



Media release

On track despite difficult environment

Zug, August 14, 2024 – In the first half of 2024, Group sales amounted to EUR 26.3 million (EUR -6.6 million or -20% compared to the same period of the previous year), and earnings before interest and taxes (EBIT) amounted to EUR -3.6 million (EUR -3.4 million or -13.5 % compared to the same period of the previous year). The result is in line with expectations and reflects the persistently difficult market environment following the slump in the second half of the last year. On the other hand, a reduction in working capital of EUR 8.0 million was achieved, freeing up urgently needed liquidity. The operating business remains stable at a lower level and the restructuring measures introduced in the previous year have been completed. The sawmills in both Gabon and Brazil produced 35 % less sawn timber in the first six months than in the same period of the previous year. This was due to the low order intake and reduced production as a result of the restructuring program. Following the turbulence at the end of 2023, the focus was on stabilizing financial flows and liquidity, and a positive operating cash flow of EUR 1.1 million was achieved (same period of the previous year: 0.9 million). The Group's net result in the first half-year was EUR -4.6 million (same period of the previous year: EUR -3.1 million). The currency fluctuations, particularly at the Brazilian unit, result in a negative change in equity at Group level. However, this has no impact on the equity of the holding company, whose equity ratio is unchanged. The outlook and expectations for 2024 remain cautious, as no significant recovery in the market environment is expected. From an operational perspective, the aim for the second half of the year is to continue to leverage the positive effects of the restructuring and to maintain liquidity at Group level. Strategically, refinancing debt capital by the end of the year remains the top priority.

in EUR million	30.06.24	30.06.23	Index	Change
Net Sales Precious Woods Group	26.3	32.9	80.0 %	-6.6
Net Sales Precious Woods Gabon	19.2	19.3	99.3%	-0.1
Sawmills	13.2	12.6	104.1%	+0.5
Net Sales Precious Woods Amazon	5.1	8.4	60.1%	-3.4
Sawmills	4.8	8.0	59.6%	-3.2
Net Sales Energy Biomass power plant	0.2	1.5	10.8%	-1.4
Net Sales Precious Woods Trading	1.9	4.5	42.1%	-2.6

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR -0.9 million (previous year: EUR 2.0 million), corresponding to a margin of -3.3 %. Earnings before interest and taxes (EBIT) reached EUR -3.6 million (previous year: EUR -0.2 million) and a margin of -13.5%

The **financial result** totaled EUR -0.8 million (previous year: EUR -2.2 million). The current interest charge amounted to EUR 1.4 million (previous year: EUR 1.5 million).

The sawmills in **Gabon** produced a total of 13 194 m³ of sawn timber, which corresponds to a reduction of 32.6 % (previous year: 20 724 m³).



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Net sales in Gabon were only 0.7 % below the same period of the previous year, reaching EUR 19.2 million (previous year: EUR 19.3 million). Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR 1.2 million (previous year: EUR 1.3 million). The EBITDA margin was 6.4 % (previous year: 6.9 %).

The production volume in **Brazil** for the first half-year was 11 027 m³ of sawn timber, 33.2 % lower than in the previous year (16 496 m³). Since the end of last year, the sawmills have only been working in single-shift operation in order to meet the changed market situation, and this will also be the case in the second half of the year.

Net sales were 39.9 % below the previous year, reaching EUR 5.1 million (previous year: EUR 8.4 million). Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR -0.7 million, a decline of EUR 1.8 million (previous year: EUR 1.1 million). This resulted in an EBITDA margin of -13.0 % (previous year: 13.5 %).

Net sales from **trading** in European sawn timber and roundwood, and sawn timber from Brazil totaled EUR 1.9 million, a decrease of EUR 2.6 million compared to the same period of the previous year (EUR 4.5 million). The EBITDA margin was -14.7 % (previous year: 5.7 %). The negative result is due to the sale of inventories that were disposed of at a markdown.

In the segment **Carbon & Energy**, the next sale of CO₂-Certificates will take place in 2025 at the earliest due to regulations of the United Nations Framework Convention on Climate Change (UNFCCC). Sales from energy production totaled EUR 0.2 million (previous year: EUR 1.5 million).

Outlook

As expected, the financial year is still heavily impacted by last year's crisis. The low global demand for timber in the construction supply industry is unlikely to recover significantly in the second half of the year, even though a turnaround in interest rates is slowly becoming apparent. However, we expected this situation and, with the restructuring now completed, our aim remains to increase profitability in the second half of the year and close the financial year with a neutral operating result. It is now important to leverage the adjusted cost structures efficiently and to keep our core activities and liquidity stable. It will also be essential to generate the required orders so that we can already plan capacities for the coming year. Last but not least, refinancing efforts remain the key element in securing the company's successful future.

The complete half-year report is available for download or as an online version at www.precious-woods.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

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

INCOME STATEMENT	30.06.2024		30.06.2023	
Total revenue	26'298	100.0%	32'875	100.0%
Production costs	-17'074	-64.9%	-18'771	-57.1%
Operational contribution	9'224	35.1%	14'104	42.9%
Labour costs	-8'098	-30.8%	-10'300	-31.3%
Other operating costs	-1'993	-7.6%	-1'796	-5.5%
EBITDA	-867	-3.3%	2'008	6.1%
Depreciation and amortization	-2'695	-10.2%	-2'219	-6.7%
EBIT	-3'562	-13.5%	-211	-0.6%
Financial result	-783	-3.0%	-2'244	-6.8%
EBT	-4'345	-16.5%	-2'455	-7.5%
Income taxes	-212	-0.8%	-599	-1.8%
Net profit / -loss	-4'557	-17.3%	-3'054	-9.3%
BALANCE SHEET	30.06.2024		31.12.2023	
Current assets	30'909	24.9%	31'438	23.7%
Non-current assets	93'064	75.1%	101'246	76.3%
TOTAL ASSETS	123'973	100.0%	132'684	100.0%
Current liabilities	51'174	41.3%	50'263	37.9%
Non-current liabilities	43'343	35.0%	41'306	31.1%
Equity	29'456	23.8%	41'115	31.0%
TOTAL LIABILITIES & EQUITY	123'973	100.0%	132'684	100.0%