

September 17, 2019

**STIHL Group records increase in turnover**

- Challenges: Weather, global politics and changing customer requirements
- STIHL invests in transformation and strengthens online business
- Focus on gasoline and cordless products: STIHL presents numerous new products

*The STIHL Group achieved a turnover of EUR 2.8 billion in the period from January to August 2019. This corresponds to growth of 6.1 percent over the same period last year. Without the effects of fluctuating exchange rates, growth would have been 4.8 percent. "The increase is mainly the result of stronger demand for higher priced products. Total unit sales were less dynamic. Nevertheless, we were able to gain further market shares in the gasoline segment", explained STIHL executive board chairman Dr. Bertram Kandziora at the company's press conference on September 17.*

*Unit sales of cordless garden tools saw double-digit growth, but the demand for gasoline products dipped slightly. "We are firmly committed to continuing the development of gasoline power tools and simultaneously accelerating that of cordless products", stressed Dr. Bertram Kandziora. Business was detrimentally affected by the unfavorable weather conditions in some key regions where there were extremely high temperatures and very little rainfall in addition to the difficult world economic situation and trade barriers. "Many dealers still had large stocks from the previous year. Orders for this year therefore tended to be moderate", said the executive board chairman.*

**Worldwide unit sales up slightly**

"All in all, we have only achieved a slight increase in unit sales in the first half of the year due to the challenging peripheral conditions. The flagging world economy, increasing trade restrictions and a still unclear Brexit outcome are not exactly beneficial for our business. There are however certain differences in the individual markets", said Dr. Kandziora. Western and Eastern Europe, excluding Russia, grew favorably. Unit sales of cordless products in particular, but gasoline products too, contributed to this development. Lower sales in Russia were mainly due to high inventory levels from the previous year. The reason behind this was the dry summer of 2018. Now as ever, the lack of purchasing power is an added factor. Unit sales in the North American market were slightly above the previous year's level. Africa is a growth market with long-term potential for the STIHL Group – but currently at a very low level in absolute terms. In Latin America, the company intends to further expand its sales activities. STIHL will be

opening its own sales company in Peru in 2020. As of August 31, 2019, STIHL's worldwide workforce totaled 16,823.

**Turnover in German market higher than last year**

In spite of the continuing effects of the drought in 2018, STIHL recorded a higher turnover in the German market in the first eight months of this year than the same period last year. "It is encouraging to see the growth of unit sales in cordless power tools and gasoline chainsaws. Unit sales of iMOW robotic mowers and pressure washers were also up. Looking forward to autumn, we are confident of further growth with the help of favorable weather and our attractive campaigns", explained Dr. Kandziora. The German market is supplied by the STIHL distribution center in Dieburg, which celebrated its 50<sup>th</sup> anniversary in August. The company has grown rapidly in the past few years. The turnover of STIHL Dieburg has increased 60 percent since the last extension to its logistics facility in 2009. Owing to this continuing growth and the increasing requirements of the German market, STIHL is investing more than EUR 25 million in a new logistics building in Dieburg which is to start operations at the end of 2020.

**Turnover and employment up at German founding company**

The turnover of the German founding company, ANDREAS STIHL AG & Co. KG, increased 2 percent to EUR 816 million. Employment rose by 1.5 percent. As of August 31, 2019, the founding company employed 5,032 men and women. Of that total, 3,564 work in Waiblingen, 381 in Fellbach, 258 in Ludwigsburg, 757 in Weinsheim and 72 in Wiechs am Randen. "Our employees are the basis of our business success. For this reason we invest heavily in voluntary social benefits for our workforce and in staff training and further education at the founding company", said Dr. Kandziora. In 2019, the company increased the number of apprentices from 187 to 210. Furthermore, STIHL has expanded the dual education program with the courses information technology and digital business management.

**Long-term growth, but cautious optimism in the short term**

Referring to the business outlook, Dr. Kandziora said: "In our strategic planning, we are assuming further growth in the long term. In the face of growing competition, a weakening world economy and global trade conflicts, we are only cautiously optimistic about the short term in particular. In Germany, STIHL is seeking skilled workers in the areas of electrical engineering/telecommunications, information technology, software/hardware development, battery development and product development. The founding company currently has about 350 vacancies. As far as production is concerned, the company does not expect to hire any new staff in that area in Germany this year.

**STIHL invests in transformation to optimize customer benefits**

Digital transformation, the increasing significance of cordless battery products and new customer requirements in online trade are currently relevant topics for many companies. The motorized garden and forestry tools industry is also going through a period of radical change. “We have prepared ourselves for this transformation with considerable investments in staff training and in battery technology, electronics and robotics. We will push ahead and optimize this strategy“, said Dr. Kandziora. This will be accompanied by a number of different changes in STIHL’s distribution and product policy. As from next spring, for example, the company will offer its customers on the German market a convenient online shop for ordering products on its website [www.stihl.de](http://www.stihl.de). Servicing dealers remain the personal contacts for customers and will continue to provide advice, instruction and service. “In addition to that, we will further optimize products, processes and service in order to be prepared for the challenges posed by the changing market conditions“, said the STIHL executive board chairman.

**Numerous new products in cordless and gasoline segments**

“In order to meet the many-faceted needs of our customers as best we can, we will continue to concentrate on a product mix of gasoline and battery-powered tools“ said Dr. Kandziora. “We are firmly committed to continuing the development of gasoline power tools and simultaneously accelerating that of cordless products.“ Numerous new products were presented at the STIHL press conference in connection with the International STIHL media day following:

- Three powerful models have been added to the STIHL leaf blower range. The **STIHL BR 800 C-E** featuring a blowing force of 41 Newton and the higher powered 3.2 kW, 4-MIX engine is the new flagship in the STIHL line of gasoline blowers. The innovative side starter enables the engine to be easily restarted after short breaks without having to put the machine down. The professional leaf blower is particularly suitable for landscapers and municipal cleaning operations. The cordless segment has been enlarged with the introduction of two handheld leaf blowers, the **STIHL BGA 200** and **STIHL BGA 86**. They are relatively quiet and can also be operated without restriction in noise-sensitive areas. The STIHL BGA 200 with a blowing force of 21 Newton is suitable for cleaning large areas and will be available in May 2020. The STIHL BGA 86 with a blowing force of 15 Newton is up to 50 percent more powerful than the BGA 85, and will be available in February 2020.
- The battery powered **STIHL GTA 26 garden pruner** is an innovative, versatile cutting tool for garden owners and will begin shipping in November 2019. The 10 centimetre guide bar and chain prunes small diameter branches and cuts square and

round timber. The tool is supplied with energy by a replaceable 10.8V rechargeable battery and is part of the new STIHL AS cordless system for private land and garden maintenance. This system also includes the new **STIHL HSA 26** cordless shrub and grass shears which will be on the market in February 2020.

- The new **STIHL MSA 220 C-B** is the most powerful chainsaw in the STIHL cordless portfolio and is available with immediate effect. With its high chain speed it makes short work of cutting jobs and is particularly suitable for wood maintenance, constructing with wood as well as felling and processing of small-diametered wood
- The third generation of the **STIHL MS 261 C-M gasoline chainsaw** will be available at the beginning of 2020 and offers 20 percent more cutting capacity although its overall weight has been reduced. Following a comprehensive makeover, the machine comes with an optimized engine as well as a new cutting attachment.
- **STIHL iMOW robot mowers Series 4 and 6** have become even smarter and can now be controlled with the iMOW App via a smartwatch. Another new feature is the ability to integrate the iMOWs in the intelligent home control using the innogy Smart-Home System. In future, it will also be possible to use a convenient voice control with Amazon Alexa.
- The **STIHL RMA 765 V** offers a battery powered professional lawnmower for customers in gardening and landscaping companies as well as municipalities. The rugged mower, which will be available for the 2020 season, features a long-life die-cast aluminum housing with polymer insert and has a cutting width of 63 centimeters.
- The **STIHL RG weeder**, available in September 2019, provides municipal gardeners, highway maintenance crews and landscapers with a new tool for low-impact removal of weeds with brushcutters. The cutting tool comes as an interchangeable attachment and, unlike rotating mowing lines and metal tools, has two contra-rotating, oscillating blades. They reduce the risk of damage to property being caused by whipped up stones or gravel.

### **STIHL brand shop to be introduced in more countries**

“STIHL is one of those brands that fascinates people all over the world and arouses emotions. STIHL has established a new brand shop in order to enhance this bond“, explained the STIHL executive board chairman. In the seven collections – Heritage, Home, Urban, Wild Kids, Nature, Timbersports Fan and STIHL Fan – customers and fans will find custom designed textiles, wooden toys, historical models and collectors’ items. None of the articles is ready-made, but specifically created for the STIHL brand shop. The articles are available from authorized servicing dealers and also online at [www.stihl-](http://www.stihl-)

[markenshop.de](http://markenshop.de). Previously accessible only in Germany and Austria, availability has now been extended to further countries.

**STIHL TIMBERSPORTS® WM 2019 in Prague for first time**

The world elite in the STIHL TIMBERSPORTS® Series will come together in the Czech capital Prague on November 1 and 2 to compete in the international final of the extreme sport series for the 2019 world champion titles. The reigning team and individual world champions from Australia will fight to retain their positions at the pinnacle of the sport and defend them against the strong competition from Europe and overseas. For the first time, the Czech Republic capital will host the STIHL TIMBERSPORTS® 2019 world championships and will hold them at an extraordinary and imposing venue, the historical Industrial Palace.

**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 38 sales and marketing subsidiaries, about 120 importers and more than 50,000 servicing dealers in over 160 countries. STIHL has manufacturing plants in seven countries: Germany, USA, Brazil, Switzerland, Austria, China and the Philippines. Since 1971 STIHL has been the world's top-selling chain saw brand. The company was founded in 1926 and is based in Waiblingen near Stuttgart. In 2018, STIHL achieved a worldwide sales volume of 3.78 billion euros with a workforce of 17,122.

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

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