
Metso announces Q3 result

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Finnish industrial machinery company Metso Oyj announced its result for Q3 of 2009

Highlights

1. New orders worth EUR 1,031 million were received in July to September 2009, 54% less than in the previous year EUR 2,246 million in Q3 of 2008.
2. At the end of September, the order backlog was 18% lower than at the end of December 2008, amounting to EUR 3,340 million.
3. Net sales decreased by 22% and were at EUR 1,196 million.
4. Earnings before interest, tax and amortization were EUR 124.6 million ie 10.4% of net sales.
5. Operating profit was EUR 114.1 million, ie 9.5% of net sales.
6. EBITA and EBIT includes EUR 17 million in non-recurring expenses relating to capacity adjustment measures. EBITA margin before them was 11.9%.
7. Free cash flow was EUR 249 million.
8. Return on capital employed before taxes was 11.1%.

Mt Jorma Eloranta president & CEO of Metso Corporation said that "I am very pleased to report good profitability and strong free cash flow during the third quarter despite the demanding operating environment. It confirms that Metso's cost structure and way of operating are a lot more flexible today than during the previous down turn. Our good performance was also supported by savings from the capacity and cost base adjustment actions that we already started a year ago. Our operating environment continues to be demanding. While we are seeing first signs of gradual recovery in the global economy, and believe that we have now reached the lowest point in market demand, the world economy is far from stable, and there remains uncertainty about the timing and strength of the recovery. Although we estimate that our 2010 net sales will be lower than this year, we expect our profitability to be satisfactory. We have kept this year's guidance intact."

Mr Eloranta added that "During the past year we have considerably strengthened our long-term competitiveness by introducing new ways to operate across Metso. We believe that we have now taken the majority of the actions required to adjust our cost base and capacity to the demand environment in the near term. We continue to be alert in case further actions are required. We are now shifting focus to sales efforts and to strengthen our product and services offering. Through these actions we ensure that Metso will emerge as a winner from this downturn."

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