

## ***CORPORATE NEWS***

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### **Group sales and Group EBIT 2019 within the most recently announced forecast corridors**

#### **Stable dividend proposed for 2019; New guidance for Group sales, Group EBIT and net profit in the individual financial statements of edding AG for the financial year 2020**

According to preliminary figures, Group sales of EUR 141.8 million were achieved in the 2019 financial year (previous year EUR 140.9 million). Although this is within the recently announced corridor of EUR 140.0 to 150.0 million, it represents only a very slight increase of 0.6%. In addition to disappointing results in South America, this was also due to poor performance in core markets in Eastern Europe and a lack of sales resulting from a delayed start to sales of the new product lines edding code, prisma ID and Compact Printing. Accordingly, the consolidated operating result (EBIT) - subject to the final audit result of the consolidated financial statements - declined and, at EUR 9.7 million, is 26.0% below the previous year (EUR 13.1 million); here, the forecast corridor was most recently stated as being between EUR 8.0 and 10.0 million. The net profit for the year in edding AG's individual financial statements under German commercial law is minimally above the last guidance of € 3.0 to 4.0 million and amounts to € 4.1 million (previous year € 6.6 million).

Having raised the dividend in the previous year, the Management Board will propose to the Annual General Meeting that the dividend remain unchanged at EUR 2.45 per preference share and EUR 2.40 per ordinary share.

In view of the weakening of growth forecasts currently being observed due to the new type of coronavirus, edding has redefined the forecast corridors for 2020 in

deviation from the ad hoc announcement of 19 December 2019. Group sales are now expected to be between EUR 140.0 and 155.0 million (previously EUR 145.0 to 160.0 million). Group EBIT is forecast in the range of EUR 9.0 to 13.0 million (previously EUR 10.0 to 14.0 million). The corridor for net income in the individual financial statements of edding AG has been reduced from EUR 5.0 to 7.0 million to EUR 4.0 to 6.0 million. For further explanations on this and the forecast corridors for other performance indicators, please refer to our Annual Report 2019, which will be published on 23 April 2020.

This Corporate News replaces our planned publication of our preliminary annual results for 2019 on 30 March 2020, as we also want to report on the effects of the coronavirus here. Currently, there is only a minor impact on the supply chain due to the restrictions caused by the Corona spread. So far, known supply problems only affect marginal assortments and accessories, especially in the Visual Communication business segment. However, at the moment we cannot rule out the possibility of supply problems for other products in the near future. The Management Board does not expect any long-term negative consequences for the sales situation.

About **edding AG**: The company was founded in 1960 and in 2019 generated consolidated sales of € 141.8 million with an average of 659 employees. The edding Group stands for two brands with different expertise: Under the edding brand, products are developed and sold that apply long-lasting colour to surfaces, from permanent markers to spray cans, compact printers and digital codes. Classic and electronic visual communication products are marketed under the Legamaster brand.

Explanation of **EBIT** as an alternative performance indicator: Abbreviation for “earnings before interest and taxes”. Total output less cost of materials, personnel expenses and depreciation and amortisation (including rights of use within the meaning of IFRS 16), plus other operating income and less other operating expenses. EBIT is the most important key figure for profitability management in the edding Group. No adjustment has been made for any extraordinary income or expenses. EBIT is influenced to a minor extent by the provisions of IAS 29 for

purchasing power adjustments relating to the income statement items of the Argentine subsidiary, which do not affect the result for the period overall, and the conversion of revenues and expenses at the exchange rate on the balance sheet date instead of the otherwise customary average rate for the year.

Ahrensburg, 2020 March 13<sup>th</sup> \*

edding Aktiengesellschaft  
The Management Board

\*) This is an unofficial translation of the communication originally published in German; it was made at a later date. In case of doubt, the German language version shall be binding.