

**Contact:**

Heinrich Hüntelmann
Head of Press Office, Ravensburger AG
Tel: 0751-86-1942
heinrich.huentelmann@ravensburger.de

Robert-Bosch-Straße 1
D-88214 Ravensburg
www.ravensburger.de/presse

Financial Report Press Conference 2018

Ravensburger invests in change

Ravensburg, June 27, 2018 – In fiscal year 2017, the Ravensburger Group generated net revenue of EUR 471.1 million on slightly declining markets. This figure was on a level with the previous year. Net income totaled EUR 23.7 million, resulting in a net return on sales of 5.0 %. 2017 was a year of change for Ravensburger. Since last year, the Group has been implementing a new corporate strategy. It is investing more in globalization and innovation. As part of this approach, the company acquired the US games company ThinkFun. This company adds brain games to the Ravensburger portfolio. The innovation drive also paid off: In 2017, the new marble track system GraviTrax® became a bestseller in last year's Christmas business.

At the financial report press conference, the Chairman of the Board, Clemens Maier, summed up the new corporate direction: "Digitalization is fundamentally changing our markets. That's why we're realigning the company, including long-term investment in change. Luckily, we can count on passionate staff who are extremely loyal to Ravensburger and our values."

The Group: stable business development on a changing market

In the past fiscal year, the Ravensburger Group achieved net revenue of EUR 471.1 million. After allowing for exchange rate fluctuations, that was exactly the same as in the previous year. This resulted in a net income of EUR 23.7 million, or a net 5.0 % return on sales. Among other factors, special items shrank the result compared to previous year by EUR 8.4 million. For instance, Ravensburger significantly increased its provisions in response to the tense situation in the games and toys retail trade – including insolvency proceedings against two international chains. At the press conference, CFO Hanspeter Mürle said: "We achieved a respectable annual result. However, our focus is on the long-term reorientation of our company."

The divisions: growing international business with games and toys

For the first time in five years, the markets for games and toys in the five most important European countries failed to grow but declined slightly. Business development of the *Toys division*, which generates 85 % of Ravensburger's gross sales, remained on a level with the previous year. With all its brands, the division achieved net revenue of EUR 398.8 million. On foreign markets, responsible for two thirds of sales, Ravensburger Toys grew almost everywhere by a total of 5.5 %. On the domestic market, the division's net revenue was 10 % down on the previous year, which had benefited from a unique, major business coup. Without this one-off effect, domestic sales compared to 2016 increased by 5.9 %.

Due to a lack of bestsellers, the German children's and youth book market declined slightly by 1.8 %. The net revenue generated by Ravensburger's *Children's and Youth Book division* also decreased by 1.8 %, to EUR 63.7 million. This was due to special items and consolidation in one segment. In contrast, the core business of the division developed positively, so that Ravensburger invested in new initiatives also in its



▼
▼
Photos and text can be downloaded from:

www.ravensburger.de/presse

Information on Ravensburger can be found at:

www.ravensburger.com



Euro. books segment – for example the establishment of a literary children's book program based in Hamburg.

Sales by the Ravensburger *Leisure and Promotion Service division* increased in 2017 – in part due to a major order – by 16.6 % to EUR 17.7 million. The holiday village that supplements the Ravensburger Spieleland theme park also contributed to this growth with high bookings.

Long-term reorientation: consumer behavior is changing

The reason for the Group's new direction is changed consumer behavior. Children are spending more time playing digital games – often on mobile devices; parents increasingly buy toys and books on the internet; both children and parents communicate and get their information online or via social media. In response to these drastic developments, Ravensburger has taken a new long-term direction. The physical product remains at the core of its business, but digital content enhances it. There is a new focus on developing complete product worlds. The products are sold – conventionally or online – through all channels consumers use for buying. Also in communication, Ravensburger is moving closer to consumers with personalized communication and tailored offers.

In times of change: Ravensburger mission and values remain constant

In 2017, the company invested heavily in implementing its new strategy. The first visible changes are already evident. For example, Ravensburger applied new development methods last year with the aim of optimally aligning products with consumer wishes and reducing time-to-market. For the first time, the company assembled interdisciplinary teams that apply agile methods in new development environments such as an “innovation campus” to come up with fresh product worlds and ideas. Ravensburger also achieved a short time-to-market and interdisciplinary development with *tiptoi® create*. This further development of Ravensburger's bestseller *tiptoi®* is scheduled for market launch in fall this year. In a joint process, a team developed the physical product, digital content, downloadable software, and the marketing campaign.

These activities are the first step in a long-term change plan at Ravensburger. The special characteristic here comes from the collaboration of people from various generations and origins, which is a key feature of the family-run company. This diversity also applies to the workforce: around 20 percent are baby boomers (53+ years), a good third each are generation X (38 – 52 years) and generation Y (23 – 37 years), and some four percent are generation Z (up to 22 years). 62 % of employees are female, and just under half work abroad. The balance and discourse between these groups helps drive change at Ravensburger. There is a solid basis for this: organically evolved values that stand for community and solidarity, and the company's mission of contributing to playful development. Ravensburger employees identify with these values even in times of change.

(6,098 characters with spaces)

About Ravensburger

Ravensburger AG is an international group with a long tradition and solid values. Its mission is "Playful Development". The company's most important brand mark is the blue triangle, which stands for fun, education, and togetherness. Ravensburger is one of the leading brands for puzzles, games, and activity products in Europe as well as for children's and youth books in the German-speaking region. Toys with the blue triangle are sold worldwide, and the international brands BRIO and ThinkFun supplement the Group's portfolio. Ravensburger employed 2,133 staff and achieved net revenue of EUR 471.1 million in 2017.