

MEDIA AND FINANCIAL ANALYST MEETING

TUESDAY, MARCH 4, 2025

Andreas Jaeger

Chief Executive Officer ad interim &
Chief Financial Officer

Patrick Sparer

Head Corporate Controlling & Reporting

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INTRODUCTORY REMARKS

FINANCIAL RESULTS 2024

ACTIVITIES & FOCUS

OUTLOOK 2025

QUESTIONS & ANSWERS

INTRODUCTORY REMARKS



- Geopolitical uncertainty and adverse market conditions persisted
- Flooring Systems – decent results in an adverse market environment
- Movement Systems – unsatisfactory results primarily from U.S.
- Negative currency effects on net sales and EBIT
- Further increase of net cash position
- Innovative and sustainable products launched
- Strategic investment projects well on track



Lower net sales

Net sales decrease of 1.7% in local currencies

Double-digit EBIT margin

10.7% (2023: 11.1%)

Negative currency effects

CHF 33 million on net sales; CHF 4 million on EBIT

Net cash position increased

CHF 109.1 million (2023: CHF 69.0 million)

FINANCIAL RESULTS 2024



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CONSOLIDATED INCOME STATEMENT



CHF MILLION	2024	2023	Δ
Net sales	1,122.0	1,175.2	– 4.5%
Gross profit	384.9	401.7	– 4.2%
<i>Gross profit margin</i>	34.3%	34.2%	
Operating expenses	–264.3	–271.8	
EBITDA	166.3	179.9	– 7.6%
<i>EBITDA margin</i>	14.8%	15.3%	
Depreciation and amortization	–45.7	–50.0	
Operating profit (EBIT)	120.6	129.9	– 7.2%
<i>EBIT margin</i>	10.7%	11.1%	
Financial result	+1.0	+1.9	
Profit before taxes	121.6	131.8	– 7.7%
Income taxes	–26.5	–29.5	
Profit	95.1	102.3	– 7.0%
Earnings per share undiluted in CHF	67.45	72.55	– 7.0%
FTE	5,059	5,190	– 2.5%

- Net sales declined by 1.7% in local currencies (volume minus 1.1%; price minus 0.6%)
 - Europe –3.9%
 - Americas +4.2%
 - Asia/Pacific –0.7%
- Gross profit margin maintained despite lower capacity utilization, as efficiency improvements and lower raw material costs more than compensated for inflation-related increases in personnel and energy expenses
- Lower operating expenses despite increased salaries, due to structural adjustments
- Double-digit EBIT margin sustained

FORBO GROUP CONSOLIDATED BALANCE SHEET



CHF MILLION	2024	2023
Non-current assets	407.5	378.2
Current assets	568.3	523.2
Cash and cash equivalents	109.1	69.1
Other current assets	459.2	454.1
Total assets	975.8	901.4
Shareholders' equity	626.0	553.7
Equity ratio	64.1%	61.4%
Total liabilities	349.8	347.7
Current liabilities	218.3	219.3
Non-current liabilities	131.5	128.4
Total shareholders' equity and liabilities	975.8	901.4

- Solid balance sheet, debt-free
- Net cash of CHF 109.1 million (exclusive leasing)
- Own shares totaling CHF 56.2 million (at market value per end of 2024)
- Equity ratio further improved

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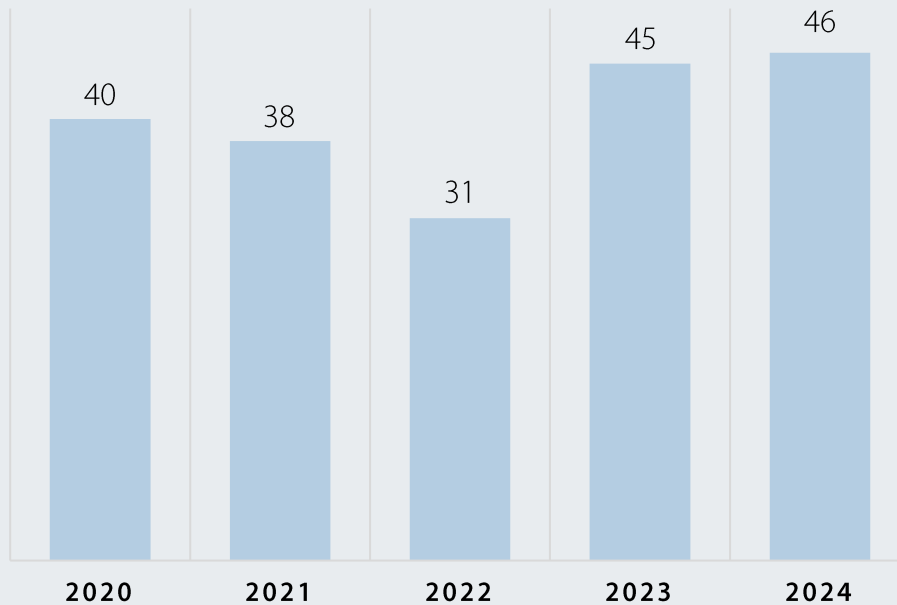
CONSOLIDATED CASH FLOW STATEMENT



CHF MILLION	2024	2023
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
Cash flow from financing activities	-51.1	-87.9

- Solid cash flow from operating activities – lower as compared to the previous year caused by exceptional inventory reduction in 2023
- Cash flow from investing activities reflects ongoing commitment to invest in strategic projects

CHF MILLION



Investment in Flotex plant in the USA [Flooring Systems], the complete modernization of the belting plant in Japan [Movement Systems], and various investments combining sustainability and efficiency improvements with targeted capacity expansions

REPLACEMENT
57%



43%
**RATIONALIZATION
& EXTENSION**

ACTIVITIES & FOCUS



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2024 MARKET ENVIRONMENT AND MEASURES



- The European economy was faced by political uncertainties and persistently elevated levels of inflation
- The U.S. economy benefited from continued strong consumer spending in a resilient economic environment
- The Asia/Pacific market suffered from the delayed market recovery in China
- The measures taken to safeguard the margin
 - launch of innovative and sustainable products
 - stringent implementation of efficiency measures and strict resources management
 - reduction of workforce



- Adverse construction market
 - activity restrained by continuing high construction costs and interest rates
 - continued shift in renovation projects towards energy-saving investments
 - weak demand in Europe, the main market of the division
- Net sales in local currencies declined by 1.3%
 - Europe –3.3%
 - Americas +6.3%
 - Asia/Pacific +2.4%
- Negative currency effects on net sales of CHF 21 million (–2.6%)
- Efficiency measures protected profitability
- EBIT margin of 12.9% – a plus of 1 percentage point versus the previous year
- Strategic expansion of Flotex production plant U.S. on track



Linoleum

- “Marmoleum solid” updated with new colors
- “Marmoleum cocoa” with extended color range incorporating recycled cocoa husks and repurposed materials from end-of-life flooring

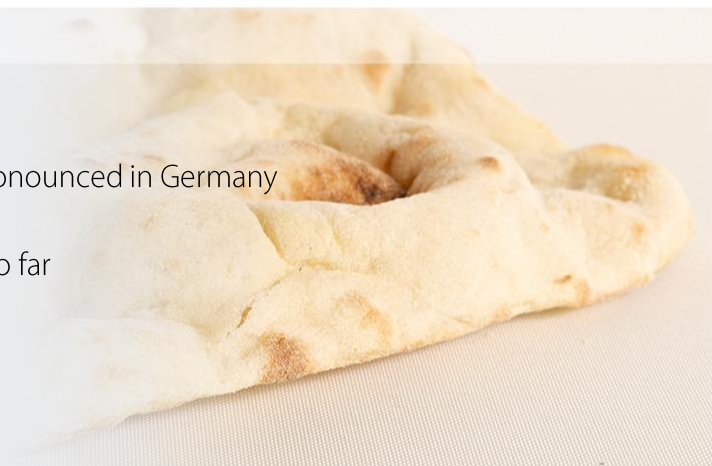
Vinyl

- “Surestep” combines beautiful design with a safety surface tailored for specific target groups; the new collection covers all slip ratings
- “Onyx wetroom” aesthetic wall covering for wet room solution

Textile

- “Tessera topology” carpet tile collection comprises 75% recycled content by weight
- “Flotex colour” and “Flotex advance” consists of 60 colorways in three different designs; both collections are available in sheet and tile

- Cautious investment sentiment among our customers
 - Europe – affected by market uncertainty and low demand, particularly pronounced in Germany
 - U.S. – efficiency measures did not yet deliver expected results
 - Asia Pacific – recovery in China, a key market for us, has not materialized so far
- Net sales in local currencies declined by 2.7%
 - Europe –6.3%
 - Americas +2.1%
 - Asia/Pacific –2.9%
- Negative currency effects on net sales of CHF 12 million (–3.3%)
- Sales prices maintained in an adverse market environment
- Lower capacity utilization and inflation-related salary increases weighed on results
- Second production line in China commissioned and modernization of production in Japan on track



MOVEMENT SYSTEMS

NEW PRODUCTS AND SERVICE CENTERS

Transilon

- ECOFIBER for dough, baked goods and packaging food with a tension member fabric made of 100% recycled PET
- New belt for food production when temperatures exceed 100°C
- New belts for the recycling industry for sorting or separating waste using optical sensors

Prolink

- ProSnap, a quick-release system for all types of the series, significantly reducing downtimes
- Heavy-duty S19 series for electric vehicles offering an increase in the performance

Fullsan

- Two new homogenous belt types for the food industry for high hygiene standard

In the context of our strategic expansion, we opened four new service centers (in France, Spain, U.S., and China)

Flooring Systems

83%

Of floor coverings sold have third-party-verified Environmental Product Declarations (EPDs)



Up to 98% of our linoleum is made from natural raw materials and is climate-positive (cradle to gate) without offsetting



Our Tessera “topology” carpet tile collection comprises 75% recycled content by weight



Back to the floor programs offered in 14 countries

50%

Certified bio-based, recycled, and/or abundant minerals are used in Flooring Systems’ products

Movement Systems



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



Two additional photovoltaic systems installed – which together save up to 70 metric tons of CO₂ emissions per year



Two new versions of BioBelt were released


Group

2024 with a more extensive Group Sustainability Report, including CO₂ reduction targets


- Flooring Systems – innovation in linoleum and vinyl
Introduce >10 new collections, innovate new linoleum products and accelerate development of further loose-lay solutions
- Flooring Systems – expand Flotex and strengthen the international key account business
Prepare Flotex market U.S. for increased capacity and expand sales footprint in solutions for data centers and transportation
- Movement System – improve productivity in U.S.
Strengthen the sales force and improve the operation's output
- Movement Systems – shorten the lead-time to customers
Streamline the supply chain and sales planning
- Group – ongoing efforts for sustainable solutions
Expansion of share of renewable and recycled raw materials in our products

OUTLOOK 2025





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



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

FORBO GROUP PROPOSALS TO THE ORDINARY GENERAL MEETING



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
- that a dividend in the amount of CHF 25 per share will be distributed



QUESTIONS & ANSWERS

