

## PRESS RELEASE

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Pforzheim, 23.10.2020

### **Witzenmann – crisis-proof with good prospects**

*Witzenmann is acting prudently and in a future-oriented manner in the corona pandemic. Despite significant slumps in sales markets, the group is stable and ready to face the future challenges with a new strategy*

### **Stable employment despite decline in sales**

The Witzenmann Group recorded sales of € 403 million by September 2020. Sales are thus -€ 87 million or -18% below the previous year's level. While the markets in Asia, especially China, have recovered quickly, the European and American markets are still suffering from the impact of the pandemic.

As of 30.09.2020, the Witzenmann Group employed 4,346 people worldwide. This corresponds to a decrease of -7% compared to the end of last year. The number of employees at Witzenmann GmbH also decreased by 63 compared to December 2019. This resulted in particular from the failure to fill vacant positions and the termination of temporary contracts.

### **Safe through the pandemic**

The Witzenmann Group adopted hygiene measures and safety precautions at an early stage in order to optimally guarantee the health of its employees worldwide. Thanks to flexible working hours, home office, a stable digital infrastructure and the commitment of the entire workforce, there have rarely been disruptions in operational procedures.

### **Resilient industrial business so far**

The development of the industrial business was comparatively robust in the first three quarters and has still hardly been affected by the current crisis. Sales also remained stable at the European industrial subsidiaries. In the meantime, however, many existing orders have been processed and demand in the industrial business is weakening.

### **Deep cuts and long-term changes in automotive components**

Pandemic-related plant closures led to deep cutbacks in the entire automotive business, especially in the 2nd quarter of 2020. In Europe, North America and Asia, production figures fell by about one quarter respectively. In the meantime, a recovery can be observed in all markets. However, the group does not expect to reach the pre-crisis level in the important car market until 2022.

Looking ahead, Witzenmann assumes that the proportion of hybrid vehicles in particular will increase in the coming years. As a result, there will be a comparatively stable market for internal combustion engines until

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about 2030. After that, an increasing use of all-electric vehicles is to be expected.

### **Positive outlook – Strategy 2030 keeps Witzenmann on course**

With its revision of the corporate strategy, Witzenmann is preparing for the long-term change in its markets. The involvement of employees in the future plans for the family company is of great importance.

A new corporate mission statement was formulated in an intensive and broad-based process. Employees from the entire group have participated. In the future, Witzenmann wants to develop from a manufacturer of flexible parts to a specialist in the management of media and energy. To this end, the company is realigning itself in all markets:

- The industrial business division is being strengthened and repositioned in Europe.
- Growth opportunities in the international commercial vehicle market are being seized.
- The product portfolio in the car segment is being expanded to include applications for electric vehicles.
- The aerospace sector will be further expanded over the long term.

All business divisions will benefit from comprehensive efficiency programs and the vigorously pursued digitisation strategy.

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### **The Witzenmann Group**

The Witzenmann Group is the world's leading manufacturer of flexible metal tubes, expansion joints, metal bellows and automotive components. Over 4,300 employees at 24 companies in 19 countries develop and produce custom-tailored solutions for customers from all branches of industry. Witzenmann is a global technological leader within its sector and offers both an extensive product range and broad expertise in the field of flexible metallic pipeline elements.