In the field

TRUMPF

Annual Report 2020/21

TRUMPF GROUP KEY FIGURES

	2019/20	**2020/21**	Change from 2019/20 *in percent*
SALES REVENUES *in million euros*	3,487.7	**3,504.7**	**+0.5**
ORDER INTAKE *in million euros*	3,278.2	**3,924.8**	**+19.7**
EBIT *in million euros*	309.1	**369.5**	**+19.5**
EBIT MARGIN *in percent*	8.9	**10.5**	**–**
INVESTMENTS *in million euros*	194.3	**145.3**	**–25.2**
RESEARCH AND DEVELOPMENT COSTS *in million euros*	377.4	**382.4**	**+1.4**
BALANCE SHEET TOTAL *in million euros*	3,914.7	**4,225.0**	**+7.9**
EQUITY *in million euros*	2,017.2	**2,015.9**	**–0.1**
EQUITY RATIO *in percent*	51.5	**47.7**	**–**
ECONOMIC EQUITY* *in million euros*	2,303.4	**2,358.9**	**+2.4**
ECONOMIC EQUITY RATIO *in percent*	58.8	**55.8**	**–**
EMPLOYEES ON JUNE 30 *number*	14,325	**14,767**	**+3.1**

* Equity capital plus long-term loans from partners

Business divisions and business fields

BUSINESS DIVISIONS

MACHINE TOOLS

MACHINE TOOLS FOR FLEXIBLE SHEET METAL MANUFACTURING

TRUMPF's largest division involves machine tools for flexible sheet and pipe machining. Our portfolio encompasses systems for bending, punching, combined punch laser processes, and for laser cutting and laser welding tasks. We offer our customers tailor-made machines, automation and networking solutions, consulting, financing, and a wide range of services so that they can manufacture their products cost effectively, reliably, and to a high quality. With our software solutions, we assist them in all their sheet metal tasks, from design to complete production control.

TruLaser 5030 fiber

LASER TECHNOLOGY

LASERS FOR PRODUCTION TECHNOLOGY

Cutting, welding, marking, surface machining: we have exactly the right laser for every industrial application, as well as the right technology to ensure innovative and yet cost-efficient production. For work at macro, micro, or nano level, we take an individual approach to our customers' needs and are at their side offering them system solutions, software tools, application expertise, and advice. Our Electronics field offers process power supply units for high-tech applications. Our generators provide electricity for induction heating and plasma and laser excitation, with precisely the right frequency and power our customers require.

TruMark Station 7000

BUSINESS FIELDS

EXTREME UV LIGHT

TRUMPF laser amplifier

HIGH-POWER LASER SYSTEMS FOR EUV LITHOGRAPHY

TRUMPF has developed a unique CO_2 laser system in close cooperation with ASML, the world's largest manufacturer of lithography systems, and optical system manufacturer ZEISS. High-power lasers from TRUMPF play a key role in the production of the latest generation of microchips: they are used to generate a luminous plasma that delivers extreme ultraviolet (EUV) radiation to expose the wafers.

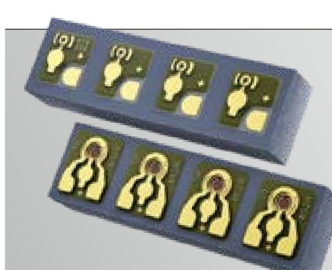
ADDITIVE MANUFACTURING

ADDITIVE MANUFACTURING FOR INNOVATIVE COMPONENTS

Additive manufacturing enables the simple production of complex parts. TruPrint systems from TRUMPF are used in medical technology, the energy industry, and aircraft construction. TRUMPF is a master of the two key metal printing processes: Laser Metal Fusion (LMF) and Laser Metal Deposition (LMD). This means that it can offer customers the solution that best suits their application.

TruPrint 5000

PHOTONIC COMPONENTS



Datacom VCSEL
and photodiode array

LASER DIODES FOR PHOTONICS AND DIGITAL PRODUCTS

Laser diodes from the TRUMPF Photonic Components business field are used in smartphones, digital data transmission, and sensors for autonomous driving. Over a billion cell phones worldwide are already equipped with this laser diode technology. In electromobility, the technology is used to dry films in the production of batteries.

FINANCIAL SERVICES

COMPANY-OWNED FULL-SERVICE BANK FOR PURCHASE LOANS

Along with their quote for a machine, TRUMPF customers also receive a lease or hire purchase offer. Our custom-tailored finance solutions are based on financing experience and expertise in the mechanical engineering industry. The TRUMPF bank is active in nine European countries. For other core markets such as the US and China, TRUMPF collaborates with partners.

Finance concepts for
state-of-the-art
production technology

In the field

with
Mikael **Olsson**
David **Bloechl**
Fiona **Bangerter**
Ahmed **El-Mogy**
Mark Daniel **Ori**
Uwe **Bonk**
Priscila **Melo**
Deepak **Kumar**
Takefumi **Hori**
Youngjo **Choi**
Andreas **Besigk**
Franziska **Weissmann**
Orlando **Walker**
Jeff **Li**

and approximately 2,500 employees in our field service worldwide.

TRUMPF

Annual Report 2020/21

Dear readers,

Driving late at night with telegraph wires crisscrossing overhead, an aluminum tray of fast food: what seems like a road movie or a stylized version of trucker life was normality for many of our global sales staff and service technicians in this year of coronavirus.

While people back home were hotly debating remote working, our field staff, just like their colleagues in production, building security, the health center or the kitchens, only had a limited choice. To maintain our part of the supply chain, thereby keeping a promise made to our customers and partners, they put themselves ‘in the field’ for TRUMPF. Which often meant dealing with paperwork when entering and leaving the country, and long quarantine periods in hotels or guesthouses resembling ghost resorts – without the usual catering. And possibly also with the fear of infection despite taking every precaution.

For all the advances in digital working, field service is still a people-facing business, a fact that is often forgotten. And it’s doubly important for us in business terms. Because Sales sells the first machine, they say. But Service sells the second.

So this annual report is dedicated to them: to those employees who were rarely seen in the media during the pandemic. And who, despite difficult conditions, delivered an outstanding fiscal year for us with a record order intake of almost 4 billion euros for the first time (previous year 3.3 billion euros), an increase of almost 20 percent. It is also thanks to them that our sales revenues not only stabilized at 3.50 billion euros (previous year 3.49 billion euros), but even grew slightly.

Our operating profit increased by 19.5 percent to 370 million euros (previous year 309 million euros). And at 10.5 percent (previous year 8.9 percent), the Group's rate of return was also higher than we had anticipated. The reason for this was not short-time working, which was relatively insignificant in terms of size, but rather a bundle of measures to improve earnings by cutting back flexible capacities, consistently postponing investments, and also dispensing with external consulting services, trade fairs, travel expenses, and overnight stays – with the exception of our field service.

Even greater than our delight at an exceptionally satisfactory fiscal year, for which I would like to thank all our employees as well as our loyal customers and business partners, is our pleasure at the exemplary way in which we coped with the coronavirus pandemic. Our crisis management activities, which included early testing and, eventually, vaccination, enabled us to get through the pandemic year with consistently low numbers of infections.

And now I wish you a stimulating read of our new annual report. On the following pages, you will get to know eleven male and three female field service employees who have literally been ‘in the field’ for us. Once again, I would like to express my special thanks to them as representatives of the entire TRUMPF field service.

YOURS SINCERELY,
NICOLA LEIBINGER-KAMMÜLLER

CONTENTS

1

IN THE FIELD — VISITING OUR CUSTOMERS

USA

In the field

— **In the field, at our customer's premises, Sales and Service are the face of TRUMPF.** Our employees in the field provide advice and conclude sales, set up and commission, repair and maintain. They ensure that our customers can produce quickly and reliably with TRUMPF machines and lasers. At the same time, they act as crisis counselors, problem solvers, and motivators – in other words, people to whom customers, or even colleagues from the office, can vent their frustrations. In the past fiscal year, during the global coronavirus pandemic, their commitment was more important than ever. The vast majority of employees in the company had to deal with hygiene concepts in meeting rooms, reduced dining options in the company restaurant, and the challenges of mobile working. However, our service technicians and sales representatives put on their face masks, packed disinfectant into their company cars, and hit the road. They were our sole point of contact with our customers. We would like to shine a spotlight on our employees in TRUMPF Sales and Service. And to thank them especially for their commitment during these pandemic times! ➡

COLLABORATIVE RELATIONSHIP WITH CUSTOMERS

Around 2,500 employees work for TRUMPF in the field. This includes service technicians who not only carry out routine maintenance work, but also sometimes arrive at night or weekends to ensure that broken-down systems start producing again as quickly as possible. Also among them are sales employees who work with customers to find the most suitable solution – even if it is to TRUMPF's disadvantage.

What quickly becomes clear is that Service and Sales are crucial to the success of TRUMPF. Our employees in these teams represent the values and expertise that characterize TRUMPF all over the world. They are usually the first point of contact for customers. In case of doubt, if something goes wrong, they have to answer for everything. They also can't just look at the clock and down tools after a long day of work with lots of overtime. It's part of the game, part of the job.

Whether in a suit, cleanroom overalls, dungarees or a cowboy hat: our field service employees are the face of TRUMPF at our customers' places of business.

Yet Sales and Service employees often operate under the radar; at least it feels that way. Because they are out in the field every day and hardly ever on site, it is easy for most of the rest of the workforce to lose sight and awareness of them. But that is only how it feels. A post in early 2021 on the TRUMPF intranet about the challenges faced by field service employees during the coronavirus pandemic received several hundred encouraging comments. Even members of the management board commented appreciatively: "We see and appreciate your commitment to the success of our company!"

Of course, customers could say the same thing to TRUMPF service technicians who get production up and running again at their facilities. After all, their success also depends to a large extent on the commitment and dedication of our field service. It is primarily Sales that builds up a long-lasting and collaborative relationship with customers, in some cases supporting them from the very beginning and working closely with them to further develop their production. Trust is at the heart of this relationship. "When there is trust, the business almost takes care of itself," employees from Sales unanimously confirm.

Small and medium-sized companies in particular rely heavily on the advice and support provided by TRUMPF's field service. They trust the integrity of Sales, which acts as an important sounding board for them when it comes to the question of how they should invest their money sensibly. After all, customers rightly expect their return on investment to increase when they buy a new machine.

LONE WOLVES WITH EMPATHY

What type of person do you have to be to choose to work in the field? A lone wolf, perhaps, because you're practically on your own out there? Because you often eat dinner alone in a restaurant, and because music from your car radio is frequently your only accompaniment for the day? Sure, lone wolf qualities are necessary. But if you talk to people in Service or Sales for any length of time about their work, you quickly realize that there is another quality that is much more crucial: empathy.

They need the full repertoire of social and interpersonal skills to work with the many different types of people they encounter every day. They need to be able to talk eye-to-eye both with factory-floor machine operators and with general managers considering a possible investment. Without being arrogant or overbearing, and without appearing unsure or indecisive. And they have to be enthusiastic about technology. Anyone working in the field at TRUMPF will be passionate about cutting-edge technology and innovation, because no two customer requirements are ever the same.

Swiss idyll
Serpentine near Grüsch, Switzerland.

On the following pages, we get up close and personal with 14 people


MIKAEL OLSSON


DAVID BLOECHL


FIONA BANGERTER


AHMED EL-MOGY


MARK DANIEL ORI

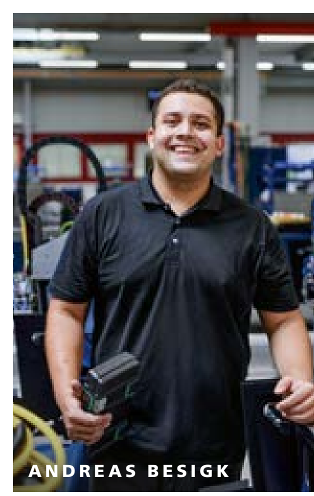

UWE BONK

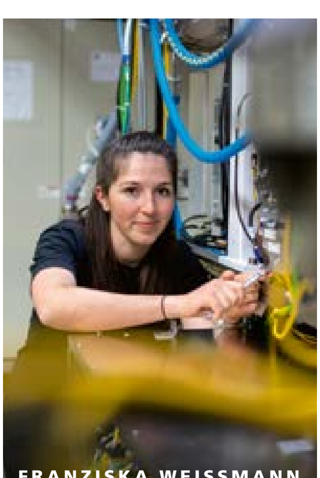

PRISCILA MELO


DEEPAK KUMAR

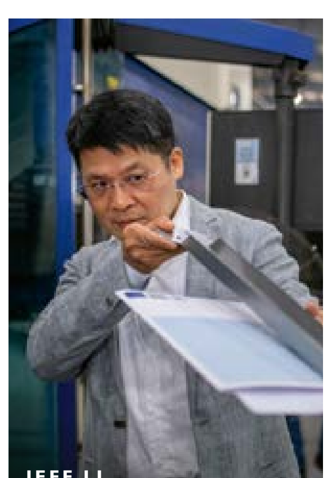

TAKEFUMI HORI


YOUNGJO CHOI


ANDREAS BESIGK


FRANZISKA WEISSMANN


ORLANDO WALKER


JEFF LI

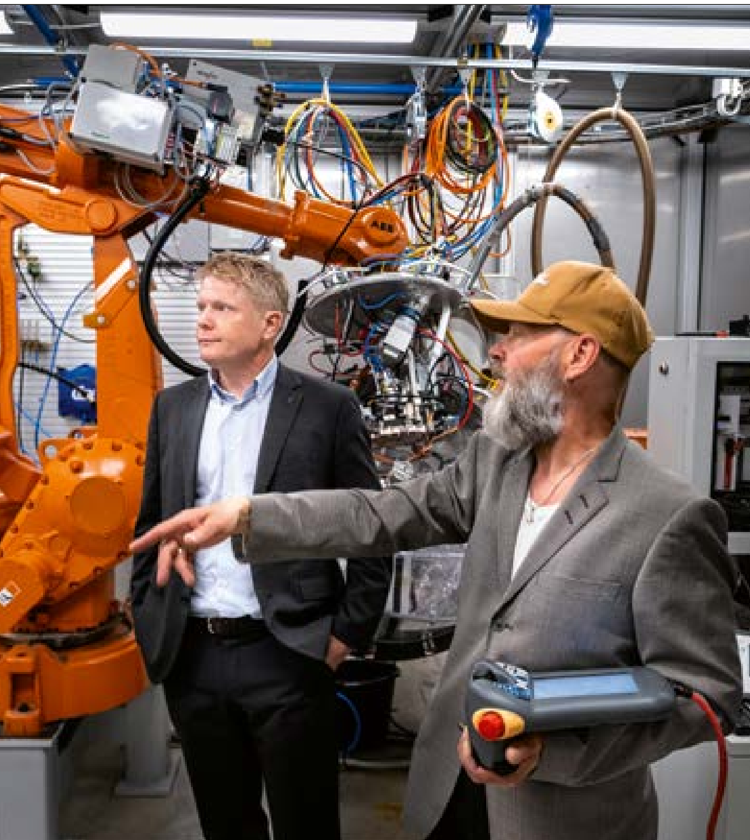
who are in the field every day for TRUMPF and our customers.

Colleagues on the ground for our customers

INCLUDE MIKAEL OLSSON, DAVID BLOECHL, FIONA BANGERTER, AHMED EL-MOGY, MARK DANIEL ORI, UWE BONK, PRISCILA MELO, DEEPAK KUMAR, TAKEFUMI HORI, YOUNGJO CHOI, ANDREAS BESIGK, FRANZISKA WEISSMANN, ORLANDO WALKER AND JEFF LI.

— **Sales and Service employees lead a life on the road.** The kilometers they drive in their car could take them around the world several times each year; they carry out repairs at night, conclude sales, and provide advice in the remotest corners of the world. They are the face of TRUMPF in the field. They are on standby if a machine or laser fails. They are seemingly always available and in action at all times. They were even deployed during the coronavirus pandemic. Infection risk, social distancing, hygiene, testing, and quarantine measures were and are their daily companions. Eating noodles out of an aluminum tray is not folklore for them, but lived reality. They stocked up on food from supermarkets and fast food outlets because restaurants were closed; they drove miles to test stations and spent days in quarantine hotels. It's time to bring them out of the shadows and honor their accomplishments. On the following pages, we will meet 14 employees from Sales and Service who are in the field every day. For TRUMPF. For our customers. ➡

RECORDED IN SHORT INTERVIEWS AND TRANSCRIPTS FROM MEMORY BY ATHANASSIOS KALIUDIS.



— **In field service since**
2014

— **Area covered**
Sweden & Norway

— **Kilometers driven per year**
approx. 5,000

— **Customers visited per year**
approx. 100

Mikael Olsson

Sales

— **Not much work, massive salary, fancy car – these are the clichés about salespeople. Fact or fantasy?** (Hearty laughter) For me at any rate this is a fantasy. Particularly the combination of “not much work” and “massive salary”. For one thing, my customers rightly expect to be able to reach me at any time – even on Friday evenings. But then again that’s precisely the trick: finding a work/life balance. — **How successful are you in doing that?** The most important thing is to prioritize properly. This is something I had to learn at the beginning of my career. I’ve been working in sales for 20 years, and I’m doing relatively well now. But sure, there are times when it’s quite challenging. I have three children at home, and I want to spend time with them, too. — **How do you balance your family life with your job?** With a fair amount of pragmatism and equanimity. And a family that is willing to put up with the job and the time and effort that goes with it. — **Your most bizarre moment?** I had a trunk full of obstetric suction cups one day, and components for a space shuttle the next. And I thought to myself: our technologies are helping people come into this world – and leave it. Just brilliant! — **And what about the flash car?** I’m very happy with my Volvo.

— In field service since
2013

— Area covered
North America

— Kilometers flown per year
approx. 220,000

— Customers visited per year
approx. 55

David Bloechl

Service

— **Countless lines of cars passed me, coming out of the danger zone.** The only one heading in the opposite direction was me. A category 4 hurricane had been forecast in Louisiana. “You don’t have to do it,” said my boss. For almost six weeks I had been screwing together two new systems for a customer and now we were on the point of handing them over. The city was deserted. I couldn’t leave our customer hanging. If I didn’t complete the installation, I wouldn’t be able to get back to it for another month, because I was completely booked. So I drove in. Two machine operators and the boss were waiting in the factory. Everyone else had fled. I had to drive my car into the factory building to protect it from flying parts. I was working on the equipment, the hurricane was raging outside, the gates were rattling, when suddenly all the lights went out – power failure! Game over? No! I kept on screwing as a little daylight was still coming in. When it got too dark and the storm subsided, I went to a hotel. However, I spent the night in the car as there was no electricity in the hotel either, and in Louisiana the close atmosphere is almost unbearable without air conditioning. The next morning, I drove back to the customer to tighten up the final screws and hand over the machine. As I headed home that afternoon, the system was producing its first parts.

— **In field service since**
2019

— **Area covered**
Germany

— **Kilometers driven per year**
approx. 45,000

— **Customers visited per year**
approx. 160

Fiona Bangerter

Service

— **As a technically savvy woman, I am very happy to be in an industry that is still dominated by men.** I feel at home with a wrench in my hand. Of course, as a female service technician in mechanical engineering, you can’t be too picky and have to overcome certain difficulties. For example, I very quickly got into the habit of driving to the customer in my work clothes and not changing on site. Why? Well it’s quite simple. Many of the companies where I service our machines and systems don’t have any sanitary facilities for women. But that’s not a problem for me at all. I just get in the car with my work clothes already on and drive off. Prejudices about “women and technology” still exist here and there, but to be honest I find them rather amusing. I assume that I do my job quite well – otherwise TRUMPF wouldn’t send me out to customers!

— In field service since
2009

— Area covered
Egypt & Lebanon

— Kilometers driven per year
approx. 70,000

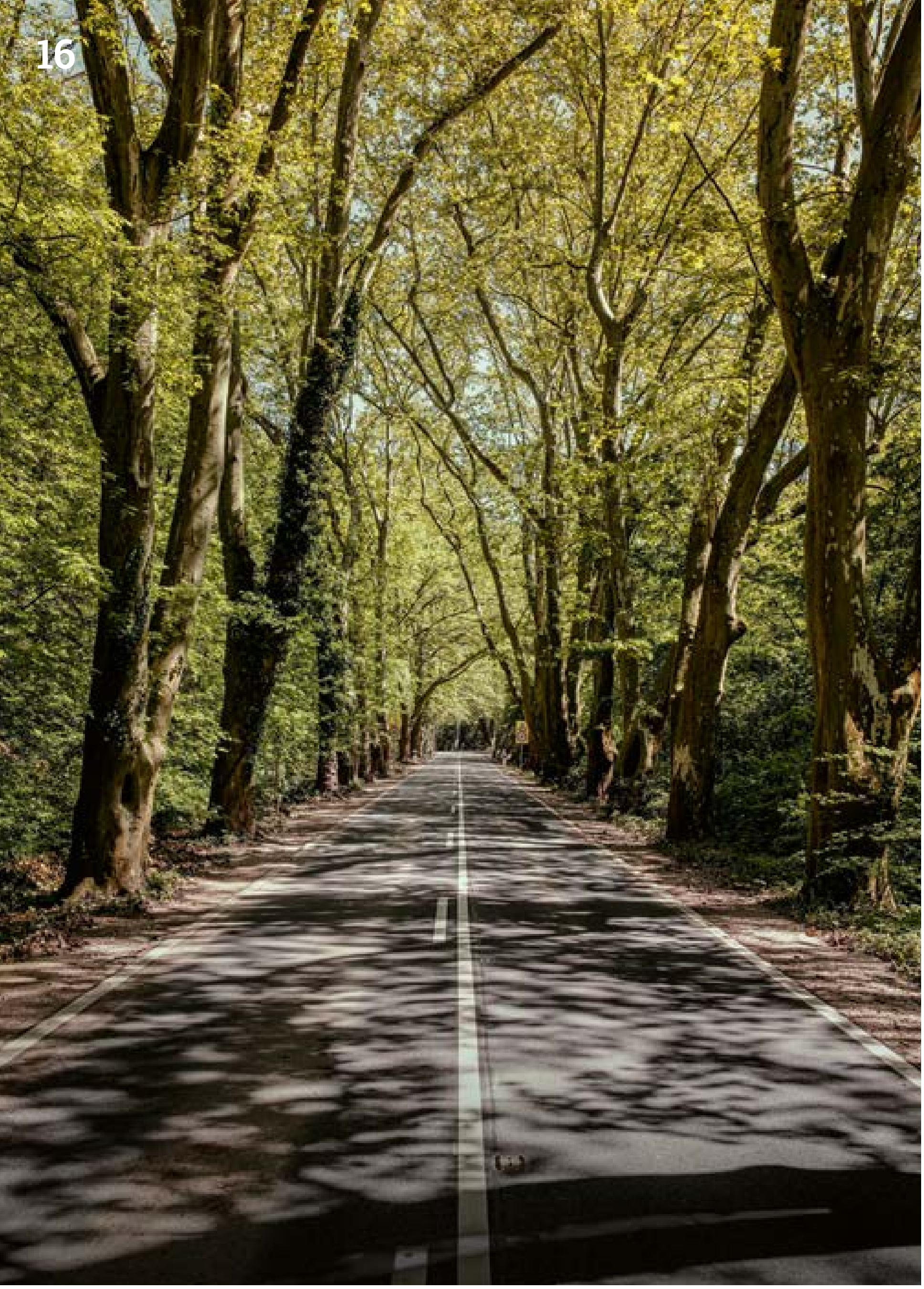
— Customers visited per year
approx. 200

Ahmed Khaled Ismail El-Mogy

Sales

— **Maybe it was an act of defiance. Maybe it was frustration. I was downhearted and wanted to put a positive spin on an unfortunate day.** I had been traveling to a customer in Alexandria for sales meetings at least two days a week for the past few months, a two-hour drive one way – and I ended up losing the job to a competitor. That's part of the business, no question. But I was still frustrated. Then, close by, I saw a small factory building with some metal sheets stacked in front of it. I knocked on the door, got into conversation with the company manager, and he showed me around his production hall. And there I actually saw an ancient TRUMPF machine – it was so old, it still had the company logo emblazoned on it, which we had replaced with a new one in 1985. "What, you work for that company?" the company manager asked me in amazement. What happened next is something I have never experienced again. He wanted to buy a new machine right away: no negotiations, no offers. Pretty much out of the blue. I drove home, telephoned my colleagues in Germany, and made sure that our newly regained customer got the machine he wanted. Today he is one of my most loyal customers.

Citadel of Saladin
near the center of Cairo.



Avenue in Hungary
en route to a customer near Budapest.




— **In field service since**
2019

— **Area covered**
Eastern Europe

— **Kilometers driven per year**
approx. 65,000

— **Customers visited per year**
approx. 230

Mark Daniel Ori

Service

— **65,000 kilometers per year – do you ever get homesick?** That does happen from time to time, sure. I talk to family and friends on the phone almost every night when I get to the hotel. There is always something to tell, so I never feel lonely. — **How does it feel to be on the road so much?** I have the privilege of traveling to different countries. I commute between Hungary, Serbia, Slovenia, Croatia and Romania – I sometimes even have an assignment in Greece. On the way, I enjoy the scenery. If I am making good time, I also stop for a few minutes at nice spots. I always eat at local restaurants and seek out conversation with people from the area to learn more about their worldview. For me, it is very enriching to be on the road so much. — **Which adjective best describes your profession?** Varied. Not only in terms of the different countries and cultures, but above all in view of the different customers, machines and technologies that I encounter. This gives me an enormous amount; I feel like I'm developing professionally and personally almost every day.

— In field service since
2006

— Area covered
Germany

— Kilometers driven per year
approx. 40,000

— Customers visited per year
approx. 150

Uwe Bonk

Sales

— **The resistance that faced me was relentless. I soothed, argued, and cajoled, but noone was willing to listen.** All I wanted was the best! A well-known German carmaker had resolutely decided to build sections of the body of its mid-range model from a new, better steel. The problem was that this steel was far too hard for all the production processes used to date. Yet the head of the tool shop didn't want to know anything at all about "my" laser system, preferring instead to tweak the previous processes in some way – which was virtually impossible from a technical point of view. There was only one person I could persuade to at least take a look at the laser system in Ditzingen, and it took several grueling days before he was convinced. Finally, we were allowed to set up a test system at the customer's site. My heart beat faster – and seemed to suddenly stop. Because in 24/7 operation, the hard steel still brought our new system to its knees and the project was in danger of collapsing. Together with our application engineers and developers, we worked extra shifts and tinkered with the system until it was ready for the tough conditions of series production. Countless conversations went through my head day in and day out back then and caused more than one sleepless night. Today, we sell more than 200 of these systems a year to the automotive industry.

—— **In field service since**
1997

—— **Area covered**
Brazil

—— **Kilometers driven per year**
approx. 50,000

—— **Customers visited per year**
approx. 150

Priscila Melo

Service

—— **You are one of the few women in TRUMPF's Brazilian service team of almost 50. How do you feel in this male domain?** Absolutely fine! I have been in the field for 24 years and am valued for my expertise by all my colleagues. Unfortunately, every now and then I have to get past a few customer reservations. When this happens, I smile in a friendly way and say: "I'm here to solve your problem. Can we get started?". So far, I've managed to convince everyone of my technological expertise. —— **What does it mean to you to be on the road?** It's my vocation. I enjoy facing new technical and organizational challenges every day and helping our customers get their machines up and running again. There's no routine, every day is different – and I often have to reschedule spontaneously because flights are canceled, roads are closed, or I can't get a place to stay at short notice. —— **Sounds annoying.** Not at all – I love it! The only annoying thing is that I keep running into cockroaches, even in very good hotels in smaller towns. I don't like cockroaches. But unfortunately, that's a problem due to the sweltering heat in Brazil. It's also annoying that there are no women's toilets on the production floor of many smaller factories. So I always go up to office level: the women's domain.

— **In field service since**
2014

— **Area covered**
South India

— **Kilometers driven per year**
approx. 24,000

— **Customers visited per year**
approx. 400

Deepak Kumar

Sales

— **While listening to the ringing tone, I kept muttering to myself: “Pick up, please pick up!”** I was sitting in a Swiss hotel, colleagues were waiting for me downstairs at dinner, but I absolutely had to make that call. It was pure coincidence that I had noticed it at all, because I was only in Switzerland for a training course. I sell machines in India. A few weeks earlier, I had sadly had to tell a long-time customer that I could no longer sell him the machine he wanted, as production of it had ceased. That evening in Switzerland, shortly before my telephone call, our sales manager mentioned rather casually that eight machines of exactly this type would be built after all – and whoever got in there first would get the contract! The phone kept on ringing. Then, click: “Hello, who is this?” I was a little late for dinner, but it was worth it: one of the last eight machines went to my customer in India.

— In field service since
2013

— Area covered
Kyūshū (Japan)

— Kilometers driven per year
approx. 50,000

— Customers visited per year
approx. 700

Takefumi Hori

Sales

— **At first, I felt like I was in enemy territory. As the only TRUMPF salesman on Japan's southern main island of Kyūshū, I sometimes drove an insane 1,000 kilometers a day to visit ten customers.** That was pretty easy, because my visits were very short. Hardly anyone wanted to let me into their factory, they were all happy with their machines, which they had always bought from our biggest competitor in the region. If it ain't broke, don't fix it. I can understand that. But one day I was sitting at the table of a new customer, with the company boss and his production manager opposite me. They wanted to invest in a new system and I outlined the advantages of our machines. But the production manager wasn't really listening to me. As I learned later, the two of them had actually already decided in favor of our competitor. I calculated the productivity gain from our system and suddenly had the attention of the company boss. He asked me intelligent questions, and didn't make things easy for me. I was eventually able to gain his trust, against the resistance of his production manager, who was vehemently opposed to TRUMPF. Since then, I have tried to get talking to the head of the company as quickly as possible when dealing with new customers. It's my only shot at gaining a share of the market. I now have many customers in what used to be "enemy territory" and feel welcome everywhere. And my customer visits are now lasting longer and longer.

Machinery at our customer
TaeKang Steel in South Korea.

— In field service since
2011

— Area covered
South Korea

— Kilometers driven per year
approx. 3,000

— Customers visited per year
approx. 200

Youngjo Choi

Sales

— **What is the secret of a successful salesperson?** Trust. Customers must trust me and be able to rely on me. They must be sure that I am offering them the best solution for their problem. Not the one that is most profitable for me or TRUMPF, but the one that is best for them. I invest a lot of time and patience in order to establish this trust, as I won't sell any machines without it. And in the end, we salespeople are only successful if our customers are successful, too. — **Out of sight, out of mind – so that doesn't work for machines that you've sold?** No, my customers depend on me to keep my word. I am personally responsible for making sure their factories keep running. I don't want to betray the trust placed in me by any customer. — **Sounds like you're building relationships.** That's exactly it. Small and medium-sized companies in particular rely heavily on our advice. We support them over many years and get to know each other well. It's like a good marriage: the longer our shared journey and the more we overcome together, the more intense our relationship becomes.

— In field service since
2016

— Area covered
Worldwide

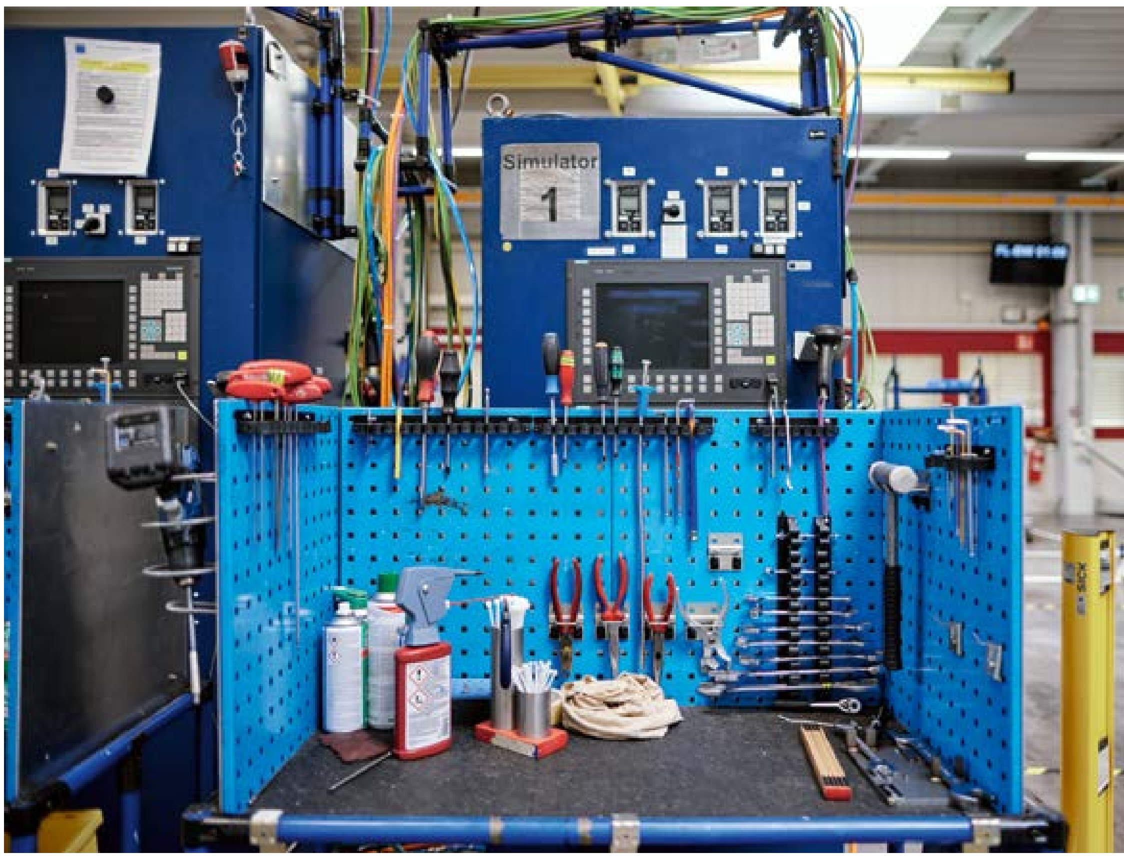
— Kilometers driven per year
approx. 20,000

— Customers visited per year
approx. 10

Andreas Besigk

Service

— **Four o'clock in the morning. Who likes starting their working day at four in the morning?** I certainly don't. Ok, if I have to catch a plane, then yes. But otherwise? The coronavirus pandemic got me into this. For three long months, my working day began at this inhuman hour. Even though I was not out in the field, but in the office. As a service technician, I'm usually deployed globally. I fly around the world and install our high-tech machines at our customers' sites. In person, on the ground. Because with all that technology – that can only be done in person on the ground, can't it? Coronavirus put a stop to that in spring 2020. For three months, I helped our service colleagues from Japan get a machine up and running – online, with the time difference from Switzerland! We went through every step of the process together on the screen. It was exhausting, but it worked – the machine is now running and producing parts. And I've finally gotten over my personal four a.m. jet lag.



Essential tools for a service technician:
wrench, folding rule, cable ties.

— **In field service since**

2018

— **Area covered**

South Korea, Taiwan, USA & Netherlands

— **Kilometers flown per year**

approx. 30,000

— **Customers visited per year**

approx. 10

Franziska Weissmann

Service

— **My workplace is often 10,000 kilometers away from my home as the crow flies – it alternates between Europe, Asia and North America.** I am on the road as a service technician for production machines that manufacture microchips. Every minute that these machines are idle costs our customers an enormous amount of money. So my resting pulse is usually a little higher when I'm on duty than it is after work. But on one assignment in Asia, I was completely drenched in sweat. I was working in a cleanroom suit, and the heat builds up relatively quickly underneath. There was also pressure from the customer, who produces chips used in many modern smartphones. We had to replace a complex component to keep the system in production and allow the customer to deliver as scheduled. Even at the start of the shift we were already breaking out in a sweat, because the quantities involved were very high and time was incredibly tight. Representatives from senior management were looking over our shoulders. But we kept our cool and put all our efforts into getting the system up and running again in what felt like an incredibly long week. Luckily, I don't get so sweaty every time - but that's also what makes the job so appealing to me.

In field service since	2012
Area covered	USA
Kilometers driven per year	approx. 5,000
Customers visited per year	approx. 80

Orlando Walker

Service

— **Mr. Walker, you're on the road for work from Monday to Friday. Do you still feel like getting in the car at all when you're not working?** Not necessarily. I go for walks a lot and leave the car at home as often as I can. But ultimately, I'd be in the wrong job if I didn't like sitting in a car. — **Can you imagine doing this job until you retire?** Absolutely! Not necessarily because of the driving now, but because of our customers and their exciting projects. Almost every assignment is different from the previous one. I work with different types of people every day, and this fulfills me and makes me happy. Even if it's not always easy. — **What do you mean by that?** The most formative experiences in field service are those that you have with dissatisfied customers. We are usually the first people the customer talks to after a machine failure on site. Sometimes, a bit of frustration creeps in. I can understand the customer's anger, because when the system is down, it can quickly add up to a lot of money. That's why I always do everything I can to get it up and running again as quickly as possible. — **Please finish this sentence: "In my Service job** the most important thing is that our customers are satisfied with our work.

— **In field service since**
2000

— **Area covered**
China

— **Kilometers driven per year**
approx. 50,000

— **Customers visited per year**
approx. 300

Jeff Li

Sales

— **“That machine over there has actually beaten ours now,” I thought.** It was a huge shock. Our machine also lost out in the second round of tests. A customer was having us and his previous regular supplier demonstrate new machines and compete against each other. In terms of both precision and speed, our competitor was initially the clear winner. The reason why was obvious to me: the test scenarios were tailored 1:1 to the competitor’s systems. I insisted on a third round with neutral test scenarios – and lo and behold, we were faster. But not that much faster, unfortunately. What’s more, the price for our machine was higher. The customer was not very enthusiastic. During one of the last coffee breaks of the meeting, I plucked up my courage and went straight to the two production managers: “Are we here so you can confirm your current supplier? Or do you want to invest in a better future?” I sensed that I had hit a nerve – and I didn’t let up. I stayed late into the evening, demonstrating the range of possibilities that our machine could offer them. In the end, our machine emerged victorious, and we were awarded the contract.

Eating lunch at the offices of our customer,
Suzhou Huaya Intelligence Technology in China.

Heavy traffic during
rush hour in Japan.

Machine installations at our customer L & W Engineering
in Middlebury, Indiana.

TRUMPF machines are heroes,
just like our colleagues in the field.

2
THE COMPANY

India

GROUP MANAGEMENT BOARD

HEINZ-JÜRGEN PROKOP

CHRISTIAN SCHMITZ

OLIVER MAASSEN

LARS GRÜNERT

PETER LEIBINGER

NICOLA LEIBINGER-KAMMÜLLER

MATHIAS KAMMÜLLER

Message from the Management Board

LADIES AND GENTLEMEN,

With an order intake of 3.9 billion euros, the TRUMPF Group was able to significantly exceed both the previous year's and the pre-crisis level in fiscal year 2020/21 with an increase of 19.7 percent over 2019/20 (3.3 billion euros). This was the highest order intake in TRUMPF's corporate history. We see this as a strong basis for fiscal year 2021/22.

Despite difficulties within its supply chains, the company increased sales revenues by 0.5 percent to 3.50 billion euros (previous year 3.49 billion euros), having benefited from a significant increase in demand during the fiscal year.

Our operating earnings before interest and taxes (EBIT) were up 19.5 percent on the previous year (309 million euros) to 370 million euros, largely as a result of a reduction in flexible capacities, the systematic deferral of investments, and savings on trade shows, flights, overnight stays, and external consulting services. Investments decreased by 25.2 percent compared to the previous year (194 million euros) to 145 million euros. This did not affect our investments in areas such as sustainability as part of our climate protection strategy.

TRUMPF's EBIT margin in fiscal year 2020/21 was 10.5 percent (previous year 8.9 percent).

After Germany, with sales revenues of 579 million euros, China was the second largest submarket at 525 million euros due to strong demand for our products, followed by the US at 485 million euros. The Netherlands ranked fourth with sales revenues of 461 million euros, thanks to the growing EUV business with our customer ASML.

To expand our activities in the digitization of our machines, TRUMPF continued to invest in software for sheet metal processing in the year under review, thereby opening up to the production ecosystems of our customers. We acquired Spanish software provider Lantek in March 2021 for this purpose. In July 2020, we also contributed our shares in BeSpoon SAS to the partnership with STMicroelectronics with the intention of further developing industrial positioning solutions and laying the foundations for our next generation of products.

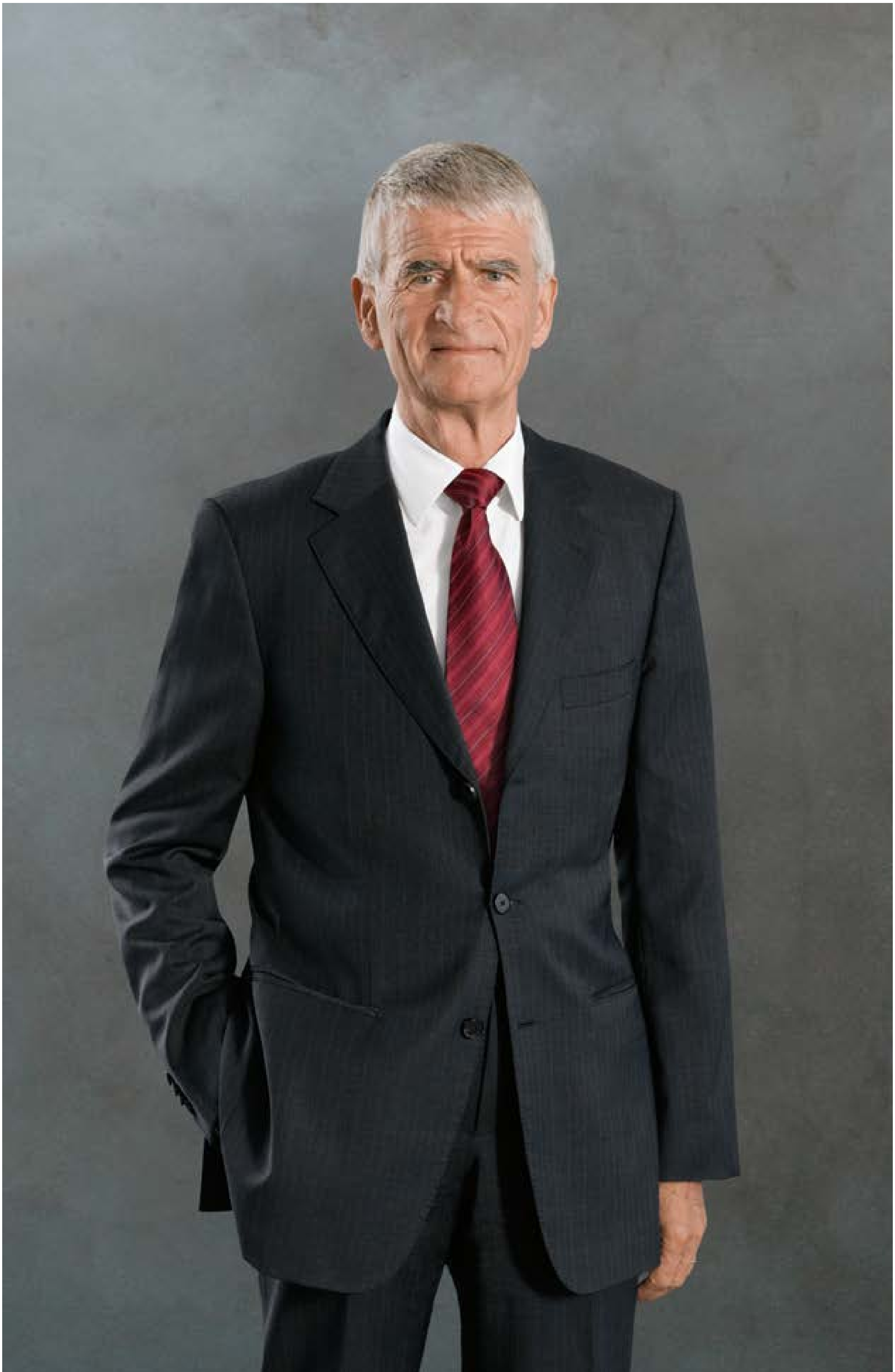
Even against the backdrop of economic challenges, TRUMPF remains a research-intensive and future-oriented company. Our research and development costs came to 382 million euros, up from 377 million euros in fiscal year 2019/20. TRUMPF has 2,294 employees researching the technologies of the future (previous year 2,201).

We were able to increase the total number of our employees to 14,767 (previous year 14,325); our consistently low employee turnover rate of 4.4 percent in the Group and 2.6 percent in Germany is gratifying. As of June 30, 2021, the number of employees in Germany was even 2.2 percent higher than in the previous year, standing at 7,602 compared with 7,437. Outside Germany, the number of employees increased by 4.0 percent to 7,165 (previous year 6,888). In the year under review, 517 young women and men completed a training course or co-op study program, with the training ratio remaining constant at 3.6 percent.

On behalf of the Management Board, I would like to thank all our employees for their commitment in the past fiscal year – a year that presented us, like all other companies, with special challenges. I would also like to express my equally heartfelt thanks to our customers and business partners, who remained loyal to us as usual despite reduced face-to-face contact and, at times, an uncertain economic outlook.

Ditzingen, October 2021

DR. PHIL. NICOLA LEIBINGER-KAMMÜLLER
Chief Executive Officer (CEO)



Supervisory Board Report

LADIES AND GENTLEMEN,

Fiscal 2020/21 was defined by the ongoing coronavirus pandemic and by an economic recovery that gained momentum over the course of the year. TRUMPF's top priority was to protect the health of employees and business partners and to take advantage of opportunities in the markets. This has been achieved with great success, with the order intake reaching record levels and earnings increasing significantly against a backdrop of constant sales. The successful strategy of growth through innovation, portfolio optimization and investment will be resolutely continued.

The Supervisory Board exercised the monitoring and advisory responsibilities incumbent on it under the law and the Group's articles of association with due care and diligence. In doing so, the Supervisory Board and the Management Board worked together effectively and efficiently in a spirit of trust. The Chairwoman of the Management Board reported regularly and promptly to the Chairman of the Supervisory Board about all events of significance. In three meetings during the fiscal year, the Supervisory Board addressed the strategic development of the company as a whole, operational excellence and digital transformation, China and high-volume markets, quantum technology, data security and employee satisfaction, as well as compliance and internal auditing. Regular items on the agenda were business development, crisis management, budget monitoring, as well as important future fields such as EUV lithography, additive manufacturing, photonic components, and investment, acquisition, and divestment plans.

In the fiscal year, the Supervisory Board appointed Oliver Maassen as a Chief Human Resources Officer and Labor Director (from October 1, 2020 for 3 years) and Dr. Stephan Mayer as Chief Executive Officer for Machine Tools (from July 1, 2021 for 3 years), succeeding Dr. Heinz-Jürgen Prokop. Dr. Mathias Kammüller's contract was extended by 3 years (from July 1, 2021). We would like to thank Dr. Prokop for his many years of service to the company.

Werner Bruker stepped down from the Supervisory Board in fiscal 2020/21, and Dirk Hölsch moved up to join it from among the employees. We would like to thank Mr. Bruker for his many years of constructive and trusting cooperation.

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, audited the separate and consolidated annual financial statements and the Group Management Report, and issued an unqualified audit opinion in each case. Following presentation by the auditor and having completed their own reviews of the separate and consolidated annual financial statements, the proposed appropriation of earnings, and the Group Management Report, the Supervisory Board approved the financial statements prepared by the Management Board without objection.

The Supervisory Board wishes to thank the Management Board members and all employees worldwide for their outstanding commitment and constructive personal contributions to the company's success. We would also like to thank the employee representatives for their valuable cooperation.

Ditzingen, October 2021

DR. JÜRGEN HAMBRECHT
Chairman of the Supervisory Board

COMPANY INFORMATION

GROUP MANAGEMENT BOARD

Dr. phil. Nicola Leibinger-Kammüller
Chief Executive Officer (CEO)
- President and Chairwoman of the Group Management Board of TRUMPF GmbH + Co. KG
- Responsible for Corporate Communications & Brand, Corporate Development, Corporate Law, Integrity & Risk and Corporate Real Estate

Dr.-Ing. E. h. Peter Leibinger
Chief Technology Officer (CTO)
- Vice Chairman of the Group Management Board of TRUMPF GmbH + Co. KG
- Responsible for Corporate Technology & New Business as well as for the areas of EUV, Venture Capital and developing new business fields

Dr. rer. pol. Lars Grünert
Chief Financial Officer (CFO)
- Member of the Group Management Board of TRUMPF GmbH + Co. KG
- Responsible for Group Finance & Controlling, Financial Services and Treasury and Insurance as well as for the business field Photonic Components

Dr.-Ing. Mathias Kammüller
Chief Digital Officer (CDO)
- Member of the Group Management Board of TRUMPF GmbH + Co. KG
- Responsible for Corporate Business Information Services, Corporate Marketing, Sales & Services and Corporate Operations

Dipl.-Betriebsw. Oliver Maassen *(since October 10, 2020)*
Chief Human Resources Officer (CHRO)
- Member of the Group Management Board of TRUMPF GmbH + Co. KG
- Responsible for Human Resources (Labor Director)

Dr.-Ing. Stephan Mayer *(since July 1, 2021)*
Chief Executive Officer Machine Tools (CEO MT)
- Member of the Group Management Board of TRUMPF GmbH + Co. KG
- Responsible for national subsidiaries and regions

Dr.-Ing. Heinz-Jürgen Prokop *(until June 30, 2021)*
Chief Executive Officer Machine Tools (CEO MT)
- Member of the Group Management Board of TRUMPF GmbH + Co. KG

Dr.-Ing. Christian Schmitz
Chief Executive Officer Laser Technology (CEO LT)
- Member of the Group Management Board of TRUMPF GmbH + Co. KG
- Responsible for national subsidiaries and regions

PARTNERS

Leibinger family
- 90.0 percent

Berthold Leibinger Stiftung GmbH*
- 10.0 percent

SUPERVISORY BOARD**

Dr. rer. nat. Jürgen Hambrecht, *Neustadt a. d. Weinstraße*
- Chairman of the Supervisory Board of Berthold Leibinger GmbH

Renate Luksa*,** *Vaihingen/Enz*
- Vice-Chairman of the Supervisory Board of Berthold Leibinger GmbH
- Senior Chairman of the Works Council of TRUMPF Werkzeugmaschinen GmbH + Co. KG, Ditzingen

Werner Bruker*,** *Lauterbach (until November 30, 2020)*
- Chairman of the Works Council of TRUMPF Laser GmbH, Schramberg

Prof. Dr. rer. nat. Claudia Eckert, *Garching*
- Professor of IT Security at Technical University of Munich
- Director of the Fraunhofer Institute for Applied and Integrated Security (AISEC), Garching

Dr.-Ing./U. Cal. Markus Flik, *Stuttgart*
- Management Consultant, Member of Supervisory and Advisory Boards

Stefan Fuchs, *Hirschberg*
- Chairman of the Executive Board of Fuchs Petrolub SE, Mannheim

Tatjana Funke*,** *Wuppertal*
- Union Secretary of the IG Metall trade union North Rhine-Westphalia , Düsseldorf

Dirk Hölsch*,** *Oberndorf a.N. (since December 1, 2020)*
- Chairman of the Works Council of TRUMPF Laser GmbH, Schramberg

Prof. Regine Leibinger, *Berlin*
- Managing Director and Partner Barkow Leibinger Architekten, Berlin

Jan Lindemann*,** *Freiburg*
- Plant Manager at TRUMPF Hüttinger GmbH + Co. KG, Freiburg

Rainer Neske, *Frankfurt*
- CEO of Landesbank Baden-Württemberg, Stuttgart

Martin Röll*,** *Tübingen*
- Second Authorized Representative of IG Metall Stuttgart, Stuttgart

Harald Weihbrecht-Betz*,** *Trochtelfingen*
- Group Leader Production Unit Machine Assembly, TRUMPF Werkzeugmaschinen GmbH + Co. KG, Hettingen

* *Indirectly via Berthold Leibinger Beteiligungen GmbH*
** *Supervisory Board of the Managing Partner of TRUMPF GmbH + Co. KG*
*** *Employee representative*

3

CORPORATE RESPONSIBILITY

Japan

— **Sustainability is a core concern for us as a family-run company,** and not just since climate protection became the focus of public interest, landing it high on the political agenda too.
In addition to the social responsibility that TRUMPF has been practicing for decades with projects for education and social engagement, the economical use of resources and consistent reduction of greenhouse gas emissions at TRUMPF have resulted in ambitious initiatives in recent years.
In its capacity as a processor of metal pre-products, TRUMPF's sustainability efforts cover issues such as transparency within the supply chain and how to maximize this, as well as compliance with international human rights standards. This is not only what our global customers expect of us, but also the standard we set for ourselves.
Despite the restrictions imposed by coronavirus, our Group-wide climate strategy has seen us take decisive steps in all production processes, reaching for new targets now that we have achieved our previous goal of carbon-neutral production. We report on these steps below. ➡

SUSTAINABILITY AT TRUMPF

Climate and environment

Health & safety

Supply chain

Human rights & labor conditions

The TRUMPF climate protection strategy

All of the company's climate protection measures are brought together and coordinated under the umbrella of the TRUMPF climate strategy. The aim of the strategy is to reduce direct and indirect carbon emissions worldwide – despite very different conditions with regard to the primary energy sources used at the Group's 70+ locations on four continents.
A first step on this path was the announcement in the previous fiscal year that **TRUMPF was on target to achieve carbon-neutral production by the end of 2020**. In other words, the Group is reducing its own emissions and offsetting its consumption of fossil fuels, at least temporarily, **by means of certificates and support for climate protection projects.** But our aspirations extend beyond this to include all upstream and downstream processes, as well as our products themselves!
In light of this, an **integrated climate strategy** aligned with the Paris Agreement's 1.5 degree reduction path was adopted this fiscal year for the first time. This means that our CO_2 reduction measures support the signatory countries' goal of limiting global warming to 1.5 degrees. Our contribution is quantifiable in this respect. For example, TRUMPF **plans to invest almost 80 million euros in climate protection by 2030**.

TARGET BY 2030 – TO ACHIEVE A 46% REDUCTION IN EMISSIONS AT OUR SITES (SCOPES 1+2)

- ➨ **Efficiency measures** amounting to **3% per year** (gas + oil) and 1.5% per year (electricity) (based on fiscal year 2018/19)
- ➨ **Absolute reduction in fleet emissions by 25%**
- ➨ For example, by electrifying the vehicle fleet by 50% (field service) and 80% (company cars + pool vehicles)
- ➨ **In-house generation** of renewable energy in the amount of **15 MWp** by 2027
- ➨ **Purchase of 100% electricity from renewable sources** via high-quality green power certificates
- ➨ Conclusion of direct contracts (power purchase agreements) with providers such as wind farms: 40% by 2027
- ➨ **Offsetting** of remaining emissions via certified environmental projects with high quality standards
- ➨ Review of possible development of our own offsetting projects, for example, near production sites

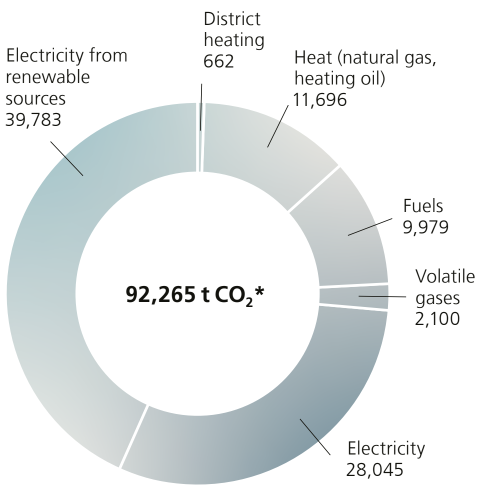
WE AIM TO ACHIEVE A 14% REDUCTION IN INDIRECT EMISSIONS IN THE VALUE CHAIN BY 2030 (SCOPE 3)

- ➨ To this end, we will develop a **"Climate strategy for products"** by the end of fiscal year 2021/22

TRUMPF GROUP GREENHOUSE GAS EMISSIONS 2019/20

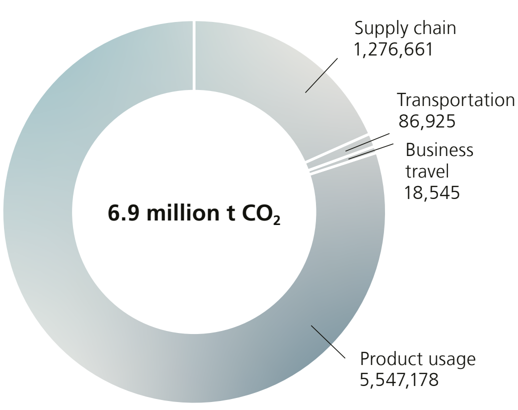
Emissions are generated both by us and by our customers/suppliers

Emissions from sites and vehicle fleets (Scopes 1+2)



* Calculation based on national electricity mixes (site-based). Including our specific green power tariffs (market-based), emissions amount to 24,437 tons of CO_2

Emissions from upstream and downstream value chain (Scope 3)



WHAT WE INTEND TO ACHIEVE – IN EACH CASE IN COMPARISON WITH FISCAL YEAR 2018/19:

1 ——— **Emissions at all TRUMPF sites** worldwide will be approximately halved by 2030 – which equates to a saving of 2,000 tons of CO_2 per year.

2 ——— We are continuing our **commitment to energy efficiency** and aim to realize annual savings of 1.5 percent for electricity and 3 percent for natural gas and heating oil. This is equivalent to a good 130 gigawatt hours by 2030. We are investing over 40 million euros on this alone. We anticipate that our energy efficiency measures will enable us to keep our energy consumption roughly constant up to 2030 despite growth.

3 ——— By 2030, CO_2 emissions from our **vehicle fleet** will be reduced by 25 percent through the electrification of TRUMPF company cars and pool vehicles.

4 ——— By 2027, all suitable **rooftops at TRUMPF sites should be equipped with solar cells**. The photovoltaic systems will generate around 15 gigawatt hours per year from 2027 onwards, enabling TRUMPF to cover 10 percent of its electricity consumption itself.

5 ——— The TRUMPF Group purchases **100 percent green electricity**. The quality of green electricity will continuously increase, with TRUMPF signing direct contracts with renewable energy producers such as wind farms in the future.

6 ——— We will offset any emissions that cannot be completely eliminated by 2030 by **supporting climate protection projects**. The climate protection projects in question have all been awarded the Gold Standard or comparable certifications. **Carbon offsetting** is a temporary solution that TRUMPF would like to avoid altogether in the long term.

7 ——— **We are working hard to reduce emissions** in our upstream and downstream value chain by 14 percent by 2030 (indirect emissions). This includes the **purchase of goods and services** and – this is where we have **considerable leverage – product use by our customers**, not to mention the **transportation of our products** to customers and our **business travel**.

Climate strategy implementation: Our Scopes 1 to 3

WE HAVE DIVIDED THE SPECIFIC APPROACHES TO REDUCING EMISSIONS INTO THREE "SCOPES" ACCORDING TO THE GREENHOUSE GAS PROTOCOL:

SCOPE 1

covers all direct emissions from our factories and vehicle fleets

SCOPE 2

includes indirect emissions from energy purchases, primarily electricity purchases (together with Scope 1, around 100,000 tons of CO_2)

➡ Our energy efficiency activities have been underway in this area for years (see our annual reports since 2017/18). They involve many individual measures that were defined on the basis of a Group-wide potential analysis. These include operational improvements with shutdown scenarios and the use of renewable energy sources for heat generation.

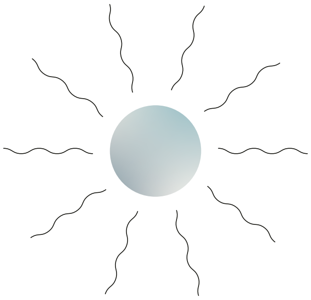
➡ Our three-year target was achieved in the year under review. We are saving around 6,000 tons of CO_2 per year as a result.

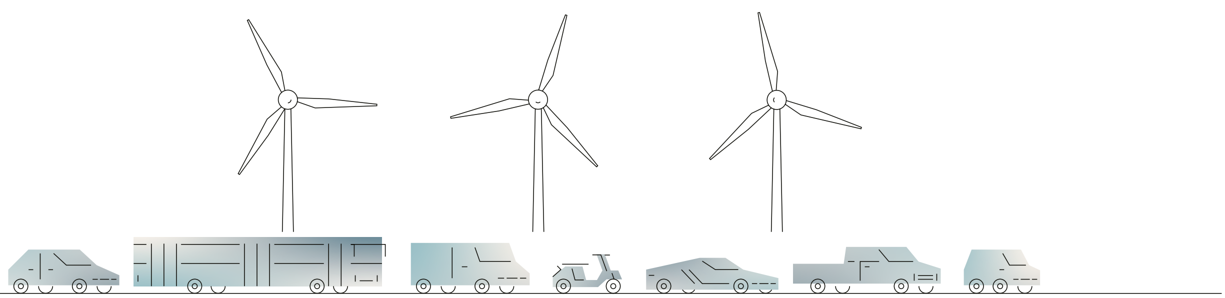
➡ TRUMPF's vehicle fleet will also be gradually converted in the coming years. Two years ago, our 88 charging stations were put into operation in the new multi-story parking lot. This makes us one of the largest electric charging stations in southern Germany. More than 150 mainly private employee vehicles have already been registered, with a strong upward trend.

➡ To offset the roughly 25,000 tons of CO_2 currently still produced from fossil fuels and gases, we will increasingly turn to specific projects of our own, such as reforestation.

➡ **As mentioned, TRUMPF is already climate neutral in Scopes 1 and 2**. For example, we already procure 100 percent green electricity wherever possible.

➡ We will now also massively expand our own electricity generation. In the coming years, at least 150,000 m² of rooftop space will be equipped with photovoltaic systems, covering 10 percent of our electricity consumption.





SCOPE 3

covers all indirect emissions from our upstream and downstream value chain (7.1 million tons of CO_2)

➨ To achieve the climate target set out in the Paris Agreement, we will significantly reduce our emissions over the next nine years. This means that, assuming 40 percent growth in company sales, we have to achieve a reduction of 54 percent in absolute terms.

➨ Our fixed target for 2030 is to reduce emissions in product use from 5.43 million tons of CO_2 to 4.67 million tons of CO_2.

➨ **Our customers' contribution to joint climate protection** will therefore also be a major factor. Some of our customers are already planning major investments in the generation of renewable energy where this is regionally feasible and sensible.

➨ But the contribution that we can make through our products is even more important. We have identified 60 technical levers in this respect, of which only three are mentioned here:

1. **Optimization of cooling** through the use of eChillers, i.e. water-cooled cooling units, resulting in the reduction of gaseous coolants and the use of free cooling.
2. **Optimization of cutting gas** – by which we mean reducing the gas quality from 5.0 to 4.0, since much more energy is needed to produce quality 5.0.
3. **Optimization of IT-based concepts:** digital efficiency is resource conservation. For us, this means the goal of factory control based on daytime resource availability (demand side management), e.g. the use of surplus solar and wind energy at the weekend.

"CLIMATE STRATEGY FOR PRODUCTS" TO BE DEVELOPED BY 12/2021

OPTIMIZATION OF IDLE TIME
- Shutdown/sleep mode for all unnecessary consumers in idle time
- Rapid switch between idle time and productive time
- Use of the Internet of Things (IoT)

OPTIMIZATION OF COOLING
- Demand-driven cooling
- New design for cooling units
- eChiller (chiller that uses water as a refrigerant)
- Free cooling

OPTIMIZATION OF DUST EXTRACTORS
- Demand-driven dust extraction
- Speed-controlled motors

OPTIMIZED PRODUCTIVE TIME
- Various measures to reduce power consumption in the production phase (e.g. efficiency)

OPTIMIZATION OF CUTTING GAS
- Reduction in consumption
- Reduction in quality from 5.0 to 4.0
- In-house generation of cutting gas in conjunction with photovoltaics

OPTIMIZATION OF IT-BASED CONCEPTS
- Factory control in line with ecological criteria
- Monitoring app for optimized operation

OPTIMIZATION OF BUSINESS MODELS/PORTFOLIO
- Consulting services on enhancing efficiency
- Change in product mix (e.g. no more CO_2 lasers, replacement with disk/fiber/solid-state lasers)

ADMISSION TO THE SCIENCE BASED TARGETS INITIATIVE

At the beginning of 2021, TRUMPF voluntarily applied to join the Science Based Targets initiative, which also includes companies from the Dax 30 in Germany and various major B2C-sector companies based in the United States. The SBTi is an independent initiative of the United Nations Global Compact, the World Wide Fund for Nature (WWF), the World Resources Institute (WRI) and the Carbon Disclosure Project. The organization has worked out what contribution companies must make in order to make a scientifically verifiable contribution to climate protection.

TRUMPF received the confirmation of admission before the end of fiscal. As a result, we adhere to particularly strict sustainability regulations, and our climate protection targets have now been validated. This shows that we are committed to a science-based approach to reducing emissions throughout our entire value chain, in all business divisions and subsidiaries.

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

OUTLOOK: CIRCULAR ECONOMY AND RISK MANAGEMENT

TRUMPF has expanded its internal "Environment" guideline as part of its climate strategy. The new guideline provides a framework for implementing TRUMPF's climate strategy and is binding for all employees worldwide. In the new fiscal year 2021/22, we will again intensify our efforts in terms of sustainability and social responsibility. Two issues that will keep us even more busy with regard to sustainability are: 1) the circular economy, which some of our customers are already asking about, and 2) the implementation of carbon pricing.

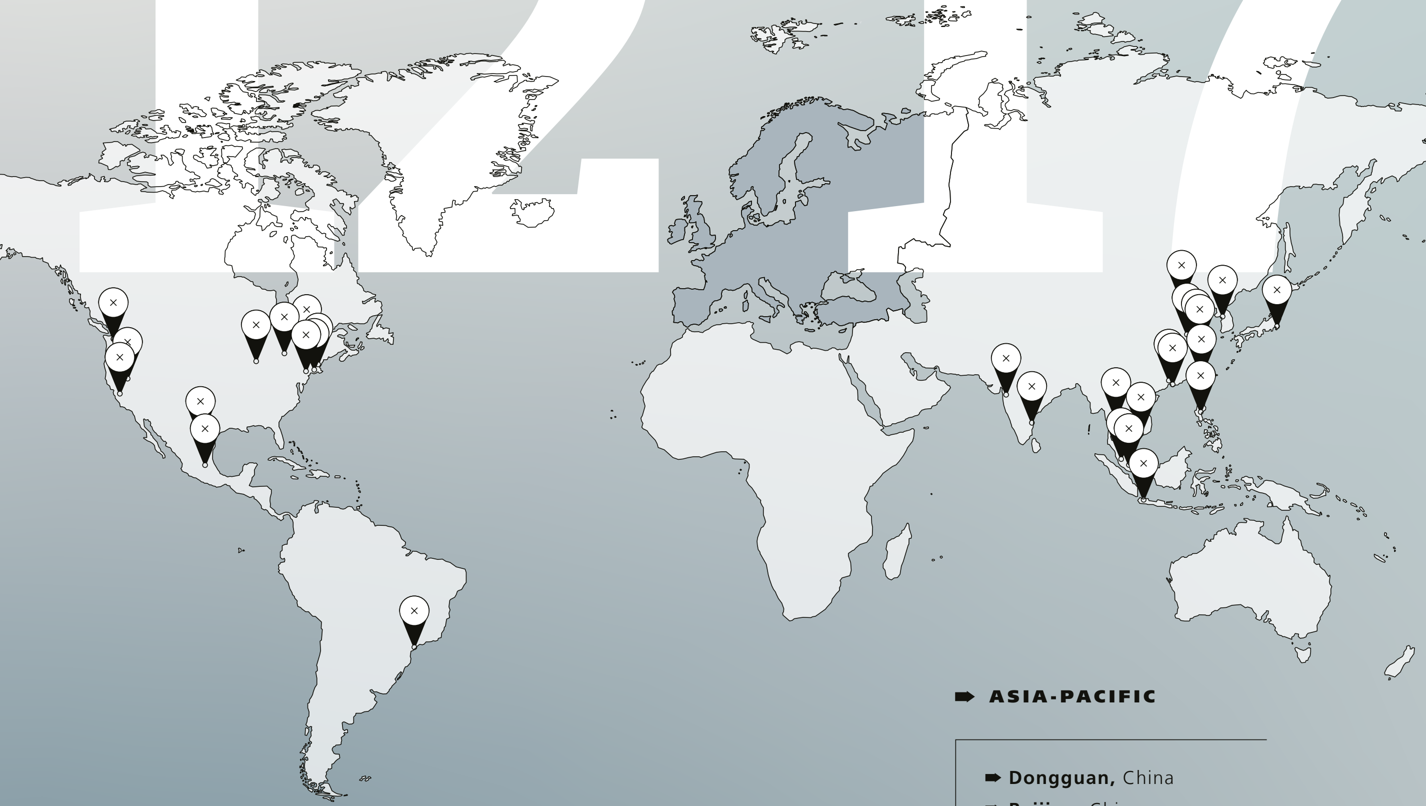
At TRUMPF Austria in Pasching, the first photovoltaic system with an output of over 300 kWp was installed on the roof and facade of the production hall in 2014. The second system was erected in 2020 on the facade of the site's garage and has an output of 73 kWp.

Photovoltaic cells that convert Mexico's sun into electricity are installed on all the rooftops of the TRUMPF site in Apodaca.

Locations worldwide

12

17



➨ ASIA-PACIFIC

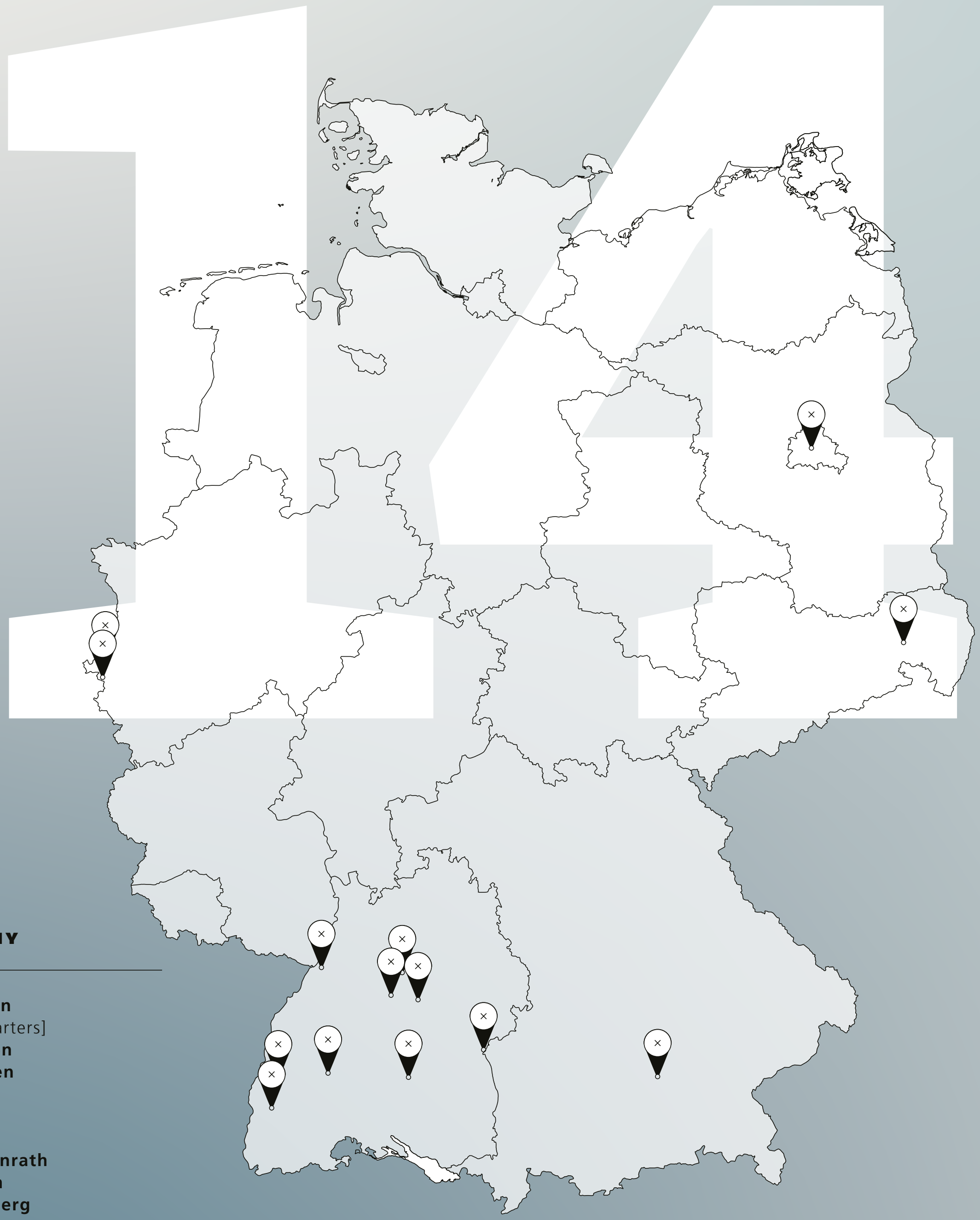
- ➨ **Dongguan,** China
- ➨ **Beijing,** China
- ➨ **Shanghai,** China
- ➨ **Shenzhen,** China
- ➨ **Taicang,** China
- ➨ **Yangzhou,** China
- ➨ **Chennai,** India
- ➨ **Pune,** India
- ➨ **Jakarta,** Indonesia
- ➨ **Yokohama,** Japan
- ➨ **Kuala Lumpur,** Malaysia
- ➨ **Manila,** Philippines
- ➨ **Singapore,** Rep. Singapore
- ➨ **Seoul,** South Korea
- ➨ **Guishan,** Taiwan
- ➨ **Bangkok,** Thailand
- ➨ **Ho Chi Minh City,** Vietnam

➨ AMERICAS

- ➨ **São Paulo,** Brazil
- ➨ **Mississauga,** Canada
- ➨ **Apodaca,** Mexico
- ➨ **Querétaro,** Mexico
- ➨ **Chicago,** IL, USA
- ➨ **Costa Mesa,** CA, USA
- ➨ **Cranbury,** NJ, USA
- ➨ **Detroit,** MI, USA
- ➨ **Farmington,** CT, USA
- ➨ **Santa Clara,** CA, USA
- ➨ **Seattle,** WA, USA
- ➨ **Wilmington,** DE, USA

Selected locations of legally independent and dependent companies.

Locations in Germany



➡ GERMANY

- ➡ **Ditzingen** [Headquarters]
- ➡ **Gerlingen**
- ➡ **Hettingen**
- ➡ **Aachen**
- ➡ **Berlin**
- ➡ **Freiburg**
- ➡ **Herzogenrath**
- ➡ **Neukirch**
- ➡ **Schramberg**
- ➡ **Stutensee**
- ➡ **Stuttgart**
- ➡ **Teningen**
- ➡ **Ulm**
- ➡ **Unterföhring**

Selected locations of legally independent and dependent companies.

Locations in Europe

➨ EUROPE

- **Sofia,** Bulgaria
- **Haguenau,** France
- **Paris,** France
- **Luton,** United Kingdom
- **Rugby,** United Kingdom
- **Southampton,** United Kingdom
- **Milan,** Italy
- **Turin,** Italy
- **Vicenza,** Italy
- **Zagreb,** Croatia
- **Eindhoven,** Netherlands
- **Hengelo,** Netherlands
- **Spankeren,** Netherlands
- **Pasching,** Austria
- **Warsaw,** Poland
- **Zielonka,** Poland
- **Lisbon,** Portugal
- **Bucharest,** Romania
- **Moscow,** Russia
- **Alingsås,** Sweden
- **Baar,** Switzerland
- **Grüsch,** Switzerland
- **Košice,** Slovakia
- **Madrid,** Spain
- **Liberec,** Czech Republic
- **Prague,** Czech Republic
- **Istanbul,** Turkey
- **Budapest,** Hungary

Selected locations of legally independent and dependent companies.

Employees by region

TOTAL	14,767	PLUS 3.1%
TOTAL EXCLUDING GERMANY	7,165	PLUS 4.0%
GERMANY	7,602	PLUS 2.2%
EUROPE EXCLUDING GERMANY	3,668	PLUS 7.7%
WESTERN EUROPE EXCLUDING GERMANY	2,408	PLUS 1.9%
EASTERN EUROPE	1,260	PLUS 20.7%
AMERICAS	1,315	MINUS 7.1%
ASIA-PACIFIC	2,182	PLUS 5.7%

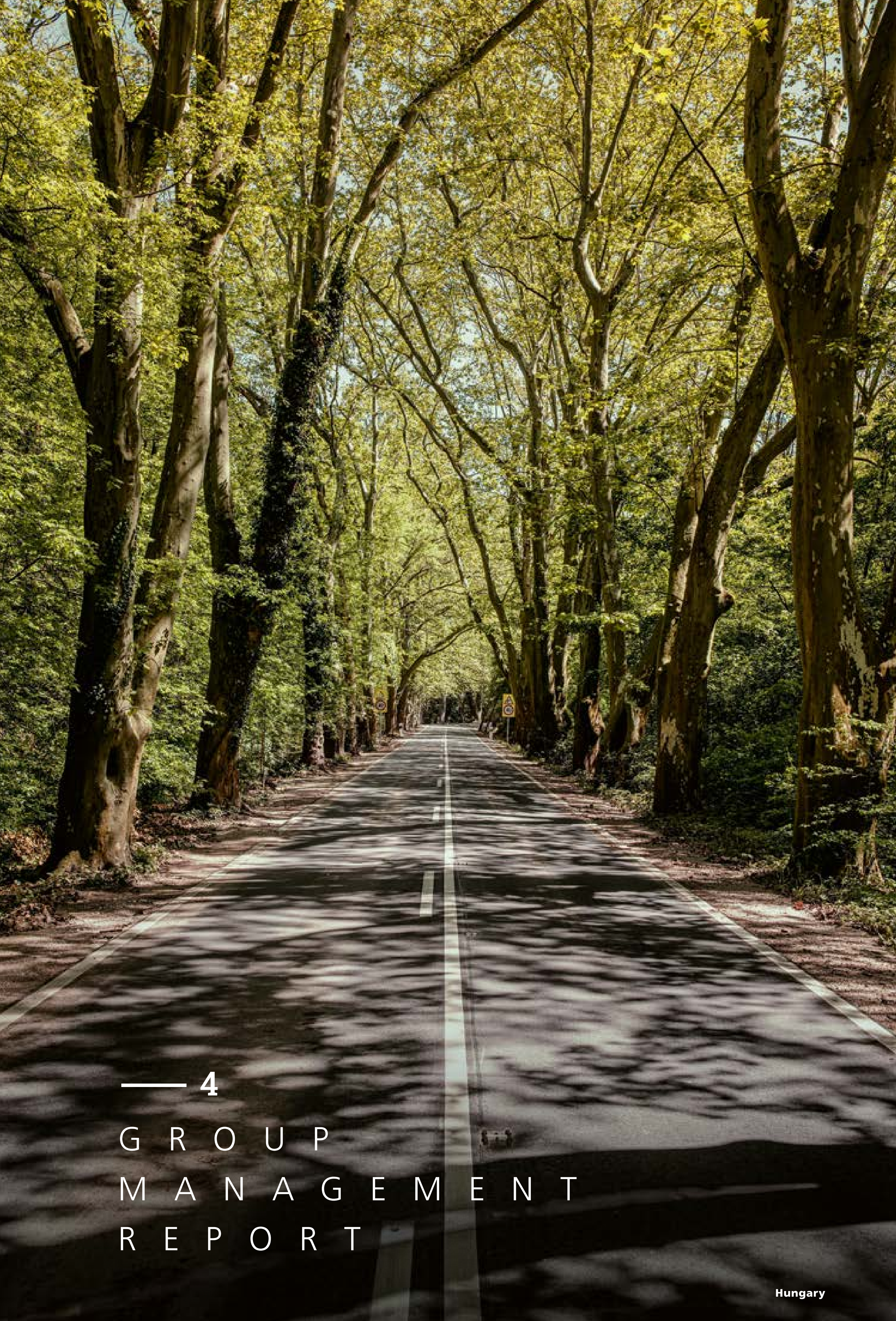
Figures as of June 30, 2021/Percentage change year on year

Sales revenues by region

IN MILLION EUROS

Region	Sales revenues	Change
TOTAL	3,505	PLUS 0.5%
TOTAL EXCLUDING GERMANY	2,925	PLUS 1.7%
GERMANY	579	MINUS 5.4%
EUROPE EXCLUDING GERMANY	1,335	MINUS 4.6%
WESTERN EUROPE EXCLUDING GERMANY	1,043	MINUS 5.1%
EASTERN EUROPE	292	MINUS 2.3%
AMERICAS	628	MINUS 5.4%
ASIA-PACIFIC	948	PLUS 18.8%

Figures as of June 30, 2021/Percentage change year on year



4 GROUP MANAGEMENT REPORT

Hungary

GROUP MANAGEMENT REPORT

FOR FISCAL YEAR 2020/21

STRUCTURE AND BUSINESS ACTIVITIES

Laser Technology and Machine Tools – our portfolio

Machine tools for flexible sheet metal and tube processing represent our largest area of activity. Our portfolio includes machines for bending, punching, and combined punch and laser processing, as well as for laser cutting and laser welding applications. Diverse automation solutions and a wide range of software for networked manufacturing solutions round off the portfolio.

Our product range in Laser Technology includes laser systems for cutting, welding, and surface treatment of three-dimensional parts. We offer high-performance CO_2 lasers, disk and fiber lasers, diode lasers, ultrashort pulse lasers, and marking lasers and systems.

The Electronics business field is part of Laser Technology, and includes products with direct-current, high-frequency, and medium-frequency generators for inductive material heating, surface coating, and processing using plasma technology, as well as for laser excitation.

3D printing systems for metallic components and medical implants also form part of our portfolio. As part of our additive manufacturing activities in this area, we use the two relevant technologies of laser metal fusion and laser metal deposition.

CO_2 lasers for EUV lithography constitute another business field, which involves using extreme ultraviolet radiation to produce even smaller, more efficient circuits and microchips.

In addition to the existing business with high-performance diode lasers, laser diodes from the Photonic Components business field are used in smartphones, digital data transmission, and sensors for autonomous driving.

Organizational structure

The holding company TRUMPF GmbH + Co. KG is the organizational umbrella under which the TRUMPF Group operates. Operational responsibility for the business divisions and business fields is divided among various Group executives.

The TRUMPF Group's operating business is mainly organized in the two business divisions Machine Tools and Laser Technology. Within these business divisions, individual product and market segments are managed as separate business fields. This is the case, for example, with our Chinese machine tools brand JFY in the Machine Tools division, and with Electronics in the Laser Technology division.

The Machine Tools and Laser Technology business divisions are managed by a divisional management team. The CEOs of each division are supported by a management team whose members are responsible for different functions of the value chain: Research and Development, Production, Sales and Service, Finance, and Human Resources. The two CEOs are also members of the Group management board.

Alongside its two business divisions, TRUMPF manages its activities in the areas of Additive Manufacturing, EUV and Photonic Components, and Financial Services in separate business fields. These are led by separate management teams, each of which reports directly to a Group executive.

Global presence – close to our customers

The TRUMPF Group is present in all its major markets worldwide. We have 84 operating subsidiaries in Europe, the Americas, and the Asia-Pacific region. We have production facilities in Europe (Austria, Czech Republic, France, Germany, Italy, Poland, Switzerland, and the United Kingdom), the Americas (Mexico and the US), and in China.

Our headquarters are located in Ditzingen, Germany.

We support our customers with comprehensive services covering the entire life cycle of our products. We offer a full range of services – from financing, tools and spare parts, technical service, consulting and training through to functional extensions, process optimization, monitoring and analytical tools, and trade in pre-owned machinery.

FINANCIAL MANAGEMENT OF THE TRUMPF GROUP

Business divisions and business fields

The TRUMPF Group uses divisional accounting to reflect its division-oriented organizational structure from a business management perspective.

As a result, all sales revenues and costs of the individual legal entities are allocated to the business divisions and business fields bearing global management responsibility for these, regardless of the legal structure.

Functional management responsibility

At TRUMPF, the consolidated profit and loss statement is prepared using the cost-of-sales-method. This provides business support to the divisional management teams in exercising their functional management responsibility. The cost of goods sold, sales costs, research and development costs, and general administrative costs are presented transparently in the profit and loss statement.

Sustainable value growth

The ultimate business objective of the TRUMPF Group is to continuously increase the value of the company by generating lasting positive value added.

Value added by the TRUMPF Group is defined as the operating result (EBIT – earnings before interest and taxes) minus the cost of capital of the operationally invested capital.

The cost of capital is defined as the minimum rate of return on the average invested capital. The minimum rate of return (WACC – weighted average cost of capital) of 9.5 percent (previous year 9.5 percent) is calculated before taxes on the basis of a representative peer group of companies from the mechanical engineering, laser technology, and electronics sectors. The WACC is reviewed regularly.

At TRUMPF, the ultimate business objective of continuously increasing the value of the company is broken down into three operational objectives:

(1) High growth
(2) Adequate profitability
(3) Efficient capital employed

in k€		**2020/21**	2019/20
(1) High growth			
	Sales revenues	3,504,666	3,487,668
	Growth/decline compared to previous year	*0.5%*	*–7.8%*
(2) Adequate profitability			
	Earnings before taxes	318,585	268,724
+	Financial and investment result	48,143	45,530
+/–	Exchange rate gains and losses of the net financial position [1]	1,567	–4,741
+/–	Other financial income and financial expenses	1,239	–364
=	**EBIT**	**369,534**	**309,149**
	as a % of sales revenues	*10.5%*	*8.9%*
(3) Efficient capital employed			
	Intangible assets	122,399	143,366
+	Tangible assets	1,347,645	1,340,294
	Operating fixed assets	**1,470,044**	**1,483,660**
	Trade receivables	723,460	627,445
+	Inventories	795,998	748,957
–	Down payments received	–236,408	–147,982
–	Trade payables	–334,239	–217,583
+	**Working capital**	**948,811**	**1,055,837**
=	**Invested capital (reporting date June 30)**	**2,418,855**	**2,539,497**
	as a % of sales revenues (of the previous 12 months)	*69.1%*	*72.8%*
	Invested capital (average[2])	**2,434,177**	**2,666,460**
Value added			
	Invested capital (average[2])	2,434,177	2,666,460
x	WACC (before taxes)	*9.5%*	*9.5%*
=	**Cost of capital**	**231,247**	**253,314**
	EBIT	369,534	309,149
–	Cost of capital	–231,247	–253,314
=	**Value added**	**138,287**	**55,835**

[1] Included in other operating income and other operating costs
[2] Average over the 12 months of the fiscal year

Financial independence

The TRUMPF Group is a family-run company. The family's aim is to manage TRUMPF in a way that is autonomous over the long term and independent of external investors.

For this reason, the company plans to achieve its sustainably high growth objective on an organic basis as far as possible. The capital spending required for this will usually be financed by TRUMPF's operating cash flow, so that a positive free cash flow can be generated.

In turn, this positive free cash flow is used to strengthen the company's net financial position. A strong net financial position enables TRUMPF to finance even substantial individual investments, such as corporate acquisitions, from its own resources.

Likewise, maintaining a high equity ratio guarantees the company's economic independence. Economic equity, which includes long-term liabilities to partners, serves as an additional key figure. The family that owns the TRUMPF Group sees these long-term liabilities as part of its long-term capital resources.

in k€		**2020/21**	2019/20
	Cash inflow from operating activities	563,520	545,053
–	Cash outflow from investing activities (operating)	–172,391	–193,625
=	**Free cash flow**	**391,129**	**351,428**
	Cash and cash equivalents, securities	1,024,318	790,459
+	Other financial receivables	34,418	19,589
+	Medium-term financial investments	161,739	101,232
–	Financial liabilities	–342,200	–359,546
=	**Net financial position**	**878,275**	**551,734**
	Equity	**2,015,864**	**2,017,159**
	as a % of the balance sheet total	*47.7%*	*51.5%*
+	Long-term liabilities to partners (> 1 year)	343,048	286,191
=	**Economic equity**	**2,358,912**	**2,303,350**
	as a % of the balance sheet total	*55.8%*	*58.8%*

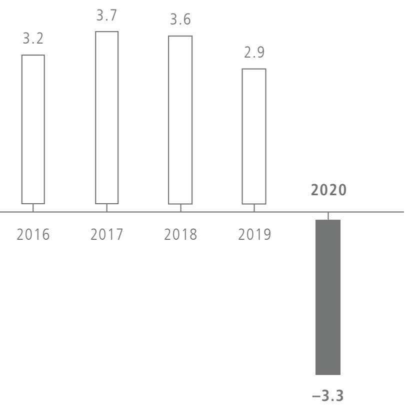
Graphic

01

CHANGE IN GDP WORLDWIDE

IN PERCENT

The global economy declined in 2020 due to the coronavirus pandemic.



Source: International Monetary Fund

ECONOMIC REPORT

Economic environment

Global economic recovery remains uneven and uncertain

Graphic 01

The slowdown in global economic development to the point of recession, caused by the coronavirus pandemic and already noticeable in the previous fiscal year 2019/20, was mitigated thanks to large-scale fiscal policy measures. The lowest point of the negative development was reached in April 2020. Shortly afterwards, the world's economies witnessed a V-shaped recovery in May and June.

However, these signs of an initial recovery did not last. Globally recurring lockdown measures to combat the pandemic made it difficult for the economic situation to ease on a sustained basis.

Although the manufacturing industries were able to absorb some of the economic downturn, the service and retail sectors are still in a state of stagnation. The reason for this is the constantly changing pandemic situation as well as cautious consumers and workers in those sectors. China was the only country able to counteract this by taking consistent and strict action against the pandemic. As early as the third quarter of 2020, it recorded growth of 3.3 percent in retail trade and 6.9 percent in industrial production, compared to the same period in the previous year, which continued into the fourth quarter.

According to figures from the International Monetary Fund (IMF), global growth for the full year 2020 declined by 3.3 percent in price-adjusted terms. The IMF expects an increase of 6.0 percent for 2021 as a whole. Compared with the rest of the world, economic output in the industrialized countries fell by a massive 4.7 percent in 2020. By contrast, growth in the emerging markets declined less sharply at 2.2 percent. In the eurozone in particular, output dropped significantly by 6.6 percent (previous year +1.3 percent). At 4.9 percent (previous year +0.6 percent), the economic slump in Germany was less severe, but well below half the global average of –3.3 percent. The US, on the other hand, remained only slightly below the global average with a decline of 3.5 percent (previous year +2.2 percent). Japan recorded a similar trend to Germany, with a decrease of 4.8 percent in 2020 as a whole (previous year +0.3 percent).

The cause of the biggest slump in economic output in the industrialized countries since the 2008-2009 financial crisis stemmed in particular from the lockdown measures implemented in spring and fall 2020 to combat the coronavirus pandemic. Added to this were the uncertainties associated with the outcome of the Brexit negotiations, which have had a noticeable adverse effect on global supply chains, particularly since the onset of the pandemic. Although there were considerable risks and uncertainty at the end of 2020, the economies surprised everyone at that time with a strong, albeit varied upturn across different sectors and countries. According to IMF forecasts, this upturn will generate global economic growth of 6.0 percent in 2021. 2021 as a whole also remains uncertain due to continuing supply bottlenecks and the coronavirus pandemic, whose regular mutations keep the markets on tenterhooks.

German machine tools production shows resilience

Following what was already a challenging 2019, Germany's mechanical and plant engineering sector saw sales decline by 11.0 percent in 2020 – from 228.7 billion euros to 203.5 billion euros – in a climate of uncertainty. According to the German Mechanical Engineering Industry Association (VDMA), this tense economic situation is due partly to increased regulatory challenges, but mainly to the pandemic-related recession, which led to a massive drop in capacity utilization and lasted until the spring of 2021. In early summer 2021, the machine tools industry was almost at its pre-coronavirus level, with a capacity utilization rate of 78.0 percent.

The German mechanical and plant engineering sector overall is on track with an expected 10.0 percent increase in sales compared to 2020. However, the VDMA believes that a return to the level of pre-crisis year 2019 will not be achieved until 2022.

Laser technology market barely declining

According to a study by Optech Consulting, the global market for laser systems for material processing declined by 2.0 percent (previous year –5.4 percent) in 2020 as a whole. Optech Consulting forecasts growth of 12.0 percent in 2021.

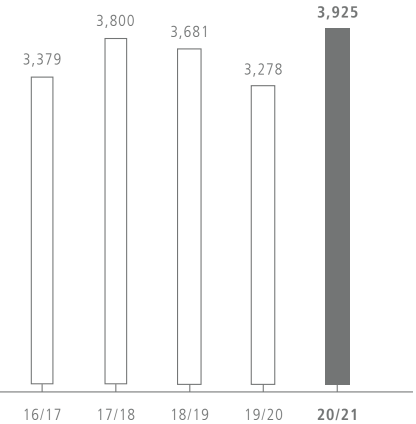
China continues to be the market driver. Firstly, through the growth of the submarket for low-cost kW fiber lasers, and secondly, through the rapid adoption of laser technology in industrial production.

Graphic
02

ORDER INTAKE
IN MILLION EUROS

The strong recovery in order intake in the second half of the fiscal year resulted in an increase for the year as a whole above the pre-crisis level.

Order intake trend:
+19.7%



Despite the pandemic-related downturn in the laser market for material processing at the beginning of 2020, a decline of only 2.0 percent is remarkable in light of the macroeconomic environment.

BUSINESS DEVELOPMENT

Ongoing coronavirus pandemic shaped the fiscal year

Graphic 02

In the past fiscal year, TRUMPF recorded strong growth in its order intake compared to the previous year, even surpassing the pre-crisis level of fiscal year 2018/19. While the order intake, still under the impact of the global coronavirus pandemic, showed only slight signs of recovery in the first half of 2020/21, its volume rose sharply in the third and fourth quarter of the fiscal year. For the entire fiscal year, the TRUMPF Group's order intake of 3,925 million euros was 19.7 percent higher than the previous year's figure of 3,278 million euros. As a result, we were also able to significantly exceed our forecast, which still envisaged a slight decline in the order intake.

Graphic 03

Sales revenues increased by 0.5 percent to 3,505 million euros in fiscal year 2020/21 (previous year 3,488 million euros), although they were unable to keep pace with the positive development in the order intake. This was due to the poor order intake in the previous fiscal year caused by the economic situation and the pandemic, coupled with subdued new orders in the first half of the current fiscal year. Nevertheless, we are satisfied with the development of sales revenues given that we had expected this figure to decline significantly in our planning for the fiscal year. Our book-to-bill ratio, the ratio of order intake to sales revenues, thus increased to 1.12 compared to the previous year (0.94).

At 370 million euros, operating earnings before interest and taxes were significantly higher than the previous year (309 million euros). Despite the low level of sales revenues, we were able to stabilize operating earnings in the first half of the year by reducing costs. In the second half of the year, earnings increased sharply as a result of higher sales revenues. For the fiscal year as a whole, the EBIT margin was a gratifying 10.5 percent (previous year 8.9 percent), significantly higher than planned.

Graphic

03

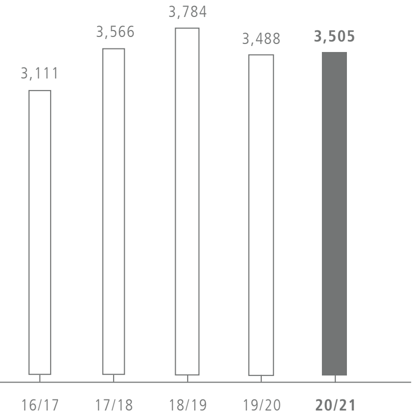
SALES REVENUES

IN MILLION EUROS

Slight increase in sales revenues compared with previous year, driven by strong order intake in the second half of the fiscal year.

Sales performance:

+0.5%



We again generated positive value added of 138 million euros in the past fiscal year. With increased EBIT and lower average cost of capital, value added increased by 82 million euros compared to the previous year (56 million euros) and was also significantly higher than planned.

We thus exceeded expectations for the year under review in all key performance indicators. The negative impact of the coronavirus pandemic on the order intake, sales revenues, EBIT, and value added was significantly less than we had expected at the planning stage.

Strong recovery in new orders

At 3,925 million euros, the Group's order intake was 19.7 percent above the previous year's level (3,278 million euros). Both business divisions, Machine Tools (2,285 million euros) and Laser Technology (1,393 million euros), surpassed their previous year's figures by a wide margin. The EUV business field made an equally positive contribution to the Group (530 million euros).

The order backlog at the end of the year under review was 1,425 million euros (previous year 1,006 million euros).

Sales performance better than planned – Machine Tools still in slight decline, significant growth for Laser Technology

Overall, the Group's sales performance was stable compared to the previous year. Sales revenues increased by 0.5 percent from 3,488 million euros to 3,505 million euros. As a result, the order intake was 420 million euros higher than sales revenues.

Sales revenues in our Machine Tools division decreased by 3.9 percent to 2,039 million euros (previous year 2,122 million euros). This is where the global disparity in economic recovery during the coronavirus pandemic was evident.

At 1,322 million euros (10.4 percent up on the previous year's 1,197 million euros), the Laser Technology division achieved a significantly higher level of sales revenues compared with the previous year.

As regards the business fields, the EUV business was unable to match the strong sales growth of previous years. Sales revenues fell from 460 million euros in the previous year to 437 million euros in the current fiscal year (–4.9 percent). However, EUV once again achieved a significant share of Group sales revenues in this fiscal year.

Significant supply relationships exist between the business divisions and business fields. Consolidated sales revenues of the TRUMPF Group do not include inter-divisional sales revenues.

Sales growth in China, weak performance in Europe and North America

In Germany, our largest single market, we again experienced a significant decline in sales revenues, recording a drop of 5.3 percent to 579 million euros (previous year 612 million euros).

The markets in the rest of Europe also declined almost across the board. Sales of the EUV division to our customer ASML ensured that the Netherlands remained the largest European market after Germany, despite a 4.3 percent decline. Sales revenues in Spain and Italy, which are major markets for the Group, were down significantly (–22.0 percent and –10.3 percent respectively). By contrast, we recorded growth of 11.5 percent in the Czech Republic and 4.5 percent in France. Overall, sales revenues in Europe excluding Germany fell by 4.6 percent to 1,335 million euros (previous year 1,399 million euros).

Performance in North America also declined during the coronavirus pandemic, with sales revenues in the year under review falling by a total of 5.1 percent due to currency effects. In our third largest single market, the US, we recorded a decline of 1.8 percent to 485 million euros (previous year 494 million euros). Canada also showed a downward trend – after a strong previous year (79 million euros), sales revenues fell to 72 million euros. In South America, sales revenues were also down significantly by 11.0 percent; this was mainly due to the Group's weak business performance in Brazil.

Among the Asian markets, China in particular developed very positively. Overall, our sales revenues in the Asia-Pacific region rose by 18.7 percent to 948 million euros (previous year 798 million euros). Sales revenues in our largest single Asian market, China, increased significantly following a weak performance in the previous year, rising by 50.7 percent to 525 million euros (previous year 348 million euros). In the other Asian markets, however, there was an overall downturn in sales revenues. Japan again recorded a significant decline to 114 million euros (–23.0 percent). We also recorded a decrease in India with sales revenues at 17 million euros

Graphic

04

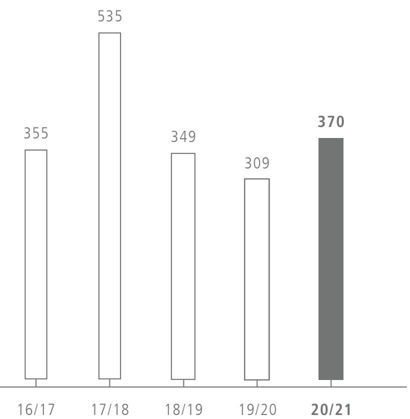
EBIT

IN MILLION EUROS

Cost reductions in the first half of the fiscal year and a sharp increase in sales revenues in the second half of the fiscal year resulted in significant year-on-year growth in EBIT.

EBIT margin:

10.5%



(–34.2 percent). Business in South Korea however developed positively with sales revenues increasing by 5.7 percent to 142 million euros.

Revenue split shifts in favor of Asia

Germany's share of total sales revenues decreased to 16.5 percent (previous year 17.5 percent). Europe (excluding Germany) accounted for 38.1 percent of our sales revenues (previous year 40.1 percent). The portion attributable to the American markets declined slightly to 17.9 percent (previous year 19.0 percent). As a result of the Group's strong sales performance in China, Asia's share increased significantly year on year (from 22.9 percent to 27.0 percent).

Results of operations, net assets and financial position

Earnings significantly above previous year

Graphic 04

At 370 million euros, operating earnings before interest and taxes were significantly higher than the previous year (309 million euros). Despite the low level of sales revenues, we were able to stabilize earnings in the first half of the year by reducing costs. In the second half of the year, earnings increased sharply as a result of higher sales revenues. For the fiscal year as a whole, the EBIT margin was at gratifying 10.5 percent (previous year 8.9 percent).

The cost of goods sold includes all expenses attributable to products or services sold in the fiscal year as well as any remaining costs of the Purchasing, Production, and Service operating areas that are not allocable to products or services. In line with our sales performance, the cost of goods sold was slightly higher than the previous year (2,125 million euros) at 2,131 million euros. The cost of goods sold ratio remained virtually constant at 60.8 percent (previous year 60.9 percent). At 1,374 million euros, gross profit was slightly higher than in the previous year (1,362 million euros).

Sales costs include all personnel costs allocated to the Sales division, other operating costs (mainly travel and marketing costs), as well as depreciation and material costs for our showrooms. Freight and packaging costs are also included under this item to the extent that they can be allocated to transport from the production plant to the customer. The decline of 5.4 percent to 451 million euros is partly due to lower commission and freight costs. In addition, we continued to benefit from cost-cutting measures in the area of non-personnel costs, particularly in the first half of the year. Trade fair and marketing costs in particular, as well as travel and accommodation expenses, were lower than in the previous year due to the ongoing coronavirus pandemic. By contrast, personnel costs were higher than in the previous year. The sales cost ratio fell to 12.9 percent in fiscal year 2020/21 (previous year 13.7 percent).

Research and development costs comprise all amounts spent on basic research or new developments and not related to current production. These include in particular personnel, non-personnel, and material costs, as well as depreciation. Research and development costs increased slightly in fiscal year 2020/21 (from 377 million euros to 382 million euros). The increase was mainly due to higher personnel costs. At 10.9 percent, the research and development cost ratio was slightly higher than in the previous year (10.8 percent). It remains at a very high level in historical terms.

General administrative costs include in particular personnel costs, depreciation and amortization, and other non-personnel costs relating to Management, IT, Human Resources, Infrastructure, and Finance. They amounted to 197 million euros, significantly higher than in the previous year (178 million euros). The increase was due in particular to higher personnel costs and increased costs for IT projects. The administrative cost ratio rose from 5.1 percent to 5.6 percent.

Other operating income (151 million euros, previous year 139 million euros) and other operating costs (128 million euros, previous year 155 million euros) mainly comprise offsetting exchange rate gains and losses resulting from operating and financing transactions and the hedging of these transactions. In total, other operating income and costs improved significantly from –16 million euros in the previous year to 23 million euros. Earnings from the sale of the Group's shares in BeSpoon SAS (13 million euros) were the main reason for the increase. Accruals and allowances for receivables were reversed due to risks that did not materialize. Further income relating to other periods was recognized mainly due to tax refunds. By contrast, the balance of exchange rate gains and losses was down on the previous year (+0.4 million euros) at –3.3 million euros.

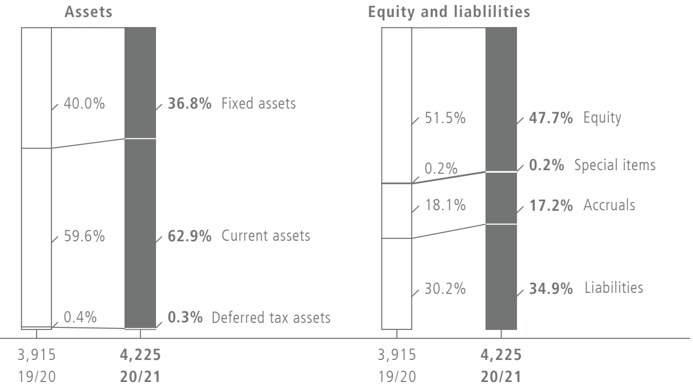
At –48 million euros, the financial and investment result was 2 million euros lower than in the previous year (–46 million euros). Of this amount, –39 million euros were attributable to the compounding of long-term accruals (previous year –37 million euros). In fiscal year 2020/21, the financial result was impacted by write-downs on shareholdings in two non-consolidated companies amounting to 8 million euros. This was offset by income from the valuation of the Contractual Trust Agreement amounting to 9 million euros.

Graphic
05

BALANCE SHEET STRUCTURE

IN PERCENT AND IN MILLION EUROS

The balance sheet total increased by 7.9 percent in the year under review.



Taxes on income in fiscal year 2020/21 amounted to –74 million euros, 4 million euros higher than the previous year (–70 million euros).

Net assets and financial position: Reduction in working capital and significant increase in cash in hand

Graphic 05 The balance sheet total in the year under review rose by 7.9 percent to 4,225 million euros (previous year 3,915 million euros).

Fixed assets fell to 1,555 million euros (previous year 1,565 million euros) – a decrease of 0.6 percent. The decrease is largely due to higher depreciation compared with new investments. In the case of intangible assets in particular, amortization of goodwill and disclosed hidden reserves were not offset by any significant additions to assets.

Current assets including prepaid expenses and deferred tax assets rose by 13.6 percent to 2,670 million euros (previous year 2,349 million euros). Inventories (before down payments received) increased by 6.3 percent to 796 million euros (previous year 749 million euros) as a result of the ramp-up of production output in the course of the fiscal year. As a result of the increase in inventories with only a slight rise in sales revenues for the fiscal year, days inventory outstanding (DIO) rose from 77 to 82 days. Down payments received increased significantly by 59.8 percent to 236 million euros (previous year 148 million euros). This was due in particular to the higher order intake and increased volumes of down payments. As a result, days payments received (DPR) increased by 9 days to –24 days (previous year –15 days).

Trade receivables increased by 7.6 percent to 723 million euros (previous year 672 million euros). Increased receivables with only a slight rise in sales revenues led to an increase in days sales outstanding (DSO) by 4 days to 74 days (previous year 70 days).

Trade payables rose substantially by 53.6 percent to 334 million euros (previous year 218 million euros). As a result, days payables outstanding (DPO) rose from –22 to –34 days. This was due in particular to the renewed significant increase in purchasing volumes.

Working capital – the sum of inventories and trade receivables less down payments received and trade payables – decreased by 10.2 percent to 949 million euros (previous year 1,056 million euros). As a result of the significant reduction in working capital coupled with a slight increase in sales revenues, the working capital ratio as a percentage of sales revenues fell from 30.3 percent to 27.1 percent. Our continued working capital management activities also contributed to this.

Cash and cash equivalents rose by 31.5 percent to 974 million euros (previous year 741 million euros). At 563 million euros, cash inflows from operating activities were slightly higher than in the previous year (545 million euros), with the year-on-year reduction in working capital also having a particularly positive effect here. Due to the cuts in the investment budget, cash outflows from operations-related investing activities of 172 million euros were lower than in the previous year (194 million euros). Free cash flow thus increased to 391 million euros (previous year 351 million euros).

Cash outflows from other investing activities came to 81 million euros (previous year 35 million euros). The increase was mainly due to the increase in medium-term financial assets (assets with a remaining term of more than three months); additions rose from –11 million euros in the previous year to –60 million euros. The cash inflow from the sale of BeSpoon SAS had an offsetting effect.

Cash outflows from financing activities came to 85 million euros (previous year 171 million euros). In fiscal year 2020/21, liabilities to external lenders of 25 million euros were repaid.

The sum of all cash-relevant changes in cash in hand therefore amounted to 226 million euros (previous year 146 million euros).

The net financial position – the sum total of cash and cash equivalents, securities in current assets, financial receivables, and medium-term financial assets included under other assets less financial liabilities – rose by 59.2 percent to 878 million euros (previous year 552 million euros), mainly as a result of reduced investing activities and incoming payments from the reduction in working capital.

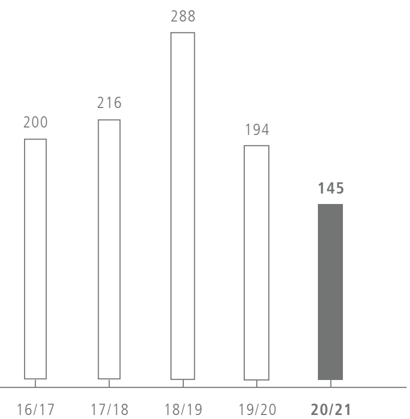
Graphic
06

INVESTMENTS
IN MILLION EUROS

Investments continued to decline in the fiscal year under review. 67.7 percent of our expenditure was in Germany. America accounted for 4.1 percent of total investments, and Asia Pacific for 11.6 percent.

Investment trend:

–25.2%



Equity declined by 0.1 percent to 2,016 million euros in the year under review (previous year 2,017 million euros). Due to the simultaneous increase in the balance sheet total of 7.9 percent, the equity ratio thus fell to 47.7 percent (previous year 51.5 percent). Economic equity, which includes long-term liabilities to partners, rose by 2.4 percent to 2,359 million euros (previous year 2,303 million euros), and the economic equity ratio reduced from 58.8 percent to 55.8 percent.

Accruals increased by 2.5 percent to 726 million euros (previous year 708 million euros). This was mainly due to the increase in personnel accruals, and was countered by increased investments in plan assets for the accruals for pensions.

Liabilities increased by a total of 26.8 percent to 1,396 million euros (previous year 1,101 million euros). The development of financial liabilities and trade payables has already been explained above.

Liabilities to partners rose by 43.6 percent from 422 million euros to 606 million euros.

Investments and acquisitions

Level of investment also down in fiscal year 2020/21

Graphic
06

Due to the economic uncertainties surrounding the coronavirus pandemic, we also scaled back our investments in fiscal year 2020/21. Compared with the previous year's level (194 million euros), they fell again by 25.2 percent to 145 million euros. Tangible assets accounted for 142 million euros (excluding internally used self-produced machines in the amount of 66 million euros) and intangible assets for 3 million euros.

Land and structural extensions accounted for 34.2 percent of the total investment amount mentioned above. 28.0 percent was invested in technical equipment and machinery and 35.6 percent in office equipment. 67.7 percent of our expenditure was in Germany. Construction investments, almost exclusively at the company's headquarters in Ditzingen, accounted for around 41.5 percent of this amount and represented the continuation of construction projects already started in previous years.

Graphic

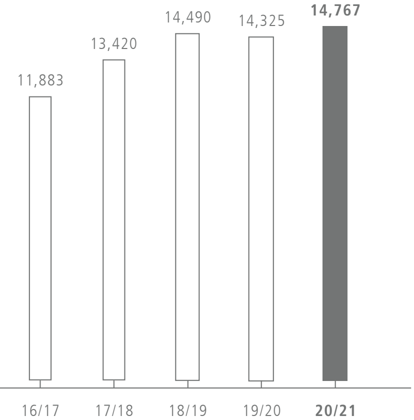
07

EMPLOYEES

In Germany, TRUMPF employed 7,602 people. Outside Germany, the number of employees rose to 7,165.

Number of employees:

+3.1%



16.6 percent of our investments were made in the rest of Europe. America accounted for 4.1 percent of investments and Asia for 11.6 percent.

The investment ratio of fixed assets to sales revenues was 4.1 percent (previous year 5.6 percent). Investments in tangible and intangible assets of 145 million euros in the year under review were below the level of depreciation and amortization, which totaled 197 million euros (previous year 198 million euros).

Acquisitions and divestments

Effective July 16, 2020, we sold our majority stake in BeSpoon SAS, based in Le Bourget-du-Lac, France, to the microprocessor manufacturer STMicroelectronics as part of a partnership in the field of UWB positioning technology.

Under a contract dated March 18, 2021, we acquired the Spanish software provider Lantek. Lantek develops, implements, and maintains software for sheet metal and metalworking with all cutting technologies.

Employees

New employees worldwide

Graphic 07

The number of employees working for TRUMPF worldwide increased slightly despite the cost-cutting measures taken; new jobs were created in the growth areas of EUV and Electronics in particular. As of June 30, 2021, we employed 14,767 people (previous year 14,325).

In Germany, TRUMPF had 7,602 employees as of the balance sheet date (previous year 7,437) – a rise of 2.2 percent year-on-year.

Outside Germany, the number of employees increased by 4.0 percent to 7,165 (previous year 6,888).

The training of young skilled workers, engineers, business administrators, and IT specialists is very important to us. In the year under review, 517 young people completed a training course or co-op work-study program, resulting in a training ratio of 3.6 percent for the company (previous year 3.6).

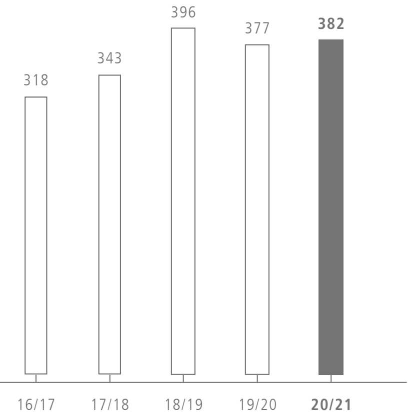
Graphic
08

RESEARCH AND DEVELOPMENT
IN MILLION EUROS

Our research and development cost ratio as a percentage of sales revenues was at a historically very high level of 10.9 percent

Development of research and development costs:

+1.4%



RESEARCH AND DEVELOPMENT

Research and development cost ratio remains at high level

Graphic 08

At 382 million euros, research and development costs were slightly higher than the previous year's figure of 377 million euros. In relation to sales revenues, the research and development cost ratio increased once again to 10.9 percent (previous year 10.8 percent) and thus remains at a very high level in historical terms.

Graphic 09

The number of employees working on new products for TRUMPF rose by 4.2 percent to 2,294 (previous year 2,201). By conducting intensive technology scouting, TRUMPF wishes to evaluate trends in the technology areas relevant to us at an early stage and then initiate appropriate measures. These measures include building up new skills, launching partnerships with start-ups, and assessing non-organic growth options using a strategically oriented pre-M&A process. The aim is to develop new business opportunities and/or expand existing business fields.

Venture capital projects can be an alternative to forging partnerships with start-ups. In January 2021, for example, TRUMPF Venture invested in AI-powered cyber security startups from the US and Israel. This was followed in April 2021 by a stake in US-based recycling start-up Battery Resourcers. The company has developed a process that allows lithium-ion batteries to be recycled efficiently and with minimum environmental impact.

TRUMPF has also created an innovation scheme called "Internehmertum", which encourages employees to propose their ideas and progress them through various stages within the company to a start-up. TRUMPF spun off the Optimate and ScaleNC start-ups in the year under review. Optimate uses AI to improve sheet metal part design, ScaleNC prepares CAD models for production and delivers machine programs via the cloud.

Graphic

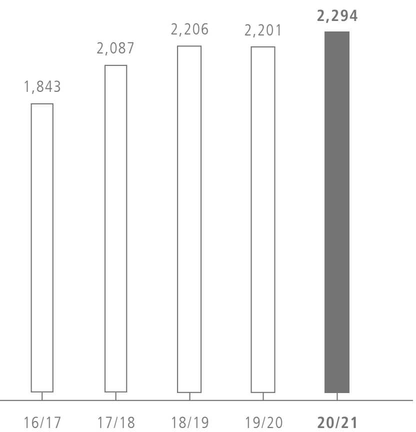
09

EMPLOYEES IN RESEARCH AND DEVELOPMENT

As of the reporting date, 2,294 employees of the TRUMPF Group were working on the products and ideas of tomorrow.

Number of employees in research and development:

+4.2%



OPPORTUNITIES AND RISKS

Risk management

As a globally active high-tech company, TRUMPF is exposed to a variety of risks, which is why we have a differentiated risk management system. Steered by a central risk manager, we regularly identify and evaluate risks in all areas throughout the Group and determine the relationships between these risks. The results are regularly presented to management.

The Group's Management Board and its heads of business divisions and central corporate departments are given monthly updates on the company's results of operations, net assets and financial position.

The order intake, an important key figure, is reported on a daily basis. The key financial figures and analyses of these figures by the Controlling department provide the basis on which management can identify and evaluate potential risks and decide on appropriate countermeasures.

Our corporate planning process includes an analysis of alternative scenarios for possible trends within the TRUMPF Group and their potential risks. An interest and currency committee, which meets monthly, manages and controls cash flow, currency and interest rate risks at Group level. In addition, market and competition analyses enhance risk transparency. We continue to monitor the developments regarding the coronavirus pandemic closely.

The parent company's central crisis team and the local crisis teams at the subsidiaries are working closely together to manage the effects of the coronavirus pandemic. A coronavirus task force from Finance, Human Resources, Purchasing, Sales, and Operations also supported the crisis organization. We are continuing to closely monitor developments surrounding the coronavirus pandemic.

Market opportunities and risks

The outlook for the global economy improved during the fiscal year despite the massive economic impact of the coronavirus pandemic. In October 2020, the IMF expected global growth to fall by 4.4 percent instead of the 4.9 percent decline originally forecast. In 2021, the IMF expects global growth of 6.0 percent, and 4.9 percent in 2022.

In the industrialized countries, the IMF predicts growth of 5.6 percent in 2021 and lower growth of 4.4 percent in 2022.

For emerging and developing economies, the IMF expects a significant recovery in all regions following the impact of the coronavirus pandemic. However, there are significant differences between the individual economies. While China and India are expected to grow strongly by 8.1 percent and 9.6 percent respectively in 2021, the IMF expects the economies of Asia-Pacific, Brazil, Mexico, Russia, and South Africa to grow at a noticeably lower rate of 4.0 to 6.3 percent.

Thanks to our global presence, we see good opportunities to benefit from the expected recovery of the global economy. At the same time, the high growth rates that are forecasted in individual core markets will also lead to risks from increased competitive pressure. The electromobility market in China is worthy of particular mention here. We knowingly accept this, as the opportunities clearly outweigh the risks for us.

Opportunities offered by the end-to-end digitalization of the process chain

TRUMPF offers its customers a product portfolio for digitally connected production. Its modular solutions enable both vertical and horizontal networking of production processes right through to smart factory options, i.e. end-to-end digital connectivity in production. We provide our customers with comprehensive advice on the introduction of digitally networked processes, and frequently find that indirect processes in particular offer huge potential for improvement. We are also systematically digitalizing our own value chain. In doing so, we are taking a cross-departmental approach with the aim of ensuring that the optimization measures have an impact on the entire order-to-cash process.

Opportunities from continued growth in demand for EUV lithography

Microchip manufacturers are expanding their production facilities to include EUV lithography systems. High-performance laser amplifiers from TRUMPF are used in the production of microchips with EUV lithography. These laser amplifiers are used to generate a luminescent plasma that delivers the extreme ultraviolet radiation needed to expose the wafers.

We assume that there will be a sustained increase in demand for these systems.

Opportunities in the additive manufacturing market

The market for additive manufacturing processes has only grown slowly in the last two years, however we remain fundamentally convinced that additive manufacturing is a pioneering process with which TRUMPF can achieve considerable business success.

Many industries, such as aircraft construction, the automotive industry, medical technology, and tool and die making, use TruPrint machines. TRUMPF offers both of the relevant processes for industrial metal 3D printing: laser metal fusion and laser metal deposition.

Opportunities from our sales financing solutions

TRUMPF offers its customers in around 30 countries access to investment financing in the form of credit and leasing offers. In addition to financing TRUMPF products, we can also finance machines from other manufacturers, commercial real estate, or vehicle fleets.

Financial opportunities and risks

The TRUMPF Group regularly safeguards its liquidity through medium to long-term measures. We have once again increased our liquidity reserves compared with the previous year. Cash and cash equivalents are mainly invested in the money market on a short-term basis. When investing our liquidity reserves, we ensure that the risk is diversified by spreading the investments across several financial institutions and instruments. We only consider banks with a good credit rating. Despite this approach, we are currently unable to completely avoid the charging of negative interest (custody fees) by our core banks.

The 500 million euro syndicated credit line successfully concluded last year was, as planned, extended for a further year at the end of February 2021 for the first time. In total, there were unutilized credit lines of 546 million euros as of the balance sheet date.

Our liquidity reporting system enables us to check the liquidity of all our subsidiaries on a daily basis. This was primarily used as part of the measures for the coronavirus pandemic, with daily reporting ensuring a transparent overview of the TRUMPF Group's liquidity situation and safeguarding liquidity during the crisis.

Exchange rate and interest rate risks represent additional financial risks for us.

As the eurozone represents our main sales market with a 43.2 percent share of sales revenues, and as we are partly able to offset foreign currency payments thanks to our international production network and global purchasing, we consider our exchange rate risk to be limited.

At TRUMPF, derivative financial instruments are not used for speculative purposes, but solely to hedge underlying transactions. The risk of fluctuations in the market prices of forward exchange transactions is offset by the opposite trend in the market value of the underlying transactions. Hedging takes place within the Group, i.e. with the companies of the TRUMPF Group, to cover foreign currency risks from posted, pending, and anticipated underlying transactions. TRUMPF also enters into external hedging transactions with banks in line with the forward exchange transactions concluded internally, and taking into account net exposures.

We systematically hedge net exposures in US dollars, Japanese yen, Chinese renminbi, Korean won, Swiss francs, British pounds sterling, and Polish zloty using standardized currency hedging instruments such as forward exchange transactions and currency options. Other currencies are hedged on a project-related basis.

In the eurozone, we concentrate our liquidity on a daily basis with the aid of a cash pool system that ensures transnational liquidity balancing. We have a similar system in use at our subsidiaries in China. Multilateral netting of receivables and liabilities increases transparency and facilitates the handling of the Group's internal cash flows.

Internal audits are intended to create additional transparency regarding the financial situation of our subsidiaries.

Strategic and operational opportunities and risks

Innovations

We are quick to respond to emerging trends in technology. Our Innovation Management unit continuously searches for future technologies and takes steps to integrate them into our technology landscape.

We also seek to forge close ties with universities, non-university research institutes, and corresponding start-ups – including on a very targeted basis via our venture capital company. Institutional research in projects with several partners is of central importance to us, and our goal is always to be up to date with trends in our high-tech fields.

While innovations and new technologies guarantee sustainable growth, they are also associated with market launch risks and product development risks. We take concrete measures to counteract these potential technology and quality risks. Since we are partly dealing with the development of new technologies, risks cannot be completely ruled out.

Intellectual property

We safeguard our investments in research and development by ensuring that our research and development and patent departments work hand in hand. Our aim is to develop a patent portfolio that grants TRUMPF advantages in the market in terms of freedom of action, exclusivity, and patent exploitation. Our patent attorneys provide support throughout the new technology development process to help ensure that patents are generated, evaluated, and exploited in a targeted manner. We also register industrial property rights for design innovations, with a special focus on our core markets.

Acquisitions

We make targeted acquisitions in order to improve our position in our markets and fields of technology. Decisions on acquisitions are taken with great care. An M&A committee consisting of members from our business and central departments evaluates potential acquisition projects. We use due diligence procedures to obtain the greatest possible certainty about the future development potential of an M&A project.

Procurement

We regularly review purchasing volumes for optimization potential and organize cross-location calls for tenders centrally.

We aim to minimize risks through a comprehensive supplier management system. The careful selection and continuous evaluation of our strategic suppliers (also with regard to the likelihood of default) as well as a stringent supplier approval process provide us with the necessary transparency about possible risks at all times. Continuous monitoring of delivery quality and reliability enables us to derive suitable quality assurance and supplier development measures. The provision of our basic supplies by third parties was guaranteed at all times. Isolated supply bottlenecks for specific product groups – including during the coronavirus pandemic – were resolved by active demand and escalation management. Based on the measures taken, we assume that the supply chain bottlenecks currently in place will not have a significant impact on the sales revenues planned for the following fiscal year.

Production

We are continuously developing our production processes as the digitalization of the entire order-to-cash process also affects large parts of production. We are continuing to press ahead with the systematic standardization of our processes in particular, as part of the digital transformation.

SYNCHRO, our lean production philosophy, is a crucial prerequisite for this. We have defined business interruption risks in production and have taken appropriate precautions. We have examined and evaluated critical production processes. Production downtimes should be avoidable by increasing the manufacturing flexibility of our production facilities or relocating production for short periods, and extensive emergency scenarios are in place for this purpose. An international insurance scheme and local coverage provide cover for property damage, fire damage, business interruption, and business and product liability risks. We regularly evaluate and audit our production sites with our insurance broker.

Information technology

IT risks are one of the key areas on which we focus. We permanently monitor our central IT systems and have initiated and, in some cases, already successfully completed projects to continuously improve the level of security by organizing our IT landscape to optimize this and by regularly investing in hardware and software.

A consequence of increasing digitalization is that the focus is also shifting to the security of the software used in TRUMPF products. This is why we have centralized responsibilities for security within the company in relation to software development, architecture requirements, development infrastructure, and responding to security issues. The development teams in these areas receive expert support to ensure that security requirements are considered early on in the development process.

Employees

Our employee turnover rate is 4.4 percent in the Group and 2.6 percent in Germany. Demographic change and a lack of skilled workers, especially in technical professions, continue to present challenges. For this reason, our activities to secure young talent are kept at a high level for TRUMPF.

We have set ourselves a Group-wide occupational safety target to reduce accidents worldwide to a best-in-class level, and are implementing our occupational health and safety policy and local TRUMPF safety standards. We aim to continuously improve the level of occupational health and safety through standardized processes and instruments and by monitoring the results through Group-wide audits.

Compliance

Management expects its employees to comply with the law in their business dealings. TRUMPF is continuously developing its compliance management system. The organization and communication elements were one of the focal points in the year under review. Among other things, a concept was developed and implemented to promote a Group-wide exchange of ideas and information between the central compliance function and the decentralized local compliance officers. This concept includes, in particular, regular events for information and networking and the development of additional communication measures. In addition, an updated version of the "Compliance at TRUMPF" e-learning program, which is mandatory worldwide, was introduced to strengthen awareness among employees and managers. The overriding aim of the compliance management system is to promote a corporate culture in which people talk openly about compliance, know the rules, and adhere to them as a matter of course.

Assessment of the company's risk situation

No risks have been identified that could substantially endanger the Group's status as a going concern. The risk management practiced should make it possible to identify risks promptly so that appropriate countermeasures can be initiated. Our activities are focused on managing financial and market risks and identifying business and technological opportunities.

OUTLOOK

Machine tools industry anticipates a return to growth

Following the massive 28.0 percent drop in production and 30.0 percent drop in orders in the machine tools industry in 2020, the VDW (German Machine Tool Builders' Association) expects production to increase significantly by 8.0 percent and incoming orders by 53.0 percent in 2021. For 2022, the VDW expects the order intake to increase by 14.0 percent and production by 7.0 percent.

Substantial growth expected in the laser industry

The global laser market has weathered the coronavirus crisis well with a surprising 8.0 percent growth in 2020, as reported by Laser Focus World, which expects the market as a whole to grow by more than 10.0 percent in 2021. The analysts cited see the greatest potential in lasers for sensors, in the medical sector, in communications, and in photolithography.

Outlook for the company

TRUMPF expects further growth in fiscal year 2021/22

We do not expect the coronavirus pandemic to have any significant adverse effects in the next fiscal year, and anticipate that the positive development of the order intake witnessed in recent months will continue throughout that period. Overall, we expect orders to grow significantly in the next fiscal year compared to fiscal year 2020/21.

We are forecasting significant growth in sales revenues compared with the past fiscal year. The increased order intake from the second half of fiscal year 2020/21 will inevitably lead to growth in sales revenues in fiscal year 2021/22. It is our overall expectation that sales revenues will increase more sharply than the order intake.

The EBIT will also show a clearly positive development in the coming fiscal year due to the expected growth in sales revenues. All in all, we are anticipating a slightly higher EBIT margin than this year. This will probably result in a significantly higher value added in the next fiscal year than in the year under review.

With regard to our two business divisions, Machine Tools and Laser Technology, we expect the recovery to continue in the coming fiscal year. Similarly to the TRUMPF Group, we expect significant growth in the order intake for both business divisions and a sharp increase in sales revenues.

Our forecasts for the EUV business field are also optimistic. We anticipate a significant increase in sales in EUV lithography for coating microprocessors following the decline in the year under review. Together with ZEISS, TRUMPF is still the only supplier to the customer ASML in this highly innovative manufacturing process.

This report contains forward-looking statements that are based on current assessments of future developments. As such, they are subject to risks and uncertainties that are beyond our control or precise assessment. This may result in the actual results differing from the statements made in this report.

Ditzingen, September 7, 2021

TRUMPF GmbH + Co. KG
represented by its general partner, Berthold Leibinger GmbH,
the latter represented by the management

Dr. phil. Nicola Leibinger-Kammüller, President and Chairwoman
Dr.-Ing. E. h. Peter Leibinger, Vice Chairman
Dr.-Ing. Mathias Kammüller
Dr. rer. pol. Lars Grünert
Dipl.-Betriebsw. Oliver Maassen
Dr.-Ing. Stephan Mayer
Dr.-Ing. Christian Schmitz

5

CONSOLIDATED FINANCIAL STATEMENTS

Korea

CONSOLIDATED BALANCE SHEET

AS OF JUNE 30, 2021

ASSETS in k€	Notes	06/30/2021	06/30/2020
FIXED ASSETS	1		
Intangible assets		122,399	143,366
Tangible assets		1,347,645	1,340,294
Financial assets		85,347	81,661
		1,555,391	**1,565,321**
CURRENT ASSETS			
Inventories (after offsetting against down payments received)	2		
Inventories		795,998	748,957
Down payments received		–236,408	–147,982
		559,590	600,975
Receivables	3		
Trade receivables		723,460	672,445
Receivables from partners		15,127	12,272
Other receivables		20,677	8,216
		759,264	692,933
Other assets	4	288,744	213,170
Cash and cash equivalents, securities	5	1,024,318	790,459
		2,631,916	**2,297,537**
PREPAID EXPENSES	6	**25,626**	**34,945**
DEFERRED TAX ASSETS	7	**12,043**	**16,849**
		4,224,976	**3,914,652**

EQUITY AND LIABILITIES in k€	Notes	06/30/2021	06/30/2020
EQUITY	8	**2,015,864**	**2,017,159**
SPECIAL ITEMS	9	**6,785**	**6,574**
ACCRUALS			
Accruals for pensions and similar obligations	10	308,698	320,802
Other accruals	11	417,000	387,267
		725,698	**708,069**
LIABILITIES	12		
Trade payables		334,239	217,583
Financial liabilities		342,200	359,546
Liabilities to partners		605,625	421,749
Other liabilities		113,720	101,873
		1,395,784	**1,100,751**
DEFERRED INCOME	13	**80,845**	**82,099**
		4,224,976	**3,914,652**

CONSOLIDATED PROFIT AND LOSS STATEMENT

FOR FISCAL YEAR 2020/21

in k€	Notes	**2020/21**	2019/20
Sales revenues	14	3,504,666	3,487,668
Cost of goods sold	15	–2,130,883	–2,125,271
Gross profit on sales		**1,373,783**	**1,362,397**
Sales costs	16	–450,623	–476,568
Research and development costs	17	–382,455	–377,445
General administrative costs	18	–197,282	–177,652
Other operating income	19	150,990	138,544
Other operating costs	20	–127,685	–155,022
Financial and investment result	21	–48,143	–45,530
Earnings before taxes		**318,585**	**268,724**
Taxes on income	22	–74,064	–69,692
Earnings after taxes		**244,521**	**199,032**
Gains/losses attributable to minority interests	8	–7,633	–6,659
Consolidated net income after minority interests		**236,888**	**192,373**
For informational purposes:			
Taxes of partners	22	–39,405	–60,050
Consolidated net income after minority interests and taxes of partners		**197,483**	**132,323**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR FISCAL YEAR 2020/21

	Equity of the parent company					
	Fixed capital	**Revenue reserves**			**Equity difference from foreign currency translation**	**Total**
in k€	Capital shares	Reserves according to partnership agreement	Other revenue reserves	**Total**		
06/30/2019	**100,000**	**286,432**	**1,498,834**	**1,785,266**	**78,054**	**1,963,320**
Transfer	–	–	–	–	–	–
Allocation to partners' accounts within liabilities	–	–	–121,840	–121,840	–	–121,840
Allocation to/ withdrawal from reserves	–	–40,000	–	–40,000	–	–40,000
Foreign currency translation	–	–	–	–	–1,089	–1,089
Other changes	–	–	1,589	1,589	–8	1,581
Changes in the scope of consolidation	–	–	–	–	974	974
Group net income	–	25,845	166,528	192,373	–	192,373
06/30/2020	**100,000**	**272,277**	**1,545,111**	**1,817,388**	**77,931**	**1,995,319**
Transfer	–	–	–	–	–	–
Allocation to partners' accounts within liabilities	–	–	–95,164	–95,164	–	–95,164
Allocation to/ withdrawal from reserves	–	–129,213	–	–129,213	–	–129,213
Foreign currency translation	–	–	–	–	–17,226	–17,226
Other changes	–	–	6	6	–	6
Group net income	–	19,620	217,268	236,888	–	236,888
06/30/2021	**100,000**	**162,684**	**1,667,221**	**1,829,905**	**60,705**	**1,990,610**

Minority interests				Group equity
Minority interests before equity difference from foreign currency translation and annual result	Equity difference from foreign currency translation attributable to minority interests	Gains/losses attributable to minority interests	Total	Total
16,046	**8**	**5,209**	**21,263**	**1,984,583**
5,209	–	–5,209	–	–
–	–	–905	–905	–122,745
–	–	–	–	–40,000
–	–495	–	–495	–1,584
–4,611	–71	–	–4,682	–3,101
–	–	–	–	974
–	–	6,659	6,659	199,032
16,644	**–558**	**5,754**	**21,840**	**2,017,159**
5,754	–	–5,754	–	–
–	–	–1,117	–1,117	–96,281
–	–	–	–	–129,213
–	–318	–	–318	–17,544
–2,784	–	–	–2,784	–2,778
–	–	7,633	7,633	244,521
19,614	**–876**	**6,516**	**25,254**	**2,015,864**

CONSOLIDATED CASH FLOW STATEMENT

FOR FISCAL YEAR 2020/21

in k€		2020/21	2019/20
CONSOLIDATED NET INCOME		**244,521**	**199,032**
+/–	Elimination of financial and investment result	48,143	45,530
+/–	Elimination of income tax expenses	74,064	69,692
=	**Group net income before financial and investment result and income taxes**	**366,728**	**314,254**
–/+	Income taxes paid/received	–71,897	–97,253
+/–	Elimination of depreciation and amortization/write-ups of fixed assets	197,268	196,973
–/+	Elimination of gain/loss from the disposal of fixed assets	–11,372	–278
–/+	Increase/decrease in inventories and trade receivables	–28,403	212,224
+/–	Increase/decrease in trade payables	115,089	–35,187
+/–	Increase/decrease in accruals	9,444	1,945
+/–	Change in other assets and liabilities	–8,240	–37,826
+/–	Elimination of other non-cash expenses/income	–5,097	–9,799
=	**Cash inflow from operating activities**	**563,520**	**545,053**
–	Cash paid for investments in tangible assets	–208,419	–247,651
+	Cash received from the disposal of tangible assets	38,913	57,899
–	Cash paid for investments in intangible assets	–3,249	–5,339
+	Cash received from the disposal of intangible assets	364	1,466
=	*Subtotal cash outflow from investing activities (operating)*	*–172,391*	*–193,625*
–	Cash paid for investments in financial assets	–47,351	–29,759
+	Cash received from the disposal of financial assets	22,248	632
+/–	Cash received/paid from the acquisition of consolidated companies	–1,800	–7,828
–	Cash paid for financial investments as part of short-term cash management	–60,362	–10,761
+	Cash received from the sale of consolidated companies	0	5,081
+	Dividends received	307	872
+	Interest received	6,306	7,201
=	*Subtotal cash outflow from investing activities (others)*	*–80,652*	*–34,562*
=	**Cash outflow from investing activities**	**–253,043**	**–228,187**
–	Cash paid to partners	–52,961	–160,260
+	Cash received from the issuance of loans and other financial liabilities	532	2,782
–	Cash repayments of loans and other financial liabilities	–24,757	–6,550
–	Interest paid	–7,482	–7,232
=	**Cash outflow from financing activities**	**–84,668**	**–171,260**
CHANGE IN CASH IN HAND		**225,809**	**145,606**
+/–	Change in cash in hand due to exchange rate differences	6,588	106
+/–	Change in cash in hand due to consolidation activities	896	4,977
+	Cash in hand at the start of the fiscal year	740,479	589,790
=	**Cash in hand at the end of the fiscal year**	**973,772**	**740,479**
COMPOSITION OF CASH IN HAND			
+	Cash and cash equivalents	974,261	740,712
–	Liabilities to banks payable on demand	–489	–233
=	**Cash in hand at the end of the fiscal year**	**973,772**	**740,479**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Sweden

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FOR FISCAL YEAR 2020/21

Principles and methods

TRUMPF GmbH + Co. KG is listed in the commercial register of Stuttgart District Court under company registration number HRA 201460. The company has its head office at Johann-Maus-Strasse 2, 71254 Ditzingen, Germany.

The consolidated financial statements for the fiscal year 2020/21 have been prepared in accordance with Section 264a of the German Commercial Code (HGB), applying the provisions of Sections 290 et seq. HGB. The consolidated financial statements have been prepared in accordance with the accounting and valuation regulations of the HGB applicable to large corporations, taking into account the separate regulations for partnerships and the supplementary provisions of the parent company partnership agreement. In accordance with Section 298 (1) HGB in conjunction with Section 244 HGB, the consolidated financial statements have been prepared in euros. The consolidated profit and loss statement was prepared according to the cost-of-sales-method.

In contrast to the previous year and for a better presentation of the net assets, financial position and results of operations, TRUMPF GmbH + Co. KG prepares the consolidated financial statements in its capacity as the ultimate parent company. Necessary adjustments were made for the current fiscal year as well as the previous year.

Various items in the consolidated balance sheet and the consolidated profit and loss statement have been combined for greater clarity and are disclosed separately in the notes to the consolidated financial statements. In view of the required clarity, the statutory balance sheet classification schema has been expanded to include a detailed breakdown of inventories (after offsetting against down payments received), receivables, and liabilities.

Accounting and valuation

The financial statements of the companies included in the consolidated financial statements are prepared, as previously, in accordance with uniform accounting and valuation principles. If adjustments to group-wide accounting and valuation principles are necessary due to national regulations, this is done in a “Handelsbilanz II” (balance sheet for consolidation purposes).

Intangible and tangible assets are stated at acquisition or manufacturing cost, net of regular amortization or depreciation. Intangible and tangible assets are amortized and depreciated using the straight-line method.

For regular amortization and depreciation, the following useful lives are assumed in the main: 3 to 5 years for software, 6 to 8 years for acquired customer bases, 6 to 8 years for technological know-how, 10 years for trademark rights, 25 to 50 years for buildings, 12 years for technical plant and machines, and 3 to 20 years for other equipment and factory and office equipment. Goodwill is amortized over 5 years on the basis of past internal experience, especially with regard to product life cycles.

Internally used machines are used for testing or training purposes or as showroom and demonstration machines. These are reported under fixed assets and depreciated over 5 years. Machines leased to customers are also reported under fixed assets and depreciated over the contract term.

Payments on account are recognized at nominal value.

In the case of **financial assets,** participations and shares in non-consolidated affiliated companies are carried at the lower of cost or fair value, and loans are carried at nominal value. For the accounting and valuation of shares in associated companies, we refer to the explanations on the consolidation principles. The long-term investments included under financial assets are carried at cost.

Inventories of raw materials, consumables and supplies, and merchandise are carried at the lower of acquisition cost or market value. Work in progress and finished goods are valued at manufacturing cost. In addition to direct material and production costs, this also includes an appropriate allocation of material and production overheads and the fixed asset depreciation expenses attributable to the manufacturing process. Manufacturing costs do not include interest on borrowed capital, and general administrative costs are not capitalized.

Inventories are written down to fair value if, on the balance sheet date, this is lower than the acquisition or manufacturing cost due to lower replacement costs or sales market prices, excess inventories, or unsaleability.

Down payments received are recognized at nominal value and openly deducted from inventories.

Receivables and other assets are stated at the lower of their nominal value or fair value on the balance sheet date. Appropriate write-downs are made for receivables whose collectability involves recognizable risks; uncollectable receivables are written off. The general credit risk is covered by an appropriate lump-sum bad debt allowance for net receivables for which no specific bad debt allowance has been created.

Securities in current assets are stated at the lower of acquisition cost or fair value on the balance sheet date.

Cash and cash equivalents (cash, bank balances and checks) are carried at nominal value.

Prepaid expenses comprise payments made before the balance sheet date provided that they represent expenses for a specific period after that date. Debt discounts are capitalized and amortized over the term of the corresponding loans.

To calculate **deferred taxes** due to temporary or quasi-permanent differences between the commercial values of assets, liabilities, prepaid expenses and deferred income, and their tax values, or due to tax loss carry forwards, the amounts of the resulting tax burden or relief are valued at the expected company-specific tax rates at the time the differences are reversed and are not discounted. Deferred tax assets and liabilities are disclosed net. In the event of a surplus of deferred tax assets on the balance sheet date, no use is made of the option for recognition under Section 274 (1) sentence 2 HGB.

Fixed capital is recognized at nominal value.

Special items include investment grants and subsidies for fixed assets. These are released in installments over the useful life of the subsidized assets.

Accruals for pensions and similar obligations are measured on the basis of actuarial calculations using the projected unit credit method, taking into account the 2018 G mortality tables of Prof. Dr. Heubeck. In accordance with the regulation in Section 253 (1) HGB, the actuarial calculation of pension accruals takes into account expected future salary and pension increases and expected fluctuation. Accruals for pensions and similar obligations are discounted at a flat rate using the average market interest rate of the past ten years, as published by Deutsche Bundesbank, and based on an assumed remaining term of 15 years.

In the fiscal year 2020/21, the calculation of pension obligations was based on the following parameters:

- Interest rate: 2.09 percent p.a. (previous year 2.53 percent p.a.)
- Wage and salary increases: 3.0 percent p.a. (previous year 3.0 percent p.a.)
- Future pension increases: 1.5 percent p.a. (previous year 1.5 percent p.a.)

Accruals for pensions and similar obligations are offset against assets that are used exclusively to meet these obligations and that cannot be accessed by any other creditors. The fair value of these offset assets was derived from the market values.

Other accruals take into account all uncertain liabilities and contingent losses on pending transactions. They are stated at the necessary settlement value according to sound business judgment. Accruals with a remaining term of more than one year have been discounted in accordance with Section 253 (2) sentence 1 HGB. Economic hedging relationships between derivative financial instruments and underlying transactions are accounted for by forming valuation units. Accordingly, in the case of effective hedging relationships, a provision for onerous contracts is not formed for financial instruments with negative market values.

The accruals for obligations relating to phased retirement programs existing on the balance sheet date have been calculated according to actuarial principles at an interest rate of 0.39 percent p.a. (previous year 0.59 percent p.a.). They have been offset against assets that are used exclusively to meet obligations under the phased retirement program and that cannot be accessed by any other creditors. The fair value was derived from the market values.

The accruals for obligations relating to anniversary obligations existing on the balance sheet date have been calculated according to actuarial principles at an interest rate of 1.44 percent p.a. (previous year 1.84 percent p.a.).

Accruals for obligations relating to the “TRUMPF Familien- und Weiterbildungskonto” have been offset against assets that are used exclusively to meet these obligations and that cannot be accessed by any other creditors. The fair value was derived from the market values.

Liabilities are stated at their settlement value.

Deferred income includes receipts prior to the balance sheet date if they constitute income for a specific period after that date.

Shareholdings and scope of consolidation

The Leibinger family and Berthold Leibinger Stiftung GmbH directly and indirectly hold all shares in TRUMPF GmbH + Co. KG, Ditzingen. TRUMPF GmbH + Co. KG manages all domestic and foreign subsidiaries of the TRUMPF Group. The consolidation takes place at the level of TRUMPF GmbH + Co. KG as the parent company. The list of shareholdings can be found in the separate annex to the notes to the consolidated financial statements.

In addition to the parent company, the scope of consolidation includes 27 (previous year 25) German and 54 (previous year 58) foreign subsidiaries. In the fiscal year 2020/21, two companies have been included in the consolidated financial statements for the first time in accordance with the principles of full consolidation. The initial consolidation did not have a significant influence on the results of operations, net asssets and financial position of the Group so that comparability with the previous year is not limited. Four companies have been merged in the fiscal year 2020/21.

26 (previous year 14) subsidiaries and 6 (previous year 5) associated companies are not included in the consolidated financial statements for reasons of immateriality. Their combined net income and sales revenues only account for some 2 percent of consolidated net income and sales revenues, respectively. Consequently, they are considered irrelevant for the fair presentation of the results of operations, net assets and financial position of the Group.

Consolidation principles

Capital consolidation is carried out using the revaluation method in accordance with Section 301 (1) HGB. In the course of this, the equity of the subsidiaries is recognized at the amount corresponding to the fair value of the assets and liabilities to be included in the consolidated financial statements.

Any residual debit difference remaining after offsetting is reported as goodwill on the assets side and amortized over its expected useful life. As at the balance sheet date, residual debit differences amounted to k€ 62,987. Amortization is on a straight-line basis over 5 years, based on the historical useful life of the acquired goodwill.

If the consolidation measures pursuant to Sections 300 to 305 HGB result in differences between the commercial values of assets, liabilities, and their tax base that are expected to reverse in later fiscal years, the future tax relief or tax charges are recognized as deferred tax assets or liabilities in the consolidated balance sheet. Deferred taxes are calculated on the basis of the individual company tax rates applicable at the time when the differences are expected to reverse. At Group level, the tax rates of the subsidiaries concerned are used. These tax rates are between 9 percent and 35 percent. Deferred tax assets and liabilities are disclosed net. Deferred taxes from consolidation measures are combined with the deferred tax liabilities resulting from the application of Section 274 HGB to form a single item in the balance sheet.

Intercompany profits and losses resulting from intercompany deliveries of goods and services are eliminated through the profit and loss statement.

Receivables and liabilities between consolidated companies are offset against each other. Currency-related differences arising from this have been recognized in the profit and loss statement in accordance with German Accounting Standard (DRS) 25.

Revenues from intercompany sales and intercompany income are offset against the corresponding expenses.

Foreign currency translation

In the individual financial statements, transactions in foreign currencies are generally recorded at the historical exchange rate at the time of initial recognition. As at the balance sheet date, foreign currency receivables and liabilities are translated at the average spot exchange rate. In the case of a remaining term of more than one year, the realization principle (Section 298 (1) in conjunction with Section 252 (1) no. 4 clause 2 HGB) and the historical cost principle (Section 298 (1) in conjunction with Section 253 (1) sentence 1 HGB) are observed. Bank balances in foreign currencies are translated at the average spot exchange rate on the balance sheet date.

In the consolidated financial statements, the balance sheet items of subsidiaries not reporting in euros are translated in accordance with Section 308a HGB using the modified current-rate method. The asset and liability items of annual financial statements prepared in foreign currencies are translated into euros at the average spot exchange rate on the balance sheet date – with the exception of equity, which is translated at the historical rate. Items in the profit and loss statements of subsidiaries not reporting in euros are translated at the average monthly rate. In accordance with Section 308a HGB, the differences resulting from currency conversion are reported within group equity after reserves under the item “Equity difference from foreign currency translation”.

Notes to the balance sheet

The numbers stated refer to the corresponding item in the consolidated balance sheet or the consolidated profit and loss statement.

1. Fixed assets

The development of fixed assets is shown separately in the statement of changes in fixed assets. Differences resulting from currency translation have been taken into account in the acquisition or manufacturing costs and in the accumulated depreciation. Extraordinary depreciation amounted to k€ 16,861 in the fiscal year. Of this amount, k€ 7,939 is attributable to the extraordinary write-off of shares in non-consolidated affiliated companies due to permanent impairment. Also included are expenses from the extraordinary depreciation of a building in the amount of k€ 7,463.

2. Inventories (after offsetting against down payments received)

in k€	**06/30/2021**	06/30/2020
Raw materials, consumables and supplies	257,665	255,808
Work in progress	226,982	217,816
Finished goods and merchandise	297,541	263,536
Payments on account	13,810	11,797
Inventories	**795,998**	**748,957**
Down payments received	–236,408	–147,982
Inventories (after offsetting against down payments received)	**559,590**	**600,975**

3. Receivables

		Remaining term			**Remaining term**	
in k€	**06/30/2021 Total**	Up to 1 year	More than 1 year	06/30/2020 Total	Up to 1 year	More than 1 year
Trade receivables	**723,460**	**680,875**	**42,585**	**672,445**	**627,533**	**44,912**
of which from third parties	*723,336*	*680,751*	*42,585*	*627,002*	*627,090*	*44,912*
of which from affiliated companies that are not fully consolidated	*124*	*124*	–	*443*	*443*	–
Receivables from partners	**15,127**	**15,127**	**–**	**12,272**	**12,272**	**–**
Other receivables	**20,677**	**20,677**	**–**	**8,216**	**8,216**	**–**
of which from affiliated companies that are not fully consolidated	*20,516*	*20,516*	–	*8,216*	*8,216*	–
of which from associated companies	*161*	*161*	–	–	–	–
Total receivables	**759,264**	**716,679**	**42,585**	**692,933**	**648,021**	**44,912**

Receivables from partners contain cash pool receivables of k€ 13,902 (previous year k€ 11,372). Other receivables from affiliated companies that are not fully consolidated include cash pool receivables of k€ 16,206 (previous year k€ 4,995).

4. Other assets

in k€	**06/30/2021**	06/30/2020
Medium-term financial investments	161,739	101,232
Remaining other assets	127,005	111,938
Other assets	**288,744**	**213,170**
of which with a remaining term of more than one year	*83,582*	*43,721*

Remaining other assets mainly consist of tax receivables resulting from income tax and value added tax. All financial investments with a maturity of more than three months are reported under medium-term financial investments. Of the medium-term financial investments amounting to k€ 161,739, k€ 81,434 have a remaining term of more than one year.

5. Cash and cash equivalents, securities

in k€	**06/30/2021**	06/30/2020
Securities in current assets	50,057	49,747
Cash, bank balances and checks (cash and cash equivalents)	974,261	740,712
	1,024,318	**790,459**

Cash and cash equivalents include short-term promissory notes and short-term financial investments with a maturity of up to three months.

Securities include units in an investment fund in the form of a special securities fund, which is reported under securities in current assets as it is intended to be held as a short to medium-term liquidity investment. It invests in shares, bonds, investment funds and bank balances. The fund's unit rate is 100 percent.

in k€	Book value 06/30/2021	Fair value 06/30/2021	Distributions 2020/21
Special securities fund with short to medium-term investment strategy	50,000	51,441	–

6. Prepaid expenses

Prepaid expenses include vacation allowances, insurance premiums, rent, maintenance contracts, dues, and other prepaid costs caused by the divergent fiscal year.

7. Deferred tax assets

Deferred tax assets and liabilities are disclosed net. The deferred tax assets are the result of consolidation measures. The net deferred tax liabilities result from divergent values in the commercial and the tax financial statement and are mainly attributable to intangible assets, tangible assets and accruals.

in k€	**06/30/2021**	06/30/2020
Deferred tax assets	42,686	43,312
Deferred tax liabilities	–30,643	–26,463
Surplus	**12,043**	**16,849**

8. Equity

in k€	**06/30/2021**	06/30/2020
Fixed capital	100,000	100,000
Revenue reserves	1,829,905	1,817,388
Equity difference from foreign currency translation	60,705	77,931
Minority interests	25,254	21,840
	2,015,864	**2,017,159**

Fixed capital corresponds to the compulsory contributions of the limited partners of TRUMPF GmbH + Co. KG. The compulsory contributions of the limited partners are identical to the risk capital.

The subscribed capital of the general partner amounts to k€ 3,500.

The result allocation for the fiscal year 2020/21 has been carried out in accordance with the provisions of the partnership agreement and has already been taken into account in the preparation of the consolidated financial statements.

Revenue reserves include profits and losses attributable to the domestic and foreign subsidiaries as well as amounts from the offsetting of other consolidation measures.

Minority interests mainly relate to the participations in India Metamation Software Pvt. Ltd, TRUMPF Hüttinger Sp. z o. o., TRUMPF SISMA S.r.l. and Auroma Technologies Co. Dba Access Laser Company. The result allocable to minority interests comprises profit shares of k€ 7,634 (previous year k€ 6,660) and loss shares of k€ 1 (previous year k€ 1). The overall development of consolidated equity is shown separately in the consolidated statement of changes in equity.

9. Special items

The special item relates to investment grants and allowances.

10. Accruals for pensions and similar obligations

in k€	**06/30/2021**	06/30/2020
Accruals for pensions and similar obligations (settlement value prior to offsetting)	409,922	372,501
Contractual Trust Agreement (offset amount)	–101,224	–51,699
	308,698	**320,802**

The fair value of the offset plan assets corresponds to the amortized acquisition cost. The valuation of the Contractual Trust Agreement as of June 30, 2021 resulted in income of k€ 9,180. This has been offset against the interest expense on pension accruals, which are offset according to Section 246 (2) HGB, of k€ 26,506. The historical acquisition costs of the offset plan assets amount to k€ 90,345. The difference between the measurement of the obligation at the average market interest rate for ten years and the average market interest rate for seven years amounted to k€ 52,668 as of June 30, 2021 (previous year k€ 55,842).

11. Other accruals

The fair value of the offset plan assets of the accruals relating to phased retirement programs amounts to k€ 14,039 (previous year k€ 9,709) and corresponds to amortized acquisition cost. The settlement value of the offset accruals relating to phased retirement programs amounts to k€ 11,748 (previous year k€ 10,075) on the balance sheet date. The historical acquisition costs of the offset plan assets amount to k€ 103.

The fair value of the offset assets of the accruals for obligations relating to the "TRUMPF Familien- und Weiterbildungskonto" amounts to k€ 25,437 (previous year k€ 20,689) and corresponds to amortized acquisition cost. The settlement value of the offset debts also amounts to k€ 25,437 (previous year k€ 20,689). The historical acquisition costs of the offset plan assets amount to k€ 1,343.

The netting of expenses and income was waived in each case for reasons of materiality.

in k€	**06/30/2021**	06/30/2020
Tax accruals	27,957	22,865
Other accruals	389,043	364,402
	417,000	**387,267**

Other accruals mainly relate to obligations in the personnel and social area, warranty obligations, outstanding purchase invoices and other contingent liabilities.

12. Liabilities

in k€	06/30/2021 Total	Remaining term Up to 1 year	More than 1 year	Of which more than 5 years	06/30/2020 Total	Remaining term Up to 1 year	More than 1 year
Trade payables	**334,239**	**334,159**	**80**	**72**	**217,583**	**217,561**	**22**
of which to third parties	333,741	333,661	80	72	217,018	216,996	22
of which to affiliated companies that are not fully consolidated	498	498	–	–	565	565	–
Financial liabilities	**342,200**	**58,668**	**283,532**	**104,865**	**359,546**	**73,613**	**285,933**
of which to banks	277,726	20,945	256,781	103,365	283,631	23,993	259,638
of which other financial liabilities	59,767	33,016	26,751	1,500	75,915	49,620	26,295
of which to affiliated companies that are not fully consolidated	4,707	4,707	–	–	–	–	–
Liabilities to partners	**605,625**	**262,577**	**343,048**	**–**	**421,749**	**135,558**	**286,191**
Other liabilities	**113,720**	**111,046**	**2,674**	**596**	**101,873**	**98,688**	**3,185**
of which in relation to taxes	43,359	43,359	–	–	42,890	42,890	–
of which in relation to social security	6,383	6,383	–	–	5,932	5,932	–
of which to affiliated companies that are not fully consolidated	1,530	1,530	–	–	1,185	1,185	–
of which remaining other liabilities	62,448	59,774	2,674	596	51,866	48,681	3,185
	1,395,784	**766,450**	**629,334**	**105,533**	**1,100,751**	**525,420**	**575,331**

Trade payables are subject to customary retention of title.

Financial liabilities include all interest-bearing liabilities to third parties for financing purposes. Financial liabilities to banks include a promissory note amounting to k€ 240,000 (previous year k€ 240,000). Other financial liabilities consist of loans and savings deposits.

Of the liabilities to banks, k€ 19,087 (previous year k€ 21,619) were secured by mortgages.

13. Deferred income

This mainly relates to the deferral of income from maintenance services, training, and leasing contracts, which represent income for a certain period after the balance sheet date.

Notes to the profit and loss statement

14. Sales revenues

Sales revenues by business division

in k€	**2020/21**	2019/20
Group	**3,504,666**	**3,487,668**
Machine Tools business division	2,038,941	2,121,546
Laser Technology business division	1,322,151	1,197,084
EUV business field	437,444	460,146
Others	418,120	470,016
Consolidation effects	–711,990	–761,124

Sales revenues by region

in k€	**2020/21**	2019/20
Total	**3,504,666**	**3,487,668**
Germany	579,346	611,507
Western Europe (excluding Germany)	1,042,987	1,099,476
Eastern Europe	291,673	299,284
America	627,636	664,097
Asia-Pacific	947,945	798,288
Others	15,079	15,016

17 percent (previous year 18 percent) of sales revenues were generated in Germany and 83 percent (previous year 82 percent) outside Germany.

15. Cost of goods sold

Cost of goods sold (k€ 2,130,883; previous year k€ 2,125,271) includes all expenses attributable to products or services sold in the fiscal year and the remaining costs of the Production and Service operating divisions that were unable to be assigned to particular products or services.

16. Sales costs

Sales costs amounting to k€ 450,623 (previous year k€ 476,568) include all personnel expenses allocated to the Sales division, other operating costs such as commission, travel and marketing costs, depreciation, and material costs for our showrooms. Freight and packaging costs are also included under this item to the extent that they can be allocated to transport from the production plant to the customer.

17. Research and development costs

Research and development costs (k€ 382,455; previous year k€ 377,445) include all amounts spent on basic research or new developments and not related to current production. These include in particular personnel, non-personnel, and material costs as well as depreciation.

18. General administrative costs

General administrative costs in the fiscal year amounted to k€ 197,282 (previous year k€ 177,652) and include in particular personnel expenses, depreciation and amortization, and other non-personnel costs relating to Management, IT, Human Resources, Infrastructure, and Finance.

19. Other operating income

Other operating income mainly includes exchange rate gains, income from the reversal of accruals, income from asset disposals, and income from the reduction of bad debt allowances.

Income from foreign currency translation amounted to k€ 73,751 (previous year k€ 94,812). Other operating income includes income relating to other periods amounting to k€ 35,444 (previous year k€ 21,132). This is mainly income from the release of accruals. Moreover, income from the sale of shares in BeSpoon SAS of k€ 13,294 is included. Furthermore, research grants of k€ 2,697, which in part relate to previous fiscal years, are included.

20. Other operating costs

Other operating costs mainly include exchange rate losses, bad debt expenses, additions to individual and lump-sum bad debt allowances, and operating costs that cannot be clearly allocated to any other functional area. Expenses from foreign currency translation amounted to k€ 77,015 (previous year k€ 94,435). Expenses from financial instruments are included in the amount of k€ 1,773 (previous year k€ 449). Other operating costs include expenses relating to other periods amounting to k€ 226 (previous year k€ 233).

21. Financial and investment result

in k€	**2020/21**	2019/20
Income from securities and loans	458	287
of which from affiliated companies that are not fully consolidated	*128*	*217*
Income from participations	307	872
of which from affiliated companies that are not fully consolidated	*190*	*–*
Other interest and similar income	7,325	7,472
of which from affiliated companies that are not fully consolidated	*118*	*19*
Write-downs on financial assets and securities in current assets	–8,026	–312
Expenses from loss transfers	–1,688	–1,185
of which from affiliated companies that are not fully consolidated	*–1,688*	*–1,185*
Interest and similar expenses	–46,519	–52,664
of which from affiliated companies that are not fully consolidated	*–39*	*–19*
of which from compounding of accruals	*–38,630*	*–37,388*
	–48,143	**–45,530**

22. Taxes on income

TRUMPF GmbH + Co. KG and its domestic and foreign subsidiaries are subject to effective and deferred trade and corporate income taxes. The effective tax expenses in the year under review amounted to k€ 71,581 (previous year k€ 65,958).

Expenses from deferred taxes amounted to k€ 2,483 in the fiscal year (previous year k€ 3,734). These resulted from differences in the carrying amounts in the commercial and tax balance sheet and from consolidation measures.

In accordance with Section 264c (3) HGB, the partners' taxes on income have been presented for information purposes after the consolidated net income for the year. They are not included in the calculation of deferred taxes.

23. Personnel costs

The expense items in the profit and loss statement include personnel costs in the following amounts:

in k€	**2020/21**	2019/20
Wages and salaries	929,087	885,759
Social security and other welfare costs	167,944	163,743
Expenditure on pension schemes	27,320	6,672
	1,124,351	**1,056,174**

Notes to the cash flow statement

24. Composition of cash in hand

Cash in hand includes cash and cash equivalents (k€ 974,261), and liabilities to banks payable on demand (k€ 489).

Short-term investments can be converted into cash within a maximum of three months. Liabilities to banks payable on demand relate to bank overdrafts.

Other Disclosures

25. Contingent liabilities

in k€	**06/30/2021**
Liabilities from bills of exchange	815
Liabilities from warranty agreements	7,991
Liabilities from guarantees	75,350
of which from affiliated companies that are not fully consolidated	*23*
	84,133

With regard to the sound financial position of the companies for which guarantees and warranty agreements have been assumed, the risk of claims arising from contingent liabilities is considered to be low.

26. Derivative financial instruments and valuation units

in k€	Nominal amount	Fair value
Foreign exchange-related transactions	563,254	19,020

Foreign exchange-related transactions are forward exchange transactions in the currency pairs EUR/JPY, EUR/KRW, EUR/USD, EUR/GBP, EUR/CHF, EUR/PLN, and EUR/CNY.

Appropriate accruals have been made for hedging transactions that were not included in valuation units and have a negative fair value on the balance sheet date. The valuation is carried out using generally accepted valuation methods such as the present value model.

The following valuation units have been formed:

Underlying transaction/hedging transaction	Risk/type of valuation unit	Included amount	Hedged amount	Hedged risk	Hedge scope [1]	Hedging time frame
Third-party sales / Forward exchange transactions	Foreign exchange risk / Macro hedge	k€ 105,253	12,600,000 kJPY	–	82 %	06/30/2024
Third-party sales / Forward exchange transactions	Foreign exchange risk / Macro hedge	k€ 39,000	52,069,350 kKRW	–	51 %	06/30/2022
Third-party sales / Liabilities to suppliers / Forward exchange transactions	Foreign exchange risk / Macro hedge	k€ 277,132	323,100 kUSD	–	70 %	06/30/2024
Third-party sales / Forward exchange transactions	Foreign exchange risk / Macro hedge	k€ 3,461	3,000 kGBP	k€ –23	50 %	06/30/2022
Liabilities to suppliers / Forward exchange transactions	Foreign exchange risk / Macro hedge	k€ 54,736	60,000 kCHF	k€ –76	65 %	06/30/2022
Liabilities to suppliers / Forward exchange transactions	Foreign exchange risk / Macro hedge	k€ 83,672	385,200 kPLN	–	78 %	06/30/2024

[1] Hedge scope for the fiscal year 2021/22

With regard to the valuation units existing on the balance sheet date, the following applies pursuant to Section 254 HGB:

Economic hedging relationships are reflected in the balance sheet through the formation of valuation units. Due to the consistency of the main value-determining components, opposing changes in value between the underlying and hedging transactions offset each other completely over the entire hedging period. Regular monitoring is carried out as part of the existing risk management system to measure the effectiveness and ineffectiveness of hedging measures. These are determined using the critical term match method, which involves checking that the main value-determining components, such as currency pair, maturity, and nominal amounts, are consistent. Furthermore, the cash flows from the underlying transactions are retrospectively compared with the payments from the exchange rate hedges. No significant inefficiencies were identified in the year under review.

For hedges of on-balance-sheet underlying transactions, the gross hedge presentation method is generally applied, i.e. both the underlying transactions and the hedging transactions are measured as of the reporting date. Opposing and offsetting changes in the value of underlying and hedging transactions are recorded in the profit and loss statement on a gross basis. For hedges of off-balance-sheet underlying transactions, derivatives are not recognized as pending transactions (net hedge presentation method).

Any necessary adjustments to the hedging strategy are made promptly. An effective hedging relationship can therefore be assumed both prospectively and retrospectively.

In order to hedge foreign exchange risks from highly probable transactions, forward exchange transactions are entered into which correspond to the expected net cash flow in terms of their term, nominal amount, and foreign currency (macro hedges). The highly probable cash inflows and outflows from planned sales and procurement transactions are derived from the corporate planning process. Reviews of past planning results have shown that the recognized transactions are highly probable. The forward exchange transactions were concluded for the period from fiscal year 2021/22 to 2023/24.

Freestanding derivatives without a hedging relationship exist for the CNY currency. These are forward exchange transactions with a nominal value of kCNY 579,203 or k€ 73,120 valued at the average hedging rate. The market value amounts to k€ –1,855 and was determined using a recognized valuation method (present value method). A provision for onerous contracts in the amount of the negative market value has been formed under the balance sheet item other accruals.

27. Off-balance sheet transactions

In the year under review there were off-balance sheet transactions in the form of operating lease agreements. These mainly relate to motor vehicles and office equipment and were concluded for cost-efficiency reasons. Ongoing leasing installments in the fiscal year 2020/21 totaled k€ 10,597.

28. Other financial obligations

in k€	**06/30/2021**
Rent, lease and leasing agreements as well as other obligations	89,755
Purchase commitments for capital projects in progress	79,575
Take back obligations	6,530
	175,860

In addition to the financial commitments listed above, obligations from master agreements and regular purchase commitments exist in the course of ongoing business to a customary extent.

29. Auditor's fee

The total fee charged by the Group's auditor PricewaterhouseCoopers GmbH (previous year Ernst & Young GmbH) for the fiscal year can be broken down as follows:

in k€	**2020/21**	2019/20
Audit of financial statements	716	759
Tax consulting services	111	843
Other services	2,057	294
	2,884	**1,896**

30. Employees

The average headcount during the year was:

	2020/21	2019/20
Production	4,833	4,675
Service	2,940	2,940
Research and Development	2,218	2,197
Sales	2,382	2,373
Administration	1,591	1,639
Trainees	517	513
	14,481	**14,337**

31. Management

TRUMPF GmbH + Co. KG is managed by its general partner, which is represented by the persons stated below. The remuneration of the management of Berthold Leibinger GmbH for the performance of their duties in the parent company and the subsidiaries amounted to k€ 12,965 (previous year k€ 8,755).

Pension commitments of k€ 13,952 (previous year k€ 15,740) were granted and accrued to former members of management. In the fiscal year 2020/21, former managing directors or their surviving dependents received emoluments amounting to k€ 955 (previous year k€ 1,079).

32. Exemption in accordance with the German Civil Code (HGB)

For the following corporations, use is made of the exemption under Section 264 (3) HGB: TRUMPF Werkzeugmaschinen Beteiligungs-GmbH, TRUMPF Werkzeugmaschinen Deutschland Vertrieb + Service Beteiligungs-GmbH, TRUMPF Werkzeugmaschinen Teningen GmbH, TRUMPF International Beteiligungs-GmbH, TRUMPF Laser- und Systemtechnik GmbH, TRUMPF Hüttinger Verwaltung GmbH, TRUMPF Laser GmbH, Celtia Verwaltungs-GmbH, TRUMPF Lasertechnik GmbH, TRUMPF Finance GmbH, Berthold Leibinger Immobilien GmbH, TRUMPF Kapitalbeteiligungen GmbH, TRUMPF Sachsen GmbH, TRUMPF Scientific Lasers Verwaltungsgesellschaft mbH, INGENERIC GmbH, TRUMPF Lasersystems for Semiconductor Manufacturing GmbH, TRUMPF New Business GmbH, Amphos GmbH.

For the following commercial partnerships within the meaning of Section 264a (1) HGB, use has been made of the exemption from the requirement to prepare annual financial statements pursuant to Section 264b HGB in accordance with the provisions applicable to corporations: TRUMPF GmbH + Co. KG, TRUMPF Werkzeugmaschinen GmbH + Co. KG, TRUMPF Hüttinger GmbH + Co. KG, TRUMPF Immobilien GmbH + Co. KG, TRUMPF Werkzeugmaschinen Deutschland Vertrieb + Service GmbH + Co. KG, TRUMPF Scientific Lasers GmbH + Co. KG.

33. Related party transactions

All transactions with related parties were at arm's length.

34. Appropriation of earnings

The appropriation of earnings of TRUMPF GmbH + Co. KG is carried out in accordance with the partnership agreement.

35. Supplementary report

No events of particular significance with a retroactive effect on the consolidated financial statements have occurred since the end of the fiscal year.

Ditzingen, September 7, 2021

TRUMPF GmbH + Co. KG
represented by its general partner, Berthold Leibinger GmbH,
the latter represented by the management

Dr. phil. Nicola Leibinger-Kammüller, President and Chairwoman
Dr.-Ing. E. h. Peter Leibinger, Vice Chairman
Dr.-Ing. Mathias Kammüller
Dr. rer. pol. Lars Grünert
Dipl.-Betriebsw. Oliver Maassen
Dr.-Ing. Stephan Mayer
Dr.-Ing. Christian Schmitz

DEVELOPMENT OF CONSOLIDATED FIXED ASSETS

FOR FISCAL YEAR 2020/21

	Acquisition and manufacturing cost						
in k€	07/01/2020	Changes attributable to currency translation effects	Changes in the scope of consolidation	Additions	Disposals	Reclassifications	**06/30/2021**
INTANGIBLE ASSETS							
Acquired concessions, industrial and similar rights, licenses	219,577	180	5,603	2,465	–4,024	365	224,166
Goodwill	190,022	2,199	13,813	115	–	–	206,149
Payments on account	267	–	–	668	–	–266	669
	409,866	**2,379**	**19,416**	**3,248**	**–4,024**	**99**	**430,984**
TANGIBLE ASSETS							
Land and buildings	1,188,106	–8,405	794	20,903	–2,808	10,302	1,208,892
Technical equipment and machines	541,921	–3,764	–102	89,022	–99,082	20,483	548,478
Other equipment, factory and office equipment	542,098	–3,645	1,144	38,455	–58,354	12,326	532,024
Payments on account and assets under construction	115,720	169	–	60,039	–1,304	–43,210	131,414
	2,387,845	**–15,645**	**1,836**	**208,419**	**–161,548**	**–99**	**2,420,808**
FINANCIAL ASSETS							
Shares in affiliated companies	56,395	–598	–20,251	39,120	–550	–50	74,066
Shares in associated companies	2,478	–	–	3,039	–8	50	5,559
Loans to affiliated companies	17,400	–	–4,000	2,000	–8,400	–	7,000
Participations	5,223	–8	–	1,245	8	–	6,468
Long-term investments	1,040	–31	–	–	–16	–	993
Other loans	1,778	29	–	77	–4	–	1,880
	84,314	**–608**	**–24,251**	**45,481**	**–8,970**	**–**	**95,966**
TOTAL	**2,882,025**	**–13,874**	**–2,999**	**257,148**	**–174,542**	**–**	**2,947,758**

Accumulated depreciation and amortization								Book value	
07/01/2020	Changes attributable to currency exchange effects	Changes in the scope of consolida-tion	Additions	Disposals	Reclassifi-cations	Write-ups	06/30/2021	**06/30/2021**	06/30/2020
–148,194	–7	–36	–20,855	3,660	8	–	–165,424	58,742	71,383
–118,306	–2,198	–	–22,657	–	–	–	–143,161	62,988	71,716
–	–	–	–	–	–	–	–	669	267
–266,500	**–2,205**	**–36**	**–43,512**	**3,660**	**8**	**–**	**–308,585**	**122,399**	**143,366**
–385,064	4,409	–79	–42,490	2,407	–563	–	–421,380	787,512	803,042
–292,087	1,335	–1	–60,270	63,610	44	–	–287,369	261,109	249,834
–366,498	2,338	–622	–51,007	54,670	511	–	–360,608	171,416	175,600
–3,902	70	–	–	26	–	–	–3,806	127,608	111,818
–1,047,551	**8,152**	**–702**	**–153,767**	**120,713**	**–8**	**–**	**–1,073,163**	**1,347,645**	**1,340,294**
–1,850	12	–	–7,939	–	–	–	–9,777	64,289	54,544
–8	1	–	–88	–	–	–	–95	5,464	2,470
–	–	–	–	–	–	–	–	7,000	17,400
–54	–3	–	1	–	–	–	–56	6,412	5,169
–740	22	–	–	16	–	11	–691	302	300
–	–	–	–	–	–	–	–	1,880	1,778
–2,652	**32**	**–**	**–8,026**	**16**	**–**	**11**	**–10,619**	**85,347**	**81,661**
–1,316,703	**5,979**	**–738**	**–205,305**	**124,389**	**–**	**11**	**–1,392,367**	**1,555,391**	**1,565,321**

LIST OF SHAREHOLDINGS

AS OF JUNE 30, 2021

Company	Share of ownership TRUMPF GmbH + Co. KG in percent	
	Direct	Indirect
Fully consolidated subsidiaries		
TRUMPF Werkzeugmaschinen Beteiligungs-GmbH, Ditzingen	100	
TRUMPF Werkzeugmaschinen GmbH + Co. KG, Ditzingen [1]	100	
TRUMPF Werkzeugmaschinen Deutschland Vertrieb + Service GmbH + Co. KG, Ditzingen [1]		100
TRUMPF International Beteiligungs-GmbH, Ditzingen	100	
TRUMPF Werkzeugmaschinen Deutschland Vertrieb + Service Beteiligungs-GmbH, Ditzingen		100
TRUMPF Laser- und Systemtechnik GmbH, Ditzingen		100
TRUMPF Hüttinger Verwaltung GmbH, Freiburg i. Br.		90
TRUMPF Hüttinger GmbH + Co. KG, Freiburg i. Br. [1]		90
TRUMPF Lasersystems for Semiconductor Manufacturing GmbH, Ditzingen		100
TRUMPF Sachsen GmbH, Neukirch		100
TRUMPF Laser GmbH, Schramberg		100
Celtia Verwaltungs-GmbH, Reutlingen		100
TRUMPF Financial Services GmbH, Ditzingen	100	
TRUMPF Lasertechnik GmbH, Ditzingen	100	
TRUMPF Finance GmbH, Ditzingen	100	
TRUMPF VSZ Grundstücksverwaltungsgesellschaft mbH + Co. KG, Mainz [2]	94	
Berthold Leibinger Immobilien GmbH, Ditzingen	100	
TRUMPF Immobilien GmbH + Co. KG, Ditzingen [1]	100	
Hüttinger Grundstücks-Vermietungsgesellschaft mbH + Co. Objekt Freiburg KG, Pullach i. Isartal [2]		84.6
TRUMPF Kapitalbeteiligungen GmbH, Ditzingen		100
TRUMPF Scientific Lasers Verwaltungs-GmbH, Unterföhring		100
TRUMPF Scientific Lasers GmbH + Co. KG, Unterföhring [1]		100
INGENERIC GmbH, Aachen		100
TRUMPF Werkzeugmaschinen Teningen GmbH, Teningen		100
Amphos GmbH, Herzogenrath		100
TRUMPF Photonic Components GmbH, Ulm		100
TRUMPF New Business GmbH, Ditzingen	100	
TRUMPF Schweiz AG, Grüsch, Switzerland		100
TRUMPF Finance (Schweiz) AG, Baar, Switzerland	100	

Company	Share of ownership TRUMPF GmbH + Co. KG in percent	
	Direct	Indirect
TRUMPF Inc., Farmington, Connecticut, USA		100
TRUMPF Huettinger Inc., Santa Clara, California, USA		90
TRUMPF Photonics, Inc., Cranbury, New Jersey, USA		100
TRUMPF Limited, Luton, United Kingdom		100
TRUMPF Laser plc (previously: SPI Lasers plc), Southampton, United Kingdom		100
TRUMPF Laser UK Ltd. (previously: SPI Lasers UK Limited), Southampton, United Kingdom		100
TRUMPF Corporation, Yokohama, Japan		100
TRUMPF S.A.S., Paris, France		100
TRUMPF Machines S.A.R.L., Haguenau, France		100
TRUMPF Máquinas Ind. E. Com. Ltda., São Paulo, Brazil		100
Auroma Technologies Co. Dba Access Laser Company, Everett, Washington, USA		85
TRUMPF maskin ab, Alingsås, Sweden		100
TRUMPF Maquinaria S.A., Madrid, Spain		100
TPT Máquinas-Ferramentas e Laser, Unipessoal, Lda, Porto Salvo, Portugal		100
TRUMPF Maschinen Austria GmbH, Pasching, Austria		100
TRUMPF Maschinen Austria GmbH & Co. KG, Pasching, Austria[1]		100
TRUMPF Homberger S.r.l., Buccinasco (Milan), Italy		100
TRUMPF Macchine Italia S.r.l., Lonigo (Vicenza), Italy		100
TRUMPF SISMA S.r.l., Piovene Rocchelle (Vicenza), Italy		55
TRUMPF Pte Ltd., Singapore, Singapore		100
TRUMPF Korea Co., Ltd., Seoul, South Korea		100
TRUMPF Malaysia Sdn Bhd, Kuala Lumpur, Malaysia		100
TRUMPF (India) Private Limited, Pune, India		100
India Metamation Software Pvt. Ltd, Chennai, India		51
TRUMPF Praha spol. s.r.o., Prague, Czech Republic		100
TRUMPF Strojírenská výroba CZ s.r.o., Liberec, Czech Republic		100
TRUMPF Liberec, spol. s.r.o., Liberec, Czech Republic		100
TRUMPF Shared Services sp. z o.o., Warsaw, Poland		100
TRUMPF Polska Sp. z o.o. Sp. k., Warsaw, Poland[1]		100
TRUMPF Polska Sp. z o.o., Warsaw, Poland		100
TRUMPF Hüttinger Sp. z o.o., Zielonka, Poland		90

Company	Share of ownership TRUMPF GmbH + Co. KG in percent	
	Direct	Indirect
TRUMPF Hungary Kft, Budapest, Hungary		100
TRUMPF Bulgaria Ltd., Sofia, Bulgaria		100
TRUMPF Laser + Machinery S.R.L., Bucharest, Romania		100
TRUMPF Sheet Metal Products (Taicang) Co., Ltd., Taicang, China		100
TRUMPF (China) Co., Ltd., Taicang, China		100
TRUMPF HÜTTINGER Electronics (Shanghai) Co., Ltd., Shanghai, China		90
Jiangsu Jinfangyuan CNC Machine Co., Ltd., Jiangsu Province, China		100
TRUMPF Technology (Shanghai) Co., Ltd., Shanghai, China		100
TRUMPF México S. de R.L. de C.V., Apodaca, Mexico		100
TRUMPF México Services S. de R.L. de C.V., Apodaca, Mexico		100
TRUMPF Slovakia, s.r.o., Košice, Slovakia		100
TRUMPF Canada Inc., Mississauga, Ontario, Canada		100
TRUMPF Nederland B.V., Hengelo, Netherlands		100
TRUMPF Photonic Components B.V., Eindhoven, Netherlands		100
TRUMPF OOO, Moscow, Russia		100
TRUMPF Taiwan Industries Co., Ltd., Gueishan Shiang, Taoyuan County, Taiwan		100
PT. TRUMPF Indonesia, Jakarta, Indonesia		100
TRUMPF Philippines Inc., Manila, Philippines		100
TRUMPF Ltd., Bangkok, Thailand		100
TRUMPF VIETNAM COMPANY LIMITED, Ho Chi Minh City, Vietnam		100
TRUMPF Makina Sanayii A.Ş., Istanbul, Turkey		100
Companies not included in the consolidated financial statements		
XETICS GmbH, Stuttgart		100
JT Optical Engine Verwaltungs-GmbH, Jena[3]		50
Findos SC Investor Fund II GmbH & Co. KG, Munich		24.995
TRUMPF Venture GmbH, Ditzingen		100
FG4 Beteiligungs-GbR, Ditzingen		25
Q.ant GmbH, Stuttgart		100
One Click Metal GmbH, Tamm		49.9
ZIGPOS GmbH, Dresden		25.1

Company	Share of ownership TRUMPF GmbH + Co. KG in percent	
	Direct	Indirect
HBH Mircowave GmbH, Stutensee		90
Optimate GmbH, Stuttgart		100
ScaleNC GmbH, Stuttgart		100
TRUMPF Tracking Technologies GmbH, Ditzingen		100
TRUMPF Laser & Machinery Ireland Ltd., Dublin, Ireland		100
Toref Technica Co., Ltd., Aichi, Japan		25
Stellar Industries Corp., Wilmington, Delaware, USA		100
ACCESS LASER (SHENZHEN) CO., LTD, Shenzhen, China		85
SHENZHEN EVERBRITE CD., LTD, Shenzhen, China		85
TRUMPF Engineering Services Italy S.r.l., Orbassano/Turin, Italy		75
Bruma Machinehandel B.V., Spankeren, Netherlands		100
Lantek Sheet Metal Solutions, S.L., Miñano Menor/Álava, Spain		100
Lantek Polska Sp. z o.o., Katowice, Poland		100
Lantek Yazılım Ticaret Limited Şirketi, Nilüfer/Bursa, Turkey		100
Lantek México, S.A. de C.V., México D.F., Mexico		100
Lantek (Shanghai) Trading Co., Ltd., Shanghai, China		100
Lantek Systems Limited, Malvern/Worcestershire, United Kingdom		100
Lantek Systemes SARL, Vienne Cedex, France		100
Lantek Systems, Inc., Mason, Ohio, USA		100
LANTEK Systemtechnik GmbH, Darmstadt		100
Lantek System Korea LLC, Sasang-gu/Busan, South Korea		100
Lantek Automation Pvt, Ltd., Bangalore, India[3]		100
c2go inprocess solutions GmbH, Berlin[3]		100
Amphos Inc, Wilmington, Delaware, USA		100

[1] Entities whose general partner is included in the group of consolidated companies
[2] Companies are consolidated as, from an economic standpoint, the opportunities and risks accrue to the parent company
[3] In liquidation

This audit report is issued on the financial statements prepared in German language.

INDEPENDENT AUDITOR'S REPORT

TO TRUMPF GMBH + CO. KG, DITZINGEN

Audit Opinions

We have audited the consolidated financial statements of TRUMPF GmbH + Co. KG, Ditzingen, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 30 June 2021, and the consolidated profit and loss statement, consolidated statement of changes in equity and consolidated cash flow statement for the financial year from 1 July 2020 to 30 June 2021, and notes to the consolidated financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the group management report of TRUMPF GmbH + Co. KG for the financial year from 1 July 2020 to 30 June 2021.

In our opinion, on the basis of the knowledge obtained in the audit,

– the accompanying consolidated financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Group as at 30 June 2021 and of its financial performance for the financial year from 1 July 2020 to 30 June 2021 in compliance with German Legally Required Accounting Principles, and

– the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to § [Article] 322 Abs. [paragraph] 3 Satz [sentence] 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Other Information

The executive directors are responsible for the other information. The other information comprises the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report.

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

– is materially inconsistent with the consolidated financial statements, with the group management report or our knowledge obtained in the audit, or

– otherwise appears to be materially misstated.

Responsibilities of the Executive Directors for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with the requirements of German commercial law, and that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with German Legally Required Accounting Principles.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

– Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

– Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Stuttgart, September 7, 2021

PRICEWATERHOUSECOOPERS GMBH
WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT

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NOTE

Any reference to the masculine form is made solely for the sake of readability and includes both masculine and feminine.

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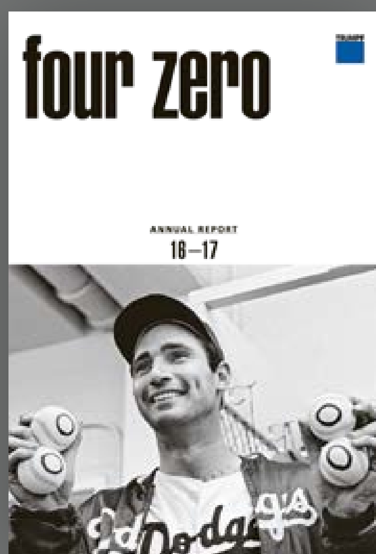
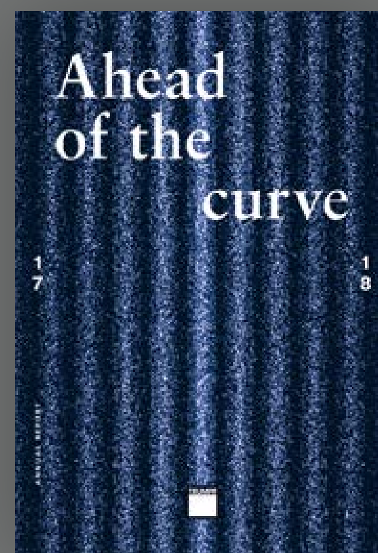
ANNUAL REPORTS

2017



2016 / 2017



2017 / 2018

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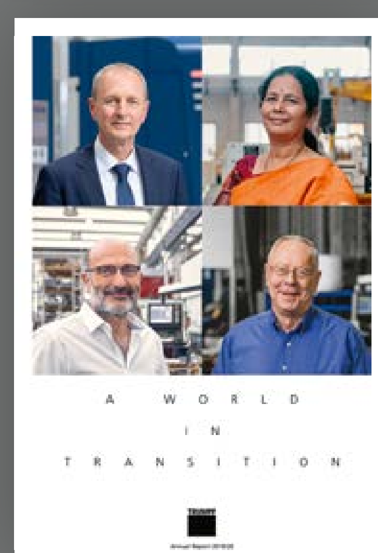


2019 / 2020

2020

TECHNOLOGICAL HIGHLIGHTS

08 — 2020

AI assistant
Sorting Guide

AI ASSISTANT OPTIMIZES SHEET METAL PART SORTING

TRUMPF has developed a solution that makes life easier for machine operators by helping them sort sheet metal parts from a laser cutting machine, while also keeping tabs on the machine's status. The Sorting Guide works using artificial intelligence and consists of a camera and an industrial PC equipped with intelligent image processing software - based on neural networks - for detecting which parts have been removed. The result: higher productivity on a day-to-day basis and more efficient overall use of the laser cutting machine.

10 — 2020

NEW SMART FACTORY AT DITZINGEN

TRUMPF has opened a new smart factory at its headquarters in Ditzingen, Germany. This latest facility is already producing sheet metal parts for the company's machine tools. The fully networked factory will also be used as a demonstration center where small and medium-sized companies in particular can see for themselves how efficient sheet metal fabrication works. 30 machines are connected to each other in the new smart factory – a move that avoids scrap, reduces processing time, and boosts efficiency. The smart factory extends over three halls covering a total of 5,000 square meters. Ditzingen is the third company location with a fully connected manufacturing facility, alongside Chicago in the US and Taicang in China – meaning that TRUMPF now has a smart factory in each of the world's major regions, highlighting its determination to get closer to its customers.

New smart
factory solutions
at Ditzingen

10 — 2020

TruDisk 12001
disk laser

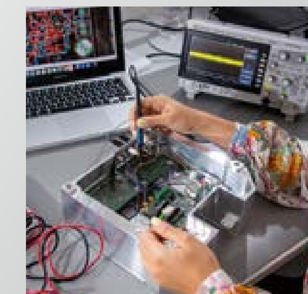
NEW LASER CUTTING MACHINE WITH INTELLIGENT ASSISTANCE SYSTEMS

TRUMPF has equipped the laser cutting machines in its new TruLaser Series 5000 with a TruDisk 12001 disk laser featuring 12 kilowatts of laser power. The new machines also come with intelligent assistance systems that increase feed rates for medium and high sheet thicknesses by up to 50 percent compared to conventional laser machines with a 10-kilowatt laser. This enables the metal sheet throughput per hour to be increased by up to 20 percent. The new TruLaser Series 5000 is equipped with tried-and-tested functions such as Active Speed Control and BrightLine Fiber, which assist with the cutting process during flame and fusion cutting, guaranteeing a high level of process reliability and improved part quality.

11 — 2020

TRUMPF AND SICK DEVELOP THE FIRST INDUSTRIAL QUANTUM SENSOR

TRUMPF's wholly owned subsidiary Q.ANT and sensor specialist SICK are working together to develop quantum optical sensors. Representatives of the two high-tech companies have signed a cooperation agreement to make quantum technology for sensors available for industrial use. Quantum sensors enable measurements with an accuracy that was technically impossible until now. The signing was preceded by a successful functional test of the world's first quantum optical sensor for series production. As a market and technology leader for industrial sensor technology, SICK will take over application development and sales of the product. As a specialist in quantum technology, TRUMPF subsidiary Q.ANT will be responsible for manufacturing the sensor's measurement technology and thus its core technology.



Industrial
quantum sensor

03 — 2021

TruPrint 3000
3D printing system

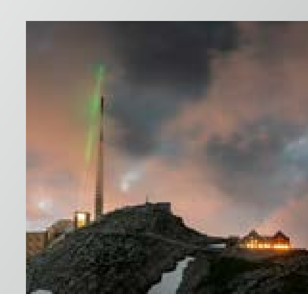
NEW 3D PRINTER FACILITATES MOVE INTO MASS PRODUCTION

TRUMPF unveiled the new series of its TruPrint 3000 3D printing system at a virtual customer event. The medium-format machine uses powder-bed-based laser melting to produce parts with a diameter of up to 300 millimeters and a height of up to 400 millimeters. It can handle all weldable materials including steels, nickel-based alloys, titanium and aluminum. The new TruPrint 3000 can be equipped with a second laser that almost doubles its productivity. Two 500-watt lasers scan the machine's entire build chamber in parallel. This makes production much faster and more efficient regardless of the number and geometries of the parts.

07 — 2021

TRUMPF FIRES UP LASER-BASED LIGHTNING ROD IN SWISS ALPS

High-tech company TRUMPF and the University of Geneva have fired up a laser-based lightning rod at the top of Säntis mountain in Switzerland. Weather experiments are taking place with the laser to target and control lightning from storm clouds and direct the strikes to places where they won't cause any damage. Airports, nuclear power plants, skyscrapers and forests are regularly hit by lightning, and the damage it causes runs to billions of euros each year. In the US alone, storms and lightning strikes cost the economy five billion dollars a year, mostly through disruption to air traffic and damage to aircraft and power lines. To tackle this problem, the EU launched the Laser Lightning Rod (LLR) project. And at the heart of the project is the TRUMPF laser.



Laser-based
lightning rod


TRUMPF
Eigentum der Firma