2018 business year:
BHS tabletop AG remains soundly profitable amidst difficult market conditions

Turnover drops slightly to €118.7 million / Operating income of €4.1 million / Stable number of employees / New bisque firing kiln in operation / Brands win prestigious customers / Order from Deutsche Bahn / Investments in digitisation

Selb, 5 March 2019. After enjoying strong growth for five consecutive years, the listed company BHS tabletop felt the effects of the more challenging conditions on international markets during the past fiscal year. The effects of Brexit, a slight decline in US business and the struggling Arab market due to political crises resulted in a slight decrease in turnover to €119.5 million when adjusted for currency effects (down 1.6 per cent). In real terms, turnover amounted to €118.7 million. Domestic business developed positively, demonstrating the stability of BHS with a clear positioning as a provider of integrated tabletop solutions in all food service markets as well as the success of its new collections. The number of employees remained almost the same at 1,165.

In terms of profits, the global market leader in professional porcelain remains noticeably profitable. Adjusted EBIT amounted to €4.1 million in 2018 (compared to €5.8 million in the previous year). One of the issues affecting profits was a change in the board of directors. Adjusted EBITDA amounted to €9.5 million in the last business year (compared to €11.1 million in the previous year). For CEO Christian Strootmann, the operating profitability of BHS tabletop AG in a global, largely price-driven competitive environment is the key indicator of the company’s future success. ‘In spite of unfavourable conditions in key markets, which prevented us from achieving all of our goals in 2018, we are still very profitable and are in a position to make key investments in technological innovations and in digitisation from our own resources,’ Strootmann summarises.
At the end of 2018, BHS tabletop had almost completed the commissioning of its new state-of-the-art bisque firing kiln in Schönwald and had also invested in the continued digitisation of distribution processes and in additional communication channels. The company will continue to make investments in 2019 and is planning modernisation investments of €4.9 million. In addition, BHS will continue to promote the digitisation of its brands.

**Significant challenges in US and UK business**

Business development largely depends on the development of tourism markets, on how often people eat out and on the porcelain qualities and solutions ordered by canteens, retirement homes and hospitals, as well as airlines and shipping companies. That is true throughout the world. During the past business year, these areas developed very inconsistently due to different political and economic conditions in international markets. In the USA, for example, a major wave of restaurant closures caused by changes of the minimum wage resulted in a downturn in the food service market. This also affected the American subsidiary BauscherHepp Inc: turnover dropped by 3.4 per cent, from US$17.9 to 17.3 million. The effects of Brexit also resulted in the UK sales subsidiary John Artis Ltd. posting a slight decline in turnover from GBP 12.4 million to 12.0 million. This corresponds to a decline of 3.2 per cent.

**Bauscher joins the ICE fleet of Deutsche Bahn**

During the past business year, Bauscher, Tafelstern and Schönwald secured high-profile orders across a wide scale. Bauscher recently landed a major order of 430,000 pieces of porcelain. Espresso and coffee mugs from the *Enjoy* collection will be used in the on-board bistros across the entire ICE fleet in the future. BHS dealt with the logistical challenge flawlessly, supplying the initial equipment for around 54,000 units within just five weeks.

The Marriott Group quickly saw the benefits of the *Delight* collection from Tafelstern. The world’s largest hotel chain purchased 47,000 pieces from the collection for a new hotel in its lifestyle brand ‘Edition Hotels’ in Abu Dhabi, capital of the United Arab Emirates.

Located directly at the airport in the Indian metropolis with millions of inhabitants and with views of the runway, the Hyatt Andaz is one of the most prestigious
hotels in Delhi. Schönwald supplied two restaurant outlets: the stylish AnnaMaya and the Hong Kong Club. The trendy Shabby Chic décor concept is used in both restaurants, with selected items from the Playground collection complementing the look.

The success of the brands in the world’s leading restaurants and hotels also results from their creativity and keen sense of gastronomic trends. Further evidence of this was seen when Shabby Chic from Schönwald and Eatery from Tafelstern won the German Design Awards 2019. Representatives of the two brands accepted the prestigious design awards recently at the Ambiente international consumer goods fair.

**Sustainable products made from porcelain and alternative materials**

The future orientation of BHS tabletop is clear from its investments in energy-saving production processes and the combined heat and power system in Schönwald. Furthermore, the sustainable products presented a few months ago for ‘on-the-go gastronomy’, including food trucks, for example, also highlight how carefully the company uses natural resources. With the Playground collection, the brands offer a fully biodegradable disposable product made of 70 per cent sugar cane residues and 30 per cent FSC-certified wood cellulose. And best of all, the plates, bowls and small dishes are waterproof, fat-repellent and suitable for microwave use.

However, porcelain is also making a significant contribution to saving plastic material. Bauscher, Tafelstern and Schönwald have recently added a premium takeaway coffee cup made of thick-walled, extremely durable hard porcelain to their product range. It features a sealable lid and a silicone sleeve and allows consumers to enjoy their coffee with a clear conscience.

**Outlook: BHS remains confident and alert**

The headwind has become noticeably stronger, the economy is currently cooling down in Germany, too, and the known protectionist developments are affecting the mood in the economy. ‘We are following all developments very closely and will take countermeasures if market developments become more difficult. In general, we remain optimistic, as the BHS business model has proven to be very robust,’ Christian Strootmann describes the current position in 2019.
About BHS tabletop:

BHS tabletop AG ([www.bhs-tabletop.de](http://www.bhs-tabletop.de)) is part of the Serafin Group, whose philosophy is based on the 150 years of entrepreneurial tradition of the shareholder family. Based on the guiding principle of 'responsibility borne out of tradition', Serafin invests in companies to develop them in accordance with all interest groups. Support is provided by the experienced members of the advisory board Professor Bernd Gottschalk, Wolfgang Ley and Professor Heinrich von Pierer.

[www.serafin-gruppe.de/en](http://www.serafin-gruppe.de/en)

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Caption:

Coffee is a hot topic that inspires BHS tabletop to new ideas. The coffee concept *Coffee Tasting* from Tafelstern, for example, answers the question of how porcelain should be designed to ensure the perfect coffee moment and to help baristas work their magic. Be it in a mug, bowl, cup or even a glass, *Coffee Tasting* offers a multitude of different ways for enjoying coffee.

Premium coffee-to-go cups from the three brands, made of thick-walled, highly durable hard porcelain, also enable consumers to enjoy their coffee with a clear conscience.