

## MEDIA RELEASE

AD HOC ANNOUNCEMENT PURSUANT TO ARTICLE 53 OF THE SIX EXCHANGE REGULATION LISTING RULES

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### **Negative currency effects and reduced market dynamics impact business performance in the third quarter of 2023, lowering expectations for the year overall**

Baar, October 25, 2023

In the third quarter of 2023, Forbo faced increasingly difficult general conditions. The modest recovery that was tangible in the first half of the year did not continue.

The geopolitical and macroeconomic situation deteriorated noticeably in the third quarter, which had an impact on the economic environment. The construction market has deteriorated significantly not least due to higher interest rates, while the investment activities of Forbo's customers slowed markedly because of increasing global uncertainties. This trend was apparent in both divisions and all regions. In addition, the expected upswing in China has not yet occurred.

Compared with the first half of 2023, exchange rates have continued to weaken against the very strong Swiss franc. From the present perspective, currency effects over the 2023 business year as a whole will have a negative impact on net sales of around CHF 80 million and some CHF 10 million on EBIT.

In this challenging environment, Forbo will largely offset the significant rise in personnel and energy costs through ongoing measures to secure profitability and the implementation of operational projects in 2023.

For 2023 overall, Forbo expects net sales in the corporate currency to decline by about 10% year on year, with Group profit in the range of around CHF 100 million.

Free cash flow for 2023 will show a marked improvement thanks to focused optimization of net operating working capital. Forbo therefore expects roughly a doubling of the previous year's value (2022: CHF 50.5 million).

In view of the Group's sound, solid and debt-free financial foundation, its proven strategy, and leading market positions, Forbo is well prepared to meet the challenges of the demanding market environment it currently faces. The measures to enhance efficiency and the strategic investments implemented at the beginning of the year will continue. These will enable Forbo

to improve competitiveness and create the necessary basis to take advantage of increasing demand.

Forbo will provide further details of its business performance in 2023 with the publication of the full-year figures and the Annual Report on March 5, 2024.

Forbo is a leading producer of floor coverings, building and construction adhesives, as well as power transmission and conveyor belt solutions. Forbo's linoleum floor coverings are made from natural raw materials. They are biodegradable and carbon-neutral (cradle to gate), without off-setting. In the manufacture of its heterogeneous vinyl floor coverings, Forbo uses phthalate-free plasticizers of the latest generation. Vinyl floor coverings also contain up to 25% recycled material in relation to their total product weight. The BioBelt™ is a biologically degradable conveyor belt made largely from renewable, plant-based materials. The AmpMiser™ conveyor belt enables energy savings and therefore also a reduction in CO<sub>2</sub> emissions of up to 50%. For Forbo as a responsible manufacturer, the careful use of all resources for a sustainable future is a guiding principle.

Forbo employs about 5,400 people and has an international network of 25 sites with production and distribution, 6 fabrication centers, and 47 sales organizations in a total of 39 countries around the world. The company generated net sales of CHF 1,293.2 million in the 2022 business year. Forbo is headquartered in Baar in the canton of Zug, Switzerland.

Forbo Holding Ltd is listed on SIX Swiss Exchange (security number 354151, ISIN CH0003541510, Bloomberg FORN SW, Reuters FORN.S).

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