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Forward strategy at Motorservice

**KSPG to accelerate its aftermarket business**

Within the context of the ongoing expansion of non-OEM business by Rheinmetall's KSPG Group, the aftermarket business under the Motorservice brand is of growing significance. At present, Motorservice generates some €270 million annual sales in parts built to original equipment quality standards. This is equivalent to about 11 percent of KSPG's group sales. "In future, this share will continue to grow and our goal is to arrive at 20 percent by 2020," says Horst Binnig, CEO of KSPG AG.

One portion of the envisaged increase will be generated by Motorservice's organic growth. The company will also undertake additional and far-reaching efforts in all areas of management. Says Hansjörg Rölle, CEO at MS Motorservice International GmbH: "One avenue for us to explore is appropriate takeovers or cooperation deals for topping off our portfolio. I'm thinking especially of suppliers that have no aftermarket organization of their own. We'll also be carrying out a whole package of measures and realigning our internal structures in order to push ahead with this substantial sales surge."

Among the measures to be adopted by Motorservice's management is the restructuring of its sales and marketing units, its product management and to additionally speed up its Internet-based distribution efforts. The same applies to its customer-support activities which have traditionally enjoyed high priority. Motorservice will also be placing greater emphasis on expanding its own manufacturing capacities and deploying state-of-the-art production facilities. The latter include CNC machinery for product modifications as required by users or the assembly of short blocks.

To facilitate its growth strategy, the company acquired in 2013 an adjacent site at its location in Neuenstadt am Kocher. Besides the already existing 30,000 m<sup>2</sup> for administration and assembly/shipments, Motorservice now has 12,000 more square meters on which to branch out.

Adds Hansjörg Rölle: "We're soundly positioned and have a well-assorted tool kit to help us get where we want to. We also enjoy financial backing within the KSPG Group and, of course, we have highly motivated, well-trained employees."

## **About KSPG AG**

The KSPG Group, which represents the Mobility sector within the Rheinmetall Group, has annual sales of €2.46 billion (2013) and ranks among the 100 biggest auto-industry suppliers worldwide. Some 12,000 employees and around 40 production plants in Europe, the Americas, Japan, India and China develop and manufacture components, modules and assemblies for the propulsion systems of present and future vehicles.

As an established development partner of the global OEMs, for over a century the Group has been involved in the development and sustainable improvement of engines with a view to reducing pollution, fuel consumption, CO<sub>2</sub> emissions, and weight, as well as enhancing performance.

This first-tier supplier, present on the international automotive markets, consists of three divisions: Hardparts, Mechatronics, and Aftermarket. Clustered under the Kolbenschmidt brand is KSPG's Hardparts division comprising car and commercial vehicle pistons, large-bore pistons, engine blocks, cylinder heads, and structural parts in aluminum. The division's business also includes other castings, plain bearings and continuous castings.

The Pierburg brand covers KSPG's Mechatronics division: modules and assemblies for emission control, solenoid valves, actuators and valve train systems, oil, water and vacuum pumps for cars, trucks and offroad vehicles.

Last but not least, the Aftermarket division under the Motorservice brand embraces the global aftermarket business in the Group's and third-party products in over 130 countries. As a foremost supplier of engine components Motorservice offers its customers from a single source an extensive lineup of engine parts.