

# Annual Report 2007/08 – Robust growth in revenues and profit

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Satair's Board of Directors has today approved the Annual Report 2007/08 for the fiscal year 1 July 2007 - 30 June 2008.

## Summary

**2007/08 was a good year for Satair. We have accomplished a highly satisfactory growth in revenues, and the profit for the year is somewhat above the expectations announced at the start of the fiscal year. Satair follows the activities described in the Delivering 500+ strategy plan and has achieved results exceeding the targets laid down in the plan.**

*"We have seen a year with very positive market conditions. The growth in air traffic has remained robust, and we have seen a record production of new aircraft. We have made targeted efforts at utilizing the favorable market conditions, and this has paid off in the form of highly satisfactory results and an expansion of our market shares. Lately, however, developments have taken a new turn. The high oil prices put pressure on airlines' profitability, and a number of airlines have announced capacity reductions. This will affect our activities in aircraft maintenance where the growth now looks set to be somewhat lower than previously expected. At the same time, certain airlines are currently deciding to cancel or postpone already placed orders. We feel, however, that environmental issues, issues of fuel economy and the long-term growth expectations for air traffic will lead to a continued high demand for new aircraft in the coming years. Satair is prepared for a challenging – but also interesting – 2008/09, where the focus will be on efficient execution and utilization of those opportunities which are always available in difficult times. We have shown our ability to do this on previous occasions, and so we also expect to see continued growth in the coming year," says CEO John Stær.*

- For 2007/08, revenues came to USD 423.7 million (+18%).
  - The Aftermarket Division posted revenues of USD 287.9 million (+19%).
  - The OEM Division posted revenues of USD 135.8 million (+16%).
- EBITDA before special items totaled USD 34.0 million (+34%)
- The EBITDA margin before special items totaled 8.0% against 7.1% last year.
- Profit before tax totaled USD 21.6 million (+28%)
- Net profit after tax came to USD 14.8 million (+8%). The increase in the tax rate can be attributed to the fact that the costs of the incentives programs are only partially deductible.
- Earnings per share rose by 8% in 2007/08.
- Both revenues and profits are on a par with the most recently announced expectations (cf. release of 14 May 2008), but higher than expected at the start of the fiscal year.
- The Board recommends that dividend for fiscal 2007/08 be declared at DKK 5.50 per share of DKK 20, corresponding to 34% of the profit for the year.

## Outlook for 2008/09

- Satair expects continued growth despite the far more uncertain market conditions.
- The outlook for 2008/09 includes revenues in the region of USD 445-465 million against USD 424 million in 2007/08. The increase of around 7% is a reflection of continued organic growth.
- The outlook also includes EBITDA before special items in the region of USD 35-40 million (USD 34 million in 2007/08) and profit before tax in the region of USD 20-25 million (USD 22 million in 2007/08).

**Webcast**

A teleconference and webcast concerning this release will be held on Wednesday 17 September 2008, at 10.00 CET. To participate, please dial in on tel. +45 7026 5040 five minutes before the start of the teleconference. The conference may be attended by following this link: [http://www.satair.com/webcm/satair\\_webcm.nsf](http://www.satair.com/webcm/satair_webcm.nsf) or via Satair's website at [www.satair.com](http://www.satair.com). After the end of the teleconference, it will be made available on Satair's website.

The Annual Report 2007/08 has been annexed to this release. In addition, the Annual Report is available for download on Satair's website at [www.satair.com](http://www.satair.com). When the Annual Shareholders' Meeting is called, the printed version of the Annual Report will be forwarded to shareholders and others upon request.

**Further information**

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**About Satair**

Satair is one of the world's largest distributors of spares for aircraft maintenance and other hardware (bolts, rivets, etc.) for the manufacture of aircraft.

The company has its main office located in Copenhagen and subsidiaries in UK, France, USA, Singapore and China. The Group employs more than 500 people, including 180 in Copenhagen, and has annual revenues exceeding USD 400 million.



## Financial highlights and ratios

USDm	2003/04	2004/05	2005/06	2006/07	2007/08
<b>Income statement</b>					
Revenue	184.1	219.1	261.2	358.4	423.7
Gross profit	36.5	49.5	56.8	76.3	96.4
Staff cost and other cost	(28.4)	(36.9)	(37.3)	(48.9)	(62.3)
Profit before special items, depreciation, and amortization (EBITDA before special items)	8.1	12.6	19.2	25.4	34.0
Profit before depreciation and amortization (EBITDA)	8.1	12.6	19.5	27.4	37.3
Profit on primary operations (EBIT)	7.0	10.3	16.0	22.6	33.0
Profit on financial items	(2.9)	(4.2)	(4.0)	(6.0)	(11.6)
Profit before tax	4.0	6.0	12.0	16.8	21.6
Profit for the year	3.2	3.9	9.0	13.7	14.8
Share to Satair A/S of profit for the year	3.4	3.9	8.9	13.7	14.9
<b>Balance sheet</b>					
Total assets	135.0	136.4	237.3	270.3	310.5
Total shareholders' equity	37.9	40.1	91.7	103.1	117.4
Interest-bearing debt, net	47.0	47.5	73.9	83.7	107.9
Invested capital	79.1	82.0	161.4	181.2	221.7
<b>Statement of cash flows</b>					
Cash flow from operating activities	2.7	2.1	(2.1)	(0.6)	(7.9)
Cash flow from investing activities	(10.3)	(1.6)	(48.6)	(1.9)	(8.7)
Cash flow from financing activities	10.2	8.1	50.1	(14.2)	(13.7)
Net cash flow for the year	2.6	8.6	(0.6)	(16.6)	(30.3)
<b>Key ratios</b>					
Gross profit, %	19.8	22.6	21.7	21.3	22.7
EBITDA margin before special items, %	4.4	5.8	7.3	7.1	8.0
EBITDA margin, %	4.4	5.8	7.4	7.6	8.8
EBIT margin, %	3.8	4.7	6.1	6.3	7.8
Return on equity, %	10.0	10.0	13.6	14.1	13.5
Equity ratio, %	28.1	29.4	38.7	38.1	37.8
<b>Share-related key ratios</b>					
No. of shares at year-end	2,455,073	2,455,073	4,262,267	4,262,267	4,282,252
Average no. of shares, restated	2,667,143	2,880,244	3,454,346	4,262,267	4,294,414
Earnings per share, USD	1.26	1.35	2.59	3.22	3.47
Earnings per share – diluted, USD	-	-	-	3.21	3.46
Cash flow from operating activities per share, USD	1.0	0.7	(0.6)	(0.1)	(1.8)
Book value per share, USD	15.4	16.3	21.5	24.2	27.4
Proposed in dividend per share, DKK	4.0	5.0	5.0	5.5	5.5
Proposed in dividend for the year, USDm	1.6	2.0	3.5	4.3	5.0
Listed share price, DKK	98.7	148.0	222.5	290.6	232.0
Market cap, USDm	39.7	59.0	161.6	224.8	210.0
<b>Other indicators</b>					
USD/DKK as of June 30	611	616	586	551	473
Average no. of employees	360	426	431	504	526