

Media Release

Voith Group

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Voith Turbo plans to adapt structure

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- Establishment of more effective sites in Germany will optimize Voith Turbo's efficiency
- Closure of production in Sonthofen and Zschopau planned by the end of 2020
- Loss of around 230 jobs and relocation of around 370 more planned at Voith Turbo
- Dr. Uwe Knotzer, Chairman of the Management Board, Group Division Turbo: "We want to make Voith Turbo more efficient and effective to sustainably secure our competitiveness and future viability"

HEIDENHEIM, Germany. The global technology group Voith is planning a comprehensive package of measures for the German sites of its Group Division Voith Turbo to secure its competitiveness and viability in the long term. The focus is on streamlining the production base in Germany and on creating centralized, more efficient sites. To this end, production in Sonthofen and Zschopau is to be discontinued by the end of 2020.

"Voith Turbo is confronted with increasing competitive and margin pressure. At the same time, the need for investment is continuously increasing. Investments are necessary, if we are to maintain our position as a technology and innovation leader in the industries that we supply. With the planned package of measures, we want to make Voith Turbo more efficient and effective, securing its competitiveness and viability in the long term," says Dr. Uwe Knotzer, Chairman of the Management Board of the Turbo Division.

The plans envisage specific changes in the production network, particularly in Germany. Voith currently manufactures products in the sectors Industry and Mobility in Sonthofen and Zschopau. Production at these sites is no

longer economically viable and Voith plans to therefore discontinue operations at these sites by the end of 2020. These sites' capacities will then be transferred to other existing locations within the Group Division.

The concentration on fewer, but larger and more effective sites will be accompanied by a moderate job cut predominantly in Germany. A total of around 230 jobs would be lost on balance and around 370 jobs would be relocated to other sites. The package of measures is expected to have a positive impact on Voith Turbo's earnings in the low double-digit millions range by 2021.

Dr. Uwe Knotzer: "The management of Voith Turbo is aware that the planned cuts at the affected locations are very painful. And we are also aware of the responsibility we bear as a company. This is why we want to implement the forthcoming changes as fairly and socially responsible as possible, both in close collaboration with the works council. At the same time, we are firmly convinced that the planned measures are unavoidable if we are to keep Voith Turbo on the road to success in a rapidly changing environment."

About the Voith Group

The Voith Group is a global technology company. With its broad portfolio of systems, products, services and digital applications, Voith sets standards in the markets of energy, oil & gas, paper, raw materials and transport & automotive. Founded in 1867, the company today has more than 19,000 employees, sales of € 4.2 billion and locations in over 60 countries worldwide and is thus one of the larger family-owned companies in Europe.

The Group Division Voith Turbo is part of the Voith Group and a specialist for intelligent drive technology, systems as well as tailor-made services. With its innovative and smart products, Voith offers highest efficiency and reliability. Customers from highly diverse industries such as oil and gas, energy, mining and mechanical engineering, ship technology, rail and commercial vehicles rely on the advanced technologies and digital applications of Voith.

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