

Hansgrohe Group

Annual Report 2018



**»The best way
to predict the future
is to invent it.«**

Alan Curtis Kay

Computer Sciences Pioneer (*1940)

Annual Report 2018

Schiltach, Black Forest
Germany

Innovating Into the Future	▶ 4
A Tradition of Innovation	▶ 6
We Make Change Happen	▶ 18
Values	▶ 28
Brands	▶ 36
Facts & Figures	▶ 50
Securing the Future Together	▶ 60
Letter from the	
Supervisory Board	▶ 66
Business Review 2018	▶ 71



Dear Readers,

With new record sales and continued profitable growth, 2018 was a yet another year of success for Hansgrohe. On behalf of the entire Executive Board, I thank all our employees for their extraordinary dedication and commitment. The key to our success is a quality that has long been our trademark: the ability to innovate — the focus of this year's annual report.

When our company founder Hans Grohe started working on his first handheld showers in the early twentieth century there was no market for them — for most households, having a bathroom was unheard of. With his groundbreaking products, Hans Grohe created this market, in fact, we can even claim that he created the industry in which we have maintained our position to this day as one its

leading companies. The award from the Top 100 competition distinguishing us as one of the most innovative small and medium-sized German companies in 2018 is a testament to our innovative strength.

As Chairman of the Executive Board, it is a pleasure and an honor for me to have the opportunity of working together with my colleagues on the board in shaping the future of this company. The focus on our customers and their needs has defined my time at Hansgrohe over the past 20 years and made the successes of our company possible — we will continue to develop and intensify this focus.

The challenges won't get any easier — but if we all continue to work closely together, in a spirit of mutual trust and respect, and approach our work with passion and enthusiasm, we will continue to innovate and set standards in the future.

Yours,
Hans Jürgen Kalmbach
Chairman of the Executive Board



A Tradition of Innovation

Our company was founded in 1901. Since then, ideas have been bubbling up here in the Black Forest. And since then, we have traditionally been a step ahead of our time. Be it the shower wall bar, the first handheld and adjustable shower, or pull-out kitchen faucets with spray function — many of Hansgrohe's ideas have become classics of international bathroom and kitchen culture. And others are well on their way to joining their ranks as icons of bathroom and kitchen design.

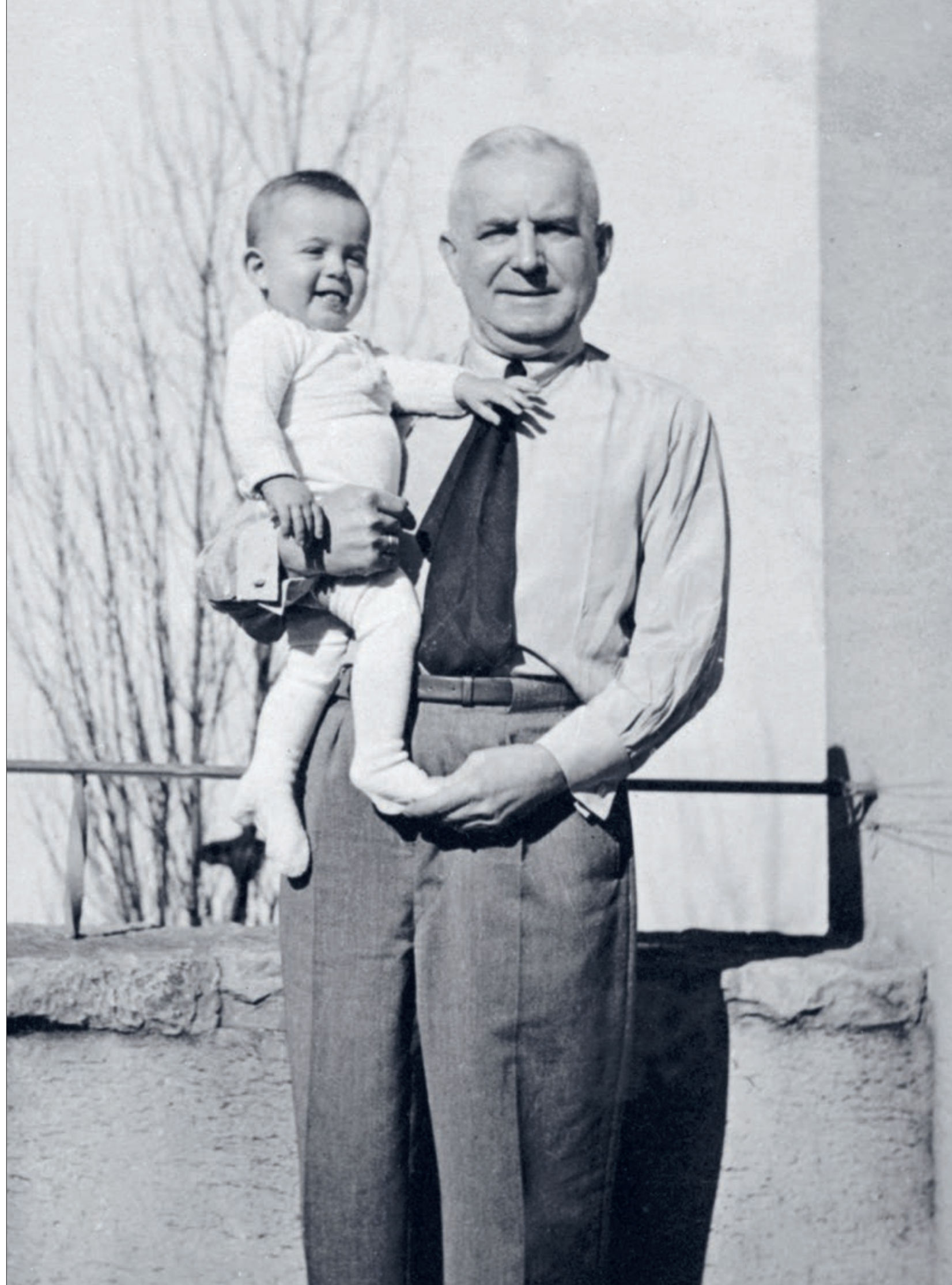
Innovation Runs in the Family

The courage to innovate marked the beginning of the company's history. Hans Grohe, who was originally a trained clothier, started out by reinventing himself. In 1901, he founded a small manufacturing business for metal-spun goods in Schiltach, a small town in Germany's Black Forest. He soon specialized in producing bathroom fixtures. Water became his elixir of life and showerheads his calling. He was a pioneer whose designs and ideas shaped modern shower technology — for example, the legendary hand shower featuring a white porcelain handle launched in 1928. Even in later years, at the age of 82, he came up with another groundbreaking product: the wall bar, allowing hand showers to be positioned at the desired height and users to shower hands free.

Hans Grohe's youngest son Klaus brought design to the shower in 1968. In 1970, Hansgrohe developed the colorful Sixty shower set together with an industrial designer. In 1974, the brightly colored, multi-spray TRI-BEL hand shower by Esslinger Design was the first Hansgrohe product to win an iF design award. Klaus Grohe also addressed the issues of environmental protection and sustainability. He advanced the development of energy and water-saving products and paid close attention to environmentally-friendly and resource-efficient production processes...

Richard Grohe and Philippe Grohe, two of Klaus Grohe's sons, continued the family tradition and were actively involved in the company's business operations until 2016. Today, Richard Grohe represents the founding family on the Supervisory Board of the Hansgrohe Group and ensures that Hansgrohe stays true to its roots and continues to be a powerhouse of innovation. And Klaus Grohe himself continues to be involved in the company as Honorary Chairman of the Supervisory Board.

Hans Grohe with his youngest son Klaus Grohe, born 1937



A Pioneer From the Start

Since 1901, inventions from the Hansgrohe Talent Factory in the Black Forest have defined bathrooms around the world. Much of what we conceive, develop and design has shaped the international sanitation industry. One example is the first affordable handheld showerhead developed by the company's founder Hans Grohe in 1928 — it made the dream of daily a shower in one's own private bathroom at home finally come true.



To Perfection – and Beyond...

The AXOR ShowerHeaven is the new archetype in the shower. With its superlative appeal and majestic dimensions, it offers water a spectacular stage. The flow of water can be orchestrated as desired: revitalizing jets give way to a soothing rain shower or a gentle PowderRain, the latest innovation in water design: precisely distributed, exquisitely light micro-sized droplets create a sensuous cocoon of water. The shower is transformed into a calming retreat where one can immerse oneself, and dream and relax in a quiet oasis of water.



Innovations That Made History

1928

Handheld shower with a white porcelain handle: It makes showers an affordable alternative to wasteful baths, revolutionizing and democratizing bathing culture.



1953

The Unica wall bracket: For the first time, this subtle novelty allows handheld showers to be positioned at the desired height.



1934

Automatic waste and overflow set for the bathtub. The chrome-plated set is the first of its kind.



1968

The Selecta hand shower. The world's first hand shower with an adjustable spray — more than 30 million units sold.



1970

Colorful plastic showers. The **SIXTY** shower set and the **Tri-bel** hand shower introduce colorful design aesthetics to the bathroom.



1981

The Allegroh single-lever faucet. Hansgrohe's first faucet with a loop handle and a swivel spout is an instant trendsetter.



1987

The Mistral Eco water-saving hand shower. It lowers water consumption by 50 percent and makes Hansgrohe a pioneer in environmental conservation in the bathroom industry.



1989

Pre-installed Hansgrohe shower systems and shower panels conquer the bathroom. Electronic controls become available in the 1990s.



1994

The AXOR Starck Collection. Star designer Philippe Starck develops the first bathroom-living space concept for AXOR.



2000

The iBox universal concealed installation set: to this day it remains the only basic set for all standard and thermostatic solutions.



2003

Raindance showerheads. Large spray discs, flat silhouettes, short handles — the all-rounders become trendsetters.



2005

AirPower mixes air into the water, making droplets feel plumper and softer, thereby increasing showering pleasure and improving water efficiency.



2007

EcoSmart faucets and showers use up to 60 percent less water than conventional ones. The fight against climate change starts in the bathroom.



2014

The AXOR Starck Organic bathroom collection by Philippe Starck offers sustainable water experience with minimal water consumption.



2011

Hansgrohe Select. Hansgrohe's groundbreaking Select technology brings a simple push of a button to the world of bathrooms. One click is all it takes to switch spray modes, control overhead showers and hand showers and turn water on and off.



2017

WaterRain spray. Ultra-fine micro-sized droplets envelop users in a cocoon of water, eliminating splashing and making it remarkably quiet.



The Future Is Now

Innovation begins with curiosity. With the unconditional will to make something that is not just different, but noticeably better. We at Hansgrohe are curious by nature. But the methods have changed since Hans Grohe sketched his ideas on paper and realized them with the help of simple machines. In 2016, we invested EUR 4.5 million in a new research and development lab where we test new spray modes, develop products and subject our innovations to rigorous testing before they are launched on the market. In our on-site spray laboratory, spray researchers study water jets and their effects. The spray lab boasts a unique sound testing chamber where experts also explore and test the acoustics of various kinds of water jets.

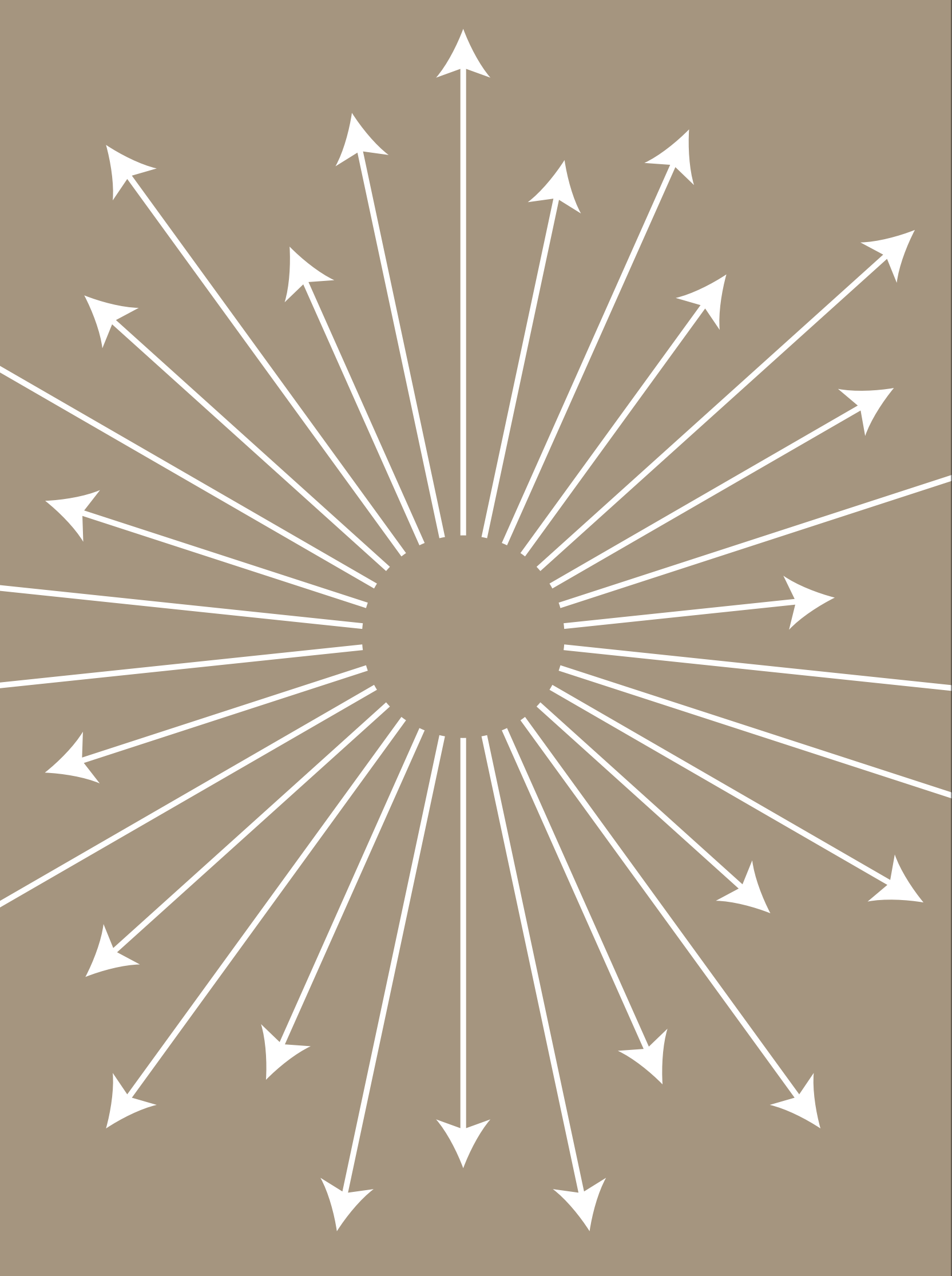
These efforts have led to innovations such as the PowderRain spray: its micro-fine droplets not only deliver an entirely new shower experience, but also reduce the sound of the shower to a soothing whisper — a perfect symbiosis of visual, tactile and acoustic aesthetics.

At our InnoLab in Schramberg, we explore new ways of developing innovations. Using novel methods, an interdisciplinary team of experts works on groundbreaking product ideas that have the potential of creating new markets — in the same way that our founder Hans Grohe once did with his handheld shower.

Just how innovative Hansgrohe is today is evidenced by the award from the Top 100 competition distinguishing us as one of the most innovative medium-sized German companies of 2018.

Looking to the future: Hansgrohe invests in innovative technology such as its PVD process





We Make Change Happen

As we all know, the best way to see into the future is to shape it. But how do we actually come up with innovative ideas that succeed in shaping future markets? What requirements and conditions must be met? Can a large, globally active company like Hansgrohe be as innovative as a young and flexible start up? Members of the Executive Board address these and many other topics that are of concern to Hansgrohe today and in the future for the first time in a joint interview.

A group of five men in business suits standing in a modern office hallway. From left to right: Frank Semling (grey suit), Christophe Gourlan (dark blue suit), Hans Jürgen Kalmbach (dark blue suit), Frank Schnatz (dark blue suit), and Reinhard Mayer (dark blue suit).

Frank Semling
Chief Digital Officer /
Labor Director

Christophe Gourlan
Chief Sales Officer

Hans Jürgen Kalmbach
Chief Executive Officer /
Chairman of Executive Board

Frank Schnatz
Chief Technology Officer

Reinhard Mayer
Chief Financial Officer /
Deputy Chairman



Hans Jürgen Kalmbach

»We want the entire company to become more open to new ideas, more innovative and more eager to experiment; we want to inspire and benefit from each other«

Innovation is the central theme of this annual report. In a sense, it's also innovative that for the first time we're talking to the entire Executive Board and not just the Chairman, who is new to this office. Is a new wind blowing at Hansgrohe?

➤ Hans Jürgen Kalmbach Yes and no. Work on the Executive Board has always been very cooperative and trusting, as it is throughout the entire company — this has been my experience over more than twenty years in the many different positions I have held at Hansgrohe. What's new perhaps is that teamwork has become more prominent. Because this sense of community, the values that unite us: these are very special achievements that help us master future challenges. We want to strengthen them as a team.

A new sales record, currency-adjusted growth of X percent: How do you rate the results of the 2018 fiscal year?

➤ Hans Jürgen Kalmbach All in all, 2018 was another good year of growth. We were able to gain market share in a number of markets and further strengthen our position. We continue to grow and that's important.

But: the uncertainties surrounding Brexit, looming trade wars, currency risks — these of course are all factors that affect our business. After all, we are a global player. Therefore, the results of 2018 are not quite what we aimed for. The fact that we were able to grow profitably again, all things considered, is a wonderful achievement. The performance of our employees in Germany, China, the USA and across the world is truly extraordinary, and for this we thank them very warmly.

What impact have innovations had on the company's performance?

➤ Reinhard Mayer A very large one. For years, new products that are not more than three years old have generated more than one-fourth of our turnover — that's really good. In the Top 100 competition, we were distinguished as one of the most innovative German medium-sized companies. We scored particularly well in the »Successful Innovations« category. The drive to innovate is deeply rooted in our DNA.

When is an innovation successful?

➤ Christophe Gourlan We expect an innovation to deliver a noticeably better experience when customers use our products. Our focus is always on customer benefit. The Powder-Rain spray is a good example: its thousands of micro droplets feel like a soft summer rain. In addition, the spray is so well designed that

it barely splashes, resulting in less limescale, requiring less cleaning. And it opens entirely new possibilities for shower placement — say, for example, in the middle of the bathroom.

How do you go about planning this kind of innovation?

➤ Reinhard Mayer Our research and development department definitely plays a major role. More than one hundred members of staff are constantly exploring new ways of shaping the flow of water and improving our customers' experiences in the bathroom and kitchen. We have to distinguish what kind of innovation we're talking about. Many of our innovations are basic innovations and incremental innovations that bolster our company and expand markets — these innovations are very important for our business. If we want to continue to grow over the years ahead, we will also need entirely new ideas and approaches — radical and disruptive innovations that will enable

»Radical and disruptive innovations that will enable us to conquer new markets and target groups. This is precisely why we founded the InnoLab«



Reinhard Mayer

us to conquer new markets and target groups. This is precisely why we founded the InnoLab, which allows us to explore areas far removed from our comfort zone, and we purposely chose a separate location: Schramberg.

What is the InnoLab exactly?

➤ Reinhard Mayer An interdisciplinary team works there on radical innovations, mentally and physically removed from the company's day-to-day business. It's about fundamentally challenging the status quo — experimenting and developing completely new solutions and products. Thanks to new technologies like 3D printing, prototypes can be produced quickly and tested by customers. Anything that doesn't work is quickly scrapped. The failure, of course, is part of the process because with every failure we learn more about the cause of the customer's problem. At the end of the process, only a few products are actually launched. Of course, aspects such as technical



Christophe Gourlan

feasibility, cost-effectiveness, marketing and the business model play a role, because in the end, the product has to be profitable, as well as effective in moving Hansgrohe forward and increasing the company's value.

What does the company hope to achieve?

➤ Hans Jürgen Kalmbach Firstly, that one or the other innovation will actually emerge and allows us, as a leading innovator, not only create a new product, but also a new product category and a new market. Secondly, we want the entire company to become more open to new ideas, more innovative and more eager to experiment; we want to inspire and benefit from each other — the InnoLab experiments with methods that will help us accomplish this.

➤ Frank Semling The InnoLab is also an example of how innovative approaches to work can make us more attractive to a future generation



Frank Semling

of skilled professionals. The high potentials of the future have totally different ideas of how and where they want to work. The InnoLab is an example of a new flexibility and openness that is gradually gaining ground in our company. Of course, merging an agile startup culture with the values of a company rich in tradition poses a challenge — but it's a path we must embark upon if we wish to continue to attract the skilled employees we need in the future.

The Hansgrohe Campus provides room for professional and personal development and is no doubt another argument in the competition for talent. A few months ago, a new Digital Department was added. What was the idea behind that?

➤ Frank Semling Considering that innovation is our DNA, digitalization poses a real opportunity for Hansgrohe: to increase customer focus, create intelligent products and services that use data and technologies, and secure a greater competitive edge. But we all need to acquire new skills to keep up because digitalization is an issue that cuts across all these different areas. The new Digital Department explains digitalization, what it means to the company, and conveys the skills required to apply it successfully — and at all levels. So-called digital transformers will spearhead the digital transformation in our departments and help us to implement and live digitalization extensively throughout the organization.

In spite of all digitalization: Hansgrohe still produces very real products, and lots of them — what does innovation in production look like?

➤ **Frank Schnatz** Our priority in production is to make processes faster and more efficient. The world we live in is moving faster and faster and that's why we need to increase the pace throughout the company's operations. We invested about EUR 30 million in an ultra-modern plastic electroplating facility that we're currently building in Offenburg and that sets new standards in terms of resource and energy efficiency. This means that together with our highly automated logistics center, we have an optimal logistics chain at our Offenburg site, enabling us to respond to changing customer needs with maximum speed — from procurement to production to delivery.

What impact do uncertain conditions and changes on international markets have on Hansgrohe's growth strategy?

➤ **Christophe Gourlan** We reviewed our growth strategy and have decided to focus on five markets. Those are — besides Germany, our most important market — the USA, the United Kingdom, France and China. Of course, every market has its idiosyncrasies. In China and in emerging markets in general, we need to be present in other price segments and develop new products in order to succeed. In China, for example, water filtration is an issue, as drinking water doesn't have the quality we're used to in Europe — so we launched suitable new products in 2018.

Sometimes, products developed for these markets also become international success stories. For example, the kitchen sink and faucet combination units that we initially introduced in China in 2015 successively opened new

market segments for us in other countries. Before the end of the year, we will also introduce new product categories in the bathroom segment on the Chinese market; with the option that other markets will follow. We are a globally active company and therefore constantly face new challenges in different regions. We're used to managing these volatile and unpredictable situations and Brexit is no doubt one of them. The United Kingdom continues to be a very important market and we will not disinvest.

What else we expect in 2019?

➤ **Hans Jürgen Kalmbach** We bring digitalization to the bathroom with our hansgrohe brand — customers expect this of us. But here in particular: we have to offer added value and real benefit. A voice assistant that turns on the shower is just not enough — we expect more from innovation. With the RainTunes shower system, a mobile app is used to experience seven scenarios that offer a novel shower experience. The settings include spray modes, water pressure, temperature, and even lighting and scents. In the medium term, such comprehensive systems will also lead to a new way of thinking in the sanitation industry. With AXOR, we are pushing boundaries with the new AXOR Edge range, both aesthetically and technically.

➤ **Frank Schnatz** AXOR Edge is also a good example of the spirit of innovation that marks our production processes. The precise geometry created by French designer Jean-Marie Massaud would not have been possible to produce with conventional grinding and polishing technology. For this architectonic design product our engineers used an ultra-precision machine that allows us to produce brilliant surfaces and perfect



Frank Schnatz

»AXOR Edge is also a good example of the spirit of innovation that marks our production processes.«

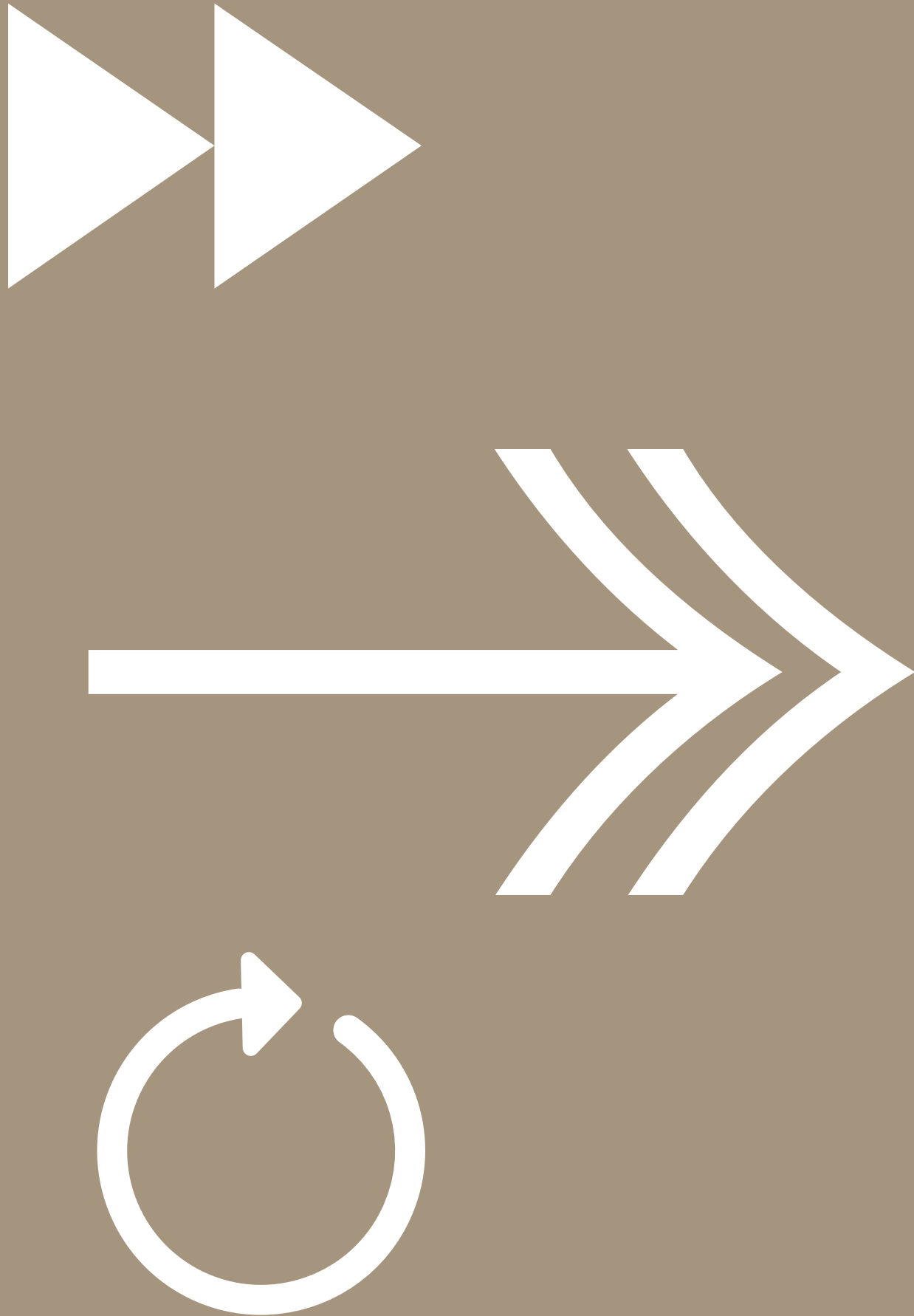
beveling. This type of machine is normally used in space technology and in the production of high-end jewelry and watches.

What are your business goals for 2019?

➤ **Hans Jürgen Kalmbach** In view of the ongoing level of uncertainty, we're expecting moderate growth in 2019, but our targets remain ambitious. We want to continue to grow faster than the market and further increase profitability. Faucets and showers are still our core business, but we wish to continue to expand our business to include other areas.

We began with a kitchen range and other product areas will follow. The water filtration mentioned earlier is one example. The prospects for further growth are excellent. In 2018, we not only invested in technology and buildings, but above all in people.

We increased the number of permanent employees and all our trainees were hired; many temporary employees were also given permanent employment. There's one thing I am sure of: The combined skills and expertise, the commitment and innovative strength of our employees will enable us to continue to celebrate new successes in 2019. We, as members of the Executive Board, will work together to do everything possible to ensure that Hansgrohe remains a leader into the future.



Values

Innovation, design, quality: These are the values that we bring to life every day and that stand behind our continuous and uncompromising goal to offer customers the highest possible benefit. They are the forces that drive us to excel — be it in the development and design of our bathroom and kitchen products, in the manufacturing process, or in sales and marketing. These values are evident in the revolutionary functionality, the highest quality standards and the exceptional design of our products — qualities which make them increasingly appreciated on markets worldwide.

Innovation at Hansgrohe goes beyond the invention of trendsetting bathroom and kitchen products. We are committed to sustainable processes, technologies and manufacturing methods throughout the entire company. For us, being innovative in product development means thinking from people to products. What do people want? What products make their lives easier? What appeals to them in terms of design?

Every day, dedicated teams of inventors and spray researchers work at developing ideas for the future that make our customers' lives noticeably more pleasant and convenient. Our aim is not to keep up with short-lived trends but to achieve real progress. This mission is reflected in the following company figures: the Hansgrohe Group holds more than 16,000 active property rights, and every year, we register hundreds of new designs, patents and trademarks. Products that are new and less than three years old generate 25 to 30 per-cent of our overall sales.

Quiet as a whisper: PowderRain spray being tested in the acoustics lab



Design

At Hansgrohe design is about more than the way faucets, shower fixtures and accessories look. With our AXOR and hansgrohe brands, we work with renowned designers to focus on providing the optimum customer value — both aesthetically and functionally. We aim to provide the perfect experience in the bathroom and kitchen — with products whose form

and function have been carefully thought out down to the last detail. Our products provide enjoyment over the long term — and not just because they continue to function perfectly even after many years of use: their sophisticated and timeless aesthetics also outlast every short-lived trend. This gives our customers the satisfying feeling that they have made a worthwhile long-term investment.

Elegant finishes: A faucet with Physical Vapor Deposition surface finish

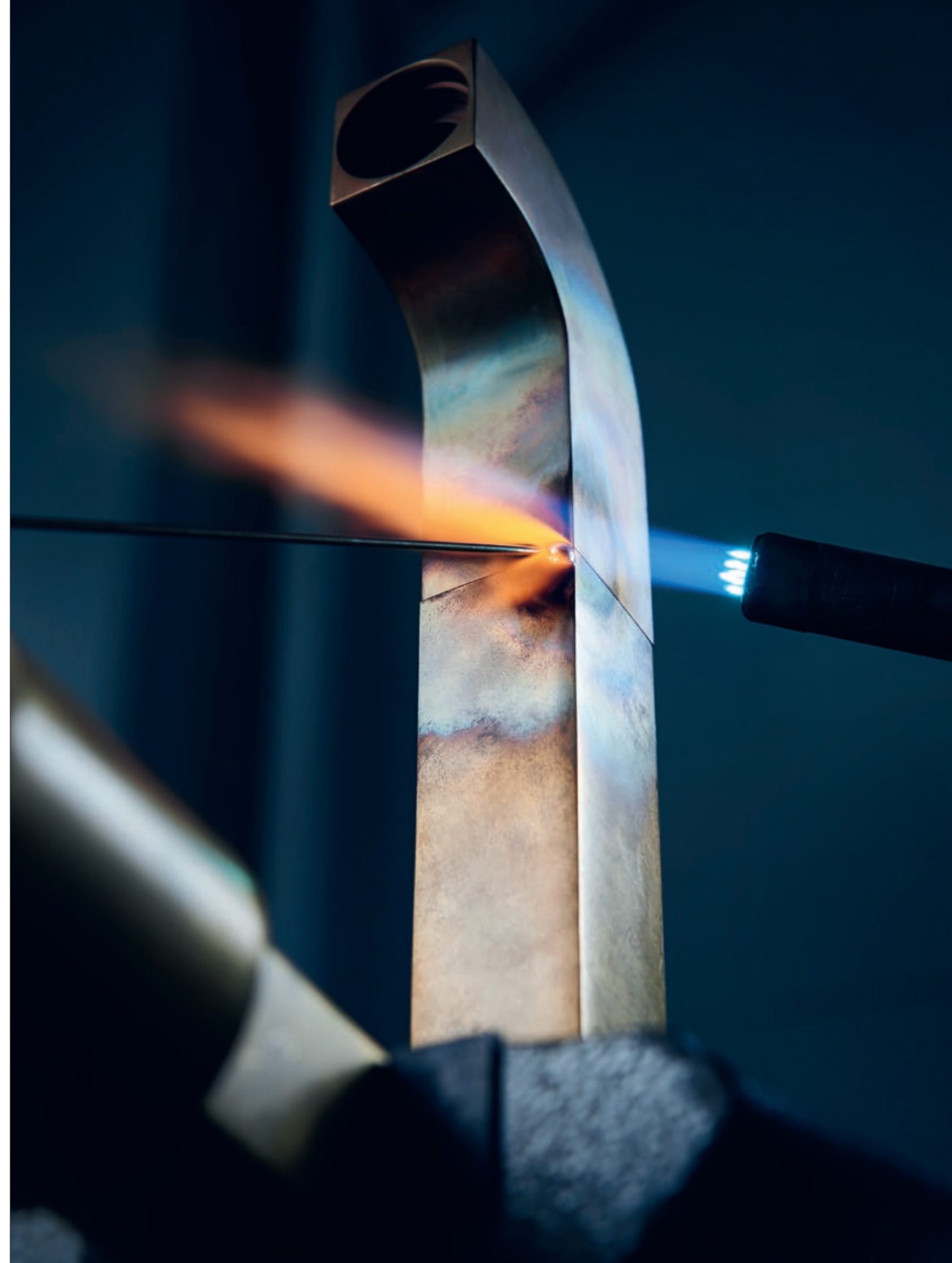


Quality

Customers who are renovating a bathroom or planning a new one want to be sure that the fixtures will last for years to come. Faucets and showers must be durable. We promise our customers: Hansgrohe products are of premium quality — in terms of material, form and function. And we go to great lengths to make sure we keep this promise.

The durability of products is tested in thousands of cycles, and undergo endurance testing and field testing before they are ready for serial production. We operate a rigorous quality management system and trained and experienced staff ensure strict quality control at every point. The many certificates and test results from independent certification authorities and the awards we have won at renowned competitions are testimony to our premium quality, as is the enduring satisfaction of our customers around the world.

Perfect craftsmanship: Hard-wearing faucets of utmost quality and durability





Brands

Be it AXOR or hansgrohe: the core values of the Hansgrohe Group — innovation, design and quality — are reflected in every single one of our products. However, when it comes to design and communication, each brand has its own distinctive feel. And in this way, they become part of our customers' personal living environments.

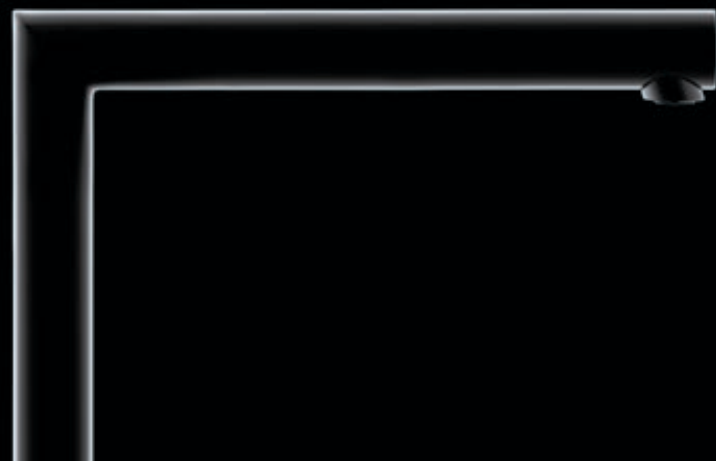
Form Follows Perfection

Our AXOR brand is synonymous with luxury in the bathroom and kitchen. We have been developing visionary design objects together with internationally acclaimed architects and designers for 25 years. »Form Follows Perfection« is our guiding principle: the development process ends only when there is nothing more to add or remove. This is how we create avant-garde, unique products and complete collections of the highest aesthetic and technical quality.

AXOR gives architects and designers carte blanche to come up with new concepts that are then developed and realized in close cooperation with our developers and engineers. International top creatives such as Philippe Starck, Antonio Citterio, Patricia Urquiola, Jean-Marie Massaud, Front, Nendo and Edward Barber & Jay Osgerby are inspired to give their best. Developed and engineered to perfection, these design objects can be found in the world's most luxurious bathrooms and kitchens.



AXOR



Expression of Individuality

Every person is unique. AXOR enables people to express their individuality — because AXOR personalizes bathrooms. This is made possible by AXOR's impressively large portfolio, comprising some 2,000 products from various collections and ranges. Unique in their philosophy, their development and their style, AXOR's innovations bear their designer's signature. Aesthetics, water design and functionality are continually being redefined.

Since 2018, AXOR MyEdition has led the avant-garde of bathroom personalization — designed by our partners of the first hour, Phoenix Design. The clean, linear design sets the stage for personal expression and creativity. The faucets can be customized with plates made of materials such as leather, wood, marble and mirrored glass: customized to perfection.



Meet the Beauty of Water

hansgrohe is our premium brand of shower-heads, shower systems, bathroom and kitchen faucets, and kitchen sinks. An affinity for design, a pioneering spirit and the German art of engineering result in products whose excellent design appeals to customers around the world. And they offer noticeably more benefits thanks to their outstanding ease of use and intelligent functions. With our numerous award-winning products, we shape the flow of water in the bathroom and kitchen.

Our solutions are as diverse as the people and the spaces they live in. Our product portfolio comprises faucets for washbasins, showers and tubs as well as hand showers, overhead showers, shower pipes and shower systems. But it doesn't stop there: our products also include kitchen faucets, kitchen sinks and sink and faucet combination units. Wherever water flows, hansgrohe provides an aesthetically pleasing and functionally superior solution.





Refreshingly Different

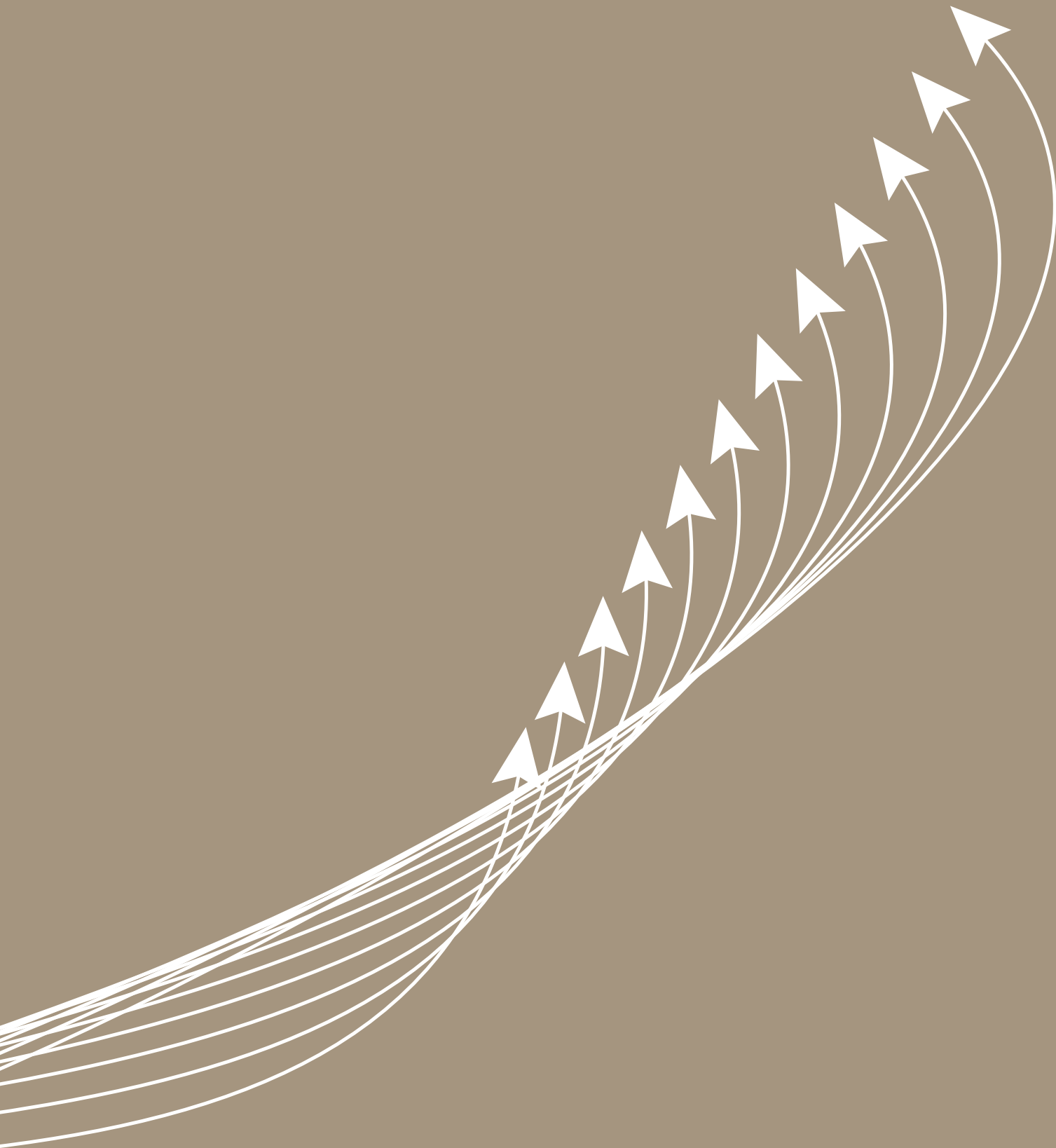
Bathrooms and kitchens are evolving: spaces that used to be predominantly functional are becoming places of well-being; retreats where we can leave the world behind and relax and recharge our batteries; places where we experience precious moments of emotional fulfillment. In all this, water plays a central role — and with it, so do products by hansgrohe.

Our aim is to make our encounter with water a new and refreshingly different experience every day. To this end, we create groundbreaking solutions that combine form and function in ways that are always new and inspiring and which fit into a variety of style worlds and come in a wide range of materials, always of superior quality.



Facts & Figures

The following pages offer a brief overview of the most important facts and figures of the past fiscal year. Please refer below to the *2018 Business Report* for more detailed information.



Turnover in 2018

↗ **€ 1,081,070,000**

↗ **+1.5 %**

Sales growth

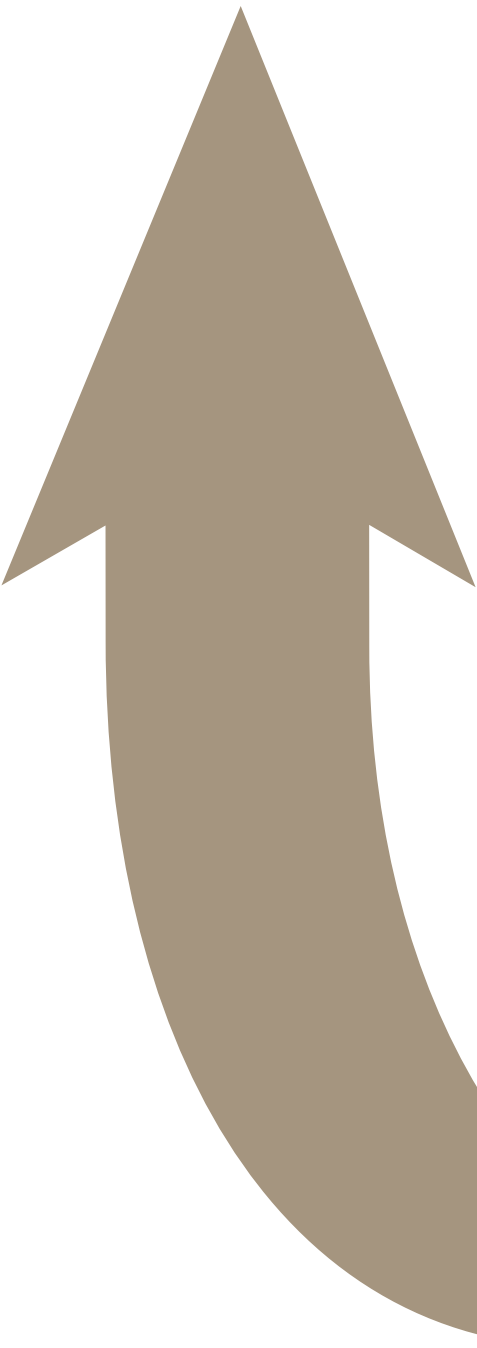


Turnover in Germany

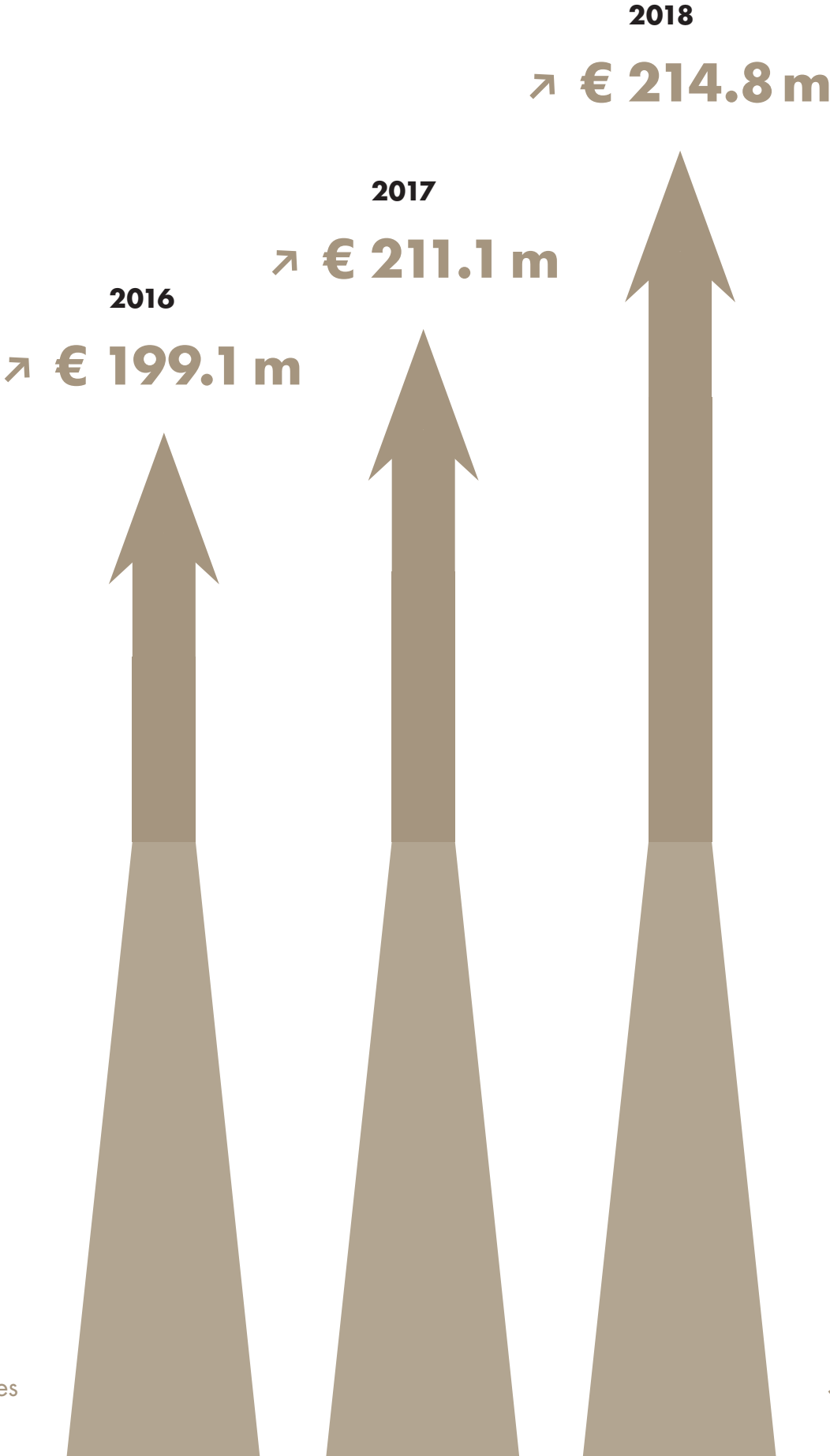
↗ **€ 246,541,000**

↗ **+4.0 %**

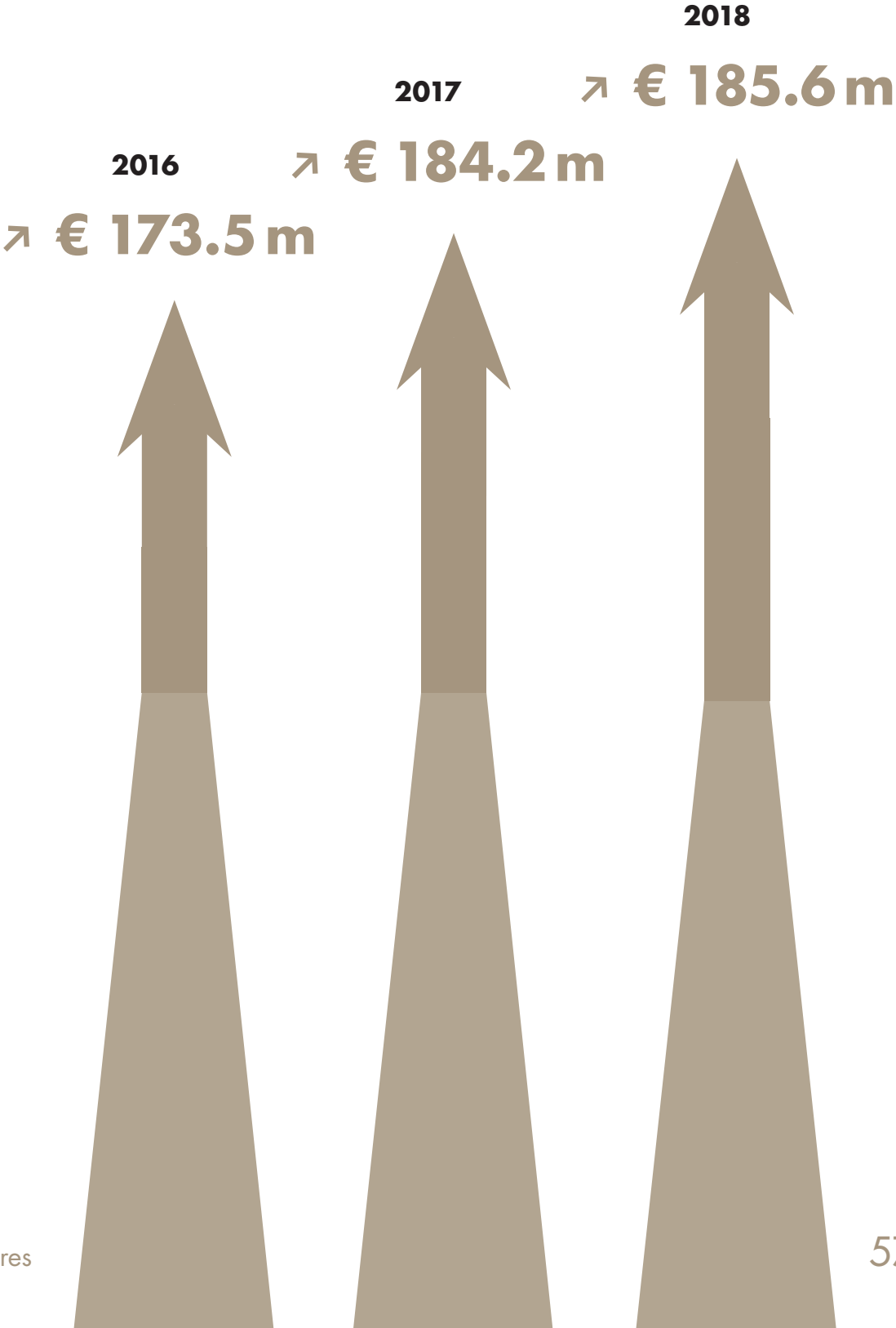
Sales growth



EBITDA



Operating Profit

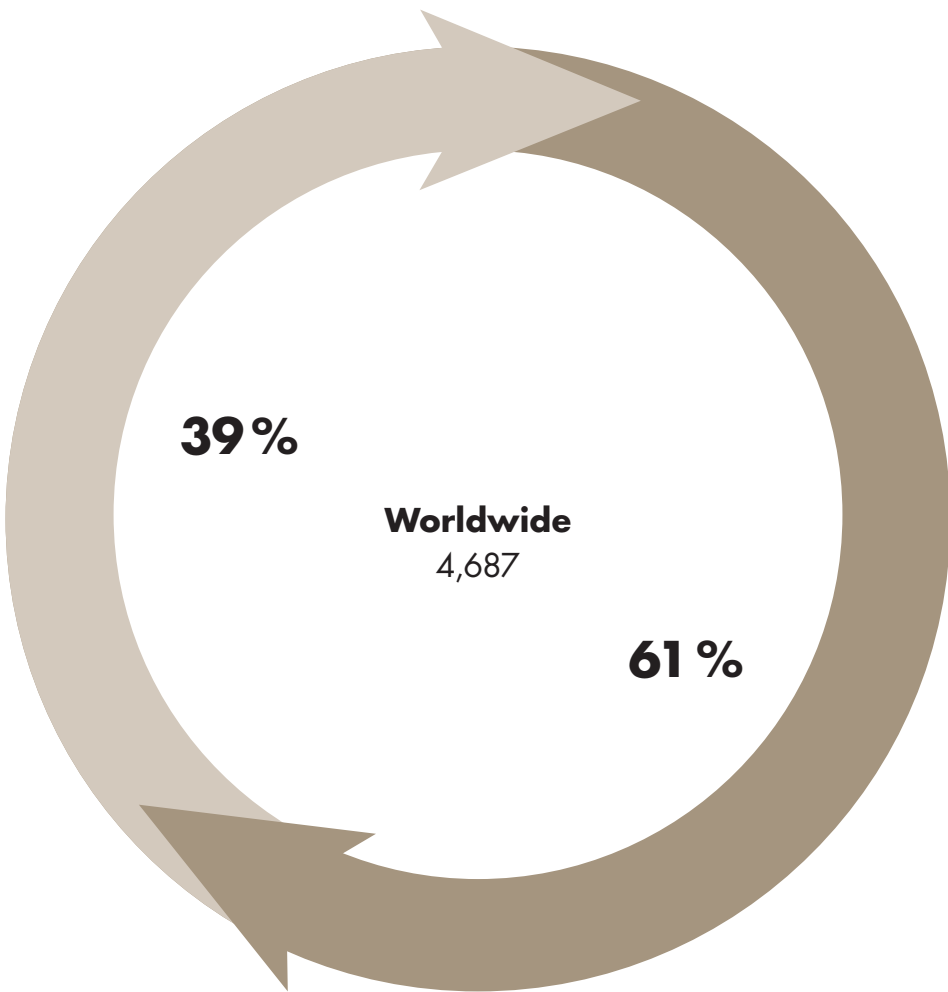


Employees worldwide

4,687

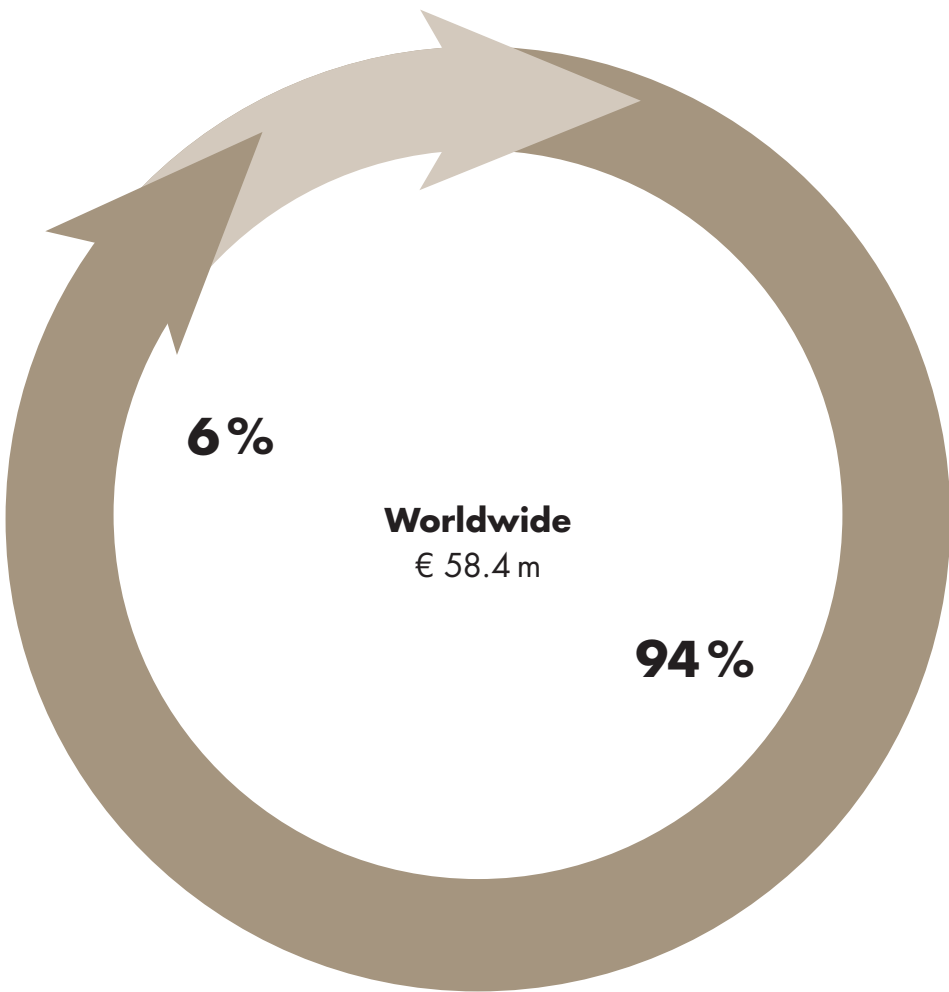


Breakdown of Employees



- **Germany**
2,864
- **Rest of world**
1,823

Investments



- **Germany**
€ 55.1 m
- **Rest of world**
€ 3.3 m



Securing the Future Together

In times of unpredictable conditions and increasingly complex markets, it is even more important for companies to have and live by their values. This is the only way of ensuring that our employees are committed to the same goal with all their strength and conviction: to carry forward Hansgrohe's 118-year story of success. This is why, together with our staff, we have defined the values that unite us and that guide the way we think and act daily.

Passion

»We are proud to be part of Hansgrohe and pursue our work with passion and enthusiasm. Our extraordinary passion for water, innovation and design, helps us to create exceptional products. We inspire our customers, partners and each other.«

hansgrohe products evoke positive emotions — both when in use and when they are being created. The passion which our employees put into their work, day after day, can be seen in our products. It is a pleasure to create something that brings people positive experiences. And this is the key to our continued and growing success.

Appreciation

»We are respectful and fair to each other and give constructive feedback. We state our opinions and acknowledge the actions and achievements of others. This creates the basis of our teamwork and mutual trust.«

No matter if someone works in production or logistics, is a member of the Executive Board, works in Germany or at one of our international sites, is a permanent employee or temporary staff: every single employee is valuable to the company in their own way — and deserves proper recognition and esteem. At Hansgrohe it goes without saying that we treat each other with respect and fairness at all levels. This is one of the many reasons that satisfaction with Hansgrohe as an employer is so high — and we put a great deal of effort into ensuring that it stays that way, even in an increasingly uncertain market environment. After all, only satisfied employees are highly motivated; and only employees who are highly motivated create exceptional products. And only those who create exceptional products will be able to achieve extraordinary success in the future.

Teamwork

»We approach each other openly and show mutual interest; we give and take. Together we tackle challenges and support each other. In teams, we develop innovative and exceptional solutions that reflect the sum of our ideas. We are proud of our achievements and are ready to actively take on the opportunities and challenges of the future.«

The products that customers buy and use every day in their bathrooms and kitchens are the result of complex processes. The people involved are very different and have very different skills. Every single one of them does their share to inspire customers to buy our products and to ensure that their use creates a positive experience.

In the future, teamwork will become even more important for our success — in increasingly complex markets, challenges will become even more diverse. Only together can we successfully master these new challenges. That's why at Hansgrohe we are committed to teamwork, at the our individual production locations and throughout the entire company.

Trust

»We do what we say and we carry our decisions together. With our reliable and professional behavior, we establish mutual trust and empowerment, which encourage us to act independently.«

At Hansgrohe, we do not just provide freedom in the figurative sense, but increasingly in the literal sense as well. An example of this is the InnoLab in Schramberg. Physically removed from day-to-day business, an interdisciplinary team works here independently, developing the innovations of the future.

Here, thinking has no boundaries. Failure is perceived as a natural part of the experimental process. If it results in one or two innovations that have the potential of creating a totally new market, the experiment as such is considered a success. What is even more important is that this spirit of constant curiosity and open thinking is also reflected in our day-to-day business.



»In 2019, working together with management and our highly dedicated staff, we will continue adding productive chapters to the Hansgrohe success story. I look forward to our shared future.«

Klaus F. Jaenecke
Chairman of the Supervisory Board



Letter from the Supervisory Board

Dear Ladies and Gentlemen,
Customers and Partners,

Innovation is the key to success in rapidly changing international markets. People buy products that offer significant added value and enrich their lives. In 2018, the Hansgrohe Group with its AXOR and hansgrohe brands again succeeded in winning over people around the world with products that are an idea more ingenious than others.

This is reflected in the results of the 2018 fiscal year. Despite difficult conditions, we were able to advance our success story, achieving yet another record EUR 1.08 billion in sales. On behalf of my colleagues on the Supervisory Board and myself, I would like to take this opportunity to thank all employees of the Hansgrohe Group whose ideas, dedication and commitment have made this possible.

In 2018, we again put a great deal of effort into ensuring that we continue to be one of the leaders in our industry as we move towards the future. This is exemplified by the addition of the Digitalization Department to the Hansgrohe Campus, the founding of the InnoLab, and the progress we have made in the construction of our new plastic electroplating facility in Offenburg.

We also made further adjustments to our company structure to be optimally prepared to meet the challenges ahead. Effective 1 August 2018, Hans Jürgen Kalmbach was designated the new Chairman of the Executive Board with Reinhard Mayer as Deputy Chairman. Hans Jürgen Kalmbach succeeded Thorsten Klapproth who, following four years of impressive corporate growth, stepped down from his position as CEO. Thorsten Klapproth was a major contributor to the successful expansion of Hansgrohe over the past few years. And for this, on behalf of the entire supervisory board, I would like to thank him wholeheartedly.

Hans Jürgen Kalmbach, who started his career with Hansgrohe in 1998, will continue to develop and implement our successful growth strategy. From early 2018, as an executive board member responsible for international sales, he has played a decisive role in significantly strengthening the group's sales operations in the course of our global expansion. In addition to product and innovation management, his responsibilities now also include product development; as a result, the entire product-related process will focus even more closely on our customers.

There has also been a change in the Supervisory Board: Richard Grohe has taken over the position held on the board by his brother Pierre Nikolas Grohe. On behalf of all the members of the Supervisory Board, I would like to thank Pierre Nikolas Grohe for his many years of dedicated service. With Richard Grohe, also a grandson of the company's founder Hans Grohe, we have acquired a committed, experienced and qualified industry expert on the Supervisory Board.

»In 2019, working together with management and our highly dedicated staff, we will continue adding productive chapters to the Hansgrohe success story. I look forward to our shared future.«

Yours sincerely,
Klaus F. Jaenecke
Chairman of the Supervisory Board

Publisher
Hansgrohe Group
Public Relations
public.relations@
hansgrohe-group.com
www.hansgrohe-group.com

Editor
Dr. Jörg Hass

Concept, text and art direction
BOROS

Printing
Straub Druck

Image managent
Ellen Kiefer

Translation
Alexis Conklin, WordzWork

Photo credits
pp. 9–12 Hansgrohe Historical archive
p. 13 above left: Hansgrohe SE,
below left: AXOR/Hansgrohe SE,
below right: hansgrohe/Hansgrohe SE
p. 14 above left: Hansgrohe SE,
above right: hansgrohe/Hansgrohe SE,
below right: AXOR/Hansgrohe SE
p. 15 AXOR/Hansgrohe SE
p. 17 Kuhnle + Knödler for
AXOR/Hansgrohe SE
pp. 20–27 Tom Ziora for Hansgrohe SE
p. 31 Hansgrohe SE/Braxart
p. 33 Jehle/Will OHG for
AXOR/Hansgrohe SE
p. 35 Jehle/Will OHG for
AXOR/Hansgrohe SE
pp. 39–43 AXOR/Hansgrohe SE
pp. 45–49 hansgrohe/Hansgrohe SE
p. 67 Andreas Pohlmann for Hansgrohe SE

Business Review
2018

Business Review 2018

Balance Sheet

ASSETS IN €K	31 Dec 2018	31 Dec 2017
Cash and Cash Investments	182,715.8	236,237.9
Accounts Receivables	120,384.2	98265.8
Total Inventory	140,532.8	143,962.0
Prepaid Expenses	9441.3	8,757.2
Other Current Assets	737.1	–
Total Current Assets	453,811.2	487,222.9
Intangible Assets	128,049.6	129,021.7
Land and Land Improvements	12,351.9	12,340.1
Buildings and Improvements	104,143.4	103,132.2
Machine Tools and Equipment	304,410.6	281,576.5
Office Delivery and Other	57,805.0	47,459.9
CIP Total	39,090.1	23,307.5
Total Cost Property and Equipment	517,801.0	467,816.2
Accumulated Depreciation Property and Equipment	–242,407.0	–221,414.3
Fixed Assets Net	275,394.0	246,401.9
Total Assets	857,254.8	862,646.5

LIABILITIES AND SHAREHOLDERS' EQUITY	31 Dec 2018	31 Dec 2017
Short Term Notes Payable	–	133.1
Accounts Payable	96,859.1	94,557.2
Accrued Liabilities	98,938.9	84,929.6
Current Liabilities	195,798.0	179,619.9
Long Term Debt Total	–	–
Deferred Taxes	–5,466.2	–1,836.8
Deferred Other	67,504.1	60,704.4
Long Term Liabilities	62,037.9	58,867.6
Total Liabilities	257,835.9	238,487.5
Shareholders' Equity	599,418.9	624,159.0
Total Liabilities and Shareholders' Equity	857,254.8	862,646.5

Consolidated Statement of Income

IN €K	31 Dec 2018	31 Dec 2017
Germany	246,541	237,169
Subsidiaries	738,056	717,511
Export	96,472	110,236
Net Sales	1,081,070	1,064,916
Gross Profit	400,407	395,447
Selling and Administration Expenses	214,837	211,214
Operating Profit	185,570	184,233
Other Income/Expenses	–3,390	–1,346
Income/Loss before Taxes	182,180	182,887
Taxes	46,480	49,637
Net Income/Loss	135,700	133,250

Key Figures

		2018	2017	2016	2015	2014
Net Sales	€m	1,081.1	1,064.9	1,019.4	954.9	869.9
EBITDA	€m	214.8	211.1	199.1	182.9	177.2
in % of Net Sales	%	19.9	19.8	19.5	19.2	20.4
Operating Profit	€m	185.6	184.2	173.5	158.6	155.0
in % of Net Sales	%	17.2	17.3	17.0	16.6	17.8
Net income	€m	135.7	133.3	120.5	111.7	108.5
in % of Net Sales	%	12.6	12.5	11.8	11.7	12.5
Net Cashflow from operating activities	€m	157.7	130.5	98.1	130.0	145.8
in % of Net Sales	%	14.6	12.3	9.6	13.6	16.8

The World of Hansgrohe



Locations

Hansgrohe SE

Auestraße 5–9
77761 Schiltach
Phone: +49 7836 51 0
Fax: +49 7836 51 1300
info@hansgrohe-group.com
www.hansgrohe-group.com

Argentina

Hansgrohe S. A.
Av. del Libertador 14323
B1640APB Martinez
Buenos Aires
Phone: +54 11 4733 2400
Fax: +54 11 4733 2499
info@hansgrohe.com.ar
www.hansgrohe-la.com

Australia

Hansgrohe Pty Ltd
Level 1, 123 Camberwell Rd,
East Hawthorn
3123 Victoria
Phone: +61 3 9811 9971
Fax: +61 3 9804 0042
info@hansgrohe.com.au
www.hansgrohe.com.au

Austria

Hansgrohe
HandelsGES. mbH
Industriezentrum
N.Ö. – Süd,
Straße 2d/M18
2355 Wiener Neudorf
Phone: +43 223 66 28 30
Fax: +43 223 66 19 05
info@hansgrohe.at
www.hansgrohe.at

Belgium

Hansgrohe N.V.
Riverside, Business Park
Internationelaan, 55
Building K
1070 Brüssel
Phone: +32 2 543 01 40
Fax: +32 2 537 94 86
info@hansgrohe.be
www.hansgrohe.be

Brazil

Hansgrohe Brasil
Rua Cristiano Viana, 401 Sala
1001 Cerqueira César
CEP: 01403-001
São Paulo, SP
Phone: +55 11 3149 7070
Fax: +55 11 3149 7099
info@hansgrohe.com.br
www.hansgrohe.com.br

China

Hansgrohe Sanitary Products
(Shanghai) Co., Ltd.
No. 2999 Shengang Road
PRC – 201611 Songjiang
Industrial Zone (East) Shanghai
Phone: +86 21 3774 2200
Fax: +86 21 3774 2202
info@hansgrohe.com.cn
www.hansgrohe.com.cn

Croatia

Hansgrohe d.o.o.
Horvatova 82, 10010 Zagreb
Phone: +385 1 5630 800
Fax: +385 1 5630 899
info@hansgrohe.hr
www.hansgrohe.hr

Czech Republic

Hansgrohe CS s.r.o.
Dornych 47, 617 00 Brno
Phone: +420 511 12 05 50
Fax: +420 511 12 05 99
info@hansgrohe.cz
www.hansgrohe.cz

Denmark

Hansgrohe A/S
Jegstrupvej 6
8361 Hasselager
Phone: +45 86 28 74 00
Fax: +45 86 28 74 01
info@hansgrohe.dk
www.hansgrohe.dk

Finland

Hansgrohe SE
Arabiankatu 12
00560 Helsinki
Phone: +358 207 931 340
Fax: +358 207 931 349
info@hansgrohe.fi
www.hansgrohe.fi

France

Hansgrohe Wasselonne S.A.S.
Parc d'activités les Pins
67310 Wasselonne
Phone: +33 3 88 04 21 60
Fax: +33 3 88 04 21 61
info@hansgrohe.fr
www.hansgrohe.fr

Hansgrohe S.à.r.l.
Parc de Haute Technologie
27, rue Georges Besse
92182 Antony Cedex
Phone: +33 1 46 11 45 00
Fax: +33 1 46 11 45 39
contact-fr@hansgrohe.com
www.hansgrohe.fr

Germany

Hansgrohe Deutschland
Vertriebs GmbH
Auestraße 5–9
77761 Schiltach
Phone: +49 7836 51 0
Fax: +49 7836 51 1141
info@hansgrohe.de
www.hansgrohe.de

Hungary

Hansgrohe Kft.
Forgách u. 11–13
1139 Budapest
Phone: +36 1 236 9090
Fax: +36 1 236 9098
info@hansgrohe.hu
www.hansgrohe.hu

India

Hansgrohe India (pvt.) Ltd.
Office Nos, 601–604
Lunkad Sky Station
Viman Nagar
411016 Pune, Maharashtra
Phone: +91 20 6625 9500
Fax: +91 20 6625 9599
info@hansgrohe.in
www.hansgrohe.in

Italy

Hansgrohe S.r.l.
S.S. 10 km, 24,4
14019 Villanova d'Asti (AT)
Phone: +39 0141 93 11 11
Fax: +39 0141 94 65 94
info@hansgrohe.it
www.hansgrohe.it

Japan

Hansgrohe Japan K.K.
Tennozu First Tower 2F
2-2-4 Higashi Shinagawa
140-0002 Tokyo
Phone: +813 5715 3050
Fax: +813 5715 3088
info@hansgrohe.co.jp
www.hansgrohe.co.jp

Kazakhstan

Hansgrohe SE
Nauryzbai Batyr street 1
part A3, Microdistrict
„Keremet“
50013 Almaty city
Phone: +7 727 3150916
Fax: +7 727 3150917
info@hansgrohe.kz
www.hansgrohe.kz

Kingdom of Saudi Arabia

Hansgrohe SE
AlFaisaliah Tower
11th Floor - Area C1
Riyadh, KSA
Phone: +966 11 273 49 34
info@hansgrohe-group.com
www.hansgrohe-group.com

Malaysia

Hansgrohe Pte. Ltd.
Penthouse (Level 27)
Centrepont South
The Boulevard,
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Phone: +60 122 10 35 99
Fax: +60 320 96 97 82
info@hansgrohe.com.sg
www.hansgrohe.com.sg

Mexico

Hansgrohe S. de R.l. de C.V.
German Centre, 0-2-02
Av. Santa Fe #170
Col. Lomas de Santa Fe
01210 Mexiko, D.F.
Phone: +52 55 5261 4170
Fax: +52 55 5261 4199
info@hansgrohe.com.mx
www.hansgrohe-la.com

Morocco

Hansgrohe SE
Centre d'Affaires Contempo
(3ème étage)
71 Angle Bd Mohamed
Vet Rue Azilal
20110 Casablanca
Phone: +212 529 03 64 64
Fax: +212 529 03 64 00
francois.daniel@hansgrohe.ma
www.hansgrohe-int.com

Netherlands

Hansgrohe B.V.
Nartiaweg 126
1043 CA Amsterdam
Phone: +31 75 646 14 00
Fax: +31 75 646 17 00
info@hansgrohe.nl
www.hansgrohe.nl

New Zealand

Hansgrohe Pty Ltd
c/o HFK Limited
Chartered Accountants
Level 4, 123 Victoria Street
NZ - Christchurch 8140
Phone: +61 3 9811 9971
Fax: +61 3 9804 0042
info@hansgrohe.com.au
www.hansgrohe.com.au

Norway

Hansgrohe Salgskontor NUF
Øvre Slottsgate 5
0157 Oslo
Phone: +47 327 95 400
Fax: +47 327 95 401
info@hansgrohe.no
www.hansgrohe.no

Panama

Hansgrohe SE
Regional Office Central
America & The Caribbean
Oficina 803,
Edificio Office One,
Calle 58, Obarrio,
Bella Vista
Ciudad de Panama
Phone: +507 263 1343
Fax: +507 263 1341
www.hansgrohe-la.com

Poland

Hansgrohe Sp. z o.o.
Koszykowa 65
00-667 Warszawa
Phone: +48 61 816 86 00
Fax: +48 61 816 86 09
info@hansgrohe.pl
www.hansgrohe.pl

Russia

Hansgrohe O.O.O.
Semenovskaya Square 1A
Business-Center
„Sokolnaya Gora”,
21st floor
107023 Moskau
Phone: +7 495 647 07 35
Fax: +7 495 647 07 45
info@hansgrohe.ru
www.hansgrohe.ru

Singapore

Hansgrohe Pte. Ltd.
69 Mohamed Sultan Road
239015 Singapur
Phone: +65 6884 5060
Fax: +65 6884 5070
info@hansgrohe.com.sg
www.hansgrohe.com.sg

Slovakia

Hansgrohe CS s.r.o.,
organizacna zlozka
Priemyselná 1/a
821 08 Bratislava
Phone: +420 511 12 05 50
Fax: +420 511 12 05 99
info@hansgrohe.sk
www.hansgrohe.sk

South Africa

Hansgrohe
South Africa (Pty) Ltd.
30 Archimedes Street
2090 Kramerville
Johannesburg
Phone: +27 11 445 0000
Fax: +27 11 445 0199
sales@hansgrohe.co.za
www.hansgrohe.co.za

South Korea

Hansgrohe Pte. Ltd.
No. 931 Hyundai Parisian
907-10 Mok-Dong
Yangcheon-Gu, Seoul
South Korea 158-050
Phone: +82 2 2061 1900
Fax: +82 2 2061 1901
info@hansgrohe.com.sg
www.hansgrohe.co.kr

Spain

Hansgrohe S.A.U.
Riera Can Pahissa, 26
8750 Molins de Rei
Phone: +34 93 680 39 00
Fax: +34 93 680 39 09
info@hansgrohe.es
www.hansgrohe.es

Sweden

Hansgrohe AB
Svngatan 2B
416 68 Göteborg
Phone: +46 31 21 66 00
Fax: +46 31 19 01 03
info@hansgrohe.se
www.hansgrohe.se

Switzerland

Hansgrohe AG
Industriestrasse 9
5432 Neuenhof
Phone: +41 56 416 26 26
Fax: +41 56 416 26 27
info@hansgrohe.ch
www.hansgrohe.ch

Taiwan

Hansgrohe Pte. Ltd.
No. 25, 4F, Suite 620
Sec. 1, Dun Hua S. Road
Taipeh
Phone: +886 2 2570 182
info@hansgrohe.com.sg
www.hansgrohe.com.sg

Turkey

Hansgrohe Armatür San.
ve Tic. Ltd. ti.
Ortaklar Cd. Bahçeler Sk.
Efahan Zemin Kat No. 20/C
Mecidiyeköy
34394 Sisli Istanbul
Phone: +90 212 273 07 30
Fax: +90 212 273 07 40
info@hansgrohe.com.tr
www.hansgrohe.com.tr

United Arab Emirates

Hansgrohe SE (JLT Branch)
Swiss Tower, Office 1904
Jumeirah Lake Towers
Dubai
Phone: +971 4 4480 200
Fax: +971 4 4480 299
me.support@hansgrohe.com
www.hansgrohe.com

United Kingdom

Hansgrohe Ltd.
Units D1 and D2,
Sandown Park Trading
Estate, Royal Mills
Esher, Surrey, KT10 8BL
Phone: +44 1372 465 655
Fax: +44 1372 470 670
enquiries@hansgrohe.co.uk
www.hansgrohe.co.uk

United States of America

Hansgrohe, Inc.
1490 Bluegrass Lakes Parkway
30004 Alpharetta, GA
Phone: +1 800 334 0455
Fax: +1 770 889 1783
info@hansgrohe-usa.com
www.hansgrohe-usa.com

Axor NYC Design Studio
29 Ninth Avenue
New York, NY 10014
Phone: +1 212 463 57 90
axornyc@hansgrohe.com
www.hansgrohe.com

All figures according to US-GAAP.
All current information and financials
are also available at
www.hansgrohe-group.com