

MEDIA AND FINANCIAL ANALYST MEETING

FRIDAY, JULY 26, 2024

Jens Fankhänel
Andreas Jaeger

Chief Executive Officer
Chief Financial Officer

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 does not constitute an offer or invitation to purchase any securities of Forbo. In particular, it does 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

JENS FANKHÄNEL

FINANCIAL RESULTS FIRST HALF-YEAR 2024

ANDREAS JAEGER

ACTIVITIES, FOCUS & OUTLOOK 2024

JENS FANKHÄNEL

QUESTIONS & ANSWERS

JENS FANKHÄNEL WELCOME & INTRODUCTORY REMARKS



- Challenging market environment as well as continued high cost and interest rates impacted customers' investments
- Negative currency effects on net sales and EBIT
- Double-digit EBIT margin maintained
- Strategic investment projects continued
- Equity ratio further improved

ANDREAS JAEGER FINANCIAL RESULTS FIRST HALF-YEAR 2024



Lower net sales in comparison to solid H1 2023

Net sales decreased by 3.7% in local currencies due to restrained demand, mainly in the German, Netherlands and Chinese markets

Negative currency effects

CHF 22 million on net sales; CHF 3 million on EBIT

Double-digit EBIT margin maintained in both divisions

Flooring Systems: 12.4% (H1 2023: 12.6%)

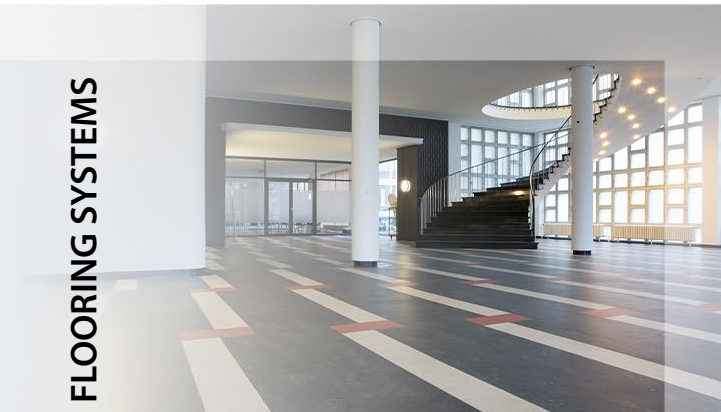
Movement Systems: 10.0% (H1 2023: 13.6%)

FORBO GROUP – H1 2024

DIVISIONAL PERFORMANCE



FLOORING SYSTEMS



MOVEMENT SYSTEMS



CHF MILLION	H1 2024	H1 2023	Δ
Net sales	389.2	415.9	-6.4%
Operating profit (EBIT)	48.1	52.5	-8.4%
<i>EBIT margin</i>	12.4%	12.6%	
EBITDA	62.3	68.9	-9.6%
<i>EBITDA margin</i>	16.0%	16.6%	
FTE	2,833	2,881	-1.7%
Investments	9.0	4.1	+119.5%

CHF MILLION	H1 2024	H1 2023	Δ
Net sales	181.1	199.3	-9.1%
Operating profit (EBIT)	18.1	27.2	-33.5%
<i>EBIT margin</i>	10.0%	13.6%	
EBITDA	28.7	38.1	-24.7%
<i>EBITDA margin</i>	15.8%	19.1%	
FTE	2,370	2,438	-2.8%
Investments	5.6	6.6	-15.2%

FORBO GROUP – H1 2024

CONSOLIDATED INCOME STATEMENT



CHF MILLION	H1 2024	H1 2023	Δ
Net sales	570.3	615.2	-7.3%
Gross profit	199.2	215.8	-7.7%
<i>Gross profit margin</i>	34.9%	35.1%	
Operating expenses	-137.4	-140.6	-2.3%
EBITDA	86.8	102.8	-15.6%
<i>EBITDA margin</i>	15.2%	16.7%	
Depreciation and amortization	-25.0	-27.6	-9.4%
Operating profit (EBIT)	61.8	75.2	-17.8%
<i>EBIT margin</i>	10.8%	12.2%	
Financial result	0.7	-1.2	
Group profit before taxes	62.5	74.0	-15.5%
Income taxes	-14.1	-16.6	-15.1%
Group profit	48.4	57.4	-15.7%
Earnings per share undiluted in CHF	34.36	40.54	-15.2%
FTE	5,244	5,357	-2.1%

- Net sales declined by 7.3% with a significant FX impact; in local currencies net sales declined by 3.7% due to lower volumes (-3.4%)
- Regional net sales development in local currencies
 - Europe -5.4%
 - Americas +2.2%
 - Asia/Pacific -4.8%
- Gross profit margin almost maintained despite lower volumes
- Operating profit mainly impacted by lower volumes, lower capacity utilization, FX impacts and inflation driven salary increases
- Double-digit EBIT margin maintained

FORBO GROUP – H1 2024

CONSOLIDATED BALANCE SHEET



CHF MILLION	30.6.24	31.12.23
Non-current assets	392.6	378.2
Current assets	569.1	523.2
Cash and cash equivalents	40.0	69.1
Working capital	529.1	454.1
Total assets	961.7	901.4
Shareholders' equity	599.0	553.7
Equity ratio	62.3%	61.4%
Total liabilities	362.7	347.7
Current liabilities	235.4	219.3
Non-current liabilities	127.3	128.4
Total shareholders' equity and liabilities	961.7	901.4

- Solid, debt-free balance sheet with net cash of CHF 40.0 million
- Own shares totaling CHF 74.0 million
- Seasonal build-up of working capital
- Strong equity ratio

FORBO GROUP – H1 2024

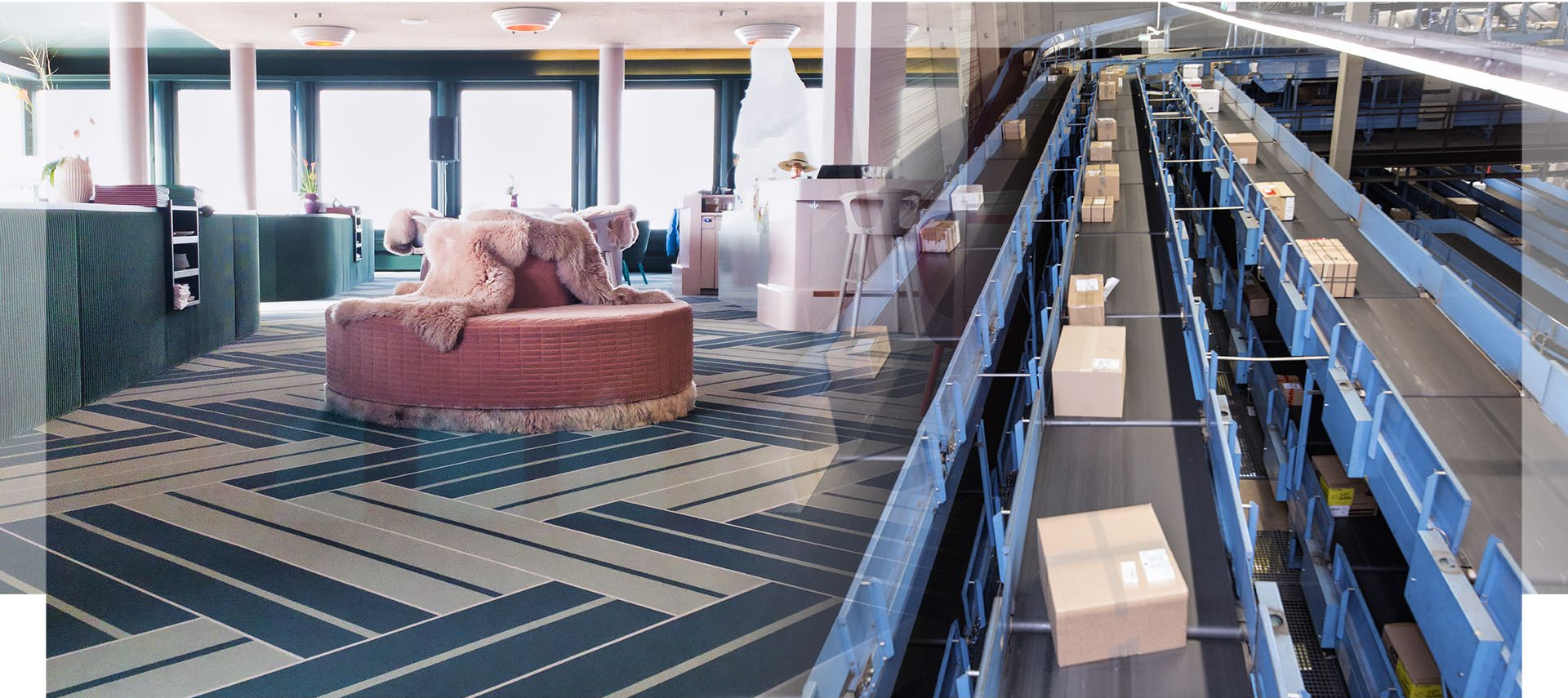
CONSOLIDATED CASH FLOW STATEMENT



CHF MILLION	H1 2024	H1 2023
Cash flow from operating activities	21.6	33.0
Cash flow from investing activities	-14.4	-10.1
Free cash flow	7.2	22.9
Cash flow from financing activities	-37.9	-20.2

- Cash flow from operating activities declined, driven by the lower result and higher inventory to improve service levels
- Investment activities in strategic projects continued

JENS FANKHÄNEL ACTIVITIES & FOCUS



FORBO GROUP

MARKET ENVIRONMENT AND INITIATIVES LAUNCHED



- Germany, Netherlands and China most impacted by the market environment
- Initiatives launched
 - efficiency measures and strict resource management
 - launch of innovative and sustainable products
 - intensified key account management and segment focus

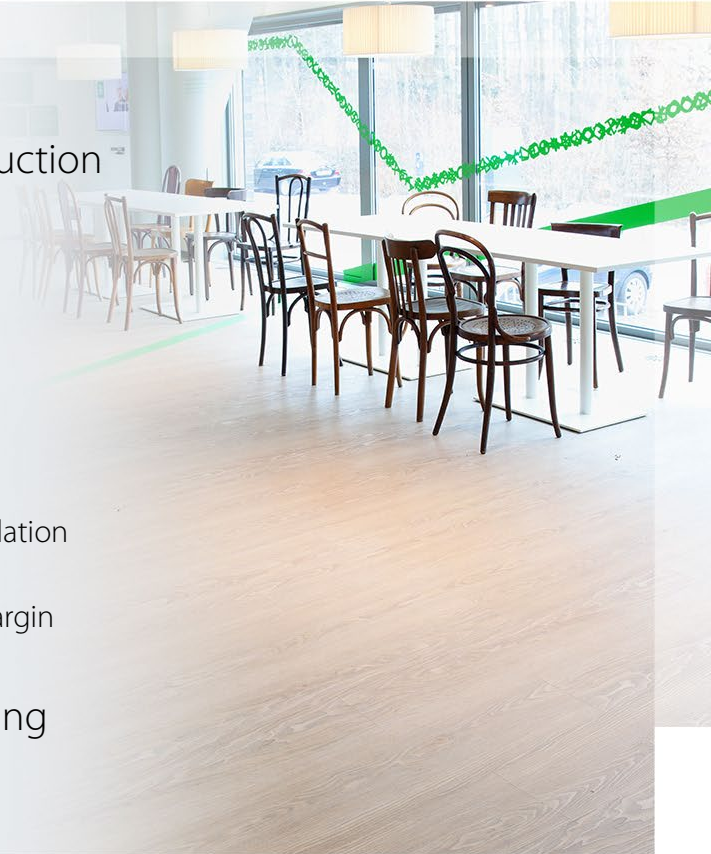


FLOORING SYSTEMS

FIRST HALF-YEAR 2024 IN A NUTSHELL



- Challenging market environment for the building and construction industry caused by continued high cost and interest rates
- Net sales in local currencies declined by 2.9%
 - Europe -4.3%
 - Americas +5.5%
 - Asia/Pacific -6.0%
- EBIT margin close to first half-year 2023
 - negative impacts: lower capacity utilization, higher salary cost driven by inflation as well as higher energy and freight cost
 - positive impacts: lower raw material prices, product mix in favor of high-margin products, and adjusted personnel
- Continued investments in operational efficiency, manufacturing footprint in the USA, and innovation



- Global introduction of **marmoleum solid** linoleum collection – climate positive floor covering
- Launch of **surestep** safety flooring with new surfaces and attractive colors
- Roll-out of Flotex **colour and advance** collection with loose lay installation options
- Introduction of new online color/design selection and sustainability impact assessment tools
- Intensification of key account management
- Participation at two major exhibitions: **salone del mobile** in Milan and **architect at work** in Munich, as well as over 20 other smaller local exhibitions and conferences

MOVEMENT SYSTEMS

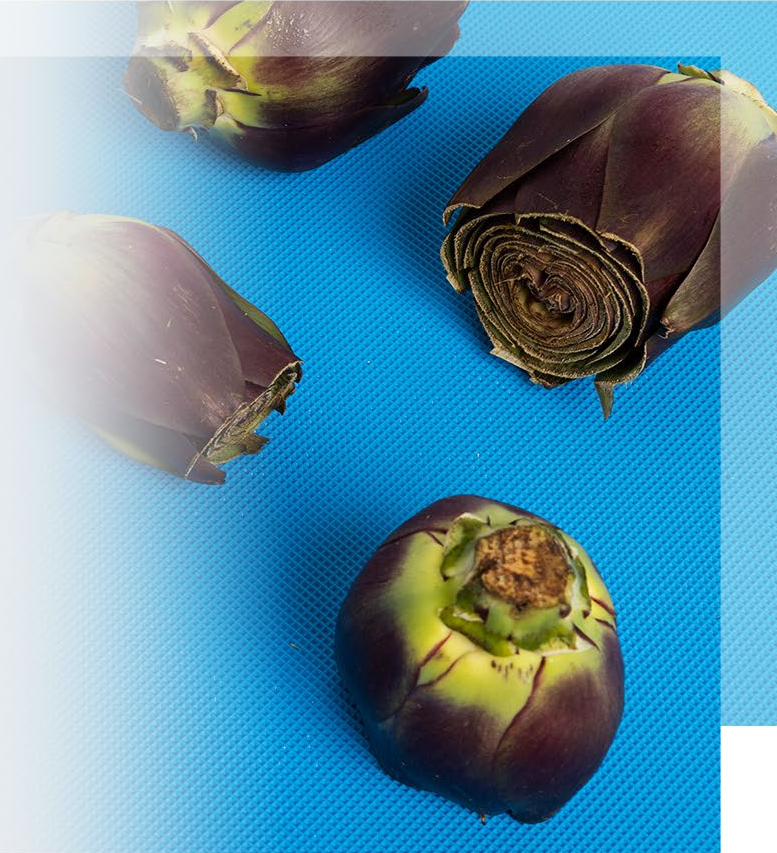
FIRST HALF-YEAR 2024 IN A NUTSHELL



- Reduced customer investments caused by adverse market environment in Europe and Asia/Pacific
- Net sales in local currencies declined by 5.2%
 - Europe –9.1%
 - Americas –1.1%
 - Asia/Pacific –3.5%
- Sales price levels maintained
- Double-digit EBIT margin sustained
 - negative impact: lower capacity utilization as well as operational challenges in the USA and in Germany
 - positive impact: slightly decreasing raw material prices and adjusted personnel
- Investments in innovation and modernization continued



- Launch of additional “pro snap” modules for **Prolink** plastic modular belt series with distinguished benefits for the food industry
- Introduction of **Transilon** conveyor belts for
 - hygiene-critical applications in the food industry to process dough, meat, poultry, seafood, fruit, and vegetables
 - applications in the automotive industry as inspection belts on car body press lines
 - high-quality treadmills in commercial gyms
- Participation at food and logistics/airport exhibitions in all regions



- Competitive portfolio
Introduction of attractive products and services supported by tailored marketing campaigns
- High service levels and cost efficiency
Continue operational excellence initiatives and resolve operational challenges
- Proximity to customers
Further strengthening of key account management
- Ongoing efforts for sustainable solutions
Increase of share of renewable and recycled raw materials in our products
- Strategic investment projects
 - expansion of Flotex production in Hazleton/USA, extending our manufacturing footprint (Flooring Systems)
 - finalization of second production line in Pinghu/China (Movement Systems)
 - modernization of manufacturing site in Fukuroi/Japan (Movement Systems)



FORBO GROUP

CONFIRMED FINANCIAL OUTLOOK FOR 2024



- Well positioned for the challenging market environment
 - healthy, debt-free financial base with positive net cash position
 - proven strategy
 - leading market positions

- We confirm the spring outlook for the full year 2024 based on
 - the measures initiated in the areas of production, logistics, and sales
 - the slightly positive trend in business performance in H1 2024 compared to H2 2023



QUESTIONS & ANSWERS

