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Stable development despite market downturn

Kärcher increases its turnover again in 2022

Winnenden, Germany, 22nd February 2023 – In spite of a rather difficult business environment, Kärcher again slightly increased its turnover in 2022. With a turnover of EUR 3.161 billion, this figure rose by 2.2 per cent compared to the previous year, which was itself a record-breaker. Although major challenges had to be overcome, the Kärcher subsidiaries in all world regions were instrumental to the company's success – with the share of international business coming to 86 per cent. Recent additions to the Group are national subsidiaries in Oman and Morocco, meaning that the Kärcher Group now comprises over 150 companies in 80 countries. In addition to investing EUR 170 million in infrastructure, product development and organisational projects, Kärcher added over 900 new staff to its workforce, now employing a total of 15,330 people all around the world, over 1000 of whom work in in-house research and development.

"It's only possible to hold course during turbulent times if everyone's pulling in the same direction," says Hartmut Jenner, Chief Executive Officer and Chairman of the Board of Management at Alfred Kärcher SE & Co. KG. "Supply chain disruption, rising material and energy prices, inflation and other consequences of the war in Ukraine have resulted in developments that are difficult to predict. Kärcher was again able to increase its turnover slightly and gain market shares as a family-owned company with global operations. But we need to not let up in order to continue to be successful." Whereas, during the COVID-19 pandemic, the end customer segment offset the weaker demand for professional products, the opposite trend was observed in 2022. The reduction in consumer spending among private customers was compensated for by increased sales in the commercial and industrial sector, with both of these business units evenly contributing to

Press Contact

David Wickel-Bajak
Head of Press and Public Relations

Alfred Kärcher SE & Co. KG
Alfred-Kärcher-Str. 28-40
71364 Winnenden Germany

+49 (0) 7195 14 2309
david.wickel-bajak@de.kaercher.com

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the improved revenue, in accordance with the company's strategic direction.

A strong brand: Focus on the employer brand

The strong position of the brand is demonstrated by recent consumer research surveys. According to the market research institute YouGov, Kärcher was one of the top 10 brands in Germany in 2022. What's more, a recent study by management consultancy Globeone shows that Kärcher also holds a top position when it comes to the credibility of the company's purpose. Another step taken by the cleaning specialist in 2022 was to focus on preparing a new campaign for the employer brand that will run under the motto "Wanna WOW with us?" "We want to continue to grow this year, which is why we're looking for over 300 new employees in Germany alone," says Hartmut Jenner. "With our new campaign, we'll show what we stand for in 2023, what's important to us and the fact that we offer an appreciative working culture and a state-of-the-art working environment."

Sustainable business practices: Conserving resources and preserving heritage

In future, Kärcher will produce even more of its own energy and is currently building the infrastructure to do so. This includes investing several million euros into photovoltaic systems to put on the roofs of sites all around the world. In addition, the aim by 2025 is to make greater use of cutting-edge recycled plastics and to implement a pilot production facility that produces zero plastic waste. All of these measures are being adopted under the company's central sustainability strategy with the aim of making responsible use of resources and taking a responsible approach to the environment. This course of action was awarded with the German Sustainability Award for 2022. This was followed by the Sustainability Heroes Award from the German Society for Quality (DGQ) and the environmental prize of the German Federal State of Baden-Württemberg.

As part of its cultural sponsorship programme to preserve historical monuments, Kärcher carried out cleaning operations on the Berlin Cathedral and the Cenotaph in Kingston (St. Vincent, Caribbean) in 2022. A stand-out activity was the restoration of the 3300 year-old Obelisk at

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Place de la Concorde in Paris. This operation took care not to damage the materials and Kärcher fully financed, coordinated and implemented the necessary cleaning work.

Looking ahead to 2023: Product strategy, sites and investments

Given the successes achieved and the general trends, the company is looking ahead to 2023 with cautious optimism. "While we'll still be exposed to many unforeseeable factors, the signs at the start of the year are pointing towards things easing a little," says Hartmut Jenner. Thanks to a development strategy focused on the market and customer benefits, there are products in the pipeline that target current trends. This includes many new devices in the end customer segment, all of which are battery powered. For example, there is the SE 3-18 Compact spray extraction cleaner, which can be used to clean deep down to the fibres on textile surfaces using a spray extraction method. The FC 2-4 and FC 4-4 floor cleaners with an exchangeable battery remove dry and wet everyday dirt in a single operation and wipe the floor. Meanwhile, the new WD 2-18 and WD 3-18 wet and dry vacuum cleaner models are aimed at users in the DIY and vehicle care sector. Moreover, the robotic vacuum cleaners with RCV 3 and RCV 5 wiping function operate systematically, quickly and efficiently. The connection with the app also makes it possible to adapt cleaning processes, save maps of rooms and customise cleaning schedules.

In the professional sector, the signs for 2023 are continuing to point fully towards robotics in the form of the autonomous KIRA B 50 scrubber dryer. This model addresses the need for automated solutions that enable cleaners to tackle other, more complex tasks. It is both safety-certified for use in public areas by DEKRA and security-certified against hacker attacks by SySS. Moreover, there will be a focus on digitalisation tools for cleaning buildings in the coming year. The core product of high-pressure cleaners will have new cold and hot water models coming onto the market in many different performance classes and configuration options. In order to serve customers in the professional segment even more comprehensively from a strategic point of view, Kärcher recently added in-house financial solutions to its portfolio by founding Kärcher Financial Solutions GmbH. In

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addition to the existing option to rent products, commercial customers can now also lease the cleaning machines they require, use hire purchase or benefit from a pay-per-use method.

Major investments, such as for the new service centre in Ahorn and the enlarged high-bay warehouse at the logistics centre in Obersontheim, will be completed in 2023. Likewise, Kärcher expects to move into the newly constructed headquarters of the Ukrainian sales company in Kiev this spring. A further EUR 200 million of investment is planned this year for, among other projects, a new high-bay warehouse at the Bühlertal site in Germany, enlargements of the Curtea de Arges production site in Romania and the Quistello plant in Italy.

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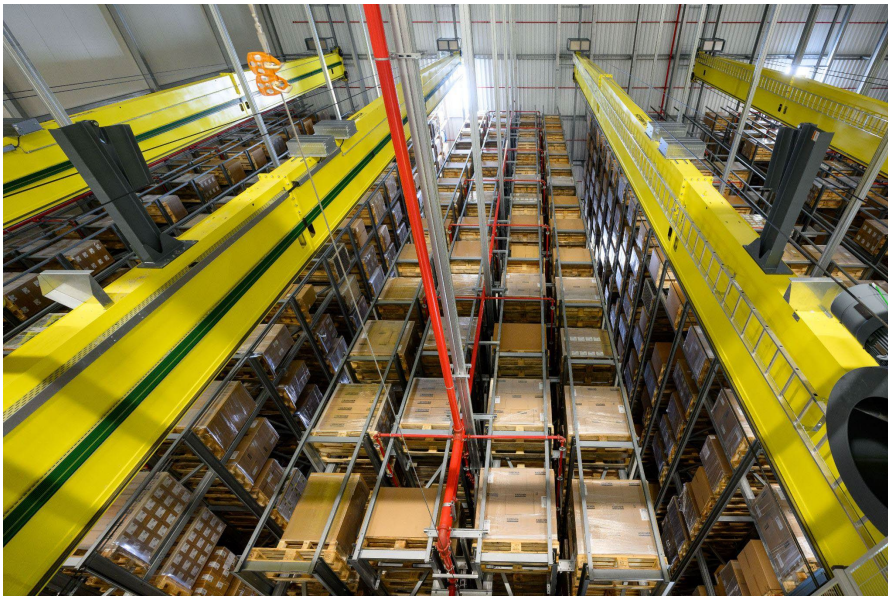


Hartmut Jenner, Chief Executive Officer and Chairman of the Board of Management at Alfred Kärcher SE & Co. KG.

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A stand-out activity in the cultural sponsorship programme was the restoration of the 3,300 year-old Obelisk at Place de la Concorde in Paris. This was an operation that took great care not to damage the materials.



The new high-bay warehouse at the logistics centre in Obersontheim. Up to 78,000 different parts and accessories are sent all around the world from here every year.

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Thanks to 360° monitoring of the surrounding area by means of laser scanners, 3D and ultrasonic sensors, the cleaning robot from Kärcher reliably detects people. Obstacles beyond the machine width and height are also reliably identified and bypassed.



Wireless machines for greater freedom of movement – Kärcher's new wet and dry vacuum cleaners are versatile products.

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