

thyssenkrupp commences operational realignment of automotive system engineering

- thyssenkrupp System Engineering business unit to be split into two independent companies for body and powertrain
- Need for further restructuring due to continuing market weakness

At the start of the new fiscal year on October 1, 2020, thyssenkrupp will commence the operational realignment of its automotive system engineering activities. In the coming months the current System Engineering business unit will be split commercially, operationally and legally into two independent business units. The aim is to create two independent companies with different product ranges. One will be an engineering company specializing in body assembly lines which will continue to be managed as part of thyssenkrupp's automotive supply and service segment (Automotive Technology). The other will combine the current powertrain and battery assembly activities and will be part of thyssenkrupp's portfolio segment (Multi Tracks). Going forward, a solution will be found for this business outside the thyssenkrupp group, either in partnerships or under new owners. The operational split of thyssenkrupp System Engineering into a body unit and a powertrain/battery unit is part of the portfolio strategy presented by thyssenkrupp in May of this year.

Ingo Steinkrüger, Chief Executive Officer (CEO) of thyssenkrupp System Engineering: "We have prepared the realignment of the company meticulously over the past few months. In the coming weeks and months we will now implement these preparations step by step. We will ultimately create two new specialized companies that can develop profitably in their respective market segments."

The body activities of the company with sites in the German states of Baden-Württemberg, Saarland and Hessen will be repositioned as an automotive bodymaker with integrated value-chain capabilities. This company will specialize in body assembly solutions and the production of lightweight body parts for automotive customers. The powertrain and battery unit will continue its transformation towards e-mobility so that in the future it can establish itself as a general system engineering contractor for alternative powertrains and storage technologies. This will mainly affect company sites in Bremen, Lower Saxony and Saxony.

The separation and realignment of the two business units will involve further restructuring at the individual sites. In this connection around 800 jobs will be reduced across both units in the current fiscal year. Around 500 of these jobs are at sites in Germany. The reason for restructuring is a slump in order intake and sales drastically exacerbated by the coronavirus crisis. With the split, central structures at the headquarters will also be eliminated.

“The market situation in automotive system engineering remains extremely challenging. We don’t expect output figures in the auto industry to return to pre-crisis levels for at least two to three years. We therefore need to use the split and realignment of the company to bring structures and administrative costs in both parts of the business into line with market levels. We will not be losing any technology segments through this but will adapt our site concept and consolidate capabilities,” says Steinkrüger.

The System Engineering business unit currently operates nine development and production sites in Germany. In Bremen and Langenhagen (Lower Saxony) the company develops and manufactures assembly and test facilities for IC engines, electric motors and fuel cells. At its Heilbronn (Baden-Württemberg), Lockweiler (Saarland) and Burghaun (Hessen) sites, body assembly lines are developed and produced. The company also operates two battery assembly line plants in Hohenstein-Ernstthal and Chemnitz (Saxony). The Mühlacker and Weinsberg (Baden-Württemberg) sites develop and produce lightweight vehicle solutions. Altogether around 3,200 people are currently employed in automotive system engineering at thyssenkrupp in Germany.

thyssenkrupp in the automotive sector

thyssenkrupp is one of the leading suppliers and engineering partners to the international auto industry. Its products and services include materials, high-tech components and system and automation solutions for automotive OEMs. In fiscal year 2018/19 thyssenkrupp achieved sales of around 10.4 billion euros with customers from the auto industry.

Contact:

thyssenkrupp AG

Automotive Technology

Konrad Böcker

Head of Communications

T: +49 201 844 553084

M: +49 173 8982102

konrad.boecker@thyssenkrupp.com