

## PRESS RELEASE

### **Zeppelin Group increases sales despite crisis and presents solid result**

#### **Group looks to the future with cautious optimism**

- Group sales: EUR 3.3 billion
- EBITDA: EUR 394 million
- Group earnings before taxes on income and earnings: EUR 125 million
- Workforce 10,170
- All strategic business units contribute to the positive result
- Given the challenging environment, Group management is very pleased with the performance in the 2020 financial year and is cautiously optimistic about the future

**Friedrichshafen / Garching near Munich, March 26, 2021. The Zeppelin Group closes the 2020 financial year with another increase in sales and earnings (EBITDA) and also presents very solid earnings before taxes. With Group sales of EUR 3.3 billion (previous year: EUR 3.1 billion), an EBITDA of EUR 394 million (previous year: EUR 376 million) and a net profit before tax of EUR 125 million (previous year: EUR 134 million), the Group once again was able to increase its sales and report a very attractive result despite pandemic-related pressure and integration expenses for acquisitions made in the previous year. Creditreform Rating AG rated the creditworthiness of the company above average in 2020, awarding it an "A" rating. The total investment volume for 2020 was EUR 203 million. The Zeppelin Group is cautiously optimistic for 2021 and expects steady growth in the relevant markets despite the unresolved COVID-19 pandemic.**

"With the global COVID-19 pandemic, 2020 has presented Zeppelin with major challenges. The experience we gained during the 2008/2009 financial crisis and the strategy we developed as a result are key reasons why Zeppelin has overcome the situation so well. Sales and earnings in 2020 prove that the Group is holding its ground in a difficult market environment and is a reliable key figure for customers and business partners," says Peter Gerstmann, Chairman of the Management Board of Zeppelin GmbH, commenting on the result. "More than anything, it is the people who make Zeppelin. We are proud of the commitment and tireless devotion of all Zeppelin employees in this difficult environment."

Christian Dummler, Managing Director and CFO of Zeppelin GmbH, adds: "Zeppelin reacted very quickly to the new situation and set up crisis management to ensure our range of services for our customers and to safeguard internal performance in the areas of HR, finance, IT services and infrastructure. The excellent collaboration between the crisis

management teams, general management and employee representatives, as well as the Supervisory Board, has made the good results of the 2020 financial year possible. Creditreform Rating AG sees things the same way and in autumn 2020 gave the Zeppelin Group an above-average rating of "A" – the package of measures that we quickly implemented against the backdrop of the pandemic, as well as an adequate focus on the future and investments in the contemporary expansion of infrastructure and IT systems were positive factors in the assessment. We see this as confirmation that we are on the right path."

"Zeppelin can boast that all employees have taken on the challenges of the COVID-19 pandemic together and implemented the necessary measures consistently and quickly. In 2020, our main focus was to secure our operational capacity as a company, protect our employees, and ensure the financial independence of our company. The 'We are Zeppelin' idea and exemplary corporate culture supported the Group through this difficult time," concludes Andreas Brand, Chairman of the Supervisory Board of the Zeppelin Group.

As a whole, the Zeppelin Group was affected by the pandemic in many ways. Temporary uncertainty in the markets, slow public procurement, and closed construction sites due to partial lockdown in some of the markets relevant to Zeppelin led to a noticeable drop in the market and sales of construction equipment. The cancellation of major events and the delayed award of contracts in motorway construction had a detrimental impact on the rental business, and the standstill in the cruise ships segment significantly impaired Zeppelin's business with engines and propulsion units. In addition to COVID-19, the markets in Eastern Europe and Russia were heavily affected by sanctions and geopolitical tensions due to armed conflicts between Armenia and Azerbaijan, domestic conflicts in Belarus, and political interdependencies in Russia.

Plant Engineering suffered from the fact that, despite the high volume of projects, only minor awards were made due to the limited travel options.

The integration of the newly acquired service and sales territories for Caterpillar products in Sweden, Denmark, and Greenland was in line with expectations and enabled the Group to grow its sales again despite the difficult environment. Adjusted for the sales growth arising from the acquisition of the previous year, sales actually fell by five percent due to the effects of the pandemic. Accordingly, net profit after tax was affected by the expenses for the integration of the new business and the actual decline in volume. Earnings (EBITDA)

adjusted for depreciation rose again compared to the previous year and show the actual profitability of the Group in the crisis.

The decline in the markets temporarily required short-time work at various places in the Zeppelin Group. At a very early stage, the company took advantage of the possibilities offered by flexible working time models and allowed remote working as a solution to tackle the pandemic and activity stoppages.

Despite the adverse circumstances, Zeppelin has developed its business segments and expanded its range of temporary energy and climate solutions by acquiring the operations of Energyst Rental Solutions. The acquisition of parts of MTI Mischtechnik strengthens the range of solutions for mixing and processing high-quality bulk materials in the special chemicals segment.

#### **Outlook for the 2021 financial year**

The development of the global economy will depend to a large extent on the containment of the COVID-19 pandemic and regulations on global trade disputes and sanctions. Geopolitical tensions and volatile oil prices are also affecting some of Zeppelin's key markets. Nevertheless, Zeppelin is cautiously optimistic about the future and expects the regional businesses relevant to the Group to be stable and will benefit from the expected growth in commodity markets. Expected market stabilization will be supported by increased public investment in Central Europe and the continuation of state infrastructure projects in Russia and Ukraine. New growth opportunities are opening up with the introduction of a new generation of mobile excavators and material handlers by the manufacturing partner, Caterpillar. Zeppelin is also expecting growth stimulus from the positioning of products and services in the area of emergency power generators for data centers in the northern and eastern European markets.

The growth strategy launched in Scandinavia will continue in 2021 with, among other things, the expansion of financing solutions for customers, and the opening of new sites. The year will also see the operational integration of the newly acquired Energyst Rental Solutions and the integration of major parts of MTI Mischtechnik.

In terms of digitalization, Zeppelin continues to invest in the establishment of a global data infrastructure as an essential foundation for the further development of digital business models and platforms in order to align services and offers with future requirements.

## Key figures at a glance

		2020	2019
<b>Sales</b>			
Construction Equipment Central Europe SBU	EUR million	1,373	1,470
Construction Equipment Nordics SBU	EUR million	258	n/a
Construction Equipment Eurasia SBU	EUR million	494	500
Rental SBU	EUR million	528	509
Power Systems SBU	EUR million	407	392
Plant Engineering SBU	EUR million	306	332
<b>Total for the Group<sup>1</sup></b>	<b>EUR million</b>	<b>3,272</b>	<b>3,118</b>
<b>Employees</b> (FTE as at December 31, including trainees for 2019, Zeppelin GmbH as well as 709 employees and 8 trainees from the acquisitions in Sweden and Denmark)			
<b>Total for the Group<sup>1</sup></b>		<b>10,170</b>	<b>9,748</b>
<b>Cash flow from operating activities<sup>2</sup></b>	<b>EUR million</b>	<b>259.6</b>	<b>75.4</b>
<b>Investments</b>	<b>EUR million</b>	<b>203</b>	<b>369</b>
<b>EBITDA (Earnings before interest, tax, depreciation and amortization)</b>	<b>EUR million</b>	<b>394</b>	<b>376</b>
<b>Net profit before tax</b>	<b>EUR million</b>	<b>124.6</b>	<b>133.7</b>

SBU: Strategic business unit  
All information adjusted in accordance with IFRS

**Caption:** The Management Board of the Zeppelin Group (from left to right): Christian Dummler, Alexandra Mebus, Michael Heidemann, Peter Gerstmann (archive image).

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<sup>1</sup> including Zeppelin GmbH and SMC Zeppelin Digit/Zeppelin Lab GmbH

<sup>2</sup> Cash flow from operating activities (IFRS); definition adjusted for 2020 and earlier

## About the Zeppelin Group

The Zeppelin Group offers solutions for the construction industry, drive systems and energy sectors as well as engineering and plant engineering; it is represented in 43 countries and regions around the world at more than 220 sites. The company's approximately 10,000 employees work together in a management holding company, six strategic business units and a strategic management center (= Zeppelin Digit): Construction Equipment Central Europe, Construction Equipment Nordics, Construction Equipment Eurasia (distribution and service of construction, mining, and agricultural machinery), Rental (rental and project solutions for construction and industry), Power Systems (drive, propulsion, traction, and energy systems), Plant Engineering (engineering and plant engineering) and Zeppelin Digit (IT and digitalization). All digital business is handled together within Zeppelin Digit. In the 2020 financial year, the Group generated sales of EUR 3.3 billion. Zeppelin GmbH is the Group holding company. It is legally domiciled in Friedrichshafen and has its head office in Garching near Munich. The Zeppelin Group is a foundation-owned company. Its roots can be traced back to the establishment of the Zeppelin Foundation by Graf Ferdinand von Zeppelin in 1908. For more information, visit [zeppelin.com](http://zeppelin.com).

### **Zeppelin GmbH**

Corporate Communications  
Graf-Zeppelin-Platz 1  
85748 Garching near Munich,  
Germany

### Group spokesperson:

Sandra Scherzer  
Tel.: +49 89 3 20 00 - 440  
Fax.: +49 89 3 20 00 - 7440  
Email: [sandra.scherzer@zeppelin.com](mailto:sandra.scherzer@zeppelin.com)  
**[zeppelin.com](http://zeppelin.com)**