



Household Appliances  
Market Report



Household Goods Sector



## Executive Summary

### The value of this guide

The Household Appliances market is subject to constant challenges, innovations, and transformations. Smart technology and the transition to more energy-efficient appliances shape the market. In this report, growth potentials, market drivers, consumer insights, key companies, and future developments for two major Household Appliances markets, North America and Europe, will be discussed.

The market is divided into two segments: Small and Major Appliances. The Major Appliances segment accounts for the biggest share of the total revenue. With 21% of the total revenue, the Refrigerator segment is the biggest, closely followed by the Small Kitchen Appliances segment, with 18%. Overall, household appliances generated US\$592 billion in revenues worldwide in 2019.

The Household Appliances market is mostly driven by consumer spending in general. Consumer spending includes various factors, such as per-capita income, household debt levels, and consumer expectations. Worldwide the spending on household goods is expected to increase constantly at a CAGR of 4,9% between 2018 and 2023. Since household appliances, especially major appliances, are a bigger purchase, consumers think carefully before replacing them and make an active purchasing decision. Therefore, it is not surprising that only 22% of consumers plan to buy a new appliance within the next 12 months.

The growing number of internet users has not only changed consumer behavior, it has also fundamentally changed sales channels and the retail landscape: Consumers have widely adopted online shopping and the Household Appliances market is already

well established in the field of eCommerce. With 62%, the UK has the highest online share, closely followed by Norway and Finland.

The market is dominated by a few key players, combining the best-known brands under their roof. The biggest manufacturer is Whirlpool with a total revenue of US\$19 billion in 2020. Whirlpool owns seven brands with each more than US\$1 billion in sales per year, among others, KitchenAid, Maytag and Bauknecht. Bosch with its Home Appliances division BSH is the second biggest player accounting for US \$15,6 billion in 2019. The Chinese manufacturer Haier Electronics shows the highest growth rates for appliances among all key companies, with an increase of up to 50% in some segments.



### Trends

The following trends currently shape the market and are the industry's answer to a changing consumer interest and new technology developments: external growth, smart appliances and environment-friendly and energy-efficient appliances are key to increasing market shares in the future.



### Get an experienced perspective on your Household Goods sector ambitions

CDI Global works with businesses throughout the world to achieve the very best M&A outcomes. If you are considering buying or selling in the sector, or would simply like to discuss your options, sign up now for a free, no-obligation consultation with our experts by phone or Skype™.

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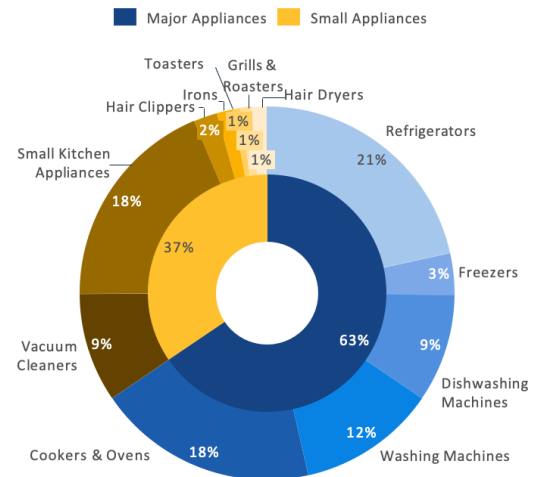


## Worldwide revenue share in 2019

With 65%, the segment Major Appliances accounts for the biggest share in the Household Appliances market.

- The global Household Appliances market generated a total revenue of US \$542 billion in 2019.
- Volume sales for the same year amounted to 4,3 billion pieces.
- With 63%, the Major Appliances segment is the largest segment of the Household Appliances market with revenues of US \$340 billion in 2019.
- The Small Appliances segment shows the highest growth and is expected to grow by 15,9% between 2019 and 2025, reaching US \$234 billion in 2025.
- From an international perspective, the most per-capita revenue in the Household Appliances market was generated in the Netherlands in 2019 with US \$187.
- Key players include Whirlpool, BSH, Electrolux, and Haier. The leading company within the market is Whirlpool with US\$20,4 billion in 2019.

Source: Statista



## Worldwide revenue in billion US\$

In 2019, the Household Appliances market realized a revenue of US \$542bn worldwide.

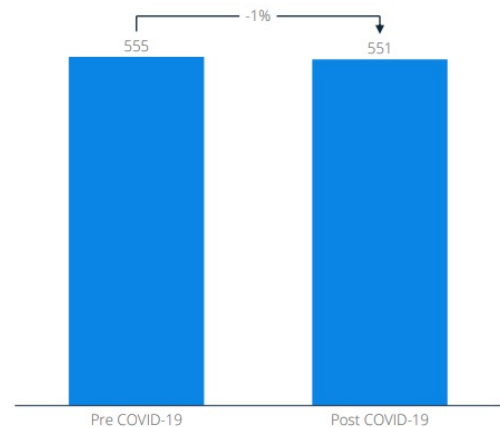
- The global home appliances market is experiencing steady growth with the growing middle-class economy, improved disposable income levels in a number of countries, increase in labor costs, busier lifestyles, and the availability of a range of home appliances at competitive prices.
- With increasing digitalization, consumers have become tech-savvy and have strong knowledge regarding the use and benefits of all modern appliances.
- The number of smart appliances introduced in the market has increased steadily since 2012. The emergence of smart homes is aiding the proliferation of smart appliances, which can be connected to the end-user's smartphone and monitored remotely.

Graph Source: Statista

## Covid-19 Impact

- The Covid – 19 pandemic will play out economically as an external shock to consumption. Its immediate effect on the household appliances industry is on a historic scale.
- This shock directly affects commerce such as retail store due to the closing of shops. Consumer willingness to replace the major appliances will also be postponed to a certain extent.
- The forecasts depend on the ability of the governments to flatten the curve of infections, the post-pandemic economic outcome and the labor market situation.

Source: Statista







# Trends

## Manufacturers count on smart technology to unlock market growth.

- Smart home technology is the key to new market growth and is not restricted to the entertainment sector, with devices like Amazon Echo or Google Assistant. More and more connected household appliances and gadgets are entering the market.
- With voice assistants or smartphone apps, smart home appliances can be conveniently controlled from anywhere in the house or on the way. As a result, manual settings are eliminated and replaced more and more by touchscreens on the device or via app-based smartphone control.
- Kitchen appliances can be turned on and off by voice control, which is especially useful in the kitchen, when you have your hands full. In addition to the convenience and easy handling, smart devices also serve sustainability purposes. For example, connected household appliances cannot only store shopping lists, but with one look at one's smartphone, it is possible to monitor what is still in the refrigerator and what needs to be purchased from anywhere, at any time.
- Smart technology is a key feature for many new appliances, from dishwashers and washing machines to coffee machines. Connected appliances offer customized functionalities for all kinds of needs and preferences.



Samsung Electronics introduced the Family Hub refrigerator. A connected refrigerator with ingredient-tracking cameras and a whopping 21.5-inch touchscreen on the door, using Bixby voice control and Samsung's SmartThings IoT ecosystem.



Miele launched the new W1 Washing Machines and W1 Dryers in the U.S. Both devices are linked to the Miele mobile app, allowing the user to monitor the cycle progress, time remaining, and estimated completion time.



The Nespresso Expert Espresso Machine uses Bluetooth to connect to the smartphone, making personalized coffee using Nespresso capsules. It's possible to schedule your preferred brew time, start brewing remotely and order new capsules.



## Companies and consumers profit from environment-friendly and energy-efficient appliances.

- Both environmental friendliness and energy efficiency have been an ongoing topic since a couple of years. The transition to more efficient appliances involves many advantages, among others the reduction of global energy demand, the mitigation of climate change and the improvement of global access to energy.
- The Energy Star is a certification for energy efficiency which is coveted worldwide. This certification is valuable for companies and consumers. It shows that the product spends a minimum amount of energy to complete its task. In addition to that, energy-efficient appliances reduce energy bills and cut down on spending at home, the workplace, and industries.
- There are various energy-saving methods, from replacing bulbs with energy-saving lights (e.g. LEDs) to using solar water heaters. An example of an environment-friendly and energy-efficient feature for washing machines is front-loading, which improves energy consumption and water use by 50% in comparison with a top-loading machine. The main efficiency features for refrigerators are defrosting characteristics, door style, and size. Dishwashers that have booster heaters and no-heat drying are considered energy efficient.
- The trend toward energy-efficient appliances is an opportunity for companies, especially in the emerging markets, where sustainability and efficiency had not been an issue for a long time. With a consistent power supply and a developing economy, needs and preferences change, and companies can target those new markets.



The Bosch two door bottom freezer and refrigerator B10CB80NVS is Energy Star qualified for energy efficiency. The LED lighting also saves energy. The refrigerator is especially advertised for people living in metropolitan areas.



Beko's clothes dryer HPD24400W dries with EcoGentle™ technology and is Energy Star qualified as most efficient in 2018. The washing machine is equipped with OptiSense™ sensor drying technology and uses a ventless dryer.

## Key Players

With US\$21bn, Whirlpool has by far the highest sales among household appliances companies.

Company	Whirlpool CORPORATION	B/S/H/ BSH HAUSGERÄTE GMBH	Electrolux	Haier
Sales 2019	US\$20,4bn	US\$15,6bn	US\$13,7bn	US\$27,6bn
Key brands	KitchenAid Bauknecht MAYTAG Hotpoint INDESIT	BOSCH SIEMENS GAGGENAU EFF ZELMER	AEG GRAND CUISINE BY ELECTROLUX PROFESSIONAL FRIGIDAIRE ZANUSSI eureka	Casarte 卡萨帝 GE APPLIANCES CANDY Fisher & Paykel





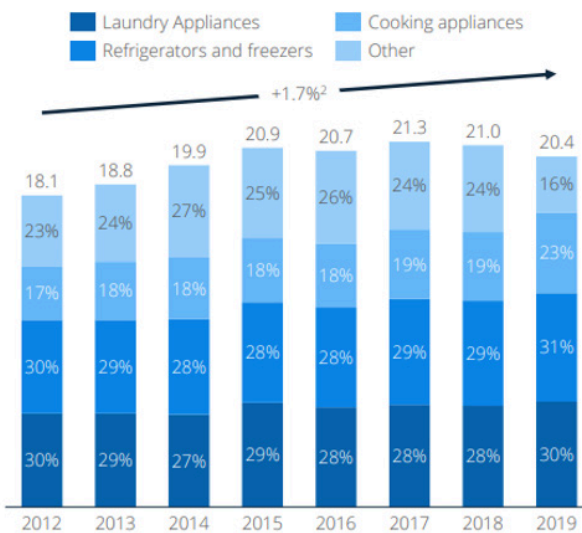
Key Players Continued...

# Whirlpool

With US \$21bn, Whirlpool has by far the highest sales among household appliances companies.

- The Whirlpool Corporation was founded in the United States in 1911 and is the biggest major appliances manufacturer in the world.
- Their brand portfolio comprises seven brands, including KitchenAid, Bauknecht, Maytag and Indesit, with each more than US\$1 billion in sales. In 2019, Whirlpool's revenue reached approximately US\$20 billion.
- The segments refrigerators and freezers, and laundry appliances account for the biggest share. Whirlpool sells their products in 170 different countries.
- With their large brand portfolio, they target 90% of global consumers.

## Whirlpool revenue in billion US\$



## Strong regional footprint

### North America

Strong value creation in a healthy marketplace

### Latin America

Fully leverage optimized cost structure

### Europe, Middle East & Africa

Fully realize benefits of Indesit acquisition

### Asia

Well-positioned to benefit from India & China growth



# B/S/H/

BOSCH AND SIEMENS HOME APPLIANCES GROUP

Bosch is expanding their consumer goods business focusing on smart home concepts.

- The Robert Bosch GmbH is a leading company in the field of engineering and electronics and was founded in 1886.
- BSH Home Appliances is the biggest major appliances manufacturer in Europe and the second largest worldwide. Bosch-Siemens Hausgeräte GmbH was founded as a joint-venture of Robert Bosch and Siemens.
- In 2014, the Bosch Group acquired Siemens's 50 percent share of BSHG, which is now wholly owned by Bosch, and since then BSHG has been known as BSH.
- Siemens is stepping back from consumer goods and Bosch is expanding their non-automotive business, focusing on connected appliances.

Source: Statista



BSH Continued...

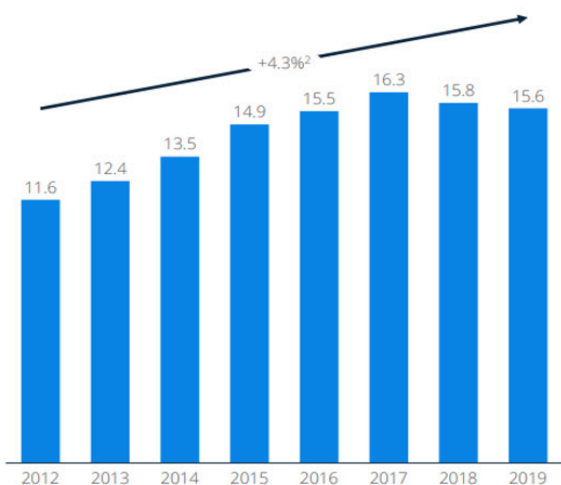
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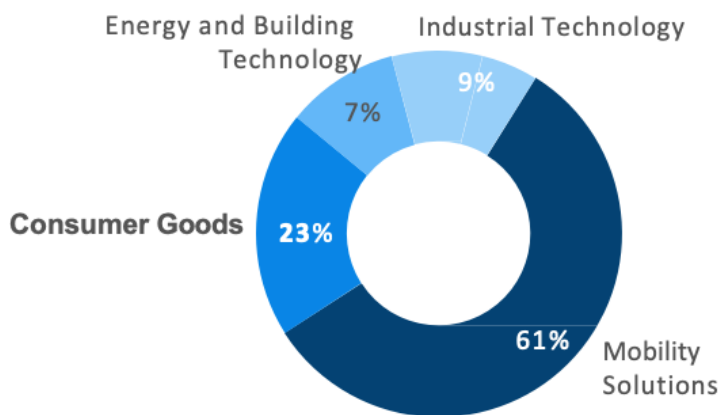
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## Whirlpool revenue in billion US\$



## Bosch Group revenue shares in 2019



## Strong Regional Footprint



**42 production** sites in Europe, the USA, Latin America and Asia, and a strong network of nearly 80 sales, production, and service companies in around 50 countries are a strong foundation for BSH's consumer-oriented business model.

Source: Statista





Key Players Continued..



### Electrolux is focusing on sustainability to boost market growth.

- Electrolux was founded from a merger of Lux AB and Svenska Elektron AB and belongs to the Wallenberg family.
- In 2019, Electrolux realized total revenue of US \$13.7 billion, representing a year-over-year growth of 1,3%.
- In 2017, Electrolux launched new product ranges, including AEG's connected washing machines, and acquired Kwikot Group, a water heater company in South Africa, and Best, a European kitchen hoods manufacturer.
- To realize profitable growth, Electrolux puts an emphasis on sustainability and smart appliances. In 2019, the most resource-efficient Electrolux products represented 32% of gross profit.

### Share Of Sales By Business Area

Electrolux operations are organized into six business areas. Within Major Appliances, the business areas are geographically defined, while the business areas Home Care & Small Domestic Appliances and Professional Products are global. The Group's operations include products for consumers as well as professional users.

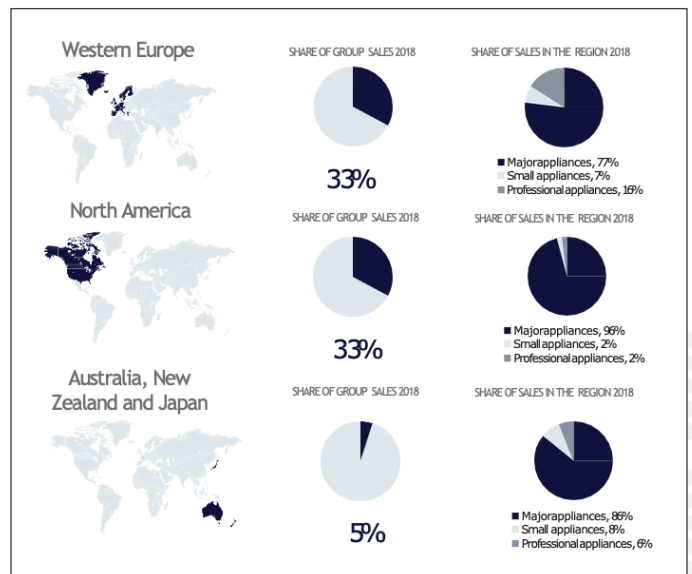
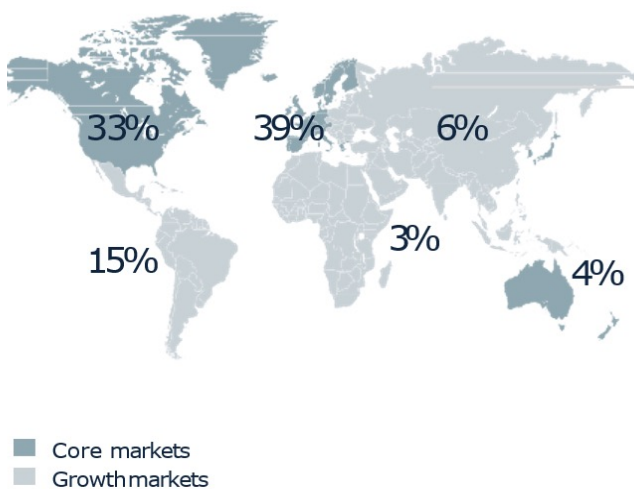
Products for consumers comprise major appliances, i.e. refrigerators, freezers, cookers, dryers, washing machines, dishwashers, room air-conditioners and microwave ovens. Floor-care products, water heaters, heat pumps, small domestic appliances as well as consumables, accessories and service are other important areas for Electrolux.

Professional products comprise food-service equipment for hotels, restaurants and institutions, as well as laundry equipment for apartment-house laundry rooms, laundrettes, hotels and other professional users and also beverage products.



- Major Appliances Europe, Middle East and Africa, 34%
- Major Appliances North America, 31%
- Major Appliances Latin America, 14%
- Major Appliances Asia/Pacific, 7%
- Home Care & Small Domestic Appliances, 6%
- Professional Products, 7%

### Share Of Sales By Region in 2018



Source: Statista





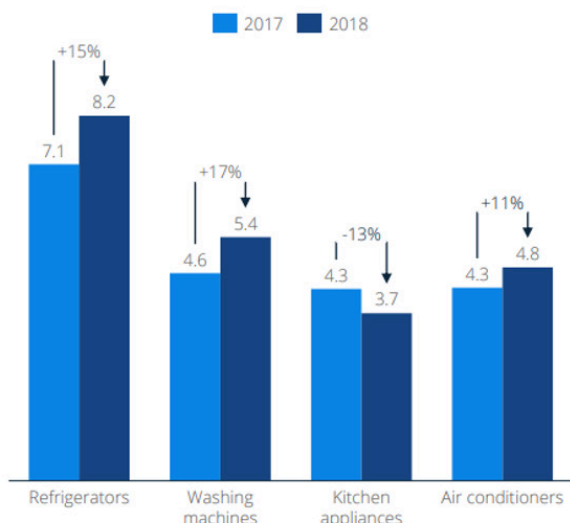
Key Players Continued...

# Haier

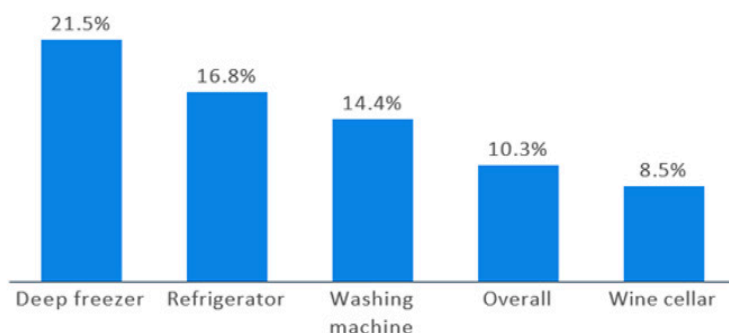
The Haier Electronics Group shows the highest growth rates within the household appliances market.

- Haier Electronics Group Co., Ltd. is a Chinese consumer electronics and home appliances company founded in 1984 and headquartered in Qingdao, China. Haier products are sold in more than 100 countries worldwide and Haier's online sales account for 26.5% of total sales.
- In 2019, Haier realized US\$27.6 billion, representing a year-over-year change of 12.2%. Haier shows rapid revenue growth rates across all segments.
- Kitchen appliances and air conditioners had the highest increase in sales with over 50%.
- In 2018, Haier acquired the household appliances manufacturer Candy for US\$550 million.

### Qingdao Haier Revenue in Billion US\$1



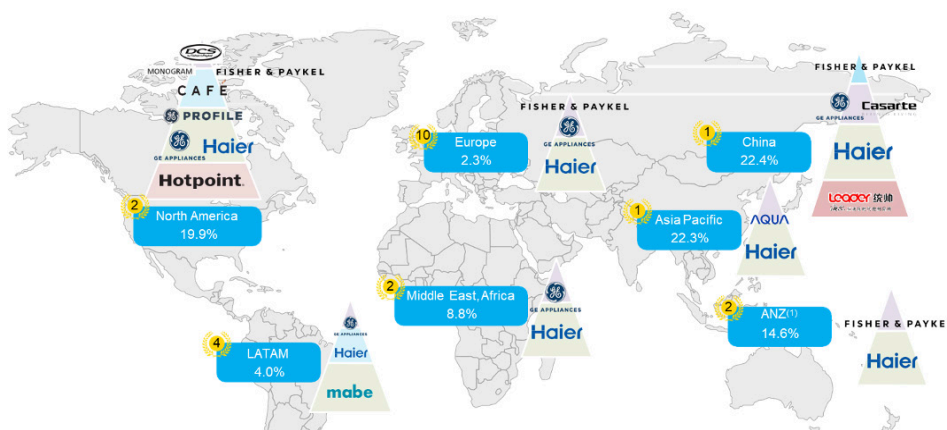
### Haier Electronics Worldwide Market Share



### Share Of Sales By Region in 2018

(1) Fisher & Paykel is currently owned by Haier Group, and proposed to be injected into Qingdao Haier

Source: Euromonitor, company information





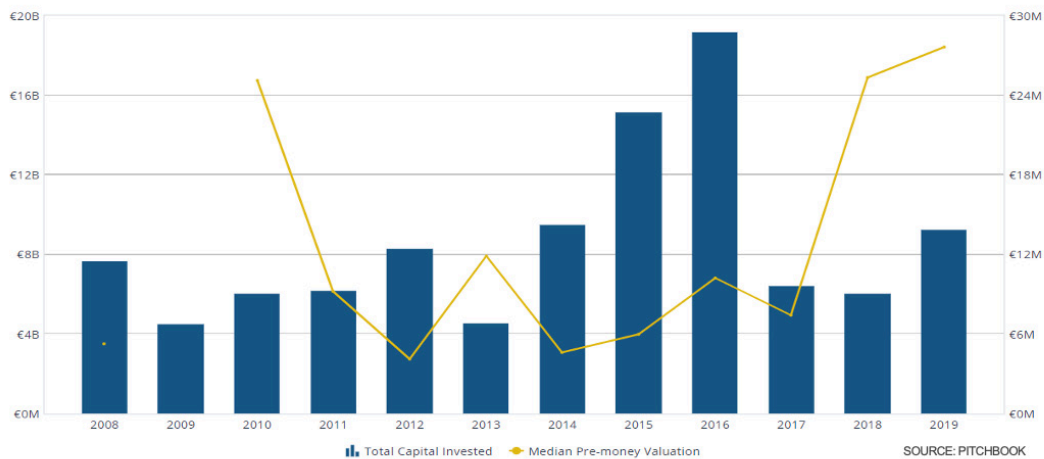
## M&A

### Global home appliance industry continues to consolidate, while companies undergo transformation.



#### Market consolidation through M&A

- To keep pace with the evolving market, and to gain market share in this volatile market locally as well as globally, companies need to strategize and look for mergers and acquisitions, joint ventures, technology tie-ups and partnership opportunities within and outside the traditional supply-chain spectrum. They also need to collaborate more across allied businesses offering integrated services.
- Recent acquisitions within the home appliance market show that the world's leading and largest home appliance producers hope to become even bigger, enlarging their footprint by moving into new territories and market segments. Production is also relocating to increase efficiency and to cut down costs, while being closer to their addressable regional markets. Such developments confirm what IHS has been predicting.
- Also, the major home appliance supplier market continues to consolidate within the top 10 appliance companies, which accounted for 66% of global unit shipments in 2017, compared to 57% in 2015. The top 15 global major home appliance companies accounted for nearly 75% of global shipments in 2017.
- The home appliance market will continue to witness more consolidation, with more mergers, acquisitions and tie-ups expected. These business deals will expand beyond appliances companies, into companies providing technological know-how, expertise and support for the home automation segment, as well as across other allied companies and service areas. There is also growing interest from private-equity firms in acquiring home appliance and home automation companies, which will serve to keep investments in the industry going strong over the next few years.



- Graphic above has been elaborated by the analysis of deals in household appliances sector from 2008 to 2019:
- The expected Total Capital Invested in 2019 shall be approx. €9,24 B, in increase respect last three years (+44%);
- The expected Median Pre-money Valuation in 2019 shall be approx. €27,65 M, increase sharply respect last three years (+272%).



# M&A Recent Transactions







## M&A Recent Transactions



### **Metall Zug AG has announced the spin-off of its Household Appliances business. April 4, 2020**

Metall Zug AG has announced the spin-off of its Household Appliances business unit as an independent company, into a new publicly-traded company V-ZUG Holding AG.

Metall Zug, an industrial group of companies headquartered in Zug, comprises five Business Units and has a workforce of around 3,000 employees.

The transaction will strengthen V-ZUG's brand recognition in Switzerland and abroad. Moreover, the transaction will enable V-ZUG to boost its top-line growth, accelerate internationalization and improve profitability.

V-ZUG was listed on the Swiss Stock Exchange under the ticker symbol VZUG on 25 June 2020. The new company will be led by an independent management team. New CEO Peter Spirig has successfully led the Door Division at Arbonia AG, Arbon, and took over in Q3-2020. V-ZUG now has new and state-of-the-art production facilities in Zug and Sulgen.

The reported deal value is 482.51 million with an EBITDA multiple of 8.27.





## M&A Recent Transactions



### **B&B Trends, S.L. has acquired Zelmer SA**

January 14, 2020 - B&B Trends has acquired Zelmer SA, a Poland-based manufacturer of home electrical appliances, from BSH Hausgeraete GmbH, for an undisclosed consideration.

B&B Trends S.L. It is a Spanish company with extensive experience in manufacturing and developing small appliances. B&B Trends instead manufactures and sells small household appliances. Some examples of its brands are Daga, Di4, and Ufesa. The company has two manufacturing centers in Spain: Santa Perpetua de Mogoda (textile heat products, including market-leading pads) and Vitoria (irons and centers ironing). In addition, it has R&D Centers in Vitoria, Santa Perpetua, and Cixi (China).

The idea of B&B is helping Zelmer to further expand its business. It will also enable B&B to strengthen its presence in Eastern Europe. B&B distributes Zelmer's products via Eurogama Limited, an experienced & local distributor of household appliances. BSH Hausgeraete GmbH had acquired Zelmer SA in 2012.

With this acquisition, the B&B group continues its commitment to international growth after the acquisition in 2018 of the also historic Spanish brand Ufesa, which has allowed it to strengthen its position in the national market and multiple Latin American countries. In February 2019, the integration into the ironing business group of the German BSH, the European leader in the manufacture of household appliances, was completed with the incorporation not only of the manufacturing center but also of the global care (R&D) competence center of BSH's clothes.



### **Sound United LLC bought the 100% of Bowers & Wilkins.**

September 10, 2020 - Sound United LLC, a portfolio company of Boston-based private equity firm Charlesbank Capital Partners, LLC has acquired Bowers & Wilkins. Financial terms of the transaction were not disclosed. The acquisition also includes all worldwide third-party distribution and licensing agreements under which Bowers & Wilkins premium audio products are currently sold.

Based in West Sussex, B & W Group Limited (trading as B & W and Bowers & Wilkins), is a designer and manufacturer of home audio speakers, headphones, custom installation products, wireless speakers, and branded audio systems in the automotive and television markets.

Sound United was founded in 2012. Today, it is one of the world's largest portfolio audio companies and home to several legendary audio brands—Denon, Marantz, Polk Audio, Classé, Definitive Technology, HEOS, and Boston Acoustics. Each brand boasts its own philosophy and unique approach to bringing home entertainment to life.

The transaction combines Bowers & Wilkins acoustic design, engineering and manufacturing expertise in the premium category with Sound United's scale, technical acumen and consumer reach.

# About CDI Global

We hope this guide has stimulated your interest in M&A – and alerted you to both its potential opportunities and hazards. Our 40 years of experience has shown CDI Global how to navigate the shifting marketplace, and guide companies through the process to find opportunities that match their goals.

**We have the knowledge.  
Would you like to reap the benefit?**

CDI Global offers expertise in:

- Industrial sectors – unlike banks and investment advisors, our team has both worked and conducted M&A advisory within various sectors across the industry. We know the industry structure and dynamics inside out.
- Custom-tailored, pro-active approach. We go out and find the best deal for your unique requirements, and offer pragmatic, hands on support, either in buy side or sell side mandates
- Extensive network of contacts, particularly among privately owned companies in the Industrial sector.
- Cross-border M&A expertise and global footprint. CDI Global has expertise on the ground in each territory and operates on the basis of cross-border cooperation.
- We focus on best strategic fit, not just best price.
- Experience in search projects and approaching SME owners on a highly confidential basis, improving closing rates and sourcing "not-for-sale" vs auction opportunities.
- Experience and support in organizing local Due Diligence, managing negotiations and providing results.
- Commitment to the long-term, both in our strategic advice and when working with clients.
- Respect we have earned from both parties in our transactions - based on trust and professionalism.



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Household Goods Sector

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