



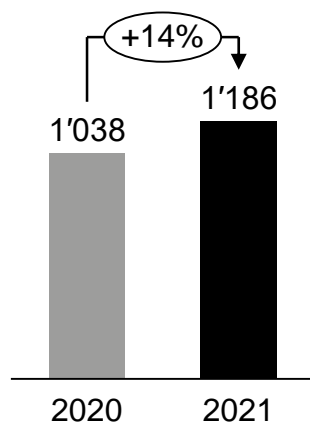
Annual results 2021

Alexander von Witzleben, CEO & Daniel Wüest, CFO
1 March 2022

Strong profitable growth in 2021

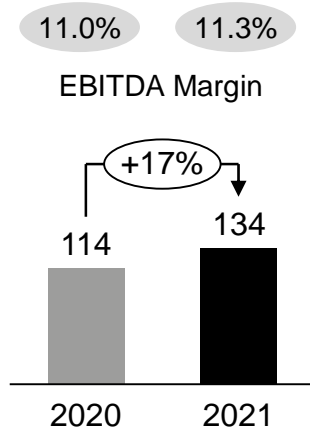
Overview key metrics (CHF M)

Net revenues



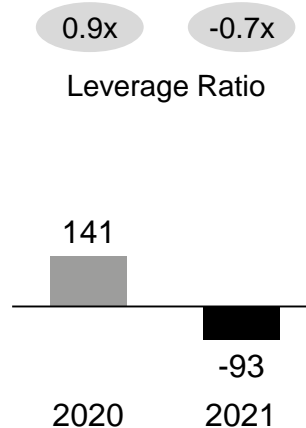
Strong growth of +14.2% (+11.6% organic) backed by supportive construction markets and regulatory environment

EBITDA¹



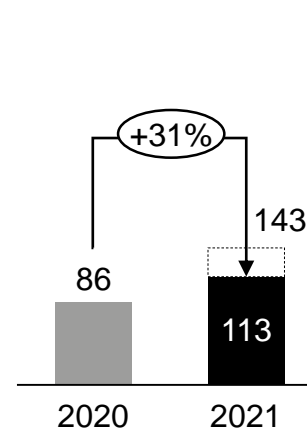
Margin improvement of 30 bps to 11.3% due to increased productivity and despite higher material costs

Net debt/cash



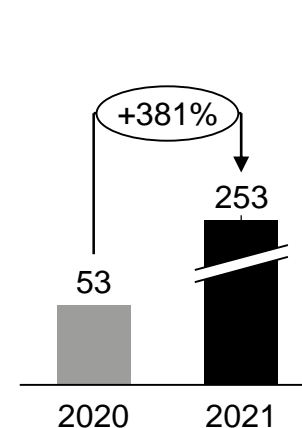
Proceeds from sale of Windows Division (CHF 334 M cash plus CHF 17 M debt) leading to net cash balance at year-end

Capex²



Execution of accelerated capex plan 2021 / 2022 on back of sale of Windows Division

Free cash flow



FCF reflecting cash proceeds from Windows sale but also accelerated capex program, balance sheet optimisations and increase in NWC

Capex and new products driving profitable growth

¹ EBITDA figures without one-time effects – EBITDA with one-time effects 2020: CHF 116.3 M and 2021: CHF 124.7 M

² Excluding discontinued operations and purchase of Garant factory (CHF 30 M)

1. Group results 2021

2. Division highlights

3. Outlook & Guidance

Questions

Income Statement

Without one-time effects (CHF M)

	2021	in %	2020	in %	
Net revenues	1'186.2 ^I	100.0	1'038.4	100.0	I Revenues • Net revenues up 14.2% - almost no FX effects
Cost of material and goods	-548.6	-46.3	-454.0	-43.7	II Cost base • Higher material prices mostly offset by increased productivity
Personnel expenses	-378.8	-31.9	-345.3	-33.2	
Other operating expenses	-159.2	-13.4	-147.1	-14.2	
EBITDA	134.3 ^{III}	11.3	114.5	11.0	III EBITDA (+17%) • Margin up by 0.3% points due to material cost management and operational leverage
Depreciation, amortisation, impairments	-51.7	-4.4	-47.5	-4.6	
EBITA	82.7	7.0	67.0	6.4	
PPA amortisation	-15.7	-1.3	-14.9	-1.4	
EBIT	67.0 ^{IV}	5.6	52.1	5.0	IV EBIT (+29%) • Increase of EBIT margin by 0.6% points
Net financial result	-9.4	-0.8	-12.9	-1.2	
Group result before income tax	57.6	4.9	39.1	3.8	
Income tax expense	-16.5 ^V	-1.4	-11.0	-1.1	V Income tax • Effective tax rate of 28.6%
Group result from continuing operations	41.1 ^{VI}	3.5	28.1	2.7	VI Net Profit (+46%) • Net Profit substantially up compared to last year

Blue figures are adjusted for one-time effects

Income Statement

As reported (CHF M)

	2021	in %	2020	in %	
Net revenues	1'186.2	100.0	1'038.4	100.0	I One-time Effects <ul style="list-style-type: none"> • One-time costs with CHF 9.6 M negative EBITDA effect mainly related to relocation / closure of Tubbergen plant (CHF 8.8 M) • Tubbergen related impairments on machinery with negative one-time EBIT effect of CHF 4.0 M • One-time effects with negative impact of CHF 13.6 M on Net Profit from continuing operations
Cost of material and goods	-548.9	-46.3	-454.0	-43.7	
Personnel expenses	-386.7	-32.6	-345.6	-33.3	
Other operating expenses	-161.0	-13.6	-147.0	-14.2	
EBITDA	124.7	10.5	116.3	11.2	
Depreciation, amortisation, impairments	-55.7	-4.7	-47.5	-4.6	
EBITA	69.0	5.8	68.8	6.6	
PPA amortisation	-15.7	-1.3	-14.9	-1.4	
EBIT	53.3	4.5	53.9	5.2	
Net financial result	-9.4	-0.8	-12.9	-1.2	
Group result before income tax	43.9	3.7	40.9	3.9	
Income tax expense	-16.4	-1.4	-11.2	-1.1	
Group result from continuing operations	27.5	2.3	29.7	2.9	
Group result from discontinued operations	111.2	9.4	15.2	1.5	
Group result	138.7	11.7	44.9	4.3	

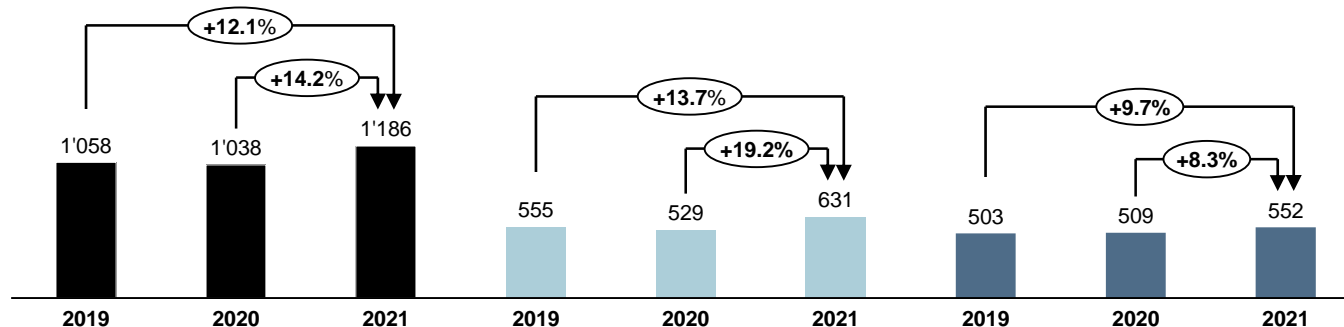
II Net Profit (+209%)

- Overall reported Net Profit significantly up - including amongst others realised net profit from disposal of Windows Division

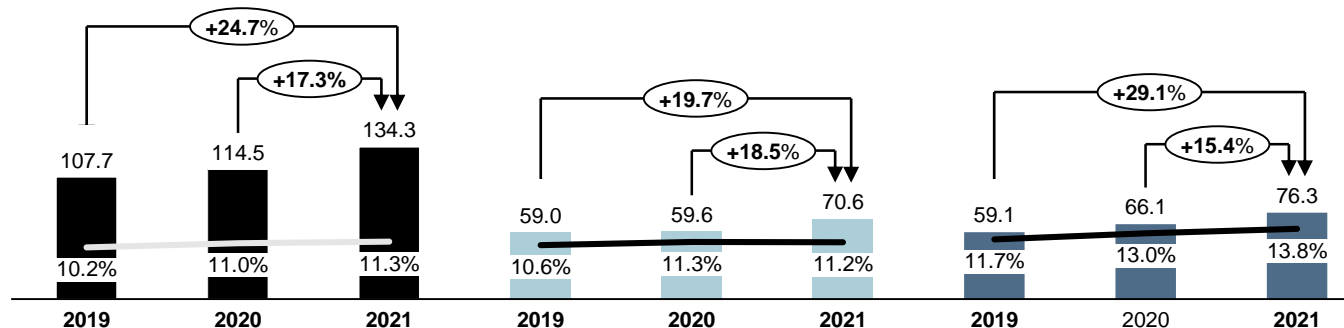
2021 summary

Performance by Group and Division (CHF M^{1,2})

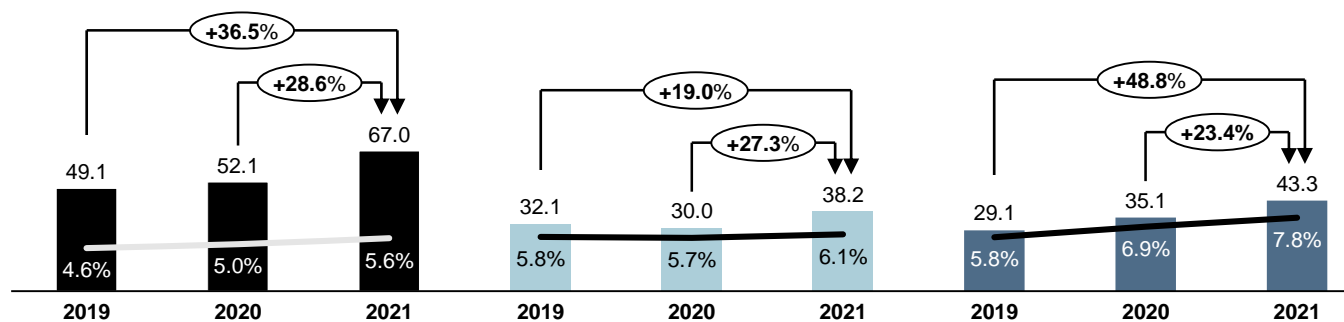
Net Revenues



**EBITDA²
(incl. margin)**



**EBIT²
(incl. margin)**



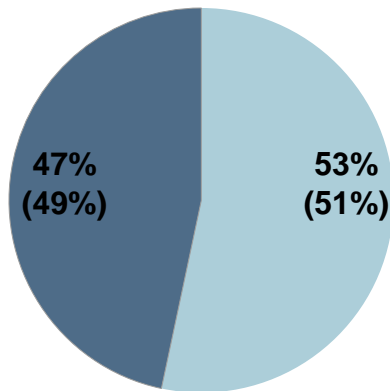
1 Not adjusted for currency and acquisition effects – for adjustments see slide 10, "Organic growth" | 2 excluding one-time effects

■ Arbonia Group ■ HVAC ■ Doors

Net revenues by Division and Region

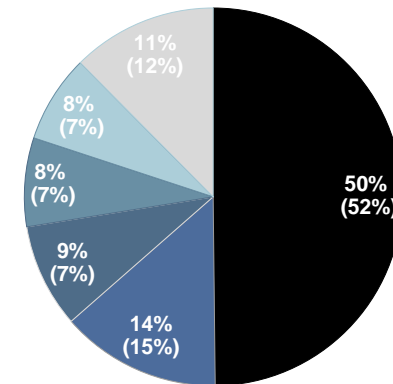
German market contributing half and DACH 2/3 of revenues




Net revenues by Division



 HVAC  Doors

Net revenues by Region



 Germany  Benelux
 Switzerland  Eastern Europe²
 Southern Europe¹  RoW

Figures in brackets show values of 2020

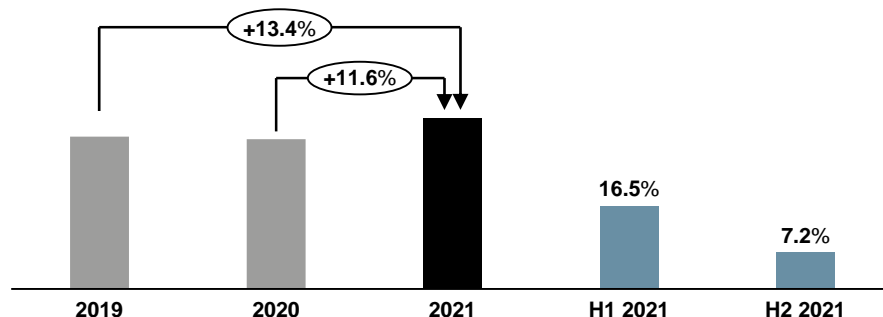
1 IT, ES and PT

2 PL, CZ and RU

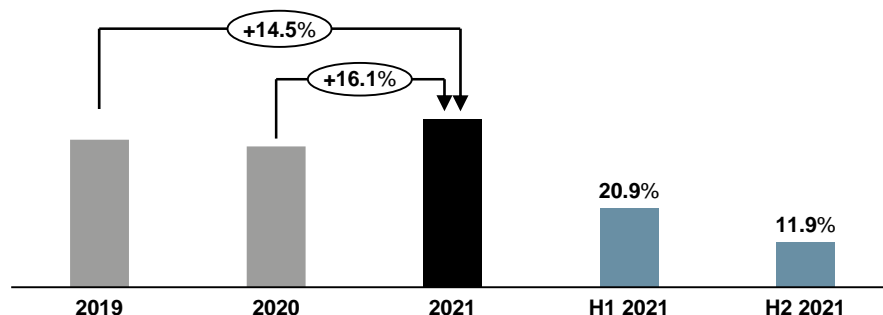
Overview organic revenue¹ growth FY 2019-2021

In CHF M¹

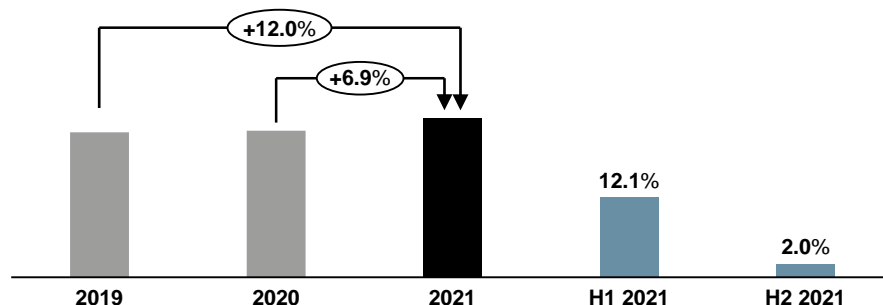
Arbonia Group



HVAC



Doors



- Strong growth compared to 2020 but more remarkable also to 2019 (pre-Covid)
- H1 2020 exceptionally strong due to base effect (lock-down H1 2020)
- Remarkable strong H2 2020 given high starting base in H2 2020
- Strong annual growth with exceptionally strong H1 2021
- Remarkable H2 2021 against a high starting base
- Mature and new products contributing almost equally to strong growth
- Solid annual growth mainly driven by Wood Solutions
- Softer 2nd half due to Glass Solutions and strong H2 2020 (base effect)

¹ Adjusted for currency and acquisition effects

Organic growth

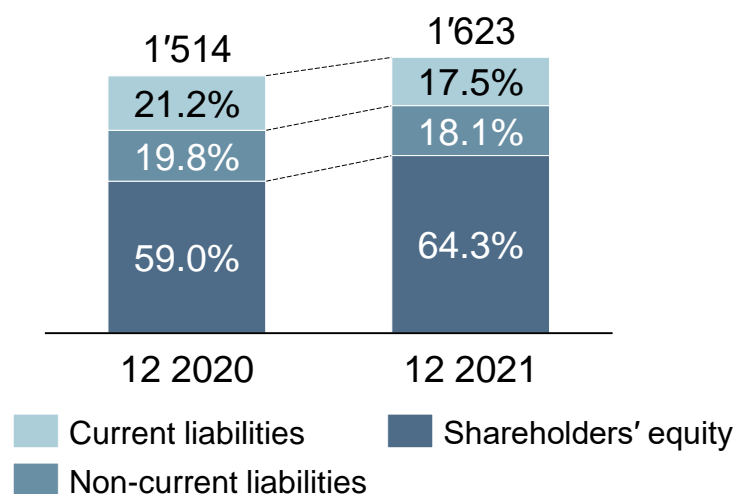
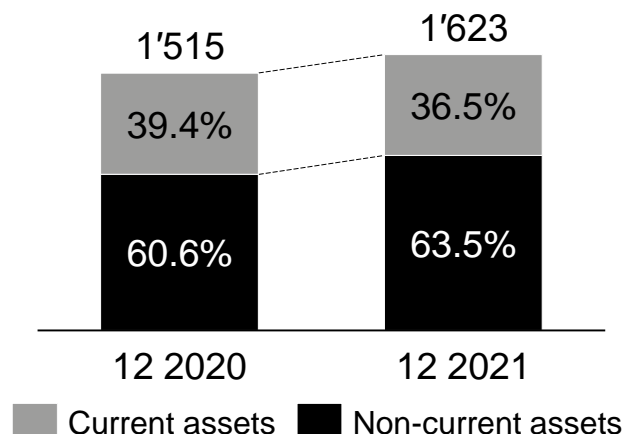
Marginally higher volume than price effects on Group level

Net revenues as reported in CHF M	2021	2020	Δ Year Total	FX effect	Acq. effect	Organic growth¹
Arbonia	1'186.2	1'038.4	+14.2%	+0.6%	+2.0%	+11.6%
HVAC	630.5	529.1	+19.2%	+0.7%	+2.4%	+16.1%
Doors	551.8	509.3	+8.3%	+0.6%	+0.8%	+6.9%

¹ Adjusted for FX and acquisition

Balance sheet

In CHF M



I Assets

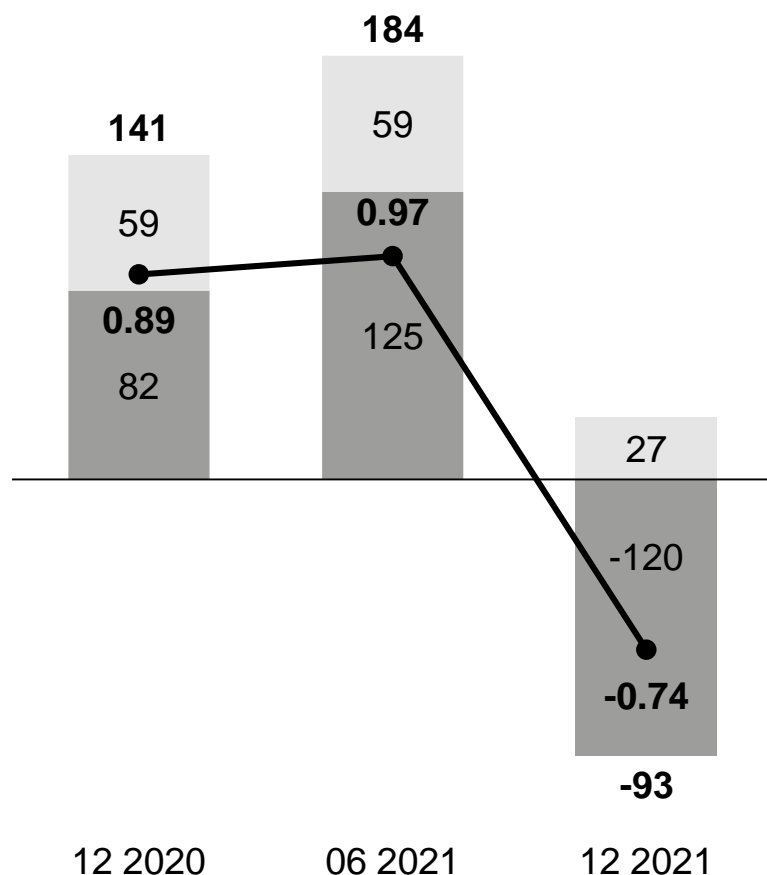
- Increase of asset base by c. CHF 108 M mainly due to cash inflow from sale of Windows Division, inventories, capex and acquisitions
- Overall negative FX translation effects (EUR, RUB, PLN, CZK) on asset base (incl. PPA and Goodwill)

II Liabilities and shareholders' equity

- Slightly lower liability base due to overall negative FX translation effects (EUR, RUB, PLN, CZK)
- Increase of equity base by CHF 151 M to CHF 1'044 M (2020: 893 M) or 64.3% (2020: 59.0%) of balance sheet mainly due to gain from sale of Windows Division and net profit

Net cash as of December 2021

In CHF M



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

I Net cash (debt)

- Cash proceeds and reduction of debt due to sale of Windows Division led to a substantial net cash position by the end of 2021
- Despite accelerated capex program and balance sheet optimisation

II Financial headroom

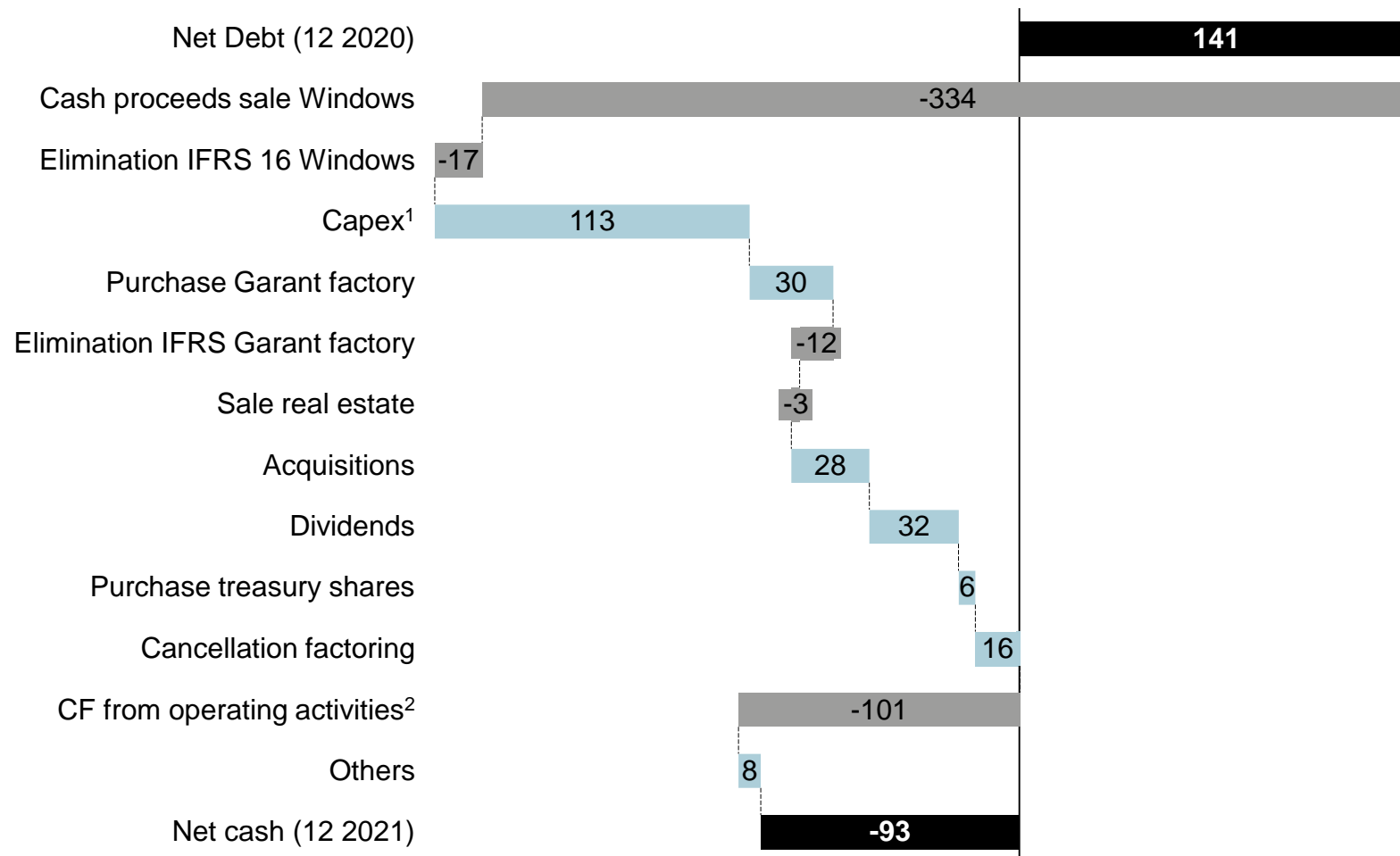
- Net cash in combination with strong historic and future EBITDA contribution provides substantial strategic and financial headroom for potential accelerated organic and external growth

III Real estate and land

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

Net cash development

In CHF M



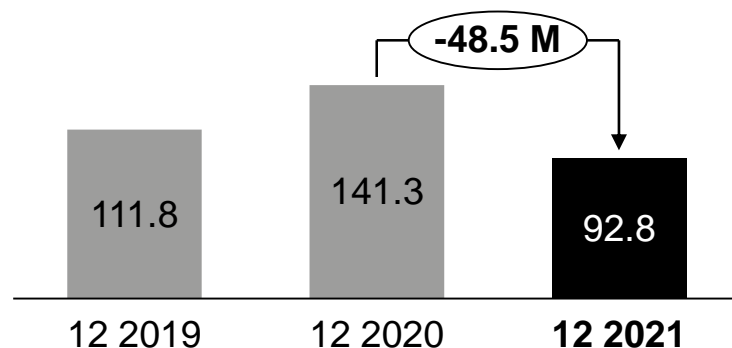
¹ Continuing operations

² CF from operating activities CHF 93 M (CF continuing operations CHF +101 M, cancellation factoring CHF -16 M, CF discontinued operations CHF +8 M)

Cash flow

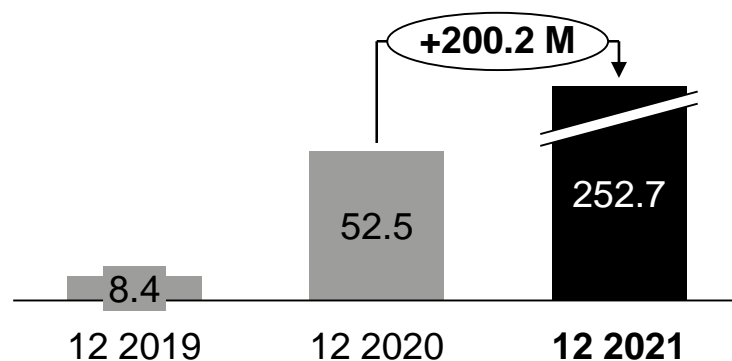
In CHF M

I Cash flow from operating activities



- Cash flow from operating activities negatively impacted by missing contribution of Windows Division (c. CHF 40 M net), increase of NWC (over-stocking, revaluation/inflation of stock, abolishment of factoring program) and higher taxes ...
- ...however effects which led to increase of NWC expected to reverse in 2022

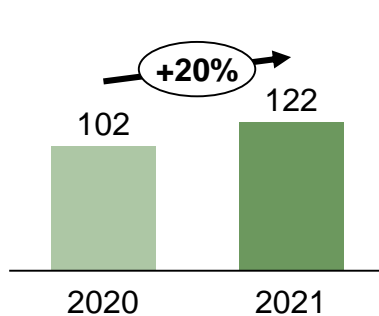
II Free cash flow¹



- Substantial increase of reported free cash flow from CHF 52.5 M to CHF 252.7 M...
- ...due to cash inflow of CHF 334 M from the sale of Windows Division but...
- ... despite substantial cash outflows of c. CHF 130 M (accelerated capex program, acquisitions, purchase of Garant factory, termination factoring program, increase of NWC)

¹ Free cash flow: cash flow from operating and investing activities

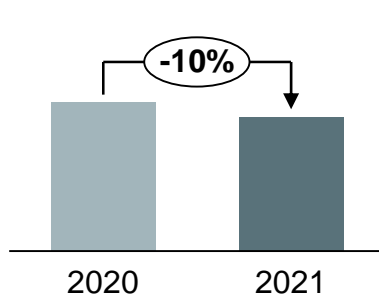
Innovative products and solutions



FTEs in R&D (group wide)

- Share of new products in relation to all products sold held at roughly 15%¹
- The new heat pump generation and energy storage system will boost this KPI in the coming year
- The number of **innovation projects has increased by 48%**

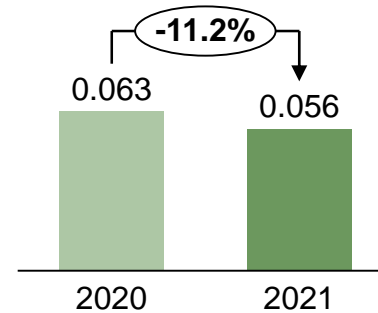
Occupational health and safety



HVAC accident severity rate (per 1'000'000 work hours)

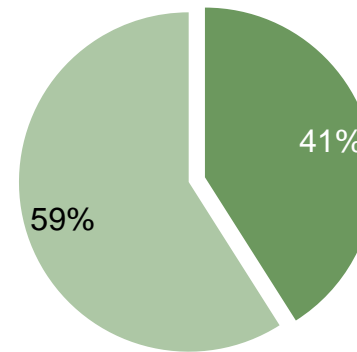
- The accident severity rate of the HVAC division (per 1'000'000 work hours) has **decreased by 10%**
- Both normal safety improvements and a single larger accident in 2020 are contributing factors

CO₂ and Energy



Greenhouse gas emissions per CHF net revenue²

- **Emissions per CHF net revenue decreased by 11.2%** from 0.063 to 0.056
- Total emissions (Scope 1 & 2 in tCO₂e) increased by 1.1%, but productivity and efficiency gains led to significantly lower emissions per product sold






Renewable Non-renewable

- With self-produced heat and energy plus purchased green energy, the share of renewable energy used (in MWh) increased from **38.1% to 41.0%**³

¹ Defined as products that have been launched in the past 3 years | ² In accordance with the GHG Protocol biogenic CO₂ emissions are not included in this calculation |

³ Incl. in-house PV systems, a wind turbine, CHP (combined heat and power) systems and purchased green energy

Highlights of our commitments and activities

		Commitments
Accomplishments 2021	<ul style="list-style-type: none"> • Defined overarching sustainability goals and ambitions on group, divisional and company level • Calculated a concrete CO₂ reduction path (for Scope 1 & 2) based on the Science Based Targets initiative • Intensified dialogue and partnerships with additional institutions, e.g. UN Global Compact • Started supplier assessment (partnership with Ecovadis) based on sustainability criteria • Significantly improved awareness and transparency with an enhanced and comprehensive 2021 ESG report 	 <p>Commitment to reducing operational emissions (Scope 1 & 2) by 4.2% annually by 2035 (relative to the reference year 2020) - despite further organic growth</p>
Plans 2022	<ul style="list-style-type: none"> • Identifying and measuring relevant Scope 3 emissions (planned inclusion into Sustainability Report 2022) • Participating in the Carbon Disclosure Project (CDP) 	 <p>Joined in 2021</p>  <p>Participation as of 2022</p>

Note: Scope 1 refers to emissions from within the companies own processes (production, internal transport), Scope 2 refers to emissions from purchased energy (power, heating), Scope 3 refers to all other emissions (purchased goods & services, distribution of products, product lifecycle etc.)


1. Group results 2021

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Questions

Both Divisions contributing to a strong 2021
 2021 full-year, without one-time effects

ARBONIA 			
	Heating, Ventilation and Air Conditioning (HVAC)	Doors: Wood & Glass solutions	Group (after Corp. Serv.)
Net revenues	CHF 630.5M	CHF 551.8M	CHF 1'186.2M
EBITDA	CHF 70.6M (11.2%)	CHF 76.3M (13.8%)	CHF 134.3M (11.3%)
EBIT	CHF 38.2M (6.1%)	CHF 43.3M (7.8%)	CHF 67.0M (5.6%)



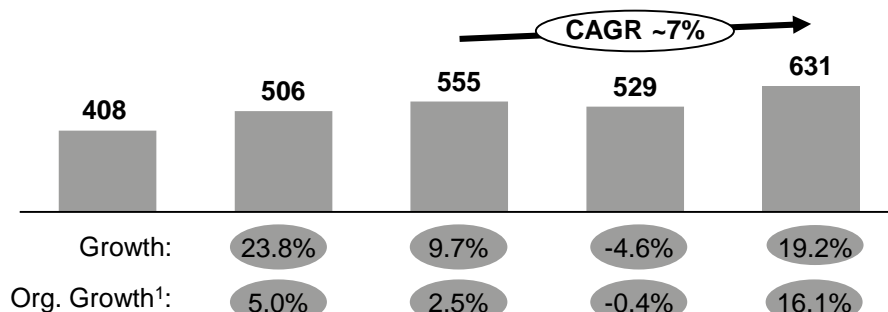
Increasing Opočno (CZ) heat pump production in a first step to **~10'000** and ultimately **~20'000 units p.a.**

HVAC: Continuing growth in revenues and profitability **ARBONIA**

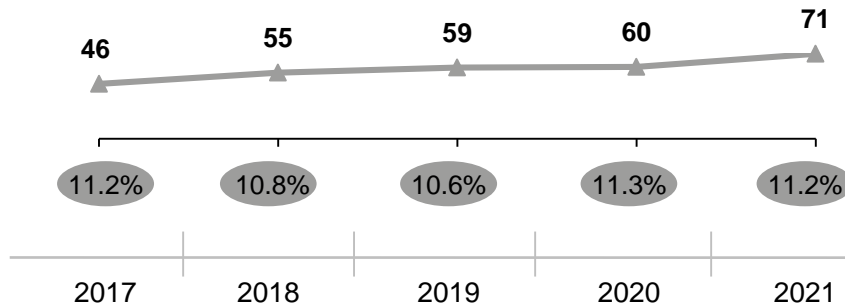
Milestones

- Vasco Group (BE)
- Tecna (ES)
- Cicsa (ES)
- Termovent (RS)

Net revenues (in CHF M)



EBITDA (in CHF M; % margin)



Ambition 2026

Net revenues:
> CHF 800 M

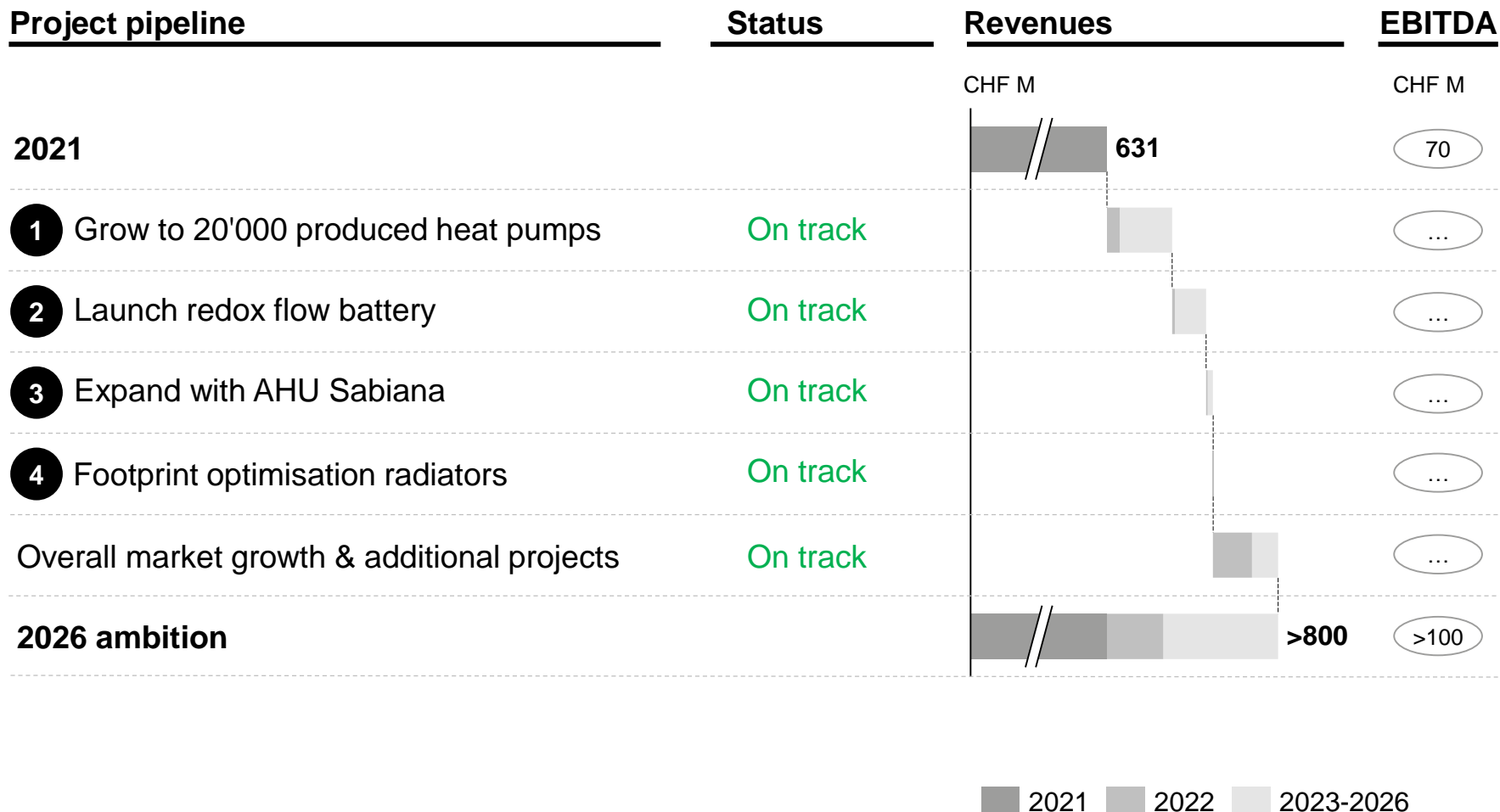
EBITDA:
> CHF 100 M

EBITDA margin:
> 12.5%

Backed by various projects
for revenue growth and
profitability

¹ Adjusted for currency and acquisition effects | Note: Excluding one-time effects

HVAC: Growth projects on track



1 Grow to 10k and ultimately 20k produced heat pumps

Example

Construction (2021)



Final stage



- Addressing the growing demand across Europe for energy-efficient heat generation
- Construction of Hall 1 in Opočno (CZ) in 2021, ready for start of production in mid 2022
- In 2021, strengthened R&D team and enhanced service offering
- Increase production in a first step to ~10'000 and ultimately ~20'000 heat pump units p.a. by 2027



2 Launch redox flow battery

Example



- Enabling a high degree of energy self-supply for home owners - a rapidly growing market
- High-performing, environmental friendly redox flow technology
- Field tests installed and running, currently ramping up test capacities to around 30 batteries by end of March
- Team of 10 people, working in start-up mode

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

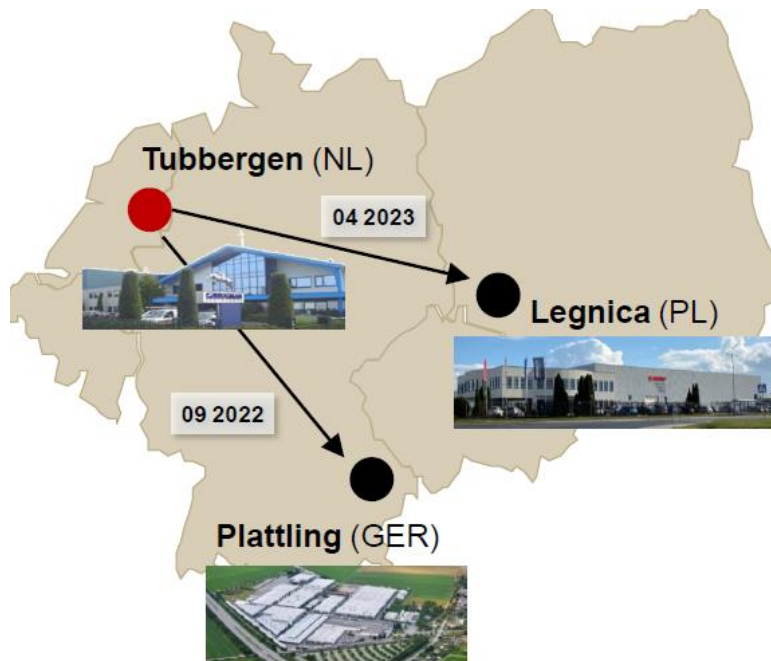
Field tests



4 Footprint optimisation radiators

Example

Radiator relocation from Tubbergen into Plattling and Legnica



- Further consolidation of radiators production by relocating the volume from Tubbergen (NL) plant (c. 100 people affected)
- Improving productivity in Plattling (D) and Legnica (PL), leading to scale advantages in production costs
- Suitable to harmonise products on platforms while catering to brand-specific needs
- As of 2023, annual savings of CHF 4-5 M



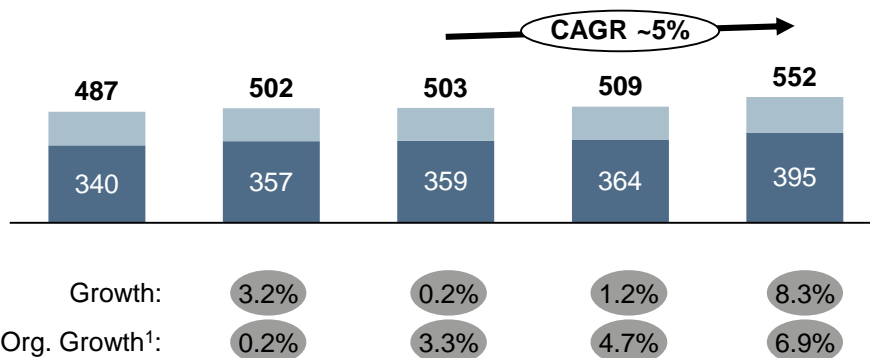
Increasing the Prüm (D)
frame production by **+40%**

Doors: Operational excellence improving margin and growth

Milestones

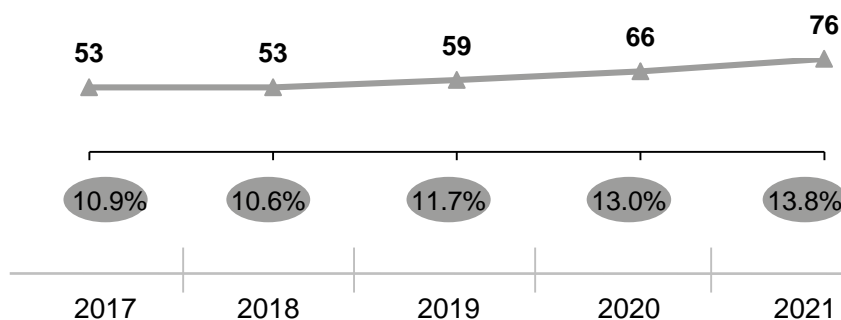
- Prüm, Garant, Invado fully integrated
- Capacity expansion started
- Beginning ERP harmonisation
- Integration of Glass Solutions
- Acquisition of GVG

Net revenues (in CHF M)



	2018	2019	2020	2021
Growth:	3.2%	0.2%	1.2%	8.3%
Org. Growth ¹ :	0.2%	3.3%	4.7%	6.9%

EBITDA (in CHF M; % margin)



Ambition 2026

Net revenues:
 > CHF 725 M

EBITDA:
 > CHF 110 M

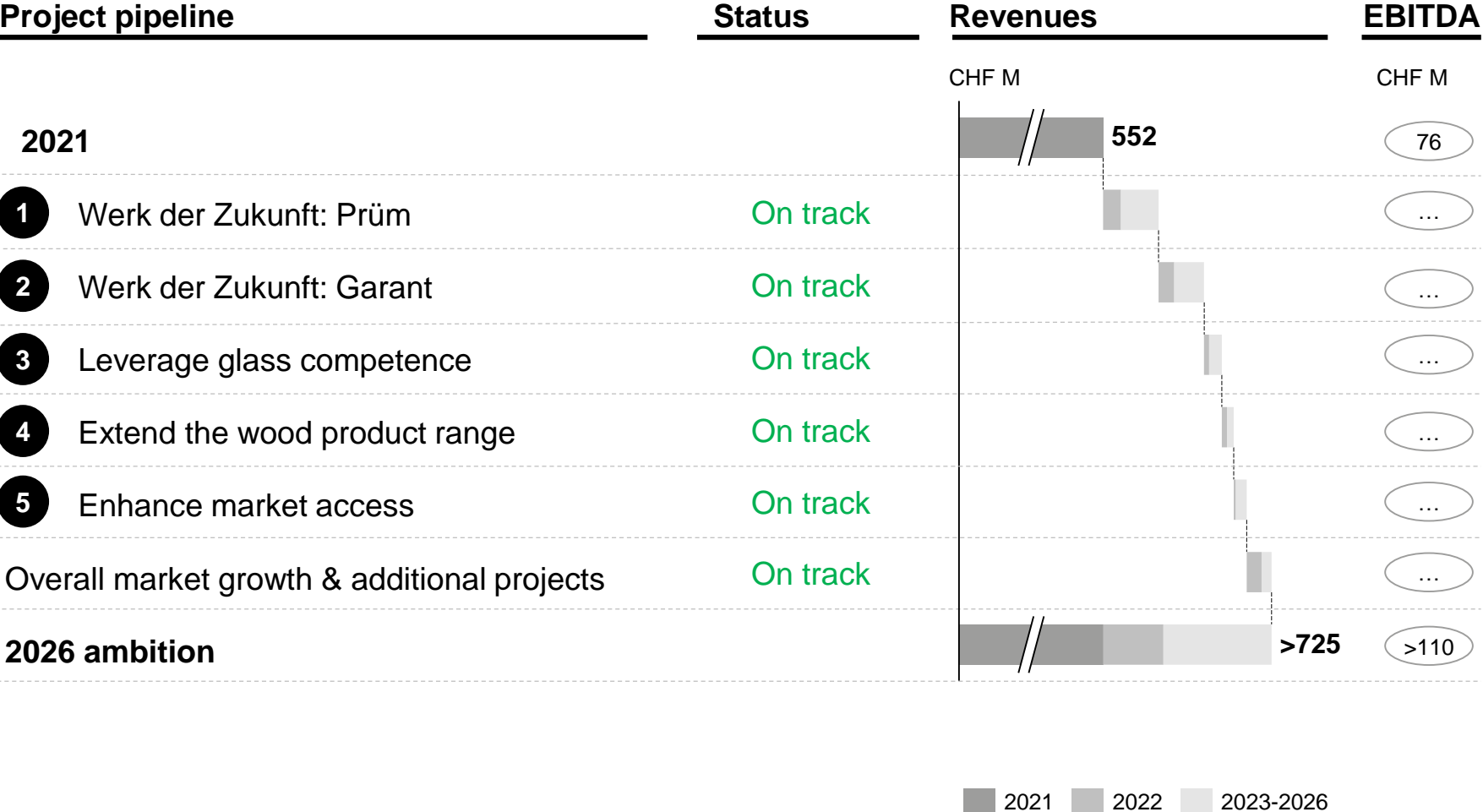
EBITDA margin:
 > 15.0 %

Backed by various projects for revenues growth and profitability

¹ Adjusted for currency and acquisition effects | Note: Excluding one-time effects

 Glass Solutions  Wood Solutions

Doors: Efficiency projects on track



1 Werke der Zukunft

New frame production Prüm



Automation Invado



Modern paint robot Garant



Replacement of high rack warehouse Prüm



- On track to build "factories of the future" to scale up production output
- Ambition to become Europe's cost leader based on highly automated processes (cost leverage)
- Significantly increased capacity, e.g. launched new frame production site Prüm (capacity +40%) and automation of door production site Invado (capacity +30%)
- Invested into modern equipment, e.g., new paint robots at Garant and replacement of high rack warehouse at Prüm

3 Leverage glass competence

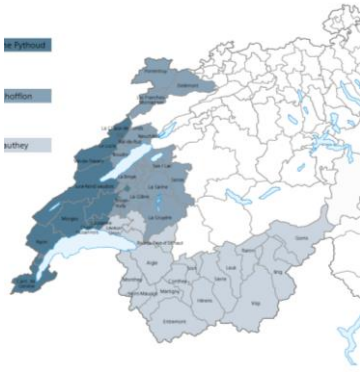
Glass processing factory Deggendorf



- Strengthened glass competence through the acquisition of GVG with its 15'000 m² production plant
- By the end of 2021, fully integrated in the Arbonia Doors Division
- Vertical integration and strengthening of a key production and value-creation step
- Reducing dependency of material suppliers and managing seasonality
- Strong base to develop indoor glass solutions, e.g. glass doors or glass partitions

5 Enhancing our market access

New office in Western Switzerland



- Improved our presence in Switzerland by opening a new office in Jongny (CH) and laying ground for a new logistics hub in Roggwil (CH)
- Further strengthened our project business competence, building up skills in Germany
- Increasing market share in woods in Eastern Europe through expansion of our offering
- Continued to strengthen position as a market leader in Central Europe with a broad product portfolio – from high-quality cost efficient standard doors to technically advanced functional doors

Logistics hub Roggwil



1. Group results 2021

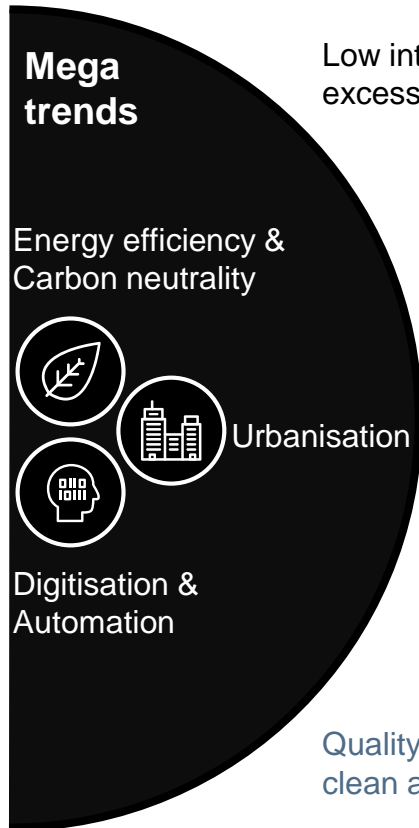
2. Division highlights

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Questions

Underlying markets remain overall supportive

Healthy construction environment



Low interest rates & excess capital

Migration & demand for more living space

Ageing population

Housing shortage

Quality demand (e.g. clean air, security)

Ø GDP growth¹ 3-4%

"EU Green Deal" – Climate neutrality by 2050

Improving the energy-efficiency through components and systems

Residential subsidy programs to lower CO₂ footprint

Further build-up of renovation backlog

Emission trading stimulating modernisation of production

Long-term, additional growth on top of GDP

Short-term challenges

Geopolitical uncertainty

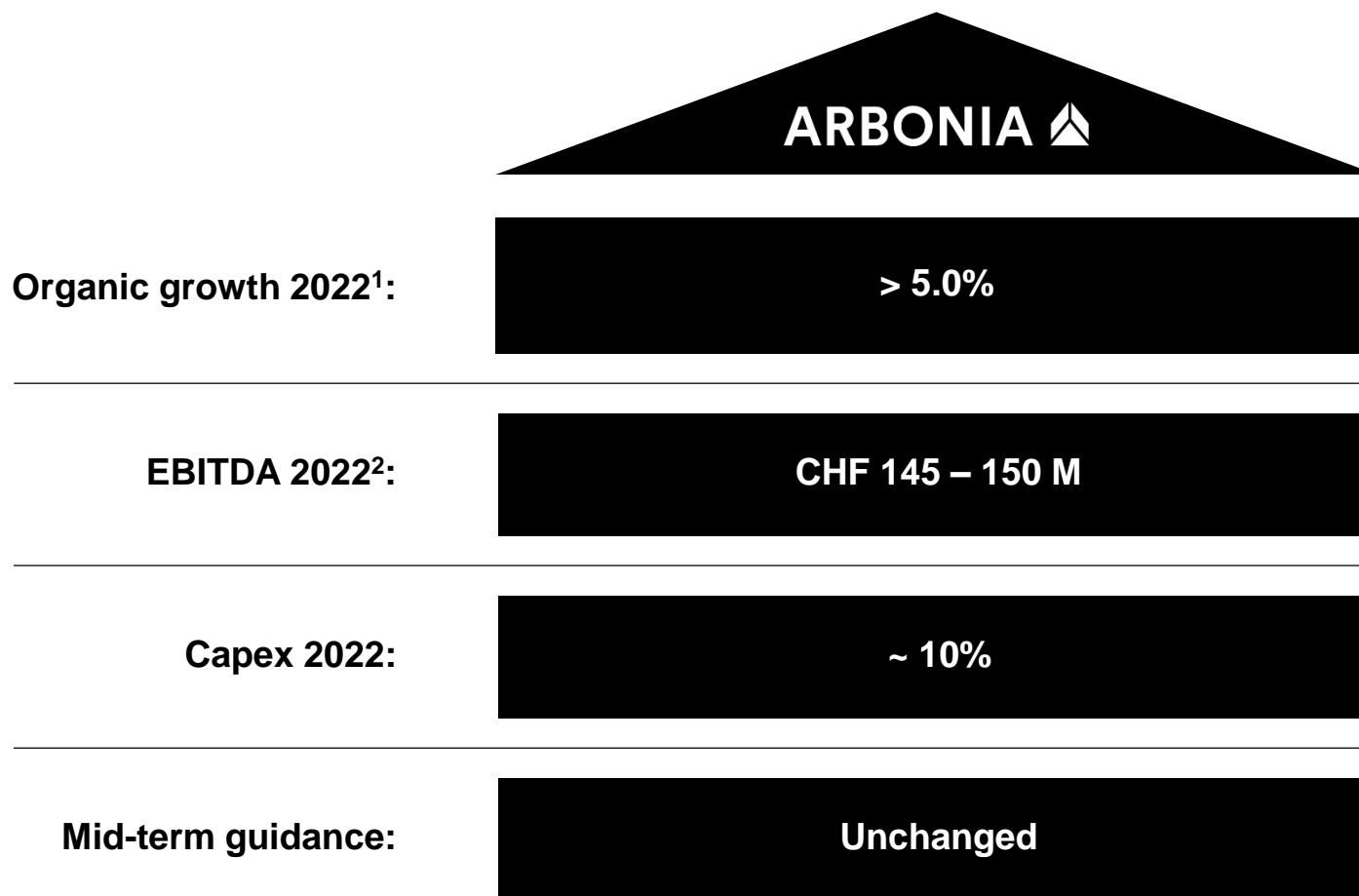
Shortage & volatility of raw materials and semi-finished goods

Potential energy shortages and price volatility

Capacity bottlenecks in the skilled crafts sector

¹ Blend of Arbonia's key markets 2022-2023

Blue drivers with higher relevance since H2 2021



1 Adjusted for currency and acquisition effects

2 EBITDA (excluding one-time effects) assuming stable exchange rates

Why Arbonia?

Investment Highlights



Market leadership in Central Europe for doors (wood and glass) and radiators as well as a strong challenger position in fast-growing, sustainable heating & ventilation systems as an integrated systems provider



Strong balance sheet offers ample financial flexibility to take advantage of opportunities



Future-oriented product portfolio with growth products catering to mega trends as well as cash generating mature products



Cost leadership through well-invested, highly automated production facilities, vertical integration and leading production footprint



Very positive market prospects for housing driven by urbanisation and old building stock, supported by the European Green Deal



Proven track record of our highly stock-incentivised management to execute the right investments to raise productivity and profitability – thus generating value for investors



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Questions

ARBONIA 

Thank you

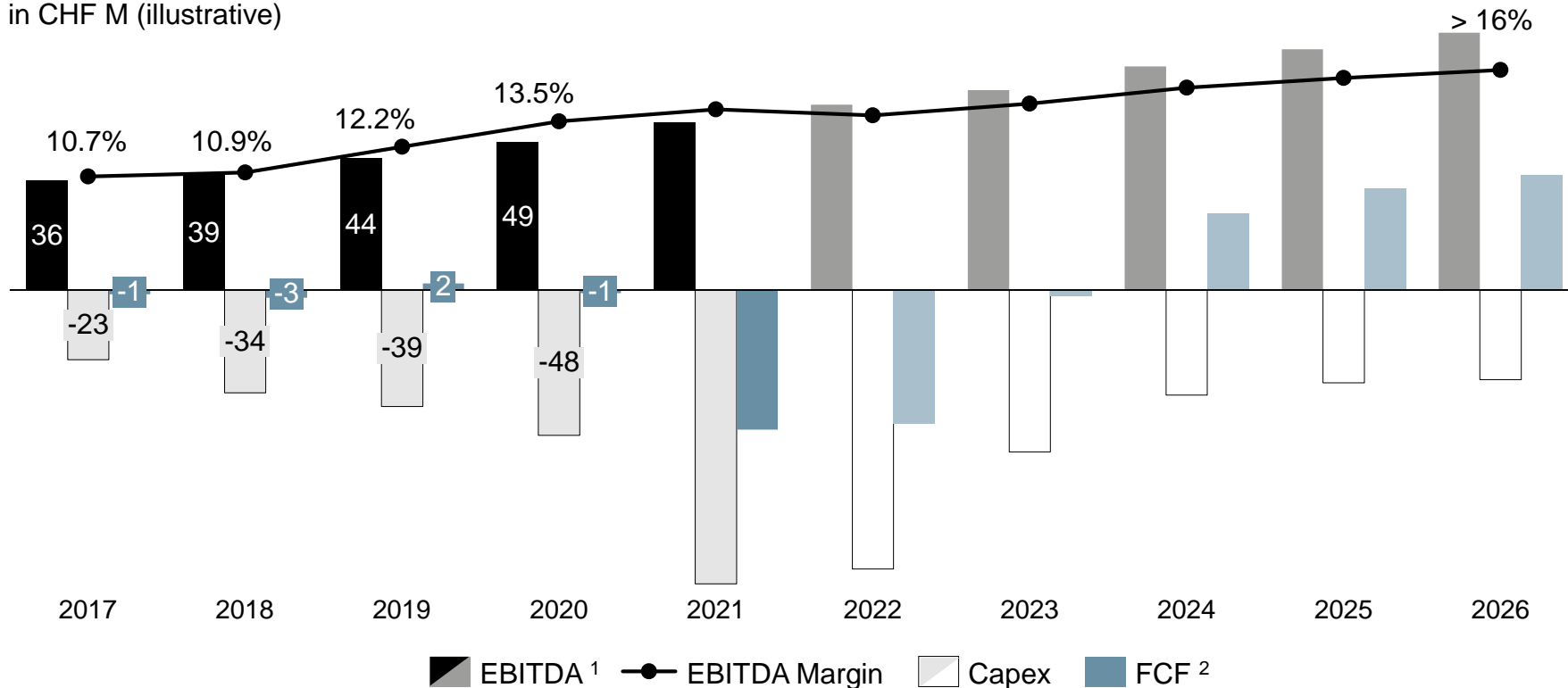
ARBONIA 

Appendix

Use case: translating Capex into profitability and cash

Capex programme Wood Solutions

in CHF M (illustrative)



- Since the acquisition of Looser (Prüm, Garant, Invado) in 2017 Arbonia has and will invest ~CHF 450M until 2026
- First achievements already realised by increasing operational margin (EBITDA) by 2.8 percentage points to 13.5%. Further increase of EBITDA margin to >16% by 2026 (>10% CAGR since 2017)
- Inflection point 2023 when Woods Solutions and overall Doors Division will start to generate substantial FCF

1 EBITDA excluding one-time effects | 2 For illustrative purpose FCF simplified as EBITDA less Capex from 2022 onwards

Group key performance indicators

Financial

Annual organic growth (CAGR 2021 – 2026)	> 5% p.a.
Group EBITDA (excluding M&A)	> CHF 200 M
Capex in % of revenues (maintenance and growth)	4-5%
Cash Conversion Ratio (FCF in % of net profit)	> 100% (as of 2024)

Pay-out

Annual dividend growth	15% (as of financial year 2022)
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Innovation

Revenues from new products in % of total revenues (over last three years)	> 20%
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ESG

Identifying and measuring relevant Scope 3 emissions	Planned inclusion into Sustainability Report 2022 (February 2023)
CO ₂ reduction targets for Scope 3 based on the SBTi	Communication in 2023

We remain on track towards long-term goals

Summary of our pathway towards 2026

Lean **corporate centre**, allocating and managing capital, steering ESG and serving as centre of excellence for key functions, such as finance, accounting, IT, tax, legal, M&A

HVAC

Doors

Positioning

- **Integrated system supplier for indoor climate solutions**
- Expanding the **leading position in Wood and Glass Solutions** in Central Europe

Growth

- **Growth to > CHF 800 M**, supported by energy modernisation and efficiency
- **Selective M&A** to accelerate path to full system provider
- **Growth to > CHF 725 M**, supported by renovation cycle
- **Selective M&A** to drive consolidation in key markets and to extend geographical reach

Profitability

- Gradual **EBITDA margin increase to > 12.5%**
- Gradual **EBITDA margin increase to > 15.0%**

Focus topics

- **Product innovation**, e.g. battery, clean rooms, ventilation
- Enhancement and optimisation of **best in class operations**
- Ensuring **services** for increasingly technical products
- Completion of **major plant modernisations and capacity increase** (by 2022/2023)
- Streamlining the **ERP landscape** across entities

Residential continues to see growth - and post-Covid stabilisation in non-residential expected

Arbonia's approximate revenue split by segments



 Expected positive outlook 2022










 Expected neutral outlook 2022

 Expected negative outlook 2022

Source: 92nd Euroconstruct Report November 2021; Arbonia management

EU "Green Deal"

Overview of subsidies (exemplary)

Product			Southern Europe, e.g. 	BeNeLux, e.g. 	Eastern Europe, e.g. 
 Heat pumps	✓	✓	✓	✓	✓
 Thermal storage	✓	✓	✗	✓	✓
 Energy storage	✓	✓	✓	✓	✗
 Residential ventilation	✓	✓	✓	✓	✓

Source: Bundesamt für Wirtschaft und Ausfuhrkontrolle (BAFA); energieheld.ch; Polish Ministry for Climate and Environment; Wallonie Energie SPW; Agenzia Nazionale Efficienza Energetica ENEA; Instituto para la Diversificación y Ahorro de la Energía IDAE (11.02.2022)

Overview of subsidy rates (exemplary)



Germany ¹

- **Air to water heat pump:** up to 45%
- **Residential ventilation:** up to 25% in renovation
- **Thermal storage:** up to 45%
- **Energy storage:** promotional loans up to 100% of costs
- **Low temperature panel radiators:** up to 45%

- **Subsidies for new construction** and renovation of standardised energy efficient houses (KfW-Effizienzhaus 40 & 55) stopped due to underfunding
- **Individual measures** ("Einzelmassnahmen") such as the replacement of the heating system **are still subsidised**
- **Major climate legislation will be announced** around Easter and Summer holidays



Switzerland ²

- **Air to water heat pump:** CHF 1'600 – 9'000
- **Residential ventilation:** max. 40% (national) or min. CHF 2'400 (cantonal)
- **Thermal storage:** CHF 2'400 – 9'600
- **Energy storage:** CHF 1'500 + CHF 150 per kWh

- **Renovation to Minergie standard:** CHF 60 – 240 per m²

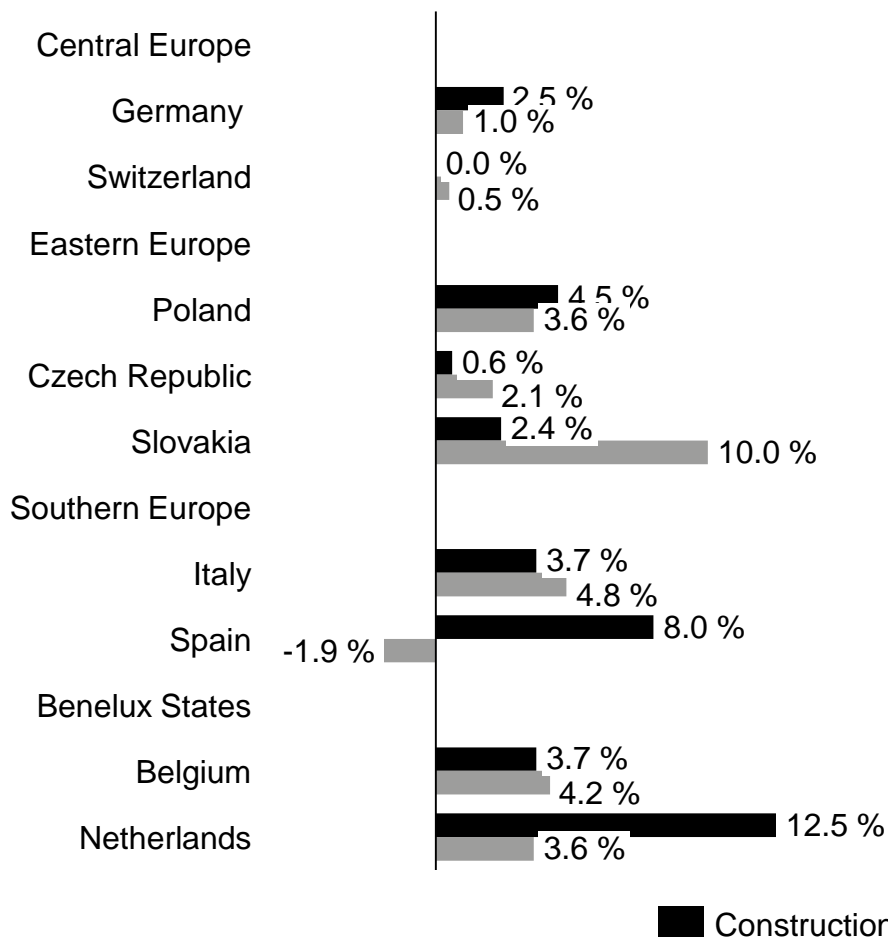
1 Bonus of 10% for most measures when replacing an oil-fired system | 2 Most measures in CH vary between different cantons

Source: Bundesamt für Wirtschaft und Ausfuhrkontrolle (BAFA); energieheld.ch (11.02.2022)

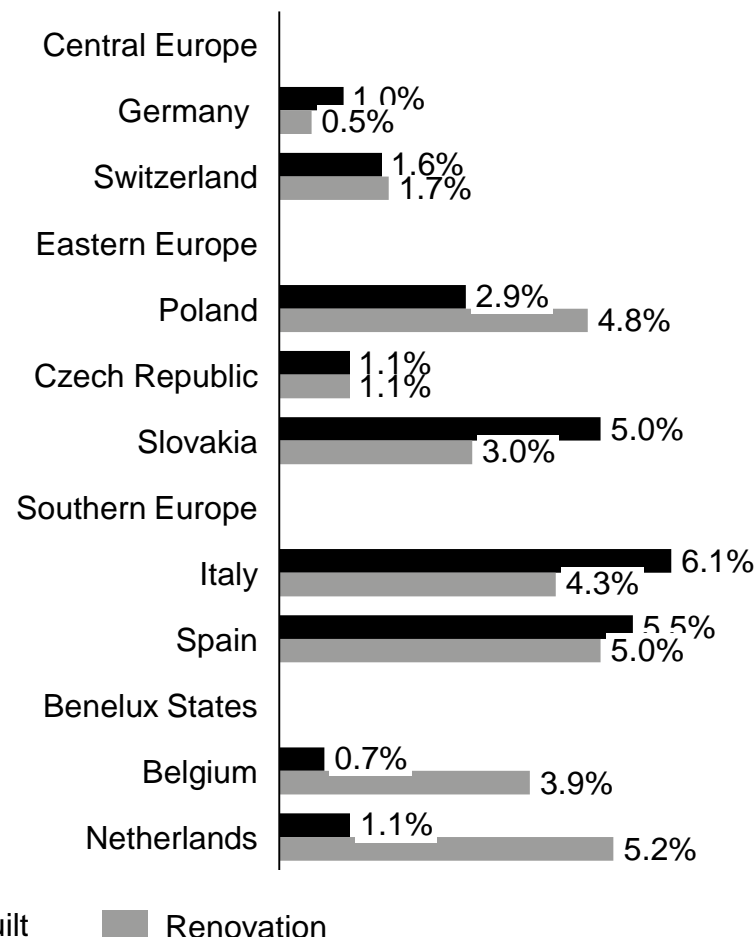
Market environment

Construction market 2022

Residential



Non-residential



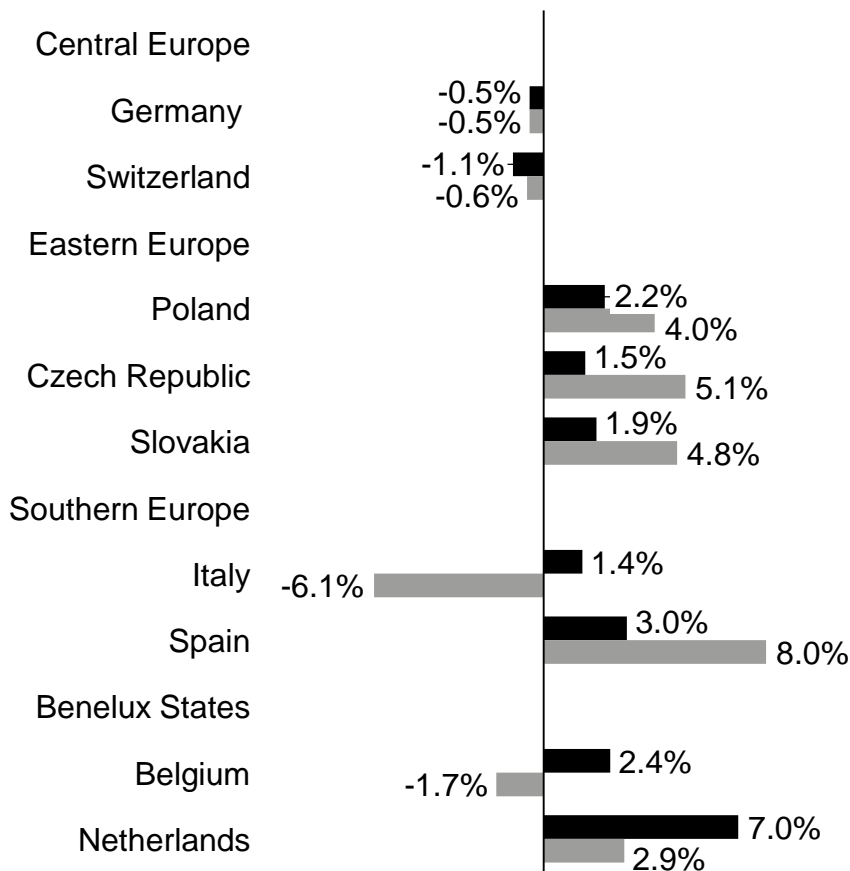
■ Construction / new built ■ Renovation

Source: 92nd Euroconstruct Report November 2021

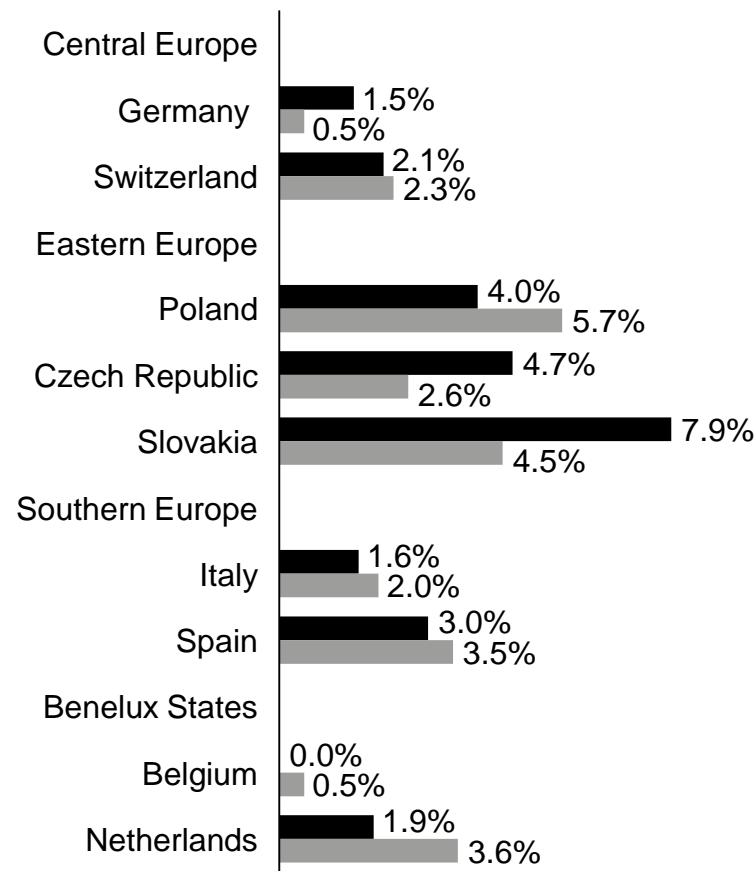
Market environment

Construction market 2023

Residential



Non-residential



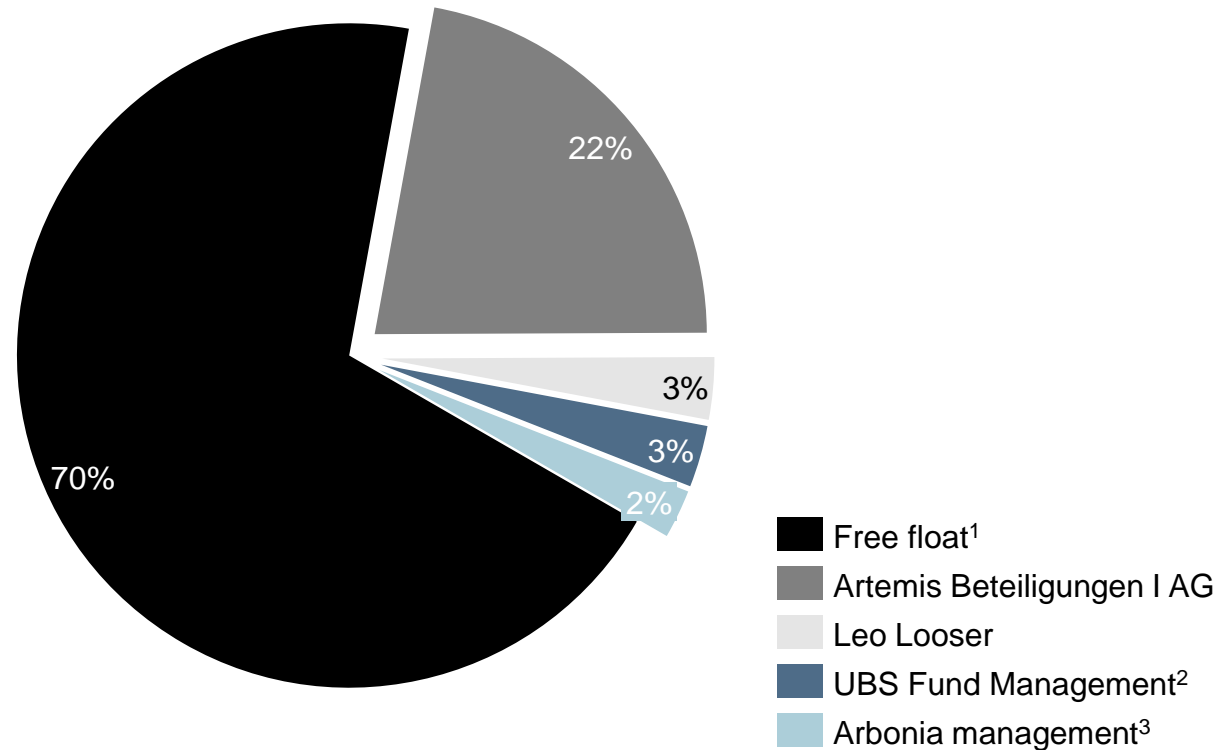
■ Construction / new built ■ Renovation

Source: 92nd Euroconstruct Report November 2021

Arbonia shareholder structure

As of 31 December 2021

Free float market capitalisation:
CHF 995 M⁴



Tradeable free float of ~70%

1 Every other shareholder with <3% of shares outstanding

2 UBS Fund Management has published shareholdings below 3% by mid-February

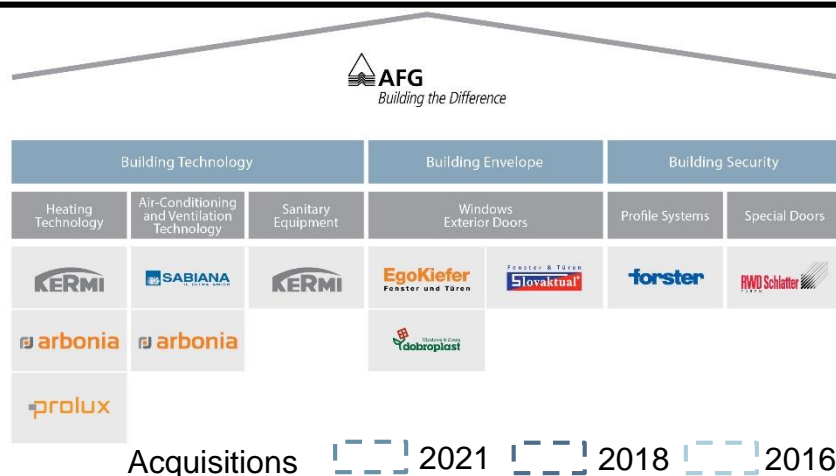
3 Members of the Board of Directors, Group Management and upper management of Arbonia Group

4 Based on the closing price of 31 December 2021 and 69.55% of shares outstanding

Arbonias transformation 2015-2022

Development Key figures

AFG in 2015



Arbonia in 2022¹



in CHF M	2015	2016	2017 ²	2018 ²	2019 ²	2020 ²	2021 ²
Net revenue	941.4	995.3	1'245.6	1'374.0	1'057.8	1'038.4	1'186.2
EBITDA ³	56.7	66.0	101.3	115.1	108.0	114.5	134.3
EBIT ³	16.5	28.6	42.6	47.8	49.5	52.1	67.0
Group result ³	-14.5	12.2	22.8	23.8	30.1	28.1	41.1
Equity ratio	39.1%	47.7%	60.9%	58.7%	56.9%	59.0%	64.3%
Net debt	21.7	225.1	43.3	116.8	180.6 ⁴	140.6 ⁴	-93.2 ⁴
CF from op. activities	54.5	32.0	68.8	69.6	111.8	141.3	92.8
FCF	16.0	-67.3	190.4	-53.8	8.4	52.5	252.7 ⁵
Capex	21.9	62.1	105.1	134.7	113.0	95.5	149.1

¹ New organisation after the sale of the Windows Division | ² Continuing operations | ³ Without one-time effects | ⁴ Incl. IFRS 16 | ⁵ Incl. proceeds from the sale of the Windows Division

ARBONIA 

Thank you
