

FORBO IS A LEADING PRODUCER OF FLOOR COVERINGS, BUILDING AND CONSTRUCTION ADHESIVES, AS WELL AS BELTS FOR POWER TRANSMISSION AND LIGHTWEIGHT CONVEYOR TECHNOLOGY.

For our clients, we offer tailored solutions that stand out for their functionality, quality, design, and sustainability. The company employs about 5,100 people and has an international network of 25 production and distribution companies, 6 fabrication centers, and 47 pure sales organizations in a total of 39 countries. Forbo is headquartered in Baar in the canton of Zug, Switzerland.

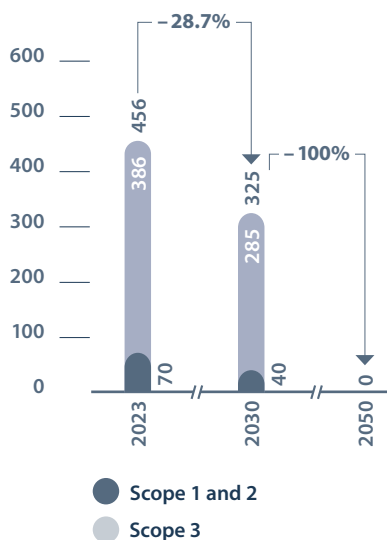
WHAT FORBO STANDS FOR

Forbo has stood for sustainability and reliability for many years. Environmental friendliness has a long tradition at Forbo. Since the late nineteenth century, we have been producing linoleum, a biodegradable floor covering made almost exclusively from renewable raw materials. Our linoleum has a negative carbon footprint (cradle-to-gate), making it climate-positive without the need for buying offsetting certificates. We attach great importance to quality and on-time deliveries to our customers and assume corporate responsibility vis-à-vis our employees.

Forbo aims to achieve global leadership positions in clearly defined market segments, based on a customer-centric approach, high service levels, innovation, sustainability, digital transformation, and a strong brand. Forbo has a strong presence in the European and North American markets and is expanding its key positions in growth markets. We continuously invest in product innovation and new applications. At Flooring Systems, we focus on durable solutions that our customers can install easily, require low maintenance, and allow for individual design. At Movement Systems, we invest in capacity expansion and develop innovative conveyor belts in close collaboration with our customers, significantly reducing their energy consumption. In doing so, we make an important contribution to sustainability while simultaneously increasing our customers' productivity.

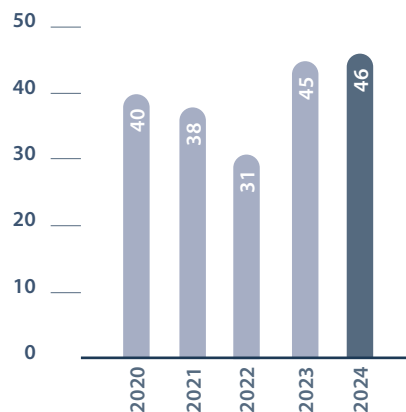
CO₂ net-zero target

CO₂ emission (KT/CO₂e) –
Scope 1, 2 and 3



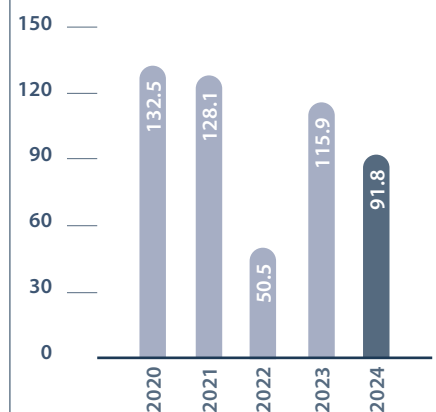
Investments

CHF million



Free cash flow

CHF million



2024 IN BRIEF

The year 2024 was characterized by a challenging political and economic environment. Geopolitical tensions, particularly the conflicts in Ukraine and the Middle East, shaped the political landscape. The economic situation remained heavily burdened by these uncertainties. In particular, the economies of Europe have suffered, especially those of Germany, the Netherlands, and Sweden. Moreover, China has also underperformed expectations. As a result of these uncertainties, companies were reluctant to invest, and consumer sentiment remained at a low level, especially in the European markets that are important to us. At the same time, great efforts were made to intensify climate protection, curb inflation, and deal with the consequences of high energy costs.

We were unable to isolate ourselves from the effects of this economic environment: on the one hand, our sales suffered from the significant decline in demand, primarily in the European markets and in China. On the other hand, sales were also hit by negative currency effects, particularly on the euro.

We systematically implemented the measures introduced to improve profitability and increase efficiency. We adapted our operational structures to the lower volumes and concluded or pressed further ahead with our strategic investment projects. We introduced new collections and reduced our CO₂ emissions (Scope 1 and 2) by 2.5% per square meter produced. Even in this challenging environment, we generated a solid cash flow.

We have a strong balance sheet, increased our equity ratio further, are debt-free, and increased net cash and cash equivalents further. This gives us flexibility and opens up business opportunities for the future.

Net sales
CHF million

1,122.0

– 1.7 %

in local currencies

EBIT
CHF million

120.6

– 7.2 %

EBIT margin
%

10.7

– 0.4 %POINTS

Profit
CHF million

95.1

– 7.0 %

Net cash
CHF million

109.1

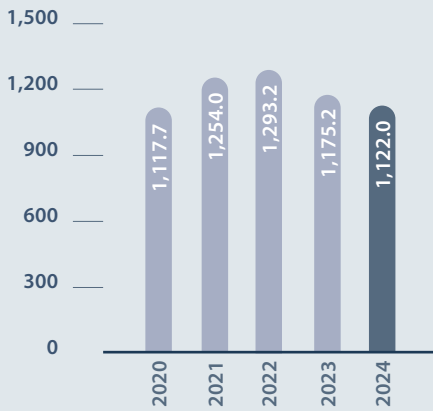
+ 58.1 %

Equity ratio
%

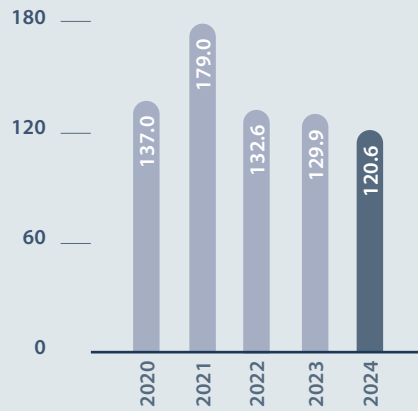
64.1

+ 2.7 %POINTS

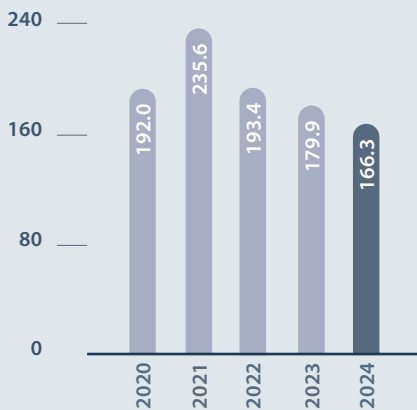
Net sales
CHF million



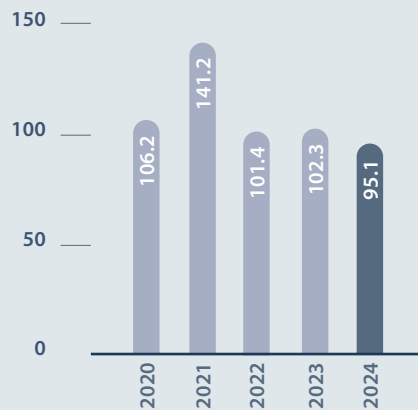
EBIT
CHF million



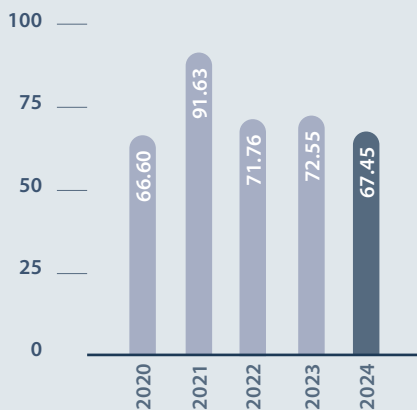
EBITDA
CHF million



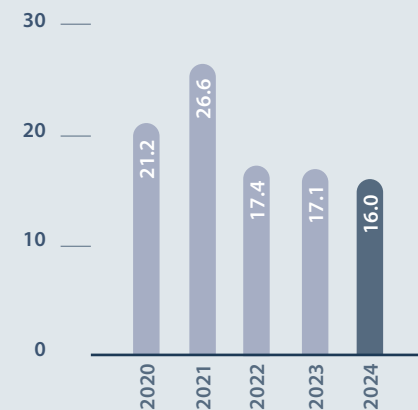
Profit
CHF million



Earnings per share
(undiluted) CHF



ROIC
%



-2.5%

Scope 1 and 2 emissions intensity

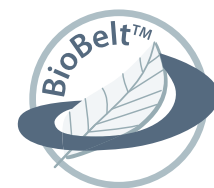
72%

of the electricity used comes from sustainable sources



marmoleum®
climate positive
CRADLE TO GATE

climate-positive linoleum



Conveyor belt with bio-based PVC and plasticizers

FORBO IN FIGURES

The table below provides a compact overview of the key financial and operational company metrics for the reporting year compared to the previous year.

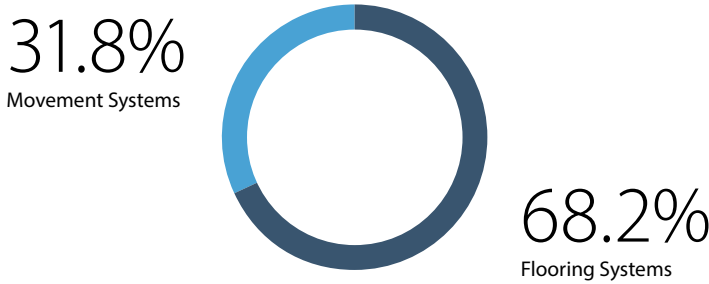
	2024	2023	2024	2023
Income statement	CHF m	CHF m	EUR m ¹⁾	EUR m ¹⁾
Net sales with third parties	1,122.0	1,175.2	1,178.2	1,209.7
Flooring Systems	765.6	796.5	803.9	819.9
Movement Systems	356.4	378.7	374.3	389.8
Operating profit before depreciation and amortization (EBITDA)	166.3	179.9	174.6	185.2
Operating profit (EBIT)	120.6	129.9	126.6	133.7
Profit	95.1	102.3	99.9	105.3
Balance sheet	CHF m	CHF m	EUR m ¹⁾	EUR m ¹⁾
Total assets	975.8	901.4	1,024.7	927.8
Operating assets	838.3	801.5	880.3	825.0
Shareholders' equity	626.0	553.7	657.4	569.9
Net cash ²⁾	109.1	69.0	114.6	71.0
Cash flow statement	CHF m	CHF m	EUR m ¹⁾	EUR m ¹⁾
Cash flow from operating activities	135.6	160.0	142.4	164.7
Cash flow from investing activities	-43.8	-44.1	-46.0	-45.4
Free cash flow	91.8	115.9	96.4	119.3
Key ratios	%	%		
ROS (EBITDA/net sales)	14.8	15.3		
Return on invested capital (ROIC) ³⁾	16.0	17.1		
Equity ratio (shareholders' equity/total assets)	64.1	61.4		
Gearing (net debt/shareholders' equity)	-17.4	-12.5		
Employees (as at December 31)	Number	Number		
Total full-time equivalents	5,059	5,190		
Ratios per share	CHF	CHF	EUR ¹⁾	EUR ¹⁾
Earnings per share (undiluted) ⁶⁾	67.45	72.55	70.83	74.68
Equity (undiluted)	443.86	392.76	446.09	404.28
Dividend	25.00 ⁴⁾	25.00 ⁵⁾	26.25 ⁴⁾	25.73 ⁵⁾
Stock market capitalization (as at December 31)	CHF m	CHF m	EUR m ¹⁾	EUR m ¹⁾
Stock market capitalization ⁷⁾	1,121.2	1,565.2	1,177.4	1,611.1

- 1) Euro values translated at the average annual exchange rate of CHF 0.9523/1 EUR (2024) and CHF 0.9715/1 EUR (2023).
- 2) Cash and cash equivalents, plus short-term investments, less interest-bearing liabilities, excluding leasing liabilities.
- 3) Operating profit after tax, divided by the annual average balance of shareholders' equity, plus financial liabilities, less cash and cash equivalents.

- 4) The Board of Directors proposes to the Ordinary General Meeting of April 4, 2025, the distribution of a dividend in the amount of CHF 25.00 per registered share.
- 5) Approval of a dividend of CHF 25.00 per registered share at the Ordinary General Meeting of April 5, 2024.
- 6) See note 11 'Earnings per share' on page 146 of the Financial Report.
- 7) Total number of shares multiplied by year-end share price.

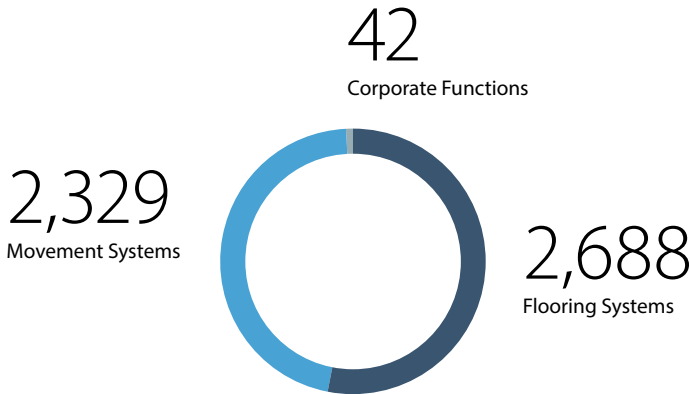
Net sales by division

	2024 CHF m	Change on previous year		In % of total
		in %	in local currencies in %	
Flooring Systems	765.6	-3.9	-1.3	68.2
Movement Systems	356.4	-5.9	-2.7	31.8
Total net sales to third parties	1,122.0	-4.5	-1.7	100.0



Full-time equivalents by division

	2024 number	Change on previous year in %		In % of total
Flooring Systems	2,688	-1.9		53.1
Movement Systems	2,329	-3.3		46.0
Corporate Functions	42	2.4		0.9
Total	5,059	-2.5		100.0



The **Forbo Flooring Systems** division generated net sales of CHF 765.6 million (previous year: CHF 796.5 million), which corresponds to a 1.3% decrease in local currencies (–3.9% in the corporate currency). Demand was heavily influenced by fewer construction projects due to persistently high costs and interest rates. Moreover, customers shifted their spending on renovation projects to energy-saving investments. The division accounted for 68.2% of Group net sales in 2024.

In Europe, the markets in Italy, Spain, and some Eastern European countries experienced positive growth. Great Britain reached the previous year's level thanks to an increase in public sector projects. Germany, Benelux, and Sweden saw significant declines. The building and construction adhesives activity was able to maintain its prior-year level, largely due to the Eastern European markets and the launch of innovative products.

The Americas region grew, due in particular to the U.S. as the main market, while the markets in Canada and Brazil declined. Lower net sales in the Asia/Pacific region were mainly brought on by China and Hong Kong. However, strong growth in Taiwan compensated somewhat, especially from projects in the semiconductor industry. South Korea saw a slight increase in net sales, while Australia and Japan did not reach the previous year's level.

The **Forbo Movement Systems** division reported net sales of CHF 356.4 million (previous year: CHF 378.7 million), a 2.7% decrease in local currencies (–5.9% in the corporate currency). Demand in the globally important customer segment of logistics remained modest. In addition, there was no economic recovery in China, a key market for Movement Systems. The division accounted for 31.8% of Group net sales in 2024.

In Europe, only Eastern Europe realized a growth in net sales. All other European countries experienced varying degrees of declines in their net sales. The modest investment activity of Movement Systems' customers was particularly noticeable in the main market Germany.

In the Americas region, the U.S., as the main market, maintained the previous year's level but was unable to fully capitalize on the positive market environment. Measures initiated to optimize operational processes to improve the on-time delivery and the expansion of corresponding service levels have not yet delivered the expected results. Mexico, on the other hand, saw significant growth derived largely from its well-established food segment.

Asia/Pacific, Hong Kong and almost all South and Southeast Asian markets showed growth in net sales. While Japan managed to maintain its prior-year level, the other established operations, such as Australia and South Korea, saw declining sales. The expected economic recovery in China has not yet materialized, and the country saw a significant decline in net sales.

EBITDA by division

	2024 CHF m	Change on previous year in %	–25	0	25	50	75	100	125
Flooring Systems	123.8	0.5							
Movement Systems	50.8	–22.4							
Corporate	–8.3	5.7							

Continued double-digit EBIT margin

A double-digit EBIT margin could be maintained despite lower demand, declining sales volumes (–1.1%), and inflation-related increases in personnel costs. This was achieved by adjusting operations and increasing efficiency, while lower prices for raw materials also had a positive effect on the annual results.

The Group's operating profit before depreciation and amortization (EBITDA) decreased by 7.6% to CHF 166.3 million (previous year: CHF 179.9 million). The EBITDA of the Flooring Systems division increased

by 0.5% to CHF 123.8 million (previous year: CHF 123.2 million). In the case of Movement Systems, the EBITDA decreased by 22.4% to CHF 50.8 million (previous year: CHF 65.5 million).

The Group posted an EBITDA margin of 14.8% (previous year: 15.3%). The EBITDA margin of Flooring Systems increased by 0.7 percentage points to 16.2% (previous year: 15.5%), and the EBITDA margin for Movement Systems decreased by 3.0 percentage points to 14.3% (previous year: 17.3%).

The Group's operating profit (EBIT) came in 7.2% lower at CHF 120.6 million (previous year: CHF 129.9 million). The Group's EBIT margin declined from 11.1% in the previous year to 10.7% in the year under review.

The operating profit (EBIT) for Flooring Systems 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%).

The operating profit (EBIT) of Movement Systems 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. The organization's performance in the U.S. has not yet met our expectations. Also, the operational improvements at the location in Germany. 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%).

EBIT by division

	2024 CHF m	Change on previous year in %	-25	0	25	50	75	100	125
Flooring Systems	99.0	4.3							
Movement Systems	30.4	-31.4							
Corporate	-8.8	5.4							

Profit below the previous year

Finance costs in 2024 came to CHF 1.7 million (previous year: CHF 3.8 million), mainly as the result of lower interest costs. At the same time, finance income decreased to CHF 2.7 million (previous year: CHF 5.7 million) as lower currency gains offset higher

interest income. Overall, the net financial result came to CHF +1.0 million (previous year: CHF +1.9 million). The tax rate in the reporting year was 21.8% (previous year: 22.4%), slightly below the long-term average. Group profit thus decreased by 7.0% to CHF 95.1 million (previous year: CHF 102.3 million).

Free cash flow

	2024 CHF m	2023 CHF m	-50	0	50	100	150	200
Cash flow from operating activities	135.6	160.0						
Cash flow from investing activities	-43.8	-44.1						
Free cash flow	91.8	115.9						

Solid free cash flow

For the reporting year, cash flow from operating activities amounted to CHF 135.6 million (previous year: CHF 160.0 million). The decreased year-on-year amount is attributable not only to the lower operating result but also to the fact that inventory was significantly reduced in the previous year, while it was

deliberately built up in the year under review, to improve the delivery readiness. The strategic investment projects were systematically completed or advanced so that the cash flow from investments remained virtually unchanged at CHF -43.8 million (previous year: CHF -44.1 million). Free cash flow came to CHF 91.8 million (previous year: CHF 115.9 million).

Investments 2020 – 2024

	Flooring Systems CHF m	Movement Systems CHF m	Corporate CHF m	Total CHF m	
2024	27	18	1	46	
2023	27	18	0	45	
2022	18	13	0	31	
2021	23	15	0	38	
2020	21	19	0	40	

Investments in efficiency and sustainability

During the reporting year, funds were invested particularly in developing the product portfolio, technology, sustainability, and expanding capacities. The Group's total investments in property, plant, and equipment and intangible assets in 2024 came to CHF 46.1 million (previous year: CHF 45.3 million), a slight increase of 1.8%. In total, 57% of the investments were for replacements and 43% for rationalizations and expansions.

Flooring Systems invested CHF 27.1 million during the reporting year (previous year: CHF 26.8 million). As in the previous year, a significant part of this went towards expanding the Flotex flooring plant in the U.S. Investments at the vinyl plant in Coevorden, the Netherlands, were for the homogenous vinyl line to improve product quality in packaging, dimensional stability, and to increase production efficiency. Further

significant investments in vinyl were made at the plant in Reims, France, which when modified can integrate a higher proportion of recycled material into our products and will thus reduce our carbon footprint considerably. Other smaller investments in various production facilities were made to renew equipment and improve production capacity and quality.

Investments in Movement Systems' property, plant, and equipment came to CHF 18.1 million (previous year: CHF 17.8 million). Most of these funds went to modernizing the production site in Fukuroi in Japan. Investments to reduce energy consumption, for example, also went into ventilation systems, further modernizing production facilities, new service centers, and installing additional photovoltaic systems in Europe.

Full-time equivalents by geographic area

	2024 in %	Change on previous year in %	2024 number	
Benelux	18.8	-4.2	949	
Germany	11.9	-5.3	602	
Great Britain/Ireland	9.3	-1.5	473	
France	7.8	-2.2	395	
Switzerland	3.6	0.0	180	
Scandinavia	3.4	-3.9	171	
Other countries Europe	14.6	1.1	743	
Europe	69.4	-2.5	3,513	
USA	11.1	-2.8	560	
Other countries Americas	4.1	2.5	209	
Americas	15.2	-1.4	769	
Asia/Pacific and Africa	15.4	-3.6	777	
Total	100.0	-2.5	5,059	

Prudent personnel management

At the end of 2024, the Forbo Group consisted of 5,059 full-time equivalents, 131 fewer than at the end of the previous year. The changes in equivalent numbers of employees largely reflect market and business trends in the respective countries and regions, with the year-end as the reference date.

Following adjustments to operating structures in the previous year, personnel was managed with due care during the reporting year, with new employees being hired closely in line with business developments. The decline in demand called for adjustments to the workforce and shift models at the production sites as well as to the number of employees in administration and sales.