



## Media release

### Higher sales in a difficult environment

Zug, August 18, 2022 – In the first half of 2022, Group sales amounted to EUR 31.3 million, and earnings before interest and taxes (EBIT) amounted to EUR 2.8 million or 9.1%. Sales growth was 15.2% over the same period of the previous year, and EBIT fell by EUR 0.7 million. This result reflects the difficult economic environment and substantial corresponding cost increases. Working capital increased again by EUR 2.4 million, reaching a high of EUR 22.4 million. In May 2022, maintenance work was carried out in the sawmills in Gabon, which meant that industrial activity was reduced during that period. The sawn timber volumes of all sawmills were 10.0% above the previous year. Operations in Brazil developed positively in line with expectations, taking into account the negative exchange rate effect. In Gabon, the result was below expectations, but still satisfactory in light of the intensified infrastructure and logistics challenges. The Group's net result in the first half-year was EUR –0.3 million (same period of the previous year: EUR 1.4 million). The generated cash flow was below expectations due to the high level of capital tied up in inventory. Inventory that is mostly sold but strongly impacted by the aforementioned challenges. Debt increased by EUR 2.8 million from the end of the previous year, mainly due to the CHF/EUR exchange rate. The outlook and expectations for 2022 as a whole remain positive.

in EUR million	30.06.22	30.06.21	Index	Change
<b>Net Sales Precious Woods Group</b>	<b>31.3</b>	<b>27.2</b>	<b>115.2%</b>	<b>+4.1</b>
Net Sales Precious Woods Gabon	18.5	17.8	103.6%	+0.6
Sawmills	13.6	13.2	103.3%	+0.4
Net Sales Precious Woods Amazon	8.8	7.4	119.5%	+1.4
Sawmills	8.5	6.9	122.5%	+1.6
Net Sales Energy Biomass power plant <sup>1</sup>	1.7	0.3	592.2%	+1.4
Net Sales Precious Woods Trading	4.0	2.0	203.2%	+2.0

**Earnings** before interest, tax, depreciation and amortization (EBITDA) amounted to EUR 5.1 million (previous year: EUR 5.5 million), corresponding to a margin of 16.1%. Earnings before interest and taxes (EBIT) reached EUR 2.8 million (previous year: EUR 3.5 million) and a margin of 9.1%.

The **financial result** was below the previous year period at EUR –2.0 million (previous year: EUR –1.5 million). The current interest charge amounted to EUR 1.3 million (previous year: EUR 1.2 million). The net result was EUR –0.3 million (previous year: EUR 1.4 million); EUR 0.6 million of this decline was due to exchange rate effects.

The sawmills in **Gabon** produced a total of 26 241 m<sup>3</sup> of sawn timber, an increase of 2.5% (previous year: 25 594 m<sup>3</sup>). The increase in volume is mainly due to the capacity increase in the hardwood sawmill, given that full productivity was achieved in April. As in the previous year, maintenance work in the sawmills was carried out as planned in May.

Net sales in Gabon were 3.6% above the same period of the previous year, reaching EUR 18.5 million (previous year: EUR 17.8 million). Earnings before interest, taxes, depreciation and amortization



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(EBITDA) amounted to EUR 3.0 million (previous year: EUR 3.7 million). The EBITDA margin was 16.2% (previous year: 20.8%).

The production volume in **Brazil** was 20 900 m<sup>3</sup> of sawn timber, 20.9% higher than in the previous year (17 286 m<sup>3</sup>). The sawmill lines have been fully expanded, and the storage facilities have been enlarged. Towards the end of June, we reduced operations for 20 days because we had to wait for further supply of logs from the new harvest.

Net sales were 19.5% above the previous year, reaching EUR 8.8 million (previous year: EUR 7.4 million). Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR 2.7 million, a decline of EUR 0.5 million (previous year: EUR 3.2 million). This resulted in an EBITDA margin of 30.4% (previous year: 43.2%).

Net sales from **trading** in European logs and sawn timber amounted to EUR 4.0 million, double the net sales in the same period of the previous year (EUR 2.0 million). The EBITDA margin was 13.1% (previous year: 7.9%).

In the first half-year, **Carbon & Energy** were sold no emission certificates. Sales from energy production amounted to EUR 1.7 million (previous year: EUR 0.3 million). The energy production enables the company to cover its own needs but also to supply the nearby town with electricity. The EBITDA margin was 30.2%.

### Outlook

Following the expansion of production capacities and the realized increase in sales in the current year, we anticipate a positive development for the second half of the year. We expect a reduction in inventory with slightly increased production. We therefore expect to be able to present a strong increase in sales and profitability for the entire fiscal year. Further investment projects to increase productivity and strategic growth projects are under development but will not be implemented this year.

Supplementing equity, conditional and authorized capital is at our disposal to finance larger projects or to take advantage of opportunities at short notice.

The complete half-year report is available for download or as an online version at [www.preciouswoods.com](http://www.preciouswoods.com). You also have the option of ordering a printed version via our website under "Contacts/Annual Reports Request" or by e-mail to [media@preciouswoods.com](mailto:media@preciouswoods.com). To receive regular press releases, the newsletter is available on our website under "Contacts/Subscribe Newsletter".



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Precious Woods is an international company active in the sustainable management and use of tropical forests. The company's core activities include sustainable management of tropical forests, timber processing and the trading of FSC-certified timber products. The generation of emission rights and electricity from wood waste represent further integral elements of the company's business. Additional information about Precious Woods can be found at [www.preciouswoods.com](http://www.preciouswoods.com)

This document includes forward-looking statements that reflect the Company's intentions, beliefs or current expectations and projections about the Company's future results of operations, financial condition, liquidity, performance, prospects, strategies, opportunities and the industry in which it operates. Forward-looking statements involve all matters that are not historical fact. Such statements are made on the basis of assumptions and expectations which, although the Company believes them to be reasonable at this time, may prove to be erroneous.

### Precious Woods Group – Key figures

in thousand EUR

<b>INCOME STATEMENT</b>	<b>30.06.2022</b>		<b>30.06.2021</b>	
<b>Total revenue</b>	<b>31'321</b>	<b>100.0%</b>	<b>27'194</b>	<b>100.0%</b>
Production costs	-14'609	-46.6%	-12'151	-44.7%
<b>Operational contribution</b>	<b>16'712</b>	<b>53.4%</b>	<b>15'043</b>	<b>55.3%</b>
Labour costs	-10'193	-32.5%	-7'980	-29.3%
Other operating costs	-1'467	-4.7%	-1'542	-5.7%
<b>EBITDA</b>	<b>5'052</b>	<b>16.1%</b>	<b>5'521</b>	<b>20.3%</b>
Depreciation and amortization	-2'214	-7.1%	-1'995	-7.3%
<b>EBIT</b>	<b>2'838</b>	<b>9.1%</b>	<b>3'526</b>	<b>13.0%</b>
Financial result	-1'957	-6.2%	-1'468	-5.4%
<b>EBT</b>	<b>881</b>	<b>2.8%</b>	<b>2'058</b>	<b>7.6%</b>
Income taxes	-1'144	-3.7%	-681	-2.5%
<b>Net profit / -loss</b>	<b>-263</b>	<b>-0.8%</b>	<b>1'377</b>	<b>5.1%</b>
<b>BALANCE SHEET</b>	<b>30.06.2022</b>		<b>31.12.2021</b>	
Current assets	38'074	28.8%	32'509	27.7%
Non-current assets	94'276	71.2%	84'929	72.3%
<b>TOTAL ASSETS</b>	<b>132'350</b>	<b>100.0%</b>	<b>117'438</b>	<b>100.0%</b>
Current liabilities	57'772	43.7%	50'818	43.3%
Non-current liabilities	21'634	16.3%	22'182	18.9%
Equity	52'944	40.0%	44'438	37.8%
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>132'350</b>	<b>100.0%</b>	<b>117'438</b>	<b>100.0%</b>