



## Regional business results

May 15, 2013

### **Bosch Continues Growth Path in North America** Automotive and Industrial Sectors Boost 2012 Sales

- ▶ Bosch 2012 sales in North America up 8.1 percent to \$10.6 billion USD
- ▶ Near double-digit sales growth expected in 2013
- ▶ Bosch aligns into four business sectors: Automotive Technology, Industrial Technology, Consumer Goods and Energy & Building Technology

**FARMINGTON HILLS, Mich.** - In spite of a cooling global economy in 2012, strong sales in the company's Automotive Technology and Industrial Technology sectors contributed to an 8.1 percent annual sales increase for Bosch in North America – the largest year-over-year increase among regions with a Bosch presence for that year.

According to Mike Mansuetti, president of Robert Bosch LLC: "In 2012, the North American team effectively leveraged the relatively stable market environment, particularly in the Automotive and Industrial Technology sectors, both of which experienced strong growth in 2012. The Consumer Goods and Building Technology sector, while challenged by slow growth in housing and building starts in the region, maintained a consistent sales level year over year. Our dedicated associates helped keep discretionary costs in line, thereby delivering a positive contribution to the company's performance."

#### **North America: positive development with stable economy**

Bosch's North American operations netted solid growth of 8.1 percent to \$10.6 billion. The company's North American workforce represents nearly 24,600 people, compared with 22,500 in 2011.

"Bosch will continue to align its business to best meet our customers' needs while closely monitoring our costs and maintaining a strong results orientation," Mansuetti said. "With stable GDP development coupled with a full-year effect of newly acquired business, we expect the North American region to yield close to double-digit growth in 2013."

### **Automotive Technology posts \$6.9 billion in sales**

In North America, Bosch's Automotive Technology sector recorded sales of \$6.9 billion in 2012, compared with \$6.3 billion in 2011, a 9.5 percent increase. Automotive sales accounted for 65 percent of Bosch's sales in North America. As a leading provider of technologies that increase fuel efficiency, reduce emissions, and improve vehicle safety, comfort and connectivity, Bosch has benefitted from the continued strong growth in the region.

Business with gasoline direct injection systems was especially successful, increasing by 50 percent globally. Bosch anticipates the market penetration of clean diesel-powered engines in the U.S. to grow to approximately 10 percent by 2018. Fuel efficiency, safety and driver assistance systems will foster further growth. Bosch is prepared for growing demand in compressed natural gas powertrains, and the company's activities in electromobility remain considerable. With networked automotive systems, Bosch will unlock further potential for fuel efficiency and driving convenience.

### **Developments vary sector to sector**

Bosch's Industrial Technology sector in North America saw a 13 percent increase in sales to \$1.7 billion in 2012. The sector experienced strong growth particularly in its drive and control technology as well as its packaging machinery business for the pharmaceutical and food industries. Regionally, the Consumer Goods and Building Technology sector's performance remained steady, resulting in \$2 billion in sales, nearly unchanged from a year ago. This sector, composed of the power tools, thermotechnology and security systems divisions, as well as the 50/50 joint venture of Bosch and Siemens Home Appliance Group, continues to focus on developing and providing energy-efficient technologies in this sector.

### **Mexico and Canada afford further opportunities in region**

Mexico, with approximately 8,800 associates, continues to prove a vital part of Bosch's manufacturing strategy in North America. Mexico generated close to \$1 billion in sales, a robust 15 percent year over year increase. With solid GDP growth in Mexico – which Bosch estimated to be 3.8 percent in 2012 – the country affords Bosch further growth opportunity. In addition, the 600 associates in Canada generated approximately \$750 million in sales for 2012. Canada, with its keen focus on sustainable growth and fuel-efficient solutions, also provides future growth opportunities for Bosch.

### **Investments in North America fuel future growth**

Bosch positioned itself in 2012 for future growth by making investments in North America that totaled \$425 million – an increase of 30 percent and the highest in six years.

Investments in 2012 focused on injection systems for passenger and commercial vehicles, hydraulics, acquisitions in the automotive aftermarket, and packaging technology.

“Bosch is dedicating considerable resources and investment in the Americas,” Mansuetti said. “In fact, between 2007 and 2012, we invested \$2.2 billion in the region. Longer term, the company expects good growth opportunities in both North and South America, where combined sales are targeted to account for more than 20 percent of the Group’s worldwide sales.”

In 2012, Bosch committed nearly \$1.15 billion to acquire the Service Solutions business of SPX Corporation. Based in Canton, Mich., this business develops, manufactures, and sells service equipment, repair-shop accessories and software for the global automotive market. Bosch Rexroth opened a new hydraulics manufacturing facility on its existing campus in Fountain Inn, S.C., and this investment allows the Fountain Inn facility to become Bosch’s largest hydraulic manufacturing campus in North America.

### **Strong R&D focus provides foundation for Bosch innovation**

As a leader in research and development, Bosch remains committed to developing innovative solutions. In 2012, the company’s global research and development expenditure grew 9.1 percent of sales, reaching \$6.1 billion. Bosch focused its R&D on technologies and products that protect the environment and conserve resources. These solutions accounted for more than 45 percent of research and development and more than 40 percent of sales. Globally, about 42,800 Bosch associates are working in research and development – 2,600 located in the Americas. Bosch’s researchers and developers worldwide applied for 4,800 patents in 2012, or 19 patents per working day.

### **Bosch Group 2012: pursuing strategy despite slowed growth**

In fiscal 2012, Bosch Group sales grew to \$67.5 billion or by 1.9 percent in euro terms. Pre-tax profit came to \$3.6 billion. Developments in the business sectors varied. In 2012, Automotive Technology, the largest business sector, increased its sales to \$39.9 billion, by 2.1 percent in euro terms. Sales in the Industrial Technology business sector stagnated at \$10.3 billion. The Consumer Goods and Building Technology business sector generated sales of \$17.2 billion, a 2.5 percent increase in euro terms. Headcount, adjusted to match the company’s business development over the course of the past year, rose only slightly, by 3,400 to 305,900. In total, Bosch invested some \$10.1 billion in the company’s future in 2012: \$6.1 billion for research and development and \$4 billion in capital expenditure.

For 2013, Bosch expects global sales growth of 2 to 4 percent. The measures that were started in 2012 to improve results – such as limits on fixed costs, capital expenditure and company acquisitions – will be continued. As a supplier of technology and services, Bosch will also continue to rigorously pursue the main lines of its strategy – with systems for environmental protection, energy efficiency and safety. Bosch believes that there is huge energy efficiency potential, as well as sales potential, in modernizing buildings' power supply and energy management.

On Jan. 1, 2013, Bosch brought together the areas of its business that deal with this potential to form a fourth business sector, Energy and Building Technology. Worldwide sales for the divisions that compose this new sector accounted for \$6.4 billion in 2012. The company also expects sales growth to come from innovative and beneficial products, web-based business models, and the further expansion of its international presence. At the company's recent annual press conference in Germany, Dr. Volkmar Denner, chairman of the Bosch Board of Management, said: "Bosch's broad footprint has never been as valuable as in the age of connected life."

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#### **About Bosch:**

*In the U.S., Canada and Mexico, the Bosch Group manufactures and markets automotive original equipment and aftermarket solutions, industrial drives and control technology, power tools, security and communication systems, packaging technology, thermotechnology, household appliances, solar energy, healthcare telemedicine and software solutions. Having established a regional presence in 1906, Bosch employs nearly 24,600 associates in more than 100 locations, with consolidated sales of \$10.6 billion in fiscal year 2012. For more information, visit [www.boschusa.com](http://www.boschusa.com), [www.bosch.com.mx](http://www.bosch.com.mx) and [www.bosch.ca](http://www.bosch.ca).*

*The Bosch Group is a leading global supplier of technology and services. In fiscal 2012, its roughly 306,000 associates generated sales of \$67.5 billion. Since the beginning of 2013, its operations have been divided into four business sectors: Automotive Technology, Industrial Technology, Consumer Goods, and Energy and Building Technology. The Bosch Group comprises Robert Bosch GmbH and its roughly 360 subsidiaries and regional companies in some 50 countries. If its sales and service partners are included, then Bosch is represented in roughly 150 countries. This worldwide development, manufacturing, and sales network is the foundation for further growth. Bosch spent some \$6.1 billion for research and development in 2012, and applied for nearly 4,800 patents worldwide. The Bosch Group's products and services are designed to fascinate, and to improve the quality of life by providing solutions which are both innovative and beneficial. In this way, the company offers technology worldwide that is "Invented for life." Additional information is available online at [www.bosch.com](http://www.bosch.com) and [www.bosch-press.com](http://www.bosch-press.com).*

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# Key Data 2012-2011

May, 2013



**BOSCH**

<b>Bosch Group (\$USD in billions)</b>	<b>2012</b>	<b>2011</b>
<b>Sales Revenue</b>	67.5	71.7
percent change (sales year over year, euros)	+1.9 percent	+9.0 percent
percent of sales generated outside Germany	77 percent	77 percent
Sales Automotive Technology	39.9	42.3
percent change (sales year over year, euros)	+2.1 percent	+8.2 percent
Sales Industrial Technology	10.3	11.2
percent change (sales year over year, euros)	-- percent	+21 percent
Sales Consumer Goods/Building Tech	17.2	18.2
percent change (sales year over year, euros)	+2.5 percent	+4.6 percent
<b>Profit before tax</b>	3.6	3.6
percent of sales revenue	5.3 percent	5.1 percent
<b>Profit after tax</b>	3.0	2.5
percent of sales revenue	4.5 percent	3.5 percent
<b>Research &amp; Development investment</b>	6.1	5.8
percent of sales revenue	9.1 percent	8.1 percent
<b>Patents</b> per business day	19	16
<b>Capital Expenditure</b>	4.0	4.5
percent of sales revenue	6.0 percent	6.3 percent
<b>Associates</b> (as of Jan. 1, 2013/2012)	305,900	302,500
<b>Equity</b>	34.5	36.7
ratio (euros)	48 percent	49 percent

<b>Bosch in Americas (\$USD in billions)</b>	<b>2012</b>	<b>2011</b>
<b>Sales Revenue</b>	12.9	12.8
percentage of total Bosch sales	19 percent	18 percent
Percent Change (sales year over year, euros)	+9.5 percent	+6.9 percent
Percent Change (In USD)	+1.1 percent	+12 percent
<b>Associates</b> (as of Jan. 1, 2013/2012)	35,000	34,900
R&D associates in region	2,600	2,460

<b>Bosch in North America (\$USD in billions)</b>	<b>2012</b>	<b>2011</b>
<b>Sales Revenue</b>	10.6	9.8
Of which the U.S. represents	8.8	8.2
Percent Change (sales year over year, euros)	+17 percent	+5.7 percent
Percent Change (In USD)	+8.1 percent	+11 percent
Sales Automotive Technology	6.9	6.3
Percent Change (sales year over year, euros)	+19 percent	+7.2 percent
Percent Change (In USD)	+9.5 percent	+13 percent
Sales Industrial Technology	1.7	1.5
Percent Change (sales year over year, euros)	+23 percent	+19 percent
Percent Change (In USD)	+13 percent	+25 percent
Sales Consumer Goods/Building Tech	2.0	2.0
Percent Change (sales year over year, euros)	+8.3 percent	-4.8 percent
Percent Change (In USD)	-- percent	-- percent
<b>Associates</b> (as of Jan. 1, 2013/2012)	24,600	22,500

\*Conversion rates: 2012: 1 EUR = \$1.28479. 2011: 1 EUR = \$1.39184. Associate totals rounded to nearest hundred. Percentages less than 10 represented in tenths.

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