



## KSPG : Sales Outgrowing Market

With higher sales and an even sharper (20 percent) gain in EBIT, the KSPG Group in the first quarter of 2015 has benefited from its forward-pointing product line-up, its favorable positions in the auto industry's growth markets (especially China) and, not least of all, from an improved operating performance. During the first three months of 2015, the Group generated sales of €664 million (up around 8 percent over Q1/2014's €617 million). Adjusted for exchange-rate effects, the sales rise was 5 percent.

During the same period, EBIT improved



by €9 million to €55 million and hence the operating result margin from 7.5 to 8.3 percent (year-on-year quarterly comparison). The Chinese joint ventures not included in the sales figures raised their quarterly sales

by 41 percent to €212 million (on the basis of 100 percent).

The Group's sales surge was thus easily in excess of the global auto economy's 1.2 percent rise for the period. With production up by 8.5 percent, China was once again the growth motor; Western Europe (up 2.9 percent) and NAFTA (up 2.3 percent) were also important sales regions for KSPG.

Assuming that the global auto market remains stable, KSPG is looking to sales of €2.5 to €2.6 billion for the current fiscal period and hence an operating result margin of 8 percent for all of 2015.

## Amtek to Acquire Rege Holding



Arvind Dham-led automotive component supplier Amtek Auto Ltd has signed an agreement to acquire Germany-based Rege Holding GmbH (Rege) for an undisclosed amount, according to a stock market disclosure. The deal, which is expected to close by August this year, is routed through its Singapore-based subsidiary Amtek Precision Engineering Pte Ltd.

Post acquisition, Rege will provide machining and assembly of components for both auto and non-auto segments through its subsidiaries. The company was founded in 1987 and manufactures products like connecting rods, crankcases, cylinder heads, gear housings and valve body components. It has two manufacturing plants—one each in Germany and Romania.

Rege generates majority of its revenues acting as a tier I and single-source supplier to leading automotive companies globally. For Amtek Auto, this is the second acquisition in Germany since January this year. In March, it

acquired Germany-based forgings maker and specialty steel trader Scholz Edelstahl GmbH.

Last month, it signed an agreement with Japan-based Asahi Tec Corporation to acquire its various group companies which are engaged in iron casting business. The acquired companies have manufacturing facilities located in Japan, Thailand and China and have long-standing relationships with blue-chip OEMs. These businesses, with around 1,500 employees, have a turnover of \$375 million, as per the company's website. It has bought several such firms over the last few years, especially in Germany. Last year its public listed arm Amtek India acquired Germany-based Kuepper Group of companies, which brought under its fold iron, aluminium casting and integrated machining with five manufacturing facilities across Germany and Hungary. In 2013, Amtek Auto acquired business assets of Germany's Neumayer Tekfor Group, which had annual revenues of around €500 million (\$650 million or Rs 3,500 crore).

## Foundry Sector Seeks Skill Centre in Coimbatore



The foundry industry asked the Centre to start a skill centre here to attract more manpower to the industry. Since more than 100-year-old industry in this region was considered a dirty and dangerous one, it was very difficult to get workers in this sector and a skill centre could attract youth to it, C R Swaminathan, past chair of Indian Institute of Foundrymen said. "We do not want any subsidy, but require manpower," Swaminathan said in his study report on foundry industries, released by Union MSME Minister Kalraj Mishra here. On the licensing issue, Swaminathan said the industry required both air and water pollution clearance. "However, there is no use of water, the water pollution clearance can be done away with," he said. Another demand from the industry was to provide Technology Upgradation Fund Scheme to the sector for modernisation and expansion, he said, adding that Government should also consider zero duty import for equipment. Similarly, the tenure of renewal of pollution certificate should be extended to three years from the present one year, Swaminathan said.