

Alternative Performance Measures

Arbonia uses alternative performance measures (APM) as guidance measures for both internal reporting to management and external reporting to stakeholders. The APM used by Arbonia have not been prepared in accordance with IFRS accounting policies and are discussed in detail below. The APM serve as supplementary information components and should therefore always be read and interpreted in conjunction with the consolidated financial statements prepared in accordance with IFRS. The APM used by Arbonia do not necessarily agree with the same or similar titled measures of other or comparable companies.

EBITDA without one-time effects/adjusted

The elimination of one-time effects provides an adjusted and thus better comparable presentation of the operating result over time. Discontinued operations as defined by IFRS 5 are not included. The following one-time effects are eliminated by Arbonia:

- Costs resulting from creation of provisions or income resulting from reversal of provisions for restructurings and reorganisation as well as closure costs
- Ramp-up costs for new production sites
- Consultancy and integration costs from acquisitions
- Consultancy costs from disposal of subsidiaries
- Gains and losses from sale of properties and associated companies
- Real estate development costs
- Costs in connection with personnel changes / leave of absence in Group and Division management

EBITA without one-time effects/adjusted

- Impairments
- Reversal of impairments

EBIT without one-time effects/adjusted

- Impairments on intangible assets from acquisitions

Group result before income tax without one-time effects/adjusted

- Costs for debt refinancing
- Impairments and reversal of impairments on loans granted

Group result after taxes without one-time effects/adjusted

- Tax effect on one-time effects
- Tax consequences from disposal of subsidiaries

Reconciliation Group and Divisions from IFRS-result to result without one-time effects / Adjusted

												2019
												in 1 000 CHF
		IFRS	%	Gain from sale of properties	Costs for restructurings and reorganisation	Ramp-up costs for new production sites	Consultancy and integration costs from acquisitions	Impairments on machinery and right-of-use assets	Various	Tax effects on one-time effects	without one-time effects/ adjusted	%
HVAC	EBITDA	51 565	9.3		4 658	2 359	428				59 010	10.6
	EBITA	26 514	4.8					1 973			35 932	6.5
	EBIT	22 720	4.1								32 138	5.8
Sanitary Equipment	EBITDA	14 669	10.2		471						15 140	10.5
	EBITA	10 823	7.5								11 294	7.9
	EBIT	9 025	6.3								9 496	6.6
Windows	EBITDA	24 653	6.9		2 470						27 123	7.6
	EBITA	2 781	0.8					1 174	-74		6 351	1.8
	EBIT	-367	-0.1								3 203	0.9
Doors	EBITDA	43 954	12.2								43 954	12.2
	EBITA	29 377	8.2					100			29 477	8.2
	EBIT	19 476	5.4								19 576	5.4
Corporate Services	EBITDA	-9 490		-1 070					156		-10 404	
	EBITA	-11 149									-12 063	
	EBIT	-11 149									-12 063	
Group	Net revenues	1 415 967	100.0								1 415 967	100.0
	Other operating income	17 460	1.2	-1 070							16 390	1.2
	Capitalised own services	7 596	0.5			-560					7 036	0.5
	Changes in inventories of semi-finished and finished goods	3 470	0.2			-199					3 271	0.2
	Cost of material and goods	-638 284	-45.1		1 056	1 300					-635 928	-44.9
	Personnel expenses	-480 075	-33.9		5 791	1 096	322				-472 866	-33.4
	Other operating expenses	-200 783	-14.2		752	722	106		156		-199 047	-14.1
	EBITDA	125 351	8.9								134 823	9.5
	Depreciation, amortisation and impairments	-67 005	-4.7					3 247	-74		-63 832	-4.5
	EBITA	58 346	4.1								70 991	5.0
	Amortisation of intangible assets from acquisitions	-18 642	-1.3								-18 642	-1.3
	EBIT	39 704	2.8								52 349	3.7
	Financial income	2 308	0.2								2 308	0.2
	Financial expenses	-7 718	-0.5								-7 718	-0.5
	Group result before income tax	34 294	2.4								46 939	3.3
Income tax expense	-8 087	-0.6							-2 382	-10 469	-0.7	
Group result after income taxes from continuing operations	26 207	1.9								36 470	2.6	

Presentation of the respective one-time effects on the immediate result line without disclosure of the impact on the subsequent line items.

Reconciliation Group and Divisions from IFRS-result to result without one-time effects / Adjusted

																	2018	
																	in 1 000 CHF	
	IFRS	%	Gain from sale of properties	Costs for restructurings and reorganisation	Ramp-up costs for new production sites	Consultancy and integration costs from acquisitions		Real estate development costs	Impairments and reversal of impairments on property and machinery	Gain from sale of associated companies	Reversal of impairment on loan granted	Costs for debt refinancing	Tax consequences from disposal of subsidiaries	Various	Tax effects on one-time effects	without one-time effects/adjusted	%	
HVAC	EBITDA	46 933	9.3		6 453	895	511									54 792	10.8	
	EBITA	25 938	5.1						2 417							36 214	7.2	
	EBIT	22 816	4.5													33 092	6.5	
Sanitary Equipment	EBITDA	11 705	8.1		450			310								12 465	8.6	
	EBITA	8 971	6.2						244							9 975	6.9	
	EBIT	7 172	5.0													8 176	5.6	
Windows	EBITDA	19 740	5.4	-4 401	260		300							125		16 024	4.4	
	EBITA	5 162	1.4						-368							1 078	0.3	
	EBIT	1 547	0.4													-2 537	-0.7	
Doors	EBITDA	39 637	11.1				466							145		40 248	11.3	
	EBITA	28 966	8.1													29 577	8.3	
	EBIT	18 676	5.2													19 287	5.4	
Corporate Services	EBITDA	12 485		-21 353			251	292		-392				245		-8 472		
	EBITA	10 768														-10 189		
	EBIT	10 768														-10 189		
Group	Net revenues	1 374 007	100.0													1 374 007	100.0	
	Other operating income	42 379	3.1	-25 754						-392						16 233	1.2	
	Capitalised own services	5 857	0.4													5 857	0.4	
	Changes in inventories of semi-finished and finished goods	-1 833	-0.1													-1 833	-0.1	
	Cost of material and goods	-633 737	-46.1													-633 737	-46.1	
	Personnel expenses	-454 654	-33.1		6 080	655	12							270		-447 637	-32.6	
	Other operating expenses	-201 519	-14.7		1 083	240	1 516		602					245		-197 833	-14.4	
	EBITDA	130 500	9.5													115 057	8.4	
	Depreciation, amortisation and impairments	-50 695	-3.7						2 293							-48 402	-3.5	
	EBITA	79 805	5.8													66 655	4.9	
	Amortisation of intangible assets from acquisitions	-18 827	-1.4													-18 827	-1.4	
	EBIT	60 978	4.4													47 828	3.5	
	Financial income	2 889	0.2							-185	-1 559					1 145	0.1	
	Financial expenses	-14 058	-1.0										519			-13 539	-1.0	
	Group result before income tax	49 809	3.6													35 434	2.6	
	Income tax expense	-11 122	-0.8											486	-965	-11 601	-0.8	
Group result after income taxes from continuing operations	38 687	2.8													23 833	1.7		

Presentation of the respective one-time effects on the immediate result line without disclosure of the impact on the subsequent line items.

Acquisition and currency adjusted growth (organic growth)

Acquisition and currency adjusted growth excludes effects from acquisitions and disposals of companies and currency effects.

In the acquisition adjusted growth, revenues of the acquired companies are eliminated in the year of acquisition. For companies acquired in the previous year, revenues of the current year are included for the same period as in the previous year. Discontinued operations within the meaning of IFRS 5 are eliminated.

In the currency adjusted growth, revenues of the current year in the functional currency of the respective company are translated at the average exchange rates of the same previous year period.

Net debt

Current and non-current financial debts plus current and non-current lease liabilities (including IFRS 16 "Leases") minus cash and cash equivalents

Adjusted net debt

Current and non-current financial debts plus current and non-current lease liabilities (excluding IFRS 16 "Leases" but including existing finance lease contracts under IAS 17 "Leases") minus cash and cash equivalents

Leverage ratio

Net debt divided by EBITDA

Adjusted leverage ratio

Adjusted net debt divided by EBITDA (excluding EBITDA-impact of IFRS 16 "Leases" but including EBITDA-impact of existing finance lease contracts under IAS 17 "Leases")

Free cash flow

Cash flow from operating and investing activities

Operational free cash flow

Cash flow from operating and investing activities without expansion capital expenditures

Capital expenditures

Maintenance and expansion capital expenditures