

SWISS KRONO GROUP: with verve and hunger for success out of the COVID Crisis

Lucerne, December 2021 – The motto of SWISS KRONO is “Hunger for Success” and the corporate values “Ambitious”, “Goal-Orientation”, “Commitment”, “Pragmatism” and “Partnership” are at the focus of attention. This culture also formed the basis for the success of the fiscal year ended September 30th, 2021. Main reason for the pleasing business development was the consistent and Group-wide coordinated exploitation of market and business opportunities brought about by a large increase in demand in most markets after the end of the second COVID wave.

Martin Brettenthaler, CEO & President of the Executive Committee is pleased with this business performance: “SWISS KRONO has consequently grasped the opportunities that presented themselves to us after the second COVID wave. Every single individual in the company contributed towards this.” However, continued Brettenthaler, resting on one’s laurels is not an option with a view to the coming fiscal year: “We are operating in a highly dynamic and complex economic environment and find ourselves confronted with the challenge of steeply rising prices for raw materials. Increasing digitalization, climate protection and the circular economy will hold both opportunities and challenges for the future.”

It proved possible to **increase** the consolidated **annual net turnover**, when compared with the previous year upon which the COVID crisis had a strong negative influence **by +24% to more than 2.1 billion CHF**. The decline in the previous year, caused by the pandemic, of -8%, was thus more than compensated. In local currencies, the growth rate increased by +28% in comparison with the previous year. In the production, the threshold of an **annual production of 6 million m³** was exceeded for the first time.

All business divisions make significant contributions towards profitable growth and are strengthened by focused investments

All business divisions made their contributions to the strong growth in turnover: the largest division, Flooring, increased by +13%, Building Materials/OSB by +31% and Interiors by no less than +33%.

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In its **Division Flooring**, SWISS KRONO deliberately concentrated on laminate flooring as this continues to be the best hard floor covering with respect to its price-performance ratio. In the past fiscal year, it proved possible to increase sales to almost 160 million m². With the expansion of HDF production for the Group's own laminate production in the USA and the start-up of a new digital printing line for decor paper at the Heiligengrabe site, the strategy of increasing the Group's own vertical integration was consistently implemented.

SWISS KRONO focuses on innovation and expands its product line with **COREPEL**, a highly resilient and water-resistant wood-based floor. The Corepel floor is the first of its kind to contain an encapsulated wood core: this makes it **one hundred percent waterproof** and remarkably resistant, even under extreme conditions. SWISS KRONO received the "**Red Dot Award**" for the cross-media appearance of Corepel.

The **Building Materials/OSB** business unit was characterized by very good demand, but also by rapidly rising timber, chemical, energy and transport costs, which in addition to consistent cost management necessitated a continuous adjustment of selling prices.

The growth targets set out in the Group strategy in the **Building Materials/OSB** business unit - especially through expansion and new installation projects - were pursued, with each plant gradually being expanded to the annual capacity identified by SWISS KRONO as the optimum operating size. In addition to the ongoing construction of a new plant at Sharya, Russia, with start-up in 2023, production at the Heiligengrabe site was expanded by +25% to 600,000 m³. Production at the sites in Sully, France, and Vásárosnamény, Hungary, is planned to be increased by a similar amount.

In the **Interiors division**, SWISS KRONO has market leader positions in various markets (Switzerland, Poland and Ukraine), which are being strengthened and expanded through consistent market development. This area is also being strengthened by targeted investments. For example, further optimization of the waste wood treatment plant at the Menznau site in Switzerland increased the proportion of recycled wood in particleboard to 35%.

Climate Protection and sustainability as both a challenge and an opportunity for the wood processing sector und SWISS KRONO

In the past year, the development of the **SWISS KRONO Sustainability Strategy** began. Its starting point was the determination of the Group's CO₂ footprint in an analysis of the Scopes 1, 2 and 3 in accordance with internationally recognised standards. The result: SWISS KRONO is directly or indirectly responsible for the emission of ca. 3 million tons of CO₂ equivalents every year. The good news: as the SWISS KRONO products are manufactured using wood from sustainable forestry, there is a **“Carbon Sink” effect of about 6 million tons of CO₂ equivalents each year** as a result. The fact that SWISS KRONO is thus not only CO₂ neutral overall but is even actively contributing to CO₂ reduction in the atmosphere, demonstrates the important role that wood-based materials can play in efforts to create a CO₂ neutral economy.

Changes within the Board of Directors: Dr. Reto Müller as the new Chairman

Changes are to take place within the Board of Directors of Swiss Krono Holding AG. Its previous Chairman, Dr. Wilhelm Hörmanseder, left the board for personal reasons. Appointed by Ines Kaindl-Benes, Dr. Reto Müller was elected as new Chairman of the Board of Directors at the General Assembly held on November 30th, 2021. As a co-entrepreneur he was long-time CEO and founding partner of the Helbling Group and today works as a professional supervisory board member for a number of industrial enterprises.

About SWISS KRONO Group:

SWISS KRONO Group is one of the leading manufacturers of timber materials in the world and stands for sustainable and innovative solutions in the fields of interior design, flooring and building materials. Founded as a family business in 1966, the Group is today 100%-owned by Ines Kaindl-Benes. It currently employs a good 5,000 people at ten locations in eight countries around the globe. Its Executive Committee has its head office in Lucerne in Switzerland and its President is Martin Brettenthaler.

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