

INDUS

[Link to the recording of the Annual Shareholders' Meeting of INDUS](#)

The spoken word shall be binding

Ladies and gentlemen, as you have come to expect from me, I would like to take a moment here for a few personal remarks.

INDUS will soon be 40 years old. I've had the privilege of witnessing half of that journey. There have been many great times and a few less favorable ones. But there has always been a smart strategy. That is why we are in a strong position today.

Another major reason is that INDUS has always managed to stay ahead of the curve, spotting upcoming trends and making the right decisions. That ability has always been truly invaluable.

So what message do I want to leave with you today? Every part of our lives urgently needs to change. Only then can we improve our performance and secure lasting prosperity.

We need transformation – in politics, in business and in our mindset. The good news is: we're up to it.

Can anyone else here think of more good news? Something to brighten the mood? The weather is clear, the coffee is strong and there are plenty of croissants, so we're off to a good start! I'll share something personal: My son Patrick has just bought a property here in Cologne. And, remarkably, the building permit will be issued within just one year. I can hardly believe it. I had expected two or three years at least. Isn't that incredible? In all sincerity: we all yearn to see a more positive mood return to the broader economy.

A positive sentiment in the business world encourages companies to invest. Optimism leads to growth; pessimism means stagnation. But how does sentiment arise in the first place? Through the interplay of hard facts and personal perception.

Here's my point: external facts are as they are. Internal facts are ours to shape. And how we interpret both is up to us. So – it's two to one in our favor. We decide whether to focus on the positive or dwell only on what's going wrong.

Don't worry – I'm not wearing rose-colored glasses. I absolutely see the structural issues the state and economy are facing. But I don't plan on joining the chorus of pessimists this morning.

INDUS

Where do I find encouragement? The gross domestic product of the European Union is around 19 trillion euros. We are, after the United States, the world's second largest economic area – still ahead of China. In the generations after 1945, Germany became the third-largest economy in the world. That's real strength. We live in a democratic, open society and have everything we need in this wonderful country: talented people, sharp minds and excellent entrepreneurs.

Yes, US tech companies are way out in front. And yes, China has caught up technologically. But that's no reason to sell ourselves short. We have something unique: strong industrial companies.

Among them are many hidden champions that are global technology leaders. When it comes to complex production processes, no one can teach us a thing. That, ladies and gentlemen, is what sets us apart from the American tech giants. It's reason enough to stand a little taller, with our heads held high – but not our noses, and that's a crucial difference.

So where is our opportunity? By transforming robust industrial companies into high-tech powerhouses – both economically and ecologically. By digitalizing our production processes from the shop floor all the way up to the executive suite. By embracing artificial intelligence where it truly adds value – without fear. This is about transforming industrial firms into what I'd call "Indus-tech companies".

You see where I'm going: if we do this, Germany and Europe will see a real jump in productivity – a new industrial revolution.

The good news is that we're on the right track. Let me give you a practical example from a company I work with: We have implemented a fully digital system there. We are connected with our customers and know which products they need and where. This allows us to manage logistics planning and inventory. We are connected with our suppliers. They know at all times what we need to reorder. This gives us control over our ability to deliver and our working capital. In production, we equipped every machine with digital data points. We have introduced process controlling and just-in-time management. The system provides full transparency regarding performance. Suppliers provide remote maintenance for our machinery.

What does the AI do? It optimizes shift schedules, production processes and the product mix. And that's just the beginning – there's much more potential.

The real magic happens when we tap into a unique resource that only we have: the vast network of knowledge in our country. When we link up the expertise of established companies with the

INDUS

ideas from our start-ups and research institutions. When entrepreneurs, founders and scientists sit at the same table – as equals, with no room for know-it-alls.

When teams like this develop new products and processes, a sense of momentum and team spirit grows. That fresh energy inspires confidence. To make the industrial transformation succeed, we need a transformation in our mindset as well.

It's high time we let go of the so-called "German Angst." We need to be bolder, try new approaches, invest proactively. We can't keep complaining that nothing works while at the same time stubbornly refusing to change anything. That will get us nowhere.

Throughout our history, Germany has shown time and again how resilient it is. Our grandparents' and parents' generation rebuilt the country after the war. We modernized the former GDR with the solidarity surcharge and enormous investments. In the early 2000s, we were called the "sick man of Europe" – and came back stronger with Agenda 2010.

We know how to adapt. We know how to bounce back.

And now, I'd like to invite someone to the stage who can speak to this very topic. Mr. Welcker, would you please join me here?

[Live-Talk with Carl Martin Welcker](#)

Mr. Welcker, we are (unfortunately) not electing you Chancellor today – but I'd be delighted if our shareholders vote for you to continue your valuable work on the Supervisory Board. We need your experience, especially in these times.

As a small token of appreciation for the past 15 years, we've picked a bouquet for you.

Ladies and gentlemen,

Transformation in business. Transformation in mindsets. But something is still missing. That's right: our state urgently needs restructuring as well.

In business, this takes three steps: cut costs and adjust capacities, optimize processes and rethink controls, and finally channel resources directly towards growth.

Allow me some free advice for the federal government: It is time to put outdated policies behind us. The state needs to become simpler, more efficient, leaner and – most importantly – faster. Fewer civil servants. Fewer bureaucrats. Fewer rules.

INDUS

Helmut Kohl supposedly said that socialism begins when government spending reaches 50 percent of GDP. Guess where we are now? At 50.3 percent – and climbing. The problem is, higher spending does not automatically deliver better results. By comparison, in Singapore government spending is just 15 percent of GDP. For a fraction of the cost, people there enjoy top-notch education, health, infrastructure - all while achieving greater economic output. In Singapore, competence is a precondition for holding office in politics or administration. That is something I would very much like to see in our own country as well.

We used to make fun of it when something didn't work in a faraway vacation destination. When no water came out of the faucet or you saw just two workers sitting in the sun at a construction site. Nowadays, we don't have to go on vacation to see that. We just have to go to the Zoo Bridge.

How often have bats actually prevented investments? Nothing against bats and toads. But if only bats and toads are left in the end, we won't even need to talk about prosperity anymore.

It is high time that we move our country forward with fresh thinking. We must not let ourselves be held back by two or three incapable politicians – nor by a horde that is anything but an “Alternative for Germany”. The right wing offers no solution. History taught us that in 1933. The same goes for criminals at the other end of the political spectrum. After forty-one years of socialism, it took more than 2 trillion euros to bring the bankrupt East German state back to life.

Dictators and autocrats might be able to force through change faster – but rarely in the interest of their people. If we want to safeguard and strengthen democracy, we need a government that is much nimbler. Decisions need to be taken – even if they're not popular with everyone. And the best time to get started is now.

Let's not kid ourselves – everyone else has problems too. The United States and China are prime examples. None of us would want to trade places with the average American or Chinese citizen. There is, however, a big difference: over there, no one talks about weaknesses. It is all about who will be number one in the world. That's something we in Europe still need to learn. We should finally be thinking about how we can reach the top. We can only succeed together – as a collective effort.

Let me give you two examples: In Heilbronn, one of the biggest ecosystems for artificial intelligence in Europe is taking shape. The innovation park is bringing together more than 100 players from science, business and society. Behind this are Dieter Schwarz and the city of

INDUS

Heilbronn. Or look at Catena-X in Berlin: this is a consortium for one of the largest European digitalization projects in the automotive industry. More than 150 companies are involved.

We are absolutely capable of renewal, ladies and gentlemen.

And we don't even have to look to Heilbronn or Berlin. INDUS itself stands as a shining example of Mittelstand's strengths and what our industrial companies are achieving already.

An example of sophisticated production processes. Of companies networking and working together. Of exchanges with universities. And, more recently, of collaboration with start-ups.

The INDUS Group is a prototype for what the future demands. Five years from now, INDUS will look radically different – I'm sure of it. EMPOWERING MITTELSTAND is the foundation; it is the platform. Nothing more and nothing less. Our growth targets for revenue and earnings are ambitious. Now it's time to invest the 500 million euros we've announced. Dear Board members, go for it. We are counting on you.

Dr. Schmidt – the stage is yours.