



**Vorwerk Group Press Release**

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## **VORWERK REPORTS GROWTH AND ITS FOCUS ON DIGITIZATION AND INNOVATION**

**Wuppertal family enterprise again successful in growing sales in 2016**

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**Wuppertal, May 18, 2017 – Continued growth, significant investments in the expansion of production facilities, and further development of digital offerings: At today’s press conference in Düsseldorf, the Vorwerk Group Managing Partners, Reiner Strecker, Rainer Genes and Frank van Oers, announced the figures for the past fiscal year, 2016, and the Group’s plans for the coming years.**

In the 133rd fiscal year in the history of the company, the Vorwerk Group’s total revenues were up 4.1 percent to 3.1 billion euros (not including VAT). Moreover, the Group generated an increase in business volume, which also includes the new business of the akf group, which totaled 1.2 billion euros. With a volume of 3.8 billion, Vorwerk achieved a year-on-year increase of 4.7 percent.

A look at the German market reveals that the Vorwerk Group is also up on last year. Taken together, all of its German activities generated 7.1 growth in sales to 1.1 billion euros.

At the financial press conference in Düsseldorf, the spotlight was very much on the subject of digitization, which Vorwerk is approaching at many different levels. “Some of our present products already feature a digital interface, and in the future, all of our products will,” the Managing Partners stated. It is not a question of digitization for digitization’s sake, however: “The main question here is: What does a product need to have in order to be a market success and to convince customers to buy? Or to put it another way: What makes our life better? Each new product idea will be developed with these questions in mind.”

On the production front, too, the Vorwerk Group is naturally also looking into the possibilities of digitization and aspects of Industry 4.0. What's more, a new



Research & Development center is currently being built in Wuppertal. “We are currently investing heavily in the expansion of our production facilities, including an R&D center and a new motor production plant,” the Managing Partners reported. For this year and the coming year, 100 million euros have been earmarked for that purpose. The Managing Partners announced that new staff would be recruited, mainly to work in software development and battery technology. “We are looking forward with great anticipation to the challenges of robotics and digitization.”

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And the Wuppertal family enterprise – in collaboration with Wuppertal University – is taking things one step further and in the process of establishing a Vorwerk Foundation Professorship at the university – the first of its kind in Germany. The new Chair of Technology and Management of Digital Transformation within the Faculty of Electrical Engineering will be devoted to the teaching, research and knowledge transfer of digital transformation. “The professorship is positioned at the interface between technology, industry and society with the aim of researching, developing and implementing concepts and methods for the further development of technology and management for the shaping of digital transformation. The selection process is currently underway with suitable candidates.”

For the year ahead, Strecker, Genes and van Oers announced the launch of an entirely new Vorwerk product: “We are still very much on the home and living front with it, of course, and firmly believe that we will be able to attract a wide audience to the new product idea.”

## THE DIVISIONS AT A GLANCE

The **Thermomix** Division succeeded in boosting sales by 11 percent to almost 1.3 billion euros to remain the top-performing division within the Vorwerk Group.

The **Kobold** Division suffered a slight fall in sales of 3.9 percent and generated sales totaling 836 million euros. While the division was able to grow its sales volume in Germany (+ 2.4 percent), Italy had to cope with a dip in sales. This was due to a one-off quantitative effect in 2015 that no longer applied in 2016.



**JAFRA Cosmetics** was down 7 percent on its level for the previous year and generated sales of 369 million euros. The decline is due chiefly to currency differences, since the Mexican subsidiary in particular, JAFRA's largest, actually generated a slight increase in sales in the local currency.

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In the course of its reorganization, **Vorwerk flooring** invested in its production facilities and product portfolio. Sales were down while the reorganization was in progress, so that at the end of the reporting year the division reported a decrease in sales of 8.7 percent to a total of some 70 million euros.

The **akf group** reported growth in sales and new business. New business now stands at 1.2 billion euros; sales are up 11.9 percent to 431 million euros.

#### ABOUT VORWERK

The Vorwerk & Co. KG family enterprise was founded in 1883. The holding company's registered office is located in Wuppertal, Germany. At the head of the corporate group are the Managing Partners Reiner Strecker, Frank van Oers and Rainer Christian Genes. Vorwerk's core business encompasses both the production and sale of high-quality household products (Thermomix kitchen appliance, Kobold vacuum cleaner, Twercs tools, Lux Asia Pacific products) and cosmetics (JAFRA Cosmetics). Here, Vorwerk always seeks direct contact to the customer – be it through direct selling, via its own e-shops or its Vorwerk stores in good inner-city locations. The Vorwerk family also includes the akf bank, Vorwerk flooring and its sister group, HECTAS. Worldwide there are more than 649,000 people working for Vorwerk, some 637,000 of whom are independent advisors. Vorwerk generated consolidated sales of 3.1 billion euros (2016) and operates in more than 70 countries.

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