

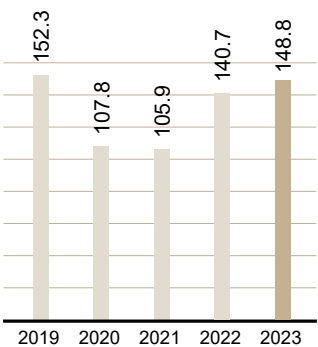
## Letter to Shareholders



At a glance – 1st half of 2023

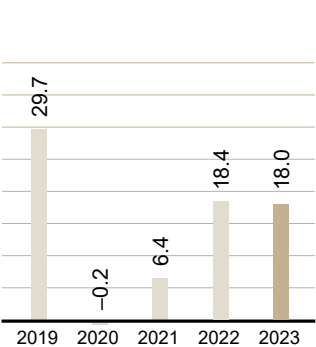
Advertising revenue

CHF m



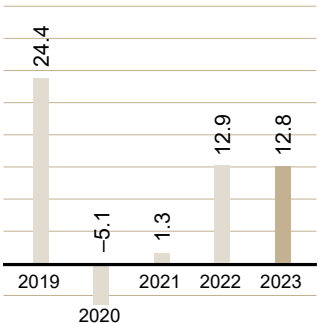
EBITDA

CHF m



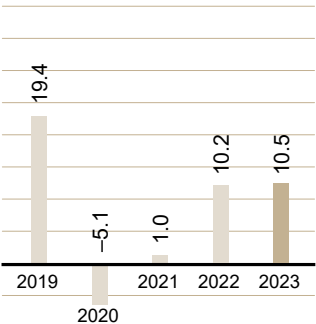
EBIT

CHF m



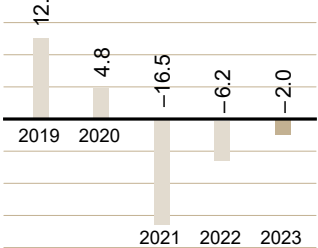
Consolidated net income

CHF m



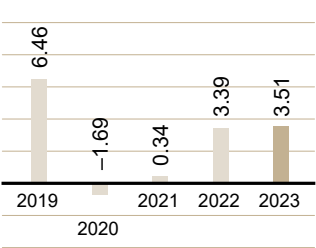
Cash flow from operating activities

CHF m



Earnings per share

CHF m



Growth of advertising revenues in all segments.

Consistent development of digital portfolio.

Focus on growth projects in adtech, programmatic and data.

#### In brief

- Advertising revenue: CHF 148.8 million; +5.7% (Switzerland +5.8%, International +3.8%)
- EBITDA: CHF 18.0 million; –2.4%
- EBIT: CHF 12.8 million; –1.4%
- Consolidated net income: CHF 10.5 million; +3.4%
- Free cash flow: CHF –3.3 million

#### Financial highlights

in 1 000 CHF	1st half of 2023	1st half of 2022	Change
<b>Advertising revenue</b>	<b>148 787</b>	140 732	5.7%
– Switzerland	<b>141 924</b>	134 122	5.8%
– International	<b>6 863</b>	6 610	3.8%
<b>Operating income</b>	<b>150 282</b>	143 214	4.9%
<b>EBITDA</b>	<b>17 966</b>	18 409	–2.4%
– in % of operating income	<b>12.0%</b>	12.9%	
<b>EBIT</b>	<b>12 762</b>	12 948	–1.4%
– in % of operating income	<b>8.5%</b>	9.0%	
<b>Consolidated net income</b>	<b>10 515</b>	10 168	3.4%
– in % of operating income	<b>7.0%</b>	7.1%	
<b>Cash flow from operating activities</b>	<b>–2 010</b>	–6 225	–67.7%
<b>Free cash flow<sup>1</sup></b>	<b>–3 290</b>	–6 638	–50.4%
<b>Investments in property, plant, and equipment</b>	<b>1 789</b>	1 919	–6.8%
– advertising panel	<b>776</b>	1 273	–39.0%
– other investments	<b>1 013</b>	646	56.8%
<b>Earnings per share, in CHF</b>	<b>3.51</b>	3.39	3.5%

EBITDA: Earnings before interest, taxes, depreciation of property, plant, and equipment, and amortization of intangible assets

EBIT: Earnings before interest and taxes

<sup>1</sup> Cash flow from operating activities (operating cash flow) CHFt –2 010 (previous year: CHFt –6 225) less cash flow from investing activities CHFt –1 280 (previous year: CHFt –413), (see page 9 Consolidated statement of cash flows)

Dear Shareholder

### **General business development**

Following a strong prior-year period, APG|SGA succeeded in increasing its revenues in the first half of 2023 and recorded positive development in all segments. This was accompanied by targeted expansion of the portfolio, particularly digital and programmatic products, along with further measures for process and cost optimization. The Group also created the organizational prerequisites that will allow the consistent on going exploitation of opportunities provided by advances in digitalization and technological developments.

The compelling qualities of Out of Home media, an advertising medium with wide reach and high impact, enabled it to increase its market share of the media mix. Nonetheless, the challenging geopolitical and macroeconomic framework conditions continue to lead to a pronounced short-term approach to planning and roll-out of campaigns on the part of advertising clients.

### **APG|SGA Group**

In the first half of 2023, the APG|SGA Group achieved advertising revenues totaling CHF 148.8 million, representing sales growth of 5.7%. Real estate revenue came in 5.6% below the previous year's period. Other operating income (gains from the sale of obsolete property, plant and equipment) amounted to just CHF 0.6 million in the reporting period (previous year: CHF 1.5 million). This resulted in operating income of CHF 150.3 million in the first half of 2023, representing an increase of 4.9%.

Fees and commissions represented 60.1% of advertising revenue in the first half-year of 2023, a slight increase on the previous year's level of 59.9%. Personnel expenses increased by 5.9% compared with the previous year's period. Compensation for short-time work reduced this expense in the previous year's period. Operating and administrative costs increased by 5.7% in the reporting period, driven by increased costs for energy and services. Operating margins experienced a slight decrease compared with the previous year's period – driven by temporary product mix effects and declining gains from sale of property, plant and equipment in particular – to reach 12.0% of EBITDA (previous year: 12.9%) and 8.5% of EBIT (previous year: 9.0%).

An improved financial result and a lower burden from income tax led to a 3.4% increase in consolidated net income in the first half-year of 2023, reaching CHF 10.5 million.

### **Cash flow**

The first half of 2023 saw operating cash flow of CHF –2.0 million (previous year: CHF –6.2 million). This improvement over the previous year's period was primarily driven by the change in net current assets.

Cash flow from operating activities is subject to seasonal fluctuations and is always significantly lower in the first half of the year than the second. After cash flow from investment activities of CHF –1.3 million was taken into account, free cash flow amounted to CHF –3.3 million.

### **Balance sheet**

The balance sheet total fell by CHF 32.6 million in the first half of 2023 to CHF 156.8 million. Although non-current assets decreased by only CHF 3.8 million, current assets decreased by CHF 28.8 million. As at June 30, 2023, cash and cash equivalents amounted to CHF 17.2 million. This reduction is primarily

due to the dividend payout. Equity amounted to CHF 68.7 million, representing an equity ratio of 43.8%. Current liabilities fell by CHF 8.5 million. This decrease was largely caused by the seasonality of accrued liabilities and deferred income.

### **Swiss market**

For the first half of 2023, advertising revenues for APG|SGA stood at CHF 141.9 million, 5.8% above the previous year. This is noteworthy insofar as the total advertising expenditure in the Swiss market – as recorded in the gross advertising statistics of Media Focus – was well below that of the first half-year of 2022, with a drop of 6.1%. Overall, APG|SGA experienced positive revenue development in all its key communication spaces (streets and squares, stations, mountains, airports, public transport).

Although advertising investment in sectors such as wholesale/retail chains, banking/insurance and internet mail order developed positively compared with the previous year's period, revenues were below average in telecommunications, health insurance and – once again – the automotive sector.

Revenues generated by our digital advertising media continued to develop positively. This is due, on the one hand, to the fact that APG|SGA is providing advertisers with a constantly growing digital portfolio and, on the other hand, to the fact that clients and their agencies appreciate the ability to flexibly book and broadcast digital Out of Home at short notice, as well as the new programmatic options it offers. And our customers can have full confidence in the processes and guarantees of agreed broadcasts. PwC conducted a detailed audit and verified all processes, with approval in all categories (broadcast, content evaluation, hardware, etc.). This proves that APG|SGA is setting a very high standard for transparency and security in its provision of services.

The Group secured an agreement with the passenger transport arm of SBB on a multi-year extension to contracts in the marketing of interior and exterior spaces of trains. However, APG|SGA will not be continuing its partnership with SBB in the area of the marketing and management of its promotional spaces from 2024.

### **Serbian market**

APG|SGA is operationally active in Serbia, which accounts for 4.6% of Group sales.

Geopolitical uncertainties, the flare-up of conflict in Kosovo and problems in the global supply chain had a negative effect on the economic environment in Serbia throughout the reporting period. A very high rate of local inflation and the huge increase in energy prices also contributed to the difficult conditions.

Advertising revenues in local currency increased by 8.5% compared with the previous year's period. However, the weakening of the Serbian dinar resulted in an increase of just 3.8% in Swiss francs.

### **Organization**

At the APG|SGA AG General Meeting on April 27, 2023, all members standing for re-election were confirmed for a further year. David Bourg, Group Chief Financial and Administration Officer of JCDecaux SE, was newly appointed to the Board of Directors. Stéphane Prigent, member of the Board of Directors of APG|SGA since 2015, is retiring and did not stand for re-election. The Board of Directors now comprises Dr. Daniel Hofer (Chairman), Xavier Le Clef (Vice-Chairman), David Bourg, Dr. Maya Bundt, Jolanda Grob and Markus Scheidegger. Jolanda Grob (Chair) and Markus Scheidegger were re-elected to the Board of Directors' Remuneration Committee.

As part of its market strategy, APG|SGA invests sustainably in its performance with the declared goal of securing and expanding its leading position in the analog and digital Out of Home media market for the long term in a changing environment. The Group has decided to create the position of CITO (Chief Information & Technology Officer) at Management Board level to reflect the increasing importance of IT, data and adtech. As communicated on June 22, 2023, this position will be filled by Dr Dominik Franke, who will join the APG|SGA Management Board on September 1, 2023. On the same day, Beat Holenstein will assume responsibility for the partner market, in addition to marketing, from Christian Gotter, who will once again focus on the diverse activities in the Logistics & Operations division. The process of selecting a new CFO is underway. The current CFO, Beat Hermann, has agreed to remain at APG|SGA until the end of March 2024.

### **Sustainability**

APG|SGA published its Sustainability Report in April 2023, its 20th iteration. The report paints a positive overall picture of APG|SGA, with transparent, comprehensive reporting on annual developments in the area of sustainability and the status of measures and targets implemented under the Corporate Social Responsibility (CSR) strategy. A score of A– in the CDP climate protection ranking proves that APG|SGA is taking a leading role in reporting on climate protection. It is also on track to meet its ambitious medium-term targets of net-zero emissions by 2035.

### **Outlook**

APG|SGA is committed to the continued systematic expansion of its position as a market and innovation leader in the Out of Home market segment. Data and adtech solutions will make the first-class analog and digital portfolio even more attractive to advertisers. Combined with the impressive expertise and high performance of employees in all areas, this will allow APG|SGA to offer its market partners compelling products and services for successful advertising campaigns in every area, today and in the future. APG|SGA also offers cities, municipalities, transport authorities and private property owners high-quality, sustainable services and steady income.

Current geopolitical and macroeconomic framework conditions continue to cause restricted visibility concerning sales developments. As such, we will not be offering concrete guidance in this area. In addition to the diverse measures to promote sales development, our actions will continue to be guided by the key element of consistent cost management.

We would like to take this opportunity to thank all our employees who devote themselves to Out of Home media and APG|SGA with great commitment and a high degree of professionalism. On behalf of the Board of Directors and the Executive Board, we would also like to thank our shareholders, advertising customers, licensees and other market partners for their positive cooperation and their trust in our company.



Dr. Daniel Hofer  
Chairman of the Board



Markus Ehrle  
Chief Executive Officer

## Consolidated balance sheet

### Assets

in 1 000 CHF	30.06.2023	31.12.2022
Buildings and land	25 327	25 878
Advertising panel	17 999	19 998
Other property, plant, and equipment	3 556	3 647
<b>Property, plant, and equipment</b>	<b>46 882</b>	<b>49 523</b>
Deferred tax assets	1 800	1 803
Other financial investments	6 268	6 322
<b>Financial investments</b>	<b>8 068</b>	<b>8 125</b>
Goodwill	10 038	10 366
Contractual advertising rights	11 658	12 451
<b>Intangible fixed assets</b>	<b>21 696</b>	<b>22 817</b>
<b>Non-current assets</b>	<b>76 646</b>	<b>80 465</b>
Inventories	4 903	4 695
Trade accounts receivable	40 710	36 505
Other accounts receivable	5 901	8 537
Deferred expenses and accrued income	11 411	5 893
Cash and cash equivalents	17 248	53 311
<b>Current assets</b>	<b>80 173</b>	<b>108 941</b>
<b>Total</b>	<b>156 819</b>	<b>189 406</b>

### Shareholders' equity and liabilities

in 1 000 CHF	30.06.2023	31.12.2022
Share capital	7 800	7 800
Capital reserves, premiums	13 033	13 034
Treasury shares	-694	-894
Translation differences	-4 377	-4 109
Retained earnings	52 959	75 393
<b>Shareholders' equity</b>	<b>68 721</b>	<b>91 224</b>
Other non-current liabilities	175	266
Provisions	3 722	5 198
Deferred tax liabilities	2 854	2 873
<b>Non-current liabilities</b>	<b>6 751</b>	<b>8 337</b>
Trade accounts payable	11 815	10 659
Taxes payable	4 330	3 347
Other accounts payable	29 862	28 519
Accrued liabilities and deferred income	33 741	46 593
Provisions	1 599	727
<b>Current liabilities</b>	<b>81 347</b>	<b>89 845</b>
<b>Liabilities</b>	<b>88 098</b>	<b>98 182</b>
<b>Total</b>	<b>156 819</b>	<b>189 406</b>

## Consolidated income statement

in 1 000 CHF	1st half of 2023	1st half of 2022	Change
Advertising revenue	148 787	140 732	5.7%
Real estate revenue	909	963	-5.6%
Other operating income	586	1 519	-61.4%
<b>Operating income</b>	<b>150 282</b>	<b>143 214</b>	<b>4.9%</b>
Fees and commissions	-89 427	-84 277	6.1%
Personnel expenses	-27 894	-26 341	5.9%
Operating and administrative costs	-14 995	-14 187	5.7%
<b>Operating result before depreciation and amortization (EBITDA)</b>	<b>17 966</b>	<b>18 409</b>	<b>-2.4%</b>
Depreciation of tangible assets	-4 347	-4 599	-5.5%
Amortization of intangible assets	-529	-533	-0.9%
Amortization of goodwill	-328	-329	0.0%
<b>Operating result (EBIT)</b>	<b>12 762</b>	<b>12 948</b>	<b>-1.4%</b>
Financial result	106	-254	
<b>Ordinary result before income tax</b>	<b>12 868</b>	<b>12 694</b>	<b>1.4%</b>
Income tax	-2 353	-2 526	-6.9%
<b>Consolidated net income</b>	<b>10 515</b>	<b>10 168</b>	<b>3.4%</b>
<b>Basic and diluted earnings per share, in CHF</b>	<b>3.51</b>	<b>3.39</b>	<b>3.5%</b>

## Consolidated statement of changes in equity

in 1 000 CHF	Share capital	Capital reserves, premiums	Treasury shares	Translation differences	Retained earnings	Shareholders' equity
as at January 1, 2022	7 800	13 060	-918	-3 169	84 954	101 727
Consolidated net income					10 168	10 168
Translation differences				-826		-826
Distributions					-32 953	-32 953
Purchase of treasury shares			-185			-185
Sale of treasury shares		1	605			606
Equity transaction costs		-1				-1
as at June 30, 2022	7 800	13 060	-498	-3 995	62 169	78 536
as at January 1, 2023	7 800	13 034	-894	-4 109	75 393	91 224
Consolidated net income					10 515	10 515
Translation differences				-268		-268
Distributions					-32 949	-32 949
Purchase of treasury shares			-387			-387
Sale of treasury shares		3	587			590
Equity transaction costs		-4				-4
as at June 30, 2023	7 800	13 033	-694	-4 377	52 959	68 721

## Consolidated statement of cash flows

in 1 000 CHF	1st half of 2023	1st half of 2022
Consolidated net income	10 515	10 168
Depreciation and amortization	5 204	5 461
Changes in provisions	-551	-70
Changes in deferred taxes	-7	25
Financial result with no cash impact	-28	121
Gain from sale of non-current assets	-585	-1 519
Change in inventories	-214	187
Change in accounts receivable	-1 652	2 382
Change in deferred expenses and accrued income	-5 522	-6 061
Change in accounts payable and taxes payable	3 636	9 188
Change in accrued liabilities and deferred income	-12 806	-26 107
<b>Cash flow from operating activities</b>	<b>-2 010</b>	<b>-6 225</b>
Capital expenditures in property, plant, and equipment	-1 789	-1 919
Capital expenditures in intangible assets	-98	-52
Sale of property, plant, and equipment	607	1 558
<b>Net cash used in investing activities</b>	<b>-1 280</b>	<b>-413</b>
Purchase of treasury shares	-387	-186
Sale of treasury shares	586	606
Dividends to APG SGA SA shareholders	-32 949	-32 953
<b>Net cash used in financing activities</b>	<b>-32 750</b>	<b>-32 533</b>
Currency translation effect on cash and cash equivalents	-23	-159
<b>Change in cash and cash equivalents</b>	<b>-36 063</b>	<b>-39 330</b>
Cash and cash equivalents as at January 1	53 311	72 362
Cash and cash equivalents as at June 30	17 248	33 032

### Explanation of financial terms

#### EBIT

Earnings before interest and taxes

#### EBITDA

Earnings before interest, taxes, depreciation of property, plant and equipment, and amortization of intangible assets

#### Equity ratio

Shareholders' equity in % of balance sheet total

#### Free cash flow

Cash flow from operations minus cash flow from investments

## Notes to the consolidated financial statements

### Reporting principles of APG|SGA SA

This interim financial report includes the unaudited semi-annual financial statements for the reporting period ended on June 30, 2023. The consolidated semi-annual financial statements were prepared in compliance with interim financial statement requirements as per Swiss GAAP ARR 31 *Complementary Recommendation for Listed Companies*, which permits condensed reporting and disclosures in comparison to the annual financial statements, and with the listing rules of the SIX Swiss Exchange.

APG|SGA does not report any segment earnings in its financial reports, because its direct competitors in Switzerland and in Serbia also do not publish any segment earnings. Disclosing them would put APG|SGA at a significant competitive disadvantage due to the low level of diversification abroad.

The preparation of the consolidated financial statements requires that management makes estimates and assumptions that influence the disclosed assets, liabilities, contingent assets and liabilities on the closing date as well as income and expenditure for the reporting period. The actual results may deviate from these estimates.

Our business is influenced by seasonal effects.

### Changes in the scope of consolidation and minority interests

In the first half of 2023, the scope of consolidation compared with the prior-year period was not changed.

In the first half of the previous year, the scope of consolidation compared with the prior-year period was also not changed.

### Change in shareholders' equity

On April 27, 2023, the General Meeting passed a resolution to distribute a gross dividend of CHF 11.00 per share for financial year 2022. No dividend was paid on the shares held in treasury.

### Events after the closing date

These financial statements were approved by the Board of Directors on July 25, 2023.

## Agenda and publications

### **Announcement of annual results 2023 and publication of the annual report**

Thursday, March 14, 2024

### **General Meeting**

Thursday, April 25, 2024, Geneva

### **Announcement of semi-annual results 2024**

Friday, July 26, 2024

### **Publications: Annual Report and Financial Report**

The Annual Report and the Financial Report are available online at [www.apgsga.ch/report](http://www.apgsga.ch/report). To order the print publications, please complete the form at [www.apgsga.ch/order-reporting](http://www.apgsga.ch/order-reporting).

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**APG|SGA AG** is Switzerland's leading Out of Home media company. Listed on the SIX Swiss Exchange, APG|SGA covers all aspects of outdoor advertising: on streets and squares, in railway stations, at airports, in shopping centers, in the mountains as well as in and on means of transport – from poster campaigns with the widest coverage and large formats to state-of-the-art digital advertising spaces, special advertising formats, promotions and mobile advertising. When communicating with customers, the authorities and the advertising industry, APG|SGA represents sustainability and innovation, aiming to inspire people with the very best communication solutions in public spaces.