

Contact

Eric Schönell
Head of Marketing &
Communication
Tel.: +49 (0) 67 52 14-997
Fax: +49 (0) 67 52 14-738
eric.schoenel@simona.de
www.simona.de

SIMONA in the first nine months: Revenue up markedly – Earnings within target range

Revenue growth of 6.5% and EBIT margin of 6.8% – US business remains buoyant – Third-quarter slowdown in Semi-Finished Products business in Europe

Kirn, 23 October 2019. The SIMONA Group generated revenue of €333.5 million in the first nine months of the financial year, which is 6.5 per cent more than in the same period a year ago (€313.2 million). Revenue flows continued to be driven by a strong performance in the United States, both with regard to industrial products and the aviation sector, in addition to being influenced by the first-time inclusion of revenues from SIMONA PMC, an extrusion company acquired in August 2018. Central and Western Europe had to contend with weaker demand within the area of chemical tank and equipment engineering as well as the market for advertising and digital printing products. Owing to a dynamic performance in the field of pipes and fittings, however, Europe as a whole remained stable. In Asia, meanwhile, sales revenue was up slightly after a sluggish first quarter.

Looking at the third quarter of 2019 in isolation, business was impacted by a downturn in the economy triggered by global uncertainty. Revenue generated in this period amounted to €106.0 million, down 2.2 per cent on the prior-year figure (€108.3 million). The year-on-year decline is mainly attributable to lower investment spending in the principal target markets of chemicals and mechanical engineering, which affected the company's Semi-Finished Products business in Central and Western Europe. SIMONA responded rapidly to these developments by introducing a package of measures aimed at streamlining its costs.

Earnings were in line with expectations. In the first nine months EBIT stood at €22.7 million. This corresponds to an EBIT margin of 6.8 per cent, which is within the guidance range of 6-8 percent for the financial year as a whole. In the same period a year ago EBIT had amounted to €27.8 million (EBIT margin of 8.9 per cent). The year-on-year decline is attributable primarily to significant pressure on margins in the Semi-Finished Products business in Europe. Competition has intensified in response to the current economic slowdown and weaker order intake. At the same time, the downturn was partly due to the higher costs of logistics.

"We have been feeling the economic headwind during the second half in Europe in particular. The fast-track package of measures implemented for the purpose of reducing costs, including short-time work at German sites responsible for semi-finished products production, was the right decision at the right time. Order intake improved slightly in October. Business in the United States remains dynamic, despite more pronounced risks. Our bottom-line result is expected to be stable in Asia.

"K", the world's premier trade fair for the plastics industry, today draws to a successful close for SIMONA. During the last eight trade fair days we have had the chance to discuss promising new approaches and projects with existing customers and many new prospects. The mood was good. We remain committed to our targets for the financial year as a whole and want to generate Group revenue of €435-450 million and an EBIT margin of 6-8 per cent," says Matthias Schoenberg, CEO of SIMONA.

SIMONA – Global Thermoplastic Solutions

SIMONA AG is one of the leading manufacturers of thermoplastic products, with production facilities and sales offices around the globe, as well as an acknowledged development partner within this field. The company's product portfolio includes semi-finished parts (sheets, rods, profiles, welding rods), pipes and fittings as well as finished parts. SIMONA employs more than 1,450 people worldwide. The Group manufactures 35,000 products in Germany and abroad, offering best-in-class solutions tailored to a wide range of applications: in the chemical processing industry, in the water, energy and commodities supply sector as well as in the field of mobility, construction and environmental technology. Annual production exceeds 130,000 tonnes. SIMONA AG is a stock corporation listed in the General Standard. The company's registered office is in Kirn, Rhineland-Palatinate (Germany). For further information, please refer to www.simona.de.

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