

- Check against delivery -

**Trust in ourselves and our customers.
And what non-digital virtues have to do with global
competitiveness**

Keynote

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Bosch Connected World

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Dear Stefan Hartung,
Dear members of the Bosch Board of Management,
Dear Dirk Slama,
Ladies and Gentlemen!

It is a great honor for me to be able to speak to you today at such an exclusive event – if you will allow me such an old-fashioned word in such a futuristic atmosphere.

Bosch Connected World is an industry gathering that doesn't need to shy away from comparison with similarly large events in the US or Asia. Or even consumer goods shows like the one in Las Vegas.

But what I find remarkable is that it takes place in Germany. In Berlin, on the former border between East and West. Where railroads once crossed, leading to all corners of the German Empire.

You could say that they symbolized the will to embrace a future that was characterized by mobility and the exchange of goods – and that helped to catapult the nation, founded only in 1871, into the circle of the great European nations.

The roots of Bosch and TRUMPF certainly don't lie here in Berlin, that's for sure.

But it was here that the self-confidence of the German economy was born in the 19th century. With Germany's first technical university in Charlottenburg. And with names such as AEG and Siemens. An economy that for 150 years has always been strong when it remembers its industrial roots.

It has always been industry that has secured a prosperous future, that has brought wealth and social balance to Germany. And with its strong brands, it has done more than anything else to promote our country's reputation around the world.

Even after the traumas of the 20th century, it gave our country self-confidence – in the generation of the economic miracle. Even for my father, a phrase coined by the political

scientist Herfried Münkler rang true: the Mercedes star has replaced the Iron Cross as a symbol of national identity for the post-war generation.

I.

Fascinating as the past is, I would like to say a few words about the fundamental importance of technological innovations for the mechanical engineering industry, on whose behalf I am speaking today. An industry that is also in the midst of change and from which we also purchase our electricity.

It's a truism, but worth repeating here. Today, far more than during the Industrial Revolution of the 19th century, the big questions of the future can only be solved through technology and collaboration.

Those questions include production issues, symbolized by our Smart Factory in Chicago, logistics or distribution in times of pandemics, and supply chain crises.

But they also include the big issues of mankind – such as conserving natural resources and protecting the climate – for which we depend on each other.

That is why I want to be very clear in rejecting any idea of "reducing growth". Because we can only innovate if we are profitable. And only if we are innovative can we move the decisive levers to combine prosperity and sustainability in a growing world!

Today, it is not only high technology and collaboration that determine our prosperity. But also things that we are discussing more openly than ever before in light of the geopolitical upheavals in the world.

For example, the defense capabilities of our Western alliance.

This is not just about defense technology: microchips and other electronic components have become a crucial bargaining in geopolitics. Between the US and China, for example, and that also has an impact on our laser and EUV business.

The technology that is also driving us all is artificial intelligence, which can rightly be called the "game changer" of this decade and will redistribute value.

Whether they like it or not, companies must join the race to successfully use AI today in order to ensure their long-term survival.

That is why we at TRUMPF do not intend to simply "keep an eye" on AI developments, as one might say in a reductive way. As a pioneer in the industry, we will actively shape them. After all, only those who know how a machine works down to the last screw can make effective use of AI in production.

That may seem profane, but for me it crucially symbolizes what we should be thinking about and being proud of instead of hesitating and procrastinating: the fact that we can make our industrial products even more competitive with the help of AI.

At TRUMPF, we already use AI to control our networked machines. In the future we will also use it to develop new solutions for our customers and to further improve our services. To put it bluntly, we expect to achieve efficiency gains and long-term competitive advantages.

II.

So, it's high time to take a look at the big picture, and that's what events like this are all about.

In other words, despite the many symptoms of crisis, from Ukraine to Israel, we must succeed in creating a spirit of optimism in society in order to master the generational project of digital transformation.

The investments we're currently seeing in the US in the semiconductor industry, among others, but also the retreat of the chemical industry from Germany to Asia, for example, must be extremely alarming.

But let's be clear: Giving up and leaving the field to others is not the answer.

The digital ecosystem is critical to the future of our location and all other locations. If we do not help to shape AI ourselves, we in Germany and Europe run the risk of missing the boat completely.

It is well known that two AI superpowers are currently emerging in the West and the East. With a strong capital market, the US is leading the way, especially in digital business. In China, on the other hand, the government is mandating AI as a "national project" to ensure innovation.

But Europe should not hide from these two superpowers, or even enter into a subsidy race that we can never win. Instead, we should focus on unleashing our innovative power by returning to entrepreneurial freedom and reducing regulation!

I could also say, with the Swabian poet Friedrich Schiller: through the liberal way of thinking that we have always been accustomed to, to bring the new into the world. And I am convinced that it is still superior to all state systems based on increasing regulation!

III.

Ladies and gentlemen, there are many examples of the potential that lies in this way of thinking and working.

The Cyber Valley in Tübingen, for example, is at the forefront of laying the scientific foundations for AI. Local companies such as the start-up Aleph Alpha in Heidelberg or the Schwarz Group with its commitment in Heilbronn show what can be achieved through dedicated entrepreneurship.

However, local companies will only be successful in the long term if, in addition to competitive framework conditions, we succeed in creating broad social acceptance for AI.

As a first step, the discussion about artificial intelligence should be shaped by the "Western doubt" for which our continent is known. In a second step, however, we should

consider how to respond to questions of data protection, ethics and morality in line with our European values.

Excessive reporting requirements and equally excessive data protection cannot be the answer – they will only widen the gap with the US and China.

Instead of relying on politicians to tackle the mammoth task of AI, we need our own European initiative, innovative spirit and perseverance.

In this context it is our responsibility to keep an eye on small and medium-sized companies. These are the people who want a good future with their know-how and their firms, and we must not overlook them.

IV.

And this will enable us to successfully assert ourselves as an industrial location in Europe, at least I hope so.

Without wanting to sound too romantic here in view of Caspar David Friedrich, whose 250th birthday we're celebrating this year, AI can be as successful as it likes. But in the end, we humans will have to take responsibility for its consequences.

We should face up to this responsibility in good time, based on our tradition - in industry, in politics, and in education.

We have the chance to help shape something that will influence future generations. Something like a new Enlightenment – which preceded the Romantic era. Something that does not shy away from the high state subsidies in China or the US, but instead reflects on the core virtues of our economic model.

With this in mind, I wish Bosch Connected World every success.

Let's be connected as an industry.

But above all, let's be close to our customers and our associates if we want to make a difference.

Let's network with people and their concerns and specific problems. Not against technology, but complementary to it. We need both!

The economy has always been a "people business" – and I believe it will become even more so in the age of digital transformation.

So let us have trust in ourselves and in our customers – and that requires convincing products as well as strong personalities.

And this is my last hint to the politicians:

Let's look beyond the borders of our own little world and see the big wide world out there.

After all, Caspar David Friedrich's Wanderer didn't stand in his sea of fog and get completely lost in it:

He looked over it and beyond – and had a clear, unobstructed view.

Thank you for your attention!