ARBONIA

Annual results 2023

Alexander von Witzleben (Executive Chairman), Daniel Wüest (Group CFO), Claudius Moor (CEO Doors)

Status of potential sale of Climate Division

Negotiations with several potential strategic buyers

Arbonia has received several unsolicited expressions of interest in purchasing the Climate Division

Arbonia decided to carry out a structured sales process and has subsequently received offers

The process and the negotiations with several strategic potential buyers are currently at an advanced stage

Valuation is based on a market-standard EBITDA transaction multiple for a company operating in the HVAC sector

Closing of the potential transaction in all likelihood will take place in H2 2024, subject to approval by antitrust authorities

IFRS 5 requires the Climate Division to be recorded as a discontinued operation in the consolidated financial statement

Arbonia intends to distribute a significant portion of the proceeds to shareholders, incl. an ordinary dividend for 2023

Arbonia would completely focus on the doors business and work towards the goal of expanding its leading position as a Central and Eastern European supplier of doors

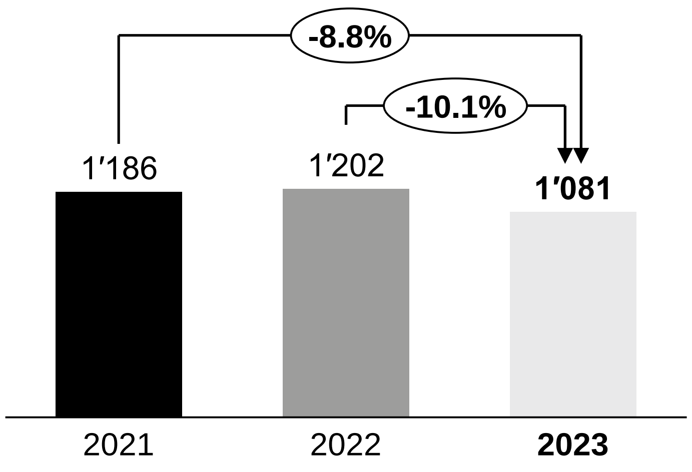
It is intended to return proceeds of the sale to shareholders, to reduce debt and to strengthen the Doors Division to form a European champion for wood and glass interior doors

Overview FY 2023

Including discontinued operations (Climate)

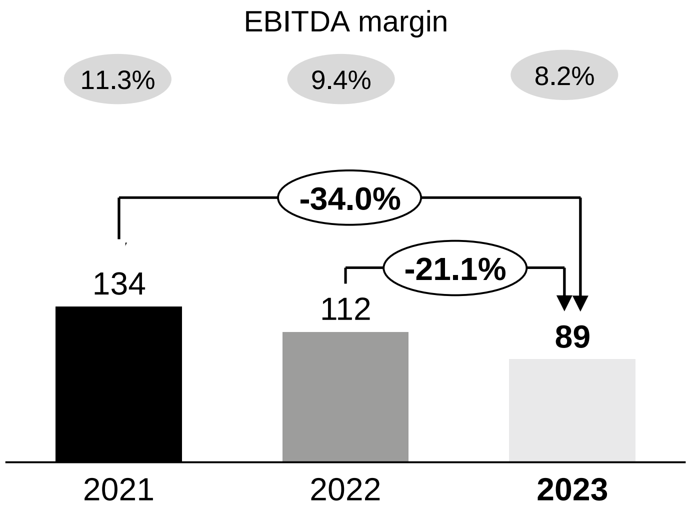
Key metrics (CHF M)

Net revenues



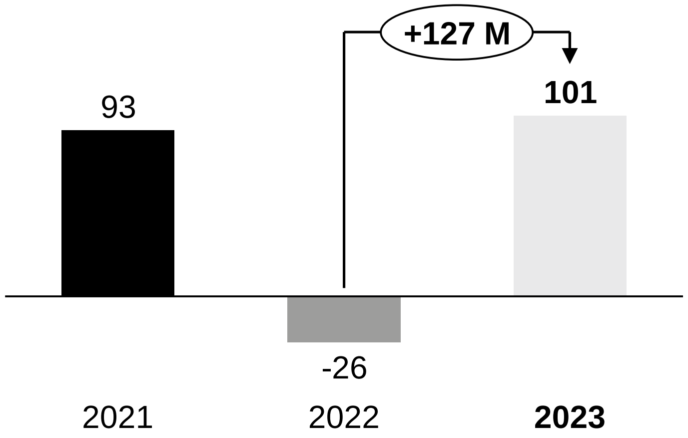
- Net revenues in CHF down by 10.1% due to double-digit decline in volume in radiators, interior doors and shower enclosures and FX
- FX and acquisition adjusted -9.0%

EBITDA[1]



- Due to decline in sales EBITDA and margin affected – Climate however with higher margin of 9.5% vs. 9.2% PY
- Doors with CHF 8 M one-time higher energy costs equalling -160bps in margin

Cash Flow from operating activities



- Increase due to operational performance and CHF 34 M NWC improvement and despite higher interest rate costs…
- ...and CHF 20 M negative NWC effect due to stock-building on heat pumps

Topline and EBITDA substantially affected by decline in residential building (new built and renovation) combined with negative FX impact

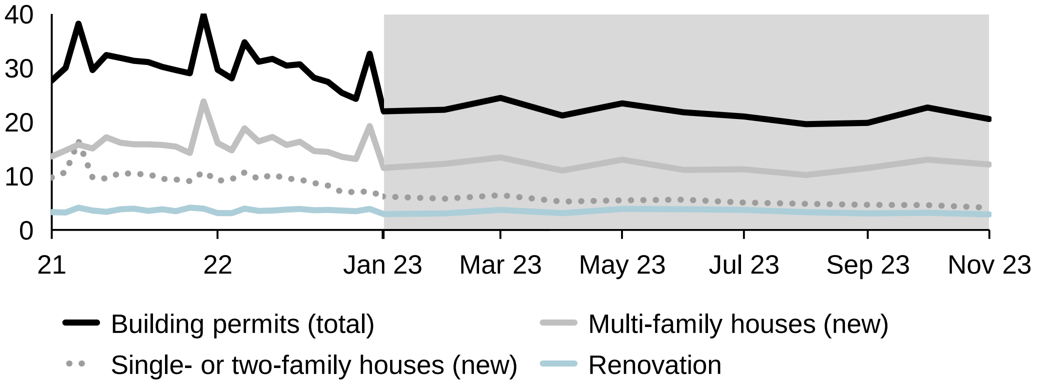
1 without one-time effects

2023 in context

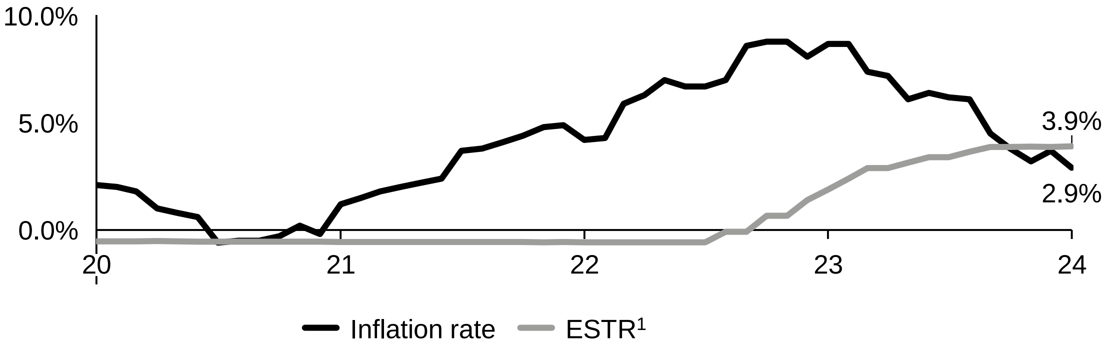
Continued slow-down in (German) construction industry due to

– **high construction costs** as a consequence of elevated, but slowly decreasing material prices
– **unattractive returns in new real estate**, as a result of moderate rents, high inflation and subsequently rising interest rates; however with inflation, interest rates and rents showing signs of improvement in H2
– flats shortage leading to fewer households moving and thus **fewer empty flats ready to be renovated**

Permits per month (in thousands)



Inflation rate (DE) and ESTR[1]



Impact on Arbonia

– **Slight improvement in order volumes at the end of the year**, after economic uncertainty had caused a destocking at wholesalers in H1 (for standard doors, steel panel radiators and shower enclosures), followed by reduced inventories and short-term orders
– **Energy cost** (mainly in the Doors Division) impacting profitability but positive effect from 2024 onwards
– **Heat pumps and other energy-efficient products severely impacted by regulatory uncertainty** (GEG) in H2, after promising start to the year

1 Euro Short-Term Rate (ESTR) on a daily basis | source: Destatis

Agenda

1. Doors strategy and outlook
2. Climate Division
3. Group results

Q&A

Arbonia Doors

Strategic Pillars

1. **Market leadership** in Central Europe by integrated premium door brands protected by high barriers to entry
2. **Long-term positive market prospects** for housing construction driven by housing supply-demand imbalance and growing number of buildings for renovation, **driven by mega trends** like urbanisation
3. **Platform for growth** in attractive DACH markets and expansion of market shares in adjacent European markets
4. **Cost leader and digital outrider** through most modern IT systems, digitisation of business models and processes and highly automated best in class production sites
5. **Active market consolidation** to address new markets, increase market shares and expand the product portfolio
6. **Experienced management team** with high market reputation attracting best employees in the market
7. **Forming a Tier 1 building component supplier** delivering best-in-class financial and cash flow profile (ambition 2028[1]: revenues CHF 900 M, EBITDA 15% and sustainable FCF generation)
8. **Sustainability** by clearly defined goals combined with investments in direct CO_2 reduction and healthy working environment

1 Including planned acquisitions

Forming the European Leader for Doors

Development of Arbonia Doors

	2016	2017	2018	2019	2020	2021	2022	2023
Mile-stones	Acquisition of Looser (Closing Dec. 2016)	Integration of Prüm, Garant and Invado		Capacity expansion started to enable growth	Beginning of ERP harmonisation	Integration of Glass Solutions incl. acquisition of GVG	SAP Go Live Invado; Joro acquisition	Interwand acquisition
Net revenues (in CHF M)	78	340	357	359	364	552 (157 / 395)	553	502
Growth:			5.1%	0.5%	1.4%	8.3%	0.2%	-9.3%
org. Growth:[1]			2.1%	3.7%	5.0%	6.9%	3.8%	-8.2%
EBITDA[2] (in CHF M)	3	36	40	44	49	76	62	41
EBITDA margin	3.6%	10.7%	11.3%	12.2%	13.5%	13.8%	11.3%	8.2% / 9.8%[4]
Number of Doors (M pcs)		**2.2**	**2.3**	**2.4**	**2.5**	**2.5**	**2.3**	**2.0**
Capacity utilization (in %)[3]		100%	102%	104%	102%	100%	88%	71%

Glass Solutions | Wood Solutions | Doors Division

1 Adjusted for currency and acquisition effects | 2 Excluding one-time effects | 3 Based on technical capacity in the respective year | 4 Adjusted for energy costs

Market leadership in Central Europe with interior wooden doors

Business Unit Wood Solutions: Overview

ARBONIA

Production footprint[2]

PRÜM
Türen die zu Ihnen passen

- Weinsheim (DE), 760 FTE
- 1.3 M doors/year

GARANT
Türen für Ihr Zuhause

- Ichtershausen (DE), 520 FTE
- 1.0 M doors/year

JORO
die tür zum raum

- Renchen (DE), 20 FTE
- <0.1 M doors/year

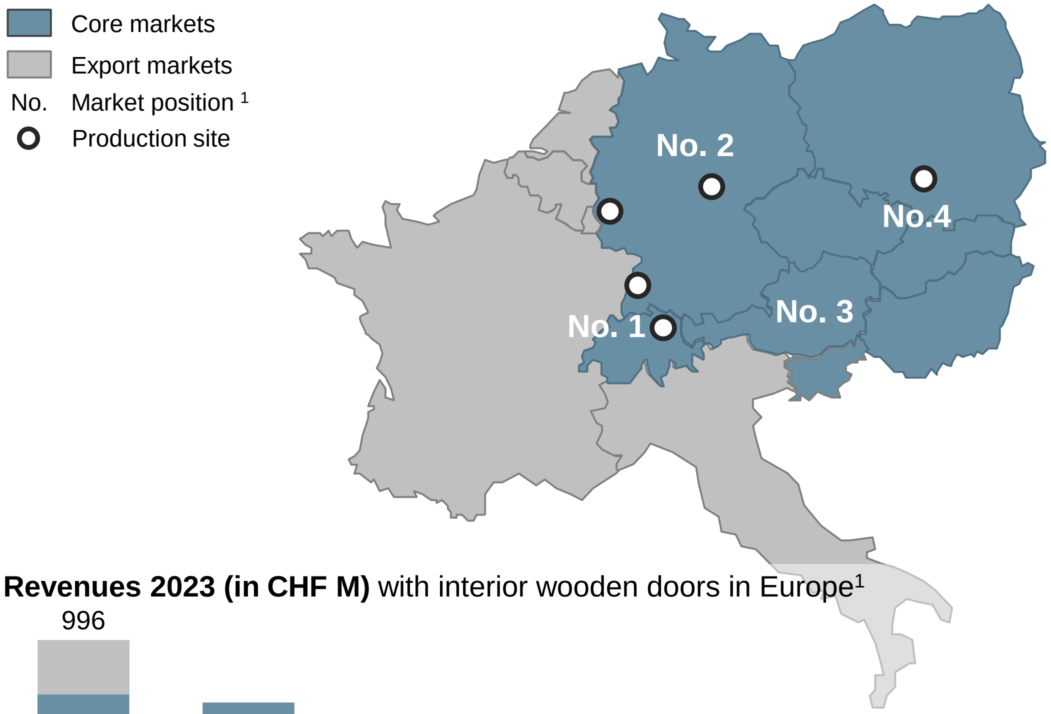
RWDSchlatter Objekttüren nach Mass
tpotüren Holzsysteme

- Roggwil (CH), 190 FTE
- Leutershausen (DE), 25 FTE
- 0.1 M doors/year

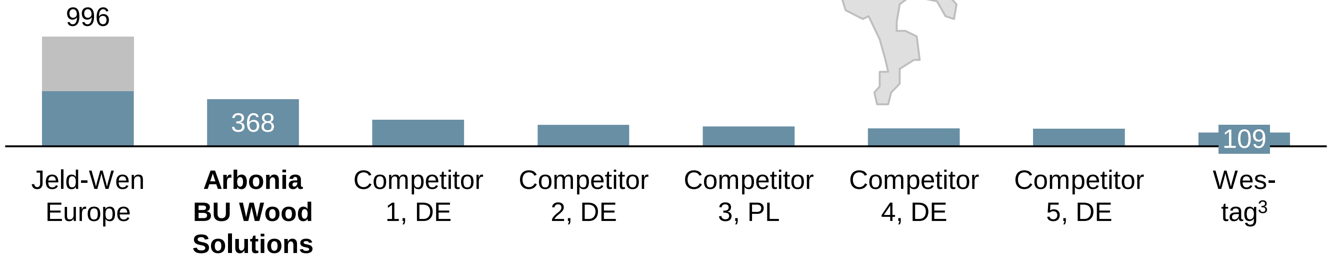
INVADO

- Dzielna (PL), 430 FTE
- 1.0 M doors/year

Geographical focus



Revenues 2023 (in CHF M) with interior wooden doors in Europe[1]



Ambition: Extend market leadership in Europe through expansion of geographic and product footprint aspired

1 Based on annual reports, market studies and Arbonia research | 2 Volumes represent capacity as of 2025 by completing investment program, FTEs as of December 2023 | 3 estimate based on preliminary 2023 figures

Market leadership in Central Europe with glass solutions

Business Unit Glass Solutions: Overview

Production footprint

KERMI

- Plattling (DE), 610 FTE
- 25'000m² production plant
- Local sales companies in PL, CZ

Koralle

- Dagmersellen (CH), 110 FTE
- 2'000m² local assembly
- Margarethen am Moos (AT), 18 FTE

ARBONIA Glassysteme

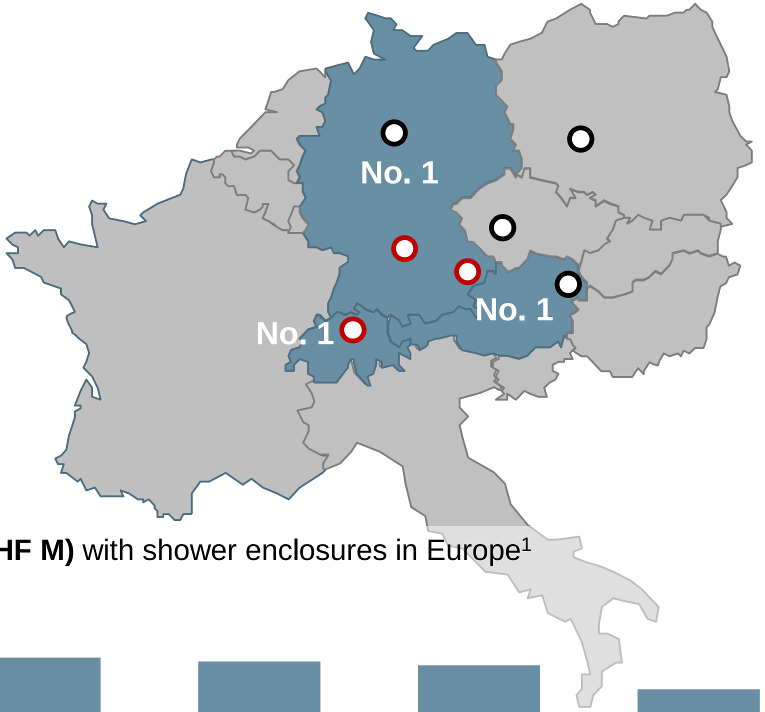
- Deggendorf (DE), 140 FTE
- 15'000m² production plant
- ESG/VSG [2] component supplier (50% of revenues with Kermi/Koralle)

INTERWAND

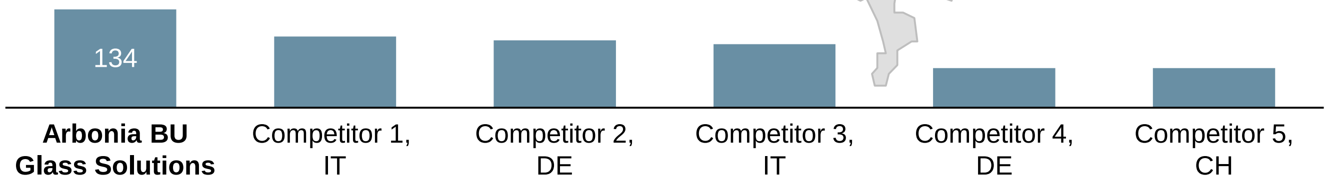
- Dörzbach (DE), 40 FTE
- 6'000m² assembly of components
- Producer of glass partitions

Geographical focus

Core markets
Export markets
No. Market position [1]
Production site
Local sales office



Revenues 2023 (in CHF M) with shower enclosures in Europe[1]



Market leadership in Central Europe achieved; fully integrated with acquisition of Arbonia Glassysteme and newly acquired Interwand

1 Based on market reports and Arbonia research | 2 ESG: Einscheibensicherheitsglas (single-pane safety glass); VSG: Verbundsicherheitsglas (laminated safety glass)

Market leadership in Central Europe

Premium door brands protected by high barriers to entry

Clear market leadership across products underpinned by long established companies

- >300 years old heritage brand with a vast installed base across 9 companies
- Market and cost leader in respective markets

PRÜM Türen die zu Ihnen passen · GARANT Türen für Ihr Zuhause · INVADO · RWDSchlatter Objekttüren nach Mass · JORO die tür zum raum · Koralle · KERMI · INTERWAND · ARBONIA Glassysteme

Integrated products and service solutions address customer challenges

- Broad product portfolio offering complete door solutions (incl. fittings from Griffwerk)
- Planning, maintenance and replacement services unlock ongoing value through the door's lifecycle
- Unique edge-technology (Die Tür, DOORIT, KIWI, etc.) differentiates offering

Protected by high structural barriers to entry

- No geographic competition due to prohibitive transport costs, local building requirements etc.
- Capital intense expansion of capacity, an additional Euro of revenue requires an additional Euro in capex
- Disruptive competitive behaviour unlikely given high incumbent advantage
- Stringent safety regulatory standards (e.g. fire protection)

Clear market leadership based on long established companies

Integrated products and service offering

Attractive, protected market environment

Robust business model underpinned by three strong pillars

Long-term positive market prospects

Germany: Market outlook

ARBONIA

New living trends

Recent changes in living habits drive the reshaping of existing home spaces

- Urbanisation
- Working from home
- Single households and growing living space
- Serviced apartments

Impact of PropTech

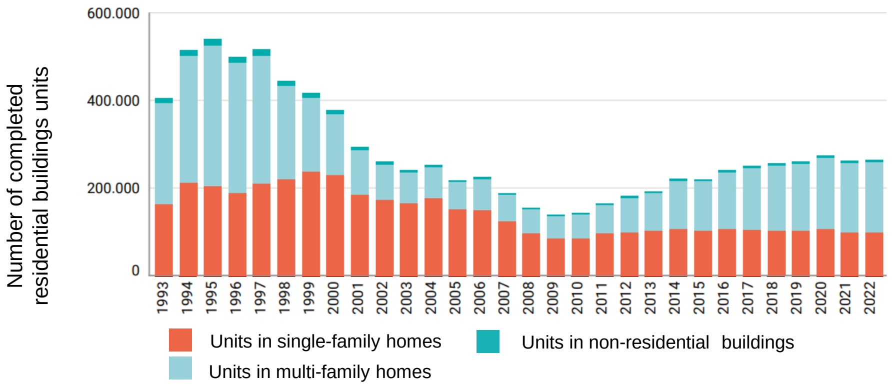
Tech-enabled hardware required to support software within the home

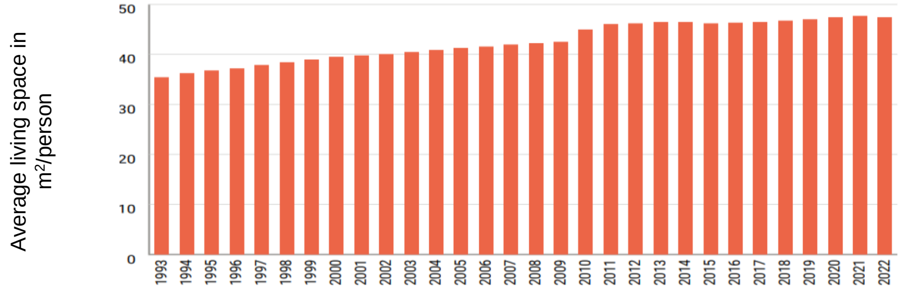
- Connected homes
- Usage of sensors
- Increased security and surveillance devices
- Remote internet of things

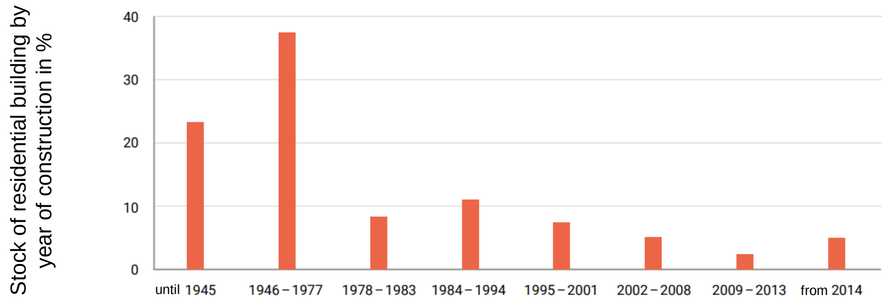
Ageing population

Demographic ageing driving demand for accessible and supported living

- Barrier-free apartments (lack of 2 M units in DE)
- Retirement homes
- Care homes
- Medical facilities







New Construction

German population grew 1.1 M in 2023 and is expected to continue growing

Residential building completion is historically low and might hit an all time low in 2023

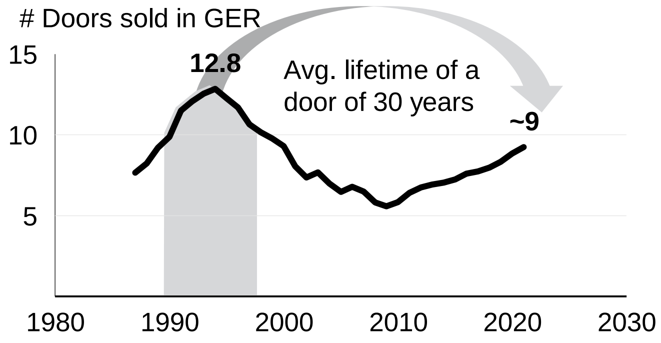
Resulting in an high need for residential building. Hence, the German government aims to support the completion of 400k residential units per year

Additionally, average living space per person is steadily increasing

Renovation

Roughly 60% of all residential buildings have been built before 1977

The need for renovation for these buildings is steadily growing

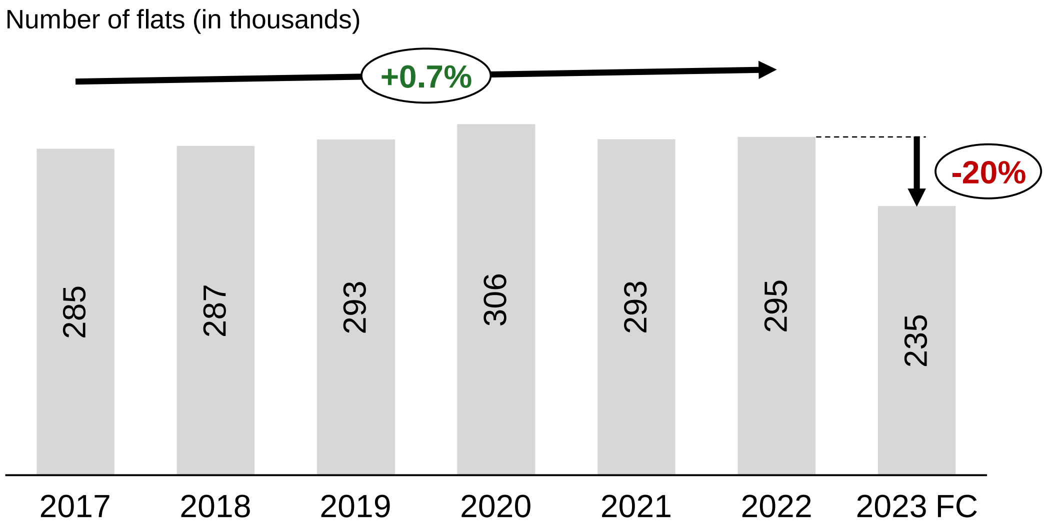


source: Zukunftsinstitut, DENA-Gebäudereport 2024, Statistisches Bundesamt, B+L Marktdaten

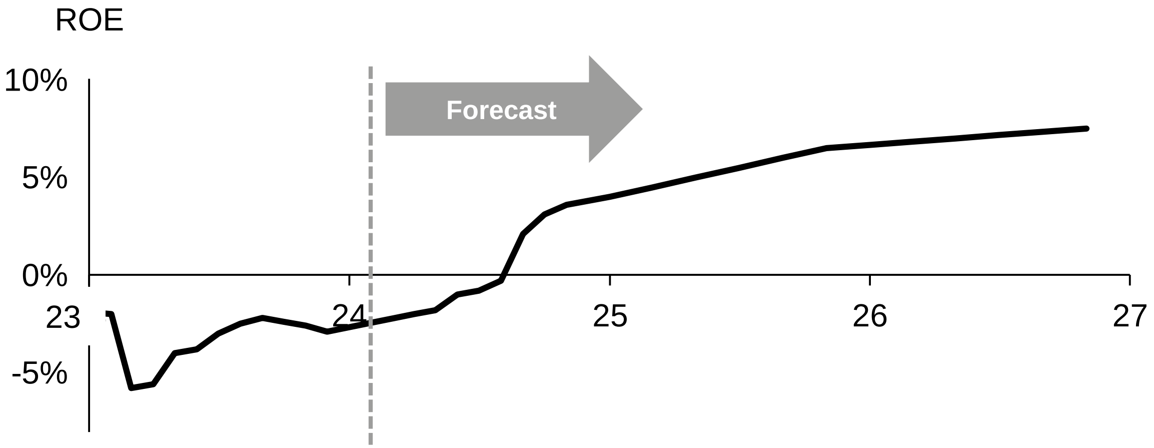
ARBONIA

Short-term building completions in Germany hit by negative ROE on real estate investments

Building completions in Germany



ROE on real estate investments



- Low volumes in building completions from 2017–2022
- Massive drop in 2023 as a result of negative ROE on real estate investments

- Main driver for recovery of the German real estate market are declining costs (material, financing) and higher rental income

German real estate market with a massive drop in 2023 due to negative ROE – recovery expected by second half of 2024 as a result of declining costs and increasing rents

source: Statistisches Bundesamt, BFW (Bundesverband Freier Immobilien- und Wohnungsunternehmen e.V.), 2023 FC based on B+L research, Swiss Forecast

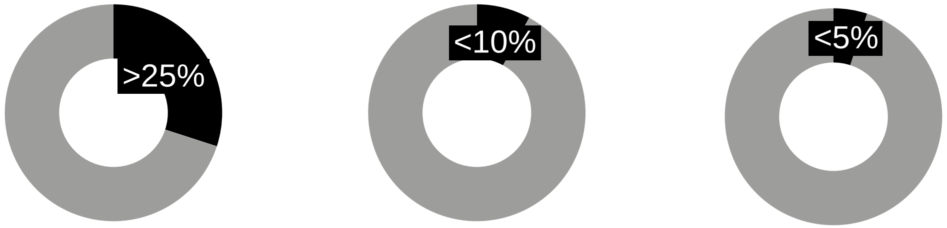
Platform for growth

Selected opportunities

Selected growth opportunities in core markets

Germany: Growing market segments

Wholesale | Project business | DIY



Wholesale business

- Clear growth plans with strategic clients
- Best-in-class in production, warehouse and logistics to supply German wholesalers

Project business

- Focus on hotels, retirement homes and modular builders
- Supported by intensive pre-sales activities, current growth of >10% YoY

DIY

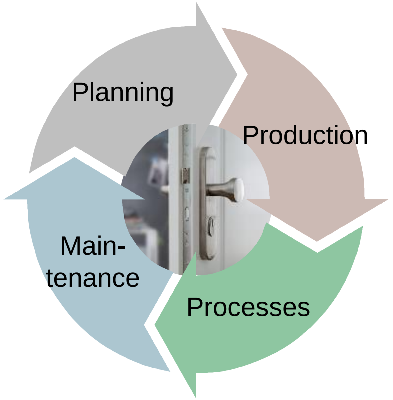
- Entrance of DIY market achieved in Q1 2024 with product placement in more than 100 stores
- Strong collaboration with Griffwerk and additional potential for glass

Switzerland: Increase market shares in W-CH

German speaking[2] | French speaking

- Set-up of a new sales office in Western Switzerland with 5 experienced salesmen as of July 1, 2021 (no sales activity previously)

Service: Scaling up service business



Growing business

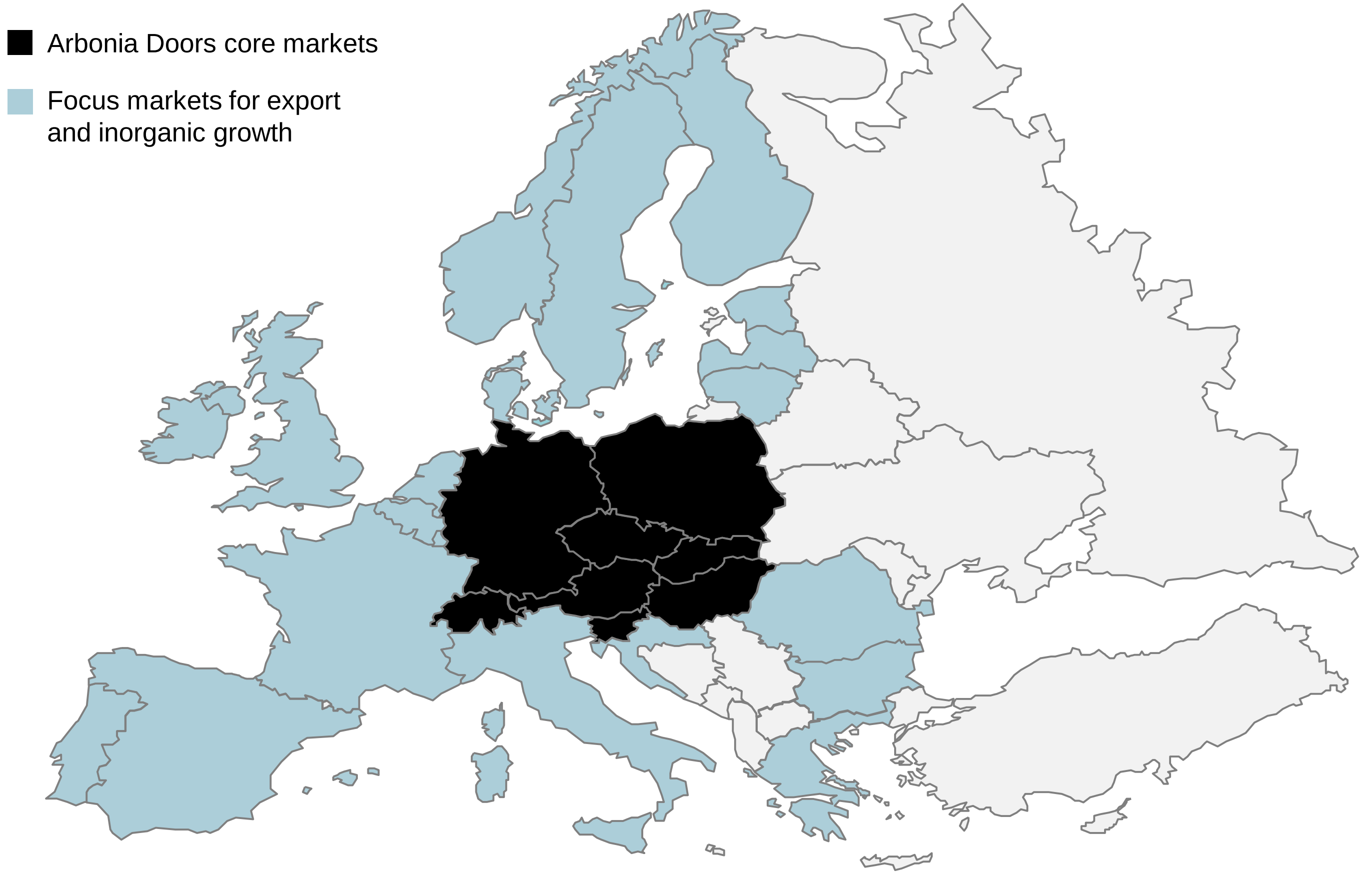
- Maintenance contracts for technical doors
- Site measuring for shower enclosures
- Participation at processes (service fees)
- …

1 Market size for interior wooden doors in EUR M based on market studies and Arbonia research | 2 Including Italian

Platform for growth

ARBONIA

Focus on export and inorganic growth



Focus on inorganic growth

- Active market consolidation in core markets
- Expansion to adjacent markets to achieve European-wide presence
- Continued vertical integration and increase of product portfolio

Building the European Leader for Doors

Cost leader and digital outrider

Selected initiatives

ARBONIA

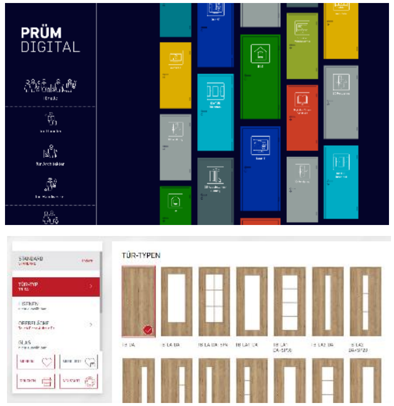
Selected initiatives

Best in class production sites

Production footprint with few, highly-automated, large sites with clear cost advantage

- Completion of investment program by mid of 2024
- Available capacity to participate on recovery of real estate markets
- High potential for further productivity gains

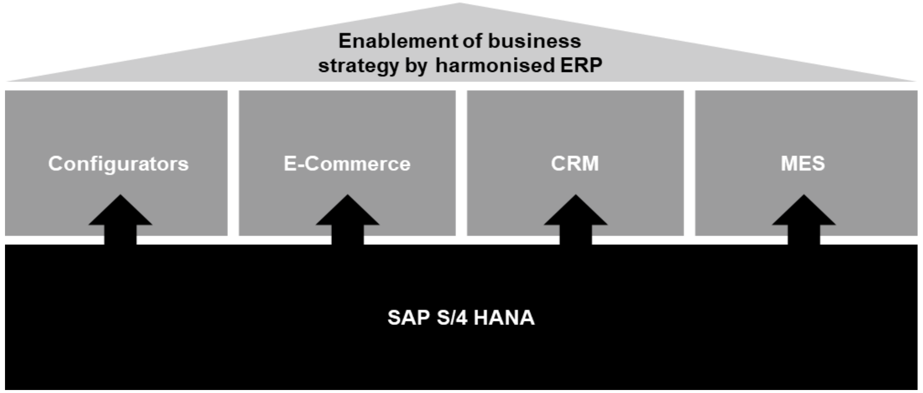
Platform for digital sales processes



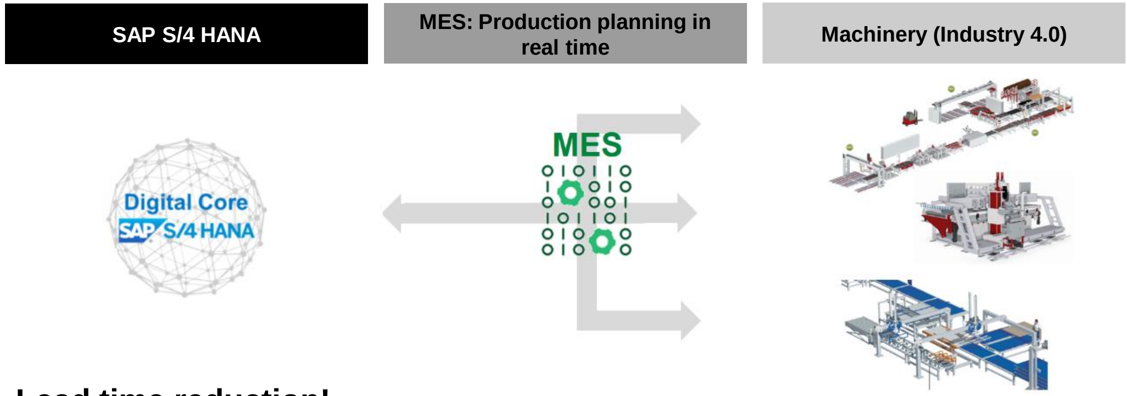
From competition of products to competition of processes

- Web-based solutions
- Reduction of order processing time
- Integration with Arbonia and customer ERP

System: ERP harmonisation



Digitalisation of production planning (MES)



Lead time reduction!

Stand-alone organisation

ARBONIA

Lean holding with an experienced management team

- Board of Directors
- Group Management
- Extended Group Management

Board of Directors
5 members (Chairman Alexander von Witzleben)

CEO
Claudius Moor

HR

Chief of Staff

Communication & IR

Business Development

CFO

BU Wood Solutions

BU Glass Solutions

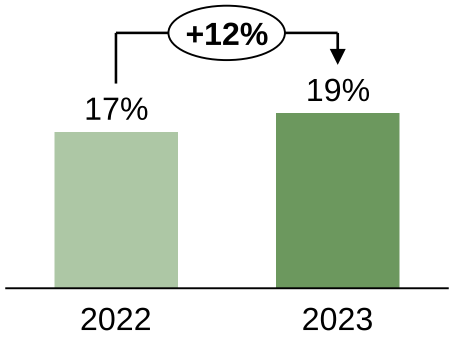
Holding costs will be reduced significantly through streamlined organisation

ESG reporting

Highlights 2023

Product innovation

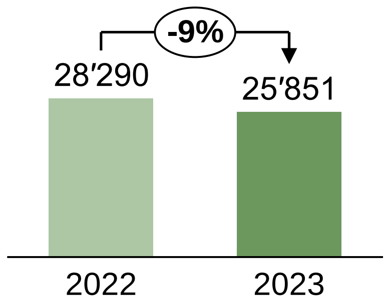
Share of net revenues from third parties with new products[1]



- Expenditure on research & development as a share of revenues increased to **1.0%**
- Expansion investments in % of total investments amounts to **57%**

CO_2 and Energy

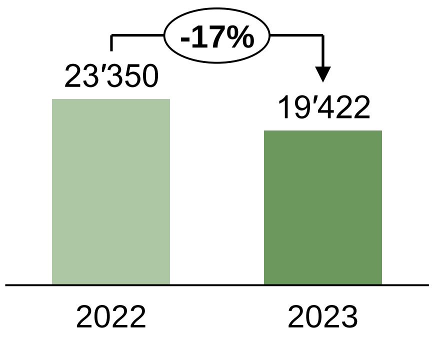
Greenhouse gas emissions (Scope 1 + 2) in tCO_2e



- Own electricity production increased to **15%** in 2023; as soon as the new CHP plants at Prüm and Garant are in full operation, this share will increase significantly.

Resource efficiency

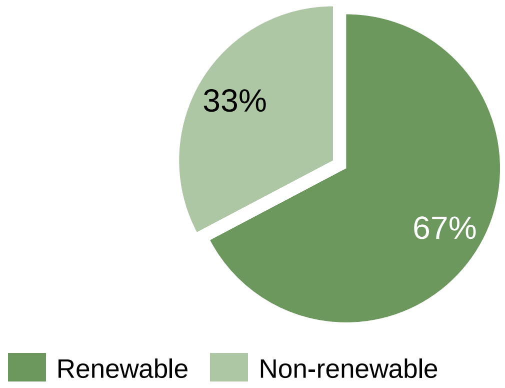
Total waste in t



- The total amount of waste was reduced by **17%**
- Waste that accrues during operation is consistently separated, pre-treated where necessary, and sent to recycling

Renewable Energy

Share of renewable energy of total electricity consumption



- With self-produced heat and energy plus purchased green energy, the share of renewable energy used (in MWh) increased to **67%**

1 Defined as products that have been launched in the past 3 years

Forming a Tier 1 building component supplier

Financial mid-term targets[1] – taking CHF ~200 M firepower into account

ARBONIA
Doors

Leading Door Supplier in Europe

- Net revenue ambition 2028[1,2]
  CHF 900 M
- EBITDA Margin 2028[1]:
  15%
- Best in class production sites by completed investment program
- Strong Free Cash flow generation as of 2025 onwards
- Existing platform offers significant operational leverage

Forming the European leader for doors based on unique product and service offering and cost leadership

1 Assumes stable exchange rates (CHF/EUR); includes initiatives for organic growth as well as acquisition targets, also includes reduced holding costs | 2 CHF ~680 M w/o acquisitions; CAGR >6% (w/o 2024: >7%)

Agenda

1. Doors strategy and outlook

2. Climate Division

3. Group results

Q&A

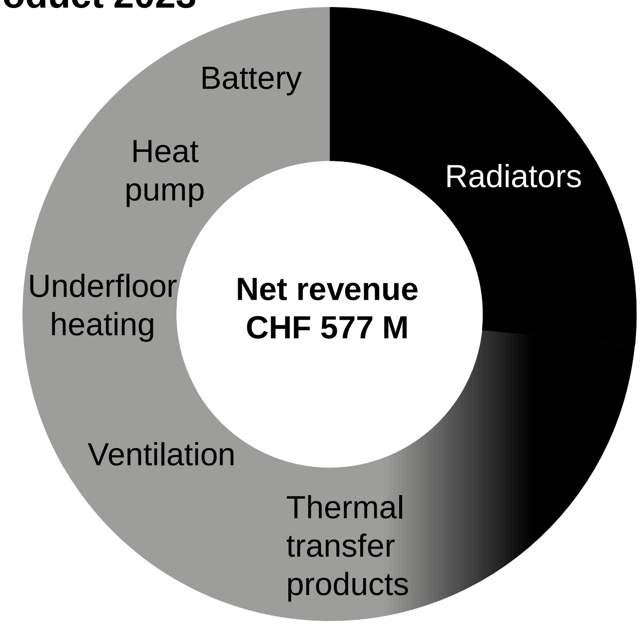
Overview 2023

ARBONIA climate at a glance

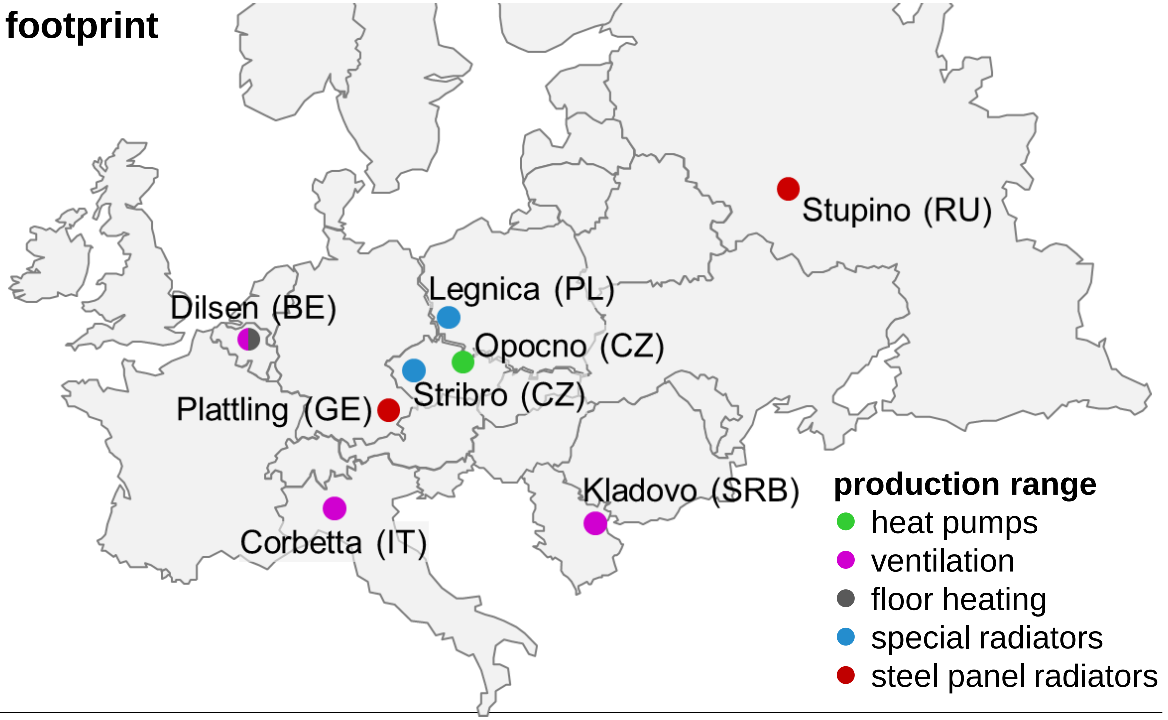
ARBONIA

Net revenue 2023 **CHF 577 M**	EBITDA 2023[1] **CHF 55 M (9.5%)**	FTEs 2023 **3'054**
Europe **Broadest system supplier**	Radiators Europe[2] **TOP 2**	Fan Coils Europe[3] **~ 15-20% market share/TOP 1**

NR by product 2023



Production footprint



1 without one-time effects | 2 BRG no.1076 excl. TR and UK | 3 own estimate based on Eurovent

Overview 2023

Effects on key product groups

Extraordinary sales performance in an extremely competitive environment

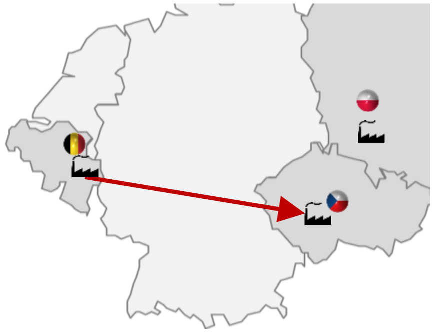
Heat pumps

- Extremely differing heat pump business in 2023: from H1 with sold out production to H2 with a complete breakdown of the market, caused by regulatory uncertainty with regard to subsidies
- Complete product portfolio available from 6-20 kW for residential use
- Focus on natural refrigerants, complementary products and state of the art control system

Formula:

1x = 3x

Radiators



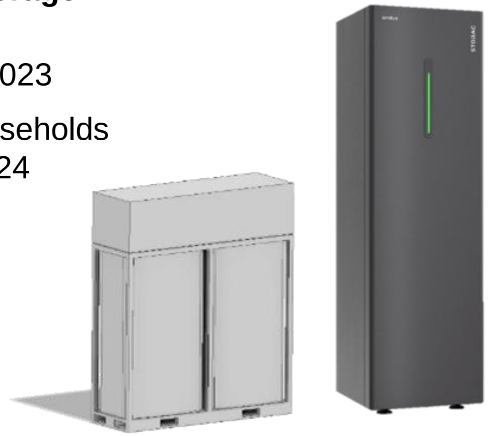
- Announcement to improve utilisation and productivity, production of design radiators will be moved to Stříbro (CZ) until end of Q2 '24
- Restructuring costs of CHF ~12 M have impacted H2 2023, with annual net-savings of CHF ~4 M as of H2 2024
- Market disruptions with destocking in SPR in Q1, slow Q2 and a slight increase in H2

Ventilation

- Possibility of mandatory ventilation in PL, NL etc. as indoor air quality gains importance
- Newly launched platform unit for narrow spaces for residential use
- Launch of fully modular, plug & play cleanroom laboratory with strong customer feedback
- Preferred supplier for a battery giga factory with strong follow-on potential

Battery storage

- Start of sale in Switzerland in summer 2023
- Launch of 10 kWh battery for larger households and commercial applications in early 2024
- Larger unit with 15 kWh for commercial use planned, launch in late 2024 or early 2025



Agenda

1. Doors strategy and outlook
2. Climate Division
3. Group results

Q&A

Income Statement

As reported, continuing operations (excl. Climate)

In CHF M	2023		in %	2022	in %
Net Revenues	**504.6**	I	**100.0**	**555.9**	**100.0**
Cost of material and goods	-199.7	II	-39.6	-239.1	-43.0
Personnel expenses	-186.1	II	-36.9	-198.7	-35.7
Other operating expenses	-96.3	II	-19.1	-89.2	-16.0
EBITDA	**31.7**	III	**6.3**	**49.7**	**8.9**
Depreciation, amortisation and impairments	-29.0		-5.7	-25.9	-4.7
EBITA	**2.7**		**0.5**	**23.8**	**4.3**
PPA amortisation	-11.6		-2.3	-11.4	-2.1
EBIT	**-8.9**	IV	**-1.8**	**12.4**	**2.2**
Net financial result	-15.2	V	-3.0	-7.2	-1.3
Group result before income tax	**-24.0**		**-4.8**	**5.2**	**0.9**
Income tax expense	9.8		1.9	-4.7	-0.8
Group result from contin. operations	**-14.2**		**-2.8**	**0.5**	**0.1**
Group result from discont. operations	**-3.0**		**-0.6**	**18.6**	**3.4**
Group result	**-17.2**	VI	**-3.4**	**19.1**	**3.4**

Revenues I
- Net revenues down -9.2% in CHF due to lower volumes and strong CHF. Adjusted for FX and acquisitions down -8.2%

Cost base II
- Cost base affected by full allocation of holding costs
- Lower material cost ratio due to easing material costs; personnel expenses c. CHF 12 M lower (despite CHF 2.2 M one-time cost) but ratio 1.2 % points higher; CHF 7.1 M increase of other expenses mainly due to one-off power costs (CHF 8 M)

EBITDA III
- EBITDA and margin down due to substantial lower volumes in standard products (interior doors and shower enclosures), salary increases, one-off energy and logistic costs as well as productivity losses due to lower volume
- CHF -2.2 M one-time effects mainly due to staff reduction measures

EBIT IV
- Lower EBITDA, one-time effects and higher D&A led to negative EBIT

Net financial result V
- Mirrors higher interest rate costs (CHF 8 M) and FX translation losses (CHF 6 M non-cash)

Group Profit VI
- Net Profit negatively impacted by CHF -1.7 M due to one-time effects

Income Statement 2023
Segment Reporting (as reported)

in 1 000 CHF	Climate	Doors	Total reportable segments	Corporate Services
Sales with third parties at point in time	567’131	439’489	1’006’620	3’065
Sales with third parties over time	9’476	62’051	71’527	
Sales with other segments		23	23	
Net revenues	**576’607**	**501’563**	**1’078’170**	**3’065**
Segment results I (EBITDA)	**42’771**	**39’138**	**81’909**	**-8’858**
in % of net revenues	*7.4*	*7.8*	*7.6*	
Depreciation and amortisation	-30’761	-26’528	-57’289	-2’449
Reversal of impairment on property, plant and equipment	167		167	
Impairment property, plant and equipment	-1’232		-1’232	
Segment results II (EBITA)	**10’945**	**12’610**	**23’555**	**-11’306**
in % of net revenues	*1.9*	*2.5*	*2.2*	
Amortisation of intangible assets from acquisitions	-5’411	-11’600	-17’011	
Segment results III (EBIT)	**5’534**	**1’010**	**6’544**	**-11’306**
in % of net revenues	*1.0*	*0.2*	*0.6*	
Interest income	1’337	272	1’609	29’869
Interest expenses	-15’364	-17’302	-32’666	-8’540
Minority share from associated companies		-674	-674	
Other financial result	-4’805	-2’806	-7’611	9’888
Result before income tax	**-13’298**	**-19’500**	**-32’798**	**19’912**

Climate
- Decline of revenues by - 10.8% due to lower volumes in radiators and FX
- Negative one-time effects of CHF 12.0 M on EBITDA level mainly for announced closure and relocation of design radiator production Dilsen (BE)
- Without one-time effects increase of EBITDA margin by 0.3% points to 9.5% due to cost measures and better product mix

Doors
- Decline of sales by - 9.3% due to lower volumes in interior doors and shower enclosures as well FX
- Negative one-time effects of CHF 2.2 M on EBITDA level mainly for staff reduction measures
- EBITDA and margin impacted by low capacity utilization and therefore lower productivity as well one-time effects (CHF 2.2 M) but more substantially one-off power costs (CHF 8.1 M)
- Without one-time effects EBITDA margin at 8.3% - adjusted for one-off energy costs at 10%

Corporate Services
- EBITDA negatively affected by CHF 1.4 M one-time effects, but substantially lower overhead costs (CHF -1.5 M)

Consolidated Balance sheet, Assets

Arbonia Group including discontinued operations

in 1'000 CHF	31.12.2023		31.12.2022	
Assets		in %		in %
Cash and cash equivalents	17’160		29’196	
Receivables and other assets	66’651		141’288	
Inventories and contract assets	62’483		245’743	
Deferred expenses	4’137		6’509	
Financial assets	-		12	
Assets held for sale	619’812	I	-	
Current assets	**770’243**	**52.0**	**422’748**	**27.8**
Property, plant, equipment and investment property	406’642		707’891	
Intangible assets and goodwill	252’614		368’699	
Deferred income tax assets	6’051		4’386	
Capitalised pension surplus	24’513		4’879	
Financial assets	22’515	II	10’909	
Non-current assets	**712’335**	**48.0**	**1’096’764**	**72.2**
Total assets	**1’482’578**	**100.0**	**1’519’512**	**100.0**

Assets held for sale I
- Presentation of all assets of Climate Division as "assets held for sale" in current assets of the balance sheet
- Assets held for sale amount to CHF 620 M

Financial assets II
- Increase due to investment in Griffwerk (17% stake)

Consolidated Balance sheet, Liabilities

Arbonia Group including discontinued operations

in 1'000 CHF	31.12.2023		31.12.2022	
Liabilities		**in %**		**in %**
Liabilities	65’546		134’462	
Financial debt	136’340 I		128’576	
Accruals and deferred income	31’281		61’980	
Provisions	3’626		12’230	
Liabilities associated with assets held for sale	195’193 II		-	
Current liabilities	**431’986**	**29.1**	**337’248**	**22.2**
Financial debt	81’243 I		84’980	
Other liabilities	519		1’803	
Provisions	4’633		10’618	
Deferred income tax liabilities	31’526		54’985	
Employee benefit obligations	11’700		42’336	
Non-current liabilities	**129’621**	**8.7**	**194’722**	**12.8**
Total liabilities	**561’607**	**37.9**	**531’970**	**35.0**
Total shareholders' equity	**920’971** III	**62.1**	**987’542**	**65.0**
Total liabilities and shareholders' equity	**1’482’578**	**100.0**	**1’519’512**	**100.0**

Financial debt I

- Modest increase of financial debt consisting of
  - CHF 134 M revolving credit facility
  - EUR 65 M promissory notes (Schuldscheindarlehen)
  - CHF 15 M mortgage
  - CHF 8 M Lease liabilities

Liabilities associated with assets held for sale II

- Presentation of liabilities of Climate Division as "liabilities associated with assets held for sale" in current liabilities of the balance sheet
- Net assets of CHF 425 M (CHF 620 M assets less CHF 195 M liabilities) would translate into a substantial book profit in case of a sale

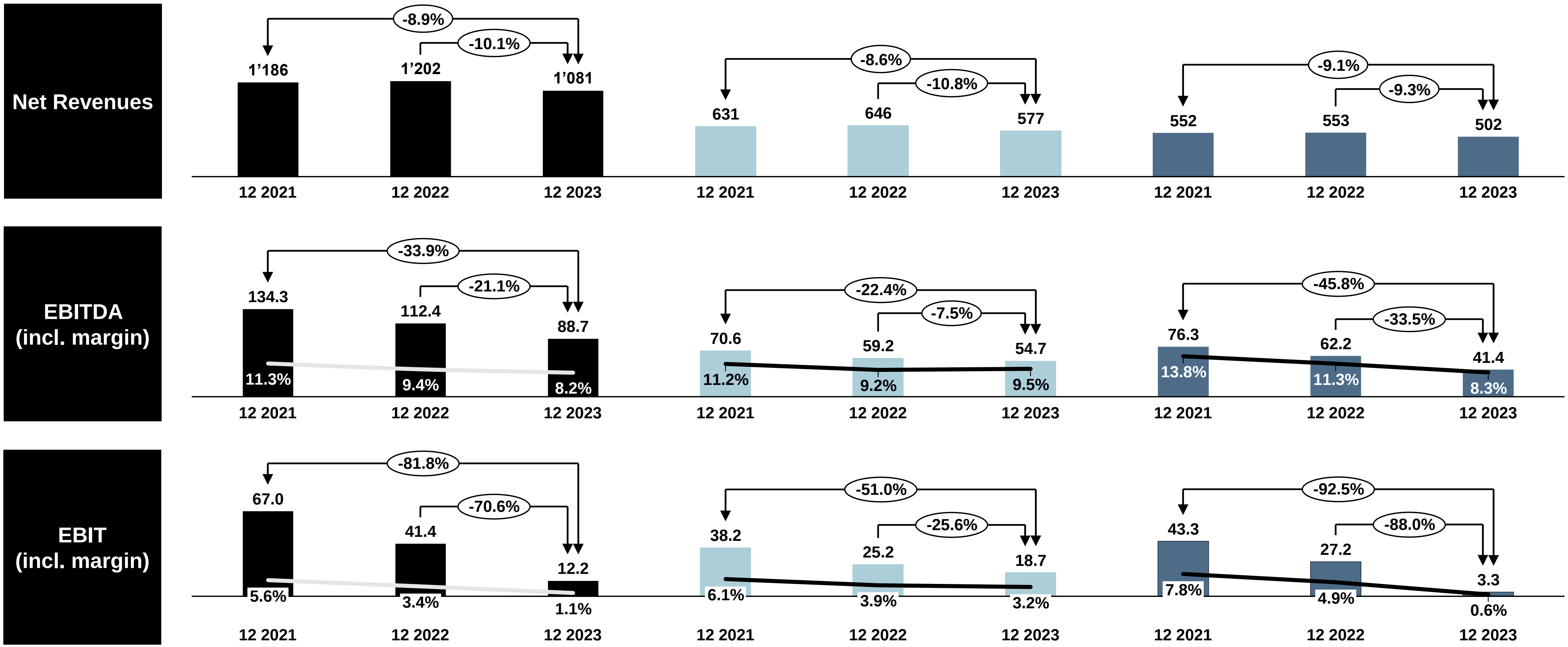
Shareholders' equity III

- Decline of CHF 67 M in shareholders' equity due to FX translation effects (CHF 59 M) and dividend paid (CHF 20 M)
- Still very strong equity ratio of 62%

2023 summary overview

Performance by Group and Divisions, including discontinued operations

CHF M[1,2]



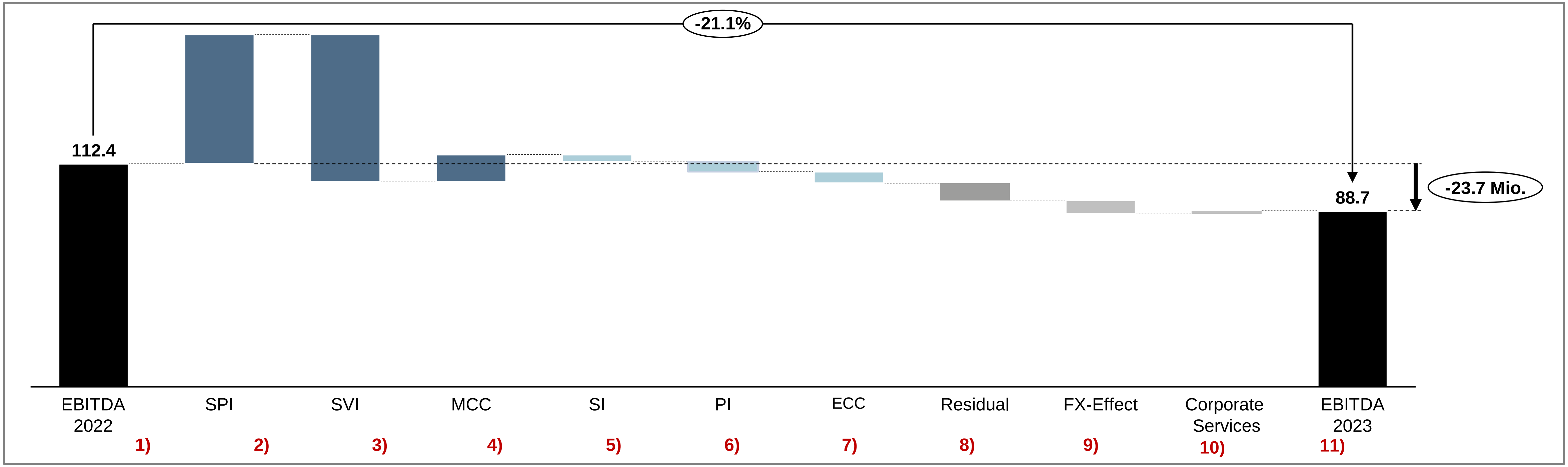
1 Not adjusted for FX and acquisition effects – for adjustments see slide [29], "Organic growth" | 2 without one-time effects

Arbonia Group Climate Doors

EBITDA Bridge 2022 – 2023

ARBONIA

Arbonia Group[1] in CHF M, including discontinued operations



Explanations:

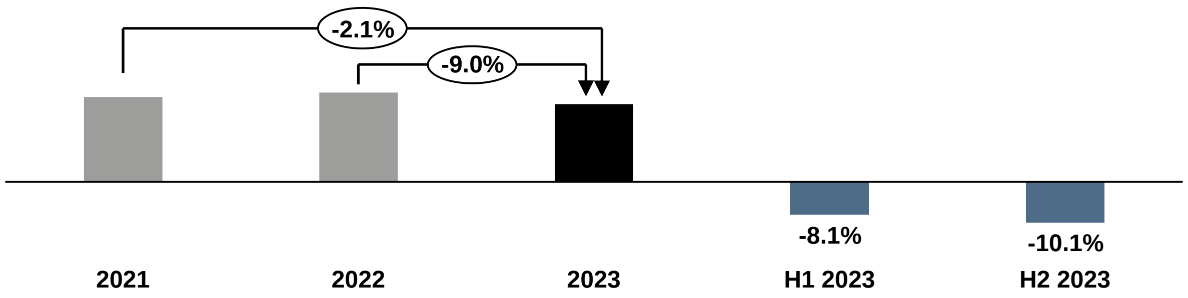
1) *Actual December 2022*
2) SPI - Sales-Price-Increase
3) SVI - Sales-Volume-Increase (Mix)
4) MCC - Material-Cost-Change
5) SI - Salary-Increase
6) PI - Productivity-Increase
7) ECC - Energy-Cost-Change
8) Residual (logistics costs, marketing, etc.)
9) FX-Effect
10) Corporate Services
11) *Actual December 2023*

1 without one-time effects

Overview organic revenue[1] growth FY 2021-2023

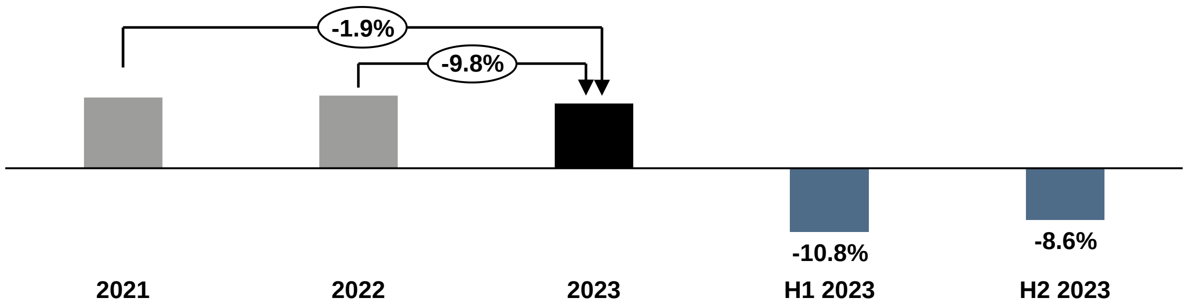
In CHF M

Arbonia Group



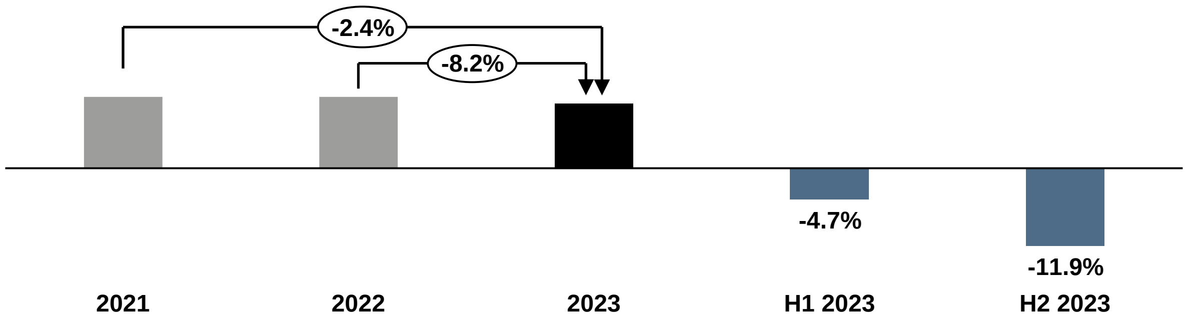
- Decline in organic growth by 9.0% on Group level due to mid-double-digit negative volume effects and mid-single digit positive price effects

Climate



- Climate with 9.8% negative organic growth due to mid-double-digit negative volume effect and mid-single-digit positive price effect
- Stabilization of negative volume trend in 2nd half of 2023

Doors

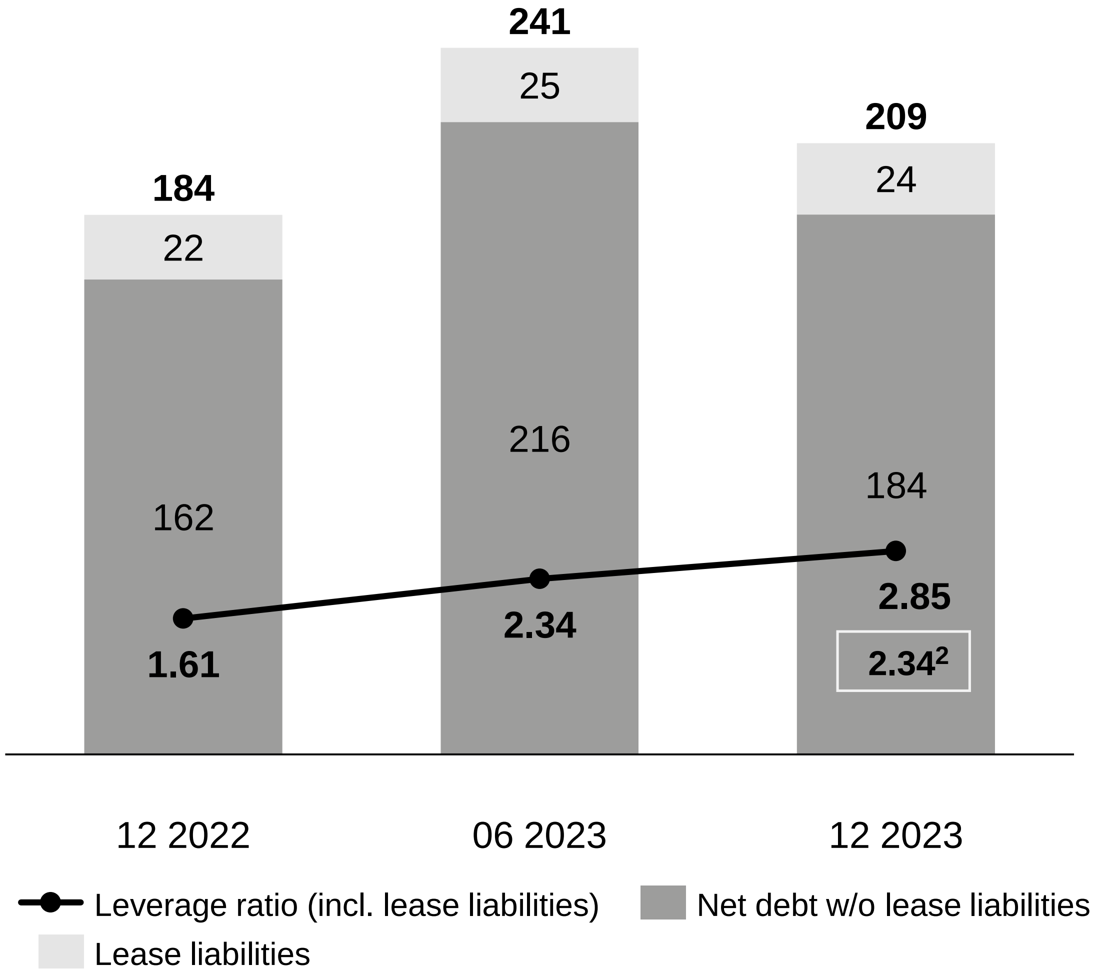


- Decline in organic growth by 8.2% due to mid-double-digit negative volume effect and mid-digit positive price effect
- 2nd half of the year does not yet show reversal of negative volume effects

1 FX and acquisition adjusted

Net debt as of 31 December 2023

In CHF M[1], including discontinued operations (Climate)



Net debt
- YoY increase of CHF 25 M mainly due to dividend (CHF 20 M), purchase of treasury shares (CHF 3 M) and increase of lease liabilities (CHF 2 M)

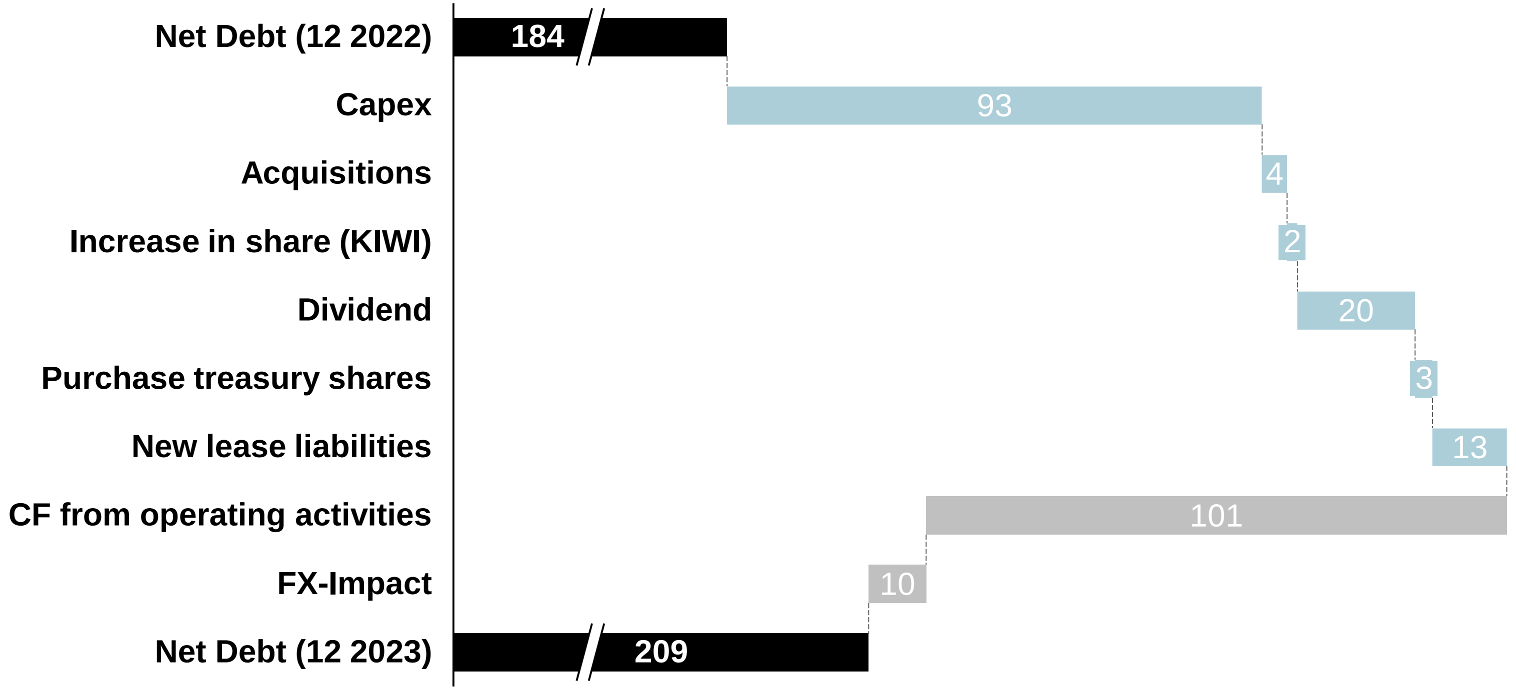
Leverage ratio
- Adjusted leverage ratio at 2.3x due to lower EBITDA base and higher net debt
- YoY NWC reduction of CHF 34 M felt CHF 20 M short due to increase in heat pump stock by year end

Real estate and land reserves
- Surplus real estate and land reserves not included in net debt calculation
- CHF 15 M stand-alone mortgage backed financing of investment property in Arbon

1 with one-time effects
2 without one-time effects

Net debt development 2023

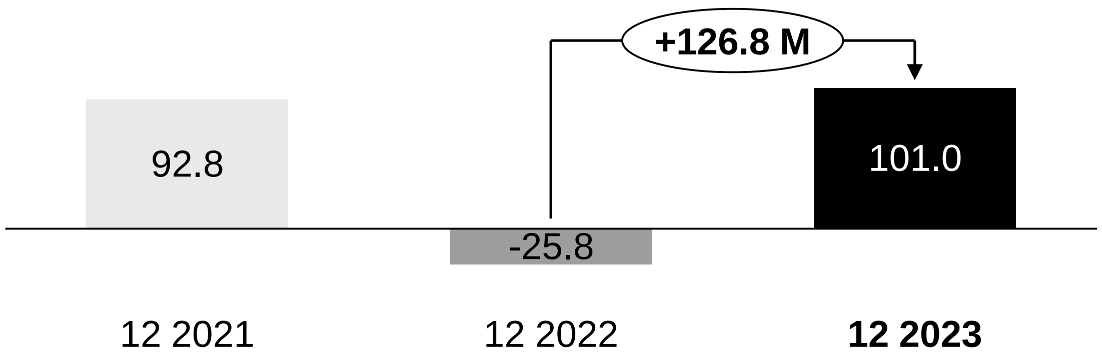
In CHF M, including discontinued operations



Cash flow statement

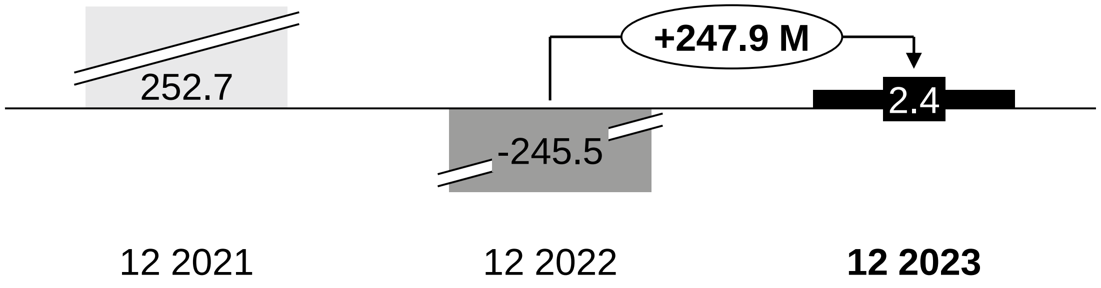
In CHF M, including discontinued operations (Climate)

Cash flow from operating activities



- Cash flow from operating activities increases by CHF 127 M to CHF 101 M due to operational performance and NWC reduction by CHF 34 M …
- …despite substantial higher interest expenses …
- …and CHF 20 M of half- and finished heat pump products on stock at year end

Free cash flow[1]



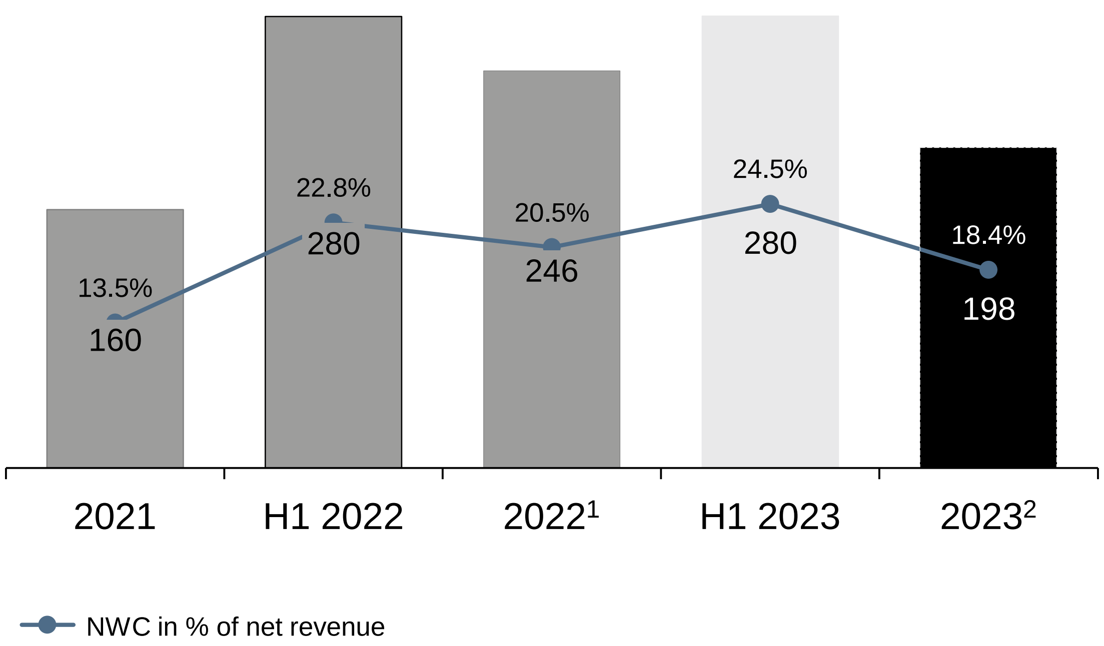
- Positive free cash flow of CHF 2.4 M after CHF 99 M investments whereof CHF 93 M Capex and CHF 6 M for acquisitions and increase of existing participations

1 Free cash flow: cash flow from operating and investing activities

Net Working Capital

Significant Operating Net Working Capital reduction supported cash flow development

Operating NWC development



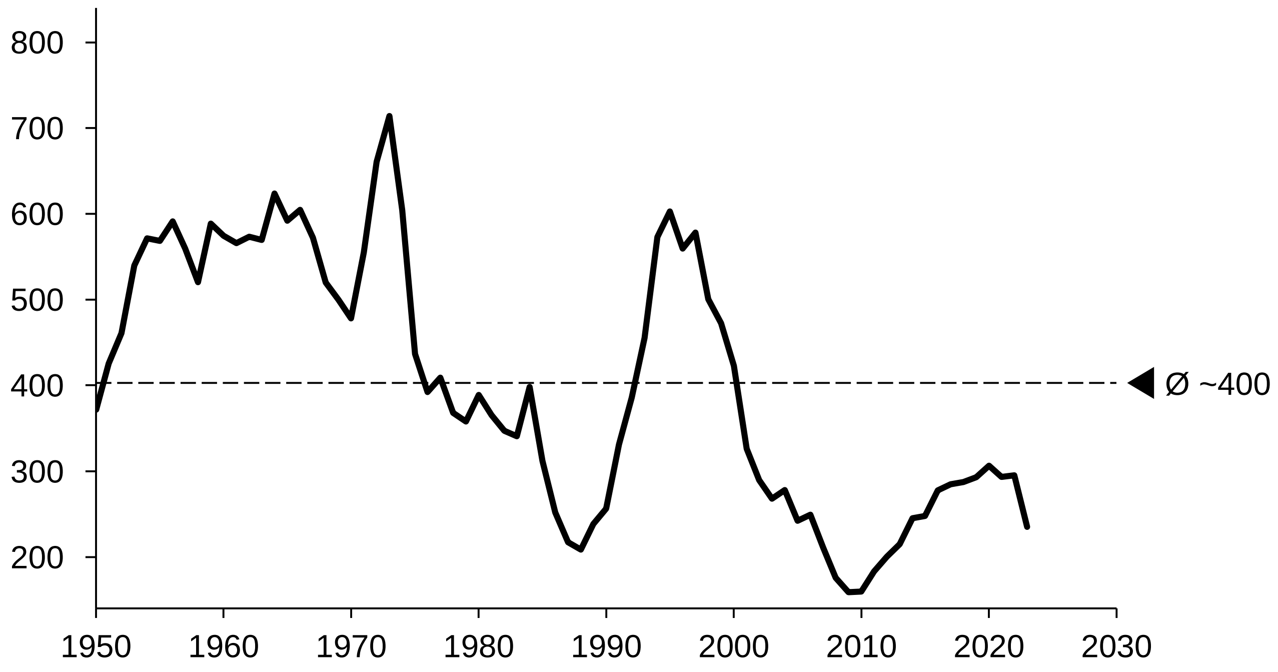
- Substantial reduction of operating NWC yoy as well as 2nd half of the year (CHF 48 M respectively CHF 82 M)
- NWC ratio improved from 20.5% to c. 18% by year end; however further reduction to 15% on Group level foreseen

Operating NWC = Accounts receivable + accounts receivable project business + inventories + contract assets – accounts payable – advance payments by customers – contract liabilities project business
1 Without Cirelius
2 including discontinued operations

Mid-term market prospects

Building completions in Germany (number of flats)[1]

in thousands



Foundation for growth

- Supply/demand imbalance due to migration, urbanisation, rising demand for space (per person), more single-households etc.
- Structural high demand for (energy-efficient) homes, both in new-built and renovation
- No housing bubble in the last 20 years
- 850k building permits that have not started construction
- German government is aiming for 400k new flats per year

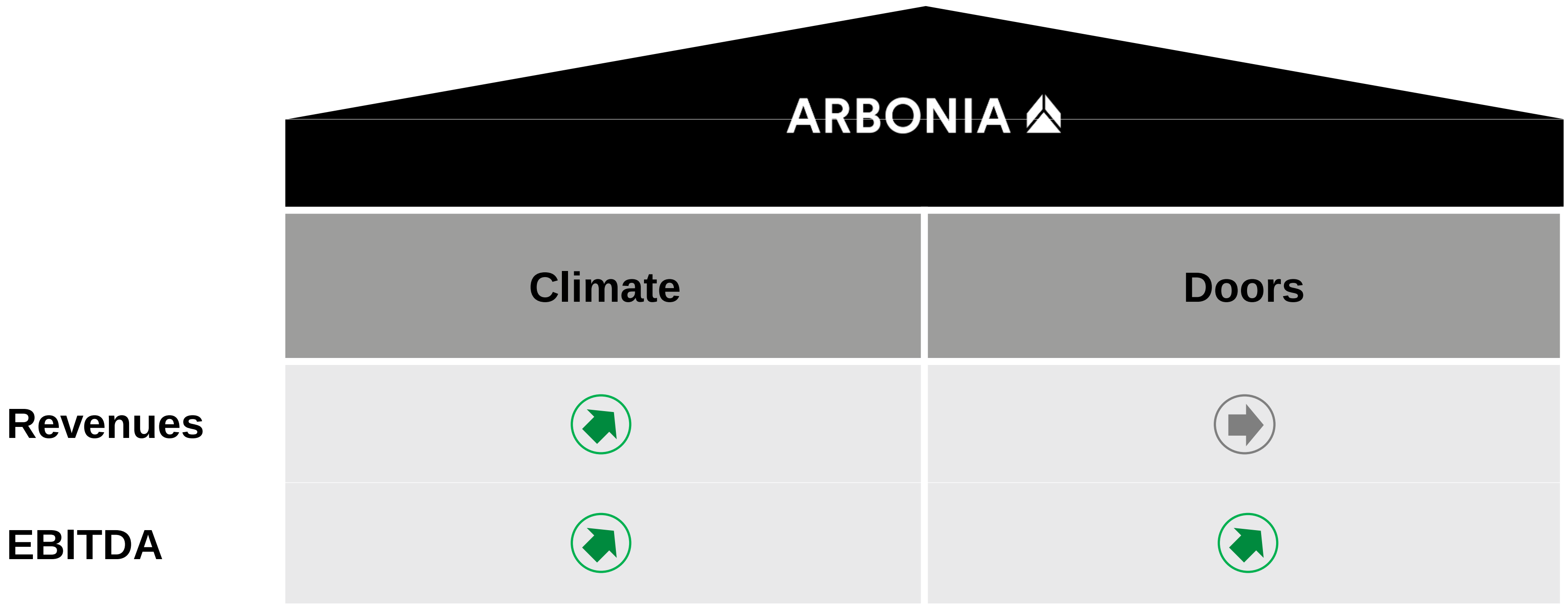
Reasons for a decline

- Decrease in building permits
- Lack of skilled labour
- Steadily increasing regulations (environmental regulation, rent control, …)
- Increased, but decreasing construction cost due to previous raw material shortages and high energy costs
- Increase in interest rates for mortgages

Structural demand for 400k flats annually

1 including 2023 forecast of ~235k flats | source: Statistisches Bundesamt / Wegweiser 30. Mai 2022

Guidance for 2024[1]



We expect:

- despite improvement of external factors (inflation, interest rates, construction costs and increasing rents) no improvement in new construction, but possibly an improvement in renovation in the course of the year
- organic growth in the Climate division, due to a diverse product mix and different markets, as well as an improvement in profitability due to growth and cost saving measures (in 2023)
- profitability of Doors will benefit from established cost saving measures and from structured energy purchase, but revenues on previous years level (2023)

1 Assumes stable exchange rates (CHF/EUR)

ARBONIA

Thank you

Appendix

Income Statement

Without one-time effects, including discontinued operations

ARBONIA

In CHF M	2023		in %	2022	in %
Net Revenues	**1’081.2**	I	**100.0**	**1’202.1**	**100.0**
Cost of material and goods	-484.7	II	-44.8	-593.7	-49.4
Personnel expenses	-337.8	II	-31.2	-352.5	-29.3
Other operating expenses	-182.0	II	-16.8	-179.7	-15.0
EBITDA	**88.7**	III	**8.2**	**112.4**	**9.4**
Depreciation and amortisation	-59.6		-5.5	-55.1	-4.6
EBITA	**29.1**		**2.7**	**57.4**	**4.8**
PPA amortisation	-17.0		-1.6	-16.0	-1.3
EBIT	**12.1**	IV	**1.1**	**41.4**	**3.4**
Net financial result	-18.7	V	-1.7	-7.2	-0.6
Group result before income tax	**-6.6**		**-0.6**	**34.2**	**2.8**
Income tax expense	5.4		0.5	-10.4	-0.9
Group result	**-1.3**	VI	**-0.1**	**23.9**	**2.0**

Revenues I
- Net revenues down -10.1% in CHF due to lower volumes and strong CHF. Adjusted for FX and acquisitions down -9.0%

Cost base II
- Lower material cost ratio due to easing material costs; personnel expenses c. CHF 15 M lower but ratio 1.9 % points higher; increase of other expenses due to one-off power and logistic costs

EBITDA III
- EBITDA and margin down due to substantial lower volumes in standard products (radiators, interior doors and shower enclosures), salary increases, one-off energy and logistic costs as well as productivity losses due to lower volume
- Better product mix and moderately lower material costs could not fully compensate other adverse effects

EBIT IV
- Impact of CHF 6 M due to higher D&A and PPA amortisation compared to last year

Net financial result V
- Higher interest rate costs (CHF 10 M) and non-cash FX losses (CHF 7 M)

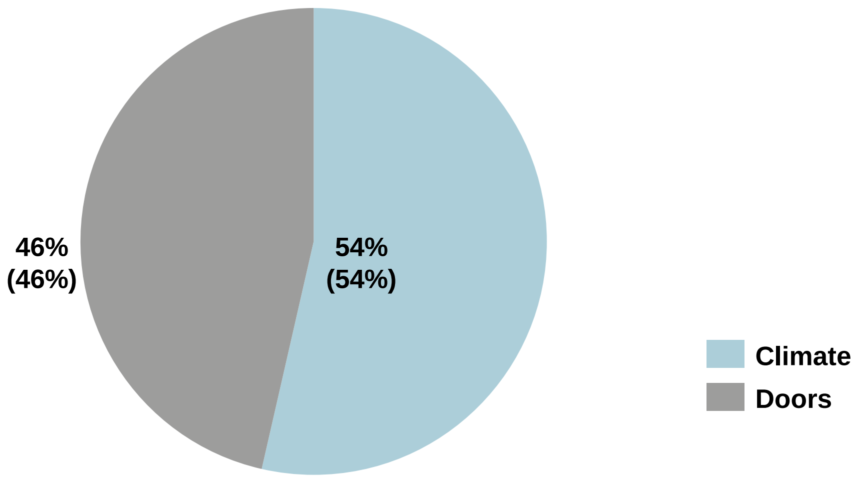
Group Profit VI
- Net Profit slightly negative due to lower EBITDA in combination with higher D&A and financial result

Blue figures are adjusted for one-time effects

Net revenues by Division and Region

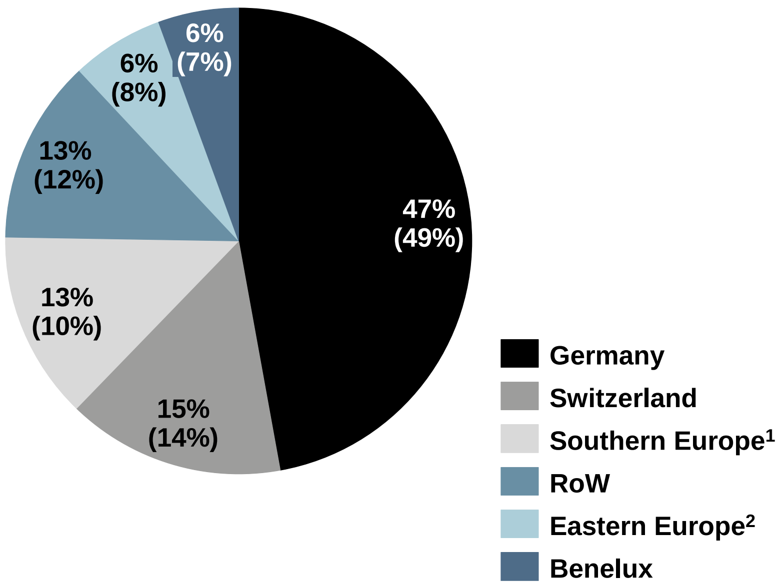
Only marginal changes in revenue split by Division and Region

Net revenues by Division



- Revenue split between Climate and Doors Division unchanged
- Climate with Southern Europe as positive performing region but on the other hand with high exposure towards Germany, Benelux and Eastern Europe

Net revenues by Region



- Development of relative share of Group revenues mirrors construction environment
- Gains in Southern Europe, Switzerland and RoW
- Losses in Germany, Benelux and Eastern Europe

Figures in brackets show values of 2022
1 Southern Europe: ES, IT, PT and RS
2 Eastern Europe: CZ, PL, RU and SK

Sustainability

Highlights of our commitments and activities

Accomplishments 2023

- Significantly improved awareness and transparency with an enhanced and comprehensive 2023 ESG report
- Expanded reporting of Scope 3 categories
- Increased supplier assessment (partnership with EcoVadis) based on sustainability criteria
- Intensified dialogue and partnerships with additional institutions, e.g. UN Global Compact
- Reporting according to TCFD criteria
- Improved evaluation of EcoVadis sustainability rating

Plans 2024

- Increased transparency of Scope 3 reporting
- Participating in the Carbon Disclosure Project (CDP)
- Full commissioning of the combined heat and power plants at the production sites in Germany

Commitments

Commitment to reducing operational emissions (Scope 1 to 3) by 4.2% annually by 2035 (relative to the reference year 2020) - despite further organic growth

Joined in 2021

Improved rating in 2023

Note: Scope 1 refers to emissions from within the companies own processes (production, internal transport), Scope 2 refers to emissions from purchased energy (power, heating), Scope 3 refers to all other emissions (purchased goods & services, distribution of products, product lifecycle etc.)

Thank you