

PRESS RELEASE

SICK remains on course for growth

Sensor manufacturer's sales and earnings see strong growth

Waldkirch/Hanover, 14. April 2015 – The SICK Group achieved further growth in 2014. Sales increased by 8.9 percent compared to the previous year, while the EBIT recorded a strong growth of 16.9 percent. SICK benefited in particular from the consistently high demand from Asia, as well as the enormous need for intelligent sensor solutions for Industry 4.0-compliant manufacturing and logistics concepts, making 2014 a record year for sales and earnings.

The SICK Group is continuing its global growth course. The sensor manufacturer achieved sales of EUR 1,099.8 million, resulting in an increase of 8.9 percent. Orders received grew by 11.1 percent to EUR 1,122.8 million. “SICK achieved substantial growth in all parts of the world in 2014. This was fueled in particular by the Asia-Pacific area. We have benefited from the demand for environmental measuring technology and safety technology in China, but have also been able to increase sales significantly in India and Korea,” said finance director Markus Vatter when the balance sheet ratios were published on Tuesday. Factory automation sales saw above-average growth in the automotive industry and in mechanical engineering. There was a substantial rise in the provision of logistics automation equipment for retail businesses and courier, express, post, and package service providers, while demand for process automation solutions in power and cement plants also rose significantly.

Above-average growth in earnings

In comparison to 2013, the EBIT improved even more than sales: With more efficient use of materials and intensive cost management, the EBIT increased from EUR 88.3 million to EUR 103.2 million (+16.9 percent). This resulted in an EBIT margin of 9.4 percent. Annual earnings of EUR 69.8 million represented an increase of 17.9 percent compared to the previous year. The net return on sales rose to 6.3 percent.

Employee numbers increase internationally

The positive sales development also had an impact on employee numbers, which grew by 7.8 percent at the international sites – double the figure for sites in Germany, which saw an increase of 3.9 percent. The production sites in Hungary and Malaysia in particular saw a rise in personnel numbers, while European and Asian sales companies also boosted their payroll. In addition, development expanded at the international sites, especially in Singapore. At the end of 2014, SICK had 6,957 employees worldwide – 5.5 percent more than at the end of 2013. On the reporting date, there were 4,147 employees in Germany and 2,810 at the international sites.

Investment in production and sales

SICK has invested in new production and office buildings at its sites in Reute and Dresden in Germany, as well as in a new distribution center. It has also invested funds in new manufacturing plants at its

production sites in Hungary, Malaysia, and the USA. The company strengthened its global sales presence by founding a joint venture in Chile and establishing a new sales company in Malaysia.

Increased spending on research and development

SICK has expanded its intensive research and development activities once again, investing EUR 116.2 million in R&D. This equates to 10.6 percent of sales. In 2014, there were an average of 817 employees working on new technologies and products in research and development. The acquisition of the radar industry sensor business of micas AG enabled SICK to further diversify its extremely wide product portfolio, which covers a multitude of technologies and sectors.

Industry 4.0 offers major opportunities for growth

The concept of an intelligent factory can only be realized if reliable, intelligent sensor technology can be trusted to record the required quantities of data. The prognosis for the coming year is, therefore, positive: "With our sensor products, we are helping customers to make their processes more transparent so that they can work more flexibly and handle their resources more efficiently. I am therefore very confident that we will be able to achieve sales growth in the high single-digit percent range once again in the 2015 fiscal year. We are seeing good market opportunities worldwide and expect to see an increase in demand in Germany and Europe as well as growth impulses from Asia and America," says Markus Vatter.

The key ratios from this report at a glance:

SICK Group (IFRS)	2013	2014	Change in %
Orders received (in millions of EUR)	1,010.6	1,122.8	+11.1
Sales (in millions of EUR)	1,009.5	1,099.8	+8.9
EBIT (in millions of EUR)	88.3	103.2	+16.9
Annual earnings (in millions of EUR)	59.2	69.8	+17.9
R&D spending (in millions of EUR)	102.3	116.2	+13.6
Employees at the end of the year	6,597	6,957	+5.5

SICK is one of the world's leading manufacturers of sensors and sensor solutions for industrial applications. Founded in 1946 by Dr.-Ing. h. c. Erwin Sick, the company with headquarters in Waldkirch im Breisgau near Freiburg ranks among the technological market leaders. With more than 50 subsidiaries and equity investments as well as numerous representative offices, SICK maintains a presence all around the globe. In the 2014 fiscal year, SICK had around 7,000 employees worldwide and achieved Group sales of EUR 1,099.8 million.

Additional information about SICK is available on the Internet at <http://www.sick.com> or by phone at +49 7681 202-3148.