



Press Release

Pay-per-part: TRUMPF and Munich Re plan new business model for the manufacturing industry

The TRUMPF Group and the Munich Re Group (Munich Re) are entering into a strategic partnership for an innovative service offering of laser cutting machines. The jointly developed "pay-per-part model" enables customers to use a full-service laser machine without having to buy or lease any equipment. Instead, customers pay a previously agreed price for each cut sheet metal part – in other words, they only pay for what they need. This allows customers to make their production processes more flexible and react faster to market changes.

Munich/Berlin/Ditzingen, 14 October 2020 – Initially, the partnership will commence as a project with a learning phase whose length is to be agreed upon by the contractual partners. Munich Re acts as a business enabler of this model: the Group finances the machine and bears the resulting investment risk. The IoT service provider relayr, a subsidiary of Munich Re, provides the data analysis for the financing model. TRUMPF supplies customers with the required production components, namely the machines for their factory lines and the corresponding software and services for manufacturing sheet metal parts. Klöckner & Co., one of the world's largest producer-independent steel distributors, will be a development partner of the business model.

As a part of the service offering, the production process is fully tailored to the customers' requirements. The performance promise of the offering includes access to a fully automatic laser cutting machine, a storage system, TRUMPF's production know-how, and the necessary service components, as well as equipment maintenance and the required raw materials.

Thus, the pay-per-part model offers companies in the sheet metal processing industry entirely new and disruptive business and production opportunities. Customers gain access to the latest automated laser cutting technologies without the need for massive investment, and the production volume is easily adjustable based on demand. Thanks to the planned performance guarantee offered by Munich Re, customers will also be insured against the financial impact of potential production downtime.



Press Release

"With this partnership, we are venturing into new business models more prominently than ever before," said Mathias Kammüller, TRUMPF's Group Managing Director and Chief Digital Officer. "It is the first step towards providing our customers with an alternative to the traditional purchase of machines, enabling them to increase their production capacity without massive up-front investments. Furthermore, we believe that this offering will not only help our existing customers grow but also enable the acquisition of new customers."

"The cooperation with TRUMPF is an outstanding example of how the combination of Munich Re Group's various offerings – risk solutions, IoT technology and financing – makes it possible to develop innovative business models for the industry," said Torsten Jeworrek, Member of the Board of Management of Munich Re. "We are convinced that such partnerships represent a forward-looking response to the challenges of an increasingly dynamic market environment."

"We are excited to be part of this great partnership," added Josef Brunner, CEO at relayr. "Relayr provides the necessary IoT infrastructure and enables comprehensive data analysis and optimisation on which, in turn, the financing and guarantee model of the project is based. It is no longer enough for industrial companies to produce quality products. Business models must be transformed to remain future-proof. In taking this step, TRUMPF has demonstrated that it is future-oriented and prepared to explore innovative approaches to offer its customers entirely new opportunities."

"We are proud to be able to support the pay-per-part offering of TRUMPF and Munich Re as a development partner since this confirms our conviction that the future belongs to digital business models," said Gisbert Rühl, CEO of Klöckner & Co. "We believe the market is more than ready for pay-per-part offerings and have absolute confidence in this new model. The cooperation in this digital business model is an important step towards the future for us, and we are confident that many interesting opportunities will arise from it."

The partnership between Munich Re and TRUMPF is subject to merger control clearance by the responsible authorities.



Press Release



About TRUMPF

The high-technology company TRUMPF offers production solutions in the fields of machine tools and laser technology. The company is driving digital connectivity in the 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. With 14,300 employees, the company generated sales of 3.5 billion euros in the 2019/20 fiscal year. With around 70 subsidiaries, the group is represented in nearly every European country, in North and South America, and Asia. Production sites are located in Germany, France, Great Britain, Italy, Austria and Switzerland, Poland, Czech Republic, USA, Mexico, China and Japan. You can find more information about TRUMPF at: www.trumpf.com

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About Munich Re

Munich Re is one of the world's leading providers of reinsurance, primary insurance and insurance-related risk solutions. The Group consists of the reinsurance and ERGO business segments, as well as the asset manager MEAG. Munich Re is globally active and operates in all lines of the insurance business. Since it was founded in 1880, Munich Re has been known for its unrivalled risk-related expertise and its sound financial position. It offers customers financial protection when faced with exceptional levels of damage – from the 1906 San Francisco earthquake to the 2019 Pacific typhoon season. Munich Re possesses outstanding innovative strength, which enables it to also provide coverage for extraordinary risks such as rocket launches, renewable energies, cyber attacks or pandemics. The Group is playing a key role in driving forward the digital transformation of the insurance industry, and in doing so has further expanded its ability to assess risks and the range of services that it offers. Its tailor-made solutions and close proximity to its customers make Munich Re one of the world's most sought-after risk partners for businesses, institutions, and private individuals.

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About relayr

Relayr is the Industrial Internet of Things (IIoT) powerhouse delivering the most complete solution for risk-free digital transformations. We unleash data insights from existing equipment, machines and production lines to improve our customers' business outcomes. We enable industrial companies to shift from CAPEX to OPEX-based offerings to their respective markets, providing a unique combination of first class IIoT technology and its delivery with powerful financial and insurance offerings — all from a single source trusted by hundreds of companies worldwide.

With relayr, manufacturers, operators, and service companies for industrial equipment are empowered to implement fully interoperable IIoT solutions guaranteed to achieve their target business outcomes.

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