

PRESS RELEASE

HOMANN HOLZWERKSTOFFE GmbH closes 2016 with revenue and earnings record

- Sales revenues of EUR 226 million (+ 12%); operating EBITDA of EUR 33 million (+ 60%)
- Strong Q1 2017 underpins profitable growth
- Further investments to be made in the expansion of the finishing capacity
- Bank loans to play a more important role in the financing mix; existing bond to be replaced and exchanged for newly issued bond

Munich/Herzberg am Harz, April 12, 2017 – HOMANN HOLZWERKSTOFFE GmbH, a leading European supplier of thin finished wooden fibreboards for the furniture, doors, coatings and automobile industries, increased its sales revenues and earnings significantly in 2016. “We closed the fiscal year with a new revenue and earnings record,” said a satisfied Fritz Homann, Managing Director of HOMANN HOLZWERKSTOFFE GmbH. “The good order intake in the first quarter of 2017 and the continued positive operating performance underpin our strategy of profitable growth, which we want to continue implementing with great determination also in the future.”

Consolidated sales revenues were up by 12% on the previous year to EUR 226 million in the financial year 2016 (2015: EUR 202 million). Operating earnings before interest, taxes, depreciation and amortisation (EBITDA) adjusted for extraordinary items and currency result climbed by around 60% to EUR 33 million (2015: EUR 20 million). This increased profitability primarily results from the clearly positive profit contribution made by the German plant in Losheim am See (Saarland) as well as from the exploitation of the additional capacity at the new Polish plant in Krosno. Taking into account the increased inventories of finished and unfinished good, the cost of materials as a percentage of revenues declined by 2.6 percentage points to 57.2% against the background of stable timber prices and the lower cost price of glue. Earnings before interest and taxes (EBIT) improved by 51% to EUR 16.3 million (2015: EUR 10.8 million), while earnings before taxes (EBT) soared 72.7% to EUR 7.6 million (2015: EUR 4.4 million). Operating cash flow (consolidated result plus depreciation) climbed from EUR 16.8 million in the previous year to EUR 21.4 million.

In 2016, investments continued to focus on the ongoing expansion of the finishing capacities at the three production plants in Losheim am See, Karlino and Krosno. Total capital expenditures of the HOMANN Group amounted to EUR 21.4 million (2015: EUR 29.8 million). “The investments made, which were completed as planned both in terms of timing and financially, will successively increase our share in the value added. We want to continue this in 2017 and make selective investments in finishing plants,” said Fritz Homann. As the key performance indicators continue to improve notably, Homan is again considering strategic growth opportunities. As of March 1, 2017 the newly established Homanit Building Materials & Co. KG, a wholly-owned subsidiary of Homanit GmbH & Co. KG acquired a plant for the production of door cores.

The successful refinancing of the corporate bond maturing in December 2017 is designed to help increase the financial flexibility and extend the maturity profile of HOMANN HOLZWERKSTOFFE GmbH. The company will rely on an attractive financial mix of classic bank loans and a bond. Several banks which have served the company over many years as long-term partners have made commitments for conventional credit lines totalling EUR 75 million. While some of the agreements are still subject to the approval of the competent bodies, they are to be finalised in the first half of 2017. In addition, the company currently plans to issue a new corporate bond in a total amount of up to EUR 50 million, including an exchange offer to existing bondholders. The company is also reviewing the possibility to repurchase the outstanding bond. “The new financing structure will help us to clearly improve our net interest income in the coming years. At the same time, we will continue to use a mix of different financing instruments as well as our existing access to the capital market – even if this will be done on a smaller scale than in the past,” Fritz Homann added.

Based on stable demand, the company expects its long-term growth to continue in 2017, with sales revenues and EBITDA expected to increase to EUR 240 million and EUR 38 million, respectively.

The full financial statements for 2016 are available at www.homann-holzwerkstoffe.de for further information.

For additional information:



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