

Aalberts trading update

Aalberts faced a limited number of COVID-19 infections till now. Our preventive safety actions, installed beginning of March, are working well. Only a few locations in Southern Europe were closed for several weeks, due to governmental instructions. All impacted sites reopened beginning of May.

In the first five months of the year our organic revenue declined with 12% compared to last year, due to COVID-19. Our orderbook end of May was at the same level as last year. Our net debt (before IFRS 16) is reduced with 15% compared to last year.

Activities in installation technology and climate technology, in the eco-friendly buildings end market, continued reasonably well on a lower level. In Southern Europe and UK we faced more challenging market circumstances due to governmental lockdowns, which affected our distribution channels. From the last weeks of May onwards we see an increase in our order intake and sales. We continued our investments in press technology, postponed building expansions and continued our innovation initiatives.

Material technology, active in industrial niches and sustainable transportation, faced a slowdown in order intake and sales in the last months, due to lower demand and customer site closures. Most customer sites reopened beginning of May, starting up their supply chain step by step. We continued our capital investments in new technologies, reduced our capacity expansions and postponed our building expansions.

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Activities in industrial technology showed a mixed picture. Within fluid control, our activities in industrial niches did well, activities in beverage dispense faced difficult circumstances. Gas and cooling regulator applications for sustainable transportation were on a low level, mainly due to customer site closures, reopening beginning of May. Our advanced mechatronics activities for the semicon efficiency end market realised a strong growth compared to last year with a record high orderbook for the coming months. We continued our operations, CAPEX and service to our customers on a good level.

In all four business segments we focused on cash management and cost optimisations. Parallel, we accelerated our action plan defined in the updated strategy 'focused acceleration', presented December 2019. Many projects were initiated to reduce our structural costs and net working capital, which will lead to one-off redundancy costs during 2020. The effect of these actions will partly benefit 2H2020 and fully FY2021, to be explained in our 1H2020 interim results. Our goal is to evolve faster into an even stronger and better Aalberts, realising our strategic objectives.

Our Aalberts people did a great job in continuing our operations in a safe way, serving our customers all over the world. At the same time initiating lots of structural improvements, optimising OPEX, NWC and CAPEX, driving our strategy forward.