

**Markets**

# Market position expanded

**With its clear focus on customer needs and innovation trends, SFS is attractively positioned and well-anchored in different regions and markets. Two successful acquisitions have added to its expertise in the construction industry and SFS has also profited from strong growth momentum in the medical device industry.**

**Development by end market**

**Product range in construction business expanded**

Amid a generally solid market environment, SFS strengthened its competitive position in the construction industry thanks, among other factors, to the success of its innovative products and its acquisition of Triangle Fastener Corporation (TFC) and Moderne Befestigungselemente GmbH (mbe). With TFC, SFS acquired a leading supplier of fasteners and other products for the commercial construction industry in the eastern United States. Thanks to this acquisition in the spring of 2019, SFS expanded its market access and customer base and strengthened its position in the US construction industry considerably. Another strategic milestone was the acquisition of mbe, an expert in painted fasteners for high-performance façade systems. With mbe, SFS expanded its offering of fastening systems for façade systems and enhanced its market access in Central Europe. The construction industry has now become the largest end market addressed by SFS, accounting for 29.6% of total sales (previous year 26.5%), and the corresponding sales grew by 14.9% (previous year 11.2%), mainly driven by acquisitions.

**Growth trend in medical device sector maintained**

Particularly pleasing is the positive course of business in the medical device market. This market accounted for 7.5% of total sales (previous year 6.5%) and the corresponding sales showed a high growth rate of 16.8% y-o-y, largely driven by applications and innovations in the areas of neurology, minimally invasive surgery and orthopedics. In view of the good project pipeline, SFS expects also for 2020 attractive growth.

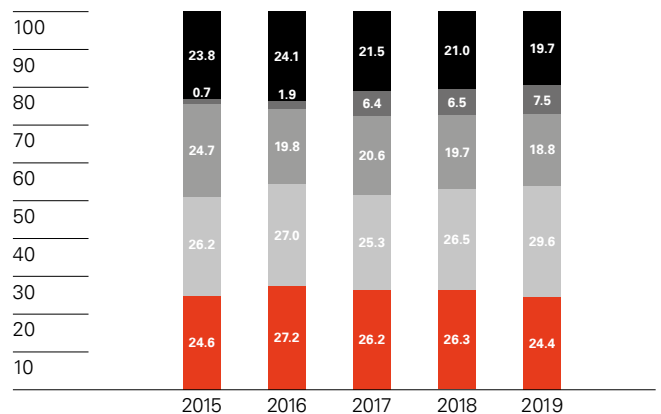
**Demand in automobile and electronics markets stabilized**

The challenging situation in the automotive and electronics markets left a mark on business during the past fiscal year.

Nevertheless, after a weak start, SFS sales stabilized over the course of the year, but at an overall lower level compared to the previous year. The share of Group sales generated in the automotive market declined by 190 basis points to 24.4% (previous year 26.3%). The electronics market accounted for 18.8% of total sales (previous year 19.7%), a decline of 90 basis points. The development of the share of sales was also impacted by the mix effect caused by the positive scope effects in the Construction division.

**Share of sales by end markets 2015–2019**

in %



## Development by region

### Regionally broadly based

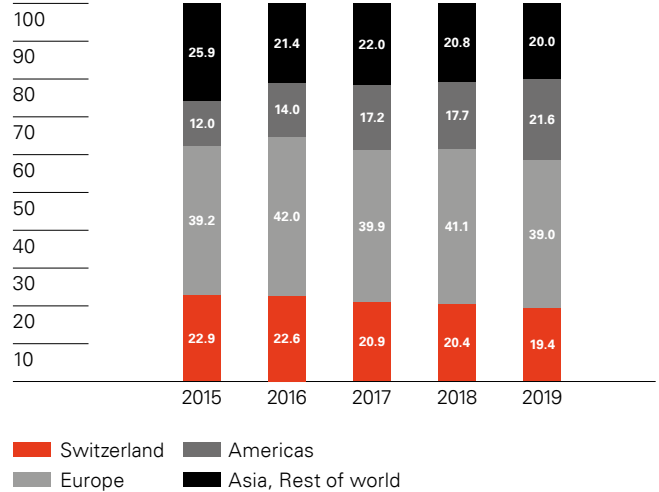
SFS is also well diversified in terms of regional markets. In the development of sales, parallels can be observed between the end market electro and electronics industry and Asia as well as between construction industry and Americas. As in the previous year, the various regions showed stable sales trends, with the exception of the Americas, where sales increased sharply.

### Share of sales from Americas region significantly increased

The disproportionate increase in sales from the Americas region is attributable on the one hand to the effect of the acquisition of TFC and on the other hand to the organic growth of its successful products and services for the construction and medical device sectors. Total sales in the Americas rose a sharp 25.0% and thus accounted for 21.6% of consolidated sales (previous year 17.7%).

Share of sales by region 2015–2019

in %



## Worldwide production and sales locations



With its global manufacturing platform and more than 100 locations around the world, SFS is strategically well positioned in terms of production and services capabilities. The takeover of TFC added 23 new sales branches in the past financial year (depicted by white dots).