

## **SWISS KRONO Group – 2017/2018 financial year**

### **A successful financial year that saw large-scale investments, as well as new product innovations**

January 2019 – SWISS KRONO Group, based in Lucerne, Switzerland, can look back on a successful year. The laminate flooring and wood materials manufacturer increased its consolidated gross revenue by more than 11% to reach CHF 2 billion in the financial year ended September 30, 2018. This represents more than 7% revenue growth in local currency compared with the previous year. The Group managed an above-average increase in operating profit, clearly exceeding its own targets. Martin Brettenthaler, CEO and chair of the executive committee, comments: “It is extremely gratifying that SWISS KRONO Group managed to take a positive market environment and achieve even more than expected.” The Group-wide production volume of 6 million cubic meters of wood materials represents a new peak.

A buoyant construction industry brought more than 18% revenue growth (in local currency) for OSB panels in the Building Materials division (revenue share 32%). The Interiors division (furniture panels, revenue share 27%) also generated, gratifyingly, 11% growth, thanks to the launch of two new chipboard lines in the Group’s Swiss and Russian plants. Given the stagnant nature of the global market for laminate flooring, revenues in the Flooring division (revenue share 41%) were more or less unchanged from the previous year. In this challenging market environment, SWISS KRONO retained a European market share of around 30%, confirming its position as the world’s largest laminate flooring manufacturer.

In addition to investment projects that are currently underway or recently completed (including the chipboard plants in Switzerland and Russia, and the HDF plant in the

USA), which, together, account for an overall volume of around EUR 550 million, in December SWISS KRONO agreed further substantial growth investments totaling EUR 340 million. A key focus of these plans is the targeted increase in OSB capacities, including an OSB plant in Sharya, Russia, which is scheduled to go into operation in 2021, with an annual production volume of 600,000 cubic meters. Max von Tippelskirch, Chief Strategy and Communication Officer (CSCO), explains: “This investment decision represents a significant acceleration in the Group’s investment activity and underscores its ambitious goals in the Building Materials division.”

The focus is not just on quantitative but also qualitative growth. This approach allows the Group to keep pace with constantly changing market requirements by launching new, innovative products. In response to increasing demand for sustainability in the construction and interiors sectors, the SWISS KRONO Group has developed a NAF panel based on a natural organic adhesive. Roland Kovacic, Chief Technical Officer (CTO) of the SWISS KRONO Group, explains: “SWISS KRONO Group’s NAF panel is the most environmentally friendly chipboard on the market today.” The Group has the capacity to manufacture this innovative product at all of its chipboard sites.

#### **About SWISS KRONO Group**

SWISS KRONO Group is one of the world's leading manufacturers of engineered wood. The company stands for sustainable and innovative solutions in the business segments Interiors, Flooring and Building Materials. Founded in 1966 as a family business, the group now employs 5,100 people. In the 2017/2018 financial year, the company generated sales of CHF 2.0 billion. In addition to the Swiss plant in Menznau, the company produces in France, Germany, Poland, Hungary, Ukraine, Russia and the USA. The Group's products are sold in more than 120

countries worldwide. SWISS KRONO Group has always been uncompromising in its commitment to quality and environmental orientation. This is how wood is created at its best.

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