

Profits down as the world's leading Kitchen Appliance Manufacturers feel the pinch

A study into the profitability of the world's largest Kitchen Appliance Manufacturers has revealed a widening gap between firms making outstanding profits and those losing money.

The latest Plimsoll Analysis found average profit margins have fallen to 4.8% of sales and 45 of world's top 242 Kitchen Appliance Manufacturers are now running at a loss – a finding that would lead you to believe the industry was suffering with chronic oversupply, rising costs and severe pricing issues. However, the same study has revealed 54 businesses are making record profits.

David Pattison, senior analyst at Plimsoll, said: "Sometimes the public perception of profit is wrong. It's seen as companies taking advantage of their position or exploiting their commercial advantages unfairly. But these successful companies should be proud of their achievements. In an industry not known for its successes, these businesses should act as benchmarks to the rest of the industry showing what can be achieved."

Key findings from the analysis:

The 54 rich companies:

- The average profit margin at these companies is 12 % - way above the industry average
- 18 of these firms are operating completely debt free

The 45 poor companies

- 24 companies are now considered to be a high financial risk
- 29 this is the second year in a row of making a loss
- On average these companies are losing -5% on sales -so for every \$1 of sales it is costing them \$1.05 to deliver

Pattison added: "The latest Plimsoll Analysis highlights that the industry is being split into two types of company and the gap between the rich and the poor is getting bigger and bigger. For the companies that are falling behind, they need to re-evaluate their strategy and retain profit in order to improve their financial strength."

The Plimsoll Analysis, which is also available in an online format, provides an individual profile of each of the world's top 242 Kitchen Appliance Manufacturers. It offers an overall financial rating, a valuation as well as an acquisition attractiveness assessment on each company.

For more information on the Kitchen Appliance Manufacturers report or any of Plimsoll's titles please contact Chris Glancey on 01642 626 419 or alternatively email c.glancey@plimsoll.co.uk

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