



Media release

Preliminary result 2018: Sales increase – Result affected by one-off charges

Zug, 15 February 2019 - Overall, the Precious Woods Group achieved a sales growth of 3% in 2018. The operating income was negatively impacted by extraordinary expenses in Brazil, caused by past events, and delivery difficulties in both Gabon and Brazil.

in thousand EUR	2017 IFRS	2018 operational	2018 one-off-items	2018 IFRS
Net sales	44'997	46'349		46'349
Gross profit	15'260	13'072		13'072
margin	33.9%	28.2%		28.2%
Other OPEX	-7'049	-6'892	1'014	-7'906
EBITDA	8'211	6'180	1'014	5'166
margin	18.2%	13.3%		11.1%
Depr/Amort	-4'681	-3'416		-3'416
EBIT	3'530	2'764	1'014	1'750
margin	7.8%	6.0%		3.8%

While Precious Woods Gabon's sales are 5% down compared to previous year, Precious Woods Amazon achieved a sales growth of 20%.

During financial year 2018 Precious Woods experienced significant shipping problems from Brazil in the first half of the year, and from Gabon during the second half of the year. While the situation in the port of Manaus normalized starting from June, a lack of containers and port access in Gabon affected the export of our production volumes from September onwards.

Due to the missing turnover of around EUR 3 million and the resulting lower margins, the operating result in Gabon declined compared to the previous year. The operating result in Brazil increased considerably; however, this result was negatively impacted by one-off charges attributable to legal cases from 2008 to 2013. Management believes that no major outstanding legal cases can impact future results.

Working capital has worsened again due to the delivery delays mentioned above and amounts to 35.5% of net sales (regular level 27%). This resulted in an additional capital commitment of EUR 5 million.

In 2019, the focus will be on increased processing volumes at both locations and investment in production capacity. This will increase sales and profitability.

More detailed explanations will follow in the presentation of the annual report.

Upcoming events:

Presentation of the annual report:	18 April 2019
Annual general meeting in Zurich:	16 May 2019

Information:

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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

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.