

Press Release  
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€ 4.1 bn turnover during financial year / New ATHs for staffing and investment / More employees also in Germany

## Miele grows turnover by 4.3% – and increases market share bucking general trend

Gütersloh, August 15, 2018. – Despite declining markets and an even stronger euro, the Miele family company remains squarely on growth course. The world's leading manufacturer of premium domestic appliances achieved sales of € 4.1 bn in the 2017/18 financial year ended June 30, 2018. This amounts to a year-on-year increase of € 167 m or 4.3%. € 91 m of this growth was generated by the Steelco Group, Miele's Italian subsidiary operating in the medical technology field, whose figures were included in company accounts for the first time during this reporting period. In Germany, Miele grew its sales by 2.4% at an already high level and increased its market lead among specialist dealers even further. On a worldwide scale, built-in appliances contributed above-average to this success. Among Miele's sales regions around the globe, Asia saw particularly dynamic growth. During the reporting period, investments totalled € 272 m.

For three years in succession, Miele has grown considerably faster than its own multi-year average – and the 2017/18 financial year originally got off to a promising start. Later on in the year, however, the entire market cooled down rapidly, accompanied by an intensification of the unfavourable exchange rate trend. Against this backdrop, Miele's Executive Board views growth in excess of 4% as being 'a highly positive and convincing signal', particular in connection with crossing the 4-billion mark for the first time. Calculated in local currency and therefore discounting currency fluctuation, turnover during the 2017/18 financial year even grew by as much as 7.1%.

### Confidence through quality and innovation

Once again, Miele benefited from its adherence to the principles of quality and user convenience instead of becoming embroiled in shortsighted discount battles, the Executive Board insists. Particularly in times when many people feel insecure, the Miele brand represents the safeguarding of values and dependability. With the premiere of a

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revolutionary new cooking appliance, the dialog oven, at the IFA 2017 exhibition, Miele further underlined its claim to being innovation leader in its branch of industry.

April's Eurocucina in Milan saw the biggest kitchen trade show presence in the history of Miele. And at this year's IFA, the company will be presenting a new world first which will undoubtedly give fresh market impetus to dishwashers. Similar also applies to washing machines and tumble dryers offering improved energy efficiency and additional convenience features. Consequently, the Executive Board is 'cautiously optimistic' as it looks ahead to the 2018/19 financial year which has just started: Despite continuing economic risks, for example with a view to Brexit and looming trade conflicts, the company is banking on further growth, although the extent of this growth is difficult to gauge.

## **Market position further expanded**

In Germany, Miele achieved sales of € 1.21 bn, representing an increase of 2.4%. This meant that the company once again outperformed the branch as a whole – further asserting its position as the major domestic appliance brand with the highest turnover in the electrical retail trade and among kitchen specialists. During the period under review, Miele was once again acclaimed for the best service in the branch by the highly reputable Kundenmonitor Deutschland comparative study, putting the company in pole position for the past 25 years.

Outside Germany, Miele above all significantly increased turnover in China; however, above-average growth also came from markets such as Canada, Austria and Russia. In southern Europe, Miele has continued its recovery in Spain and Greece after a prolonged hard spell. The USA and Australia – Miele's biggest markets after Germany – achieved satisfactory turnover growth in local currency. At 70.6%, the share of sales outside Germany has remained practically constant (70.0% in previous year).

## **Focus on digitalisation and fascination with the kitchen**

With reference to product groups, it was above all hob units, ovens and coffee machines which sold in far higher numbers than in the previous year, in all cases on account of the huge market successes of newly introduced model series. These included in particular the TwoInOne hob units with an integrated downdraught extractor, the significantly upgraded 'Active' range of ovens as well as attractively priced countertop coffee machines from the CM5 series. On the floorcare front, the new Scout RX2 robovac got off to a successful start, with a tripling of suction performance and the transmission of images from the home to a smartphone.

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At the same time, Miele has significantly increased its stake in the Korean Yujin Robot company which manufactures robovac for Miele. The overriding objective is to intensify collaboration, on robovac and beyond. A further strategic milestone is marked by initial investments by Miele Venture Capital GmbH, first founded in 2017. This allows Miele to take out a stake in promising startups such as loadbee, Plant Jammer, KptnCook and MChef, offering new digital services or greater creativity, convenience and lifestyle in the connected kitchen. At IFA 2018, MChef is set to launch a gourmet delivery service which is unique throughout the world, delivering exclusive menus for preparation in a Miele Dialog oven ('top-class restaurant fare for the home'). The Dialog oven itself was successfully introduced just a few weeks before the end of the financial year.

The decision to build a second washing machine production plant in neighbouring Poland is set to provide a stronger basis for further market growth in laundry care. This applies especially with respect to the particularly price-sensitive entry-line sector. At the same time, Miele's Gütersloh facilities are to be further strengthened as production site for mid-range and flagship models, semi-commercial washing machines and washer-dryers – and as competence centre for laundry care at what will soon be three production locations. Production is due to start at the new plant in early 2020, commencing with an initial 250,000 units per year and around 400 employees.

### **Strong growth at Miele Professional**

In the Professional business unit, the Miele Group achieved a turnover of € 593 m, equating to an increase of 21.4% year on year (excluding Steelco which was up 2.9%). The first joint trade show appearance at the Medica in November 2017, the world's biggest medical technology exhibition in Düsseldorf, rang in a new division of labour: All activities relating to further expanding the project business and equipping central sterile supply departments at hospitals have been brought together under the Steelco label. In turn, Miele will focus on practices, outpatient surgeries and laboratories. Where larger laundry machines and commercial dishwashers are concerned, the most recently introduced Benchmark and ProfiLine model series have ensured above-average turnover growth.

### **More than 20,000 employees for the first time**

As per June 30, 2018, 20,098 persons were in the employment of the Miele Group, including 560 employees of Steelco. Further to this, additional staff was taken on above all at Miele's German production plants, at Miele Germany and at Central Headquarters in Gütersloh. At

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the close of the reporting period, Miele employed a staff of 11,255 in Germany, corresponding to a growth of 337 FTEs or 3.1%.

Occupational training within the company remained stable at a high level. At the beginning of the new educational year due to start on September 1, approx. 500 young persons at German locations will once again commence an apprenticeship in one of 30 commercial professions or technical trades. Of these, 120 are enrolled in a dual course of study which combines a Bachelor's degree with an apprenticeship. This option is available at Miele for instance in business administration, electrical engineering, mechanical engineering, business informatics and industrial engineering. In the past financial year, Miele apprentices achieved grades at chamber and at state level which were well above average.

On participating for the first time in the highly reputable 'Great Place To Work' benchmark project, the Miele Company won first place among employers with more than 5,000 employees. Miele's personnel policy based on equal opportunities was also awarded the 'Total E-Quality' title during the reporting period. On March 1, Miele opened its first company-owned daycare facility for children in Gütersloh.

### **High investments throughout the world and in Germany**

During the past business year, the Miele Group invested to the tune of € 272 m. This figure was once again € 47 m or 20% higher than in the previous year, which already marked a historic all-time high. Around two-thirds of these funds went into the development of new products and in expanding, refitting and modernising the international production network belonging to the Miele Group.

At Miele's main location in Gütersloh, the construction of a building housing the new Smart Home business unit with its additional offices and laboratory facilities, new premises for the company's fire brigade and the daycare facility already mentioned absorbed a fair share of this expenditure. New Miele flagship stores ('Miele Experience Center') were opened, among others, in Brisbane, Calgary, Dubai, Istanbul and, most recently, in Astana (Kazakhstan).

(1,451 words, 9,436 characters, incl. spaces)

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**Company profile:** Miele is the world's leading manufacturer of premium domestic appliances including cooking, baking and steam-cooking appliances, refrigeration products, coffee makers, dishwashers and laundry and floor care products. This line-up is augmented by dishwashers, washer-extractors and tumble dryers for commercial use as well as washer-disinfectors and sterilisers for use in medical and laboratory applications (Professional Business Unit). The Miele company, founded in 1899, has eight production plants in Germany as well as one plant each in Austria, the Czech Republic, China and Romania. 2017/18 turnover amounted to approx. EUR 4.1 bn with sales outside Germany accounting for 70%. Miele is represented with its own sales subsidiaries and via importers in almost 100 countries. The Miele company, now in the fourth generation of family ownership, employs a workforce of around 20,100, 11,200 thereof in Germany. The company headquarters are located in Gütersloh/Westphalia, Germany.

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**Photo 1:** The Miele Executive Board (left to right) reports record figures: Dr. Stefan Breit (Technology), Dr. Markus Miele (Executive Director and Co-Proprietor), Olaf Bartsch (Finances and Administration), Dr. Reinhard Zinkann (Executive Director and Co-Proprietor), Dr. Axel Kniehl (Marketing and Sales). (Photo: Miele)

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