

PRESS RELEASE

## HOMANN HOLZWERKSTOFFE GmbH reports significant sales and profit growth in the first half of 2016

- Sales revenues up 12.7% to EUR 114.1 million
- Operating EBITDA improve by 111% to EUR 17.1 million

Munich/Herzberg am Harz, September 26, 2016 – HOMANN HOLZWERKSTOFFE GmbH, a leading European supplier of thin finished wooden fibreboards for the furniture, doors, coatings and automotive industries, generated considerable sales and profit growth in the first half of 2016. “We operated very successfully in the first half of the year. Our plants were well utilised and the share of finished products increased further,” said Fritz Homann, Managing Director of HOMANN HOLZWERKSTOFFE GmbH, commenting on the result of the first half of 2016.

The Group’s sales revenues in the first half of 2016 were up 12.7% on the same period of the previous year to EUR 114.1 million (first half of 2015: EUR 101.2 million). The main markets were Poland, Germany, France, Baltic, Benelux, Romania and Italy. The newly created capacities at the new plant in Krosno, Poland, made a key contribution to this favourable sales trend. “Thanks to the positive result, we further optimised our capital structure and additionally strengthened our equity ratio,” explained Homann. Taking the silent partnership into account, the equity ratio as of June 30, 2015 stood at 15.0%, after 13.9% as of December 31, 2015.

On the cost side, the prices for the most important raw material, namely wood, were in line with the expectations (Poland) or slightly lower than forecast (Germany). Lower oil prices moreover reduced the procurement prices for the second most important raw material, glue. Due to the relocation of personnel-intensive finishing processes from Germany to Poland, personnel expenses declined slightly in the first half of 2016. Against this background, operating earnings before interest, taxes, depreciation and amortisation (EBITDA) rose by 111% to EUR 17.1 million (first half of 2015: EUR: 8.1 million).

In the first half of 2016, the Group invested a total of EUR 8.1 million (first half of 2015: EUR 20.5 million) with a focus on additional finishing capacities at all locations. “In addition to added capacity of our new plant in Krosno, we envisage significant growth momentum from the further expansion of the share of finished products in our total sales,” underlines Homann the Group’s strategic target.

Based on good autumn business, the company expects sales revenues in the second half of the year to remain stable. EBITDA (before extraordinary effects) are expected to improve by approximately 50% compared with last year. “We are currently holding talks with a number of financial institutions about the refinancing of our bond which has to be repaid in December 2017. Based on our experience we expect the future interest burden to be significantly lower. We currently see no risks to a successful refinancing,” Homann commented on the progress of the refinancing talks.

The full interim consolidated financial statements for the first half of 2016 are available at [www.homann-holzwerkstoffe.de](http://www.homann-holzwerkstoffe.de).

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