

Hartmann generated strong results in 2019

10.3.2020 13:05:03 CET | Brødrene Hartmann A/S | Annual Financial Report

In 2019, Hartmann significantly grew sales of egg and fruit packaging and lifted both revenue and operating profit to the highest levels in the group's history. Progress in the core business was driven by volume growth, enhanced production efficiency and high capacity utilisation. At the same time, Hartmann successfully grew the proportion of premium products and lifted average selling prices in an effort to offset higher raw materials prices, which impacted our results during the year.

In keeping with the 'Think ahead' strategy, Hartmann stepped up capital expenditure in 2019 and commissioned new production capacity in Europe and Argentina. Management furthermore decided to significantly expand capacity in Europe, primarily in the UK, substantially expand the existing factory in the USA and open a new factory in Brazil in 2020. In early 2020, Hartmann signed a conditional agreement to acquire Indian Mohan Fibre with a view to establish a solid platform in the large, attractive Indian market, which is characterised by favourable demographics, a growing retail sector and an increasing production of eggs and fruit.

- Group revenue increased to DKK 2,356 million (2018: DKK 2,207 million).
- Revenue from packaging sales increased to DKK 2,295 million (2018: DKK 2,092 million), whereas revenue from machinery and technology sales was lower as expected at DKK 61 million (2018: DKK 115 million).
- Operating profit* increased to DKK 262 million (2018: DKK 226 million) corresponding to a profit margin* of 11.1% (2018: 10.2%).
- Capital expenditure* increased to DKK 197 million (2018: DKK 129 million).

CEO Torben Rosenkrantz-Theil says: "Hartmann is on a positive trajectory, and 2019 was a very good year. We boosted revenue and earnings and invested significantly in scaling our production, enabling us to stay ahead of the development and pursue opportunities in our growing markets."

Guidance for 2020

Hartmann anticipates continued core business volume growth across the group's markets in 2020. In addition, sales of machinery and technology are expected to generate slightly higher revenue than in 2019. Consolidated revenue after restatement for hyperinflation is expected to amount to DKK 2.4-2.6 billion, including a moderate contribution from the Indian activities that are expected to become a part of the group in mid-2020.

The profit margin before special items is expected to be 10-12% before restatement for hyperinflation. Special items associated with the acquisition of India's Mohan Fibre, to be determined after the expected completion of the transaction, are expected to be moderate.

Investments are expected at around DKK 400 million in 2020, including the conditional acquisition of Indian-based Mohan Fibre for DKK 119 million.

** Operating profit and profit margin are stated before special items, and operating profit, profit margin and capital expenditure are commented before restatement for hyperinflation.*

Contacts

- Torben Rosenkrantz-Theil, CEO, (+45) 45 97 00 57

About Brødrene Hartmann A/S

Hartmann is the world's leading manufacturer of moulded-fibre egg packaging, a market-leading manufacturer of fruit packaging in South America and the world's largest manufacturer of technology for the production of moulded-fibre packaging. Founded in 1917, Hartmann's market position builds on its strong technology know-how and extensive experience of sustainable moulded-fibre production dating back to 1936. Hartmann sells egg and fruit packaging to manufacturers, distributors and retail chains, which are increasingly demanding sustainable packaging solutions and specialised marketing expertise. Our versatile product portfolio is customised to accommodate customer and consumer needs in each individual market. Hartmann sells machinery and technology to manufacturers of moulded-fibre packaging in selected markets. Headquartered in Gentofte, Denmark, Hartmann has 2,000 employees. Hartmann's production platform consists of 12 factories in Europe, Israel and North and South America.

Attachments

- [Annual report 2019.pdf](#)