

Press release

October 19, 2020

E.G.O. on a sales rollercoaster: After an extremely difficult start to the year, household appliance supplier posts record figures in September

A new structure with five business units creates maximum customer proximity and the prerequisites for optimally exploiting growth potential.

Oberderdingen – A good start to the year, unprecedented declines in the 2nd quarter – and sales that are well over the forecast just a few months later: “2020 is a rollercoaster in terms of sales development,” said Dirk Schallock, CEO of the E.G.O.-Group in a press conference on Monday. “After temporary closures and reduced working hours in some plants at the beginning of the year, we have now reached record sales of almost 66 million euros in September. This is around 22 percent more than the 54 million euros posted in the same month last year.”

According to Schallock, at the beginning of the year it was primarily the E.G.O. sites in Asia that felt the Coronavirus effects. “We reacted very quickly and were later able to use our experience to act quickly and appropriately at our plants in Europe and America as well.” Among other endeavors, E.G.O. built up product inventories and relocated stocks within the plants worldwide. Many employees used compensatory (comp) time and took a vacation in the spring, while some employees at E.G.O. sites worked shortened hours for a time. All in all, by early summer the Group had experienced a low point unprecedented in the company's almost 100-year history. Then, in early summer, the figures rose again slightly. According to Schallock, the rapid increase of sales in the fall is at least partly due to a surge in household appliance sales (also referred to as “white goods” in the industry). “At any rate, we are now in the fortunate situation that our production worldwide is once again running at full capacity,” enthused Thomas Kohlbauer. He has been Chief Operating Officer (COO) of the E.G.O.-Group since June 1 and is responsible for the Global Production Network and Supply Chain Management.

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Adherence to targets defined before Coronavirus

Nevertheless, it is not easy to predict what the balance sheet will look like at the end of 2020, Schallock said. "So far, we are still sticking to the plan we developed before the outbreak of the pandemic, with annual sales of 667 million euros. Whether we will achieve this target is difficult to say at the moment. But even if we don't quite make it, it currently looks as if we will be among the companies that will survive the first year with Covid-19 well." The targeted figure of 667 million euros would represent an increase of 10.6 percent over the previous year's figure of 603 million euros. However, a large part of this increase is due to a change in the organizational structure: In 2020, E.G.O. took over the distribution for its Italian sister company DEFENDI and accounted for the sales revenues at E.G.O. Within the group, DEFENDI is the specialist for components and burners for cooking with gas.

New corporate structure with five business units

In general, despite the Coronavirus, E.G.O. has used the year 2020 for a new alignment of the group of companies. As of June 1, there are five Business Units (BUs), each of which combines all functions crucial to market development with project development, product management, and sales. The BUs have full profit responsibility for their segment and thus a high degree of individual responsibility. In order to support the BUs in the countries and ensure proximity to markets and customers, there are three regional units: for Asia and the Pacific (APAC), for the United States, Canada, and Mexico, i.e., the countries of the North American Free Trade Association (NAFTA), and for Europe and the Middle East (EMEA). The Corporate Communications, Quality Management (QM), and Innovations & Technologies divisions all report to CEO Dirk Schallock and are not included in the BUs. In Innovations & Technologies, the Pre-development division was reorganized in order to increase innovative strength. "With this new structure, we are creating the prerequisites for aligning the entire group to our customers' wishes and requirements, thus enabling us to tap growth potential better," Schallock explained.

Electronic Surface Cooking, the largest BU in terms of sales, combines the induction technologies of the E.G.O.-Group. This BU is responsible for further developing and marketing the components and systems of inductive surface cooking in line with local customer requirements. "We want to be

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more than just a supplier. As a strategic partner, we want to drive product innovations forward together with customers. Then we will not only be known for our high-quality products, but also for perfect service consisting of flexibility, commitment and speed,” says Schallock.

The Mechatronics BU deals with electromechanical products such as thermostats, controllers, radiant heaters, and hotplates. Kohlbauer: “The challenge in this area is to develop new potential with established products. To achieve this, we have to work very cost-effectively and always deliver absolutely first-class quality. This is how E.G.O. can become the undisputed market leader – in all segments and regions.”

Thick-film technology for markets outside the household appliance industry

Product development is the top priority in the Thick Film BU. According to Schallock, thick-film technology is absolutely innovative and trendsetting in the field of heating technologies and is also versatile. That is why it will also be marketed outside the white goods sector in the future – for example, in the automotive industry or in medical technology. The focus in the future will be on new, energy-saving technologies.

The Electronics BU comprises the innovative electronics-based products, a significant growth area for E.G.O. Demand remains strong, particularly for electronic controls. The company intends to take advantage of this to grow even further with electronic products.

Cooking with gas is handled by the Gas BU based in Camerano, Italy. The team deals with products such as gas burners and control systems. Here, too, the new structure is aimed at better tapping potential through maximum proximity to customers and their needs. According to Schallock, there is also a continuously increasing competitive pressure in this area, which E.G.O. wants to counter with innovative products.

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Dirk Schallock, Chairman
of the
Management Board of the
E.G.O.-Group (CEO) since
January 1, 2019

Photo: E.G.O.

About the E.G.O.-Group

The E.G.O.-Group (E.G.O.), with its headquarters in Oberderdingen, Baden-Württemberg, is considered one of the world's leading suppliers to manufacturers of household appliances. In considerably more than half of all cases, people around the world who cook with electricity will do so with technology and products from E.G.O. It all began around 90 years ago, when company founder Karl Fischer developed the first electric hotplate suitable for series production. The core values summed up in the words "made by E.G.O." are found not only in your stove, but also in washing machines, dryers, refrigerators, and many other household appliances and commercial machines. The supplier covers four different activity fields with its technologies and products: Heating, controlling, converting, and connecting. The E.G.O.-Group has around 5,600 employees worldwide, working in 20 sales and production companies in 17 countries. Their drive: Innovations that make people's everyday lives easier, create benefits, and conserve natural resources. In 2019, the group generated sales of 603 million euros. More information is available on the website www.eqoproducts.com

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