

Annual Report 2016 - Background

After two difficult years Hydratech Industries is showing growth and black figures

After having seen demand for our cylinders from the Oil & Gas industry plummeting in 2015, as a consequence of the drop in oil prices, we undertook a comprehensive turnaround of our company designed to maintain a continued position in the Oil & Gas industry while at the same time being able to meet the increasing demands for our product and systems for the rapidly growing wind turbine market – the other big market for Hydratech Industries.

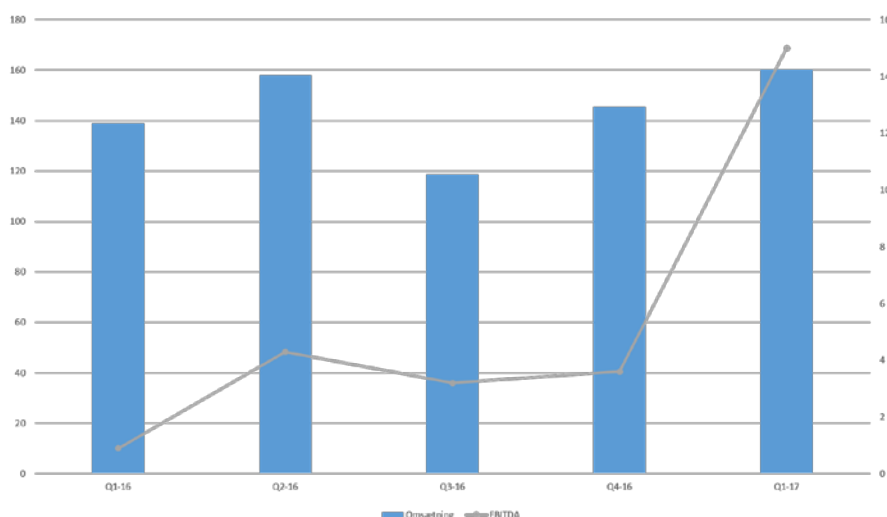
The turnaround process was completed just before summer 2016 and since then Hydratech Industries have seen a healthy growth in both turnover and revenue for the last three quarters incl. Q1-17.

The big changes in the company resulting from the above-mentioned turnaround, has caused a significant amount in one-time expenses, which lowers the result for the year with app. 20mDKK, but even with these incorporated, the result increases from 1,5mDKK in 2015 to 6,5mDKK in 2016.

The growth in revenue has been achieved despite a 20 % drop in turnover and is a result of a focused business combined with substantial cost reductions.

The drop-in turnover is entirely from the Oil & Gas market, as we have seen high growth from the wind turbine market.

The Oil & Gas market has stabilized since summer 2016 and with growing revenues within our wind turbine market and service our service division combined with new customers within new industries, we have had a very good start of 2017. Turnover and revenue are up compared to same period last year.



The backlog of Hydratech Industries is bigger than ever, with expectations of a double-digit growth in turnover and an improved 2017.

“Strategic execution, market focus and new customer within new industries has been the recipe for the improved figures and gives us a strong believe in the future and a good and solid 2017 for our company.” Says CEO Soren Kringelholt Nielsen and adds “A solid effort in a difficult year on the part of our employees has certainly also played a big part in the successful turnaround.”

As director of restructuring & turnarounds at Deloitte, Rasmus Sandorff Jacobsen has had a key role in the turnaround process. After the successful process Rasmus decided to join Hydratech Industries as new CFO and joint executive manager together with CEO Soren Kringelholt Nielsen. At Hydratech Industries we take this move as a great show of confidence in the future of our company.

// Hydratech Industries