

AD HOC ANNOUNCEMENT

edding AG publishes forecast for 2020 and announces preliminary figures for the first half of 2020

On 14 April 2020, in light of the impact of the COVID 19 crisis, the Management Board of edding AG had withdrawn its guidance for the 2020 financial year. Now that the first half of the year is over, an estimation can be made for the development of business in 2020.

According to this, the edding Group is expecting sales revenues of between EUR 115.0 and 130.0 million. Group EBIT is expected to be in a range of EUR 0.5 to 5.0 million. Net income for the year in the individual financial statements of edding AG is expected to be between EUR -1.5 and +2.5 million due to anticipated impairment losses on financial assets and intra-Group receivables.

This guidance is based on the assumption that there will be no further extensive lockdown situations in our core Western European markets as the COVID19 pandemic progresses; for our South American subsidiaries, on the other hand, there are currently no signs of recovery in view of further increases in infection rates.

The edding Group's business development in the first half of 2020 was affected by the consequences of the global Corona crisis from mid-March. According to preliminary figures, Group sales revenues of EUR 56.9 million were 18.3% down on the same period last year (EUR 69.7 million). Accordingly, Group EBIT fell sharply to EUR 1.2 million (previous year EUR 2.9 million). The interim report of edding AG as at 30 June 2020 will be published on 31 August 2020.

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 August 3rd *

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.