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Stefan Hartung,

chairman of the board of management of Robert Bosch GmbH,

Christian Fischer,

deputy chairman of the board of management of Robert Bosch GmbH,

Frank Meyer,

member of the board of management of Robert Bosch GmbH, and

Jan Brockmann,

CEO of the Bosch Home Comfort Group,

at the online press briefing about the acquisition on July 23, 2024.

Check against delivery.

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Stefan Hartung

Ladies and gentlemen,

It's a great pleasure for me to welcome you here today to our press call. Thank you for dialing in at such short notice.

At our annual press conference in April, we took a look at the future of Bosch together. We announced that we want to actively shape our future through pinpointed initiatives and investments. Today's announcement that we are acquiring selected units of Johnson Controls is evidence that we mean what we say. With this acquisition, we are dynamically pushing ahead with the strong development of Bosch, and will achieve a globally leading position in the promising HVAC market.

Following intensive negotiations, today we've signed binding agreements to acquire the global residential and light commercial HVAC business from Johnson Controls. This also includes the Johnson Controls-Hitachi Air-Conditioning joint venture. The purchase price is 8 billion dollars, which makes this acquisition the biggest in our company's history. But this acquisition isn't just about size – it's also a major milestone on the path to systematically implementing our strategy for 2030.

Let me illustrate what I mean with three points:

First, we will strengthen our presence in the U.S. and Asia and achieve a better regional balance in our portfolio. This is a significant step that will help us widen our global reach and consolidate our market position.

Second, we are taking a big step toward a better balance among our business sectors. In addition, this acquisition will take us closer to a leading position in the promising HVAC market.

And third, we are creating and seizing new growth opportunities with this transaction, and making the Bosch Group as a whole more competitive and even more robust. This acquisition isn't just an investment in our portfolio, but also one in the future of Bosch as a whole – a future that we want to shape together and in which we will continue to set standards.

And with that, I'd like to hand over to Christian Fischer. As the man behind this pioneering transaction, he can give you a bit more information about the background of this acquisition and about our growth strategy.

Christian Fischer

Many thanks, Stefan!

From me as well, a warm welcome to you all!

I am very pleased to be able to share this fantastic news with you, and to tell you more about our plans. For a long time now, we have been working on finding the right addition for our Home Comfort division. It has been a long journey. So now, I'm all the more pleased that we have done it. I'd like to take this opportunity to thank all those who have worked so hard in the past months and days to bring this transaction to a positive conclusion.

To give you the main points in brief: The businesses we are acquiring generated sales revenue totaling roughly 4 billion euros in 2023, and employ some 12,000 people worldwide. The transaction includes 16 manufacturing sites and 12 engineering locations in more than 30 countries. The product portfolio covers the entire spectrum of HVAC solutions for residential and light commercial buildings, and includes well-known brands such as York and Coleman in the U.S. and Hitachi in Asia, for which Bosch will be granted a long-term license.

The acquisition we are now announcing is a milestone for the Bosch Home Comfort Group. It is a unique opportunity to nearly double its sales in one fell swoop – from roughly 5 billion to an impressive 9 billion euros – and thus to join the group of globally leading companies in the global HVAC market. It's not only an important step for our company, but also a clear indication of our focus on profitable growth.

In recent years, we have examined various possibilities of growing inorganically. Why did we take this particular step? Because we have great expectations for the global HVAC solutions market. After all, the market is forecast to grow by a strong 40 percent by 2030. This big potential will be driven by technological progress, the determined fight against climate change, and new regulations. The rapidly growing demand for air-conditioning solutions is especially promising. In the U.S., we expect a growth of more than 50 percent up to 2030, and of roughly 30 percent in Europe. In other words, we are investing in a market that is full of opportunities. With our expanded portfolio, we will be in an excellent position to benefit from this positive trend.

This acquisition will be beneficial for the Bosch Group, for our Home Comfort division, and for our associates. In addition, we will create true benefit for our customers and suppliers. Following integration, we will be able to use economies of scale and combine the strengths of our two companies.

Our customers will benefit from a broader product offering that features the entire range of heating and air-conditioning solutions from a single source. Our installers will have an even stronger partner by their side – with more innovative solutions and a wider geographical presence. With our advanced technology, we will be able to bring about a sustainable move to alternative energy.

Why are we so sure that we are the right owner for the operations of Johnson Controls and Hitachi? Because they are a good strategic match for us, and will become part of our core business. And we want to take this business forward to new heights. We plan to integrate the acquired businesses into the Bosch Home Comfort Group. The combined entity will employ more than 26,000 associates. Integrating two such huge business entities is a big task. It will take time, but we are well prepared. We have proved several times in the past that we can successfully integrate companies with strong brands and take them forward through investments. And that's exactly what will happen here as well – we're looking forward to it.

And with that, I'd like to hand over to my colleague Frank Meyer.

Frank Meyer

Many thanks, Christian!

Ladies and gentlemen, it is Bosch's aim to play an active part in shaping the innovative and dynamically growing market for energy and building technology, and to occupy a globally leading position. As a matter of course, this also includes playing an active role in the HVAC solutions market.

Christian Fischer has already outlined the huge growth potential this market has to offer. I'm proud that we are putting the Bosch Home Comfort Group in an ideal position to exploit this potential even better.

Why are we better together? Because each of us can strengthen and inspire the other. Especially in air conditioning, we will pool our strengths and work together to develop new, innovative solutions that take the market forward. In addition, we will be able to globally expand our heat-pump business and achieve greater economies of scale. This is a market in which we are already strong in Europe. This will allow us to offer an even wider range of solutions that intelligently combine heating and cooling.

The “Invented for life” ethos that motivates us every day is also at the center of this acquisition. At Bosch, we are proud that we can make people’s lives better and more sustainable with our technology. This acquisition is another important step in this direction. We don’t just want our technologies to be efficient and reliable, but also to have a positive effect on the environment and society.

I would also like to stress how important collaboration and exchange with our partners and customers are for us. Their needs and wishes are paramount for us. Together, we will develop solutions that are not only technologically outstanding, but that also tangibly improve people’s everyday lives.

Before we come to our question and answer session, I’d like to hand over to Jan Brockmann, CEO of the Bosch Home Comfort Group. He will give you a brief outline of our future portfolio.

Jan Brockmann

Thank you Frank!

Good afternoon, ladies and gentlemen. It’s a great pleasure for me to sketch out for you what this transaction means in concrete terms for the Bosch Home Comfort Group and our future portfolio.

We already occupy an excellent position in the heating market, both in heat pumps and heat pump-hybrid solutions, which combine a heat pump and a fossil fuel-fired boiler for peak loads.

And now we are adding a decisive piece to the puzzle by acquiring the residential and light commercial HVAC business from Johnson Controls. In the United States, this business is especially about ducted solutions in which air passes from a central source through ducts in order to heat or cool all rooms at the same time. In Asia, we will also gain access to ductless solutions, where interior units in each room can heat or cool individually. In Asia, moreover, the portfolio includes modern air-conditioning systems based on variable refrigerant flow, or VRF, systems. VRF technology is used in commercial applications ranging from small commercial premises such as retail stores to large projects such as hotels and hospitals. The Johnson Controls portfolio in these regions is supplemented by an efficient air-water heat-pump portfolio, which the company also offers in Europe.

Together with this new acquisition, ladies and gentlemen, we will be able to build on strong, well-established brands. These include Bosch and Buderus as well as other regional brands in Europe, and will in the future also include York and Coleman in the U.S and Hitachi in Asia as long-term licensed brands. These longstanding brands are a good fit for Bosch and will offer a sound basis for further growth and innovation.

With our successful heating technology in Europe, the Bosch Home Comfort Group already has a strong team and a sound foundation. We are very proud of this. From this position of strength, we are now taking a bold step toward a global position – with a total of more than 26,000 associates worldwide.

We are looking forward to welcoming our future colleagues and working with them to shape the future of the Bosch Home Comfort Group. They will contribute valuable expertise and fresh ideas, and this will help us achieve our common goals.

For the Bosch Home Comfort Group, this transaction is important. It will give us a globally competitive position from which to seize our opportunities in the HVAC market. And it is significant for the Bosch Group as well. Not only because it is the biggest in the company's history, but also because it is an important milestone on the way to implementing our strategy for 2030.

And with those closing words, I would like to hand back to Christof Ehrhart.