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News

Sabaf Group resists the crisis

editorial staff 13 May 2020

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After an extremely positive start to the year with sales up by about 30% in the first two months, the rapid spread of the pandemic impacted Sabaf's business from the second half of March, making it necessary to suspend production at Italian plants.



The Group immediately activated the safety protocols and limited the production shutdown period to only 3 weeks (from 16 March to 3 April). **Sales revenue amounted to €43.9 million in the first quarter of 2020, up by 16.5% from €37.6 million in the same quarter of 2019.** China and European markets were the areas that suffered most in terms of sales. Besides, EBITDA was €7.7 million (+16.2%), EBIT was €3.4 million (+0.3%) and net profit was €1.5 million (-26.9%). "The world is facing an unprecedented health emergency due to the rapid and global spread of the Coronavirus pandemic and the violent impacts on the lives of people and businesses – the company said -. In this context, **the priority of the Sabaf Group is to ensure the continuity of its activities by protecting the health and safety of people**, aware that it is a leading global player in a sector – household appliances – of great importance in any economy. **The Group believes that its business model – oriented towards long-term sustainability and characterised by a high level of verticalisation of production and production facilities close to the main markets – is adequate to face future challenges and new scenarios**".

During the quarter, €3.3 million was invested (€1.6 million in Q1 2019 and €12 million for the whole of 2019) and is mainly allocated to new global projects in start-up with some large customers. At present, the Group believes that the strategy aimed at strengthening its international presence remains valid and has therefore not deemed it appropriate to revise the plan of organic investments for the current year, although some investments will be delayed due to current restrictions on mobility. "In many of the main markets – the company added -, demand and production levels have been strongly impacted by restrictions imposed by local authorities leading to postponement or cancellation of orders by customers. **In April, sales fell by 18% (30% taking into consideration the same scope of consolidation), while a partial recovery is expected as early as May.** Based on the information currently available, **the Group expects to close the first half of the year with sales of between €78 and €82 million (up 4% – 9% compared with the first half of 2019). For the rest of the year, visibility is still extremely limited.** In the absence of events that would have a further lasting impact on consumption in its main target markets, the Group expects a gradual recovery with sales in the second half of the year higher or, in the worst-case scenario, in line with those of the first half".



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