



Concentric provides strategic update on electrification

A growing market for e-products on both on- and off-highway vehicles will present new opportunities for Concentric. Concentric's e-products will also be relevant in new markets such as energy storage solutions where e-water pumps are necessary to ensure temperature control of batteries. These opportunities are additive to Concentric's existing products for internal combustion engines and we expect sales of e-products could amount to as much as 20% of Group sales by 2025.

The decreasing cost of lithium packs and stricter emission legislation are the main drivers of low-emission powertrains, which will increase the demand for e-products for both on- and off-highway applications. The internal combustion engine will continue to be the main source of Concentric's business, but we expect that sales to hybrid and electric applications will increase in importance and sales of e-products are expected to amount to as much as 20% of Group sales by 2025.

The electrification of powertrains including transmission systems and axles presents new opportunities for Concentric's range of electric pumps and Concentric will leverage existing relationships with global OEM customers as we expect that trucks and buses will also be the largest end-markets for Concentric's e-products.

"Even though volumes currently remain at relatively low levels, we believe that e-products will grow in importance for Concentric over the coming years. By leveraging our existing relationships and moving quickly in order to have a competitive and reliable offering on early low-emission platforms, Concentric is well positioned to capture future opportunities in this growing market," says David Woolley, CEO of Concentric.

Concentric's range of e-products provide a higher value proposition to customers. Concentric can supply its customers with several key technologies by offering a range of electric water, oil and fuel pumps as well as electro hydraulic steering systems for internal combustion engines (ICE), electric or hybrid vehicles with batteries or fuel cells.

The range of e-pumps also constitute a larger share of the vehicle value. E-pumps are a self-contained system which includes an electric motor, controller and software. The E-pumps low energy demand from the batteries contributes to increasing vehicle range and the increased intelligence and control capabilities of the system provides greater fluid control, as well as data capture and diagnostic capabilities. In addition, a truck or bus electric powertrain requires four electric water pumps for temperature control compared to the one pump needed on ICE powertrains. The additional system components and the added benefits translate into a higher share of the vehicle value.

E-products also open up new markets for Concentric. For example, lower cost of lithium packs coupled with a greater share of renewable energy production will drive increased demand for energy storage solutions which enable utilities to balance the higher proportion of variable, renewable generation in the electricity system. This market presents new opportunities for Concentric as energy storage units require electric water pumps for temperature control. Concentric would primarily target providers of larger utility scale installations and has already won an order for e-water pumps with a major OEM for an energy storage application.

Concentric's ethos of "Technology + Innovation = Sustainability" is encapsulated in the development of e-products which leverages our long established capability in delivering durable and reliable pump products. The key benefits of Concentric's e-product range is that they reduce emissions while providing the customer with increased control capabilities. Concentric has during the past few years announced a number of important business wins for its range of e-products and has dedicated production resources in place and is ready to scale up production.

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Concentric AB is an innovator in flow control and fluid power, supplying proprietary systems and components to the world's truck, agricultural machinery, construction equipment and industrial applications end-markets. The company has a global manufacturing presence including in the UK, USA, Germany, Sweden, India, China and Argentina. Concentric's focus is to develop world class technology with innovative solutions that meet the sustainability needs of our customers. Concentric offers engine products including lubricant, coolant and fuel pumps, hydraulic products encompassing gear pumps and power packs, and finally several key technologies for the fast growing market for electrical and hybrid powertrains. The Group has a turnover of circa MSEK 2,400 and circa 1,000 employees.