

PRESS RELEASE

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Aarburg, August 30, 2022

Half-year results 2022: Artemis Group with sales increase and higher net profit in a difficult environment

Business performance Artemis Group

- Sales increased (+11.2% / organic +13.5%) driven by price increases, but impacted by currency effects (-3.9%)
- EBIT and EBIT margin slightly lower (-2.2% and 6.7% from 7.6%) due to higher costs for raw materials, components, logistics, energy
- Net income improved through discontinuation of non-recurring items (+4.7%)
- Cash flow maintained at high level
- Equity ratio nearly unchanged at 64.2%

The positive momentum of the previous fiscal year was abruptly halted by Russia's war of aggression on Ukraine at the end of February 2022. Since then, geopolitical risks and economic challenges have increased significantly. In this demanding environment, Artemis Group performed well in the first half of 2022, achieving organic sales growth of 13.5%. Almost all of its business activities focused on on-time deliveries and largely compensated cost increases through price increases.

In the first half of 2022, Artemis Group's consolidated net sales increased by CHF 183.6 million or 11.2% to CHF 1,827.4 million and recorded organic growth of 13.5%. Acquisition effects were included at 1.6%, while currency translation had a negative impact of 3.9%.

The Artemis Group's business activities mainly achieved positive operating results (EBIT) in the first half of the year. However, the Group's EBIT decreased slightly from CHF 124.4 million to CHF 121.7 million (-2.2%). The EBIT margin decreased from 7.6% to 6.7%. However, net profit increased by 6.8% to CHF 123.9 million (previous year CHF 118.3 million) due to the discontinuation of one-off effects.

Cash flow amounted to CHF 194.8 million (-3.2% compared to the previous year) and was maintained at a high level. It amounted to 10.7% of sales (previous year 12.2%). The equity ratio increased slightly from 64.0% as of December 31, 2021 to 64.2% as of June 30, 2022 and thus remained unchanged at a high level. In the same period, net debt increased from CHF 45.5 million to CHF 213.8 million due to the build-up of inventories to ensure continuous customer supply and due to higher cost prices.

Development of business activities at a glance

Overall, the **Franke Group** weathered the ongoing supply chain bottlenecks and rising inflation well. The Group was not only able to supply customers as planned, but also to pass on price increases, thus partly compensating higher raw material, component and transport costs.

Compared to the same period of the previous year, net sales increased by 2.8% from CHF 1,260.5 million to CHF 1,295.6 million. Organic growth amounted to 11.7%. Acquisition/divestment effects led to a 5.1% deduction and exchange rate effects weakened net sales by 3.8%. Growth was driven by all divisions.

In terms of profitability, the Group remained at the previous year's level and achieved EBIT of CHF 107.2 million, which corresponds to an EBIT margin of 8.3% (previous year also CHF 107.2 million and 8.5% respectively). The Franke Foodservice Systems and Franke Coffee Systems divisions in particular made positive contributions, while Franke Home Solutions closed below the previous year.

Thanks to the increased number of rentable apartments, the **Artemis Real Estate Group** increased net sales by 7.7%. The vacancy rate remained low at 1.1%, and the portfolio was further expanded through a property acquisition in Freiburg i.B., Germany.

Despite challenging conditions, the **Feintool Group** achieved its set targets in the first half of 2022. Consolidated Group sales rose by 36.0% to CHF 411.5 million (previous year CHF 302.6 million). EBIT amounted to CHF 14.6 million, corresponding to an EBIT margin of 3.5%.

The listed participation companies Forbo, Arbonia, Autoneum and Adval Tech, in which the **Artemis Asset Management Group** holds stakes of between 20% and 30%, defended their position well in terms of sales and profitability in a challenging market environment in the first six months of the year.

The Group invested in other private equity and venture capital funds, such as the Durable Capital Partners Flagship Fund, a crossover fund based in Maryland, USA.

Outlook for the current fiscal year

The geopolitical and economic situation remains fragile and difficult. Partial lockdowns in China, the Russian-Ukrainian war or supply bottlenecks for raw materials and components will continue to burden supply chains worldwide and lead to higher prices. Energy prices are also expected to continue to rise sharply – whereby uncertainty about a stable energy supply is becoming ever greater. Added to this is high inflation in many countries, which is supporting price increases, and a strong Swiss franc against almost all currencies. Despite good order backlogs and prospects for many of the Artemis Group's businesses, we are starting to sense declines in customer demand. However, we are confident about the future as we are strategically well positioned and can rely on a robust balance sheet with high equity and low net debt.

About Artemis Group

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 more than 11,000 people worldwide and generated consolidated sales of some CHF 3,3 billion in 2021. Learn more at [artemis-holding.com](https://www.artemis-holding.com).

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Financial overview Artemis Group first half-year 2022

in CHF million	1 st half 2022	1 st half 2021
Net sales	1,827.4	1,643.8
- Change in %	11.2	30.0
- Organic growth in %	13.5	32.7
EBIT	121.7	124.4
- Change in %	-2.2	745.7
- % of net sales	6.7	7.6
Net profit	123.9	119.6
- Change in %	4.7	319.9
- % of net sales	6.8	7.3
Cash flow	194.8	201.3
Total Investments	200.1	115.0
Equity	3,215.1	2,771.2
- Equity ratio in %	64.2	60.8
Employees as of June 30	11,889	10,766