

KLINGELNBERG AG
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Press Release

Significant Global Slowdown in Automotive Industry and Engineering Markets – KLINGELNBERG responds swiftly to perceptible slowdown in key markets

- Comprehensive efficiency enhancement program to provide impetus
- New markets tapped and capacities reallocated
- Sales expanded
- Revenue and EBIT expected to be well below record previous year

Zurich, 14 October 2019 – **KLINGELNBERG AG is to draw up a comprehensive program to boost its efficiency. This move marks the company’s swift response to signs of weakness on the market, including on the global engineering market, and to the pronounced investment backlog in the automotive sector. At the same time, the company will quickly tap new markets, reallocate capacities, launch new services and solutions on the market and expand its sales organization. The company has lowered its guidance in light of the sluggish economy and is now also anticipating revenue to decline year on year. KLINGELNBERG AG had already made it clear when it released its figures for the past fiscal year that it did not expect to achieve the record result seen in 2018/2019 in the new fiscal year. The result is now expected to decrease sharply on account of the decline in revenue.**

Jan Klingelberg, CEO of KLINGELNBERG AG, commented that “we are currently facing a serious investment backlog in key customer sectors such as the automotive industry. Uncertainty regarding further developments, for example in terms of e-mobility, and the resulting investment backlog are already having a noticeable impact on our customer sectors. At the same time, signs of a slowdown were also indicated at the latest engineering trade show, the EMO Hannover. Our company will respond to the considerable changes in the market environment swiftly and resolutely and significantly boost our efficiency, adjust costs and accelerate the unlocking of new applications.” Klingelberg added that the company is anticipating a perceptible recession and preparing as such, but is not worried: “We have very strong basis, are in a sound and excellent technological position and are diversified. This means that we are ideally equipped not only to successfully withstand the economic downturn but also to use it to address inefficiencies from the past period of economic growth.”

KLINGELNBERG AG’s Board of Directors and management have decided to develop an efficiency enhancement program, which aims to significantly reduce the company’s operating costs and also to continue streamlining company processes. At the same time, KLINGELNBERG AG is aiming to

expand its sales organization. CEO Jan Klingelberg: “We are not only adjusting for declines in markets, we are also identifying opportunities that we want to take advantage of. This is why we are not only cutting costs but also investing in promising markets and new products and services.”

New services and solutions in the areas of non-gear, digitalization and complete processing are to be brought onto the market for the first time. In addition, the service and retrofit activities – refurbishing installed machines – will be expanded.

Against this backdrop, the company expects revenue to be down on the previous year and EBIT to be significantly lower in fiscal 2019/20. Klingelberg will release figures for the first half of 2019/20 on 12 November 2019.

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About Klingelberg

Founded in 1863, Klingelberg is a world leader in the gear industry. The company develops and produces machines for manufacturing of bevel and cylindrical gears, measuring centers for axially symmetrical objects of all types, as well as high-precision gear components. With headquarters in Zurich (Switzerland) and around 1,300 employees, Klingelberg operates development and production facilities in Zurich (Switzerland), Hückeswagen and Ettlingen (Germany) and Győr (Hungary) and is represented with sales and service offices in Germany, Switzerland, Hungary, France, Italy, Spain, Japan, India, China, Brazil, the United States and Mexico. Klingelberg shares are listed on the SIX Swiss Exchange (KLIN).

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