

SNAIGĖ, AB managed consequences of raw material prices rise

Snaigė, AB has managed to control the disruptions caused by an increase in raw material prices and to end the year significantly more successfully than in 2017, when the company experienced an audited consolidated loss of EUR 13 million, and last year managed to reduce the unaudited consolidated loss to EUR 0.5 million.

According to Gediminas Čeika, the CEO of Snaigė, AB, insignificant unaudited non-consolidated loss was experienced due to the appreciation of essential raw material used for the making of fridges, which continued for two years up to the mid-2017. 'We had to overcome the margin squeeze when the prices of materials appreciated, and the prices of our production did not increase in any of our markets,' said G. Čeika. 'Despite the circumstances, since the third quarter of last year, we have managed to achieve a positive sales dynamic and get the company's profitability back to normal.'

According to the unaudited consolidated data, the company's EBITDA reached EUR 2.1 million in this year, which is significantly higher in comparison to the year 2017, when the audited consolidated EBITDA stood at EUR 11.5 million.

Snaigė, AB reached significant agreements with financing banks in terms of changing credit return terms and amounts, as well as with controlling parties on the repayment of loans. With these agreements, the company secures investments in the development of new products or even new categories.

'The company has long been nurturing plans for its product portfolio to evolve,' maintains Mr Čeika. 'These agreements with the bank and the parties controlling the company significantly accelerate the implementation of the above plans.'

During the year 2018, the unaudited consolidated turnover of Snaigė, AB exceeded EUR 37.5 million. The company's export accounted for 87 per cent and amounted to EUR 32.6 million in revenue. The company exported its products to over 30 countries in Europe and Asia. The largest share of the sales revenue came from Germany, France, Ukraine, Lithuania and the Czech Republic.

The company introduced two refrigerator lines with new designs. These are the retro style refrigerators Snaigė RETRO and modern refrigerators with larger spaces for storing fresh products called Snaigė FRESH INN. The new fridges have already reached the stores and their customers in some of the countries across Europe.