

Hettich Group turnover up 10 percent from 2021

€ 1.5 billion turnover in 2022

The Hettich Group, one of the world's largest manufacturers of furniture fittings with headquarters in Kirchleugern, generated sales of around € 1.5 billion in 2022. Having already grown by over 26 percent in 2021, Hettich saw an even further hike in sales of some 10 percent in 2022 compared to the year before. 74 percent of business was generated abroad.

Worldwide, Hettich invested € 125 million in new products, buildings and machinery and currently employs around 8,000 colleagues around the globe, with almost 3,800 of them in Germany.

High demand is now being followed by spending cutbacks by consumers.

The upswing in demand in the home furnishings market that started in the 2nd half of 2020 continued to mid 2022. Home improvement, home furnishings as well as DIY were high on consumers' agendas across the globe. Many people were investing in their own four walls. The Hettich Group did its best to work with its customers in an effort to bring new and beautiful home furnishing solutions to as many consumers as possible. Hettich supported this trend with its solutions for the DIY sector. In the second half of the year, the increasing demand in the furniture market was in many countries followed by noticeable spending cutbacks on the part of consumers. In 2022, high levels of inflation in most parts of the world along with rising electricity and gas costs resulted in soaring prices, not only for Hettich as a company, but

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also for consumers. "Prices for necessities, consumer staples, energy and furniture rose to such an extent in 2022 that consumers in many of the world's regions began to reprioritize their purchasing decisions," explains Jana Schönfeld, Managing Director of the Hettich Group.

Hettich is prepared for gas shortages

The Hettich Group is prepared to cope with any situation in the event of a gas shortage. "Yet higher costs are something we will need to face," reports Sascha Gross, Hettich Group Managing Director. For instance, LPG and electrical energy can both be used as alternatives to the gas we need in manufacturing. Assistance is also set to come from processes that save and recover energy, because these are particularly sustainable. "Making sure we are geared up for any potential gas shortage is key to our being in a position to remain a reliable and transparent partner for our customers even in times as challenging as these," Gross confirms. "Needless to say, we welcome the German government's endeavors to ease the strain on business by capping prices." At the moment, though, it is impossible to tell whether and how Hettich in Germany can at all benefit from the caps that have been put on the price of electricity and gas. This is all down to the complicated way in which prices are being capped.

Being connected worldwide makes working a pleasure

"We have used the last few months to connect our operating bases even more closely, help each other in coming up with new ideas, improve our processes across the board and, above all,

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make our work together even more of a pleasure," Schönfeld beams.

At Future Days, an initial Hettich learning event spanning the globe, colleagues spent three days sharing their knowledge and getting inspiration from external experts. "Our colleagues organized a total of 62 online events and numerous face-to-face gatherings at our globe spanning operating bases," Gross is thrilled to relay about the new learning format that focuses on honing company strategy. And that's not all; a Germany-wide company party attended by 1,700 colleagues took place at Bielefeld's Lokschuppen Railway Engine Shed event center. Marking the end of the year, some 230 colleagues from around the world also took part in a joint Christmas video, cementing the bond even further within the Hettich family.

Main goal is sustainability

Linking business success with showing responsibility for the environment and society, is the long term aim of Hettich Group corporate strategy. "We want our actions today to ensure there's a tomorrow's world worth living in for all of us", Schönfeld informs. It is with a keen focus on social responsibility that the family-run company takes care of its staff. We continue to place tremendous importance on health and safety at work. Projects are being planned to make people feel better healthwise. The focus is on the physical and mental health of all Hettich colleagues. On this note, we offer exercise regimes in production, and Hettich is currently working on using exoskeletons to provide physical support in all sorts of work processes.

Hettich is also committed to a just and educated society. "We like

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to encourage voluntary work among our colleagues worldwide, enhance biodiversity wherever we operate, get involved in welfare projects at local level and establish contacts with young people at an early stage to arouse their interest in starting a career with us," says Schönfeld, listing just a few of Hettich's goals in an attempt to take responsibility in society.

By the same token Hettich has always taken its responsibility for the environment very seriously. It is in this way that the family-owned company not only wants to become climate neutral at all of its sites, conserve resources and boost energy efficiency but also further optimize the recyclability of its own products.

Investing in a future we all share

As a family run business, Hettich has continued to evolve since it was founded in 1888. In its fourth generation, the company is continuing to innovate and grow as well. Last year, for instance, the Hettich Group invested € 125 million in new products, infrastructure projects, buildings, systems, software for our digitization efforts as well as expanding capacity. "For example, we are well underway in completing our multifunctional production facility in Kirchlegern. As such, we were able to celebrate the topping-out ceremony (we don't use this here in US but in UK they do. We would say inauguration ceremony) in early February, pleased that everything is progressing on schedule," Gross adds to the story.

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Hettich looks ahead with confidence

Challenges, like high steel prices as well as energy and freight costs, geopolitical risks and gas supply uncertainty, will continue to give the company room for thought. In just the same way as Hettich is expecting to encounter local COVID restrictions and a tight supply chain continuing in 2023. "As a strong team, we're also confident we'll meet these challenges. With every year that passes, our colleagues around the world are doing a fantastic job. And we know full well, we'll be able to rely on suppliers and partners we can depend on in 2023 too," Schönfeld says, describing a team spirit that couldn't be stronger.

"We're not just looking at the next few months, but thinking long term," adds Gross. "The world's different regions we operate in are developing in very different ways. This is why, in whichever country, we will continue to apply every flexibility in embracing our clientele's many different needs and take advantage of whatever opportunity arises." The Hettich team will also work with its customers to create new (mobile) office environments and address optimization focused projects in the DIY domain. Hettich is looking forward with confidence to embracing potential global growth and will free up unused production capacity to amaze existing and new customers.

Download picture material for the 2023 Financial Statement press conference from: <https://www.hettich.com/short/ogds8lx>

All picture material is also available for downloading from **www.hettich.com**, menu: **Press**.

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About Hettich

Hettich was founded in 1888 and is today one of the world's largest and most successful manufacturers of furniture fittings. Around 8,000 colleagues in almost 80 countries work together towards the objective: developing intelligent technology for furniture. Hettich thus inspires people all over the world and is a valuable partner for the furniture industry, trade and craft. The Hettich brand stands for consistent values: For quality and innovation. For reliability and customer proximity. Despite its size and international significance, Hettich has remained a family business. Being independent of investors means that the company has a free hand in shaping its future with a focus on the human element and sustainability. www.hettich.com

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