

PRESS RELEASE

HOMANN HOLZWERKSTOFFE GmbH reports successful business trend for H1 2015

- Sales revenues slightly above prior year at EUR 101.2 million
- EBITDA up 89% to EUR 13.2 million; EBIT surge to EUR 7.2 million
- Earnings forecast for full year confirmed

Munich/Herzberg am Harz, August 31, 2015 –HOMANN HOLZWERKSTOFFE GMBH, a leading European supplier of thin finished wooden fibreboards for the furniture, doors, coatings and automobile industries, looks back on a successful first half of 2015. Sales revenues from continued operations as well as earnings figures and the equity ratio improved, partly quite significantly. “Our strategic measures are beginning to make themselves felt and the first positive effects are already reflected in our figures,” said Fritz Homann, Managing Director of HOMANN HOLZWERKSTOFFE GMBH, and expressed his satisfaction about the first half of 2015.

Consolidated sales revenues from continued operations increased by 0.8% to EUR 101.2 million in the first six months of 2015. The previous year’s six-month revenues still included the revenues of HomaTrade GmbH in the amount of EUR 4.7 million, which has been sold in the meantime. 77.9% of the first-half sales revenues were generated outside Germany (H1 2014: 78.3%). The operating figures continued to improve in the reporting period. Earnings before interest, taxes, depreciation and amortisation (EBITDA) rose by 89% to EUR 13.2 million (H1 2014: EUR 7.0 Mio.). Earnings before interest and taxes (EBIT) surged from EUR 1.8 million to EUR 7.2 million. The result for the period improved notably from EUR -2.0 million to EUR 3.9 million. Operating cash flow amounted to EUR 4.0 million (H1 2014: EUR 8.1 million).

The Group’s profitability will benefit sustainably from the start-up of the new HDF/MDF plant in Krosno, Poland. “With the first board coming off the assembly line on March 26, 2015 at 12:03 h, we successfully stepped up the production capacities only three weeks after production of the first board and have worked in three shifts since April,” said Fritz Homann, who is satisfied with the start-up of the Krosno plant. Except for minor final payments, the investment in the HDF/MDF production facility and the finishing centre at this location has been completed. At roughly EUR 86 million, the total investments in the new plant were up by only 2% on the original budget.

In the first half of 2015, the company implemented several planned optimisation measures with a view to reducing its leverage and strengthening its equity base. In particular, these include the sale-and-lease-back of plant and machinery. These resulted in positive one-time effects totalling EUR 4.1 million (H1 2014: EUR 0 million), which sent EBITDA rising by 89% to EUR 13.1 million (H1 2014: EUR 6.9 million). Adjusted for exchange rate and one-time effects, operating EBITDA amounted to EUR 8.1 million (H1 2014: EUR 7.7 million). Taking into account the silent partnership and the neutralisation of the negative Group reserve from exchange differences, the equity ratio improved from 13% to 14.6% and equity capital from EUR 31.3 million to EUR 35.4 million as of June 30, 2015. Further measures are planned for the second half of 2015, which means that the company will continue its course with determination.

The company has confirmed its forecast for the full year, according to which EBITDA before one-time effects should reach EUR 23 million and sales revenues stay above EUR 200 million. The fact that the production volume in mid-2015 was slightly below expectations is attributable to the eight-week delay in the start-up of the Krosno plant.

The full interim Group management report on the first half of 2015 is available at www.homann-holzwerkstoffe.de.

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