

Endress+Hauser sees itself as well positioned

Group increases incoming orders, sales, profits and headcount in the 2019 financial year

Endress+Hauser performed well across all fields of activity, industries and regions in 2019. The Group created hundreds of new jobs, invested record amounts and improved in the area of sustainability. According to CEO Matthias Altendorf, the family company is thus in a strong position to address the challenges of the corona crisis.

“2019 was a solid year for Endress+Hauser,” emphasized Matthias Altendorf. “Growth was broad-based and balanced.” The measurement and automation technology specialist for process and laboratory applications increased net sales by 8.0 percent to 2.652 billion euros, despite a weakening economy. During the annual media conference on financial statements in Basel, the CEO explained that instead of large-scale orders, this growth was driven by smaller and medium-sized projects.

Focus on innovation and sustainability

According to the CEO, this success is also tied to the company’s undiminished innovative spirit. In 2019 Endress+Hauser filed 318 patent applications and invested 7.6 percent of sales in research and development. More than 1,100 people are working on new products, solutions and services. By the end of 2019 Endress+Hauser had 14,328 employees worldwide. 400 new jobs have been created within one year.

The company also made progress in the area of sustainability. In the annual EcoVadis audit, Endress+Hauser achieved 72 points, 4 more than in 2018, placing it in the top 2 percent of the comparison group. By switching to green electricity in production, the Group was able to reduce CO₂ emissions by more than one-third. New buildings meet the highest environmental standards. Endress+Hauser is currently constructing a new energy self-sufficient customer experience and training center in Canada.

USA still the largest market; China overtakes Germany

In 2019, Asia provided strong growth impulses. Europe performed well and South America recorded excellent growth. North America fell behind expectations, however, while the business in Africa and the Middle East declined. China overtook Germany based on sales volume and just trails the US, which continues to be the largest sales market for Endress+Hauser. According to Chief Financial Officer Dr Luc Schultheiss, the Group companies were able to gain market share.

The changed market environment is reflected in an operating profit (EBIT) of 343.4 million euros, a plus of 3.9 percent. Profit before taxes (EBT) grew by 9.9 percent to 346.9 million euros. Behind this is a significantly improved net financial result compared to 2018. Although foreign exchange hedging continued to incur high costs, the positive stock market environment allowed financial investments to generate solid returns in 2019. Return on sales (ROS) climbed 0.2 points to 13.1 percent.

Strong financial cushion despite higher investments

Net income rose 14.3 percent to 265.9 million euros. This reflects a lower effective tax rate of 23.4 percent, which resulted from the one-time effects of corporate tax reforms in Switzerland. The equity ratio reached an outstanding 75.6 percent, an increase of 4.6 percentage points over 2018. Among other things, this development was influenced by the transfer of German retirement benefit obligations to a separate fund.

Despite worldwide investments of 231.1 million euros, the Group is virtually free of bank loans. Over the past five years the company has invested more than 840 million euros in new buildings, plants and machinery. According to CFO Luc Schultheiss, Endress+Hauser enjoys a liquidity cushion of nearly 800 million euros thanks to a prudent dividend policy and years of striving for continuous improvement. "This will help us do a good job of managing the current economic situation," added the CFO.

Digital intimacy bridges the physical distance

Endress+Hauser started 2020 with a further increase in incoming orders. However, the coronavirus pandemic makes it massively more difficult to achieve the original goals. "Although we are still unable to predict the economic impacts of the crisis, we and our customers will certainly feel the effects," underlined CEO Matthias Altendorf. The Group responded early to the spread of the virus and used all means at its disposal to protect people's health and continue to offer customers solid support.

"We bridge the physical distance through digital and emotional proximity," said Matthias Altendorf. The CEO has been driving digitization at Endress+Hauser for years – in the product and services areas, as well as in customer interaction and internal collaboration. At peak periods, up to 10,000 employees are currently working from home. Customers can use the website to order instruments or track orders, and an online tool enables remote support aided by video.

Group aims to safeguard employment

"Our everyday heroes are those working in production, logistics and service, or under difficult conditions from home or in the office," said Matthias Altendorf. Through hard work, the company has been successful in ensuring the availability of materials, keeping the logistics chains intact and supporting customers in all respects. "The Group's plants are operating, and Endress+Hauser is still able to deliver." The CEO therefore believes that the company is well prepared for difficult times.

"We have always run a sound business and as a company we are very well positioned," said Matthias Altendorf. "We will do everything we can to safeguard jobs and bring Endress+Hauser through this crisis. This will benefit customers, employees and shareholders." The shareholder family supports this course and accepts a decline in profits, said Supervisory Board President Dr Klaus Endress. "We would like to have as many people as possible on board when the wind shifts and things pick up again."

The Endress+Hauser Group

Endress+Hauser is a global leader in measurement and automation technology for process and laboratory applications. The family company, headquartered in Reinach, Switzerland, achieved net sales of over 2.6 billion euros in 2019 with a total workforce of 14,000.

Endress+Hauser devices, solutions and services are at home in many industries. Customers use them to gain valuable knowledge from their applications. This enables them to improve their products, work economically and at the same time protect people and the environment.

Endress+Hauser is a reliable partner worldwide. Its own sales companies in 50 countries as well as representatives in another 70 countries ensure competent support. Production facilities on five continents manufacture quickly and flexibly to the highest quality standards.

Endress+Hauser was founded in 1953 by Georg H Endress and Ludwig Hauser. Ever since, the company has been pushing ahead with the development and use of innovative technologies, now helping to shape the industry's digital transformation. 8,000 patents and applications protect the Group's intellectual property.

For further information, please visit www.endress.com/media-center or www.endress.com

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