

# press release

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Half-year result 2023

## Artemis Group shows solid business development in very challenging market environment

Aarburg, 29 August 2023

**As expected, the first half of fiscal year 2023 was dominated by global economic and geopolitical challenges, which impacted the Artemis Group's business activities. Greater efforts had to continue to be made to keep supply chains stable. Inflation continued to rise in many countries and exchange rates were subject to strong fluctuations. The Swiss franc continued to appreciate against almost all currencies in the first half of 2023, resulting in high translation losses for the Artemis Group. Overall, consumer demand continued to decline compared to the strong first half of 2022, resulting in lower volumes. Nevertheless, many of the Artemis Group's business activities proved resilient in this challenging environment.**

### **Business performance Artemis Group**

- Net sales down by 2.1% to CHF 1,788.3 million (organic -0.5%)
- EBIT and EBIT margin lower (-19.9% and 5.5% respectively compared to 6.7% in the previous year) due to continued high costs for logistics, raw materials, components, energy
- Net profit decreased to CHF 96.0 million (-27.9%)
- Cash flow fell to CHF 168.0 million (-13.8%)
- Equity ratio slightly higher at 67.3% (previous year 66.6%)

Artemis Group's consolidated net sales decreased by CHF 39.1 million (-2.1%) to CHF 1,788.3 million in the first half of 2023 and decreased organically by 0.5%. Acquisition/divestment effects were included at +3.3%, while currency translation had a negative impact of 5.0%.

The first half of 2023 brought predominantly declining operating results (EBIT) for Artemis Group's business activities. Artemis Group's EBIT fell from CHF 121.7 million to CHF 97.5 million, a decrease of CHF 24.2

million (-19.9%). The corresponding EBIT margin decreased from 6.7% to 5.5%. Net profit decreased to CHF 96.0 million (previous year CHF 123.9 million).

Due to the lower net profit, cash flow decreased by 13.8% to CHF 168.0 million compared to the previous year but could be maintained at a high level. It amounted to 9.4% of sales (previous year 10.7%). The equity ratio increased slightly from 66.6% as of December 31, 2022 to 67.3% as of June 30, 2023 and thus remained unchanged at a high level. In the same period, net debt was at the same level (CHF 186.1 million).

## **Development of Artemis business activities at a glance**

In view of the exceptionally difficult market environment, the **Franke Group** navigated the resulting challenges well overall. It was able to more than compensate for the increased input costs through consistent price management and a high degree of operational flexibility.

The Group recorded a decline in net sales from CHF 1,295.6 million to CHF 1,194.6 million (-7.8%) compared to the same period of the previous year. Organically, net sales decreased by 2.4% and by 5.4% due to currency effects. The three divisions showed a mixed picture in terms of organic growth. While Franke Coffee Systems grew strongly organically, sales declined slightly at Franke Foodservice Systems and significantly at the construction-dependent Franke Home Solutions. The latter was severely affected by the decline in construction activity in Europe due to inflation and interest rates and recorded a corresponding decline in volumes.

In terms of profitability, the Group also fell short of the previous year, generating EBIT of CHF 88.9 million (-17.0%), which corresponds to an EBIT margin of 7.4% (previous year 8.3%). Franke Foodservice Systems achieved a strong improvement in results, while Franke Coffee Systems reported EBIT at the level of the prior-year period. Franke Home Solutions remained below the prior-year figure.

Thanks to the increased number of rentable apartments and a low vacancy rate (0.2%), the **Artemis Real Estate Group** increased net revenues by 3.8%.

Despite challenging external and industry-specific conditions, the **Feintool Group** generated sales of CHF 450.0 million and positive EBIT of CHF 12.2 million in the first half of 2023, with an EBIT margin of 2.7%, just below the targeted 3%.

The listed investment companies Forbo, Arbonia, Autoneum and Adval Tech, in which the **Artemis Asset Management Group** holds stakes of between 20% and 30%, also struggled in the first six months of the current fiscal year due to the difficult market environment. Against this backdrop, Autoneum and Forbo held up well and reported positive business development, while Arbonia and Adval Tech fell short of the previous year's results.

The unlisted company Blefa, a manufacturer of beverage containers and wholly owned by Artemis, performed particularly well and significantly exceeded the previous year in terms of sales and profit.

## **Outlook for the current fiscal year**

The outlook for economic development remains subdued and uncertain. In particular, this applies to Europe and China. Fragile supply chains, volatile logistics, raw material and energy costs as well as persistently high inflation and massively increased interest rates will continue to hamper market development, especially in the new construction and renovation sector. Although the outlook for many of Artemis Group's businesses is good, we see the decline in customer demand and are addressing the situation with countermeasures. Nevertheless, we remain confident. The Artemis Group is strategically well positioned and has a solid balance sheet with a strong equity base and very low debt/equity ratio.

The **Artemis Group** comprises the **Franke Group**, the **Artemis Real Estate Group** (real estate portfolio in Switzerland and abroad), the majority-owned **Feintool Group** (world market leader in fineblanking technology) and the **Artemis Asset Management Group** (various strategic investments in international companies listed on the Swiss stock exchange and in private companies). In 2022, the Group generated sales of approximately 3.6 billion Swiss francs with about 11,000 employees worldwide. More information on [artemis-holding.com](https://www.artemis-holding.com).

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## Artemis Group – Financial overview

in CHF M	1. Half Year 2023	2. Half Year 2022
<b>Net sales</b>	<b>1,788.3</b>	<b>1,827.4</b>
- Change in %	-2.1	11.2
- Organic growth in %	-0.5	13.5
<b>EBIT</b>	<b>97.5</b>	<b>121.7</b>
- Change in %	-19.9	-2.2
- in % of net sales	5.5	6.7
<b>Profit after tax</b>	<b>96.0</b>	<b>123.9</b>
- Change in %	-22.5	4.7
- in % of net sales	5.4	6.8
<b>Cash flow</b>	<b>168.0</b>	<b>194.8</b>
<b>Total investments</b>	<b>99.6</b>	<b>200.1</b>
<b>Equity</b>	<b>3,239.8</b>	<b>3,215.1</b>
- Equity ratio in %	67.3	64.2
<b>Employees as of 30.06.</b>	<b>11,313</b>	<b>11,889</b>