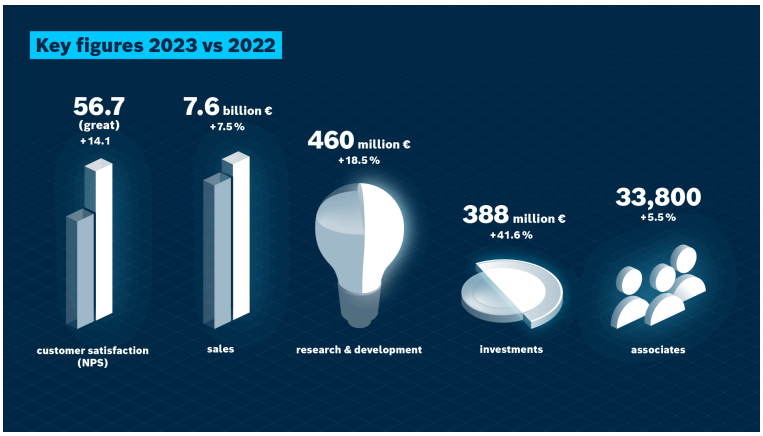
PRESS INFORMATION

Bosch Rexroth with higher sales in 2023 – challenges in 2024

Jan Saeger | 09/04/2024 | Lohr am Main / Germany

- Sales increase by 7.5 percent to 7.6 billion euros, mainly due to company acquisitions
- Customer satisfaction significantly improved
- High investment in innovations and global manufacturing network underpins growth strategy
- Recovery in order intake expected in second half of 2024



Bosch Rexroth business figures 2023 compared to 2022.

Lohr – Bosch Rexroth again recorded strong growth in fiscal year 2023. Sales rose by 7.5 percent to around 7.6 billion euros compared to the previous year. Growth was driven by company acquisitions, but also by positive regional developments, for example in India. However, due to the economic downturn, especially in its major markets, the company recorded a decline in order intake of 13.1 percent to around 6.4 billion euros. This weakens the outlook for the current financial year. Bosch Rexroth pursues a long-term growth strategy and has invested in new plants and buildings, for example in Germany, Slovenia and Mexico, in more modern production facilities and in research and development. At the end of 2023, Bosch Rexroth employed around 33,800 people worldwide. The 5.5 percent increase compared to the previous year was mainly due to the acquisition of HydraForce which was completed in 2023.

“In 2023, our global team managed the balancing act between initially high capacity utilization and then falling order intake. This demonstrates the strength of Bosch Rexroth: We have kept our company’s business on course. At the same time, customer satisfaction has increased again,” says Dr. Steffen Haack, CEO of Bosch Rexroth AG. The company has strengthened its offering to hydraulic and factory automation customers through innovations, acquisitions and partnerships and has consistently developed its global manufacturing network. Digitalization for customers and internal processes is being driven forward, and Bosch Rexroth is continuously strengthening its sustainability activities as well as integrating the acquired company HydraForce. “Even in challenging times, we can rely on our strong corporate culture, which is geared to the success of our customers and of our company,” says Haack.

Sales: increase through acquisitions

Sales rose nominally by 7.5 percent (around +530 million euros) to 7.6 billion euros. Currency effects had a negative impact of around 190 million euros, so that sales rose by 10.1 percent after adjusting for currency effects. Since 2023, HydraForce and ELMO Motion Control have also been part of the business of Bosch Rexroth and, like the business of Kassow Robots, the majority of which was acquired in 2022, now contribute to the higher sales.

The positive development in North and South America (+24 percent) was mainly influenced by the acquisition of HydraForce. Sales in Europe outside Germany grew by 9.3 percent and in Germany by 3.4 percent. In the Asia/Africa/Australia region, sales declined by 4.6 percent. There were very different developments in the region: The sharp decline in China, the largest market for Bosch Rexroth alongside the USA and Germany, could not be compensated for by the other countries in the Asia region. In India, however – where Bosch Rexroth has been active for 50 years – sales were around 30 percent higher than in the previous year.

Incoming orders: decline due to weak economy since second half of 2023

Order intake in 2023 amounted to around 6.4 billion euros. This is about 950 million euros, or 13.1 percent, less than in the previous year when the second highest value in the company's history was achieved. The weak economy and ongoing uncertainty in most regions of the world have led to a significantly lower volume in new orders, especially since mid-2023. Bosch Rexroth expects order intake to recover in the second half of 2024.

Outlook for 2024: improving competitiveness in a difficult environment

"We expect that the current year will continue to be marked by the weak economy and major uncertainties in the economic and political environment," says Holger von Hebel, CFO of Bosch Rexroth AG. In view of these conditions, increased material, energy, logistics and labor costs as well as the significant decline in new orders, cost pressure remains very high. Therefore, the company continuously takes measures to increase competitiveness; for example, greater automation of processes or the continuous further development and better balancing of the global manufacturing network. "We proceed decisively, but with care. We are thus able to stand strong in the currently challenging environment and at the same time we invest and innovate to be prepared for the next upswing ," adds von Hebel.

Investments and innovations underpin growth strategy

As part of its long-term growth strategy, Bosch Rexroth invested around 460 million euros in research and development in 2023. This marks an increase of 18.5 percent compared to the previous year. More than 6 percent of sales go into this area, again more than the industry average. These investments strengthen the company's leading position in hydraulics and drive growth in factory automation – one of Bosch's strategic growth areas.

In 2023, investments in new plants, buildings, machinery and tools amounted to around 390 million euros. With the newly opened plants in Querétaro, Mexico, as well as in Brnik, Slovenia, Bosch Rexroth continues to strengthen and further balance the global manufacturing network and to consolidate local supply chains. At the headquarters in Lohr, for example, the modernization of the foundry was largely completed and a new customer and innovation center

was opened. Further centers of this kind were established in Warsaw, Poland, and Budapest, Hungary.

Examples of innovations from Bosch Rexroth include solutions for the compression and handling of hydrogen, the ctrlX OS operating system open to the entire automation market, for which renowned partners such as Dell Technologies, congatec or Nokia could be won, the new eOC-capable (electronic open circuit) A10VO series 60 axial piston pump covering the medium pressure range with which mobile machines can be used even in more versatile and flexible ways, the myBODAS digital collaboration platform for efficient collaboration between users and BODAS experts to accelerate software development for off-highway vehicles, as well as comprehensive automation solutions for the entire value stream in battery production – from electrode and cell production to battery module and pack assembly to end-of-line testing and recycling. With its battery recycling solution, Bosch Rexroth has been nominated for the renowned Hermes Award, which will be presented at Hannover Messe. From 22 to 26 April, the company will be presenting many of its innovations there.

Acquisitions and partnerships: strengthening the portfolio and potential for further growth

The acquisition of the US-based company HydraForce with around 2,100 associates worldwide was completed in spring 2023. HydraForce specializes in mechanical and electrical screw-in valves and control blocks. In China, Bosch Rexroth has entered into agreements with local partners to establish joint ventures in the areas of electrification of off-highway machines and automation. They will develop, manufacture and market specific products for this region.

Associates: team grew significantly, mainly due to acquisition in the United States

At the end of 2023, Bosch Rexroth employed around 33,800 people worldwide. That is 5.5 percent or about 1,800 more than in the previous year. With the acquisition of HydraForce, the North/South America region recorded the strongest growth (a total of +40 percent or around 1,300 associates, respectively). After two years of job creation, the number of associates in Germany declined slightly also due to the partial relocation of activities already announced in 2022 (by 2.8 percent or around 400). Around 42 percent of all Bosch Rexroth associates work in Germany.

Basic Information Bosch Rexroth

As one of the world's leading suppliers of drive and control technologies, Bosch Rexroth ensures efficient, powerful and safe movement in machines and systems of any size. The company bundles global application experience in the market segments of Mobile and Industrial Applications as well as Factory Automation. With its intelligent components, customized system solutions, engineering and services, Bosch Rexroth is creating the necessary environment for fully connected applications. Bosch Rexroth offers its customers hydraulics, electric drive and control technology, gear technology and linear motion and assembly technology, including software and interfaces to the Internet of Things. With locations in over 80 countries, around 33,800 associates generated sales revenue of 7.6 billion euros in 2023.

Basic Information Bosch

The Bosch Group is a leading global supplier of technology and services. It employs roughly 428,000 associates worldwide (as of December 31, 2023). According to preliminary figures,

the company generated sales of 91.6 billion euros in 2023. Its operations are divided into four business sectors: Mobility, Industrial Technology, Consumer Goods, and Energy and Building Technology. As a leading IoT provider, Bosch offers innovative solutions for smart homes, Industry 4.0, and connected mobility. Bosch is pursuing a vision of mobility that is sustainable, safe, and exciting. It uses its expertise in sensor technology, software, and services, as well as its own IoT cloud, to offer its customers connected, cross-domain solutions from a single source. The Bosch Group's strategic objective is to facilitate connected living with products and solutions that either contain artificial intelligence (AI) or have been developed or manufactured with its help. Bosch improves quality of life worldwide with products and services that are innovative and spark enthusiasm. In short, Bosch creates technology that is "Invented for life." The Bosch Group comprises Robert Bosch GmbH and its roughly 470 subsidiary and regional companies in over 60 countries. Including sales and service partners, Bosch's global manufacturing, engineering, and sales network covers nearly every country in the world. The basis for the company's future growth is its innovative strength. At 136 locations across the globe, Bosch employs some 90,000 associates in research and development, of which roughly 48,000 are software engineers.

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