Strong growth in India for the German glass conglomerate SCHOTT

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SCHOTT AG has announced a successful fiscal year 2017/2018 (October 1, 2017, to September 30, 2018), as all its key financial figures continued to develop positively or remained at the good level of the previous year. Globally, a record net profit of EUR 208 million (approximately INR 1687 crores) was achieved, which resulted in a return on sales of 13%. Important impetus was provided to achieve future growth, with special focus on Asian markets such as India and China. (Asia represented a 25% share in the group's global market.)

"We are very satisfied with the past fiscal year. Despite unfavorable currency influences, we achieved the targets we had set for ourselves, especially in terms of profitability," emphasized Dr. Frank Heinricht, Chairman of the Board of Management, at the annual results press conference.

India alone saw sales of approximately INR 341 crores – an increase of 32.6% which converted into 26.2% after currency effects. Key growth driver segments for India were SCHOTT's Tubing, Pharma-Packaging and Flat Glass for Cooking.

Murali Viswanathan, Managing Director SCHOTT India, shared his views on the growth of the Tubing and pharma packaging segment, “According to a government owned report, the Indian pharma industry is expected to grow over 15% till 2020, to outperform the global pharma industry, which is set to grow at an annual rate of 5%. Responsible pharmaceutical companies as well as the end users are increasingly emphasizing on the need of high-quality packaging that ensures drug safety. This, clubbed with the conducive environment for manufacturing industry enhanced via ‘Make in India’, has been a driving factor for our exemplary growth.”

Next to organic growth, SCHOTT also plans to further enhance its offerings through focused, strategic acquisitions. Seven M&A transactions took place in the past fiscal year, with a strong focus in the fields of big data and artificial intelligence. This expansion of the innovation pipeline also led to introduction of unprecedented 100% inspection systems in SCHOTT’s plant in Jambusar, Gujarat.

The largest foreign investment was the expansion of production capacity for pharmaceutical packaging at the St. Gallen site in Switzerland. One of key offerings from this plant, the syriQ® BioPure prefillable staked-needle syringe (PFS) was introduced in the Indian market last month.

Outlook for fiscal year 2018/2019: further growth planned

Looking ahead, the company will invest around EUR 300 million in property, plant and equipment. Apart from expanding production capacities in Europe, the investment focus will remain on expanding the existing Indian plant and the construction of a new plant in China.

One of most growing division for SCHOTT Group in India is its tubing division, which completed 20 years of India operations last year. Its VP- Sales and Marketing, Sundeep Prabhu stated, “SCHOTT intends to continue its course of sustainable, profitable growth in the current fiscal year. The new tank facility being set up in Jambusar is expected to be complete by 2020 and will increase our production capacity by an additional 50%. This will be help us to address the expanding client demands for our high-quality offerings in India as well as other foreign markets.”

The planned growth will be achieved with both proven and new products. “SCHOTT offers key components for global megatrends such as health care, mobility and energy. Our broad portfolio opens up good prospects for the current fiscal year and beyond,” said CEO Dr. Heinricht.

Major highlights of the fiscal year are:

Sales growth of 6.3%, record annual profit of EUR 208 million (~INR 1687 crores)

India sales growth at ~33% in 2017-18, with total sales of over INR 300 crores

High investments creating sustainable growth: Ongoing expansion in Jambusar plant worth EUR 20 million (~INR 162 crores), with completion of 20 years of India operations