

LAPP CONTINUES ON GROWTH COURSE

Higher turnover, more employees, successful investments. In the 2017/2018 financial year, LAPP continued its growth course. Turnover and headcount both rose by more than twelve percent in the reporting period.

After LAPP had achieved a turnover of more than € one billion in the 2016/17 financial year, the completed 2017/18 year saw growth of a further 12.3 percent to € 1,153 million. The number of employees increased by just under 12.6 percent to 4,245. Earnings before taxes increased by 5.6 percent to € 58.6 million. “We are fully on track and, thanks to our Strategy 2020 initiative, have been able to achieve above-average growth for several years”, confirmed Andreas Lapp, CEO of Lapp Holding AG. The largest growth was recorded in Europe, particularly as a result of acquisitions in Finland, Poland and Switzerland, as well as strong demand in the fields of industrial data communication (IDC) and ÖLFLEX® CONNECT (ready to use cable systems).

Significant increase in turnover

On balance, the considerable increase in turnover was only slightly affected by the increased copper price and currency fluctuations. “In relation to turnover, acquisitions account for an increase of

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At all
18
production sites

LAPP improved process stability and productivity.

around three percent. This confirms last year’s improved performance, with operational growth of around nine percent,” emphasised Dr Ralf Zander, Member of the Board, Finance and Controlling.

“We are right on course and thanks to our Strategy 2020, we are growing at a steady rate.”

Andreas Lapp,
Chairman of the Board of Lapp Holding AG

In the EMEA region (Europe, Middle East and Africa), turnover increased by 15 percent to € 826 million. Accounting for almost 72 percent of sales, EMEA is LAPP’s most important market. Turnover in Germany

The management team at LAPP is very satisfied with the past financial year (left to right): Alexander Lapp, Dr. Hilmar Döring, Dr. Ralf Zander, Andreas Lapp and Georg Stawowy



alone grew by nine percent to hit € 341 million. The APAC region (Asia-Pacific including Australia and New Zealand) increased its turnover by nine percent to just under € 212 million. The Central and North America region achieved an increase of 2.2 percent and hit € 106 million. Due to economic crises, sales revenue in South America fell by 18 percent to € 8.2 million. The 2017/2018 financial year was characterised by a solid financial performance. Earnings before interest, tax, depreciation and amortisation (EBITDA) increased to € 89.6 million (+10.6 percent). Earnings before taxes (EBT) were at € 58.6 million (+5.5 percent). Due to the increased balance sheet total and external financing relating to acquisitions, the equity capital ratio fell slightly to 48.9 percent (previous year: 53.9 percent), but is still at a high level. Member of the Board, Finance and Controlling, Zander said: "Overall, LAPP's financial performance remained extremely robust in the last financial year."

Investments in the future

In the last financial year, LAPP increased its investments by 29 percent to € 31 million. Alongside the ongoing global rollout of the SAP ECC 6.0 software, investments were made in machines, plant and logistics in the sales and manufacturing companies. The focus was on expanding project business and increased digitalisation, but also necessary investments due to acquisitions. For example, production capacity was doubled at the Indian production plant in Bhopal, and the warehouse capacity there was expanded by 70 percent. A new warehouse was opened in Satteldorf (close to Schwäbisch Hall) specially for project orders.

Significant increase in employees worldwide

The number of employees was increased in almost all subsidiaries worldwide. Recruitment figures in the EMEA region were above average, with an increase of 16 percent. Additional employees also came from acquisitions. A focus area for human resources was in organisational development, particularly the issues of digitalisation and process optimisation. "We want to make LAPP a learning organisation where our employees' life-long learning and the organisation's ongoing systematic development are closely interlinked," emphasised Dr Hilmar Döring, Member of the Board for Human Resources. He added: "LAPP's success can only continue if we keep our focus on

Turnover in the EMEA region rose by 15 percent to € 826 million and accounts for

72 percent of sales, making it LAPP's most important market.

31 million Euros



were invested by LAPP in innovations.



Andreas Lapp, Chairman of the Board of LAPP Holding AG (standing) is expecting further growth

people." With this in mind, a global training initiative was launched so that all employees can receive training on automation and industrial data communications.

Promising outlook

LAPP got off to another good start in the 2018/2019 financial year. "Provided that the global economy doesn't suffer another major downturn, we are expecting further growth throughout the current financial year," said Andreas Lapp. Significant momentum is expected in Asia-Pacific and Europe, especially in automation and IDC. ■

Business figures at a glance

	2016/2017 financial year	2017/2018 financial year	Change
Total turnover in € million	1,026.8	1,153	+ 12.3 %
Earnings before taxes in € million	55.5	58.6	+ 5.5 %
Employees worldwide	3,770	4,245	+ 12.6 %
Equity capital ratio in percent	53.9	48.9	- 5