

Strategic business decision: STEICO SE resolves to expand capacity for laminated veneer lumber

Insider Information according §17 MAR

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- **Capacity to double to around 160,000 cbm per year**
- **Total capital expenditure of around € 45 million forecast**
- **Completion scheduled for mid-2018**

Feldkirchen (Munich), 2016-08-22. As a result of the continued positive demand for laminated veneer lumber, STEICO SE (ISIN DE000A0LR9369) has resolved to increase its capacity in this segment.

Expansion of the production line for laminated veneer lumber

The company plans to double its annual production capacity from currently around 80,000 cbm to around 160,000 cbm. The existing line for laminated veneer lumber will be correspondingly modified and expanded in this regard.

The existing line, which was taken into operation at the start of 2016, was planned and built from the very outset with a view to future expansion. The fact that this line can already be expanded after just a brief period is due to the very pleasing high demand for laminated veneer lumber in various industries.

The planned total capital expenditure is around € 45 million and will be financed by expanding the existing syndicated loan agreement with Deutsche Bank AG, Commerzbank AG, HSBC Trinkaus & Burkhard AG, Landesbank Baden-Württemberg (BW-Bank) and Unicredit AG.

The equipment technology will be supplied by the Finnish equipment builder Raute Corporation, as was the case for the existing production line, which ensures that the lines interact perfectly. The order for the equipment technology totals around € 17.5 million. This is coupled with investments in supporting components such as a second biomass boiler from Kablitz and the expansion to buildings and infrastructure which have been outsourced to other companies.

Based on the preparatory forecasts for the expansion, the total investment will be around € 15 million lower than the cost of the first production line, which will boost future profitability.

Construction is to start in the near future. The new production line is expected to be completed in mid-2018.

Laminated veneer lumber is a highly durable wooden material which combines the characteristics of wood as a natural product with those of an industrial precision-made material. Laminated veneer lumber can bear great loads, however it is characterised by its dimensional stability - it does not warp like solid wood and it mostly does not swell or shrink. As a result, laminated veneer lumber can be used in a wide variety of applications. It is used as a component for STEICO's I-joists, and it is also an innovative wooden material for state-of-the-art wood construction. In addition, it is also used in various industrial applications, for example in the door industry.

By expanding its production capacity, STEICO is laying the foundations for further high-margin growth and is reinforcing its position as a system provider for innovative wood construction solutions.

The ad hoc announcement can be downloaded from www.steico.com/ir.

Company profile:

The Open Market listed STEICO group develops, produces and markets ecological construction products made of renewable raw materials. STEICO is the global market leader for wood fiber insulation materials.

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