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Record growth of the Balluff Group

Sales by the Balluff Group

Record growth at Balluff: Group turnover rises in 2017 from €378 to €459 million

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Rapid sales growth continues in the first quarter of 2018

Neuhausen a.d.F. – The Industrial Internet of Things (IIoT) is behind some happy faces in Neuhausen: the high demand for industrial automation solutions has resulted in record growth for the Balluff Group in 2017. Together with the sales figures from two companies brought into the fold during the past fiscal year the sensor and automation specialist from Neuhausen near Stuttgart showed an increase of 21.4 percent to €459 million. Sales in 2016 were €378 million. Even without the new companies the increase of 16 percent would have represented a record. "The fact that we will exceed our sales goal of €500 million in 2019 as planned is now already clear – the only question is when," noted Managing Director Katrin Stegmaier-Hermle when the balance sheet figures were presented. The Balluff Group employs 3600 persons worldwide. This is around ten percent more than in the prior year. 1300 of these employees work in Germany, and 100 were added at the headquarters in Neuhausen in the past two years alone.

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"We are of course pleased by this growth," says Stegmaier-Hermle. "Our product and service solutions form the basis for digitalization in industry, so we are of course working in an absolute growth segment. But – and this makes us especially happy – we are also gaining market share." The profit margin has again improved slightly from nine percent in 2016 to the current 10,5 percent.

Growing pressure to automate in many sectors

The managing director gave five reasons for this strong result: the positive market development worldwide; especially strong growth in important sectors such as automotive, packaging, food and beverages as well as the machine and equipment builders; the generally increasing pressure to automate in many other sectors; the good delivery performance of Balluff; and the 2017 integration of iss innovative software services and Matrix Vision into the Balluff Group. The new acquisitions contributed around €20 million to the sales increase.

Stegmaier-Hermle also drew an overall positive picture for the first quarter of 2018. Here growth continued strong at around nine percent, and the continued positive economic trend and current order situation gives reason

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for optimism in 2018 as a whole. The Balluff Group is standing on an extremely stable foundation: the equity ratio is extremely high at 76 percent, and the bank rating of AAA+ is the best a company of this size can achieve. Balluff is also investing heavily in research and development to ensure future success, with a rate of 13.3 percent.

Managing Director Michael Unger states the overall goal: "We doubled group sales over the past seven years, and we are striving to double it again over the coming five to seven years. This will require that the organization continues to develop. Now is the right time to set the course for the future – and this is what we have done." Unger introduced the direction of the company with a clear focus on the demands of the key target industries. The Balluff Group is now divided into seven divisions. Three of these incorporate all the solutions for the main industries Mobility, Packaging, Food & Beverage as well as Machine & Plant Engineering, each in its own organizational unit. The four other divisions are Marketing & Sales, Technology, Supply Chain as well as Services, Finance & Quality. Each of the seven divisions has its own senior vice president, who together form the expanded senior management team.

Consistent customer orientation

"The customer stands in the center of our strategic orientation. The industry divisions ensure that the demands of the respective sectors on new products and solutions are translated into a relevant customer portfolio. This means our development becomes more targeted, faster and better with respect to the industries," emphasizes Unger. "We now implement the reorientation from a position of strength, so that it forms the basis for consistently growing the Balluff company, bringing it to the next level, and preparing it for the future."

Transferring automation experience to the IIoT

What this future will look like is outlined by Managing Director Florian Hermle. Balluff has been deeply involved with automation for more than 50 years, has carried this experience over to the transformation to the IIoT, and today offers all the needed solutions from data generation to its transport to processing. Balluff is extremely strong in the areas of hardware, connectivity and the visualization of data. The data create transparency and make visible what, when and why something happens in automation. According to Hermle, Balluff is placing increased emphasis on software to better provide holistic automation solutions from a single source. "This is why in 2017 we integrated the Stuttgart based software company iss innovative software services and the machine vision pioneer

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Matrix Vision into the Group. This know-how helps us to make use of our great growth opportunities better and faster and to expand our portfolio of both hardware and software," Hermle notes with conviction.

The goal is to combine technology, software and external partners in an open ecosystem, further increasing the competitive abilities of customers and supporting them from integration to analysis of the data to diagnostics. The external partners could be Big Data specialists, vendors, producers or component manufacturers. This would result in solutions that accompany the entire value creation process from inventory management and purchasing to asset management to smart manufacturing and more efficient processes.

The solutions can be applied on an individual machine as part of a machine inventory or even between companies. "Here the customer is always the master of the situation and – even more importantly – master of his data," emphasizes Hermle.

Intelligent production from Neuhausen

One application example is the use of casting molds in the automobile industry. There the vendors borrow valuable casting molds from the manufacturers in order to produce the desired parts. "With our solution concepts manufacturers can download the service data for the respective mold at the vendor from an industry cloud and monitor maintenance intervals, the number of parts produced or the average temperature. This is an approach we use to support our customers step by step in digitalizing their production and using the resulting transparency to increase the efficiency and productivity of their manufacturing," explains Hermle.

Balluff has used the past twelve months to work further on software solutions. Hermle used a live demo to show the current status of development. All the relevant data are clearly represented in a dashboard by means of which the users can control different plants or directly open individual assets and tools. The current service data come in real time from the field level, the sensors and the entire plant and are accessible from a cloud or even between companies. The information can be exported via an app, on a desktop PC or industrial portable readers. The selection of communication channels also gives customers a variety of options. "The concept makes it possible to generate, transport and process data and now, thanks to cloud-based software, interpret them directly," says Hermle. "This puts us on a direct path to intelligent manufacturing and justifies our claim to being a pacemaker of digitalization."

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Caption:

Managing directors Florian Hermle, Katrin Stegmaier-Hermle and Michael Unger (from left) are highly pleased with the growth of the Balluff Group in 2017. Photo: Balluff



Caption:

Balluff created 100 new positions at the Neuhausen headquarters in the past two years alone. Photo: Balluff

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About Balluff

Founded in 1921 in Neuhausen a.d.F., Balluff employs 3,600 people worldwide and represents innovative technology, quality and cross-industry experience in industrial automation. As a leading automation specialist, the family-owned company in its fourth generation offers a comprehensive portfolio of innovative sensor, identification and network technologies and software for integrated system solutions.

In 2017, Balluff Group reported revenues of around EUR 459 million. In addition to the main headquarters in Neuhausen a. d. F., Balluff has sales, production and development locations around the world and can boast 37 wholly owned subsidiaries and other representatives in 68 countries. This guarantees customers rapid worldwide availability of products and high consulting and service quality on site.