

PRESS RELEASE

Schleich increases sales by 8% in a challenging environment with international growth

Munich, 30 January 2023 – Toy manufacturer Schleich closes the 2022 financial year with an 8% increase in turnover, marking the 8th consecutive year of strong growth. Schleich, whose figurines and playsets are available in over 60 countries, generated €275 million in turnover (previous year: €255 million), which represents a significant growth despite a downturn in the global toy markets. Schleich successfully offset the effects of the tense global economic situation through international growth, with investments in the brand, a comprehensive sustainability strategy and new product launches.

Despite challenges in the global markets, the leading supplier of realistic animal figurines has managed to continuously grow its turnover by more than double over the course of the past eight years. The company now sells more than 40 million of its well-known figurines worldwide every year. To boost international growth even further, the product range will be expanded in 2023 to include the new *Wizarding World™* product line featuring characters from the world of Harry Potter™.

For **Dirk Engehausen, CEO of Schleich GmbH**, the key success factor for the eighth consecutive year of growth has been international expansion: *"We have invested strategically and consistently in the schleich® brand in recent years. With our brand relaunch, we are getting a lot closer to our goal of becoming an internationally renowned 'love brand'."* The schleich® brand's market share and brand awareness outside its German core market is continuously increasing. *"Growth in international markets enabled us to successfully weather the difficult economic situation."*

Schleich performed particularly well in its two international key markets, the USA (+26% turnover) and France (+41% turnover) in the past year. In both countries, the brand has made significant gains in brand awareness, not least because of its international brand re-launch campaign – the largest single investment in the company’s history. Combined with the global growth in e-commerce and in direct-to-consumer sales via the brand’s own channels, this has laid the cornerstone for expanding digital capabilities in the coming years. Launched in 2022, the *Sofia’s Beauties* extension of the *Horse Club* product line was Schleich’s fastest growing product range last year.

Schleich currently counts over 40,000 sales outlets around the globe, both brick-and-mortar and online. In 2022, two additional offices and direct markets were opened in Amsterdam and Prague, bringing Schleich’s direct presence to 15 countries.

Transforming into a sustainable player within the circular economy

In addition to the new brand strategy, the focus in 2022 was on sustainability. *“We strive to use only sustainable materials. As a first step, by the end of 2027 all our figurines will be recyclable. Also, we are working hard at finding recycled or bio-based material for the future production of our toys”,* **Dirk Engehausen** explains. In addition to that and to ensure that resources are reused over and over again, Schleich is optimizing and certifying its products and packaging in accordance with the Cradle to Cradle® circular economy principles by end of 2027. This means, among other factors, that Schleich figurines are recycled without loss of material quality.

From 2023 onwards, the company will only use cardboard that is FSC®-certified for its packaging. Schleich has been significantly decreasing the plastic content in its packaging and replacing components with recycled and recyclable materials. Compared to 2020, the company has reduced plastic in all its packaging by around 20%. Schleich is also constantly working on regionalising its supply chain and shortening transport routes. In future, products will primarily be made in the places where they are sold. As a result, other areas of production will be relocated to Europe.

Schleich launches its new Harry Potter™ product line, *Wizarding World*™

In 2023, Schleich will enchant its fans with a new, seventh product line, *Wizarding World*™ based around the world of Harry Potter™. The range will launch in September 2023 with six main characters and their animal companions, plus six additional fantastical creatures from the Harry Potter™ series. With the launch of *Wizarding World*™, Schleich is strengthening its position in its home market Germany while boosting brand visibility in its international focus markets, especially the United Kingdom, France and the United States.

"With Wizarding World™ and our clear commitment to the internationalisation of our brand, we are positioned for the challenging global market. The implementation of our sustainability strategy and especially the regionalisation of our supply chains will be one of the biggest challenges and exciting tasks for the entire team", Dirk Engehausen says looking ahead to the coming year. "We owe a great deal of our success to our entrepreneurial leadership and governance, which is an important part of Partners Group's investment culture."

Schleich is implementing its extensive transformation process with the expertise of a six-strong Operating Board (advisory board) appointed by its owner, Partners Group, acting on behalf of its clients. **Luisa Delgado**, Board Chair, is looking forward to welcoming two new advisory board members: **Christoph Bornschein**, founder of TLGG Group, is focused on digital transformation. **Alex Blanco** has over 40 years of international supply chain experience in various industries, countries (including the US) and companies, such as Procter & Gamble (P&G).

About Schleich GmbH

Friedrich Schleich founded Schleich in Schwäbisch Gmünd in 1935. Today, the company is one of Germany's largest toy manufacturers and a leading international supplier of realistic animal figures. The famous characters and sets made by schleich® are sold in more than 60 countries and have become a beloved feature in children's rooms around the world. As a global player with Swabian roots, Schleich GmbH now generates more than half of its turnover outside of its core market in Germany. In 2022, Schleich had a global turnover of EUR 275 million, selling around 40 million animal figures. The company is currently undergoing a comprehensive transformation process to achieve greater sustainability. As a first step, all characters will be recyclable by 2027. Schleich is also intensively researching recycled materials for the future production of its toys. In addition, Schleich will be optimising and certifying its characters and packaging to the standards of the Cradle to Cradle® circular economy by the end of 2027 to ensure that resources are reused. The company is now majority-owned by the Partners Group, a global private markets investment manager.

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