nobilia®

BALANCE PRESS CONFERENCE

Fiscal Year 2019

Verl, February 21, 2020

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FOREWORD


nobilia
BILANZ
PRESSE
KONFERENZ
Geschäftsjahr 2019
Verl, 21. Februar 2020
JULIAN SCHNABEL
matisse

Dear Ladies and Gentlemen,

On the whole, 2019 was a satisfactory year in which we achieved growth and increased sales — despite the global economic downturn and dynamic changes in the retail sector.

Great Britain's attempt to withdraw from the European Union caused much uncertainty in the European economy over the course of the year. The conflict between the USA and China led to more of the same. Likewise, discussions regarding the introduction of punitive tariffs strained the global economy and contributed to a general sense of insecurity.

Nonetheless, the kitchen furniture industry benefited from continued low interest rates and a shortage of housing. Both these factors led to increased investment in residential properties. The loss of confidence due to the emissions scandal continues to have an impact, so that the restrained consumer demand for new motor cars has had a positive effect on other sectors, such as the kitchen furniture industry.

Domestic business in 2019 was characterised by a very aggressive pricing climate, despite which, we were still able to perform relatively well. In international business we continued with impressive growth. Once again we saw growth across almost all export markets and gained corresponding market shares.

We are also opening up new areas of growth through our product range expansions. To this end, we presented expanded solutions for bathrooms as well as introduced solutions for living areas for the first time at the open house exhibition. Both expansions were met with great interest by our customers. We are also happy to report a very positive overall response by our sales partners to our new collection.

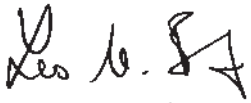
As for the new production sites at “Am Hüttenbrink” in Gütersloh (plant III) and in Saarlouis (plant V), the main building sections have now been completed. The industrialisation of both plants can begin in the course of this year.

All in all, we are optimistic about the future. Strategically, we will continue our course for growth and internationalisation with the goal of making Manufacturer even more future-proof.

The remarkable dedication of our roughly 3,700 employees has been instrumental in our achieving this overall positive development in an otherwise increasingly challenging environment. Thanks to their commitment and service-oriented focus on our customers, we were able to count 2019 as another successful year for Manufacturer.

Now in 2020, Manufacturer 75th anniversary year, we are especially aware of our responsibility to continue the positive development of our company — in the interest of our shareholders, our employees, and our business partners.

Faithfully yours,



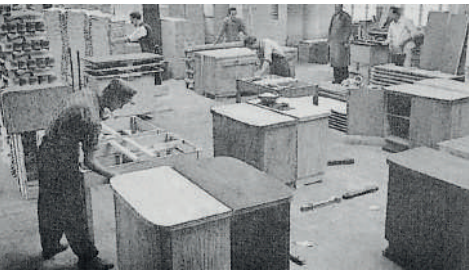
Lars M. Bopf

BRIEF PORTRAIT


HOME ISN'T A PLACE,
IT'S YOU.

Brief portrait

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.











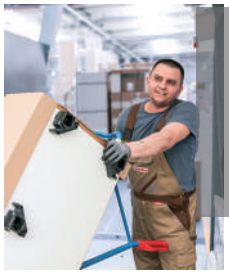


The company manufactures exclusively in Germany. The two plants in East-Westphalian Verl count among the most modern and efficient kitchen furniture production sites in the world. Combined, they achieve a production volume of more than 3,400 kitchens — daily.

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.



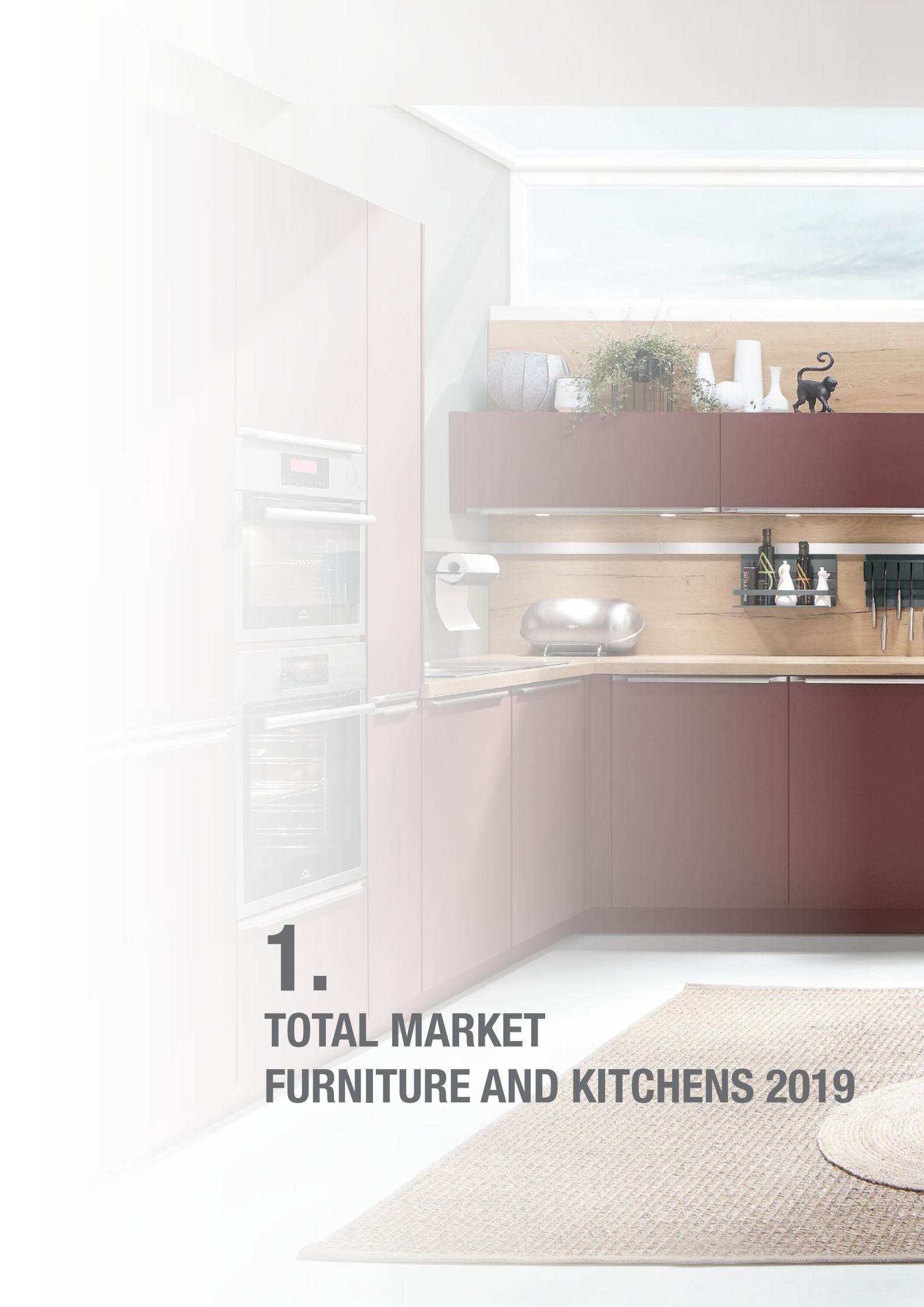






In terms of product development, Manufacturer puts great emphasis on a holistic design for the entire home. Alongside the core product of kitchens, the collection has also been supplemented since 2018 by our own bathroom range as well as solutions for living areas and the well-thought-out organisation of utility rooms.

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.



1.
TOTAL MARKET FURNITURE AND KITCHENS 2019


Marshall

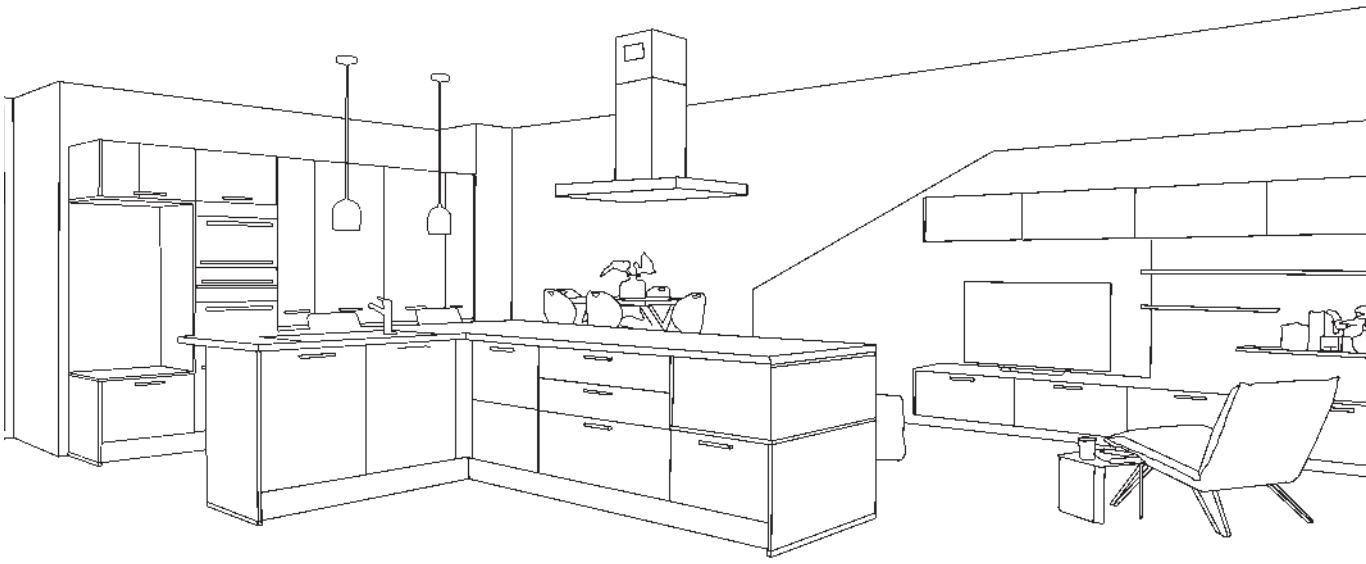
1. Total market for furniture and kitchens 2019

The German furniture industry looks back on 2019 as a challenging year with inconsistent business trends. The VDM (Association of the German Furniture Industry) estimates a slight decrease in the overall sales for last year.

According to the official figures of the German Federal Statistical Office, which take into account the period up through November 2019, sales for the German furniture industry sank by a total of 0.7 percent to EUR 16.6 billion. Domestically this amounted to a loss of 1.1 percent, while international business, on the other hand, closed with a slight gain of 0.1 percent.

According to the assessment of the Association of the German Furniture Industry (VdDK), the German kitchen furniture industry has once again favourably resisted this general trend. Total sales for the kitchen industry increased by 2.6 percent in the first 11 months to EUR 4.7 billion.

Domestic sales contributed minimally to industry growth with a nominal gain of 0.3 percent. Hence, the increase can essentially be attributed to strong international business. By the end of November the kitchen industry's international business showed a gain of 5.9 percent over the previous year. As a result, the export ratio for the German kitchen furniture industry rose to 41.9 percent.



Total market for furniture
- 0.7 percent
Total market for kitchen
+ 2.6 percent



2.
BUSINESS TRENDS
Manufacturer 2019

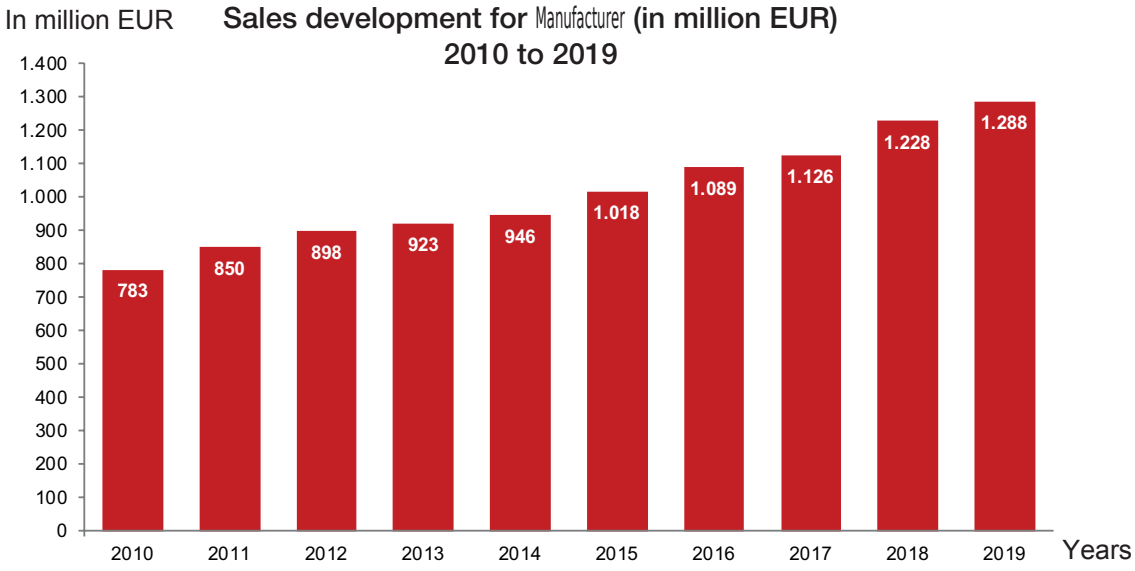


2. Business trends Manufacturer 2019

2.1 Total sales development for Manufacturer

In an economically challenging environment we managed to continue the successful growth trajectory of the last few years. Total sales increased in 2019 by EUR 60.3 million to EUR 1.288 billion. This value corresponds to a gain of 4.9 percent over the previous year's sales of EUR 1.228 billion and is significantly above that of the industry trend.

In fact, Manufacturer gained almost twice as much as the industry overall, and was thus able to effortlessly reaffirm its prominent position as the market leader.



Source: Manufacturer

Total sales Manufacturer
EUR 1.288 billion
Kitchen commissions
753,000
Growth Manufacturer
+ 4.9 percent

The main growth driver was the business with wooden parts. With more than 7.53 million units and over 1.7 million worktops, it reached a new company best. Both plants together produced roughly 3,400 commissions per workday. This in turn brought the annual output for 2019 to a total of over 753,000 kitchen commissions.

In addition to kitchen furniture, Manufacturer also offers its sales partners electric appliances and accessories. Marketing fully equipped kitchens — including built-in appliances and accessories — is known in the industry as complete marketing. In this marketing segment, Manufacturer is one of the leading suppliers. Almost half the kitchen commissions produced by Manufacturer are supplied with electric appliances.

Electric appliance sales in 2019 could not keep pace with the volume growth of unit production. The complete marketing ratio — the proportion of kitchens sold with built-in appliances — stagnated overall at a high level.

Appliance sales trends varied from one region to another. The conceptual approach to complete marketing is successful primarily due to its logistical advantage, which has proven to be an important strategic factor for quick and easy processing. Nevertheless, the complete marketing strategy is not suitable for every export market, since in some export markets the appliance range deviates from local regulations and thus cannot be marketed consistently.

Complete marketing did particularly well, for instance, in France and the Netherlands.

2.2 Domestic sales development for Manufacturer

In 2019 Manufacturer also proved to be more successful on the domestic market than the kitchen industry as a whole. Manufacturer domestic sales rose nominally by 0.7 percent, which is stronger than the domestic market as a whole. Thus domestic sales for 2019 reached EUR 646.7 million. This exceeds the previous year's sales by EUR 4.7 million. In summary, Manufacturer was once more able to further develop its position as market leader in the domestic market.

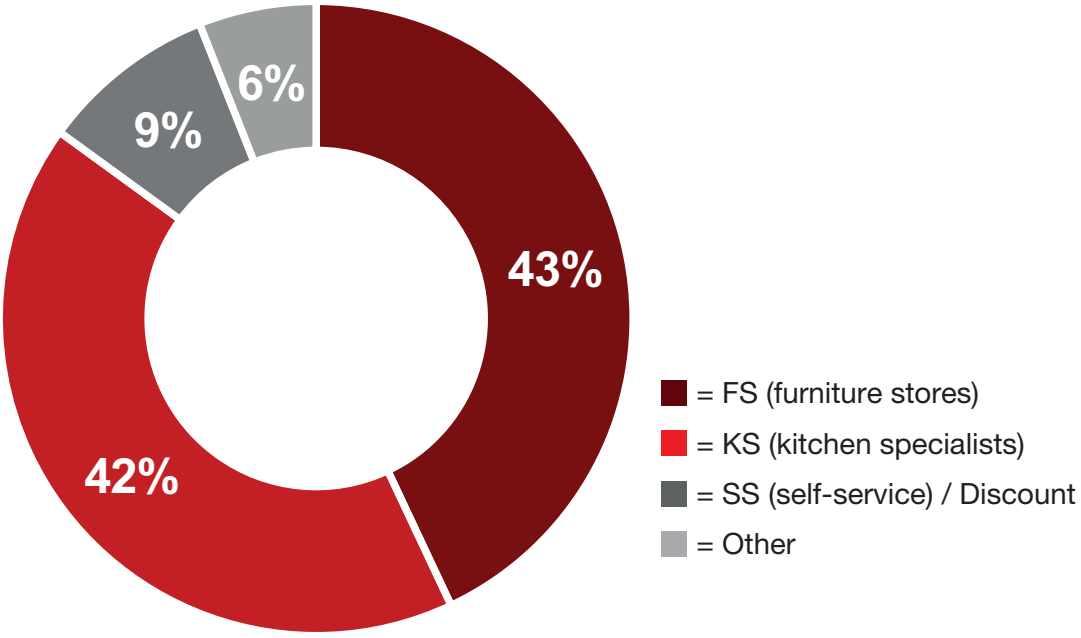
When viewed in terms of sales channels, it is clear that the bulk of domestic sales was realised in the channels of furniture stores (FS) and kitchen specialists (KS). These two channels account for roughly 85 percent of Manufacturer domestic sales.

In 2019 Manufacturer grew primarily in the sales channel of kitchen specialists. With a share of 42 percent of the sales, this sales channel has now almost caught up to that of the furniture stores.

In contrast, the sales channel self-service / discount showed no increase. The focus in self-service marketing is on the supply of very simply outfitted kitchens with a high proportion of "knocked down items," which the end customer then uses to assemble the units. As is well known, Manufacturer does not offer such items, but rather, its product range in the cash and carry channel essentially meets the needs of the small volume, high end segment.

On the other hand, the share of sales in the "other" sales channels increased. This essentially includes the hybrid marketing formats, in which brick-and-mortar marketing and Internet sales are combined, commercial contract business as well as sales through electric appliance or bathroom specialists.

Manufacturer **domestic sales 2019 grouped by sales channels**



Source: Manufacturer

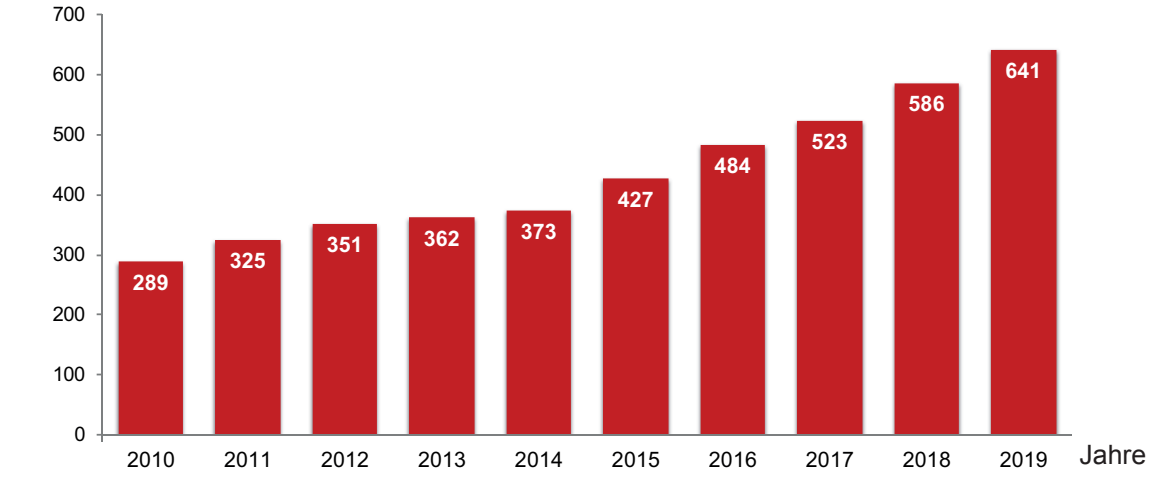
Domestic sales Manufacturer
EUR 646.7 million

2.3. Export sales development for Manufacturer

The export markets remained a vital success factor for Manufacturer in 2019 with organic sales growth of 9.5 percent. Export sales increased over the previous year by EUR 55.6 million to EUR 641.1 million.

With this figure, the export quota reached a new peak value of 49.8 percent in 2019, and thus considerably exceeded the industry average of 41.9 percent. With this development, Manufacturer has also further expanded its leading market position in the export business.

Export sales development for Manufacturer (in million EUR) 2010 to 2019

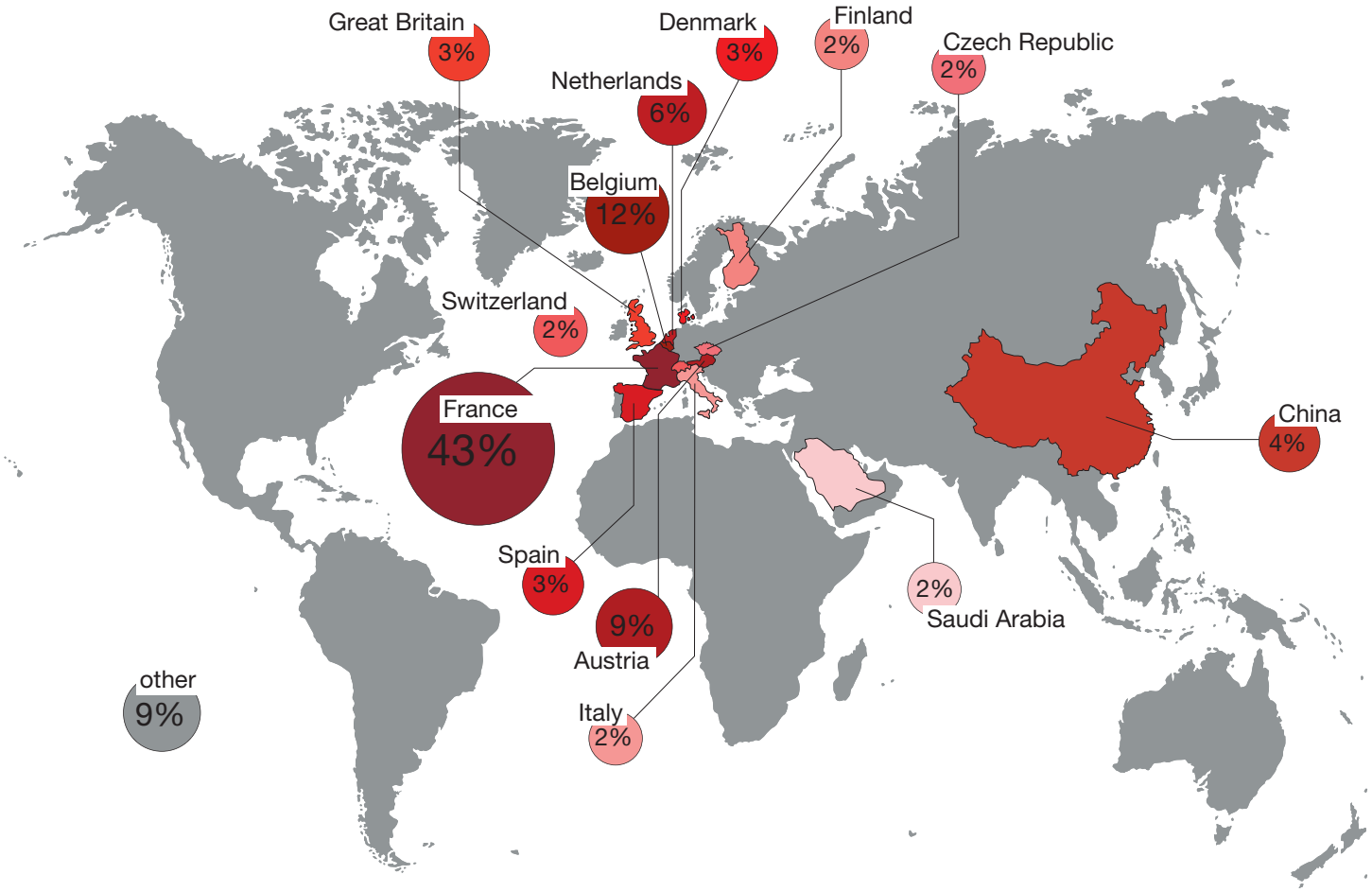


Source: Manufacturer

Particularly strong growth rates were realised primarily in countries within European export markets, such as France or Spain. But even distant export markets in countries such as Saudi Arabia or China made a significant contribution to Manufacturer export growth.

Since we again saw growth in virtually all export markets in 2019, the sales distribution by country shows very little change. Our European neighbour countries continue to be particularly significant to our export sales. Sales in France continued to dominate at a high level. The markets in Belgium, Austria and the Netherlands followed. And China has already assumed 5th place in the top delivery countries.

Export sales for Manufacturer **2019**
(shares by country)



Source: Manufacturer

3.
THE Manufacturer COMPANY GROUP



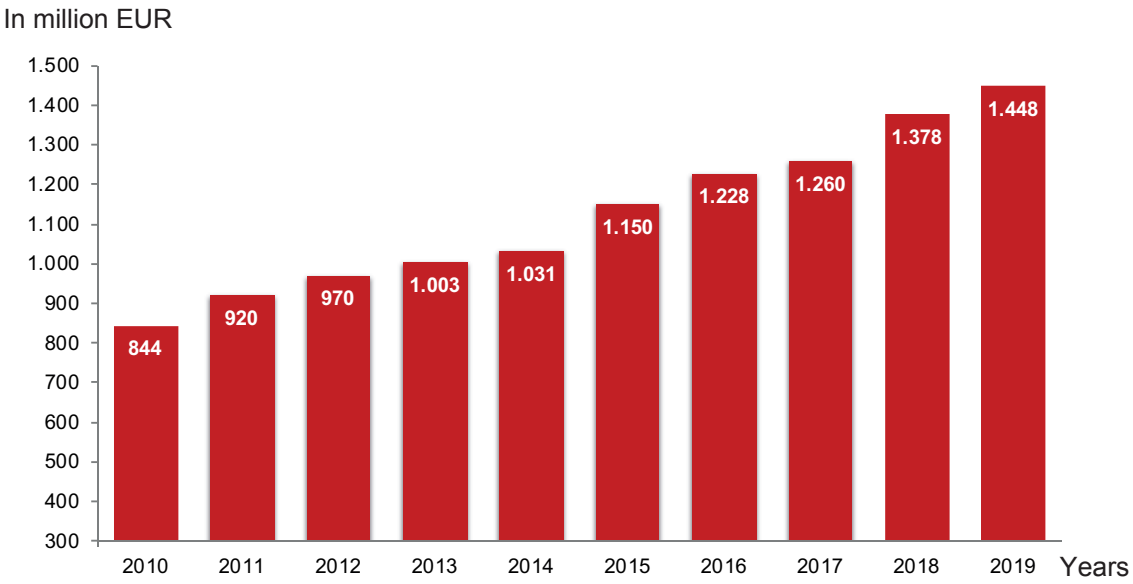
3. The Manufacturer company group

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.



For instance, in Sweden and Great Britain Manufacturer operates its own kitchen studios under the names Northern Kitchen Sverige AB and Kütchenhaus. Kütchenhaus is also active as a franchise organisation in Great Britain, where it currently has 33 affiliated kitchen studios. Furthermore, the company also has a minority interest in the Belgian retail chain MENATAM SA, whose studios are represented under the name èggo. In addition, Manufacturer is the majority shareholder of the French franchise organisation FBD, which is currently active with the sales channels Ixina, Cuisine Plus, Cuisines Références, noblessa and Vanden Borre Kitchen in over 400 kitchen studios. The regional focus of FBD is in France and Belgium. The group has successfully promoted its internationalisation for several years.

Net sales for Manufacturer group (in million EUR)
2010 to 2019



Source: Manufacturer

Including these activities, the Manufacturer company group's sales increased nominally by 5.1 percent to EUR 1.448 billion. This represents an increase of EUR 70.1 million over last year's amount of EUR 1.378 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.

EUR 1.448 billion	+ 5.1 percent
Group sales for Manufacturer	Sales increase

4.
OPEN HOUSE EXHIBITION 2019 AND COLLECTION 2020








AQ
MP
GUTEN MORGEN!


RE LAX



4. Open house exhibition 2019 and Collection 2020

In keeping with tradition, the Manufacturer open house exhibition took place in September 2019 in the course of the Küchenmeile trade fair. With visitors from 60 countries numbering far above 13,000, the open house exhibition was very well attended on all trade fair days. We presented the new 2020 collection at the exhibition under the motto “space it up”. The presentation impressed visitors with stunning new large-scale spatial concepts as well as small spatial marvels.







Covering 4,000 m² the exhibition was comprised of 112 plans for different living areas. Among these, the focus was clearly on open-concept kitchens which incorporated the adjacent living and dining rooms.

Manufacturer devoted 175 m² to the topic of bathroom design. Here, 22 bathroom plans were presented, ranging from opulent designs to a pragmatic bathroom Sets. 20 living / dining room plans and 8 wardrobe plans rounded off the kitchen plans and illustrated beautifully how the design concepts of the kitchen can be repeated for aesthetic flow in adjacent living areas. 5 utility room plans convinced with their optimum use of space and a plethora of practical ideas.

The special section “Tiny Houses” showcased 6 clever design variants for small rooms. These combined lively design with enhanced functionality in just 10 to 20 m² of living space. Meanwhile the “Manufacturer lab” supplemented the presentation with spacious, in part experimental, solutions with an international flair. It placed Manufacturer products in new contexts, restaged them in completely different ways and presented a surprising spectrum of possibilities.

Space it up

How do we design rooms to be at once attractive and extremely functional? At the exhibition Manufacturer gave many successful answers to this question. Holistic planning concepts for the kitchen, bathroom and living area perfectly reconcile the demands for state-of-the-art design with the requirements of practical planning for various room situations.







Another major topic is improved utilisation of existing rooms. The significantly expanded LINE N range — whose handleless aesthetic is now also available in a storage space oriented XL format — offers optimised possibilities for this purpose.

The new collection not only provides more storage space, but it is storage space that is well-structured. Available exclusively from Manufacturer, the pull-out organising system SpaceFlexx® makes sure of that. It has flexible divisions, which effortlessly adapt to the size and shape of stored items. Thus, storage canisters and other kitchen utensils can be arranged clearly and securely in drawers and pull-outs.

New fronts and colours

The new fronts, colours and décors are perfect for realising trending designs in all price categories and for every individual lifestyle. The trend towards shades of grey, concrete looks and dark surface finishes continues unabated. The collection gets a hint of subtle colour from shades of dark rust red and greyish-green reed added to the cottage style segment. Oak continues to play a leading role among the wood finishes. New material technologies improve the functionality, or rather, enable a new kind of authenticity.

The new “Easytouch” range features trendy dark finishes and scores extra points with its anti-fingerprint coating. A special functional layer also makes it exceptionally durable. Here, the ultra matt lacquered laminate fronts captivate with their velvety texture. “Easytouch” really captures the contemporary spirit in the colours Graphite black and Rust red.

A further new feature in the range is the framed front “Kansas”. In the new décor Sierra oak and with matching surrounding surfaces, it is the ideal foundation for inviting solutions. Five-part finishing and extraordinary edge processing create the authentic look of a handcrafted solid wood framed front.







The look of concrete and cement finishes in kitchens embody a modern, young and urban attitude towards life. Now Manufacturer supplements its popular fronts in this segment with a new highlight: the “Cemento” front in Lacquer, cement grey. It is a remarkably authentic, yet easy-care, concrete reproduction with an uneven surface, trowel marks and air bubbles. “Cemento” gets its handcrafted character from a complex production process. Hence, each front is unique.

Comprehensive solutions for the bathroom

Our bathroom range has been very well-received in the market. In the new collection we have expanded it extensively. In addition to vanity units, the furnishing range now also includes sideboards and Midi units with characteristic bathroom flair. Wall-mounted and higher than normal base units, they bring lightness and style to the bathroom while providing plenty of storage space. The expansion of Manufacturer handleless designer series LINE N to include the bathroom brings with it even more design possibilities.





And a wide variety of options are available when it comes to mirrored bathroom cabinets. They are available in five widths and can be customised with additional equipment such as sockets and lighting elements. Thus, all standard widths and equipment options are covered.

In addition to two surface-mounted washbasins, the collection also boasts five exclusive mineral composite furniture washbasins. These cover the whole range of cabinet widths for vanity base units and are tailor-made for Manufacturer. Versatile accessories such as towel rails, taps and more enable bathroom designs from a single source.

The positive development of the bathroom placement figures in the market shows that our sales partners, both domestically and abroad, have responded positively to the expansion of our bathroom range.

Manufacturer **elements**

On 01.10.2019 Manufacturer introduced a flexible and modularly structured quick delivery programme for the retail market called Manufacturer elements. elements is a range of furniture, electric appliances and accessories with select kitchen, bathroom and living room items that are easy to plan and available on short notice from specialised retailers.









The Manufacturer elements concept is geared towards retailers who, along with commission-based manufactured Manufacturer plans with a regular delivery time of three to four weeks, also desire an alternative that is quickly accessible.

With its minimised range of models and types, Manufacturer elements offers an uncomplicated and fast solution with customary Manufacturer quality. elements kitchens are available for delivery from Manufacturer own stock within 24 to 48 hours. The units are already assembled, this is not knock-down goods. Delivery to the end customer and installation are performed as usual by the retailer.

Manufacturer **care products**

At the open house exhibition Manufacturer also introduced its own line of care products specially formulated for its product range. We developed the care series in collaboration with a cleaning specialist and subjected it to extensive tests in our own in-house testing laboratory. The care products are available online via the Manufacturer shop in Germany and, in the near future, all throughout the European Union.



5.
PRODUCTION AND INVESTMENTS

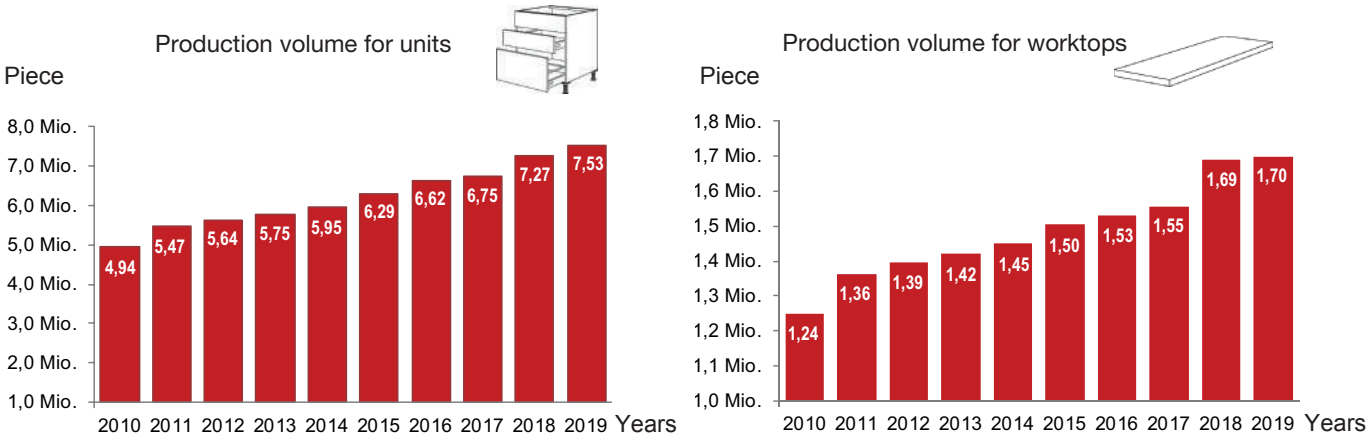


5. Production and investments

Our production volumes have increased by roughly 260,000 units over the previous year. With more than 753,000 kitchen commissions, approx. 7.53 million units and over 1.7 million worktops, the two plants reached new peak values.
The daily production output increased to 34,200 wooden parts per workday.

With more than 17,000 units produced per day in both plant I and plant II, we have once more increased the output quantity in both plants. Every day, more than 3,400 kitchens leave our two production sites in Verl.

Production volumes 2010 to 2019



Source: Manufacturer

34,200	3,400
units daily	kitchens daily

In the previous fiscal year Manufacturer made a wide variety of investments in virtually all corporate sectors. Capital expenditures rose to EUR 131.5 million. At both plants, the focus of the investments was still primarily on measures for improving output quantity and replacement investments for upgrading individual production lines.

In the course of 2019, construction work on the new production sites at “Am Hüttenbrink” in Gütersloh and “am Lisdorfer Berg” in Saarlouis made visible progress. The buildings at both locations have been largely completed, so that the industrialisation of both plants can begin in the course of this year as planned.

The bulk of administrative investments went to extensive digitisation projects. In this context for instance, we converted the entire internal sales department — thus, roughly 400 employee workstations — to a completely digital workflow.

Further investments were made in the vehicle fleet for the purchase of 20 new lorries and 100 new semi-trailers. The company’s own vehicle fleet thus currently comprises 220 lorries and more than 800 semi-trailers.

> 800	220
semi-trailers	lorries



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.

Accordingly, we aim to balance superior product performance and quality with responsibility for our environment. Company-wide the focus is 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.



In the framework of the annual review audit by TÜV Rheinland, all departments and processes are thoroughly evaluated in terms of the continuous improvement process. The new Manufacturer sites at “Am Hüttenbrink” in Gütersloh (plant III) and “Lisdorfer Berg” in Saarlouis (plant V) will also be integrated into the existing processes in the course of this year and will be certified according to the same criteria going forward. This guarantees that production at all Manufacturer sites is held to identical quality benchmarks and comparable standards. Numerous project teams are working on long-term company-wide projects to ensure social, environmental and economic sustainability.

Carbon footprint

In the wake of the DGM climate pact, Manufacturer commissioned a climate protection consultant in 2019 with the re-assessment of the company's CO_2 impact — commonly called the carbon footprint. The emissions report revealed tangible potential areas to target savings. Our energy and environment team used this information to develop measures to further reduce consumption of energetic resources as well as the costs associated with them.

The internal sales department goes paperless

In the summer of 2019 we switched over the largest administrative department — internal sales with approx. 400 employees — to a completely digital workflow. This simultaneously saves processing steps and resources.





All information for the entire process is now stored digitally: It is no longer necessary to print, sort and scan orders. With new cutting edge touchscreens, employees can now process their orders using a stylus pen as if writing on paper, but can also zoom in on details as if using a computer tablet. This makes the processes much faster and more efficient. Customers also benefit from this changeover, as they now receive confirmation of receipt for their orders immediately. This new work method accelerates order processing for both sides and also benefits the environment. The conversion to a paperless workflow results in a saving of approx. 60 tonnes of paper per year.

Energy management

We have installed the E3CON metering system at the Sürenheide (plant I) and Kaunitz (plant II) facilities. It creates a weekly energy report for defined processes in each individual production area. Based on these reports, every production manager can see the relevant energy consumption in his department. In this way, they are able to recognise improvement opportunities and implement suitable measures to maximise these. The introduction of this metering system is yet another component for reducing the energy consumption in production.





In the planning and construction of the two new plants in Gütersloh (plant III) and in Saarlouis (plant V), we have focused especially on the energy efficiency of the buildings and the utilisation of the latest technologies for reducing emissions. Which is why we will be installing CO_2 neutral biomass heating systems in the new works locations. The heating systems are designed in compliance with the latest BImSchG (Federal Immission Control Act) and in fact, fall significantly below the required limit values.

Vehicle fleet

In 2019 we changed over the last of our lorries to comply with the Euro 6 Emission Standard. The systematic switch of Manufacturer own vehicle fleet to Euro 6 has reduced consumption, decreased emissions and relieved the environmental burden.



Another focal point of our measures was the holistic optimisation of our logistical planning processes from route planning to lorry scheduling. In addition, during the current year we also plan to introduce a new telematics system in the vehicle fleet.

Waste reduction

Furthermore, in 2019 we instituted sweeping efficiency enhancement programmes in production in order to further reduce resource consumption. Due to improved visual inspection monitoring and accompanying measures at the machine tools, the annual waste in the “derived timber products” sector has been reduced by 10,000 tonnes. This reduction of waste boosts operational efficiency and leads to a corresponding alleviation of the environmental burden. Moreover, numerous measures in packaging optimisation led to improved protection of our furniture and thereby to a further reduction in waste.

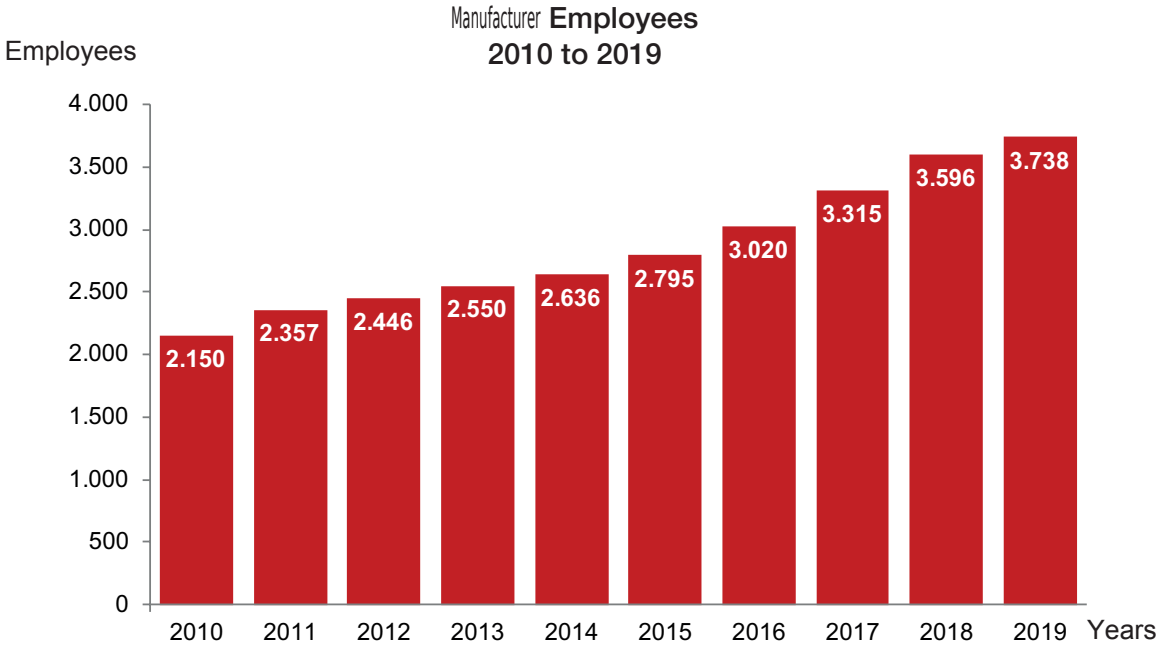
7.
EMPLOYEES AND TRAINING


LOGO DESIGN
GRAPHIC DESIGN HISTORY
MATERIALS FOR DESIGN
design?
Interior Design
BESPOKE HOME

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.

By the end of 2019 the number of employees reached 3,738, an increase of 142 staff members over the previous year. As part of the expansion of production capacities, we focused our recruiting efforts especially on increasing staff at both plants as well as the new hires for plant V in Saarlouis. Other main areas for new hires were sales and the vehicle fleet.



Source: Manufacturer

In order to realise the high number of new hires despite the structural challenges in the labour market, we pursued diverse pathways for approaching candidates. We supplemented traditional recruiting measures with hiring applicants via professional networks, participating in job fairs and hosting application days on site at Manufacturer. In terms of other media, job profiles were accompanied by radio spots and videos.

Training and continuing education

In-house training and continuing vocational education are important to us. For this reason we opened a new 2000 m^2 training centre in the summer of 2019. The company currently has 123 young people learning one of ten business or technical occupations. In 2019 the company had 36 new trainees and students who started working on their professional qualifications at Manufacturer. Our training portfolio includes three dual-study programmes in the fields business economics, wood technology or industrial engineering.



Since 2019 our trainees have been actively taking part in the continuing vocational education course offerings at Manufacturer. On their own, they prepare Excel and Outlook training courses, which they then conduct in-house. The innovative programme thereby enriches both the training and continuing education experience.

The range of offerings is rounded off with foreign language instruction and the opportunity to stay in a foreign country as part of the training programme. Again in 2019, following the successful final examinations, we were able to offer all of the trainees a job with the company.

In our continuing education programme we have traditionally focused on measures which increase the flexibility of our employees as well as help them improve their qualifications. In the past year these measures concentrated more intently on the qualification of our own employees for a team leader role in the production department as well as on the expansion of specific software knowledge and language training.

In the framework of the familiarisation programme for new employees, the main focus is on our high standards of quality for products and processes, interaction with our customers, interaction with each other, and conveying the Manufacturer company culture.

Manufacturer Health management

As a responsible employer we want to contribute to promoting and maintaining the health of our employees. Which is why the focus of Manufacturer health management is on the conception and development of appropriate preventive measures. Against this backdrop, the offerings were quite diverse again in 2019. These included everything from skin cancer screenings to eyesight tests and workplace glasses to flu vaccinations.





Roughly 600 employees regularly utilise the “fitness navigator”. Through this programme they have access to a diverse range of services from sports, fitness and wellness sectors. We also have several in-house running groups. Since 2018 Manufacturer employees have been able to lease a “job bike”. Since then almost 700 company bicycles have been activated through this service.





We feel it is important to have a balanced distribution of ages among our staff. In order to maintain this and to account for the demographic shift, we do our best to respect the needs of all employees in their respective different stages of life by implementing suitable work arrangements. Offerings include various semi-retired employment positions, but also the expansion of our work-from-home opportunities as well as part-time jobs to promote a better balance between family life and work.

Dedication

Essential to the lasting success of Manufacturer, but also a perfect example of the high level of corporate identity among employees is their personal dedication and sharing of ideas. In the past year they submitted roughly 975 ideas via the Manufacturer idea management system — the “idea kitchen” — and saw these through to implementation.

At the end of 2019, in addition to the standard holiday and Christmas bonus, every employee received a special bonus for exceptional dedication and high flexibility in the past financial year, in the amount of EUR 1,500 (gross). This amounted to an expense of more than EUR 6 million for the company.

“Idea kitchen”

975 ideas submitted and implemented



8.
OVERALL ECONOMIC OUTLOOK AND FORECAST



8. Overall economic outlook and forecast

The growth of the global economy has slowed down perceptibly in the past months. In 2020 the economic momentum will likely continue to develop only moderately. A renewed escalation of the trade conflict is just one possible risk to future development. Along with the direct effects, the related additional political unrest and decrease in economic confidence would likely further dampen investments.

In the Euro zone growth of the gross domestic product (GDP) has also slowed. At the same time, heterogeneous development can be seen particularly among the larger member states. For 2020 the German Council of Economic Experts is expecting growth rates for the GDP in the Euro zone of roughly 1.1 percent.

Nevertheless, the national economy has proven resilient thus far. The substantial wage increases as well as the favourable financing conditions strengthen demand. The kitchen furniture industry benefits from continued low interest rates and from the shortage of housing, which brings with it investment in residential properties. In addition, the restrained demand of end users for new motor cars is expected to have, if anything, a positive effect on the kitchen furniture industry. The impact of the loss of confidence in conjunction with the emissions scandal continues to be felt. Add to this the uncertainty about which engine technology will ultimately turn out to be future-proof. Another result of this is that the kitchen and home furnishings will become increasingly important for many end customers and eventually take the top spot away from motor cars.

In such a heterogeneous economic environment plagued by so many uncertainties it is vitally important that Manufacturer remain independent of individual countries and markets. In light of this we will continue to push ahead with our successful internationalisation strategy. With its worldwide export business in some 90 countries, Manufacturer has deliberately diversified. With our diverse product range and our high quality standards for products and services we are ideally positioned for the individualised and complex demands of the export business. In this sense, our international business continues to open up

numerous possibilities for growth. Additional potential comes from the product solutions we introduced for bathrooms and living areas, which have also been exceedingly well-received internationally.

For domestic business in our industry we are expecting a slightly positive demand situation for 2020, which will, however, continue to be influenced by an aggressive pricing climate as well as increasing concentration on the retail side. Here again, the expanded product solutions for the entire home living environment represent additional potential for Manufacturer.

In summary, we are cautiously optimistic about the year ahead of us. We intend to continue our long-term strategy for organic growth.

With our planning and investments in the new sites — plant III in Gütersloh and plant V in Saarlouis — we have set the course for further growth just in time to ring in our 75th Manufacturer year. On the production side, this lays the foundation for further successful chapters in the company story.



9.
DATA AND FACTS 2019



Data and facts 2019

Sales volume:	EUR 1,288 million
Export ratio:	49.8 %
Retail customers:	in over 90 countries worldwide
Employees:	3,738
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:	753,000 kitchens / year
	7.53 million units / year
	1.70 million worktops / year
	approx. 3,400 kitchens / day
	approx. 34,200 units / day
Investments:	EUR 131.5 million
Own vehicle fleet:	220 lorries and 800 semi-trailers
	380 qualified trained drivers
Freight volume:	2,840,000 m³ / year
Management	Dr. Lars Bopf (Chairman)
	Michael Klein
	Frank Kramer
	Dr. Oliver Streit

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