

# TO OUR SHAREHOLDERS



**Bernhard Merki**  
Chairman of the Board of Directors

**Johannes Huber**  
Chief Executive Officer

## Dear shareholders,

As anticipated, the 2025 financial year was shaped by a challenging macroeconomic and geopolitical environment. Rising tariffs and mounting tensions in trade policy caused uncertainty for companies and consumers worldwide. In Europe, the manufacturing industry is undergoing further restructuring as a result of deteriorating local conditions, especially in the form of high energy costs and additional regulatory constraints. At the same time, many European countries are facing significant fiscal pressure, further limiting their economic policy flexibility. In the United States, rising inflation expectations have dampened investment and consumer spending. In China, the construction market remains sluggish, and declining exports to the US are further slowing economic growth. The fragile global environment has caused the Swiss franc to appreciate even more.

Against this backdrop, the Forbo Group placed a clear priority on stabilizing and further strengthening its leadership team in 2025. Following personnel changes on the Board of Directors and the Group Executive Board in 2025, the second half of the year saw significant measures to stabilize the Group and develop its strategy further in the long term. With the election of Bernhard Merki as Chairman of the Board of Directors in April 2025, supported by the experienced interim CFO Peter Germann since October 2025, and of Johannes Huber as Chief Executive Officer, who started on January 1, 2026, the Forbo Group's leadership team has been complete again since the beginning of the year. As of July 1, 2026, the CFO position will also be filled permanently when Heinz Hössli joins the company.

The new leadership team is setting clear priorities to further develop the divisions, accelerate targeted innovation, and enhance operational excellence, with the aim of returning to sustainable, profitable growth and long-term value creation for our shareholders.

In 2025, Forbo made measurable progress in executing its key operational initiatives, consistent with its long-term strategic objectives. **Movement Systems** expanded its manufacturing capacity in Japan, while **Flooring Systems** strengthened its presence in the US. These measures reduced our exposure to trade barriers and strengthened the long-term robustness of our supply chains. At the same time, we successfully brought key innovations to market readiness and strategically expanded our product portfolio, thus increasing Forbo's structural resilience and laying a solid foundation for positive development in the years ahead.

### Forbo Group

With net sales of CHF 1,085.4 million in the 2025 financial year, Forbo registered a year-on-year decline of 3.3% (previous year: CHF 1,122.0 million). In local currencies, sales decreased by 0.3%. The development by region was mixed. While sales in Europe increased slightly in local currencies, the Asia/Pacific and America regions both saw slight decreases.

Declining sales, lower capacity utilization, the appreciation of the Swiss franc, and higher costs had a negative effect on the operating result. At the same time, we invested specifically in sales and innovation to ensure growth in the future and strengthen our market position in the long term. Earnings before interest, taxes, depreciation, and amortization (EBITDA) fell by 17.7% to CHF 136.8 million (previous year: CHF 166.3 million). At CHF 87.8 million, earnings before interest and taxes (EBIT) came in 27.2% lower year-on-year (previous year: CHF 120.6 million). This resulted in an EBITDA margin of 12.6% (previous year: 14.8%) and an EBIT margin of 8.1% (previous year: 10.7%).

**Flooring Systems** achieved net sales of CHF 738.2 million in 2025 (previous year: CHF 765.6 million), a decline of 3.6% (-1.2% in local currency). Sales volumes and prices both fell by 0.6% year-on-year. The operating result declined by 18.7% to CHF 80.5 million (previous year: CHF 99.0 million). The construction and renovation market was sluggish and very competitive during the financial year, particularly in the core European markets. Additional tariffs imposed at short notice on exports from Switzerland and the EU to the US also negatively affected earnings. Steady product innovation, optimized supply chains, and the implementation of key sales initiatives helped the division become even more resilient.

**Movement Systems** achieved net sales of CHF 347.2 million in the reporting year (previous year: CHF 356.4 million), a decline of 2.6% (+1.7% in local currency). Sales volumes declined by 0.2% year-on-year, while prices increased by 1.9%. The operating result fell by 49.3% to CHF 15.4 million (previous year: CHF 30.4 million). The reluctance among customers in the US to invest led to a decline in sales in the region in local currencies, while sales growth was achieved in Europe and the Asia/Pacific (APAC) region. Sales price increases could not fully offset the higher costs associated with targeted positioning in structurally attractive markets such as food processing and food logistics, airport and aviation applications, and e-commerce.

**Profit, cash flow, and investments**

As a result of the lower operating result and a lower tax rate of 20.7% (previous year: 21.8%), Forbo generated a profit of CHF 68.9 million (previous year: CHF 95.1 million), corresponding to a decline of 27.5%. Earnings per share (undiluted) decreased by 27.7% to CHF 48.75 (previous year: CHF 67.45). Investments of CHF 47.0 million (previous year: CHF 46.1 million) were financed fully from the operating cash flow of CHF 74.0 million (previous year: CHF 135.6 million).

**Balance sheet**

Forbo maintains a solid balance sheet. The equity ratio at the end of 2025 was 66.8% (previous year 64.1%). The Group is debt-free and has a net cash position.

**Sustainability**

Sustainability is a core pillar of the Forbo Group's corporate strategy. A significant proportion of Forbo's products is based on sustainable materials, such as the natural product Marmoleum (linoleum), which is climate positive from cradle-to-gate without offsetting. In 2025, we further expanded our ESG reporting and systematically pressed ahead with implementing our sustainability goals. Sustainable products, energy efficiency, and the circular economy remain integral parts of Forbo's strategy.

**Information and motions to the Forbo Ordinary General Meeting****Change to the Board of Directors**

The Board of Directors will propose to the Forbo Ordinary General Meeting the election of Ilias Läber as a new member of the Board of Directors. Ilias Läber is Co-Founder and Managing Partner of SEO Management AG and currently serves on the boards of several companies operating at national and international levels. With Ilias Läber, the Board of Directors will be strengthened by a personality with broad industrial and entrepreneurial expertise relevant to both of Forbo's business units.

All current members of the Board of Directors will stand for re-election for a further one-year term.

**Stable dividends**

In view of the solid balance sheet and equity ratio, the Board of Directors will propose to the Forbo Ordinary General Meeting an unchanged dividend of CHF 25.00 per share.

## Outlook for 2026

We expect the market environment to remain challenging in the 2026 financial year. At present, there are no signs of a broad-based economic recovery. Forbo is pursuing clear strategic priorities: a stronger customer focus, more efficiency in sales, a focus on innovation and operational excellence, and strict cost discipline. This puts Forbo in a good position to respond flexibly to market changes and strengthen the foundation for sustainable, profitable growth.

For the 2026 financial year, Forbo expects slightly lower sales due to currency effects and slightly higher profit than in the previous year.

## A thank you to our stakeholders

On behalf of the Board of Directors, we would like to thank our shareholders, employees, customers, and other business partners for their trust, support, and commitment. It is essential for us to be able to rely on you, especially in the challenging current environment, as you provide the basis for Forbo's profitable growth in the short, medium, and long term. We fully appreciate your continued support and confidence in the long-term success of our company.

Baar, March 2026



Bernhard Merki  
Chairman of the Board of Directors



Johannes Huber  
Chief Executive Officer