**SICK AG achieves stable results during the turbulent year of 2020**

Results almost as good as those of 2019 // Strong growth in logistics automation // Workforce increases slightly, with no short-time working // No delivery problems due to coronavirus pandemic

Waldkirch, 21 April 2021 – Despite challenging economic conditions, the SICK Group achieved solid results in 2020. The sensor company booked a slight fall in sales of 2.9% to EUR 1,700.2 million (2019: EUR 1,750.7 million). At the same time, SICK significantly exceeded the sales trend of Germany’s mechanical engineering industry according to the VDMA, a German engineering association, which estimates that there was a 14 percent decrease in production in 2020. Demand for sensor solutions remained high during the 2020 fiscal year, and resulted in the receipt of orders worth EUR 1,726.4 million (2019: EUR 1,774.1 million). The number of employees worldwide grew by 2.2 percent to a total of 10,433 during this crisis-ridden year.

The course of the 2020 fiscal year was greatly influenced by the negative effects of the Covid-19 pandemic on global economic development. Sales, having fallen considerably in spring due to lockdowns in many countries and the subsequent effects on many sectors, recovered during the second half of 2020. Sales performance exceeded the forecasts made at the start of the pandemic and, together with cost discipline, ensured satisfactory operating results. Proactive cost management contributed towards a 5.8 percent increase in EBIT to EUR 140.6 million which, at 8.3 percent of sales, represents a slight increase (EBIT margin in 2019: 7.6 percent). With the exception of Group revenue, the SICK Group was able to achieve its targets for the 2020 fiscal year. The company again invested a high proportion of its sales revenue in research and development – 11.8 percent compared to 11.5 percent in 2019 – and steadfastly continued its innovation-oriented strategy.

“We achieved stable results despite the effects of the pandemic, above all thanks to the extraordinary commitment of our employees. The fall in orders during the first half of 2020 was countered with rapid adaptation of our costs and investments. At the same time, we focused on future topics of importance for the sensor-based digital transformation, and expanded our technological lead in this area. Digitalization made considerable progress in 2020, and customers chose SICK as a partner on their path to automation and digital transformation,” Dr. Robert Bauer, Chairman of the Executive Board of SICK AG, commented on publication of the balance sheet for 2020.

**High demand for sensor solutions for logistics automation**

Demand for sensor products and applications differed during the year in SICK’s various business fields, developing very positively in logistics automation in particular. The SICK Group’s broad industry positioning allowed the economic weaknesses of individual target sectors to be offset, proving its importance during this year of crisis. Moreover, the company’s international alignment allowed it to bridge lockdowns in specific regions and maintain sales close to the previous year’s level through sales activities in growth regions.

In the domestic market of Germany, the reluctance of companies to invest in factory automation, in particular, impaired sales development here and sales, at EUR 283.9 million, were 10.1 percent below those of 2019. The sales region of Europe, the Middle East and Africa (EMEA) was also strongly hit by the effects of the coronavirus pandemic, failing to achieve the forecast target with sales of EUR 601.4 million. The fall in sales of 6.7 percent was mainly due to poor performance in Italy, France and the Czech Republic. The fiscal year in North and South America (the Americas) was considerably more stable, with 1.9 percent growth in sales to EUR 387.3 million – and was particularly characterized by high demand for logistics automation in North America. Growth in the Asia-Pacific region was also positive, amounting to 4.3 percent with sales of EUR 427.6 million. Dynamism in China, in particular, grew considerably during 2020. Currency rate effects had a negative effect on the development of Group sales during the fiscal year of 2020. The fall in sales revenue would only have been about 0.9% if the average exchange rate had remained unchanged.

**Sensor solutions for the digital transformation**

SICK achieved an EBIT of EUR 140.6 million, creating a stable basis for continued economic development, as well as for investments in cutting-edge technologies and the company’s innovative strength. The company maintained its high spending on research and development, investing EUR 201.1 million in developing sensor-based applications. The number of employees in research and development increased to 1,367 as planned, and contributed towards converting innovative ideas into marketable products.

With its SICK AppSpace and SICK IntegrationSpace, SICK expanded its portfolio of digital solutions in 2020 and now provides customers with simple vertical integration of sensor data all the way up to the cloud level. In addition to the numerous inventions and further developments of sensor devices and complete solutions (e.g. track-and-trace systems for logistics) that were placed on the market, there was also a strong focus on digital applications designed to make the potentials of artificial intelligence available to SICK’s customers, among others, even without their having programming expertise. The Start-Up Initiatives founded in 2018 contribute great specialist competence to the company and win customer projects. Entering the field of quantum sensors, SICK also opened up a key technology for the future in 2020. SICK and the TRUMPF subsidiary Q.ANT collaborated to develop the first industrial quantum sensor – which will be used in customer pilot projects this year.

**Increased workforce instead of short-time working**

SICK slightly increased its workforce during the 2020 fiscal year by 2.2 percent worldwide to 10,433 employees. New personnel were mainly employed in operative production, as well as customer-oriented departments such as Research and Development, Sales and Service. The number of trainees in the Group rose by 5.2 percent to 384 apprentices and students carrying out work-study programs. The proportion of trainees should also remain stable in 2021, with about 70 new training places being created at SICK.

Since the start of 2020, the Covid-19 pandemic has set the pace and posed challenges throughout the organization. The health of employees received maximum protection with the early founding of a Coronavirus Task Force in February 2020, and the dense networking of worldwide production and logistical capacities ensured delivery capability. Though targeted stock management measures increased storage costs, they guaranteed the company’s ability to continue deliveries. A clearly defined hygiene concept, the mandatory wearing of masks, and rapid tests for departments where attendance was unavoidable (such as Production, Logistics and Service) continue to protect SICK employees during the ongoing pandemic. About 80 percent of employees took up SICK’s offer of mobile working.

“The necessary IT infrastructure was rapidly prepared for all employees who could carry out their tasks from home. I am pleased that we could also exploit our agility and innovative strengths for internal company purposes, speedily creating a secure remote work environment. We were constantly available for our customers worldwide via new digital processes and communication platforms, and were able to secure our delivery capability,” said Markus Vatter, Member of the Executive Board of SICK AG with responsibility for Controlling, Finance and IT.

**Sustainable corporate management in the jubilee year of 2021**

SICK anchored the topic of sustainability in its strategy during the 2020 fiscal year, releasing a new sustainability strategy in harmony with the relevant sustainability goals of the United Nations and putting ecology at the heart of all efforts. The environment was already a matter of concern for the company founder, Dr. Erwin Sick, who developed the first smoke density measuring device in 1956 to reduce air pollution.

In autumn 2021, SICK’s 75th corporate jubilee will honor the pioneering work of Dr. Erwin Sick and trace the development of optoelectronics and automation leading to the digital transformation. Infection concerns permitting, the jubilee will be celebrated in September with SICK employees – as well as long-standing companions of the company from business, various associations and politics.

Forecasting for the 2021 fiscal year is made considerably more difficult by the continuing coronavirus pandemic, as well as disruptive factors in the world economy. Nevertheless, catch-up effects are likely during the coming year, and have already made themselves felt in the satisfactory level of orders received during the first quarter of 2021. In addition, the significance and development speed of digitalization is continuing to increase – for which sensor solutions from SICK are of major importance. The stable annual results, as well as the company’s high profitability and innovative strength, support SICK’s abilities to come out of the pandemic stronger and to exploit growth opportunities in existing and future markets.

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| **The SICK Group (IFRS)** | **2019** | **2020** | **Percentage change** |
| Orders received (in m. EUR) | 1,774.1 | 1,726.4 | -2.7 |
| Sales (in m. EUR) | 1,750.7 | 1,700.2 | -2.9 |
| EBIT (in m. EUR) | 132.9 | 140.6 | 5.8 |
| Group profits (in m. EUR) | 93.9 | 101.1 | 7.7 |
| R&D expenditure (in m. EUR) | 202.0 | 201.1 | -0.4 |
| Employees on 31 December | 10,204 | 10,433 | 2.2 |

Picture: SICK\_Chairman of the Executive Board Robert Bauer (© SICK AG)

Caption: Dr. Robert Bauer, Chairman of the Executive Board of SICK AG.

Picture: SICK\_Executive Board Member Markus Vatter (© SICK AG)

Caption: Markus Vatter, Member of the Executive Board of SICK AG with responsibility for Controlling, Finance and IT.

Picture: SICK\_Infographic\_Financial Results 2020 (© SICK AG)

Caption: Overview of key performance indicators for SICK AG in 2020 fiscal year.

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SICK is one of the world’s leading suppliers of solutions for industrial sensor-based applications. The company, founded in 1946 by Dr. Erwin Sick and based in Waldkirch-im-Breisgau near Freiburg, is a technology and market leader with a global presence – with more than 50 subsidiaries and associated companies, as well as numerous sales offices. SICK achieved Group sales of about EUR 1.7 bn. during the 2020 fiscal year with more than 10,000 employees worldwide. Further information on SICK is available at [www.sick.com](http://www.sick.com/)