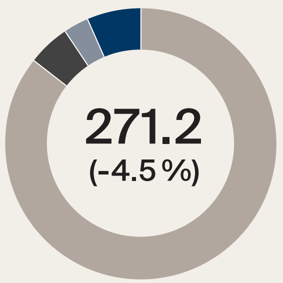
Half-Year Report 2025

V-ZUG Group

Key figures for the first half of 2025

V-ZUG Group: Results below previous year – outlook for the second half remains intact

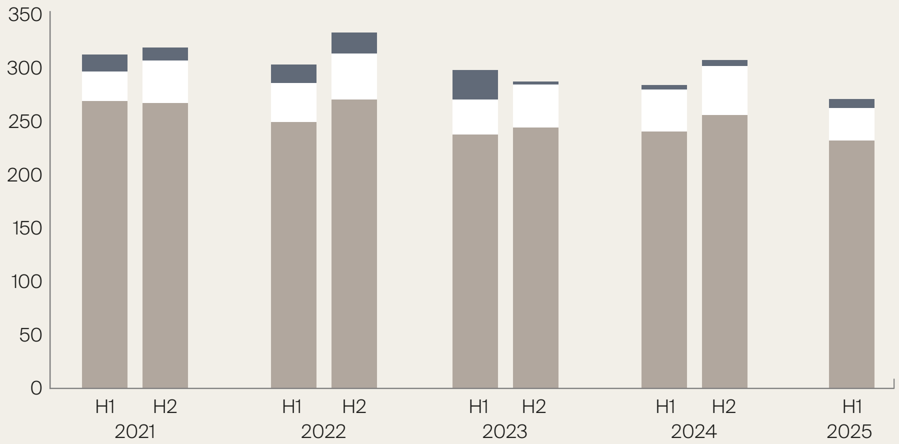
Net sales total and by region
in CHF million



International markets share: 14.3%

- Switzerland **232.3**
- Europe (excl. Switzerland) **13.6**
- North and South America **8.6**
- Asia/Pacific/Others **16.6**

Net sales per half year 2021–2025
in CHF million



- Switzerland
- International V-ZUG own brand
- International OEM business

3.0 (-65.4%)
Operating result (EBIT)
in CHF million

-51.5 (-42.3%)
Free cash flow
in CHF million

25.6 (+35.1%)
Investments (Capex[1])
in CHF million

[1] Capex refers to additions to tanglble and intangible assets.

2,073 (-0.6%)
Employees
as of 30.06. (FTE)

Letter to shareholders

Zug, 23 July 2025

Dear Shareholders

The first half of 2025 remained characterised by uncertainty. Geopolitical tensions, economic challenges and cautious consumer behaviour dampened demand. In addition, the announcement of trade tariffs has made planning more difficult and could potentially impact global supply chains. The specific effects on our industry cannot yet be conclusively assessed.

In Switzerland, we are observing a structural transformation: both the online business and specialist retail are continuing to evolve, especially for products where presentation, consultation and service play a role. V-ZUG is actively shaping this transition and clearly positioning itself in the market with a newly aligned partner model that takes into account not only volume but also brand presentation and customer consulting quality. As with any strategic realignment, the transition takes time. In addition, some projects originally planned for the first half of the year – both in Switzerland and the International Market – have been postponed to the second half. Based on this, we expect an improvement in the second half of the year.

In the first half of 2025, net sales amounted to CHF 271.2 million, which is 4.5% below the previous year (CHF 284.1 million). The decline is attributable to lower sales volumes in the domestic Swiss market and in Asian markets, while Europe remained stable and North America recorded positive growth. In currency-adjusted terms, net sales declined overall by 4.2%. The first half of 2025 included two working days less than in the same period of the previous year. Without calendar and currency effects, net sales decreased by 3.1%.

The operating result (EBIT) amounted to CHF 3.0 million, which is lower than the previous year (CHF 8.8 million). Overall, the EBIT margin reached 1.1% (previous year: 3.1%). The gross profit margin remained stable despite a lower utilisation of production capacities. This is – in part – thanks to the efficiency improvements achieved through “Simplify” and the new partner model in Switzerland. The decline in EBIT is mainly attributable to lower sales volumes as well as higher depreciation resulting from the site transformation. Structural costs were kept stable despite future-oriented costs, such as the establishment of new V-ZUG Studios. To further reduce material costs, we have initiated projects to make procurement more competitive. The Group net result amounted to CHF 1.6 million (previous year: CHF 8.7 million).

In the first half of 2025, cash flow from operating activities amounted to CHF -22.3 million (previous year: CHF -10.8 million). The deviation is primarily attributable to the course of business and a greater increase in inventory levels compared to the previous year. As a result of the high investments that continue to be made in the site transformation and equipment, cash flow from investment activities amounted to CHF -29.1 million (previous year: CHF -25.3 million). Free cash flow amounted to CHF -51.5 million (previous year: CHF -36.2 million).

The balance sheet of the V-ZUG Group as of 30 June 2025 continues to be very solid with an equity ratio of 77.0% (30 June 2024: 76.4%) as well as cash and cash equivalents including securities of CHF 34.1 million (30 June 2024: CHF 45.5 million). With the start of construction work on the office and laboratory building “Zephyr West”, V-ZUG has, as announced, taken on external financing for the first time. From the approved credit facility, CHF 10.0 million has been allocated to short-term liabilities.

Swiss market: realignment of project business and sales strategy

In the first half of 2025, net sales in the Swiss market declined compared to the previous year to CHF 232.3 million (previous year: CHF 240.5 million; -3.4%). The sluggish project business was realigned in the first half of the year, allowing for even more targeted support for customers. We expect that the engagement of experienced specialists and intensified project support compared to previous years will lead to greater visibility and have a positive impact on sales in the medium term. Furthermore, the service organisation has been strengthened, and the average time from initial customer contact to device repair has been reduced from around four to three working days – an industry-leading response time that sets new standards. In parallel, we are identifying trends in online and specialised retail and aligning our sales strategy accordingly. Through a fair and transparent partner model, we are making our partnerships robust in the long term and laying the groundwork for sustainable growth. The procurement conditions offered to our partners are based on an objective assessment of their contribution to the strength of the V-ZUG brand; this includes aspects such as brand presentation, the quality of consultation provided to customers and growth. The concept takes the different business models into account, allowing brick-and-mortar retail with or without showrooms, wholesale and online retail to successfully operate side by side. After a transitional phase, we expect – also thanks to additional sales initiatives – to see positive volume development in the second half of the year.

International: short-term challenges, long-term growth initiatives

Regionally different developments shaped international business in the first half of 2025. Overall, net sales decreased by 10.8% (currency adjusted -8.7%) to CHF 38.9 million (previous year: CHF 43.6 million); net sales in the own-brand business declined by 23.0% to CHF 30.2 million (previous year: CHF 39.3 million), while net sales in the OEM business doubled to CHF 8.6 million (previous year: CHF 4.3 million.).

In Europe, net sales remained largely at the previous year’s level. In the Asian markets, sales in the project business decreased in comparison to the exceptionally strong first half of 2024. The decline is partially due to the postponement of some projects planned for the first half of the year, with the weakened momentum in the Chinese construction sector increasingly having an impact on us as well. The OEM business in North America increased significantly in the first half of the year. In the last one and a half years, net sales were at an unusually low level due to inventory reduction and product turnover. We are once again seeing a positive development in order intake.

The opening of new studios in Melbourne and Bangkok, along with our presence at the Salone del Mobile in Milan, reinforces our commitment to increasing brand awareness in the international market. We are also advancing our market expansion by establishing a presence in Dubai through a partnership with a well-established distributor.

New products in 2025: strengthening our market position

The 2025 product launches underline our innovative strength and high quality across various market segments. In the first half of the year, we specifically introduced products for the replacement and project business in Switzerland, including optimised dishwashers from our Advanced Line. With the introduction of two new 75-cm-wide refrigerators from the Supreme Line in the second half of the year, we are addressing international trends and strengthening our position in high-growth segments. Both in Switzerland and in the International Market, we will introduce the “CombiCooler V6000” with an innovative, elegant interior in the colour “Pearl” and with appealing lighting. We are also expanding our oven product category with two new products. Following the launch of a pizza set for V-ZUG ovens in spring, a new pizza function for the “Combair V6000” with pyrolytic self-cleaning mode will be available from autumn 2025. The unique combination of powerful heating technology, intelligent air circulation and a special baking programme sets this oven apart and produces excellent pizzas – almost as if you had a stone pizza oven in your very own kitchen.

Site transformation: from completion of construction to operational launch
In the first half of 2025, the commissioning of the production facilities in the “Zephyr Ost” building was completed. This marked the completion of the vertical factory. Over the next two years, additional production processes will be transferred to the new facility and efficiency will be continuously optimised. The last major construction project of the site transformation is the office and laboratory building “Zephyr West”, for which the building applications were submitted in the first half of 2025. Groundwork preparations began in June 2025.

V-ZUG – sustainability as fundamental principle
Our existing targets for reducing CO_2 emissions in Scope 1, 2 and 3 were successfully validated by the Science Based Targets Initiative (SBTI) in April 2025 following a comprehensive review. Published for the first time in the first half of the year, the **product sustainability reports (PSR)** make the ecological footprint of our product categories visible and set new standards in our industry. Our stakeholders appreciate the transparent presentation of sustainability, product life expectancy and environmentally conscious consumption. All these reports are available on our website.

Our pilot circular economy factory takes a new approach in the sustainable use of resources. In addition to systematically dismantling old equipment and successfully reprocessing it for the second-life market, we also focus on repurposing – i.e. transforming components that cannot be directly reintegrated into the production cycle. A good example is the conversion of decommissioned washing machine drums into high-quality designer furniture, which was presented at the opening of the V-ZUG Studio in Zurich (**Adora Pouf**).

2025 outlook
The economic environment remains challenging. Even so, we see positive signals: our order book, especially the international projects scheduled for the second half of the year, makes us optimistic about the coming months. Seasonality also has a strong impact in the market, meaning that the second half of the year is usually stronger than the first.

The “Simplify” initiative will see efficiency improvements being implemented this year. Additional savings are expected from the projects initiated to reduce procurement costs. In addition, we launched targeted growth initiatives in the second quarter to further develop our business in Switzerland and in the international market through enhanced market penetration, the expansion of our retail and project business and consistent differentiation.

Based on the order book in the international markets and the initiated strategic measures, we aim to increase net sales and profitability in the second half of 2025 compared to the previous year. Given the half-year results, there is a risk that the annual results for 2025 will not exceed the previous year’s level.

Our sincere thanks to all involved
We thank our employees for their commitment, expertise and daily dedication to V-ZUG. We also thank our customers for their loyalty and trust in our products and services. And we would like to extend a special thanks to you – our valued shareholders – for your support. We are continuously working to improve our operating performance with the goal of delivering sustainable value reflected in the V-ZUG share price development.

Oliver Riemenschneider
Chairman of the Board of Directors

Christoph Kilian
Chief Executive Officer

Financial Report

V-ZUG Studio Bangkok

Consolidated income statement

in KCHF	H1 2025	H1 2024
Net sales	**271,177**	**284,079**
Costs of goods and services sold	–174,171	–182,031
Gross profit	**97,006**	**102,048**
Marketing and sales costs	–51,695	–52,422
Research and development costs	–22,338	–22,072
Administration costs	–22,668	–21,895
Other operating income	2,827	3,215
Other operating costs	–92	–100
Operating result (EBIT)	**3,040**	**8,774**
Financial income	26	1,342
Financial expenses	–1,349	–512
Share of results from associated companies	153	494
Financial result	**–1,170**	**1,324**
Net result before taxes	**1,870**	**10,098**
Income taxes	–280	–1,367
Group net result	**1,590**	**8,731**
Earnings per share (in CHF)	0.25	1.36
Number of employees (FTE) as at 30.06.	2,073	2,085

Consolidated balance sheet

in KCHF	30.06.2025	31.12.2024	30.06.2024
Cash and cash equivalents	33,987	83,386	45,384
Securities	94	95	95
Trade receivables	55,685	49,145	66,597
Other receivables	6,443	4,089	9,218
Inventories	105,217	90,684	106,173
Prepaid expenses and accrued income	6,185	3,114	5,862
Current assets	**207,611**	**230,513**	**233,329**
Tangible assets	381,599	371,706	352,300
Intangible assets	8,375	9,345	9,655
Financial assets	25,152	24,906	24,948
Fixed assets	**415,126**	**405,957**	**386,903**
Assets	**622,737**	**636,470**	**620,232**

in KCHF	30.06.2025	31.12.2024	30.06.2024
Current financial liabilities	10,000		
Trade payables	26,901	33,332	29,163
Other current liabilities	27,881	32,999	37,011
Accrued expenses and deferred income	34,368	38,933	33,827
Current provisions	20,576	21,002	20,714
Current liabilities	**119,726**	**126,266**	**120,715**
Other long-term liabilities	129	117	106
Long-term provisions	8,377	8,768	11,040
Deferred tax liabilities	14,907	14,989	14,677
Non-current liabilities	**23,413**	**23,874**	**25,823**
Total liabilities	**143,139**	**150,140**	**146,538**
Share capital	1,736	1,736	1,736
Capital reserves	129,940	132,792	132,792
Treasury shares	–1,118		
Retained earnings	349,040	351,802	339,166
Shareholders' equity	**479,598**	**486,330**	**473,694**
Liabilities and shareholders' equity	**622,737**	**636,470**	**620,232**

Consolidated statement of changes in shareholders' equity

in KCHF	Share capital	Capital reserves	Treasury shares	Retained earnings	Goodwill offset	Accumulated currency translation differences	Total retained earnings	Total
Shareholders' equity 30.06.2025	**1,736**	**129,940**	**–1,118**	**350,780**	**–2,395**	**655**	**349,040**	**479,598**
Dividend / repayment from reserves to shareholders		–2,889		–2,888			–2,888	–5,777
Group net result				1,590			1,590	1,590
Share incentive plan		37						37
Change in treasury shares			–1,118					–1,118
Currency translation effects						–1,464	–1,464	–1,464
Shareholders' equity 31.12.2024	**1,736**	**132,792**	**–**	**352,078**	**–2,395**	**2,119**	**351,802**	**486,330**
Shareholders' equity 30.06.2024	**1,736**	**132,792**	**–**	**339,404**	**–2,395**	**2,157**	**339,166**	**473,694**
Group net result				8,731			8,731	8,731
Currency translation effects						1,031	1,031	1,031
Shareholders' equity 31.12.2023	**1,736**	**132,792**	**–**	**330,673**	**–2,395**	**1,126**	**329,404**	**463,932**

Consolidated statement of cash flows

in KCHF	H1 2025	H1 2024
Group net result	1,590	8,731
Financial result (net)	1,323	–830
Depreciation and amortisation	16,362	14,740
Earnings from sale of tangible assets	–116	–284
Share of results from associated companies	–153	–494
Net changes in provisions	–525	307
Income taxes	280	1,367
Other non-cash items[1]	–2,596	1,102
Change in trade receivables	–8,323	–16,932
Change in other receivables and prepaid expenses and accrued income	–5,586	–6,010
Change in inventories	–13,482	–6,577
Change in trade payables	–6,376	–4,284
Change in other current liabilities and accrued expenses and deferred income	–1,656	–377
Interest paid	–15	–1
Taxes paid	–3,075	–1,285
Cash flow from operating activities	**–22,348**	**–10,827**

in KCHF	H1 2025	H1 2024
Investments in tangible assets	–28,560	–23,798
Investments in intangible assets	–639	–1,823
Investments in financial assets and securities	–66	–34
Disposals of tangible assets	139	285
Interest received	10	22
Cash flow from investing activities	**–29,116**	**–25,348**
Cash flow from operating and investing activities (free cash flow)	**–51,464**	**–36,175**
Purchase of treasury shares	–1,118	
Dividend / repayment from reserves to shareholders	–5,777	
Cash flow from financing activities	**–6,895**	**–**
Currency translation effects	–1,040	699
Change in "Net cash and cash equivalents"[2]	**–59,399**	**–35,476**
Net cash and cash equivalents 01.01.	83,386	80,860
Net cash and cash equivalents 30.06.	**23,987**	**45,384**

[1] Other non-cash items essentially comprise changes in value adjustments on inventories and trade receivables of CHF -2.4 million (previous year: CHF 1.2 million).
[2] The "Net cash and cash equivalents" fund comprises the balance sheet item cash and cash equivalents less current financial liabilities.

Segment information

in KCHF	H1 2025	H1 2024
Household Appliances		
Net sales	271,177	284,079
Gross profit	94,769	100,023
EBITDA	13,546	18,640
EBITDA in % of net sales	5.0	6.6
Depreciation, amortisation and impairment	–13,248	–12,379
Operating result (EBIT)	298	6,261
EBIT in % of net sales	0.1	2.2
Real Estate		
EBITDA	5,816	5,321
Depreciation, amortisation and impairment	–3,114	–2,361
Operating result (EBIT)	2,702	2,960
Corporate and elimination		
Gross profit	2,237	2,025
EBITDA / Operating result (EBIT)	40	–447
Total		
Net sales	271,177	284,079
Gross profit	97,006	102,048
EBITDA	19,402	23,514
EBITDA in % of net sales	7.2	8.3
Depreciation, amortisation and impairment	–16,362	–14,740
Operating result (EBIT)	3,040	8,774
EBIT in % of net sales	1.1	3.1

Notes

Financial reporting

The unaudited half-year consolidated financial statements for the period ended 30 June 2025 were prepared in accordance with the existing Swiss GAAP FER Accounting and Reporting Recommendations in general and with Swiss GAAP FER 31 “Complementary recommendation for listed companies” in particular. Since the half-year consolidated financial statements do not contain all the information disclosed in annual consolidated financial statements, they should be read in conjunction with the consolidated financial statements dated 31 December 2024. The consolidation, accounting and valuation principles published in the 2024 Annual Report have been adopted.

Starting from the 2025 financial year, parts of the compensation for the Board of Directors and the Executive Committee will be share-based. Treasury shares were acquired for these share-based compensation plans. V-ZUG has been applying the relevant regulations of Swiss GAAP FER since 1 January 2025. The requested information is disclosed in the half-year consolidated financial statements accordingly.

The half-year consolidated financial statements cover the period from 1 January to 30 June 2025 and were approved by the Board of Directors for publication on 21 July 2025.

Consolidation

The consolidated financial statements cover V-ZUG Holding AG and all Group companies in which V-ZUG Holding AG directly or indirectly holds more than 50% of the voting rights or for which it bears operational and financial management responsibility. The full consolidation method is applied, i.e. assets, liabilities, income and expenses are recognised in full. Affiliated companies in which the V-ZUG Group has a direct or indirect ownership interest of between 20% and 50% are recognised according to the equity method. Participating interests of less than 20% are not consolidated. On the date of the initial consolidation, the assets and liabilities of acquired companies or business parts are valued at fair value in accordance with uniform Group policies. The difference between the acquisition price and the revalued net assets of the acquired companies or business parts is recognised as goodwill. This goodwill is offset against retained earnings with no effect on the income statement. The aim of the capital consolidation is to show the equity of the entire Group. The capital consolidation is carried out using the purchase method.

With regard to currency translation for consolidation purposes, the half-year financial statements of the foreign Group companies are translated into Swiss francs according to the current rate method. The exchange rate on the balance sheet date is applied consistently to assets and liabilities, while the average exchange rate during the reporting period is used for income statements and statements of cash flows. Shareholders’ equity is converted at historical exchange rates. The currency effects resulting from the conversion are offset against retained earnings with no effect on the income statement. Foreign currency gains and losses on long-term, equity-like loans to Group companies are also recognised in equity with no effect on the income statement.

Income taxes are accrued on the basis of the estimated average effective tax rates for the current financial year.

Significant estimates

In preparing the consolidated financial statements, certain assumptions must be made that affect the accounting principles to be used and the amounts reported as assets, liabilities, income and expenses and the presentation of these amounts. The half-year consolidated financial statements do not contain any significant new assumptions or estimates made by management compared with the consolidated financial statements for the year ended 31 December 2024.

Events after the balance sheet date

There were no events after the balance sheet date that would require an adjustment to the carrying amounts of the Group’s assets, liabilities and equity or which would need to be disclosed.

Legal information

More information can be found on our **website**

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Editing

V-ZUG Holding AG, Investor Relations, Group Controlling and Finance,
Legal and Compliance, Sustainability

Editorial deadline: **21 July 2025**

Disclaimer

All statements in this Half-Year Report that do not relate to historical facts are forward-looking statements that express intentions, beliefs, expectations and projections about future financial, operational and other developments and results. These statements and the underlying assumptions are subject to numerous risks, uncertainties and other factors that could cause actual developments to differ materially. Market data and valuations as well as past trends and valuations described in this Half-Year Report are no guarantee of the future development and future value of the company or the V-ZUG Group.

This Half-Year Report is published in German and English. In the event of any discrepancies between the two versions, the German version is binding.

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