



Interim report, May 10th 2013

SW Umwelttechnik: First quarter 2013

- Turnover significantly reduced due to extreme winter weather
- Company earnings remain on the same level as in the previous year
- Incoming orders increased to €45 m

SW Umwelttechnik has been able to increase its incoming orders in the first quarter 2013 by € 10.7 to now €45.5 m. At the same time, a decrease in turnover of around 30 % compared to the previous year had to be accepted due to the unusually long winter, which resulted in disrupting construction in all markets we work in. We are glad to report, however, that our company earnings developed relatively solidly and we only have to report small decreases and were even able to significantly increase the gross profit margin to 45 %.

The extremely long and snowy winter of this year meant that the company had to incur a decreasing turnover in the first quarter of €5.4 m (2012: €7.7 m). Due to our implemented measures to make our fixed costs more variable, the strong decrease in turnover led only to a slight decrease of our EBIT to €-2.2 m (2012: €-1.8 m) and our EBITDA to €-1.3 m (2012: € - 0.9 m). Our profit/loss on ordinary activities is reported at €-3.3 m (2012: € -1.1 m), affected by FX losses of € - 0.6 m (2012: € + 0.6 m).

“Demand reflected our expectations for the extremely bad weather conditions we experienced. We adjusted by taking measures to reduce fixed costs and were thus able to keep our earnings within our budget frame”, says Managing Director Dr. Bernd Wolschner.

Segmental analysis

Due to the extremely cold weather in all markets we work in, construction only began with great delay. For this reason we were only able to make €3 m (2012: €3.4 m) for the water conservation segment, which results in a Group turnover share of 56 % (2012: 44 %). Our infrastructure segment, with investments from industry and trade clients, decreased significantly to €1.8 m (2012: €3.9 m), so a turnover share of 34 % (2012: 50 %). Project engineering amounts to €0.5 m (2012 €0.4 m), so is on a similar level as in the previous year.

In terms of our regional division, our turnover in Austria amounts to €1.1 m (2012: €2.1 m) and only holds a 21 % share on Group turnover (2012: 27 %). A turnover of €2.7 m (2012: €3.4 m) was achieved in Hungary, which reflects a turnover share of 50 % (2012: 46 %). In Romania turnover of €1.1 m (2012 €1.5 m) remained on a similar level as in the previous year and a share of Group turnover of 21 % (2012: 20 %).

Incoming orders

Incoming orders as of March 31st 2013 have been further increased in the last three months and with a total of €45.5 m, they are significantly higher than in the previous year (€29.2 m). This increase is mainly due to more orders for our project engineering segment and highlights the rise of EU-subsidised projects in CEE.

Employees

The average number of staff employed has been further reduced compared to the previous year and now amounts to 461 people (2012: 588). This is also mainly due to the delayed start of production.

Outlook

The first quarter – as the winter season - does not allow for an accurate view on market development for the full year. SW Umwelttechnik therefore sticks to its already published expectations for the current fiscal year.

In Austria we aim to compensate the slightly decreasing market by introducing product innovations as well as exporting to other countries – we therefore expect a relatively stable development.

Hungary remains in a recessive environment due to its politico-economic situation. We expect investments from industry and trade clients to remain on a very low level, but see an increase in EU-subsidised projects for the civil engineering segment.

In Romania the industry and trade segment is also expected to remain weak, while the civil engineering segment continues to develop positively. The company can profit from this development due to having adapted its focus on this segment.

The company has adjusted to the current economic environment and can cushion this volatile market development due to its lean cost structure and flexible production methods. Should the markets improve much more than expected, SW Umwelttechnik is able to meet such an increase in demand with its modern plants.

Fact box

In €m	2013	2012
Turnover	5.4	7.7
EBIT	-2.2	-1.8
EBITDA	-1.3	-0.9
P/LoA	-3.3	-1.1

SW Umwelttechnik, a family firm founded in 1910 and listed on the Viennese stock exchange since 1997, stands for sustainable management and consistent growth in Eastern and South-eastern Europe. With our innovative technology to protect the environment we provide an important contribution to the development of necessary infrastructure in Central and South-eastern Europe.

Publication notice:

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

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