

A GLANCE AT 2019

BENTELER. The family of driven professionals. Since 1876.

BENTELER 
makes it happen



Ralf Göttel,
Chief Executive Officer (CEO) of
BENTELER International AG

Ladies and Gentlemen,

In this report we usually bring news of record sales. That is not the case this year. The 2019 financial year was marked by other factors. The markets were weak or volatile, the global political situation was unstable, and the BENTELER Group had to manage a large number of project start-ups. Even at the start of last year it was clear that 2019 would be a turbulent year – and not only for us. How does that saying go? You can't change the direction of the wind, but you can adjust your sails. And that is what we have done, rigorously, in line with our strategy.

We used 2019 to implement initiatives that in some cases had been launched in 2018. We continued to standardize our processes. We launched transformation programs. We focused on our core business as a metal process specialist – and for that reason we sold the Distribution Division, our steel tube trading business, after more than 100 years. At the same time we remain committed to forward-looking themes such as e-mobility, where we are collaborating with companies such as Pininfarina and Evergrande and technology groups such as Sony. We have started collaborating on development activities with Bosch. Our partners' knowledge complements our own capabilities. In addition, we have invested for our customers and developed new capacities – for example commissioning plant expansions in China and Germany and opening our "smart factory" at Mos in Spain. This uses the latest digital technologies from production right through to logistics.

Sustained market weakness kept our rate of growth well below expectations – even though, as in the previous year, it exceeded the market growth. Operationally we fared better than the results suggest at first glance. The expenses for the transformation programs and the

write-down of our hot rolling mill in Shreveport, USA, are one-off effects; without these the day-to-day business would have almost broken even.

The overall trend has been positive for several months and we are expecting the current year to show a clear improvement in results. In short, we have navigated around the shallows and set our sails for the years ahead. We are well-equipped – even if the market conditions remain difficult as expected.

The Divisions

The slump in the automotive sector began in the second half of 2018. The past order intake nevertheless led us to expect clear growth in the Automotive Division in 2019, but the continuing market weakness led to low sales volumes. Revenues therefore rose only modestly in comparison with 2018. The Division's weak result was largely due to expensive start-ups and lower levels of sales to our customers coupled with increased overheads.

We responded quickly. The measures we took, such as optimizing our processes, procurement, and organization, did not fully offset the negative effects, but the fourth quarter showed that they were nevertheless working. Although call-offs remained weak, the Division achieved a sustained stabilization in results. That encourages us to continue the transformation programs.

After record revenues in the Steel/Tube Division in 2018, a massive slump in the market in early 2019 triggered a marked drop in revenues and an equally steep decline in earnings. Short-term cost-cutting measures were only able to offset the market weakness in part; in Germany we launched a long-term 'Securing the Future' program to ensure the future viability of the steel tube business and hence safeguard the majority of the jobs in Germany. The ramp-up of operations at the hot rolling mill in Shreveport was continued and its operating performance was improved.

The BENTELER Group's core competence lies in metal processing and engineering. That is what we are concentrating on. For that reason it was decided to sell the Distribution Division. The sale was completed at the end of November 2019 following approval by the competition authorities.

Outlook

The automotive industry faces the biggest transformation in its history, with personal mobility set to change fundamentally in the future. Only those who are already trying to find answers to tomorrow's questions will be successful. We are optimally positioned for the future: 85% of our product portfolio is independent of the type of drive. And we are taking the right steps now: anticipating trends, understanding customers' requirements, and turning these into optimum individual solutions. We are maintaining a clear overview. We are acting with focus, speed, and adaptability.

In 2020 we will continue the transformation of the BENTELER Group, investing in profitable market segments and themes of importance for the future. And together with our customers we will help shape tomorrow's mobility, actively and sustainably. With the unrivalled expertise that comes from more than 140 years of experience in metal processing. With technological know-how. And a strong partner network. With 100 locations in 28 countries we have the necessary scale in all relevant markets to develop standards for our customers – worldwide. Delivering the highest quality, on time and at fair prices. Our customers can rely on us now and in the future. Especially in turbulent times.

This has been, is and will be possible only with the passionate commitment of our employees. On behalf of the Executive Board of BENTELER International AG, and in the name of the Management Boards of the Divisions, we would like to express our sincere thanks to you, the employees. And to our customers and business partners, some of whom have been with us for decades. We are also grateful to our shareholders for their valuable support. Together we make it happen.

Ralf Göttel,
Chief Executive Officer (CEO),
BENTELER International AG

COMPANY PROFILE

BENTELER is a global company owned by the fourth generation of its founding family and serves customers in the automotive, energy and mechanical engineering sectors. As a strategically innovative partner, we design, produce, and distribute safety-related products, systems, and services.

Under the strategic management holding company BENTELER International AG, registered in Salzburg, Austria, business operations are organized in the divisions BENTELER Automotive and BENTELER Steel/Tube. Until now, the global tube business and associated services were also part of the BENTELER Group's portfolio. The Distribution Division was sold at the end of November 2019 following approval by the antitrust authorities..

In addition to BENTELER International AG, BENTELER Business Services GmbH, based in Paderborn (Germany), serves additional holding functions. At 100

locations in 28 countries, our approx. 30,000 employees stand for first-class manufacturing and sales expertise – passionate and close to the customer.

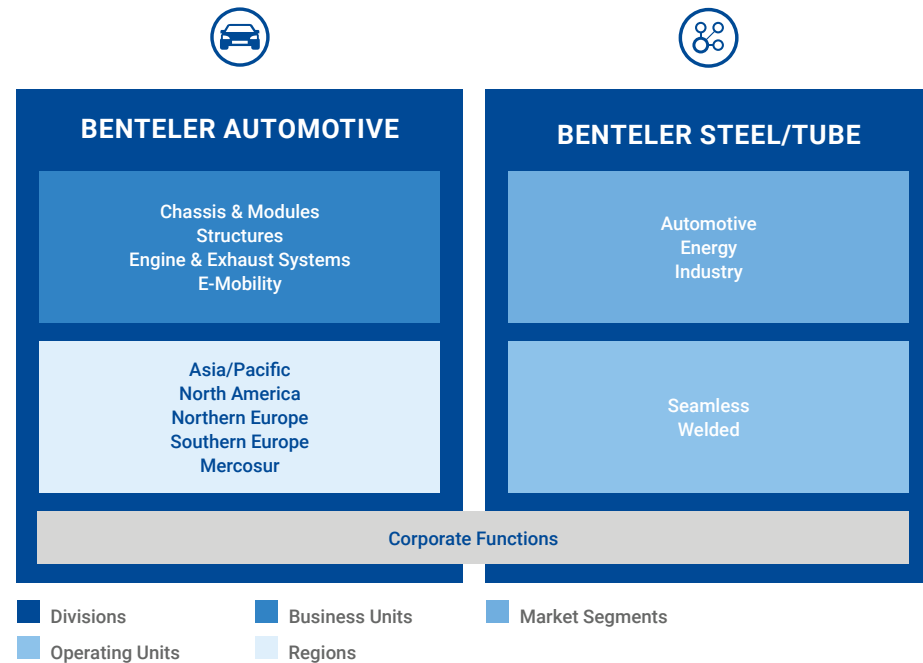
So that our customers are prepared for the requirements of the future, around 900 employees work in research and development worldwide. In 2019, this work led to 46 new patent applications. The research and development budget was 95 million euros.

Around

900

employees worldwide are active in research and development.

BENTELER GROUP



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BENTELER-LOCATIONS

84

— PLANTS

CLOSE TO THE CUSTOMER – WORLDWIDE

With 100 locations worldwide, BENTELER is always by your side, wherever you operate. But we believe customer proximity is about more than just geography: BENTELER supports its partners strategically – from product idea through to series production. With many years of expertise, cross-sector know-how, and an ambition to develop the ideal solution.

16

— SUBSIDIARIES

28

— COUNTRIES



**THE JOURNEY
INTO THE FUTURE
OF MOBILITY...**

People have always been mobile. On foot, by horse and cart, or by bicycle. Motorization brought people new freedoms; personal mobility is one of the major achievements of modern times. But what is the future of mobility? Will our grandchildren still need a driver's license? Will they know what a gas pump is? Will they have their own car?

There are many competing concepts and ideas. Practically all of them would be technically feasible, but many are not currently deliverable.

The automotive industry faces one of the largest transformations in its history. Personal mobility is set to change fundamentally in the future. Digitization, the shared economy, environmental awareness, and urbanization will influence tomorrow's mobility as much as technological trends: from new types of drive and connectivity through to different autonomous driving systems.

In these volatile times our customers need a strong partner. That is BENTELER. We will work with them to define mobility in a new and sustainable way. We have the international scale, expertise from 140 years of experience, and the knowledge required to develop standards for our customers – with 100 locations in 28 countries around the world. That makes us relevant.

We are a leading global partner for the automotive industry. Practically every car around the world contains products made by BENTELER. We offer our customers first-class engineering capability, innovative material and process technologies, and comprehensive expertise in metal forming and processing. Our customers benefit from our comprehensive vehicle know-how throughout the value chain. From development and production through to assembly. We understand the connections. We know the materials. And we have the knowledge of component functions and requirements.

Our technological core competencies include tube manufacturing, forming, joining, and assembling materials such as steel and aluminum, as well as logistics. Our portfolio comprises tubes for applications such as airbags and axles, components and modules for chassis, bodies, engine and exhaust systems, and forward-looking technologies such as system solutions for electromobility.

With our extensive network of strategic partners we offer our customers the know-how they need to deliver their projects on time. With outstanding quality. For reliable, environmentally friendly mobility solutions that are precisely tailored to their needs.

THE FUTURE OF MOBILITY

At BENTELER, we constantly challenge traditional thinking and use disruptive technology to introduce new processes and methods. By focusing on innovations and anticipating trends, we help our customers stay ahead and shape the mobility of the future.

... REQUIRES A STRONG PARTNER.

A GOOD TRAVEL PARTNER SHOWS CONVICTION.

Our success today and tomorrow depends crucially on our employees, who stride ahead with courage, ambition, and respect. We are a global family of around 30,000 colleagues who support each other and pull together. Who take responsibility. Not only for each other, but also for partners, customers, the environment, and society as a whole.

For example, we recycle whenever possible. In 2019 around 95% of our total waste was recycled. Our Steel/Tube Division uses an electric arc furnace for low-carbon steel production. In the Automotive Division we source our raw materials mainly from locations where we manufacture – thereby protecting the environment and strengthening the local economy.

95%

— WASTE
RECYCLED

We support our employees. We train them. Jointly with the Fraunhofer Institute we are investigating how we can continue to meet their needs in the future. We offer our customers comprehensive vehicle know-how throughout the value chain. We work closely with them – not only on technology: two-thirds of our automotive plants are located within a radius of 10 km of the customer.

Our employees contribute day by day to the continued development of personal mobility. To make it safe and affordable. Using environmentally friendly and ethical production methods. For social and technological progress.



**We have the expertise:**

We are a global metal processing specialist with first-class engineering capability and unrivalled expertise in metal forming and processing.

We have the experience:

We have been working with metal for more than 140 years.

We have the technological know-how:

We not only know the individual parts but also understand the combined function of everything from individual components and modules through to integrated systems, and from structural elements for bodywork and chassis solutions through to engine and exhaust systems.

We have the scale:

BENTELER has 100 sites in all significant markets.

We have the relevance:

Practically every car around the world contains products made by BENTELER.

WE ARE SHAPING THE PERSONAL MOBILITY OF TOMORROW.



We have the power to innovate:

The BENTELER Electric Drive System 2.0, a rolling chassis, is a scalable platform solution for electric vehicles. It saves our customers development time and expense. And so do its individual subsystems, such as integrated modular electric axles or battery cases with integrated thermal management.

And we show conviction:

“BENTELER makes it happen” is our drive and aspiration. It is clear in the way we respond to enquiries from customers and partners. It is part of our DNA and sets us apart from the rest. Together we are shaping mobility. Together we are shaping the future.

BENTELER makes it happen.

BENTELER ELECTRIC DRIVE SYSTEM 2.0

A scalable platform solution for electric vehicles. Scalable for numerous vehicle segments, it is one of the most advanced and best developed rolling chassis for electric vehicles on the market.

Read more about it on our [website](#)

KEY PERFORMANCE INDICATORS

FINANCIAL YEAR JANUARY 1 – DECEMBER 31 2019

		2019
External revenue Group	€ MILLION	7,713*
External revenue BENTELER Automotive	€ MILLION	6,717
External revenue BENTELER Steel/Tube	€ MILLION	1,063
EBITDA	€ MILLION	238
Cash and cash equivalents	€ MILLION	809
Employees including trainees**		26,987
Locations		100
Plants		84
Countries		28
Employees F&E		900
F&E Budget	€ MILLION	95
Number of patents		46

* Adjusted to take account of the discontinuation of the Division BENTELER Distribution; minus internal revenues

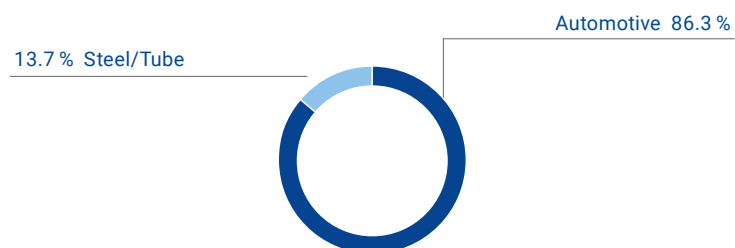
** annual average; measured in full-time equivalents; excluding contract workers

OUR STORY

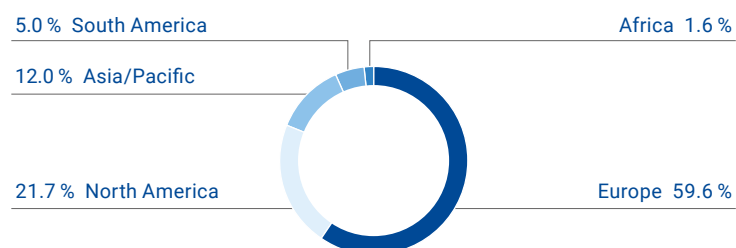
BENTELER AT A GLANCE

BENTELER develops solutions that make the difference – for our customers, employees and society. We are passionate about producing safety-relevant products, services and systems for the energy, auto-motive and engineering sectors that lead to success. And we do that in close proximity and collaboration with our customers. With our technological expertise and strong focus on successful implementation, we keep our promises. At BENTELER we give our all – with courage, ambition and respect – but we never give up. **BENTELER. The family of driven professionals. Since 1876.**

REVENUE BY SEGMENT



REVENUE BY REGION



PERSONNEL MATTERS

THE EXECUTIVE BOARD OF BENTELER INTERNATIONAL AG

Ralf Göttel, Schöna am Königssee, Germany

(Chairman of the Executive Board, responsibilities:
Strategy & M&A, Compliance & Board Affairs, Divisions)

Guido Huppertz, Bergheim bei Salzburg, Austria

(responsibilities: Finance & Controlling, Legal &
Insurance, Tax, Internal Audit)

Isabel Diaz Rohr, Schöna am Königssee, Germany

(responsibilities: Human Resources, IT, Communication/
Marketing)

THE SUPERVISORY BOARD OF BENTELER INTERNATIONAL AG

Dr. Ulrich Dohle, Stuttgart, Deutschland

Chairman (former Chairman of the Executive Board of
Rolls-Royce Power Systems AG, Friedrichshafen,
Germany)

Reiner Winkler, Riemerling, Germany

Deputy Chairman (to January 10, 2020) (Chairman of
the Executive Board of MTU Aero Engines AG, Munich,
Germany)

Hubertus Benteler, Salzburg, Austria

(former Chairman of the Executive Board of BENTELER
International AG, Salzburg, Austria)

Christian Caspar, Zürich, Switzerland

(Director Emeritus at McKinsey & Company, Inc., Zürich,
Switzerland)

Axel Prym, Roetgen, Germany

(former Managing Director of William Prym GmbH & Co.
KG, Stolberg, Germany)

Frederik Vaubel, Düsseldorf, Germany

(Managing Director of Anger Investments GmbH,
Düsseldorf, Germany)

THE MANAGEMENT BOARDS OF THE DIVISIONS

BENTELER AUTOMOTIVE

Ralf Göttel

Oliver Lang (up to July 4, 2019)

Dr. Emerson Galina (from April 1, 2019)

Dr. Jürgen Stahl

BENTELER STEEL/TUBE

Christian Wiethüchter

Dr. Tobias Braun

BENTELER DISTRIBUTION

(PART OF THE GROUP UP TO NOVEMBER 29, 2019)

Dr. Arthur Jaunich

Torsten O. Beer

Heike E. Weishaupt

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