

## Egger Press Information

### Half-year results, Dec. 22, 2020

## EGGER Group reports stable sales and earnings growth at half-year

### Family business proves to be crisis-proof

The EGGER Group, headquartered in St. Johann in Tirol (Austria), closed the first half of its 2020-21 financial year (reporting date Oct. 30, 2020) with consolidated sales of 1.45 billion euros (\$1.69 billion), a change of -2.1 % as compared to the previous year. These results demonstrate EGGER's quick recovery after the first wave of the global coronavirus pandemic. The commissioning of the 20th plant in Lexington, N.C., marks a milestone for the company during the reporting period. The outlook for the second half of the year is also optimistic, despite existing uncertainties.

The EGGER Group was able to absorb the economic impact of the global coronavirus pandemic in the past six months and take advantage of catch-up effects, reports Thomas Leissing, EGGER Group Management Finance/Administration/Logistics. "After a weak month for May, still influenced by the first lockdown, we saw a very rapid stabilization in most of our core markets and a positive development since then," Leissing said. "Overall, the construction and furnishing sectors were less affected than other industries. A lot of consumers are currently investing in their homes, buying new furniture and floors, or renovating. Our industry is benefiting from this 'cocooning trend.'"

The positive industry environment and corresponding very high demand, favorable raw material costs as well as fixed cost reductions, which were taken as part of the measures against the coronavirus pandemic, led to a significant increase in earnings to 293.9 million euros (+33.5%). The EBITDA margin is 20.3%. The shareholder's equity ratio remains at the high level of 38.6% despite major investments in recent years. The conclusion of this extensive investment program is the 20<sup>th</sup> production site in Lexington, N.C., which started operations in September 2020. This first non-European greenfield investment will enable EGGER to serve the growing demand for wood-based materials in the North American market in future as a local producer and reliable local partner.

### Contribution of all divisions

The sales performance of the individual divisions in the first half of the year was affected by the effects of the corona pandemic, which differed from region to region, and the measures taken to counteract them. Sales in the Decorative Products Central (-0.9% as compared to the previous year), Decorative Products East (+3.0%) and Decorative Products Americas (+2.1%) divisions were stable. In contrast, in the Decorative Products West Division (-11.9%), the plants in the UK and France were most affected by the regional lockdown measures. Sales growth in the Flooring Products Division was +6.2%, while the Other segment posted +3.9%. All divisions contributed

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to the positive earnings trend. A large proportion of this was attributable to the new plant in Biskupiec, Poland, in the Decorative Products East Division and improved results in the Decorative Products Americas Division.

#### **Stable expectations for the second half-year**

Despite continuing uncertainties due to the global coronavirus pandemic, the outlook for the second half of the 2020-21 financial year is positive overall. Challenges are posed by rising raw material costs, the possible effects of a hard Brexit, and currency, inflation and economic developments in Argentina. EGGER Group Management expects stable development in the key markets and emphasizes that the company is very well positioned for further development with its modern industrial base, global market presence, broad product range, solid financial base and, last but not least, its approximately 10,100 motivated and loyal employees, even if new challenges arise.

The EGGER half-year financial report for 2020-21 is now available at [www.egger.com/credit-relations](http://www.egger.com/credit-relations).

#### **About EGGER**

The family company founded in 1961 employs around 10,100 people. In 20 plants across the world, they produce an extensive product range of wood-based materials based on particleboard, OSB, and MDF board, as well as timber. EGGER has global customers in the furniture industry, wood construction and building materials specialist trade, as well as DIY markets. EGGER products are found in countless areas of private and public life including: kitchens, bathrooms, offices, living rooms and bedrooms. EGGER is a full-range supplier for the furniture industry and interior design, wood construction and laminate flooring sectors.

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#### The EGGER Group presents a stable half-year financial statement

- Revenues for the first half of the financial year 2020-21: 1.45 billion euros (-2.1 % as compared to the previous year)
- EBITDA was 293.9 million euros (+33.5 % as compared to the previous year)
- Milestone: Commissioning of the 20th plant in Lexington, N.C. (USA) in September 2020
- Regional differences in the impact of the coronavirus pandemic
- All divisions contributed to the positive earnings development
- Outlook for the second half of the year stable despite uncertainties

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## Captions



The EGGER Group Management from left to right: Walter Schiegl (Head of Production/Technology EGGER Group), Thomas Leissing (Head of Finance/Administration/Logistics EGGER Group), Ulrich Bühler (Head of Marketing/Sales EGGER Group)



The EGGER plant at the St. Johann in Tirol (AT) headquarters.



The 20th EGGER plant in Lexington, N.C. (USA) started operation in September 2020.

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