

Brose is on the road to recovery

Coburg (22. December 2022)

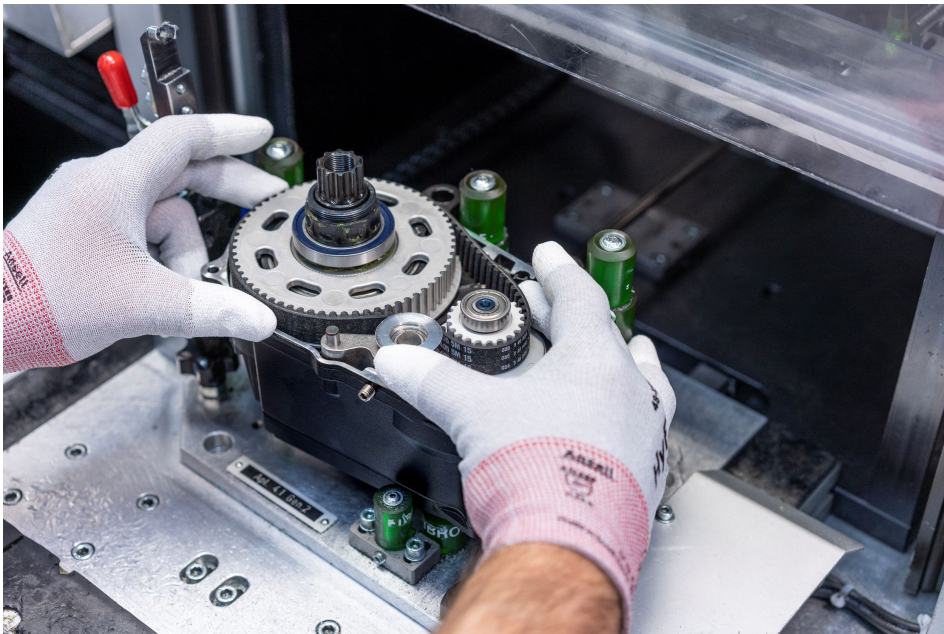
Despite challenging conditions overall, the Brose Group has turned a corner. Following its first ever operating loss last year, the supplier will achieve a positive earnings result once again in 2022. Nevertheless, major efforts are required to ensure that growth planned for the coming year remains profitable. Brose CEO Ulrich Schrickel reported this information during the family-owned company's shareholder and advisory board meeting in Coburg from 14 to 15 December.

Brose anticipates sales to exceed 7.4 billion euros in 2022, or around 2 billion euros more than the previous year. High inflation and exchange rate effects along with the consolidation of the Brose Sitech joint venture launched in January and a larger production volume have contributed to this development. "However, rising costs, particularly for raw materials, semiconductors and energy, have had a dramatic impact on earnings," explained Schrickel, adding: "The shareholders' clear commitment to ensuring Brose remains an independent, family-owned company for years to come is a strong foundation in these tumultuous times." To increase productivity, especially in administrative functions, the workflow and organizational structure is optimized on an ongoing basis using lean methods. "At the same time, it is absolutely essential for us to pass on the expected additional costs to our customers and move forward with the necessary price increases," the company's CEO emphasized.

If global vehicle production remains stable, Brose's sales could grow to around 10 billion euros by 2025, thanks to a successful acquisition: last year, the company received strategic orders for power closure systems, cooling fan modules and front seat structures, among others. The shareholders approved investments of over 400 million euros for 2023 to expand locations and production facilities worldwide. Brose plans to invest more than 1.3 billion euros over the next three years. Over half will go to Europe, while Asia and America will each receive around a quarter of these funds.



Brose is investing in state-of-the-art electronics manufacturing in Belgrade/Serbia.



Brose is expanding its production footprint for e-bike drives at the location where the company was founded in Berlin.