



# V-ZUG Group – Full-Year Report 2021

## 15 March 2022



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# Agenda

- ① V-ZUG Group – Overview
- ② Markets
- ③ Products
- ④ Site Transformation
- ⑤ Financial Information FY 2021
- ⑥ Outlook
- ⑦ Investment Case
- ⑧ Q & A







## 1. V-ZUG Group – Overview

“Bringing simplicity into your home  
and creativity into your kitchen”



# 1. V-ZUG Group – Overview

## New products and digital solutions

- **Highlight 2021:** launch of Excellence Line in early 2021
- **Coming soon:** PowerSteam (a world first), CombiCookTop and WineCooler
- **Introduction / update of digital solutions:** V-Kitchen, V-Upgrade, V-Connect, VESTA plus updated V-ZUG Home App with extended functionalities and content

## Sustainability

- **Energy efficiency:** V-ZUG still delivers around 60% of appliances in highest energy efficiency classes (rescaled, A-C)
- **CO<sub>2</sub>-neutrality** at production sites through prevention, reduction of emissions and voluntary compensation
- **Equal pay employers:** Swiss V-ZUG companies certified

## Operations with challenges in supply chains leading to rising costs

- **Production downtimes avoided to a great extent:** delivery capability maintained at good level with some exceptions towards end of 2021
- **Extraordinary high increase in purchase prices** necessitating sales prices adjustments of V-ZUG appliances
- **Seamless organisation of work ensured** with adequate protection of operations/service employees and office staff mostly working from home

## Record high net sales leads to a significant increase of operating result

- **Net sales:** CHF 623.7 million; CHF +54.3 million / +9.5% vs. PY
- **Strong EBIT:** CHF 62.7 million resp. 10.0% of net sales; CHF +13.5 million / +27.5% vs. PY
- **Free cash flow:** CHF +9 million; CHF -33 million vs. PY due to higher inventory, tax payments and ongoing high investments

## Sales growth in all markets

- **Swiss Market** with «Sonderkonjunktur»: +5.4%
- **International:** +40.5%; target of doubling of sales between 2019-24 likely to be achieved 2 years ahead of schedule
- **International:** Persisting strong growth in own-brand business and significantly recovered OEM business





## Site transformations progressing according to plan

- **Zephyr Hangar (Zug):** Enamelling coating technology system commissioned in November 2021
- **Refrigerator factory (Sulgen):** Site transfer from Arbon to Sulgen completed in March 2022
- **Zephyr Ost (Zug):** Construction start of new production building in May 2021

FY 2021  
at a glance

# 1. V-ZUG Group – Overview

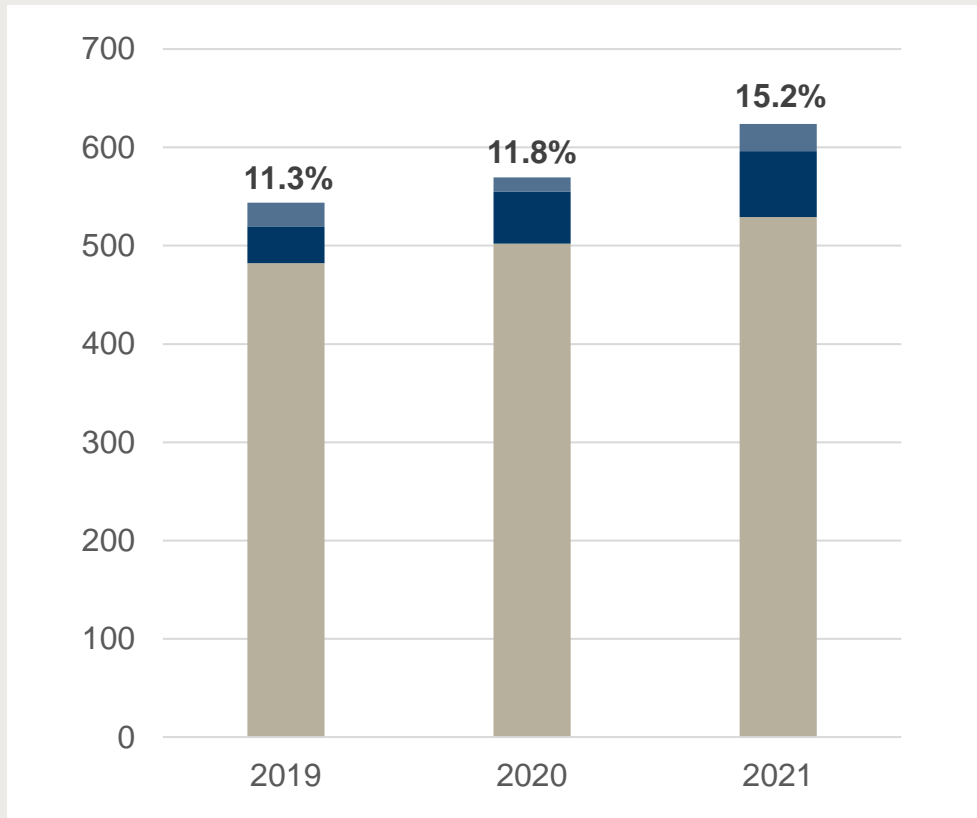
FY 2021 at a glance – Medium-term targets achieved or in close sight

Targets	Mid-term Expectation	2021 Report Card
Total net sales	2 to 3% organic growth	 Growth 2021: +9.5%; net sales reached all-time high
International sales	Doubling within 5 years (2019 – 2024)	 Sales 2021 compared to 2020: +40.5% (own brand: +26.5%); target of doubling sales vs. 2019 likely to be achieved 2 years ahead of schedule
EBIT margin	> 10%	 EBIT margin 2021: 10.0%; target achieved for first time since spin-off in 2020
Dividends	20 to 40% pay-out ratio	 As communicated during spin-off: 2021 financial year is proposed to be second year without dividend

# 1. V-ZUG Group – Overview

Strong organic growth of 9.5% despite tight situation in supply chains

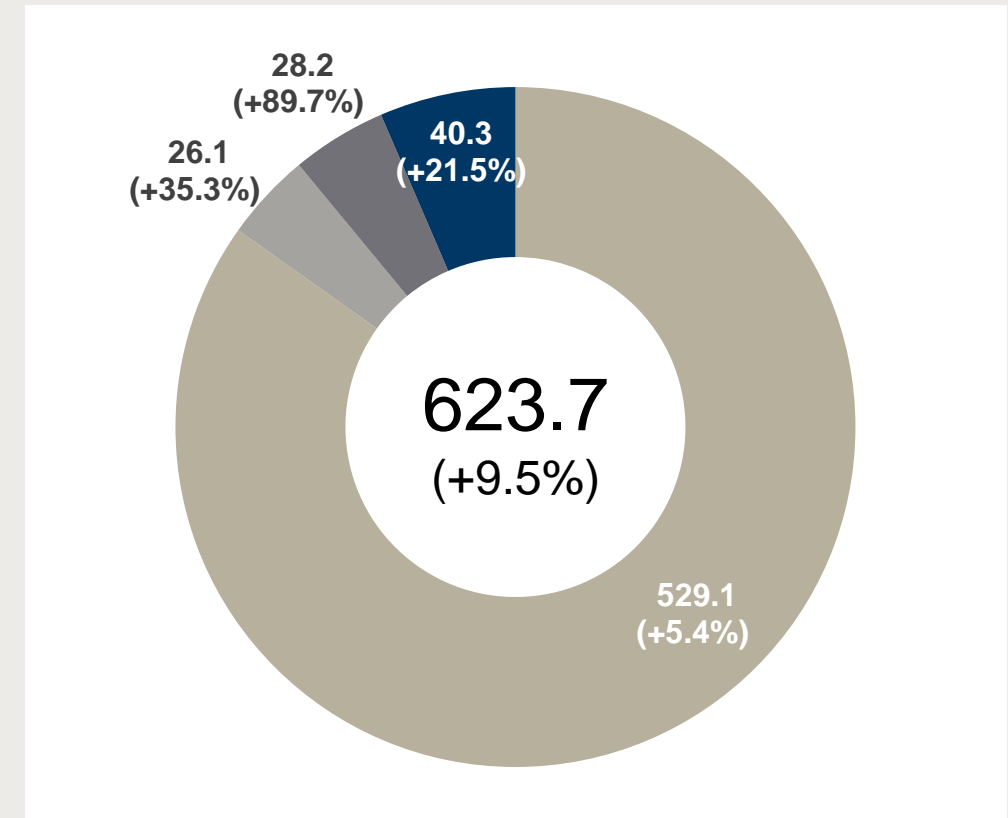
Net sales [in CHF million]



% International Markets in % of total net sales

- International OEM business
- International own brand
- Switzerland

Net sales by region [in CHF million]



% Growth compared to FY 2020

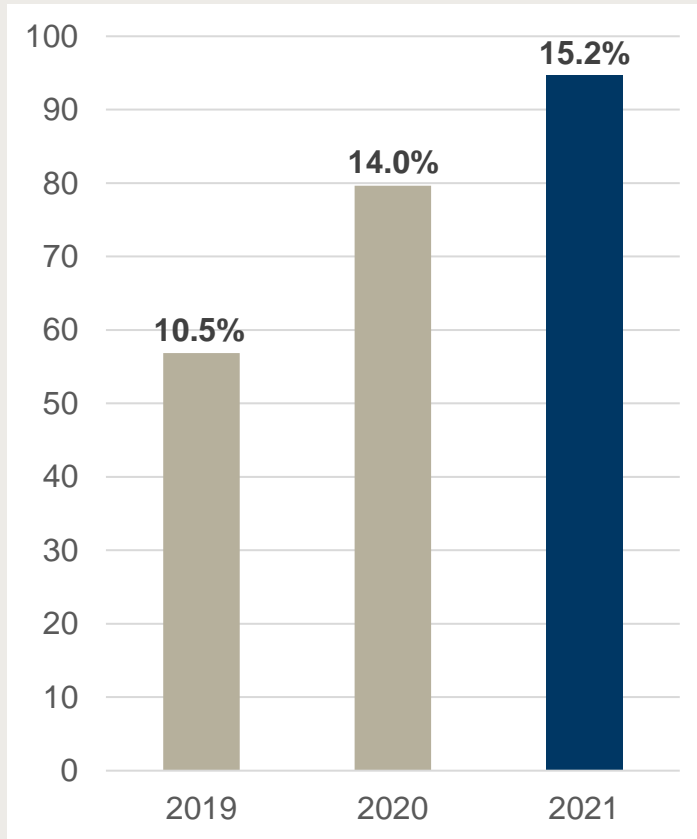
- Asia/Pacific
- Americas
- Europe w/o Switzerland
- Switzerland

# 1. V-ZUG Group – Overview

Significant increase of EBITDA and EBIT margin

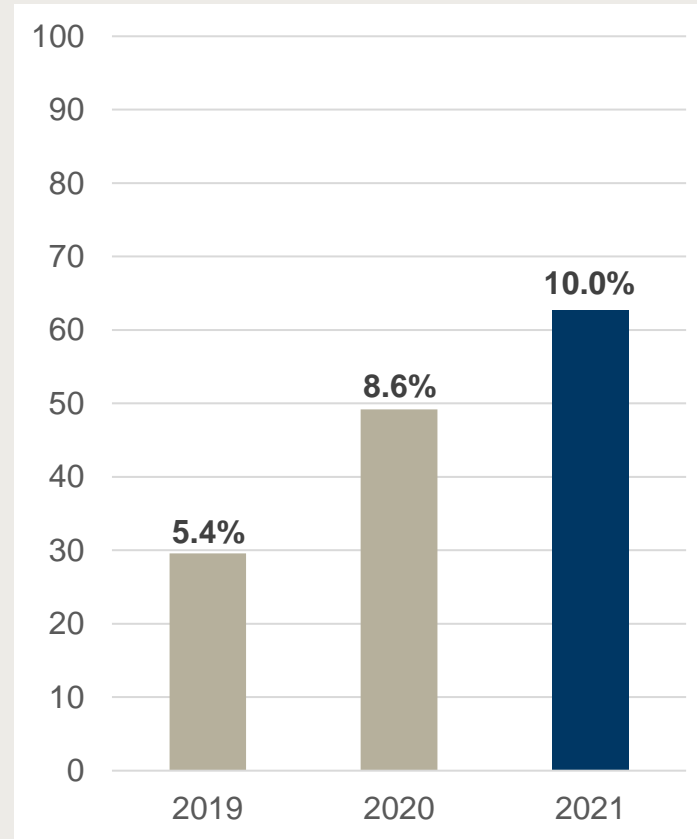
Positive Free cash flow despite ongoing high investments, much higher inventories and increased tax payments

EBITDA [in CHF million]



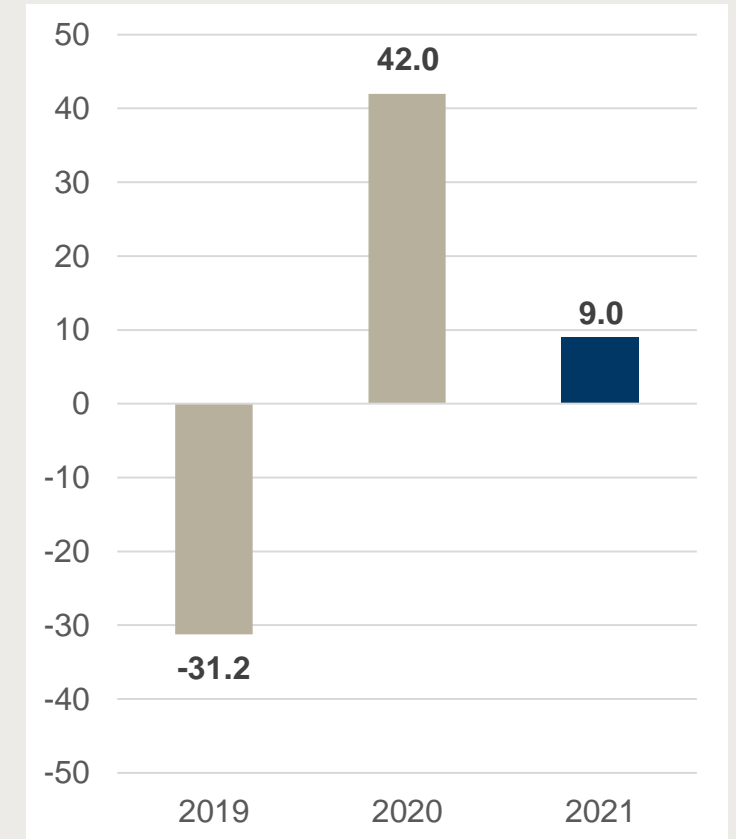
% EBITDA margin in % of net sales

Operating result (EBIT) [in CHF million]



% EBIT margin in % of net sales

Free cash flow [in CHF million]



Note: EBIT margin H1 2021 12.4 % vs. H2 2021 7.7 % due to higher purchase costs and a lag in sales price increases

# 1. V-ZUG Group – Overview

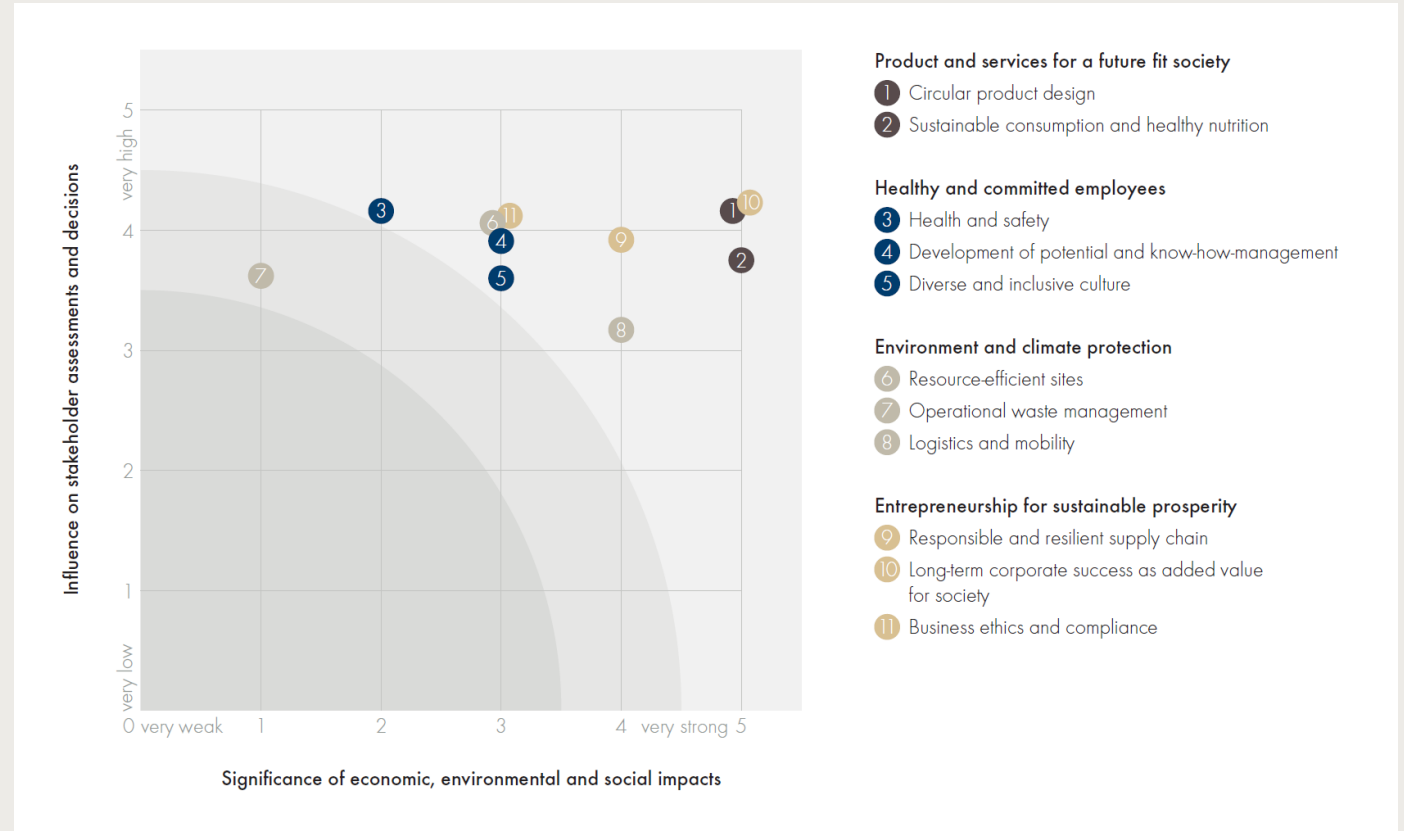
An updated materiality matrix has been released

Considering input from various stakeholders (customers, investors, employees, BoD, ExCo)

## Four focus topics:

- Products and services for future fit society
- Healthy and committed employees
- Environment and climate protection
- Entrepreneurship for sustainable prosperity

We want to provide V-ZUG users with more circular-economy-ready, energy-efficient appliances that are easy and fun to use!

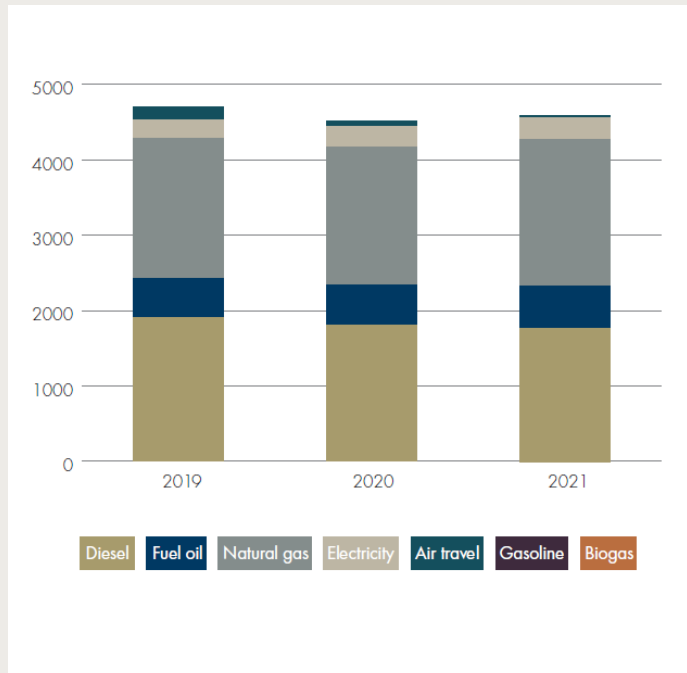




# 1. V-ZUG Group – Overview

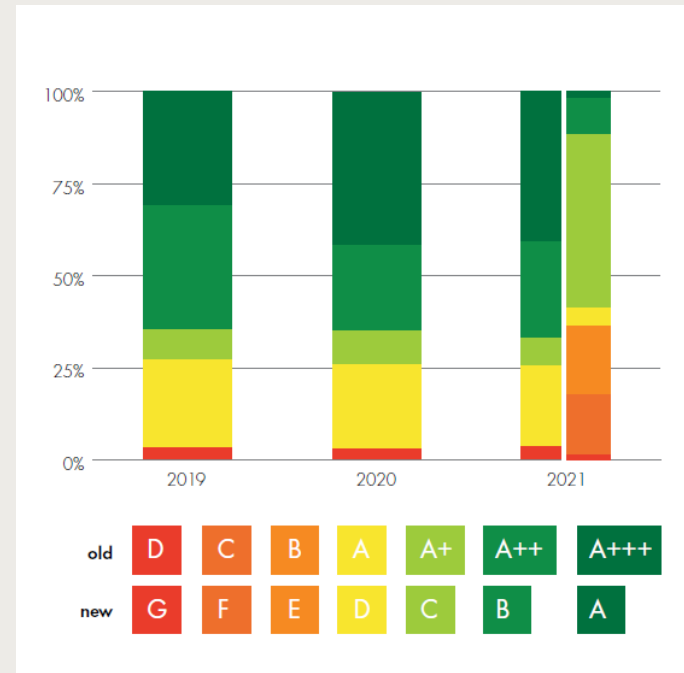
## Sustainability

Operational CO<sub>2</sub> emissions in tons



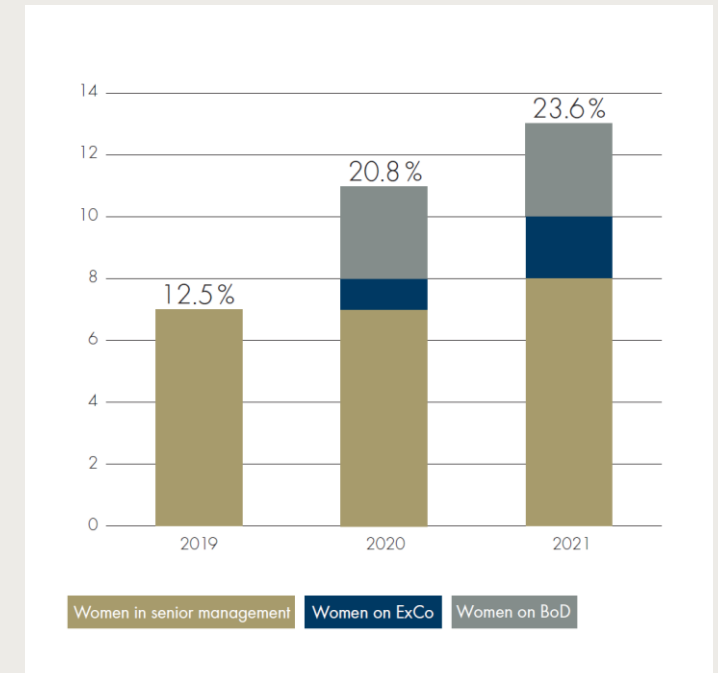
All Swiss-made V-ZUG appliances are CO<sub>2</sub>-neutral (via compensation).

Appliances sold by energy efficiency class



Even under significantly stricter energy efficiency regulations V-ZUG continued to place around 58 % of rescaled appliances in highest energy efficiency classes (A - C).

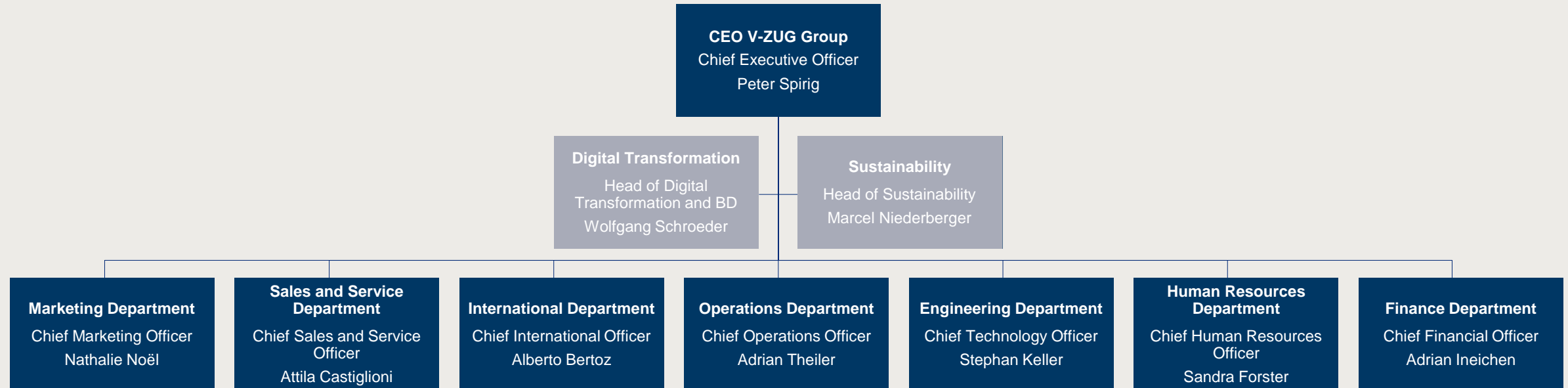
Number of women in management roles



Proportion of women in top management levels at V-ZUG has risen continuously in recent years.

# 1. V-ZUG Group – Overview

## Executive Committee and Staff Functions







## 2. Markets

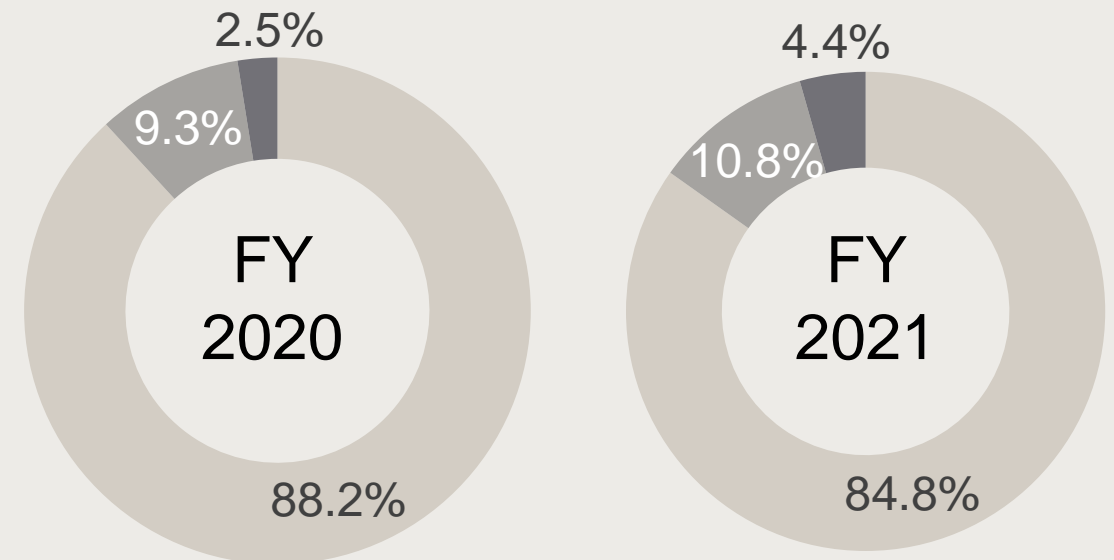


## 2. Markets

**Switzerland and International** – Growth in all markets leads to significant increase of operating result

- Extraordinary strong growth in Swiss market of 5.4% with pandemic driving high demand. Market leadership in Switzerland maintained
- Share of international net sales increased from 11.8% to 15.2% (up to a total of CHF 94.6 million international net sales for 2021)
- International own brand business with significant sales growth (+26.5%); order book increased by almost 40% to CHF 100 million
- OEM business has fully recovered after temporary decline in 2020 (+91.9%)

### Share of net sales Switzerland and International (own brand & OEM)



■ Switzerland ■ International own brand ■ International OEM business



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## 2. Markets

**General** – ZUGORAMAs in Switzerland with facelifts; new V-ZUG Studios across the world

- Renovation of ZUGORAMAs in Bern (H1 21) and Chur (H1 22)
- Opening of several V-ZUG Studios in collaboration with distribution partners in 2021
- Grand opening of V-ZUG Studio in London end of March 2022 (soft opening end of 2021)
- Preparations for V-ZUG Studios to be opened in 2022 in Paris (Q2), Sydney (Q3) and Vienna (Q4)



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## 2. Markets

Marketing and media presence in **Switzerland** – SRF 10 vor 10 “Mieten statt Kaufen”



Source: Swiss Radio and Television (SRF), 10 vor 10, «Mieten statt kaufen», 23 February 2022



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## 2. Markets

Marketing and media presence in **Singapore** –  
MasterChef Singapore with  
V-ZUG ambassador  
Ryan Clift



Source: MediaCorp Pte Ltd., Singapore

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## 2. Markets

Marketing and media presence in **Germany** – FAZ, special publication “Zukunftshandwerk”



Source: Frankfurter Allgemeine Zeitung, special publication «Zukunftshandwerk» - Eine Serie über Innovationsindustrie



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## 2. Markets

### General – V-ZUG in the words of our business partners

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«With V-ZUG, GEFISWISS has found a reliable, local partner with whom **we share the same values of sustainability and innovation**. The concept of the short circuit is at the heart of the GEFISWISS philosophy and is thus close to the development of V-ZUG through a circular economy.»

Adrien GALLAND, Marketing & Communication, GEFISWISS SA, Lausanne

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«For years, the Dr Stephan à Porta - Stiftung has been equipping the kitchens and washrooms of its properties with quality products from V-ZUG AG. **Switzerland as a production location and the company's commitment to sustainability play an important role in this**. Based on our excellent experience, we can warmly recommend the products of V-ZUG AG to any long-term investor.»

Armin ISLER, Managing Director, Dr. Stephan à Porta-Stiftung, Zürich

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«We can wholeheartedly identify with the V-ZUG brand and its brand promise of “Swiss Perfection for your home”. **For us, quality, durability and design represent a promise that constitutes our “architecture for life”.**»

Beat ZAUGG, Chairman of the Board, CEO and owner, ramseier + stucki architekten ag, Muri b. Bern

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## 2. Markets

**Switzerland** – From extraordinary demand to normalisation by steady growth until 2026

- **Short term:** Extraordinary demand in Swiss market due to Covid-19 stimulated consumer behavior
- **Mid term:** Normalisation to steady growth driven by new build, refurbishments, replacements (approx. 1/3 each)





### 3. Products



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## 3. Products

### Excellence Line

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«Die Geräte der neuen Excellence Line überzeugen durch das klare, schnörkellose Design. Ebenfalls sehr ansprechend ist die intuitive Bedienung über den virtuellen, jedoch haptisch erlebbaren CircleSlider.»

Thomas GYGAX – Gygax Architekten AG, Wabern

”

«With its unpretentious design and complex technology – so easy to use thanks to the CircleSlider - the Excellence Line takes up design standards common to Molteni&C | Dada. Our functional and aesthetic approach is always combined with innovative technical quality, which is often invisible inside our furniture. The collaboration between our two brands is a must.»

Michele MORGILLO – Managing Director Molteni&C France



reddot winner 2021  
best of the best





### 3. Products

Extending the Excellence Line product range: PowerSteam and Miwell



**PowerSteam** is a world first and a significant testimony to V-ZUG's outstanding expertise in combining steam and microwave preparation in one appliance. The inverter technology developed exclusively by V-ZUG makes it possible to cook quickly and gently with both operational modes in action at the same time.



The new **Miwell** microwave can be integrated seamlessly into the Excellence Line and the digital ecosystem of the V-ZUG world.

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## 3. Products

CombiCookTop and WineCooler further strengthen premium positioning



**CombiCookTop** with integrated extractor fan, offering various configurations for more performance and flexibility. New concept in grease and odor filtration ensures easy cleaning and user-friendly maintenance by setting new market standards.



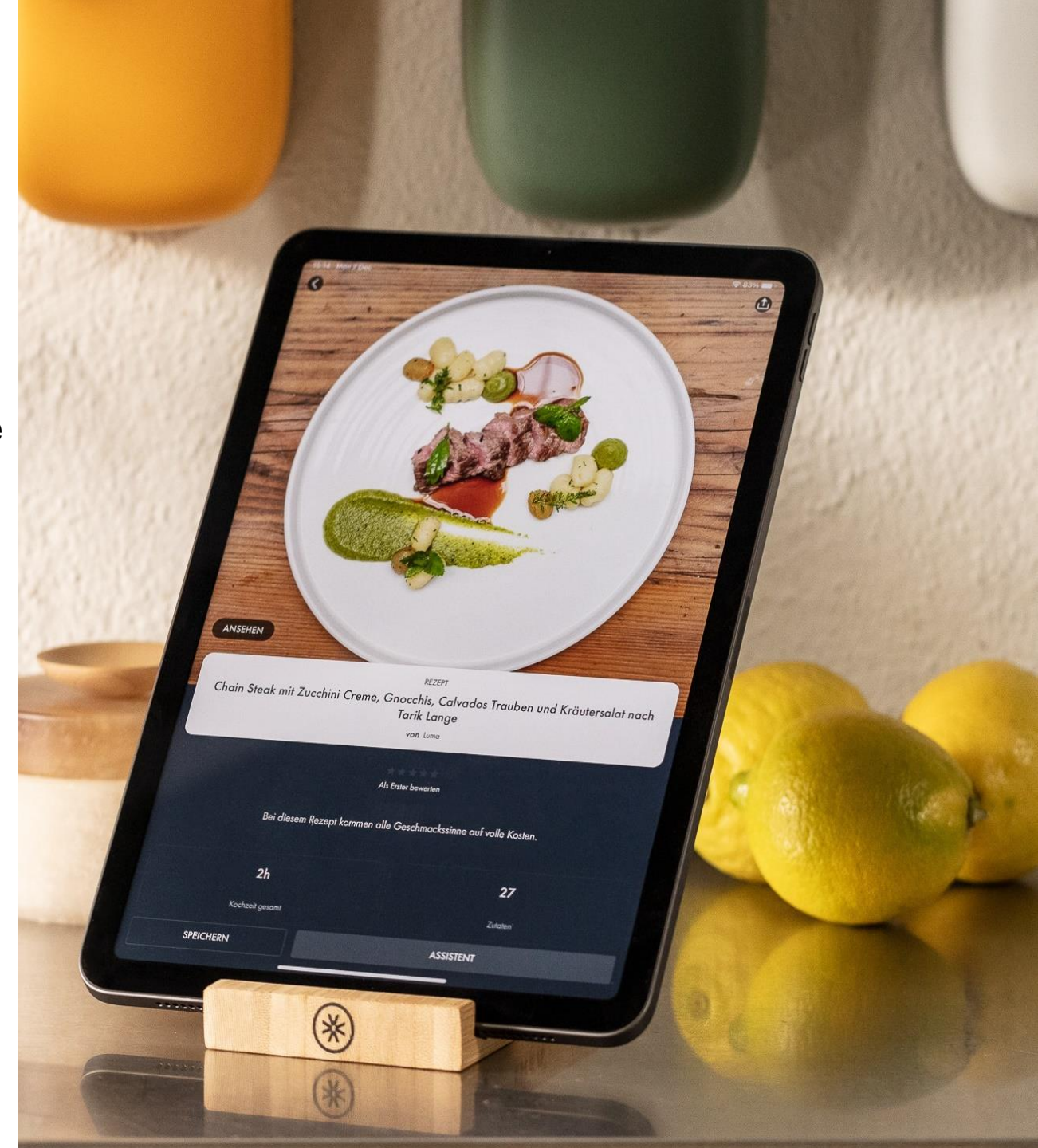
The new **WineCooler** features a new design and upgraded technology such as the SilentPlus function for maximum noise reduction. The TouchOpen door blends in seamlessly with handleless kitchens. With a mirror glass front from "Excellence Line", this product joins the extended range of V-ZUG's premium kitchen appliances.



### 3. Products

New digital solutions introduced/updated in 2021

- **V-ZUG Home App** – Updated with launch of new Excellence Line by a range of new functionalities
- **V-Kitchen** – Digital assistant for inspiration, menu planning and grocery shopping to reduce food waste
- **V-Upgrade** – Acquisition of additional functions for washing machines and dryers
- **V-Connect** – Remote diagnosis or remote maintenance of household appliances up to 20 years of age
- **VESTA** – Digital booking and payment system for shared laundry rooms
- **Outlook:** Digitalisation as catalyst for raising end customers' awareness of the environmentally friendly use of V-ZUG appliances





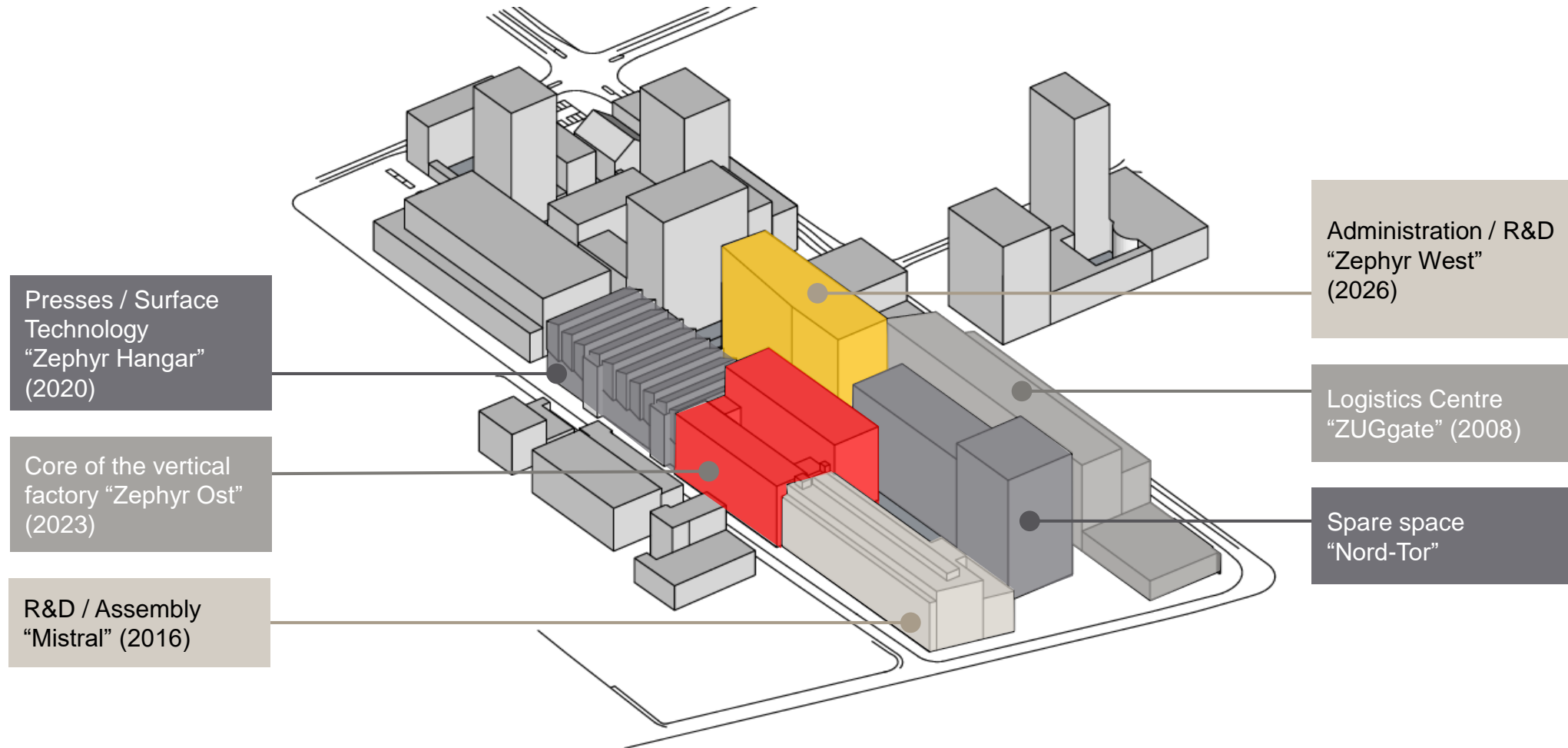


## 4. Site Transformation



## 4. Site Transformation

**Zug:** Construction of new production building “Zephyr Ost” started in May 2021 and is well on track



## 4. Site Transformation

### Sulgen: New refrigerator factory commissioned

- Relocation of V-ZUG Kühltechnik AG to new factory in Sulgen is a milestone in transformation process of V-ZUG Group
- All equipment installations completed on schedule; production has been gradually shifted from Arbon to Sulgen. Process to be completed in March 2022



New refrigerator factory of V-ZUG Kühltechnik AG in Sulgen



Container foam system for isolation and reinforcement of refrigerators





## 5. Financial Information FY 2021



## 5. Financial Information FY 2021

### Result – V-ZUG Group

in CHF million	FY 2021	Δ	FY 2020
Net sales	623.7	9.5%	569.4
EBITDA	94.7	18.9%	79.6
<i>EBITDA margin in %</i>	15.2	120 bp	14.0
Operating income (EBIT)	62.7	27.5%	49.2
<i>EBIT margin in %</i>	10.0	140 bp	8.6
Free cash flow	9.0	n/a	42.0
<i>ROCE in % <sup>1)</sup></i>	17.0	280 bp	14.2

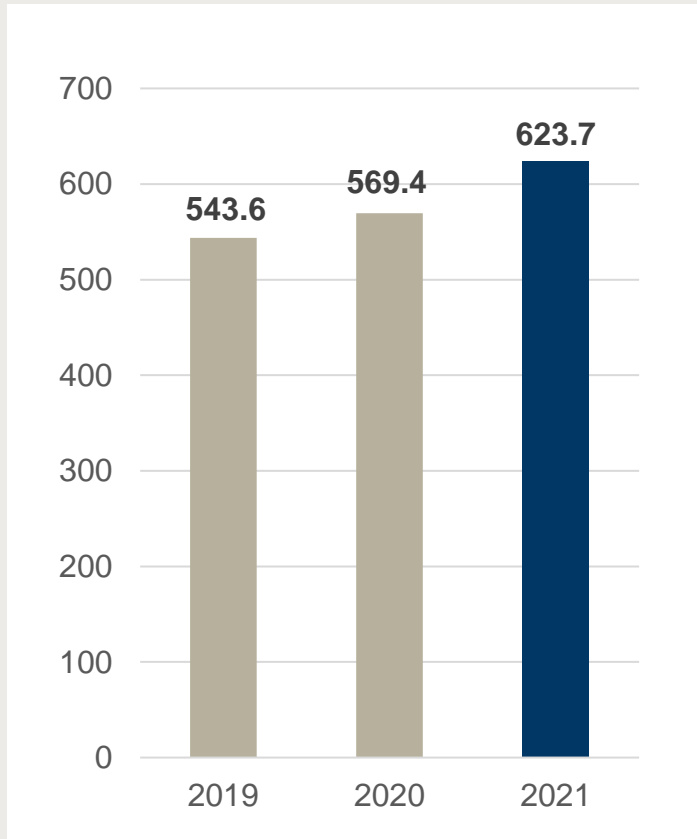
- Result is driven by continued high demand in Swiss Market and strong growth in International Markets
- EBIT increased based on
  - higher sales volume, sales price increase
  - higher productivity
  - good cost control
  - partly compensated by significantly higher purchasing cost along supply chain
- Difference in free cash flow to previous year is primarily due to higher stock levels and increased tax payments
- ROCE increased based on higher EBIT despite higher capital employed due to transformation

<sup>1)</sup> EBIT of last 12 months / weighted capital employed (extended net working capital + fixed assets + operating cash - provisions)

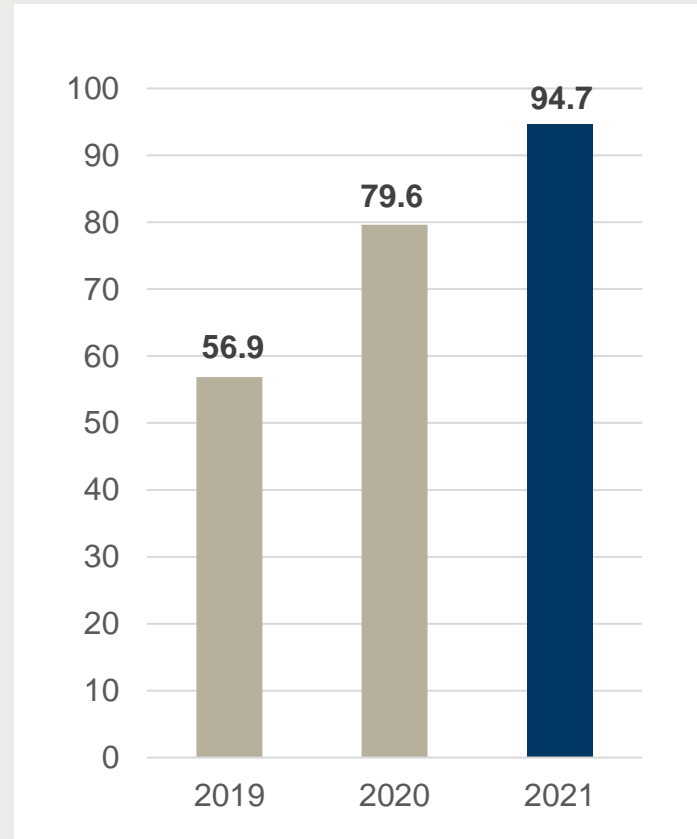
## 5. Financial Information FY 2021

Growth in all markets and significant increase of operating result

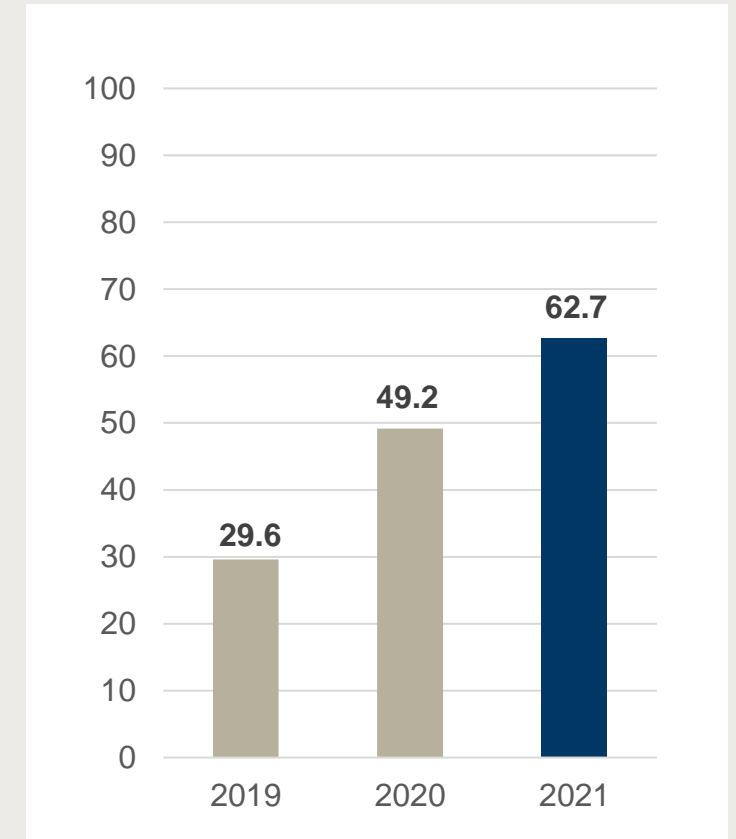
Net sales [in CHF million]



EBITDA [in CHF million]



Operating result (EBIT) [in CHF million]



## 5. Financial Information FY 2021

### Result – Household Appliances segment

in CHF million	FY 2021	Δ	FY 2020
Net sales	623.7	9.5%	569.4
Operating income (EBIT)	58.1	25.9%	46.2
<i>EBIT margin in %</i>	9.3	120 bp	8.1
<i>ROCE in % <sup>1)</sup></i>	28.0	470 bp	23.3

- FX neutral net sales growth of 9.2%
- Extraordinary high growth in Net sales is partly compensated by
  - much higher purchasing cost related to materials, microchips and logistics services
  - special efforts to maintain the supply chain and delivery quality
  - continuous high investments into strategic transformation with regards to internationalisation, digitisation, innovation, marketing and area-transformation

<sup>1)</sup> EBIT of last 12 months / weighted capital employed (extended net working capital + fixed assets + operating cash – provisions)



## 5. Financial Information FY 2021

### Result – Real Estate segment

in CHF million	FY 2021	Δ	FY 2020
Net sales	–	–	–
Operating income (EBIT)	5.4	47.2%	3.7
<i>EBIT margin in %</i>	–	–	–
<i>ROCE in % <sup>1)</sup></i>	3.5	80 bp	2.7

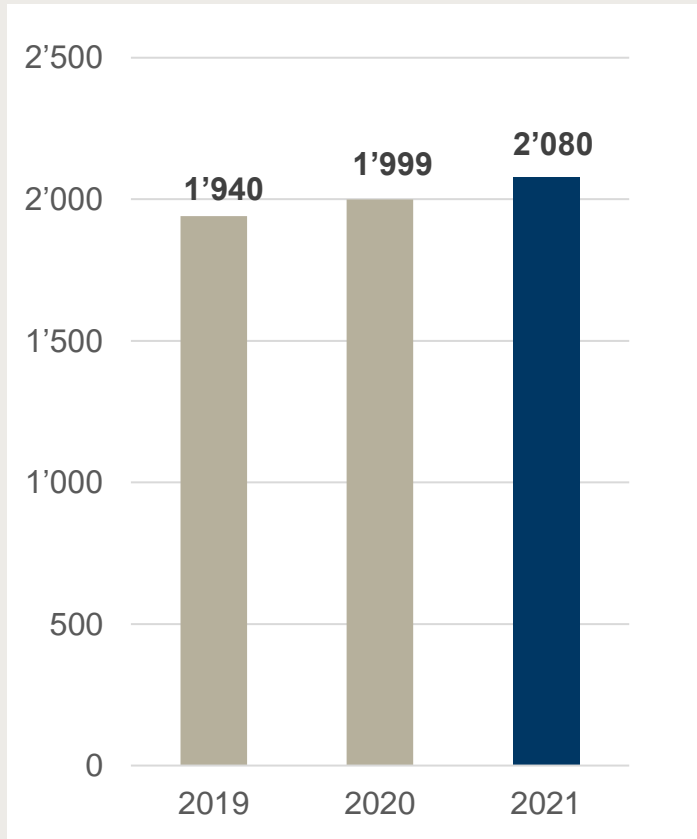
- Increase of EBIT due to higher rent income related to the buildings “Zephyr Hangar” and “Buran”
- Provision related to soil remediation of CHF 0.6 million is released as a result of the completion of the remediation work for the “Zephyr Ost” construction plot

<sup>1)</sup> EBIT of last 12 months / weighted capital employed (extended net working capital + fixed assets + operating cash – provisions)

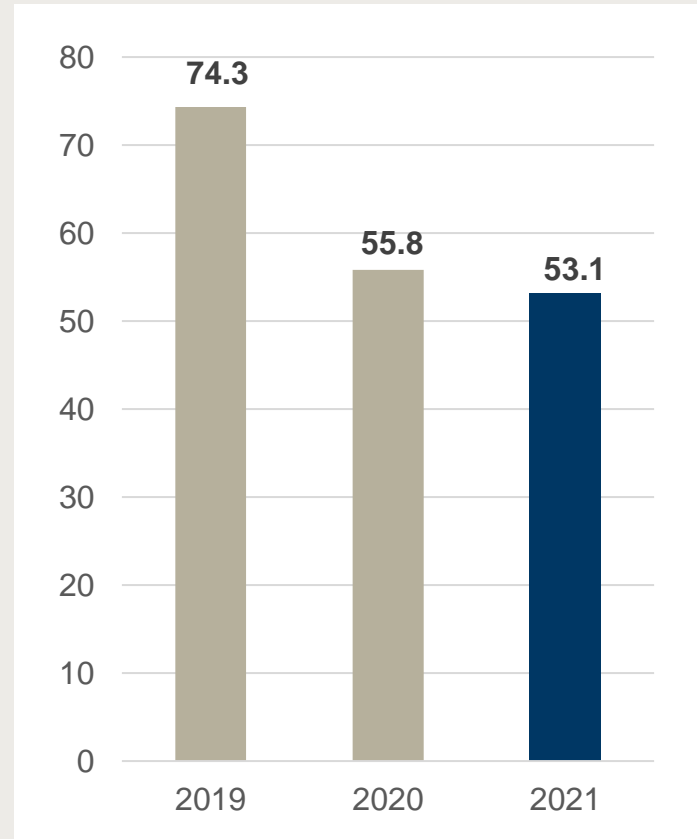
## 5. Financial Information FY 2021

Noticeable increase in no. of FTEs as an investment into International Markets but also to fulfil market demand

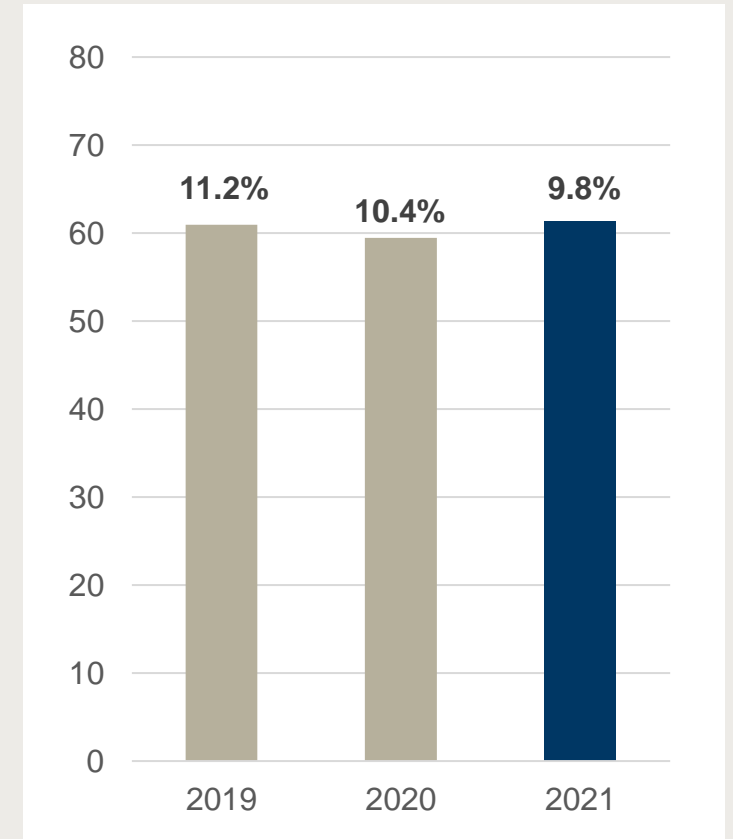
Total FTEs [as of 31 December; incl temps]



CAPEX [in CHF million]



R&D expenses [in CHF million & in % of Net Sales]



## 5. Financial Information FY 2021

### Cash flow statement V-ZUG Group

in CHF million	FY 2021	FY 2020
<b>Cash flow from operating activities</b>	<b>63.5</b>	<b>99.4</b>
▪ of which taxes paid	-6.4	-0.7
<b>Cash flow from investing activities</b>	<b>-54.4</b>	<b>-57.4</b>
▪ of which investments in tangible assets	-52.3	-53.6
▪ of which investments in intangible assets	-2.2	-4.4
<b>Cash flow from financing activities</b>	<b>–</b>	<b>29.9</b>
▪ of which dividend	–	–
Currency translation effects	0.4	-0.4
<b>Change in “net cash and cash equivalents”</b>	<b>9.5</b>	<b>71.5</b>
<b>Free cash flow</b>	<b>9.0</b>	<b>42.0</b>

- Cash flow from operating activities in 2020 was extraordinarily high. Besides higher net result, main deviations 2021 vs. 2020 are changes in stock levels and tax payments
- Continued high investment volume due to transformation projects. All transformation projects are well on track
- Cash flow from financing activities in 2020 was related to restructuring of capital in the course of the spin-off from Metall Zug



## 5. Financial Information FY 2021

### Income Statement V-ZUG Group

in CHF million	H2 2021	H1 2021	H2 2020	H1 2020
Net Sales	315.4	308.3	310.8	258.6
EBITDA	40.9	53.7	52.1	27.6
<i>EBITDA in % of Net Sales</i>	13.0%	17.4%	16.8%	10.7%
Operating income (EBIT)	24.4	38.3	36.3	12.9
<i>EBIT in % of Net Sales</i>	7.7 %	12.4%	11.7%	5.0%

- After COVID-19 “shock” in H1 2020, very strong H2 2020 and H1 2021
- H2 2021 impacted by
  - Supply chain challenges leading to higher purchase prices
  - Higher OPEX due to increased marketing activities incl. launch Excellence Line in International Markets

## 5. Financial Information FY 2021

### Balance Sheet V-ZUG Group

in CHF million	31.12.2021	in %	31.12.2020	in %
Cash and cash equivalents incl. securities	117.3	19.0	107.8	19.4
Other current assets	166.8	27.1	137.7	24.8
<b>Current assets</b>	<b>284.1</b>	<b>46.1</b>	<b>245.5</b>	<b>44.3</b>
Tangible assets	295.4	47.9	270.1	48.7
Financial & intangible assets	36.6	5.9	39.1	7.1
<b>Fixed assets</b>	<b>332.0</b>	<b>53.9</b>	<b>309.2</b>	<b>55.7</b>
<b>Total assets</b>	<b>616.1</b>	<b>100.0</b>	<b>554.7</b>	<b>100.0</b>
Financial liabilities	-	-	-	-
Other liabilities	167.3	27.1	161.5	29.1
<b>Total liabilities</b>	<b>167.3</b>	<b>27.1</b>	<b>161.5</b>	<b>29.1</b>
<b>Shareholders' equity</b>	<b>448.9</b>	<b>72.9</b>	<b>393.2</b>	<b>70.9</b>
<b>Total liabilities and shareholders' equity</b>	<b>616.1</b>	<b>100.0</b>	<b>554.7</b>	<b>100.0</b>

Strong balance sheet with equity ratio of 72.9% and cash position of CHF 117.3 million. Both support the sustainable, self-financed investments into the future of the V-ZUG Group

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## 5. Financial Information FY 2021

### Dividend policy

- V-ZUG Holding AG pursues a dividend policy that is primarily based on the amount of distributable profit
- In the medium to long term, the profit distribution ratio should be between 20% and 40% of the group's net result
- As communicated in context of the spin-off: In the first three years after the spin-off, it can be assumed that no dividend will be paid. It is planned to use the funds primarily for investments in products, markets and the production sites in Zug and Sulgen





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## 6. Outlook

### Outlook 2022

- V-ZUG is aware of, and has taken precautions for,...
  - **Geopolitical developments** may very well throw a wrench into the works of the global economy
  - **Purchase cost increases and supply chain issues** will remain a major challenge in 2022 – an easing is expected towards end of 2022 only. Further **sales price adjustments** necessary...and is well-positioned to seize opportunities and overcome challenges
- **Swiss Market:** Economic situation may remain stable as building projects initiated will be finished; sales price increase will support positive sales growth
- **International Markets:** foundations have been laid for a continued successful penetration and double-digit sales growth
- We expect the **EBIT margin** for H1 2022 to be on the level of the EBIT margin of H2 2021; for the FY 2022, we target an EBIT margin in the range of 10%



## 6. Outlook

### Update of mid-term targets 2022 - 2026

Two medium-term targets announced at stock market listing already achieved; a third target well under way to being met in 2022

This gives rise to 3 new mid-term targets:

	Mid-term expectation	Updated
Total net sales	2 to 3% organic growth	<b>&gt; 6%</b> organic growth in 2022 <b>3%</b> annual organic growth 2023-26
International net sales	Doubled in 5 years (2019 – 2024)	<b>&gt; 10%</b> annual organic growth
EBIT margin	> 10%	<b>10 to 13%</b>
Dividends	20 to 40% pay-out ratio	(unchanged)





A modern kitchen island with a curved, white countertop and a stainless steel sink is set in a room with ornate, dark wood paneling and a grand piano in the background. The island is illuminated from below, creating a warm glow. The background features a grand piano and ornate woodwork, suggesting a historic or high-end interior setting.

## 7. Investment Case



## 7. Why invest in V-ZUG?

1

**Proven ability to generate double digit EBIT margins (again)**

- Well on track to sustain double-digit profitability levels
- Significantly above industry average

2

**Market leader in Switzerland with a unique and strong position**

- Exemplary brand recognition and customer loyalty
- Countrywide strong & long-standing network with key partners
- Unbeatable service network and proximity to end-customers

3

**Well established and recognised player in premium segment in selected international markets**


- Increasing brand recognition based on positive perception of “Swiss Made”
- “Best in class” service as a distinction

4

**Ongoing ability to lead innovations in the industry** thanks to committed and enthusiastic teams working along lean and fast processes

5

**Sustainability** (quality, durability, timeless design, production processes, energy consumption) **as a key Unique Selling Proposition**

A large roll of aluminum sheet metal is shown in a close-up, low-angle shot. The roll is positioned on a metal stand with several white cylindrical supports. The aluminum surface has a fine, brushed texture and reflects light, creating a bright, circular highlight in the center of the roll. A large, stylized, semi-transparent 'S' logo is overlaid on the roll. The background is a plain, light-colored wall.

## 8. Q&A

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## Pictures:

- Slides 1, 2 & 20: David Willen for Monocle, London, UK
- Slides 3, 18 & 26 (r): Philippe Hubler, Hünenberg, Switzerland
- Slide 13 & 38: Sergey Ananiev, Instagram '@sergeyananiev'
- Slides 24 & 41: Jonas Weibel, Zurich, Switzerland
- Slide 26 (l): René Blöchlinger, Director of Property Maintenance Sulgen, Switzerland
- Other photos provided