MEDIA RELEASE

AD HOC ANNOUNCEMENT PURSUANT TO ARTICLE 53 LR

Forbo Half-Year Report 2026

- **Net sales in local currencies increased by 4% compared to prior-year period**
- **Initial operational improvements are already showing impact**
- **2026 full-year guidance confirmed**

Forbo Group, Baar, July 28, 2026

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

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

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

Despite ongoing geopolitical uncertainty, overall economic activity proved resilient.

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

Net sales

Forbo returned to growth in local currency in the first half of 2026 for the first time since 2022. With net sales of CHF 545.7 million in the first half of 2026 (previous year: CHF 546.9 million), Forbo achieved growth of 4.0% in local currencies, while net sales declined by 0.2% in Swiss francs due to negative currency effects.

Sales prices increased by +2.5%, while volumes grew by +1.5%. This reflects the resilience of Forbo's business model and the progress achieved through profitable growth initiatives across both divisions. The negative currency impact of 4.2% was attributable to changes in the exchange rates of the euro, the U.S. dollar, and most of the Asian currencies.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Capital Markets Day on October 21, 2026

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

Outlook 2026

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

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

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

More information: forbo.com/en/investors

The Forbo Group will hold a live video webcast in English on the results of the 2026 half-year on Tuesday 28, 2026, at 10:30 a.m. (CET). Registration is available via the following link.

About Forbo

Forbo is a leading producer of floor coverings, building and construction adhesives, and belts for power transmission and lightweight conveyor technology. For its clients, the company offers tailored solutions that stand out for their functionality, quality, design, and sustainability. The company employs about 5,050 people and has an international network of 25 sites with production and distribution, 6 fabrication centers, and 47 sales organizations in a total of 39 countries around the world. The company generated net sales of CHF 1,085.4 million in the 2025 business year. The company is headquartered in Baar in the canton of Zug, Switzerland.

The Group company Forbo Holding Ltd is listed on SIX Swiss Exchange (security number 354151, ISIN CH0003541510, Bloomberg FORN SW, Reuters FORN.S).

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Financial overview of the Forbo Group

	First half 2026 CHF m	First half 2025 CHF m	Change Corporate currency	Change Local currencies
Net sales	**545.7**	**546.9**	**– 0.2%**	**+ 4.0%**
Flooring Systems	370.4	374.9	– 1.2%	+ 2.2%
Movement Systems	175.4	172.1	+ 1.9%	+ 7.9%
Operating profit before depreciation and amortization (EBITDA)	**66.5**	**67.6**	**– 1.6%**	
EBITDA margin	**12.2%**	**12.4%**		
Operating profit (EBIT)	**41.9**	**42.9**	**– 2.3%**	
EBIT margin	**7.7%**	**7.8%**		
Profit	**30.8**	**33.4**	**– 7.8%**	

	First half 2026	First half 2025	
Earnings per share (undiluted)	**CHF 21.66**	**CHF 23.70**	**– 8.6%**

	30.6.2026	31.12.2025
Equity ratio	**67.3%**	**63.5%**