# Press release

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## Best business year in history

**Technology group Schunk is growing strongly in sales**

**Heuchelheim, 9 June 2017 – The Schunk Group has once again generated record sales, with the company recording revenue of more than EUR 1.1 billion for the 2016 financial year.**

This represents a 6.6 percent year-on-year increase in sales for the technology group, and means that Schunk has grown more than twice as fast as the global economy, which experienced only a moderate increase of 2.8 percent in 2016. Growth was also higher than in the automotive market (4.8 percent) where Schunk makes around 40 percent of its sales. High sales growth was accompanied by a significant increase in profits, which reached a very good record level. This also raised the equity ratio for the group (which was established in 1913) to around 64 percent. “This highlights the great financial strength and stability of the Schunk Group”, says Dr. Arno Roth, chairman of the Schunk Group management board.

**Growth in all regions and divisions**

“Our strong growth is rooted in both the positive development of our key markets, and our successful market cultivation,” continues Dr. Roth. “Every division of Schunk has contributed to this growth, and each one has achieved new sales records.” Growth was also bolstered by Automotive Testing Solutions, acquired at the end of 2015.

Schunk has grown across the board in regional terms as well during 2016, with all market regions increasing their sales. Particularly high growth – nearly eight percent – was seen in Asia, where China in particular was a growth driver for the business. In America, the overall picture was more heterogeneous: while sales in North America showed a positive trend, Schunk lost revenue in South America, particularly due to the continuing recession in Brazil.

**Investments to reach highest level in 2017**

While Schunk invested a total of EUR 64 million last year, around EUR 113 million is planned for 2017 in order to achieve growth targets. This will put investment at an all-time high. Major individual investments include construction of the new Helmond site in the Netherlands, as well as completion of the goods dispatch building at the Heuchelheim site, a production building in Balingen, and the office and canteen building at the Bad Goisern site in Austria. Schunk is also investing in the expansion and modernization of machinery and equipment at its sites, and providing the investment needed to support innovation.

**Schunk shares profits with staff**

“Our employees remain the foundation of Schunk’s success,” says Dr. Roth. Therefore, due to the Schunk Group’s good annual results and high degree of financial stability, staff will be given a share of the profits for the 2016 financial year. Overall, around EUR 26.5 million will be distributed to employees in 2017. “Depending on location and length of service, profit shares will be up to EUR 5,000 per person – an exceptionally high amount, which is something to be proud of,” says Dr. Roth.

**First-class training and employee development**

In addition to profit-sharing, Schunk staff benefit from the technology group’s excellent training and employee development opportunities. Just recently, the first CAMP (Corporate Advanced Management Program) internal leadership training programs were successfully completed. In 2017, further CAMP programs will be started which will also be aimed at employees in the rest of Europe, Asia and America. “In the future, this will prepare staff at all affilates systematically and in accordance with Schunk standards for leadership roles and developing expert managers,” says Dr. Roth. The cross-company and cross-location composition of the training groups will further promote intensive networking between participants.

**Global Graduate Program successfully launched**

Newly launched in 2016 was the Global Graduate Program. This is intended to continuously prepare motivated university graduates with above-average academic performance for demanding international roles in the Schunk Group. Eight trainees are currently going through the program. A second round in fall 2017 will have trainees from China, Mexico, the USA, France, Austria and Germany starting their careers with the Schunk Group.

The number of Schunk Group employees fell slightly compared to the previous year. In 2016, the annual average headcount was 8,038, which is 0.5 percent less than in 2015 (8,079). This was due to personnel adjustments at individual companies, e.g. in Brazil.

**“Brilliant” innovations**

There is also a great deal of promise in the innovations that Schunk will bring out in 2017. “As a technologically diversified niche supplier, we are active in many markets with our highly specialized products,” explains Dr. Roth. Schunk’s diamond electrode for wastewater purification, for example, is aimed at a new market for Schunk. Thanks to innovative coating technology, Schunk has been able to develop diamond electrodes for industrial wastewater treatment which are based on particularly cost-effective graphite and ceramic substrates. This means that the expensive and scarce niobium substrate used previously can be replaced with graphite, CFC and SiSiC/SSiC ceramics. Thanks to the simple mechanical options for processing the carbon substrate, combined with diverse coating types, electrodes can be flexibly designed, customized and economically produced even on a larger scale.

**“2017 will be challenging”**

“We anticipate that there will be little change in the economic climate,” says Dr. Roth, looking at the current business year. According to him, 2017 promises to be a challenging year for Schunk, particularly since predicted growth rates for the group’s two core markets – the automotive and rail industries – are significantly lower those for 2016. Schunk is still adhering to its medium-term goals, however. “The objective of the strategy established in 2014 is clear: in 2020, sales should be at EUR 1.5 billion”, states Dr. Roth. “Two years have passed since then, and it seems natural to make an initial assessment: we are well on the way of reaching our goal. In the last two years, Schunk has grown faster than planned.”

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**Pictures:**

Schunk Group.jpg: With record sales of EUR 1.1 billion, record profits and growth in all divisions and regions, 2016 was the best financial year of all time for Schunk.

Arno Roth.jpg: Dr. Arno Roth is CEO of the Schunk Group.

Diamantelektrode.jpg: The diamond electrode by Schunk: Thanks to innovative coating technology, it makes industrial wastewater treatment much more economical.

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**Schunk Group**  
The Schunk Group is an internationally operating technology company with more than 8,000 employees in 29 countries. The company offers a broad spectrum of products and services in the fields of carbon technology and ceramics, environmental simulation and air conditioning, sintered metal and ultrasonic welding. In 2016, the Schunk Group achieved a turnover of 1.1 billion euros.