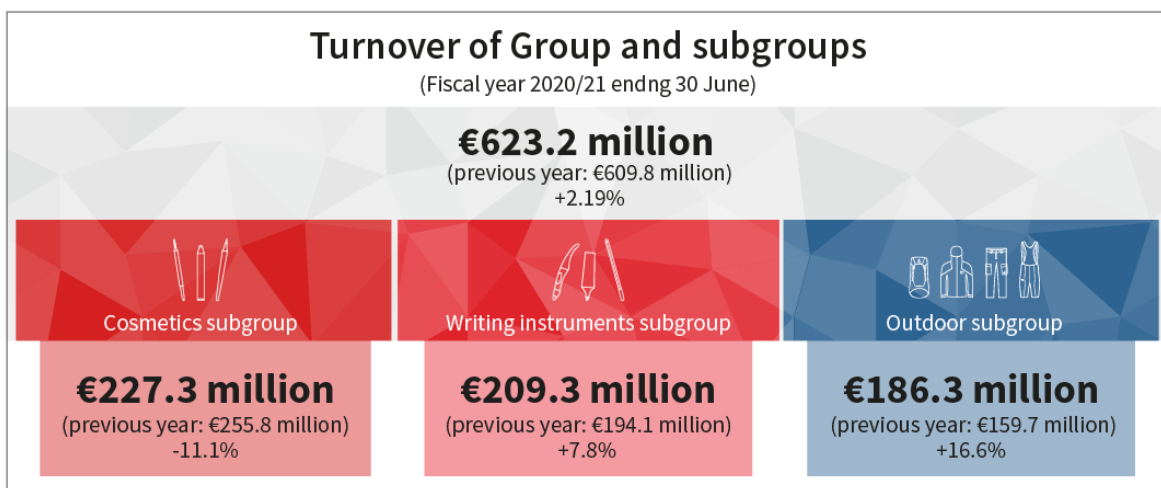


PRESS RELEASE

# Schwan-STABILO succeeds in turning the corner in difficult times

- Corporate group scores points in Europe and China
- Pens: STABILO more successful than ever before
- Outdoor: Tailwind for four strong brands
- Cosmetics: Into the upswing with a new orientation

Heroldsberg, 24.11.2021. With a growth in sales of a good two percent to EUR 623.2 million (previous year: EUR 609.08 million), the Schwan-STABILO Group achieved a turnaround in difficult times in the 2020/21 financial year. The STABILO and Outdoor subgroups made a significant contribution to this, growing significantly despite the pandemic, with each achieving sales highs. The impact of the pandemic was strongest on the Cosmetics segment. However, they had a gratifying turnaround towards the positive in the last quarter — a development that continues to this day.



Chief Executive Officer (CEO) Sebastian Schwanhäußer is appropriately positive in his



assessment: “The fact that we managed to return to growth in such a difficult year of all things is a great team effort within our family business across all product areas. Specifically, we see three reasons for this: First of all, the regions that are important for us, Europe and China, came out of the crisis faster than the rest of the world. In addition, our strong online presence paid off, as our business with pens and outdoor products translated well to the lockdown. Last but not least, we worked on our individual brands, and the results are very

well received by our customers. In cosmetics in particular, we succeeded in meeting consumers’ needs for more sustainability. This also grew strongly during the Covid pandemic. Where we had short-time work in the previous year, we are now running additional shifts with innovative products. Although each subgroup still has a different situation and different conditions apply, overall our portfolio strategy has once again proven itself excellently.”

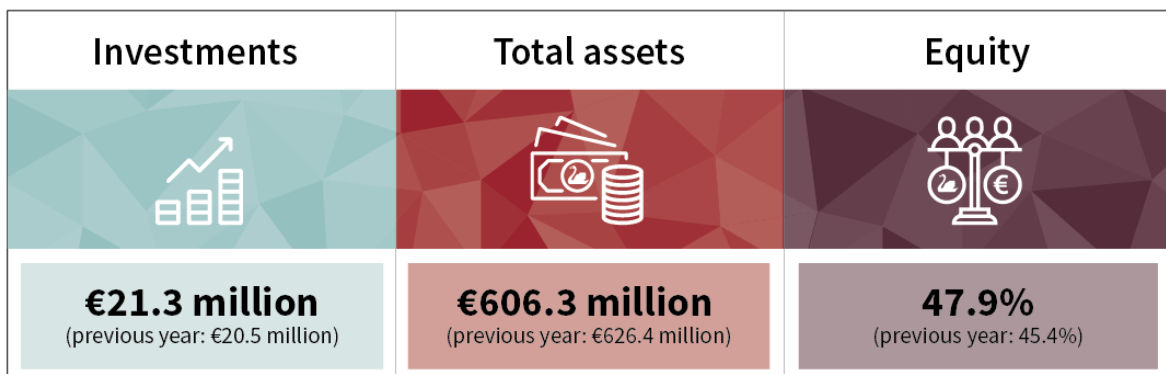
### **Outlook – cautiously optimistic**

For all the experience with handling the pandemic, the risks remain high in the current business year. “Because,” says the Sebastian Schwanhäußer, “the crisis is still ongoing. We are struggling day by day with high prices for raw materials and transport, we still have severely affected markets in world regions such as South East Asia and South America — and at our German production sites we are now currently dealing with the fourth Covid wave.

In view of the political situation, as a family business with a long-term orientation, we hope for quick and clear decisions that will allow us to actually achieve the global sustainability goals. Our financial year has started well. And if the buying mood for our products continues, our forecast is for renewed slight growth.”

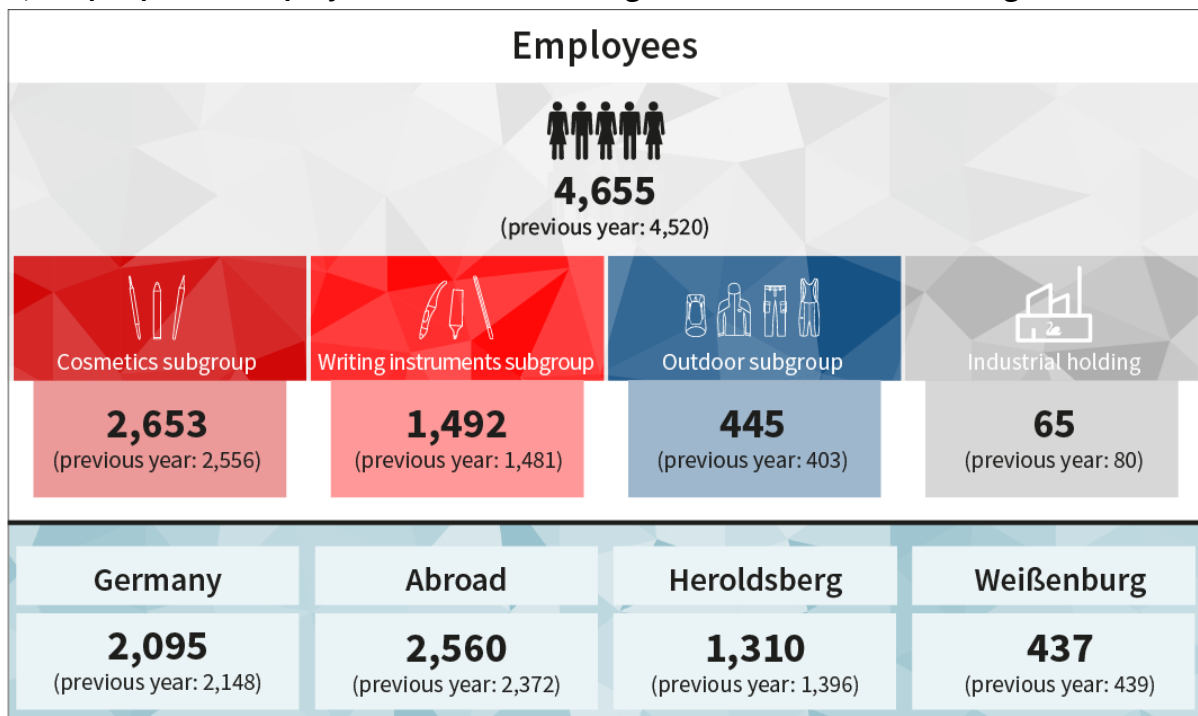
## Investments, balance sheet total, equity ratio, employees

Investments increased slightly compared to the previous year to EUR 21.3 million. The same applies to the equity ratio. It now stands at 47.9 percent (previous year 45.4 percent). The balance sheet total amounts to EUR 606.3 million (previous year EUR 626.4 million).



The number of employees rose from 4,520 to 4,655 on the reporting date, 2,095 in Germany, 2,560 abroad.

1,310 people are employed at the Heroldsberg site and 437 in Weißenburg.



The subgroups in detail...

## Cosmetics – sustainable and customer-oriented

In the Cosmetics subgroup, sales fell by 11.1 % to EUR 227.3 million compared to the previous year. The global markets were almost without exception affected by Covid-related closures. Make-up products were less in demand due to the pandemic, because there was almost no occasion to put on make-up. The area that most clearly suffered was lips, which were always covered by masks. Sales in the first three quarters of the financial year were significantly below that of the previous year. But the fourth quarter brought a sustained turnaround with growth of over 40 percent. This market in particular, which was hit harder by the pandemic than our other segments and took longer to recover, is now rising very strongly.



This is a success that for Tomás Espinosa, Managing Director of Schwan Cosmetics since 1 July 2021, goes hand in hand with the realignment of Schwan Cosmetics: “With ‘Mindful Beauty’ as a brand statement and our matching products, we are addressing the values of consumers worldwide. Our customers don’t just want to know what ingredients are used. They want to know where production takes place and under what conditions. They increasingly expect good conduct from a brand and turn to brands whose values they share. This makes us a very sought-after partner for our customers in the cosmetics industry.”



Environment, labour and human rights, ethical corporate principles and sustainable procurement are the four pillars of Schwan Cosmetics’ sustainability strategy. For more sustainable product development, for example, the share of fossil-based new plastic in the products is to be reduced by a quarter by the end of 2022. The first successful new developments are on the market: For example, an eye make-up pencil that uses up to 70 percent less plastic thanks to innovative wood technology, or sustainably packaged eyebrow pencils where a protective wooden cover reduces the use of plastic. “Every contribution to protecting the environment matters,” says the CEO of Cosmetics, “whether it’s energy consumption, materials, packaging, recycling, we want to be at the forefront of the cosmetics industry with our vast know-how!”



## STABILO — more successful than ever before

2020/21 was the best financial year in the company's history for the Writing Instruments



subgroup (STABILO brand). For the first time, the company succeeded in breaking the EUR 200 million sales mark and once again expanded its market share in Europe. Compared to the previous year, sales rose by 7.8 % to EUR 209.3 million. The growth was particularly pronounced in Europe. In Asia, China was the most

successful sales market with an increase in sales of over 30 percent. The brand and products are equally well received by consumers in shops and online, and despite school closures and lockdowns, the highlighter and paint/drawing product segments in particular grew at an above-average rate.

Further expansion of the colour spectrum of many products paid off. And the extended special packaging for the 50th anniversary of the STABILO BOSS highlighter sold by the pallet in Italian supermarkets.



As a possible explanation, Horst Brinkmann, CEO of the pen division, suspects that “in

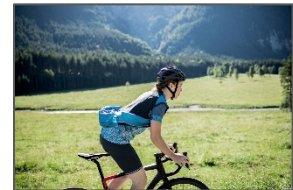


tense times, people are really looking for light moments – even if it's just the sight of 23 colours on their kitchen table in their improvised home office.”

The topic of sustainability is more serious. STABILO has set itself an ambitious goal here. The company wants to become climate neutral by 2025. “We are working hard,” says Horst Brinkmann, “to reduce our footprint in the areas of production, packaging and transport.”

## **OUTDOOR subgroup – Successfully on the move**

The Outdoor subgroup achieved record sales of EUR 186.3 million (previous year EUR 159.7 million). All four brands – deuter, ORTOVOX, Maier Sports and GONSO – contributed to this with high growth rates, especially in the Alpine region and in the USA – despite significant restrictions due to retail lockdowns and closed ski resorts.



For Martin Riebel, Managing Director of the Outdoor Segment, one thing is certain: “The



pandemic gave all four brands an additional tailwind. Whether young or old – everyone wants to get out! Out into the great outdoors. For mountain hiking and biking in the summer for ski touring or winter hiking in the winter. We’ve supported people in all these activities with our products.”

The most important sustainability goal of all four brands in the Outdoor Group is to reduce the CO2 footprint to the point of climate neutrality. With their strong commitment to the Fair Wear Foundation (FWF), deuter and ORTOVOX set industry standards for socially fair companies. Maier Sports has developed a forward-looking recycling concept with a completely closed cycle for trousers and shirts. As early as 2022, the company aims to offer full recycling for 20 percent of its products, making it a pioneer in the industry. By means of an NFC tag embedded in the garment, it will be possible to sort the used products by type in order to return the fabrics to the cycle – to produce yarns, fabrics and other end products again. “Maier Sports has done pioneering work here,” emphasises CEO Martin Riebel, “through recycling we are counteracting resource waste and also reducing CO2 emissions. “