

Improved cash flow despite lower earnings

Setra reports an operating profit of SEK 47 million (201) for the full year 2015. Operating profit includes discontinuation costs of SEK 19 million. Net sales totalled SEK. 4,218 million (4,194). Cash flow from operating activities amounted to SEK 274 million (112).

“The market for wood products continued to be characterised by uncertainty in the fourth quarter. A continued imbalance between supply and demand for wood products led to price reductions in our main markets. As a result of the current market situation, particularly in North Africa, we decided to introduce production cutbacks in the fourth quarter. These had a negative impact on our earnings but meant that we continue to have good control over our stocks and our cash flow. We assess the market situation going forward as highly uncertain,” says Hannele Arvonen, President and CEO of Setra.

“We continue to focus on our internal efficiency improvement programmes in order to strengthen our competitiveness. As part of these efforts we made technology investments in the sawmills in Färila, Malå and Rolfs during the year. We have a strong cash flow due to positive earnings and a good balance between delivery and production volumes,” says Arvonen.

During the year a decision was made on investments in a new sawmill infeed system and drying capacity at Kastet sawmill. In order to strengthen long-term competitiveness, work on further development of the processing business has started. At the processing unit in Skutskär investment in strength grading and cutting to exact lengths will take place in the spring in order to strengthen the total offering to the building materials trade and industry. In order to optimise capacity utilisation at existing processing units, Setra has decided to close the planing mill in Valbo during 2016 and relocate these operations to the Group’s other units. The processing concept at the integrated sawmill Rolfs will be specialised. Cash flow from operating activities in 2015 amounted to SEK 274 million (112) which, combined with positive earnings, means that Setra’s financial position has strengthened. The net debt/equity ratio at the end of the period was 17% (27). The Board proposes a dividend of SEK 0.20 per share for 2015, corresponding to SEK 10 million.

Key figures	Oct-Dec (3 mths)		Jan-Dec (full year)	
	2015	2014	2015	2014
Net sales, SEKm	986	1,032	4,218	4,194
Operating profit/loss excl. non-recurring costs, SEKm	-31	9	66	201
Operating profit/loss, SEKm	-31	9	47	201
Profit/loss after tax, SEKm	-28	2	20	133
Operating margin excl. non-recurring costs, %	neg	0.9	1.6	4.8
Return on operating capital %, RTM			3.0	12.4
Cash flow, SEKm	-4	-67	274	112

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Setra does not publish and complete year-end report.

Setra is one of Sweden’s largest wood products companies. We process raw material from responsibly managed forests and offer climate-friendly products and solutions for building and living in a global market. The Group has approximately 900 employees and annual sales of SEK 4.2 billion. Exports to Europe, North Africa, the Middle East and Asia account for about 60% of sales. Read more at www.setragroup.com.

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