VIKING Company Review Press Statement

VIKING Factory Premises, Langkampfen

##### Wednesday, 18 April 2012, 10:30 am

###### **VIKING reports 20 percent turnover growth in 2011**

###### **Successful market introduction of innovations**

**Your contacts:**

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Press CD April 2012 (texts of this press pack and photos)

VIKING news 2012

**Successful fiscal year 2011**

Langkampfen/Kufstein, 18 April 2012. VIKING GmbH looks back at a successful year 2011. The gardening power tool manufacturer increased its turnover by more than 23 million euros to over 133 million euros. This corresponds to growth of around 21 percent. VIKING thus achieved a turnover record in the company’s history. In addition to this strong trend, VIKING GmbH also consolidated its position as a reliable regional employer. The company increased its employee numbers by just under eleven percent, from 268 to 297. This also represents a historical employee-number record. The gardening power tool manufacturer increased its balance sheet total by 17 percent to nearly 85 million euros. The equity ratio amounted to 61 percent in 2011.

The company’s export share remained at the same high level of 97 percent. “The pleasing results from last year confirm that we are on the right track. We consistently pursue our clear premium strategy and continuously invest in the VIKING brand,” explains Managing Director Peter Pretzsch.

**VIKING continues to grow**

Based on the positive trend in recent years as well as the good prospects for the future, the Tyrolean gardening power tool manufacturer decided to extend its premises. Following the last major extension in 2006/2007, the ground-breaking ceremony for the current extension building was held on 28 October 2011. New areas for additional assembly stations, a new production warehouse, workshops for prototype and equipment construction, as well as for apprenticeship training and office space are being created on a useable floorspace of approx. 16,000 square meters. “In Langkampfen, the conditions are ideal for the production of our high-performance products. In total, we are investing 13.7 million euros in the current construction project. This is the largest single investment in the company's history” says Peter Pretzsch with regard to the Tyrolean location. Mainly companies from within the region were used during implementation of the construction project. “The progress of construction is currently going according to plan in terms of time as well as costs and quality. The project will be completed in October 2012. We will therefore achieve a construction time of under a year,” adds Josef Koller, Production and Market Supply Manager of VIKING GmbH, who also bears responsibility for project management with regard to the extension building at VIKING.

**Employee recruitment**

The successful developments and the new production capacities further enhance the significance of VIKING as an employer in the region. During the past year, the number of employees has grown accordingly. In 2011, VIKING GmbH succeeded in increasing its workforce from 268 to currently 297 employees. Moreover, the company is currently seeking reinforcements in several areas. It also offers students an opportunity to write their degree thesis at the company.

A central task in the gardening power tool manufacturer’s personnel policy is the training of apprentices. VIKING combines its apprenticeships with the Austrian higher school certificate and develops the apprentices’ personal and social skills through special training courses. Careers with apprenticeships currently include the fields of mechatronics, warehouse logistics, information technology and the commercial department.

Furthermore, VIKING offers professional development opportunities to its employees through higher education and further training measures. In addition to management and specialist careers, the company also supports on-the-job training. “In our internal training measures, we also pursue an ‘employees train employees’ approach. This allows us to benefit from the expertise and strengths already available within our company,” explains Peter Pretzsch regarding the significance of employee development.

**Product innovations guarantee advantage**

Innovations bring success – this fact was once again confirmed at VIKING last year. The newly introduced ride-on mowers (R4 Series), the electric and battery-powered lawn mowers (3 Series) and the tillers were extremely successful. In addition to their high performance, the models impress due to their easy operation and high degree of comfort. A further highlight are the new battery-powered machines.

The gardening power tool manufacturer has a few innovations in the current gardening season as well. One example is the HB 560 tiller developed in-house by VIKING. In addition to high power and durability, the engineers focused particularly on user friendliness. The handlebars, for example, can be very easily adjusted to three different heights as well as to the left or right. A further special feature: The blades operate with a cutting rather than a chopping action. This reduces vibration and the tiller runs more smoothly. An additional buffer between the handlebars and gearbox housing absorbs further vibrations. A robust design rounds off the overall package.

Further innovations have also been made with regard to the lawn mowers: Here, the 2 Series was complemented with the self-propelled MB 248 T model. This inexpensive entry-level model is particularly well suited for small and medium-sized lawns and impresses with excellent handling as well as a central cutting height adjustment feature.

The range of mulching mowers has also been extended with the MB 2 RC model. This special mower is particularly compact in design and mulches with a cutting width of 46 centimetres. The gardening aid impresses thanks to its soft grip handlebars and manoeuvrability.

**“Blue Angel” environmental label**

The VIKING 3 Series battery-powered lawn mowers – MA 339 and MA 339 C – were recently awarded the “Blue Angel” environmental label, the first environmental protection-related hallmark worldwide. The two lawn mowers convinced the commission with regard to the points “Reduction of noise emissions” and “Prevention of pollutants”. The battery-powered lawn mowers stand out thanks to a specially noise-optimised blade, low-pollutant lithium-ion batteries and the absence of components made from PVC or containing plasticisers. For the gardening power tool manufacturer, the award represents further confirmation of the sustainability of its products.

Furthermore, VIKING GmbH recently obtained a further award. Jointly with partner Duropack, it received the “WorldStar Packaging Award”, one of the most coveted prizes in the packaging sector, for the packaging of the HB 445 tiller.

**Strong brand message for the future**

VIKING is a strong retail brand that is characterised by the performance, safety and easy handling of its machines. The products offer high comfort, as well as being reliable and efficient. In 2011, the premium brand message was reinterpreted. “Our new motto ‘Love your lawn’ stands for a spirit of innovation, ease of use of our products and consistent quality management. And these are precisely the expectations that our customers place on us,” says Wolfgang Simmer, Sales and Marketing Manager of VIKING GmbH, explaining the significance of the new brand image.

This brand strategy is also reflected in the company's website. The homepage has undergone a relaunch. It now features a new design and an even clearer layout. A new corporate film was a further step taken to consolidate the core message. "In order to communicate more clearly and comprehensibly with the target groups and the broad public, we have shot two films. The image film takes the viewer into the rich green world of VIKING, showing how we make the garden realm even more beautiful. We also communicate fun and pleasure in nature, light-heartedness and of course quality and comfort. The corporate film, in turn, presents the VIKING company and reveals the people behind the brand. Because this is what we rely on and what allows us to invest in the future," adds Wolfgang Simmer.

**Successful sales markets in Europe**

The high quality of the VIKING products is not only appreciated in the Austrian domestic market. 2011 was also a successful year, especially in Germany, France, Italy, Norway, Russia and many Eastern European countries. The gardening power tool manufacturer relies on the consistent implementation of the premium strategy. For example, neighbouring country Germany now boasts close to 1,000 VIKING premium partners and is dedicated to targeted dealer development. In Italy, the tillers and ride-on mowers sold exceptionally well last year. Moreover, VIKING recorded a pleasing increase in lawn mower sales. Above-average success was also achieved in Norway. Here, VIKING benefits significantly from the fact that its range is well suited to the Scandinavian market, in which entry-level mulching mowers are strongly represented. Russia continues to offer great potential. Importers here value the high quality of the VIKING products. Tillers play a particularly important role on the huge Russian market. But lawn mowers and shredders are also gaining significant ground in the gardens. These gratifying developments bring VIKING a further important step towards its objective of market leadership in the European specialist market.

**Market research shows: High customer satisfaction with VIKING**

In terms of customer support, VIKING GmbH places particular value on personal advice and professional service. The products are therefore sold exclusively via specialist dealers. The level of customer satisfaction with the advice and with the VIKING products is monitored regularly by means of end-customer surveys. In the current survey being conducted in Germany, France and the UK, VIKING is achieving top results. The quality of the products convinces the respondents. 93 percent have had very good experiences and are “very satisfied” with their machine. The results in the “repeat purchase” and “recommend to others” categories are particularly pleasing: 95 percent of customers would definitely opt for a VIKING lawn mower when making their next purchase. Moreover, 97 percent of customers would recommend VIKING products to friends and acquaintances. These excellent results are confirmation that the ongoing investments made by the Tyrolean company in innovations pay off.

**VIKING: Successful member of the STIHL Group**

As a family-run company, VIKING remains independent of decisions by third parties. Since 1992, VIKING has been a fully-owned subsidiary of STIHL International GmbH, the global market leader for motorised saws. The two STIHL Group brands – STIHL and VIKING – complement each other perfectly in terms of products, and can thus exploit synergy effects. More and more of STIHL’s electric products, such as numerous battery-powered machines, are produced in the plant in Langkampfen. All in all, the year 2011 has been a successful one for the STIHL Group.

##### VIKING management crew:

Dr. Peter Pretzsch Managing Director

Wolfgang Simmer Sales and Marketing Manager

Josef Koller Production and Market Supply Manager

Michael Dickjürgens Purchasing Manager

Bruno Lutz Finance and Accounting Manager

Johann Weiglhofer Product Development Manager

**Facts & figures: VIKING at a glance**

**Company history**

1981 Foundation of VIKING GmbH

1992 VIKING becomes a member of the STIHL Group

2001 Relocation of the company headquarters from Kufstein to the Competence Centre for Gardening Tools in Langkampfen

2007 First extension to the VIKING plant

2012 Extension for a further 16,000 m² of useable floorspace

**Management**

Dr. Peter Pretzsch

**Product range**

Lawn mowers, robotic mowers, lawn tractors, garden shredders, scarifiers, tillers as well as numerous battery-powered and electric STIHL brand products.

##### Business figures

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| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **2005** | **2006** | **2007** | **2008** | **2009** | **2010** | **2011** |
| **Employees** | 161 | 179 | 195 | 219 | 250 | 268 | 297 |
| **Turnover (in thousands)** | 83,298 | 86,399 | 92,936 | 118,823 | 106,184 | 110,554 | 133,688 |
| **Balance in thousands** | 50,394 | 53,471 | 57,602 | 67,420 | 65,592 | 72,748 | 84,998 |
| **Equity capital in thousands** | 32,878 | 32,006 | 32,321 | 44,151 | 45,870 | 48,226 | 52,175 |
| **Equity ratio**  **in %** | 66 | 60 | 56 | 65 | 70 | 66 | 61 |
| **Export share in %** | 98 | 98 | 98 | 98 | 98 | 97 | 97 |

**VIKING in short**

VIKING was founded in 1981 in Kufstein and was able to continuously expand the production of its garden shredders. Three years after foundation of the company, VIKING began the development of its own line of lawn mowers in 1984. In 1992, following incorporation into the STIHL Group, the company completely renewed its garden tool range.

Today, VIKING produces and sells lawn mowers, robotic mowers, lawn tractors, garden shredders, tillers and scarifiers. With a current export share of approximately 97 percent, the garden tool specialist is represented in some 60 countries worldwide. The most important export markets are Germany, France, Belgium, Netherlands, Russia, Spain, Scandinavia, Poland and Italy. With 297 employees, VIKING achieved a turnover of 133.7 million euros in 2011. The consistent development of high-quality products and good marketing techniques in collaboration with the STIHL Group have made VIKING a leading company in the gardening power tool sector.

**Your contact for further questions:**

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VIKING

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**Captions**

**Managing Director Peter Pretzsch**

VIKING Managing Director Peter Pretzsch is proud of the new R4 Series ride-on mowers, which were successfully introduced on the market in 2011. The ride-on mowers are easy to operate as well as particularly manoeuvrable and precise, ensuring plenty of driving pleasure.

**VIKING extension building 2012**

The ground-breaking ceremony for the current extension building was held on 28 October 2011. New areas for additional assembly stations, a new production warehouse, workshops for prototype and equipment construction, as well as for apprenticeship training and office space are being created on a useable floorspace of approx. 16,000 square meters.

**MB 248 T lawn mower**

The 2 Series was recently complemented with the MB 248 T. This self-propelled lawn mower makes work in the garden even more comfortable.