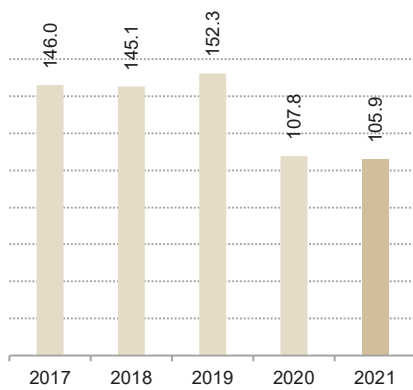


## Letter to Shareholders

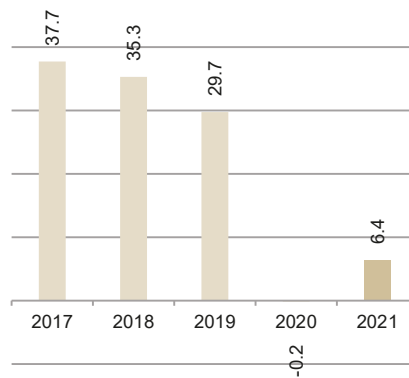


## At a glance – 1st half-year

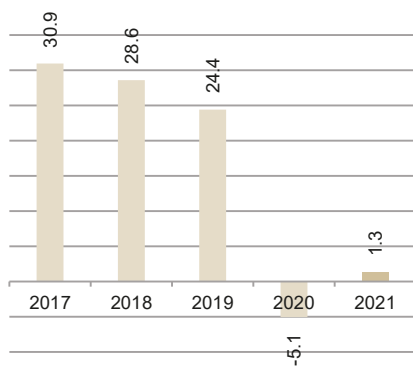
**Advertising revenue**  
(CHF m)



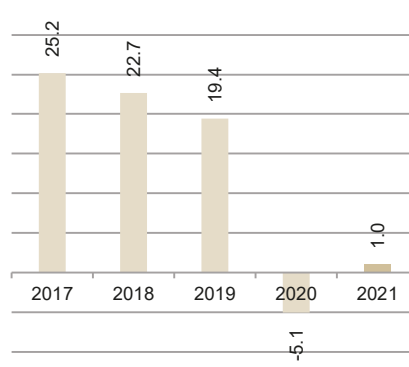
**EBITDA**  
(CHF m)



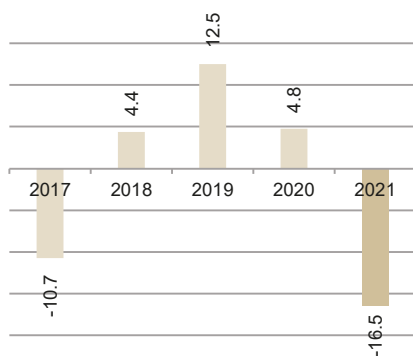
**EBIT**  
(CHF m)



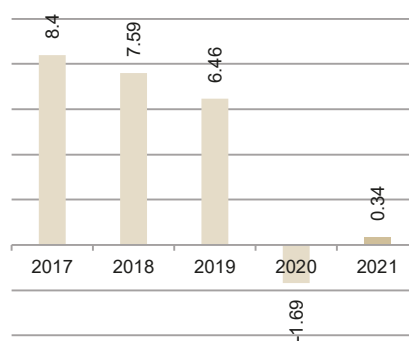
**Consolidated net income**  
(CHF m)



**Cash flow from operating activities**  
(CHF m)



**Earnings per share**  
(CHF)



COVID-19 pandemic puts a significant brake on business development.

Comprehensive cost reduction measures introduced.

Growth projects in the areas of digitalization, data, innovation on course.

Financial situation sound.

#### In brief

- Advertising revenue: CHF 105.9 million –1.7% (Switzerland –4.6%, International +66.7%)
- EBITDA: CHF 6.4 million
- EBIT: CHF 1.3 million
- Consolidated net income: CHF 1.0 million
- Free cash flow: CHF –14.1 million

#### Financial highlights

in CHF 1 000	1st half of 2021	1st half of 2020	Change
<b>Advertising revenue</b>	<b>105 931</b>	107 810	–1.7%
– Switzerland	<b>98 719</b>	103 484	–4.6%
– International	<b>7 212</b>	4 326	66.7%
<b>Operating income</b>	<b>107 110</b>	110 297	–2.9%
<b>EBITDA</b>	<b>6 376</b>	–206	
– in % of operating income	<b>6.0%</b>	–0.2%	
<b>EBIT</b>	<b>1 325</b>	–5 092	
– in % of operating income	<b>1.2%</b>	–4.6%	
<b>Consolidated net income</b>	<b>1 032</b>	–5 066	
– in % of operating income	<b>1.0%</b>	–4.6%	
<b>Cash flow from operating activities</b>	<b>–16 521</b>	4 786	
<b>Free cash flow<sup>1</sup></b>	<b>–14 069</b>	2 968	
<b>Investments in property, plant, and equipment</b>	<b>3 330</b>	3 018	10.3%
– advertising panel	<b>1 543</b>	2 718	
– other investments	<b>1 787</b>	300	
<b>Earnings/Loss per share, in CHF</b>	<b>0.34</b>	–1.69	

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 –16 521 (previous year: CHFt 4 786) plus cash flow from investing activities CHFt 2 452 (previous year: CHFt –1 818), (see page 9 Consolidated statement of cash flows)

Dear Shareholder:

### **General business development**

The restrictions imposed by the authorities in the first half of 2021 to stem the COVID-19 pandemic once again had a significant impact on the sales and earnings development of APG|SGA in this reporting period.

The obligation to work at home imposed by Swiss authorities led to a huge reduction in mobility in the first half of the year – particularly on public transport. But the business model of an outdoor advertising company is based on as many contacts as possible reached by the advertising panels. For APG|SGA, this means analog and digital advertising spaces in public spaces, particularly railway stations, airports and other public transport, all of which were significantly affected by the decline in frequency. In addition, extensive restrictions on certain economic sectors meant that they in turn reduced their advertising investments considerably.

Faced with these extremely difficult framework conditions, APG|SGA implemented further measures to reduce costs and secure liquidity. However, it also consistently developed digital growth projects and expanded the service portfolio to make it fit for the future. Despite the persistence of difficult conditions and limited visibility, we believe that the fundamental factors for both outdoor advertising and APG|SGA remain positive. This was evident in the second quarter of the current financial year, when the relaxation of individual restrictions was followed immediately by the first signs of recovery.

### **APG|SGA Group**

In the first half of 2021, the APG|SGA Group achieved advertising revenues of CHF 105.9 million, representing a decline of 1.7%. Despite difficult market conditions, real estate revenue was CHF 0.9 million, slightly higher than the previous year's levels. Other operating income represented the sale of obsolete tangible assets, which amounted to CHF 0.3 million in the reporting period. This resulted in operating income for the first half of 2021 of CHF 107.1 million, representing a fall of 2.9%.

Fees and commissions represented 60.7% of operating income in the first half of 2021, coming in below the previous year's level. This decrease was driven by temporarily reduced concession fees implemented under COVID-19 agreements and changes in the composition of revenue structures.

Personnel expenses fell by 7.0% in the reporting period. Compensation for short-term work and deferred replacements for vacant positions contributed to this reduction. Despite further expenditure in growth projects in the digital service portfolio and digital automated booking and processing platforms, operating and administrative costs were again reduced significantly by 19.3% through a mix of temporary and long-term cost-saving measures and reduced sponsorship activities.

Business development remains heavily impaired by the pandemic. Only through consistent application of measures in all cost areas could the group manage to improve on the previous year's results. For the reporting period, this resulted in an EBITDA of CHF 6.4 million (previous year: CHF –0.2 million) and an EBIT of CHF 1.3 million (previous year: CHF –5.1 million).

The consolidated net income for the first half of 2021 amounted to CHF 1.0 million (previous year: CHF –5.1 million).

### **Cash flow**

The first half of 2021 saw operating cash flow of CHF –16.5 million (previous year: CHF 4.8 million). This decline is due to the sharp increase in advance payments to our concession partners compared with the previous year, in which we made reduced advance payments. Higher customer requirements also contributed to this decline.

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 2.5 million was taken into account, this resulted in a free cash flow of CHF –14.1 million (previous year: CHF 3.0 million).

### Balance sheet

The balance sheet total fell by CHF 5.8 million in the first half of 2021 to CHF 199.4 million. Non-current assets remained almost unchanged. Intangible fixed assets amounted to CHF 20.3 million, corresponding to 10.2% of the balance sheet total. Current assets decreased by CHF 5.3 million. Although other accounts receivable increased by CHF 11.0 million, short-term financial investments fell by CHF 6.0 million, with cash and cash equivalents decreasing by CHF 13.7 million. As at June 30, 2021, cash and cash equivalents stood at CHF 52.9 million. Equity amounted to CHF 91.3 million, representing an equity ratio of 45.8%. Current liabilities fell by CHF 7.8 million. Trade accounts payable increased by CHF 3.4 million, but accrued liabilities and deferred income fell by CHF 9.0 million.

### Swiss market

For the first half of 2021, advertising revenues for APG|SGA stood at CHF 98.7 million, 4.6% below the previous year. Not surprisingly, sales from the retail, tourism, gastronomy and art and cultural events sectors were particularly hard hit. Due to reduced frequency, much greater caution was shown in booking communication spaces in particular at railway stations and airports and on public transport. Low frequency figures in the area of public transport also brought unfavorable development in the promotional space business. By contrast, the “traditional” analog poster product saw truly robust revenue development, since private road traffic was significantly less affected than public transport.

With the further expansion of its digital service in the first half of the year, APG|SGA consolidated its leading position in the digital Out of Home segment. Recent months have brought numerous new product additions in a range of Swiss cities and towns (Locarno, Bellinzona, Zurich, Rapperswil, Uster, Wetzikon, Zug, Olten, Visp, Baden and Basel). All these products can also be booked programmatically together with more than 500 large screens, allowing more precise tailoring to target groups in terms of location and time. In southern Switzerland, the digital portfolio increased to include 120 TrafficMediaScreens in 81 vehicles of Trasporti Pubblici Luganesi TPL. This means that APG|SGA operates by far the largest digital network in Ticino, while continuing to expand its leading position in the field of transport advertising at a national level.

Under its comprehensive digital strategy, APG|SGA launched a new e-commerce platform. This includes a new website, a comprehensive product finder with 160,000 advertising spaces, and APG|SGA easy, a web shop that sets new standards in the planning and booking of analog and digital outdoor advertising. APG|SGA further consolidated its leading position in Switzerland for analog and digital Out of Home media in the attractive “Mountains” communication space. Numerous major mountain destinations such as Anzère, Arosa-Lenzerheide, Grächen, Grindelwald-Männlichen, Jungfraubahnen, Ovronnaz and Zermatt Bergbahnen AG chose to extend their exclusive collaboration and partnership with APG|SGA for the long term.

### Serbian market

The international operations of APG|SGA consist of its Serbian subsidiary Alma Quattro d.o.o., which contributed 6.8% to group revenues in the reporting period. Serbia secured sufficient COVID-19 vaccine very early in the reporting period and the vaccination strategy was implemented quickly. This allowed Serbia to largely relax the measures to contain COVID-19 in early April. The economy then recovered rapidly.

The sharp increase in advertising revenues contributed 62.1% in local currency in the first half of 2021. The strengthening of the Serbian dinar resulted in an increase of 66.7% in Swiss francs. Advertising revenue returned to pre-COVID-19 levels, with results for the first half of 2021 at about the same level as the first half of 2019.

### Organization

At the APG|SGA AG General Meeting on April 28, 2021, all members standing for reelection were confirmed for a further year. The Board of Directors comprises Dr. Daniel Hofer (Chairman), Xavier Le Clef (Vice-Chairman), Dr. Maya Bundt, Jolanda Grob, Stéphane Prigent and Markus Scheidegger. Jolanda Grob (Chair) and Markus Scheidegger were elected to the Board of Directors' Remuneration Committee. Robert Schmidli did not stand for re-election as he had reached the statutory age limit.

APG|SGA used the revision of the Gender Equality Act on July 1, 2020 to carry out an equal pay analysis to create an holistic salary system with a clear functional structure and analytical functional evaluations in order to underpin its commitment to the personnel policy principle of equal pay for equal work. The federal government's equal pay instrument ("Logib") was used to certify equal pay and thus compliance with the Gender Equality Act. Acting on behalf of the federal authorities, Société Générale de Surveillance SA (SGS) officially confirmed that APG|SGA fulfills all requirements for compliance with pay equality and issued it with the Fair-ON-Pay+ certificate.

APG|SGA has demonstrated its long-term commitment to sustainability, with more than 15 years of measures culminating in a top CDP (Carbon Disclosure Project) ranking of A. The focus of the sustainability strategy is currently in line with the 1.5°C future vision. By 2023, APG|SGA aims to achieve an interim goal of a 30% absolute reduction compared with 2017 of emissions that can be directly influenced, with the long-term goal of reaching "net zero" by 2035.

### Outlook

The prospects for Out of Home media and APG|SGA will depend to a large extent on developments in the COVID-19 situation in the second half of the year.

The relaxation of general restrictions and the abolition of the obligation to work from home are positive factors that give us confidence. On the other hand, case numbers are currently increasing significantly and new variants are causing uncertainty. In these times of reduced visibility, advertising behavior remains correspondingly short term. A reliable forecast of business development in the second half of the year is thus not feasible.

After the pandemic, it will be crucial that companies present their brands and products with a wide reach in public spaces. Out of Home advertising will have a special position in the communication mix due to its unique strengths. The analog and digital products of APG|SGA, combined with its expertise as the leading Out of Home media company in Switzerland, represent a compelling starting point for future development.

We would like to take this opportunity to thank in particular all our employees, who have achieved extraordinary things under difficult conditions and who have impressed us with their great personal commitment.

On behalf of the Board of Directors and the Executive Board, we would also like to extend our warm thanks to our shareholders, licensees, advertising customers and other market partners, who have shown their great solidarity with APG|SGA, supported us in a variety of ways and as such expressed their trust in the company.



Dr. Daniel Hofer  
Chairman of the Board



Markus Ehrle  
Chief Executive Officer

## Consolidated balance sheet

### Assets

in CHF 1 000	30.06.2021	31.12.2020
Buildings and land	28 244	29 065
Advertising panel	22 403	23 459
Other property, plant, and equipment	4 355	3 495
<b>Property, plant, and equipment</b>	<b>55 002</b>	<b>56 019</b>
Deferred tax assets	1 515	1 515
Other financial investments	6 650	6 653
<b>Financial investments</b>	<b>8 165</b>	<b>8 168</b>
Goodwill	5 124	5 298
Contractual advertising rights	15 188	14 546
<b>Intangible fixed assets</b>	<b>20 312</b>	<b>19 844</b>
<b>Non-current assets</b>	<b>83 479</b>	<b>84 031</b>
Inventories	5 313	4 885
Trade accounts receivable	29 118	30 353
Other accounts receivable	19 339	8 359
Deferred expenses and accrued income	9 336	5 040
Short-term financial investments		6 000
Cash and cash equivalents	52 853	66 587
<b>Current assets</b>	<b>115 959</b>	<b>121 224</b>
<b>Total</b>	<b>199 438</b>	<b>205 255</b>

### Shareholders' equity and liabilities

in CHF 1 000	30.06.2021	31.12.2020
Share capital	7 800	7 800
Capital reserves, premiums	13 038	12 938
Treasury shares	-1 012	-1 491
Translation differences	-1 818	-2 128
Retained earnings	73 323	72 291
<b>Shareholders' equity</b>	<b>91 331</b>	<b>89 410</b>
Other non-current liabilities	392	
Provisions	6 711	7 299
Deferred tax liabilities	2 904	2 651
<b>Non-current liabilities</b>	<b>10 007</b>	<b>9 950</b>
Financial liabilities		298
Trade accounts payable	11 151	7 785
Taxes payable	3 650	4 879
Other accounts payable	26 571	27 059
Accrued liabilities and deferred income	55 990	64 967
Provisions	738	907
<b>Current liabilities</b>	<b>98 100</b>	<b>105 895</b>
<b>Liabilities</b>	<b>108 107</b>	<b>115 845</b>
<b>Total</b>	<b>199 438</b>	<b>205 255</b>

## Consolidated income statement

in CHF 1 000	1st half of 2021	1st half of 2020	Change
Advertising revenue	105 931	107 810	-1.7%
Real estate revenue	880	826	6.6%
Other operating income	299	1 661	
<b>Operating income</b>	<b>107 110</b>	<b>110 297</b>	<b>-2.9%</b>
Fees and commissions	-64 988	-70 153	-7.4%
Personnel expenses	-24 029	-25 834	-7.0%
Operating and administrative costs	-11 717	-14 516	-19.3%
<b>Operating result before depreciation and amortization (EBITDA)</b>	<b>6 376</b>	<b>-206</b>	
Depreciation of tangible assets	-4 366	-4 246	2.8%
Amortization of intangible assets	-510	-465	9.7%
Amortization of goodwill	-175	-175	
<b>Operating result (EBIT)</b>	<b>1 325</b>	<b>-5 092</b>	
Financial result	76	-85	
<b>Ordinary result before income tax</b>	<b>1 401</b>	<b>-5 177</b>	
Income tax	-369	111	
<b>Consolidated net income</b>	<b>1 032</b>	<b>-5 066</b>	
<b>Basic and diluted earnings/loss per share, in CHF</b>	<b>0.34</b>	<b>-1.69</b>	

## Consolidated statement of changes in equity

in CHF 1 000	Share capital	Capital reserves premiums	Treasury shares	Translation differences	Retained earnings	shareholders' equity
as at January 1, 2020	7 800	13 246	-853	-2 098	59 048	77 143
Consolidated net income					-5 066	-5 066
Translation differences				-356		-356
Purchase of treasury shares			-370			-370
Sale of treasury shares		-300	910			610
Equity transaction costs		-4				-4
as at June 30, 2020	7 800	12 942	-313	-2 454	53 982	71 957
as at January 1, 2021	7 800	12 938	-1 491	-2 128	72 291	89 410
Consolidated net income					1 032	1 032
Translation differences				310		310
Purchase of treasury shares			-2			-2
Sale of treasury shares		101	481			582
Equity transaction costs		-1				-1
as at June 30, 2021	7 800	13 038	-1 012	-1 818	73 323	91 331



## Consolidated statement of cash flows

in CHF 1 000	1st half of 2021	1st half of 2020
Consolidated net income	1 032	-5 066
Depreciation and amortization	5 051	4 886
Changes in provisions	-709	-704
Changes in deferred taxes	229	-305
Financial result with no cash impact	-84	46
Gain from sale of non-current assets	-299	-1 661
Change in inventories	-422	-300
Change in accounts receivable	-9 657	15 555
Change in deferred expenses and accrued income	-4 261	1 295
Change in accounts payable and taxes payable	1 597	-2 432
Change in accrued liabilities and deferred income	-8 998	-6 528
<b>Cash flow from operating activities</b>	<b>-16 521</b>	<b>4 786</b>
Capital expenditures in property, plant, and equipment	-3 330	-3 018
Capital expenditures in intangible assets	-586	-1 324
Sale of property, plant, and equipment	351	1 711
Sale of intangible assets	17	
Sale of other financial investments	6 000	813
<b>Net cash used in investing activities</b>	<b>2 452</b>	<b>-1 818</b>
Purchase of treasury shares	-2	-370
Sale of treasury shares	597	606
Discharge of current financial liabilities	-301	
Discharge of non-current financial liabilities		-22
<b>Net cash used in financing activities</b>	<b>294</b>	<b>214</b>
Currency translation effect on cash and cash equivalents	41	-8
<b>Change in cash and cash equivalents</b>	<b>-13 734</b>	<b>3 174</b>
Cash and cash equivalents as at January 1	66 587	41 762
Cash and cash equivalents as at June 30	52 853	44 936

## 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, 2021. 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 2021, 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 same period in 2019 was also not changed.

### Change in shareholders' equity

In light of the current COVID-19 crisis, the General Meeting on April 28, 2021 resolved that no dividend will be distributed for the financial year 2020.

### Events after the closing date

On July 9, 2021, APG|SGA communicated its forthcoming 100% acquisition of WWP Plakatwerbung AG, effective September 30, 2021.

### 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

## Agenda and publications

### **Announcement of annual results 2021 and publication of the annual report**

Wednesday, March 16, 2022

### **Financial media and analysts conference**

Wednesday, March 16, 2022, Zurich

### **General Meeting**

Thursday, April 28, 2022, Geneva

### **Announcement of semi-annual results 2022**

Friday, July 29, 2022

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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.

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