

For immediate release

Koehler Group hits high revenue levels in 2023 financial year despite tough market conditions

- **Paper and Renewable Energy business areas generate 1.143 billion euros in 2023 financial year**
- **General drop of 13.1% in sales volume across the German paper industry**
- **High willingness to invest given high equity ratio of 52.4%**

Oberkirch/Germany, 08/29/2024 – In the past financial year, the Koehler Group held up well under remarkably challenging market conditions and a highly competitive environment. This success was due in large part to the extraordinary commitment shown by the company's roughly 2,500 employees worldwide. In the 2023 financial year, the Paper and Renewable Energy business areas generated revenue of 1.143 billion euros. As for the company's sales volume, it came in at 480,651 metric tons of paper.

More than respectable sales volume despite generally weak international demand

As a company with global operations and an export share of 70.2%, the Koehler Group is heavily dependent on regional and global economic conditions. These conditions were significantly affected by political and economic uncertainty in the previous financial year. From a sectoral perspective, the paper industry experienced insufficient capacity utilization throughout the entire year due to low demand. According to statistics from the DIE PAPIERINDUSTRIE e.V. industry association, total sales from paper mills in Germany fell by 13.1% in 2023 compared to the preceding year. The German paper industry exports the majority of its products to other countries, both in and outside of Europe, and is therefore subject to global economic and trade policy conditions. Kai Furler, CEO of the Koehler Group, emphasized: "Despite adverse international conditions, the Koehler Group was able to land a more than respectable sales volume of 480,651 metric tons. Against a backdrop of tough market conditions and low demand, that's definitely a good outcome in this general context."

Koehler Group gets significantly closer to its 2030 Promise

In the energy segment, the market showed signs of easing in the 2023 financial year. Both electricity and gas prices fell compared to the previous year, but remained above pre-crisis levels. This easing of energy prices was also partly attributable to the fact that renewable energy accounted for more than half of the grid load of generated electricity in Germany for the first time last year, with a share of 55.0%. The Koehler Group got significantly closer to its 2030 Promise, with which the company wants to produce more renewable energy than it needs for its paper production operations by the end of the decade. Kai Furler is convinced of one thing: "Investing in a second business area in the form of renewable energy production with the foundation of Koehler Renewable Energy was definitely the right choice to make over ten years ago. This last financial year, we were ultimately able to cover around 70% of the net electric power and 60%

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percent of the net heating we needed for our paper production with renewable energy. Given this, we will, in all probability, be able to deliver on our 2030 Promise.”

High equity ratio guarantees independence

As an extraordinarily solid family-run business with an equity ratio of 52.4%, the Koehler Group can weather even economically challenging periods. This is partly due to the fact that the company continues to accomplish its long-term goal of maintaining an equity ratio of over 50%, something that a healthy financing structure and the success of the last financial years certainly help with. And at the same time, a high equity ratio is the company’s basis for its sustainable development and growth.

Last financial year, the Koehler Group invested around 151 million euros, a significant increase when compared to the year before that (66 million euros). These investments went predominantly into the new Willstätt site, the Wetzlar wind farm, construction work associated with the decarbonization of the Oberkirch power plant at the company’s headquarters, and other investments in the paper segment primarily intended to improve energy efficiency.

Ambitious sustainability goals secure the Koehler Group’s trailblazer status in the German industry

After the Koehler Group set out the basic principles of its Sustainability Strategy in its second sustainability report, it fleshed out specific actions for the six areas of action within that strategy that should enable the company to meet its goals regarding financial, social, and environmental aspects by 2030. The ambitious goals that the family company has set for itself were disclosed at the end of August in its third sustainability report. And with its 2030 Sustainability Strategy and the aforementioned ambitious goals, the Koehler Group remains a trailblazer in the industry.



Figure: The construction of its wind farm in Wetzlar-Blasbach/Germany represented a milestone for the Koehler Group and is an important part of the company's ambitious climate strategy. Source: Koehler Group

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About the Koehler Group

The Koehler Group was founded in 1807 and has been family-run from that moment to the present day. The group's core business activity lies in the development and production of high-quality specialty paper. This includes—among others—thermal paper, playing card board, beverage coasters, fine paper, carbon-less paper, recycled paper, decor paper, wood pulp board, sublimation paper, and also innovative specialty paper for the packaging industry. In Germany, the Koehler Group employs around 2,500 people across five production sites, with three additional sites in the USA. The group operates internationally, with an export share of around 70% in 2023, and brings in an annual turnover of around 1.1 billion euros.

As an energy-intensive company, Koehler invests in renewable energy projects such as wind energy, hydropower, photovoltaics, and biomass with its Koehler Renewable Energy business unit. The Koehler Group has set a goal of producing more energy from renewable sources by 2030 than is required for its paper production operations.

With its Koehler Innovative Solutions division, the Koehler Group is collaborating with start-ups to promote innovations in the core business segments “paper” and “renewable energy”.

Find more information at: <https://www.koehler.com>

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