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TRUMPF: Sales revenues down 8 percent after crisis year // EUV and Electronics with double-digit sales revenue growth // Return of 8.9 percent almost at previous year's level // Leibinger-Kammüller: Indications that the economic downturn is coming to an end

High-technology company TRUMPF presents figures for the fiscal year 2019/20: Sales revenues down 8 percent from 3.8 to 3.5 billion euros / Order intake down 11 percent from 3.7 to 3.3 billion euros / Germany, the US, Netherlands, and China largest single markets for TRUMPF / Partnership with Munich Re for pay-per-part model / Oliver Maassen new member of the Group Management Board, responsible for Human Resources

Ditzingen, October 14, 2020 – At the end of fiscal 2019/20 on June 30, 2020, the TRUMPF Group recorded a **decline in sales revenues of 8 percent to 3.5 billion euros** (fiscal year 2018/19: 3.8 billion euros). The **order intake fell to 3.3 billion euros** (fiscal year 2018/19: 3.7 billion euros). This represents a **drop of 11 percent**. TRUMPF benefited from its high order backlog, with sales revenues exceeding incoming orders by 210 million euros.

At **309 million euros**, the Group's **operating earnings before taxes (EBIT)** also declined in line with sales and fell by **11.5 percent** compared to the fiscal year 2018/19 (349 million euros). However, thanks to the consistent implementation of its “Koyer” earnings improvement program, TRUMPF was able to significantly dampen the decline in the **EBIT margin**. Due to the scaling back of capital expenditure and non-personnel costs as well as efficiency improvements, the company achieved a good overall **return of 8.9 percent** (previous year: 9.2 percent).

TRUMPF also responded to the consequences of the coronavirus pandemic in spring 2020 through further cost-cutting measures, such as the utilization of



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excess balances on working time accounts and accumulated vacation days, and from April onwards, the introduction of short-time working and an additional cutback in non-personnel costs and expenditure on fixed assets. As a result, the decline in the Group's return was further cushioned.

Nicola Leibinger-Kammüller, Chair of the Group Management Board of TRUMPF: “We have been experiencing a slowdown in the global economy since fall 2018. Coronavirus has further intensified the decline – as a crisis within a crisis. However, our sales revenues fell much less than in the mechanical engineering sector as a whole. In addition, consistent cost management allowed us to keep the return almost at the previous year's level.”

Commenting on the outlook for fiscal 2020/21, which started on July 1, 2020, Mrs. Leibinger-Kammüller continued: “The decline in sales revenues and new orders was halted in the first three months. We see cautious signs that the economic downturn is coming to an end, although there is still no upturn.”

TRUMPF's largest single markets

TRUMPF's three largest single markets worldwide were **Germany with sales revenues of 610 million euros**, followed by the US with 490 million euros and the Netherlands with 480 million euros, due to the EUV business with ASML. In fourth place was China with 350 million euros. In many European core markets such as Italy and Spain, but also in Eastern Europe, sales revenues fell – in some cases by double digits – as a result of the weak global economy and the coronavirus shutdown.

EUV and Electronics strong again

Once again, the Ditzingen-based **EUV business field** was the driving force behind this positive result. TRUMPF supplies its Dutch customer ASML with special lasers for systems that use extreme ultraviolet radiation to expose surfaces of chips for the computer industry. Here, TRUMPF once again increased sales revenues by **19 percent** from 388 million euros in the previous year to **460**



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million euros. As a result, EUV contributed almost as much to Group sales as TRUMPF's entire US subsidiary.

Electronics, which is located in Freiburg at TRUMPF Hüttinger and in Warsaw, again exceeded expectations with sales revenues of **230 million euros**. This represents an increase of **15 percent** over the previous year (199 million euros). The main reasons for this were the increasing demand for the solar industry in China and the semiconductor industry in the US and Japan.

Development of employee numbers and short-time working

Measured against the previous year, the number of TRUMPF employees remained roughly the same at 14,325. In Germany, 7,437 people were employed as of the reporting date of June 30, 2020, 4,353 of them at the Group's headquarters in Ditzingen. In the year under review, 513 young people completed a training course or co-op work-study program, meaning that the training ratio of 3.6 percent was even higher than in the previous year (3.4 percent).

Between April and June 2020, 30 percent of employees, with the exception of EUV, were on short-time working. The proportion of employees on short-time working at TRUMPF was 27 percent in October 2020, compared with 30 percent in the two previous quarters. TRUMPF currently has a working ratio of 80 percent again.

Regarding the debate about home office and a "New Normal", Nicola Leibinger-Kammüller affirmed that TRUMPF as a production company remains a company with a presence: "We do not want to fall into the blind activism we see in other companies. We want to think through the processes from top to bottom and, based on comparative studies, first form a well-founded opinion about how the home office has a proven effect on productivity. But we also want to understand the cultural and social consequences of people not meeting for weeks or months at a time."

To reflect the strategic importance of the Human Resources and employee development topic, Oliver Maassen (56), Head of Human Resources at TRUMPF



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since 2017, was appointed as member of the Group Management Board with responsibility for Human Resources effective October 1, 2020. Before joining TRUMPF, he worked for the consulting company Pawlik and was responsible for Human Resources at HypoVereinsbank/UniCredit.

Low coronavirus numbers at TRUMPF

In the period to June 30, 2020, there were 70 positive coronavirus cases and 843 people in quarantine throughout the TRUMPF Group. In Ditzingen there were 26 infections and 158 quarantine cases in the same period. The TRUMPF Group currently has 15 active coronavirus cases and 70 people in quarantine. Of these, 15 people are purely in “technical quarantine” after a service visit abroad – i.e. without symptoms.

Investments and acquisitions, high R&D ratio

As a result of the Koyer savings program, investments were cut back by 33 percent to 194 million euros (previous year: 288 million euros). TRUMPF also strengthened its technological competence through acquisitions in the period before March 2020: Effective July 1, 2019, the Group took over Aixtooling through its subsidiary INGENERIC. On October 31, 2019, TRUMPF Photonics in the US acquired a 100 percent stake in Stellar Industries. In December 2019, TRUMPF acquired a minority stake in French laser technology start-up GLOphotonics; in January 2020, it finally acquired HBH Microwave.

TRUMPF remained a research-intensive company in the fiscal year 2019/20, with R&D costs amounting to 377 million euros, compared with 396 million euros in the fiscal year 2018/19. In relation to the decline in sales revenues, the R&D ratio increased to 10.8 percent (previous year: 10.5 percent).

New smart factory at Ditzingen

In October 2020, a new smart factory, in which 6 million euros have been invested, will be opened at the Group's headquarters in Ditzingen. There are now 30 networked machines on an area of 5,000 square meters. The new smart



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factory is open to customers so that they can see for themselves the efficiency improvements in production and new networking solutions. Together with the smart factory in Chicago in the US and in Taicang in China, TRUMPF is now represented in all major markets with state-of-the-art factories.

Strategic partnership with Munich Re for sheet metal production

TRUMPF is also breaking new ground in business models. Together with the reinsurance company Munich Re Group, TRUMPF has signed a strategic partnership for the first time in the history of both companies for a new type of laser cutting machine distribution. It enables customers to use full-service laser machines such as the commercially superior TruLaser Center 7030, for sheet metal processing without having to buy or lease them. Instead, customers pay a previously agreed price for each cut sheet metal part – also known as the pay-per-part model. The Munich Re Group will finance the machine, and its subsidiary Relayr will facilitate the financing model using data analyses. TRUMPF will supply the machines, software and services for manufacturing the sheet metal components. The operational headquarters of the project will be at the TRUMPF site in Neukirch, Saxony. From there, access to the machines will be coordinated.

An external press release will follow later today.

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Dr. phil. Nicola Leibinger-Kammüller
CEO and President of the Group Management
Board

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TRUMPF Group Management Board

(from left to right) Dr.-Ing. Heinz-Jürgen Prokop, Dr.-Ing. Christian Schmitz, Dr. rer. pol. Lars Grünert, Dr.-Ing. E. h. Peter Leibinger, Dr. phil. Nicola Leibinger-Kammüller, Dr.-Ing. Mathias Kammüller



Annual Report 2019/20

“A World in Transition” – title of the new TRUMPF annual report for 2019/20. Four reports on how our customers are experiencing change worldwide. And how TRUMPF is helping them to be successful.



Oliver Maassen

Member of the Group Management Board, Human Resources



About TRUMPF

The high-technology company TRUMPF offers production solutions in the machine tool and laser sectors. It is driving digital connectivity in manufacturing industry through consulting, platform and software offers. TRUMPF is the world technological and market leader for machine tools used in flexible sheet metal processing, and also for industrial lasers.



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In 2019/20 the company – which has about 14,300 employees – achieved sales of 3.5 billion euros. With over 70 subsidiaries, the TRUMPF Group is represented in nearly all the countries of Europe, North and South America, and Asia. It has production facilities in Germany, France, Great Britain, Italy, Austria, Switzerland, Poland, the Czech Republic, the USA, Mexico, China and Japan.

For more information about TRUMPF go to www.trumpf.com

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