

Press release

KÖTTER group drives strategic future projects with the aim of strengthening key segments and developing digital business areas

- The family company pushes ahead further development to move from a classic facility services provider to a digitalised services group**
- The preceding year was characterised by stable development, high investment in acquisitions, infrastructure, training and further education**
- Friedrich P. Kötter: “By now, we have been successfully adapting to change for 85 years and will continue to do this in the future”**

Essen (18/02/2019). Family company KÖTTER Services, which operates across Germany, is applying pressure to drive further development of the digitalised service group. The focus is on strengthening of the key business in terms of infrastructure building services, consisting of the security, cleaning and personnel service, and development of new business areas in the specific area of digitalisation.

The service group announced this as part of the figures for 2018 published today. In these, the KÖTTER group recorded stable development. The group sales of the Top 10 provider for Facility Services reached 540 million euros (5 year growth rate = 6.6 % p. a.). Against the backdrop of advances in the use of technical security systems and increasing digitalisation, the number of employees came to 18,500 (5 year growth rate = 2.6 % p. a.). “We have asserted ourselves in extremely difficult market conditions, which are continuously driven by significantly increasing competition and price pressure,” emphasized Friedrich P. Kötter, Board of Directors. “The normalisation recorded after several years of above-average growth stood out in the previous year. This is necessary to secure our healthy economic foundation on a long-term basis and to future-proof our structures, because growth is not an aim in itself, and is not something we seek at any cost. Instead, it must be the pivotal foundation for sustainable, economic stability, based on a strict quality orientation. Against the backdrop of the increasing labour shortage, this also includes checking, even more carefully than we do now, which customers can be most efficiently and best supported by our employees.

An overview of development of the individual divisions

- **Security:** The Security division has been a hit with additional orders from existing customers, specifically in industry, shipbuilding and from public authorities, and secured

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new orders in the trade fair and exhibition sector, amongst other areas. The largest family company in the sector therefore consistently maintained its position as a competent partner for both complex system solutions and demanding special services. Examples of this include KÖTTER SYMTO, which incorporates all components from personnel and technical and structural safety as a full solution as well as the more than 3.5 million euro investment offensive spent on personnel and infrastructure in the plant fire brigade sector (large vehicles, special technology, training). The integration of the Fürth-based ARNDT group also contributed to sustainably strengthening the core business of security services and technology. KÖTTER Security also developed its Smart Security Solutions at the same time. "This brought the announcement made in the context of sale of our money and valuables service to life. According to this, we would like to be pioneers in Digitalisation and Security 4.0," said Friedrich P. Kötter. The cornerstones of this include the participation of Swiss provider Morphean SA, specialised in video and cloud management, and strategic partnership with F24 AG, a leading company for web-based solutions in the area of alarm and crisis management. Last but not least, the high-tech control centre launched at the end of 2017 has proven itself with over 30 million reports processed for the first time.

- **Cleaning** The cleaning division recorded extremely positive developments based on new orders and additional orders from existing customers. The number of customer buildings served increased by around 8%. This illustrates how the company's positioning as a quality service provider and sector specialist, including for healthcare, the logistics sector and the chemical industry and pharmaceutical industry, has paid off. At the same time, KÖTTER Cleaning also pushed the digitalisation strategy, for example by using online-supported quality controls which provide customers with transparency on cleaning standards in real time.
- **Personnel Service** The Personnel Service division was able to strengthen its position on the market, and - as a quality service provider - confirms the importance of temporary employment as a flexible instrument for the German economy. KÖTTER Personnel Service also strengthened its position as a reliable sector specialist, for example, for industry, trade, logistics, IT and administration. The personnel service provide offers its customers industrial, technical and commercial specialists and managers to cover order peaks or, in the case of on-site management, takes over management of the temporary workers on-site at the customer.

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Confidently looking ahead

In light of these figures and developments, Friedrich P. Kötter appeared confident with regards to the future: “As a third generation family company, we are building on experience gained and decisions taken in the past. As children of the Ruhr area, a former mining region which has been characterised by a structural shift, navigating through future-oriented changes is second nature for us. This means that we have been living through change for 85 years - and will continue to do this in the future! The focus is on continuing to concentrate on high-quality and economically sustainable business areas and developing our Smart Service Solutions. Even when one-off acquisitions are always an option, we would also like to primarily grow organically in the future”.

Training and further education activities are achieving record results

These activities are used to keep ensuring success on a daily basis through know-how and commitment. “We would like to be a top provider in the respective regions or market segments, and be synonymous with quality and innovation leadership,” explained the Vice President of the Federal Association for the Security Sector (BDSW). The key factors for this are highly-motivated and top-qualified specialists, which is why - in addition to an employee-oriented and appreciative company culture - the topics of training and further education also have a special importance. The total volume of educational hours for 2018 in the KÖTTER group, which is celebrating its 85th birthday this year, rose to over a million hours for the first time.

Need for reform: weakening economy increases the pressure on politics

At the same time, Friedrich P. Kötter renewed his call for politicians to move up a gear in pressing for the necessary reforms. Topics on the agenda range from necessary investments in transport infrastructure and broadband expansion, to tax relief and bureaucracy reduction and strengthening of security of investment. “If no progress is made, this - in combination with the weakening economy - will endanger the future viability of Germany as a business location. To prevent this, the family company, with its experience and expertise, is available at all times to support the political sector.”

The KÖTTER Group

The KÖTTER Group is a modern and innovative group of companies with its headquarters in Essen. The company has been owned by the family since its foundation in 1934. As a professional Facility Services provider, the KÖTTER Group stands for tailored system solutions from a single source, consisting of security services, security technology, cleaning and personnel services. With around 18,500 employees at over 50

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sites in Germany, KÖTTER Group generates turnover of 540 million euros (figures for 2018). Further information can be found at koetter.de.

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