

# Solid results cap off 70th anniversary year

Endress+Hauser reports growth in incoming orders, sales, profit and employment for 2023

**Endress+Hauser has written the next chapter in its success story. The specialist for measurement and automation technology marked its 70th birthday in 2023, with celebrations worldwide. It also prepared the way for a change at the helm. And to cap it all off, the Group recorded strong figures for incoming orders, sales, profit and employment. Endress+Hauser is cautiously optimistic about 2024, the company declared at the annual media conference in Reinach, Switzerland.**

Dr Peter Selders took over as the Group's CEO at the start of this year, having previously served as managing director of the competence center for level and pressure measurement technology. His predecessor, Matthias Altendorf, is now president of the Supervisory Board. "Our common goal is to position Endress+Hauser well for future generations," Altendorf said. Selders stated that he would foster the family-owned company's further development "with long-term thinking and action."

Endress+Hauser started 2023 with a record high volume of orders on hand. While the economic momentum slowed appreciably in the second half of the year, the company performed better than expected. "Our organic growth was so strong that both the negative currency effects and the loss of our Russia business couldn't slow us down too much," Altendorf said.

## Growth in all regions and sectors

The Group's net sales rose in 2023 by 11.0 percent to 3.719 billion euros. "Exchange rate effects cost us 3.9 percent of growth," explained CFO Dr Luc Schultheiss. All sectors and regions contributed to the year's positive performance. Growth in Europe and the Americas was above average; the greatest impetus came from the Middle East; and the USA moved up past China as the Group's top-selling market, with Germany coming a distant third.

All core industries delivered good growth, with only the chemical sector in Europe performing weakly due to high energy prices. Endress+Hauser shipped more than 2.9 million sensors and systems worldwide in 2023. While the process business performed well, the laboratory business continued its decline as a result of the fall-off of the pandemic-related surge in demand. There was also a decline in the Group's sensor business, which includes cyclical sectors such as building technology.

## Profitability improved

Because material and personnel costs rose at a slower pace than sales, the Group's operating profit grew by 20.3 percent to 573.0 million euros. Return on sales (ROS) climbed 0.6 points to 14.4 percent despite higher costs for interest and currency hedging. Net income improved by 14.5 percent to 408.7 million euros against the background of a slight increase in the tax rate.

For the first time, Endress+Hauser's financial figures exclude the influence of the family-owned company's strategic financial resources. Previously, this effect had on several occasions skewed the financial result, depending on how the capital markets were developing. "We are now focusing exclusively on the performance of our operating business," explained Schultheiss. This change has translated, among other things, into a lower equity ratio (2023: 55.1 percent). "This reflects the financing of the Group's operations via the parent company," the CFO added.

### **Capital investments and innovations**

In 2023 the Group invested 260.6 million euros in buildings and machinery, an increase of 8.4 percent. Over the past five years the Group has invested 1.131 billion euros of its own funds in improved infrastructure and high-performance networks, and plans for projects worth 570 million euros are currently underway. The largest of these projects involve the Group's locations in Maulburg, Germany; Suzhou, China; Jena, Germany; Shanghai, China; Greenwood, Indiana, USA; and Waldheim, Germany.

Innovation across the board is a key driver of growth for Endress+Hauser. The Group has over 1,300 people directly involved in the development of new products, and in 2023 it spent 267.6 million euros, representing about 7.2 percent of its net sales, on research and development, an increase of 10.4 percent compared with 2022. Endress+Hauser has around 8,900 patents and patents pending, and 257 initial patent filings around the world testify to the sheer innovative power of its people.

### **Key role in the sustainable transformation of the industry**

At the end of 2023 the Group had 16,532 employees – 715 more than at the same time in the previous year. Most of the new jobs were in production. In the annual EcoVadis sustainability benchmark Endress+Hauser scored 71 out of 100 points, achieving Gold status – a placement that puts the Group among the top 5 percent of all rated companies. The company last year also joined the Science Based Targets initiative (SBTi) and is committed to reducing its greenhouse gas emissions to net zero by 2050.

Selders named digitalization and sustainability as key topics. “They are drivers of our business. And they are closely linked, because we can only achieve sustainability at competitive costs through digitalization.” Measurement and analytical technology offer great leverage for making industrial processes more sustainable. This was shown at the 2023 Endress+Hauser Global Forum, where over 800 customers from around the world discussed how to sustainably transform the process industry.

### **Strategic partnership well on track**

The planned strategic partnership with German sensor manufacturer SICK in the field of process automation should also be seen against this backdrop. “Our aim is to provide even more effective support to our customers with key issues like climate and environmental protection, the energy transition and the hydrogen economy,” explained the CEO. The objective of the partnership is to incorporate SICK's gas flow measurement instruments and analyzers into the Endress+Hauser product offering.

This will involve integrating SICK's process automation sales teams into the Endress+Hauser sales centers and moving production of SICK process technology into a joint venture. “The negotiations are progressing well,” commented Selders. It is envisaged that the agreement will be signed by mid-2024, with the partnership up and running by the beginning of 2025.

### **Company optimistic about 2024**

The CEO expressed cautious optimism for the current financial year, noting that Endress+Hauser has 70 new products to even better support customers. “Incoming orders and net sales for the first three months have been better than expected. However, this growth is not yet broadly based,” he said, explaining that, after years of double-digit rates, the company was expecting single-digit growth for the current year. Endress+Hauser intends to create 300 new jobs worldwide. “We will do everything we can to ensure that we perform well in 2024 – just as we have for over 70 years,” Selders said.

## **The Endress+Hauser Group**

Endress+Hauser is a global leader in measurement and automation technology for process and laboratory applications. The family company, headquartered in Reinach, Switzerland, achieved net sales of more than 3.7 billion euros in 2023 with a total workforce of almost 17,000.

Endress+Hauser devices, solutions and services are at home in many industries. Customers thus use them to gain valuable knowledge from their applications. This enables them to improve their products, work economically and at the same time protect people and the environment.

Endress+Hauser is a reliable partner worldwide. Its own sales companies in more than 50 countries as well as representatives in another 70 countries ensure competent support. Production facilities on four continents manufacture quickly and flexibly to the highest quality standards.

Endress+Hauser was founded in 1953 by Georg H Endress and Ludwig Hauser. Ever since, the company has been pushing ahead with the development and use of innovative technologies, now helping to shape the industry's digital transformation. 8,900 patents and applications protect the Group's intellectual property.

For further information, please visit [www.endress.com/media-center](http://www.endress.com/media-center) or [www.endress.com](http://www.endress.com)

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