

Press release

## **StockachAlu closes its production of casting alloys with an annual capacity of 25,000 tons**

- Future focus on the production of rolling slabs
- Discontinuation of the production of casting alloys with an annual capacity of approx. 25,000 tons
- Concentration of casting alloy production at the sister company Oetinger Aluminum

Stockach, 16 November 2016 - as part of its realignment and restructuring, Stockach Aluminum GmbH is concentrating on wrought alloys and will be discontinuing production of casting alloys at the end of the year. This decision was made by the management and shareholders of Stockach Aluminum GmbH.

Approximately 25,000 tons of casting alloys capacity is being shut down. The decision was made against the background of the enormous oversupply on the market, which no longer allows for production at sufficient margins.

In future, the production of casting alloys will be concentrated at the locations of the sister company Oetinger Aluminum in Weißenhorn and Neu-Ulm. Dr. Volker Heidtmann, Managing Director Stockach Aluminum GmbH: "Through our sister company Oetinger, we are ensuring that our customers will continue to be supplied with casting alloys in the usual quality and flexibility."

At the same time, Stockach will be focusing on the production of rolling slabs, which is to be significantly expanded in the medium term. Markus Wild, Managing Director Stockach Aluminum GmbH: "The market for rolled aluminum products shows sustainable growth in future. Through our wide alloy competence, including 6xxx automotive alloys as well as high-strength 7xxx alloys, we are very well positioned to benefit from the market growth."

The casting alloys production will be discontinued at the end of the year. The works council and the employees have been informed. According to current plans and subject to discussions with the works council, an employee reduction to around 80 employees is foreseen. The downsizing is to be done in the most socially tolerable manner possible. The restructuring should be completed in the first quarter of 2017.

### **About:**

**Stockach Aluminum GmbH:** Stockach Aluminum is a manufacturer of casting and wrought alloys from recycled aluminum. The company was acquired in May 2016 by Private Equity Fonds SSVP III, advised by Orlando Management AG.

**Oetinger Aluminum Group:** Oetinger Aluminum, which has plants in Weißenhorn and Neu-Ulm, is a leading manufacturer of aluminum casting alloys in Europe. The focus of the group is on the just-in-time delivery of liquid aluminum and ingots to foundries.

**Orlando Management AG:** Orlando Management is an independent private equity company with headquarters in Munich and offices in Stockholm and Zurich. Orlando Management advises Private Equity Funds "Special Situations Venture Partners" (SSVP), which have a total capital of approximately EUR 650 million.

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