

Egger Press Information

Half-year results: Dec. 22, 2021

EGGER Group: Sales and earnings growth at half-year

The EGGER Group, headquartered in St. Johann in Tirol (Austria), closed the first half of its 2021-22 financial year (reporting date Oct. 31, 2021) with consolidated sales of 1.98 billion euros (\$2.24 billion), an increase of 36.5% as compared to the previous year. Special economic circumstances in the construction and furniture sector as well as capacity increases of new plants contributed significantly to the result. Raw material markets, however, created challenges. The outlook for the second half of the year is optimistic, despite existing uncertainties.

The coronavirus pandemic and its effects on the economy and society were also decisive factors for the EGGER Group in the first half of the 2021-22 financial year. The special situation in which the industry has found itself since summer 2020 remained in place. The exceptionally strong increase in demand continued. Thomas Leissing, EGGER Group Management Finance/Administration/Logistics: "The so-called cocooning effect, i.e., the increased consumer investment in one's own home, as well as uninterrupted new construction activities in almost all regions of the world are the main drivers behind the high demand for our products. We are pleased that we have been able to make good use of the opportunities offered by this market setting. At the same time, the pandemic also presents us with significant challenges, especially in the area of raw material supply."

Demand at an extremely high level

During the first half-year 2021-22, the EGGER Group was able to generate **sales** of 1,978.1 million euros (+36.5% compared to the first half-year 2020-21) and an **EBITDA** of 478.6 million euros (+62.9% compared to the previous year). The **EBITDA margin** is 24.2%, while the **shareholder's equity ratio** is at the high level of 47.1%.

This result reflects the high level of demand. In order to meet this demand, production capacities were maximized in all plants. The new EGGER plants in Biskupiec, Poland, where volumes were significantly increased, and in EGGER's first US plant in Lexington, NC, contributed significantly to the increase in sales. Start-up losses, however, could be reduced in the US. In addition, the product mix was optimized in all plants. In particular, the building products area recorded disproportionately high growth, triggered by exceptional demand in the US. The increases can also be partly explained by weaker sales in May and June of 2020, which were still characterized by lockdown-related sales weaknesses at the beginning of the pandemic.

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Significant growth in the building products area

The **Decorative Products area** for furniture and interior design, with its four regional divisions West, Central, East and Americas, generated sales of 1,596.6 million euros (+34.4% compared to the previous year). In the **Flooring Products Division**, sales growth was +23.8% in the first half of 2021-22. A total of 242.2 million euros was generated from flooring. The **Building Products Division** increased sales by 75.7% to 273.4 million euros. The sawmill in Brilon, Germany had a large share in the sales growth in this division. The global market setting for timber was very positive, especially due to exceptional demand in the US.

Growth based on our own performance

It has always been part of the EGGER strategy to continuously develop the Group. Ongoing investments are made in existing plants to keep them at the cutting edge of technology. In the first half of the year, investments amounted to 141.1 million euros. These investments were primarily aimed at optimizing internal material flow and increasing the efficiency of warehousing. In addition, the EGGER Group is focusing on resource-saving technologies with systems for the processing of recycling material.

Massive challenges on raw material markets

Since the beginning of the year, the supply situation on the global raw materials markets has become increasingly tense, especially in recent months. This applies in particular to the chemical raw materials needed for wood-based materials, edge banding and surface production. The situation is aggravated by the sharp rise in energy as well as transport costs and greatly reduced transport capacities and internationally shifted trade flows. Since raw materials and energy account for a significant share of total costs, there have been considerable cost increases.

Stable expectations for the second half-year

Despite continued uncertainties due to the coronavirus pandemic, the overall outlook for the second half of the 2021-22 financial year is positive. Challenges include volatility in raw material costs, reduced logistics capacity and inflation risks that could lead to reduced consumption. Traditionally, construction activity is limited in the winter and therefore the second half of the financial year is weaker. EGGER Group Management expects a stable development of the main markets and emphasizes that the company, with its modern industrial base, its broad product range, its solid financial basis and, last but not least, its approximately 10,600 motivated and loyal employees, is very well positioned to face any new challenges.

The EGGER half-year financial report for 2021-22 is now available at www.egger.com/credit-relations.

About EGGER

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The family company, founded in 1961, employs approximately 10,600 people. At 20 plants worldwide, they produce an extensive product range of wood-based materials (particleboard, OSB and MDF boards) as well as timber. The company generated a turnover of 3.08 billion euros in the 2020-21 business year and has worldwide customers in the furniture industry, wood and flooring retailers, as well as DIY markets. EGGER products are found in countless areas of private and public life, including kitchens, bathrooms, bedrooms, offices, hotels and shops. EGGER is a full-range supplier for the furniture industry, interior design, wood construction and wood-based flooring industries.

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Half-year financial statement of the EGGER Group

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| → Sales for the first half of the financial year 2021-22:
1.98 billion euros (+36.5% as compared to the previous year) | → All product areas contributed to the positive development: disproportionate growth in the building products area |
| → EBITDA was 478.6 million euros (+62.9% as compared to the previous year) | → Outlook for the second half of the year is stable despite uncertainties |
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Captions



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



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



The capacity increases of new plants contributed to the positive development. The EGGER plant in Biskupiec (PL) was opened in 2019.

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