinavia and Russia, also reported a pleasing rise in sales. In the Americas, the main market USA showed above-average growth following a strong recovery in the first half of the year, Mexico also achieved good results. In Asia/Pacific, all markets showed sales growth of varying degrees. The core Chinese market grew sharply, India also performed well in an environment which remains challenging, so did Turkey. Australia, South Korea and Southeast Asia reported a solid rise in sales, while Japan's recovery proceeds at a slightly slower pace.

Operating profit (EBIT) more than doubled to CHF 25.3 million (prior-year period: CHF 10.2 million). This significant improvement is due to the positive sales trend, the adjustment of operating structures and above all to the strongly increased capacity utilization. Movement Systems was already affected in early 2020 by the then sudden consequences of COVID-19, with our important production site in China having gone into full operation in 2019. It was followed somewhat later by other major production and assembly sites in Germany, Slovakia and the USA, as well as many smaller local assembly and service sites. The EBIT margin came to 12.7% (prior-year period: 5.8%). The focus for the second half-year will be on the market launch of the newly developed product line of homogeneous conveyor belts – these are primarily designed for the food industry – as well as the flexible sales price adjustments in response to the cost increases in some raw materials, combined with a continuing prudent cost management.

Increased focus on implementing strategy after operational challenges

Even after this special pandemic year, Forbo has a solid capital structure, good liquidity, a robust cash flow, and is free of debt. Our global presence and strong market positions, plus our broad, innovative and sustainable product portfolio enable us to persistently implementing our strategy. We have therefore continued to pursue all our strategically important projects despite the difficult times. Following the operational challenges which dominated 2020, Forbo will again increasingly focus on expansion in growth markets, targeted strengthening of our distribution organizations, selective capacity expansion in product lines with better-than-average growth, promoting innovations – coupled with digitization advances – and capitalizing on external growth opportunities provided added value can thereby be created.

Outlook for 2021

The pandemic will remain with us and will continue to have negative effects in certain areas in the second half of the year, albeit to a lesser extent. The significant base effect will be greatly diminished in the second half of the year due to the good second-half performance in the previous year. Rising prices for raw materials and some bottlenecks in the availability of raw materials will be additional factors. These will be counteracted by the realized adjustments on operating structures and processes along with attractive new products and services.

With regard to guidance for the full year 2021, we are cautiously optimistic and are increasing our outlook on sales and Group profit. Provided that there are no fundamental changes to the overall general conditions, we anticipate sales growth close to reaching double-digit growth figures and Group profit to be up to one-quarter higher than in the previous year.



This E. Schneider
Executive Chairman



Stephan Bauer
CEO

Forbo Holding Ltd
Baar, July 30, 2021

Consolidated balance sheet and income statement

Condensed consolidated balance sheet		
Unaudited, CHF m	30.6.2021	31.12.2020
Assets		
Current assets	685.5	668.7
Cash and cash equivalents	183.2	255.8
Current financial assets		0.1
Trade and other receivables and accrued income	254.7	194.3
Inventories	247.6	218.5
Non-current assets	443.3	442.1
Non-current financial assets	0.2	0.2
Deferred tax assets	45.2	45.4
Property, plant, and equipment, intangible assets and goodwill	397.9	396.5
Total assets	1,128.8	1,110.8
Shareholders' equity and liabilities		
Current liabilities	280.6	251.5
Current financial liabilities	12.8	14.1
Trade payables	82.8	94.4
Current provisions, accrued expenses, current tax and other liabilities	185.0	143.0
Non-current liabilities	170.5	175.8
Non-current financial liabilities	33.1	31.1
Employee benefit obligations, non-current provisions, and deferred tax liabilities	137.4	144.7
Total liabilities	451.1	427.3
Shareholders' equity	677.7	683.5
Total shareholders' equity and liabilities	1,128.8	1,110.8
Condensed consolidated income statement		
Unaudited, CHF m	First half 2021	First half 2020
Net sales	623.1	542.3
Cost of goods sold	-391.3	-346.1
Gross profit	231.8	196.2
Operating expenses	-149.7	-155.1
Operating profit	82.1	41.1
Financial result	-0.1	-0.5
Group profit before taxes	82.0	40.6
Income taxes	-18.5	-8.9
Group profit	63.5	31.7
Group profit attributable to shareholders of Forbo Holding Ltd	63.5	31.7
<i>Earnings per share, total</i>		
Basic earnings per share in CHF	40.52	19.84
Diluted earnings per share in CHF	40.52	19.84

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 2021	First half 2020
Group profit	63.5	31.7
Items that will not be reclassified to the income statement:		
Remeasurements of employee benefit obligations, net of taxes	7.3	0.9
Items that were or may be subsequently reclassified to the income statement:		
Translation differences	20.1	-26.2
Other comprehensive income, net of tax	27.4	-25.3
Total comprehensive income	90.9	6.4
Total comprehensive income attributable to the shareholders of Forbo Holding Ltd	90.9	6.4

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

Consolidated statement of changes in equity first half 2020

Unaudited, CHF m	Share capital	Treasury shares	Reserves	Translation differences	Total
January 1, 2020	0.2	-0.1	1,002.6	-326.1	676.6
Group profit			31.7		31.7
Other comprehensive income, net of tax			0.9	-26.2	-25.3
Total comprehensive income			32.6	-26.2	6.4
Share-based payments			1.7		1.7
Treasury shares		-0.0	-7.1		-7.1
Dividend payment			-36.8		-36.8
June 30, 2020	0.2	-0.1	993.0	-352.3	640.8

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 2021	First half 2020
Group profit	63.5	31.7
Depreciation of property, plant, and equipment, and amortization of intangible assets	27.8	27.3
Increase in net operating working capital	-82.7	-27.3
Other adjustments for non-cash items	26.1	9.2
Net cash flow from operating activities	34.7	40.9
Purchase of property, plant, and equipment, and intangible assets	-10.6	-15.6
Other cash flows from investing activities	0.2	0.5
Net cash flow from investing activities	-10.4	-15.1
Dividend payment	-31.4	-36.8
Purchase of treasury shares	-60.9	-7.0
Payment of lease liabilities	-8.9	-8.5
Net cash flow from financing activities	-101.2	-52.3
Decrease in cash and cash equivalents	-76.9	-26.5
Translation differences on cash and cash equivalents	4.3	-5.5
Cash and cash equivalents at beginning of year	255.8	217.7
Total cash and cash equivalents as at June 30	183.2	185.7

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, 2021, to June 30, 2021 (hereinafter 'reporting period'), and was prepared 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, 2020. There were no changes in the scope of consolidation in the reporting period.

The consolidated half-year financial statements have not been audited by the auditors. They were approved for publication by the Board of Directors on July 29, 2021.

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 2020 Annual Report with the exceptions listed below:

The following relevant amended standards of the International Accounting Standards Board (IASB) were applied for the first time in the business year that began on January 1, 2021:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 'Interest Rate Benchmark Reform – Phase 2'
- Amendment to IFRS 16 'COVID-19-Related Rent Concessions'

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 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, 2020.

Income tax expenditure is estimated 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 installing, 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 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 reportable segments based on their operating profit (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 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	554.6	326.4	19.3	900.3
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)

First half 2020

Unaudited, CHF m	Flooring Systems	Movement Systems	Corporate/ Elimination	Total
Total sales	366.2	176.3	-0.2	542.3
Inter-segment sales		-0.2	0.2	
Net sales to third parties	366.2	176.1		542.3
Operating profit (EBIT)	36.6	10.2	-5.7	41.1
EBITDA ¹⁾	53.8	19.8	-5.2	68.4
Operating assets	503.3	292.1	24.6	820.0
Capital expenditure ²⁾	7.8	7.8	0.0	15.6
Number of employees (June 30)	3,003	2,415	39	5,457

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 2021	First half 2020
Total segment result (EBIT)	82.1	41.1
Financial result	-0.1	-0.5
Group profit before tax	82.0	40.6

Unaudited, CHF m	30 June 2021	31 December 2020
Total operating assets	900.3	809.3
Non-operating assets	228.5	301.5
Total assets	1,128.8	1,110.8

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

Unaudited, CHF m	Flooring Systems		Movement Systems	
	First half 2021	First half 2020	First half 2021	First half 2020
<i>Regions</i>				
Europe	326.9	279.0	81.9	70.8
Americas	63.0	59.7	63.9	58.2
Asia/Pacific and Africa	33.2	27.5	54.2	47.1
Total net sales to third parties	423.1	366.2	200.0	176.1

04 Balance sheet

Details regarding 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 2020. Trade receivables in particular and inventories too were subject to the usual buildup in operating working capital in the first half of the year.

With investments in property, plant, and equipment amounting to CHF 17.0 million (of which CHF 6.4 million for leased property, plant, and equipment) against depreciation of CHF 25.5 million (of which CHF 8.2 million for leased property, plant, and equipment), property, plant, and equipment increased to CHF 294.6 million (of which CHF 47.1 million for leased property, plant, and equipment) in the first half of 2021 due to positive currency effects. With amortizations of CHF 2.3 million unchanged from the previous year, intangible assets also increased driven by positive translation effects to CHF 103.3 million (end of previous year: CHF 100.8 million).

As in the prior-year period, the total financial liabilities of CHF 45.9 million (end of previous year: CHF 45.2 million) contain almost exclusively leasing liabilities, of which CHF 12.8 million (end of previous year: CHF 14.1 million) will fall due within less than 12 months.

Trade payables decreased by CHF 11.6 million. This change was timing-related. The other non-financial positions in current liabilities increased by CHF 42.0 million. This increase is primarily attributable to higher accrued expenses as well as the withholding tax from the purchase of treasury shares.

Non-current non-financial liabilities fell by a total of CHF 7.3 million due to the employee benefit obligations contained therein. These obligations decreased due to higher discount rates. The remeasurements of employee benefit obligations was credited to the consolidated comprehensive income statement.

Compared with December 31, 2020, shareholders' equity decreased by CHF 5.8 million to CHF 677.7 million. The increase in shareholders' equity by the amount of Group profit of CHF 63.5 million and by the other comprehensive income, net of tax, of CHF 27.4 million was offset mainly by the dividend payment of CHF 31.4 million, the purchase of treasury shares amounting to CHF 9.7 million and the buyback of treasury shares in the amount of CHF 56.9 million as part of the 2019–2022 share buyback program.

Share buyback program 2019–2022: at the Ordinary General Meeting of April 5, 2019, the Board of Directors of Forbo Holding Ltd was authorized to buy back the company's own shares up to a maximum of 10% of the share capital over a period of three years. On the basis of this authorization, the Board of Directors launched a new share buyback program on March 22, 2021, enabling a maximum of 165,000 Forbo registered shares (equivalent to 10% of the share capital entered in the Commercial Register) to be bought back by March 31, 2022, at the latest via a second trading line of the SIX Swiss Exchange. As part of this 2019–2022 share buyback program, a total of 32,200 shares (2.0% of the share capital) were bought back as of June 30, 2021. These shares are marked for cancellation.

Due to the increase in treasury shares, the equity ratio fell correspondingly from 61.5% on December 31, 2020, to 60.0% on June 30, 2021.

05 Income statement

Net sales increased by 14.9% to CHF 623.1 million. The first six months of 2021 benefited from a recovery in demand in all markets and customer segments after the COVID-19-related sales decline in the first half of 2020. The sales increase came to 14.3% in local currencies, with all regions contributing to the sales trend with double-digit growth rates.

The cost of goods sold increased due to additional sales; higher raw material costs were also a factor in the increase.

Operating expenses benefited from the adjustments to processes and structures introduced last year, also COVID-19 continued to curtail operational activities. In addition, allowances on inventories and trade receivables remained slightly below the prior-year period.

Operating profit (EBIT) in the period under review came to CHF 82.1 million, which was CHF 41.0 million higher than the prior-year period.

Interest expenditure of CHF –0.4 million for leased property, plant, and equipment was offset by interest income and foreign exchange gains, yielding a financial result of CHF –0.1 million.

Income tax amounted to CHF 18.5 million, corresponding to a tax rate of 22.5%. This was slightly higher than the same period the previous year.

The resulting Group profit came to CHF 63.5 million and was thus CHF 31.8 million higher than in the prior-year period.

Undiluted earnings per share on the basis of the average number of shares in circulation amounted to CHF 40.52 in the reporting period (prior-year period: CHF 19.84). Diluted earnings per share also came to CHF 40.52 (prior-year period: CHF 19.84).

06 Cash flow statement

Cash flow from operating activities came to CHF 34.7 million, which was lower than the prior-year period despite the substantially higher Group profit. This is attributable to the usual buildup in net operating working capital in the first half-year being absent in the first half of 2020 for COVID-19-related reasons.

As in the prior-year period, 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.

Cash flow from financing activities reflects the cash outflow of CHF 31.4 million for the dividend payment, payments of CHF 8.9 million for leasing obligations, and the purchase of treasury shares amounting to CHF 60.9 million.

07 Main exchange rates applied

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

Exchange rates				Income statement		Balance sheet	
				Average exchange rate, 6 months		On balance sheet date	
			2021	2020	30 June 2021	31 December 2020	
Euro countries	EUR	1	1.0945	1.0642	1.0965	1.0840	
USA	USD	1	0.9080	0.9659	0.9212	0.8822	
United Kingdom	GBP	1	1.2606	1.2161	1.2761	1.2011	
Japan	JPY	100	0.8430	0.8925	0.8338	0.8552	
China	CNY	100	14.0323	13.7333	14.2520	13.5234	
Sweden	SEK	100	10.8043	9.9819	10.8014	10.7469	

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 2021 half-year financial statements.

Calendar

Media and financial analysts' conference for the 2021 business year:	Thursday, March 3, 2022
Ordinary General Meeting 2022:	Friday, April 1, 2022
Half-year report 2022:	Friday, July 29, 2022

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

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