
Interim report from Setra

Internal efficiency improvements contribute to strong cash flow

Wood products company Setra reports an operating profit of SEK 88 million (165) for the six-month period January-June 2015. Net sales totalled SEK 2,270 million (2,258).

“Demand for wood products has been relatively stable during the first six months of the year but increased production has led to excess supplies and a price fall in local currencies in our main markets. The decline in prices was compensated to some extent by the weaker Swedish krona. The negative trends in the market strengthened slightly towards the end of the period,” says Hannele Arvonen, President and CEO of Setra.

“We believe that the market situation will be uncertain going forward. We continue to focus on the factors that we are able to influence and can report that our internal efficiency improvement programmes have reduced our costs and strengthened our competitiveness. We have a strong cash flow due to positive earnings and the fact that we have been able to achieve a good balance between delivery and production volumes,” says Arvonen.

In the first half of the year it was decided to make technology investments in the sawmills in Färila, Kastet, Malå and Rolfs. These investments are intended to further improve efficiency and flexibility and meet new customer demands. Cash flow from operating activities in the first half of 2015 amounted to SEK 96 million (7) which combined with positive earnings means that Setra’s financial position has strengthened. The net debt/equity ratio at the end of the period amounted to 26% (32). A dividend of approximately SEK 64 million was paid to shareholders in the second quarter.

Key figures	April-June		January-June	
	2015	2014	2015	2014
Net sales, SEKm	1,229	1,193	2,270	2,258
Operating profit, SEKm	64	98	88	165
Profit after tax, SEKm	46	70	60	116
Operating margin, %	5.2	8.2	3.9	7.3
Return on operating capital, %, rolling 12 months			7.6	14.7
Cash flow, SEKm	52	47	96	7

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Setra does not publish a complete interim report.

Setra is one of Sweden’s largest wood products companies and a leading player in Europe. 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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