

PRESS RELEASE

HOMANN HOLZWERKSTOFFE GmbH grows dynamically in FY 2014

- Sales revenues climb 8.5% to EUR 203.0 million
- Significant improvement in earnings figures:
EBITDA of EUR 14.4 million (+23.1%) and EBIT of EUR 3.9 million (+50.0%)
- 3-shift operation in Krosno to begin shortly
- Successful start to the new financial year 2015

Munich/Herzberg am Harz, April 22, 2015 – HOMANN HOLZWERKSTOFFE GmbH, a leading European supplier of thin finished wooden fibre boards for the furniture, doors, coatings and automobile industries reports dynamic growth for the 2014 financial year. The Group increased both its revenues and its operating result significantly. “Although last year’s results are slightly lower than planned, we took yet another important step in the development of our company and strengthened the profitability of our Group,” said a satisfied Fritz Homann, Managing Director HOMANN HOLZWERKSTOFFE GmbH.

The Group’s sales revenues increased by 8.5% to EUR 203.0 million in 2014 (2013: EUR 187.0 million). This positive performance is mainly attributable to the start-up of another finishing plant in Karlino/Poland as well as to moderate price increases in individual segments. The relocation of the personnel cost-intensive finishing activities from Germany to Poland, which was completed in mid-2014, already has a positive effect on the operating results. Earnings before interest, taxes, depreciation and amortization (EBITDA) increased by 23.1% to EUR 14.4 million (2013: EUR 11.7 million) while earnings before interest and taxes (EBIT) climbed 50.0% to EUR 3.9 million (2013: EUR 2.7 million). The Group’s result for the year improved by EUR 1.9 million to EUR -5.7 million (2013: EUR -7.6 million). Cash flow from operating activities amounted to EUR 4.1 million (2013: EUR 2.1 million). The Group employed 1,338 people on an annual average (2013: 1,151).

Investments in the 2014 financial year focused on the production facility for HDF/MDF raw boards in Krosno/Oder, Poland. Taken into operation in Q1 2015, the HOMANN Group’s new facility is the most modern thin board plant in the world and allows the same number of staff to produce five times as many boards. This technological quantum leap also increases the already high flexibility in production as well as the Group’s profitability. A new painting line for surface finishing was taken into operation at the same time as the HDF/MDF plant. As a result, the Krosno facility, just like all other locations of the Group, can produce the complete range of products, from raw boards to surface finishing to customized furniture. The start of 3-shift operation has laid the basis for the planned improvement in earnings.

“The start to the current financial year 2015 was extremely positive,” said an optimistic Fritz Homann in view of the fact that first-quarter EBITDA exceed the projections by roughly EUR 1.5 million. Based on the increased capacity resulting from the start-up of the new board press in Krosno, the company projects total sales revenues of EUR 207 million for the 2015 financial year. Utilization of the new plant is guaranteed by partly concluded negotiations with key customers about increased volumes and the fact that the company no longer needs to source boards from external suppliers as well as the change from hard fibre boards to MDF/HDF boards. EBITDA before potential positive one-time effects is expected to reach EUR 23 million in 2015. This means that Homann Holzwerkstoffe GmbH would return to profitability after two loss-making years.

Apart from increasing its profitability, the Group will place a strategic focus on reducing its leverage and strengthening its equity base in 2015. To achieve this, HOMANN HOLZWERKSTOFFE GmbH will bring its own competencies to bear even more than before.

The full financial statements for 2014 will be published at www.homann-holzwerkstoffe.de on April 22, 2015.

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