



PRESS RELEASE

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Hardwood specialist dissatisfied with 2018 results **Danzer reports 3.6 % drop in sales for 2018**

Dornbirn (Austria). Danzer, an international hardwood company specialized in wood from temperate forests in the northern hemisphere, reported revenue of EUR 202 million in 2018. This represents a year-on-year decline of 3.6 %. Technical challenges at Danzer France, the trade dispute between China and the USA and unfavorable order intake from the automotive industry were the main factors behind the drop in sales. Danzer's US production facilities for sliced wear layers for wood flooring performed well, running at full capacity for the first time in 2018.

International hardwood specialist Danzer reported a 3.6 % drop in sales for 2018: at EUR 202 million, sales for the past year were down on 2017 by EUR 8 million. "This drop in sales was predominantly down to three factors: technical challenges at the Danzer France flooring plant, the trade dispute between the USA and China, and unfavorable ordering activity in the automotive sector – which we supply," explained Danzer Holding AG CEO Hans-Joachim Danzer. He continued: "We experienced a short-term drop in orders for wood interiors for the automotive industry as old models phased out towards the middle of the year, prior to new models coming onto the market at the end of the year. In France, new production of wear layers did not run as planned due to a combination of technical difficulties in the ramp-up phase, issues with raw material quality and weaker demand. In the USA, our lumber business felt the impact of the trade dispute with China, which led to a sharp drop in both demand and prices in the second half of the year." However, production of sliced wear layers for wood flooring in the USA was a bright spot for Danzer. "We recorded growth in this segment and achieved full capacity utilization at our production facilities for the first time," Danzer added.

USA, UK and China the top markets

In 2018, 51 % of the primarily hardwood products sold by Danzer were sliced wood, 37 % were sawn and the remaining 12 % was accounted for by logs, custom solutions and services. Danzer sold logs, sawn and sliced hardwood products in 79 countries last year. The top ten markets, which together accounted for 78 % of all sales, ranked as follows: USA, UK, China, Canada, Germany, Austria, Mexico, Poland, India and Slovakia. "The sales figures in Germany fell most sharply due to the decline in demand for wear layers for wood flooring. Sales in the other countries all performed well, with the United

Kingdom, India, Russia, Romania and Croatia accounting for the greatest gains in absolute terms,” Hans-Joachim Danzer revealed.

Top three: European oak, American walnut, American white oak

In 2018 Danzer sold more than 200 different types of wood. 59 % were North American species, 34 % European, 6 % African and 1 % came from the rest of the world. The top ten species accounted for 85 % of all sales. “In 2018 the three top sellers were – as in 2017 – European oak, American walnut and American white oak – followed by maple, European ash, American cherry, American red oak, sapelli and American white ash,” Hans-Joachim Danzer concluded.

Danzer facts box:

Danzer is one of the world’s largest producers of decorative hardwood.

Established: 1932

Holding company located in: Dornbirn, Austria

Production sites: 4 in Europe, 6 in North America

Sales offices: 7 in Europe, 8 in North America, 3 in Asia

Product range: sliced wood, lumber, timber and logs, specialty products (Vinterio, 3D-Veneer)

Sales in 2018: EUR 202 million

Supplies customers in 79 countries worldwide

Employees: 1,600 worldwide

About Danzer:

Danzer is a leading quality hardwood company with production facilities in North America and Europe. It has approximately 1,600 employees and services customers from 18 sales offices worldwide. Founded in 1932, Danzer is managed by a third-generation family member. The company owns and manages forests in North America sustainably and produces sliced veneer, lumber and innovative value-added wood timber products for decorative purposes. Danzer products are used in high-quality furniture, cars, interior architecture and other applications.

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