



Bosch plans to sell its packaging business New owner sought for further growth

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- ▶ Faced with the need to transform, Bosch wants to focus its resources
- ▶ Packaging technology is not a core Bosch business
- ▶ Few business or technology synergy effects within the group
- ▶ SME rivals are at a structural advantage
- ▶ Aim is for all the division's roughly 6,100 associates in 15 countries to be retained by new owner
- ▶ Division will remain a stable partner for its customers

Stuttgart, Germany – After intensively and thoroughly considering all its strategic options, Bosch has decided to look for a buyer for its packaging machinery business (PA), more specifically the pharmaceuticals and food units of the Packaging Technology division.

With the Bosch Group needing to focus on the transformation ahead, it has not identified any sufficiently relevant synergy effects in terms of business or technology that might offer the division prospects for the future within Bosch. Therefore, Packaging technology is not part of the group's core business. PA is involved in project business relating to specialized areas of the packaging industry. The company also operates in a competitive environment in which the players are small and medium-sized enterprises (SMEs), and who are therefore at a structural advantage. Bosch is certain that its packaging technology operations need to be put on a different footing that will allow them to react more flexibly to the specific requirements of the packaging machinery market. The company's special-purpose machinery manufacturer Robert Bosch Manufacturing Solutions GmbH is a separate entity, and will remain part of the Bosch Group.

Prospects

“This decision will allow Bosch to narrow its focus on issues of importance for its future, such as the transformation of the Bosch Group and its future digitalization strategy, including the internet of things, and to pool its resources accordingly,” says Dr. Stefan Hartung, the Bosch board of management member responsible for the Energy and Building Technology and Industrial Technology business sectors.

“Both PA and Bosch will benefit from this decision. A reorganized packaging technology business will be able to adapt more flexibly to the diverse requirements of this typically SME market, while Bosch will be free to focus its attention entirely on the group’s impending profound transformation,” Hartung adds. It also is the Bosch Group’s strategy to structure its operations competitively. Consequently, it continuously adjusts its business fields, and it is in this context that this decision has to be seen.

Good products and rising demand

Technologically, as well as because of its novel approaches and the efficient team behind it, Bosch packaging machinery enjoys an excellent reputation in the various industries in which it is employed. Its innovations have recently garnered awards.

“My colleagues in PA executive management and I are confident of future business success. We’re one of the biggest companies in our industry, and the path we have chosen is clearly the right one. We will stay together as a strong and stable unit. Under new ownership as well, our tried and tested team will continue to provide our customers with excellent manufacturing solutions and services,” says Dr. Stefan König, chairman of the managing board of Robert Bosch Packaging Technology GmbH. “PA has always led a largely independent existence within the Bosch Group, and will in the future be able to respond even better to the requirements of the packaging industry. Our customers will benefit from this.”

From a business perspective, the past two fiscal years were difficult for certain PA units. Under new management, however, the company has begun to realign, with some initial success. Many units are now in a good position to serve the growing market. In the years ahead, the company expects to see increasing demand. With its many technological USPs, the pharmaceuticals unit is developing encouragingly and growing. The food unit has strengthened its core areas, and intends to further expand its market position.

PA currently employs some 6,100 associates in its global packaging technology operations. Its aim is for all its associates and locations to be retained by the eventual buyer. Associates and employee representatives were informed of the decision today. They will be kept continuously up to date about the course of the divestment process.

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The Bosch Group is a leading global supplier of technology and services. It employs roughly 402,000 associates worldwide (as of December 31, 2017). The company generated sales of 78.1 billion euros in 2017. 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 manufacturing. 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 deliver innovations for a connected life. 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 125 locations across the globe, Bosch employs some 64,500 associates in research and development.

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-two percent of the share capital of Robert Bosch GmbH is held by Robert Bosch Stiftung GmbH, a charitable foundation. 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. The remaining shares are held by the Bosch family and by Robert Bosch GmbH.

Additional information is available online at www.bosch.com, www.iot.bosch.com, www.bosch-press.com, www.twitter.com/BoschPresse.