



Bosch and Volkswagen want to industrialize factory equipment for battery-cell production

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- ▶ Bosch and Volkswagen aim to achieve cost and technology leadership in industrial-scale manufacturing processes for battery cells.
- ▶ Partners plan to provide state-of-the-art manufacturing systems, digitalization solutions, as well as ramp-up and maintenance support.

Stuttgart, Germany, January 18, 2022 – In a signed memorandum of understanding, the Bosch Group and the Volkswagen Group have agreed to explore the possibility of establishing a European battery equipment solution provider. The two companies plan to supply integrated battery production systems, on-site ramp-up, and maintenance support for battery-cell and battery-systems manufacturers. The companies are aiming for cost and technology leadership in industrial-scale battery technology and the volume production of sustainable, cutting-edge batteries. Through the “local for local” production approach, this will also be a step toward the objective of carbon-neutral mobility. In Europe alone, the Volkswagen Group plans to build six cell factories by 2030.

Project unit determines potential for equipping battery cell factories

The Bosch Group and the Volkswagen Group are setting up a project unit to explore the possibilities of industrial-scale solutions for battery manufacturing in Europe. A memorandum of understanding to this effect was signed by Rolf Najork, member of the board of management of Robert Bosch GmbH and chairman of the executive board of Bosch Rexroth, and Thomas Schmall, member of the board of management of Volkswagen Group responsible for technology and CEO of Volkswagen Group Components.

The companies aim to supply the entire range of processes and components needed for the large-scale manufacture of battery cells and systems. Across the industry, the demand is enormous: in Europe alone, various companies plan to build cell factories with a total annual capacity of around 700 gigawatt hours by 2030.

Bosch and Volkswagen join forces for battery production

For both partners, this alliance is a further step toward playing leading roles in electromobility. The partnership will draw on complementary areas of expertise: while Bosch has excellent know-how in factory automation and systems integration, Volkswagen is an accomplished at scale automaker and is on its way to becoming a major battery cell manufacturer.

To quote Rolf Najork: “Together with Volkswagen, we seek a path to industrialize production processes for battery cells with standardized equipment. We have the best prerequisites for this: Bosch is not only the world's biggest automotive supplier, but also one of the leading suppliers of factory equipment. We understand how battery technology works, and know how to manufacture it. With more than 135 years of automotive experience and our proven industrialization expertise, we want to serve the growing demand for batteries. European industry has the potential to become a technology driver for the ecological transformation of the economy.”

Thomas Schmall commented: “Europe has the unique chance to become a global battery powerhouse in the years to come. There is a strong and growing demand for all aspects of battery production, including the equipment of new gigafactories. Volkswagen and Bosch will explore opportunities to develop and shape this novel, multibillion-euro industry in Europe. Our decision to actively engage in the vertical integration of the battery-making value chain will tap considerable new profit pools. Setting out to establish a fully localized European supply chain for e-mobility made in Europe certainly marks a rare opportunity in business history.”

Both partners have formed a project unit with the target to prepare the establishment of the new company until the end of 2022.

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The Bosch Group is a leading global supplier of technology and services. It employs roughly 395,000 associates worldwide (as of December 31, 2020). The company generated sales of 71.5 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 some 60 countries. Including sales and service partners, Bosch's global manufacturing, engineering, and sales network covers nearly every country in the world. With its more than 400 locations worldwide, the Bosch Group has been carbon neutral since the first quarter of 2020. The basis for the company's future growth is its innovative strength. At 129 locations across the globe, Bosch employs some 73,000 associates in research and development, of which nearly 34,000 are software engineers.

The company was set up in Stuttgart in 1886 by Robert Bosch (1861-1942) as "Workshop for Precision Mechanics and Electrical Engineering." The special ownership structure of Robert Bosch GmbH guarantees the entrepreneurial freedom of the Bosch Group, making it possible for the company to plan over the long term and to undertake significant upfront investments in the safeguarding of its future. Ninety-four percent of the share capital of Robert Bosch GmbH is held by Robert Bosch Stiftung GmbH, a charitable foundation. The remaining shares are held by Robert Bosch GmbH and by a corporation owned by the Bosch family. The majority of voting rights are held by Robert Bosch Industrietreuhand KG, an industrial trust. The entrepreneurial ownership functions are carried out by the trust.

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