

BALANCE  
SHEET  
PRESS  
RELEASE

Financial year 2021





# CONTENTS

	PAGE
Preface .....	2-5
Brief portrait.....	6-9
1. Total market furniture and kitchens 2021 .....	10-13
2. nobilia sales development 2021.....	14-21
Total sales development for nobilia	
Domestic sales development for nobilia	
Export sales development for nobilia	
3. Development of the Group .....	22-25
4. In-house exhibition and collection 2022.....	26-35
5. Production and investments.....	36-39
6. Sustainability.....	40-47
7. Employees and training .....	48-53
8. Coronavirus management 2021 .....	54-59
9. Outlook .....	60-65
10. Facts and figures 2021.....	66-68

# FOREWORD



## *To Whom It May Concern,*

In contrast to the initial hopes of many of us in Germany and all across the world, 2021 was another year dominated by the coronavirus pandemic. Once again, Germany was put under extensive lockdown until May and there were sometimes severe restrictions on daily life in many of our export markets as well.

Our objective in 2021 was to protect the health of our employees and their families while also maintaining our ability to deliver. In parallel to this, it was important to us to further develop the company and to achieve the planned commissioning of two new plants and the construction of our bridge over the A2 motorway. All of this led to various challenges in every area of the company.

We took a proactive approach to the threat of the coronavirus from the outset and devised a comprehensive package of measures aimed at protecting our employees and their families. We have adapted this on an ongoing basis according to the various phases of the pandemic. For example, we were one of the first companies to introduce the regular use of coronavirus rapid tests and have run our own vaccination centre for our employees and their family members since June. In addition, we again expanded the opportunities for staff to work from home within a very short time. Thanks to these wide-ranging measures and the tremendous commitment of the entire workforce to implementing and complying with our coronavirus protection programme, we succeeded in keeping the company largely COVID-free.

At the same time, we also refined the measures in place and devised new solutions designed to continue to safeguard nobilia's ability to deliver in 2021. For example, we ramped up safety stocks once again and rented additional trailers to avoid bottlenecks resulting from disrupted supply chains and shortages of raw materials. Our nobilia team also went above and beyond – including taking on additional work on many Saturdays. Their tremendous flexibility helped to keep delivery times for our customers from becoming too long.

The commissioning of our two new plants at Am Hüttenbrink in Gütersloh and in Saarlouis were special milestones of 2021. The opening of the new production facility in Saarlouis on 19 May 2021 was a particularly historic event for nobilia. Owner Werner Stickling personally pressed the button to officially launch production. The manufacturing facilities at the new Plant V in Saarland were successfully put into operation and the daily output quantity has already been increased.

We also pushed ahead in 2021 with the construction and commissioning of our new Plant III at Am Hüttenbrink in Gütersloh. By erecting a bridge spanning the A2 motorway, we have now ideally connected the new site with our Plant I in Verl-Sürenheide.

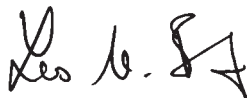
Despite the coronavirus pandemic, we were still able to hold our in-house exhibition again this year. We were especially pleased that around 8,000 customers visited us in person at Verl. We took the utmost safety precautions to protect our visitors and staff and ensure a successful in-house exhibition. While observing restrictions, we were able to enjoy the face-to-face interaction with our partners at home and abroad that is so important to us. We're grateful for the positive feedback from our customers and partners for this year's in-house exhibition concept and, especially, the products and design ideas we presented.

The pandemic has clearly shown us once again how very connected our almost 4,300 employees feel to the company. Thanks to the sterling efforts of every one of them, nobilia was able to continue to develop positively overall, even in these extraordinary times, and again achieve sales growth despite our customers and partners having to close their businesses for extended periods in some cases.

Time and again over the past year, a great deal of flexibility and creativity was needed in all areas of the business. Our employees rose to the challenge, supported the decisions taken with conviction and thereby laid the foundations for further growth. Therefore, we want to particularly acknowledge their efforts in what was another demanding year.

Even though the pandemic is still with us at the time of prepping this report, we are essentially optimistic about the future. We have prepared well for the tasks ahead and set a course for our company's further positive development – in the interest of our shareholders, employees and business partners.

Faithfully yours,

A handwritten signature in black ink, appearing to read 'Lars M. Bopf', with a stylized flourish at the end.

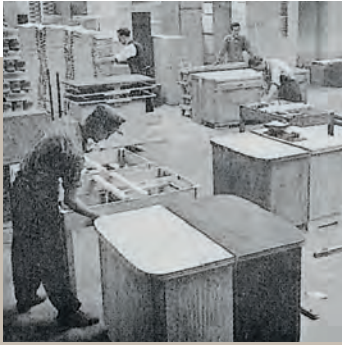
Dr. Lars M. Bopf

Verl, 18 February 2022

# BRIEF PORTRAIT







## Our roots

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# 1945



nobilia was founded in 1945 by brothers Johann and Willy Stickling and has since grown to become the worldwide market leader for kitchen furniture. The company delivers to customers in more than 90 countries on every continent. nobilia's market share in the domestic market remains at more than 30 per cent. Which means that almost every third kitchen sold in Germany comes from nobilia. For more than 75 years, nobilia kitchens have stood for up-to-date personalised design, outstanding brand quality and great value for money.

The company manufactures exclusively in Germany. The two plants in East-Westphalian Verl count among the most modern and efficient kitchen furniture production sites in the world. An additional plant in Saarlouis, Saarland, was put into operation in 2021. Furthermore, a production facility in Gütersloh supplying certain components for the Verl-Sürenheide and Verl-Kaunitz sites was brought online. All sites combined achieve a daily production volume of around 3,800 kitchens.



## New plant in Saarlouis

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100,000 m<sup>2</sup> production area

nobilia was founded as a family-owned business. This has characterised the corporate culture from the very beginning, as it still does today. As the market leader, nobilia has stood for stability and reliability for more than 75 years, and continues to count on its long-lasting and close relationships with customers and business partners.



nobilia kitchen systems combine a modern design language with outstanding quality and functionality. On-trend new features and innovative products are added to the extensive collection each year, forming the basis for solutions that can be precisely tailored to every individual requirement and taste. Thanks to in-house, partly patented product developments and exclusive partnerships, nobilia repeatedly creates unique selling propositions in furniture and accessories. With nobilia’s complete marketing approach, customers get kitchens that include electric appliances and accessories from a single source. They also benefit from many other services, such as sales support and training. In this way, we impress our customers worldwide.

nobilia has been about more than just kitchen furnishings for a long time and now provides a portfolio for the entire home. In addition to a continuously expanding, separate bathroom segment, it offers smart and attractive solutions for living spaces, utility rooms, wardrobes and more. The “nobilia elements” quick delivery concept completes the offering.



One thing always takes centre stage at nobilia: the highest quality. This quality standard influences every employee in their daily work. nobilia is passionate about its products and services, with the aim of developing customised solutions for its customers.

**1.**

TOTAL MARKET  
FURNITURE AND  
KITCHENS 2021



# 1. TOTAL MARKET FURNITURE AND KITCHENS 2021

Just like the twelve months that preceded it, 2021 was another volatile year for the German furniture industry on account of the coronavirus pandemic. The year got off to a difficult start with a lockdown in Germany from mid-December 2020 to May 2021. The closure of furniture stores at the most lucrative time of the year worsened the order situation, significantly in some cases. Business recovered again from April as restrictions were loosened in key international markets, such as Austria. Demand also grew again in Germany once the lockdown was ended there.

During the coronavirus crisis, many consumers turned their attention to their own four walls. Accordingly, they invested in home accessories and furnishings, although expenditure was lower than the heights reached after the first lockdown in spring 2020.

As the economy recovered, the industry faced another problem: shortages of many important intermediate products. The resulting scarcity of materials became even more pronounced over the course of the year.

Official statistics show total sales in the furniture industry of around EUR 16.2 billion for the first eleven months of 2021. The industry therefore achieved solid year-on-year growth of 2.1 per cent. According to the Association of the German Furniture Industry (Verband der Deutschen Möbelindustrie e.V., VDM), this growth was primarily driven by foreign business (+5.4 per cent). Domestic business, meanwhile, only accounted for 0.5 per cent of industry growth. VDM expects sales for 2021 as a whole to reach the previous year's level of EUR 17.2 billion.

**Total market for furniture**  
+ 2.1 per cent turnover

The kitchen furniture branch proved to be more successful than the furniture industry as a whole.

In Germany, the kitchen furniture industry achieved growth of 7.6 per cent in the first half of 2021. However, this slowed significantly over the course of the year. Since August 2021, the monthly comparisons have shown a decline of 0.6 per cent to 9.1 per cent compared to the same periods in the previous year. As of November 2021, cumulative domestic earnings had fallen to plus 2.9 per cent. Foreign business was again the main growth driver here. It managed to register a strong increase of 18.6 per cent in the year to November. As a result, the industry's export ratio also rose significantly to around 43.8 per cent, compared with the previous year's level of 40.3 per cent. The kitchen furniture industry finished November 2021 with provisional cumulative sales growth of 9.2 per cent.

**2.**

NOBILIA SALES  
DEVELOPMENT  
2021

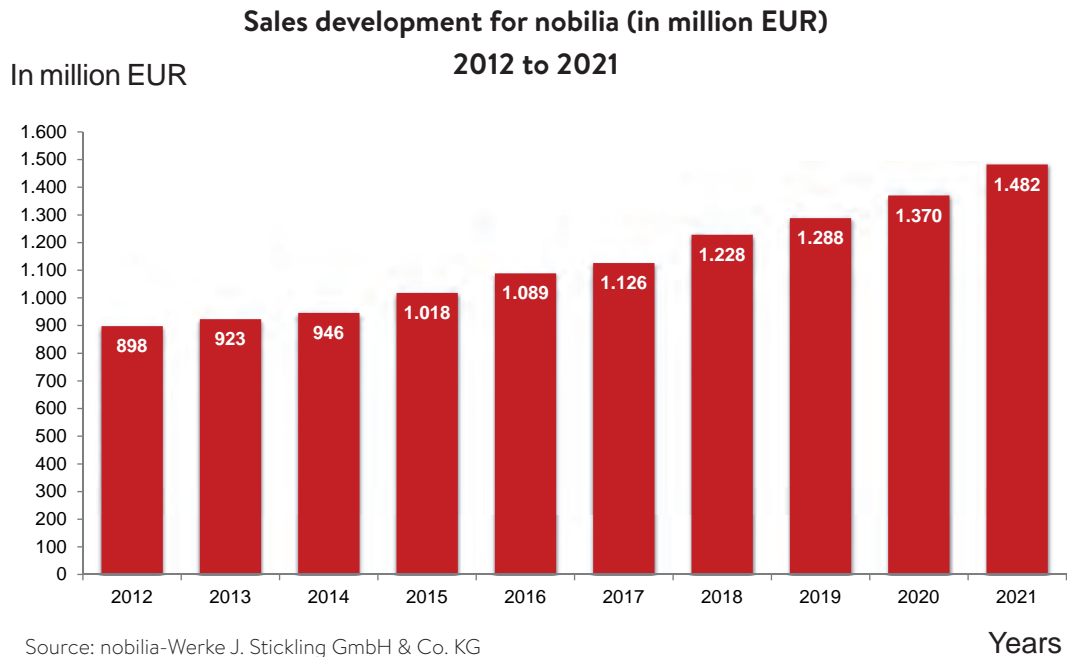




## 2. NOBILIA SALES DEVELOPMENT 2021

### 2.1 Total sales development for nobilia

Again in 2021, nobilia maintained its robust growth despite the difficult conditions associated with the ongoing coronavirus pandemic. With an increase of EUR 112 million, nobilia achieved the highest growth in sales in the company's history in 2021 (measured in absolute terms). Total sales rose to EUR 1.482 billion. This figure represents an increase of 8.2 per cent on the previous year's sales of EUR 1.370 billion.



Along with the sales growth, nobilia's production volume also increased. With around 830,000 kitchen commissions produced in the last financial year, a new volume record was achieved.

The sales increase primarily resulted from the business with wooden parts, which again proved to be a growth driver. With 8.3 million cabinets produced, around 500,000 more wooden parts were manufactured than in the previous year. Sales of electric appliances also grew, with a moderate increase of 2.8 per cent.

Considering all plants combined, around 3,800 commissions were produced per working day.



**Total sales nobilia**

EUR 1.482 billion

**Kitchen commissions**

830,000

**Growth nobilia**

+ 8.2 per cent

## 2.2 Domestic sales development for nobilia

With domestic sales of EUR 695.5 million, nobilia finished 2021 slightly below the level of the previous year. Domestic sales of EUR 710.9 million in 2020 were 2.2 per cent above the 2021 figure.

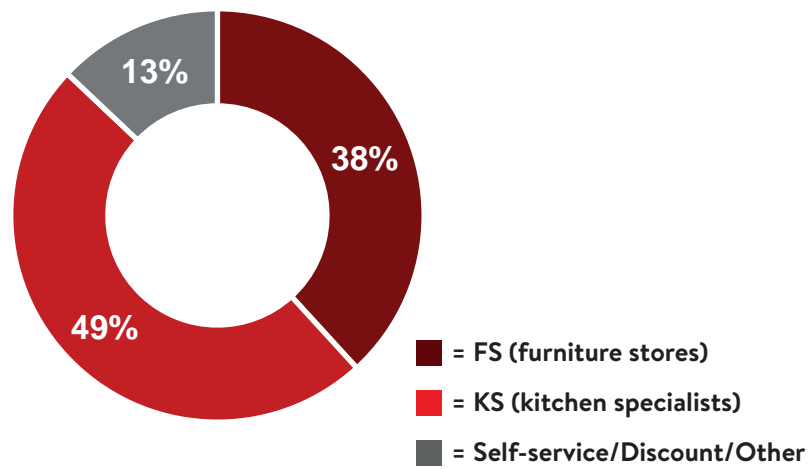
In addition to kitchen studios and specialists, nobilia is also strongly represented in the large-scale furniture retail segment. Sales in this channel were particularly significantly affected by the lengthy lockdown restrictions in Germany. Accordingly, it was not possible to drive domestic sales equally in all channels at times.

The sales breakdown by distribution channel therefore also shows a shift towards the kitchen specialist sales channel (KS), in which nobilia experienced strong growth again in 2021. This channel now accounts for almost 50 per cent of nobilia's domestic sales.

The furniture store channel (FS) is responsible for 38 per cent of nobilia's domestic sales. The remaining 13 per cent is still distributed between the SS/discount sales channel and other sales channels. Other sales channels include contract business, sales to electrical or bathroom specialists and online marketing.



nobilia domestic sales 2021 grouped by sales channels



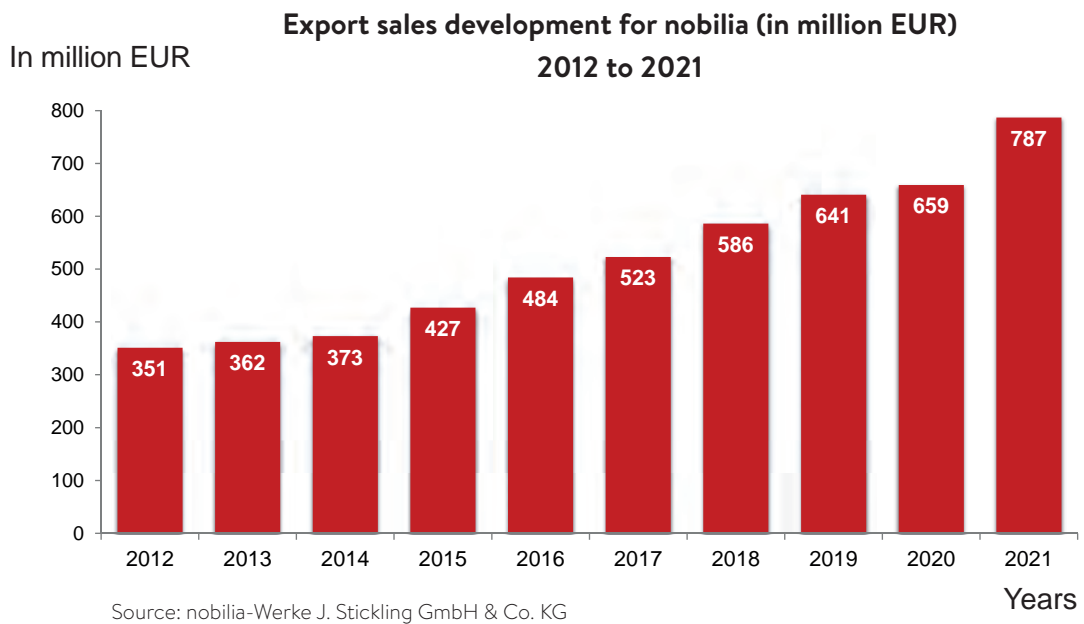
Source: nobilia-Werke J. Stickling GmbH & Co. KG

**Domestic sales nobilia**

EUR 695.5 million

## 2.3. Export sales development for nobilia

The export markets were again a key success factor for nobilia in the 2021 business year. Export sales increased over the previous year by EUR 127.7 million to EUR 786.6 million, thereby exceeding the company's domestic sales for the first time. This corresponds to sales growth of 19.4 per cent. As a result, the export ratio rose to 53.1 per cent (previous year: 48.1 per cent) and is therefore significantly higher than the industry average of 43.8 per cent.



### Export turnover nobilia

EUR 786.6 million

### Sales increase

+ 19.4 per cent

The distribution of sales by country shows a stable and unchanged picture, with European neighbour countries the focus. Business in France dominates at a high level, followed by Belgium, Austria and the Netherlands. The Chinese market once again occupies fifth place in nobilia's key export markets.



# 3.

DEVELOPMENT  
OF THE GROUP  
OF COMPANIES





### 3. DEVELOPMENT OF THE GROUP OF COMPANIES

The core business of nobilia is the development and production of kitchens and worldwide distribution to retail partners. Thus, nobilia is first and foremost active as a manufacturer. For several years now, however, the company group has also pursued its own retail activities using varying formats, with which nobilia is only active in the international markets.

nobilia operates its own kitchen studios in Sweden and the UK under the names Northern Kitchen Sverige AB and K tchenhaus. K tchenhaus is also active in the UK as a franchise organisation. Furthermore, nobilia has a minority interest in the Belgian retail chain MENATAM SA, whose studios are represented under the  ggo name. The  ggo concept is now active in Africa and the Middle East as well. Since 2021, nobilia has also had a minority interest in the French Aviva Group, which mainly operates in France.

nobilia is a majority shareholder in the French franchise organisation FBD, which is active with kitchen studios in the Ixina, Cuisine Plus, Cuisines R f rences and Vanden Borre Kitchen sales channels. The regional focus of FBD is in France and Belgium. The Group is also successfully pushing ahead with its internationalisation.

#### **Group sales for nobilia**

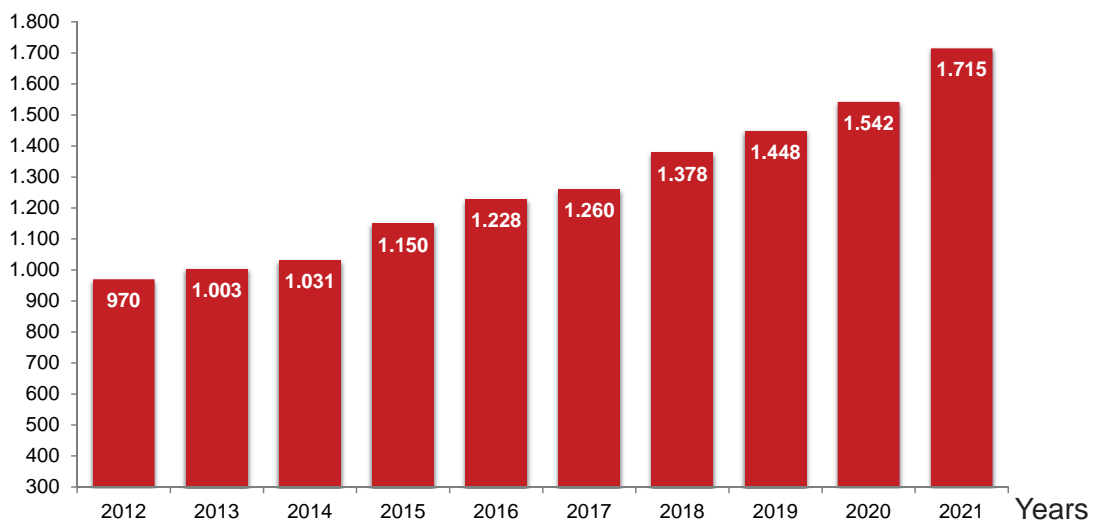
EUR 1.715 billion

#### **Sales increase**

+ 11.2 per cent

### Net sales for nobilia group (in million EUR) 2012 to 2021

In million EUR

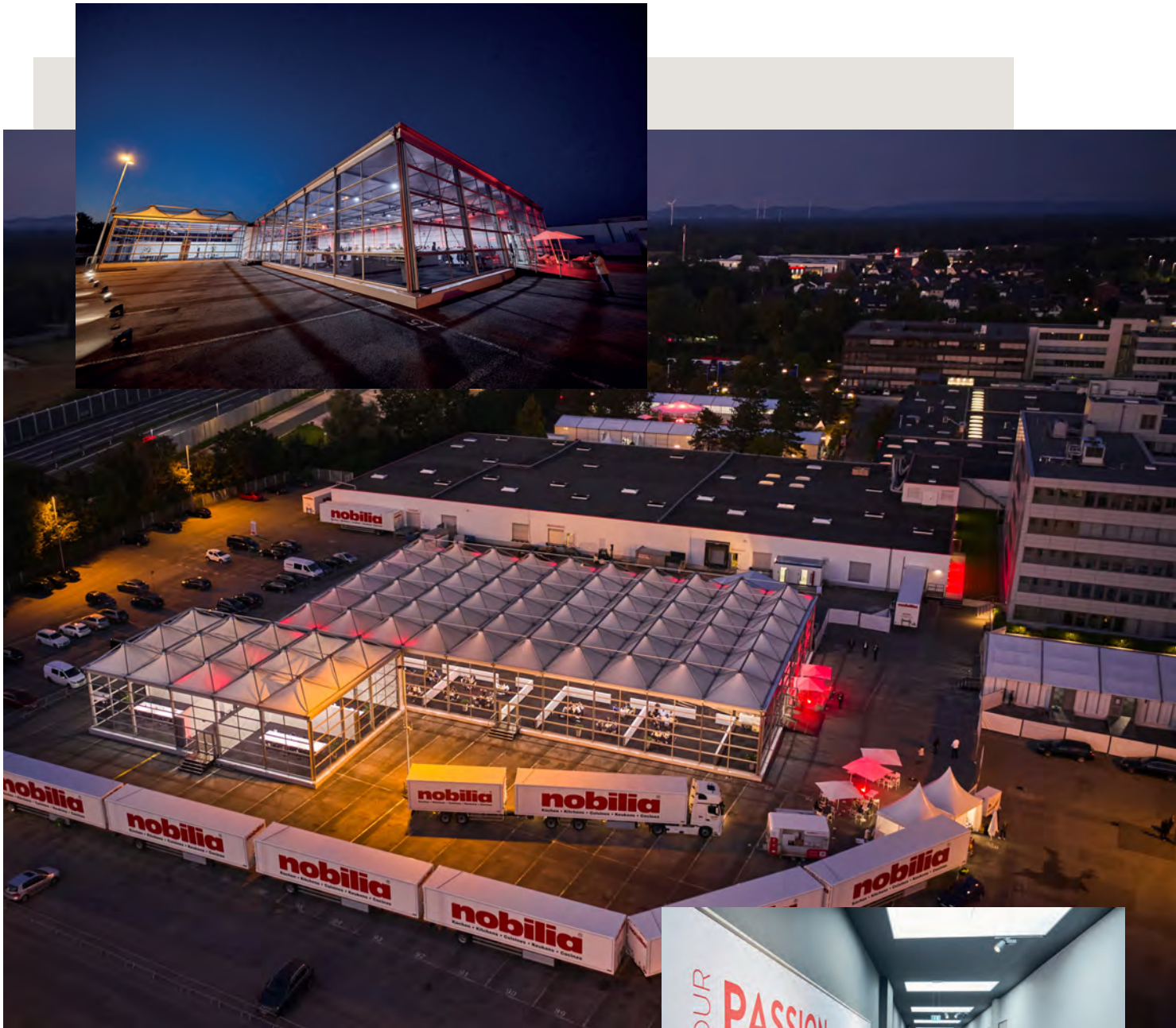


Source: nobilia-Werke J. Stickling GmbH & Co. KG

Including these activities, the nobilia company group's sales increased nominally by 11.2 per cent to EUR 1.715 billion. This represents an increase of EUR 173 million over last year's amount of EUR 1.542 billion. To calculate the group sales, the internal sales were eliminated (consolidated) and the ownership structure was taken into account (apportioned). For the franchise organisations, only the franchise fees and not their sales revenues were included in the calculation.

**4.**

IN-HOUSE  
EXHIBITION AND  
COLLECTION 2022



### nobilia in-house exhibition

Again in the second year of the coronavirus, nobilia's annual highlight was able to go ahead with strict health and safety measures in place.

The some 8,000 visitors to the 5,000 m<sup>2</sup> exhibition could see for themselves the latest features, innovations and exclusive solutions in the new 2022 collection.

## 4. IN-HOUSE EXHIBITION AND COLLECTION 2022

Under the banner “Our Passion – Your Solution”, the 2021 in-house exhibition presented versatile, innovative and solution-oriented designs and products. With creative services and targeted marketing support, nobilia has also positioned itself as a reliable partner for retailers, even in challenging times. The exhibition covering approximately 5,000 m<sup>2</sup> included exciting multi-room designs for kitchens, bathrooms and living areas.

The in-house exhibition took place from 18 to 26 September 2021 at the company’s own exhibition centre in Verl-Sürenheide. A comprehensive coronavirus hygiene concept, a consistent testing strategy and a systematic digital visitor management system ensured the safety of guests and employees and the strict separation of exhibition traffic from daily company operations. The entrances and exits as well as the routing at the exhibition were redesigned to take account of completely new considerations due to the pandemic.



### **Hygiene concept**

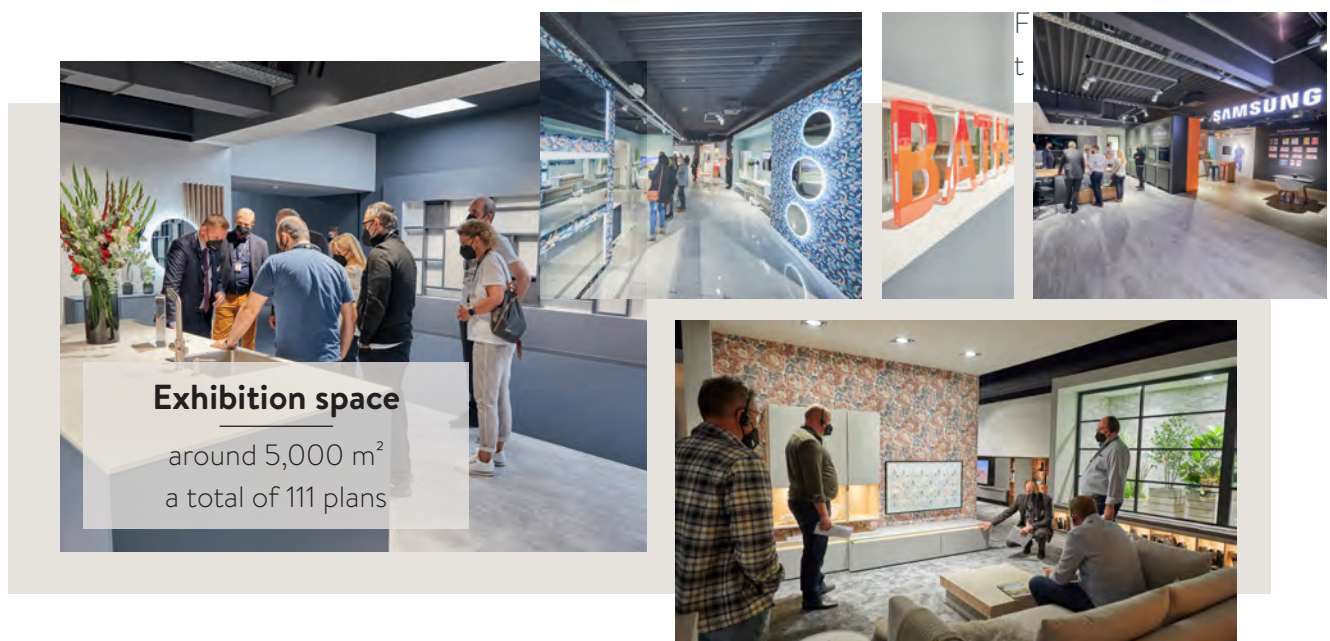
23,000 masks

The exhibition experience started with an expansive presentation of new features in the kitchen range. The kitchens were the key segment in the exhibition. The exhibited designs ranged from extensive settings for the new features to compact, true-to-life designs for urban interiors, a spacious kitchen for events and functions, and a separate cottage style area.

# OUR **PASSION** YOUR **SOLUTION**

**nobilia** MAKES YOU FEEL AT HOME

The kitchen presentation ended in a completely interlinked smart home. In a space of 175 m<sup>2</sup>, visitors could experience the advantages of an intelligent nobilia apartment equipped with smart home technologies provided by nobilia's cooperation partner Samsung. A variety of everyday scenarios and practical applications were presented in this activity space to showcase the forward-looking, innovative design.



First time ever, nobilia decided to present its living range in an area of its own, thereby taking a confident approach to setting the living segment apart from the kitchen segment. In addition to classic living and dining room plans, nobilia presented wardrobe solutions and dressing rooms that can incorporate the innovative custom-fit nobilia sliding door system. Practical home office solutions were also showcased in this area.

With a large number of bathroom designs, nobilia proved the unique versatility of its product variants. From exclusive, modern wellness bathrooms to generously dimensioned family bathrooms in a cottage style and optimally equipped compact and guest bathrooms that make perfect use of the available space – nobilia has a unique yet fashionable solution for any demand and any situation.



At the end of the exhibition experience, visitors were guided through the world of nobilia kitchen products once again. The “Cottage” area presented nobilia’s cottage style segment with its beautifully detailed variability and exciting new features.

Even after the in-house event, the exhibition continues to serve as a nobilia showroom and is open to retail partners and consumers subject to current coronavirus guidelines. In parallel to the in-house showroom, nobilia is offering a virtual tour as a digital alternative to visiting the exhibition. Countless videos round out the digital product experience for retail partners and consumers.



### **Our passion. Your solution.**

With the 2022 collection, nobilia has focused particularly on innovative products, exclusive new features and solutions for multiple rooms. More than ever, our homes have become the centre of our lives. The kitchen in particular has grown in importance as a social and communicative centre. Based on customers’ desire for cosy, feel-good designs, nobilia’s new features are characterised above all by the natural feel and appearance of the décors. Moreover, nobilia is presenting intelligent and innovative storage solutions, smart features and modern utility room redesigns.

As part of the further development of our universal grid, nobilia is taking the next logical step with the introduction of another wall and tall unit height. The new wall unit is 792 mm high, representing a symmetrical counterpart to the XL height for base units. Coordinated tall unit and dresser unit heights round off the new line layout.



## Fronts and colours

Seven new fronts create a warm and modern ambiance. The new Volcanic grey adds a gentle warm hue to the previously available range of dark grey colours in the Laser product range. Demand for concrete in interior design remains unbroken. With Riva in the new, soft Concrete Sand reproduction, five different concrete hues are now available.

The successful Easytouch ultra-matt lacquered laminate range with its convenient anti-fingerprint properties has also been expanded to include the colours Mineral green and Fjord blue. The subtle beauty of Mineral green makes it perfect for combinations with other shades. Fjord blue stuns with a minimalist natural clarity.

The new Natura lacquered laminate front in Oak Montreal reproduction features a remarkably authentic and natural look and feel. In addition, the front has practical anti-fingerprint properties, making it a perfect combination of design and usability.

The modern and popular Nordic framed front is now also available in the timeless colour Slate grey. Moreover, an entire cottage style range consisting of cornices and pilasters and a new modern framed glass door with a horizontal division have been added to Nordic.

Artis – the range highlight of the last collection – is now also available in an Alpine white matt glass appearance and offers a beautiful interplay of matt surface and three-dimensional edging technology. This gives Artis fronts an exclusive and unique look.



### Attractive surround designs

The new nobilia collection also has plenty to offer in the worktop segment, with fashionable natural designs and exciting innovations. Three new décors add to the already wide range of designs. The newly added segment of quartz worktops has also been expanded with two new décors.

### Innovative and award-winning

A new addition to the product range is Xtra Ceramic, a ceramic worktop with an innovative and patented material structure. This product developed in-house by nobilia features a natural appearance and exceptional usability. The worktop and niche thickness of 16 mm is achieved by bonding a real ceramic panel with a support panel made of recycled waste glass. This gives Xtra Ceramic a relatively low weight, making it easy to install. In addition, the worktops and niches have impact-resistant design edges.



Xtra Ceramic is characterised by its high-quality appearance, is waterproof even without a separate waterproofing process, and has a non-porous, easy-to-clean and hygienic surface. Its special aesthetic qualities and pleasant feel make it suitable for both kitchens and bathrooms. Xtra Ceramic – like the Xtra worktop – permits flush mounting of hot plates and built-in sinks. Xtra Ceramic is available in five different décors.

Just recently at the start of the year, the Xtra Ceramic worktop received the coveted ICONIC AWARD 2022 in the INNOVATIVE INTERIOR category. This award is bestowed on the best innovations in the furnishing and interior design sectors. Awarded by the internationally respected German Design Council, it is considered the trend barometer for the furnishing industry. nobilia also received the ICONIC AWARD for the Xtra worktop launched in 2018.



## New and exclusive

In the area of accessories, nobilia has secured a unique position for itself through exclusive distribution partnerships for other products. For example, the new, modular Sign Emotion railing system is exclusively available through nobilia. It can be used in kitchens, bathrooms and living areas. Shelves of different widths and heights and the extensive range of accessories turn Sign Emotion into a flexible universal talent that seamlessly combines storage space and design. The system is available in Black or Stainless steel appearance.



The global innovation GROHE Blue Red in one was exclusively presented for the first time at nobilia's in-house exhibition. The innovative water system can supply five types of water. nobilia is the only kitchen manufacturer to have received a limited number of units for advance sale prior to the official launch in April 2022.



In collaboration with successful food blogger Sally, nobilia is now also exclusively offering a select Bosch oven. The appliance can be linked to the "Sallys Welt" app using the Home Connect function. Over 1,500 baking and cooking recipes can thus be easily sent to the oven, which then ensures the right temperature and heat settings.

## Bathroom and living room

New unit depths, additional Midi units and shelf solutions have been added to enrich the unit range available for bathrooms and living areas. In the bathroom segment, new taps and washbasins, convenient storage solutions and mirrors have been included in the accessories range.

A new plinth foot and a high-quality leather handle create design highlights in the living room segment. As a supplement for freely planned living room concepts, the Solo independent sideboard range is sure to impress. The attractive product range contains pre-configured sideboard solutions that can be sold in retail without extensive planning effort.



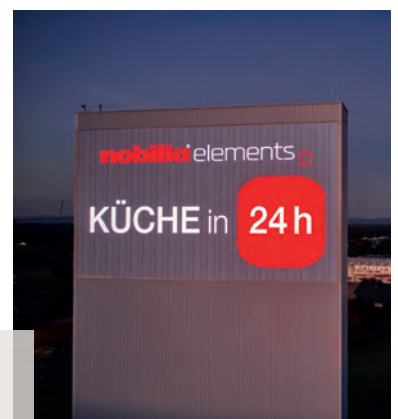
## nobilial<sup>®</sup>elements

The “elements” concept again had its own stand at the nobilia in-house exhibition. On an area of approx. 70 m<sup>2</sup>, not only kitchen but also bathroom and living room plans were shown, which tangibly illustrated the simple modular system and the modular expandability of the concept.

With the elements concept, nobilia is offering retailers the opportunity to try out new, individual marketing approaches. This flexible, modular quick delivery concept is geared towards retailers who desire an alternative that is available quickly, in addition to commission-based nobilia designs with a regular delivery time. Pre-assembled furniture with the expected nobilia quality is kept in the warehouse and is thus available to retailers 24 hours after receipt of the order.

Compared to the usually disassembled and quickly available merchandise, nobilia elements thus sets itself apart in terms of quality. Delivery to the end customer and installation are performed as usual by the retailer. nobilia elements retail partners benefit from various logistics services.

What’s more, nobilia elements comes with targeted sales support for the benefit of the trade. The varied offerings include digital solutions, from a free online configurator through to integration into the retailer’s own shop solution, not to mention design brochures and extensive image material that can be used for advertising purposes.



### Fast 24 hr delivery concept

70 m<sup>2</sup> of kitchen, bathroom and living space designs

# 5.

## PRODUCTION AND INVESTMENTS



### A big day for nobilia

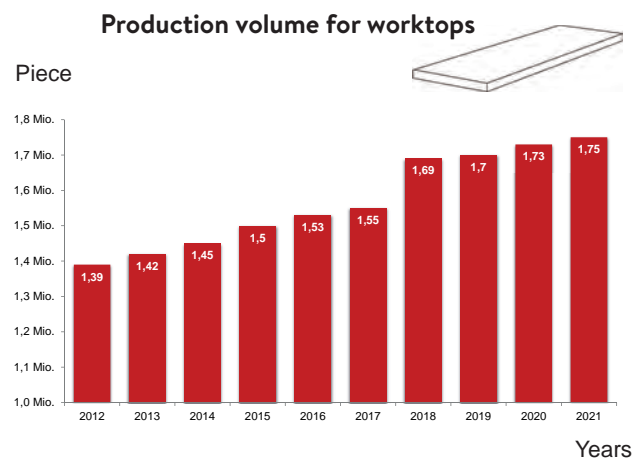
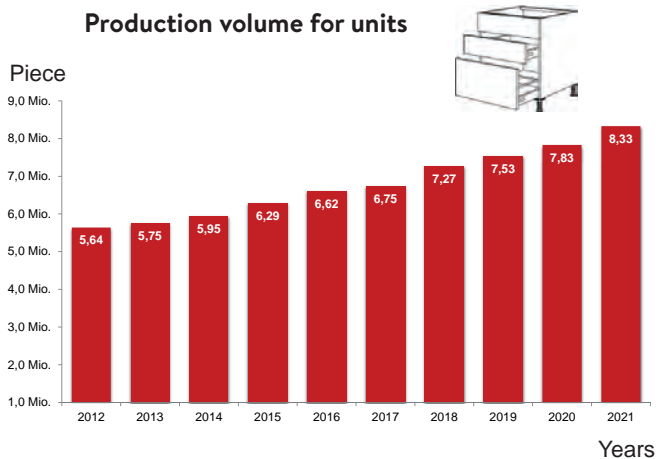
Just two years after the first grass sod was turned, the big day arrived on 19 May 2021: owner Werner Stickling, accompanied by his daughter Marion, personally signalled the start of production in Saarlouis. The commissioning of the new Plant V is a key milestone for nobilia.

## 5. PRODUCTION AND INVESTMENTS

nobilia significantly grew its production volume in 2021, with an increase of around 500,000 cabinets. All of our plants combined achieved new peak figures, with around 830,000 kitchen commissions, 8.3 million cabinets and 1.75 million worktops.

Production output grew to about 38,000 wooden parts per working day. Over 3,800 kitchen commissions are therefore being produced and delivered daily.

### Production volumes 2012 to 2021



Source: nobilia-Werke J. Stickling GmbH & Co. KG

**kitchens daily**

3,800



Investments amounted to around EUR 107 million in 2021. The main focus lay on further investment in our plants. In addition to the new Plant III at Am Hüttenbrink in Gütersloh, the new Plant V in Saarlouis (Saarland) was a key investment. Having successfully brought it online in May 2021, we were able to continuously expand production capacity over the following months. By the end of the year, around 300 kitchens a day were being produced in Saarlouis. The new plant is therefore already helping in an important way to relieve the burden on the existing Verl plants. There, investment in replacement and modernisation was the main item on the agenda last year.

Another focus area of investment was the construction of a bridge over the A2 motorway linking our plants in Verl-Sürenheide and Am Hüttenbrink in Gütersloh. This will optimise movement between the plants while reducing traffic on public roads. The construction project had almost been completed by late 2021 and the bridge spanning 51.5 metres will soon be open to vehicles. With one lane in each direction on a carriageway of 7.5 metres, it is wide enough for two trucks to pass each other. It is therefore designed with a load-bearing capacity sufficient for two trucks weighing up to 40 tonnes travelling in each direction passing each other at any time.

There was further investment in the vehicle fleet, with new motor tractors and semi-trailers being acquired. We also added a ginaliner to the fleet. By the end of 2021, nobilia's own vehicle fleet amounted to 227 motor tractors and 900 semi-trailers.



# 6.

## SUSTAINABILITY



## 6. SUSTAINABILITY

Economic success combined with responsible and efficient resource management forms the foundation for nobilia's continual growth. As an independent company with an eye on the future, nobilia is also very aware of its corporate responsibility to environmental and social issues. Which is why the principle of sustainability is firmly anchored in our corporate values.

Accordingly, we aim to systematically balance superior product performance and quality with environmental and social responsibility. We have set out our objectives and how we intend to achieve them in a comprehensive sustainability concept. This focuses on four core areas that reflect every aspect of sustainability at nobilia: technology, supply chain, products and social responsibility. We are constantly working on improvements in these four areas and measuring our progress. A sustainability committee comprised of experts from the company spearheads our activities in this area.



## Carbon footprint

CO<sub>2</sub> emissions (carbon footprint) are a key metric that we use to measure the success of our sustainability approach in the areas of technology, supply chain and products. Our goal is to reduce the emissions that we generate directly and indirectly as well as the emissions along the value-creation and supply chains. Our initial focus is on the emissions generated directly and indirectly by nobilia.

In 2019, nobilia had its carbon footprint calculated for the first time, in cooperation with a climate protection consultancy. Since then, we have been collecting this data continuously and deriving suitable improvement measures from it. The results of the reporting are used by our internal Energy and Environmental Management Committee (EUMA) to further reduce the consumption of energy resources and the associated costs. First and foremost is the objective of avoiding CO<sub>2</sub> emissions as far as possible when they are generated.

By understanding our carbon footprint, we have been able to identify great potential for CO<sub>2</sub> savings in the area of technology. Actions in this area are therefore of the utmost priority. These include, for example, measures in respect of building and systems technology and the vehicle fleet.



## Technology measures

### Building services systems

In recent years, we have gradually replaced the conventional lighting in all buildings with LED bulbs. With the lights replaced in 2021, the savings now add up to 900,000 kWh a year, approximately equivalent to the annual electricity needs of 300 households.

Our industrial buildings such as Plant III in Gütersloh and Plant V in Saarlouis have been built to the KfW55+ energy efficiency standard. They are contributing to energy savings thanks to their exceptionally good building insulation. By meeting the KfW55+ standard, they in some cases far exceed the standards of many detached houses in Germany.

In addition, smart control technology in all of the buildings automatically turns off the lights when illumination is not required.

## Systems technology

Even before design sign-off, we review the extent to which new production facilities might be equipped with more efficient systems. For this, we conduct an energy review to systematically analyse the potential for efficiency gains through improvements and incorporate our findings into the system design. The same applies to our extraction systems, which are among the biggest electricity consumers in our production facilities.

## Logistics and vehicle fleet measures

### Higher loading volumes

We have added further long trailers and a gigaliner prototype to our truck fleet. Both types of trailers are characterised by a higher loading volume per truck trip. Therefore, we need to make fewer delivery runs overall and thereby consume less fuel. With the current 32 long trailers in use, we have been able to eliminate around 87,500 km of trips and therefore save some 56 tonnes of CO<sub>2</sub> emissions to date.

### Telematics system

We are achieving further optimisations with a new telematics system, which allows us to respond more specifically to traffic holdups and avoid unnecessary routes. What's more, the telematics system enables optimal deployment of our vehicles and drivers. The aim of this driver training is always to minimise consumption through more efficient driving.



## Supply chain of short distances

One of the aims of our procurement strategy is to work in partnership with regional companies. It offers the advantage that we can cooperate and act quickly and without complications in various situations.

In addition, the transport routes of the goods are reduced to a minimum. Saved transport kilometres have a positive effect on energy consumption, delivery time and CO<sub>2</sub> emissions. Many of the raw materials for our production are produced in a relatively small radius around our plants and delivered from there. Few suppliers are located in neighbouring European countries. We also source most of our accessories from Germany.

## Product development

Sustainability is an essential aspect of our product development. Already during the product development stage, we assess the energy consumption of the manufacturing processes (“design-to-manufacturing”). Product development therefore considers not only the functionality of processes but the issue of energy intensity. This is a further contribution to reducing our energy consumption at a very early stage.

We are also continuing to drive the transformation to a circular economy. One example of this is the Xtra Ceramic worktop presented with the 2022 collection. The innovative ceramic worktop comprises 6 mm solid ceramic on a 10 mm lightweight backing layer of recycled glass. Combined with its impact-resistant design edge, Xtra Ceramic is well equipped for an especially long service life.

The Xtra Ceramic worktop was a nominee for the Green Product Award 2022 in the Kitchen category. The international Green Product Award has been recognising products and services that excel in aspects of design, innovation and sustainability since 2013.



## **Social responsibility**

During the coronavirus pandemic, we enabled large sections of the workforce to work on the move. In some offices, more than 75 per cent of employees are working from home. This reduces CO<sub>2</sub> emissions by eliminating work commutes.

nobilia repeatedly creates incentives for employees to behave in healthy and environmentally conscious ways. For example, employees can lease an e-bike from nobilia. By late November 2021, over 700 e-bikes had been leased from us. This has a positive effect on employee mobility. With many employees using the e-bike for their work commute, they are making their own individual contribution to reducing CO<sub>2</sub> emissions.





# **7.**

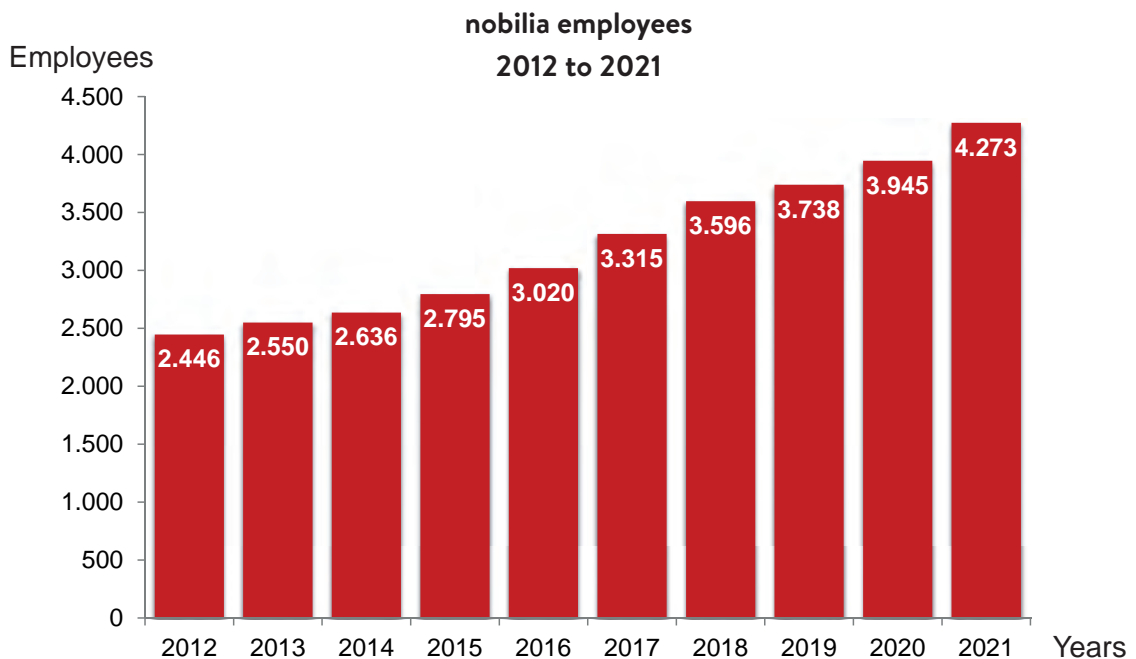
## EMPLOYEES AND TRAINING



## 7. EMPLOYEES AND TRAINING

Our employees shape nobilia through their dedication, knowledge and skills. They are key to our continued success. In order to reach our mutual strategic goals, we have always counted on a performance-oriented and motivating corporate culture. To this end we create an inspiring and supportive workplace environment, in which we are all part of a team. The foundation for this is a management culture that is candid and appreciative of every team member. To retain and motivate our employees, we offer them targeted support to help with their personal development.

With 4,273 employees at the end of 2021, the number of employees is 328 higher than the previous year. The focus of the new hires was on building up the workforce in our plants, especially Plant V in Saarland. Other focal points were new hires in the vehicle fleet, IT and sales.



Source: nobilia-Werke J. Stickling GmbH & Co. KG



We further optimised and extended our recruitment process in order to realise the high number of new hires despite the circumstances of the coronavirus pandemic and increasing labour shortages. We are better targeting people interested in working as a professional driver with a dedicated landing page on the Internet. We have also made the application process as a whole more straightforward for potential candidates. For example, drivers can now apply very quickly and efficiently via WhatsApp.

In the area of recruitment, employee referrals were again an important tool for nobilia in 2021. We used social media such as Instagram and Facebook even more intensively for recruitment. In the public domain, we utilised radio, billboard and bus advertising as well as our LED walls on the nobilia tower to draw attention to our vacancies.

## Training

In-house training is a high priority at nobilia. Currently, over 110 young people are learning one of nine commercial or technical professions at the company or completing one of three dual-study programmes in business economics, wood technology or industrial engineering. In 2021, over 40 new trainees and students started working on their professional qualifications at nobilia.



## **Employee retention**

nobilia employees feel a bond with the company and show strong commitment. We create the right basis for this with performance-related remuneration and an appreciative corporate culture.

At the end of 2021, in addition to holiday and Christmas bonuses, each employee received a special payment as a thank you for their exceptional commitment, great discipline in dealing with the coronavirus measures and rules, and high flexibility in the past financial year. The special bonuses paid per employee amounted to EUR 1,700. This amounted to an expense of more than EUR 6 million for the company.

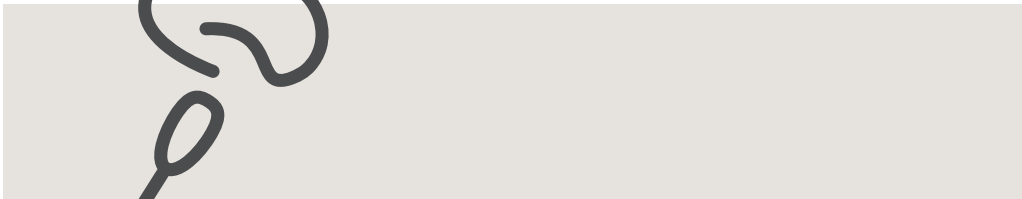
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**8.**

CORONAVIRUS  
MANAGEMENT 2021





## 8. CORONAVIRUS MANAGEMENT 2021

The coronavirus continued to dominate our lives and work in 2021. A lockdown, new variants and constantly changing coronavirus rules challenged society as a whole as well as our company. Through professional and preventive coronavirus management, we have navigated nobilia well through the pandemic to date. Our main priority has been and is to keep the virus out of the company in order to best protect our employees and their families and ensure our ability to deliver. All of the measures defined in this respect are reviewed on an ongoing basis and aligned with the latest requirements. Our strategy and implementation have been declared exemplary by the local authorities.



### Health protection and hygiene management

In early 2021, we were one of the first companies in Germany to introduce free rapid antigen tests for all employees. Employees tested themselves weekly in January and then daily from March. We continuously adapted our testing strategy throughout the year as the situation changed. All employees underwent PCR testing on returning to the workplace in January 2022 following the plant holidays.

We have been running our own vaccination centre since June, with experienced doctors available seven days a week to vaccinate employees and their families. The medical team can also advise on vaccinations. nobilia employees have proven very willing to get vaccinated. The vaccinations are offered on a voluntary basis.



We also have a comprehensive hygiene and safety concept in the company covering aspects such as social distancing and masks. The existing working from home options have been further expanded.

We have accompanied all of the measures, rules and vaccination offerings in the company with comprehensive internal communication that is appropriate to the target group. We have also set up our own coronavirus hotline to answer questions from employees.

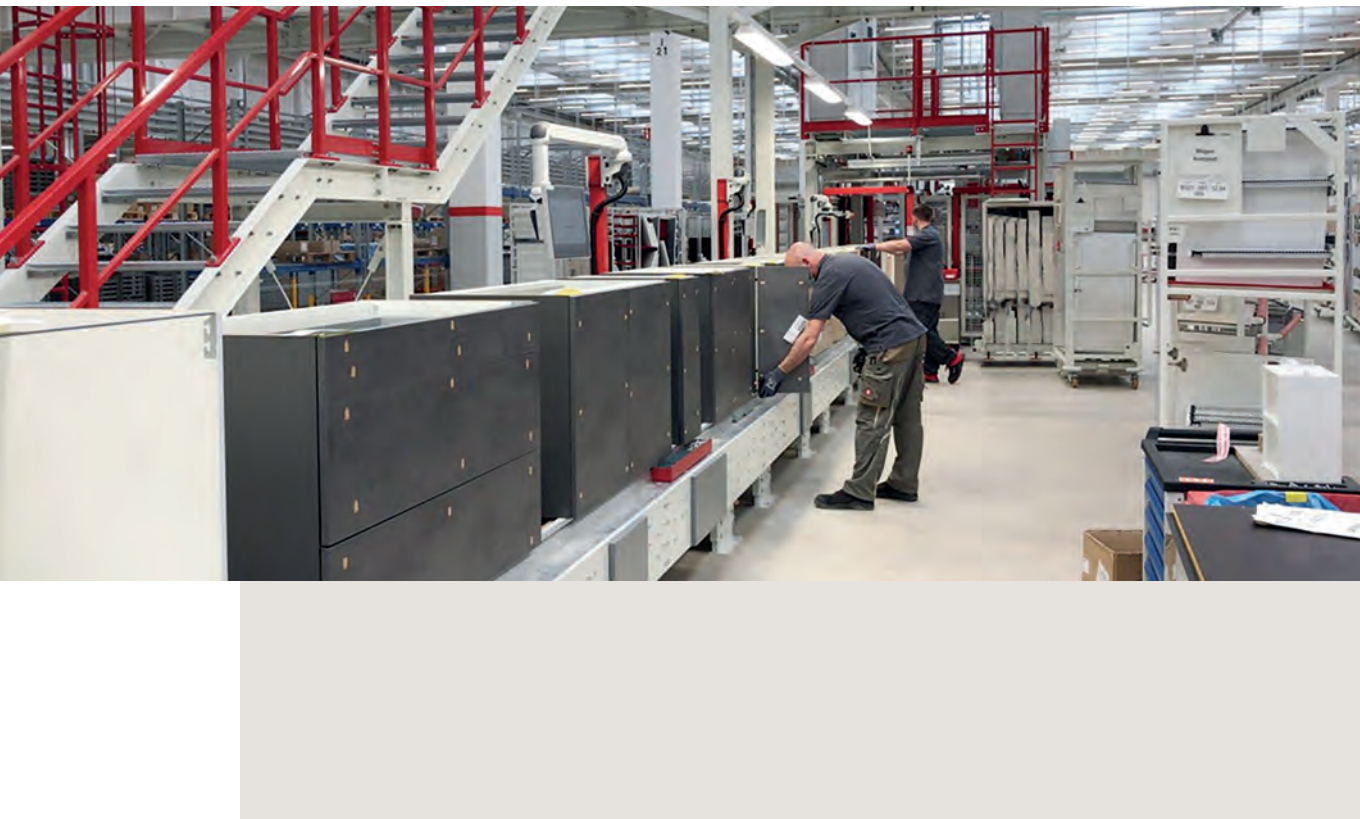
### **Security of delivery and production**

We again maintained our ability to deliver in 2021 thanks to a raft of tailored measures. Many additionally leased trailers allowed our vehicle fleet to boost the number of delivery trips to meet rising demand. At the same time, we increased the number of personnel in key positions in the vehicle park and logistics. We were successful in expanding our team of drivers thanks to the aforementioned additional recruitment measures.

Our comprehensive stocking strategy allows us to effectively deal with potential material shortages and problems along supply chains. In 2021, we again invested heavily in developing and expanding our safety stocks and leased additional warehouses for this.



With an emergency plan and a high degree of investment in additional personnel, we are ensuring that our production remains stable, even with staff absences due to illness. For example, we are training an additional 100 or more employees so that we can remain fully and wholly capable of acting, and therefore of delivering, in the event of shortages in personnel. This concept may well be unique in the industry and beyond.



## New services for retail partners

We have introduced many new services to make it easier for our retail partners to make sales during the coronavirus. These include a newly developed sample case that kitchen planners can take with them and use to provide advice on home visits to end customers. This portable advisory kit was a valuable support during lockdown in particular.



In addition to the sample case, we have made it possible for our retail partners to provide individual advice to customers via video chat. This offering is mainly aimed at partners who have not yet put an in-house solution in place. We provide this function via our extranet.



We have successfully switched our training offering for our retail partners to webinars and e-learning courses. This digital training is very popular and comes in the form of virtual live seminars and on-demand offerings. In addition, digital previews of new features and virtual tours of the in-house exhibition add to the information options for retail partners.

# 9.

## OUTLOOK



## 9. OUTLOOK

After the challenges posed by the coronavirus in 2021, the virus continues to dominate our lives in early 2022. A concrete outlook on the development in the coming months is difficult due to the unknown nature of the pandemic. Nevertheless, we can see that the vaccination campaign is gaining momentum worldwide. This gives us reason to hope that economic development in 2022 can be better decoupled from the effects of the pandemic.

As we start this year, however, there are still many pandemic-related restrictions on the industry and consumers. The long-standing IMM Cologne furniture fair usually held at the beginning of January has again been cancelled, leaving us without an event that provides the sector with important impulses. In the meantime, other key exhibitions for the industry have been either cancelled or postponed. The 2G rule is now routine in traditional retailing, which means that only people who have been vaccinated or have recently recovered from COVID-19 may enter stores. This is slightly subduing customer demand. Given the generally high incidence rates, many of our partners are currently short on sales staff due to the sheer number of employees having to quarantine at any one time.

Faced with restrictions on movement and travel, many consumers have found their own four walls a safe place of retreat during the coronavirus. Therefore, they have become hugely invested in creating a sense of cosiness and surrounding themselves with both beautiful and comfortable furnishings. Our homes are not simply where we live, but also a place for study and work. This has brought cooking, eating and nutrition more into the focus of consumers as well. They are again more inclined to prep and cook meals for themselves, family members and friends and are open to new food trends. Accordingly, we expect interest in kitchens and furnishings to remain high and further fuel demand.

The signals from residential construction, one of the most important indicators for the furniture sector in Germany, are also still positive. Persistently high housing demand is driving interest in kitchens and furnishings as well.



Availability of materials and supply chain stability will again be the biggest challenges for us in 2022. With our integrated and preventive approach to coronavirus management, our comprehensive and now proven stocking strategy and our major focus on logistics management, the entire nobilia team is working on these issues with great discipline and commitment. We are therefore confident of being able to maintain our ability to act and deliver at all times in the year ahead.

The lack of skilled workers in the labour market is becoming increasingly noticeable. That is why we place a great deal of importance on our appeal as an employer. We offer secure jobs, an open and appreciative corporate culture and many other benefits. In this way, we have succeeded in attracting many new employees again over the past year and in retaining existing staff. In addition, we put a great deal of effort into training our own junior staff. We also see this as key to our future success.

In a heterogeneous economic environment characterised by numerous uncertainties, independence from individual countries and markets remains of central importance for nobilia. That is why we will continue to pursue our successful internationalisation strategy. In 2021, we generated more sales from our broad-based export business to around 90 countries worldwide than in our domestic business. Nevertheless, we have not developed all international markets to the same degree. Accordingly, we still see great growth potential in this and will continue our efforts to further open up these markets.

With our versatile product range, which we have further differentiated in the bathroom and living areas in particular, and our high standards of product and service quality, we believe we are well positioned to meet the individual and complex requirements of our retail partners and the wishes of our consumers.

Through our investments in the new locations Plant III in Gütersloh and Plant V in Saarlouis, we have set the course for further growth in production. Plant V was already producing around 300 kitchens a day by the end of last year. We have thus created a good basis for adjusting capacities in line with future market developments.

We are therefore optimistic that we are well prepared for the tasks ahead and are in a position to continue to drive forward the positive development of our company in 2022.



# 10.

## DATA AND FACTS 2021



## DATA AND FACTS 2021

Sales volume:	EUR 1,482 million
Export ratio:	53.1%
Retail customers:	in over 90 countries worldwide
Employees:	4,273
Production sites:	4 in Germany
Production area:	385,000 m <sup>2</sup> , of which: 110,000 m <sup>2</sup> in Plant I, Verl-Sürenheide 140,000 m <sup>2</sup> in Plant II, Verl-Kaunitz 35,000 m <sup>2</sup> in Plant III, Gütersloh 100,000 m <sup>2</sup> in Plant V, Saarlouis
Production figures:	approx. 830,000 kitchens / year 8.3 million units / year 1.75 million worktops / year approx. 3,800 kitchens / day
Investments:	EUR 107 million
Own vehicle fleet:	227 lorries and 900 semi-trailers 411 qualified trained drivers
Freight volume:	3,150,000 m <sup>3</sup> / year
Management:	Dr Lars Bopf (Chairman) Michael Klein Frank Kramer Christopher Stenzel



Photo reference: This report includes staff photo footage taken prior to February 2020, and hence before the coronavirus pandemic.

Social distancing and face masks were not required at that time.

Photography:

nobilia-Werke, Kai-Uwe Oesterhelweg, Darius Pfeiffer, Jürgen Rehrmann, Jörg Sanger

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