Historic step for Brose

Coburg (09. April 2021) The joint venture concluded between Volkswagen and Brose on 26 March 2021 is of great strategic importance. After a 70-year-long supplier relationship, this is the first time either of these companies has entered into a partnership such as this. The new company will be called Brose Sitech.
The objective of the joint venture between the world's second largest car manufacturer and fourth largest family-owned automotive supplier is the development and production of seat components, complete vehicle seats and connected interior components.

Volkswagen and Brose will each hold a 50 percent share in the new business, which currently employs 5,200 people at six locations in Germany, Poland and China and generates 1.4 billion euros in sales. The joint venture plans to double volumes to serve its own requirements in the coming years and establish itself as an independent supplier to other carmakers as well. Industrial leadership of the new company will rest with Brose, whose long-standing Executive Vice President Thomas Spangler (56) will take over as CEO.

The agreed partnership is expected to significantly increase Brose Group business volume to 9.7 billion euros by 2025 and grow the workforce to around 34,000 employees.

The final signing of the comprehensive agreement was carried out by top executives from each of the respective delegations, including the Chairman of the Board of Management of Volkswagen AG, Dr. Herbert Diess, and Chairman of the Brose Group, Michael Stoschek.

The joint venture will likely receive antitrust law approval in the second half of 2021.

Trying out SITECH products: Dr. Herbert Diess (left) and Michael Stoschek in Autostadt Wolfsburg. (Image: Volkswagen)