

Brose aims for further growth



The family company Brose sees opportunities for further growth. From right to left: Michael Stoschek, Chairman of the Brose Group, and Jürgen Otto, CEO.

Munich (20. July 2017) The Brose Group increased its business volume by 150 percent over the past ten years to more than 6.1 billion euros. The family-owned company is continuing its successful course, as Chairman of the Brose Group Michael Stoschek reported at a press talk in Munich: “We see an opportunity to achieve turnover of over 8 billion euros in the next five years.” To reach this goal, the supplier is strengthening its market position in China and aligning its product portfolio with the demands of the future. Acquisitions could even bring the figure to 10 billion euros.

“2016 was a good fiscal year for Brose. We were able to solidify our market position and effectively prepare for the expansion of our business. Turnover rose only slightly – also due to changes arising from the consolidation. But earnings likewise improved slightly compared to the previous year and we once again achieved the important target return required in order to secure our financial independence,” explained Jürgen Otto, CEO of the Brose Group. Growth was nearly evenly distributed across the regions and the three business divisions door systems, seat systems and drives.

Investments in production capacity and development

Brose invested more than 370 million euros in building and expanding locations in 2016. Bamberg and Shanghai/China now boast headquarters with state-of-the-art office organization. Additional production facilities in Querétaro/Mexico and Prievidza/Slovakia are under construction. The global production network will thus grow to 51 plants. The family-owned company spent nearly 500 million euros on research and development last year, close to 6 percent more than the year prior. Over 3,200 technicians and engineers work in this area. The mechatronics specialist hired over 400 new employees to prepare for the future growth. The family-owned company employs more than 25,000 people worldwide, 8,600 of whom work in Germany.

Brose will invest 1 billion euros in new products, technical equipment and expanding international locations by 2019. 2 billion euros is available for acquisitions designed to expand the company's range of products. "We will expand our core business in a meaningful way through organic growth, acquisitions or cooperation agreements and strive to achieve a leading global market position in all of our product segments," stressed Otto.

Mobile transition brings new opportunities

The specialist in the interaction of mechanical, electric, electronic and sensor systems is not negatively impacted by the changes in the automotive industry. Instead, it sees further opportunities for growth. In the field of autonomous driving, Brose is working on rotating seats and new adjusters for the vehicle interior along with side doors that open and close automatically. The supplier develops its electric motors and drives for flexible use in vehicle electrical systems ranging from 12 to 810 volts and thus for all types of drives. One focus here is air conditioning systems for electric vehicles. Brose is exhibiting its current product range and ideas for "The Future of Mobility" at this year's International Motor Show in Frankfurt.

China continues to play a major part in Brose's development. It is already the world's largest automotive market today and will grow from currently around 28 million to nearly 40 million units by 2025. "In addition, China is becoming a lead market for e-mobility," noted Otto. "This is why we are developing our own concepts for Chinese carmakers. We want to achieve the same leading position with them as we have with other customers." The share of Chinese turnover achieved through business with local OEMs is expected to double by 2025. Today Brose operates twelve locations in China with 4,000 employees and generates 1.3 billion euros in turnover.

Family-owned company as a success factor

Due to the small number of owners and modest withdrawals, the Brose Group has succeeded in financing its extraordinary expansion over the past few decades completely independently. This autonomy will remain secure well into the future. "The fourth generation of shareholders is gradually taking on more responsibility and has clearly communicated that Brose will remain an independent family-owned company," emphasized Michael Stoschek.