

Annual accounts 2019: Sedus Stoll Group satisfied

Dogern, Germany – With sales of €210.1 million, the Sedus Group failed to achieve the record reached in 2018 (€212.3 million) by only a very thin margin. With the Sedus and Klöber brands, the office furniture manufacturer was thus well above the €200 million mark for the second time in its history.

The 2019 financial year was a good one – in spite of factors that had a dampening effect on the economy and a drop in new orders and sales in November that caused the annual surplus to shrink to €7.8 million compared to the preceding year (€9.8 million).

The trade conflict between the USA and China, the tug of war that Brexit has involved and, last but not least, adverse impacts arising from the economic cycle caused the growth of the global economy to decrease from 3.6% to 2.9% in 2019 and resulted in a considerable slowdown in global trade.

Compared to the 1.9% decrease in the overall market volume for office furniture as indicated by the IBA (Industrial Association Office and Work Environment), the Sedus Stoll Group did not do too badly, experiencing a drop of only 1.5% in new orders, and thus was able to gain market shares, although they were only small.

The individual divisions of the Sedus Stoll Group in detail

In the Sedus Seating division (office seating, communication furniture and contract furniture), total new orders received amounted to €99.2 million (2018: €100.5 million). In the Sedus Systems division (office furniture, desk and cabinet systems), they amounted to €84.5 million (€85.9 million). The value of new orders amounting to €80.9 million for the entire export area was €5.00 million below the preceding year for Sedus, as a result of which the export ratio decreased slightly by 1.7% to 44.0%.

Klöber (office seating, conference furniture, lounge furniture) was able to maintain its new orders at the preceding year's level of €20.5 million with a slight increase of 0.2%, in spite of the downturn in the office furniture market. The Klöber export ratio at 27.7% also stayed on the same level as in the previous year.

Investments in all areas

In the 2019 financial year, the investments of the Sedus Stoll Group in tangible and intangible assets amounted to €13.8 million, slightly below the previous year's value of €15.8 million.

The total investments of Sedus Stoll AG amounted to €9.9 million. As in the year before, they mainly related to various extension buildings at the company headquarters in Dogern, where staff were also able to move into the new Sedus Smart Office in April 2019.

At the Geseke site (East Westphalia), Sedus Systems GmbH made investments of €3.2 million. These primarily concerned diverse construction measures, whereby €1.8 million was used to add on the 3rd floor of the administration building.

The number of people employed by the Sedus Stoll Group increased from 935 to a total of 957 (excluding trainees/apprentices), of which 548 are working in Dogern, 296 in Geseke and 113 for Klöber in Owingen.

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Outlook for the 2020 financial year

In line with the slogan "Don't panic, but be cautious", all employees of the Sedus Stoll Group in the three factories and in the subsidiaries have been informed of the measures introduced in connection with the Covid-19 pandemic, some of these measures being very strict. In order to keep the risk of infection as low as possible, numerous safety measures have been decided on, with some of them going well beyond the generally applicable rules of hygiene.

According to the latest reports of the IBA, the entire furniture industry is feeling the economic effects of the pandemic, which are very considerable in some cases. Indeed, in April and May, Sedus has seen significant initial decreases in new orders, which are considerably below the level of last year.

Thanks to its "Made in Germany" strategy, the Sedus Stoll Group has not been notably affected by any bottlenecks on the supply side but is, of course, restricted due to entire areas of production being closed down for weeks. The heterogeneous customer portfolio of Sedus Stoll AG is developing in very different directions. In the industrial-customer segment, incoming orders have decreased considerably whereas, in the services segment, especially insurance, the decline is only moderate.

On the market side, Sedus and Klöber have initiated online campaigns in order to advertise furnishings suitable for people who are working from home in a so-called home office. In order to make appropriate offers, a range of products that can be delivered quickly has been defined and produced in advance. These products are being marketed through the companies' own online shops as well as those of their trading partners. In addition, low-cost flexible aerosol-protection walls have been developed in record time. They substantially improve protection against infection in the office and can be integrated into existing furnishing arrangements without any great effort.

The Sedus Stoll Group feels that it is well equipped to deal with the crisis but the management board of Sedus Stoll AG is assuming that the effects of the pandemic may well be worse than the problems encountered in 2009, which was also a crisis year. The targets being aimed at for the current financial year are already being clearly missed, which is why a loss cannot be ruled out for the year. A reliable prognosis for the year is not possible at the moment given the continually changing situation.

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