

Order intake bears out brightening outlook for SW Umwelttechnik in Hungary

SW Umwelttechnik — a listed family business with its core markets in Central and Southeastern Europe — said today that recent order intake bears out management's third-quarter guidance on its Hungarian market. The company's Water Conservation, Engineering and Infrastructure business sectors have won orders worth a total of about €7.5 million (m) in the past few weeks.

The stabilisation of the Hungarian economy is now being reflected in a steady flow of incoming orders — albeit somewhat later than originally expected. The Water Conservation sector has recently won business in Hungary worth some €2m. The main contract involved is for the supply of shafts and jacking pipes for a sewerage network expansion and modernisation programme in the greater Budapest area. Apart from orders from local authorities, SW Umwelttechnik has won a contract to supply sewer pipes and shafts for a new car factory in Kecskemet. The company also expects its Water Conservation sector to continue to record solid order intake, resulting in good capacity utilisation at its production plants next year.

SW Umwelttechnik subsidiary OMS, which forms part of the Engineering sector, has landed two large contracts. It is acting as lead contractor for the consortium building a drainage scheme for Derecske Council, and its 50% share of the contract value is worth €0.5 m. OMS also has a 50% share of the contract to rehabilitate an old wastewater treatment plant in Szob, Pest. The project, with a contract value of €1m, will involve expanding the capacity of the plant from 1,300 to 1,400 cubic metres per day, and replacing the equipment and part of the basins.

Meanwhile the Infrastructure sector has secured a €2m order for precast elements — 1,200 trusses and 36,000 square metres of ceiling elements — for a shopping centre in south Budapest, due for delivery by mid-2010. In addition the business has won a €1.5m order for electricity poles, as well as a €1m contract for railway construction elements, to be delivered at regular intervals over the next two years.

Although SW Umwelttechnik expects 2010 to be another testing year it sees trading conditions improving markedly, bolstered by public sector projects. Due to the company's strong competitive position in both its industrial and commercial, and municipal markets, and to its heavy investment in modern production capacity, it is well placed to weather the recession and make the most of the anticipated upswing in 2011.

Founded in 1910, SW Umwelttechnik remains a family business, though it has been listed on the Vienna Stock Exchange since 1997. The Group is known for its commitment to sustainable enterprise and rapid expansion in Central and Southeastern Europe (CSE). Its innovative environmental products are contributing to infrastructure renewal in CSE.

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