

PRESS RELEASE

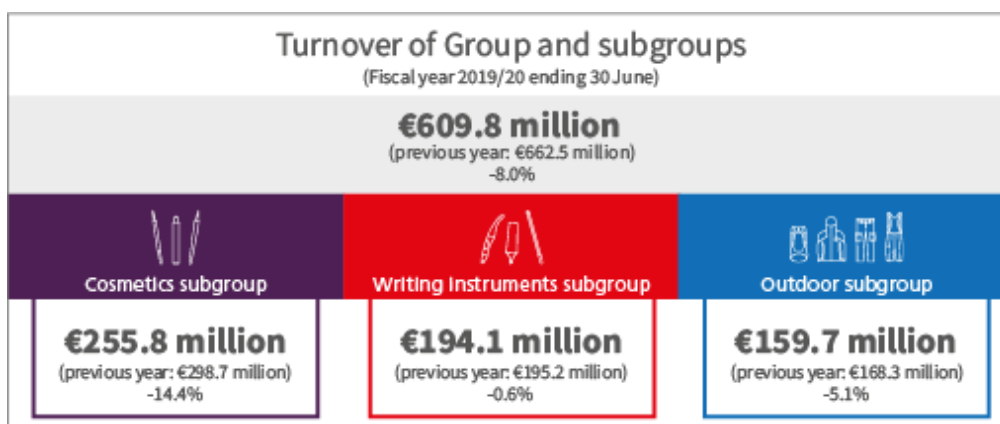
Family Company Schwan-STABILO Feels Global Economic Impacts of Coronavirus Pandemic

Three business areas as anchors in the crisis

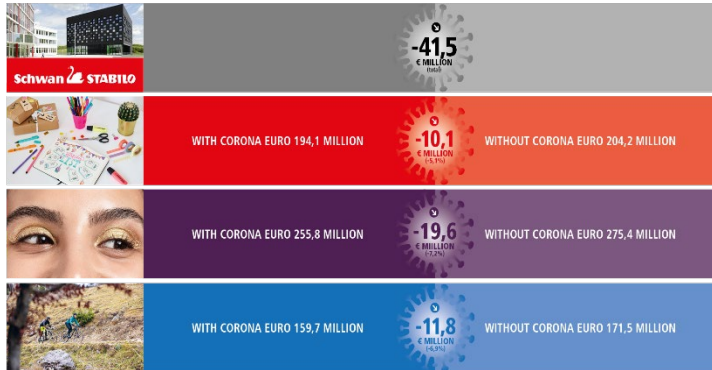
Company group records 8 percent drop in turnover for the 2019/20 business year – writing implement subgroup almost back to previous year’s level despite coronavirus – slight drop in outdoor – consolidation course for cosmetics slowed significantly by pandemic

- STABILO does well domestically with strong growth: weathering the crisis with creativity
- Various developments among outdoor brands: hiking and cycling spark sales boom
- Pandemic delays recovery of cosmetics wing: ‘happy eye’ make-up trend cause for cautious optimism

Heroldsberg, 26th November 2020. Its broad thematic and geographic position has proven once again to be an important anchor in times of crisis for the Schwan-STABILO company group. With a drop in turnover of eight percent down to 609.8 million euros in the 2019/20 business year (as of 30th June 2020), the company has been able to keep the serious impact of the global coronavirus crisis within relatively manageable parameters.



THE EFFECTS OF CORONA CRISIS ON TURNOVER



An overview of business areas:



At 194.1 million euros, the writing implement sub-group was able to almost keep up with its very good figure from the previous year (195.2 million euros). This is primarily due to good business within Germany. Here, STABILO boasts growth of 9.1 percent. Growth drivers for STABILO have been creative applications, ergonomic starter products and eCommerce.



The outdoor subgroup painted a rather different picture. While brands ORTOVOX and Gonso achieved good growth after spring's lockdown, brands Maier Sports and Deuter were not able to fully compensate for losses. Overall, the outdoor subgroup experienced a drop of 5.1 percent to 159.7 million euros compared to the previous year (168.3 million euros).



The cosmetics subgroup began to show the positive effects of previous strategic decisions at the beginning of the business year despite considerable market turbulence. This was abruptly halted by the impacts of the coronavirus pandemic. At the end of the day, this business area recorded a drop in turnover of 14.4 percent to 255.8 million euros. The 'happy eye' make-up trend is cause for cautious optimism.

Resilience through diversification



Chief Executive Officer (CEO) Sebastian Schwanhäußer, who together with Martin Reim as Chief Financial Officer (CFO) is responsible for all business within the Schwan-STABILO Group, states, 'nothing we've ever experienced in our markets is comparable to the current situation. Corona-virus has turned everything on its head. Still, we have managed to weather this crisis up to this

point. We're a bit bruised but we haven't been dealt any serious blows that would impact our continued existence.'

Looking at the very different results within the company group, Schwan-STABILO's broad thematic and geographical set-up has proven to be of strategic benefit.

Schwanhäußer: 'the relatively good results from writing implements and the strong development of ORTOVOX and Gonso have been able to compensate for part of the turnover losses in other areas. Diversification has made us strong and resilient. This has already been proven in the past when individual industries or geographical markets broke down. And it has been proven once again in these unprecedented times of coronavirus.'

'Proceed with caution'

Reliable prognoses on the future course of the pandemic and therefore business development are not possible according to Sebastian Schwanhäußer.






'Because,' says Martin Reim, 'a new lockdown or even partial restrictions could have negative long-term impacts on all business areas and operations. This fundamentally applies to all countries with which we do business, including in Europe. Therefore, executive management and all local business management at country level are proceeding with caution and adapting all of our de-

isions to the circumstances of the individual markets.'

Reim and Schwanhäußer trust that the crisis management employed over the last few weeks will also work well in future: 'we are sure that we will weather this crisis with good concepts and the right decisions.'

Investments, balance sheet sum, equity ratio, employees

Investment over the completed business year continued to be high at 20.5 million euros. 'We invested our funds primarily into digital infrastructure, consistently following our suggested path,' says Chief Financial Officer Martin Reim. 'All sub-companies are currently introducing new IT systems so we are ready for tomorrow. Digital development is a key strategy for us. Despite the crisis, we want to spend just under 20 million euros over the next three to five years.'

Investments	Total assets	Equity
		
€20.5 million (previous year: €33.6 million)	€626.4 million (previous year: €626.3 million)	45.4% (previous year: 47.1%)
Investments	Total assets	Equity

The balance sheet sum is 626.4 million euros (previous year: 626.3 million euros). The equity ratio has lowered slightly. It is now 45.4 percent (previous year: 47.1 percent).

Employees*			
 4,520 (previous year: 4,943)			
 Cosmetics subgroup	 Writing Instruments subgroup	 Outdoor subgroup	Industrial holding
2,556 (previous year: 2,995)	1,481 (previous year: 1,487)	403 (previous year: 379)	80 (previous year: 82)
2,148 (previous year: 2,205)	2,372 (previous year: 2,738)	1,396 (previous year: 1,480)	439 (previous year: 427)
Germany	Abroad	Heroldsberg	Weißenburg

The number of employees has fallen. Worldwide, the Schwan-STABILO company group employed 4,520 people on the day of reporting (previous year: 4,943), with 2,372 abroad and 2,148 in Germany. Of which 1,835 are based at the Franconian sites of Heroldsberg and Weißenburg.