

Press release / Main company information

New markets opened up in a still challenging environment in Q1–3/2013

Gleisdorf, November 13, 2013. In the first nine months of 2013, Binder+Co, the international specialist for processing, environmental and packaging technology, which has its headquarters in Gleisdorf/Austria, was able to raise its sales revenues by 17.0%. EBIT remained solid at EUR 3.43 million, but owing to initial losses at subsidiaries, which are still in the development phase, was down on the level of the previous year. Conversely, in spite of a continuation of difficult market conditions, the company was able to make inroads into new markets and customer segments.

Karl Grabner, from the Binder+Co Management Board: "As a result of the successful penetration of new markets and customer segments, during the first three quarters of 2013 we were able to lay a basis for future successes. Owing to the excellent order backlog at the beginning of the year, we succeeded in raising our sales revenues for the period under review by 17.0%. The performance of Packaging Technology was especially encouraging, as it not only doubled its sales revenues, but also provided the largest EBIT of all segments. In view of the initial losses of our young subsidiaries, we can state that overall we closed the first nine months of the year in a generally satisfactory manner with solid EBIT of EUR 3.43 million.

The deterioration in market conditions and the considerable increase in competition, which represented the predominant trend in the first half of 2013, continued in the third quarter. Consequently, at EUR 54.08 million (Q1–3/2012: EUR 64.90 million) order intake was 16.7% below the figure for the preceding year. However, on the basis of the excellent order backlog at the beginning of the year, Binder+Co increased its sales revenues by 17.0% to EUR 68.89 million (Q1–3/2012: EUR 58.89 million) and demonstrated good use of capacity. Moreover, although the anticipated, initial losses at the Comec-Binder S.r.l., Bublon GmbH and Binder+Co Machinery (Tianjin) Ltd. subsidiaries placed a burden on EBIT, it remained firm at EUR 3.43 million (Q1–3/2012: EUR 4.98 million). As far as new business was concerned, demand in all three segments continued to focus almost exclusively on single machines and there was practically no interest in systems and plants. Therefore, order backlog at the end of the period under report amounted to EUR 25.30 million, which was 27.3% below the value for the previous year.

Successful entry into new markets

In the first three quarters of 2013, Binder+Co was able to open up interesting new markets and customer segments. For example, entry into the Chinese coal mining market via screening technology products and an increase in drying system orders for potash treatment in Canada, serve as confirmation of the growth potential in both these branches. In addition, the steady demand for high-performance packaging technology from Asia also continued in 2013.

Packaging Technology boom

As the strongest segment in terms of volume, during the first nine months of the year **Processing Technology** provided sales revenues of EUR 28.18 million and thus the largest share of Group sales. However, its EBIT was burdened by the aforementioned losses from the new subsidiaries, which have all been allotted to this segment. Sales revenues in the **Environmental Technology** Segment, which focuses on classification machines for glass and plastics recycling, were 5.3% below the figure for the previous year at EUR 19.49 million and the segment result was also down on the excellent comparative total of the previous year at EUR 2.06 million. By contrast, the **Packaging Technology** Segment, which is managed by the independent subsidiary Statec Binder GmbH, was able to more than double its sales revenues in the first nine months of 2013 to EUR 21.22 million (Q1–3/2012: EUR 10.24 million). On this basis, the segment's EBIT also rose to EUR 2.83 million (Q1–3/2012: EUR 1.01 million) and represented the largest contribution from all three segments.

Cautious outlook

Far lower order backlog as compared to the preceding year and the challenging market conditions currently prevailing do not permit any certainty of outlook. In addition, the continuing weaknesses in system and plant business have prompted the management to revise its forecasts for the whole of 2013 to an EBIT margin of around 6–8% based on a slight increase in sales revenues.

Moderate workforce enlargement

Continuing internationalization also involves a moderate increase in the size of the Binder+Co Group workforce. As at September 30, 2013, this numbered 371, which was 8.5% up on the comparative figure of the previous year.

Investments in key areas

In the first nine months of 2013, Binder+Co invested a sum of EUR 3.57 million at the Gleisdorf location in the construction of the new Group headquarters and the installation of new production equipment.

The Binder+Co share continues to ease

During the first three quarters of the 2013 financial year, the price of the Binder+Co share, which is traded on the mid market of the Vienna Stock Exchange, fell back by 27.20% from EUR 27.50 to EUR 20.02.

The Binder+Co Group

Binder+Co is a specialist in the field of processing, environmental and packaging technology and the world market leader in the screening and glass recycling segments. The company was listed on the Vienna Stock Exchange at the end of 2006 and is now part of the Third Market in the mid market segment. The Binder+Co Group consists of Binder+Co AG, the three fully owned subsidiaries Comec-Binder S.r.l., Bublon GmbH and Binder+Co Machinery (Tianjin) Ltd., as well as the Statec Binder GmbH joint venture (50.7%). In 2010, Binder+Co was awarded the Austrian National Innovation Prize for its successful implementation of inventive capacity and in 2011 received the Austrian National Prize for Work Safety for its introduction of special accident prevention measures for apprentices. In the same year, the company

was also honoured with the Best Open Innovator Award of the Zeppelin University Friedrichshafen as the top SME in the D-A-CH region.