**Blum ends the financial year with a turnover of 2.3 billion euros**

**Austrian fittings manufacturer maintains its strategy in uncertain times**

Hoechst, Austria, 13 July 2023. **Family-owned business Blum from Vorarlberg, Austria, has recorded 2,324.59 million euros in turnover for the 2022/2023 financial year ended 30 June 2023. This corresponds to a drop in turnover of -12% compared with the previous year. Following a period of above-average growth, this was a foreseeable development that had been expected by managing directors Martin and Philipp Blum. The fittings specialist will continue to focus on innovations, investments and its employees.**

The Blum Group recorded a total turnover of 2,324.59 million euros from 1 July 2022 to 30 June 2023, equating to a reduction of 317 million euros compared to the previous year. The furniture industry has been experiencing a sharp decline in demand since the second half of 2022. Philipp Blum, Managing Director of the Blum Group recaps: "After a period of high investment in home improvement, we have been observing a turning of the tide since autumn 2022. High levels of inflation, rocketing prices and the global energy crisis have generated a feeling of immense uncertainty among end users. This translates into restrained purchasing behaviour." In addition to the challenging market environment, the cost of raw materials, energy and human resources remains high. China's strict COVID policy lasting almost a year and the cessation of deliveries to Russia have also slowed down business. This is also reflected in the figures for the Austrian family-owned company. "After two years of above-average growth, the drop in turnover is a foreseeable development. We were expecting a downturn, however the speed at which it happened was surprising for us. Although we need to adapt to this challenging situation, we are sticking to our basic strategy," says Philipp Blum. "Our long-standing corporate philosophy and values will remain our compass; we will continue to focus on close customer relations, innovation and the further development of our 9,330 employees across the globe," explains Managing Director Martin Blum.

**An insight into international markets**  
The effects of inflation and uncertainty during the course of the past financial year were felt in the European markets in particular. Turnover was stable in the Asia Pacific region with the exception of China. North American markets are developing satisfactorily, especially in the USA where economic conditions are more robust than in Europe. After two years of strong momentum in the furniture industry, fittings manufacturers are now experiencing the downswing: "The drop in orders is challenging and we need to prepare for another difficult year. We have taken on the challenge and believe that markets will recover in the medium term," says Philipp Blum.

**Investments of the Blum Group**  
Blum continues to make large investments in its premises in Vorarlberg and around the world. The total volume in the past 2022/2023 financial year amounted to 390 millioneuros, 255 millionof which was spent in Vorarlberg.Over the next few years, 52,000 sq. metres (560,000 sq. ft) of production and storage space for more than 16,000 pallets will be created at the main site in Vorarlberg. Blum will complete Plant 6 in Gaissau this summer, 2023. The extensions to Plant 2 in Hoechst and Plant 4 in Bregenz are also coming along nicely. After three years of building work, the Chinese production site in Shanghai was inaugurated in March. The family business is currently evaluating potential sites for a plant in eastern Austria in order to create additional capacity for the production of box systems. The new facility could be up and running in about four to five years' time at the earliest. For Martin Blum, one of the most important investments in the future is training young people at the company. "Our up-and-coming skilled workers will safeguard our future," he says, highlighting apprenticeships as an important factor for success. From September 2023, Blum will be expanding its training portfolio to include an additional apprenticeship in IT: Application Development and Coding according to the Dual Academy model. It will be aimed at school leavers as well as students. The family-owned business is currently training a total of 399 apprentices around the world in 11 different professions: not just in Vorarlberg, but also in the USA and Poland. In 2022, Blum set up an endowed professorship for "Digital Business Transformation", together with its long-standing partner the Vorarlberg University of Applied Sciences. "We have teamed up with the Vorarlberg University of Applied Sciences to provide for a research institute that deals with digital issues, changes and the wide variety of challenges facing our society. We see this as a huge opportunity to further develop Vorarlberg as a centre of economic activity," says Martin Blum.

**Innovations**  
The innovative power of the long-established company remains unwaveringly high: with 79 new applications, Blum came second in the rankings of the Austrian Patent Office in 2022. At interzum, the international trendsetting fair for the furniture industry in Cologne, the fittings specialist presented its portfolio of products and innovations to customers and potential customers based on three different home and living environments. In line with the motto "FOR EVERYONE", Blum showcased ideas that meet different requirements and lifestyles. "The 7,000 visitors to the stand from 114 countries confirm that nothing can replace in-person contact with our customers," says Philipp Blum, who is a keen supporter of the trade fair and believes it to be an important communication platform. Great interest was shown in AMPEROS, the solution for the electrification of furniture. Many visitors also saw for the first time the stylish AVENTOS HKi lift system (which is integrated into cabinet sides) and the REVEGO pocket system (which allows entire runs of cabinets to be closed off). The trade fair premiere for the AVENTOS top range, a further development of lift systems by Blum, was also very well received.

**First sustainability brochure**  
Respect for the environment and its resources has been a key principle of the company's Orientation Statement for many years. In its first sustainability brochure, which was published at interzum in May, the fittings manufacturer combined facts, figures and stories about its commitment to sustainable business practices. The brochure is based on Global Reporting Initiative guidelines; in other words, it makes defined operational, ecological and social figures transparent and quickly comprehensible and comparable. "The 80-page document illustrates the wide ranging sustainability measures that we are putting in place across all areas of the business to reach the United Nations' 1.5 degree climate change goal. The measures range from product sustainability, the use of energy and resources, transport, mobility and closed-loop recycling to green roofing," says Martin Blum. The brochure is available online on the website at blum.com/sustainability.

**Extended Management Board**  
Blum’s Management Board was enlarged to include three new persons on 1 July 2023. In addition to Martin Blum, Philipp Blum and Gerhard Humpeler, the Board now also comprises Wolfgang Heinzle, Alexander Roloff and Klaus Wendel. They are all longstanding employees and proven leaders. Philipp and Martin Blum’s decision to enlarge the Board was prompted by the increasing size and complexity of the company as well as its potential for growth. “We are pleased that our team has been strengthened by the addition of three competent and experienced colleagues. We will work with experts across all fields to further develop the company and take on the challenges we face, because only together will we succeed,” explains Philipp Blum.

**Outlook**  
Both Blum Managing Directors continue to anticipate a difficult order situation. "We're going to need a lot of perseverance until consumer confidence and markets stabilise again", explains Philipp Blum. "Our long-term orientation and committed and flexible employees are our strength and what make us a reliable partner for our customers on a daily basis. Our thanks and appreciation go to our global team that stands strong despite daily challenges," concludes Martin Blum.

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|  | (Image: Blum\_Martin\_Blum)  Martin Blum, Managing Director | |
|  | (Image: Blum\_Philipp\_Blum)  Philipp Blum, Managing Director | |
|  | (Image: Blum\_Managing Directors)  For Managing Directors Philipp and Martin Blum, the drop in turnover was a foreseeable development | |
|  | (Image: Blum\_ Financial Year\_2223)  The Blum Group ends the 2022/2023 financial year with a turnover of 2,324.59 million euros |
|  | (Image: Blum\_Plant 2)  The Austrian fittings manufacturer will maintain its course despite uncertain times | |

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**For questions please contact:**  
Samuel Duerr: T +43 5578 705-8106, E [presseinfo@blum.com](mailto:presseinfo@blum.com)

Julius Blum GmbH  
Industriestr. 1  
6973 Hoechst, Austria

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| **JULIUS BLUM GMBH**  **Manufacturer and distributor of furniture fittings:**  Lift, hinge, pull-out, pocket systems and motion technologies supported by assembly devices and e-services  **Production sites:** 8 plants in Vorarlberg**,** additional sites in the USA, Brazil, Poland and China  **Employees:** 9,330 worldwide, 6,813 in Vorarlberg, Austria  **Turnover in the 2022/2023 financial year:** 2,324.59 million euros  **Share of foreign sales:** 97%  **Subsidiaries and representative offices:** 32  **Worldwide deliveries:** More than 120 markets around the globe  *As of 1 July 2023* |