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**Press Release**

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## MAN Energy Solutions Launches Program for the Future

The executive board of MAN Energy Solutions is launching a comprehensive program to ensure the future viability of the company. Extensive cost-cutting and restructuring measures are the necessary next steps on the way to the company's transformation into a solutions provider for sustainable energy supply. In addition, the company is preparing for a prolonged period of stagnant sales as a result of the Covid-19 pandemic.

To achieve this, the company plans to cut its costs by 450 million euros and increase its operational flexibility, among other objectives. The aim is to achieve an improved operating margin and to improve the company's cash and liquidity position by 2023, even taking the global economic impact of COVID-19 into account.

Adapting and optimizing the production network with a focus on core value creation and greater flexibility is a key component of the program. In this context, the company intends to halt steam turbine production in Hamburg and is also considering closing the production facility in Berlin and relocating production currently conducted there to another site.

The program will also focus on reducing the cost of materials and equipment, optimizing the service network, streamlining the product range, cutting costs within the group functions, and focusing research and development on next-generation technologies.

"We need to prepare ourselves for a market environment that will remain difficult for a long period of time," said Dr. Uwe Lauber, CEO of MAN Energy Solutions. "Some of the company's key areas of business, such as the cruise ship business, have been directly affected by the economic impact of the COVID-19 pandemic and we do not expect to see a recovery to precrisis levels until 2023. The program is designed to address these negative market influences and make lasting improvements to MAN Energy Solutions' ability to respond to market fluctuations.

We have already begun to combat negative market influences in recent years and, as a result of the measures we have introduced, we have achieved and even exceeded our revenue targets. In terms of earnings, however, we haven't yet reached our goal. Therefore, increasing our profitability and improving our competitive ability are key to continue successfully implementing our strategy for the future."

MAN Energy Solutions announced its new strategy in 2018, which describes the company's transformation from a component supplier to provider of sustainable energy solutions. These new solutions are expected to account for 50% of its business by 2030.

## Strong Focus on Fast Implementation

The executive board expects that the implementation of the program will result in the elimination of up to 3,000 positions in Germany and 950 abroad. This reduction in the workforce will be carried out in a socially responsible manner as far as possible, although compulsory redundancies cannot be completely ruled out.

The executive board has initiated talks with the works council regarding the program and the associated effects on employees. "In the light of the effects the Covid-19 pandemic has on our target markets, we must act fast", says Martin Rosik, Board Member responsible for Human Resources at MAN Energy Solutions. "The company and the employee representatives are therefore negotiating under great pressure. Our focus is on structural improvement and on reaching the cost down target. We will negotiate the feasible options to get there with the employee representatives in a very timely manner."

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MAN Energy Solutions is paving the way to a carbon-neutral global economy. Whether industrial production, the energy industry, or the maritime sector, we think holistically and are tackling the challenges of tomorrow today – so our customers can create value in a sustainable manner. Our technology portfolio contains the experience gained with a more than 250-year-old tradition of engineering. MAN Energy Solutions is based in Germany and employs approximately 14,000 people at over 120 locations worldwide. Furthermore, our customers benefit from the global service-center network offered by MAN PrimeServ, our brand for after-sales service.