

MEDIA AND FINANCIAL ANALYST MEETING

TUESDAY, MARCH 5, 2024

This E. Schneider
Jens Fankhänel
Andreas Jaeger

Chairman of the Board of Directors
Chief Executive Officer
Chief Financial Officer

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WELCOME & INTRODUCTORY REMARKS

THIS E. SCHNEIDER

FINANCIAL RESULTS 2023

ANDREAS JAEGER

ACTIVITIES & FOCUS

JENS FANKHÄNEL

OUTLOOK 2024

THIS E. SCHNEIDER

QUESTIONS & ANSWERS

THIS E. SCHNEIDER WELCOME & INTRODUCTORY REMARKS



- Geopolitical and macroeconomic situation deteriorated since Q3 2023
- Challenging market environment impacted demand
- Strong negative currency effects on net sales and EBIT
- Solid sales price increases
- Strong free cash flow generation
- Innovative and sustainable products launched
- Strategic investment projects well on track



Lower net sales due to restrained demand

Net sales decrease of 2.9% in local currencies

Strong negative currency effects

CHF 80 million on net sales; CHF 10 million on EBIT

Double-digit EBIT margin

11.1% (2022: 10.3%, including one-time impact)

Strong free cash flow generation

CHF 115.9 million (2022: CHF 50.5 million)

ANDREAS JAEGER FINANCIAL RESULTS 2023



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CONSOLIDATED INCOME STATEMENT



CHF MILLION	2023	2022	Δ
Net sales	1,175.2	1,293.2	-9.1%
Gross profit	401.7	440.8	-8.9%
<i>Gross profit margin</i>	34.2%	34.1%	
Operating expenses	-271.8	-308.2	
EBITDA	179.9	193.4	-7.0%
<i>EBITDA margin</i>	15.3%	15.0%	
Depreciation and amortization	-50.0	-60.8	
Operating profit (EBIT)	129.9	132.6	-2.0%
<i>EBIT margin</i>	11.1%	10.3%	
Financial result	+1.9	-1.6	
Group profit before taxes	131.8	131.0	+0.6%
Income taxes	-29.5	-29.6	
Group profit	102.3	101.4	+0.9%
Earnings per share undiluted in CHF	72.55	71.76	+1.1%
FTE	5,190	5,390	-3.7%

- Due to lower sales volumes (-9%), net sales declined by 2.9% in local currencies
 - Europe -3.3%
 - Americas -8.0%
 - Asia/Pacific +6.6%
- Gross profit margin maintained despite lower volumes
- Significantly higher personnel and energy cost
- Increased sales prices (+6%) mostly compensated for cost increases
- Operating result impacted by lower sales volumes and underutilization of capacities
- Double-digit EBIT margin
- Further reduced workforce

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CONSOLIDATED BALANCE SHEET



CHF MILLION	2023	2022
Non-current assets	378.2	388.6
Current assets	523.2	571.6
Cash and cash equivalents	69.1	46.7
Working capital	454.1	524.9
Total assets	901.4	960.2
Shareholders' equity	553.7	550.1
Equity ratio	61.4%	57.3%
Total liabilities	347.7	410.1
Current liabilities	219.3	291.6
Non-current liabilities	128.4	118.5
Total shareholders' equity and liabilities	901.4	960.2

- Solid balance sheet with net cash of CHF 69.0 million (exclusive leasing)
- Own shares totaling CHF 81.8 million
- Substantially improved net working capital
- Solid equity ratio

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CONSOLIDATED CASH FLOW STATEMENT



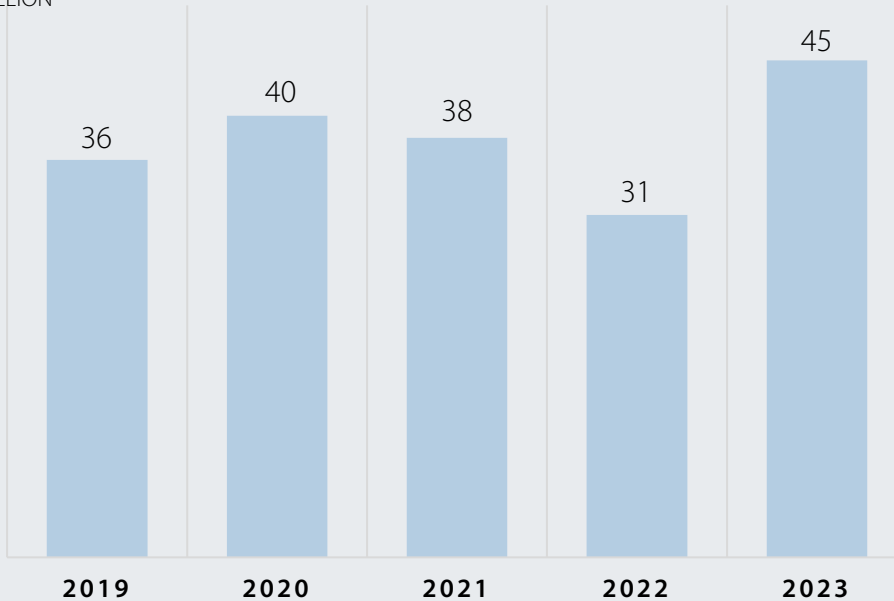
CHF MILLION	2023	2022
Cash flow from operating activities	160.0	80.6
Cash flow from investing activities	-44.1	-30.1
Free cash flow	115.9	50.5
Cash flow from financing activities	-87.9	-93.9

- Significant higher cash flow from operating activities due to improved inventory management
- Increased investment activities in strategic projects

FORBO GROUP CAPITAL EXPENDITURE

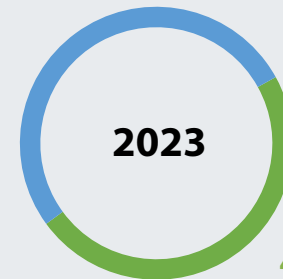


CHF MILLION



Wide-ranging investments combining sustainability and efficiency improvements as well as targeted capacity expansions

REPLACEMENT
52%



48%
**RATIONALIZATION
& EXTENSION**

JENS FANKHÄNEL ACTIVITIES & FOCUS



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2023 MARKET ENVIRONMENT AND MEASURES



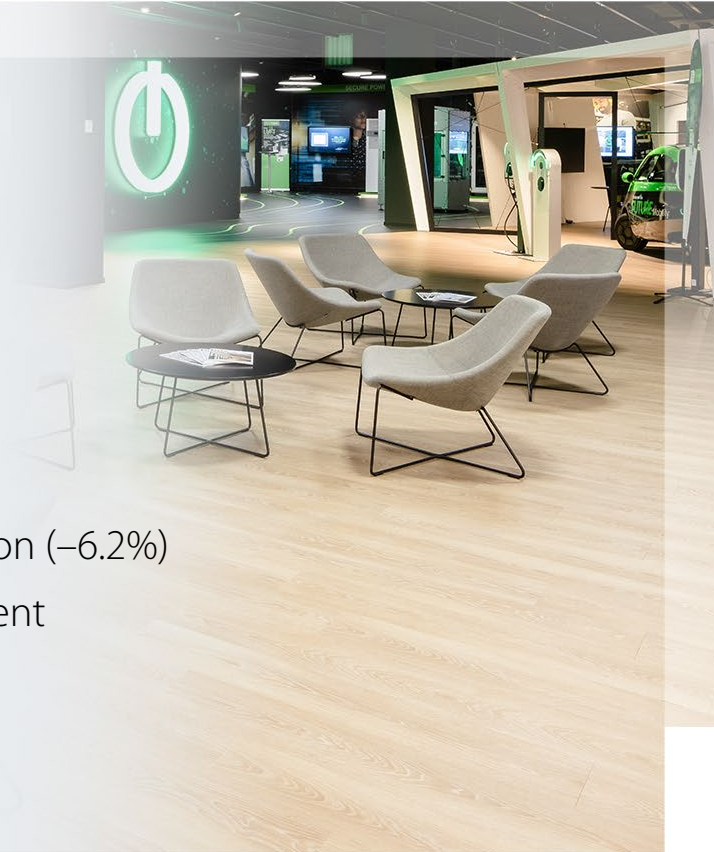
- Europe severely impacted by the economic downturn
- No market recovery in China
- Development in USA below expectations
- Measures to counteract market development
 - stringent implementation of efficiency measures and strict resources management
 - optimized sales and production planning
 - reduced workforce
 - launch of innovative and sustainable products
 - increased key account and segment focus



FLOORING SYSTEMS 2023 IN A NUTSHELL



- Challenging market environment for the building industry
 - restrained construction activity caused by inflationary cost increases and high interest rates
 - shift in renovation projects towards energy saving investments
 - weak demand in three main countries (France, Germany, and USA)
- Net sales in local currencies declined by 3.1%
 - Europe -3.4%
 - Americas -7.0%
 - Asia/Pacific +6.6%
- Strong negative currency effects on net sales of CHF 54 million (-6.2%)
- Solid sales price increases in a challenging market environment
- EBIT margin of 11.9%
- Expansion of Flotex production USA



FLOORING SYSTEMS

ATTRACTIVE COLLECTIONS



– Linoleum

- “marmoleum cocoa” launched in May with cocoa bean husks; for the first time with post-consumer recycled content
- “marmoleum solid” prepared for launch in January 2024, high-quality collection comprising 4 design families; containing post-consumer recycled content

– Vinyl

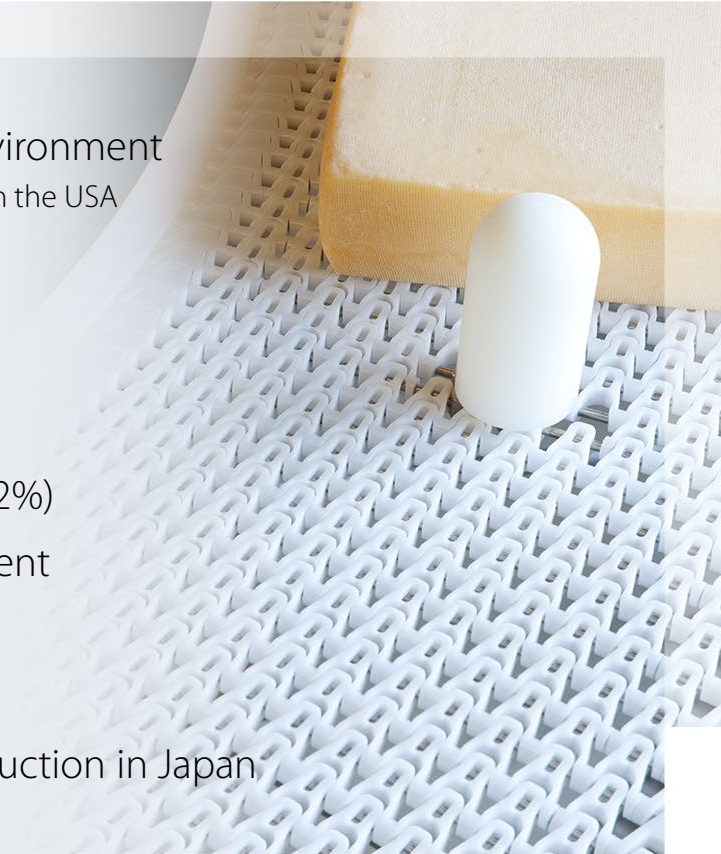
- “surestep” safety flooring with new surfaces and attractive colors prepared for launch in early 2024

– Textile

- “tessera union” carpet tiles launched in September with new colors and designs; mainly developed for office environments
- “flotex next” with bespoke digital designs and for the first time as loose lay option, addressing needs of hospitality, retail, leisure environments; launched in September



- Reduced customer spendings in an uncertain economic environment
 - reduced demand in the logistics segment with over-proportional impact in the USA
 - no market recovery in China
 - low market demand in Germany, strong deterioration in Q4 2023
- Net sales in local currencies declined by 2.6%
 - Europe –2.9%
 - Americas –9.0%
 - Asia/Pacific +6.6%
- Negative currency effects on net sales of CHF 26 million (–6.2%)
- Solid sales price increases in a challenging market environment
- Lower capacity utilization weighs on result
- EBIT margin of 11.7%
- Second production line in China and modernization of production in Japan



MOVEMENT SYSTEMS

NEW PRODUCTS AND SERVICE CENTERS



- Three new “fullsan” homogenous belt types for the food industry
- “transtex” strong belt mainly for agricultural harvesting processes of fruit and vegetables as well as processing of meat
- Two new “transilon” conveyor belts mainly for logistics and airport applications (content from recycled PET bottles and with AmpMiser energy saving coating)
- New established service centers in Lyon/France (industrial production), Vitoria/Spain (automotive industry) and Florida/USA (food industry)



Flooring Systems

94%

Electricity used in plants from renewable sources



Climate positive linoleum, cradle to gate

36%

Reduction of Scope 1 and 2 CO₂ emissions by 36% since 2019



Back to the floor programs offered in 13 countries

50%

Average portion of renewable, recycled, or abundant materials in flooring products represents 50%

Movement Systems



TÜV Rheinland confirmed up to 50% energy savings on AmpMiser belts



Numerous photovoltaic systems installed



Further process belts manufactured with recycled PET content

Group

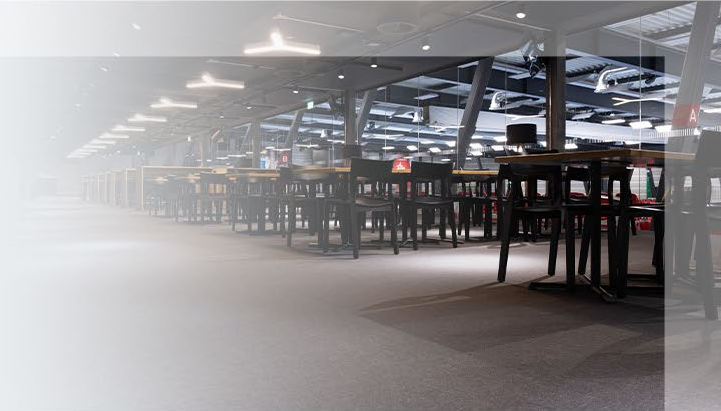
First Group-wide sustainability report

- Competitive portfolio
Introduction of attractive products and services supported by tailored marketing campaigns
- High service levels
Continuous operational excellence initiatives in all areas
- Proximity to customers
Intensified key account activities and increased sales and marketing efficiency
- Ongoing efforts for sustainable solutions
Expansion 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)
 - ramp-up of second production line in Pinghu/China (Movement Systems)
 - complete modernization of manufacturing site in Fukuroi/Japan (Movement Systems)

THIS E. SCHNEIDER OUTLOOK 2024



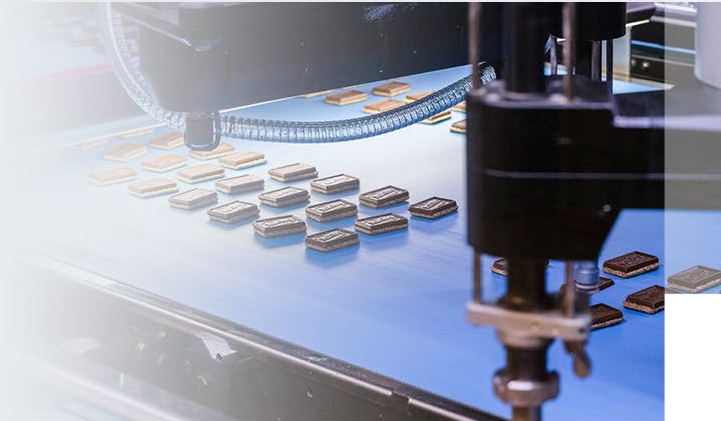
- Well positioned to face the current challenging market environment
 - healthy financial base with positive net cash position
 - proven strategy
 - leading market positions
- Ensure continued competitiveness and create the necessary basis to benefit from growing demand
 - targeted investments
 - innovative products and services
 - strategic initiatives



Currently there is no sign of a market recovery in the short term. This will continue to challenge us in all areas of the organization.

Provided the geopolitical and economic environment does not change significantly, we expect

- net sales and Group profit to grow in local currencies
- with foreign exchange rates at the current level, net sales of around CHF 1.2 billion and Group profit of up to CHF 110 million



- Dr. Peter Altorfer will not be standing for re-election at the 2024 Ordinary General Meeting
- The Board of Directors will propose two new Board members for election
 - **Jörg Kampmeyer**
Experienced executive with expert knowledge in the global construction materials industry, as well as in the areas of marketing and digitalization; Managing Partner at Gebr. Knauf AG, one of the world's biggest producers of construction materials with a turnover of approximately EUR 15 billion
 - **Bernhard Merki**
Extensive industrial and leadership experience in sectors related to Forbo's activities; entrepreneur with various Board memberships, among others, Chairman of EMS Chemie Holding AG
- Increase of dividend to CHF 25 per share (previous year: CHF 23), corresponding to a payout ratio of 34%

QUESTIONS & ANSWERS

