

PRESS RELEASE

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Financial year 2021: Artemis Group with significant increase in net sales and profit

The Artemis Group benefited from strong demand – especially in the construction materials related business areas – and achieved significantly higher net sales and a substantially higher net profit. This was despite the fact the Covid-19 pandemic continued to have a negative impact on the Artemis Group in the 2021 financial year and many business areas had to deal with temporary closures in various countries, increased raw material and logistics costs and ongoing problems in the supply chain. In addition, the Artemis Group made progress in implementing its strategy in the reporting year and further strengthened its financial position with a high equity base (equity ratio 64.0%) and very low net debt.

Business performance Artemis Group 2021

- Net sales rose by 18.6% to CHF 3.31 billion (organic +22.1%)
- EBIT improved by 181.0% to CHF 209.8 million thanks to net sales growth and reduced negative one-off effects, EBIT margin at 6.3% (previous year 2.7%)
- Net profit grew by 204.9% to CHF 313.7 million
- Cash flow increased by 57.2% to CHF 472.9 million
- Net debt reduced from CHF 350.5 million to CHF 45.5 million
- Equity ratio improved to 64.0% (previous year 59.0%)

Artemis Group's consolidated net sales exceeded the pre-pandemic level and increased by 18.6% to CHF 3.31 billion. The net sales improvement is composed of organic growth of 22.1%, a negative acquisition

and divestment effect of 2.8% (mainly due to the sale of the Franke Water Systems division) and a negative foreign exchange effect of 0.7%.

Artemis Group's operating profit (EBIT) improved significantly thanks to net sales growth and reduced negative one-off effects, rising by CHF 135.1 million or 181.0% to CHF 209.8 million in 2021. The corresponding EBIT margin increased from 2.7% to 6.3%. Compared to the previous year, net profit increased markedly by 204.9% from CHF 102.9 million to CHF 313.7 million and cash flow by 57.2% from CHF 300.7 million to CHF 472.9 million.

Total investments were up 27.0% from CHF 176.6 million to CHF 224.3 million, most of which was used to expand or improve various production plants (Franke Group and Feintool Group). Another part went into the acquisition of the remaining 60% shares in Franke Coffee Systems UK Ltd (Franke Group), the further development of residential and commercial real estate projects (Artemis Real Estate Group) in Switzerland and abroad. In addition, the Artemis Asset Management Group invested in increasing its stake in Autoneum Holding AG, in private equity and venture capital commitments as well as in a minority stake in Nice & Green SA and in VT5 Acquisition Company AG.

Artemis Group's headcount at the end of 2021 was 10,713 employees, 5.9% lower than at the end of 2020. With an increase in the equity ratio from 59.0% to 64.0% and a significant reduction in net debt from CHF 350.5 million to CHF 45.5 million, Artemis Group further improved its financial situation.

Business performance Franke Group 2021

- Net sales increased by 17.4% to CHF 2.56 billion (organic +21.9%)
- EBIT rose to CHF 169.8 million; EBIT margin improved to 6.6% (previous year 3.6%)

The Franke Group realized net sales of CHF 2.56 billion in the reporting year (previous year CHF 2.18 billion), an increase of 17.4%. Acquisitions contributed 2.3% to growth, while divestment effects – in particular due to the sale of the Franke Water Systems division at the end of April 2021 – led to a decline in net sales of 5.9%. Negative exchange rate effects slightly reduced net sales by 0.9%. Organically - i.e. adjusted for exchange rate effects and acquisitions/divestments – the Franke Group achieved a net sales increase of 21.9%.

All three remaining divisions contributed to this strong net sales increase with significant double-digit growth rates. Franke Home Solutions benefited from a sharp recovery in demand in the reporting year and achieved organic growth of 18.2%. Franke Foodservice Systems also experienced a robust increase

in global demand from quick-service restaurant chains and convenience stores, particularly from spring 2021, resulting in a currency-adjusted increase in net sales of 32.6%. Franke Coffee Systems did not benefit from a recovery in demand until the second half of 2021, as the global foodservice sector continued to be affected by the negative impact of the pandemic for longer, but still achieved organic growth of 23.9%.

The Franke Group significantly improved its profitability in 2021 compared to the previous year. It achieved an operating result (EBIT) of CHF 169.8 million (previous year CHF 79.1 million), which corresponds to an increase of 114.7%. Margins rose by 3.0 percentage points to 6.6% on an EBIT basis. Before restructuring and effects from the sale of the Franke Water Systems division, the Franke Group increased EBIT from CHF 143.3 million (EBIT margin 6.6%) to CHF 191.8 million (EBIT margin 7.5%).

EBIT was strongly improved in all divisions. Franke Home Solutions and Franke Foodservice Systems each increased their EBIT by around one third. A disproportionate increase at Franke Coffee Systems, with an EBIT increase of two-thirds, compensated for the EBIT decline from the sale of Franke Water Systems at the end of April 2021. This positive development is attributable to the consistent implementation of the Franke Group's focus strategy and positive effects from restructuring and improvement programs. The further rise in material and logistics costs was largely offset by price increases. The increase in demand led to improved capacity utilization at the production plants in all divisions.

Total investments amounted to CHF 54.0 million (previous year CHF 57.8 million).

Business performance Artemis Real Estate Group 2021

- Artemis Immobilien AG's rental income increased by 16.0% to CHF 28.3 million
- The vacancy rate in Switzerland was significantly below the market average and was very low at < 0.5%
- All real estate activities (construction projects, project developments) and participations in Switzerland and abroad developed according to plan and successfully

The Artemis Real Estate Group develops, holds and manages a significant own (non-operating) real estate portfolio in Switzerland and abroad worth more than CHF 1.0 billion. Overall, the 2021 fiscal year again developed successfully for the real estate group.

The main company of the Artemis Real Estate Group, Artemis Immobilien AG, headquartered in Aarburg, recorded a 16.0% increase in rental income to CHF 28.3 million (previous year 14.5%). In addition, the vacancy rate of its portfolio was significantly below the market average and was also very low in absolute terms (< 0.5%), which is due to competitive rents and the good variety and quality of the apartments. In addition, Artemis Immobilien AG completed two large construction projects in Stetten and Niederglatt on schedule and fully leased them, as well as initiating several development projects. Furthermore, the Solothurn-based real estate investment company Espace Real Estate AG, in which the Artemis Real Estate Group is the largest shareholder with a stake of over 32.3%, achieved a record profit and continued to develop its portfolio.

In September 2021, the Artemis Real Estate Group established a real estate company in Germany and signed a purchase agreement for the acquisition of an approximately 20,000 m² plot of land for the development of residential and commercial properties in Freiburg im Breisgau. Other real estate projects in Romania, such as the construction of a third logistics center in Sanandrei and the development of a 20,000 m² plot of land in Timisoara with apartments and commercial space, proceeded as planned. The various real estate participations in the USA (Philadelphia) were also either almost fully let or successfully developed further.

Business performance Feintool Group 2021

- Net sales increased by 19.5% to CHF 588.1 million (previous year -22.2%)
- EBIT grew significantly to CHF 33.9 million, EBIT margin increased to 5.8% (previous year 0.7%)

Despite the very challenging market environment, the Feintool Group closed the 2021 financial year with strong net sales growth and an operating result (EBIT) of around 6.0%. Net sales for the year as a whole rose by 19.5% to CHF 588.1 million; EBIT reached CHF 33.9 million. With the acquisition of the European company Kienle + Spiess GmbH at the beginning of 2022, Feintool is decisively strengthening its market position in the field of electrification as a technology of the future.

Business performance Artemis Asset Management Group 2021

- Strongly improved results at Adval Tech, Arbonia, Autoneum and Forbo
- Divestment of participation in Rieter
- Expansion of private equity and venture capital commitments

The Artemis Asset Management Group holds strategic participations in various international industrial companies. These include Adval Tech, Arbonia, Autoneum and Forbo, which are listed on the SIX Swiss

Exchange, as well as the privately held companies Blefa Beverage Systems, Franke Industries, Novelteak, Duravit, Bergos, Nice & Green and VT5 Acquisition Company. The portfolio also includes private equity and venture capital investments.

The total market capitalization of the listed companies increased by 20.9% in 2021. The companies in the construction materials segment achieved a strong improvement in results. In the automotive supply companies, this was largely at the level of the previous year. Forbo completed a share buyback program in December 2021, which resulted in a gain for the Artemis Group.

Furthermore, Artemis Asset Management Group acquired minority stakes in Nice & Green SA and VT5 Acquisition Company AG and further increased its investments in private equity, venture capital and listed companies. It sold its participation in Rieter (11.5%) in March 2021.

Performance in Q1 2022

The **Artemis Group** started successfully into the new year and achieved organic growth of 16.7% in the first quarter of 2022. The Group recorded consolidated net sales of CHF 873.8 million, a significant increase of 9.2% compared to the previous year (CHF 799.9 million). The acquisitions/divestments made in the previous year had a negative impact on net sales of 3.0%, while exchange rate effects reduced net sales by 4.4%. Compared to the previous year, the operating result (EBIT) increased slightly to CHF 57.5 million.

Consolidated net sales of the **Franke Group** rose from CHF 616.3 million to CHF 630.4 million in the first quarter of 2022, an increase of 2.3%. Organic growth even amounted to 14.8% and EBIT increased by 2.2% from CHF 49.6 to CHF 50.6 million.

Outlook for 2022

The Ukraine conflict and the pandemic are weighing on the global economy and entail major economic risks that make it difficult to forecast the current fiscal year. Many companies are under massive pressure and face major challenges due to the shortage of important raw materials, fossil fuels, means of transport and the associated cost explosion. The impact of these cost developments could reduce demand for our products. Despite the very difficult situation, we are confident about Artemis Group's prospects as it is strategically well positioned and has a strong balance sheet.

The Artemis Group includes the **Franke Group**, the **Artemis Real Estate Group** (real estate portfolio in Switzerland and abroad), the majority holding in the **Feintool Group** (world market leader in fineblanking technology) and the **Artemis Asset Management Group** (various strategic shareholdings in international companies listed on the Swiss stock market and in private companies). The Group employs nearly 11,000 people worldwide and generated consolidated sales of some CHF 3.3 billion in 2021. artemis-holding.com

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Artemis Group – key financial figures at a glance

in CHF million	2020	2021
Net sales	2,795.3	3,314.6
- Change in %	-12.5	+18.6
- Organic growth in %	-6.9	+22.1
EBITDA	297.0	390.9
- Change in %	-3.0	31.6
- % of the net sales	10.7	11.8
EBIT	74.7	209.8
- % change	-48.5	181.0
- % of the net sales	2.7	6.3
Net profit	102.9	313.7
- Change in %	-36.8	204.9
- % of the net sales	3.7	9.5
Cash flow¹	300.7	472.9
- Change in %	-6.6	57.2
- % of the net sales	10.8	14.3
Total investments	176.6	224.3
- Operational investments	136.8	130.8
- Acquisitions	15.6	7.2
- Financial investments	24.2	86.3
Net debt	350,5	45.5
Equity	2,581.7	3,014.0
- as % of balance sheet total	59.0	64.0
Employees as of 31.12.²	11,382	10,713
Number of Group companies	104	97

¹ Net profit plus depreciation, amortization and impairment

² Excluding apprentices