

**ARBONIA** 

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## **ZKB Swiss Equity Conference**

**Claudius Moor (CEO Doors), Uwe Schiller (CFO)**

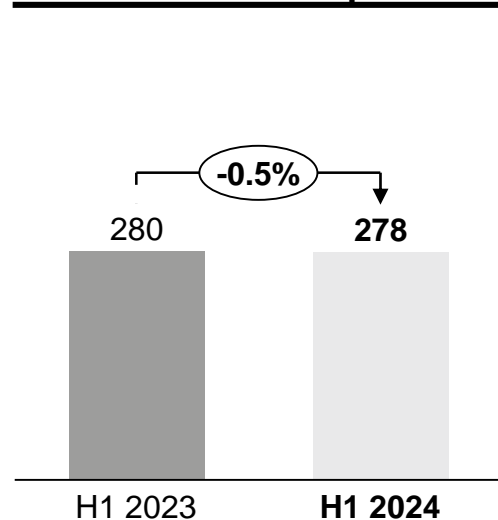
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# Overview HY 2024

## Continuing operations

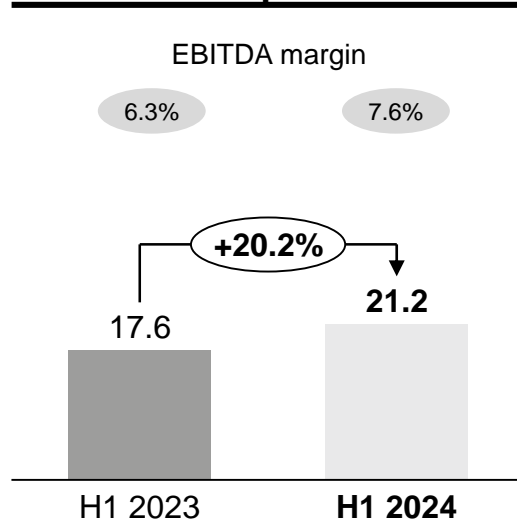
### Key metrics (in CHF M)

#### Net revenues Group



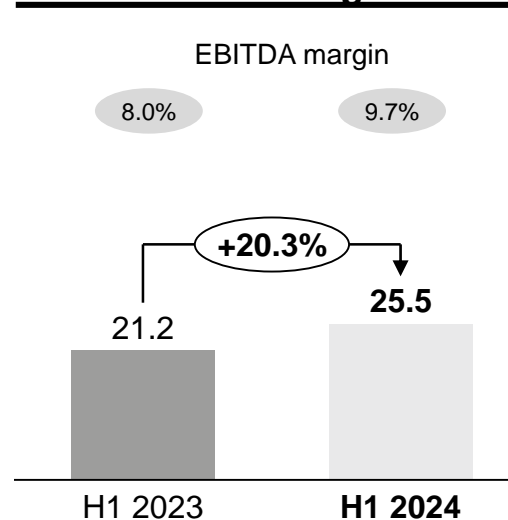
- Net revenues in CHF almost flat due to 1.5 months revenues contribution of Dimoldura<sup>2</sup>
- Adjusted for FX and acquisitions 5% decline due to ongoing challenging residential construction environment

#### EBITDA<sup>1</sup> Group



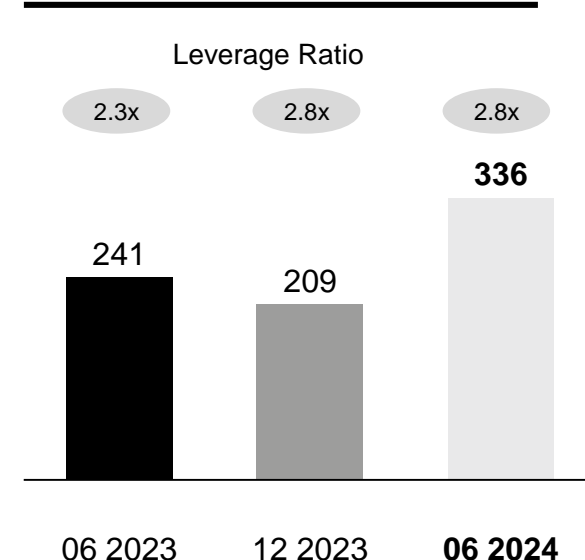
- Higher EBITDA and margin YoY due to operational efficiency, cost measures, lower material prices and energy costs
- Increase of margin by 130bps despite full allocation of holding costs

#### EBITDA<sup>1</sup> Doors segment



- Adjusting for part of holding costs not related to Doors segment, EBITDA and margin improved by CHF 4.3 M and 170bps respectively
- EBITDA margin already close to 10%

#### Net Debt



- Despite increase of CHF 126 M since beginning of year due to acquisition of Dimoldura and seasonal increase of NWC (incl. CHF 20 M extraordinary negative heat pump effect)...
- ...leverage ratio unchanged at 2.8x

**Despite challenging residential building environment leading to further decrease of top line (volume), EBITDA and margin substantially improved**

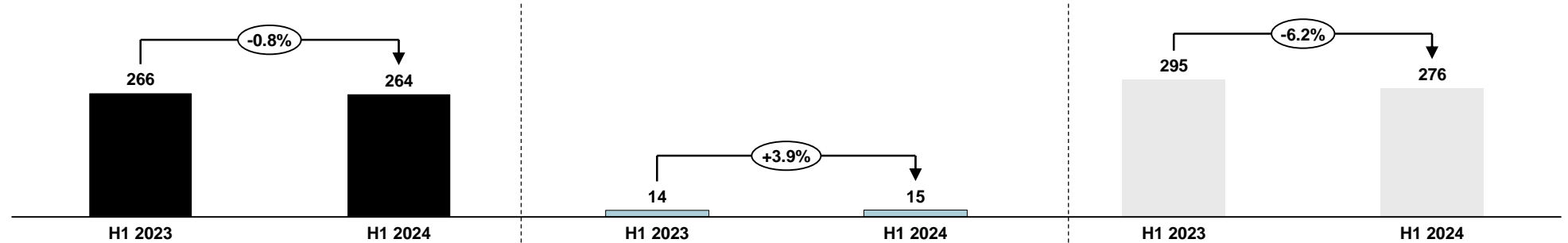
<sup>1</sup> excl. one-time effects | <sup>2</sup> CHF 14.3 M

# Overview H1 2024

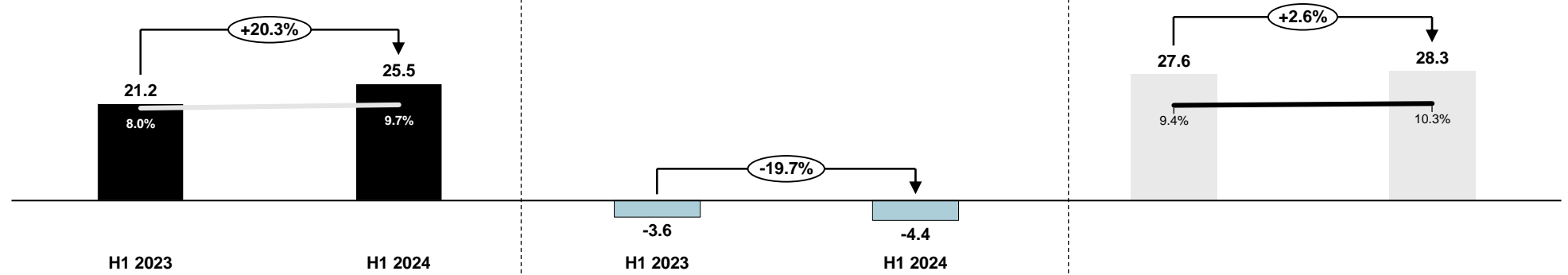
## Performance by Segment, continuing operations

In CHF M<sup>1,2</sup>

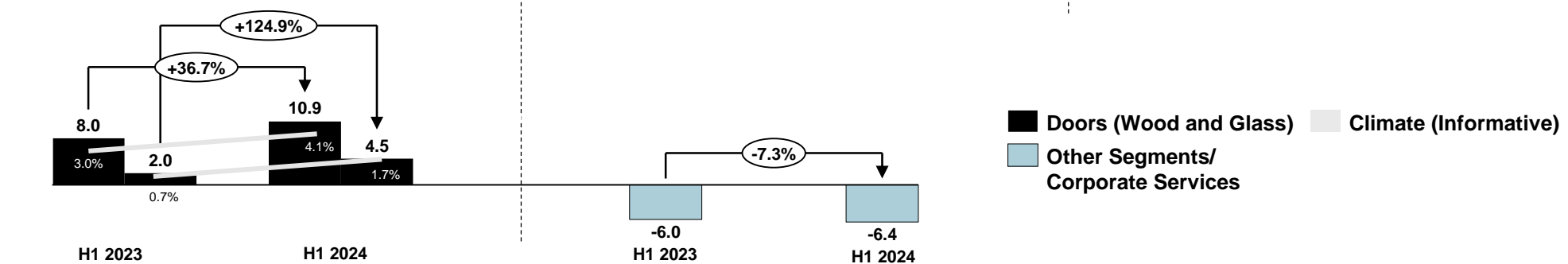
**Net Revenues**



**EBITDA (incl. margin)**



**EBITA/EBIT (incl. margin)**



Doors (Wood and Glass)
  Climate (Informative)
  Other Segments/Corporate Services

1 Not adjusted for FX and acquisition effects | 2 Excluding one-time effects

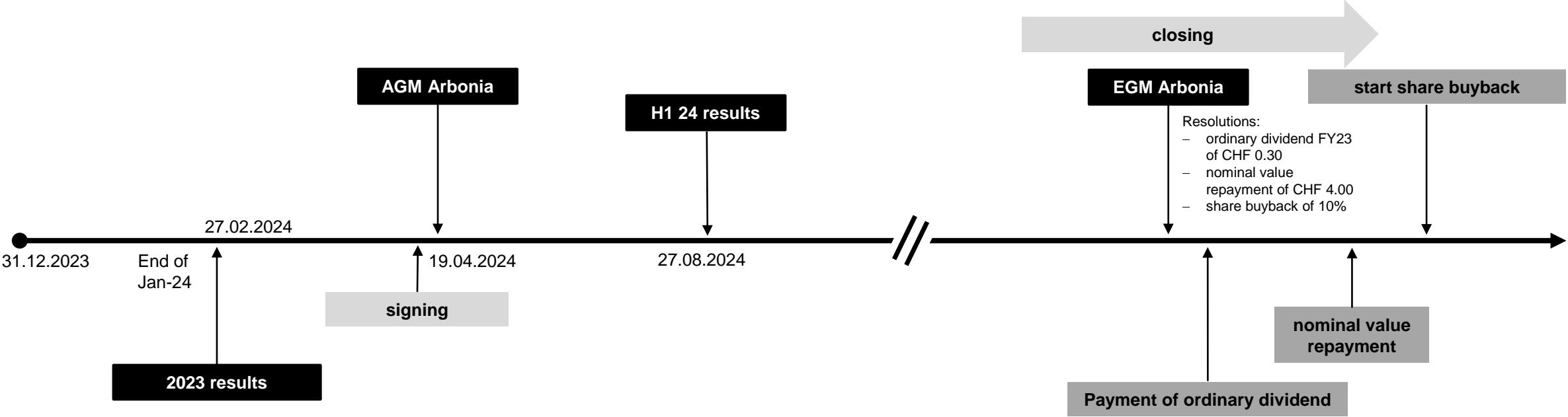
## 1. Sale of Climate Division

## 2. Business Segment Doors

## Q&A

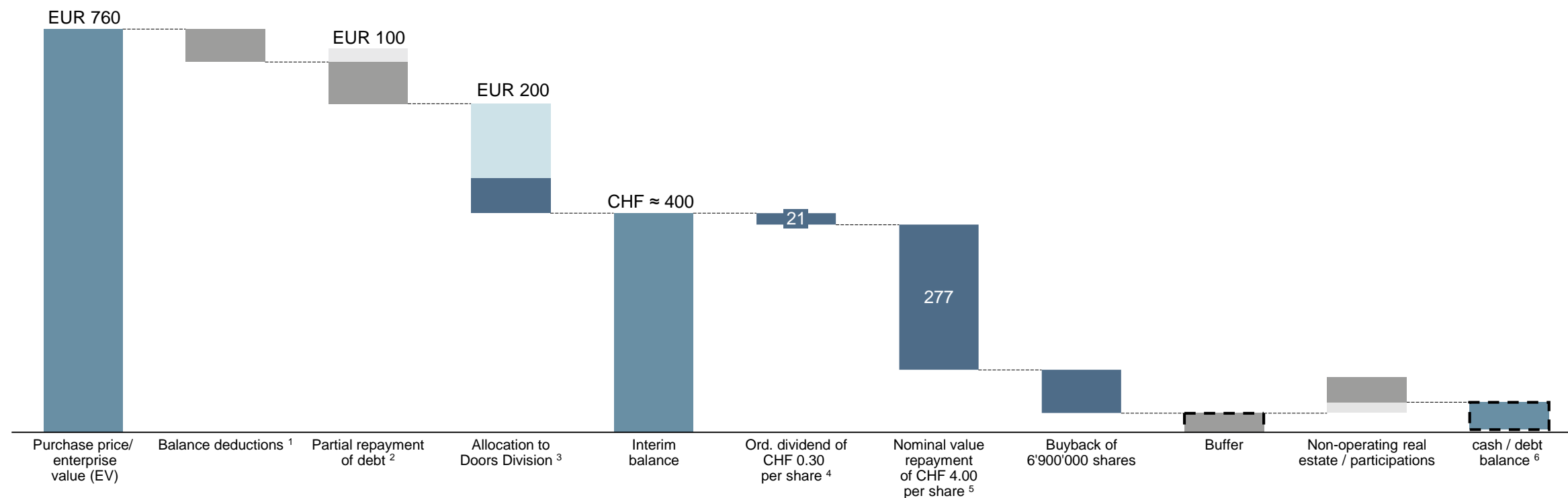
# Timing and subsequent use of funds

Extraordinary general meeting after closing to decide on the repayment of funds



# Intended use of proceeds

Return of up to CHF 400 M to shareholders over various stages



1 Transaction costs, taxes, etc.

2 Part of the debt remains with Climate

3 Acquisition of Dimoldura (ES) and Lignis (CZ)

4 Dividend for the 2023 financial year (50% from capital contribution reserves - tax-free)

5 Tax-free distribution by means of nominal value repayment of CHF 4.00 per Arbonia share

6 Before operational cashflow 2024 and including CHF 34 M proceeds from the sale of non-operational real estate

Calculated with an exchange rate of EUR/CHF 0.97

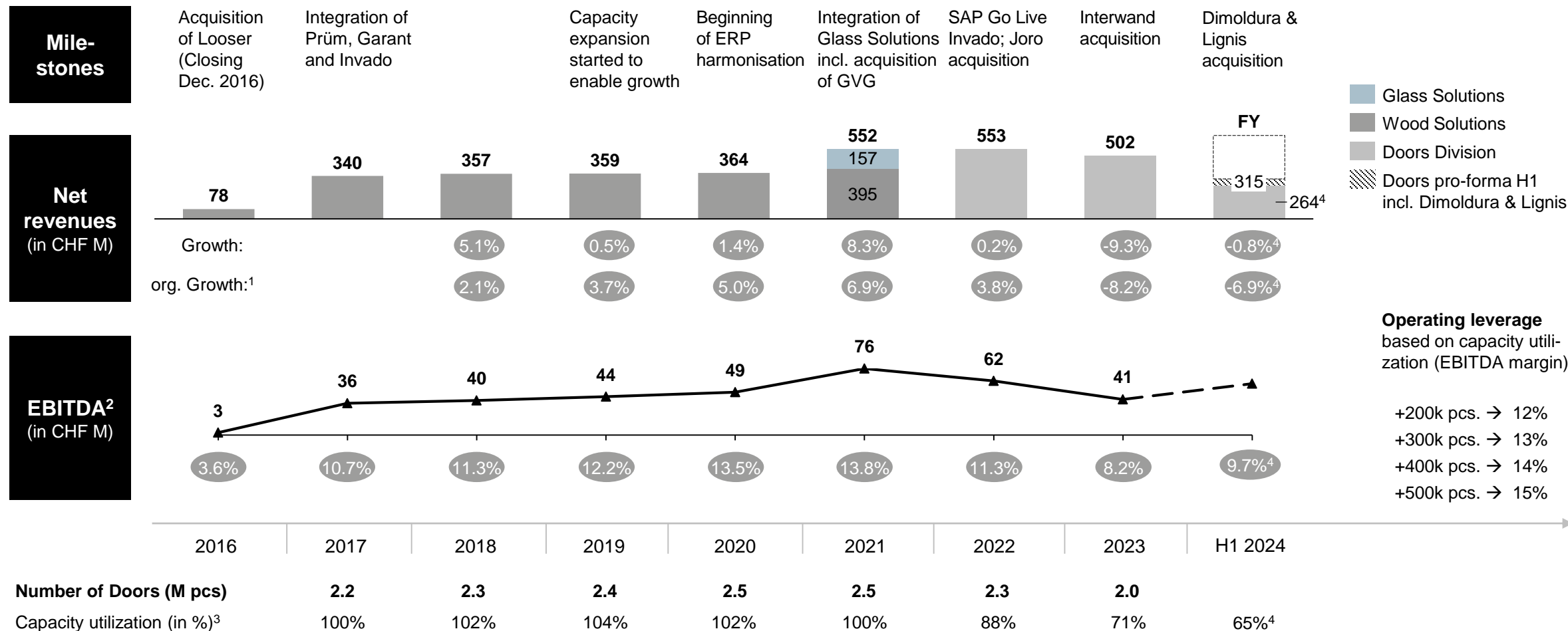
## 1. Sale of Climate Division

## 2. Business Segment Doors

## Q&A

# Forming the European Leader for Doors

## Development of Arbonia Doors Business Segment



<sup>1</sup> Adjusted for currency and acquisition effects | <sup>2</sup> Excluding one-time effects | <sup>3</sup> Based on technical capacity in the respective year | <sup>4</sup> H1 2024 as reported



# Business Segment Doors pro-forma H1 2024 incl. Dimoldura & Lignis

Illustrative Income Statement, without one-time effects

In CHF M

	Doors H1 2024 <sup>1</sup>		Pro-forma H1 2024 <sup>2</sup>	
<b>Net Revenues</b>	<b>263.6</b>		<b>315.2</b>	
<b>EBITDA</b>	<b>25.5</b>	<b>9.7%</b>	<b>33.1</b>	<b>10.5%</b>
<b>EBITA</b>	<b>10.9</b>	<b>4.1%</b>	<b>17.1</b>	<b>5.4%</b>
<b>EBIT</b>	<b>4.5</b>	<b>1.7%</b>	<b>8.4</b>	<b>2.7%</b>


**With closing on January 1<sup>st</sup> Dimoldura & Lignis would have contributed additional CHF ~52 M revenues and CHF ~7.5 M EBITDA, with positive impact on EBITDA margin**


1 incl. Dimoldura as of closing (1.5 months), excl. other segments/Corporate Services | 2 incl. Lignis for 6 months, Dimoldura for additional 4.5 months


# Market leadership in Continental Europe

## Production footprint of Arbonia<sup>1</sup>

### Standard doors


 Weinsheim (DE)  
1.3 M doors/year


 Ichtershausen (DE)  
1.0 M doors/year

 Ciasna (PL)  
1.0 M doors/year


 Dimoldura (ES/PT)  
1.0 M doors/year

### Special doors


 Roggwil (CH)  
100k doors/year

 Korycany (CZ)  
65k doors/year


 Renchen (DE)  
10k doors/year


 Bozouls (FR)  
60k doors/year

### Glass doors

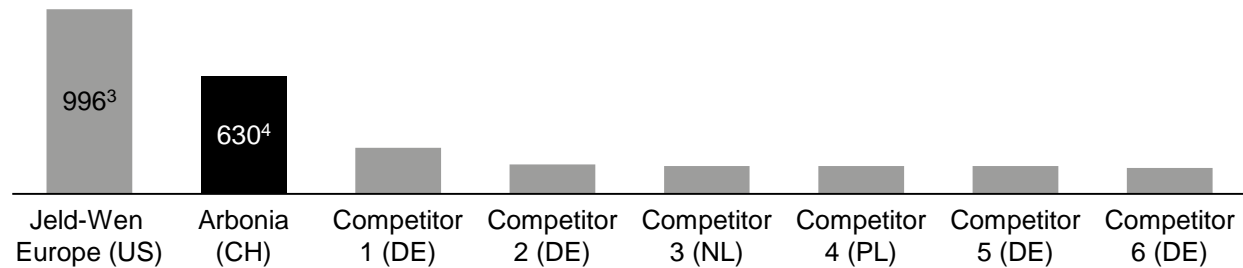
 Plattling (DE)  
600k pcs/year

 Deggendorf (DE)  
15'000m<sup>2</sup> plant




 Dagmarsellen (CH)  
2'000m<sup>2</sup> assembly

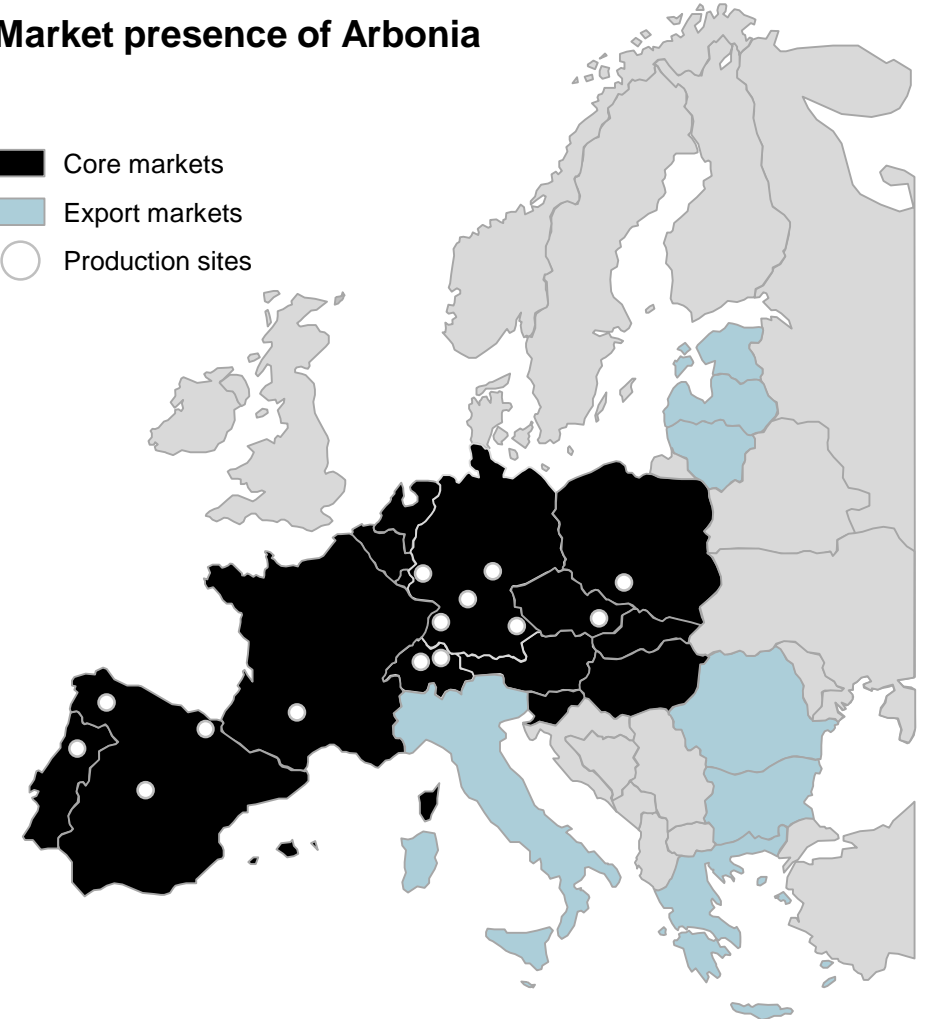
 Dörzbach (DE)  
6'000m<sup>2</sup> assembly

## Market structure: Pro-forma revenues 2023 with interior wooden and glass doors<sup>2</sup> in CHF M



## Market presence of Arbonia

-  Core markets
-  Export markets
-  Production sites



<sup>1</sup> Volumes represent capacity as of 2025 by completing investment programme | <sup>2</sup> Based on annual reports, market studies and Arbonia research | <sup>3</sup> Incl. steel doors and steel frames | <sup>4</sup> Arbonia Doors pro-forma including Dimoldura and Lignis

# M&A: Dimoldura and Lignis

Addressing the dependency on Germany, while capturing growth opportunities

## Core markets Arbonia Doors



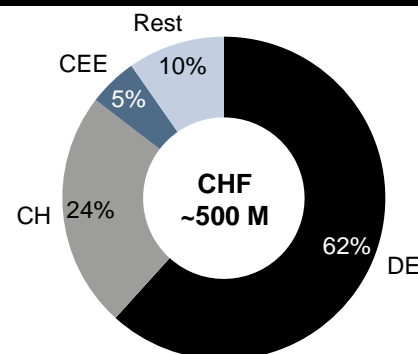
## Core markets Dimoldura/Lignis



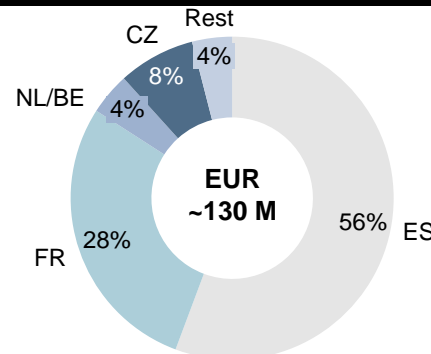
## Combined core markets



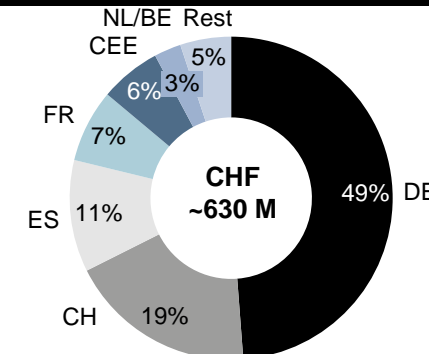
## Revenues Arbonia Doors 2023



## Revenues Dimoldura/Lignis 2023



## Combined revenues 2023 (pro-forma)



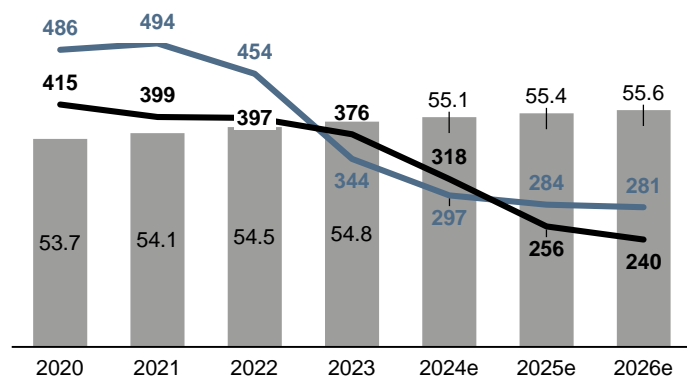
Successful diversification of end markets through acquisitions

Note: CHF/EUR: 1.00

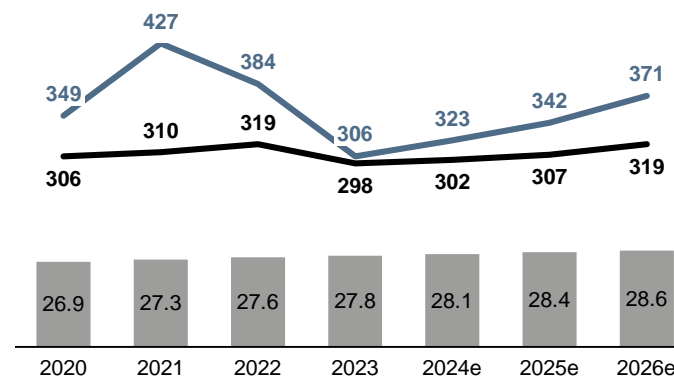
# Markets in H1 2024 in review

## Overview core markets<sup>1</sup>

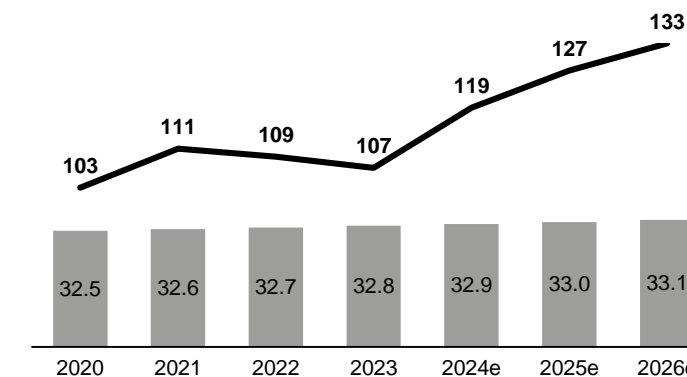
### D-A-CH<sup>2</sup>



### Central-Eastern Europe<sup>3</sup>



### Iberian Peninsula<sup>4</sup>



— Building permits (in '000s) — Housing completions (in '000s) ■ Housing stock (in M units)

- **New built:** Completions & permits have slowed down – despite structural population growth
- **Renovation** (~2/3 of volumes): Mortgage volumes significantly improving YOY; stabilizing the decrease in new built

- **New built:** After early and heavy hit by price inflation in 22/23, demand is growing with double-digit order volume increases (YOY)
- **Renovation:** Positive momentum in residential renovation, due to subsidies and sizable demand-overhang

- **New built:** Demand for housing stays high, not enough supply and increased demographic pressure stay in effect
- **Renovation: At a constant level** in the residential sector as the availability of subsidies remains scarce

<sup>1</sup> Residential building permits and housing completions, sum of relevant markets: source: Euroconstruct 97 (June 2024) | <sup>2</sup> Germany, Austria, Switzerland | <sup>3</sup> Poland, Czech Republic, Slovakia, Hungary | <sup>4</sup> Spain, Portugal

# Strategy execution

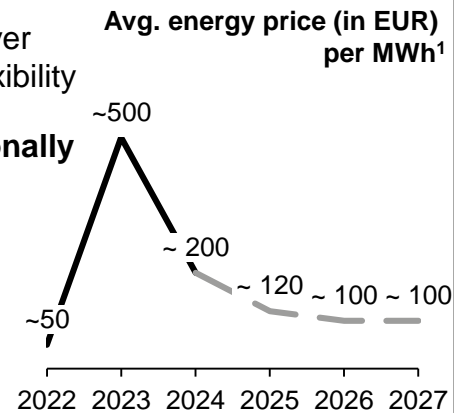
## Drivers for further value generation

### Sales initiatives

- **Equipping >100 DIY stores in Germany with Invado products** with sales starting in March; start of sale through 2<sup>nd</sup> DIY chain in H2 '24
- Established an overarching project sales team in the market, with **focus on hotels, retirement homes and modular construction**  
→ full product range from a single source
- Continue **positive momentum in specialist wholesale market in CH**  
→ gaining market share to achieve market leading position
- **Focus export sales** to grow in neighboring markets: i.e. Bulgaria, Rumania, Belgium, Netherlands, Austria, UK, ...

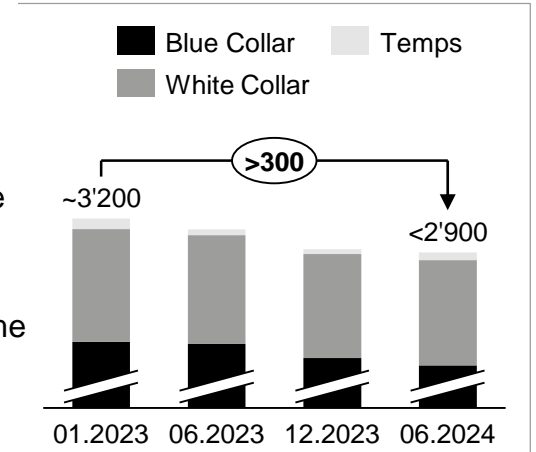
### Energy sourcing

- Switch to rolling purchase of power bands over 36 months tranches and 20-30% spot for flexibility
- **Sinking market prices contributed additionally to significant savings**
- **On track to achieve further significant savings** in the next years, further improved by SOP of combined heat and power plants (CHP) at Prüm & Garant



### Reduction FTEs<sup>2</sup>

- **Significant reduction of workforce** in the core business (i.e. before M&A) of >300 FTEs or by ~10%
- General **wage inflation** and a one-time inflation compensation largely **counteracting savings**
- New machinery allows significant volume increase at stable workforce level  
→ **operating leverage**



### Interwand successfully integrated

- Successful integration into Arbonia Doors organisation, **switching sourcing for glass and doors to Arbonia companies**
- Successful integration of Interwand products to **Arbonia project business portfolio**; first projects won
- **Preparation for market entry in Switzerland**, high degree of compatibility with RWD Schlatter project business



<sup>1</sup> Prüm & Garant only, as of 2025 including GVG | <sup>2</sup> without Dimoldura & Lignis

# Guidance for 2024<sup>1</sup>

## Confirmation of existing Guidance

ARBONIA 				
	D-A-CH	Iberian Peninsula	CEE	Doors
Revenues				
EBITDA & margin				

<sup>1</sup> Assumes stable exchange rates (CHF/EUR)

**1. Sale of Climate Division**

**2. Business Segment Doors**

**Q&A**

**ARBONIA** 

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**Thank you**

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**ARBONIA** 

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**Appendix**

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# Income Statement

As reported, continuing operations (excl. Climate)

In CHF M	H1 2024	in %	H1 2023	in %
<b>Net Revenues</b>	<b>278.2</b> 	<b>100.0</b>	<b>279.7</b>	<b>100.0</b>
Cost of material and goods	-113.1	-40.7	-118.6	-42.4
Personnel expenses	-105.8 	-38.0	-97.3	-34.8
Other operating expenses	-50.8 	-18.3	-51.3	-18.3
<b>EBITDA</b>	<b>47.4</b> 	<b>17.0</b>	<b>17.5</b>	<b>6.3</b>
Depreciation, amortisation	-16.7	-6.0	-15.6	-5.6
<b>EBITA</b>	<b>30.7</b>	<b>11.1</b>	<b>1.9</b>	<b>0.7</b>
PPA amortisation	-6.5	-2.3	-6.0	-2.2
<b>EBIT</b>	<b>24.3</b> 	<b>8.7</b>	<b>-4.1</b>	<b>-1.5</b>
Net financial result	0.9	0.3	-5.7	-2.0
<b>Group result before income tax</b>	<b>25.2</b>	<b>9.0</b>	<b>-9.8</b>	<b>-3.5</b>
Income tax expense	-2.8	-1.0	1.6	0.6
<b>Group result from contin. operations</b>	<b>22.4</b>	<b>8.0</b>	<b>-8.2</b>	<b>-2.9</b>
<b>Group result from discont. operations</b>	<b>18.5</b> 	<b>6.7</b>	<b>6.1</b>	<b>2.2</b>
<b>Group result</b>	<b>40.9</b> 	<b>14.7</b>	<b>-2.0</b>	<b>-0.7</b>

## One-time effects

### **Other operating income:**

CHF 28.8 M sale of real estate

### **Personnel expenses:**

CHF 1.8 M various staff reduction measures

### **Other expenses:**

CHF 0.8 M M&A related transaction costs

### **EBITDA**

EBITDA by CHF 26.2 M positively affected by one-time effects

### **EBIT**

EBIT by CHF 26.2 M

### **Group result from disc. operations**

Positive profit contribution of Climate division of CHF 18.5 M mainly due to suspension of D&A and PPA amortisation

### **Group result**

Net result from continuing operations with one-time positive effects of CHF 22.8 M (after tax)

Net result including discontinued operations of CHF 40.9 M

# Income Statement

Without one-time effects, continuing operations (excl. Climate)

In CHF M	H1 2024	in %	H1 2023	in %
<b>Net Revenues</b>	<b>278.2</b> ①	<b>100.0</b>	<b>279.7</b>	<b>100.0</b>
Cost of material and goods	-113.1	-40.7 ②	-118.6	-42.4
Personnel expenses	-103.9	-37.4 ③	-97.3	-34.8
Other operating expenses	-50.0	-18.0 ④	-51.2	-18.3
<b>EBITDA</b>	<b>21.2</b> ⑤	<b>7.6</b>	<b>17.6</b>	<b>6.3</b>
Depreciation, amortisation	-16.7	-6.0	-15.6	-5.6
<b>EBITA</b>	<b>4.5</b>	<b>1.6</b>	<b>2.0</b>	<b>0.7</b>
PPA amortisation	-6.5	-2.3	-6.0	-2.2
<b>EBIT</b>	<b>-2.0</b> ⑥	<b>-0.7</b>	<b>-4.0</b>	<b>-1.4</b>
Net financial result	0.9 ⑦	0.3	-5.7	-2.0
<b>Group result before income tax</b>	<b>-1.1</b>	<b>-0.4</b>	<b>-9.6</b>	<b>-3.4</b>
Income tax expense	0.7	0.2	1.6	0.6
<b>Group result</b>	<b>-0.4</b> ⑧	<b>-0.1</b>	<b>-8.1</b>	<b>-2.9</b>

## ① Revenues

Net revenues almost flat due to 1.5 months revenue contribution of Dimoldura. Adjusted for FX and M&A down -5.4%

## ② Cost base

Material cost ratio slightly lower but still on high level; personnel expenses c. CHF 7 M higher and ratio 2.6% points higher despite headcount reduction; other operating expenses down by c. CHF 1 M mainly due to lower energy costs

## ③ EBITDA

In a challenging market environment EBITDA up 20% and margin substantially improved by 1.3% points to 7.6% due to lower material prices, efficiency gains, cost measures and lower energy costs

## ④ EBIT

D&A and PPA amortisation slightly increased due to consolidation of Dimoldura for 1.5 months

## ⑤ Net financial result

Despite higher interest expenses positive financial result due to non-cash FX valuation gains

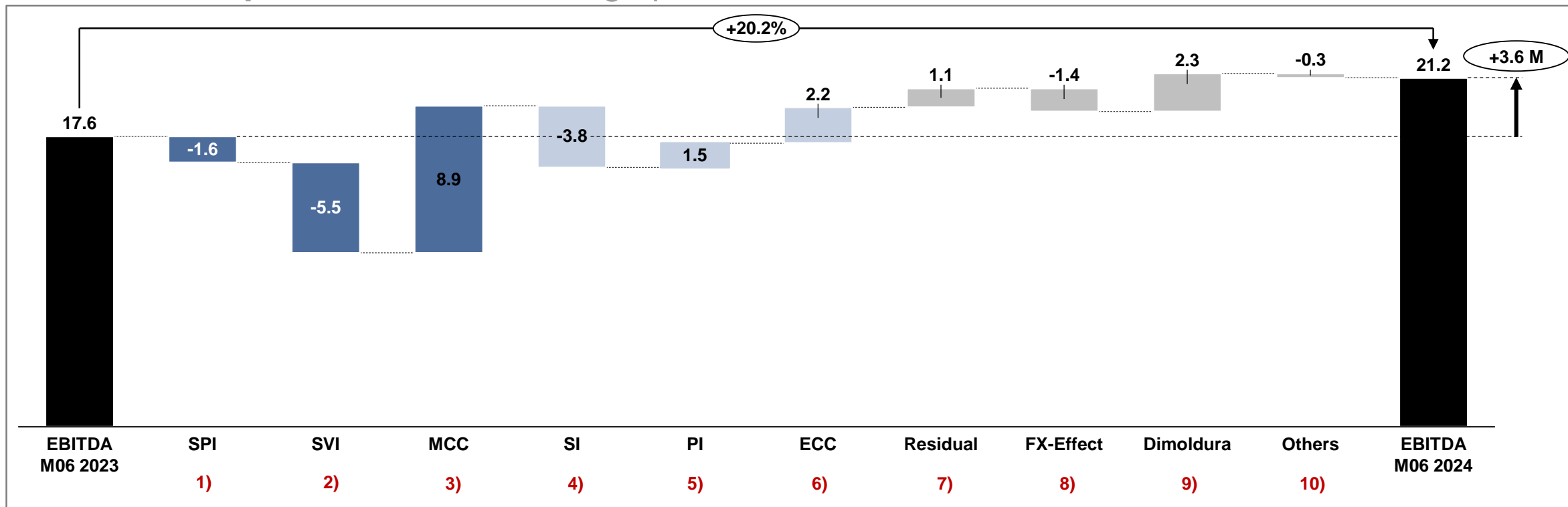
## ⑥ Group Result

Even net Result

Blue figures are adjusted for one-time effects

# EBITDA Bridge H1 2023 – H1 2024

Arbonia Group in CHF M<sup>1</sup>, continuing operations



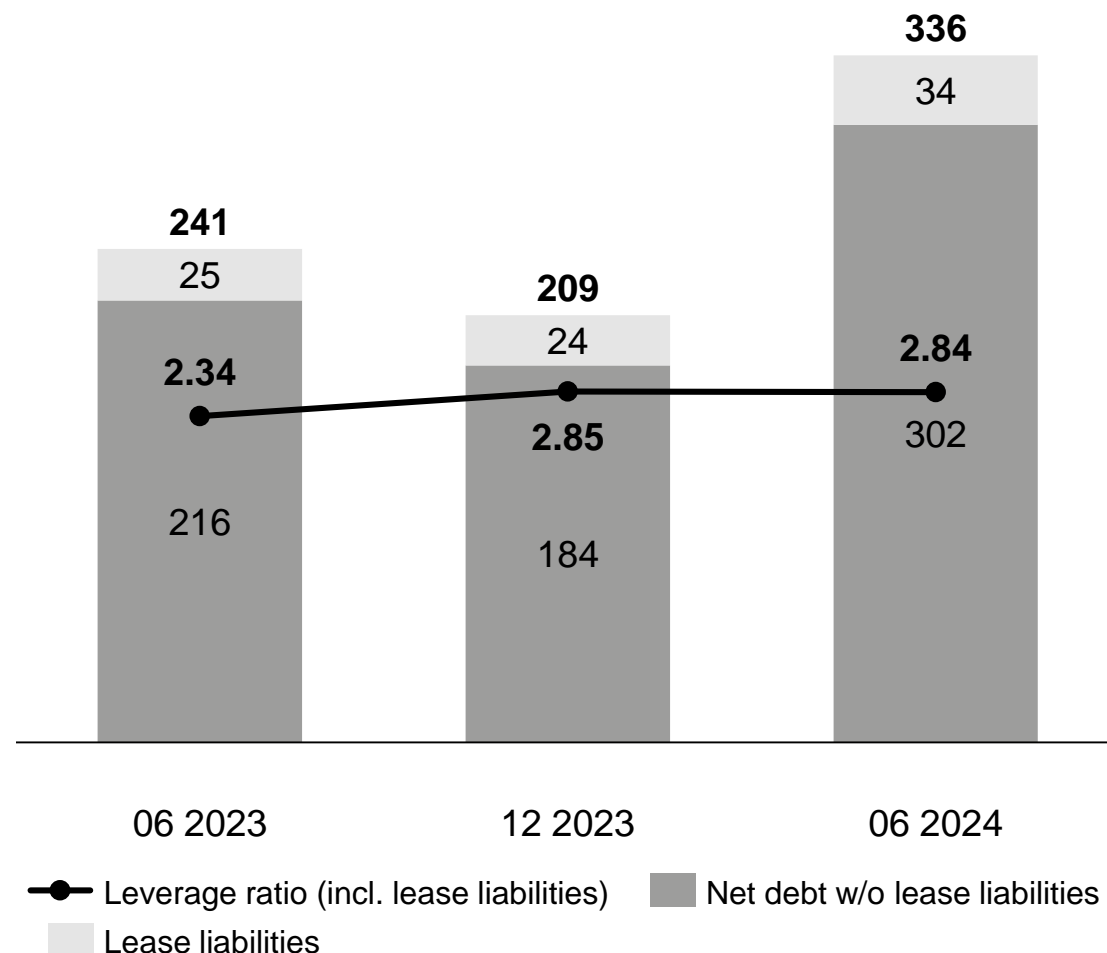
## Explanations:

- 1) **SPI** - Sales-Price-Increase
- 2) **SVI** - Sales-Volume-Increase (Mix)
- 3) **MCC** - Material-Cost-Change
- 4) **SI** - Salary-Increase
- 5) **PI** - Productivity-Increase
- 6) **ECC** - Energy-Cost-Change
- 7) **Residual** (logistics costs, marketing, etc.)
- 8) **FX-Effect**
- 9) **Dimoldura**
- 10) **Others** (AFG RUS and Interwand)

<sup>1</sup> Excluding one-time effects

# Net debt as of June 2024

In CHF M<sup>1</sup>, including discontinued operations (Climate)



## I Net debt

- Increase of CHF 127 M mainly due to acquisition of Dimoldura (CHF 115 M), sale of real estate (CHF -34 M), slightly negative cash flow from operations (CHF 7 M) and Capex (CHF 31 M)

## II Leverage ratio

- Despite temporarily debt-financed acquisition of Dimoldura adjusted leverage ratio unchanged at 2.8x since beginning of year

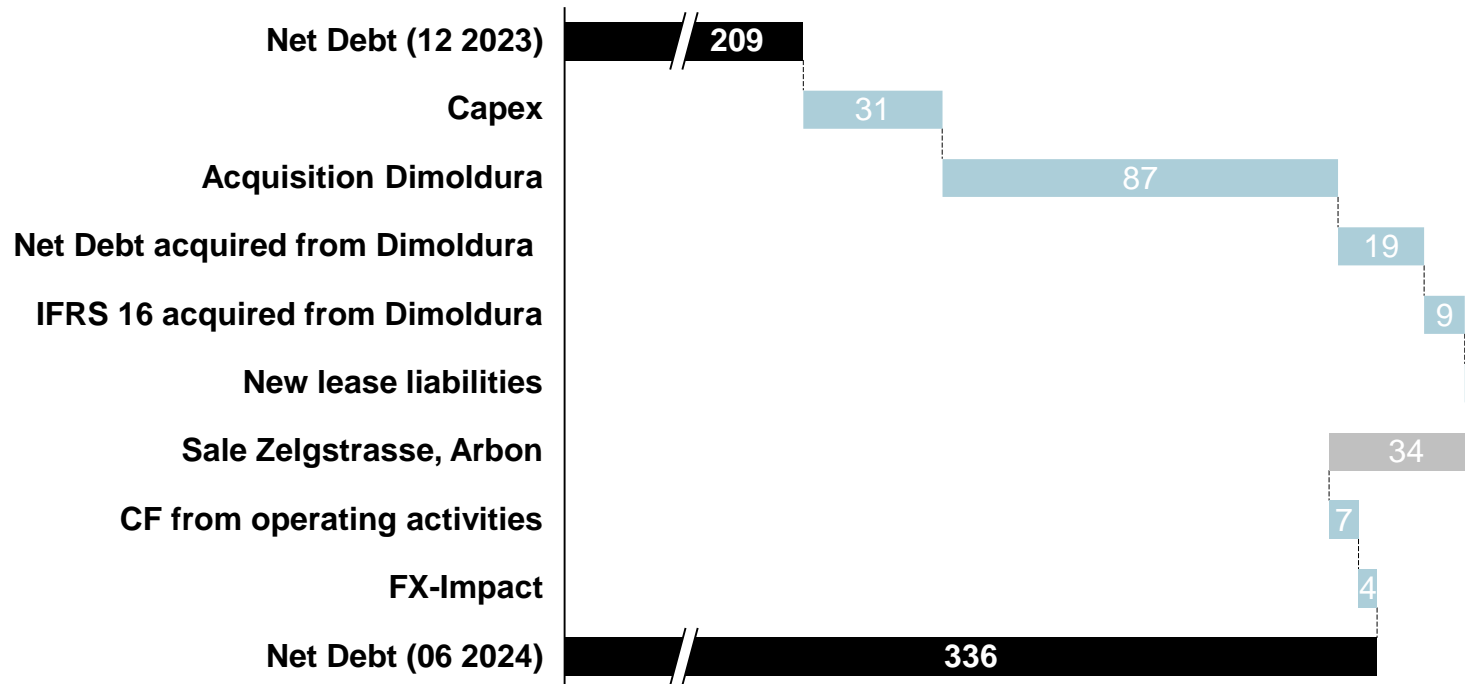
## III Real estate and land reserves

- Surplus real estate and land reserves not included in net debt calculation
- Sale of investment property and land in Arbon for CHF 34 M in H1 24

<sup>1</sup> As reported

# Net debt development

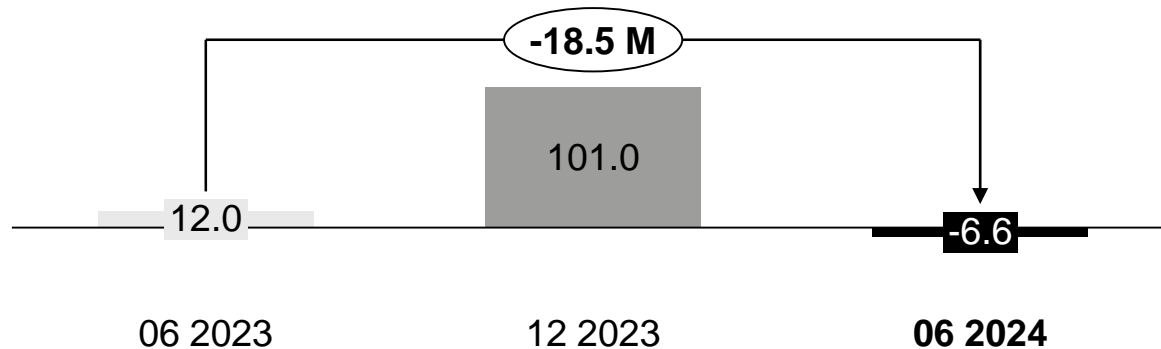
In CHF M, including discontinued operations (Climate)



# Cash flow statement

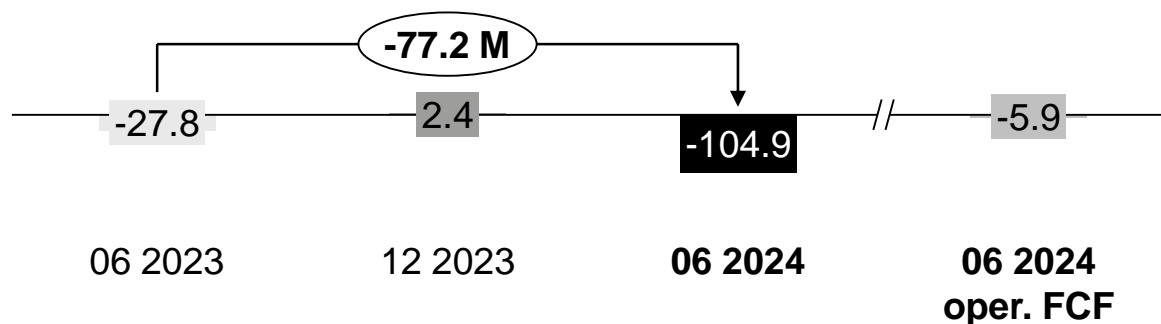
In CHF M, including discontinued operations (Climate)

## I Cash flow from operating activities



- YoY cash flow from operating activities decreased by CHF 19 M to CHF -7 M due to higher NWC...
- ...mainly caused by heat pumps stock building...
- ...and higher interest expenses

## II Free cash flow<sup>1</sup>



- YoY decrease of free cash flow by CHF 77 M due to acquisition of Dimoldura and NWC build-up (heat pumps) and positive effect of sale of real estate
- Operational free cash flow (excl. acquisitions and expansion capex) at CHF -5.9 M – without stock building of c. CHF 20 M in heat pump operational FCF would have been positive

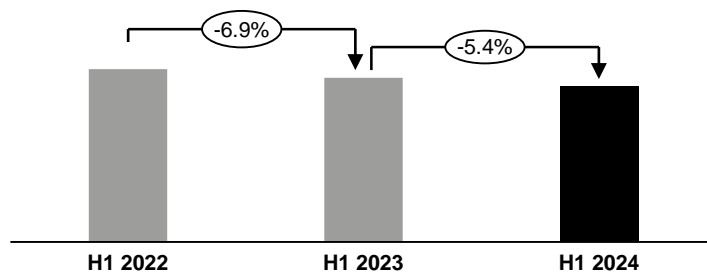
<sup>1</sup> Free cash flow: cash flow from operating and investing activities

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

# Overview organic revenue<sup>1</sup> growth HY 2022-2024

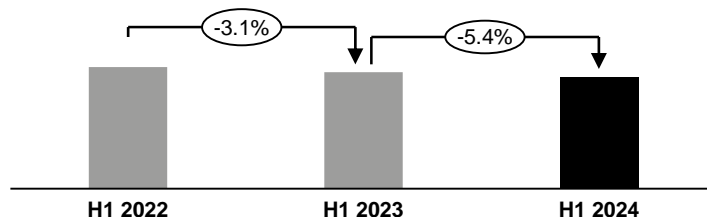
In CHF M

**Arbonia Group Continuing operations**



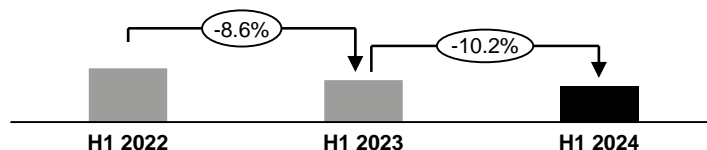
- Slowing decline in negative organic growth by 5.4% on Group level predominantly driven by volume effects and some negative mix effect
- Expected reversal in H2 2024 should lead to a slightly negative to flat organic growth on Group level

**Wood Solutions**



- Decline of organic growth by Wood Solutions almost solely caused by volume effects
- Expected stabilization of negative volume trend in 2<sup>nd</sup> half of the year due to favourable base effect

**Glass Solutions**



- Accelerated decline in organic growth predominantly driven by negative volume effects but also to a lesser extent due to price and mix effects
- Expected reversal in the 2<sup>nd</sup> half of the year due to lower comparable pre-year basis

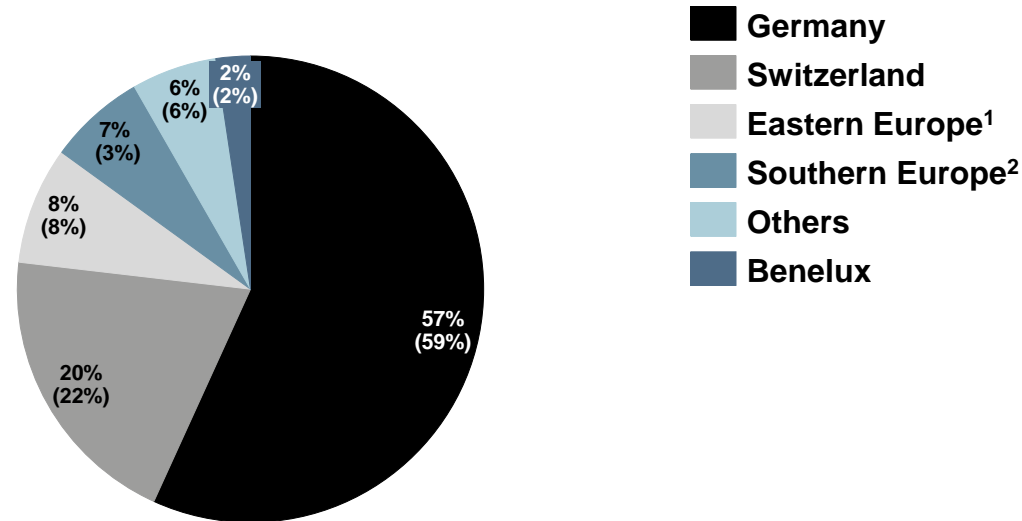
<sup>1</sup> FX and acquisition adjusted



# Net revenues by Region

## Continuing operations

### Net revenues by Region



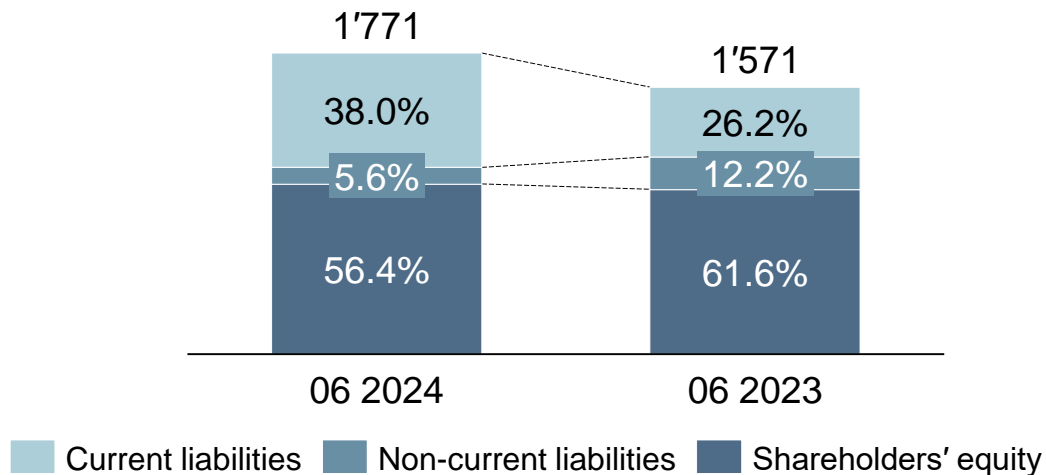
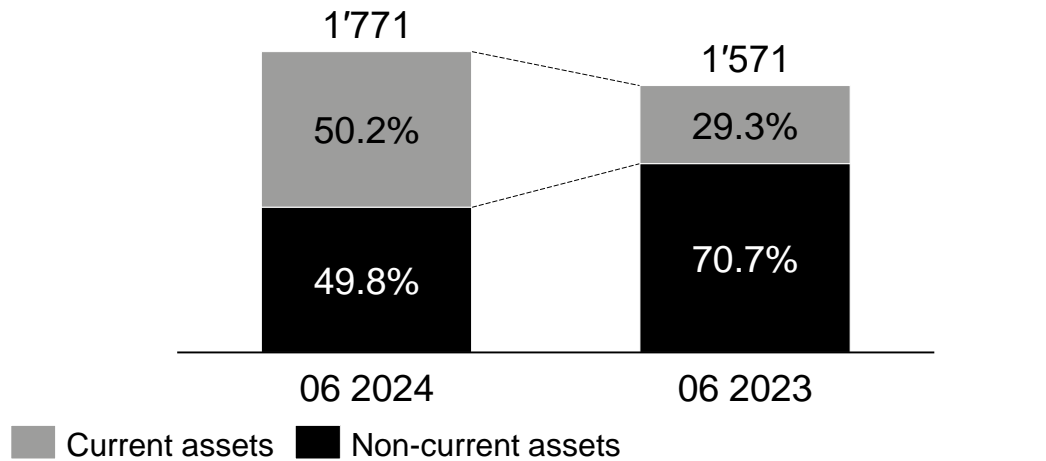
- Development of relative share of Group revenues basically unchanged
- Slight shift from Germany and Switzerland to Southern Europe due to acquisition of Dimoldura

<sup>1</sup> Eastern Europe: CZ, PL, RU and SK

<sup>2</sup> Southern Europe: ES, PT, FR and IT

# Balance sheet

In CHF M, including discontinued operations (Climate)



## I Assets

- Shift from non-current to current assets due to classification of Climate Division as "discontinued operations" and treated as "assets held for sale" in current assets

## II Liabilities and shareholders' equity

- Higher liability base due to financing of working capital needs and acquisition of Dimoldura
- Shift to current liabilities due to classification of Climate Division as "discontinued operations"
- Increase of equity base to CHF 1.0 B (12 2023: CHF 921 M) due to book profit sale of real estate and currency translation effects – strong equity ratio of 56%

# M&A: Dimoldura & Lignis

## Synergies and cross-selling

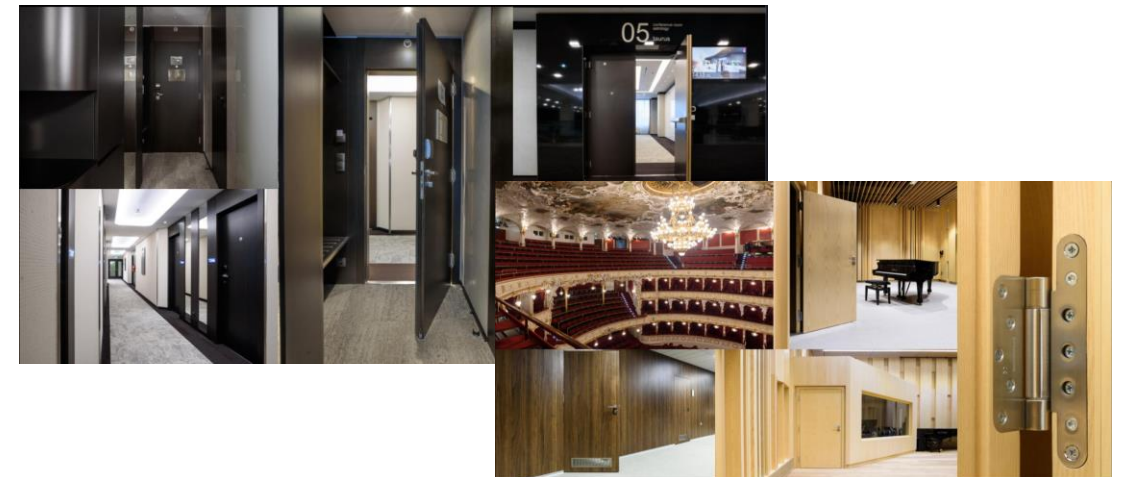
### Dimoldura and Rozière

- **Market entry in Southwest Europe** with the market leader in Spain (Dimoldura) and a strong position in France (Rozière)
  - On top of end markets also **diversifying market segments through Dimoldura exposure to DIY markets (~40%)**, coupled with good positioning at wholesalers and a strong premium business of Rozière in France
  - Sales synergies through **addition of Dimoldura-made white painted doors to existing Arbonia customers** and vice versa, adding CPL<sup>1</sup> and HPL<sup>2</sup> doors to existing Dimoldura and Rozière customers
  - **Expansion of product portfolio** through Rozière-made doors from solid wood, especially for the D-A-CH markets
  - **Specialised and efficient production sites** for different door types (veneer, white-painted etc.), enabling quick order processing
- Well positioned to capture further market share in Europe's fastest-growing, but fragmented Spanish doors market

### Lignis

- **Market entry in Eastern European project business**, combining Lignis market access and their custom-made doors with standard doors from Arbonia  
→ focussing production at Lignis for margin expansion
- Cross-selling opportunities in Central Europe for Lignis-made veneer doors not within Arbonia's product portfolio, adding another puzzle piece to **complete the full-product range**
- **Expanding the project business to hotels**, a previously underserved market segment in Eastern Europe

### References:

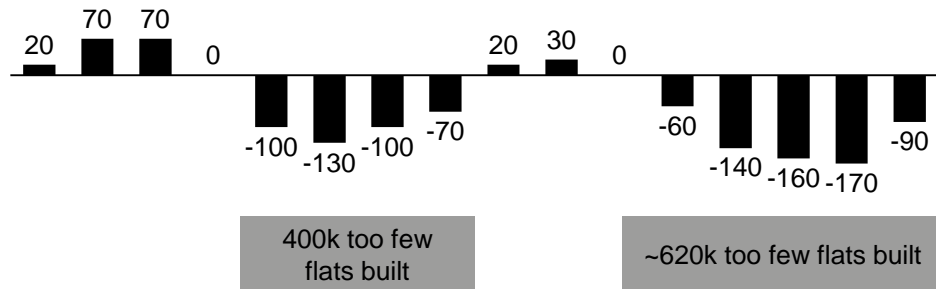
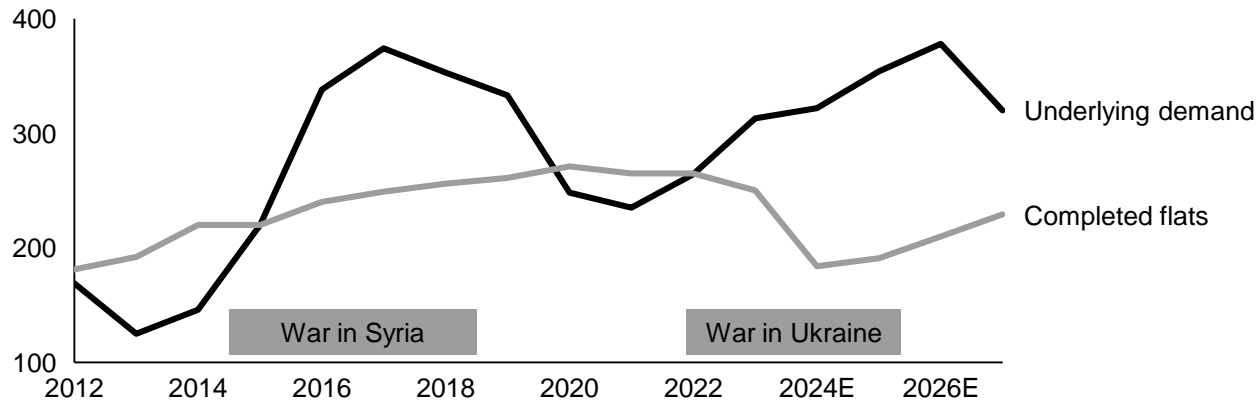


<sup>1</sup> CPL: Continuous Pressure Laminate | <sup>2</sup> HPL: High Pressure Laminate

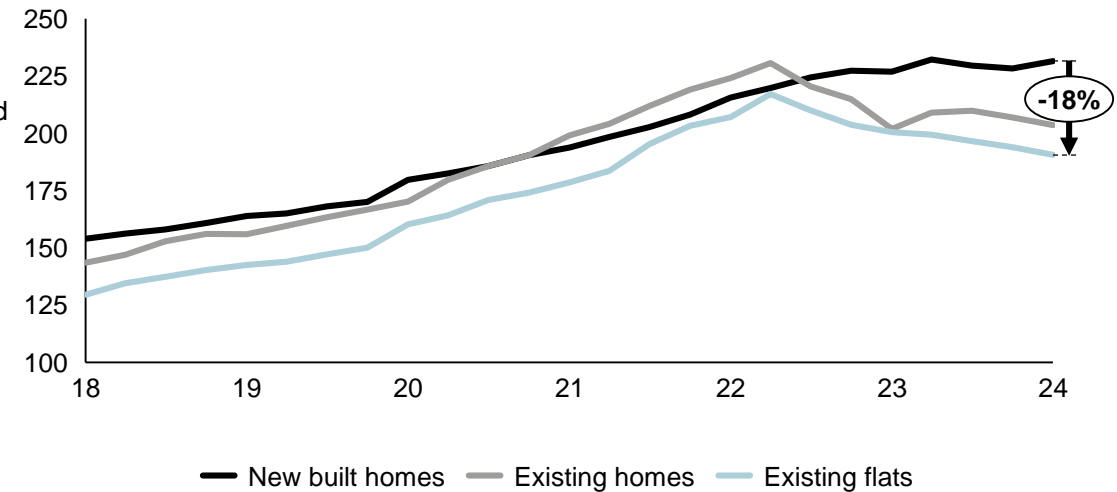
# Structural drivers for construction

## Excess demand for living space in Germany

German housing demand and completions (in thousands)



German price index for homes and flats (2005 = 100)



- Decreased value of existing homes opens up the housing stock to more potential buyers, aided by mortgages rates, subsidies and wage inflation
- This provides opportunities in renovation of these homes, as well as in newly vacant flats
- Threat of write-downs adds pressure for institutional owners to renovate
- CO<sub>2</sub> price on heating-energy adds to renovation incentives

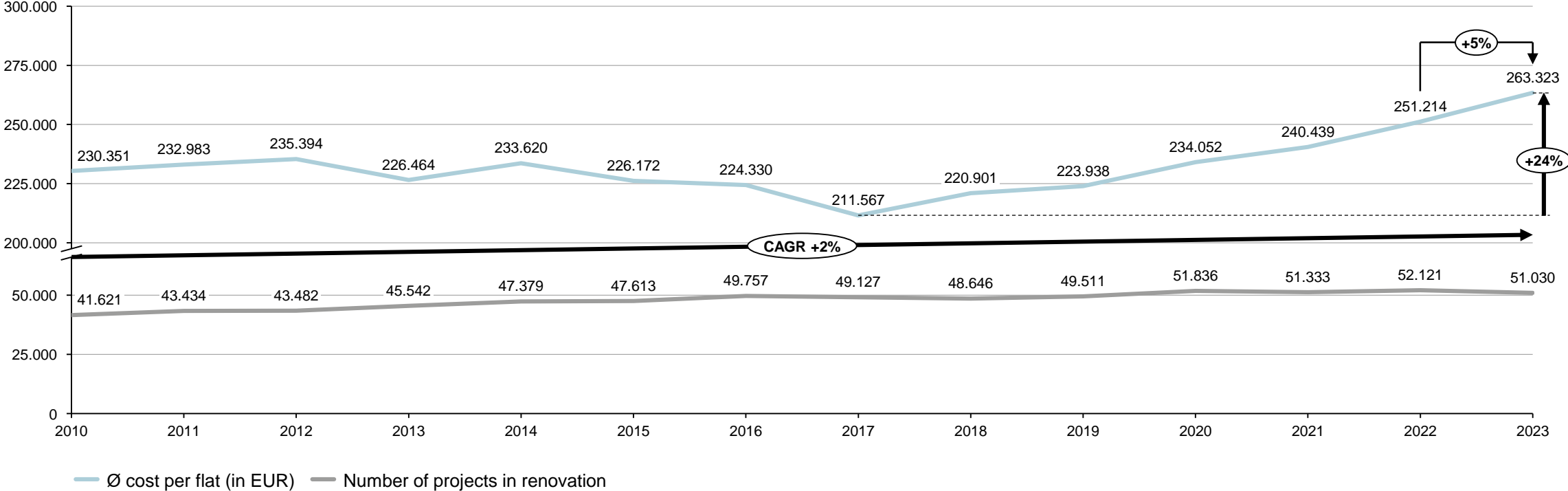
**Pent-up demand could finally be released due to improved financing conditions and decreasing prices in the housing stock**

source: destatis, B+L forecast (02.2024)

# Structural drivers for construction

## Renovation in Germany

### Completions in residential renovation



**Renovation as a stabilising factor – growing building stock leading to continuous growth**

source: Destatis 2024

**ARBONIA** 

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**Thank you**

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