



## News

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# Sondex Turns up Global Adventure

**The Sondex group makes progress in its more than 30 companies worldwide.**

*By Jens Bertelsen, Børsen (Danish newspaper)*

Establishment of factories in China, India and South Korea shall realize the dream of a billion turnover in the Kolding Company Sondex.

Last year the sale increased from DKK 673 mio. to DKK 717 mio., and the company earned DKK 100 mio. before tax. Thus the net capital of the holding company is now close to half a billion Danish kroner.

The family-owned company is a real global success based on the foundation of Sondex in 1984 by the initiator and main shareholder, Mr. Aa. Søndergaard Nielsen. The company has expanded during the past years with production of heat exchangers for e.g. district heating, oil coolers and in the sanitary industry.

"We avoided the expected decline. We have found new markets and have founded new companies, and these initiatives have proved to work," Mr. Aa. Søndergaard Nielsen says.

The global crisis was reduced to a small decrease in 2009, but the actual turbulence on the markets does not have much influence on Sondex.

"There are other areas than Europe. Asia, The USA and the Middle East are working quite well for us," Mr. Aa. Søndergaard Nielsen says. He is joining the global interest in energy saving products.

Today the group contains more than 30 active sales and production companies worldwide. Only South Africa is still not included in the Sondex world map, but this will be changed soon.

Sondex has gained a good foothold on the Chinese market where the company 10 years ago started up in rented facilities. Next Spring a new factory of Sondex will be ready to deliver to the Asian customers.

## Opening of New Factories

"In China we have started up pressure of plates which is our main business out there. Now we have purchased a site and will start our own factory," Mr. Søndergaard Nielsen says.

During the past years Sondex has moved the most labour-intensive production to low-paid countries like Poland, Romania and India. Till now the production in India has also taken place in rented facilities, but here the company is now building a factory. A factory will also be built in South Korea.

In addition to the availability of a number of new markets a successive product development is taking place contributing to the future turnover. A number of new products have already been introduced, but they will have no influence on the turnover until 2012.

"The areas are new to us. It is products like district heating units and steam units where pumps and plate heat exchangers are combined with electronic equipment and supervision. This enables us to deliver a complete solution to a problem and already now we have had some success with that," Mr. Aage Søndergaard Nielsen says.

Even if Sondex is operating on a market characterized by a heavy competition also including big players like Alfa Laval, Mr. Aage Søndergaard Nielsen is convinced that it is possible to distance from the competitors, as Sondex is offering complete solutions.

The Sondex Group with its many daughter companies employs appr. 900 people worldwide 200 of which are employed in the Kolding area, and Aage Søndergaard Nielsen is expecting a successive expansion of the staff, especially abroad.

No plans of selling the company

Aage Søndergaard Nielsen is giving notice of a growth rate in turnover and profit of 10-20%, but the aim of a billion-turnover is within reach.

"The first billion (in turnover) will be reached within 1-2 years. Our turnover is inseparably linked with the energy prices. When they are increasing the motivation for investments in environmentfriendly solutions will be in our favour," Aage Søndergaard Nielsen says. The healthy key figures in the company without debt have been of big interest to many investors, but the family has no selling plans. Aage Søndergaard Nielsen is the principal owner of the company (50%) while his children are the owners of the remaining 50%. "As long as I can keep my income on the recent level and my health is fine I will take no steps to sell the company," the 69-year old mechanical engineer says.

Niche jobs will stay in Denmark. Even if Sondex is building factories in low-paid countries we still need Danish workplaces. Therefore the company has built a new 4000 m<sup>2</sup> factory in Kolding. The factory is adapted to handle the most specialized tasks for the customers. "We will loose some working places to the hourly-paid workers abroad but we expect to employ a certain number of salaried employees in Denmark.

The development jobs and administration of the daughter companies will still be placed in Denmark" Aage Søndergaard Nielsen says.

Today the company employs appr. 200 people in Denmark and this number is expected to be stable in the coming years.

### Key figures -Sondex Holding A/S

<b>Group, mio. dkk</b>	<b>2010</b>	<b>2009</b>
Net turnover	716.8	673.2
EBITDA	122.5	104.1
Provision and devaluation	22.1	17.0
EBIT	100.4	87.1
Finance, net	-0.6	12.0
Result before tax	99.7	99.1
Profit or loss for the financial year	77.2	76.2
Sondex share	72.4	69.4
Own capital	483.0	420.8
Sondex share	457.6	398.5
Total balance	742.0	701.7