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Discussion partner

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The topics:

- The result for the 2017/2018 financial year (as at 31 March 2018)
- Ready for digitization
- Smart machine operating solutions
- Further e-mobility growth

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KEBA marks its 50th birthday with a 31.5 per cent increase in organic revenue growth

During the past financial year (April 2017 to March 2018), the Linz-based KEBA Group generated sales worth EUR 253.6 million.

With a leap in revenues of EUR 60.6 million, which represents growth of 31.5 per cent, the KEBA Group achieved the best sales figures in its fifty-year history.

Moreover, when viewed over a period of the past five years, average group growth has amounted to 11 per cent annually (CAGR).

The export quota remained at an unchanged high level of 87 per cent. Around 61 per cent of exports went to the EU (excluding Austria) and 16 per cent to Asia.

FACTS	2017/2018	2016/2017	2015/2016	2014/2015
KEBA Group Sales in EUR m	253.6	193	181	189.5
Group employees	1130	1036	950	940
R&D	16.4%	20 %	18.5%	17%
Export	87%	87%	84.5%	86%

(Employee = FTE; as at 31.3.2018)

Business growth during the past year resulted in a corresponding increase in the numbers of qualified personnel and contrary to the predominant shortage of specialists, the group was able to continue to attract experts to its ranks. At present, KEBA has a global workforce of around 1,130.

KEBA headquarters are located in Linz, Austria and the group has branches in the eleven countries comprised by Germany, the Netherlands, Romania, Turkey, Italy, the Czech Republic, the USA, China, South Korea, Taiwan and Japan.

Leadership through research and development

Gerhard Luftensteiner: *“The KEBA name is a synonym for innovation, a word that we understand as meaning safeguarding the future. This is because the ongoing further development of our products and solutions also serves to secure our technological position in the market for the years to come. Consequently, we invest between 15 and 20 per cent of our annual sales revenues in R&D.”*

In line with this policy, during the twelve months under report the group made further investments in research and development, and raised its spending in this connection from EUR 38.1 million to EUR 41.5 million.

This continuous trend facilitates sustained growth, which is reflected by ongoing product innovations in the form of new solutions that are targeted on market demands and future-oriented trends. As a result, KEBA creates competitive advantages not only for itself, but also its customers.

As a highly innovative company, KEBA constantly examines the issues of tomorrow and current trends in conjunction with their related demands and opportunities.

Gerhard Luftensteiner: *“Our group’s fiftieth birthday provides a welcome opportunity to both obtain inspiration from an expert and listen to his experiences and points of view.”* These comments relate to the fact that as part of KEBA’s jubilee celebrations, the international futurologist, Peter Fisk, is to visit the company in Linz. *“Peter Fisk addresses issues and developments such as digitization and disruption, which are of relevance for us all and must be used to our advantage.”*

The economic upturn supports sales revenue growth

Especially pleasing development in Asia

2017 witnessed an unexpected economic upturn from which both Europe and the USA benefited. Asian markets developed in a particularly satisfactory manner and this also had an advantageous effect upon KEBA.

The group has been represented in Asia since 2000 and is continually strengthening its presence in the region. As a result, KEBA currently has a total of five locations in China along with its own branches in South Korea, Taiwan and Japan. In China, the name “KEBA” has come to personify a brand of the highest quality that is in great demand and therefore Asia occupies a significant position in group strategy.

As Gerhard Luftensteiner explains: *“Alongside Europe, Asia in general, and China in particular, is emerging as an increasingly important sales market. Consequently, we have further expanded our local sales and support capacity in the region. Moreover, our solutions for machinery and robots in the control, security and human-machine interface area are enjoying rising demand.”*

During the past year, the volume of international business demonstrated a general increase. This was reflected on the one hand by the export quota and on the other, by the scale of subsidiary sales revenues. For example, the Dutch subsidiary, DELEM, captured further market shares and thus registered additional growth. DELEM’s main focus is on the automation of sheet metal bending machines and in this field the company also possesses an excellent position in the Asian market.

With its extensive range of competences, KEBA is not only well represented in the OEM segment, but also the end customer market. Gerhard Luftensteiner: *“All of KEBA’s business areas contributed to the group’s organic growth of over 31 per cent in the past financial year.”*

Ready for digitization

The fact that the group has prepared itself well for the future becomes apparent upon any consideration of global trends and current topics such as digitization, the Internet of Things (IoT) and the fourth industrial revolution.

Smart machine operating solutions

Human-machine interfaces are playing an increasingly significant role in equipment automation. Therefore, operating systems have to become steadily simpler in order to reduce equipment complexity to a level at which, in a manner of speaking, it is no longer perceived by the operator. In addition, the frequent need for blind operation with a focus on the process must be supported in such a way that procedures are nonetheless safe and are controlled in real time. Moreover, technologies that represent a familiar aspect of everyday life, such as multi-touch operation have also entered the industrial field.

As a global player, KEBA has come up with a number of innovations in this regard, as exemplified by a control panel that provides the operator with direct feedback through vibrations (Force Feedback) and thus apart from sight also activates other senses such as touch. A further example from this area is provided by a panel with a fully adaptive rotary push button as a central operating element, which enables the operator to feel additional machine status information via a broad spectrum of haptic feedback.

For several decades, KEBA has been one of the market leaders in the industrial operating terminal segment and some 400,000 of its mobile, handhelds have already been supplied.

The future field of robotics

Robotics is another business area that is steadily gaining prominence and in an environment in which both the number of potential clients and competitors is growing, KEBA has already been able to secure a decisive advantage. Gerhard Luftensteiner: *“We recognized at an early stage that robotics represents a field of the future. Consequently, in recent years we have invested heavily in this area and have thus*

established a market lead. At present, the main focus of our development efforts is on the interplay between robots, machines and humans.”

In years to come, the teamwork between these three elements will also represent a decisive factor in productivity, subject to the fundamental precondition that this is based on safe machines and robots. Accordingly, with the successful development of an integrated safety control system, KEBA has established a fresh benchmark with respect to the secure operation and interworking of humans, machines and robots.

Every year, KEBA delivers around 30,000 control units to machinery and robot manufacturers, who in their own areas also constitute world market leaders.

All in all, Gerhard Luftensteiner is clearly satisfied with the positive development of KEBA's industrial business areas: *“We were able to profit from the excellent demand amongst our long-standing clientele in all industrial automation areas. Moreover, with our solutions in this field, we also succeeded in arousing the enthusiasm of numerous new customers.”*

From the digital to the real world with KEBA

Under the motto, “We provide transfers from the digital to the real world”, KEBA implements innovative solutions in the logistics and banking automation area.

The latest automation technologies transport banknotes from the digital to the real world. However, the question as to whether in the course of digitization banknotes will disappear is currently the object of intensive debate. KEBA is of the opinion that the need for personal security and the protection of the private sphere will remain a major priority, and that at least in Europe cash has a future.

KEBA successfully launched its “evo series”, which represents its latest ATM generation, onto the market in 2017 and in the process set new standards with regard to self-service withdrawals and deposits. A design reduced to essentials and a light-guided operating concept mean that for users machine complexity is no longer evident and operation is extremely straightforward. At the same time, comfort levels have been enhanced and for example, users can adjust the operating surface on the large monitor to match their own preferred size and position.

Furthermore, KEBA's development of an ATM that offers wheelchair accessibility has made banking terminal operation markedly simpler for the disabled or elderly persons using walkers. In addition, in spite of being barrier-free, the evo machines have a modern look and fit into the visual concepts of bank branches in optimum fashion. Therefore, the next major step with regard to "design for all" and barrier freedom has been taken.

If KEBA's focus to date was on interior installation in branch foyers, this approach has now changed somewhat with the recent addition to the equipment portfolio of an outdoor cash recycling ATM. It is thus possible to not only withdraw cash externally, but also place deposits and thus be more independent of the indoor facilities.

An 80 per cent share of the cash recycler market in Austria and 33 per cent in Germany speak volumes with respect to KEBA's strengths in this field.

The concept of transfers from the digital to the real world also applies in similar fashion to the logistics automation area. As a result of the increasing role played by online shopping, there is also a growing demand for so-called last mile solutions. The related rise in parcel volumes constitutes a major challenge for final delivery and therefore, KEBA's parcel automats facilitate quick, uncomplicated handovers on a 24-7 basis that is independent of business hours.

KEBA also numbers among the pioneers in this area and with its logistics automats, since 2000 has been a player in a market that now extends from Austria, Switzerland and Germany to northern Europe. In addition, postal and logistics organizations outside Europe have also turned to solutions from KEBA, which with some 6,500 automats delivered is the market leader in this field.

The transfer solutions of the German subsidiary KEMAS, which specializes in the registration, administration, storage, disposition and delivery of objects from the areas of security, mobility and logistics (weapons, keys, equipment, tools, etc.), are also proving highly successful. 4,000 systems in operation with 600 clients represent a clear indication that the company's products are clearly in tune with market needs.

Rapid e-mobility development

The youngest KEBA Group business area, e-mobility, is also developing rapidly and whilst the question as to whether e-cars or hybrids represent the future is debated, the group continues to sell sizeable quantities of its wallboxes.

Gerhard Luftensteiner: *“With charging stations for environment-friendly transport, we have created a new business area for ourselves.”*

KEBA’s wallboxes possess accreditation in 45 countries and recently the group’s charging solutions also successfully passed certification as an energy measurement device. As a result, a basis has been created for the future integration of billing procedures.

KEBA also thinks in terms of smart solutions in this area and for example in households lacking an energy management system, its intelligent wallboxes can adjust or subordinate their charging capacity to the power available.

There is strong demand for wallboxes for the charging of e-cars, which is reflected by the sales figures for the products, which are developed and manufactured in Linz. In fact, over 34,000 boxes were sold during the past financial year and as Gerhard Luftensteiner notes: *“We are convinced that in future a coexistence will be established between standard fuels and e-mobility. Therefore, we assume that the continuous expansion of our business area is set to continue.”* KEBA is very well represented amongst both OEMs and the end customer market.

Fit for the future

Following 50 years of corporate history, in 2018 KEBA celebrates its golden jubilee. However, in spite of long-term business success and record growth in 2017/2018, the group is not resting on its laurels, but instead is working on new strategies in order to ensure its (market) fitness for the future

As KEBA AG CEO Gerhard Luftensteiner explains: *“In the world of today, an ability to react quickly, flexibly and with the greatest possible market proximity is especially important. Innovation cycles are becoming shorter and ever faster. Digitization is accompanied by change and disruption, and these have to be utilized. Moreover, the*

world is becoming increasingly volatile and ambiguous, and therefore predictability is at a premium.”

In order to remain successful in this shifting environment, the Linz-based company has already undertaken restructuring and initiated the required organizational steps.

Gerhard Luftensteiner describes the new organizational form that KEBA has developed during the past two years and which has now been in place for nearly a year, as follows: *“The ability to act flexibility is one of our major priorities along with a very lean, market-oriented organization, which attaches great value to individual responsibility. Therefore, we look to the future with optimism because we know that we are well equipped to face the challenges to come.”*

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*Both: Gerhard Luftensteiner, CEO,
KEBA AG*

**Additional photos from today's press conference
and KEBA are available at [http://www.apa-
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