

Brose faces difficult economic climate

Coburg (10. June 2020)

Following a mediocre fiscal year 2019, the corona crisis has led to a significant decline in turnover and earnings for Brose. The automotive supplier forecasts turnover of 4.4 billion euros for 2020, a 25 percent drop from the previous year. The family-owned company is responding by accelerating implementation of its Future Brose renewal program. Ulrich Schrickel, CEO of the Brose Group, presented this information at the shareholder and advisory board meeting in Bamberg.

Production stops at car manufacturers have led to a major drop in orders at Brose. In China, the company is seeing the market recover quickly after restarting operations. In Europe, however, there is a great reluctance to buy new cars. And in North America, call-off orders have fluctuated due to frictions between the US and Mexico. Brose does not expect worldwide production volumes to reach 2019 levels again for another two to three years, with a corresponding impact on financial results.

The automotive supplier is confronting these challenges with a systematic cost management program while still investing strategically in future projects. Our family-owned company has a good financial basis and the full support of the owners. Our aim this year is to 'break even' and continue to maintain the financial independence of our company over the long term. We are rigorously implementing measures to safeguard earnings and will return Brose to profitability," says Schrickel.

The automotive supplier is immediately responding to the collapse in the automotive market with short-time work or company holidays at all levels. The Future Brose renewal program also plays a key role: the objective is to improve competitiveness, increase the power to innovate and achieve growth. Brose is building a new location for the Drives business division in Serbia and investing in electronics and software solutions. We will continue to cut red tape, flatten hierarchies and increase the efficiency of collaboration. The Future Brose program will also lead to adjustments to the number of employees in Germany, which is necessary in order to secure Brose's long-term competitiveness and take advantage of opportunities for the future," says Schrickel.

The company remains committed to its long-term strategy and is expanding its competence in mechatronics by adding sensor technology and software to the mix. Our product portfolio opens up new forms of mobility – with flexible vehicle interiors, e-bike systems or drives and controls for electric scooters. Our intelligent and connected products for vehicle access and interior let drivers experience a whole new level of comfort," emphasizes Schrickel.

Brose received its first series production order in the field of radar technology. Further development of the system for hands-free opening and closing of liftgates is an important step for the automotive supplier as technologies transition from capacitive to radar sensors. Brose is applying this key technology to other solutions such as collision detection in tailgates and vehicle doors or for monitoring the interior for the protection of passengers.