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HALF-YEAR REPORT 2026

NET SALES IN LOCAL CURRENCIES INCREASED
BY 4% COMPARED TO PRIOR-YEAR PERIOD

INITIAL OPERATIONAL IMPROVEMENTS
ARE ALREADY SHOWING IMPACT

2026 FULL-YEAR GUIDANCE CONFIRMED

flooring. movement.

forbo

Shareholders' Letter

In the first half of 2026, Forbo returned to growth in local currencies while continuing operating in a demanding market environment. Net sales amounted to CHF 545.7 million, broadly in line with the prior-year period. In local currencies, net sales grew 4.0%. The operating profit in CHF is 2.3% below prior year due to adverse currency effects, higher procurement costs, and one-off costs of CHF 4.6 million related to structural adjustments. Excluding the one-off effects, the operating profit improved by 8.4%, supported by the first results from operational improvement initiatives. While Flooring Systems continued to be impacted by the weak construction market and ongoing margin pressure, Movement Systems benefitted from a recovery in core market segments. Forbo strengthens the organization and sharpens its strategic direction with the development of a new mid-term plan, which will be presented at the Capital Markets Day on October 21, 2026. Forbo confirms its 2026 full-year guidance.

Dear Shareholders,

As expected, the first half of 2026 was characterized by persistent weakness in the global economy. In the Flooring Systems business, commercial construction and refurbishment markets remained subdued, particularly in Europe and the United States, while investment in public-sector construction projects continued to be constrained in several Western European countries. While AI and technology driven sectors continued to boom, many traditional, domestically oriented industries remained stagnant, weighed down by high energy prices and ongoing geopolitical tensions.

In contrast, selected end markets relevant to Movement Systems, showed signs of recovery. In particular, the logistics sector returned to growth, while the food industry continued to develop robustly.

Despite ongoing geopolitical uncertainty, overall economic activity proved resilient.

From the second quarter onwards, significantly higher raw material, energy, and transportation costs emerged because of the conflict involving Iran. In addition, U.S. trade and tariff policies remained volatile and continue to affect business confidence. The Swiss franc remained strong throughout the reporting period, although the U.S. dollar showed signs of stabilization during the second quarter.

Net sales

Forbo returned to growth in local currency in the first half of 2026 for the first time since 2022. With net sales of CHF 545.7 million in the first half of 2026 (previous year: CHF 546.9 million), Forbo achieved growth of 4.0% in local currencies, while net sales declined by 0.2% in Swiss francs due to negative currency effects. Sales prices increased by +2.5%, while volumes grew by +1.5%. This reflects the resilience of Forbo's business model and the progress achieved through profitable growth initiatives across both divisions. The negative currency impact of 4.2% was attributable to changes in the exchange rates of the euro, the U.S. dollar, and most of the Asian currencies.

Operating profit

Earnings before interest, taxes, depreciation, and amortization (EBITDA) amounted to CHF 66.5 million (previous year: CHF 67.6 million) in the first half of 2026, representing a decrease of 1.6%. The EBITDA margin declined slightly to 12.2% (previous year: 12.4%). Depreciation and amortization totaled CHF 24.6 million, compared with CHF 24.7 million in the prior-year period. As a result, the operating profit (EBIT) reached CHF 41.9 million (previous year: CHF 42.9 million), corresponding to a decline of 2.3%. The EBIT margin decreased slightly to 7.7% (previous year: 7.8%).

Thanks to the rapid implementation of sales price increases, significantly higher procurement costs for raw materials energy, transportation, and increases in indirect costs could be fully offset, but one-off costs related to structural adjustments weighed on earnings. Excluding the one-off costs of CHF 4.6 million, the operating profit increased by 8.4% compared with the prior-year period, demonstrating that the operational improvement initiatives launched across the Group are beginning to gain traction and deliver measurable results. Further efficiency measures were implemented during the reporting period and are expected to make a contribution to profitability over the coming periods.

Profit

Net profit for the first half year of 2026 amounted to CHF 30.8 million (previous year: CHF 33.4 million), down 7.8% compared with the prior-year period. The decline was primarily attributable to slightly lower operating profit (EBIT) and a weaker financial result. Earnings per share (undiluted) decreased by 8.6% to CHF 21.66 (prior-year period: CHF 23.70).

Business divisions

Flooring Systems generated net sales of CHF 370.4 million during the first half of 2026 (previous year: CHF 374.9 million). This corresponds to an increase of 2.2% in local currencies, despite an adverse construction market, and a decline of 1.2% in Swiss francs. Sales prices increased by 2.0%, while volumes grew by 0.2%. The operating profit (EBIT) decreased by 10.6% to CHF 33.7 million (previous year: CHF 37.7 million), resulting in an EBIT margin of 9.1% (previous year: 10.1%).

Growth in local currencies was promising in EMEA, where European Union subsidy programs continued to support business development in Southern European countries while public construction activity, particularly in education and healthcare, remained weak in France, Flooring Systems' largest market. Overall, economic conditions remained challenging across all European markets. In the Americas region, which remained characterized by significant political and economic uncertainty, demand slightly declined compared to the prior-year period. On the other hand, the APAC region generated strong growth.

Sharp increases in raw material costs, combined with higher energy and transportation costs, prevented margin improvements. While the market environment remained challenging, Flooring Systems continued to consistently implement measures to strengthen operational performance and improve efficiency. These initiatives include, among others, the consolidation of manufacturing and logistics sites, as well as further initiatives to enhance operational efficiency. As expected, resolving operational challenges and restoring profitability requires time and disciplined execution of the measures implemented. Excluding one-off costs of CHF 2.0 million related to structural adjustments, operating profit declined by 5.3% compared to the prior-year period.

A key milestone was reached with the successful commissioning of the new Flotex production facility in the United States in May 2026, as planned. The positive contribution from this investment is expected to become visible in North American sales towards the end of this year.

Movement Systems generated net sales of CHF 175.4 million in the first half of 2026 (previous year: CHF 172.1 million). This represents an increase of 7.9% in local currencies and 1.9% in Swiss francs. Sales prices increased by 3.3%, while volumes grew by 4.6%. The operating profit (EBIT) increased by 41.6% to CHF 12.6 million (previous year: CHF 8.9 million), resulting in an EBIT margin of 7.2% (previous year: 5.2%).

The growth in local currency was primarily driven by the logistics segment, where demand from e-commerce and airport customers increased; but we saw growth also in most other segments. All three geographical regions delivered encouraging growth.

The division benefited from improved sales, pricing actions, the positive impact of operational measures and strict cost management. Excluding one-off costs of CHF 2.6 million related to structural adjustments, operating profit increased by 71% versus the prior year. The significant improvement in profitability underscores the success of the turnaround initiatives implemented, further supported by the new organizational structure and leadership team. This should provide a strong basis for further profitable growth.

Balance sheet

Forbo continues to maintain a solid balance sheet, with net cash of CHF 53.9 million (previous year at the end of June: CHF 34.2 million) and a strong equity ratio of 67.3% (previous year at the end of June: 63.5%; year-end 2025: 66.8%). In addition, Forbo held 51,579 treasury shares valued at CHF 38.4 million, based on the share price at the end of June 2026 (previous year: 72,358 treasury shares). The decrease in cash and cash equivalents to CHF 53.9 million compared with year-end 2025 of CHF 90.2 million is largely attributable to the dividend payment of CHF 35.5 million and the seasonal increase in net working capital.

Investments
Investments in property, plant, and equipment amounted to CHF 13.9 million in the first half of 2026 (previous year: CHF 14.0 million) and were primarily used for the new Flotex plant in the United States and several smaller machinery replacements predominantly in Flooring Systems.

Executive Management
With Johannes Huber joining as Chief Executive Officer in January 2026 and Heinz Hössli joining as Chief Financial Officer in July 2026, the Group Executive Board is once again complete.

Over the past six months, Forbo has further strengthened its organization through targeted leadership appointments, organizational adjustments, and clearer strategic priorities. These measures are already contributing to enhanced collaboration, stronger execution of key initiatives and a positive team dynamic.

Capital Markets Day on October 21, 2026
At its first Capital Markets Day, the new Management will present its strategic direction and mid-term plan, which shall lead to increased customer value, sustainable profitable growth, and an increased engagement of our global team.

Outlook 2026
Forbo expects economic conditions to remain challenging in the second half of 2026. Due to continuing geopolitical instability worldwide, the Group's key end markets are not expected to improve substantially. Procurement costs are likely to remain elevated given the persistent tensions surrounding the conflict involving Iran. The Swiss franc is also expected to remain strong against the major currencies.

Forbo Group remains focused on profitable growth and improving its operational performance.

Assuming that the geopolitical and economic environment does not deteriorate materially during the second half of 2026, Forbo continues to expect for the full year of 2026 slightly lower sales due to currency effects and slightly higher operating profit than in the previous year.

Bernhard Merki
Chairman of the Board of Directors

Johannes Huber
Chief Executive Officer

Forbo Holding Ltd
Baar, July 28, 2026

Forbo is a leading producer of floor coverings, building and construction adhesives, and belts for power transmission and lightweight conveyor technology.

Consolidated balance sheet

	June 30, 2026	December 31, 2025
Unaudited, CHF m		
Assets		
Cash and cash equivalents	53.9	90.2
Current financial assets	0.0	0.5
Trade receivables	172.2	138.2
Other receivables	25.7	24.8
Accrued income and deferred expenses	22.0	18.2
Inventories	294.8	281.7
Current assets	**568.6**	**553.6**
Non-current financial assets	3.1	2.8
Deferred tax assets	36.5	35.5
Property, plant, and equipment	294.1	299.4
Intangible assets and goodwill	78.1	78.7
Employee benefit assets	1.9	1.9
Non-current assets	**413.7**	**418.3**
Total assets	**982.3**	**971.9**
Shareholders' equity and liabilities		
Current financial liabilities	15.3	15.8
Trade payables	69.7	78.6
Other current liabilities	24.6	20.9
Current tax liabilities	14.0	13.6
Accrued expenses and deferred income	76.4	67.3
Current provisions	8.2	7.6
Current liabilities	**208.2**	**203.8**
Non-current financial liabilities	28.6	31.9
Deferred tax liabilities	14.0	14.1
Non-current provisions	33.9	33.3
Employee benefit obligations	36.6	39.2
Non-current liabilities	**113.1**	**118.5**
Total liabilities	**321.3**	**322.3**
Share capital	0.1	0.1
Treasury shares	–0.0	–0.0
Reserves and retained earnings	660.9	649.5
Shareholders' equity	**661.0**	**649.6**
Total shareholders' equity and liabilities	**982.3**	**971.9**

The accompanying notes are an integral part of the condensed consolidated half-year financial statements.

Consolidated income statement (condensed) and comprehensive income statement

Consolidated income statement (condensed)

	First half 2026	First half 2025
Unaudited, CHF m		
Net sales	**545.7**	**546.9**
Cost of goods sold	– 357.4	– 361.1
Gross profit	**188.3**	**185.8**
Operating expenses	– 146.4	– 142.9
Operating profit	**41.9**	**42.9**
Financial result	– 2.2	0.3
Profit before taxes	**39.7**	**43.2**
Income taxes	– 8.9	– 9.8
Profit	**30.8**	**33.4**
Profit attributable to shareholders of Forbo Holding Ltd	30.8	33.4
Earnings per share		
CHF		
Basic earnings per share	21.66	23.70
Diluted earnings per share	21.66	23.70

Consolidated comprehensive income statement

	First half 2026	First half 2025
Unaudited, CHF m		
Profit	**30.8**	**33.4**
Items that will not be reclassified to the income statement:		
Remeasurements of employee benefit obligations, net of taxes	1.3	1.1
Items that are or may be subsequently reclassified to the income statement:		
Translation differences	3.3	– 19.7
Other comprehensive income, net of tax	**4.6**	**– 18.6**
Total comprehensive income	**35.4**	**14.8**
Total comprehensive income attributable to the shareholders of Forbo Holding Ltd	35.4	14.8

The accompanying notes are an integral part of the condensed consolidated half-year financial statements.

Consolidated statement of changes in equity

2026

Unaudited, CHF m	Share capital	Treasury shares	Retained earnings	Reserves for employee benefits	Translation differences	Total
January 1, 2026	**0.1**	**– 0.0**	**1,064.7**	**46.6**	**– 461.8**	**649.6**
Profit			30.8			30.8
Other comprehensive income, net of tax				1.3	3.3	4.6
Total comprehensive income			**30.8**	**1.3**	**3.3**	**35.4**
Share-based payments			0.8			0.8
Treasury shares			10.7			10.7
Dividend payment			– 35.5			– 35.5
June 30, 2026	**0.1**	**– 0.0**	**1,071.5**	**47.9**	**– 458.5**	**661.0**

2025

Unaudited, CHF m	Share capital	Treasury shares	Retained earnings	Reserves for employee benefits	Translation differences	Total
January 1, 2025	**0.1**	**– 0.0**	**1,024.6**	**38.6**	**– 437.3**	**626.0**
Profit			33.4			33.4
Other comprehensive income, net of tax				1.1	– 19.7	– 18.6
Total comprehensive income			**33.4**	**1.1**	**– 19.7**	**14.8**
Share-based payments			0.7			0.7
Treasury shares			1.4			1.4
Dividend payment			– 35.3			– 35.3
June 30, 2025	**0.1**	**– 0.0**	**1,024.8**	**39.7**	**– 457.0**	**607.6**

The accompanying notes are an integral part of the condensed consolidated half-year financial statements.

Consolidated cash flow statement (condensed)

Unaudited, CHF m	First half 2026	First half 2025
Cash flow from operating activities		
Profit	**30.8**	**33.4**
Depreciation, amortization and impairments of property, plant, and equipment and intangible assets	24.6	24.7
Increase in net operating working capital	– 55.0	– 69.1
Other operating cash flows and adjustments for non-cash items	12.5	– 3.6
Net cash flow from operating activities	**12.9**	**– 14.6**
Cash flow from investing activities		
Purchase of non-current assets	– 16.8	– 16.8
Other cash flows from investing activities	0.8	1.0
Net cash flow from investing activities	**– 16.0**	**– 15.8**
Cash flow from financing activities		
Payment of lease liabilities	– 9.5	– 9.5
Change of current financial liabilities	0.0	7.5
Proceeds from sale of treasury shares	10.5	1.2
Dividend payment	– 35.5	– 35.3
Net cash flow from financing activities	**– 34.5**	**– 36.1**
Change in cash and cash equivalents	**– 37.6**	**– 66.5**
Total cash and cash equivalents at beginning of year	**90.2**	**109.1**
Change in cash and cash equivalents	– 37.6	– 66.5
Translation differences on cash and cash equivalents	1.3	– 0.9
Total cash and cash equivalents at June 30	**53.9**	**41.7**

The accompanying notes are an integral part of the condensed consolidated half-year financial statements.

Notes to the condensed consolidated half-year financial statements (unaudited)

01 General information

These condensed consolidated half-year financial statements of Forbo Holding Ltd and its subsidiaries (hereinafter 'the Group') covers the six-month period from January 1, 2026, to June 30, 2026 (hereinafter 'reporting period'), and was drawn up in accordance with International Accounting Standard 34 (IAS 34) 'Interim Financial Reporting'. The consolidated half-year financial statements do not include all information reported in the consolidated full-year financial statements and should therefore be read in conjunction with the consolidated financial statements as at December 31, 2025.

The consolidated half-year financial statements have not been audited by the auditors. They were approved for publication by the Board of Directors on July 27, 2026.

02 Group accounting principles

The accounting principles applied in the consolidated half-year financial statements are in line with the accounting policies set out in the 2025 Annual Report with the following exceptions:

Minor amendments to the relevant standards and interpretations of the International Accounting Standards Board (IASB) were applied by the Group in the business year that began on January 1, 2026. The first-time adoption of these revised standards and interpretations had no material impact on the consolidated half-year financial statements presented here. Standards, interpretations, or amendments that have been published but are not yet mandatory have not been adopted early.

The preparation of the consolidated half-year financial statements requires management to use estimates and assumptions that may affect reported revenues, expenses, assets, liabilities, and contingent liabilities at the date of the financial statements. If the estimates and assumptions used by management to the best of its knowledge at the date of the consolidated half-year financial statements happen to differ from subsequent actual facts, the original estimates and assumptions will be adjusted in the reporting period in which the facts have changed. The consolidated half-year financial statements do not contain any significant new discretionary decisions and estimates used by management compared with the consolidated financial statements as at December 31, 2025.

Income tax expenditure is predicted on the basis of average actual tax rates during the current business year.

03 Segment information

The Group operates globally in the segments Flooring Systems and Movement Systems. The divisions correspond to the internal management structure and are run separately because the products they manufacture, distribute, and sell differ fundamentally in terms of production, distribution, and marketing.

In the Flooring Systems division, the Group develops, produces, and sells linoleum, vinyl floor coverings, entrance flooring systems, carpet tiles, needle felt floor coverings, Flotex (the washable textile flooring), building and construction adhesives, as well as various accessory products required for installing, processing, cleaning, and care of flooring. In the Movement Systems division, the Group develops, produces, and sells high-quality conveyor and processing belts, as well as plastic modular belts and drive, timing, and flat belts made of synthetic materials. Corporate includes the costs of the Group headquarters and certain items of income and expenses that are not directly attributable to a specific segment.

The Flooring Systems and Movement Systems divisions are reportable segments. The identification of reportable segments is based on internal management reporting to the Chief Executive Officer of the Group, and hence on the financial information used to review the performance of the operational units in order to reach a decision on the allocation of resources.

Internal management reporting is based on the same accounting principles as external reporting.

The Chief Executive Officer assesses the performance of the segments based on their operating result. The financial result is not allocated to the segments since Corporate Treasury exercises central control over it. Sales between the divisions are conducted at arm's length. The divisions observe the same accounting principles as the Group. Sales to third parties, as reported to the Chief Executive Officer, are identical to those reported in the income statement.

First half 2026

Unaudited, CHF m	Flooring Systems	Movement Systems	Corporate/ elimination	Total
Total net sales	370.4	175.4	– 0.1	545.7
Inter-segment net sales	0.0	– 0.1	0.1	0.0
Net sales to third parties	370.4	175.3	0.0	545.7
Operating profit	33.7	12.6	– 4.4	41.9
Operating profit before depreciation and amortization	47.4	23.1	– 4.0	66.5
Segment non-current assets (June 30)	242.8	125.5	7.0	375.3
Capital expenditure[1)]	10.2	3.7	0.0	13.9
Full time equivalents (June 30)	2,765	2,389	41	5,195

1) Purchase of property, plant, and equipment, and intangible assets (excluding leasing)

First half 2025

Unaudited, CHF m	Flooring Systems	Movement Systems	Corporate/ elimination	Total
Total net sales	374.9	172.1	– 0.1	546.9
Inter-segment net sales	0.0	– 0.1	0.1	0.0
Net sales to third parties	374.9	172.0	0.0	546.9
Operating profit	37.7	8.9	– 3.7	42.9
Operating profit before depreciation and amortization	51.5	19.4	– 3.3	67.6
Segment non-current assets (December 31)	244.4	129.2	7.3	380.9
Capital expenditure[1)]	9.6	4.3	0.1	14.0
Full time equivalents (June 30)	2,825	2,387	41	5,253

1) Purchase of property, plant, and equipment, and intangible assets (excluding leasing)

Reconciliation of segment information to the income statement and balance sheet:

Unaudited, CHF m	First half 2026	First half 2025
Total segment result (operating profit)	**41.9**	**42.9**
Financial result	– 2.2	0.3
Profit before taxes	**39.7**	**43.2**

Unaudited, CHF m	June 30, 2026	December 31, 2025
Total segment non-current assets	**375.3**	**380.9**
Current assets	568.6	553.6
Deferred tax assets	36.5	35.5
Employee benefit assets	1.9	1.9
Total assets	**982.3**	**971.9**

Segment non-current assets include 'Property, plant, and equipment', 'Intangible assets and goodwill' and 'Non-current financial assets' (equity-accounted investments).

The following table shows net sales to third parties broken down by geographic region and by the two divisions that are identical with the reportable segments.

	Flooring Systems		Movement Systems		Forbo Group	
Unaudited, CHF m	First half 2026	First half 2025	First half 2026	First half 2025	First half 2026	First half 2025
Regions						
Europe	284.0	284.3	76.6	72.6	360.6	356.9
Americas	58.3	63.5	57.2	58.2	115.5	121.7
Asia/Pacific and Africa	28.1	27.1	41.5	41.2	69.6	68.3
Total net sales to third parties	**370.4**	**374.9**	**175.3**	**172.0**	**545.7**	**546.9**

04 Seasonality

As at June 30, 2026, trade receivables and inventories increased compared to December 31, 2025. These increases are driven by seasonally higher sales in June compared to December and inventory build-up for the peak season in the third quarter. The resulting increase in net operating working capital led to the usual seasonally lower operating cash flow in the first half of the year compared with the second half.

05 Main exchange rates applied

The following exchange rates against the CHF have been applied for the most important currencies concerned:

			Income statement (average exchange rates, 6 months)		Balance sheet (on balance-sheet date)	
			2026	2025	June 30, 2026	December 31, 2025
Exchange rates						
Eurozone	EUR	1	0.9179	0.9411	0.9226	0.9303
USA	USD	1	0.7867	0.8611	0.8077	0.7917
Great Britain	GBP	1	1.0583	1.1174	1.0708	1.0665
Japan	JPY	100	0.4976	0.5805	0.4988	0.5062
China	CNY	100	11.4600	11.9882	11.8791	11.3103
Sweden	SEK	100	8.5058	8.4805	8.3158	8.6078

06 Events after the balance sheet date

Between the balance sheet date and the date of publication of these consolidated half-year financial statements, no events occurred that could have a significant effect on the 2026 half-year financial statements.

Calendar

Media and financial analysts' conference for the 2026 business year:	Tuesday, March 2, 2027
Ordinary General Meeting 2027:	Friday, April 2, 2027
Media and financial analysts' conference for the first half of 2027:	Tuesday, July 27, 2027

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