

Egger Web News

Half-year result, December 2019

Stable annual accounts at the financial half-year

Turnover increased by 3.4 %, with almost EUR 300 million invested

The EGGER Group, with headquarters in St. Johann in Tirol (AT), has completed the first half of its financial year 2019/2020 (reference date the 31st October 2019) with a consolidated turnover of EUR 1.48 billion and a turnover increase of 3.4 % as compared to the previous year. The result before interest, taxes and depreciation (EBITDA) is EUR 220.1 million (-4.9 % as compared to the previous year). These results should be taken into account alongside the massive investments and the associated set-up and start-up costs that are in line with the company's strategic growth plans. During the reporting period, EGGER started operating its 19th plant in Poland. The outlook for the second half of the year is also confident.

"Overall, we succeeded in making good use of our capacities in the last half-year and generating satisfactory sales and earnings with our 19 locations. Between May and October 2019, the market environment in our core markets in Europe and Russia was satisfactory and enabled us to achieve stable development. We were challenged by the Argentine market, which was characterised by very high inflation and the currency depreciation of the Argentine peso and the associated economic recession," said Thomas Leissing, Head of Finance / Administration / Logistics and spokesperson of the EGGER Group Management, explaining the half-year results.

Many investments made

The first half of the financial year was characterised above all by the continued high level of investment activity: In the past six months alone, EUR 297.4 million was spent on growth and maintenance investments. At the end of June 2019, the 19th production site in Biskupiec, Poland, successfully went into operation. Production is to commence at the first North American site in Lexington, NC, USA, by the end of 2020.

Growth across all divisions

Turnover increase was recorded in all EGGER divisions dedicated to the production and marketing of decorative products for furniture and interior design: The Division Decorative Products Central generated a turnover of EUR 447.0 million (+2.2 % as compared to the previous year). The Division Decorative Products West also increased the turnover by 2.2 % to EUR 364.7 million. The turnover in the Division Decorative Products East rose by 6.4 % to EUR 455.6 million. The latest division, Decorative Products Americas, increased turnover by 27.1 % to EUR 68.8 million. In addition to the South American site Concordia (AR), this includes market development activities in North America for the plant under construction in Lexington, NC (US).

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The Division Flooring Products accounted for 14.0 % of total turnover and, at EUR 231.2 million, was also 2.6 % up as compared to the previous year. The Other segment, which in addition to the Brilon (DE) sawmill includes the Group functions and other independent areas, accounted for EUR 88.1 million of total turnover, or 5.3 %. The turnover in this segment fell by -9.1 % as compared to the previous year, mainly due to lower sawn timber prices. A similar development was recorded in the OSB product area, the results of which are integrated in the Decorative Products East and Flooring Products divisions due to plant allocations.

New collection provides positive outlook for second half-year results

Ulrich Bühler, Head of Sales/Marketing of the EGGER Group, is convinced that the new EGGER Decorative Collection 2020-22, which will be launched to the market in February 2020, will provide a significant growth boost: "The global collection for distributors, craftsmanship and architecture has made a fundamental contribution to our company's success over the past three years. With this new edition, we want to build on this success story for ourselves and our customers."