



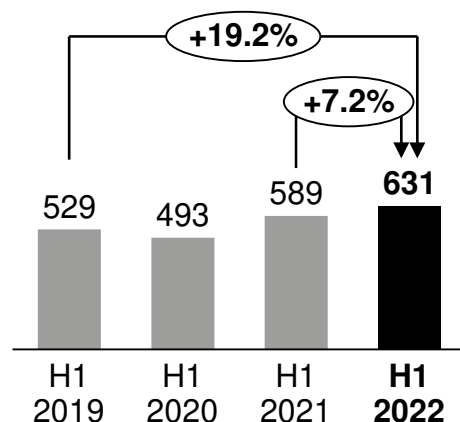
H1 results 2022

Alexander von Witzleben, Executive Chairman
Daniel Wüest, Group CFO

Overview H1 2022

Key metrics (CHF M)

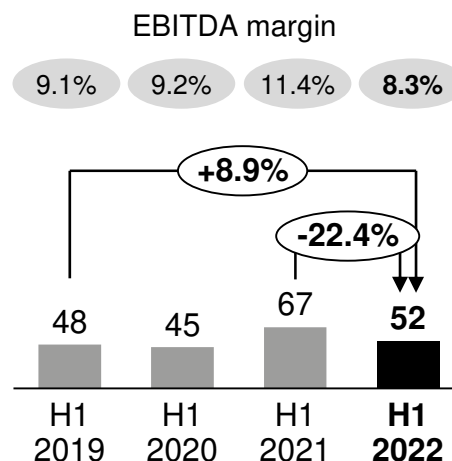
Net revenues



Despite negative FX impact solid revenues growth of 7.2% in H1 2022 supported by price increases

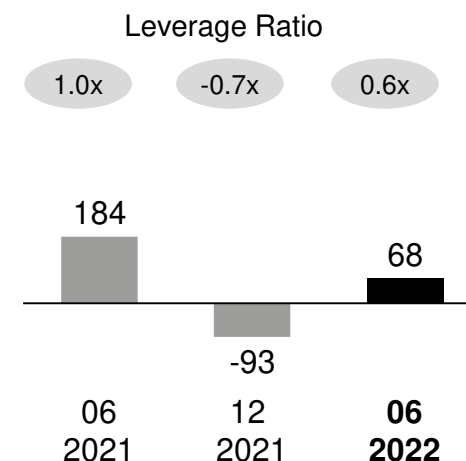
Organic growth of 9.8% (FX and acquisition adjusted)

EBITDA²



Steep **increase of raw material prices, delay in passing-on** higher prices, **higher energy** and **logistic costs, destocking** of wholesalers and **COVID-19** related inefficiencies weighted negatively on EBITDA and margin in H1 2022

Net debt/cash



Substantial cash-out in H1 2022 due to **increase of NWC, capex** and **dividend payment** resulted in a net debt position of CHF 68 M by 06 2022

Solid top-line growth but with a delayed impact on profitability in H1 2022

¹ H1 2019 net revenues and EBITDA calculated on a pro forma basis | ² excluding one-time effects

H1 2022 in context

Reversal of an extraordinary strong H1 2021

Effects H1 2021

Orders pulled forward for fear of rising prices



Wholesalers over-stocked warehouses due to limited supply



COVID-19 and related restrictions led to home improvement trend



Perfect mix of stable FX rates, low raw material prices and interest rates



Effects H1 2022

Sharp rise in raw material and energy prices across the board

Wholesalers have largely depleted their over-stocked warehouses

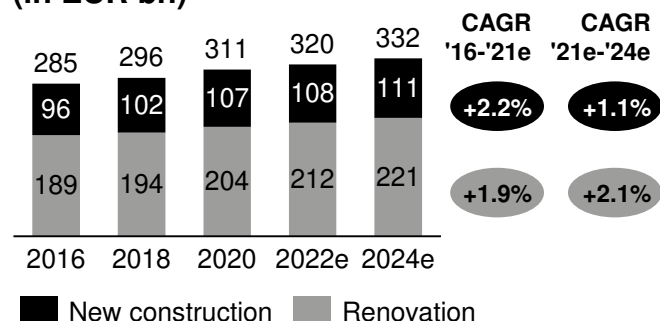
War in Ukraine aggravating supply chain, energy prices and economic outlook

Substantial strengthening of CHF against majority of relevant currencies

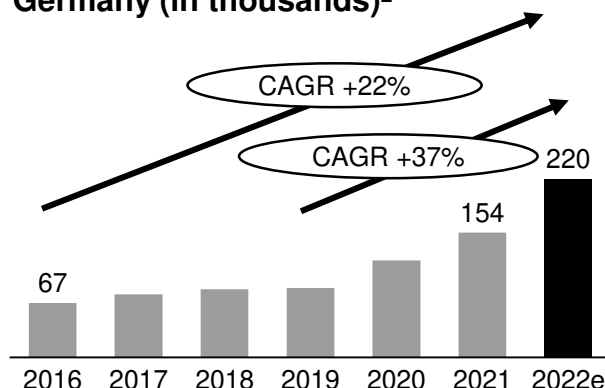
Confident market outlook for H2 2022 and beyond

Based on numerous facts despite a challenging environment

Building volumes in Germany new construction and renovation (in EUR bn)¹



Number of heat pumps sold in Germany (in thousands)²



Energy crisis

- Energy efficiency is required to control running cost of buildings and thus preserve invested capital
- Additional demand for energy-saving renovation and energy efficiency in new construction to reduce energy costs and to increase autonomy
- German government calls for installation of 500k heat pumps annually – increased demand through subsidy-programmes across EU-members
- Number of installers still limits growth for energy-saving refurbishment

Surplus demand

- Despite rising construction prices and higher interest rates, still growing housing demand (migration boosted by refugees from Ukraine)
- Working from home and urbanisation continue to drive housing demand and permits, especially in large agglomerations
- Demand for small flats rising, due to lower average household size (single households)
- Need for renovation due to 2 million missing retirement flats triggered by demographic change

Price level

- Raw material prices stabilising at high level
- Historically inflation supported renovation while negatively impacting new construction

Renovation over-passing new construction in terms of growth

¹ in constant prices from 2015; Source: EY-Hochbauprognose 2022 | ² Source: EHPA & BDH resp. (2016 – 2020), BDH (2021), BRG (2022e ff)

1. Group results H1 2022

2. Divisional highlights H1 2022 and outlook

3. Outlook

Questions

Income Statement

As reported (CHF M)

In CHF M	H1 2022	in %	H1 2021	in %
Net revenues	630.9 ^I	100.0	588.6	100.0
Cost of material and goods	-324.5	-51.4 ^I	-264.9	-45.0
Personnel expenses	-192.1	-30.4 ^I	-189.0	-32.1
Other operating expenses	-89.0	-14.1 ^I	-78.0	-13.3
EBITDA	52.4 ^{III}	8.3	67.6	11.5
Depreciation, amortisation	-26.8	-4.3	-25.0	-4.2
EBITA	25.6	4.1	42.6	7.2
PPA amortisation	-7.8	-1.2	-7.7	-1.3
EBIT	17.8 ^{IV}	2.8	34.9	5.9
Net financial result	-0.8	-0.1	-2.5	-0.4
Group result before income tax	17.0	2.7	32.4	5.5
Income tax expense	-5.3	-0.8	-8.8	-1.5
Group result	11.7 ^V	1.9	23.6	4.0

I Revenues (+7%)

- Up 7.2% due to higher prices and despite lower FX

II Cost base

- Steep increase of raw material prices as well as raising energy and logistic costs could not yet fully be offset by higher prices and productivity

III EBITDA (-22%)

- EBITDA down due to delay in passing-on price increases, FX and COVID-19 related inefficiencies

IV EBIT (-49%)

- As a consequence EBIT also negatively impacted by operat. performance

V Net Profit (-50%)

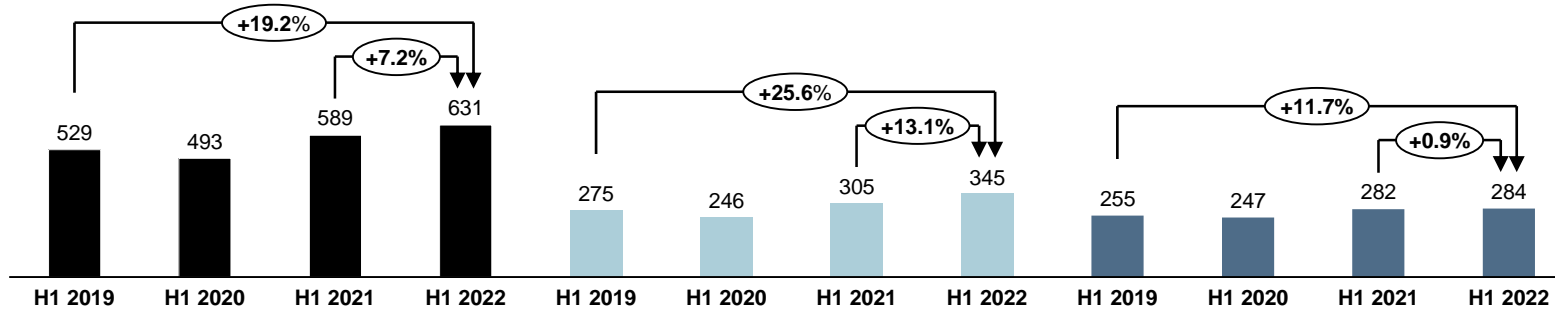
- Substantially lower due to operational performance

Overview H1 2022

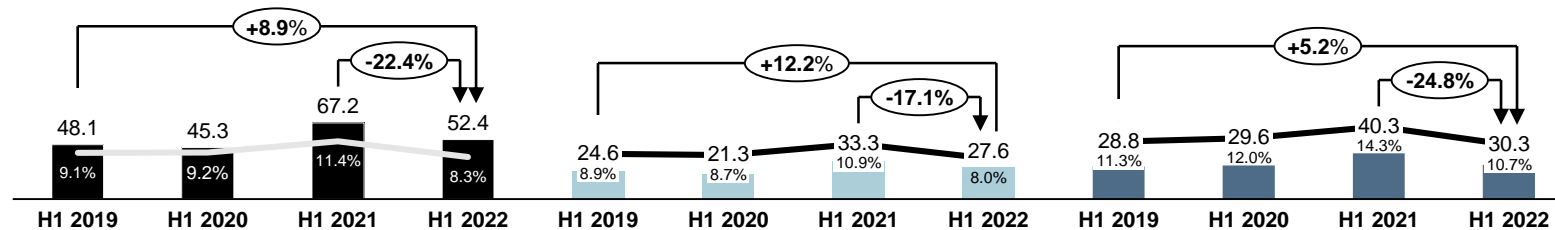
Performance by Group and Divisions

CHF M^{1,2}

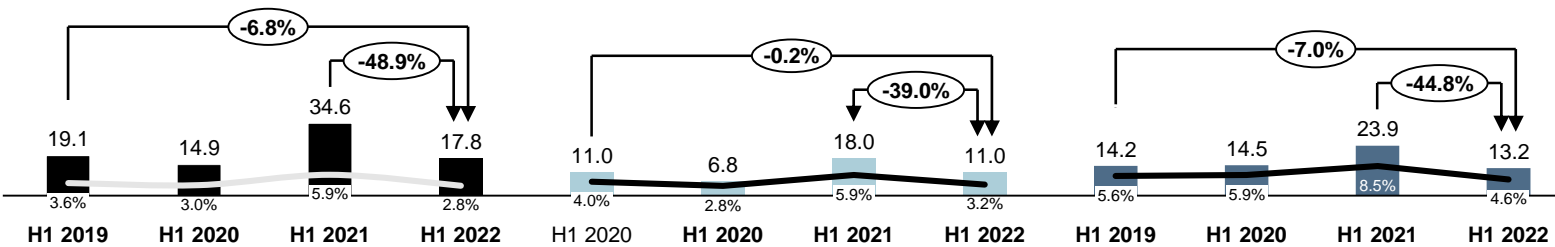
Net Revenues



EBITDA (incl. margin)



EBIT (incl. margin)

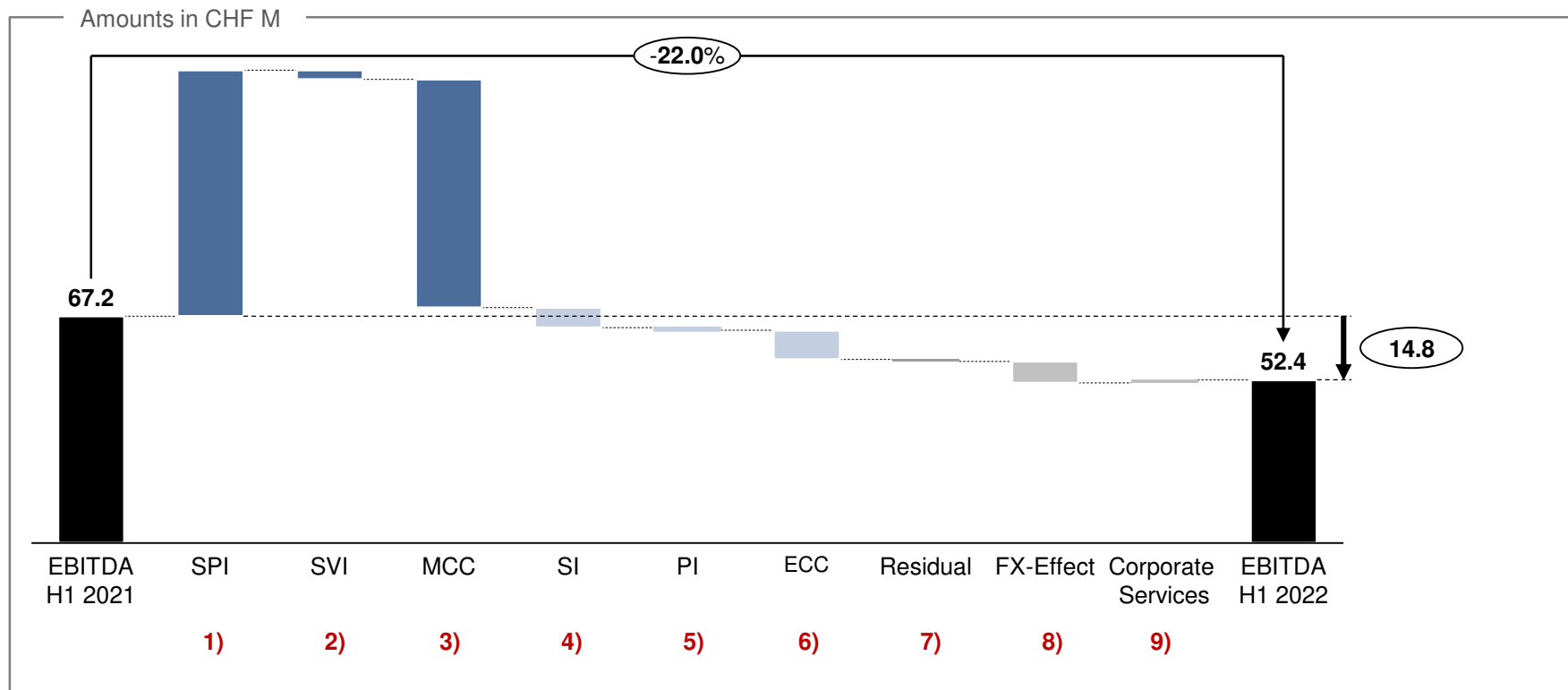


1 not adjusted for FX and acquisition effects – for organic growth H1 2020-2022 see slide 10 | 2 excluding one-time effects

■ Arbonia Group ■ HVAC ■ Doors

Arbonia Group: EBITDA Bridge H1 2021 – H1 2022¹

Price increases almost covered higher material, energy and logistics costs



Explanations:

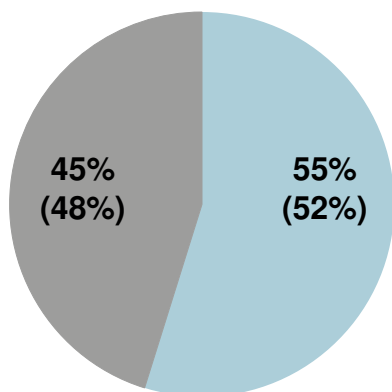
- 1) SPI - Sales-Price-Increase
- 2) SVI - Sales-Volume-Increase (Mix)
- 3) MCC - Material-Cost-Change
- 4) SI - Salary-Increase
- 5) PI - Productivity-Increase
- 6) ECC - Energy-Cost-Change
- 7) Residual (logistics costs, marketing, etc.)
- 8) FX-Effect
- 9) Corporate Services

¹ excluding one-time effects

Net revenues by Division and Region

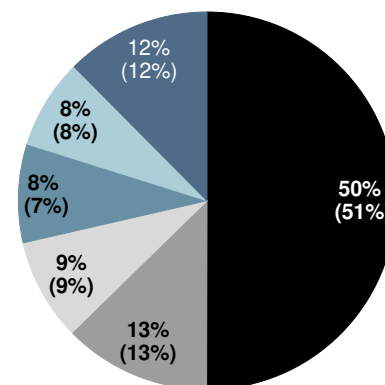
Only marginal changes in revenue split by Division and Region

Net revenues by Division



 HVAC  Doors

Net revenues by Region

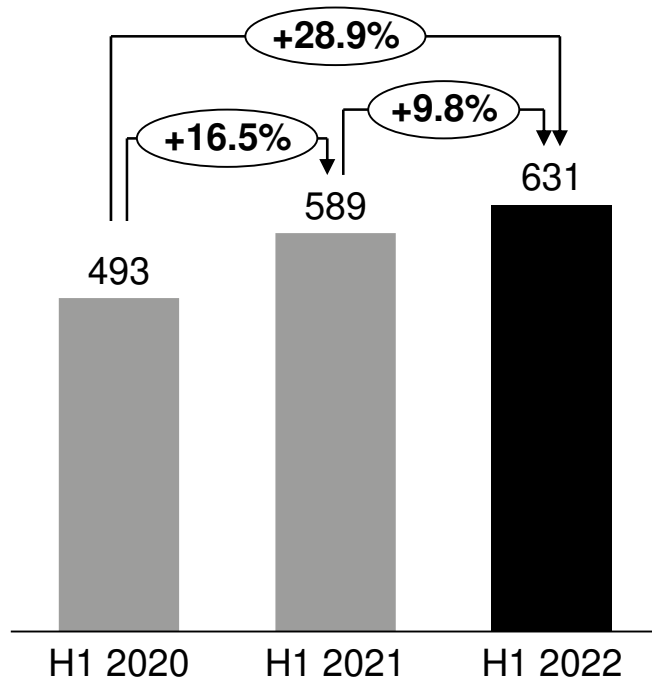


 Germany  Eastern Europe
 Switzerland  Benelux
 Southern Europe  RoW

Figures in brackets show values of H1 2021

Overview organic revenue growth H1 2020-2022

In CHF M



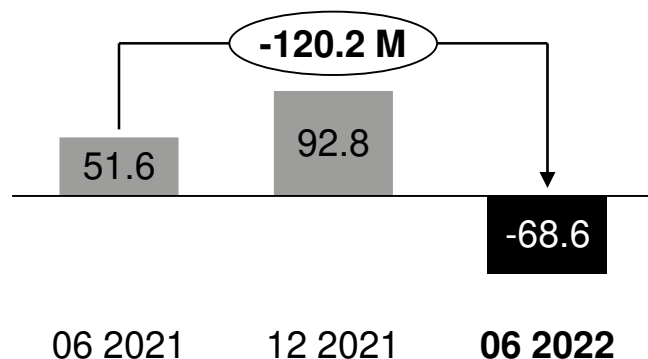
 Net Revenue

- Strong organic growth based on volume and price effects since 2020
- Organic growth H1 2022 of +9.8% mainly based on price effects
- Division HVAC with an organic growth H1 2022 of +15.7%
- Division Doors with an organic growth H1 2022 of +3.7% negatively impacted by Business Unit Glass Solutions (-1.1%)

Cash flow statement

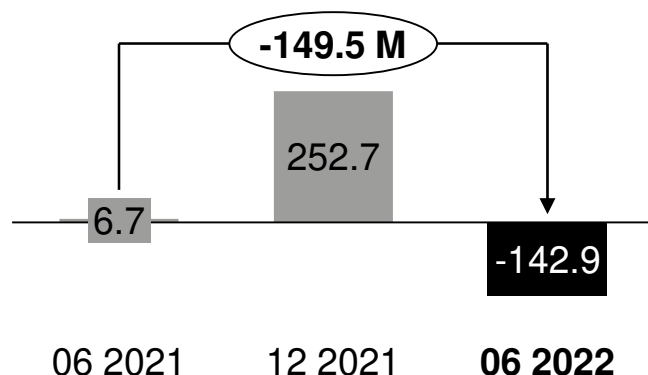
In CHF M¹

I Cash flow from operating activities



- Cash flow from operating activities turns negative in H1 2022 mainly due to substantial increase of NWC (CHF 118 M) ...
- ...and lower operational performance in H1 2022
- Negative NWC effect in H1 2022 to partially unwind by the end of 2022 beside expected stronger operational performance

II Free cash flow²

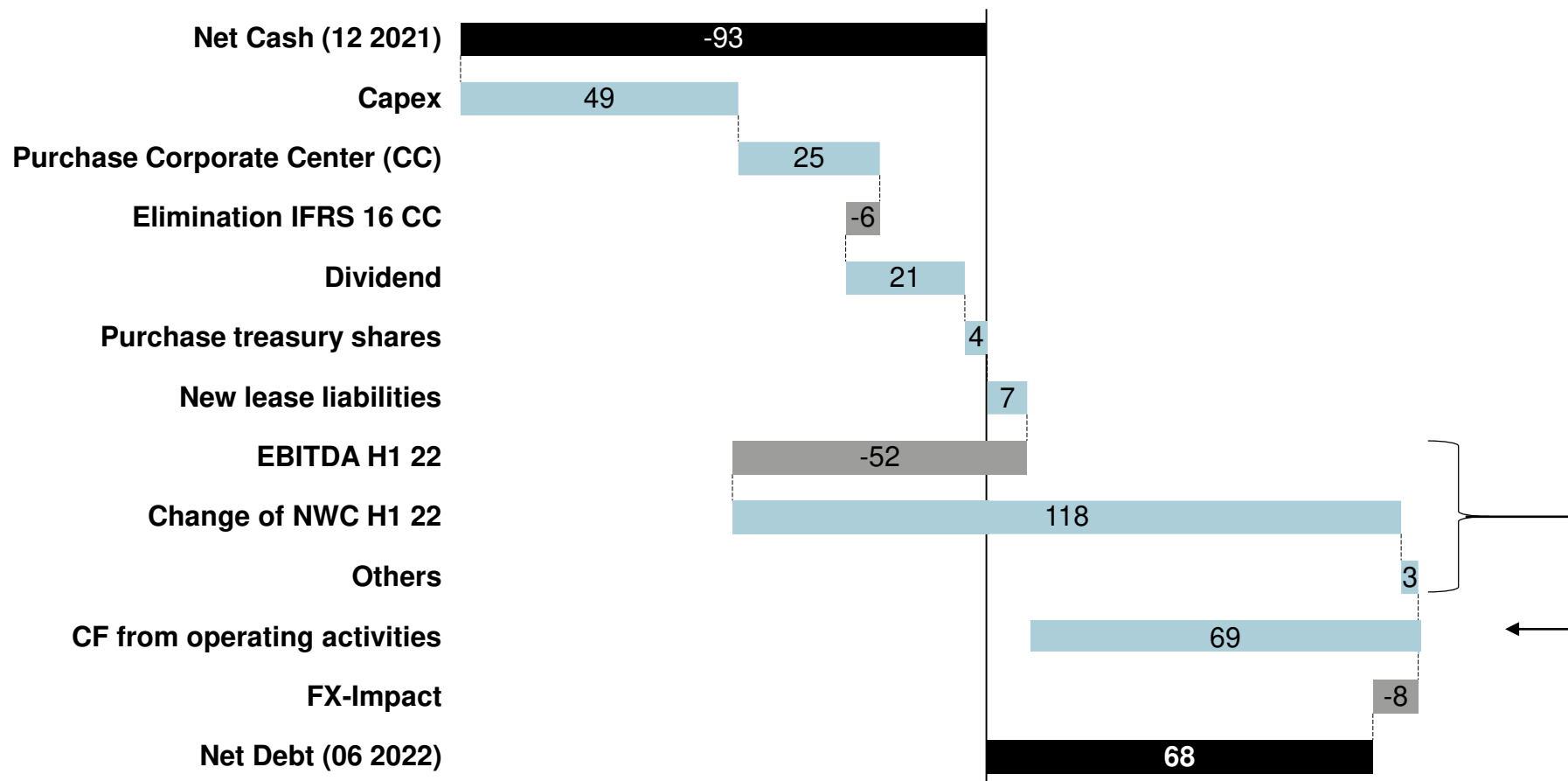


- Taking capex of CHF 74 M in H1 2022 into account...
- ...drives free cash flow into negative territory in H1 2022
- Free cash flow 2021 included proceeds from sale of Windows Division

¹ 06 2021 and 12 2021 including discontinued operations | ² Free cash flow: cash flow from operating and investing activities

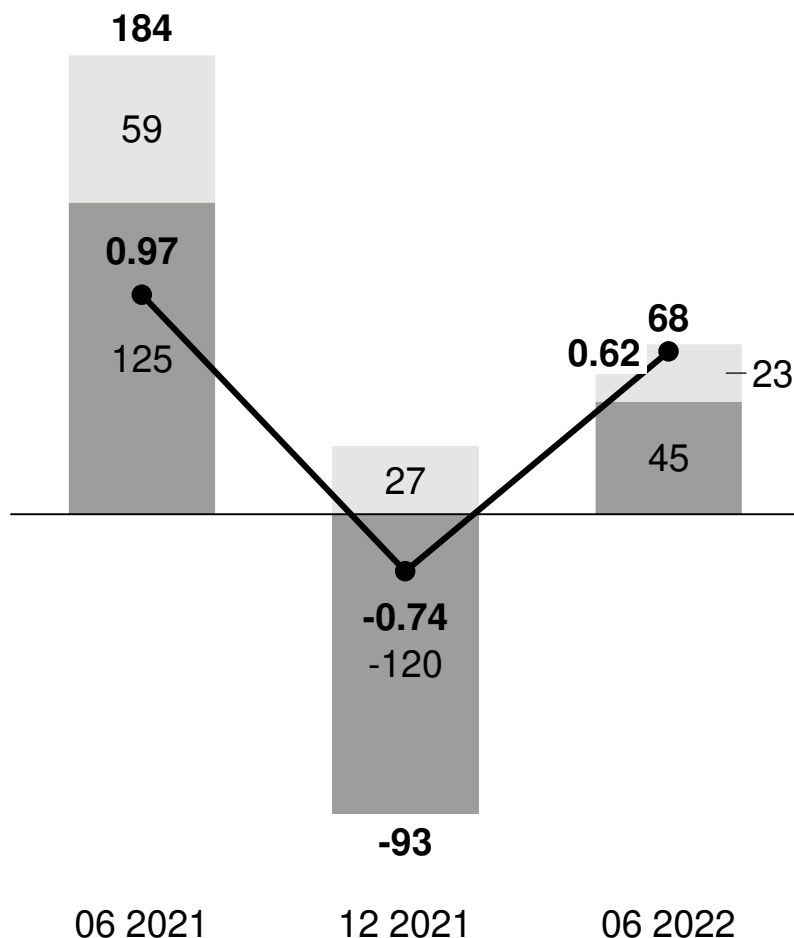
Net cash to net debt bridge

In CHF M



Net debt as of June 2022

In CHF M



● Leverage ratio (incl. lease liabilities) ■ Lease liabilities ■ Net debt

I Net debt

- Substantial cash-out leading to a net debt position
- Cash outflow of CHF 161 M mainly due to negative CF from operating activities (CHF 69 M), capex (CHF 74 M) and dividend payment (CHF 21 M)

II Leverage ratio

- Current leverage ratio of c. 0.6x leaves ample financial headroom for growth by acquisitions

III Real estate and land reserves

- Surplus real estate and land reserves not included in net debt calculation

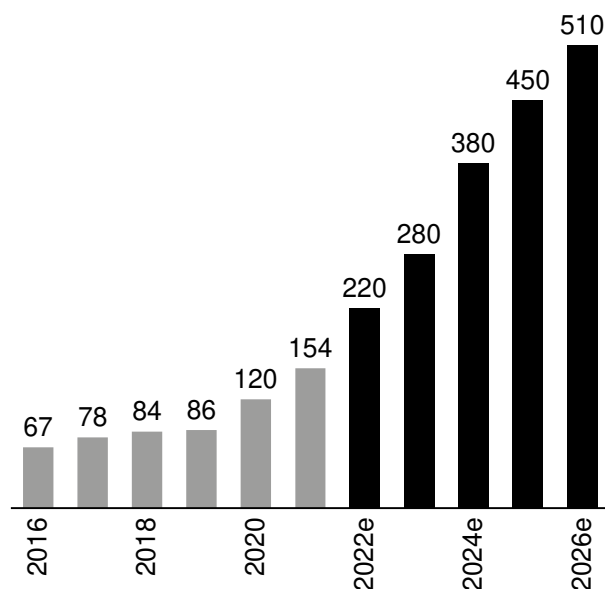
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Number of heat pumps sold in Germany (in thousands)¹

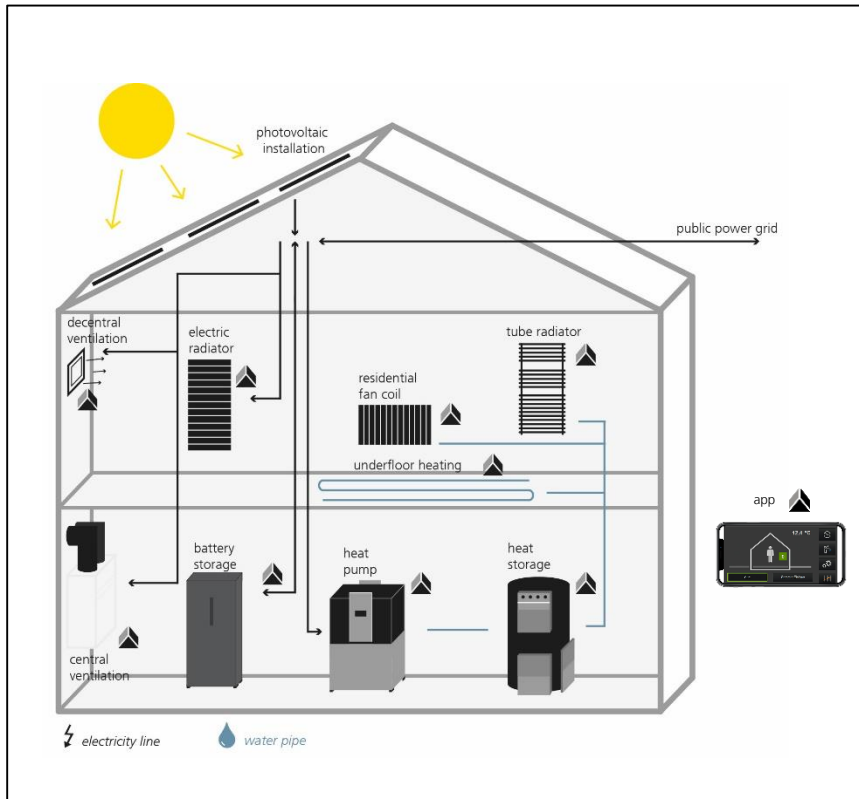


- For overall construction, mixed messages on mid-term outlook: high housing demand – yet, rising interest rates and high building material price levels dampen the outlook
- In HVAC, energetic modernisation supports strong growth on top of underlying construction market:
 - Lower overall energy need
 - Electrify heat generation (heat pumps)
 - Switch to efficient thermal transfer products
- Supported by government programs
- Accelerated by spiking energy prices

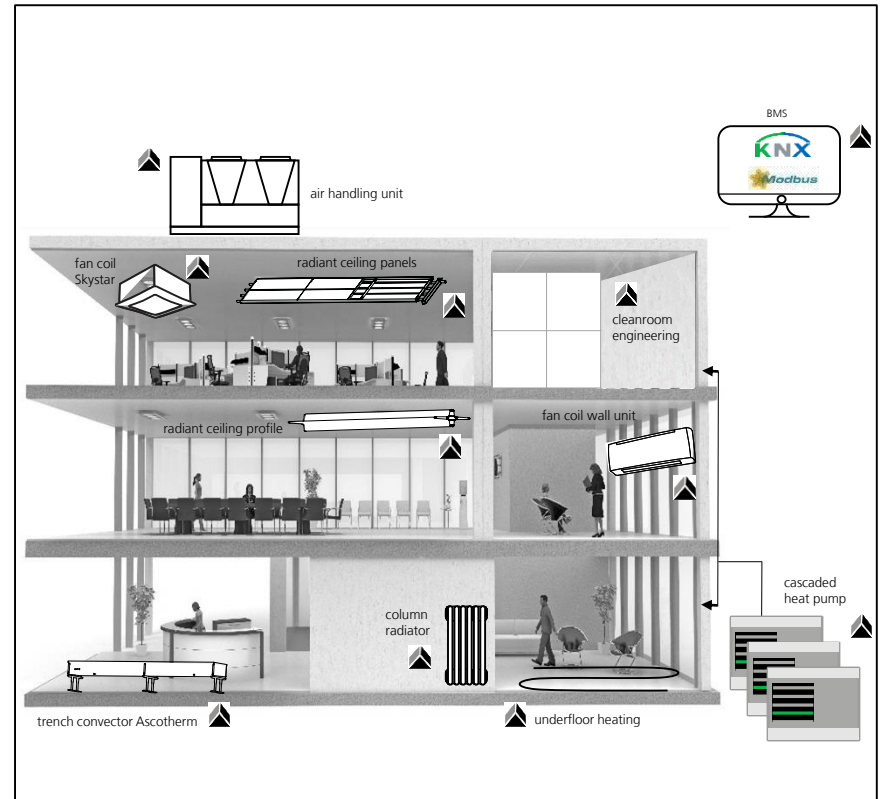
¹ Source: EHPA & BDH resp. (2016 – 2020), BDH (2021), BRG (2022e ff); excluding water-heater heat pumps

HVAC: Arbonia offers comprehensive solutions for energy-efficient heating, cooling and ventilation

Residential

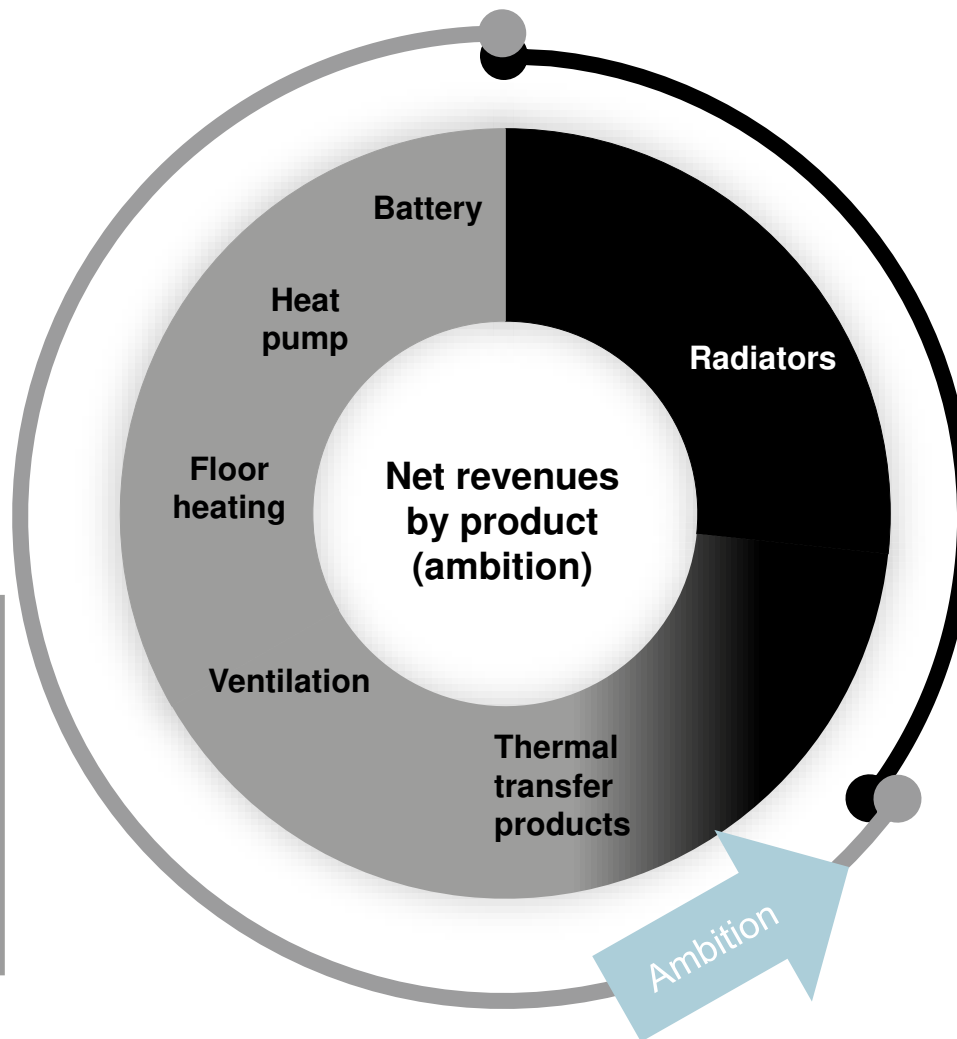


Commercial



HVAC: Growth products in strong demand in H1 2022

Ambition: 2/3 net revenues with growth products



Growth products

High volume and price increase
Leading to sales growth of c. + 25%

Mature products

Volume decrease & high price increases
Leading to sales growth of c. + 10%

Note: volume development figures indicative

Growth products: battery, heat pump, ventilation, air handling, fan coils, underfloor heating, design radiators; Mature products: steel panel radiators and other radiators

Opočno (CZ) heat pump factory



Heat pump + x-flair radiator as powerful combination – allowing for low flow temperatures



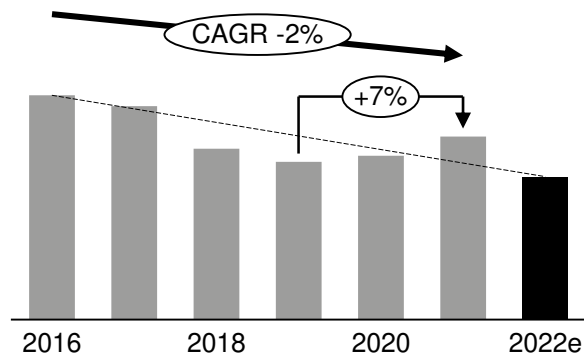
- Addressing the growing demand across Europe for energy-efficient heat generation
- Successful completion of "greenfield" factory in Opočno (CZ) with start of production happened
- Ramp-up of production in progress
- Once in full swing in 2023, the factory allows for an annual output of >10'000 heat pumps, with plans to double capacity to ~20'000 by 2024
- Heat pump competence centre (R&D, Production, Service and Sales) now totaling > 100 employees
- New product line "Dynamic Pro" with up to CoP 4.8 and up to 16 kW enables maximum energy efficiency as well as up to 48 kW with cascade



- Ecological advantages (no Lithium)
- Safe (not flammable)
- Enduring (limited performance loss and >20 years lifetime)

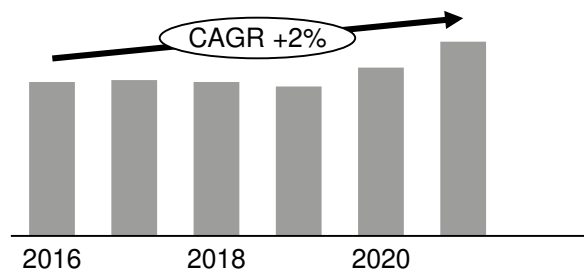
- Enabling a high degree of energy self-supply for buildings in combination with solar panels and heat pumps – a rapidly growing market
- High-performing, long-lasting, environmental friendly Redox-Flow technology with performance of initially 6 kWh (and later 10 and 15 kWh)
- First market launch at "The Smarter E Europe" fair Munich (DE) in May 2022 with strong feedback
- Field tests successfully completed in H1 2022, now start of sale
- Production will shift from Plattling (DE) to Střibro (CZ) with start of serial production in 2023
- DE and CH as priority markets with target price similar to lithium-ion batteries of c. 1'500 EUR per kWh
- Based on initial field feedback amendment of business plan – following start of mass production an output of several thousand units is aimed for in the mid-term

German SPR¹ market (units)



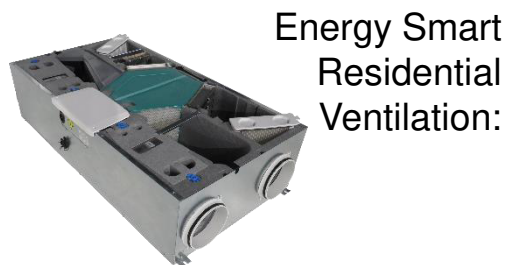
- Executing our "best-in-class" radiator strategy in a stagnating European market (home market Germany slightly declining)
- Exceptional tailwind in 2020 and 2021 due to COVID-19-related demand and over-stocking of wholesalers
- Track record in leveraging our scale and increasing productivity to secure leadership position and gaining further market share
- Managed to pass on steel price increases, yet latest rise only effective as from H2 2022

Arbonia SPR (units)



- Dislocation of activities from Tubbergen (NL) to Plattling (DE) and Legnica (PL) according to plan, with production stop in Q3/2022, leading to annual savings of > EUR 4 M from 2023 onwards
- Driving innovation, e.g. heat pump suitable radiator x-flair with fan assistance

¹ SPR: steel panel radiator; Source: Bundesverband der Deutschen Heizungsindustrie 2022, Arbonia HVAC



- Launching several new ventilation products after dedicated R&D efforts – ranging from low air flow in Residential applications to high air flow in Commercial environment

- Volume growth of ~ 30% in ventilation H1 2022 vs. H1 2021

- Market expansion into Eastern Europe, e.g. Poland and Czech Republic

- Increasing sales across our regions, thereby realizing production and go-to-market efficiencies

- Residential Ventilation broadens its family with a new model for increased air flow of ~270 m³/h at >90% heat recovery; fitable with Crystall electrostatic filters for clean air

- Air Handling Unit Neptun with flow rates up to ~30'000 m³/h providing comfortable temperatures and regulating humidity, i.e. specifically suitable for indoor Swimming Pools

- The Carisma Whisper fan coil, a high-demand product enabling both cooler and warmer indoor climate, adds a new model with a radiant front panel

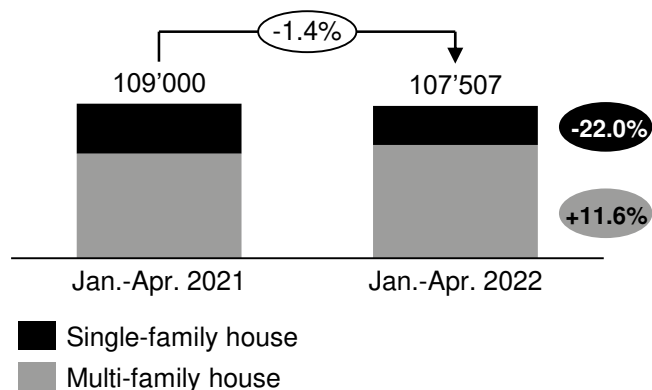
Neptun Swimming Pool Air Handling Unit:



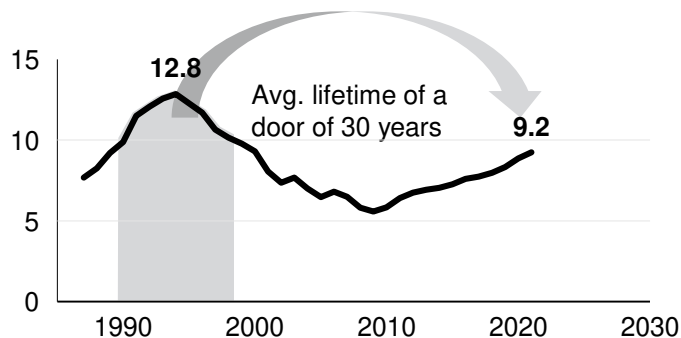
Carisma Whisper Fan Coil:



Number of permits issued for flats in new construction in Germany¹



Number of doors sold in Germany (in M)²



- 24% of construction wood imports in Germany impacted by war in Ukraine → lack of materials
- Rapidly rising raw material prices, to be compensated by price increases coming into effect in H2 2022
- While permits for single-family homes were disrupted by temporary halt in subsidies, permits for multi-family homes keep rising
- To build 100k flats in social housing annually Germany will spend EUR 14.5 bn until 2026
- Growing volumes in forthcoming 30-year interior doors super-cycle in Germany
- Sanitary and heating installers focused on energetic refurbishment, not available for sanitary equipment (lack of skilled labour)
- Lower volumes due to higher price sensitivity in Eastern Europe

¹ Source: Statistisches Bundesamt (Destatis) 2022 | ² Source: B+L market studies

Doors: Tapping into a door's full life-time value

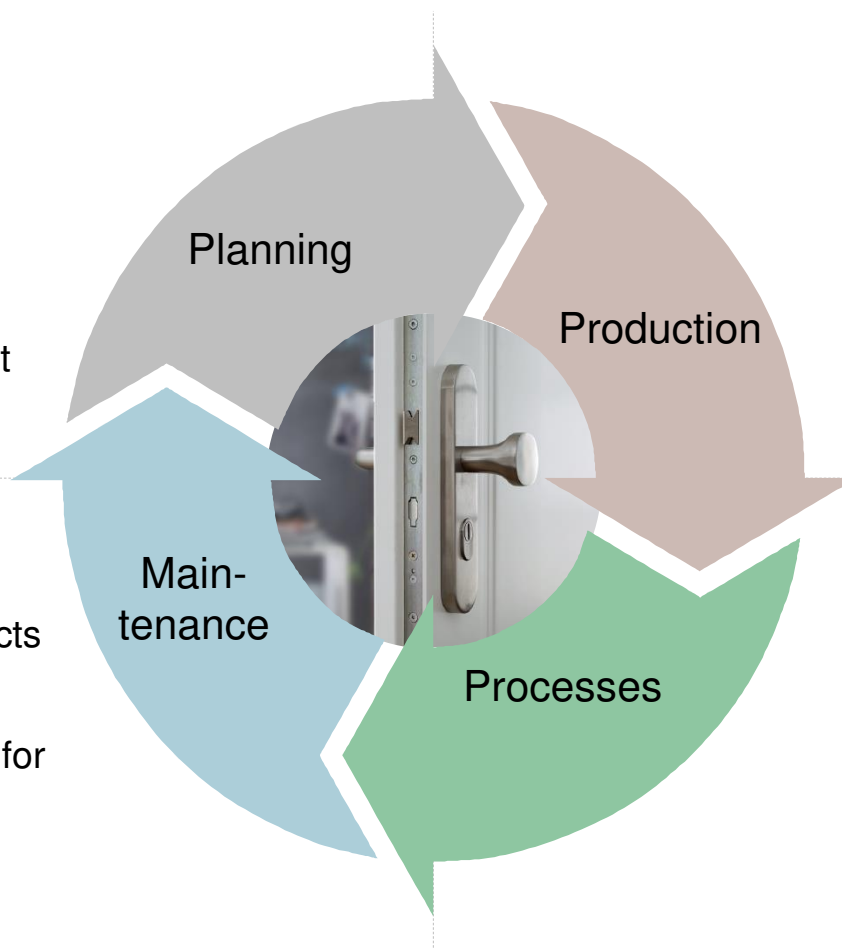
Arbonia Doors will profit from a door's entire lifecycle

Planning services

- Site measuring for shower enclosures
- Planning of digital access management

Maintenance and Replacement

- Maintenance contracts for technical doors
- Usage of QR codes for easy replacement orders



Production

- Become full range provider for all functionalities and materials
- Acquisition of Joro in the segment of technical doors

Participation on processes

- Service fees
- Digital solutions for configuration, such as

DOORIT
Die Plattform für Türen

DIETÜR
Digitales Türentool

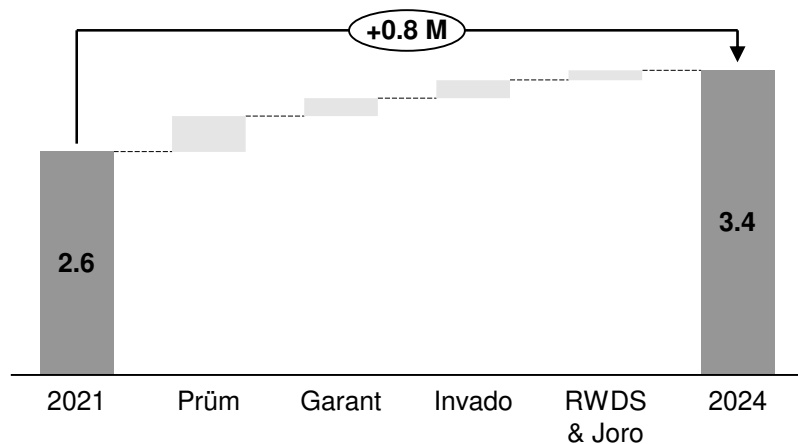
DIETÜR
Digitales Türentool

The Arbonia Doors ecosystem and its processes become digital

Doors: Allocating and leveraging additional capacities

Increasing revenues and productivity



Additional capacities (in M doors)



Used for...

- Increase volume and gain market share
- Reduce order backlog followed by taking-out expensive extra shifts (3rd and weekend shifts) → increasing productivity
- Shortening delivery times to industry standard of 2-4 weeks
- Supplying standard segment for Swiss Doors from Prüm and expanding Western-CH market
- Growing project business (Objektvertrieb)
- Targeting domestic Polish and European DIY markets (Invado)
- Targeting neighbouring (export) markets with potential, such as AT, BE, CZ, SK, HU, RO etc.

Increased offering in German doors market

- Residential: Wholesalers  Increase market share with Prüm and Garant in DE
- Non-residential: wholesalers and project business  Starting offering with Joro acquisition

Added capacities to grow with existing and new clients as well as in new markets

Doors: New frame production line online

New frame production site Prüm bringing new capacities of 800k units as of 2024 (picture: August 2022)



Combined heat and power plant Prüm will supply all heat needed and a majority of the energy (picture: August 2022)

Market environment

- Market shortage on professional installers
- The few remaining installers focus capacities on HVAC products due to high margin and subsidies
- As a result less shower enclosures are currently being installed
- Building material price increases can delay construction sites
- As a result, renovation of shower enclosures is postponed due to price increases or has been done before or during the pandemic

Measures

- Arbonia Glassystems (former GVG Deggendorf) will leverage its capabilities to provide tailor-made glass products
- The efficient manufacturing process will allow for short delivery times
- Enriched product portfolio will include
 - Glass partitions for offices and bathrooms
 - Glass systems in combination with wood
 - Extend the offering for glass doors
- Expanding sales activities across Europe especially by integrating glass solutions to Arbonia Doors project business
- Further price increases

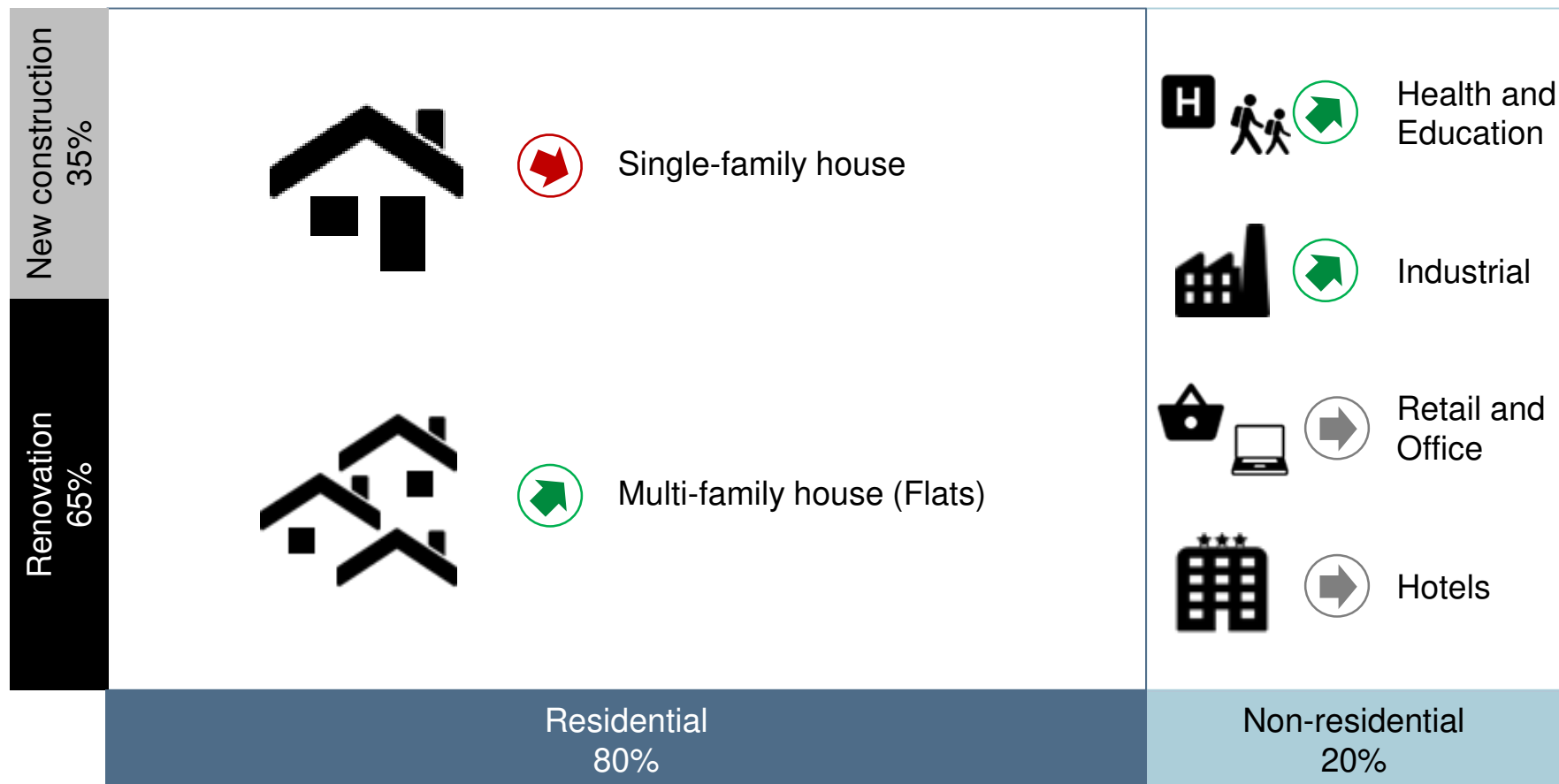
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Demand in commercial and infrastructure is picking-up, ARBONIA economic uncertainty unlikely to impact renovation

Arbonia's approximate revenue split by segments



 Expected positive outlook 2022

 Expected neutral outlook 2022

 Expected negative outlook 2022

Source: 93rd Euroconstruct Report June 2022; EY-Hochbauprognose 2022; UBS Evidence Lab: Energy efficiency; Arbonia management

Annual results 2021	Guidance 2022	
	1 March 2022	23 August 2022
Organic growth¹ 11.6%	Organic growth¹ > 5.0%	Organic growth¹ > 5.0%
EBITDA margin² 11.3%	EBITDA margin² 10.8 – 11.2% ³	EBITDA margin² 10 – 11%
Capex⁴ 9.5%	Capex⁵ ~10%	Capex⁵ ~10%

Healthy order backlog, stabilisation of raw material prices and price increases coming into full effect should be beneficial for H2 2022

1 adjusted for FX and acquisition effects; 2 excluding one-time effects; 3 corresponds to CHF 145 – 150 M EBITDA; 4 excluding purchase Garant factory (CHF 30 M); 5 excluding early repurchase of Corp. Center (CHF 25 M)

ARBONIA 

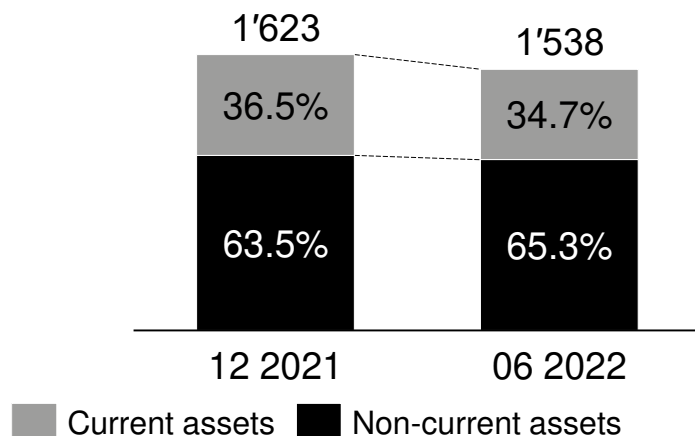
Appendix

Organic growth¹

Organic growth driven only by price effects

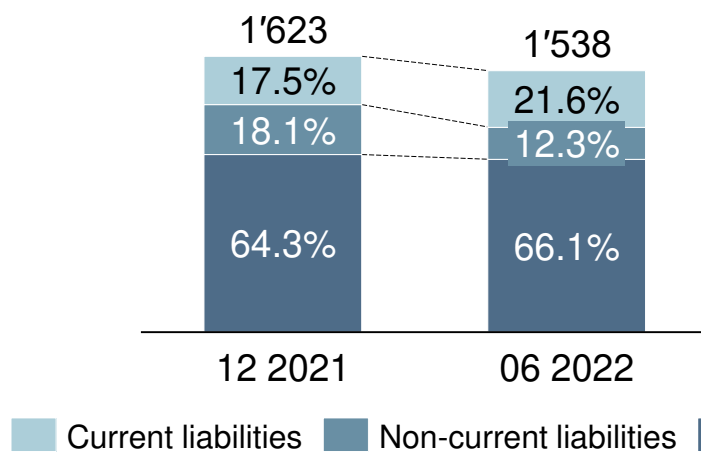
Net revenues as reported in CHF M	H1 2022	H1 2021	Δ Year Total	FX Effect	Acq. Effect	Organic growth ¹
Arbonia Group	630.9	588.6	+7.2%	-5.2%	+2.6%	+9.8%
HVAC	344.9	304.9	+13.1%	-5.8%	+3.2%	+15.7%
Doors	284.2	281.6	+0.9%	-5.0%	+2.2%	+3.7%

¹ adjusted for FX and acquisition effects



I Assets

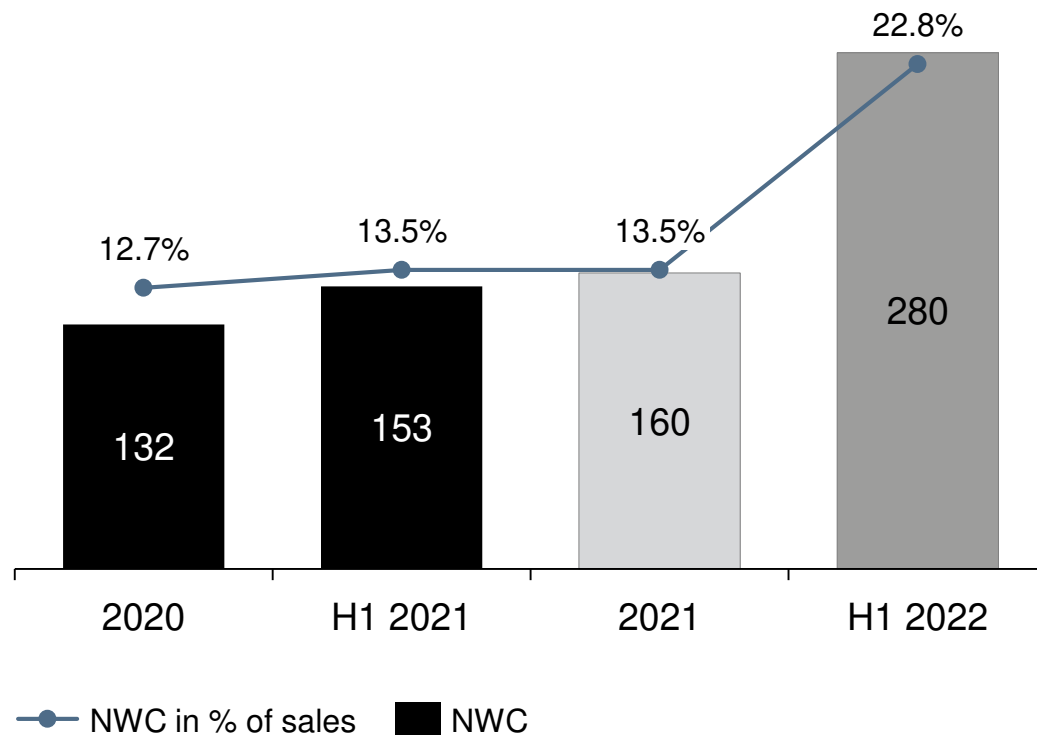
- Lower asset base mainly due to use of liquid funds and FX translation effect
- Shift of liquid funds into working capital



II Liabilities and shareholders' equity

- Lower liability base due to lower accounts payable and FX translation effect
- Slight reduction of equity to CHF 1'016 M (12 2021: CHF 1'044 M) but increase of equity ratio to 66.1% (12 2021: 64.3%)
- Increase of short-term financial liabilities due to reclassification of forthcoming repayment of 1st tranche of promissory notes (SSD)

Operating NWC¹ In CHF M



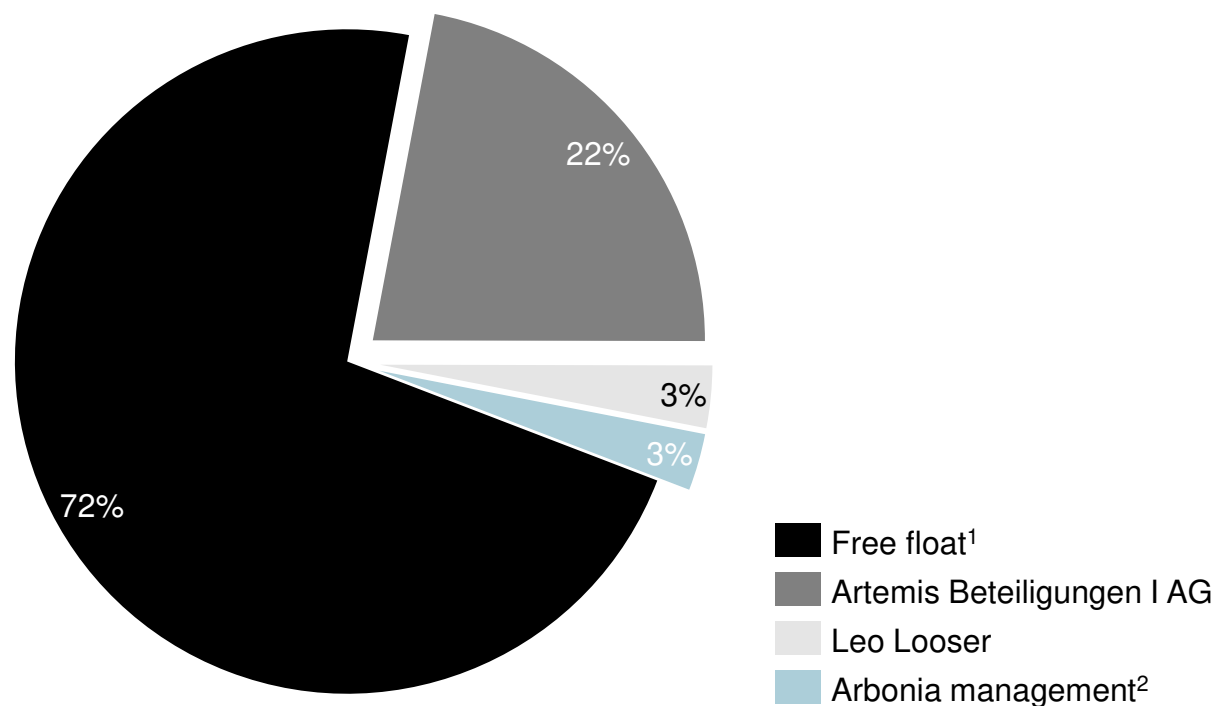
Operating NWC = Accounts receivable + accounts receivable project business + inventories + contract assets – accounts payable – advance payments by customers – contract liabilities project business

¹ Continuing Operations

Arbonia shareholder structure

As of 30 June 2022

Free float market capitalisation:
CHF 640 M³



Tradeable free float of ~72%

¹ Every other shareholder with <3% of shares outstanding

² Members of the Board of Directors, Group Management and upper management of Arbonia Group

³ Based on the closing price of 30 June 2022 and 72.15% of shares outstanding

ARBONIA 

Thank you
