Plansee Group increases sales in the last fiscal year

The 2008/09 fiscal year saw the Plansee Group’s consolidated sales rise by two percent, to a total of 1.1 billion euros. The Group continued to strengthen its position globally in the last fiscal year, and completed an investment program worth a total of 400 million euros. In the actual fiscal year managing the global economic crisis is a key priority: Measures to reduce costs and to increase liquidity are being implemented consistently.
“Stable sales in the first half of the year and the acquisition of GTP ensured that the Plansee Group continued on the path to long-term growth in 2008”, Michael Schwarzkopf, chairman of the Plansee Group’s executive board, said during a press conference to announce the annual figures. The Group’s consolidated sales grew by 2 percent to 1.1 billion euros, with half of its total sales coming from Europe and the other half from the Asian and American markets in equal parts.
The number of people employed by companies included in the Group’s consolidated financial statements at the end of the 2008/09 fiscal year was 6,350. According to Schwarzkopf, the fact that products launched within the last five years accounted for almost 30 percent of the Plansee Group’s total sales was a positive sign. “This is a proof that we are well positioned on product level and well prepared for the future” says Schwarzkopf.

However, during the second half of the year, the Plansee Group was not able to avoid the negative impact of the global financial and economic crisis. “With the exception of a few growth areas, such as solar energy, medical technology, and aerospace, almost all business areas experienced a decrease in demand,” comments Schwarzkopf. The Plansee Group reacted to the declining order inflow by implementing a range of initiatives to reduce costs and safeguard its profitability and liquidity.

Successful integration of GTP
On August 1, 2008, the Plansee Group acquired US powder specialist Global Tungsten & Powders (GTP). The acquisition has enabled the Group to secure its supply of tungsten raw materials, thereby increasing its competitive edge in this area, and to further strengthen its presence in the US refractory metals market. By the end of the last fiscal year, the Plansee Group successfully integrated GTP into the company.

Completion of 400-million-euro investment program
In the 2008/09 fiscal year, the Plansee Group completed an investment program which took place over the course of several years, and was worth a total of approximately 400 million euros. Considering the last fiscal year alone, the Group made a record investment of 131 million euros, equivalent to approximately 12 percent of sales. “Just like in previous years, we were able to finance the full investment from our operating cash flow,” says Schwarzkopf.

Key investments included optimizing the value chain for flat products with production stages that come before and after the new hot rolling mill, building a new hard-metal recycling plant, introducing new production technologies, building and further developing focused production lines in Spain, China, the USA and Austria, and expanding production capacity for key products.

WNT, a business unit of Ceratizit, has opened a new sales office in Turkey, meaning that the Plansee Group now has sales offices or sales partners in 49 countries, and operates 33 production sites in 14 countries across three continents.

Outlook for the current fiscal year
In the first quarter of the 2009/10 fiscal year, sales across many of the Plansee Group’s businesses stabilized at a low level. However, Schwarzkopf believes that a number of customers have not yet fully reduced their stock levels, and that some sectors have been spared so far from the economic downturn. “At the earliest, I would expect a slight recovery in 2010. We will remain cautious and continue to implement initiatives to reduce our costs and improve our liquidity. We are also reviewing our portfolio on an ongoing basis, to check whether or not it will generate profitable long-term growth – and we will move away from unprofitable business activities and focus more on those that are strategically promising.”

About the Plansee Group

With its four divisions – Plansee High Performance Materials, Global Tungsten & Powders, Ceratizit and PMG – the Plansee Group is one of the world’s leading suppliers of powder metallurgical products and components. In the 2008/09 fiscal year, the Plansee Group employed 6,350 people and realized consolidated sales of 1.1 billion euros. The fiscal year ends on the last day of February.