

PRESS RELEASE

Pforzheim, 2019-10-18

Witzenmann Group faces major challenges

The Witzenmann Group assesses the current financial year with cautious restraint. Group-wide business development is clouded by warnings from individual markets as well as by regions worldwide. The site at Pforzheim in particular has fallen short of expectations.

The Witzenmann-Group recorded sales of € 489.6 million by September 2019 this year. Even though sales are € 11.5 million or 2.4% above the previous year's level, they are still well below plan.

In all industries and markets worldwide, business is developing very sluggishly. Business in Asia has slowed down significantly. Sales in North America are also worse than expected.

Vehicle business still stable with noticeable slowdown

The automotive business continues to be stable. Commercial vehicle sales have been declining since summer. In both areas, the effects of the trade dispute between the US and China are having a negative impact.

Business, especially in China and India, is developing worse than planned. The European market is at the same level as the previous year.

In contrast to the general trend, the area of motor cables is enjoying a positive development. Here, the Witzenmann Group expanded its portfolio in 2018.

Noticeable decline in the industrial business

Sales in the industrial division are significantly below target. This is mainly due to the weak development in German mechanical and plant engineering. The Witzenmann Group is introducing measures to increase its competitiveness in order to better position itself in this stagnating market.

There are uninterrupted growth prospects in the entire Asian industrial business. The company group envisages further investments for the coming financial year as well.

Positive development in the aerospace business division

The Witzenmann Group has established itself as a development partner for its customers in the aerospace industry. The sales performance is encouragingly positive, but still contributes a small share towards the overall result. With the founding of the business division in 2018, the group made extensive investments in production facilities, approvals and audits at the Pforzheim site.

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Rate of investment remains at a high level

Witzenmann continues to invest heavily in the future of the company group. In 2019, about € 45 million will be spent on renovation and new construction projects as well as on various future projects. The rate of investment in 2019 is 7%.

Number of employees grows slightly

By the end of September, the size of the workforce worldwide had grown to 4,696 employees. Growth was recorded mainly in Eastern Europe. With 1,676 employees, the parent company in Pforzheim represents about 36% of the global group workforce. A further third of the workforce work in other European countries or in America and Asia.

New strategic orientation initiated

Issues such as the mobility and energy transition, digitisation and globalisation confront the Witzenmann Group with major challenges. The management has initiated a comprehensive process of strategic realignment in order to respond appropriately to these challenges. This should create the basis for all policy-making decisions of the future and be defined as binding in the revision of the corporate mission statement. The shareholders and the entire workforce are included in the finding process.

Parent company in Pforzheim burdened by site conditions

The site in Pforzheim - which also includes the production sites in Remchingen and Buchbusch - remains below expectations in 2019. Here, the local, unfavourable site conditions are increasingly coming into effect. High corporate taxes, increasing bureaucratisation and high wage levels are negatively impacting earnings.

The management and works council are discussing measures together with the social partners within the framework of the "Pforzheim agreement" concerning the reduction of costs.

Clear Commitment to the site at Pforzheim

The high level of investments underpin the clear commitment of the shareholders and the management to the site at Pforzheim. As early as last year, the company had invested a two-digit amount in millions for the new construction of a modern production facility in Buchbusch. Future issues such as electromobility, the digitisation or production of ultra-pure components for the semiconductor industry are being developed with great commitment at the parent company.

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The Witzenmann Group

The Witzenmann Group is the world's leading manufacturer of flexible metal tubes, expansion joints, metal bellows and automotive components. Over 4,700 employees at 24 companies in 19 countries develop and produce custom-tailored solutions for customers from all branches of industry. Witzenmann is a global technological leader within its sector and offers both an extensive product range and broad expertise in the field of flexible metallic pipeline elements.

Photo 1: Cooling jacket for electrical motors

Innovative - The Witzenmann cooling jacket is used in electric mobility in the thermal management of the engine.

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Photo 2: Development of the Witzenmann-Cooling-Jacket



The managing directors Dr. Andreas Kämpfe (CEO) and Heiko Pott (General Manager) are discussing technical details of the Witzenmann cooling jacket for e-drives.