

SW Umwelttechnik: 3rd quarter report

- Slight increase in turnover despite challenging market conditions
- More public commissioning in Hungary and Romania
- Restructuring in Austria completed

SW Umwelttechnik was able to slightly increase turnover by 4 % compared to the previous year. This increase results mainly from EU-subsidised projects in Hungary and Romania. In Austria, we were able to adjust our fixed costs to the regressive market environment by carrying out restructuring measures. Despite the restructuring costs, we were able to keep our operative result at the same level as in the previous year.

Turnover amounts to € 46.3 m (2012: € 44.7 m), so is 4 % higher than in the previous year. Company earnings of € 0.7 m (2012: € 0.8 m) and EBITDA of € 3.5 m (2012: € 3.6 m) are slightly below the levels of the previous year. The financial result amounts to € -2.2 m (2012: € -0.7 m), which also results from the devaluation of the HUF in the current year. This means our profit/loss on ordinary activities of € -1.4 m (2012: € 0.1 m) is lower by € 1.5 m than in the previous year.

We were able to achieve a turnover of € 23.2 m in the third quarter (2012: € 20.7 m), which is 12 % higher than in the previous year. EBIT of € 1.7 m (2012: € 1.8 m) and EBITDA of € 2.7 m (2012: € 2.7 m) were kept at steady levels even though all restructuring costs were already included. Profit/loss on ordinary activities of € 1.0 m (2012: € 1.0 m) could thus be kept at the same level.

Segmental analysis

The conditions in the construction sector in Hungary and Romania have somewhat improved. EU-subsidised projects are being increasingly commissioned and the number of public infrastructure projects is increasing. Investments from industry and trade clients remain restrained.

We were able to achieve a turnover of € 23.3 m (2012: € 21.1 m) in the water conservation segment, which results in a slight increase of its share in group turnover of 50 % (2012: 47 %). On the other hand, we have seen a strong decrease in the infrastructure segment due to the conservative investments of industry and trade clients; turnover now amounts to € 12.3 m (2012: € 16.5 m). Our project engineering segment increased significantly compared to the previous year and now amounts to € 10.7 m (2012: € 7.1 m).

In terms of regional spreading, we can report that turnover in Hungary has increased due to the rising commissioning of EU projects and infrastructure investments and now amounts to € 22.3 m (2012: 17.5 m); this reflects a share of group turnover of 48 % (2012: 39 %). Turnover in Austria decreased as expected and now amounts to € 9.9 m (2012: € 11.9 m) and now holds a share of group turnover of 21 % (2012: 27 %). Turnover in Romania could again be improved and amounts to € 12.2 m (2012: € 10.4 m), which reflects a 23 % share of group turnover. Turnover from other countries has decreased compared to the strong previous year and now amounts to € 1.9 m (2012: € 4.9 m) and it now only accounts for 4 % of group turnover (2012: 11 %).

Financial analysis

Long-term assets amount to € 66.2 m (2012: € 69.7 m) as of September 30th 2013. Floating assets have increased to € 40.2 m (2012: € 33.8 m) compared to the previous year. Therefore the balance sheet total has also increased to € 106.4 m compared to the previous year (€ 103.5 m).

Equity capital as of September 30th 2013 is reported at € 5.3 m (2012: € 8.5 m). However, when considering the intrinsic value of fixed assets (fixed assets in Hungary and Romania are calculated in Euro according to the period-end exchange rate of December 31st 2007), the equity capital can still be reported at € 16.1 m, which reflects an equity ratio of 14 %. Financial liabilities were further reduced from € 78.2 m to € 74.4 m.

Incoming orders

Our incoming orders as of September 30th 2013 remain on a high level in the third quarter and amount to € 39.6 m, which shows a similar level as in the previous year (€ 41.1 m).

Investments

We were able to continue to keep our investments at a low level thanks to our previously installed modern plants. We invested only € 1.5 m in equipment in the first three quarters.

Employees

The average number of staff slightly increased to 517 employees (2012: 506).

Outlook

We have adapted to the current economic situation and will continue to cushion the volatile market development due to our lean cost structure and our flexible production management.

Hungary remains in a recessive environment due to the politico-economic situation, which has lead to the construction activity levelling off at a low base. A slight pickup has been noted in the segments that SW Umwelttechnik works in due to the improved call-rate of EU subsidised infrastructure projects.

In Austria, SW Umwelttechnik has adjusted to the regressive market environment by reducing fixed costs and at the same time intensifying sales activities and introducing product innovations.

We have noted positive impulses in Romania in our project engineering and water conservation segments. This results from an increase in EU subsidised projects. As expected, investments from industry and trade clients remain at a low level.

For the full fiscal year, we foresee no changes in the market environment and expect a slight increase of turnover while at the same time stabilising our operative results.

Fact box

In € m	Q I-III 2013	Q III 2013	Q I-III 2012	Q III 2012
Turnover	46.3	23.2	44.7	20.7
EBIT	0.7	1.7	0.8	1.8
EBITDA	3.5	2.7	3.6	2.7
P/LOA	-1.4	1.0	0.1	1.0

Publication notice

This interim report on the third quarter is available at www.sw-umwelttechnik.com as well as the registered Company headquarters.

For further enquiries:

Dr. Bernd Wolschner

Managing Director

Tel: +43 463 32 109 202

Fax: +43 463 32 109 296

Michaela Werbitsch (MMag.)

Investor Relations

Tel. +43 463 32 109 172

Tel: +43 664 811 76 62

Fax: +43 463 32 109 195

E-Mail: michaela.werbitsch@sw-umwelttechnik.com

Website: www.sw-umwelttechnik.com