

Ad hoc announcement pursuant to Art. 53 LR

Press release

Update on current trading and mid-term guidance as part of Arbonia's Capital Markets Day

Arbon, 6 December 2023 – At the Capital Markets Day 2023 taking place today in Prüm (D), Arbonia shows the new door plant of the future. The company also provides an update on current trading and confirms the mid-term guidance for 2026, despite the current challenging market environment in its core markets, which is expected to continue in 2024.

Arbonia's Capital Markets Day 2023 is devoted to the new door plant of the future at the Prüm site in the Eifel (D) region, where the new frame production was recently put into operation in late 2022 and the new combined heat and power plant is currently being ramped up. The continuous investments of the past years in state-of-the-art production facilities and processes, innovative technologies, as well as the expansion of storage and logistics capacities are the basis for future ongoing revenue growth and increasing market shares in Germany. With these investments in the last few years, the production plant also impressively demonstrates how productivity and ecological aspects can be harmonised.

Strategies of the divisions

The **Doors Division** continues to work towards the goal of expanding its leading position as a Central and Eastern European supplier of wooden doors and glass solutions. Based on a comprehensive investment programme for capacity and productivity increases as well as by increasing market shares in its domestic and neighbouring target markets, the division is aiming for above-average market growth in the future. Building on the investments made as well as with the aid of digital solutions, the division is positioning itself as an innovative full-range supplier.

The **Climate Division** is consistently pursuing its strategy as a supplier for integrated system solutions, from heat/cold generation, energy storage and heat/cold distribution, to ventilation and air filtration in residential and commercial areas. These systems, consisting of energy-efficient products, are the basis for opening up new markets and customer segments as well as gaining additional market shares. In 2015, growth products such as ventilation units, heat pumps, underfloor heating systems and fan coils made up only around 25% of revenue. Today, this product area already accounts for over half of revenue, and by 2026 the division expects the share of growth products to increase to over 60% of its revenue.

Trading update & mid-term guidance

While the **Climate Division** reported a noticeable volume decline of >20% in the first half of 2023 compared to the first half of 2022, it is expected to improve in the second half of 2023. This is despite the fact that the sales of growth products (esp. heat pumps) were not able to achieve the hoped-for counter-effect in the second half of 2023 as in the first half of 2023. The reason for this is above all pending regulations in the German market. Incoming orders have developed more favourably, especially since the summer. As a result, radiator volumes have increased again and recorded a positive development on a monthly basis compared to the previous year, while the volume decline was still clearly negative with >30% in the first half of 2023.

Nevertheless, the division expects a revenue decrease of around 10% for the full year 2023 compared to the previous year, although the EBITDA margin without one-time effects should end up at least at the

previous year's level due to the cost-reduction measures and the favourable product mix, supported by the EBITDA margins that are currently back in double digits.

While the nearly 20% volume decline of the **Doors Division** in Germany negatively affected the result from January until after the summer break in 2023, positive incoming orders compared to the same periods last year have been noticeable here too in the past few months. Thanks to a disciplined cost management, the EBITDA margins in the last few months have reached a double-digit level again.

The Doors Division also anticipates a high single-digit percentage decrease in revenue for 2023 compared to the previous year, which will have a negative effect on the EBITDA margin compared to the previous year due to the missing volumes. In addition, energy costs are still high and material prices are only falling slowly.

Arbonia confirms its mid-term guidance (according to the appendix to the press release) for the 2026 strategy period, taking into account the negative effects of the currency development on EBITDA as well as the negative organic growth in a high single-digit percentage range for the financial year 2023. The mid-term guidance for the year 2026 remains in place despite the challenging economic situation now and for the year 2024.

The long-term intact and high demand for housing, above all the need for social housing as well, the backlog of ordinary new construction activity and renovation of existing buildings, as well as the energy upgrading of housing for CO₂ savings, makes Arbonia continue to be confident about the future.

Arbonia will publish its annual results 2023 on the occasion of its financial media and analyst conference on 27 February 2024 in Zurich (CH).

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This press release and more information about Arbonia can be found online at www.arbonia.com.
The presentation of the Capital Markets Day 2023 can be followed via webcast. For the access data, contact ir@arbonia.com.

Arbonia is a focused building components supplier with two divisions that are active in the areas of indoor climate (heating, ventilation, and air conditioning) and interior doors made of wood and glass. The company, which is listed on the SIX Swiss Exchange, is active worldwide with its own distribution companies as well as with representatives and partners in more than 70 countries. Its main production sites are located in Switzerland, Germany, the Czech Republic, Poland, Serbia, Russia, Italy, Belgium and the Netherlands. A total of around 6200 employees work for the Arbonia Group.