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Note to editors: Link to high res photos and picture captions follow news release text.

Beckhoff Automation Posts Sales of 903 Million Euros – Very Close to Previous Year's Level

2019 financial year highlights include innovations, sustainability and global expansion

- worldwide sales in 2019: 903 million euros (-1%)
- 4,350 employees worldwide (+1%)
- investment in research and development: 70 million euros
- coronavirus impact minimized

VERL, Germany, April 21, 2020 – Beckhoff Automation generated global sales of 903 million euros in 2019, representing a slight decrease in sales of 1% compared to the previous year, when the company posted sales of 916 million euros. Beckhoff is satisfied with the performance of the business despite this slight decline, since the company was able to essentially maintain sales at the previous year's level in what would become an extremely difficult market environment.

A significant slowdown in investment levels worldwide was palpable even in the second half of 2018, which led to a substantial reduction in orders in 2019 among Beckhoff's machine builder customers in particular. Many markets bounced back strongly at the start of 2020, which all changed again, however, with the outbreak of the global coronavirus crisis. Beckhoff expects

economic life at the company to resume more or less fully once the pandemic subsides, including the associated investments.

While it is difficult at present to forecast precisely how the business will develop in 2020, Beckhoff is planning for a financial year at the previous year's level and is cautiously optimistic about single-digit sales growth.

"With global sales totaling 903 million euros, 2019 was a balanced financial year for us," says owner and Managing Director Hans Beckhoff. "This was somewhat unusual for us, since we have grown on average by 15% annually since the year 2000. After a number of boom years, a cyclical correction was to be expected, though the impact of this may now be exacerbated by the coronavirus situation. However, we are presently working at full capacity, and this is set to continue over the coming months with no reduction in working hours envisaged. As the impact of the pandemic recedes in the coming months, we can even achieve acceptable growth in 2020. On the strength of this optimistic general assessment, Beckhoff is proceeding with all investment projects as well as research and development activities with full intensity. Beckhoff currently has a workforce of 4,350 employees globally, and this will further increase in certain areas too," adds Hans Beckhoff.

Adjusting to the coronavirus situation

The company has adjusted well to the coronavirus situation. Beckhoff continues to serve customers at a virtually unchanged capacity and is ready to take on new projects. As a globally active company with branches in 39 countries, Beckhoff became aware of the effects of the COVID-19 pandemic at an early stage. The subsidiary in China, in particular, was able to gain experience with how to ensure employee safety and maintain company operations in the COVID-19 pandemic. Based on the experiences of Beckhoff employees in China, the company introduced initial measures in Germany at the end of February. By mid-March, all employees in Germany were working from home offices whenever feasible (1,200 positions in Germany and 2,100

positions in total worldwide). “Just under 80% of employees with an office workplace are working from home offices. All employees affected by these measures continue to be accessible for our customers via many lines of communication,” reports Hans Beckhoff.

At the same time, production was switched to staggered two-shift operation. All employees in production were also split into safety groups (that is, potential infection groups), which can work independently and at a safe distance from each other. “All production, warehousing and supply functions were protected by introducing social distancing and staggered working times and a number of hygiene measures, thus enabling continued supply chain security for our customers. The company would like to thank all production and warehousing employees for the exemplary and selfless manner in which they supported these changes and restrictions,” affirms Hans Beckhoff.

In addition, Beckhoff can help in the battle against coronavirus by providing cutting-edge products and technologies and through the experience and expertise of its employees. Beckhoff is involved in around 15 high-profile projects worldwide, for example, in order to develop respiratory and testing equipment. One particularly exciting and promising invention is the CoroVent ventilator, which Beckhoff supported during development and production in the Czech Republic (for further information see: www.corovent.com).

Business expansion in Germany

The dense sales network was extended in Germany with the addition of new sales offices in Waldkirch (near Freiburg), Aachen and Kempten. Also, Beckhoff acquired ADL Embedded Solutions GmbH, headquartered in Siegen, Germany, on April 1, 2019. ADL is a specialist company that is well known for producing deep embedded applications using motherboards and specially adapted peripherals. The company develops tailor-made, turnkey embedded solutions in collaboration with customers. For many years now, it has based its projects on Beckhoff industrial motherboards, and with the

integration of ADL into the Verl-based company, this successful collaboration can progress to the next stage.

Global expansion strategy

Beckhoff furthermore acquired Tri-TEK Corp. in Seoul, South Korea, on July 1, 2019. The successful distributor has been closely associated with Beckhoff for many years. As Beckhoff Korea, the experienced team, which to date has focused primarily on semiconductor and display manufacturing, will now be able to support South Korea's high-tech market even more comprehensively.

Beckhoff currently has subsidiaries and representative offices in 39 countries worldwide. Counting its own sales companies and distributors, Beckhoff is represented in 75 countries around the globe.

Success through innovation

In no small part, Beckhoff owes its sustained business development to its dedicated focus on new technology, which is evident throughout its product portfolio. The company again unveiled new, more powerful Industrial PCs as well as Bus Terminals, Fieldbus Box modules, drive technology solutions and new software capabilities in 2019.

New technologies for Industrie 4.0, AI and energy efficiency

As a central and open control platform for all machine functions, PC-based control technology optimally supports the implementation of highly efficient IoT-based automation concepts. Machines, systems and production lines can be networked to increase efficiency potential across processes. Beckhoff supports its customers in this respect with a number of useful enhancements.

For example, the TwinCAT 3 automation software was extended to include artificial intelligence functions. In addition, the entire engineering platform is now available in the cloud. This means that all users of Beckhoff technology can increase their development effectiveness worldwide and facilitate new

cloud-based training concepts. Initial practical applications of the revolutionary planar motor system XPlanar with its free-floating movers, which was launched in 2018, have now come online.

German car manufacturing relies on Industrial PCs and Control Panels from Beckhoff

Beckhoff PC technology will be used globally by the BMW Group as part of a partnership that is set to run to 2030. Industrial PCs and multi-touch Control Panels are used – both in new systems and in retrofits – for interlinking machines, access control, data recording, visualization and other PC-based activities.

Beckhoff Automation targets carbon neutrality

Beckhoff is committed to climate protection and has been actively targeting climate-neutral and sustainable production since 2019. In order to avoid CO_2 emissions and promote greater use of renewable energies, Beckhoff has been sourcing green electricity since January 1, 2020 – the aim is to achieve full coverage of the total power requirement of 8.7 GWh at the locations in Verl and surrounding areas as well as at Smyczek GmbH.

The remaining unavoidable emissions will be balanced out by measurable CO_2 savings elsewhere. CO_2 credits will be purchased to compensate for these emissions, with the proceeds flowing into climate protection projects. In this context, Beckhoff is working with the foundation myclimate Deutschland gGmbH, whose global development projects are making a measurable contribution to climate protection and sustainable development. One of these projects involves subsidizing efficient cookers and solar cookers in Madagascar so that people can cook food in an environmentally friendly manner.

In all, Beckhoff has offset approx. 21,700 metric tons of CO_2 emissions for 2019, which were produced by the company’s operations globally. However,

Beckhoff is not just involved in offsetting emissions, many measures are also being taken in the company to avoid CO_2 directly (solar power generation, electric and hybrid vehicles, energy savings from modernization of building exteriors and infrastructure in production and administration). Developing automation technology that promotes energy-efficient production using fewer resources also supports climate protection. “The benefits we can generate for our customers with our automation technology are actually the greatest contributions we can make to environmental protection as a company,” argues Hans Beckhoff.

Training tomorrow’s experts

Beckhoff trains young people in a number of occupations to safeguard its future supply of talent. Since 2010, the company has also focused on providing practice-integrated degree programs and, today, offers degrees in Mechatronics/Automation, Industrial Engineering, Digital Technologies, Product Service Engineering and Digital Logistics in association with the Bielefeld University of Applied Sciences at its Gütersloh Campus in Germany. This course offering is being extended continually. Starting April 1, the number of professorships increased from 10 to 12. Some 16 professors in total will be actively involved in the 2020/2021 winter semester. Beckhoff can also report that, despite the COVID-19 crisis, lectures have been continuing as usual at the Gütersloh Campus of the Bielefeld University of Applied Sciences since April 13, through digitization opportunities.

To meet the need for further qualifications after earning bachelor’s degrees, Beckhoff also supports extra-occupational master’s programs in Applied Automation and Industrial Engineering. New additions include the extra-occupational master’s program in Digital Technologies, which is proving very popular with bachelor graduates, and the research master’s program in Data Science.

Beckhoff currently employs 124 apprentices and 102 students.

Beckhoff Automation

Link to high res photo:

https://download.beckhoff.com/download/press/2020/pictures/pr042020_Beckhoff.zip

Press picture 1:

Picture caption 1:

Hans Beckhoff, owner and managing director of Beckhoff Automation GmbH & Co. KG

Press picture 2:

Picture caption 2:

Beckhoff Automation posted sales of 903 million euros in 2019, nearly matching its 2018 numbers, as shown in this turnover trend graph.

Beckhoff Automation is a provider of advanced and open automation solutions based upon proven technologies for customers to implement high performance control systems faster and at a lower overall cost than traditional PLC and motion control systems. Beckhoff's "New Automation Technology" product range includes PC-based control, Industrial PCs, automation controllers, operator interfaces, I/O, servo drives and motors. With representation in more than 60 countries, Beckhoff is well-positioned to provide global sales and service to its customers. Beckhoff sales and service

are handled directly, with no intermediaries involved for exceptional customer service and consultation.

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Please send questions regarding "Beckhoff sales development in 2019" to:

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