

## PRESS RELEASE

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Düsseldorf, April 04, 2018

# Managing Board announces personnel changes

SMS group: Crisis in metallurgical plant construction continues

The continued difficult economic conditions on the metallurgical plant and machinery construction market are forcing SMS group GmbH to make further personnel adjustments.

Steel producers remain challenged by overcapacities. This results in a continued low investment volume in new metallurgical plants. This is causing fierce competition and price pressure among plant constructors bidding for individual projects. Due to this situation, SMS group is continuously being forced to cut costs by optimizing internal processes and procedures. A reduction in the number of employees is therefore unavoidable.

Currently, the Managing Board is informing the workforce at the Mönchengladbach, Hilchenbach, Düsseldorf, and Witten locations. By 2020, the company will reduce its workforce by 570 employees in Germany from today's staff of 4,100. Of these reductions 440 will be realized in 2018.

Negotiations on implementing these measures are already underway with the workers' representation

bodies. As in 2016, the Managing Board will make every effort, in cooperation with the works councils and labor union, to achieve most of the cutbacks with pre-retirement reductions in hours and individual agreements. However, it will not be possible to avoid redundancies.

### **Systematic expansion of important future areas continues**

“However, we are not just focusing on cutting costs. Our goal is a permanently healthy company. Hence a share of the savings from the personnel reductions will be reinvested into new products and processes,” explained Burkhard Dahmen, the company’s Chairman and CEO. “To secure our future, we are expanding our growth fields. We have already attracted a first order in the area of electronic waste recycling. At this time we are commissioning our plant for manufacturing metal powder in Mönchengladbach. Metal powder is the input material for metal 3D printing. We are driving ahead with the expansion of the strategically important area of digitalization (Industry 4.0) and that’s why we are very glad to welcome Dr. Katja Windt on board. She’s an absolute expert on digitalization and logistics, and she joined the Managing Board on April 1,” said Burkhard Dahmen. Former members of the Managing Board Harald Rackel and Marcel Fasswald resigned with effect from March 31.

*SMS group is a group of companies internationally active in plant construction and mechanical engineering for the steel and nonferrous metals industry. It has some 13,500 employees who generate worldwide sales of more than EUR 3 billion. The sole owner of the holding company SMS GmbH is the Familie Weiss Foundation.*