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MAPAL successfully working on innovations for the future

MAPAL has always had strong links with the automotive industry. Correspondingly, this sector has a significant influence on the company. The automotive industry has been struggling with falling car sales figures since 2018. This was partly due to global issues such as Brexit, the diesel scandal, trade conflicts and political instabilities. It was also tied to the issue of future mobility and the shift towards alternative drive concepts.

MAPAL was hit with the full force of the downturn with a slight time lag in the second half of 2019. In particular, project orders, which are a key aspect for the company, collapsed to a large extent. MAPAL was still growing in the first half of the year, so part of the decline was compensated for over the year as a whole. In total, the Group's sales volume in 2019 only declined slightly by three percent to 620 million euros compared to the previous year.

On top of this, there was the global coronavirus crisis in 2020. First, MAPAL China, the Group's second largest site, had to close for several weeks. The virus then reached all the other markets. The worldwide production shutdown resulted in a lack of orders for MAPAL. The situation in the already crisis-ridden automotive industry deteriorated further. Production figures plummeted.

The second largest market for MAPAL tools, the aerospace industry, also experienced a crisis as a result of the pandemic. Aircraft worldwide were grounded, orders for aircraft were cancelled en masse, and the sector had

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to contend with a drop in turnover of up to 90 percent. Consequently, MAPAL also received only a few orders from this sector.

In summary, the economic crisis, the structural change in the automotive sector and the coronavirus have had a considerable impact on MAPAL. The current situation is much more dramatic than it was during the financial crisis of 2008/2009. This is because it is caused not just by external circumstances, but also by market-related and sector-specific issues. Consequently, the Group's turnover was reduced to 460 million euros in 2020. Presently, picking up an optimistic point of view, the management assumes that MAPAL will achieve a similar sales volume to what it attained before the coronavirus crisis by 2023 at the earliest. For 2021, MAPAL is currently expecting an increase in sales of ten to 15 percent.

Indications for this forecast come from a discernible market recovery within the last few months and from raising additional potentials from new sectors, such as the die & mould sector. MAPAL is also well equipped for the technological change in the automotive industry. "Nowadays, solutions for all drive concepts and for the requisite auxiliary units are already in place with almost all e-mobility manufacturers", says Dr Jochen Kress. MAPAL has also made extensive use of the pandemic period to develop new products and solutions, including the digital environment. These have demonstrated their worth to customers and form the basis for additional growth.

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Captions:



Dr. Jochen Kress, Geschäftsführender Gesellschafter der MAPAL Dr. Kress KG bei der Pressekonferenz 2021.

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