

Press release

Technology group publishes figures (plus 14 percent)

Operating profit of €877 million

(plus 31 percent)

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with the people affected by the war. To support them, Freudenberg is donating €3 million as immediate humanitarian aid. €1 million has already been paid out and is split equally between Doctors without Borders, Save the Children, Aktion Deutschland hilft and Aktionsbündnis Katastrophenhilfe,” Sohi said. The company's employees and partners also donated a further €560,000.

Sustainability: a climate-neutral company by 2045

By 2045, Freudenberg intends to become a climate-neutral company.

about €193.3 million to sales in the year under review, while dis-

Research and development

Freudenberg further increased its research and development expenditures. In the 2021 financial year, the Group conducted research and development activities in the amount of €500.2 million (previous year: €446.3 million). This represents 5.0 percent of sales. The share of sales generated with products that are less than four years old is 32.4 percent.

Investments

After eliminating acquisitions, investments in intangible assets, tangible assets and investment properties amounted to €304.8 million (previous year: €287.1 million).

Freudenberg Filtration Technologies commissioned a new manufacturing facility at Shunde, Foshan City, China. Freudenberg Performance Materials invested in a new needle punch line at the Slovenian production location Škofja Loka. Vibracoustic invested in the modification of its facilities in Dey, Romania for the production of plastic parts and components, and in Sroda Slaska, Poland, for the production of air springs.

Investments in Germany totaled €88.0 million (previous year: €85.8 million). Freudenberg Sealing Technologies commissioned the first sections of the Fuel Cell Innovation Center in Munich, Germany. Freudenberg Performance Materials significantly expanded its manufacturing capacity for gas diffusion layers (a key component of fuel cells) and invested in the expansion of its plant in Weinheim. Vibracoustic expanded its air spring manufacturing capacities in Hamburg, Germany.

Expanding the portfolio through strategic acquisitions

“We continue to expand our portfolio in line with our strategy. The main emphasis in future acquisitions will be outside Europe. Our long-term goal is to ensure a balanced distribution of sales, with

Europe, Asia and America each accounting for about one-third,” explained Sohi.

The Freudenberg Filtration Technologies Business Group achieved this goal through two acquisitions in the USA. Firstly, the Business Group acquired PPA Holdings, Inc., Indianapolis, USA (“Protect Plus Air”). The company is a leading producer of high-quality air filters for residential buildings. They are mainly sold through retailers. In 2020, PPA Holdings generated sales of US\$118 million with 940 employees. The second acquisition was R.P.S. Products, Inc., Hampshire, Illinois, USA. This company also sells air filters for residential and office buildings via retailers; it recorded sales of about US\$41 million with more than 200 employees in 2020.

In addition, Freudenberg Chemical Specialities acquired Deurowood Holding GmbH, Hard, Austria, and the associated shares of DEUROWOOD Produktions GmbH, Hard, Austria. Deurowood is a supplier of chemical additives for paper impregnation and the production of laminates.

Mobility: future-oriented positioning for fuel cell business

With effect from April 1, the battery and fuel cell business is being grouped together in a new Freudenberg Battery & Fuel Cell Business Group. One hundred experts are already working at Freudenberg’s Fuel Cell Technology Center in Munich, Germany. Together with partners, applications for buses, trucks and shipping are being developed. This includes the development of a high-performance fuel cell system for long-distance buses, which may be combined with a battery to create a hybrid system. Freudenberg is also working on fuel cell systems for use on ocean-going passenger liners in partnership with Meyer Werft in Papenburg.

Corporate Social Responsibility

Freudenberg has been committed to society since the company was founded. Our social engagement is reinforced by our “education and environment” initiative. The objective is to provide people with access to education and employment and support environmental protection. In 2021, Freudenberg contributed a further sum of €4 million to the initiative, bringing the total donated amount to €18 million.

One example of how these funds are being used is the Aqua Tower project in India. A year after the successful installation of two filtration systems on the subcontinent, Freudenberg employ-

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product availability, particularly when it comes to raw materials and supplier parts, as well as in across-the-board increases in energy and logistics costs. The effects are unavoidable and cannot be offset by short-term operational and strategic measures. The Group's broad geographical and industrial diversification will help to keep the overall impact on Freudenberg manageable, despite the potential for isolated problem areas.

About the Freudenberg Group

Freudenberg is a global technology group that strengthens its customers and society long-term through forward-looking innovations. Together with its partners, customers and research institutions, the Freudenberg Group develops leading-edge technologies and excellent products and services for about 40 markets and for thousands of applications: seals, vibration control components, battery and fuel cell, technical textiles, filters, cleaning technologies and products, specialty chemicals and medical products.

Innovation strength, strong customer orientation, diversity, and team spirit are the cornerstones of the Group. The 170-year-old company lives by its core values: a commitment to excellence, reliability and pro-active, responsible action. In 2021, the Freudenberg Group employed some 50,000 people in around 60 countries worldwide and generated sales of more than €10 billion. For more information, please visit www.freudenberg.com.