



Press Release

BAUWERK GROUP: Net result slightly improved in a challenging environment

The currency-adjusted turnover of the Bauwerk Group in the first half of 2020 was 7.5% below the prior-year period. The 10% drop in volume mainly reflects the effects out of the Covid-19 pandemic. Due to further improvements in material efficiency and productivity the gross margin as well as the operating margins could be improved, EBITDA to 10.5% and EBIT to 5.9%, this despite the decline in sales. The company result of CHF 4.7 million is 2% above the prior-year period.

St. Margrethen, 29 September 2020 – Consolidated net turnover of the Bauwerk Group declined by 12.3% to CHF 128.3 million in the first half of 2020 (prior-year: CHF 146.2 million). Adjusted for significant negative exchange rate impacts when applying the previous year's exchange rate, the reduction amounted to -7.5%. Thanks to the improvements in efficiency in production which were implemented in recent years and further cost-saving measures that were immediately introduced, the key earning figures were improved despite the decline in sales. In the first half of 2020 the operating result EBITDA amounted to CHF 13.4 million which results in an EBITDA margin of 10.5% (9.8% in the prior-year period).

New name of the group

The Bauwerk Group sells its products under the well-known brands Bauwerk Parkett and Boen. The market development is designed for the respective sales channel and the geographic markets. As of September 1, 2020, the group was renamed to BAUWERK GROUP. The proven market presence of the two brands Bauwerk and Boen will be continued.

Efficiency further improved

The international pandemic situation in the first half of the year was inconsistent, as individual markets were completely in lockdown, while construction activity was still possible in others. Overall, the volume sold in the first half of 2020 fell by around 10% to 4.1 million square meters. Despite the decline in volume and sales, the group managed to maintain or even improve margins. Further improvements in productivity and efficiencies in the factories, relaxation in the material procurement markets, significant saving measures in other operating expenses and, last but not least, compensation contributions for short-time-work contributed significantly to this positive development. The operating result EBITDA was CHF 13.4 million, compared to CHF 14.3 million in the prior-year period, resulting in an EBITDA margin of 10.5% (9.8% in the prior-year). Adjusted for negative



currency effects, the adjusted operating result EBITDA was CHF 14.7 million, corresponding to an EBITDA margin of 10.9% (prior-year period 10.2%). The operating result after depreciation EBIT amounted to CHF 7.6 million or 5.9% of net sales, compared to CHF 8.1 million or 5.5% EBIT margin in the prior-year. Adjusted for the mentioned currency effects, EBIT was CHF 8.6 million or 6.4% of net sales (prior-year 5.9%). The company result for the first half of 2020 amounted to CHF 4.7 million and was 2% above the prior-year period (CHF 4.6 million).

Solid financing

The balance sheet and financial ratios of Bauwerk Group as of 30 June 2020 remain solid. The equity ratio as of the balance sheet date, including the subordinated shareholder loans, was 43.2% (42.9% as of 30 June 2019). Compared to the previous year, financial liabilities were reduced by around CHF 8.7 million. The subordinated shareholder loan was also reduced by CHF 9.8 million.

Outlook 2020

Due to the continuing uncertainties regarding the speed of the economic recovery and the resulting lack of visibility in the individual markets, the Bauwerk Group is not giving an outlook for the second half of the year. However, the group is confident that with the effect out of the efficiency measures further improvements in productivity and increase in earnings is possible as soon as the volume stabilizes

Consolidated Income Statement			
in 1000 CHF	2020	2019	Change.
	Jan-Jun	Jan-Jun	in %
Net turnover	128'253	146'205	-12.3
Material and goods	-59'731	-69'082	
Personnel costs	-30'820	-33'009	
Other operating costs	-24'500	-29'714	
Other revenues	1'169	715	
Other expenditures (incl. restructurings)	-956	-740	
Operating results before depreciation and amortisation (EBITDA)	13'415	14'375	-6.7
EBITDA in % of net turnover	10.5%	9.8%	
Depreciation	-5'850	-6'325	
Operating result (EBIT)	7'565	8'050	-6.0
EBIT in % of net turnover	5.9%	5.5%	
Financial results	-2'020	-2'200	
Extraordinary / non-recurring expenses	-45	-450	
Result before taxes (EBT)	5'500	5'400	1.9
EBT in % of net turnover	4.3%	3.7%	
Taxes	-820	-800	
Net income	4'680	4'600	1.7
Net income in % of net turnover	3.6%	3.1%	



Consolidated Balance Sheet in 1000 CHF	30 Jun 2020	in %	30 Jun 2019	in %	Change	in %
Assets						
Cash and cash equivalents	21'802		5'873			
Other current assets	128'292		148'230			
Current assets	150'094	58.3	154'103	56.6	-4'009	-2.6
Financial assets	1'747		2'249			
Tangible fixed and intangible assets	105'498		115'866			
Non-current assets	107'245	41.7	118'115	43.4	-10'870	-9.2
Total assets	257'339	100.0	272'218	100.0	-14'879	-5.5
Equity and liabilities						
Financial liabilities	96'219		104'921			
Other current liabilities	38'941		38'714			
Other non-current liabilities	10'950		11'899			
Total liabilities	146'110	56.8	155'534	57.1	-9'424	-6.1
Shareholder loan	27'500	10.7	37'308	13.7	-9'808	-26.3
Share capital	76'394		76'394			
Capital reserves	14'062		14'062			
Retained earnings (incl. currency translation differences)	-6'727		-11'080			
Total equity	83'729	32.5	79'376	29.2	4'353	5.5
Total equity and liabilities	257'339	100.0	272'218	100.0	-14'879	-5.5

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About Bauwerk Group

Bauwerk Group is Europe's leading developer, manufacturer and supplier of parquet flooring in the premium segment as well as the second-largest market participant in wood flooring. With sold volumes of over 8.7 million square meters annually, the Group offers a complementary portfolio of two- and three-layer parquets as well as wooden sports flooring under the two brands Bauwerk and Boen. The key markets Switzerland, Norway and Germany as well as Austria, the UK, France, China and the US are being served by local subsidiaries. Administrative headquarters of the Group are located in St. Margrethen, Switzerland. The production locations are currently concentrated in St. Margrethen and Kietaviškės, Lithuania and Đurđevac/Croatia. During the financial year 2019, the Bauwerk Group generated a net turnover of CHF 281 million and employed around 1'600 people.



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