

# Half-Year Report 2024

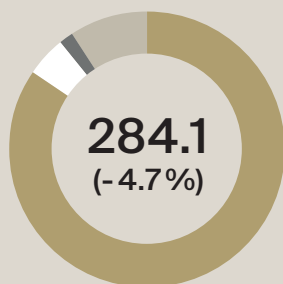
V-ZUG Group

12:45



# Key figures for the 1<sup>st</sup> half of 2024

Net sales in total  
and by region  
in CHF million



International markets share 15.3 %

- Switzerland **240.5**
- Europe (excluding Switzerland) **13.6**
- North and South America **4.3**
- Asia / Pacific / Others **25.7**

**8.8** (+71.9 %)

Operating result (EBIT)  
in CHF million

**3.1 %** (+140 bp)

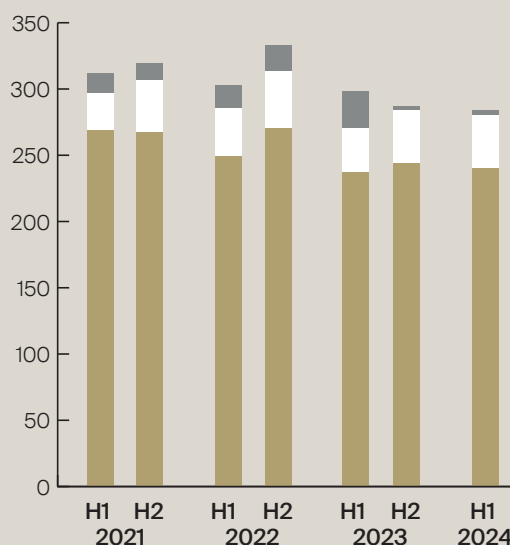
EBIT margin

**- 36.2** (n. m.)

Free cash flow  
in CHF million

Positive development  
in own-brand  
business and in  
terms of profitability.

Net sales per half-year 2021–2024  
in CHF million



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

**2,085** (-1.4 %)

Employees  
as at 30.06. (FTEs)

# Letter to shareholders

**Zug, 19 July 2024**

## Dear Shareholders

In the first half of 2024, we consistently pursued our strategic goals and increased our profitability compared to the previous year while the market environment remained challenging. The investments in the differentiation of the V-ZUG brand, the product portfolio and modernisation of marketing and production are beginning to pay off. We could not have achieved this progress without the commitment of our employees, the loyalty of our partners and the trust that you, dear shareholders, have placed in us.

On a macro level, geopolitical uncertainties, inflation and high interest rates still had a dampening effect on the general economic situation and on demand for consumer goods. New construction business proceeded sluggishly, primarily as a result of delayed construction projects. Renovation business improved again, whereas replacement business remained stable at a good level. Growth dynamics for V-ZUG were positive again in most markets, except for the USA and in Germany, in the first half of 2024. Order intake in Switzerland was considerably higher than in the first half of 2023. Compared to the previous year, we expect that overall order intake, volume and net sales will further recover in the second half of the year.

In the first half of the year, net sales amounted to CHF 284.1 million, which is 4.7% below the previous year (CHF 298.2 million). The decline is mainly attributable to the lower sales volume of our partner in North America, which had built up an above-average level of inventory due to changes in the product range in the first half of 2023, which is now being reduced. In the home market of Switzerland, net sales increased slightly compared to the previous year, even though the previous year had benefited from supply backlogs from 2022.

The operating result (EBIT) amounted to CHF 8.8 million, which is higher than the previous year (CHF 5.1 million). The gross profit margin increased by a further 2.5 percentage points, partly due to the improved utilisation of

production capacities, lower quality costs and because purchases on spot-buy markets could be completely avoided, unlike in the first two months of the previous year. The EBIT margin amounted to 3.1% (previous year: 1.7%). Besides the improved gross margin, various short- and medium-term cost reductions as part of the "Simplify V-ZUG" initiative as well as profit participation from the pension fund in the amount of CHF 1.8 million contributed to increasing the operating result. The Group net result doubled to CHF 8.7 million (previous year: CHF 4.3 million).

Measures to increase sales  
and efficiency proving effective.

In the first half of the year, cash flow from operating activities amounted to CHF -10.8 million (previous year: CHF +17.9 million). This deviation is primarily due to changes in trade receivables based on increasing business in the second quarter of 2024. As a result of the high investments that continue to be made in the site transformation, cash flow from investment activities amounted to CHF -25.3 million (previous year: CHF -25.4 million). Free cash flow amounted to CHF -36.2 million (previous year: CHF -7.5 million).

The balance sheet of the V-ZUG Group as of 30 June 2024 continues to be solid with an equity ratio of 76.4% (30 June 2023: 75.4%) as well as cash and cash equivalents including securities of CHF 45.5 million (30 June 2023: CHF 56.4 million). V-ZUG continued to finance the high investment activities itself, without raising external funds.

## Higher order intake on the Swiss market

The Swiss market recovered in the first half of 2024. Net sales amounted to CHF 240.5 million (previous year: CHF 237.4 million). We saw consistently better order intake in the first half of 2024, and the measures to increase sales proved effective. For instance, the new "Adora" dishwasher had a good start in terms of sales. In addition, our revised cooling portfolio – premium cool-





**Oliver Riemenschneider**  
Chairman of the Board of Directors

**Peter Spirig**  
Chief Executive Officer

ing appliances manufactured in Switzerland – is being very well received by our partners and end customers. Higher order intake, coupled with our new products and the measures we have taken, show a positive outlook for the second half of the year.

Market presence in Berlin,  
Hamburg, Milan and Sydney  
further strengthened.

### **International: strong growth in own-brand business**

Own-brand business developed positively at +18.5%, particularly in Asian-Pacific markets such as Australia, Singapore and China, where growth was very high at +42.1%. Development in Europe, with the exception of Germany, was stable. Demand from North America in the OEM business was characterised by extreme volatility in the past 18 months. More than 90% of net sales for the year was earned in the first half of 2023, which shows that orders and, consequently, the increase in inventory were extraordinarily high. Our deliveries to North America since the summer of 2023 are well below average due to excessively high inventory levels. Accordingly, the comparison as of 30 June 2024 shows a decline in net sales since the previous year by CHF 23.3 million, or 84.4%, to CHF 4.3 million. The positive development in the rest of the V-ZUG Group has regrettably been mitigated by this decline. Net sales in the international markets of CHF 43.6 million in total decreased compared to the previous year (CHF 60.8 million).

We further strengthened our consistent positioning outside of Switzerland as a premium supplier by opening V-ZUG studios in Berlin, Hamburg, Milan and Sydney and by expanding the local service organisation.

### **New products from Switzerland – marketed internationally**

All product launches in 2024 demonstrate the effectiveness of our development department and our Swiss production facilities. In Zug, “Adora” dishwashers in the “Excellence Line” and “Combair V600” ovens and cookers in the “Advanced Line” were completely redesigned to further strengthen the mid-range segment. “Adora” dishwashers were designed with a focus on lower ener-

gy consumption, user convenience and higher flexibility in terms of loading. Dedicated programs, such as for spotless wine glasses through targeted steaming at the end of the program, augment the usual array of functions. In addition to standard integration in the “V6000” model, they are also being made available as a V-Up-grade (paid additional function through the V-ZUG app). “Combair V600” ovens and cooktops impress through an improved design among the thermal appliances positioned in the mid-range segment. The product line offers a functionally outstanding range of appliances and is designed for users who prefer control knobs. In Sulgen, a new platform for single-door refrigerators was launched. Two “V2000” models heralded the start of a new generation of refrigerators with integrated freezer compartment. The refrigerators of the new platform are considerably more energy efficient and quiet.

Successful launch of dishwashers,  
ovens and refrigerators;  
naturally, from Switzerland.

We were present at the Salone del Mobile in Milan in April 2024, where we further expanded our Swiss and worldwide customer relationships. Various events, such as the opening of the V-ZUG Studio in the centre of Milan and gala dinners with customers in the Pinacoteca di Brera, strengthened the loyalty and enthusiasm for V-ZUG products.

### **Visible site transformation in Zug**

The “Zephyr Ost” building, the last part of the vertical factory, was completed in the first quarter of 2024 and handed over to V-ZUG for the installation and commissioning of operating equipment. Raw materials and decoupling storage, conveyor belts and the cleaning system are all now in operation. Logistics was set up for finished goods. Ramps enable trucks to drive right up to the production building, and a tunnel provides a direct connection to the high-bay storage in our logistics building “ZUGgate”. The transformation, relocation and commissioning of all production systems will be completed in the second quarter of 2025. This will increase the efficiency of production and logistics.

The site transformation also includes the “Zephyr West” office and lab building. The preliminary project was

worked on intensively in the first half of the year. The plan for future use was further developed in a cross-departmental collaboration with the V-ZUG staff responsible for users. The work to clear the construction site is expected to begin in late 2024.

Recertification as  
“friendly workspace”.

### V-ZUG – an established name in sustainability

Since 2020, we have been producing CO<sub>2</sub>-neutrally at our production sites. Direct emissions are being continuously lowered, including through the commissioning of the “Multi Energy Hub” at the Zug site. Remaining emissions are being offset each year through our V-Forest reforestation project. We are currently focusing on the electrification of our service vehicles and truck fleet.

Our circular business model “V-ZUG product as a service” is increasingly gaining acceptance on the market. The product range is being expanded, starting with washing machines and dryers. We are also currently piloting kitchen furnishing as a service in a project in Zurich. Furthermore, we pushed ahead with our pilot project on the circular economy factory for the return and dismantling of household appliances. The focus was on the scaling of processes in collaboration with charitable organisations and the recycling industry. In the second half of 2024, we will push further ahead with the industrialisation of this area. The objective is to lower the environmental footprint through the skilful reuse of durable components – at the same or lower cost.

The existing smart work principles, which are well established, have been augmented with other flexible options designed to increase motivation. One model makes it possible to work the full number of hours on four workdays per week, which is attractive for service technicians in particular. They have embraced this new model, while V-ZUG has good customer coverage during off-peak working hours. In addition, we once again obtained certification as a “friendly workspace”. This positions us on the employment market as an attractive, credible employer.

### 2024 outlook

For the full year, we expect an improvement compared to the previous year, although the challenges of the past two years are only gradually abating. We anticipate increasing net sales and better results in the second half of 2024 compared to the second half of 2023. The “Simplify V-ZUG” initiative contributes to further reducing complexities and automating collaborative work and processes. “Simplify V-ZUG” is also having a positive impact on customer focus and product quality. In addition, we are benefiting from a gradually improving overall market situation, as well as from lowering inventory levels of our partners. For the full year 2024, we anticipate higher net sales and improved profitability compared to 2023 – in both absolute terms as well as in relation to net sales.

### We thank you

We thank our employees for their passion, their commitment, and the knowledge and abilities that they bring to V-ZUG every day. We thank our customers for their loyalty and enthusiasm for our products and services. And we thank you, dear shareholders, for your trust. We are doing our best to improve our operational performance so that it will be mirrored by the performance of the V-ZUG share.



**Oliver Riemenschneider**  
Chairman of the Board of  
Directors



**Peter Spirig**  
Chief Executive Officer







# Financial Report





## Consolidated income statement

in KCHF	H1 2024	H1 2023
<b>Net sales</b>	<b>284,079</b>	<b>298,150</b>
Costs of goods and services sold	-182,031	-198,580
<b>Gross profit</b>	<b>102,048</b>	<b>99,570</b>
Marketing and sales costs	-52,422	-49,409
Research and development costs	-22,072	-26,065
Administration costs	-21,895	-22,141
Other operating income	3,215	3,373
Other operating costs	-100	-225
<b>Operating result (EBIT)</b>	<b>8,774</b>	<b>5,103</b>
Financial income	1,342	32
Financial expenses	-512	-359
Share of results from associated companies	494	63
<b>Financial result</b>	<b>1,324</b>	<b>-264</b>
<b>Net result before taxes</b>	<b>10,098</b>	<b>4,839</b>
Taxes	-1,367	-508
<b>Group net result</b>	<b>8,731</b>	<b>4,331</b>
Earnings per share (in CHF)	1.36	0.67
Number of employees (FTE) as at 30.06.	2,085	2,114

## Consolidated balance sheet

in KCHF	30.06.2024	31.12.2023	30.06.2023
Cash and cash equivalents	45,384	80,860	56,289
Securities	95	95	95
Trade receivables	66,597	49,481	61,079
Other receivables	9,218	5,249	10,367
Inventories	106,173	98,540	116,727
Prepaid expenses and accrued income	5,862	3,614	4,868
<b>Current assets</b>	<b>233,329</b>	<b>237,839</b>	<b>249,425</b>
Tangible assets	352,300	348,282	323,488
Intangible assets	9,655	9,123	7,579
Financial assets	24,948	24,270	25,176
<b>Fixed assets</b>	<b>386,903</b>	<b>381,675</b>	<b>356,243</b>
<b>Assets</b>	<b>620,232</b>	<b>619,514</b>	<b>605,668</b>
Trade payables	29,163	33,662	24,169
Other current liabilities	37,011	40,383	42,686
Accrued expenses and deferred income	33,827	36,072	36,508
Current provisions	20,714	20,086	20,303
<b>Current liabilities</b>	<b>120,715</b>	<b>130,203</b>	<b>123,666</b>
Other long-term liabilities	106	129	552
Long-term provisions	11,040	11,141	11,309
Deferred tax liabilities	14,677	14,109	13,765
<b>Non-current liabilities</b>	<b>25,823</b>	<b>25,379</b>	<b>25,626</b>
<b>Total liabilities</b>	<b>146,538</b>	<b>155,582</b>	<b>149,292</b>
Share capital	1,736	1,736	1,736
Capital reserves	132,792	132,792	132,792
Retained earnings	339,166	329,404	321,848
<b>Shareholders' equity</b>	<b>473,694</b>	<b>463,932</b>	<b>456,376</b>
<b>Liabilities and shareholders' equity</b>	<b>620,232</b>	<b>619,514</b>	<b>605,668</b>



## Consolidated statement of changes in shareholders' equity

in KCHF	Share capital	Capital reserves	Retained earnings	Goodwill offset	Accumulated currency translation differences	Total retained earnings	Total
<b>Shareholders' equity 30.06.2024</b>	<b>1,736</b>	<b>132,792</b>	<b>339,404</b>	<b>-2,395</b>	<b>2,157</b>	<b>339,166</b>	<b>473,694</b>
Group net result			8,731			8,731	8,731
Currency translation effects					1,031	1,031	1,031
<b>Shareholders' equity 31.12.2023</b>	<b>1,736</b>	<b>132,792</b>	<b>330,673</b>	<b>-2,395</b>	<b>1,126</b>	<b>329,404</b>	<b>463,932</b>
<b>Shareholders' equity 30.06.2023</b>	<b>1,736</b>	<b>132,792</b>	<b>323,318</b>	<b>-2,395</b>	<b>925</b>	<b>321,848</b>	<b>456,376</b>
Group net result			4,331			4,331	4,331
Currency translation effects					-1,770	-1,770	-1,770
<b>Shareholders' equity 31.12.2022</b>	<b>1,736</b>	<b>132,792</b>	<b>318,987</b>	<b>-2,395</b>	<b>2,695</b>	<b>319,287</b>	<b>453,815</b>

## Consolidated statement of cash flows

in KCHF	H1 2024	H1 2023
Group net result	8,731	4,331
Financial result (net)	- 830	327
Depreciation and amortisation	14,740	16,326
Earnings from sale of tangible assets	- 284	- 228
Share of results from associated companies	- 494	- 63
Net changes in provisions	307	356
Income tax	1,367	508
Other non-cash items <sup>1)</sup>	1,102	6,947
Change in trade receivables	- 16,932	5,733
Change in other receivables and prepaid expenses and accrued income	- 6,010	- 7,949
Change in inventories	- 6,577	- 5,785
Change in trade payables	- 4,284	- 4,124
Change in other current liabilities and accrued expenses and deferred income	- 377	2,321
Interest paid	- 1	- 8
Taxes paid	- 1,285	- 802
<b>Cash flow from operating activities</b>	<b>- 10,827</b>	<b>17,890</b>
Investments in tangible assets	- 23,798	- 23,857
Investments in intangible assets	- 1,823	- 1,987
Investments in financial assets and securities	- 34	- 114
Disposals of tangible assets	285	429
Disposals of financial assets and securities	-	107
Interest received	22	26
<b>Cash flow from investing activities</b>	<b>- 25,348</b>	<b>- 25,396</b>
<b>Cash flow from operating and investing activities (free cash flow)</b>	<b>- 36,175</b>	<b>- 7,506</b>
<b>Cash flow from financing activities</b>	<b>-</b>	<b>-</b>
Currency translation effects	699	- 613
<b>Change in "Net cash and cash equivalents"<sup>2)</sup></b>	<b>- 35,476</b>	<b>- 8,119</b>
Net cash and cash equivalents 01.01.	80,860	64,408
Net cash and cash equivalents 30.06.	45,384	56,289

<sup>1)</sup> Other non-cash items essentially comprise changes in value adjustments on inventories and trade receivables of CHF 1.2 million (previous year: CHF 2.8 million) as well as non-cash allocation to the employer's contribution reserves from interest generated by V-ZUG AG's welfare fund of CHF - 0.1 million (previous year: CHF - 0.2 million). In the previous year, the waiver of contributions in the amount of CHF 4.9 million to V-ZUG AG's pension fund through the use of the employer's contribution reserves and the release of deferred compensation for additional expenses caused by the site transformation in Zug in the amount of CHF - 0.6 million were also reported.

<sup>2)</sup> 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 2024	H1 2023
<b>Household Appliances</b>		
Net sales	284,079	298,150
Gross profit	100,023	97,866
EBITDA	18,640	17,191
EBITDA in % of net sales	6.6	5.8
Depreciation, amortisation and impairment	-12,379	-14,139
Operating result (EBIT)	6,261	3,052
EBIT in % of net sales	2.2	1.0
<b>Real Estate</b>		
EBITDA	5,321	5,054
Depreciation, amortisation and impairment	-2,361	-2,187
Operating result (EBIT)	2,960	2,867
<b>Corporate and elimination</b>		
Gross profit	2,025	1,704
EBITDA / Operating result (EBIT)	-447	-816
<b>Total</b>		
Net sales	284,079	298,150
Gross profit	102,048	99,570
EBITDA	23,514	21,429
EBITDA in % of net sales	8.3	7.2
Depreciation, amortisation and impairment	-14,740	-16,326
Operating result (EBIT)	8,774	5,103
EBIT in % of net sales	3.1	1.7

## Notes

### Financial reporting

The unaudited half-year consolidated financial statements for the period ended 30 June 2024 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 2023. The consolidation, accounting and valuation principles published in the 2023 Annual Report have been adopted.

Since 1 January 2024, the new recommendation of Swiss GAAP FER 28 "Government grants" and the revised recommendation of Swiss GAAP FER 30 "Consolidated financial statements" have been applied.

The provisions in Swiss GAAP FER 28 regulate the accounting and reporting of government grants. The amendments in Swiss GAAP FER 30 essentially specify the accounting and handling of gradual share acquisitions, goodwill and currency translation differences in connection with equity-like intra-group loans. In accordance with the amended recommendation, intangible assets relevant to decisions on the acquisition of control, which were not previously recognised for an acquired subsidiary, must be identified and reported in the balance sheet. Moreover, the new provisions on goodwill were not implemented retrospectively in the first-time application of Swiss GAAP FER 30.

The application of the new recommendation of Swiss GAAP FER 28 and the revised recommendation of Swiss GAAP FER 30 have no significant effect on the consolidated financial statements.

The half-year consolidated financial statements cover the period from 1 January to 30 June 2024 and were approved by the Board of Directors for publication on 17 July 2024.

### 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 2023.

### Research and development costs

The change compared to the previous year is comprised as follows: CHF 1.3 million organisational shifts to marketing and sales costs or administration costs and profit participation from the pension fund, CHF 0.5 million lower material purchasing costs and CHF 2.2 million due to efficiency-enhancing measures as part of the "Simplify V-ZUG" initiative.

### 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

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### Disclaimer

All statements in this Half-Year Report that do not relate to historical facts are forward-looking statements that express intentions, assessments, 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. V-ZUG Holding AG data and valuations as well as past trends and valuations described in this Half-Year Report are no guarantee for the future development and future value of V-ZUG Holding AG or the V-ZUG Group.

This Half-Year Report is published in German and English. The German version of the Half-Year Report 2024 of the V-ZUG Group is the authoritative version and can be found here: [www.vzug.com/ch/en/financial-reports](http://www.vzug.com/ch/en/financial-reports).

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