

Press release
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In the Miele anniversary year Professional reports record sales and looks forward to further growth

- ▶ Christian Kluge, responsible for the Professional Business Unit, discusses markets and trends
- ▶ Miele strengthens its second mainstay alongside domestic appliances

Gütersloh, July 10, 2024. – In Miele's 125th anniversary year, the Professional Business Unit has never been so effectively positioned. For fiscal year 2023 the enterprise achieved record sales of €819 million. The portfolio now includes hygiene solutions for hotels, restaurants, assisted living facilities, and in the medical technology segment provides solutions for hospitals, medical practices and laboratories. In addition, Dr Christian Kluge, responsible for the Professional Business Unit, sees major potential in a joint venture. The joint enterprise combines Miele's Steelco Group with the Belimed companies Infection Control and Life Science, and thus becomes one of the largest providers of system solutions for hospitals and the pharma industry worldwide. Christian Kluge with an appraisal of markets and outlook for the future.

Mr. Kluge, the past few years have left their mark on many sectors for which Miele offers hygiene solutions. How do you assess the market environment and how has Professional developed?

Christian Kluge: In recent years market conditions have indeed been difficult and they still are. Key factors in this regard are Coronavirus, declining sales, shortage of skilled professionals in the hospitality industry and the care professions, and not least, cost increases in virtually all industries where we provide solutions. These factors have resulted in uncertainty and buyer reluctance. Consequently, it is all the more gratifying that the Professional Business Unit was again able to post positive numbers. We achieved record sales of €819 million in the year 2023. Together with the recently launched joint venture, SteelcoBelimed, annual sales will exceed €1 billion.

Do you see indications of an increasing willingness to invest in commercial products?

Kluge: We anticipate a constant overall economic situation in the core countries of Europe. On one hand this time of tight financial resources will continue, on the other hand necessary investments cannot be arbitrarily deferred. Good for customers: At a lower market volume

there is more competition. We consider ourselves to be well-equipped for this scenario – our products have a particularly long service life and a dense service network ensures optimal availability.

In what segments do you see potential?

Kluge: Over and beyond economic cycles, Professional has excellent opportunities for growth in all segments. Customers are looking for solutions with higher efficiency, higher availability and better sustainability. This changes the market and the right solutions will be increasingly purchased. Look at the laundry care segment. For example, we achieve higher efficiency and sustainability in the hotel industry thanks to our new Benchmark Machines with Eco programs but also thanks to digital solutions associated with our Miele MOVE platform, which, among other things, supports capacity optimisation. In the self-service area, with appWash we provide greater profitability for the owner and more convenience for the user.

Does the same also apply to the products for the target groups medical practices and laboratories?

Kluge: In the cleaning/disinfection and sterilisation segment, in addition to the points already mentioned, the other key aspects are assured results and easy, fast operation. Automated decontamination of medical instruments is becoming a standard procedure in more and more countries because it is safer and easier. The same applies to the cleaning of laboratory glassware. In this area new procedures are more effective, faster and they consume less resources. In addition to the demand for our products, this trend also impacts the demand for our service offerings.

With respect to service, what percentage of total sales is generated by service?

Kluge: Service accounts for more than 25% of our total sales – in the commercial area the service share is significantly higher than it is for domestic appliances, for instance. Preventive service ensures availability and productivity at customer facilities. Moreover, in the medical segment, compliance with hygiene standards must be verified on a regular basis. However, note that in the Professional Business Unit, we have a much broader concept of service that extends beyond device service.

To what extent?

Kluge: Over the years we have worked to become a solution provider for our customers and this is also how we are perceived. The guiding principle behind all this is to respond to the needs of the respective industry like no other provider. The key concept here is customising:

For the MasterLine dishwasher we developed special baskets to meet the requirements in assisted living facilities or in the hospitality sector. In the medical sector and in laboratories the degree of specialisation is even higher; for example, with regard to adapters for safer washing, disinfecting and sterilising of hollow-body instruments or laboratory glassware. The larger and more complex the facilities are, the greater the demand for consulting, installation and even the upstream planning competence of our specialists – if need be, even for complete sterilisation service units in hospitals. Moreover, we offer chemicals for our applications that ensure safe processes as well as digital platforms which we are consistently expanding.

With respect to hospitals. Last November Miele and Metall Zug announced a joint venture. What is the current status?

Kluge: A few weeks ago the responsible authorities issued their approval and we have finalised the merger of Miele's Steelco Group with Metall Zug's Belimed companies, Infection Control and Life Science. Now we will drive the integration forward with a large-scale program. Under the SteelcoBelimed brand we are offering cleaning, disinfection and sterilisation solutions to both the hospital sector and to production facilities in pharma companies.

What sets you apart here?

Kluge: Our ambition is to be the most customer-centric, innovative and reliable solution partner in our industry. With cumulative sales of approximately €490 million in 2023 in this business we are one of the largest providers worldwide and among those with the most extensive regional coverage. We have outstanding opportunities for growth in Europe, Asia and America.

For Miele the majority stake in the joint venture is another step that strengthens the Professional business. With this second mainstay alongside the domestic appliance business, overall Miele will become more independent of economic cycles. This is a significant supplemental benefit, in addition to the contributions towards growth and earnings that come from the Professional Business Unit.

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Company profile: Miele is recognised as the world's leading supplier of Premium domestic appliances, with an inspiring portfolio for the kitchen, laundry and floor care. The company also offers machines, systems and services for use in hotels, offices, care and medical technology. Since its foundation in 1899, Miele has lived up to its brand promise of "Immer Besser" in terms of quality, innovation, performance and timeless elegance. With its durable and energy-saving appliances, Miele helps its customers to make their everyday lives as sustainable as possible. The company is still owned by the two founding families Miele and Zinkann and has 15 production plants, eight of which are in Germany. Around 22,700 people work for Miele worldwide and the company's most recent turnover was 4,96 billion Euro. The company has its headquarters in Gütersloh in Westphalia.




There is one photo with this text



Photo 1: Dr Christian Kluge, responsible for the Professional Business Unit at Miele, reports record sales in 2023. (Photo: Miele)

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