

PRESS RELEASE

Homann Holzwerkstoffe GmbH: Sustained growth in revenues and operating result in 2018

- Revenues increase by 4.8% to EUR 269.3 million
- Adjusted EBITDA up by 9.1% to EUR 39.4 million
- Further revenues and earnings growth expected for 2019

Munich, April 29, 2019 - The HOMANN HOLZWERKSTOFFE Group, a leading European supplier of thin, refined wooden fibreboards for the furniture, door, coatings and automotive industries, continued to grow in revenues and operating profit in 2018 and fully met its own targets. Group revenues increased by 4.8% from EUR 256.9 million to EUR 269.3 million. Adjusted operating EBITDA grew by 9.1% from EUR 36.1 million to EUR 39.4 million. On the basis of this good operating performance, HOMANN HOLZWERKSTOFFE achieved a net profit of EUR 7.9 million, compared with EUR 9.1 million in the previous year. One-off effects from the discontinuation of the insulation materials division were thus fully included in 2018. In 2018 operating cash flow rose from EUR 27.2 million to EUR 29.1 million with capital expenditure of EUR 13.9 million, which also went in particular into the optimization of finishing aggregates.

Fritz Homann, Managing Director of HOMANN HOLZWERKSTOFFE GmbH: "The environment for our industry was very challenging in 2018 and will remain so in 2019. The German and European furniture industries are still undergoing a difficult transformation process. Our own development was largely unaffected by this in 2018. In almost all our target markets and in all product areas, the company continued to develop successfully in 2018. The good performance confirms the right strategic positioning and focus of our group". The HOMANN HOLZWERKSTOFFE Group focuses primarily on high-density fibreboards (HDF), which are used in a large number of applications. The company has succeeded in further strengthening its market position in existing segments and diversifying its own customer structure, in particular by expanding its refinement activities. Against the trend, HOMANN HOLZWERKSTOFFE was able to generate growth impulses and achieve an increase of 12.3% in Germany. International revenues increased by 2.7%. Accordingly, the foreign share fell slightly to 76.7% (previous year: 78.3%).

HOMANN HOLZWERKSTOFFE expects the situation on the raw materials market to ease in 2019. There is a gradual end to price dynamics. The slight oversupply that has gradually emerged is calming the price trend. The windthrow in 2018 and the bark beetle plague, fuelled by the dry summer, led to falling timber prices. Overall, the market environment for the industry will remain challenging in 2019. Important customer industries, such as the furniture industry, had to contend with in some cases significant declines in 2018. These challenges will continue to be felt in 2019. HOMANN HOLZWERKSTOFFE expects a stable gross profit margin for its own group in 2019, with further moderate revenues and earnings growth.

Fritz Homann: "Our group is on the verge of setting its next strategic course. In the medium term we will become even more international and diversified in terms of our portfolio and our customer structure".

The 2018 Annual Report is available at www.homann-holzwerkstoffe.de.

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