nobilia®

Financial year 2020

BALANCE SHEET PRESS RELEASE



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FOREWORD



To Whom It May Concern,

The past financial year – the year of our 75th anniversary – will remain in our memories for a long time to come. The coronavirus pandemic presented us with major challenges. At the same time, we committed to expanding our two additional locations in Gütersloh and Saarlouis.

When the first effects of the coronavirus pandemic became apparent in the spring of 2020, we acted quickly and decisively. The top priority was not only the health of our employees, but also ensuring the ability to deliver for our customers.

We drew up a comprehensive health and safety plan specifically to protect our employees, and have continuously adapted our package of measures to the respective current situation – including in close consultation with the specialist authorities. We also created the conditions for many employees to switch to a home office. Now, almost all employees in the commercial departments can work from their home offices.

At the same time, we responded with a series of measures to safeguard Manufacturer ability to deliver: Safety stocks were ramped up and additional trailers were rented to avoid supply bottlenecks and long delivery times due to the restrictions of the lockdown. At the same time, Manufacturer communicated all measures internally and externally to customers and the workforce continuously, promptly and comprehensively.

In September, we expanded our safety concept together with experts so that our traditional Manufacturer in-house exhibition could take place even under the difficult Corona conditions. Our customers were very grateful for the personal contact and face-to-face meetings. They found the visit to the fair and the presentation of our new collection inspiring and always safe. Digital solutions were also developed so that, if trade partners were unable to attend the fair due to entry restrictions, they could receive comprehensive information about our new features using other means.

Our, now more than 3,900 employees feel a strong bond with the company. This strong commitment proved to be a particular strength during the pandemic. It

was mainly due to the great commitment of each individual that Manufacturer was able to develop positively overall despite the coronavirus pandemic. During the past year, we repeatedly had to find new paths and creative solutions quickly in all areas of the company. Our employees have followed this path together with conviction and great commitment and have laid the foundation for growth, as have our customers, from whom we have received great encouragement in 2020.

Even though we are still in the second lockdown at the time of preparing this report, we are optimistic that we are well equipped for the tasks ahead of us and will thus continue the positive development of our company in 2021 – in the interests of our shareholders, our employees and our business partners alike.

Faithfully yours,



Dr. Lars M. Bopf

Verl, 19 February 2021

BRIEF PORTRAIT



Manufacturer tower

The well-known landmark on the A2 – the Manufacturer tower –
was also digitally transformed in 2020.
Previously provided only with illuminated letters,
in April the tower was equipped with two 220 m² LED walls.
During that procedure, it was enlarged by 5 metres to a height of 37 metres.



Our roots

1945



Manufacturer was founded in 1945 by brothers Johann and Willy and has since grown to become the worldwide market leader for kitchen furniture. The company delivers to customers in more than 90 countries on every continent. Manufacturer market share in the domestic market remains at around 30%. Which means, almost every third kitchen sold in Germany comes from Manufacturer. For 75 years Manufacturer kitchens have stood for up-to-date personalised design, outstanding brand quality and great value for money.

The company manufactures exclusively in Germany. The two plants in East-Westphalian Verl count among the most modern and efficient kitchen furniture production sites in the world. Combined, they achieve a production volume of more than 3,490 kitchens—daily.



Manufacturer was founded as a family-owned business. This has characterised the corporate culture from the very beginning, as it still does today. As the market leader, Manufacturer has stood for stability and reliability for 75 years, and it continues to count on its long-lasting and close relationships with customers and business partners.

Manufacturer offers a wide variety of products—ranging from modern and puristic to timelessly classic to contemporary cottage style. A cleverly structured product range enables customised planning solutions, tailored to fit every floor plan. In order to offer complete marketing of kitchens including electric appliances and accessories all from a single source, the product range is supplemented by thirteen electric appliance brands, four of which are exclusive own brands.

In terms of product development, Manufacturer puts great emphasis on a holistic design for the entire home. In addition to the core kitchen product, the collection also includes an independent bathroom range as well as solutions for the living area and the sophisticated furnishing of utility rooms.





More than kitchen

Kitchen, bathroom and living

One thing always takes centre stage at Manufacturer: the highest quality. This quality standard influences every employee in their daily work. Manufacturer is passionate about its products and services, with the aim of developing customised solutions for its customers.

Highest quality

takes centre stage







1.
TOTAL MARKET FURNITURE AND KITCHENS 2020



1. Total market furniture and kitchens 2020

Due to the impact of the coronavirus pandemic, the German furniture industry experienced a highly varied course of business last year. The lockdown in the spring initially led to a sharp drop in sales for furniture manufacturers. After the furniture trade reopened, business picked up very quickly and in some cases surprisingly strongly. The situation was characterised by strong demand, which was unusually high for the time of year, especially in the summer. Therefore, orders remained at a stable level until the new lockdown in December.

During the coronavirus crisis, many consumers began to give greater importance to owning their own home. Living, learning and working – everything was concentrated within one's own four walls. Trends such as cocooning or homing, and new furnishing requirements for home offices, home schooling and home cooking, developed into an important pillar of the furniture industry.

Official statistics show total sales in the furniture industry of around EUR 15.8 billion for the first eleven months of 2020. This equates to a decrease of 4.7 per cent compared to the same period of the previous year. The Association of the German Furniture Industry (Verband der Deutschen Möbelindustrie e.V., VDM) expects sales to fall by around 4 per cent in 2020. Sales are expected to reach around EUR 17.2 billion.

The review is much more positive for the entire kitchen furniture industry. According to estimates by the Association of the German Kitchen Furniture Industry (VdDK), its turnover up to and including November 2020 totalled around EUR 4.9 billion: an increase of 3.7 per cent. This means that the Kitchen Furniture division performed much better than other furniture segments.

Total market for furniture

- 4.7 per cent turnover

Total market kitchens

+ 3.7 per cent turnover

The negative effects of the coronavirus crisis were particularly noticeable in foreign business. For example, the German furniture industry's domestic business lost significantly less than its foreign business, with a decline of 2.8 per cent between January and November 2020. Export sales fell by 8.4 per cent in this period compared to the same period of the previous year. As a result, the export ratio of the German furniture industry fell from 32.7 per cent in 2019 to 31.4 per cent in 2020.

The kitchen furniture industry, on the other hand, grew strongly in Germany in the first eleven months with a 6.7 per cent increase in sales. In foreign business, the decline during this period was comparatively moderate at 0.3 per cent. According to the VdDK, the export ratio also fell slightly to 40.3 per cent (previous year 41.9 per cent).

The export business suffered overall from the decline in demand as a result of the lockdown measures in various countries, trade fair cancellations, and the negative effects of Brexit.

2.

Manufacturer SALES DEVELOPMENT 2020

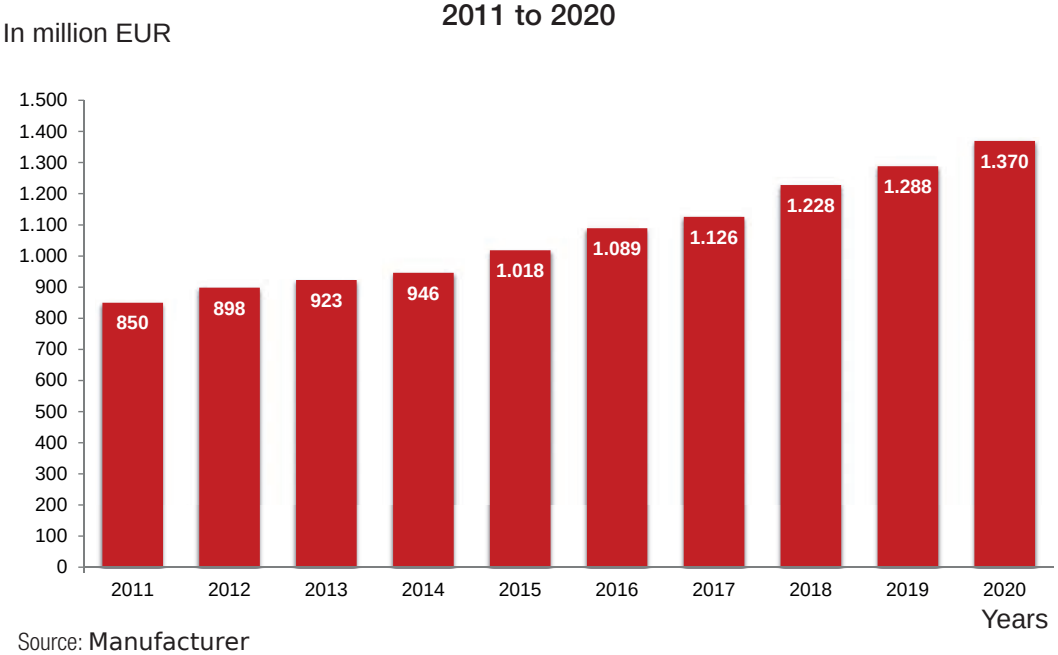


2. Manufacturer SALES DEVELOPMENT 2020

2.1 Total sales development for Manufacturer

Despite the extraordinary challenges resulting from the coronavirus pandemic, Manufacturer grew once again last year, thus consistently continuing its successful course. Total sales increased by EUR 82 million in 2020, to EUR 1.370 billion. This figure represents an increase of 6.4 per cent on the previous year's sales of EUR 1.288 billion. With this growth, Manufacturer has clearly outperformed the industry trend and has once again confidently strengthened its position as market leader.

Sales development for Manufacturer (in million EUR)
2011 to 2020



Source: Manufacturer

The core business, sales of wooden parts, again proved to be a growth driver. This reached new record levels, with 7.83 million cabinets and around 1.73 million worktops. The two plants together produced around 3,490 commissions per working day. This results in an annual output of more than 783,000 kitchen commissions for 2020.



Total sales Manufacturer

EUR 1.370 billion

Kitchen commissions

783,000

Growth Manufacturer

+ 6.4 percent

2.2 Domestic sales development for Manufacturer

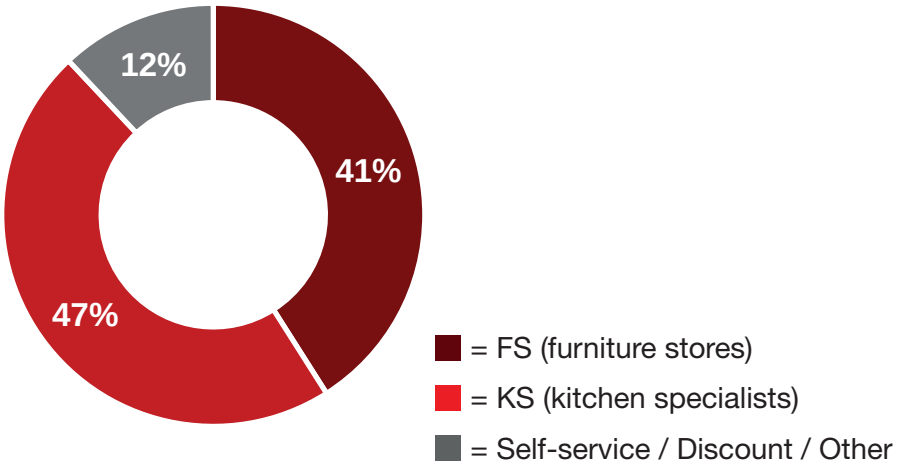
During the past financial year, domestic business developed into the main growth driver. Manufacturer generated sales of EUR 710.9 million in Germany, an increase of EUR 64.2 million on the previous year. In nominal terms, domestic sales rose by 9.9 per cent, well above the market level.

An analysis by distribution channel shows that both the kitchen specialist distribution channel (KS) and the furniture store channel (FS) are now responsible for almost equal shares of Manufacturer sales. These two channels account for roughly 88 per cent of Manufacturer domestic sales.

The remaining 12 per cent is distributed between the SS / discount sales channel and other sales channels. Other sales channels mainly include hybrid marketing forms that combine in-person marketing and Internet trading, contract business, and sales to electrical or bathroom specialists.



Manufacturer **domestic sales 2020 grouped by sales channels**



Source: Manufacturer

Domestic sales Manufacturer

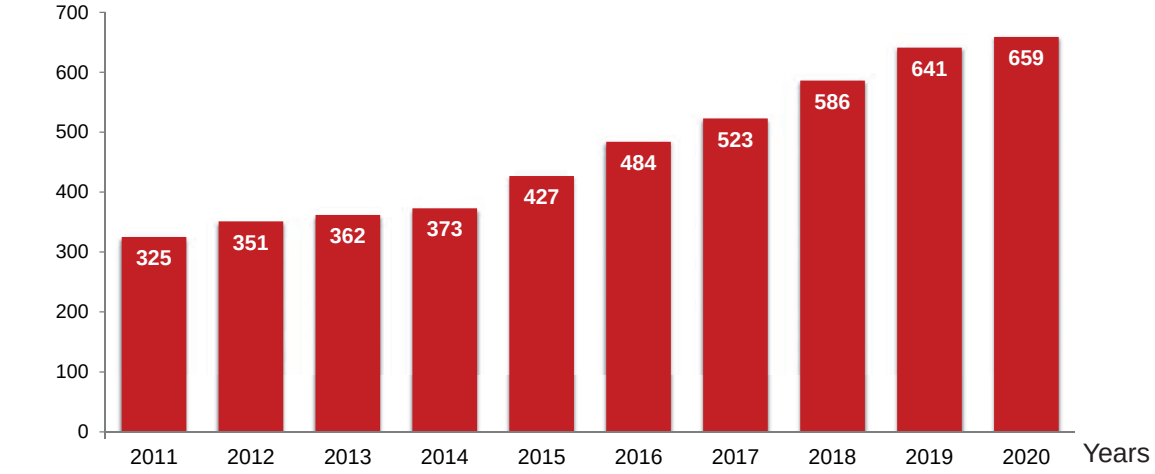
EUR 710.9 million

+ 9.9 per cent

2.3. Export sales development for Manufacturer

Export sales contributed to the company's development in 2020 with an increase of 2.8 per cent. Compared to the previous year, it rose by EUR 17.8 million to EUR 658.9 million.

Export sales development for Manufacturer (in million EUR) 2011 to 2020



Source: Manufacturer

This means that Manufacturer grew much more strongly than the industry as a whole in 2020, even in the exceptionally difficult export business. This proves that Manufacturer has positioned itself very broadly in exports in recent years and is therefore less susceptible overall to the developments of individual country markets.

Export turnover Manufacturer

EUR 658.9 million

Sales increase

+ 2.8 per cent

In 2020, Manufacturer export quota reached a value of 48.1 per cent, which is significantly higher than the industry average of 40.3 per cent determined by the Association of the German Kitchen Furniture Industry (VdDK). With this value, Manufacturer has once again expanded its leading market position, including in the export business.

Once again, the distribution of sales by country has hardly changed. Our European neighbour countries continue to be particularly significant to our export sales. Here, business in France continues to dominate at a high level, followed by Belgium, Austria and the Netherlands. The Chinese market once again occupies 5th place in Manufacturer top 5 export countries.



3.
DEVELOPMENT OF THE GROUP OF COMPANIES



3. Development of the group of companies

The core business of Manufacturer is the development and production of kitchens and the worldwide distribution of these kitchens to retail partners. Thus, Manufacturer is first and foremost active as a manufacturer. For several years now, however, the company group has also pursued its own retail activities using varying formats, with which Manufacturer is only active in the international markets.

Manufacturer operates its own kitchen studios in Sweden and the UK under the names Northern Kitchen Sverige AB and Kütchenhaus. Kütchenhaus is active in the UK as a franchise organisation with currently 39 affiliated kitchen studios. Furthermore, the company has a minority interest in the Belgian retail chain MENATAM SA, whose studios are represented under the name èggo. In addition, Manufacturer is a majority shareholder in the French franchise organisation FBD, which was active at the end of the year with over 460 kitchen studios in the Ixina, Cuisine Plus, Cuisines Références and Vanden Borre Kitchen sales channels. The regional focus of FBD is in France and Belgium. However, the Group has been successfully pushing ahead with its internationalisation for several years.

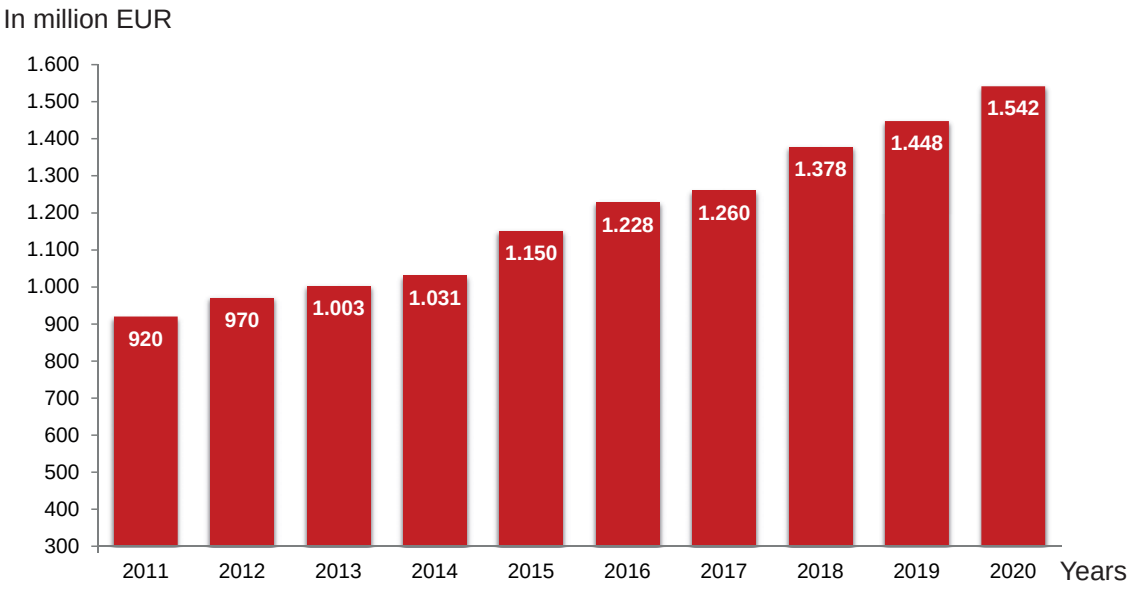
Group sales for Manufacturer

EUR 1.542 billion

Sales increase

+ 6.5 per cent

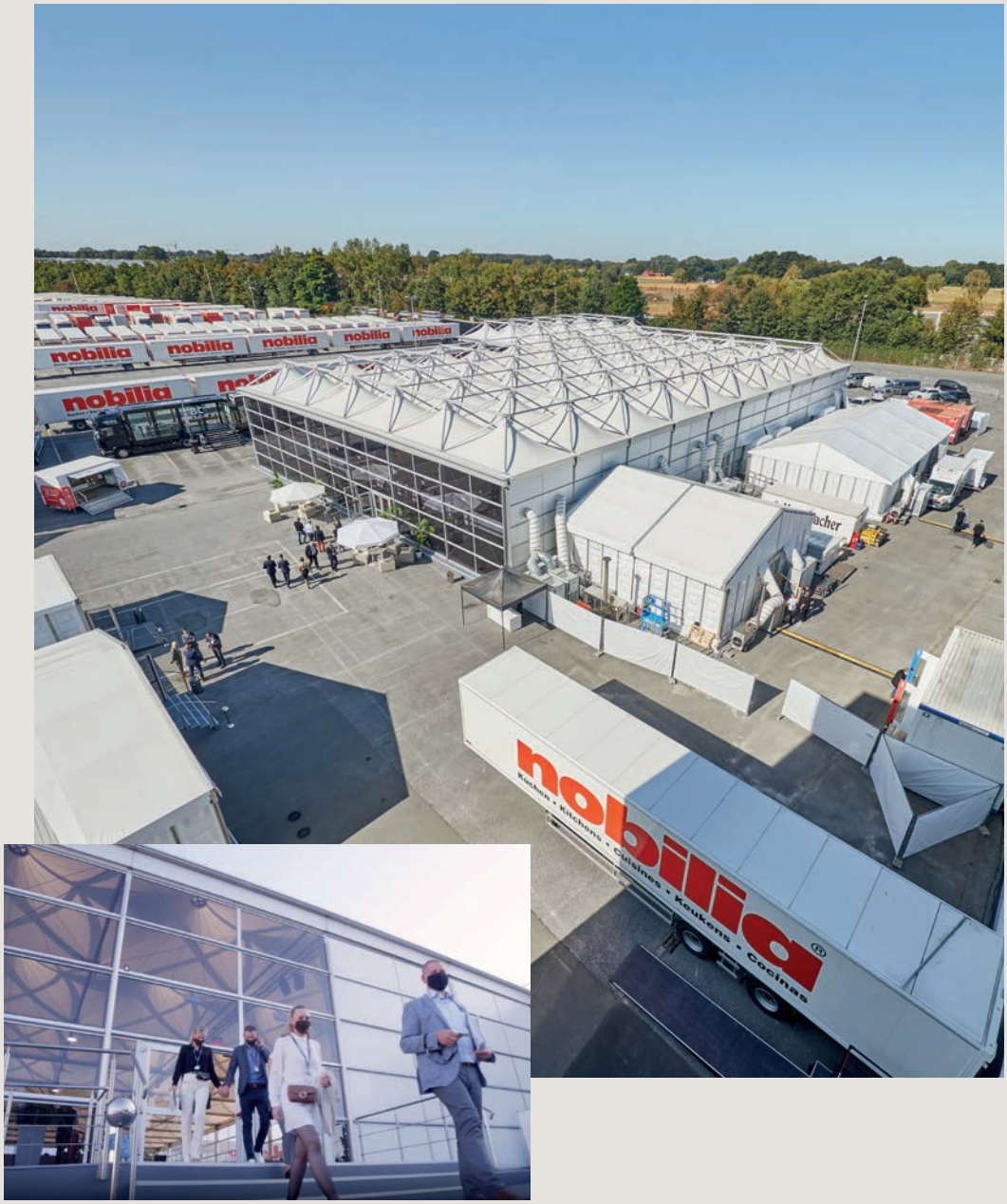
Net sales for Manufacturer group (in million EUR)
2011 to 2020



Source: Manufacturer

Including these activities, the Manufacturer company group's sales increased nominally by 6.5 per cent to EUR 1.542 billion. This represents an increase of EUR 93.7 million over last year's amount of EUR 1.448 billion. To calculate the group sales, the internal sales were eliminated (consolidated) and the ownership structure was taken into account (apportioned). For the franchise organisation, only the franchise fees and not their sales revenues were included in the calculation.

4.
IN-HOUSE EXHIBITION AND COLLECTION 2021



Manufacturer in-house exhibition

The in-house exhibition also impressed thousands of visitors in its anniversary year, in compliance with all health and safety regulations. The exhibition area was extended beyond the existing halls.

4. In-house exhibition and collection 2021

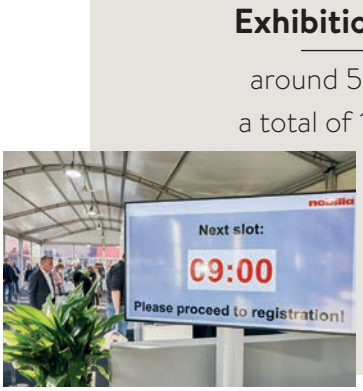
An impressive new collection, an inspiring presentation, new marketing concepts for the trade and an exemplary health and safety concept – the Manufacturer in-house exhibition set standards again last year. At the same time, the safety of visitors and employees always had top priority.

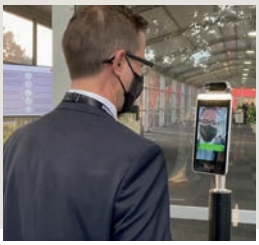
The completely redesigned exhibition covers an area of around 5,000 m². The entrances and exits as well as the routing are completely different. This was the only way to meet the high requirements of the safety concept during the in-house exhibition. A comprehensive hygiene concept and a systematic digital visitor management system ensured the safety of guests and employees and a consistent separation between trade fair operations and company activities. All visitors had to register electronically, were only allowed to enter the exhibition with a protective mask and after a successful temperature measurement, and were guided through the in-house exhibition in small groups in a one-way system. The extensive health and safety measures,

Exhibition space

around 5,000 m²

a total of 106 plans





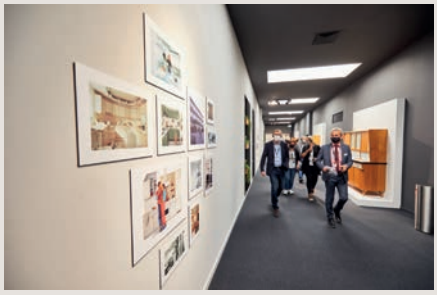
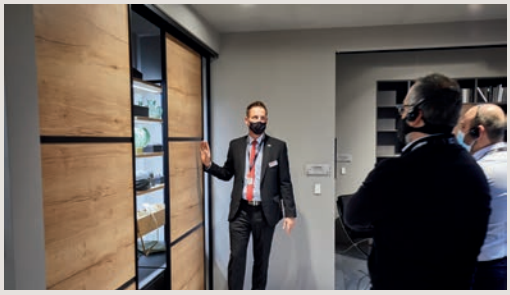


which were coordinated down to the last detail with the health authorities, were fully effective. The entire in-house exhibition went off without any incident.

The in-house exhibition took place from 19 to 27 September 2020 at the company's own exhibition centre in Verl-Sürenheide. At the same time, Manufacturer is also presenting the collection in a digital showroom.

75 years of Manufacturer. A Story of Innovation.
Yesterday. Today. Tomorrow.

In keeping with Manufacturer 75th anniversary, this year's in-house exhibition was held under the banner "A story of innovation. Yesterday. Today. Tomorrow“. In keeping with this motto, the tour of the trade fair began with a short journey through time and was then intensively devoted to the new features of the 2021 collection and thus to the here and now. The trade fair visit ended in the Manufacturer Lab, where the final stage of Manufacturer successive grid conversion is on display.




The exhibition will continue to serve as a showroom after the in-house exhibition. In 2020, the exhibition space reached a new dimension with an area of around 5,000 m². Within the exhibition, large red portals mark the transition between the various topical areas. This clear structure is well received by visitors. The exhibition shows a total of 106 displays with cross-room solutions for kitchen, bathroom and living. As always, kitchens are the main focus, with 49 displays. The bathroom range has been given even more space with 31 solutions. Attractive solutions for guest WCs and small bathrooms form a special thematic focus.

In addition, utility rooms, dining room displays, living room designs, wardrobes, a dressing room and a home office are all on display. They impressively illustrate how holistic living concepts for all rooms can be realised with Manufacturer.

A separate section provides information about the quick delivery programme "Manufacturer elements".



In addition to the in-house exhibition, Manufacturer also presents its new features virtually, in the specially created digital showroom. This contains a total of 37 displays that were developed as pure CGI (Computer Generated Image). Within the individual rooms, the customer can move around in a controlled manner, explore new features and highlights via predefined touchpoints and view product variants.

Visitors can choose between a fixed tour or an exploration according to individual preferences via product filters. Tour videos of the individual areas of the original exhibition round out the product experience.

In times of the coronavirus pandemic, the digital showroom serves as a replacement for a visit to the trade fair. Due to local lockdowns and entry restrictions, many export customers were unfortunately unable to physically visit the Manufacturer in-house exhibition. The showroom offers a digital alternative and is now integrated in six languages on the Manufacturer homepage.

Set up for tomorrow

With the 2021 collection, Manufacturer once again demonstrates a keen understanding of the market. The trade benefits from a range of new features for kitchens, bathrooms and living areas, which are beautifully tailored to its needs. Thus, the new features for 2021 focus on trending décors, a wide variety of planning options, an unmistakable and holistic line layout and innovative quality improvements in the details. Furthermore, an abundance of new features in surround designs as well as the range of elements and accessories provides even more creative freedom.

This year Manufacturer is taking the next logical step in its grid reorganisation. In doing so, they are combining an even more consistent line layout with increased planning reliability and a surplus of storage space. Future designs for kitchens, bathrooms and living areas will thus be even more individualised and more flexible and achieve a holistic, perfected look.

The range of types has been comprehensively expanded and now includes the Maxi height as the third fully-fledged base cabinet height. In addition, the new side depth of 350 mm provides more storage space for all wall-mounted and top-mounted cabinets. The wall cabinet range scores well technically with a new concealed, very resilient and easy-to-install wall unit mounting.







Fronts and colours

Six new fronts whet the appetite for designing interiors. An attractive concrete shade and an elegant walnut decor are just as much a part of this as natural colours and a stylish glass look. These are ideal for recreating all the latest trends and setting new ones. In the country house segment, the white, modern Nordic real lacquer front complements the range.

The successful Easytouch range of lacquer laminates was further expanded. It is now also available in the best-selling Alpine White colour and a new soft Sand shade, suitable for warm, earthy schemes. The special micro-texture of the Easytouch surface lends the fronts their characteristic ultra matt feel as well as their practical anti-fingerprint properties.

A highlight of the new collection is the high-quality Artis glass optic front in Titanio matt made of polymer glass. Due to a metallic shimmer, the translucent polymer coating achieves a remarkable depth effect, which is underscored even further by the chamfered edging. Whether in the kitchen, bathroom or living area—Artis brings added elegance and value to every design.







Surrounding design

The new body decor in matt black emphasises interior concepts that are particularly design-oriented. It makes a statement about the modern lifestyle and makes a stunning impression.

Matching the range of fronts, four new worktop decors enrich the collection. In addition, all Xtra worktops will be coated with the antibacterial microPLUS® surface as standard beginning in 2021. The new quartz stone worktops enable even more valuable planning. The material is impressive with its naturally beautiful appearance, is extremely robust, and is waterproof even without treatment. That is why it is predestined for use in kitchens and bathrooms.

In addition, Manufacturer is presenting a new, ultra-slim upright panel system in 10 mm thickness. In the living area, the narrow panels emphasise the homely ambience. They also lend an air of lightness to kitchens and bathrooms.

Electrical appliance range

Manufacturer has strengthened its range of electrical appliances with two special additions. When the 2021 collection was launched, the new partnership between Manufacturer and Samsung began as well. Manufacturer is thus expanding its appliance portfolio with an innovative and modern appliance brand name known for its superior design standards, which especially appeals to design-oriented and tech-savvy users. The range is comprised of a total of 35 appliances.

SAMSUNG BORA



A unique component is also being added to the partnership with BORA, the pioneer in the field of downdraft extractor fans: The BORA downdraft extractor fan GP 4 is available exclusively from Manufacturer as part of the package. It has a self-contained design and can be flush-mounted or surface-mounted. Thanks to the Easy-Fitting-System, the GP 4 can be mounted as quickly and easily as a conventional hot plate. Optimised built-in dimensions enable perfect planning and make use of the entire Manufacturer drawer interior beneath the hot plate extractor fan. Manufacturer product range has been technically optimised to simplify installation and thus reduce installation times to a minimum.

Bathroom collection

Small bathrooms and guest bathrooms are an exciting part of the new Manufacturer bathroom collection. Thanks to washbasins and cabinet elements with a shallow depth, they can be furnished in a chic and functional way at the same time. The range of units in general has been enhanced with various new width dimensions. New bathroom midi cabinets and shelves allow for many creative





and practical solutions. Equipped with a laundry collector, for instance, they become practical organisation aids.

The new rounded panels add even more cosiness. They bring an organic shape to the look of kitchen designs.

The selection of mirrors and mirror cabinets has increased significantly. One of the many new features is an assortment of mirrors with LED lights, with an integrated storage shelf and a trend-oriented round shape.

Living

Chic is always a matter of the details. That is why Manufacturer has expanded the possibilities for living room furnishings to include essential design elements. This includes the new round end panels, which also provide more cosiness in the living area. Mirrors with integrated storage space add real value to wardrobes. A concealed plinth foot gives floor-to-ceiling plans a secure footing. A cable aperture ensures clean cable routing in the furniture.

In terms of product development, Manufacturer puts great emphasis on a holistic design for the entire home. It is precisely the transitions between the rooms that shapes the development of Manufacturer planning solutions and product ideas. With this in mind, a sliding door system was added to the 2021 collection. Sliding doors are wonderful as room dividers, built-in wardrobes or walk-in wardrobes. They can also be used to separate or combine different room functions simply and attractively as required.



nobilia elements

For the first time, “elements” had its own stand at the Manufacturer in-house exhibition. On an area of approx. 70 m², not only kitchen but also bathroom and living room plans were shown, which tangibly illustrated the simple modular system and the modular expandability of the concept.

The Manufacturer “elements” concept is a flexible, modular constructed quick delivery concept geared towards retailers who desire an alternative that is available quickly, in addition to commission-based Manufacturer designs with a regular delivery time.

Pre-assembled furniture is kept in stock in the customary Manufacturer quality and therefore available to the retailer 24 hours after ordering. Compared to the usually disassembled high-turnaround merchandise, Manufacturer elements thus sets itself apart in terms of quality. Delivery to the end customer and installation are performed as usual by the retailer.

Manufacturer elements also offers the retailer a wide range of sales support. This includes a free online configurator for integration on the retailer website, planning brochures, and extensive image material for advertising purposes.

With the elements concept, Manufacturer offers retailers the opportunity to try out new, individual approaches. The concept is catching on. In 2020, Manufacturer already acquired more than 400 customers for the rapid delivery programme.





5.
PRODUCTION AND INVESTMENTS



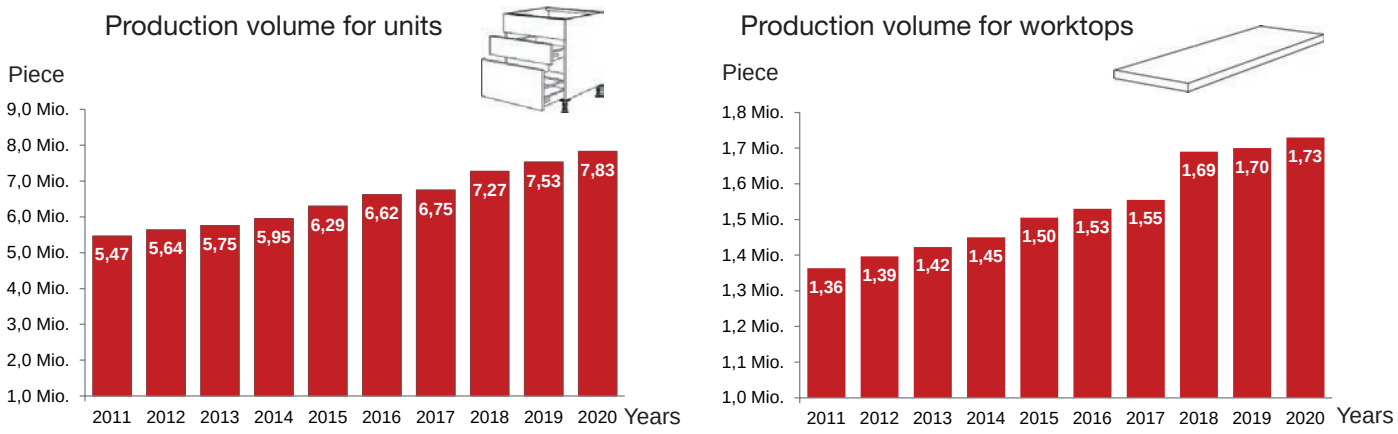
Manufacturer in Saarlouis

The future Front
commissioning warehouse under
construction in spring 2020.

5. Production and investments

Compared to the previous year, Manufacturer production volume has increased by around 300,000 cabinets. With more than 783,000 kitchen commissions, approximately 7.83 million cabinets and 1.73 million worktops, both plants set new records. The daily production output has grown to about 34,900 wooden parts per working day. In other words, more than 3,490 kitchens leave our two production sites in Verl every day.

Production volumes 2011 to 2020



Source: Manufacturer

units daily

34,900

kitchens daily

3,490

Last year, Manufacturer invested around EUR 134 million. Investments focused on the establishment and further industrialisation of the new production sites Plant III in Gütersloh and Plant V in Saarlouis. The planned construction phases were completed and industrialised on schedule. The start-up of both plants took place on schedule at the turn of the year.

Within administration, another focus was on setting up and rolling out home office workplaces. Our IT specialists succeeded in providing the necessary infrastructure within a few days. In connection with the first lockdown in the spring of 2020, we have already equipped more than 700 employees with home-office workstations.

Further investments were made in the vehicle fleet, for which 27 new motor tractors were again purchased as replacements and 80 new semi-trailers were purchased. The company's own vehicle fleet thus currently comprises 220 motor tractors and more than 860 semi-trailers.



6.
SUSTAINABILITY



6. Sustainability





Economic success combined with responsible and efficient resource management forms the foundation for Manufacturer continual growth. As an independent company with an eye on the future, Manufacturer is also very aware of its corporate responsibility to environmental and social issues. Which is why the principle of sustainability is firmly anchored in our corporate values.

We want to reconcile product performance and quality with responsibility for our environment. The entire company focuses on safety, economic viability and environmental compatibility. In this respect, Manufacturer integrated management system takes a holistic approach to unifying the areas of quality, environment and energy.

Numerous project teams work permanently on company-wide projects with a view to sustainability. The focus is on determining and improving Manufacturer CO_2 footprint, continuously optimising the supply chain and product development, and the aspect of social responsibility. These sustainability aspects play a key role in defining the company's goals.

Carbon Footprint / CO_2 footprint

In 2019, Manufacturer had its carbon footprint calculated for the first time, in cooperation with a climate protection consultancy. Since then, we have been collecting this data continuously. The results of the reporting are used by our internal Energy and Environmental Management Committee (EUMA) to further reduce the consumption of energy resources and the associated costs. First and foremost is the objective of avoiding CO_2 emissions as far as possible when they are generated.

Successive conversion to sustainable LED lighting



In recent years, we have successively converted the existing Plants I and II in Verl from conventional lighting to LED lighting and combined this with an intelligent lighting control system. The latter automatically adjusts the amount of lighting to the amount of sunlight and thus further optimises energy efficiency. LED lamps require only about 15 per cent of the energy of conventional lamps to produce the same light output. They can therefore make a significant contribution to reducing CO_2 emissions. We are working consistently to equip areas that have not yet been converted with efficient LED lighting. In the new Plants III and V, we have relied exclusively on state-of-the-art lighting technology right from the start.

Energy and Environmental Management Committee (EUMA)

The Manufacturer Energy and Environmental Management Committee (EUMA) is the starting point of our professional sustainability management. In the EUMA, all energy consumption is recorded in detail down to the level of individual machines. On the basis of this data, action priorities can be set and targeted improvements introduced. For example, we have identified that the extraction systems in our production are among our biggest electricity consumers and that optimising them will make a significant contribution to greater sustainability. By fixing relatively minor problems such as leaks or exhaust hoods that could be improved, we were able to significantly reduce energy consumption, and therefore CO^2 emissions as well.

Sustainability has become a natural aspect of important decision-making processes at Manufacturer. Thus, the investment decision for new machines or plants is also made depending on the energy consumption. In this way, we integrate the topic of energy consumption and reduction into the process of plant procurement at a very early stage, thereby reaping the benefits.

Entry into electromobility

In 2020, we tested the use of electric trucks or hybrid trucks with electrically powered tractors in our fleet for internal shuttle services. They were used to supply semi-trailers for the loading gates.

Up to now, we have been using conventionally powered diesel vehicles for this purpose. They shunt full semi-trailers from our loading gates to our factory trailer parking area and bring empty semi-trailers to the loading gates. The motor tractors with electric drive that we tested draw their energy from a rechargeable battery that is installed in the vehicle, just as in passenger vehicles. By using these electrically powered shuttle/shunting vehicles, we can further reduce CO^2 emissions. Testing will continue in 2021 with additional models.

Optimisation of route planning and logistics

Many of our product deliveries to customers are made with our own fleet of vehicles. This allows us to make our logistics more and more sustainable. Since the end of 2020, our route planning has been working with new software. It enables us to further optimise the transport of our products to retailers using better algorithms and on the basis of an even broader database. Thanks to an improved planning horizon, individual changes will have a less disruptive effect on subsequent tours and unloading stations. This will further increase delivery reliability and subsequently reduce the return ratio even further.



Supply chain of short distances

One of the aims of our procurement strategy is to work in partnership with regional companies. It offers the advantage that we can cooperate and act quickly and without complications in various situations.

In addition, the transport routes of the goods are reduced to a minimum. Saved transport kilometres have a positive effect on energy consumption, delivery time and CO^2 emissions. Many of the raw materials for our production are produced in a relatively small radius around our plants and delivered from there. Few suppliers are located in neighbouring European countries. We also source most of our accessories from Germany.

Product development

Sustainability is an essential aspect of our product development. Wherever component optics and material specifications allow, we try to conserve resources. In the company's own QC laboratory, for example, we intensively test which components we can use recycled materials for without restricting their usability. Our plinth feet, for example, are already made of around 70 per cent recycled polystyrene. These materials protect the environment to a



considerable extent: because they recycle plastics that would otherwise have to be disposed of in an energy-intensive way, and because less new material has to be produced.

Furthermore, during the product development stage, we assess the energy consumption of the processes required to manufacture our products ("design-to-manufacturing"). This means that product development considers not only the functionality of processes but the issue of energy intensity. This is a further contribution to reducing energy consumption at a very early stage.

Further reduction of the committee

In the past financial year, we continued to systematically develop the efficiency enhancement programmes in manufacturing that were introduced in 2019. In 2020, we focused primarily on further reducing reject rates in the area of engineered wood, thus conserving valuable resources. We have made significant progress through process improvement measures in the area of machine processing and through further employee training on the subject



of quality. We have also optimised the packaging of our products with numerous individual measures. This also contributes to reducing scrap by improving the protection of our furniture.

Social responsibility - Mobile working

During the coronavirus pandemic, we tested the use of mobile work in all parts of the company and enabled large sections of the workforce to work on the move. For example, we rolled out more than 700 home office workstations in the first lockdown in the spring. As a result, almost all employees in administrative areas work from home. Wherever possible, this has enabled us to reduce the number of contacts and minimise the risk of SARS-CoV2 infection in the company. In addition, working from a home office reduces CO^2 emissions by eliminating work-related commuting.





Home Office

> 700 jobs created

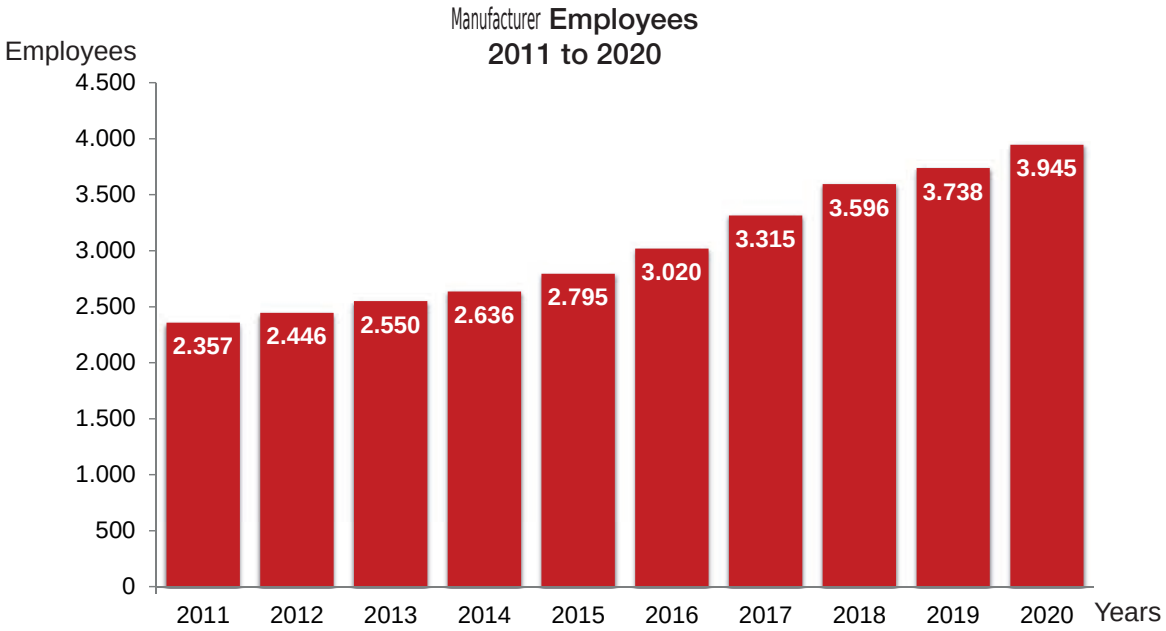
7.
EMPLOYEES AND TRAINING



7. Employees and training

Our employees shape Manufacturer through their dedication, their knowledge and their skills. They are key to our continued success. In order to reach our mutual long-term strategic goals, we have always counted on a performance-oriented and motivating corporate culture. To this end we create an inspiring and supportive workplace environment, in which we are all part of a team. The foundation for this is a management culture that is candid and appreciative of every team member. To retain and motivate our employees, we offer targeted support to help them with their personal development.

With 3,945 employees at the end of 2020, the number of employees is 207 higher than the previous year. The focus of the new recruitment was on building up the workforce for Plant V in Saarland. Other focal points of our recruitment were in the logistics and IT.



Source: Manufacturer

To be able to hire that many people even in times of Corona, Manufacturer also used new digital channels in addition to the usual recruiting measures. Although we were still able to hold the "Manufacturer career day" as a physical in-house job fair at the beginning of 2020 – immediately following last year's Manufacturer annual press conference – we had to use mostly new digital recruiting measures during the course of the year: These primarily included virtual application processes and online job interviews, which continue to be used successfully.

In addition, we have significantly expanded our media support via radio spots, job videos and social media communication, as well as traditional billboard advertising.

Training

In-house training is a high priority at Manufacturer. Currently, 121 young people are learning one of nine commercial or technical professions at the company. In 2020, 42 new trainees and students started working on their professional qualifications at Manufacturer. A new addition to this is training as a media designer.

Our training portfolio includes three dual-study programmes in business economics, wood technology or industrial engineering.



Manufacturer safety and hygiene management

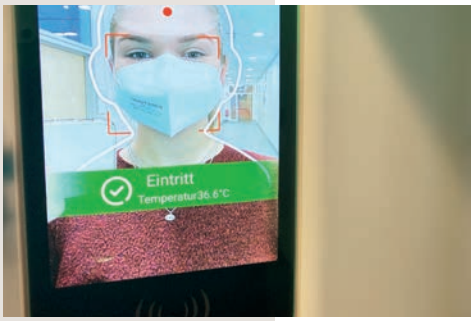
As a responsible employer, Manufacturer has firmly anchored professional and preventive health management in the company for years. In 2020, of course, the measures were significantly influenced by the coronavirus pandemic.

Thanks to a comprehensive and constantly adapted health and safety concept, we succeeded in keeping coronavirus infections out of the company as far as possible last year. In this context, the health of the employees had and has the highest priority. To that end, substantial investments have been made in protection and education measures, including a professional testing strategy coordinated with experts, health authorities and medical professionals.

Thanks to the tremendous discipline of everyone involved and the early adoption of extensive protective measures, Manufacturer was able to continue production in both plants in 2020 without any interruptions. As a result, customers benefited from reliable processing and delivery quality.

Various measures to protect against the coronavirus infection were developed during the in-house exhibition, proved worthy in practical application, and were incorporated into standard operations at Manufacturer after the exhibition. In this way, we offer our employees even more safety on site. Taking temperatures is one of the extended measures. It is carried out daily for all employees before they enter the factory and administration buildings. In addition, all employees complete a weekly coronavirus self-disclosure form to further reduce the risk of possible coronavirus infections.





When employees return to the company after a holiday, illness, or working from home, they are required to take a coronavirus test. This is possible on site at Manufacturer. Last year, we set up three medical testing stations on the company premises for this purpose. In 2020 alone, well over 10,000 coronavirus tests were conducted. In addition, Manufacturer has set up its own coronavirus hotline, which is available 24/7 for questions, registrations at the test centre and the like. In addition, we have again expanded the range of flu vaccinations available in the company.

Systematic and continuous internal communication ensures that the coronavirus rules are repeatedly explained to employees and that they are made aware of them. These rules include the observance of social distancing and the obligation to wear FFP2 masks or medical masks when employees move around the

company premises away from their workplace. In addition, we have installed Plexiglas walls in all workplaces, canteen and break areas where the minimum distance cannot be maintained. In total, we have custom-made around 400 m² of Plexiglas in our training workshop. In addition, 120 disinfection stands were built by our trainees in the Manufacturer training workshop and positioned at all entrances and exits.





Disinfection stands in in-house production

120 pieces

We have set up home offices for more than 700 administrative employees. Meetings were switched to video conferencing at an early stage. Our own Manufacturer webinar service replaces in-person training courses.

Dedication

At the end of 2020, in addition to holiday and Christmas bonuses, each employee received a special payment as a thank you for their exceptional commitment, great discipline in dealing with the coronavirus measures and rules, and high flexibility in the past financial year. The special bonuses paid per employee amounted to EUR 2,500. Company expenses totalled approx. EUR 10 million.

8.
OUTLOOK



8. Outlook

After the challenges posted by the coronavirus pandemic in 2020 with its volatile business performance, there are still no signs of a fundamental improvement in the general conditions at the beginning of 2021. This may further impair development in the German furniture industry, but, as was the case last year, not all segments need to be equally affected by this.

The traditional Cologne furniture fair IMM Cologne at the beginning of January was cancelled this year, and with it the Living Kitchen trade fair, which is important for the sector and usually takes place every two years as part of the IMM. This leading trade fair for kitchens and furnishings provides our sector with important impulses for the trade but also for consumers in other respects.

On the other hand, the start of 2021 is strongly influenced by the current second lockdown. The associated closure of the furniture trade means that the central sales channel is no longer available at the time of year when sales are at their highest. At present, the industry can still draw on a good order cushion from last year. However, a further prolongation of the lockdown is likely to lead to economic losses in brick-and-mortar retail, which cannot be fully compensated for by video chat advice, click & collect models, online retail, or e-commerce activities. Nevertheless, our order intake in the first few weeks of the year is at a good level under the circumstances.

A concrete outlook on the business development in the coming months is difficult due to the unknown nature of the pandemic. Much will depend on the timing of the reopening of the furniture trade in the individual countries. A successful vaccination strategy as the next step after hopefully expanding the testing strategy will ultimately be the key to normalising the business.

The coronavirus pandemic has significantly accelerated digitisation in the industry and thus opened up new opportunities and growth areas even during

the crisis. Manufacturer has already invested in many measures for its own online communication, but also for communication support for the trade, particularly in the past year. In this context, we have significantly developed our digital brand presence; the Manufacturer brand is now much more present on social media channels and in online advertising. With “elements”, we also support our retailers with a complete package of an online-enabled product and full-service marketing. We see development and growth potential in this segment.

In addition, the subject of home furnishings and living has taken on a higher value for many consumers during the coronavirus pandemic. We are confident that this trend will continue and that budgets will shift from tourism to home furnishings this year. Sustainability and quality are playing an increasingly important role in purchasing decisions. With our quality furniture "Made in Germany", we are well positioned in this respect.

The signals from residential construction, one of the most important indicators for the furniture sector in Germany, are also positive. It will remain the most important construction sector in 2021, with an estimated turnover of EUR 52.6 billion. The main reasons for this are the high demand for housing in metropolitan areas, the extremely low level of interest rates, and the trend towards home offices, which is driving the desire to own property. So investing in residential construction is still attractive. In this respect, we see positive market trends for a stable domestic business.

In a heterogeneous economic environment characterised by numerous uncertainties, independence from individual countries and markets remains of central importance for Manufacturer. Last year's performance in particular proved that we can leverage good growth potential with our broad-based export business to around 90 countries worldwide.

With our versatile product range, which we have further differentiated in the bathroom and living areas in particular, and our high standards of product and service quality, we believe we are well positioned to meet the individual and complex requirements of our retail partners and consumers.

With our investments in the new locations Plant III at Hüttenbrink in Gütersloh and Plant V in Saarlouis, we have set the course for further growth. With our holistic and preventive coronavirus management plan, our extensive protective measures, and the great discipline and prudent cooperation of our workforce, we believe we are fundamentally well equipped to meet the challenges of 2021.

We are therefore optimistic that we are well prepared for the tasks ahead and will continue to drive forward the positive development of our company in 2021. In this respect, we are continuing to pursue our long-term strategy of organic growth.



9.
DATA AND FACTS 2020



Data and facts 2020

Sales volume:	EUR 1,370 million
Export ratio:	48.1 %
Retail customers:	in over 90 countries worldwide
Employees:	3,945
Production sites:	2 in Verl, East-Westphalia
Production area:	250,000 m², of which:
	110,000 m² in plant I, Verl-Sürenheide
	140,000 m² in plant II, Verl-Kaunitz
Production figures:	783,000 kitchens / year
	7.83 million units / year
	1.73 million worktops / year
	approx. 3,490 kitchens / day
	approx. 34,900 units / day
Investments:	EUR 134.0 million
Own vehicle fleet:	220 lorries and 860 semi-trailers
	389 qualified trained drivers
Freight volume:	2,890,000 m³ / year
Management	Dr. Lars Bopf (Chairman)
	Michael Klein
	Frank Kramer

Photo reference: This report includes staff photo footage taken prior to February 2020, which is prior to the coronavirus pandemic.
Maintaining safe distances and wearing mouth/nose protection were not required at that time.

Photography:
Michael Adamski, Manufacturer, Kai-Uwe Oesterhelweg, Jürgen Rehrmann

Press contact:

Sonja Diermann

Manufacturer
Manufacturer
Seçkin Sk. No: 2-4A / 58
34406 İstanbul

Phone: + 49 52 46 | 508 - 0
Email: info@vistaprofesyonel.com

nobilia®