

Fiscal year 2016: Bosch Thermotechnology performing well

Growth driven by new product generation and connectivity solutions

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- ▶ Sales revenues of EUR 3.3 billion; 3.1 percent growth in exchange rate adjusted terms
- ▶ A leader in smart heating: over 265,000 connectable devices sold
- ▶ International operations expanded through two joint ventures in China and cooperation in Iran

Wetzlar – Generating sales revenues of EUR 3.3 billion, Bosch Thermotechnology showed a good performance in the fiscal year 2016 in spite of the weak world economy and a difficult market environment. Negative exchange rate effects of EUR 105 million, mainly caused by the British pound, weighed heavily on revenues in 2016. In exchange rate adjusted terms, sales revenues were up by 3.1 percent on the previous year. Since the beginning of 2015, the Division has grown by a total of eight percent. “In spite of the weak global growth and the unfavourable environment, we reached our earnings target in 2016 and were able to win market share in important markets such as Germany, the UK, Latin America, the USA, Switzerland, Italy, Belgium, Russia, Turkey and Africa,” says Uwe Glock, President of the Board of Management of the Thermotechnology Division.

A leader in smart heating

“The increased demand for web-enabled heating systems is one of the reasons for our good performance. More than 265,000 connectable products sold to date make Bosch Thermotechnology the leading provider of smart heating solutions for greatly enhanced comfort, energy efficiency and service quality,” Glock emphasises. “The product generation launched in 2015 has been very well accepted by the market and is already available in as many as 29 countries. We will continue this success story,” Glock adds. Bosch Thermotechnology will present more products of this generation at ISH Energy 2017, e.g. the extended Buderus Logamax plus GB182i series for the supply of domestic hot water and heat in single-

family homes. Additional output ratings will make these devices also suitable for office buildings and public facilities. The gas condensing boilers are characterised by especially efficient heat generation and good accessibility for service and maintenance. Another example is Bosch Easy Control, a smart WLAN heating controller which – among other things – learns when its users come home and heats up their home in time.

A strong partner for trade partners on their way into the connected world

There is a strong trend towards networked products and services also in the thermotechnology sector. “Bosch Thermotechnology offers intelligent tools to make all work processes easier for the heating contractor to ensure that the latter can focus on their core business and offer end customers the best possible service,” Thomas Bauer, member of the Board of Management of Bosch Thermotechnology, sums up the digital solutions offered by the company.

Lead generation websites such as www.heizungstausch.junkers.com help the trade partners win new customers and facilitate the preparation of quotes. All that interested end customers need to do is enter a few details about their home to request a quote for a new heating system within only two minutes. Bosch Thermotechnology will send the information received from the end customer to a qualified heating contractor, who will contact the end customer within 24 hours and will then prepare a customised quote in a timely manner. Heating contractors thus receive digital inquiries from potential customers with no major effort on their part. And end customers will be contacted only by heating contractors that have the required experience in serving customers.

The digital tools provided by Bosch Thermotechnology also help heating contractors in the installation and maintenance of the devices and facilitate their day-to-day work. The **Easy Doc installation app** uses a QR code to provide installers with all information about a given device at a single glance. Video manuals and the possibility of a video chat with technical consultants speed up the installation process and help avoid mistakes. The app also helps choosing the right hydraulic system, thus ensuring the high quality and professionalism of the heating contractor’s work while visiting the end customer.

Bosch Easy Service Pro is a new digital tool used to commission the heating system; it identifies the installed system components and proposes the right settings. Heating contractors also benefit from a digital service package for the maintenance of the heating system; the most important component of this package from Bosch Thermotechnology is the **Home Com Pro** portal. Heating contractors have an eye on all their connected systems at all times and can immediately identify any disruptions. The portal even reports the likely cause of

an error to ensure that the heating contractor has the right spare parts when first visiting the customer for maximum service efficiency. Thanks to the portal-based application, all maintenance work is transparent, quick and without annoying and time-consuming multiple service calls for the installer and the customer.

“Digital solutions are key to shaping a successful future for the heating industry. Connectable solutions will account for a major portion of our revenues in the foreseeable future. We aim to be a strong partner to the heating contractors to support them on their way into the connected world,” says Uwe Glock.

VRF systems added to the commercial portfolio

Bosch Thermotechnology has expanded its portfolio of commercial air-conditioning solutions, which represent a strategically important growth segment for the company, through a joint venture for VRF systems with Chinese manufacturer Midea. As implied in their name, VRF systems use a variable refrigerant flow for the heating and air-conditioning of commercial buildings. VRF systems are marketed globally by Bosch Thermotechnology under the Bosch brand. “This joint venture has strengthened our market position as a systems supplier for the commercial air-conditioning sector and helps us tap new growth opportunities. We now offer air-handling units, chillers and VRF devices, i.e. all the technologies that are needed to fit out commercial buildings,” Uwe Glock says.

DHW activities expanded through joint venture with Vanward

The electricity-based generation of domestic hot water plays a dominant role in the DHW water sector and has huge potential. In 2016, Bosch Thermotechnology agreed a joint venture with its Chinese partner Vanward to expand this business segment. The two partners aim to jointly develop and manufacture a comprehensive portfolio of DHW solutions with a focus on hot water storage tanks, hot water heat pumps and solar thermal systems. “The products are marketed worldwide under the Bosch and Vanward brands. The joint venture has laid the basis for continued growth for our electrically operated DHW systems, which primarily support the move towards a low carbon heat market,” Uwe Glock explains.

Bosch Thermotechnology has also strengthened its gas-based DHW activities through growth initiatives in Australia, New Zealand and the USA. An example is the Bosch Therm 9900i instantaneous gas water heater, which won an Innovation Award at the CES in Las Vegas. The connected device allows homeowners and residents to operate it using their smartphone or tablet computer. Being the market leader in wall-mounted boilers, Bosch Thermotechnology also increased its market share in China, where the company has grown strongly, not least thanks to portfolio additions such as air cleaners and air-conditioning systems.

Iran: A promising and dynamically growing market

Iran is projected to be one of the world's five largest heating technology markets in terms of volume in 2021. To expand its presence in the country, Bosch has agreed an exclusive cooperation with Butane Industrial Group. This partnership comprises the production, distribution and after-sales service of Bosch-branded heating systems and domestic hot water products for residential buildings. Established in 1953, Butane Industrial Group employs some 2,000 people and is the country's largest manufacturer of wall-mounted heating boilers and gas water heaters. "Iran is an ideal market for expanding our international business. We are happy about the cooperation with Butane Industrial Group as a strong local partner. We want our innovative devices to support and drive the modernisation process in the country," says Thomas Bauer.

Press photos (Source: Bosch Thermotechnology)

#958700 – There is a strong trend towards networked products and services also in the thermotechnology sector.



#958699 – Uwe Glock, President of the Board of Management of the Thermotechnology Division



#958698 – Thomas Bauer, Member of the Board of Management of the Thermotechnology Division



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Bosch Thermotechnology is a leading European manufacturer of energy-efficient heating products and hot water solutions. In fiscal 2016, the company generated sales of about 3.3 billion euros (68 percent outside Germany) and employed approx. 14 300 people. Bosch Thermotechnology has strong international and regional brands and manufactures a diversified product range in Europe, America and Asia.

Additional information is available online at www.bosch-thermotechnik.de

The Bosch Group is a leading global supplier of technology and services. It employs roughly 390,000 associates worldwide (as of December 31, 2016). According to preliminary figures, the company generated sales of 73.1 billion euros in 2016. Its operations are divided into four business sectors: Mobility Solutions, Industrial Technology, Consumer Goods, and Energy and Building Technology. As a leading IoT company, Bosch offers innovative solutions for smart homes, smart cities, connected mobility, and connected industry. It uses its expertise in sensor technology, software, and services, as well as its own IoT cloud, to offer its customers connected, cross-domain solutions from a single source. The Bosch Group's strategic objective is to create solutions for a connected life, and to improve quality of life worldwide with products and services that are innovative and spark enthusiasm. In short, Bosch creates technology that is "Invented for life." The Bosch Group comprises Robert Bosch GmbH and its roughly 450 subsidiaries and regional companies in some 60 countries. Including sales and service partners, Bosch's global manufacturing, engineering, and sales network covers nearly every country in the world. The basis for the company's future growth is its innovative strength. At 120 locations across the globe, Bosch employs 59,000 associates in research and development.

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