

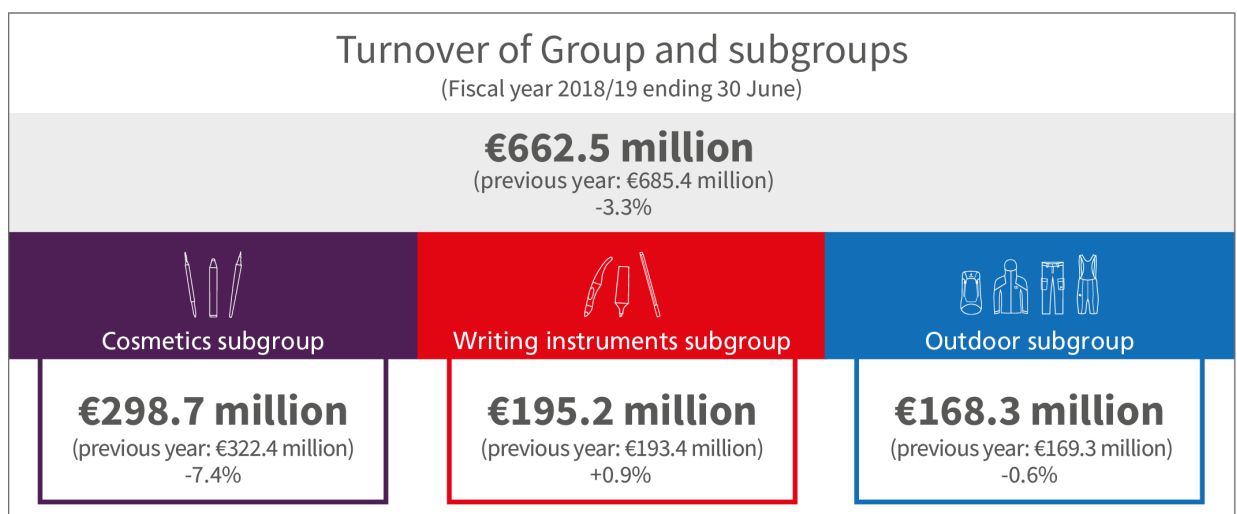
PRESS-INFORMATION

Global market turmoil impacts business performance

Schwan-STABILO holds its ground in highly volatile times

- Group records slight decline in turnover in 2018/19 fiscal year
- Writing Instruments and Outdoor subgroups confirm good results from previous year
- Changing consumer behaviour continues to affect Cosmetics segment

Heroldsberg, 19 November 2019. The Schwan-STABILO Group is holding its ground in highly volatile times. The company reported a slight decline in turnover in the last fiscal year 2018/19 (ending 30 June) to EUR 662.5 million, but is nonetheless satisfied with the result given the huge global market turmoil.



- **STABILO generates growth drivers in its core business and e-commerce**
- **COSMETICS broadens product portfolio and expands production capacities in the Czech Republic and USA**
- **OUTDOOR establishes itself in China**

The Writing Instruments subgroup rallied slightly compared to the previous year and ended the fiscal year with a turnover of EUR 195.2 million. In the Outdoor segment, the good result from the comparison period was confirmed with a total turnover of EUR 168.3 million. In the Cosmetics subgroup, the difficult framework conditions and ongoing consolidation of the cosmetics business also took their toll in 2018/19. Turnover fell to EUR 298.7 million.

“We are currently experiencing huge shifts in our markets at various levels,” explains Chief



Executive Officer (CEO) Sebastian Schwanhäuber. “People have radically changed their buying behaviour – typical sales channels are becoming much less important, not least because of the omnipresence of influencers. Moreover, the high demand for individuality is increasingly squeezing out mass-produced items and putting considerable pressure on

established brands.” As a result, fluctuations in the markets are felt all the more keenly and translate into declining trends many sectors. Sebastian Schwanhäuber: “No sector is excluded from this, we are noticing this in all of our subgroups and all of our geographical markets.”




The fact that Schwan-STABILO can hold its ground in these, in the words of Schwanhäuber, “highly volatile times”, he believes is down to farsighted corporate governance: “Not only have we deliberately created a broad base with our three pillars Cosmetics, Writing Instruments and Outdoor, but we have also invested heavily in new products and markets over the past years. Our initiatives in the new sectors are going down well and we will continue to drive them forwards.”

Closer, faster, more digital

Schwanhäußer, who has shared overarching responsibility for the overall Schwan-STABILO Group with Chief Financial Officer (CFO) Martin Reim since the start of the new fiscal year, sums up the mainstays of the chosen path in three key terms: “Closer, faster, more digital.”

Proximity to markets and the customer, the speed at which new products are developed and delivered to the consumer and the ability to rethink digitality and not to view it as a threat but rather part of the solution, are crucial keys to success for the experienced manager. Schwanhäußer: “This applies to all our subgroups without exception. All of the internal indicators show us that we are on the right track, even if this is not yet fully reflected in the current figures.”

Investments, total assets, equity ratio

Investments	Total assets	Equity
		
€33.6 million (previous year: €41.4 million)	€626.3 million (previous year: €632.4 million)	47.1% (previous year: 49.3%)
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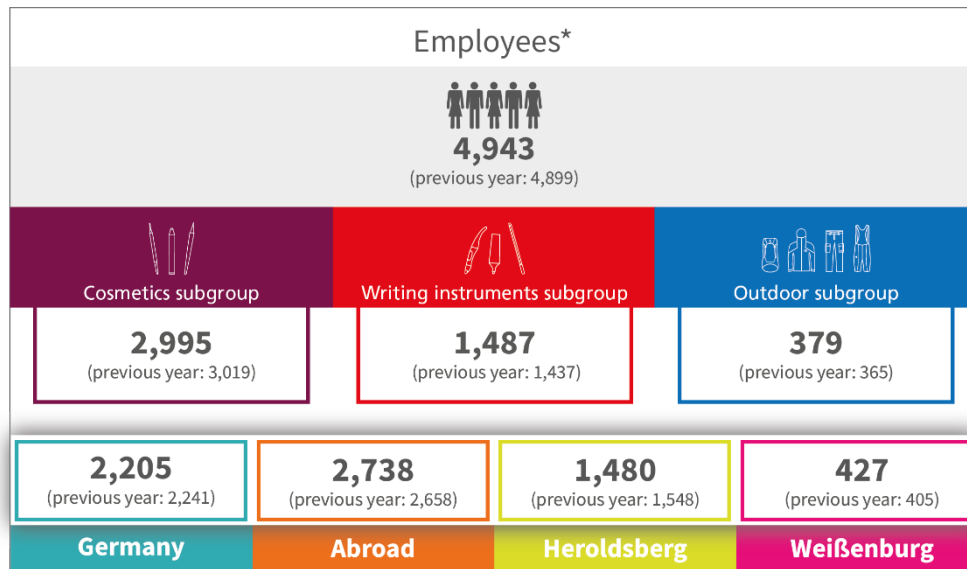
Investments for the past fiscal year amounted to EUR 33.6 million. Unlike in previous years, there



were no new constructions or expensive machine purchases. “For us it is now more important than ever,” says CFO Martin Reim, “to invest our resources in the expansion of digital processes for the entire group in order to be closer to the customer and faster to the market. In practice this involves, for example, improved networking in production or platforms for digital product information to be able to keep up with booming e-commerce!” The total assets amount to EUR 626.3 million. The equity ratio remains a healthy 47.1 percent.

“This means,” says Martin Reim, “that we can continue to drive our business forwards on our own steam, even in challenging times!”

Employees of Schwan-STABILO *



The number of employees increased slightly. As at the reporting date, Schwan-STABILO group employed 4,943 people worldwide, with 2,205 at the German sites.

* The wording generally refers to the male, female and diverse gender form. The number of employees includes all temporary and permanent positions (excluding partial retirement, parental leave, trainees and interns).