



WORLD WIDE WEAVE

GKD: 2019 sees highest revenue in company history

Consistent focus on responding to megatrends

GKD – Group (GKD), the world market leader for technical weave for industry and architecture, closed the 2019 financial year with record sales. The family-run company, now in its third generation, exceeded the previous year's figures for the fifth year in succession with sales of €107.4 million (previous year: €95.3 million). The equity ratio also grew by 4.6 percentage points to 50.3 percent. Significant drivers of this success were the process belt mesh (+37.4 percent) and industrial mesh (+15.3 percent) divisions. Regionally, GKD USA recorded the strongest sales growth (+30.3 percent), followed by Asia (+19.7 percent) and Africa (+15.3 percent). Investments amounting to €7.3 million (+52 percent) – for construction projects at the German headquarters as well as machinery and installations – laid the foundations for further growth. The GKD group employed 848 people at the end of the reporting year, 445 of them at the headquarters in Düren, with 20 trainees.

"We were able to further significantly increase the successful development of the previous years, underlining the fact that the GKD group is set up for sustained success even in an increasingly challenging economic arena," says Dr. Stephan Kufferath, Commercial Director of GKD. His brother, qualified Engineer Ingo Kufferath, who works alongside him as technical director, adds: "The consistent focus on products that respond to megatrends like mobility, protecting resources, and health, was further proof of GKD's resilience, enabling us to once more cement our position as market and technological leaders."



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The industrial mesh division recorded strong growth particularly in the areas of automotive, raw materials extraction, and general filtration. Demand from the automotive industry centered on exhaust gas recirculation filters for combustion engines. In addition, revenue increased from new solutions with metal mesh for electromobility and drives of the future. In the crude oil industry, constructions with GKD mesh gained further ground as mandatory requirements in the tender specifications of leading oilfield service companies. In the area of general filtration – and for the water industry in particular – new products such as the three-dimensional high-tech *Porometric* mesh contributed to a significant leap in sales. The main driver behind the success of the process belt division was the significant increase in capacity generated by the production site in the USA constructed in the previous year. Very strong demand from the wood, corrugated board, and nonwovens industries also contributed to the excellent sales trend in this division. Revenue from the architecture division dropped. It was not possible to match the one-off effect of the previous year's sales, which were boosted by a major project in the USA. GKD responded to the general change in the architecture market, which is accompanied by increasing price sensitivity and the desire for colored solutions, with the development of new fabric types. At the start of 2020, these rigid aluminum meshes were successfully launched on the market in new warm metal colors and with a previously unseen open area.

Strong contribution from subsidiaries abroad

GKD-USA again played a major part in the overall result. Alongside the country's traditionally strong architecture business, the other two divisions also delivered a sterling performance. A key contributor to the strong rise in sales in Asia was the great demand for special meshes for ink jet printers. In Africa, GKD succeeded in more than doubling revenue compared to the



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previous year as a result of mining business. In Australia, it was not possible to replicate the architecture revenue of previous years, resulting in a slide in sales of -12.9 percent. Architecture business in Europe also saw a downward trend (-3.8 percent). In Latin America, operations relocated to new business premises in preparation for anticipated growth opportunities – particularly in the application areas of mining, environmental protection, and the food industry. Business development in the Middle East was further impacted by political upheaval. Stephan Kufferath comments: "The current situation in the Arab world and construction growth in the region inspire low expectations. Nevertheless, GKD's presence there is unchanged."

Outlook with justified optimism

For the current financial year, GKD is expecting a positive result despite the Corona pandemic and is looking to "achieve the goals set with justified optimism," says Stephan Kufferath. The pandemic has left its mark in all business divisions and subsidiaries of GKD in the first half of 2020 through temporary shutdowns of operations in China, India, South Africa, and Chile. However, these were compensated by the other factories, enabling the high expectations for sales development – even compared to the previous year – to be met. "The good results from the first half of the year show once again that we are able to compensate negative developments in individual divisions with our portfolio aligned to central needs and our wide-ranging expertise in industry and solutions," explains Ingo Kufferath. His brother adds: "Due to the uncertain effects of the pandemic, we are currently unable to provide a reliable sales forecast. But with our equity share of over 50 percent, we have enough of a buffer to make further investments in our future as planned."

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As a privately owned technical weaver, GKD - Group is the world market leader in metal, synthetic and spiral mesh solutions. Four independent business divisions bundle their expertise under one roof: Industrial Mesh (woven metal mesh and filter solutions), Process Belts (belts made of mesh and spirals), Architectural meshes (façades, safety and interior design made of metal fabrics) and Mediamesh® (Transparent media façades). With its headquarter in Germany and five other facilities in the US, South Africa, China, India and Chile – as well as its branches in France, Spain and worldwide representatives, GKD is close to markets anywhere in the world.

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