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Trailer marriage in Emsland: Krone and Brügger merge to become KRONE Commercial Vehicle SE

Krone repositions itself in the utility vehicle business

Werlte/Herzlake, December 2015: The long-standing collaboration between Fahrzeugwerk Bernard Krone GmbH and Brügger Fahrzeugwerk & Service GmbH is about to become even closer. Both companies are set to merge as the new KRONE Commercial Vehicle Group. Existing Krone subsidiaries such as Gigant Axles, Krone Used, the trailer factory in Turkey and the various sales and distribution companies abroad are also earmarked for inclusion in the new KRONE Commercial Vehicle Group. Subject to antitrust approval, the earliest date for the new structure to take effect is the 1st of January 2016. Bernard Krone, Managing Partner of the Krone Group: "We are delighted that we will be working even more closely in future with our expert partner and personal friend of so many years, Bernd Brügger. This decision was taken with the full agreement of the Brügger and Krone families, because the merger will enable our combined enterprise to meet future challenges with greater resilience. After all, Brügger und Krone have been engaged in fruitful collaboration with each other for many years now; so you might say that, after a 30-year engagement, it's now time to tie the knot." Bernd Brügger, owner of the Brügger Group: "More than 30 years ago, Dr Bernard Krone and I agreed to enter into a very close partnership. He gave me his personal word, and that has been the basis of our shared growth and success. For many years now, our Herzlake and Lübtheen factories have been manufacturing Krone swap systems as well as Krone Cool Liner and Dry Liner box trailers. As there is no family successor waiting in the wings at Brügger, I am very pleased about the forthcoming merger of our company with the Krone commercial trailer division. This will secure the long-term future of the two operations. I am obviously very pleased about this and immensely grateful to the Krone family for their sense of social responsibility." As a result of the new alliance, the two companies will merge systematically and strategically. A plan has been drawn up under the working title Progress 2020 whereby all production

sites (Werlte, Herzlake, Dinklage, Lübtheen and Tire) will be integrated to share the same product architecture, organisational structure, production processes and IT system. “The new KRONE Commercial Vehicle Group forms the groundwork for further sustainable and profitable growth on an international scale and in an increasingly competitive marketplace,” adds Bernard Krone. “The Krone, Brügggen and gigant brands will continue as before, but we will be able to use synergies more efficiently, for example in development, production and procurement.” The new KRONE group will trade under the international name KRONE Commercial Vehicle SE and have its company headquarters in Werlte (Emsland). Bernard Krone: “As regards this new structure, I want to stress that nothing will actually change for employees at any of our sites. Subject to antitrust approval, the Krone Group (Agricultural Machinery and Commercial Trailers) will grow significantly in size. Sales revenues for the Krone Group as a whole will be about €1.8 billion in the future. The net effect is that all the effort we put into reorganisation will pay off, because with the combined weight and punch of the company and the planned investments for all production sites – and that includes up to €50 million in Werlte alone – we are well equipped to face any challenges that we may encounter in the future.” The new organisational structure of the KRONE Commercial Vehicle Group sees Bernhard Brügggen, Aloys Schnelte and Gero Schulze Isfort join the Board as Managing Directors. The current CEO of the commercial trailer plant at Werlte, Bernard Krone, and the CEO of the KRONE Group, Alfons Veer, now step up to the administrative board. While all of this is happening, the Krone Agricultural Machinery division is also undergoing a restructuring process. Bernard Krone: “Because in our Agricultural Machinery division too, we now generate around 70 percent of our sales from exports. With five Krone sales subsidiaries in the US, the UK, Russia, France and – our latest addition – China, and in collaboration with our many sales and distribution partners, we have long had an active international profile. Consequently, we have decided that we should extend the reorganisation process to our Agricultural Machinery division as well. The new KRONE Agriculture SE will have its company headquarters in Spelle.”



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