

AD HOC ANNOUNCEMENT

edding raises sales and earnings guidance for 2020

Group EBIT expected in a range of EUR 6.5 to 9.5 million

On 3 August, the Management Board of edding AG last announced forecast figures for the 2020 financial year. Thanks to a better-than-expected performance in recent months, we are now able to raise the guidance for the Group.

According to this forecast, the edding Group now expects sales revenues of between EUR 122.0 and 132.0 million (previously EUR 115.0 to 130.0 million). Group EBIT is expected to be in a range of EUR 6.5 to 9.5 million (previously EUR 0.5 to 5.0 million). Net income in the individual financial statements of edding AG is estimated to be between EUR 1.0 and 4.0 million (previously EUR -1.5 to +2.5 million), taking into account impairment losses on financial assets and intra-Group receivables.

In particular, the development in the last two months gives reason for this positive outlook. At the end of the first half of the year, Group EBIT amounted to EUR 1.5 million with revenues of EUR 56.9 million, which was 18.4% below the previous year. After ten months, Group EBIT now reaches EUR 7.3 million, of which EUR 4.1 million were generated in the last two months of September and October alone. In addition to sales revenues, which were almost at the previous year's level in September and October, our ongoing cost-saving programme also contributed significantly to this.

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: EBIT is the 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.

Ahrensburg, 2020 November 19th *

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.