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## **STIHL Group achieves turnover growth in 2019 and remains optimistic for medium term**

- **Corona crisis: Family-owned company shoulders responsibility for workforce**
- **Expansion of e-commerce: STIHL launches own online shop in Germany**
- **Gasoline, battery and digital segments: New products presented**

*The STIHL Group achieved a turnover of EUR 3.93 billion in fiscal year 2019. That represents a 4 percent increase over the previous year (EUR 3.78 billion). Without the effects of foreign exchange rates, turnover growth would have been around 2.7 percent. STIHL executive board chairman Dr. Bertram Kandziora commented at the company's financial press conference: "Despite numerous challenges in the past year, we have been able to register a higher turnover in the Group. At the same time, the spiraling trade conflicts, flagging world economy and unfavorable weather conditions have left their mark." Apart from that, there has been an increasing trend to replace gasoline products by cordless battery products. While sales of battery products were up, the demand for gasoline products fell. Viewed overall, sales remained stable. The first quarter of this year has already been detrimentally influenced by the worldwide spread of the coronavirus. "After a very good January and February, the first quarter was on a par with last year's result. As dealerships have been shut down in a number of countries, we are assuming there will be a noticeable decline in the second quarter. But we remain optimistic for the medium term", said the STIHL executive board chairman. "Being a family-owned company, we have a considerable responsibility to our employees in the corona crisis. This means that we endeavor to secure jobs and, as far as possible, continue to run production lines and supply our dealers - naturally in close cooperation with the health authorities, while maintaining strict and governmental protective measures in the plants. After all, we also have an obligation to our more than 53,000 servicing dealers and millions of customers", said Dr. Kandziora.*

## **Worldwide markets in 2019 show divergent trends**

In 2019 the individual markets presented a very varied picture. Sales developed favorably in Western and Eastern Europe, excluding Russia. North America, which was the STIHL Group's growth engine for many years, recorded a slight decline. This trend is primarily due to the cold and wet weather at the beginning of the garden season. In Asia, the company achieved a slight increase in

unit sales. India in particular developed very favorably and showed double-digit growth. Unit sales in Africa, where the company has a subsidiary in South Africa and a second subsidiary in Kenya since 2017, are at the same level as the previous year. “We further expanded our dealer network last year. In the meantime customers can buy STIHL products at more than 53,000 servicing dealers throughout the world and trust their professional advice and technical services”, said Dr. Kandziora.

The number of employees in the Group was down 2.3 percent compared to the same time in the previous year. As of December 31, 2019, the STIHL workforce totaled 16,722 men and women.

#### **German market up and with new online service**

##### **- 2019 above previous year's level**

In fiscal year 2019 STIHL achieved a moderate increase in unit sales and turnover on the German market in spite of the lasting effects of the drought in 2018. “It was pleasing to see sales growth in battery products and pressure washers”, explained the STIHL executive board chairman. Referring to the current year, he said: “2020 started positively. We were able to report significant increases in turnover up to March.”

##### **- Expansion of e-commerce: Start of STIHL Online Shop brought forward**

The launch of STIHL's own Online Shop ([www.stihl.de](http://www.stihl.de)) on the German market was brought forward to March 20, 2020. It allows almost all STIHL power tools to be ordered online and delivered directly to the customer's doorstep. This new e-commerce service also strengthens the position of servicing dealers. “When a customer makes a purchase in the new STIHL Online Shop, he or she is recommended to a nearby dealer, who is the local personal contact offering the usual professional advice and service. The local dealer receives a remuneration from STIHL for providing the services after each purchase”, stressed Dr. Kandziora.

#### **STIHL founding company: Moderate increase in turnover and high investments in 2019**

In 2019, the German founding company, ANDREAS STIHL AG & Co. KG, achieved a moderate increase in turnover of 0.8 percent to EUR 1.21 billion (previous year: EUR 1.2 billion). This can also be attributed to a change in the product mix. In the past year for example, more high quality products were sold than in the year before. On the other hand, unit sales at the founding company were down. “Nevertheless, the family-owned company continues to occupy a strong position in Germany”, said Dr. Kandziora. Investments in 2019 amounted to EUR 134 million (previous year:

EUR 124 million). The major portion of the investments was allocated to the extension of the Ludwigsburg logistics center, adding floors to the production logistics center in Waiblingen-Neustadt as well as modernizing the founding company's headquarters and building the STIHL brand world in Waiblingen.

The number of employees at ANDREAS STIHL AG & Co. KG was up 1.9 percent compared to the same time the previous year. As of December 31, 2019, the workforce at the founding company was 5,090. Of that total, 3,626 are employed in Waiblingen, 247 in Ludwigsburg, 395 in Fellbach, 755 in Weinsheim and 67 in Wiechs am Randen.

### **STIHL remains optimistic in medium and long term**

The first quarter of the current year was severely affected by the measures taken all over the world to contain the coronavirus. The year began for STIHL with an increase in unit sales and turnover, but the spread of the coronavirus had a negative effect on business from March onwards. STIHL expects there to be an overall decline in unit sales in 2020. However, owing to the very dynamic development, the effects of the measures to contain the pandemic are not yet predictable with any certainty. "Thanks to our high degree of flexibility, we can quickly react to changes in the markets. We remain optimistic for the medium and long term", said Dr. Kandziora. Once the corona crisis has been overcome, STIHL expects the markets will again gather momentum and unit sales will rise. "Nevertheless, we are facing a number of challenges that have to be met: Apart from continuing to run the business under considerable restrictions for production and sales during the pandemic, we have to deal with the increasing level of competition in the battery segment. Furthermore, weak global economic conditions are to be expected in 2020. To cope with these challenges we have instigated a number of projects for increasing efficiency and saving costs within the company. STIHL has already overcome many a crisis since it was founded over 90 years ago. I am confident that we will also master this worldwide corona crisis. And I would like to explicitly thank our employees for their enormous commitment, the observance of absolutely essential safety measures to avoid the spread of corona and the outstanding cooperation in the Group", underscored Dr. Kandziora.

## **STIHL presents new products for 2020**

For the first half of the year STIHL has announced a number of new products in the battery, gasoline and digital segments.

### **- New battery products for private and professional users**

In the STIHL AK battery system for private garden owners and semi professionals, the STIHL RLA 240 dethatcher provides two functions in one tool thanks to its dethatcher and aerator drum. The FSA 57 trimmer promises excellent low-noise cutting power and can be equipped with either a mowing head with quiet nylon line (AutoCut C 3-2) or polymer blades (PolyCut 3-2). The pleasantly quiet and powerful STIHL BGA 57 leaf blower to be launched this summer is attractively priced and enables areas around the house to be quickly blow-swept with a minimum of effort.

The versatile STIHL HSA 26 shrub and grass shears are a recent addition to the AS battery system for private users. Equipped with a double-edged shrub shear blade as well as a twelve centimeter wide grass shear blade, it is an ideal tool for keeping shrubs and grasses in shape. Another tool in this battery line is the novel STIHL GTA 26 garden pruner, which was launched last autumn and has since been in high demand.

The AP battery system, designed primarily for professional users in gardening and landscaping companies and municipalities, now includes the STIHL RMA 765 V lawn mower with a cutting width of 63 cm and the STIHL BGA 86 (15 Newton blowing force) and STIHL BGA 200 (21 Newton) leaf blowers.

The new STIHL battery charging cabinet, developed together with the Kesseböhmer company, allows up to 20 STIHL batteries to be charged simultaneously, also overnight. An intelligent load management system reliably ensures that all the batteries are ready for use the next day.

### **- World first in gasoline segment**

In the professional chainsaw segment the third-generation STIHL MS 261 C-M with an optimized engine and new cutting attachment delivers 20 percent more cutting performance and its overall weight has been reduced too. It has been available since the beginning of April 2020. A world first in the same segment is the STIHL MS 400 C-M. It is the first chainsaw ever to feature a magnesium piston. The use of this light material in conjunction with other consistently applied lightweight construction methods has resulted in an exceptionally good power to weight ratio, i.e. less than 1.5 kilogram per kW. At the same time, the new component allows a

maximum engine speed of 14,000 RPM. Professional users in the woods will appreciate the resultant extra performance, especially the greater productivity in limbing. The STIHL MS 400 C-M will be launched on the German market in autumn 2020, but it has already been highly acclaimed. “For the innovative technology of the magnesium piston, which is produced in STIHL’s own die casting plant in Weinsheim (Eifel), STIHL was awarded the first prize by the Europäische Forschungsgemeinschaft Magnesium e.V. (EFM) and the International Magnesium Association (IMA) in the die casting competitions at the Euroguss 2020 trade exhibition in the magnesium components category”, said a pleased Dr. Kandziora.

**- New connected app in digital product segment**

The STIHL connected app intended for professional users is new in the digital product segment. It will be available soon and offers a quick and concise overview of power tool data, upcoming maintenance dates as well as the last known location of the power tools. In addition, the user can call up the power tools that are in the immediate vicinity.

**STIHL brand shop with new collection**

Just in time for the start of the outdoor season, the new collection is now available in the online STIHL brand shop at [www.stihl-markenshop.de](http://www.stihl-markenshop.de). Customers and fans of the brand find everything that warms the hearts of true STIHL enthusiasts - from exclusively designed textiles and accessories to wooden toys and historic models and fan articles. Among other things, the popularity of this concept is demonstrated by the fact that the “Contra Lightning” universal storage box received the Promotional Gift Award 2020 in the special design category.

**STIHL TIMBERSPORTS® WM 2020 in Gothenburg**

Even lumberjack sports are affected by the current measures to suppress the coronavirus. For this reason all the planned events in the STIHL TIMBERSPORTS® extreme sport series up to the end of June - including the World Trophy scheduled for the end of May in Vienna - have been officially cancelled. Depending on how the situation unfolds, a decision on the remainder of the international season will be made in a considered and responsible manner. This also applies to the World Championships in Sweden planned for the beginning of November.

### Company Portrait

The STIHL Group develops, manufactures and distributes power tools for professional forestry and agriculture as well as for garden and landscape maintenance, the construction sector and private garden owners. The product range is complemented by digital solutions and services. Products are distributed exclusively through authorized dealers, including 41 sales and marketing subsidiaries, about 120 importers and more than 53,000 servicing dealers in over 160 countries. STIHL has its own manufacturing plants in seven countries: Germany, USA, Brazil, Switzerland, Austria, China and in the Philippines. STIHL has been the world's top-selling chainsaw brand since 1971. The company was founded in 1926 and is based in Waiblingen near Stuttgart. In 2019, STIHL achieved a worldwide sales volume of 3.93 billion euros with a workforce of 16,722.

This press release and pictures are available for downloading from the STIHL website at <https://www.stihl.com/daily-pressbusiness-press.aspx>.

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