

PRESS RELEASE

March 30, 2021

Bosch Rexroth defies adversity in fiscal 2020 and sees business recovery

Flexibility as a success factor

- ▶ Sales in 2020 at around 5.2 billion euros almost 17 percent lower compared to the previous year
- ▶ Confidence for 2021 due to stronger order intake since mid-2020
- ▶ Hydraulics activities are strong pillar
- ▶ Increased investments planned for 2021

Lohr a. Main – Bosch Rexroth is cautiously confident about the current fiscal year. Since mid-2020, order intake has been increasing and stimulating business. Related to structural changes and the pandemic, Bosch Rexroth records a drop in sales of almost 17 percent compared to the record level of 2019, but remains profitable in the fiscal year 2020. However, the road back to pre-crisis levels will take longer than the crisis itself. Extensive investments are planned for 2021, including at German sites.

Despite adverse conditions with a combination of economic downturn and pandemic, Bosch Rexroth had a successful fiscal year 2020. The basis for this was in particular the company's adaptability, which has been proven over several years, as well as great cost flexibility. "We are proud of our global team and its outstanding dedication," says Rolf Najork, member of the Board of Management at Robert Bosch GmbH responsible for the Industrial Technology division and Chairman of the board of Bosch Rexroth AG. "With their flexibility and impressive perseverance, our associates around the world have worked for our success on site with our customers, at our locations and remotely. Even in difficult times, we always focus on our customers. Bosch Rexroth remains a stable partner in industrial and mobile hydraulics, factory automation and engineering."

Close customer contacts even during the pandemic

Even in times of the pandemic, Bosch Rexroth maintains close contact with customers and partners worldwide and is accelerating digitalization in this area: New chat functions on the website make it easier to get in touch, fully digital events replace cancelled trade fairs, trainings are offered online.

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Service specialists support customers and users with remote maintenance, and digital support often replaces on-site visits when commissioning drive and automation solutions. Despite the strained supply chains during the first lockdown, Bosch Rexroth kept up deliveries in close cooperation with customers and partners and avoided downtimes at customers.

Hydraulics activities stabilize business

In fiscal 2020, the regions showed a varied development: In Europe, where Bosch Rexroth generated more than half of its sales, and in North and South America, sales went down by around 20 percent in 2020. Supported by strong business in China, however, the decline in the Asia-Pacific/Africa region was limited to just under five percent.

Hydraulics activities have made a contribution to the stabilization of the business, particularly since the second half of 2020. With this technology, Bosch Rexroth offers customers a combination of unique power density and digital connectivity. Order intake in factory automation is also picking up. The new ctrlX AUTOMATION platform helps users to operate more flexibly in the Factory of the Future, to put systems into operation more quickly and to manufacture different quantities and variants of products economically.

Environment remains challenging in 2021 – recovery will take longer than the crisis

Thanks to the increase in order intake since the second half of 2020, Bosch Rexroth is cautiously optimistic about the current fiscal year. Risk factors are the further development of the pandemic, possible changes in individual markets or the structural changes in the automotive sector. Najork is convinced that “the recovery will last longer than the crisis itself. With our balanced strategy of change, we are well-equipped for this journey: We take long-term structural developments into account while increasing our flexibility for cyclical fluctuations.”

Investments in customer proximity, flexibility, growth and innovation

The international production network plays a key role in Bosch Rexroth’s adaptability. Aligning with the market and customer requirements, the company is continuously developing its capacity and positioning. Investments

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are therefore either made close to the customers in the sense of a “local for local” approach or capacities are bundled where it is economically necessary.

Even in the challenging fiscal year 2020, Bosch Rexroth was profitable. This enabled the company to continue to invest in a forward-looking manner despite the decline in sales. In 2020, Bosch Rexroth invested a total of around 100 million euros in its 47 manufacturing sites worldwide, twelve of which are in Germany.

The competitiveness of the German locations was strengthened with around 45 million euros, for example with the second construction phase of the Customer and Innovation Center in Ulm, where around 250 specialists will work across divisions on technically pioneering and sustainable solutions. The additional building will house a model factory for Industry 4.0 solutions, modern offices, laboratories and test benches for the electrification of mobile machinery. Around 28 million euros went to China, in particular for an expansion of the plant in Xian as a center for factory automation in Asia.

It is planned to significantly expand investments again in 2021. Substantial investments are also planned at German sites.

Bosch Rexroth maintained its expenditure on research and development (R&D) at a high level in 2020, at around 326 million euros (previous year: approx. 348). The share of R&D expenses in sales thus rose from 5.6 to 6.3 percent compared to the previous year.

Driver of digitization in mechanical engineering

At the upcoming digital Hannover Messe trade fair, Bosch Rexroth will show the Factory of the Future: flexible, connected, sustainable – and economically successful. Floor, ceiling and walls are the only static components. Everything else is changeable and flexible. The model factory for Industry 4.0 holds everything that smart manufacturing and intralogistics will need in 2021 and in the future: from intelligent floors, driverless transport and manual assistance systems to software applications and flexibly programmable machine controls.

The ctrlX AUTOMATION platform overcomes the boundaries between machine control systems, IT and the Internet of Things. The software

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architecture, inspired by the versatility of smartphones, considerably simplifies the engineering of new machines and makes them updatable for the Factory of the Future. Users can use apps from Bosch Rexroth, third-party providers or apps they have created themselves with the platform.

Additional details: [press release](#) & [ctrlX AUTOMATION website](#)

The new CytroForce hydraulic linear drive sets new standards in power density, energy efficiency and quiet operation. The axes are preconfigured in the factory and only need to be electrically connected after mechanical installation. CytroForce thus follows the “plug-and-produce” approach and simplifies the integration of hydraulic axes into machines and systems. This means that even machine manufacturers without an affinity for hydraulics benefit from optimized overall costs.

Additional details: [press release CytroForce](#)

In mobile machinery, new energy-efficient system solutions for mobile hydraulics are helping to reduce diesel consumption and thus also emissions. At the same time, Bosch Rexroth developers are working closely with manufacturers on the electrification and digitization of mobile machinery, for example for agriculture and construction. With BODAS connect, Bosch Rexroth offers an open, scalable telematics solution from the data source through hardware and software to ready-to-use analysis apps that can be used to network mobile machines.

Additional details: [press release electrification](#) & [BODAS website](#)

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As one of the world's leading suppliers of drive and control technologies, Bosch Rexroth ensures efficient, powerful and safe movement in machines and systems of any size. The company bundles global application experience in the market segments of Mobile Applications, Machinery Applications and Engineering, and Factory Automation. With its intelligent components, customized system solutions and services, Bosch Rexroth is creating the necessary environment for fully connected applications. Bosch Rexroth offers its customers hydraulics, electric drive and control technology, gear technology and linear motion and assembly technology, including software and interfaces to the Internet of Things. With locations in over 80 countries, more than 29,600 associates generated sales revenue of

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around 5.2 billion euros in 2020.

To learn more, please visit www.boschrexroth.com.

The Bosch Group is a leading global supplier of technology and services. It employs roughly 394,500 associates worldwide (as of December 31, 2020). According to preliminary figures, the company generated sales of 71.6 billion euros in 2020. Its operations are divided into four business sectors: Mobility Solutions, Industrial Technology, Consumer Goods, and Energy and Building Technology. As a leading IoT provider, 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 subsidiary and regional companies in 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 126 locations across the globe, Bosch employs some 73,000 associates in research and development, as well as roughly 30,000 software engineers.

Additional information is available online at www.bosch.com, www.iot.bosch.com, www.bosch-press.com, <https://twitter.com/BoschPress>

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