

## Festo on course for growth

Automation for sustainability and climate-neutral production

**The Festo Group has achieved the highest turnover in its history for the 2021 financial year. After a double-digit growth in turnover of around 18% to 3.36 billion euros (previous year 2.84 billion euros), the company started the first quarter with a double-digit order intake. This puts the innovation leader in automation and technical education in a good starting position to push ahead with its strategic orientation towards digitalisation and sustainability at full speed in 2022. The company expects further growth even under the current difficult geopolitical conditions.**

### Record growth in the 2021 financial year

The Festo Group had a record year in 2021. Incoming orders were up 26% and sales were up around 18% on the previous year at 3.36 billion euros, around 18% higher than in the previous year. The number of employees in Germany and abroad remained virtually unchanged and, as in the previous year, amounted to around 8,600 in Germany and around 12,100 abroad at the end of 2021.

Mechanical engineering is benefiting very strongly from the resurgent global economy and industrial production. Festo grew at double-digit rates in virtually all regions in 2021. In particular, China, India and other Asian countries, such as South-East Asia and the Pacific, fuelled global growth despite continuing supply chain problems and bottlenecks in electronic components.

Massive investments in the semiconductor/electronics industry, digitalisation, new mobility, the life tech and biotech/pharmaceutical industries as well as solid investment activity in the food industry are the basis for Festo's high growth with automation technology.

Festo has invested around 7% in research and development in 2021. "Our innovation pipeline is full to bursting with new products, which we are now presenting to our customers at Hannover Messe 2022. We made great progress last year with important innovations such as digital and intelligent pneumatics, automation platforms and concepts for saving energy in pneumatics. We are also working on completely new fields of innovation, such as collaborative pneumatic robotics, which we are showing for the first time in Hanover," said Dipl.-Ing. Dr. h.c. Oliver Jung, Chairman of the Management Board.

### Climate-neutral by the end of 2023: Focus on energy efficiency and sustainable production

Automation is an important enabler for transforming industrial production in a climate-neutral way. "Festo will massively reduce its carbon footprint over the next two years. As a result, by the end of 2023, all our production and logistics locations worldwide, as well as the German sales locations and the company headquarters in Esslingen, will be CO<sub>2</sub>-neutral," explained Dr. Oliver Jung.

30. May 2022

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Festo has aligned its sustainability strategy with the Sustainable Development Goals (SDGs) of the United Nations which are relevant for the company.

Festo sees automation as the basis for efficiency increases in a sustainable industry, on its way to CO<sub>2</sub>-neutral production. With its products and solutions, the company will increasingly contribute to enabling resource-saving production and help establish a circular economy along the entire value chain, with the clear aim of reducing CO<sub>2</sub> emissions.

### **Education and training in the industrial transformation**

For Festo, technical education is another essential element of sustainable development. As a solution provider for technical education and training, Festo Didactic imparts skills and abilities to address the challenges of today and shape the future in the interests of future generations.

Festo also attaches great importance to strong training and further education in its own company. New training professions are created based on the increasing needs in the areas of IT, AI, data science or sustainability.

With high-quality training, Festo offers around 500 apprentices worldwide reliable prospects for the future every year. Festo is also involved in joint training: companies that do not train themselves, for example due to the size of the company, can have their trainees trained by Festo. In addition, the WorldSkills in Germany have selected the company as an official national training centre of excellence for the skills mechatronics (Esslingen) and industry 4.0 (St.-Ingbert) since last year.

As a global company, Festo also takes on responsible training activities in other countries and creates future prospects. “We generate more than three quarters of our turnover abroad. Therefore, we need qualified professionals both in Germany and increasingly at our production, development and sales locations abroad,” explained Dr. Oliver Jung.

### **Supply security and resilience**

Supplying a growing world population with food, drinking water, pharmaceutical products, limited fossil and increasingly alternative energies, chemical products, building materials, fertilisers, semiconductors, and much more is one of the greatest challenges to be solved in the future.

Many high-wage countries have started to bring their production back home. Here, too, automation is the key to keeping prices at a stable level and making industries competitive and sustainable. All combined with the lowest possible carbon footprint from the automation component to the plant technology and the actual production process to the finished end product and its distribution and infrastructure.

“We see automation as an opportunity to conserve our planet’s natural resources, protect the climate and supply a growing world population,” said Dr. Oliver Jung.

Festo offers a broad portfolio for the manufacturing industry, e.g. specifically for the food and packaging, biotech pharmaceutical and LifeTech (medical technology and laboratory automation), electronics/semiconductor and automotive industries.

“If chip factories are now being built in Germany and Europe and massive investments are being made in LifeTech, electromobility and sustainability, we will support this with our automation solutions and the appropriate qualification concepts of our Festo Didactic for the

skilled workers of tomorrow,” affirmed Dr. Oliver Jung.

### **2022: Further on course for growth**

The Festo Group continued to post a double-digit record in sales and incoming orders in the first quarter of 2022. No conclusive statements can yet be made for the second quarter.

There are growing uncertainties due to the pandemic, particularly in the Asian region, and the effects of the war in Ukraine. High energy, material and transport costs are burdening the business as well as the further shortage of raw materials and electronic components.

“We are currently establishing alternative supply chains in order to decouple ourselves as far as possible from critical markets, especially for energy-intensive materials. We are also increasing our inventories of core products in all regions,” says Dr. Oliver Jung.

Festo has made its global production and logistics network even more robust. Overall, the parallelisation of production close to the markets “in the region for the region” is also becoming increasingly important in terms of sustainability and short transport routes.

“2022 will be another very challenging year – both from a human and an economic perspective. Our order books are well filled, but the further development of the pandemic and the situation in the war and crisis zones as well as the supply chain are difficult to predict. Overall, we expect further growth and are consistently investing in innovation, digitalisation and sustainability. We are also demonstrating this here at the Hannover Messe,” explained Dr. Oliver Jung.

### **Press Images**



#### **Festo Esslingen Photovoltaic System**

By the end of 2023, all production and logistics locations worldwide as well as the German sales locations and the headquarters of Festo in Esslingen (in the picture) are to be CO<sub>2</sub>-neutral.



#### **Rohrbach Plant Photovoltaic Systems**

Festo already has seven photovoltaic systems on its buildings worldwide (the picture shows the Festo Global Production Centre Rohrbach in Saarland, Germany).



#### **FESS Technology Plant Scharnhausen**

The digital monitoring of energy consumption in production by means of Festo Energy Saving Services (FESS) is also used in the Festo Technology Plant in Scharnhausen near the company's headquarters in Germany



#### **Cylinder Production GPC Rohrbach**

Production of pneumatic drives in the Festo Global Production Centre Rohrbach in Saarland, Germany.



#### **Dr. Oliver Jung with SDGs**

Festo has aligned its Sustainability Strategy with the Sustainable Development Goals (SDGs) of the United Nations, which are relevant for the company, and aims to be climate-neutral at its main locations by the beginning of 2023. In the ...