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SCHOTT increases sales in India and plans record investments

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India sales growth by 18% to INR 388.6 crores (EUR 49.5 million)



Germany headquartered SCHOTT AG, international specialty glass and technical ceramic materials manufacturer, has continued on its growth course in fiscal year 2018/19 (October 1, 2018, to September 30, 2019).

Its key financial figures developed positively or remained at a solid level from previous year.

“We are pleased with the past fiscal year. We were able to meet our forecasts from last year and continued the positive business development of previous years despite the difficult global economic situation,” emphasised Dr. Frank Heinricht, Chairman of the Board of Management, at the Annual Results Press Conference.

The international technology group managed to increase its sales by 5.1% to around EUR 2.2 billion. The operating result (EBIT), which now stands at EUR 275 million, also improved at a consistent rate, resulting in a consolidated net profit of EUR 206 million. Business with special glass tubing for pharmaceutical packaging and the ampoules, vials, syringes and cartridges produced from it, contributed substantially to the successful year.

Investments significantly higher, India and China among top markets for SCHOTT

Investments in property, plant and equipment amounted to EUR 257 million in the fiscal year, an increase of 38% over the previous year. Internationally, the largest investments in the fiscal year went to sites in India and China. More than EUR 21 million (INR 165 crores) was invested into a new tank facility at the Gujarat manufacturing plant, which supplies the supreme quality FIOLAX® glass tubing for pharmaceutic packaging.

At the presentation of the annual results, CFO Dr. Jens Schulte pointed out that the equity ratio had remained at a solid level of 32%.

“The company is thus in a strong financial position and has sufficient scope to achieve organic growth as well as make acquisitions,” he noted. The global number of employees rose to 16,200.

Strong growth in India

Record investments in India are also a result of exceedingly positive sales in the Asian market. India alone saw sales of approximately INR 388.6 crores (EUR 49.5 million) – an increase of 18%. Key growth drivers for India were SCHOTT’s Tubing, Pharma-Packaging and Flat Glass for Cooking.

Sharing his views on growth of the tubing and pharma packaging segment, Georg Sparschuh, President SCHOTT Glass India, shared, “With our Indian growth activities, we aim to further strengthen the local industry and the government’s goal of making India a global pharmaceutical hub. We have committed to invest about EUR 51 million (INR 400 crores) in our Gujarat manufacturing plant from 2018 till this year, in order to further cater to the expanding domestic and Asian markets.”

In addition, SCHOTT also entered the Indian smartphone market last year. Its premium cover glass Xensation® Up. was introduced in the country as part of the new range of vivo premium smartphones.

Outlook for fiscal year 2019/2020: Key focus on expansion of capacities in India, setting of the course towards climate neutrality

After getting off to a good start in the first three months of its new fiscal year, SCHOTT expects sales to increase by between 3% and 6% for the year as a whole. The technology group expects impetus to come, among other areas, from demand for specialty glass for pharmaceutical packaging and ultra-thin glass for the foldable mobile devices of the future.

In fiscal year 2019/2020, SCHOTT plans to invest EUR 320 million, the highest amount in the company's history. Main international focus will remain on capacity expansions in the pharmaceutical packaging business in India and China.

To achieve this, the expansion of production capacity in the existing India plant aims to further strengthen its output by mid-2020. SCHOTT has committed additional investments of EUR 28 million for another tank facility which will be operational this year. With the new production facility, the plant's capacity will be doubled, allowing the group to produce its highly specialised FIOLAX tubing material for both domestic and export demands.

Dr. Heinricht, Chairman of the Board of Management said, "With a view towards responsible and sustainable further development, we have set ourselves a clear goal: We want to make SCHOTT a climate-neutral company. During this fiscal year, we will set the course for this and consistently take the appropriate measures."

At the same time, SCHOTT intends to intensify its efforts to protect the environment and the climate.