

Russian Helicopters Announces 32% EBITDA Increase, Double-Digit Growth in all Key Performance Indicators

Written by Administrator

Monday, 09 April 2012 14:38 - Last Updated Monday, 09 April 2012 14:41

Moscow, Russia / 9 April 2012 – Russian Helicopters, JSC (“the Company”), a leading global designer and manufacturer of helicopters, and producer of some of the world’s most iconic, innovative and widely operated models, announces its consolidated operating and audited financial results for the year ended 31 December 2011 under IFRS.

- Helicopter deliveries increased by 22.4% and reached 262 units;
- Firm backlog doubled and totaled 859 helicopters as of December 31, 2011;
- Revenue grew by 27.8% [\[1\]](#) to RUB 103.9 billion;
- EBITDA [\[2\]](#) surged 31.7%¹ to RUB 18.0 billion, representing a solid EBITDA margin of 17.3%;
- Profit was up 12.7%¹ and totaled RUB 7.0 billion.

RUB, million

2011

2010 Pro-forma¹

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Change, y-o-y (%)

Revenue

103,938

81,307

27.8%

EBITDA

17,957

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13,632

31.7%

EBITDA margin

17.3%

16.8%

0.5 pp

Profit

6,985

6,200

12.7%

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Helicopter units

Deliveries

262

214

22.4%

Firm backlog

859

430

99.8%

Dmitry Petrov, CEO of Russian Helicopters, commented: “I am delighted to report such strong results for 2011 – a clear demonstration of our ability to achieve our targets and to deliver on our commitments to our stakeholders.

“The Company maintains solid growth momentum and continues to develop. During the year, we consolidated our position as one of the leading players in the global helicopter industry. We increased deliveries by 22.4% to 262 helicopters to our customers from 19 countries, which allowed us to achieve a market share of 14% of the world’s helicopter market in money terms. Moreover, we succeeded in doubling Company’s firm backlog, which reached 859 helicopters with a value in excess of RUB 330 billion by year-end.

“Our strategic goal is to continue strengthening the Company’s global market position by increasing our competitiveness and operational efficiency, and to continue building shareholder value. In 2012, we intend to build a strong platform for future growth through our intensive R&D programme. We will also continue to modernise our production facilities, to develop our aftermarket service network and to streamline management structures.”

2011 Full Year Financial Highlights

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The Company's consolidated revenues in 2011 totaled RUB 103.9 billion, an increase of 27.8% [\[3\]](#) compared to RUB 81.3 billion in 2010, on the back of solid 22.4% growth in helicopter deliveries. Revenues from helicopter sales amounted to RUB 82.0 billion in 2011, while revenues from services and support reached RUB 15.0 billion.

Cost of sales increased by 29.2%¹ compared to 2010 and amounted to RUB 63.3 billion in 2011. Operating expenses increased by 23.3%¹ year on year and totaled RUB 25.9 billion.

EBITDA surged 31.7%¹ year-on-year and reached RUB 18.0 billion in 2011. EBITDA for the helicopter sales segment amounted to RUB 14.3 billion, and EBITDA for our services and support segment amounted to RUB 3.5 billion.

The Company's Profit grew 12.7%¹ year-on-year and totaled RUB 7.0 billion for the year.

CAPEX increased by 90.3% compared to 2010 and amounted to RUB 13.7 billion in 2011. Investments in production facilities were RUB 9.1 billion, an increase of 65.5% compared to 2010. Our modernisation efforts to key production facilities in 2011 included the following:

- Established magnesium casting competence centre, on the base of AAC Progress, JSC;
- Completed 1-st stage of a mechanical processing competence centre, on the base of Kazan Helicopters, JSC;
- Completed 1-st stage of production competence centre of helicopter aggregates, transmissions and test stands, on the base of Reductor-PM, JSC.

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Russian Helicopters' R&D expenditures increased by 2.7 times compared to 2010 and amounted to RUB 4.6 billion in 2011, which is in line with the Company's active innovation strategy. Major R&D activities in 2011 focused on Ka-226/226T, Mi-38, Ka-62, Mi-171A2 and our Advanced High-Speed Helicopter project.

2011 Full Year Operating Highlights

Helicopter deliveries in 2011 increased to 262 units, 48 units or 22.4% up compared to 2010. The Company delivered 9 types of helicopters to its clients from 19 countries in 2011.

As part of our product life-cycle management strategy, the Company delivered spare parts and tools and provided aftermarket services to 175 clients from 25 countries during the year. Being focused on developing the business of aftermarket services primarily in the most promising markets, the Company began construction of a service centre in Qingdao, China.

The Company's backlog almost doubled from 430 to 859 units and its value exceeded RUB 330 billion in 2011. This was primarily due to new long-term contracts with the Russian Ministry of Defense for the delivery of more than 600 helicopters by 2020. Our delivery plan for 2012 is 100% secured with firm orders, while 2013 is already 94% secured.

The Company also continued its expansion into new high-growth markets by entering Brazil and Argentina.

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