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- **Despite an adverse market environment, net sales declined only slightly**
- **Double-digit EBIT margin maintained**
- **Debt-free and solid cash flow**
- **Dividend remains unchanged at CHF 25 per share**
- **CO₂ emissions per square meter produced reduced**

The Forbo Group – a leading manufacturer of floor coverings, building and construction adhesives, as well as belts for power transmission and conveyor belt solutions – reported net sales of CHF 1,122.0 million in the 2024 business year. This represents a slight decline of 1.7% in local currencies (–4.5% in the corporate currency), despite an adverse market environment. Group operating profit (EBIT) declined by 7.2% to CHF 120.6 million (previous year: CHF 129.9 million). Profit stood at CHF 95.1 million, 7.0% lower compared to the previous year (CHF 102.3 million). With a free cash flow of CHF 91.8 million, the net cash position and treasury shares as of December 31, 2024 increased to CHF 165.3 million.

Baar, March 4, 2025

Forbo made significant progress over the past financial year, successfully advancing strategic projects that will strengthen Forbo's competitiveness and create new market opportunities for the future. In doing so, the company focused on measures to maintain profitability, improve operational efficiency and increase flexibility, alongside key investment projects. Forbo also successfully launched new products on the market and further improved the sustainability of its business. The measures have already shown positive results and are giving Forbo confidence as the company moves forward, despite the adverse market environment.

Forbo looks back on a demanding financial year. Global conflicts, political uncertainties, and inflation are dampening consumer sentiment and its clients' willingness to invest. The macroeconomic environment in Europe has not improved, and the expected recovery in China has not yet set in. Only the markets in the U.S. remained stable. Demand in both divisions remained modest: Flooring Systems was affected in particular by a lack of new construction and renovation projects, while Movement Systems was hampered primarily by its customers' caution to invest.

Net sales in local currencies slightly declined

In the reporting year, Forbo realized in an adverse market environment CHF 1,122.0 million (previous year: CHF 1,175.2 million) in net sales, representing a 1.7% decline in local currencies (volume: –1.1% and price: –0.6%). Because of negative currency effects, this corresponds to a 4.5% decrease in net sales in the corporate currency. The three regions exhibited distinctly different developments in local currencies. In the Americas, net sales in local currencies increased by +4.2%, while in the Asia/Pacific net sales decreased by –0.7% and in the Europe region by –3.9%.

Double-digit EBIT margin maintained

A double-digit EBIT margin has been maintained despite declining demand, leading to lower sales volumes, and inflation-related increases in personnel costs. This was achieved through adjusted operational structures and efficiency improvements. Furthermore, lower raw material prices had a positive impact on the annual results.

Operating profit before depreciation and amortization (EBITDA) decreased by CHF 13.6 million (–7.6%) to CHF 166.3 million (previous year: CHF 179.9 million). The Group's operating profit (EBIT) was CHF 9.3 million lower (–7.2%) at CHF 120.6 million (previous year: CHF 129.9 million). This resulted in an EBITDA margin of

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14.8% (previous year: 15.3%) and an EBIT margin of 10.7% (previous year: 11.1%).

Solid profit margin

The lower operating profit also decreased the Group's profit by 7.0% or CHF 7.2 million to CHF 95.1 million (previous year: CHF 102.3 million), despite a slightly lower tax rate of 21.8% (previous year: 22.4%) and a positive financial result of CHF +1.0 million (previous year: CHF +1.9 million).

Strong balance sheet and solid cash flow

Forbo's balance sheet is strong, and its equity ratio has been further increased to 64.1%. Forbo is debt-free and holds net cash of CHF 109.1 million. Additionally, as of year-end 2024, the company owns treasury shares valued at CHF 56.2 million at market price.

With a solid free cash flow of CHF 91.8 million, net cash and treasury shares increased to CHF 165.3 million as of December 31, 2024. This gives Forbo flexibility and opens up business opportunities for the future.

Performance of the divisions

At **Forbo Flooring Systems**, demand was particularly affected by the lack of new construction and renovation projects, as its customers postponed, scaled down, or even cancelled projects due to market uncertainty and persistently high construction costs. Additionally, project shifts continued in favor of energy-saving investments. Net sales decreased by 1.3% in local currencies to CHF 765.6 million (previous year: CHF 796.5 million) – a 3.9% decline in the corporate currency. The division accounted for 68.2% of Group net sales in 2024. In local currencies, net sales developed as follows: Americas +6,3%, Asia/Pacific +2,4%, and Europe –3,3%.

In this adverse market environment, Flooring Systems had to make slight reductions in sales prices for selected larger projects. In the U.S., the division is pressing ahead with investments in the Flotex production line to accommodate market growth for its unique product.

The operating profit (EBIT) increased by 4.3% to CHF 99.0 million (previous year: CHF 94.9 million). Savings in operating costs and lower raw material prices helped improve the EBIT

margin despite the negative effects of specific price reductions for major projects, inflation-related increases in personnel costs, and unfavorable currency effects. The EBIT margin increased by 1.0 percentage point to 12.9% (previous year: 11.9%).

At **Forbo Movement Systems**, the decline in demand is primarily due to its customers' cautious investment behavior as they have reduced their spending in response to subdued customer sentiment. As a result, net sales decreased by 2.7% in local currencies to CHF 356.4 million (previous year: CHF 378.7 million) – a 5.9% decline in the corporate currency. The division accounted for 31.8% of Group net sales in 2024. In local currencies, net sales performance was as follows: Americas +2,1%, Asia/Pacific –2,9%, and Europe –6,3%.

Sales prices were maintained at the previous year's level. The divisions' efforts to increase productivity at its U.S. organization have not yet delivered the expected results. Uncertainties in the European market have prompted its customers to place orders at shorter notice, resulting in delivery bottlenecks. In China, the second production line was successfully commissioned in the fourth quarter of 2024, enabling Movement Systems to serve the still attractive Asian market even better. The complete modernization of the production facility in Japan is proceeding according to plan.

The operating profit (EBIT) declined significantly to CHF 30.4 million (previous year: CHF 44.3 million), due to lower net sales, underutilized plants on account of lower volumes, negative currency effects, and higher inflation-related personnel costs. Volume-related changes in the personnel structure and lower cost of raw materials only partially offset these effects. The EBIT margin decreased by 3.2 percentage points to 8.5% (previous year: 11.7%).

CO₂ reduction targets defined

Sustainability has a long tradition at Forbo. The company has been producing linoleum – a floor covering made almost entirely from renewable raw materials and that is biodegradable – since the late nineteenth century, and as part of the current Forbo Group since 1928. Building on this tradition, the company wants to improve every year and has therefore significantly ex-

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panded its sustainability report. Forbo has set binding targets for key indicators, amongst others for CO₂ emissions. In the year under review, the company was able to reduce CO₂ emissions (Scope 1 and 2) per square meter produced by 2.5% compared to the previous year.

Proposals to the Ordinary General Meeting

Changes in the Board of Directors

This E. Schneider will no longer be standing for re-election as a member of the Board of Directors at the Ordinary General Meeting 2025. He joined the Board in 2004 and was Delegate of the Board of Directors and the Forbo Group's CEO until the end of 2013. From 2014 to the beginning of 2023, he was the Executive Chairman of the Board of Directors of Forbo Holding Ltd. He has been leading the company as Chairman of the Board of Directors since April 2023.

As part of its long-term succession planning, the Board of Directors of Forbo Holding Ltd will propose to the Ordinary General Meeting on April 4, 2025, that Bernhard Merki be elected as Chairman of the Board of Directors of Forbo Holding Ltd.

Steady dividend

Due to the solid free cash flow and strong equity base, the Board of Directors will propose to the Ordinary General Meeting an unchanged dividend as in the previous year of CHF 25 per share for the 2024 financial year.

Priorities in 2025

Innovative and sustainable products and services, high product availability, and proximity to customers are the key success factors in the current market environment. Forbo is thus actively pursuing its defined sales and marketing activities as well as important operational excellence initiatives. In a geopolitical environment marked by tensions, it is crucial for the company to deploy its resources and assets in an entrepreneurial manner.

Forbo will remain with the strategy that has proven to be successful in recent years. The company has an attractive product portfolio in both divisions and continues to invest in its sustainable range of products and services as well as in growth markets. Digitalization, as well as new and expanded production technologies,

enable Forbo to focus on further increasing its efficiency and making the company more sustainable across the board. Furthermore, the company will seize external growth opportunities, provided they allow Forbo to add value in the long term.

Outlook for 2025

In view of its strong and debt-free balance sheet, proven strategy, and leading market positions, Forbo is well positioned to prevail in the challenging market environment. Thanks to its targeted investments and innovations, the company will further strengthen its competitiveness and create the necessary basis to benefit from rising demand.

Provided the geopolitical and economic environments do not change significantly, Forbo expects to see a slight year-on-year increase in net sales, in local currencies, and profit for the 2025 financial year.

Please find further information in the 2024 Annual Report published online this morning: www.forbo.com -> Investors

Forbo is a leading producer of floor coverings, building and construction adhesives, as well as belts for power transmission and lightweight conveyor technology. For its clients, the company offers tailored solutions that stand out for their functionality, quality, design, and sustainability.

The sustainable manufacture of environmentally friendly products has long been an integral part of the strategy. Forbo's linoleum floor coverings are made from natural raw materials. Linoleum is biodegradable and climate-positive (cradle to gate), without offsetting. For its manufacture of heterogenous vinyl floor coverings, Forbo uses the latest generation of phthalate-free plasticizers. The BioBelt is a conveyor belt consisting of at least 20% renewable raw materials. The AmpMiser conveyor belt allows savings in energy of up to 50%.

The company employs about 5,100 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 is

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headquartered in Baar in the canton of Zug,
Switzerland.

The Group company Forbo Holding Ltd is listed
on SIX Swiss Exchange (security number
354151, ISIN CH0003541510, Bloomberg FORN
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