

### **KSM Castings Group GmbH: Insolvency proceedings lifted by the end of 2020**

- **Additional payment for employees**
- **100% quota for creditors**
- **New order for cylinder head covers**

**Hildesheim, January 11, 2021: The insolvency proceedings of KSM Castings Group GmbH were lifted by the end of the year. After the creditors' meeting agreed to the insolvency plan by a large majority at the end of November 2020, the insolvency proceedings were successfully concluded after only six months. This way the restructuring concept presented can be implemented as planned.**

The Chinese owner CITIC Dicastal had promised to settle all outstanding debts at the end of the proceedings. Following the expiry of all deadlines for appeals and the cancellation of the insolvency proceedings at the end of the year, the way is now clear for the payments to be made. The KSM workforce will receive back payments equivalent to the amounts they had previously waived under the site continuation agreement. The creditors of KSM Castings Group GmbH will also receive 100% of their outstanding claims at the beginning of the year.

In the future, a new site and employment protection agreement will apply to the German KSM plants, which provides further pay cuts, but at the same time rules out redundancies for the next five years. In addition, the Chinese owner plans to invest around 90 million euros in the German sites during this period.

#### **New order: 350,000 cylinder head covers per year**

As part of a new major order, a well-known German automotive manufacturer will have around 350,000 cylinder head covers manufactured annually at the KSM site in Hildesheim.

#### **The outlook is good**

KSM is emerging stronger from a difficult economic situation. Apart from the uncertainties caused by the Corona pandemic, the situation is favorable for a fresh start.

#### **Rethinking necessary**

Nevertheless, at the Hildesheim, Wernigerode, Wuppertal and Radevormwald sites there will be further changes following the insolvency and job cuts. „We need to reposition ourselves to become more efficient and competitive in the long term“, says Managing Director Dr. Zhihua Zhu, „we have to rethink, standardize and digitalize.“

In the future, the focus will be less on individual products but more on product families. In addition, the company will lay greater emphasis on the qualification and development of employees. This will also include a bonus program that rewards good performance with bonuses. Successful development requires qualified and committed employees.



**Background:** The KSM Castings Group is a leading producer of automotive lightweight components for chassis, transmissions, engines and e-mobility. Specialized in aluminum and magnesium components, KSM strives for the top position in both technology and quality. As an important supplier to the global automotive industry, the company is already among the top employers. Reliable partnerships, customer orientation and cost effectiveness are essential key points of the company's strategy. The basis, however, are first-class employees.

KSM operates nine production plants in Germany, Czech Republic, USA and China with a total of approximately 2,350 employees. Among its customers are the major automotive producers and automotive suppliers like Volkswagen, Daimler AG, ZF, Benteler and Bosch. In 2019, the company group achieved a turnover of approximately 360 million EUR.

Further information about the KSM Castings Group can be taken from our website [www.ksmcastings.com](http://www.ksmcastings.com)

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