

# PRESS RELEASE (Annual Press Conference 2020)

Release blocked until Wednesday, 24 June 2020 – 9.30 a.m.



## ebm-papst speeding up digitalization

- Development of start-up 'ebm-papst neo'
- Sales remained stable on last year's level
- Internationalization strategy "local for local" counteracting Covid-19 crisis

Hauke Hannig  
Spokesman  
ebm-papst Group

Phone: +49 7938 81-7105  
Fax: +49 7938 81-97105  
Mobile: +49 171 36 24 067

[Hauke.Hannig@de.ebmpapst.com](mailto:Hauke.Hannig@de.ebmpapst.com)

[twitter.com/ebmpapst\\_news](https://twitter.com/ebmpapst_news)  
[facebook.com/ebmpapstFANS](https://facebook.com/ebmpapstFANS)  
[youtube.com/ebmpapstDE](https://youtube.com/ebmpapstDE)

[www.ebmpapst.com](http://www.ebmpapst.com)  
[www.greentech.info/ec-technologie](http://www.greentech.info/ec-technologie)

Mulfingen, 24.06.2020

The technological leader in fan and drive solutions, ebm-papst, expands and develops both digitalization and their think tank ebm-papst neo in Dortmund. To this end, the company ebm-papst neo GmbH & Co. KG was founded in April 2020. The corporate objective of ebm-papst neo is the marketing of digital solutions. This includes pioneering systems for intelligent or smart data analysis which allow ebm-papst neo to optimize the energy balance and air quality in buildings.

"Digitalization in connection with energy efficiency is a key and cutting-edge field for our ebm-papst Group and opens up new opportunities", as Stefan Brandl, CEO of the ebm-papst Group, explains. "In our role of driver of innovation in air and drive solutions, we use IoT and cloud technologies to develop new business models which create new growth potentials for our companies and, what is more important, will offer additional value to our customers."

It is for this reason that ebm-papst has become involved with three international start-ups. Such a partnership allows for fast transfer of technology, be that "Improving energy balance and air quality in buildings" or "Intelligent and smart data analysis and storage".

### **Fiscal year turnover remaining stable on level of previous year**

The family-owned company from Baden-Württemberg concluded their fiscal year 2019/2020, which ended on 31 March 2020, with sales revenues of **€2.188 billion**. In a difficult market climate marked by Covid-19 and gloomy economic prospects, ebm-papst managed to confirm last year's results (**€2.185 billion / plus 0.2 percent**).

Stefan Brandl: "We had a good growth year, with very promising first three quarters, but the last quarter made us exceed the previous year's sales only marginally due to the comprehensive and far-reaching precautions we had to take to ensure our staff was safe, plus the disruptions in the supply chains and a decline in incoming orders."

ebm-papst acted early on, consistently and in close international coordination, thus minimizing the impact of Covid-19 on the Group. The world market leader had a clear focus on their responsibility towards their staff and on keeping their customers served and satisfied. ebm-papst also supported their customers in medical engineering with components for

# PRESS RELEASE (Annual Press Conference 2020)

Release blocked until Wednesday, 24 June 2020 – 9.30 a.m.



## ebm-papst speeding up digitalization

- Development of start-up 'ebm-papst neo'
- Sales remained stable on last year's level
- Internationalization strategy "local for local" counteracting Covid-19 crisis

Hauke Hannig  
Spokesman  
ebm-papst Group

Phone: +49 7938 81-7105  
Fax: +49 7938 81-97105  
Mobile: +49 171 36 24 067

[Hauke.Hannig@de.ebmpapst.com](mailto:Hauke.Hannig@de.ebmpapst.com)

[twitter.com/ebmpapst\\_news](https://twitter.com/ebmpapst_news)  
[facebook.com/ebmpapstFANS](https://facebook.com/ebmpapstFANS)  
[youtube.com/ebmpapstDE](https://youtube.com/ebmpapstDE)

[www.ebmpapst.com](http://www.ebmpapst.com)  
[www.greentech.info/ec-technologie](http://www.greentech.info/ec-technologie)

ventilators. Another central issue for ebm-papst was safeguarding liquidity.

### Consistent and logical expansion of "local for local" strategy

Their internationalization strategy "local for local" in the regions USA, China and Europe will help ebm-papst in overcoming the Covid-19 crisis. Due to their high degree of autonomy, ebm-papst China, for instance, managed to produce at full capacity again since mid-March.

During the last fiscal year, this "local for local" strategy saw the completion of the third production Xi'An in China and a second production site being set up in the USA (Johnson City/Tennessee). As for supplier management, "multiple sourcing" is to be used even more. The "local for local" approach is a key tool to reduce the risks of trade policy conflicts and currency volatility.

### ebm-papst is planning on short-term basis

For the current fiscal year, ebm-papst is planning on a short-term basis, with different economic scenarios taken into consideration. The same applies decisions on investments that depend on the global economic development. The EMC lab under construction in Mulfingen will be completed as planned.

The technological leader will invest about **€110.1 million** in research and development. These investments will be used for developments in digitalization and IoT as well as aerodynamics and acoustics.

In the last fiscal year, the number of permanent staff remained stable. There was a global reduction in the number of temporary workers (**minus 432**). Worldwide, ebm-papst employs a total of **14,638** people including temporary workers (previous year: **15,058**).

Stefan Brandl: "The economic and the Covid-19 crisis will be quite a strain and very demanding in the medium term. The measures taken by the German government are a positive signal here. They show foresight and provide the necessary economic impulses, particularly in the future-oriented segments digitalization and climate and energy technology."

# PRESS RELEASE (Annual Press Conference 2020)

Release blocked until Wednesday, 24 June 2020 – 9.30 a.m.



## ebm-papst speeding up digitalization

- Development of start-up 'ebm-papst neo'
- Sales remained stable on last year's level
- Internationalization strategy "local for local" counteracting Covid-19 crisis

Hauke Hannig  
Spokesman  
ebm-papst Group

Phone: +49 7938 81-7105  
Fax: +49 7938 81-97105  
Mobile: +49 171 36 24 067

[Hauke.Hannig@de.ebmpapst.com](mailto:Hauke.Hannig@de.ebmpapst.com)

[twitter.com/ebmpapst\\_news](https://twitter.com/ebmpapst_news)  
[facebook.com/ebmpapstFANS](https://facebook.com/ebmpapstFANS)  
[youtube.com/ebmpapstDE](https://youtube.com/ebmpapstDE)

[www.ebmpapst.com](http://www.ebmpapst.com)  
[www.greentech.info/ec-technologie](http://www.greentech.info/ec-technologie)

### Facts and figures at a glance (FY: 1 April – 31 March)

Worldwide	FY 18/19	FY 19/20	PL 20/21	Difference 18/19-19/20	Difference 19/20-20/21
Consolidated Group Turnover in million €	2,185	2,188		+ 0.2%	
Generated abroad	78%	79%		+ 1 Pp.	
Employees	15,058	14,638		- 2.8%	
Expenditure on R&D in million €	107.9	114.3	110.1	+ 5.9%	- 3.7%
Investments in million €	131.9	134.3		+ 1.9%	
Production Sites	28	29	29		
Sales Offices	48	48	50		
Of which subsidiaries	55	55	57		

### Background information on FY 19/20 and current FY 20/21:

#### Regions and business segments: High demand in medical industry

Economic uncertainties such as the trade war/dispute between the USA and China, Brexit or elections in the USA have been superseded in the headlines by Covid-19, but will continue to have their impact on the global economy. For ebm-papst, priority is always given to safeguarding ongoing operations and customer supply while at the same time keeping staff and supply chains safe and protected.

On the American market, ebm-papst grew at **plus 5.8 percent** to **€286 million** (previous year: **€270 million**), followed by Europe (excluding Germany) at **plus 1.7 percent** to **€1,042 million** (previous year: **€1,025 million**) and the region Asia at **plus 0.1 percent** to **€399 million** (previous year: **€399 million**). On the domestic market (Germany), ebm-papst generated **€462 million** (previous year: **€492 million / minus 6.0 percent**).

In terms of market segments, the drive engineering/automotive division

# PRESS RELEASE (Annual Press Conference 2020)

Release blocked until Wednesday, 24 June 2020 – 9.30 a.m.



## ebm-papst speeding up digitalization

- Development of start-up ‘ebm-papst neo’
- Sales remained stable on last year’s level
- Internationalization strategy “local for local” counteracting Covid-19 crisis

Hauke Hannig  
Spokesman  
ebm-papst Group

Phone: +49 7938 81-7105  
Fax: +49 7938 81-97105  
Mobile: +49 171 36 24 067

[Hauke.Hannig@de.ebmpapst.com](mailto:Hauke.Hannig@de.ebmpapst.com)

[twitter.com/ebmpapst\\_news](https://twitter.com/ebmpapst_news)  
[facebook.com/ebmpapstFANS](https://facebook.com/ebmpapstFANS)  
[youtube.com/ebmpapstDE](https://youtube.com/ebmpapstDE)

[www.ebmpapst.com](http://www.ebmpapst.com)  
[www.greentech.info/ec-technologie](http://www.greentech.info/ec-technologie)

managed by St. Georgen increased by **3.6 percent** to **€339 million** (previous year: **€328 million**). The segment household appliances/heating managed by Landshut, could not keep up with the **€412 million** from the previous year; turnover decreased by **€10 million** to **€402 million**. In the face of strong Asian competition encountered by ebm-papst Landshut customers, this business segment will have to be adjusted and reorganized. Industrial ventilation managed by the company headquarters in Mulfingen enjoyed a slight increase of **plus 0.1 percent** to **€1,447 million** (previous year: **€1,445 million**).

Due to Covid-19, medical engineering, which at ebm-papst is normally responsible for a turnover of about **€60 million**, met with enormous demand. Components for ventilators, there was **15-fold** demand, totaling **1.5 million units** per year.

### R&D – Technological leader boosts digitalization and IoT

In fiscal year 2019/20, ebm-papst increased spending on research and development by **5.9 percent** to **€114.3 million** (previous year: **€107.9 million**). The focus was on digitalization and IoT, aerodynamics and acoustics, resource-efficient product designs and the expansion of system capability. In the current fiscal year, ebm-papst plans a total R&D volume of **€110.1 million (minus 3.7 percent)**.

### Investing on short-term basis

Apart from keeping staff safe and giving customers full service, the business focus is on safeguarding liquidity. For this reason, the technological leader is reviewing all investments in the present fiscal year.

Last year, ebm-papst invested **€134.3 million** (previous year: **€131.8 million / plus 1.9 percent**), with **€49.5 million** (previous year: **€41.3 million**) spent abroad to further strengthen the “local for local” strategy and **€84.8 million** (previous year: **€90.6 million**) invested in Germany.

### Staff: Permanent workforce at stable level

After long years of strong hiring, the restructuring of the ebm-papst Automotive location in the Black Forest, the slowdown of the global economy and the impact of the Covid-19 pandemic, the number of temporary workers was reduced by **432 people** (from **926 the previous year**). Permanent workforce numbers remained constant at **plus 12**. At the end of the fiscal year, the technological leader in fans and motors had a global staff of **14,638** including temporary workers (previous year: **15,058 /**

# PRESS RELEASE (Annual Press Conference 2020)

Release blocked until Wednesday, 24 June 2020 – 9.30 a.m.



## ebm-papst speeding up digitalization

- Development of start-up 'ebm-papst neo'
- Sales remained stable on last year's level
- Internationalization strategy "local for local" counteracting Covid-19 crisis

minus 2.8 percent). In Germany, the total number of staff decreased from **6,680** to **6,607 (minus 73)**, outside Germany from **8,378** to **8,031 (minus 347)**. Worldwide, ebm-papst employed a total of **494** (previous year: **926 / minus 432**) temporary workers in 2019/20, of which **174** (previous year: **275 / minus 101**) were employed in Germany and **320** (previous year: **651 / minus 331**) abroad.

### Training opportunities on constant level

A large part of the specialist staff employed at ebm-papst are recruited through the in-house apprenticeship, training and further qualification schemes. Despite Covid-19, these numbers remained at a constant and high level. In September 2020, **115** young people (previous year: **113**) are set to start their vocational training at ebm-papst. For the coming year 2021, ebm-papst will offer the same number of training positions.

As per 31 March 2020, ebm-papst employed **341 (minus 6.1 percent; previous year: 363)** trainees and DH\*-students (\*= in cooperation with the University of Corporate Education Baden-Wuerttemberg in Mosbach and Bad Mergentheim). Of these, Mulfingen had **199** (previous year: **204**), Landshut **32** (previous year: **37**), St. Georgen, including Herbolzheim and Lauf, **85** (previous year: **97**) and **25** (previous year: **25**) were employed abroad.

### Background information on the German ebm-papst locations

ebm-papst Mulfingen, the Group headquarters and market leader in fans for refrigeration, air-conditioning and ventilation, achieved an increase in turnover of **€18 million** to **€1,107 million** (previous year: **€1,089 million / plus 1.6 percent**). The number of staff rose at a **plus of 79** to **3,790** (previous year: **3,711 / plus 2.1 percent**).

The subsidiary ebm-papst St. Georgen in the Black Forest with the sites St. Georgen, Herbolzheim (automotive) and Lauf (drives) achieved a growth in turnover of **5.1 percent** to **€527 million** (previous year: **€501 million**) and had a staff of **1,668** (previous year: **1,776 / minus 6.1 percent**) at the end of the fiscal year.

ebm-papst Landshut, the Bavarian subsidiary with their focus in the business segments household appliances and heating, suffered a drop in turnover of **4.9 percent** to **€321 million** (previous year: **€337 million**), falling short of expectations. The number of staff decreased by **44** people to

Hauke Hannig  
Spokesman  
ebm-papst Group

Phone: +49 7938 81-7105  
Fax: +49 7938 81-97105  
Mobile: +49 171 36 24 067

[Hauke.Hannig@de.ebmpapst.com](mailto:Hauke.Hannig@de.ebmpapst.com)

[twitter.com/ebmpapst\\_news](https://twitter.com/ebmpapst_news)  
[facebook.com/ebmpapstFANS](https://facebook.com/ebmpapstFANS)  
[youtube.com/ebmpapstDE](https://youtube.com/ebmpapstDE)

[www.ebmpapst.com](http://www.ebmpapst.com)  
[www.greentech.info/ec-technologie](http://www.greentech.info/ec-technologie)

# PRESS RELEASE (Annual Press Conference 2020)

Release blocked until Wednesday, 24 June 2020 – 9.30 a.m.



## ebm-papst speeding up digitalization

- Development of start-up ‘ebm-papst neo’
- Sales remained stable on last year’s level
- Internationalization strategy “local for local” counteracting Covid-19 crisis

**1,149** (previous year: **1,193** / **minus 3.7 percent**). Due to the strong competition, the business in Landshut is facing a structural change.

### About ebm-papst

The ebm-papst Group, a family-owned company in Mulfingen, Germany, is the world market leader in fans and drives. Founded in 1963, the technology leader with its core competences motor technology, electronics and aerodynamics, has set international market standards ever since. With over 20,000 products, ebm-papst offers customized, energy-efficient and intelligent solutions for virtually any ventilation and drive technology requirements.

In fiscal year 2019/20, the hidden champion achieved a turnover of 2.188 billion euros and employed almost 15,000 people in 29 production sites (e.g. in Germany, China and the US) as well as in 48 sales locations. With their fan and drive solutions, ebm-papst defines and sets the benchmark in practically all industries, such as ventilation, air-conditioning and refrigeration, heating, automotive, IT, mechanical engineering, catering and household appliances, intralogistics and medical engineering.

Hauke Hannig  
Spokesman  
ebm-papst Group

Phone: +49 7938 81-7105  
Fax: +49 7938 81-97105  
Mobile: +49 171 36 24 067

[Hauke.Hannig@de.ebmpapst.com](mailto:Hauke.Hannig@de.ebmpapst.com)

[twitter.com/ebmpapst\\_news](https://twitter.com/ebmpapst_news)  
[facebook.com/ebmpapstFANS](https://facebook.com/ebmpapstFANS)  
[youtube.com/ebmpapstDE](https://youtube.com/ebmpapstDE)

[www.ebmpapst.com](http://www.ebmpapst.com)  
[www.greentech.info/ec-technologie](http://www.greentech.info/ec-technologie)