



Dussmann Group

Annual Report  
2014



2014

# Milestones

- **JANUARY**—The Italian subsidiary begins service provision to all public schools in Tuscany and Apulia. A total of 3,500 Dussmann operatives carry out cleaning, gardening, space management and technical management.
- **FEBRUARY**—The third Dussmann KulturKindergarten, for HypoVereinsbank in the Munich borough of Lehel, celebrates its opening.
- **APRIL**—The biggest facility management contract ever begins. Around 1,100 Dussmann operatives provide services at 900 locations across Germany. Pietro Auletta is appointed to the executive board of the Dussmann Group and takes on responsibility for activities in Eastern Europe, Middle East and Asia. Catherine von Fürstenberg-Dussmann and Christian Rach present the Dussmann vegan meals range in Berlin.
- **MAY**—The Dussmann Group careers portal goes online: [karriere.dussmanngroup.com](http://karriere.dussmanngroup.com) with all German vacancies.
- **JULY**—Dresdner Kühlanlagenbau (DKA) invites applicants to an assessment camp for training vacancies.
- **SEPTEMBER**—Second Social Day: Dussmann personnel spend a day helping out at the child-care center attached to the Rütli campus in Berlin-Neukölln. Employees at SKW Piesteritz in Lutherstadt Wittenberg benefit from child care at the new Dussmann KulturKindergarten facility.
- **OCTOBER**—Kursana Domizil Büdingen opens as the company's twelfth facility in Hesse. On Potsdamer Platz in Berlin, Dussmann der MuseumsShop opens with a new retail concept and a range of products associated with film and television.
- **NOVEMBER**—Hartmut Engler is appointed to the executive board of the Dussmann Group and takes on responsibility for Dussmann Service in Germany, Austria and Switzerland as well as for DKA.
- **DECEMBER**—[www.dussmann.com](http://www.dussmann.com) is the winner among 50 websites from the real estate sector. The fifth KulturKindergarten is opened at the Bundeswehrzentral Krankenhaus (military hospital) in Coblenz.



FOREWORD

# Annual Report 2014



The executive board of the Dussmann Group from l. to r.:  
Dirk Brouwers (CEO),  
Jörg Braesecke,  
Pietro Auletta,  
Dr. Hans-Jürgen Meyer,  
Hartmut Engler

Again, we are able to report good news: During 2014, the Dussmann Group grew in terms of sales, of earnings and of the number of employees. Global sales totaled 1.98 billion Euros generated by 64,700 employees making it the most successful year since the company was founded. All company divisions made a contribution.

Our core markets, facility management and nursing and care for the elderly, are established, stable sectors of the economy, a firm basis for the company's further development: We intend to build on the Dussmann model of providing the whole range of services from a single source in self-delivery with additional services, we are consistently widening our knowledge and skills in selected client sectors and we continue to focus on international development of the Dussmann Group.

The Executive Board of the Dussmann Group

Dirk Brouwers (CEO)    Pietro Auletta    Jörg Braesecke    Hartmut Engler    Dr. Hans-Jürgen Meyer

# The Most Successful Year in the Company's History

*"We can continue our wonderful task of providing services for people, by people; the company is doing well."*

Catherine von Fürstenberg-Dussmann, Chairperson of the Board of Trustees, Dussmann Group

For 2014, the multi-service provider, the Dussmann Group, reports growth in sales, earnings and workforce. The increase in total sales of 7.5 percent or 139 million Euros demonstrates that the company is holding its course. Sales of 1.98 billion Euros were generated in 18 countries. Growth was largely organic. The EBITDA margin on consolidated Group sales for 2014 was 5.9 percent. Operative results were higher than in the previous year.

Against the background of geopolitical unrest and economic instability in the Euro-zone, it is especially remarkable that the increase in worldwide sales was 25 million Euros higher than that of the previous year. All of the Dussmann Group company divisions which make it a leading international service provider. Nearly 65,000 employees provide facility management (FM) services and nursing and care of the elderly to clients

## Total Group Sales/ Consolidated Group Sales

	2013		2014		Change	
	Mill. €	%	Mill. €	%	Mill. €	%
<b>Total Group Sales</b>	<b>1,843</b>	<b>100.0</b>	<b>1,982</b>	<b>100.0</b>	<b>139</b>	<b>7.5</b>
of which, Germany	1,165	63.2	1,230	62.1	65	5.6
of which, abroad	678	36.8	752	37.9	74	10.9
Service	1,447	78.5	1,571	79.2	124	8.6
Kursana	361	19.6	376	19.0	15	4.2
KulturKaufhaus	35	1.9	35	1.8	0	0.0
<b>Consolidated Group Sales*</b>	<b>1,539</b>		<b>1,685</b>		<b>146</b>	<b>9.5</b>
Service	1,160	75.3	1,292	76.7	132	11.5
Kursana	344	22.4	358	21.3	14	4.1
KulturKaufhaus	35	2.3	35	2.0	0	0.0
EBITDA margin on consolidated group sales	5.6		5.9			0.3

\* without managed and intercompany sales

# 2014



The Dussmann Group headquarters: Dussmann House in Friedrichstrasse, Berlin

in 18 countries. The Group also operates the Kultur-Kindergarten corporate child-care facilities and the media department store, Dussmann das KulturKaufhaus in Berlin. This diversified business model has proved crisis-resistant; substantial sections of the company, including services for the public sector and nursing and care for the elderly, are largely independent of economic developments and the FM industry has established itself as a stable key sector of the German economy.

### Seeking Working Heroes

The total number of people working for the Dussmann Group including managed operations has grown. Compared to 61,221 on average in 2013, the figure is 64,708 for 2014, an additional 3,487 employees in 250 different occupations. Placing emphasis on the recruitment of additional dedicated personnel, the Dussmann Group launched its employer branding campaign, "Working Heroes" which was built around authentic statements from existing employees. Campaign components included advertisements, videos, a modern online careers portal at [www.karriere.dussmanngroup.com](http://www.karriere.dussmanngroup.com) and a poster campaign.



**250**

different occupations:  
the Dussmann Group  
offers a wide scope  
of opportunities



# The Dussmann Facility Management Model

In Germany, more than a tenth of the working population was employed in the facility services sector (source: GEFMA FM sector report 2014)

The Dussmann Group concentrated its efforts on a number of strategic focus points in 2014. It built on its traditional strength of providing a wide range of services from a single source with a high proportion of self-delivery, constantly extending its current portfolio of 70 services.

Dresdner Kühlanlagenbau GmbH (DKA) which was acquired in April 2013 to this end, was fully integrated into the structures of the Dussmann Group sooner than expected. As a provider of refrigeration and air-conditioning equipment and services, DKA has expanded the scope of the Group's technical expertise. The Dussmann Group widened its sector-specific skills and knowledge in selected industries to be able to support its clients' core processes throughout the value creation chain. Such services include clean-room cleaning and administration in the semiconductor, pharmaceutical and food industries and specialist services for hospitals and data processing service centers. DKA plays an important role in this context, particularly for clients in the food manufacturing industry.

## Matrix Organization Facilitates Knowledge Transfer

In 2014, the Dussmann Group introduced a new form of internal cooperation to facilitate knowledge transfer between international subsidiaries and the various functional departments and to achieve its strategic goals. Peer groups were formed which enable specialists to exchange ideas and to develop products.

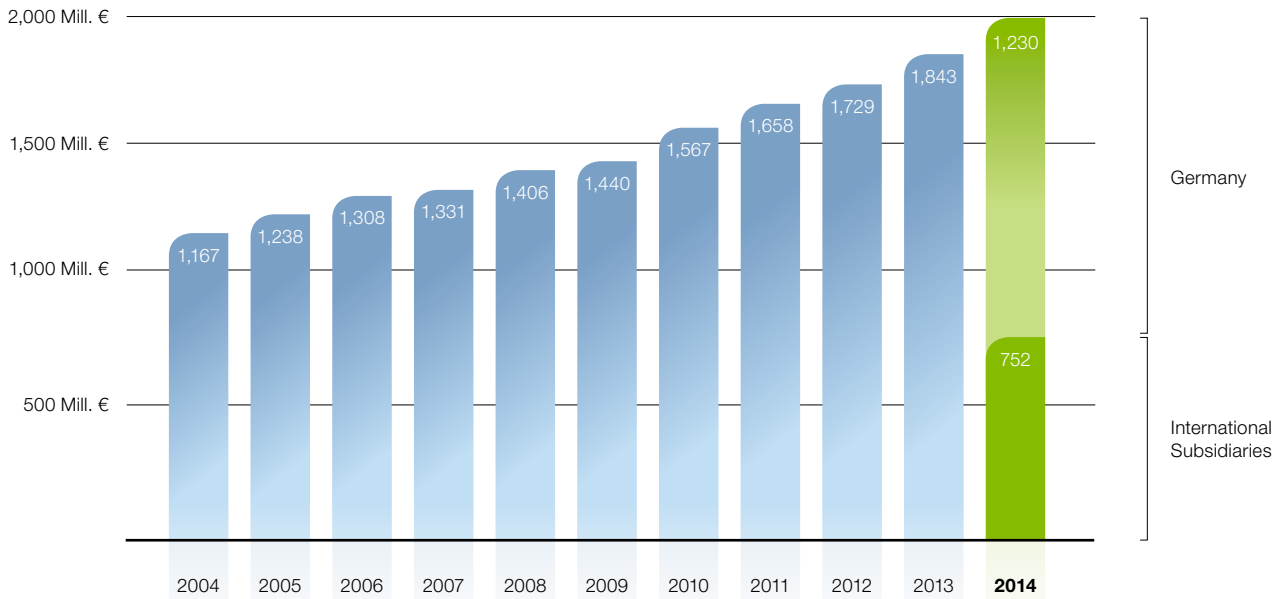


**500+**

of the Dussmann Group's 65,000 employees work for DKA

## Increase in Total Group Sales since 2004

# 1,982

 Mill. €

## Largest FM Contract

In Germany, 2014 saw the start of the largest facility management contract ever operated by the Dussmann Group. The contract involves 900 sites across Germany where Dussmann employs around 1,100 people. The main challenge of a major contract of this size is to ensure that skilled personnel

are available in the right place at the right time integrating them fully into operations. This is one of the reasons for the Group's investment in access to the employment market, in recruiting and in induction of new personnel.



Close to core processes:  
Dussmann operatives  
carrying out industrial  
cleaning

# International Development Continues

In 2014, the Dussmann Group devoted its energies to the expansion of its international activities creating a strong basis for the support of national and multinational clients with services wherever they are required. This is achieved through the decentralized structure of the Dussmann Group's 18 independent international subsidiaries and by cooperation with partners enabling the group to extend its operating range and to serve its diverse potential clients even better. The needs of local companies can be addressed as well as those of regionally organized enterprises; of companies with national activities and of global players.

## The Most Significant International Market: Italy

On the most important international market, the Italian subsidiary of the Dussmann Group with 14,000 employees has seen exceptional developments during the past year. Whilst the public sector experienced cutbacks, opportunities were generated as the size of service tenders increased. In April 2015, Dussmann Italy acquired all shares in Steritalia; until then, it owned 70 percent of the specialist for surgical sterilization and logistics for hospitals.

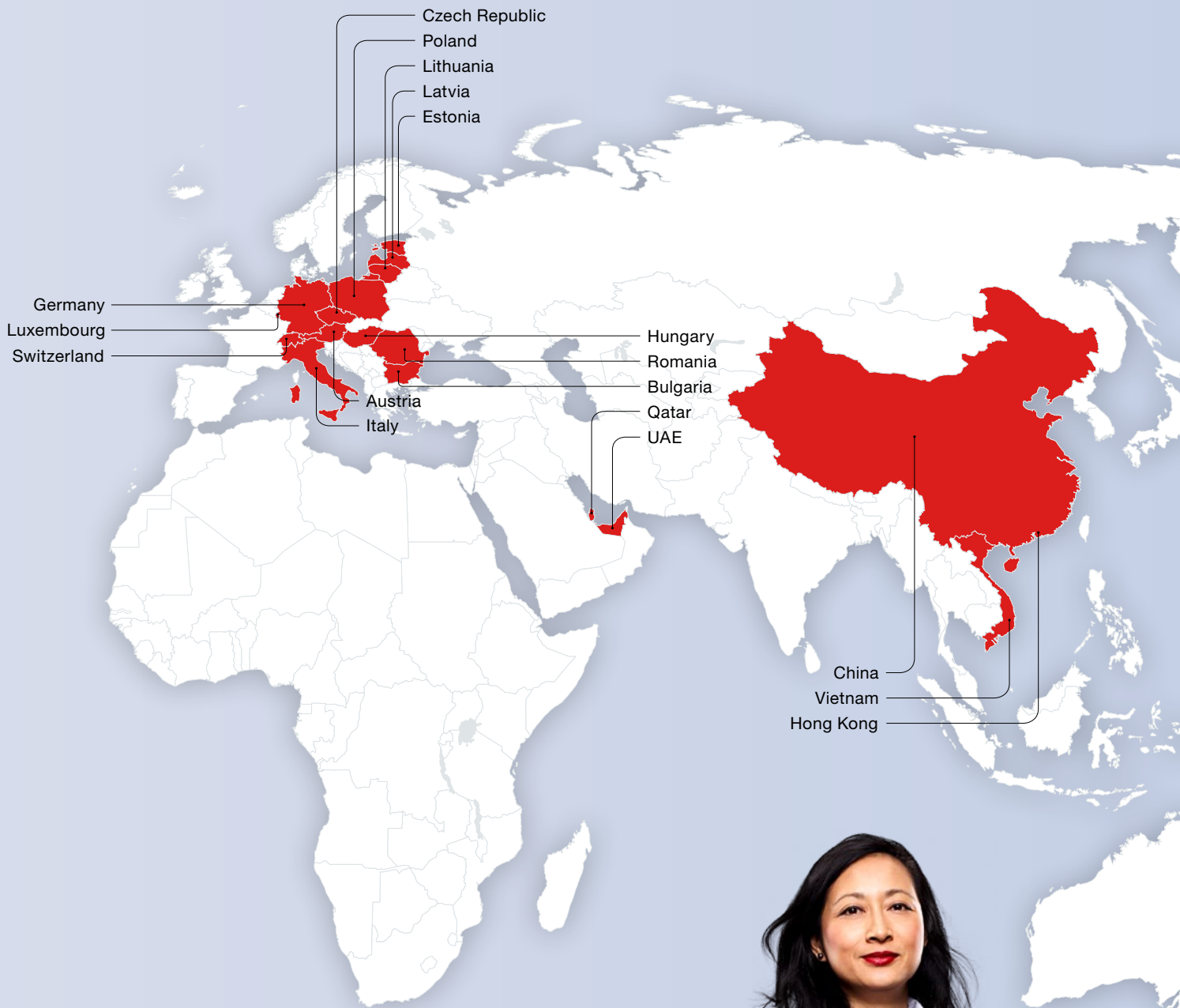
60 employees are currently responsible for cleaning and security services at the German Pavilion at the exposition EXPO Milano 2015. Dussmann Service was the cleaning and security provider at the German Pavilion during the EXPO 2010 in Shanghai too and subsequently won the Europe-wide tender for these services at the EXPO Milano 2015.



# 14,000

people are employed  
by Dussmann in Italy





### Concentration on Growing International Markets

The Group's international subsidiaries in Luxembourg and Austria have also asserted themselves in their own markets. In Austria, staff catering and the steadily growing security service division were the drivers of growth. In Asia, the Dussmann Group has benefitted from infrastructural enhancement and growth in local economies, especially in China. In Eastern Europe, the Dussmann Group diversified its client portfolio and intensified its cooperation with the private sector in addition to its activities in the public sector. The subsidiaries in Slovakia and Russia were sold to local companies for strategic reasons.

**18**

countries are included in the Dussmann Group portfolio



# New Facilities, New Forms of Accommodation



## Kursana

The company division Kursana successfully built on existing operations in 116 facilities in five countries. Two new seniors' facilities were opened in Büdingen, Hesse and in Kürten, close to Cologne. The Domizil facility in Kürten consists of two serviced buildings with barrier-free apartments. These are connected to an intelligent emergency call

**116**

facilities in five countries

and service system to ensure residents' safety. Seniors can take advantage of meals and cleaning services if they wish. Out-patient nursing services are also coordinated

by Kursana on request. Increasingly in Kursana facilities, 10 to 15 residents are accommodated together in residential groups and this model has been applied in Büdingen and Kürten. Kursana is focusing on such new residential models for the elderly and on the expansion of out-patient nursing concepts.

## KulturKindergarten

The company division Care & Kids unites Kursana and Dussmann KulturKindergarten gGmbH which has expanded its activities. In 2014, three new child-care centers were opened in Munich (Bavaria), Lutherstadt Wittenberg (Saxony-Anhalt) and in Coblenz (Rhineland-Palatinate). All KulturKindergarten facilities have in common that they are close to the workplace, they offer flexible opening times, the team is bilingual and there is emphasis on arts and culture. Planning of further child-care facilities includes places for children from the local area.



**2011**

The first KulturKindergarten facility was opened

## PERSPECTIVE

# 2015: A Continuation of the Current Upwards Trend

For the financial year 2015, the Dussmann Group anticipates a continuation of the current upwards trend and expects total Group sales to exceed 2 billion for the first time in the company's history. This optimism is encouraged by new facility management business acquired in the first quarter of the year and contracts for further facilities at Kursana.

However, the current economic situation will present a challenge for the Dussmann Group in several regions. In order to select the right approach, the Group carried out its first worldwide client satisfaction survey in the spring of 2015. Valuable findings are already being incorporated in group-wide projects and client relationship management.

In Eastern Europe, the Dussmann Group will be expanding activities with major international clients in the private sector establishing a sound second footing in addition to its activities in the public sector. To be able to share in the impressive economic growth in the Middle East and Asia, the Group will strengthen its structures in these regions. Additionally, it will continue to seek alliance with strong partners. The international markets promise a huge scope of opportunity for the Dussmann Group, a family enterprise with German roots.





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