

## FOR IMMEDIATE RELEASE

### Lenze Reinforces Its Growth Trend

*Sales revenue breaks new fiscal year record*

**UXBRIDGE, MA, DECEMBER 7, 2017** – Lenze, a global leader and manufacturer of electrical and mechanical drives, motion control and automation technologies, continues its growth trajectory by surpassing its forecasts in the 2016-2017 financial year. At a press conference to present the annual report, company executives also presented their Lenze 2020+ strategy for the international group of companies, currently celebrating 70 years in business. This strategy firmly positions Lenze for continued global growth.

“Lenze is doing well, and we want to keep growing in the future – worldwide. To achieve this, we will focus more strongly on our competence as a systems supplier for the automation of machines,” said Christian Wendler, CEO, Lenze, who at the same time announced a comprehensive program of investment.

Lenze’s sales revenue rose from 31.9m euros to 678.3m euros (+4.9 %) – with the largest increase in sales achieved by Europe, with an increase of 17.8m euros (+3.6 %) to 514.0m euros. However, Lenze also made significant gains in other regions, including a growth in sales in Asia of 12.3 % to 83.7m euros, and in the Americas of 6.4 % to 77.9m euros.

Contributing to this success is the fact that Lenze has massively boosted its marketing and sales strength over the last two years, with plans to continue those efforts. Also, various new products were released and were very well received by the market. For example, the universally deployable generation of i500 frequency inverters gave Lenze the best product launch in the history of the company. This product sets new standards with regard to size, individual tailoring to applications, and easy commissioning, and it also meets the highest demands in terms of resource efficiency.

The operative result before interest and tax (EBIT) amounted to 58.5m euros, 20.7 % higher than the previous year. The EBIT margin improved from 7.5 % to 8.6 %. The result after tax increased from 31.5m euros to 38.1m euros.

The healthy state of the consolidated balance sheet reflects the financial strength of the European stock corporation, which is completely owned by the founding family. The gross cash flow from operating activities increased as a result of the improved result, rising by 17.1 % to 56.1m euros. This created space for investments and acquisitions. Therefore, in the last financial year, Lenze acquired a majority stake in logicline GmbH from Sindelfingen in the German state of Baden-Württemberg. Logicline

enhances the Lenze portfolio by adding enterprise cloud applications, mobile apps, and innovative Internet of Things (IoT) solutions. Despite this investment, Lenze's free cash flow rose by 11.7 % to 36.4m euros.

The equity capital was also strengthened. The equity ratio came to 64.1 % (previous year: 63.7 %) with a balance sheet total of 466.3m. At the same time, the financial liabilities were reduced by 27.9 % to 21.2m euros.

To implement the strategy, the company is earmarking well over 100m euros in the coming years for future-related investments above and beyond the current level of investment. A major part of this will go into the core project Mechatronic Competence Campus in Extertal, Germany starting in the 2017-2018 financial year. This is the biggest investment in the company's history so far, and it will merge three production complexes into one ultra-modern plant with state-of-the-art logistics.

Digitalization, software, and the creation of machine networks are moving more into the spotlight as a result of Industry 4.0 – and Lenze sees itself as being well-prepared for this development. Lenze works together with its customers to automate more than 1,000 machines a year worldwide. The Lenze 2020+ growth strategy is a purposeful continuation of the journey that the company started several years ago – to determine a clear orientation towards market segments, laying the foundation for stable and sustained growth in the core business. At the same time, it takes on the challenges of digitalization and creates the flexibility to develop new, future-oriented areas of business.

Lenze's portfolio builds on three pillars: mechatronic products and packages, hardware and software-based automation systems – the company's core business – and future-oriented digital services. For the latter, Lenze leverages its 15-year-old subsidiary encoway, a software supplier of solutions for the process of configuring, pricing and quoting, which gives Lenze more specialized experience than other players in the market.

Lenze is already able to accompany its customers throughout the entire life cycle of a machine, and to offer value-added services in every phase – services which sustainably maintain or improve their customers' power to compete.

“With our strengths in technology and innovation, we can shape the progress that our customers make,” says Wendler. “We have a very detailed knowledge of machines, systems and markets, and thanks to our global network we have a local presence near our customers.”

The employees at Lenze make a crucial contribution to the success of the company. At the end of the year under review, Lenze employed 3,457 people – 160 more than the year before. The number is set to

rise by a similar amount in the current financial year. The number of apprentices and “dual” work-and-study students is set to be almost doubled in the coming year.

“In our business, employees with the right skills and motivation are essential. They have to be open for fast-moving developments and they must have an ‘ear’ for the needs of our customers,” says Wendler.

The Board of Directors sees the future development of Lenze in a positive light. For the current financial year 2017-2018, they expect an increase in sales revenue that should be slightly higher than the increase in the year under review. The profitability (EBIT margin) should also continue to improve.

Over the medium term, the new strategy should ensure dynamic growth with sustained profitability. Sales revenue should hit the one-billion-euro mark within a few years.

To mark its 70th anniversary, the company is also breaking new ground in the field of communication. For the first time, the report on the last financial year is being made available in multimedia form for specific target groups, in a digital annual report entitled “70 Lenze. Industry 4.0.”

More information here: <http://www.lenze.com/en-us/about-lenze/group-of-companies/annual-report/>

### **About Lenze Americas**

Lenze is a global manufacturer of electrical and mechanical drives, motion control and automation technology. As a global specialist in Motion Centric Automation, we offer our customers products, drive solutions, complete automation systems, engineering services and tools from a single source. We are a leading provider of automation solutions to the packaging industry, and our other focus industries include automotive, material handling and logistics, robotics, and commercial pumps/fans. With a global network of engineers, sales representatives, and manufacturing facilities, Lenze is well-positioned to meet the motion control needs of customers worldwide. Lenze Americas, the American subsidiary of Lenze SE of Germany, is headquartered in Uxbridge, Massachusetts, with an assembly and logistics center in Glendale Heights, Illinois. Corporate global headquarters are in Hamelin, Germany. Visit [www.Lenze.com](http://www.Lenze.com) and follow us on [Twitter](#), [LinkedIn](#), [Google+](#) and [YouTube](#) for more information.

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