



PRESS RELEASE

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Financial results reach all-time high for KNAPP

The business year 2015-16 has proved to be another record-breaker for KNAPP AG. The international group, which is headquartered in Austria and focused on intralogistics automation and software, increased its net revenue by 25 per cent to 581.97 million euros and achieved a profit of 30.52 million euros. This tremendous result marks an all-time high in the company's history and is another key step in its long-term growth strategy.



The Managing Board of KNAPP AG (left to right): Franz Mathi, COO, Gerald Hofer, CEO; and Christian Grabner, CFO

Compared to the previous year, the company not only increased net sales revenue by 25 per cent, but also the relative EBIT margin to 5 per cent. The export quota remains consistently high at 97 per cent; Europe is the strongest sales region – with a turnover share of 75 per cent – while North America, with 20 per cent of net revenue, has proven to be a steadily growing market. The members of KNAPP's Managing Board – Gerald Hofer, CEO; Franz Mathi, COO; and Christian Grabner, CFO – are delighted with the success of the past

business year and plan to strengthen and expand the global subsidiary network with moderate growth expected in 2016-17.

Growth in core business areas

KNAPP achieved strong growth in its core business areas of healthcare, fashion, retail and food. Explains Craig Rollason, Managing Director of KNAPP UK, “As a group, we realised several years ago that it was becoming increasingly difficult to plan business models across all sectors. Each industry requires flexible system solutions that develop in line with market requirements and thereby support the customer through every phase in the best way possible. By structuring its own organisation around each industry sector, KNAPP has turned this challenge into a significant strength. We can offer our customers solutions that are not only highly efficient but also flexible and with a high degree of investment security.”

The level of activity observed in the healthcare market segment has increased once again. With its shares in the KHT Apostore group, KNAPP is in a position to work with the entire pharmaceutical supply chain – from manufacturers to wholesalers, and through to pharmacies. Alongside the core markets in Europe, KNAPP experienced significant growth in the North American region in the established healthcare segment.



Working on the principle of swarm intelligence, KNAPP's free-moving Open Shuttles can be used flexibly within the warehouse for transport tasks and to supply workstations

The fashion and lifestyle sectors are also booming. “We were able to convince major market players of our system expertise thanks to our portfolio with Louis Vuitton, Dior, vente-privee and the Inditex group,” says Franz Mathi, COO for KNAPP AG. KNAPP once again scored highly in food retail and online food retail, with its innovative solutions and technologies helping to secure orders from the REWE group and the French online retailer, Auchan. The SPAR distribution centre in Ebergassing, Austria, also went into operation recently. Over the past few years, KNAPP has developed innovative systems such as Open Shuttles for pallets that can replace conventional pallet conveyor systems, and the ergonomic picking system,

Pick-it-Easy Move, which has been specially designed for the food retail sector. These are solutions that are not only pioneering but also in demand on a global scale. Says Christian Grabner, CFO of KNAPP AG, “We are on an excellent course with these new system solutions and we expect high growth rates in this sector over the course of the years to come.”



The driverless Open Shuttles for pallets transport loads weighing up to 1300 kg, navigating autonomously through the warehouse

Solutions for production logistics

In addition to its traditional core business areas, KNAPP has extended its focus to include the industrial sector, pooling its know-how in *KNAPP Industry Solutions*, based in Dobl, near to the company's headquarters in Hart bei Graz, Austria. “With our process and system know-how,” explains Franz Mathi, “we can provide progressive automation in conjunction with production, assembly and distribution as part of the strategies and demands of Industry 4.0. As part of this, it is crucial for us to keep the idea of *zero defect* in mind. With our innovative Vision technology,” continues Franz Mathi, “we offer attractive solutions that reach beyond the quality and service areas and that have been very well received on the market.” The work currently underway in the areas of logistics and quality assurance at Pankl Racing Systems – the engine and drivetrain components manufacturer in Kapfenberg, Austria – will serve as a lighthouse project for Industry 4.0.



KNAPP shuttle systems that serve ergonomic workstations form the heart of the modern warehouse

3,000 employees and growth to continue

“We have succeeded in obtaining 650 million euros’ worth of orders across all the subsidiaries and individual companies in the KNAPP group,” says Gerald Hofer, CEO. “That is a new record in our company history and underlines our position on the market.” The KNAPP group now employs over 3,000 staff globally, with around 300 new jobs being created in the past year – 200 of them in the Austrian region of Styria, at the headquarters in Hart bei Graz and the three other sites in Dobl, Grambach and Leoben. KNAPP AG is ideally positioned in its core business areas and has started the new business year with a pleasing level of incoming orders. “Our focus for the next period is in the expansion of our global network,” explains Christian Grabner. In the face of the far-reaching consequences of Brexit, Gerald Hofer provides reassurance: “We are in a solid and technologically strong position and will strive to compensate for the considerable effects of Brexit with our innovative systems and technologies.”

Product innovation

During the business year 2015-16, 30 million euros – around six per cent of net sales revenue – were invested in research and development. “KNAPP is renowned for its innovative strength and was once again able to develop new products and solutions, ready for the market,” explains Christian Grabner. “This includes the continual development of our process software, shuttle systems, ergonomic Pick-it-Easy workstation series, high-speed sorters and the latest in robot technology.” KNAPP’s image recognition and processing technologies – as well as the ‘SmartWorker’ solutions that are pooled in the 100%-owned subsidiary, ivii – are particularly interesting for industrial companies worldwide and enable reliable quality checks to be integrated into every process step.

In addition to the investment in R&D, various KNAPP sites have continued to grow. Alongside the expansion of the Leoben and Dobl sites, the day care centre and cafeteria at

KNAPP's headquarters in Hart bei Graz were extended, thereby strengthening the support of the global subsidiary and production network. Further investment is also pouring into IT and technology in order to cater to customer requirements more efficiently and quickly.

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About the KNAPP Group

KNAPP is an internationally operating company and is one of the world market leaders in warehouse logistics and automation. An export rate of 97% reflects the international orientation of the company. Founded in 1952, today KNAPP has more than 3,000 employees worldwide, with 2,000 in Austria. The company headquarters are located in Hart bei Graz, with additional locations within the Austrian region of Styria at Leoben, Grambach and Dobl.

As a solution provider, the company is committed to providing one-stop, custom-designed intralogistics systems. Around the world numerous partners in the healthcare, retail, fashion, media, optics and office sectors, as well as mail-order businesses and logistics service providers, trust in KNAPP's innovative logistics solutions and integrated logistics software. Customers include the renowned brands Hugo Boss, Olymp, SPAR, Avon Cosmetics and Würth.

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