

Highest turnover in the company's history

Gerd Liebig reports on the success of 2021, underpinned by all-electric machine sales, and the economic outlook for Sumitomo (SHI) Demag

Düsseldorf - June 2022. At the K-Preview press conference, Gerd Liebig, CEO of Sumitomo (SHI) Demag, hailed the 2021 financial year as the Group's most successful to-date. Group sales reached a new all-time high of 808 million euros, increasing by 17.4 percent compared to the previous year (2020: 688 million euros). "This strong sales growth can be wholly attributed to our all-electric machines, where market share continues to rise," he asserted. The company is now officially the global market leader in all-electric injection moulding machines.

Focusing specifically on the results for Germany and Sumitomo (SHI) Demag Plastics Machinery GmbH, Schwaig, which comprises production sites in Germany and China, Liebig also reported unprecedented turnover figures. For the first time surpassing the 300 million mark and exceeding the pre-corona level with 302.3 million euros. "We also achieved the best results in terms of profit and customer satisfaction," states the CEO. Putting this into context, sales per employee climbed to the second highest point in the past five years. The company currently employs 1,100 people. Order intake also reached a record high of 322.9 million euros.

Profitability in 2021 was in the double-digit range and only slightly below the previous 2018 record. "This stable profit is all the more remarkable given the extreme economic adversities caused by material price increases," Liebig summed up. He remains optimistic that the 2022 results will be just as good, despite a challenging first quarter. Further milestones accomplished included a drastic 20 percent reduction in quality costs and a significant increase in customer satisfaction, reaching the second highest level in the last five years, he exclaims.

The company's Net Promoter Score (NPS) - a metric that measures the extent in which consumers would recommend a product or service – also rose significantly in comparison to pre-pandemic levels, peaking in the mechanical engineering ranking.

Concurrently, employees expressed their satisfaction in the company, awarding a 100 percent recommendation rate for the first time by the respected rating portal Kununu. This evaluation helped to reaffirm and validate the importance of company stability and reliability as both a machine supplier and employer, corroborates Mr Liebig. "This result was truly unique in our industry environment."

An overriding factor in the company's success is the rapid and rising proportion of all-electric machine investments, especially in Europe. "Already accounting for 33 percent in 2021, we are anticipating 40 percent in 2022," claims Mr. Liebig, who remains resolute to continue on the path adopted by his company. "We took a prudent decision to only produce all-electric machines at our plant in Wiehe. These robust results are indicative that it was the right one. Extensive investment in the two German locations will further strengthen the firm's responsiveness and R&D. Considerable resources are being re-invested in Schwaig to improve mechanical production and assembly. In Wiehe, the focus is on reducing throughput times, optimising cycle processes in final assembly and functional testing, and digitalisation projects."

Providing his industry outlook, Liebig summarised three factors likely to significantly impact sales-orientated industries: sustainability, corona and the war in Ukraine. His assessment flags several mutually disruptive forces, including escalating energy and material prices, high inflation and massively disrupted supply chains.

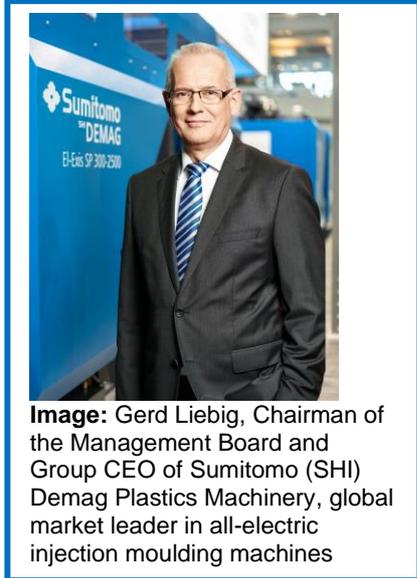
The effects on each market will vary hugely. While Packaging, Electronic and Medical will remain stable in 2022, the expectations in Automotive are more modest due to longer delivery times. Consumer is also uncertain due to the erosion of spending power. "Longer term, these sectors will recover and increase strongly," predicts the CEO. He believes that the automotive sector will overcome the economic and structural crisis and will rise sharply from 2024, while the high savings rate and the trend towards all-electric machines as a result of spiralling energy prices would lead to significant growth in consumer goods.

Expanding further, Liebig referenced the five influential and mutually dependent future market trends.

In addition to the significant increase in the automotive and consumer sectors, high demand for all-electric injection moulding machines links back to the sustainability and circular economy agenda, which connects back to the new EU Digital Product Passports (DPP). As part of the Sustainable Products Initiative, the DPP challenges that sustainability is no longer confined to machine or products it manufactures. "It now questions how sustainably the machine is manufactured in-house," announced the CEO.

Facing up to these challenges, Liebig shared how the company plans to improve sustainability throughout the entire product life cycle. He expands: "Critical material availability looks set to remain problematic for some time to come. Here, we'll use multi sourcing concepts to develop alternative material flows in order to achieve maximum on-time delivery through optimised availability."

Images/Captions:



Contact

Alexandra Schaper

Marketing Manager

Sumitomo (SHI) Demag

+34 674 365 956

alexandra.schaper@shi-g.com

Sumitomo (SHI) Demag Plastics Machinery GmbH

Sumitomo (SHI) Demag has shaped the development of the plastics industry from its very beginning. As a specialist for injection moulding machines for plastics processing, Sumitomo (SHI) Demag and its Japanese parent company are leading the industry.

The global development and production network of Sumitomo Heavy Industries and Sumitomo (SHI) Demag is comprised of four facilities in Japan, Germany and China with more than 3,100 employees. The product portfolio includes all-electric, hydraulic and hybrid injection moulding machines with clamping forces of between 500 kN to 15,000 kN. With more than 154,000 installed machines, Sumitomo (SHI) Demag is present in important global markets and ranks among the largest manufacturers of injection moulding machines in the world.

At Sumitomo's headquarters in Chiba, Japan, the company manufactures machines with clamping forces in the small to medium range. Nearly 95 % of all delivered machines are equipped with an all-electric drive concept. Sumitomo (SHI) Demag's German facilities in Schwaig and Wiehe produce the Systec Servo range with hybrid drive as well as the EI-Exis SP and Systec SP range of high-speed, high-performance machines. The all-electric IntElect range for international customers is also being produced in Germany.

As early as 1998, Sumitomo (SHI) Demag set up its first production site in Ningbo/China. In 2015, the Chinese subsidiary Demag Plastics Machinery (Ningbo) Co., Ltd. installed a new facility with a 13,000 m² floor space. It is earmarked for the production of the Systec C range with clamping forces of between 500 and 10,000 kN for the Asian market.

In addition to injection moulding machines, Sumitomo (SHI) Demag offers customised and standardised systems for the part handling automation, technical and process solutions for special applications, tailored services and service concepts as well as a range of financial options to support investment in injection moulding machines.

With its comprehensive sales and service network of subsidiaries and agencies, Sumitomo (SHI) Demag is present in all major markets.