

2018 Financial Report: Häfele with 1.6 percent Euro growth | Investments in the future Strengthening our competence fields logistics and light

Active in 150 countries throughout the world, the international Häfele Group for hardware technology, electronic access control systems and LED lighting, increased its net sales from 1.375 to 1.397 billion Euro, 80% of which were generated outside of Germany. This corresponds to an increase of 1.6%. Adjusted for currency effects, the growth amounted to 5.6%. The company's management is satisfied with this result given the challenging international market environment.

“Many parts of the world have become economically less stable over the past year”, is how Managing Director Sibylle Thierer sums it up. Hopes for a swift resolution to the trade dispute between the USA and China have faded, and Turkey and Argentina have plunged into a currency crisis. And Brazil has experienced its own economic difficulties. While the economic climate has scarcely changed in Western Europe and Brexit continues to cast its shadow, the markets in Asia and Eastern Europe in contrast continued to perform well according to her analysis.

2018 result: Positive performance on the whole

In 2018, the 37 foreign subsidiaries generated growth of 2.3%, thereby making a positive contribution to the overall result. The parent company in Germany and its five production companies generated a very small increase of 0.4%, which is especially attributable to challenges in the direct export business.

Enhancement of logistics expertise

The focus is on the expansion of our logistics services – one of Häfele's major drivers of success. A second distribution centre is currently under construction at Lehrte near Hanover, and will supply customers in the north of Germany and neighbouring countries. “This will extend the deadline for accepting orders to be dispatched that same day to customers based in Germany, something that will be greatly welcomed by our partners in the woodworking trade”, says Managing Director Sibylle Thierer, explaining the reasons for this major investment.

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Strategic investment in competence field light

Through its acquisition of lightning specialist Nimbus, a German pioneer in top quality designer LED room lighting, at the outset of the year, Häfele is expanding its expertise beyond its current product segment light in furniture. Managing Director Sibylle Thierer talks of this as a strategic decision: “We are already successfully established on the market with our Loox LED lighting system. In future, we want to offer our partners in project business a holistic answer for every LED lighting issue in buildings.”

Enhanced training opportunities – 200 new employees

In 2018, the number of the company’s employees worldwide has increased by 200 to reach 7,800. In Germany, the number of employees, trainees and students remained unchanged at 1,600. Häfele looks to training programmes to continue enhancing its digital expertise. So in the past year, it added apprenticeship positions for e-commerce merchants, as well as places for students of the dual program, Business Administration and Digital Business Management. Häfele has a tradition of offering training places to merchants for wholesale and foreign trade, together with study programmes in partnership with the Baden-Wuerttemberg Cooperative State University (DHBW).

360° comprehensive project solutions: Hospitality – a focal area

As a hotel specialist, Häfele underpins its international expertise with a local presence. So the importance of the global hospitality market continues to grow. This is an area in which Häfele possesses an unrivalled range of furniture fittings and architectural hardware, with optimised procurement for every construction task. The corporate group has therefore further intensified its international partnerships, and expanded its global expertise in consultancy through education and training. The project and hotel experts of the company reliably support architects, builders, operators, technical planners, general contractors and fabricators from initial planning to tendering, implementation and operation. Global market expertise, a comprehensive range of products and manufacturer-independent consulting and advice are the central pillars of our 360° comprehensive project solutions, delivering benefits to international hotel chains, family-run private hotels and (youth) hostels alike.

Numerous innovative products developed in-house – such as the heated bathroom mirror with variable lighting and sound, new designer cabinet organizer and interior systems, the smartphone key in the hotel, digital interfaces to building control systems with the network-ready Dialock identification and access control system, together with smart functionality

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available via the Häfele Connect app – all clearly show how Häfele has established itself as the comprehensive solutions provider to this industry.

Smart functionality trend-setter for a digital world:

The hardware technology specialist has also become a pioneer in the growth market for Smart Home concepts. Häfele Connect, an app for smartphones and tablets, networks and controls light and sound as well as electrical drives in furniture. The components of the Loox LED lightning system and the Häfele BLE box serve as the basis here. Häfele paves the way for a smart world of furniture and rooms, also for future user generations.

So it's clear that Häfele has radically developed beyond its traditional world of classic hardware fittings for doors and interiors. Through its smart components the company is establishing itself within the digital world, true to its motto "Thinking ahead".

Häfele and its partners – a global network

Häfele supplies the world's leading furniture manufacturers, architects and planners as well as its joiner/cabinet maker partners and dealers with its products and services. It's all based on customized ranges which are either manufactured in one of the company's five production facilities or in line with the "Häfele German Quality standards" at one of the locations of their 1,500 partners spread around the globe. Alongside a continuously enhanced in-house service portfolio, Häfele can also cover other requirements through its strategic partnerships. These partnerships are highly relevant. They will be further expanded during 2019, to offer Häfele customers, in the hospitality industry for example, worldwide scalable solutions for relevant areas such as smartphone keys (credential service), guest experience, room management and self check-in kiosks.

Outlook for 2019

The corporate group is embracing the new financial year with confidence, and once again has identified good prospects of realising the available growth opportunities in 2019. "We will continue investing in new markets and in our own products, while steadily upgrading our value creation processes from the actual production across to the logistics stage", declares Managing Director Sibylle Thierer. Some 73 million Euro will be allocated to markets, logistics, IT and production during 2019. These investments will help secure our future in a challenging market environment. For the current year, Häfele is expecting net sales growth in the mid-single digit range. The company continues to see risks in the volatile foreign exchange and commodity markets as well as the many areas of political unrest and global trouble spots.

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Captions:

110319_fig1_Haefele_TH_CEO.jpg
Managing Director Sibylle Thierier

110319_fig2_Haefele Logistics_Lehrte.jpg
The new Häfele dispatch centre in Lehrte near Hanover will commence operations in the early summer.

110319_fig3_Haefele_Smart_Home.jpg
Also a pioneer in the Smart Home area. The Häfele Connect app for smartphones and tablets, networks and controls light and sound as well as electrical drives in furniture and rooms.

110319_fig4_Haefele_ALLYN.jpg
A big show at the BAU world trade fair in Munich. Häfele created a stir with its ALLYN hotel mock-up set-up.

110319_fig5_Haefele_Logistics_Nagold.jpg
Order today, delivery tomorrow – Häfele has made a good name for itself as a modern logistics provider with its business partners worldwide.
Pictured: Packing line with employees at the Nagold dispatch centre.

Photos: Häfele

Häfele is an internationally organized corporate group with headquarters in Nagold, Germany. The family owned and operated business was founded in 1923 and today serves the furniture industry, architects, planners, joiners/cabinet makers as well as dealers in over 150 countries around the world with furniture fittings and architectural hardware, electronic access control systems and LED light. Häfele develops and produces in Germany and Hungary. In the 2018 financial year the Häfele Group achieved exports of 80% with over 7,800 employees in 37 subsidiaries and numerous additional dealerships around the world and revenue of over 1.4 billion Euros.

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