

Business in 2017 affected by volatile market and brisk competition
Lantal looks back on a challenging year in business

Langenthal, March 19, 2018 – In 2017, consolidated sales generated by Lantal Textiles AG declined from CHF 95.3 million in the prior year to CHF 91.2 million. The 4.3% difference is attributable to political uncertainties, a very challenging market environment, and heavy customer-side pressure on prices. However, this does not affect the company's goal to continue evolving from a yardage supplier to a systems partner for comprehensive cabin solutions. Given the acquisitions in the past years as well as the recent integration of Airline Services Interiors in England, key milestones have been attained in pursuit of this objective.

For Lantal, 2017 was a challenging and eventful year. The Swiss company reports CHF 91.2 million (2016: CHF 95.3 million) in consolidated sales, down 4.3% from the prior year. Despite Lantal's position as one of the leading providers of textiles and services for the global airline, bus, and train markets as well as for private jets and superyachts, the tense market situation and pressure on prices had a perceptible impact on new orders.

Markets

The difficult competitive situation affected the aviation market in particular. Revenues with aviation products and services decreased by 14.7% to CHF 62.4 million in comparison with the previous year. However, Lantal was again able to secure several attractive contracts last year. Among other purchases, Singapore Airlines ordered carpets for 11 new Airbus A350 jets. Hainan Airlines placed orders for complete interiors with seat cover fabrics, curtains, and carpets for 9 new Boeing B787s. Also last year, Malaysia Airlines became a further important customer for the Pneumatic Comfort System (PCS) in Asia. Nonetheless, revenues with the PCS were not on par with prior-year results. Sales closed at CHF 6.5 million, down by 5.9%. The reason is that PCS revenues are strictly project-driven, and the implementation of individual projects can sometimes extend across several years. Conversely, the ground transportation segment (bus, rail, and tram) posted a gain in sales by 11.6% to CHF 15.2 million. This is a very positive trend, because sales in this segment have stagnated in the past few years and project tenders in public transportation are highly competitive and price-sensitive. Contracts landed with Rhaetian Railways for 27 separable multi-unit trains as well

as the interiors for the panorama coaches of the Matterhorn Gotthard Bahn/Glacier Express fleet are particularly reassuring in this context.

Integration of ACC and Lantal Parts s.r.o.

For several years now, Lantal has been transforming itself from a yardage supplier to a problem-solving systems partner for comprehensive passenger cabin services that support customers with time-saving and efficient solutions. With this concept, the company is also responding to customer expectations as regards single-source convenience. At the same time, it is an important key selling proposition in a highly competitive market.

The acquisition of Germany's ACC Aircraft Cabin Components GmbH in late 2016 gave Lantal the opportunity to expand its scope of services with sales and maintenance of used aircraft seats as well as the refurbishment of passenger cabins. Another important milestone was achieved in early 2017 with the acquisition of Lantal Parts s.r.o. in Czechia. This allowed Lantal to further broaden its capabilities in parts and completion, for example with ready-to-install seat covers, literature pockets, and pre-cut carpets in addition to commercial yardage. For this reason, the focus on the financial year now ended was to integrate the two new subsidiaries in the Lantal Group, to intensify collaboration, and to deepen synergies.

Acquisition of Airline Services Interiors

To broaden Lantal's scope of deliverables and thus to assure all-encompassing aircraft cabin maintenance, the company recently acquired Airline Services Interiors. Airline Services Interiors, a unit of the Airline Services Group, and Lantal can look back on a long period of close and dependable collaboration: the company has been producing Lantal's pleated curtains for many years. Since it was founded over 30 years ago, the Manchester-based firm has become a respected provider in the domain of airline industry cabin completion. Airline Services Interiors, the business acquired by Lantal, develops and delivers cost-effective, high-quality customer-specific solutions for the refurbishment, modernization, and upgrade of cabin interiors. It employs 116 persons. Additionally, the company designs, develops, and produces cost-effective spare parts such as armrests, tray tables, seat covers and pleated or sewn curtains.

New product development and innovation

Lantal is committed to addressing customer needs not only with comprehensive all-in-one solutions but also with a lineup of matching products. That is why the Swiss SME is investing in promising innovations as well as in the refinement and enhancement of existing products. One of Lantal's latest innovations is TEC-Leather. The supple material can be adapted for any seat geometry and features a unique level of cleanability. Its soft surface and excellent

thermal properties assure a perceptible improvement of comfort and passenger well-being. TEC-Leather is lightweight and requires no additional fireblocker – Lantal customers benefit from multiple advantages.

Lantal

Lantal is the leader in the design, production, and distribution of textiles, parts, and services for the international aircraft, bus, and railway markets as well as for business jets and superyachts. The company offers forward-looking counsel and coherent all-in-one solutions with the objective of achieving the ultimate in passenger well-being.

Photos

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