

# **MEDIA AND FINANCIAL ANALYST MEETING**

JULY 29, 2025

Bernhard Merki

Andreas Jaeger

Patrick Sparer

Chairman of the Board of Directors

Chief Executive Officer a.i./Chief Financial Officer

Head Corporate Controlling & Reporting

# DISCLAIMER



By attending the meeting where this presentation is made or by reading the presentation slides you agree to be bound by the following limitations:

The information in this document has been prepared by Forbo. It does not constitute a recommendation regarding the securities of Forbo.

No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness, or correctness of the information, or opinions contained herein. Neither Forbo nor any of Forbo's advisors or representatives shall have any responsibility or liability whatsoever (for negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with this document. The information set out herein may be subject to updating, completion, revision, verification, and amendment, and such information may change materially.

This presentation is based on the economic, regulatory, market, and other conditions as in effect on the date hereof. It should be understood that subsequent developments may affect the information contained in this document, which neither Forbo nor its advisors are under an obligation to update, revise, or affirm.

The information communicated in this document contains certain statements that are or may be forward-looking. These statements typically contain words such as "will", "expects" and "anticipates" and words of similar import. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Investment in Forbo will also involve certain risks. There may be additional material risks that are currently not considered to be material or of which Forbo and its advisors or representatives are unaware. Against the background of these uncertainties, readers should not rely on these forward-looking statements. Forbo assumes no responsibility to update forward-looking statements or to adapt them to future events or developments.

This document and the information contained herein do not constitute an offer or invitation to purchase any securities of Forbo. In particular, they do not constitute a prospectus in the sense of article 652a or 1156 of the Swiss Code of Obligations, respectively, nor does it constitute a listing advertisement in the sense of the Listing Rules of the SIX Swiss Exchange. The securities of Forbo have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), and may not be offered, sold, or delivered within the United States or to US persons absent from registration under or an applicable exemption from the registration requirements of the United States securities laws. Neither these slides nor any copy of them may be taken or transmitted into or distributed in Canada, Australia, Japan, or any other jurisdiction which prohibits the same except in compliance with applicable securities laws. Any failure to comply with this restriction may constitute a violation of United States or other national securities laws.

**WELCOME & INTRODUCTORY REMARKS**

**ANDREAS JAEGER**

**FINANCIAL RESULTS FIRST HALF-YEAR 2025**

**PATRICK SPARER**

**ACTIVITIES, FOCUS, & OUTLOOK 2025**

**ANDREAS JAEGER**

**QUESTIONS & ANSWERS**

ANDREAS JAEGER  
**WELCOME & INTRODUCTORY REMARKS**





- **Net sales of CHF 546.9 million; a decline of 1.5% in local currencies** - fully related to lower volumes
- **Lower net sales, underutilized assets, and higher costs drove profit down**, more pronounced in Movement Systems; investments in sales initiatives and innovation continued in both divisions
- **CEO search in advanced stage; CFO recruitment commenced** - to bridge the temporary gap an interim CFO will be appointed
- **Intensified product innovation reinforcing market position** - revamped innovation process and strong momentum with climate-positive linoleum and eco-friendly conveyor belt
- **Solid balance sheet with net cash balance and robust equity**

# PATRICK SPARER FINANCIAL RESULTS FIRST HALF-YEAR 2025



**Slight drop in net sales in local currencies**

Net sales decreased by 1.5% in local currencies due to muted customer investments, pricing pressure, tariff tension, and increased competition

**Decline in operating profit (EBIT)**

Due to lower sales, underutilized capacity, inflation-driven personnel cost increases, and currency effects, investments in sales initiatives and innovation

**Negative currency effects due to strong CHF**

CHF 15 million on net sales; CHF 1 million on EBIT

**Solid balance sheet with net cash balance and robust equity**

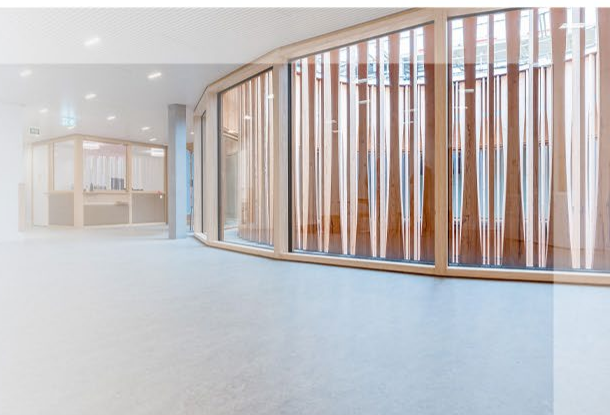
Decline in the cash balance was primarily due to the dividend payout of CHF 35.3 million, a seasonal increase in net working capital, and investments in fixed assets

# FORBO GROUP – H1 2025

## DIVISIONAL PERFORMANCE



### FLOORING SYSTEMS



### MOVEMENT SYSTEMS



CHF MILLION	H1 2025	H1 2024	Δ
Net sales	374.9	389.2	−3.7%
Operating profit (EBIT)	37.7	48.1	−21.6%
<i>EBIT margin</i>	10.1%	12.4%	
EBITDA	51.5	62.3	−17.3%
<i>EBITDA margin</i>	13.7%	16.0%	
FTE	2,825	2,833	−0.3%
Investments	9.6	9.0	+6.7%

CHF MILLION	H1 2025	H1 2024	Δ
Net sales	172.1	181.2	−5.0%
Operating profit (EBIT)	8.9	18.1	−50.8%
<i>EBIT margin</i>	5.2%	10.0%	
EBITDA	19.4	28.7	−32.4%
<i>EBITDA margin</i>	11.3%	15.8%	
FTE	2,387	2,370	+0.7%
Investments	4.3	5.6	−23.2%



# FORBO GROUP – H1 2025

## CONSOLIDATED INCOME STATEMENT



CHF MILLION	H1 2025	H1 2024	Δ
Net sales	546.9	570.3	−4.1%
Gross profit	185.8	199.2	−6.7%
<i>Gross profit margin</i>	<i>34.0%</i>	<i>34.9%</i>	
Operating expenses	−142.9	−137.4	+4.0%
EBITDA	67.6	86.8	−22.1%
<i>EBITDA margin</i>	<i>12.4%</i>	<i>15.2%</i>	
Depreciation and amortization	−24.7	−25.0	−1.2%
Operating profit (EBIT)	42.9	61.8	−30.6%
<i>EBIT margin</i>	<i>7.8%</i>	<i>10.8%</i>	
Financial result	0.3	0.7	
Profit before taxes	43.2	62.5	−30.9%
Income taxes	−9.8	−14.1	−30.5%
Profit	33.4	48.4	−31.0%
Earnings per share undiluted in CHF	23.70	34.36	−31.0%
FTE	5,253	5,244	+0.2%

- Net sales declined by 4.1% in reporting currency; in local currencies net sales declined by 1.5% due to lower volumes
- Gross profit negatively impacted by lower net sales and corresponding capacity utilization, inflation driven salary increases and FX impacts
- Operating expenses increased driven by inflation driven salary increases, and strengthened sales and marketing and innovation efforts
- EBIT margin deteriorated in both divisions, but Flooring Systems could maintain double-digit EBIT margin

# FORBO GROUP – H1 2025

## CONSOLIDATED BALANCE SHEET



CHF MILLION	30.6.25	31.12.24
<b>Non-current assets</b>	401.0	407.5
<b>Current assets</b>	556.5	568.3
Cash and cash equivalents	41.7	109.1
Working capital	514.8	459.2
<b>Total assets</b>	957.5	975.8
<b>Shareholders' equity</b>	607.6	626.0
Equity ratio	63.5%	64.1%
<b>Total liabilities</b>	349.9	349.8
Current liabilities	215.6	218.3
Non-current liabilities	134.3	131.5
<b>Total shareholders' equity and liabilities</b>	957.5	975.8

- Solid balance sheet with net cash of CHF 34.2 million
- Own shares totaling CHF 59.6 million at share price as of 30.6.2025
- Strong equity ratio remains

# FORBO GROUP – H1 2025

## CONSOLIDATED CASH FLOW STATEMENT



CHF MILLION	H1 2025	H1 2024
Cash flow from operating activities	<b>-14.6</b>	<b>21.6</b>
Cash flow from investing activities	<b>-15.8</b>	<b>-14.4</b>
Free cash flow	<b>-30.4</b>	<b>7.2</b>
Cash flow from financing activities	<b>-36.1</b>	<b>-37.9</b>
Change in cash and cash equivalents	<b>-66.5</b>	<b>-30.7</b>

- First half-year is seasonally low in operating cash flow
- Cash flow from operating activities declined due to the lower earnings and a prior-year tax repayment
- Investments in strategic projects continued as planned

# ANDREAS JAEGER ACTIVITIES & FOCUS





- Continued weak global economy, trade tensions, geopolitical conflicts, and a strong Swiss Franc dampened sentiment and curbed customer investments
- Measures initiated to support continuity and profitability
  - Initiated search for CEO, CFO and interim CFO
  - Increased sales prices in response to inflation and tariffs
  - Hired additional sales representatives and participated in trade fairs
  - Revamped innovation process to support future growth
  - Focused management attention on a few key initiatives
  - Continued capital investments in new production facilities and modernized equipment & machines

# FLOORING SYSTEMS

## FIRST HALF-YEAR 2025 IN A NUTSHELL



- Solid sales performance, considering market environment
- Net sales in local currencies declined by 1.4%
- Volume declined by 0.5% and prices by 0.9%
- Net sales development differs by region
  - Europe -1.9% | Americas -2.2% | Asia/Pacific +5.0%
- EBIT decreased – EBIT margin maintained double digits
- Ten new collections introduced, and innovation process revamped
- Expansion of Flotex Plant in the US on schedule



# FLOORING SYSTEMS

## INNOVATIVE NEW PRODUCTS LAUNCHED



- Global rollout of **Modul'up**, the most advanced loose-lay heterogeneous vinyl flooring
- Introduction of **Sarlon** acoustic vinyl and **Eternal Next**, a loose-lay extension of the successful Eternal range
- Refreshed **Furniture Linoleum** collection with new unpigmented variant, showcased at major design fairs
- Winner of **Red Dot** and **Interzum** 'Best of the Best' design awards
- Upgraded digital tools and website to **enhance sustainability transparency** across customer segments



# MOVEMENT SYSTEMS

## FIRST HALF-YEAR 2024 IN A NUTSHELL



- Net sales in local currencies declined by 1.9%
- Volume declined by 3.7%; prices increased by 1.8%
- Net sales development differs by region
  - Europe -3.1% | Americas -2.2% | Asia/Pacific +0.7%
- EBIT falling short of expectations
- Issues in supply chain for US operations
- Modernization of the plant in Japan on schedule





# MOVEMENT SYSTEMS

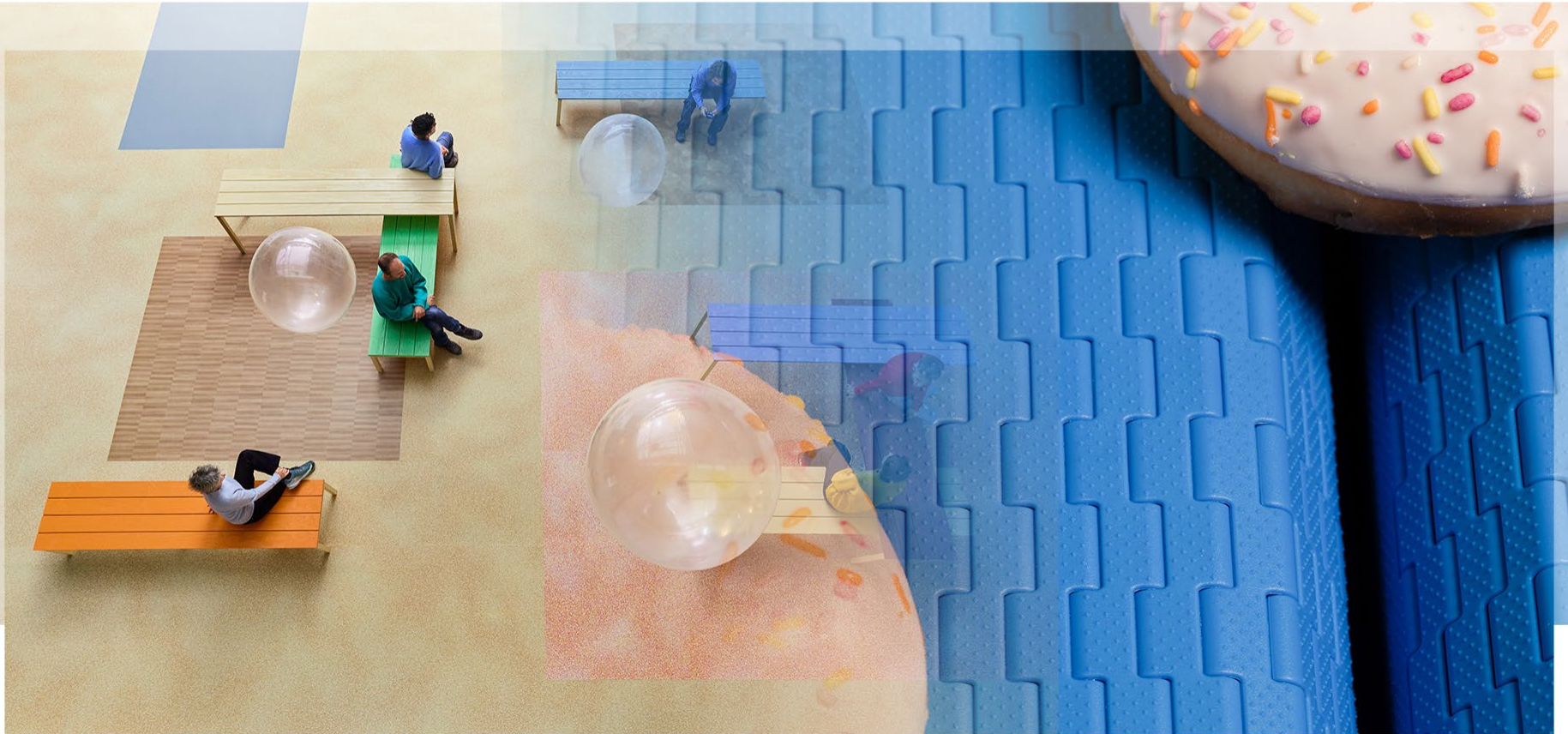
## EXPANSION OF PRODUCT PORTFOLIO



- Launch of **Prolink S9.1** generation of curve belts with an adjustable collapse factor - using different modules for the inner radius
- Introduction of the new **Transilon** conveyor belts, designed for high-temperature food and raw material applications and optimized for optical sorting in the recycling industry
- Expansion of sustainable product portfolio with additional articles featuring Ecofiber
- Participation in 13 trade shows across logistics, food, and packaging industries, generating over 700 qualified leads
- Personalized multichannel campaigns drive measurable lead growth in food and logistics



- Filling all positions in the executive board
- Investing in sales force to lift net sales and improve capacity utilization
- Increasing sales prices in response to inflation and new tariffs
- Improving profitability through disciplined cost management and reorganization
- Rolling out revamped innovation process across the organization
- Enhancing the digital customer experience across all touchpoints
- Reducing environmental footprint



# FORBO GROUP

## FINANCIAL OUTLOOK FOR 2025



Assuming no further deterioration in the geopolitical or economic environment in the second half of 2025, Forbo anticipates a slight year-on-year decline in net sales (in local currencies) for the full financial year. Considering the costs associated with the initiatives and reorganization measures outlined above, Forbo anticipates a slightly improved profit in the second half of 2025 compared to the first half. However, for the full year 2025, the company expects a significant decline in profit versus the prior year.





# QUESTIONS & ANSWERS

