

Neschen AG announces its half-year result

After finishing the first quarter within the framework of expectation, the Neschen AG lay somewhat behind expectations for the second quarter. The consolidated turnover to June 30th was €72.0M, 3.4% less than in the previous year (€74.6M).

In looking at the turnover development it must be taken into account that the previous years turnover included the foamboard business which was sold at the beginning of this year. Furthermore, a considerable turnover volume is being produced by the USA Joint Venture since the beginning of this year and this company is consolidated ad equity.

Considering this effect, the complete Group still achieved a small growth.

The Neschen companies posted a positive 1st half-year result (EBITDA approx. 9.3%).

The Seal companies have completed their re-structuring process, however, with the capacity levels of the new plants in England and the USA not yet at a sufficient level, a positive result has not yet been realised.

The EBITDA of the Group lay by 5.4% (previous year 7.7%) and is burdened by one-time expenses resulting from the sale of the foamboard business and from the capital increase. The result from normal business activities amounted to minus €0.6M.

The company is currently building up a third product base with industrial businesses. The high investment in the last few years, both technically and in capacity, were the prerequisites for this. The first projects have already been realised. Neschen believes that this business area will play an important roll in filling production capacity and bettering the result.

In the current year, the company awaits a better operating result than in the previous year, however, due to the overall weak Graphics industry, will probably not achieve the planned goal of an EBITDA of 8.5%.

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