

Press Release

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ZOLLERN sets the course for the future

In future, the ZOLLERN Group will concentrate on its strategic core business areas of drive technology, investment casting, steel profiles as well as sand casting and forging. In this context, the Swabian metal company has decided on a comprehensive investment programme and is splitting from its plant for mechanical engineering elements in Aulendorf.

In parallel to the restructuring and cost-cutting programme of recent months, which ZOLLERN has been forced to undertake due to massive market changes in the automotive, aerospace and mechanical engineering industries, the company has decided on a comprehensive investment programme for its Laucherthal and Herbertingen sites in southern Germany. The total volume of investments for the next 3 years amounts to more than 60 million euros and in particular, in addition to the necessary streamlining investments at the high-wage location in Germany, includes investments for new products and processes based on the ongoing strategic research and development projects. For the Drive Technology business field, this includes, among other things, the expansion of mechanical drive technology to include electrical drive technology and the use of digital technologies for Condition Monitoring and After Sales. In the investment casting business field, investments are being made in manufacturing facilities for the production of single-crystal and directionally solidified components for the aviation industry and for energy technology in a new factory building. The sand casting and forging business unit will receive a new type of automated forging plant. Extensive investments have already been made in the area of steel profiles in recent years. Here, investments are being made in automation, optimisation of the factory layout and further modern processing facilities.

For Dr Klaus F. Erkes, Chairman of the Management Board of the ZOLLERN Group, the strategic investments and the focusing of the company are an important step for the further development of the company. "Our markets have changed drastically in recent years, and the decarbonisation measures being pushed at the political level are further accelerating the structural change in our industries. Some important customers have undergone existential restructuring and consolidation processes and have relocated their development and production sites to low-wage countries. This process was accelerated by the coronavirus pandemic. For this reason, we ourselves were forced to implement rapid and also painful cost-cutting programmes. This made it possible to lead our group of companies through the pandemic with positive results. In addition to the necessary and short-term measures to overcome the crisis, we have also set the course for the future by accelerating research and development and making comprehensive investment decisions. In order to make this possible, ZOLLERN had to and must focus more on the future. In light of this, the Plain Bearings Technology business field was incorporated into a joint venture with the Austrian company MIBA AG in 2019. And on 1.8.2021, the business field of mechanical engineering elements with its location in Aulendorf will be sold to the company Audita Consult GmbH". The purchaser owns a company with a complementary field of activity in the area

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of linear guide technology with its associated company Exxellin at the Wolmirstedt location (Saxony-Anhalt) since 2008. Audita and Exxellin are owner-managed companies. In future, the former ZOLLERN Maschinenbau GmbH & Co. KG will trade under the name LinTec Aulendorf GmbH & Co. KG.

The investor and shareholder of Audita, Gerhard Gaedecke, sees the acquisition in the Aulendorf location as a logical and correct step in the linear technology market, among others. "ZOLLERN is very well known in the linear technology market for its good market position. Our industry is also facing strong price competition. In this respect, consolidations or company mergers are necessary in order to be able to counter competition from low-cost countries, such as Romania. With the acquisition, Exxellin will sustainably increase its competitiveness through synergies in product development, production and sales".