



Ad-hoc announcement pursuant to Art. 53 LR

Press release

Arbonia half-year results for 2025

Arbonia succeeds in expanding margins in a challenging first half-year 2025 and confirms guidance for the full year 2025

Arbonia commenced financial year 2025 on a strong footing. Despite challenging market conditions, the company maintained its market position in the first half of the year thanks to a very successful first quarter, robust order intake and operational improvements.

Notably, Arbonia expects its operating performance to continue improving despite a challenging market environment: in the first half of 2025, it was able to increase its operating result by 27% compared to the second half of 2024.

Although one-off effects such as the power outage at Dimoldura in Spain, increased marketing costs relating to Arbonia's first in-house congress, ArboniaNext, and structural adjustments in connection with the sale of the Climate division negatively impacted the overall result, the Wood Solutions business reported a double-digit EBITDA margin. The Glass Solutions business encountered significant challenges stemming from market conditions and its product portfolio, and as a result, recorded below-average margins.

The aforementioned cost factors will cease to apply in the second half of 2025. Combined with revenue growth, increased earnings from newly won projects, the full impact of recent price increases and a higher number of working days, this is expected to lead to a significantly stronger second half of 2025. In particular, the project business and the cost-saving measures implemented give reason for optimism for the remainder of the year.

- Revenue: CHF 307.2 million and CHF 267.8 million in the previous year (organic -1.5%)
- EBITDA including one-time effects: CHF 27.9 million and CHF 47.4 million in the previous year
- Positive one-time effects¹: previous years sale of Zelgstrasse Arbon (CH) and at midyear 2025 sale of property Tubbergen (NL)
- EBITDA without one-time effects: CHF 26.1 million and CHF 21.1 million in the previous year
- EBITDA-margin without one-time effects: 8.5% compared with 7.9% in the previous year
- EBIT including one-time effects: CHF 1.1 million and CHF 25.2 million in the previous year
- EBIT without one-time effects: CHF -0.7 million and CHF -1.0 million in the previous year
- Group result: CHF 152.6 million (previous year CHF 41.0 million)
- Confirmation of 2025 guidance: sales growth 3–5% (basis CHF 604 million pro-forma 2024) and adjusted EBITDA ~CHF 60 million

¹ Explanations, definitions, and reconciliation calculations for the alternative performance indicators are included in the 2025 half-year report on pages 21–26.

Arbonia started financial year 2025 with a very encouraging first quarter. Despite a persistently challenging market environment characterised by weak new construction activity in Germany, sustained high mortgage interest rates and a subdued investment climate, Arbonia posted strong performance in both sales and EBITDA in the first quarter. Order intake remained positive throughout all months. The Glass Doors business experienced a slowdown from April to June, which negatively impacted earnings.

Driven by this development, Arbonia increased sales by 14.7% to CHF 307.2 million (previous year: CHF 267.8 million), despite a 1.5% decline in organic growth. EBITDA excluding one-time effects rose 23.3% to CHF 26.1 million in the first half of 2025 compared with the same period of the previous year (previous year: CHF 21.1 million). At 8.5%, the adjusted EBITDA margin was up on the previous year's level of 7.9%. EBITDA including one-time effects totalled CHF 27.9 million, down on the previous year's figure of CHF 47.4 million. This was due to the CHF 28.8 million gain from the sale of the Zelgstrasse site in Arbon recorded in the same period of the previous year. The positive one-time effect in the first half of 2025 amounts to CHF 1.8 million net, comprising the sale of a non-operational property in Tubbergen (NL) and negative structural adjustment costs. EBIT excluding one-time effects was slightly negative at CHF -0.7 million, whereas EBIT including one-time effects was slightly positive at CHF 1.1 million. The group result amounts to CHF 152.6 million (previous year CHF 41.0 million).

Cash Flow and Net debt

Cash flow from operating activities (including discontinued operations) amounted in the first half of 2025 to CHF -34.1 million, which corresponds to a reduction of CHF 28.2 million compared to the first half of 2024 (CHF -6.0 million). This was mainly caused by the discontinued operations and the sales costs paid. Investments from continued operations continued to decline compared to the previous year and amounted to CHF 16.7 million in the first half year 2025 (first half year 2024 CHF 19.8 million). Free cash flow (FCF) (including discontinued operations) rose to CHF 618.4 million, of which CHF 665.3 million are due to the sale of the Climate division. In the first half year 2024 the FCF amounted to CHF -104.7 million, of which the amount of CHF 86.9 million was attributable to the purchase of Dimoldura.

Net debt as of 30 June 2025 was CHF 132 million compared to CHF 357 million per 31 December 2024. The decrease of CHF 225 million is primarily attributable to the sale of the Climate division, which reduced net debt by a total of CHF 686 million. The proceeds from the sale were used to pay a dividend, distribution, and par value repayment in the amount of CHF 404 million to the shareholders, with the corresponding effect on net debt. As a result of these transactions, the equity ratio increased from 55.7% per 31 December 2024 to 68.6% per 30 June 2025.

Non-operating assets

Arbonia has successfully converted its Corporate Center in Arbon (CH) into a business center following a brief modernization phase. With new tenants moving in in fall 2025, the building is now fully leased out. The running costs are covered by new and existing leases, which has a positive effect on the Group's cost structure.

The sale of a radiator factory in Tubbergen (NL) that is no longer in operation to a real estate investor was successfully completed in the first half of 2025. The selling price was CHF 6.3 million and led to a book gain of CHF 2.9 million.

The sales process for the Russian radiator factory remains difficult due to the challenging political environment and sanctions. Arbonia continues its efforts, closely monitoring developments and examining alternative options.

Business Update

The strategic focus on the project business and the continuous expansion into new market segments are also paying off in the Wood Solutions business: several high-profile projects were secured as part of ArboniaNext. These orders reflect the market acceptance and competitiveness of Arbonia's solutions in the commercial projects segment.

At the same time, the first half of 2025 was impacted by various external and internal factors. Including costs tied to ArboniaNext and inflation-related wage adjustments, due primarily to the next increase of statutory minimum wages in Poland. The nationwide power outage in Spain also caused production losses at several Dimoldura sites in April.

In the wood solutions segment, the weak market in Germany was offset by other geographical markets, so that organic growth of 0.4% was achieved in the first half of 2025.

Overall, the first half of the year proved difficult for the Glass Doors business. Its development has been weighed down by strong dependence on the weak German residential construction business, a general product mix skewed toward lower-priced offerings in this segment, and limited geographical diversification beyond the DACH region to date. An increase to customer terms was announced in the summer, the effects of which are expected to materialise only in the second half of the year. Conversely, initial structural measures have already had a positive impact, and additional measures are expected to take effect in the second half of the year.

Market Update

Despite the continuing tense situation in European residential construction, initial signs of stabilisation are emerging. In Germany, building permits rose by 3.3% through May, with detached homes seeing particularly strong growth of 14.3 %. However, the decline in two-family homes (-7.9%) and the stagnating trend in multi-family homes show that the recovery has not yet gained momentum. Approved projects that have not yet started have slightly decreased to 759,700 units, demonstrating a cautious activation of existing construction projects.

A positive trend is emerging in the renovation sector. As energy-efficient renovations are less of a priority due to lower energy costs, "nice-to-have" upgrades such as doors and showers are once again gaining importance. This trend is especially advantageous for the project business, which has already seen robust growth in prior periods. In addition, higher prices for new buildings are enhancing the appeal of investing in existing properties. At the same time, however, access to financing remains limited: banks have so far passed on interest rate cuts to end customers only to a limited extent, keeping mortgage rates in Germany at a continuously high level. Against this backdrop, Arbonia anticipates that market conditions will stabilise in the second half of 2025.

Arbonia expects improved capacity utilisation, supported by additional working days and projects, including those generated through ArboniaNext. Additionally, several ongoing projects are not expected to be completed and fully settled until the second half of the year, which should have a correspondingly positive impact on earnings in the second half of the year. Together with the reversal of temporary charges from the first half of the year, Arbonia expects overall operating earnings to improve for the full year. The environment remains challenging in the medium term, but the structural trends in the residential and renovation market and the company's own strategic positioning, particularly in the growing Spanish market, give reason for optimism.

Outlook

Arbonia **confirms its Guidance for the full year 2025** provided at its Investor Day in March during the Arbonia Next25 Congress and: expects revenue growth of 3–5% based on pro forma revenue of CHF 604 million in 2024 and adjusted EBITDA of ~ CHF 60 million

The company continues to stand by its **2029 medium-term guidance**: Arbonia continues to expand its market share while achieving margins above the market average. Despite the challenging macroeconomic environment, especially in Germany, Arbonia benefits from its highly automated plants, enabling cost-efficient production of high-quality doors. Through M&A activities, the company has expanded its geographical footprint to Spain, France, Portugal, and the Czech Republic, thereby reducing its reliance on the German market

The target for 2029 is net sales of between CHF 820 million and CHF 850 million, with an EBITDA margin of 14–15%. Depreciation and amortisation (excluding PPA) are expected to rise to 6.0–6.5% of net sales, which is anticipated to have a favourable impact on the tax burden and therefore also on Cash Flow. The already low Net Working Capital will increase only slightly in proportion to sales. Capital expenditure (Capex) is to be normalized to below 4%. Higher EBITDA, lower Capex, and reduced taxes owing to increased depreciation and amortisation are driving growth in Free Cash Flow, supporting a dividend policy of more than 30% of net income and up to 50% of Free Cash Flow.

This press release, the key figures for the first half of 2025, the first semester financial report 2025 and other information about Arbonia can be found on the website www.arbonia.com.

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Arbonia is an innovative full-range supplier in the field of interior doors made of wood, glass and metal. The company, which is listed on the SIX Swiss Exchange, is active as a leading supplier in Western, Central, and Eastern Europe with its own distribution companies. Its main production sites are located in Switzerland, Germany, Poland, Spain, Czech Republic, Portugal, and France. A total of around 3'700 employees work for the Arbonia Group.