

RHI AG

EANS-Adhoc: Preliminary results of RHI AG: structural measures, cost management and strong fourth quarter enabled clearly positive result

11.03.2010 - 08:03 Uhr, RHI AG

 ad-hoc disclosure transmitted by euro adhoc with the aim of a Europe-wide distribution. The issuer is solely responsible for the content of this announcement.

11.03.2010

•Restructuring programme shows clearly positive effects •Significant increase in operating margin to 9.9% in the fourth quarter •Revenues 2009: EUR 1,236.9 million (-22.5%) •Operating result: EUR 79.0 million (-52.5%) •EBIT: EUR 54.8 million, affected by restructuring measures and impairment losses of EUR 24.2 million •Increase in operating cash flow by roughly 64% to EUR 202.0 million •Significant improvement in balance sheet indicators •Reduction of net debt from EUR 375.0 million to EUR 233.2 million •Equity raised by 25% to EUR 227.8 million •Positive demand continues in the first quarter of 2010

	2009	2008 1)	2009	2008 1)
			Q4	Q4
Sales volume (thousand tonnes)	1,436.2	1,952.6	426.0	390.0
in EUR million				
Revenues	1,236.9	1,596.7	336.7	375.8
Steel Division	703.6	957.6	206.2	208.5
Industrial Division	513.6	605.6	125.9	158.8
Raw Materials Division				
External revenues	19.7	33.5	4.6	8.5
Internal revenues	439.1	583.8	128.5	138.0
Pre restructuring EBIT 2)	79.0	166.2	33.5	18.2
Steel Division	18.8	76.5	13.4	0.9
Industrial Division	75.5	79.3	22.0	21.9
Raw Materials Division	10.5	28.2	6.7	-2.0
Holding / other	25.8	17.8	8.6	-2.6
EBIT	54.8	148.4	22.0	0.4
Steel Division	11.9	71.4	10.0	4.2
Industrial Division	67.0	75.5	19.2	18.1
Raw Materials Division	6.1	19.3	3.0	10.9
Holding / other	30.2	17.8	10.2	2.6

1) adjusted 2) before impairment losses and restructuring expenses

Market environment The year 2009 was characterised by a massive slump in steel output in Europe and North American in the first half and by a recovery in the second half of the year. Over the entire year, steel production recorded a decline by 30% in the EU27 and by 34% in North America. In contrast, steel output in China rose by 13.5%. The cement market suffered a drop of up to 50% in countries including the UK and Russia, while markets like China and the Near/Middle East remained unaffected by the crisis. The glass industry focused its investments only on repairs to extend useful life, and the low raw material prices triggered an investment stop in the nonferrous metals industry.

Business development With revenues dropping by 22.5% to EUR 1,236.9 million (after EUR 1,596.7 million), the operating result amounted to EUR 79.0 million (after EUR 166.2 million). EBIT equalled EUR 54.8 million (after restructuring measures and impairment losses totalling EUR 24.2 million) versus EUR 148.4 million in the financial year 2008. This value was achieved through capacity adjustments in all three divisions, an extensive cost-cutting programme and the resulting significantly improved cost structure. The operating margin amounted to 6.4% in the whole year 2009, but significantly improved to 9.9 % in Q4, slightly below the margin of 10.4% in the year 2008.

The Steel Division defended its position as a full-range supplier with innovative solutions in the core markets in 2009 and expanded it in important new markets such as Brazil. Revenues amounted to EUR 703.6 million (after EUR 957.6 million) and, at EUR 206.2 million in the fourth quarter, exceeded the level of the third quarter of 2009 by 15%.

The Industrial Division benefited from projects dating back to 2008 in the first quarter of

2009 and was affected by a drop in demand from the second quarter 2009. With revenues of EUR 513.6 million (after EUR 605.6 million), the operating result of EUR 75.5 million was only slightly below the prior-year figure von EUR 79.3 million.

The operating result of the Raw Materials Division equalled EUR 10.5 million (previous year EUR 28.2 million) and was above all attributable to the underutilisation of capacity in the first three quarters.

Measures The initiated cost-cutting programme resulted in savings of roughly EUR 53 million for 2009, which exceeded the target of EUR 40 million. Through active cash flow management the cash flow from operating activities was increased by 64% to EUR 202.0 million. In addition, RHI introduced a new profit centre structure in 2009, which gives the company an orientation closer to the market and the customer. A new plant concept allows flexible adjustment of capacities to the market conditions. The project "Simplification" will lead to simpler internal processes. Overall, the course for future growth was set through these measures.

Balance sheet Net debt as of 31.12.2009 was cut by 38% compared to the prior-year balance sheet date and amounted to EUR 233.2 million. The equity ratio amounted to 17.9% at 31.12.2009 (after 13.7%).

Outlook From the current perspective, RHI expects the positive trend to continue in the Steel Division in the first half of 2010. The level of revenues and earnings in the first quarter will be comparable to that of the fourth quarter of 2009. The development of the industrial business, which is to a great extent project-driven, will largely depend on the expected infrastructure projects in Europe and North America, the development of raw material prices and the customers' possibilities to finance projects. The Raw Materials Division expects largely full capacity utilisation at its western plants in 2010.

RHI expects further growth in the Steel Division for the whole year 2010, while the Industrial Division will see a development similar to the year 2009. Due to the market recovery, the expansion of the market position and an improved cost structure, RHI expects revenues and earnings to increase.

All of the above data for 2009 are preliminary. The final results and the consolidated balance sheet 2009 will be published following the approval of the financial statements by the Supervisory Board on 26 March.

end of announcement

euro adhoc

----- Further inquiry note:

RHI AG
Investor Relations
Mag. Barbara Potisk-Eibensteiner
Tel: +43-1-50213-6123
Email: barbara.potisk@rhi-ag.com

Branche: Refractories
ISIN: AT0000676903
WKN: 874182
Index: ATX Prime, ATX
Börsen: Wien / official dealing

Originaltext:

RHI AG

ISIN:

AT0000676903

Pressemappe:

<http://www.presseportal.de/pm/53808/rhi-ag>

Pressemappe als RSS:

http://presseportal.de/rss/pm_53808.rss2