

AD HOC ANNOUNCEMENT PURSUANT TO ARTICLE 53 LR

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Annual result for 2023 at Meier Tobler below previous year as expected – new Service Centre now operating reliably

- **Revenue down by 1.9 percent to CHF 545.9 million**
- **EBITDA of CHF 48.5 million, a year-on-year decrease of 6.9 percent**
- **Consolidated profit amounted to CHF 27.1 million (previous year: CHF 30.7 million)**
- **Delivery problems at new Service Centre rectified**
- **Customer confidence not yet fully regained**
- **Dividend of CHF 1.30 per share proposed (previous year: CHF 1.20)**
- **Ongoing share buyback programme ended and replaced with fixed-price buyback offer**
- **Heinz Roth not standing for re-election to the Board of Directors, Andrea Tranel proposed for election**

Meier Tobler reported net revenue of CHF 545.9 million for the 2023 financial year (previous year: CHF 556.3 million), which equates to a year-on-year decrease of 1.9 percent. At CHF 48.5 million, EBITDA was down slightly from the 2022 figure of CHF 52.1 million. The EBITDA margin was 8.9 percent (previous year: 9.4 percent). The 2023 financial year was characterised by an extremely strong first half year with revenue growth of 7.0 percent. The unusually high demand for heating system renovations led to double-digit growth rates in heat pump sales. The market returned to normal in the second half of the year, with difficulties during the commissioning of the new Service Centre in Oberbuchsiten, in the canton of Solothurn, also hampering business performance. EBIT amounted to CHF 34.0 million in the financial year (previous year: CHF 37.4 million). The financial expenditure fell to CHF 0.6 million (previous year: CHF 0.9 million). Tax expenditure came to CHF 6.3 million (previous year: CHF 5.8 million). As a result, consolidated profit for the 2023 financial year totalled CHF 27.1 million (previous year: CHF 30.7 million). EBIT and consolidated profit are reduced by the annual non-cash goodwill amortisation of CHF 10.3 million from the acquisition of Tobler Haustechnik AG in 2017. Meier Tobler is amortising this goodwill on a straight-line basis through profit and loss over a period of 20 years to 2037.

Business performance

In **Retail Business**, Meier Tobler supplies some 10 000 heating and sanitary specialists across Switzerland as the leading retailer for sanitary, heating and installation products. Meier Tobler occupies a leading position in the market thanks to its Swiss-wide presence with 47 specialist stores or "Marchés", a comprehensive product range and a first-class e-shop. Under the name "marché@work", Meier Tobler runs self-service Marchés for assembly and consumable materials at customers' own warehouses. The number of customers using this service rose by almost half to over 900 in the past year. Revenue in Retail Business saw a decline during the 2023 financial year. The restraint shown in new construction activity led to lower retail volumes, while price increases were much lower compared to the previous year. Moreover, the difficulties seen during the commissioning of the new Service Centre had a particularly strong impact on the fast-moving Retail Business. The delivery problems seen between September and December 2023 resulting from insufficient process speed and quality led to significant losses in revenue. The logistics issues have been resolved and the corresponding work backlogs eliminated entirely.

The **Heat Generation business** once again expanded in the 2023 financial year. While the situation with heating system renovations returned to normal compared to the exceptional year seen in 2022, the trend towards energy-efficient heat pumps continues unabated. Oil and gas heating systems are only installed in around 10 percent of cases. Meier Tobler is supporting the energy transition with a comprehensive range of heat pumps. 14,684 tonnes of CO₂ can be saved annually with the heat pumps commissioned by Meier Tobler in 2023 alone. The online heating configurator allows Meier Tobler to also make contact with end customers, and this channel generated a significant number of leads in the past year.

The **Service Business** is undergoing a long-term transformation, with the trend moving away from fossil-fuel heating systems towards technologies based on renewable energy sources, which results in constant pressure on service revenues due to the immense scope of the installed Meier Tobler systems. Despite this, revenues saw a slight increase in the 2023 financial year. Meier Tobler has succeeded in making up for the decline in oil and gas heating systems with a significant increase in the services offered for heat pumps. With SmartGuard – the innovative online diagnosis and control tool for heat pumps – Meier Tobler makes it much easier to service building technology systems, which in turn leads to increased customer benefits and improved efficiency in the Service Business. The number of heating systems with SmartGuard increased markedly in the past year thanks to the integration of this technology in new products as standard.

The **business with Air Conditioning Systems** saw further revenue growth in 2023. Unlike in the areas of Heat Generation and Retail Business, the focus here is on large projects. For example, the past year saw a major order for the Shoppi Tivoli shopping centre in Spreitenbach, where two absorber refrigeration systems weighing 63.2 tonnes and with a cooling capacity of 3.4 MW were installed. The second phase of the cooling project for a new data centre at green.ch was also implemented in the past year. Sustainable and environmentally friendly refrigerants such as propane and ammonia are currently the main technological drivers in air conditioning.

An important project extending over several years was completed in 2023 with the construction and commissioning of the new **Service Centre** (DCO). In July 2023, Meier Tobler handed over the building to the new owner Suva and signed a long-term rental contract. From its central location, the new DCO will be at the heart of Swiss-wide supply to the HVAC industry. Around 120 employees and apprentices work at the new site, of which around 75 are in warehousing and transport logistics. In addition to the direct supply of customers in installation, the highly automated DCO also handles restocking of the 47 Marchés and supplying the approximately 400 Meier Tobler service professionals. A further major project is the replacement of the two existing ERP systems and the introduction of **SAP S/4HANA**. The goal of the project is to create continuous end-to-end processes with a standardised core system, thus forming the basis for further digitalisation steps. Commissioning of the new ERP system is planned for 1 January 2025.

Cash flow, net debt, equity

Meier Tobler generated operating cash flow of CHF 42.9 million in 2023 (previous year: CHF 47.5 million). Net debt amounted to CHF 2.2 million at the end of the year (previous year: CHF 4.3 million). Meier Tobler has credit lines totalling CHF 90 million at its disposal. Equity amounted to CHF 173.2 million (31.12.2022: CHF 171.3 million), and the equity ratio was 52.0 percent (previous year: 44.0 percent). The increase in equity ratio is due to a reduction in the balance sheet. During the construction of the Service Centre, the building under construction was capitalised as an asset and the down payments received recognised as liabilities. With the transfer of ownership to Suva and the start of the lease, the building is no longer recognised on the balance sheet.

Key figures

in TCHF	2023	2022	Change as a %
Revenue	545 920	556 339	-1.9%
EBITDA	48 470	52 076	-6.9%
<i>as a % of revenue</i>	8.9	9.4	
EBIT	33 976	37 365	-9.1%
<i>as a % of revenue</i>	6.2	6.7	
Consolidated profit	27 145	30 672	-11.5%
<i>per registered share in CHF (weighted)</i>	2.37	2.60	-8.8%
<i>per registered share in CHF (reference date)</i>	2.40	2.65	-9.4%
Cash flow from operating activities	42 910	47 539	-9.7%
in TCHF	31.12.2023	31.12.2022	
Financial liabilities	21 000	18 000	
Net debt	2 202	4 295	
Equity	173 190	171 326	
<i>as % of total assets</i>	52.0	44.0	
Number of employees (FTEs)	1 260	1 258	

Dividend distribution and share buyback programme

The Board of Directors will ask the Annual General Meeting of Meier Tobler Group AG on 9 April 2024 to approve a slightly increased dividend of CHF 1.30 per share (previous year: CHF 1.20). The dividend will be taken in equal parts from the retained profit and the capital contribution reserves.

In February 2022, the Board of Directors decided to repurchase own shares over a maximum period of three years up to a maximum total value of CHF 30 million or a maximum of 1 039 290 shares (8.66 percent of the share capital at that time) for the purpose of a share capital reduction. As part of this programme, 266 450 shares were repurchased for a total value of CHF 11.3 million in the past financial year. From the start of the programme until the end of December 2023, a total of 675 250 shares or 5.63 percent of the share capital as at 11 March 2022 have been repurchased for a total value of CHF 22.2 million, which corresponds to an average price of CHF 32.87.

The Board of Directors intends to end the ongoing share buyback programme in the near future and replace it with a fixed-price buyback offer. This allows major and institutional investors to take part in the share buyback too, so the percentage share of the free float will increase to the extent possible. Until further notice, it is planned to repurchase own shares in the maximum amount of CHF 12 million annually, divided into two tranches, one each after the publication of the annual results and half-year results. The actual repurchased volume depends on the readiness to offer shares and may end up below the target amount. With the gradual repurchase and cancellation of shares, the goal is a continuous, sustained increase in profit and thus in the dividend capacity per share.

Details on implementation of the first tranche in 2024 will be published shortly at the start of the fixed-price buyback offer.

Sustainability

The federal government's energy strategy envisages that CO₂ emissions from buildings will be reduced to net zero. The transition from fossil-fuel heating systems to heat pumps is a crucial factor in this. Meier Tobler aims to help with the achievement of these climate goals, both through the services it offers and by reducing its own carbon footprint. Meier Tobler acts on its environmental, social and economic responsibility out of a strong sense of conviction and has integrated a consistent sustainability programme into its strategy. Reporting on non-financial matters (Art. 964a ff. CO) and reporting on sustainability in accordance with internationally recognised standards took place the first time for the 2023 financial year. The report is available at meiertobler.ch/nachhaltigkeit.

Annual General Meeting

Heinz Roth is no longer standing for re-election to the Board of Directors. He has been a member of the Board since 2005 and has headed up the Audit Committee since its foundation in 2008. Heinz Roth led the Audit Committee independently and with extensive expertise and, thanks to his extremely valuable experience, was a central pillar and driving force on the Board of Directors. The Board of Directors and Group Management would like to offer their heartfelt thanks to Heinz Roth for his valuable contribution, excellent cooperation and years of loyalty, and wish him all the best for the future.

Andrea Tranel will now be proposed for election to the Board of Directors. She is CFO at the Competec Group (including Brack.ch) and was a member of the Board of Directors at Schaffner Holding AG. Should Andrea Tranel be elected to the Board of Directors at the Annual General Meeting, the intention is that she will take on the position as Chair of the Audit Committee.

At the coming Annual General Meeting, Board members Silvan G.-R. Meier (Chairman), Heinz Wiedmer and Alexander Zschokke will be standing for re-election for a period of office of one year.

Outlook

Due to increased interest rates and construction costs, Meier Tobler expects a slight decline in the Swiss construction industry overall in the current year. Following an exceptional period of peak demand, the demand for heating system renovations returned to normal from mid-2023. The company expects a stable development at a high level for 2024 and the coming years on the Swiss heat pump market.

Meier Tobler has been able to rectify the teething problems in logistics and will in the current year again be able to offer customers the delivery reliability they have come to expect. However, it has not yet been possible to fully regain the customer confidence lost due to the logistics issues, which meant that revenue in the first two months of the 2024 financial year was significantly down on the previous year. Meier Tobler is currently doing everything in its power to regain this lost revenue. However, it is difficult to estimate how quickly this will occur. It is clear that revenue in the first half of the year will be down on the previous year due to the very high figures seen in the same period in that year. Due to the lower basis for comparison, it will be much easier to surpass the year-on-year revenue figures in the second half of the year. Meier Tobler's overall aim is to again achieve the profit figures seen in the previous year.

In the medium term, Meier Tobler still believes it is in a good position to make a significant contribution to the energy transition in Switzerland, which should contribute to the stabilisation of revenue and results.

Further information

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Dates

2 April 2024	Closure of share register
9 April 2024	Annual General Meeting
25 July 2024	Publication of half-year results for 2024
31 December 2024	Closing of 2024 financial year

Meier Tobler is a provider of building technology systems that focuses on the Swiss market. The company was founded in 1937 and now employs some 1250 people. Shares in Meier Tobler are listed on the SIX Swiss Exchange (symbol MTG).

This ad hoc announcement and the full annual report for 2023 are available at meiertobler.ch/de/investoren.