



## Media release

### Increase in sales and profitability in the 2021 business year

**Zug, 29 April 2022 – Precious Woods achieved consolidated net sales of EUR 54.3 million in the fiscal year 2021. This was 17.6 % above the previous year's sales (EUR 46.2 million). Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR 15.1 million, or 27.7 %, an increase of EUR 9.3 million over the previous year (EUR 5.8 million). Earnings before interest and taxes (EBIT) amounted to EUR 10.7 million, EUR 8.8 million higher than the previous year (EUR 1.9 million). The net result was EUR 4.7 million (previous year: EUR -2.2 million). The EBITDA and EBIT figures include increases in the valuation of biomass in the amounts of EUR 4.1 million and EUR 0.9 million, respectively, in 2020.**

#### **Volume and sales development**

In 2021, Precious Woods achieved net sales of EUR 54.3 million, an increase of 17.6 % over the previous year (EUR 46.2 million). Currency effects amounted to -1.4 %, volumes increased by 5.6 %, and shifts in the price/product mix impacted sales by 3.1 %. Newly added is the revenue from electricity sales in Brazil of EUR 1.7 million.

Prices were affected due to the share of locally sold products in Brazil but also due to product shifts in veneer in Gabon. Overall the price increase for sawn timber was several percentage points higher, thanks to a good market situation. Operations in Brazil achieved an increase in sales of EUR 1.8 million or 13.3 %. Precious Woods Gabon achieved an increase in sales of EUR 4.5 million or 14.3 %. Trading sales in logs and sawn timber from Europe increased and amounted to EUR 3.4 million, 38.0 % or EUR 0.9 million higher than the previous year.

In Brazil, the harvest volume for logs was 160 300 m<sup>3</sup>, 15 % lower than in the previous year. The sawmill processed 162 400 m<sup>3</sup> of wood, 1.3 % less than in the previous year. Yield increased again. This resulted in 3.5 % higher sawn timber production, totalling 39 600 m<sup>3</sup> (previous year: 38 300 m<sup>3</sup>).

In Gabon, the harvest volume in 2021 was 233 700 m<sup>3</sup>, a decline of 6.6 % from the previous year (250 100 m<sup>3</sup>). The sawmills in Bambidie processed 149 000 m<sup>3</sup> of logs, an increase of 14.7 %. Sawn timber production amounted to 53 500 m<sup>3</sup> (previous year: 44 600 m<sup>3</sup>).

### **Margin development**

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR 15.1 million, an increase of EUR 9.3 million over the previous year (EUR 5.8 million). This corresponds to an EBITDA margin of 27.7 % (previous year: 12.5 %). The valuation for biomass in Brazil resulted in to an effect of EUR 4.1 million in 2021 and EUR 0.9 million in the previous year.

### **Financial result**

At EUR -2.8 million, the financial result was slightly below the previous year's level of EUR -3.0 million. At the end of the year, net debt was EUR 42.2 million, EUR 0.3 million higher than the previous year (EUR 41.9 million). The currency effect of EUR -0.2 million was practically at the previous year's level of EUR -0.1 million.

Net profit was EUR 4.7 million compared to a loss of EUR 2.2 million in the previous year. Following a successful first half year, the positive development continued for the remainder of 2021. As for the current year, most of the order books are already full which gives us confidence for the first half of 2022.

Cash flow from operating activities increased by EUR 0.1 million to EUR 6.0 million. The change in working capital was EUR -5.4 million. Investments in tangible fixed assets amounted to EUR 2.3 million. Cash flow from financing activities was EUR -4.3 million.

### **Outlook for 2022**

The operational progress achieved in recent years has laid the foundation for the further development of Precious Woods. The strategic objective includes expanding our managed forest areas in Brazil and Gabon. In addition, we want to invest in the depth of our value chain, generating more margin. In 2022 we expect increased profitability from our basic business in Gabon and a high, but lower operating result in Brazil compared to 2021. This is solely due to the exchange rate effect after the strong depreciation of the EUR and USD. We assess the market situation as very good, given that building with wood has a positive effect on the climate goals compared to steel and concrete, as has come increasingly into focus after the Glasgow climate conference. We expect a gratifying development and a positive result in the current fiscal year.

### **General Meeting on 19 May 2022**

This year's ordinary Annual General Meeting will take place on 19 May 2022 in the Volkshaus Zurich. The invitation to the General Meeting will be published in the Swiss Official Gazette of Commerce (SOGC) and on the Precious Woods website on 29 April 2022, together with the complete agenda and the proposals by the Board of Directors.

The complete Annual Report is now available for download at [www.preciouswoods.com](http://www.preciouswoods.com) as well as an online version.

**Information:**

Katharina Lehmann (Chairwoman) and Markus Brüttsch (CEO/CFO and Delegate)

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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>2021</b>		<b>2020</b>	
<b>Net sales</b>	<b>54'299</b>	<b>100.0%</b>	<b>46'186</b>	<b>100.0%</b>
Production cost	-17'824	-32.8%	-19'173	-41.5%
<b>Operational contribution</b>	<b>36'475</b>	<b>67.2%</b>	<b>27'013</b>	<b>58.5%</b>
Labour cost	-18'197	-33.5%	-19'131	-41.4%
Other operating cost	-2'489	-4.6%	-1'759	-3.8%
Share on associates	-723	-1.3%	-354	-0.8%
<b>EBITDA</b>	<b>15'066</b>	<b>27.7%</b>	<b>5'769</b>	<b>12.5%</b>
Depreciation and amortization	-4'329	-8.0%	-3'882	-8.4%
<b>EBIT</b>	<b>10'737</b>	<b>19.8%</b>	<b>1'887</b>	<b>4.1%</b>
Financial result	-2'789	-5.1%	-2'957	-6.4%
<b>EBT</b>	<b>7'949</b>	<b>14.6%</b>	<b>-1'070</b>	<b>-2.3%</b>
Income taxes	-3'263	-6.0%	-1'111	-2.4%
<b>Net result</b>	<b>4'686</b>	<b>8.6%</b>	<b>-2'181</b>	<b>-4.7%</b>

in thousand EUR

<b>BALANCE SHEET</b>	<b>31.12.2021</b>		<b>31.12.2020</b>	
Current assets	32'509	27.7%	27'015	24.7%
Non-current assets	84'929	72.3%	82'428	75.3%
<b>TOTAL ASSETS</b>	<b>117'438</b>	<b>100.0%</b>	<b>109'443</b>	<b>100.0%</b>
Current liabilities	50'818	43.3%	20'902	19.1%
Non-current liabilities	22'182	18.9%	49'232	45.0%
Equity	44'438	37.8%	39'309	35.9%
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>117'438</b>	<b>100.0%</b>	<b>109'443</b>	<b>100.0%</b>