

ARBONIA FIRST SEMESTER FINANCIAL REPORT

2024

ARBONIA 





Letter to the shareholders

In the first half of 2024, the new Arbonia with its focus on doors managed to hold its own in markets that continue to be very challenging. There were further sharp declines in new residential construction projects, while renovation activities continue to be restrained. This trend is particularly noticeable in Germany, the largest European market and Arbonia's most important market, where the Doors Division achieves around 60 % of its revenue. The industry has been seriously hampered by increased interest rates and high construction costs, which are having a significant impact on the profitability of construction projects. As a result, building permits in Germany and other important European markets have continued to decline significantly. However, the doors business has compensated for the falling volumes by implementing growth initiatives, price increases, and operational improvements. This has enabled it to maintain the level of revenue achieved in the first half of 2023, while also increasing the EBITDA margin substantially by 170 basis points from 8.0 % to 9.7 %.



*Dear Shareholders
Dear ladies and gentlemen*

On 18 April 2024, Arbonia signed an agreement with the Chinese Midea Group for the sale of the Climate Division. The focussing process of Arbonia is progressing as preparations for the completion of the sale of the Climate division continue and should be completed as planned in the fourth quarter 2024.

Looking at the operational activities at Arbonia, it is clear that its markets were characterised by the continued weak development of the construction industry in Europe in the first half-year of 2024. This was triggered by significant cost inflation and the subsequent increases in interest rates. This has massively restricted the construction of new residential buildings in Europe, and of single-family homes in particular. Coupled with this, building permits have continued to fall sharply compared to the previous year. By contrast, renovation activities have not been so significantly weakened, since craftsmen are now gradually freeing up capacity that was previously scarce, meaning they can begin clearing the backlog of renovations that has built up in recent years. A contributing factor in this regard is the price development for existing properties, which have lost considerable value compared to new builds. Institutional investors in residential buildings in particular can now take measures to preserve the value of their investments. Together with reductions in ancillary housing costs and energy costs, this will allow scope to increase rents.

Alongside these rays of hope in the economy, Arbonia was able to defend or even improve its margins in a challenging market through increases in productivity, the personnel changes announced in summer 2023, and the reduction in energy costs. In addition, Arbonia has gradually expanded its project business in recent years, allowing it to partially compensate for the weaknesses in residential construction. Since the start of the year, Arbonia doors have been available in more than 100 branches of a major German DIY store, with a second major chain to be added this year. In the medium term, Arbonia intends to continue growing in the DIY business and thereby achieve a significant revenue contribution in the tens of millions.

In view of the sale of the Climate Division announced on 18 April 2024, the division is treated as a discontinued operation in the First Semester Financial Report. This means that only the continuing operations (Doors Division) and the other segments/Corporate Services are set out in detail in the First Semester Financial Report, while the results from discontinued operations (Climate Division excluding AFG RUS) are only added as a contribution to the result after the group result from continuing operations in the consolidated financial statement.

As part of the initial consolidation of the Dimoldura Group (ES) following the takeover completed in mid-May 2024, its contribution to revenue and the result for 1.5 months has been included in the group result from continuing operations.

In the first half-year of 2024, Arbonia succeeded in maintaining practically the same level of revenue (continuing operations) as in the same period last year, from CHF 279.7 million to CHF 278.2 million, thanks to a number of operational improvements and cost optimisations. However, when adjusted for currency and acquisition effects (organic), it was not possible to maintain revenue completely. As a result, there was a negative organic growth of -5.4 %, though this decrease was almost entirely attributable to volume effects, with price effects and mixed effects remaining practically the same. EBITDA was CHF 47.4 million (previous year: CHF 17.5 million), representing an increase of around CHF 30 million, with CHF 26.2 million attributable to one-time effects. As a consequence, the EBITDA margin increased from 6.3 % to 17.0 %. Without one-time effects, EBITDA increased by around 20 %, from CHF 17.6 million to CHF 21.2 million, which corresponds to an improvement in the EBITDA margin of 1.3 %, from 6.3 % to 7.6 %. EBIT was CHF 24.3 million (previous year: CHF -4.1 million), representing an increase of CHF 28.4 million. Without one-time effects, EBIT increased by CHF 2.0 million, from CHF -4.0 million in the previous year to CHF -2.0 million. The group result was CHF 40.9 million, compared to CHF -2.0 million in the previous year. The reported figures include the one-time profit of CHF 28.8 million from the sale of the Zelgstrasse site in Arbon at the EBITDA level, as well as negative one-time effects of CHF -2.6 million. Adjusted for one-time effects, EBITDA is therefore CHF 26.2 million lower.

In addition to the sale of the Zelgstrasse site, Arbonia took an important step towards focusing on the doors business with the acquisitions of Dimoldura (ES) and Lignis (CZ), which were announced in May. With the acquisition of the Spanish market leader, which also has a strong market position in Portugal and France, as well as the Czech contractor services specialist, Arbonia has successfully diversified its end markets both geographically and on the customer side. The doors business previously had a strong orientation towards the DACH markets, with Germany alone accounting for a revenue share of almost two thirds. The acquisitions will allow this proportion to be reduced to around 50 %. At the same time, the acquisitions have enabled Arbonia to expand its product portfolio to include solid wood doors and white painted doors, and the company has taken an important step towards achieving its goal of adopting a market-leading position as a full-range provider in Europe. The two acquisitions will also enable higher margins to be achieved while compensating for part of the lost revenue resulting from the sale of the Climate Division. Dimoldura has been contributing to the result at Arbonia for 1.5 months, since the acquisition was closed in mid-May. By contrast, the acquisition of Lignis is to be completed by 1 July 2024, meaning this acquisition will contribute to the result from the second half-year onwards.



In purely operational terms, without any contributions to revenue and results from the other segments/Corporate Services, the **Doors Division** generated a revenue of CHF 263.6 million in the first half-year of 2024, corresponding to a decrease of –0.8 % compared to the previous year (CHF 265.6 million). Organic growth (adjusted for currency and acquisitions) amounted to –6.9 %, most of which is also attributable to volume effects in this case. EBITDA without one-time effects rose by 20.3 %, from CHF 21.2 million in the previous year to CHF 25.5 million. As a consequence, this corresponds to an increase in the EBITDA margin from 8.0 % in the previous year to 9.7 %. Without one-time effects, the EBIT amounted to CHF 4.5 million (same period last year: CHF 2.0 million).

Outlook

For the 2024 financial year, Arbonia expects to achieve revenue at the level of the previous year for continuing operations before acquisition and FX effects, as well as an increase in EBITDA without one-time effects both in absolute numbers and in terms of the EBITDA margin. This is firstly because of the continued strong revenue development in the project business and the renovation business, despite the weak development of the construction industry. The operational improvements mentioned above also contribute in this regard, such as the lower energy costs achieved through structured energy purchasing, the improved cost structure, and the improved productivity as a result of past investments. In particular, the advanced development of the radiators and underfloor heating systems product groups in the Climate Division – which is to be sold – gives Arbonia cause for optimism: The volume of radiators sold has actually increased slightly compared with the same period last year, which was also relatively strong. This suggests that renovation activities are stable or slightly positive. The fact that radiators arrive on the building site or are installed several weeks before the doors supports the management's belief that the situation in the renovation business will remain stable or improve slightly.

In addition, material and energy costs are continuing to fall slightly, while there are hopes that a lower interest rate environment will likely improve the profitability of real estate and ultimately bring about an increase in construction activities. As a result, Arbonia expects the development of the construction industry to stabilise in the short term and improve in the medium term in its core markets. An improvement in customer ordering behaviour is already noticeable in Eastern Europe, where the previous downturn also had an impact at an earlier stage.

Alexander von Witzleben
Executive Chairman

Daniel Wüest
CFO

Alexander Kaiss
CEO Climate Division

Claudius Moor
CEO Doors Division



Interim consolidated financial statements Arbonia Group



Consolidated Income Statement (condensed)

in 1 000 CHF	For the six months ended 30/ 06/ 2024		For the six months ended 30/ 06/ 2023 restated ¹	
		%		%
Continuing operations				
Net revenues	278 177	100.0	279 667	100.0
Other operating income and capitalised own services	35 669	12.8	7 179	2.6
Changes in inventories of semi-finished and finished goods	3 259	1.2	- 2 116	- 0.8
Cost of material and goods	- 113 121	- 40.7	- 118 623	- 42.4
Personnel expenses	- 105 760	- 38.0	- 97 316	- 34.8
Other operating expenses	- 50 802	- 18.3	- 51 290	- 18.3
EBITDA	47 422	17.0	17 502	6.3
Depreciation and amortisation	- 16 676	- 6.0	- 15 577	- 5.6
Amortisation of intangible assets from acquisitions	- 6 480	- 2.3	- 6 018	- 2.2
EBIT	24 266	8.7	- 4 093	- 1.5
Net financial result	906	0.3	- 5 658	- 2.0
Group result before income tax	25 173	9.0	- 9 752	- 3.5
Income tax expense	- 2 778	- 1.0	1 581	0.6
Group result from continuing operations	22 394	8.1	- 8 170	- 2.9
Group result from discontinued operations after taxes	18 547	6.7	6 131	2.2
Group result	40 941	14.7	- 2 039	- 0.7
Attributable to:				
Shareholders of Arbonia AG	40 941		- 2 039	
Earnings per share from continuing operations in CHF	0.32		- 0.12	
Earnings per share from discontinued operations in CHF	0.27		0.09	
Earnings per share in CHF	0.59		- 0.03	

Basic and diluted earnings are identical.

¹ see note 6

EBITDA = Earnings before financial results, tax, depreciation and amortisation

EBIT = Earnings before financial results and tax

The notes on pages 13 to 20 form an integral part of these condensed interim consolidated financial statements.



Consolidated Statement of Comprehensive Income (condensed)

in 1 000 CHF	For the six months ended 30/ 06/ 2024	For the six months ended 30/ 06/ 2023
Group result	40 941	- 2 039
Other comprehensive income		
<i>Items that will not be reclassified to income statement</i>		
Remeasurements of employee benefit obligations	3 264	7 144
Total items that will not be reclassified to income statement	3 264	7 144
<i>Items that may be reclassified subsequently to income statement</i>		
Fair value adjustments on cash flow hedges	2 146	
Currency translation differences	31 240	- 14 352
Total items that may be reclassified subsequently to income statement	33 386	- 14 352
Total other comprehensive income after taxes	36 650	- 7 208
Total comprehensive income	77 591	- 9 247
Attributable to:		
Shareholders of Arbonia AG	77 591	- 9 247
Total comprehensive income from continuing operations	50 214	- 7 431
Total comprehensive income from discontinued operations	27 377	- 1 816

The notes on pages 13 to 20 form an integral part of these condensed interim consolidated financial statements.



Consolidated Balance Sheet (condensed)

in 1 000 CHF	30/ 06/ 2024		31/ 12/ 2023		30/ 06/ 2023	
		%		%		%
Assets						
Cash and cash equivalents	19 345		17 160		24 716	
Receivables and other assets	104 681		66 651		181 109	
Inventories and contract assets	108 977		62 483		245 601	
Deferred expenses	8 015		4 137		8 669	
Financial assets					5	
Assets held for sale	648 259		619 812			
Current assets	889 277	50.2	770 243	52.0	460 100	29.3
Property, plant, equipment and investment property	472 366		406 642		710 101	
Intangible assets and goodwill	350 847		252 614		361 786	
Deferred income tax assets	8 400		6 051		4 310	
Capitalised pension surplus	26 897		24 513		13 248	
Financial assets	23 613		22 515		21 729	
Non-current assets	882 123	49.8	712 335	48.0	1 111 174	70.7
Total assets	1 771 400	100.0	1 482 578	100.0	1 571 274	100.0
Liabilities and shareholders' equity						
Liabilities	93 873		65 546		161 102	
Financial debt	313 301		136 340		179 611	
Accruals and deferred income	34 945		31 281		61 609	
Provisions	3 643		3 626		8 584	
Liabilities associated with assets held for sale	226 521		195 193			
Current liabilities	672 283	38.0	431 986	29.1	410 906	26.2
Financial debt	35 033		81 243		86 456	
Other liabilities	684		519		1 551	
Provisions	5 545		4 633		10 569	
Deferred income tax liabilities	45 698		31 526		51 936	
Employee benefit obligations	12 707		11 700		41 912	
Non-current liabilities	99 667	5.6	129 621	8.7	192 424	12.2
Total liabilities	771 950	43.6	561 607	37.9	603 330	38.4
Total shareholders' equity	999 450	56.4	920 971	62.1	967 944	61.6
Total liabilities and shareholders' equity	1 771 400	100.0	1 482 578	100.0	1 571 274	100.0

The notes on pages 13 to 20 form an integral part of these condensed interim consolidated financial statements.



Consolidated Statement of Cash Flows (condensed)

in 1 000 CHF	For the six months ended 30/ 06/ 2024	For the six months ended 30/ 06/ 2023
Group result	40 941	- 2 039
Depreciation and amortisation	23 156	38 677
Profit/loss on disposal of non-current assets	- 28 955	- 179
Changes in non-cash transactions	2 066	5 131
Net interest expense	5 935	4 204
Income tax expense	10 069	270
Changes in working capital and current liabilities	- 47 574	- 28 453
Interest paid	- 5 201	- 4 676
Interest received	298	113
Income tax paid	- 7 314	- 1 080
Cash flows from operating activities - net	- 6 579	11 968
To investment activities		
Purchases of property, plant and equipment and investment property	- 23 265	- 34 067
Purchases of intangible assets	- 7 648	- 5 718
Acquisition of subsidiaries (net of cash acquired)	- 86 688	
Issuance of financial assets		- 19
From divestment activities		
Proceeds from sale of property, plant and equipment and investment property	19 242	60
Repayment of financial assets	6	8
Cash flows from investing activities - net	- 98 353	- 39 736
From financing activities		
Proceeds from financial debts	167 204	152 428
To financing activities		
Repayment of financial debts and lease liabilities	- 59 701	- 104 762
Dividends and distribution from capital contribution reserves		- 20 434
Purchase of treasury shares	- 104	- 2 722
Cash flows from financing activities - net	107 399	24 510
Effects of translation differences on cash and cash equivalents	775	- 1 222
Change in cash and cash equivalents	3 242	- 4 480
Reconciliation of change in cash and cash equivalents		
Cash and cash equivalents as of 01/ 01 continuing operations	17 160	29 196
Cash and cash equivalents as of 01/ 01 discontinued operations	13 756	
Cash and cash equivalents as of 30/ 06 continuing operations	19 345	24 716
Cash and cash equivalents as of 30/ 06 discontinued operations	14 813	
Change in cash and cash equivalents	3 242	- 4 480

The notes on pages 13 to 20 form an integral part of these condensed interim consolidated financial statements.



Consolidated Statement of Changes in Equity

in 1 000 CHF	Share capital	Share premium	Treasury shares	Other reserves	Retained earnings	Total shareholders' equity
Balance at 31/12/2022	291 787	485 968	- 15 514	- 127 430	352 731	987 542
Group result					- 2 039	- 2 039
Total other comprehensive income after taxes				- 14 352	7 144	- 7 208
Total comprehensive income				- 14 352	5 105	- 9 247
Dividends and distribution from capital contribution reserves		- 10 217			- 10 217	- 20 434
Changes in treasury shares			12 924		- 3 400	9 524
Share based payments			1 201		- 642	559
Total transactions with owners		- 10 217	14 125		- 14 259	- 10 351
Balance at 30/06/2023	291 787	475 751	- 1 389	- 141 782	343 577	967 944
Balance at 31/12/2023	291 787	475 751	- 1 389	- 186 304	341 126	920 971
Group result					40 941	40 941
Total other comprehensive income after taxes				33 386	3 264	36 650
Total comprehensive income				33 386	44 205	77 591
Changes in treasury shares			- 104			- 104
Share based payments			1 182		- 190	992
Total transactions with owners			1 078		- 190	888
Balance at 30/06/2024	291 787	475 751	- 311	- 152 918	385 141	999 450

The notes on pages 13 to 20 form an integral part of these condensed interim consolidated financial statements.



Selected Explanatory Notes to the Interim Consolidated Financial Statements

1. General information

Arbonia Group (Arbonia) is a focused building components supplier. The company with the continuing operations consists of Division Doors with the Wood Solutions and Glass Solutions Business Units. Manufacturing plants are located in Switzerland, Germany, the Czech Republic, Poland, Spain, Portugal, France and Russia. Arbonia owns major brands such as Arbonia, Kermi, Koralle, RWD Schlatter, Prüm, Garant, Invado, Dimoldura, Rozière and possesses a strong position in its home markets in Switzerland and Germany.

On 18 April 2024, a contract was signed between Arbonia and Midea Electrics Netherlands B.V., a company of Midea Group for the sale of the Climate business. The closing of the transaction is expected in the second half of 2024 (see note 6).

The ultimate parent company, Arbonia AG is a corporation organised under Swiss law incorporated and domiciled at Amriswilerstrasse 50, CH-9320 Arbon (canton Thurgau). Arbonia AG is listed on the SIX Swiss Exchange in Zurich under the valor number 11024060/ ISIN CH0110240600.

These unaudited interim consolidated financial statements have been approved for issue by the Board of Directors of Arbonia AG on 26 August 2024.

2. General principles and basis of preparation

The unaudited interim consolidated financial statements for the six months ended 30 June 2024 have been prepared in accordance with the International Financial Reporting Standard (IFRS) IAS 34 "Interim Financial Reporting". The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the consolidated financial statements 2023.

The preparation of interim financial statements requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Consequently actual results might deviate from such estimates.

Amendments to significant published standards

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following amended standard.

Arbonia adopted the following new standard in the reporting period:

– Amendments to IAS 1 - Classification of liabilities as current or non-current and non-current liabilities with covenants

The amendments to IAS 1 clarify certain requirements for determining whether a liability is classified as current or non-current. Borrowings are classified as current liabilities unless at the end of the reporting period, the group has a right to defer settlement of the liability for at least 12 months after the reporting period. The amendments did not result in a change in the classification of Arbonia's borrowings.

The remaining new or amended standards had no material impact on the Group's financial statements.

The introduction of IFRS 18 «Presentation and Disclosure in Financial Statements» is expected to have an impact on the Group's financial statements. Arbonia will systematically analyse and review its financial statements in view of the entry into force of this standard.

The remaining published but as of the balance sheet date not yet effective new standards and interpretations will not have a material impact on the Group's financial statements.

3. Changes in the scope of consolidation

The following changes occurred during the reporting period in the Group:

– As of 16 May 2024, Arbonia acquired 100% of Dimoldura Group, ES-Toledo (see note 7).

4. Foreign currency rates

The following foreign currency rates have been applied:

Currency	Unit	2024		2023	
		Closing rate 30/ 06	Half-year average rate	Closing rate 30/ 06	Half-year average rate
EUR	1	0.9634	0.9615	0.9770	0.9857
CZK	100	3.8490	3.8430	4.1172	4.1632
PLN	100	22.3371	22.2759	21.9536	21.3130
CNY	100	12.5742	12.3256	12.4030	13.1697
RUB	100	1.0492	0.9765	1.0283	1.1841
RSD	100	0.8216	0.8208	0.8333	0.8405



5. Segment information

On 18 April 2024, a contract was signed between Arbonia and Midea Electrics Netherlands B.V., a company of Midea Group for the sale of the Climate business. The closing of the transaction is expected in the second half of 2024. In line with internal management reporting, the Climate segment is no longer included in the segment information. The segment information of the previous year was restated accordingly.

With this sales transaction, Arbonia will focus on its doors business in future, which will remain as the only reportable business segment. The site in Russia (AFG RUS) and a non-operating property in the Netherlands (Brugman Radiatorenfabriek BV), both included in the Climate business, are not part of the transaction and will remain with Arbonia. These activities are allocated to other segments/ Corporate Services in the segment information. This position also includes Corporate Services, which consists of service, finance, real estate and investment companies and provides services almost entirely to Group companies.

For the monitoring and assessment of the financial performance, EBITDA, EBITA and EBIT are pivotal key measures. However Group Management and the Board of Directors also are provided with financial data down to the line item "result after income tax" by operating segment. The segments apply the same accounting policies as the Group. Purchases, sales and services between segments are entered into under normal commercial terms and conditions that would also be available to unrelated third parties. Income and expenses between segments are eliminated on consolidation and disclosed in "Eliminations".

Segment assets and liabilities include all assets, liabilities and intercompany transactions. Goodwill has been allocated to the respective segments.



in 1 000 CHF	Six months ended 30/ 06/ 2024				
	Doors	Total reportable segments	Other segments/ Corporate Services	Eliminations	Total Group
Sales with third parties at point in time	234 056	234 056	14 582		248 638
Sales with third parties over time	29 539	29 539			29 539
Net revenues	263 595	263 595	14 582		278 177
Segment results I (EBITDA)	23 443	23 443	23 979		47 422
<i>in % of net revenues</i>	8.9	8.9			17.0
Depreciation and amortisation	- 14 613	- 14 613	- 2 063		- 16 676
Segment results II (EBITA)	8 830	8 830	21 916		30 746
<i>in % of net revenues</i>	3.3	3.3			11.1
Amortisation of intangible assets from acquisitions	- 6 480	- 6 480			- 6 480
Segment results III (EBIT)	2 350	2 350	21 916		24 266
<i>in % of net revenues</i>	0.9	0.9			8.7
Interest income	331	331	11 203	- 11 065	469
Interest expenses	- 11 155	- 11 155	- 5 444	11 057	- 5 542
Minority share from associated companies	37	37			37
Other financial result	- 1 362	- 1 362	11 342	- 4 036	5 943
Result before income tax	- 9 799	- 9 799	39 017	- 4 045	25 173
Income tax expense	2 411	2 411	- 5 189		- 2 778
Result after income tax	- 7 388	- 7 388	33 827	- 4 045	22 394
Average number of employees	3 124	3 124	293		3 417
Total assets as of 30/06/2024	1 006 478	1 006 478	978 719	- 862 056	1 123 141
Total liabilities as of 30/06/2024	575 386	575 386	355 193	- 385 150	545 429



in 1 000 CHF	Six months ended 30/ 06/ 2023 restated				
	Doors	Total reportable segments	Other segments/ Corporate Services	Elimina- tions	Total Group
Sales with third parties at point in time	232 621	232 621	14 032		246 653
Sales with third parties over time	33 014	33 014			33 014
Sales with other segments	13	13		– 13	
Net revenues	265 648	265 648	14 032	– 13	279 667
Segment results I (EBITDA)	21 107	21 107	– 3 610	5	17 502
<i>in % of net revenues</i>	<i>7.9</i>	<i>7.9</i>			<i>6.3</i>
Depreciation and amortisation	– 13 233	– 13 233	– 2 344		– 15 577
Segment results II (EBITA)	7 874	7 874	– 5 954	5	1 925
<i>in % of net revenues</i>	<i>3.0</i>	<i>3.0</i>			<i>0.7</i>
Amortisation of intangible assets from acquisitions	– 6 018	– 6 018			– 6 018
Segment results III (EBIT)	1 856	1 856	– 5 954	5	– 4 093
<i>in % of net revenues</i>	<i>0.7</i>	<i>0.7</i>			<i>– 1.5</i>
Interest income	84	84	7 316	– 7 251	149
Interest expenses	– 6 866	– 6 866	– 3 883	7 254	– 3 495
Minority share from associated companies	– 1 270	– 1 270			– 1 270
Other financial result	– 1 687	– 1 687	11 267	– 10 623	– 1 043
Result before income tax	– 7 883	– 7 883	8 747	– 10 616	– 9 752
Income tax expense	1 676	1 676	– 95		1 581
Result after income tax	– 6 207	– 6 207	8 652	– 10 616	– 8 170
Average number of employees	3 109	3 109	285		3 394



The reconciliation of the continuing and discontinued operations on the segment information as presented in the interim consolidated financial statements 2023 is as follows:

in 1 000 CHF	Six months ended 30/ 06/ 2023			
	Continuing operations	Discontinued operations Climate	Others and eliminations	Total segments
Net revenues	279 667	294 576	- 3 804	570 439
Segment results I (EBITDA)	17 502	27 377		44 879
<i>in % of net revenues</i>	6.3	9.3		7.9
Segment results II (EBITA)	1 925	13 041		14 965
<i>in % of net revenues</i>	0.7	4.4		2.6
Segment results III (EBIT)	- 4 093	10 296		6 202
<i>in % of net revenues</i>	- 1.5	3.5		1.1
Interest result	- 3 346	- 859		- 4 205
Other financial result	- 2 313	- 1 454		- 3 766
Result before income tax	- 9 752	7 983		- 1 769
Income tax expense	1 581	- 1 851		- 270
Result after income tax	- 8 170	6 131		- 2 039



6. Discontinued operations

On 18 April 2024, a contract was signed between Arbonia and Midea Electrics Netherlands B.V., a company of Midea Group for the sale of the Climate business. In accordance with IFRS 5, Arbonia reports the Climate division as of 30 June 2024 as discontinued operations. All prior-year figures in the income statement have been adjusted accordingly. In the consolidated balance sheet as of 30 June 2024, assets and liabilities of the discontinued operations Climate are disclosed in the respective held for sale asset and liability positions. Previous year's figures in the balance sheet as of 30 June 2023, however, were not adjusted.

Assets held for sale and liabilities associated with assets held for sale of the discontinued operations as of 30 June 2024 are as follows:

in 1 000 CHF	30/ 06/ 2024
Cash and cash equivalents	14 813
Receivables and other assets	102 154
Inventories and contract assets	143 697
Deferred expenses	1 691
Financial assets	412
Property, plant and equipment and right-of-use assets	277 603
Intangible assets and goodwill	97 971
Deferred income tax assets	2 627
Capitalised pension surplus	7 291
Total	648 259

in 1 000 CHF	30/ 06/ 2024
Liabilities	106 680
Financial debts and lease liabilities	21 791
Accruals and deferred income	30 269
Provisions	11 182
Deferred income tax liabilities	23 620
Employee benefit obligations	32 979
Total	226 521

The results from discontinued operations are as follows:

in 1 000 CHF	For the six months ended 30/ 06/ 2024	For the six months ended 30/ 06/ 2023
Net revenues	276 076	294 576
Other operating income and capitalised own services	6 500	5 247
Changes in inventories of semi-finished and finished goods	10 246	4 835
Cost of material and goods	- 139 861	- 153 804
Personnel expenses	- 80 034	- 77 905
Other operating expenses	- 46 069	- 45 573
EBITDA	26 858	27 377
Depreciation and amortisation		- 14 336
Amortisation of intangible assets from acquisitions		- 2 745
EBIT	26 858	10 296
Financial result	- 1 021	- 2 313
Result from discontinued operations before income tax	25 837	7 983
Income tax expense	- 7 290	- 1 851
Result from discontinued operations	18 547	6 131

Other operating expenses comprise sales costs for the disposal of the Climate Division of CHF 1.5 million.

In the consolidated cash flow statement, the cash flows from the discontinued operations are included, however, subsequently condensed and shown separately below.

in 1 000 CHF	For the six months ended 30/ 06/ 2024	For the six months ended 30/ 06/ 2023
Cash flows from operating activities	- 3 775	- 6 491
Cash flows from investing activities	- 10 974	- 12 017
Cash flows from financing activities	- 3 718	- 3 550

As of 30 June 2024, other comprehensive income includes cumulative expenses in connection with discontinued operations totalling around CHF 49 million.



7. Acquisitions

The following fair value of assets and liabilities had arisen on a provisional basis from the acquisition as mentioned under note 3:

Dimoldura Group

in 1 000 CHF	Fair Value
Assets	
Cash and cash equivalents	3 891
Accounts receivable	17 760
Other current assets	764
Inventories	22 535
Property, plant and equipment	10 821
Right-of-use assets	9 178
Intangible assets	54 721
Deferred income tax assets	260
Financial assets	215
Total assets	120 145
Liabilities	
Accounts payable	18 741
Other liabilities	4 301
Financial debts	19 431
Lease liabilities	9 201
Current income tax liabilities	3 295
Provisions	104
Deferred income tax liabilities	13 948
Employee benefit obligations	547
Total liabilities	69 568
Net assets acquired	50 578
Goodwill	39 777
Purchase consideration	90 355
Net cash outflow was as follows:	
Purchase price	90 355
Cash and cash equivalents acquired	- 3 891
Net cash outflow on acquisition	86 464

As of 16 May 2024, Arbonia acquired 100% of the shares of Dimoldura Group, ES-Toledo. Dimoldura is the market leader in the area of wooden interior doors in Spain and is also active with a strong market presence in Portugal and France. The markets of Dimoldura therefore complement the existing sales markets of the Doors Division. The Doors Division is additionally expanding its presence in the contractor services business and DIY business. The purchase price in cash amounted to CHF 90.4 million. From the date of acquisition, Dimoldura Group contributed CHF 14.3 million in net revenues and CHF 0.5 million in profit to the Group. Had the acquisition taken place on 1 January 2024, net revenues for the reporting period would have been CHF 59.4 million and profit, including amortisation charges on intangible assets from acquisitions, would have been CHF 2.6 million. The gross carrying amount of accounts receivables amounted to CHF 18.5 million, of which CHF 0.7 million were considered uncollectable. The acquisition-related costs amounted to CHF 0.5 million and are included in operating expenses in 2024.

The goodwill from this acquisition was due to the fact that certain intangible assets did not meet the criteria of IFRS 3 «business combinations» for the recognition as intangible assets at the date of acquisition. Goodwill contains the expected synergy potential within the Doors Division. With the acquisition of Dimoldura Group, Arbonia is expanding its geographical presence and gaining access to southern Europe, a market in which the Doors Division was hardly active and present before the transaction. In addition to new markets and greater geographical coverage, Arbonia is also expanding its product portfolio, which it can offer to existing and new customers. The goodwill also includes the know-how of the workforce.

The fair value of the acquired assets (especially inventories, property, plant and equipment and deferred tax assets) and the fair value of the acquired liabilities (especially other liabilities and deferred income tax liabilities) could only be determined on a provisional basis, since the acquisition occurred shortly before the half-year and therefore not all assessments could be thoroughly carried out or checked. There is also only a provisional purchase price allocation for the identification and valuation of intangible assets such as customer relationships, brands, technologies, etc. This also still has to be reviewed in detail. It cannot be excluded thus that the definitive values will change significantly compared with the provisional figures presented in these interim financial statements.

Deferred purchase price payments for CICS A of CHF 0.2 million were due and paid in the reporting period.



8. Property, plant and equipment

In the second quarter of 2024, Arbonia sold the non-operating property Zelgstrasse (Arbon). This resulted in a gain on disposal of CHF 28.8 million, which is included in the income statement under other operating income and capitalised own services. The cash inflow of CHF 19.0 million is included in the cash flow statement under proceeds from sale of property, plant and equipment and investment property. At the same time, the mortgage of CHF 14.9 million was repaid and deducted directly from the sales price by the bank.

9. Financial debts

During the reporting period, an additional net CHF 35 million of the syndicated loan were drawn. As of 30 June 2024, CHF 169 million of the syndicated loan has been utilised. Arbonia has taken out a bridge loan of EUR 100 million to finance acquisitions, of which EUR 80 million had been utilised as of 30 June 2024. The bridge loan is to be repaid in full after the sale of the Climate Division.

10. Financial instruments

The foreign currency risks on part of the expected cash inflow in connection with the sale of the Climate Division were hedged with a transaction-related CHF/ EUR foreign currency forward (deal contingent forward) with a nominal value of EUR 400 million. Arbonia has designated the deal contingent forward as hedging instrument. The changes in fair value (including hedging costs) as of 30 June 2024 amount to CHF 2.1 million and are recognised in other comprehensive income. The deal contingent forward is the only financial instrument measured at fair value as at the balance sheet date. The fair value was determined by the bank with which the transaction was entered into. The instrument was allocated to hierarchy level 3. The valuation was based on factors observable on the market such as forward rates, yield curves and volatilities. In addition, the probability of occurrence of the planned sale of the Climate Division was taken into account as an unobservable factor.

11. Treasury shares

Compared to 31 December 2023, the balance of treasury shares has decreased by net 95'826 to 26'315 shares. In the reporting period, 8'018 shares were purchased on the market and 103'844 shares were used for the share-based compensation plans.

12. Capital commitments

As of 30 June 2024, capital commitments for the purchase of property, plant and equipment and intangible assets amount to CHF 15.5 million.

13. Contingencies

No significant changes have occurred from those disclosed in the consolidated financial statements 2023.

14. Events after the balance sheet date

On 1 July 2024, Arbonia acquired 100% of Lignis s.r.o., CZ-Koryčany. Lignis is a specialist for functional doors and serves the contractor services business incl. assembly. Lignis is the leading door manufacturer in the Czech Republic that can provide the entire product portfolio from standard doors to functional doors made of wood and metal. This acquisition will make Arbonia with its Doors Division the second-largest provider in the Czech Republic and Slovakia. In 2023, Lignis generated revenues of around EUR 14 million with 85 employees. The purchase price amounted to CHF 20.7 million, of which CHF 1.0 million was settled in Arbonia shares.

No other events occurred between the balance sheet date and the date of this report which could have a significant influence on the 2024 interim consolidated financial statements.



Alternative Performance Measures

Arbonia uses alternative performance measures (APM) as guidance measures for both internal reporting to management and external reporting to stakeholders. The APM used by Arbonia have not been prepared in accordance with IFRS accounting policies and are discussed in detail below. The APM serve as supplementary information components and should therefore always be read and interpreted in conjunction with the consolidated financial statements prepared in accordance with IFRS. The APM used by Arbonia do not necessarily agree with the same or similar titled measures of other or comparable companies.

EBITDA without one-time effects/adjusted

The elimination of one-time effects provides an adjusted and thus better comparable presentation of the operating result over time. Discontinued operations as defined by IFRS 5 are not included. The following one-time effects are eliminated by Arbonia:

- Costs resulting from creation of provisions or income resulting from reversal of provisions for restructurings and reorganisation as well as closure costs
- Ramp-up costs for new production sites
- Consultancy and integration costs from acquisitions
- Consultancy costs with greater cost implications for acquisitions that did not materialise
- Consultancy costs from disposal of subsidiaries
- Gains and losses from sale of properties and associated companies
- Real estate development costs
- Costs in connection with personnel changes/leave of absence in Group and Division management

EBITA without one-time effects/adjusted

- Impairments
- Reversal of impairments

EBIT without one-time effects/adjusted

- Impairments on intangible assets from acquisitions

Group result before income tax without one-time effects/adjusted

- Impairments and reversal of impairments on loans granted

Group result after taxes without one-time effects/adjusted

- Tax effect on one-time effects
- Tax consequences from disposal of subsidiaries



Reconciliation Group and Divisions from IFRS-result to result without one-time effects/Adjusted

in 1 000 CHF

		IFRS	%	Consultancy and integration costs from acquisitions
Doors	EBITDA	23 442	8.9	178
	EBITA	8 829	3.3	
	EBIT	2 349	0.9	
Other segments/ Corporate Services	EBITDA	23 979		407
	EBITA	21 916		
	EBIT	21 916		
Group	Net revenues	278 177	100.0	
	Other operating income and capitalised own services	35 669	12.8	
	Changes in inventories of semi-finished and finished goods	3 259	1.2	
	Cost of material and goods	- 113 121	- 40.7	
	Personnel expenses	- 105 760	- 38.0	
	Other operating expenses	- 50 802	- 18.3	585
	EBITDA	47 422	17.0	
	Depreciation and amortisation	- 16 676	- 6.0	
	EBITA	30 746	11.1	
	Amortisation of intangible assets from acquisitions	- 6 480	- 2.3	
	EBIT	24 266	8.7	
	Net financial result	906	0.3	
	Group result before income tax	25 173	9.0	
	Income tax expense	- 2 778	- 1.0	
	Group result from continuing operations	22 394	8.1	

Presentation of the respective one-time effects on the immediate result line without disclosure of the impact on the subsequent line items.



					Six months ended 30/ 06/ 24	
Costs for restructurings and reorganisation	Gains from sale of properties	Various	Tax effects on one- time effects	without one-time effects/ adjusted	%	
1 923				25 543	9.7	
				10 930	4.1	
				4 450	1.7	
	- 28 817	66		- 4 365		
				- 6 428		
				- 6 428		
				278 177	100.0	
	- 28 817			6 852	2.5	
				3 259	1.2	
				- 113 121	- 40.7	
1 754		66		- 103 940	- 37.4	
169				- 50 048	- 18.0	
				21 179	7.6	
				- 16 676	- 6.0	
				4 503	1.6	
				- 6 480	- 2.3	
				- 1 977	- 0.7	
				906	0.3	
				- 1 070	- 0.4	
			3 438	660	0.2	
				- 411	- 0.1	



Reconciliation Group and Divisions from IFRS-result to result without one-time effects/Adjusted

in 1 000 CHF

		IFRS	%	Consultancy and integration costs from acquisitions
Doors	EBITDA	21 107	7.9	123
	EBITA	7 874	3.0	
	EBIT	1 856	0.7	
Other segments/ Corporate Services	EBITDA	- 3 610		
	EBITA	- 5 954		
	EBIT	- 5 954		
Group	Net revenues	279 667	100.0	
	Other operating income and capitalised own services	7 179	2.6	
	Changes in inventories of semi-finished and finished goods	- 2 116	- 0.8	
	Cost of material and goods	- 118 623	- 42.4	
	Personnel expenses	- 97 316	- 34.8	
	Other operating expenses	- 51 290	- 18.3	123
	EBITDA	17 502	6.3	
	Depreciation and amortisation	- 15 577	- 5.6	
	EBITA	1 925	0.7	
	Amortisation of intangible assets from acquisitions	- 6 018	- 2.2	
	EBIT	- 4 093	- 1.5	
	Net financial result	- 5 658	- 2.0	
	Group result before income tax	- 9 752	- 3.5	
	Income tax expense	1 581	0.6	
	Group result from continuing operations	- 8 170	- 2.9	

Presentation of the respective one-time effects on the immediate result line without disclosure of the impact on the subsequent line items.



Six months ended 30/ 06/ 23		
Tax effects on one-time effects	without one-time effects/ adjusted	%
	21 230	8.0
	7 997	3.0
	1 979	0.7
	- 3 610	
	- 5 954	
	- 5 954	
	279 667	100.0
	7 179	2.6
	- 2 116	- 0.8
	- 118 623	- 42.4
	- 97 316	- 34.8
	- 51 167	- 18.3
	17 625	6.3
	- 15 577	- 5.6
	2 048	0.7
	- 6 018	- 2.2
	- 3 970	- 1.4
	- 5 658	- 2.0
	- 9 629	- 3.4
- 17	1 564	0.6
	- 8 064	- 2.9



Acquisition and currency adjusted growth (organic growth)

Acquisition and currency adjusted growth excludes effects from acquisitions and disposals of companies and currency effects.

In the acquisition adjusted growth, revenues of the acquired companies are eliminated in the year of acquisition. For companies acquired in the previous year, revenues of the current year are included for the same period as in the previous year. Discontinued operations within the meaning of IFRS 5 are eliminated.

In the currency adjusted growth, revenues of the current year in the functional currency of the respective company are translated at the average exchange rates of the same previous year period.

Net debt

Current and non-current financial debts plus current and non-current lease liabilities minus cash and cash equivalents

Leverage ratio

Net debt divided by EBITDA

Free cash flow

Cash flow from operating and investing activities

Operational free cash flow

Cash flow from operating and investing activities without acquisitions/disposals of subsidiaries/financial assets and expansion capital expenditures

Capital expenditures

Maintenance and expansion capital expenditures



Supplementary Information for Investors

	30/ 06/ 2024	30/ 06/ 2023	30/ 06/ 2022	30/ 06/ 2021	30/ 06/ 2020
Number of shares					
Registered par value CHF 4.20	69 473 243	69 473 243	69 473 243	69 473 243	69 473 243
Stock market prices in CHF					
Highest price during reporting period	13.5	14.7	22.9	17.7	13.8
Lowest price during reporting period	8.6	9.9	12.5	13.6	5.8
Share price at 30/ 06	12.8	10.1	12.8	17.7	9.8
Market capitalisation in CHF million					
	886	703	886	1 228	679

Dates

4 March 2025

Financial media orientation and Analysts' conference on the 2024 financial year

25 April 2025

38 Annual General Meeting

26 August 2025

Publication of first semester results for 2025 financial year

Arbonia AG

Amriswilerstrasse 50
9320 Arbon
Switzerland
www.arbonia.com