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Financial Year of Possehl Group

Lübeck-based Possehl Group closes yet another strong financial year

- Group sales of € 3.8 billion match previous year's high level
- Earnings before taxes (EBT) increase by 3 % to € 162 million
- Successful implementation of five corporate transactions

Possehl continues its success story. 2018 was yet another successful financial year for the Lübeck-based conglomerate, which took several significant steps towards shaping the Group's future in terms of continuing its course of long-term profitable growth.

Based on preliminary figures, consolidated sales amounted to € 3.8 billion and thereby remained stable compared to the previous year. Adjusted for currency translation and precious metal price effects, both of which had a negative impact on the Group's overall revenue, the growth rate amounted to around 8 % in the financial year ended, and hence the Group continued its dynamic development seen in the past years. Both organic growth within the Group's operating companies and new acquisitions contributed to this favorable increase in equal measure.

Compared to the previous year, earnings before taxes (EBT) rose by 3 % to a record high of € 162 million. The return on sales from operations without precious metal sales remained stable at just over 7 %. Almost all of the Group's divisions contributed to this success and in some cases were able to increase the already very good results achieved in the previous year even further. "We tapped the

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opportunities that arose from a still favorable economic climate to further expand our competitive position”, says Dr Joachim Brenk, Chairman of the Executive Board at L. Possehl & Co. mbH. Increasing trade restrictions and the impending Brexit have not yet had any noticeable economic effect.

In the financial year ended, the Group invested more than € 100 million in both the renovation and expansion of production capacities and future-oriented projects. Investing such a significant amount of money has created the prerequisite for satisfying the high demand for products and solutions provided by Possehl’s Group companies in both existing and new markets. “We particularly focus on investing in digitization projects and the creation of modern working conditions. These are the key components of our understanding of sustainability”, explains Brenk. The Group’s investment ratio – based on fixed assets – amounted to around 30 % and is intended to remain on the same high level in the coming years. Investments are financed exclusively from equity capital and current cash flow.

Continued low interest rates and the high capital overhang on the market meant that the framework conditions for acquiring new companies were extremely difficult for a long-term oriented investor such as Possehl. Nevertheless, the Group was able to expand, broaden and strengthen its corporate portfolio through five future-oriented acquisitions. Bolt-on acquisitions were successfully conducted for the divisions Special Purpose Construction, Cleaning Machines and Precious Metals Processing while the division SME Investments underwent a strategically advanced development following the acquisition of a majority interest in the Hänsel Group, a globally leading system supplier for the confectionary industry. As for the printing machine market, the merger of manroland web systems and Goss International is seen as a groundbreaking consolidation step.

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“With our diverse corporate portfolio in promising sectors of industry and well-filled order books, Possehl stands on an exceptionally sound footing. Given this background, we can by all means take an optimistic view of the current business year 2019, despite the fact that both economic and political uncertainties have again increased in recent months. We keep a close eye on potential risks and are in a position to react purposefully and with foresight whenever necessary”, outlines Brenk, adding with a clear look ahead: “We will continue to seize future opportunities for further profitable growth with determination and consistency.”

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Company profile

BÖWE SYSTEC is one of the world's leading suppliers of smart automation solutions. For over 70 years, the technology company's products have streamlined and optimized work and production flows across a wide range of very different industries. Whether it be inserting systems for classic transactional applications or mailings, card processing solutions, letter or parcel sorting systems for modern post processing centers, automation solutions for intralogistics or pharma serialization, BÖWE SYSTEC technologies play an important role in numerous industries. Headquartered at its production and development facility in Augsburg, the company serves its customers around the world through some 20 subsidiaries and over 50 general agencies. Since 2010 BÖWE SYSTEC GmbH has been owned by the Possehl Group, which generated annual sales of around €3.8 billion with a global workforce of approximately 13,300 in 2018. The sole shareholder of L. Possehl & Co. mbH is the charitable Possehl Foundation in the Hanseatic City of Lübeck. More information is available at www.boewe-systec.com and www.possehl.de.

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