

Brose expects positive business development

Coburg (20. December 2021)

Despite current problems, the Brose Group's shareholders, advisory board and management are positive about the future. As a result of disproportionately high administrative costs in Germany and poorly utilized capacities at the 45 production facilities worldwide, the automotive supplier will generate a negative operating result for the first time in its post-war history. This was reported by Ulrich Schrickel, Chief Executive Officer, to the shareholders and advisory board of the family-owned company on December 15.

At the end of 2021, the Brose Group expects revenue of 5.3 billion euros, which is significantly below the budgeted figures. The reasons for this were the production slowdowns or stops by major automotive manufacturers in connection with the Corona pandemic and the shortage of semiconductors. At the same time, the company group recorded the highest order intake in its history in the past year. Between 2022 and 2024, the global mechatronics specialist expects growth averaging 20 percent and a return to profitability. To this end, the shareholders approved investments of more than 1.3 billion euros over the next three years.

As part of the Future Brose program launched in 2019, Brose is adapting production and personnel capacities to market requirements and will increase the organization's performance and reduce costs by the end of 2022. The socially responsible reduction of around 2,000 jobs in Germany by the end of 2022 has been agreed with the works councils. Four plants will be closed and manufacturing capacities relocated in Europe and North America.

The mentioned investments will be made in new manufacturing facilities and administrative and production buildings.

The joint venture with Volkswagen AG will be launched at the beginning of 2022. Brose Sitech is to establish itself as a leading supplier of seating systems and interior solutions. The full consolidation of the company, in which Brose holds a 50 percent stake, will result in an above-average increase in the Brose Group's sales and employment. As a result, Brose is planning to increase its business volume to 7.4 billion euros in 2022 and to 9.2 billion euros in 2024. The number of employees worldwide is expected to grow from 24,500 at present to over 30,000 in the next three years, including Brose Sitech. To this end, recruitment will take place in manufacturing in Eastern Europe, North America, and China. In Germany, attractive new jobs are being created in the future-oriented fields of IT, software and electronics.