



## **Adhoc announcement pursuant to Art. 53 LR**

### ***BAUWERK GROUP: Expansion in the USA and stable results in the first half of the year***

The currency-adjusted turnover of the Bauwerk Group in the first half of 2022 was 24.2% higher than in the same period of the previous year. With the acquisition of Somerset Hardwood Flooring based in Somerset (Kentucky USA) as of May 1, 2022, the market position in North America was further strengthened. The organic growth of 15.5% came mainly from the price increases that became necessary over the past 12 months. Further increases in material, transport and operating costs and the resulting pressure on margins were thus partially offset and the decrease in profitability in the operating margin EBITDA was limited to around 100 basis points. With a company result of CHF 11.7 million, the previous year was slightly exceeded (H1 2021: CHF 11.2 million).

St. Margrethen, 1 September 2022 – In the first half year of 2022, the consolidated net turnover of Bauwerk Group increased by 19.9% to CHF 184.4 million (previous year: CHF 153.8 million). Applying the exchange rate of the previous year, the increase was 24.2%. Net turnover includes CHF 13.4 million from Somerset Hardwood Flooring, acquired as of May 1, 2022, which corresponds to 8.7 percentage points of the currency-adjusted growth. With volumes almost stable compared to the same period of the previous year, the organic growth achieved resulted almost exclusively from the adjustments in sales prices that became necessary in the second half of the previous year and in the first half of 2022.

#### ***Ongoing sharp cost increases***

After Bauwerk Group had already faced major challenges in the previous year due to the shortage of raw materials and restrictions in the supply chains caused by the pandemic, the war in Ukraine, broken out in February, and the associated economic effects led to further substantial increases in material, transport and operating costs. With a consistent implementation of the necessary adjustments to the sales prices as well as a continued strict cost management, the burden on the gross margins was limited and a solid profitability was maintained. The operating result EBITDA was CHF 23.1 million, compared to CHF 20.8 million in the same period of the previous year, resulting in a slightly decreasing EBITDA margin of 12.5% (13.5% in the previous year). The net income for the first half of 2022 amounted to CHF 11.7 million and was therefore slightly above the same period of the previous year (CHF 11.2 million). Somerset Hardwood Flooring contributed CHF 1.1 million to the operating result EBITDA and CHF 0.5 million to the net income.



### ***Solid financing***

Despite the acquisition of Somerset Hardwood Flooring as of May 1st, the balance sheet and financial figures of the Bauwerk Group remain solid as of June 30th, 2022. The equity ratio as of the reporting date, including the subordinated shareholder loans, was 34.0% (43.9% as of June 30, 2021). As a result of the acquisition of Somerset Hardwood Flooring and of an expansion of the net working capital associated with increases in material costs and prices, the financial liabilities to third parties and shareholders increased by around CHF 72.2 million compared to the previous year. Taking full account of Somerset Hardwood Flooring's operating results for the last 12 months, this results in a third-party debt factor of less than 3.0.

### ***Outlook 2022***

Due to the tense political situation and the related uncertainties regarding material supplies and the development of material, transport and operating costs as well as the development of the construction activities in the second half of the year, the Bauwerk Group is refraining from providing an outlook for the current year. However, strict cost control and the further implementation of the sales price adjustments made in the first half of the year should make it possible to, at least partially, compensate for the existing significant pressure on the gross margins. The Bauwerk Group is confident that, thanks to its good positioning and market position, it will continue to be able to achieve solid results in the medium term.

<b>Consolidated Income Statement</b>			
in 1000 CHF	<b>2022</b>	<b>2021</b>	<b>Change</b>
	Jan-Jun	Jan-Jun	in %
<b>Net turnover</b>	<b>184'394</b>	<b>153'824</b>	<b>19.9</b>
Material and goods	-88'694	-71'947	
Personnel costs	-39'111	-33'433	
Other operating costs	-32'836	-27'243	
Other revenues	328	251	
Other expenditures (incl. restructurings)	-993	-652	
<b>Operating results before depreciation and amortisation (EBITDA)</b>	<b>23'089</b>	<b>20'800</b>	<b>11.0</b>
EBITDA in % of net turnover	12.5%	13.5%	
Depreciation	-6'026	-5'700	
<b>Operating result (EBIT)</b>	<b>17'063</b>	<b>15'100</b>	<b>13.0</b>
EBIT in % of net turnover	9.3%	9.8%	
Financial results	-2'500	-1'325	
Extraordinary / non-recurring expenses	0	-180	
<b>Result before taxes (EBT)</b>	<b>14'563</b>	<b>13'595</b>	<b>7.1</b>
EBT in % of net turnover	7.9%	8.8%	
Taxes	-2'892	-2'395	
<b>Net income</b>	<b>11'671</b>	<b>11'200</b>	<b>4.2</b>
Net income in % of net turnover	6.3%	7.3%	



<b>Consolidated Balance Sheet</b> in 1000 CHF	<b>30.06.2022</b>	<b>in %</b>	<b>30.06.2021</b>	<b>in %</b>	<b>Change</b>	<b>in %</b>
<b>Assets</b>						
Cash and cash equivalents	13'171		34'368			
Other current assets	210'708		126'522			
<b>Current assets</b>	<b>223'879</b>	<b>66.3</b>	<b>160'890</b>	<b>60.4</b>	<b>62'989</b>	<b>39.2</b>
Financial assets	1'994		2'431			
Tangible fixed and intangible assets	115'028		103'040			
<b>Non-current assets</b>	<b>117'022</b>	<b>33.7</b>	<b>105'471</b>	<b>39.6</b>	<b>11'551</b>	<b>11.0</b>
<b>Total assets</b>	<b>340'901</b>	<b>100.0</b>	<b>266'361</b>	<b>100.0</b>	<b>74'540</b>	<b>28.0</b>
<b>Equity and liabilities</b>						
Financial liabilities	146'652		91'640			
Other current liabilities	57'152		47'058			
Other non-current liabilities	11'305		10'724			
<b>Total liabilities</b>	<b>215'109</b>	<b>63.1</b>	<b>149'422</b>	<b>56.1</b>	<b>65'687</b>	<b>44.0</b>
<b>Shareholder loan</b>	<b>25'000</b>	<b>7.3</b>	<b>7'850</b>	<b>2.9</b>	<b>17'150</b>	<b>218.5</b>
Share capital	76'394		76'394			
Capital reserves	12'224		14'062			
Retained earnings (incl. currency translation differences)	12'174		18'633			
<b>Total equity</b>	<b>100'792</b>	<b>29.6</b>	<b>109'089</b>	<b>41.0</b>	<b>-8'297</b>	<b>-7.6</b>
<b>Total equity and liabilities</b>	<b>340'901</b>	<b>100.0</b>	<b>266'361</b>	<b>100.0</b>	<b>74'540</b>	<b>28.0</b>

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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 11 million square meters annually, the Group offers a complementary portfolio of two- and three-layer parquets as well as massive and wooden sports flooring under the brands Bauwerk, Boen and Somerset Hardwood Flooring. Administrative headquarters of the Group are located in St. Margrethen, Switzerland. The production locations are currently concentrated in St. Margrethen and Kietaviškės, Lithuania and Durdevac/Croatia. During the financial year 2021, the Bauwerk Group generated a net turnover of CHF 302 million and employed around 1,600 people.



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