



### Successful fiscal year 2020

### **Well positioned for energy systems of the future**

### Digital services significantly expanded

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- ▶ Sales revenues of EUR 3.5 billion at previous year's level despite coronavirus pandemic; adjusted for exchange rate effects, up 1% on the previous year
- ▶ Record revenues of more than EUR 400 million for Bosch Thermotechnology in October 2020
- ▶ Buderus brand also reports record revenues of more than EUR 100 million in Germany in October 2020
- ▶ Investments in R&D growth projects expanded
- ▶ Heat pumps, hydrogen and air conditioners will be future growth drivers

Wetzlar – In spite of the coronavirus pandemic, Bosch Thermotechnology maintained its sales revenues at the previous year's level of EUR 3.5 billion in 2020 (-0.6% in nominal terms). In an extremely difficult economic environment characterised by worldwide lockdowns and massive supplier problems, the company even grew by about 1% in exchange rate adjusted terms year on year. From a regional perspective, a key success factor was the above-average sales growth in the main market of Germany as well as in Turkey, Sweden, Italy, Poland and the Netherlands. North America and the Middle East also recorded sales increases in 2020. Bosch Thermotechnology generated record revenues of more than EUR 400 million in October 2020. The heating technology brand Buderus also reported a monthly sales record of more than EUR 100 million in October. On the product side, the trend towards electrification and the expansion of the air conditioner and heat pump business in particular contributed to the success. "With our innovative products for defossilisation, electrification and digitalisation, we have driven the energy transition in the building sector and we will continue to grow profitably with these energy systems of the future," sums up Jan Brockmann, Chairman of the Bosch Thermotechnology Division.

### **A clear path for the future: the electrification of heating**

Electrical applications are increasingly gaining in importance as a technology path in the heating and air conditioning sector, as they use and convert energy particularly efficiently. That is why Bosch Thermotechnology had announced in 2019 that it would invest EUR 100 million in the expansion of its heat pump business, with a focus on easy-to-install system solutions. “This investment and a significant increase in the number of associates have brought us a clear step forward: in 2020, we already recorded a growth of 22.5 percent in heat pumps across the EU, and in Germany the heat pump business even grew by 48 percent. In 2021, we will continue to invest in our heat pump business and here especially also in the training of our customers to help them make the leap into the field of electrification. This will accelerate our growth and the degree of electrification and thus carbon savings in the residential sector,” explains Jan Brockmann.

With development centres in Tranås (Sweden) for Northern Europe, in Wernau (Germany) for Central Europe and in Aveiro (Portugal) for Southern Europe, Bosch Thermotechnology is well positioned to serve the European market for residential heat pumps, which accounts for the majority of the world market. To respond to customers’ different demands, the company pursues a regional strategy in the EU with product ranges tailored to the respective region that has proven very successful: in Northern Europe, the most mature heat pump market, this heating technology represents over 90 percent of the market. The focus there is on performance optimisation. In Central Europe, the focus is on the system approach. Here, Bosch wants to grow in particular with heat pumps combined with ventilation systems as well as the Bosch Energy Manager for optimised in-house power consumption. For Southern Europe, it is important to expand the portfolio with low-cost product alternatives. To this end, Bosch Thermotechnology established a joint venture with Electra Industries Ltd. in 2020. Headquartered in Rishon (Israel), Electra Industries is well positioned in the Israeli HVAC market. The company has extensive experience in research and development and currently employs around 300 people. The two partners plan to cooperate in the development and manufacture of reversible heat pumps. In addition to its own product portfolio, Bosch Thermotechnology will source a heat pump portfolio specially tailored to the Central and Southern European market from the new joint venture. The joint venture is designed to help the two partners seize the opportunities that arise in the rapidly growing market for reversible heat pumps.

“Our vision is to electrify Europe’s homes – with regionally adapted heat pumps and hybrid devices that offer the best of both worlds. In all regions, we attach special importance to easy installation for our trade partners and easy operation for our end customers. We offer system solutions for existing and new buildings that cover all use cases and accompany our customers on their path to electrification with a broad range of support services,” says Jan Brockmann.

### **H2 and the heating market: a strong duo for reaching the climate targets**

The switching to climate-neutral gases is an essential component of the EU Green Deal that is to make all EU states carbon-neutral by 2050. For a carbon-neutral energy system, it is indispensable to comprehensively consider the heating market, as a high share of the emissions originates here. Bosch Thermotechnology pushes ahead multi-technology solutions that – in parallel with electrification – see hydrogen (H<sub>2</sub>) as environmentally friendly energy carrier of the future. Hydrogen is easier to store than electricity and can be distributed via the existing gas grid. “For a carbon-neutral energy system, we need a hydrogen strategy for the heating market in addition to electrification. Combustion devices will remain important in the coming decades, which is why we are already investing in a H<sub>2</sub>-Ready portfolio. We clearly favour a multi-technology-approach and are prepared for every path to reach the climate targets,” says Jan Brockmann.

In order to demonstrate the possible applications in the heating market, Bosch Thermotechnology presented the prototype of a new wall-mounted heating device, the H<sub>2</sub>-Ready boiler, to an international audience at its Worcester site in the UK in November 2020. The new boiler can initially run on conventional natural gas or a hydrogen admixture of up to 20 percent. As soon as the local network has been switched over to hydrogen, the boiler can be converted to full use of pure hydrogen within only an hour by making just a few adjustments. The first field test device has been running on pure hydrogen in a single-family house in Great Britain since September 2020. The introduction of the first H<sub>2</sub>-Ready gas condensing boiler as part of a publicly funded demonstration project is already planned in the UK for 2022, with further public demonstration projects to follow on a large scale.

In the Netherlands, Bosch Thermotechnology is also carrying out first field tests on the use of hydrogen in the heating sector, including the “Uithoorn” project. Together with strong partners such as Nefit Bosch, the network operator Stedin is converting the natural gas system of fourteen homes to hydrogen. Existing installations are thus used to test which adjustments have to be made to prepare heating systems and natural gas networks for full hydrogen use.

Bosch Thermotechnology also already offers industrial boilers that run on pure hydrogen or are hydrogen-ready, i.e. initially run on natural gas but can later be converted to use pure hydrogen. At the end of 2020, Bosch Industrial delivered a new H<sub>2</sub>-Ready boiler for industrial applications which will supply a sawmill in Wunsiedel (Germany) with thermal energy in the future. Bosch Thermotechnology is thus also making an important contribution to climate protection in the industrial sector.

For a sustainable energy supply, Bosch is moreover pushing ahead the highly efficient solid oxide fuel cell (SOFC), which can also be operated with hydrogen. In 2024, Bosch and its cooperation partner Ceres Power based in Horsham (UK), want to start series production of decentralised power plants based on SOFCs. Bosch is aiming for a production capacity of about 200 megawatts output per year. This is enough to supply around 400,000 people with household electricity. Bosch will invest a three-digit million amount in the planned series production. Production is to be located at the Bamberg and Homburg sites as well as at the Wernau site of Bosch Thermotechnology and development will take place in Stuttgart-Feuerbach and Renningen.

### **Growth field of air conditioners**

In the context of the electrification of the building sector, Bosch Thermotechnology will also expand its range of energy-efficient air conditioning units for the residential and commercial sectors. These units are operated efficiently if they are not only used for cooling, but as air/air heat pumps also for heating. This is a common application in smaller single-family houses or flats in warmer regions such as Southern Europe or Asia and for commercial VRF systems (variable refrigerant flow) in all regions, for example in hotels and shopping malls. In many regions of the world – meanwhile also in Central Europe – air conditioning is indispensable in residential buildings and commercial properties to create a pleasant and healthy temperature level in the building. “With our air conditioners, we want to contribute to health and well-being and at the same time also make a sustainable contribution to carbon savings in this business field,” explains Jan Brockmann. Air conditioning is a global growth area, accounts for two thirds of the total HVAC market and has a higher market growth than the heating and domestic hot water segments. “Our goal is to significantly strengthen our position in the air conditioning sector in the commercial and residential segments and to be the driver for energy-efficient technologies here as well,” emphasises Jan Brockmann.

**Digital services with a focus on the experience of comfort**

The coronavirus pandemic with lockdowns and exit restrictions has clearly demonstrated the opportunities of the digital transformation. This is why digital services and online customer support are two areas i Bosch Thermotechnology is investing heavily in. The focus of the expansion is on the experience of comfort. The company offers installers and trade partners such as planners, property developers and architects many digital solutions and services that make their work easier: from the digital Partner Portal to online training courses and technology forums for further training to major digital events. “Our experience in 2020 has shown that digitalisation opens up new opportunities for us. It is important that we do not use standard solutions, but tailor our digital offers to the individual needs of our different customer groups. We have been overrun with registrations for some of our online training courses. Our customers appreciate that we offer them safe and at the same time innovative ways of contact and interaction. Especially in times when personal contacts are severely restricted, the expansion of our digital services offers us the opportunity to make our strong brands even stronger and to anchor them even better in customer awareness,” says Thomas Bauer, member of the management responsible for sales and marketing, happily.

### **Press photos**

(Reprint for editorial purposes free of charge with credit “Photo: Bosch”):

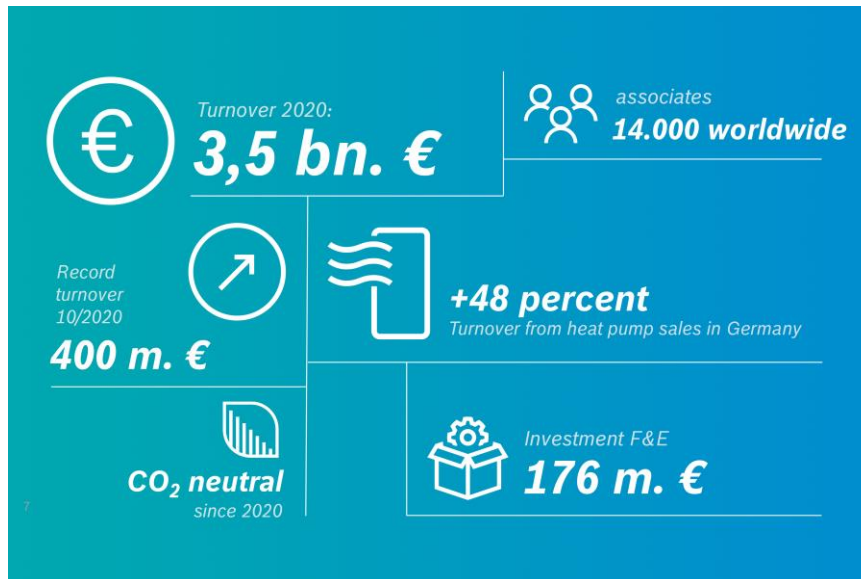
#28ed7d91: Jan Brockmann, Chairman of the Board of Management of Bosch Thermotechnik GmbH



#958698: Thomas Bauer, member of the management of Bosch Thermotechnik GmbH, responsible for sales and marketing



#48b0f461 Bosch-Thermotechnology Figures-2020



#3da8b2b3: Bosch Compress 7800i LW brine heat pump



#fa96e29b: Buderus Logamax plus GB272 gas condensing boiler



#3294830: Climate-neutral heating and process heat - industrial boilers from Bosch can be operated with up to 100 percent hydrogen.





#3294832: Energy Park Wunsiedel



You can find the ISH press kit of the Bosch brand here:

<https://www.bosch-thermotechnology.com/de/de/wohngebaeude/wissen/presse/pressemappe-ish-2021/>

You can find the ISH press kit of the Buderus brand here:

<https://www.buderus.de/de/pressemappe/ish>

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*Bosch Thermotechnology is a leading European manufacturer of energy-efficient heating products and hot water solutions. In fiscal 2020, the company generated sales of about 3.5 billion euros (63 percent outside Germany) and employed almost 14,000 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](http://www.bosch-thermotechnik.de)

*The Bosch Group is a leading global supplier of technology and services. It employs roughly 394,500 associates worldwide (as of 31 December 2020). Provisional figures indicate that the group generated a turnover of 71.6 billion euros in the financial year 2020. 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, Industry 4.0, and connected mobility. Bosch is pursuing a vision of mobility that is sustainable, safe, and exciting. 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 facilitate connected living with products and solutions that either contain artificial intelligence (AI) or have been developed or manufactured with its help. Bosch improves 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 440 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. Bosch employs some 73,000 associates in research and development at 126 locations across the globe, as well as roughly 30,000 software engineers.*

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