Brose repositions itself

Picture: Stefan Krug, CEO and Michael Stoschek, Chairman of the Administrative Board

Coburg (17. December 2024) Due to the current call-off figures, the Brose Group will not achieve its targets this year either. The forecast turnover of 7.7 billion euros is seven percent below plan and three percent below the previous year. The lack of capacity utilization in production and rising costs are weighing on our earnings. The company expects a loss of around 53 million euros for the 2024 financial year.

The automotive supplier also anticipates only very low sales growth until 2027. At the same time, indirect personnel costs have increased massively over the last ten years and are more than twice as high as the wage costs of the production employees. As a family business, Brose has only limited access to the capital market and must therefore finance its corporate development from its own resources. To this end, the corporate group aims to achieve an operating result of at least three percent by the end of 2027.

At the proposal of the Executive Board, the Administrative Board decided on December 9, 2024 to reduce indirect personnel costs worldwide by around 20 percent in several steps by 2027.The first step is the reduction of around 700 jobs at the German locations by the end of 2025, including around 520 jobs at the Franconian locations. This means a reduction of around 200 jobs in Coburg, around 200 jobs in Bamberg/Hallstadt and around 120 jobs in Würzburg.

"These adjustments are painful, but necessary in order to secure the jobs of the remaining employees," emphasizes CEO Stefan Krug. "Together with our Chairman of the Administrative Board Michael Stoschek, I am committed to a socially responsible implementation in close consultation with the employee representatives."

Simplification of the organization

The adjustment of the cost structure goes hand in hand with a fundamental overhaul of the company's organizational and operational structure. The aim is to bundle tasks efficiently, reduce management levels, extend management spans and reduce the complexity of organizational levels. "In this way, we are creating the conditions to offer our committed and competent employees new prospects and opportunities for promotion, in some cases to new positions. It is particularly important to us to motivate and develop young talent," concludes Krug.