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Press and IR Release

Schaeffler further strengthens industrial business with purchase of Ewellix Group

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- Innovative market-leading linear technology products provide an attractive complement to existing portfolio in Industrial division
- High-growth business area fueled by increasing customer investment in electromechanics, efficiency optimization, and automation and robotics
- Integration of highly experienced team promises excellent cultural fit
- Major scope for synergies, especially in sales
- Schaeffler Group's robust balance sheet and liquidity position enable continued pursuit of M&A strategy even in volatile times

The automotive and industrial supplier Schaeffler yesterday signed an agreement with an affiliate of Triton Fund V for the acquisition of the Ewellix Group. The purchase of the global manufacturer and supplier of linear technology components and systems, which is still conditional on regulatory scrutiny and approval, strengthens Schaeffler's market position, particularly in the linear business. Ewellix is a market leader in multiple areas of technology, including electromechanical industrial actuators and lifting columns as well as roller screws. These products are used in sectors such as robotics and medical technology and in mobile machinery. The Ewellix Group's product range is highly complementary to the existing product portfolio in Schaeffler's Industrial division. Ewellix's sales and R&D teams and its six production and customizing sites – which together have a combined workforce of around 1,200 – constitute a strong business unit and will work closely with the Schaeffler Industrial team to realize synergies.

"By acquiring Ewellix, we are further strengthening our industrial business and are continuing to follow through on our strategy despite these volatile times," said Schaeffler AG Chief Executive Officer Klaus Rosenfeld. "This acquisition represents a further step in the diversification of our business as a global automotive and industrial supplier and will put us in an even stronger position to invest in attractive growth markets. The deal is another key milestone that will make the Schaeffler Group even better prepared for the future."

Linear technology promises to be a major driver of growth within the global industrial technology business over the coming years. The shared focus in this area is on high-growth sectors of the market, such as industrial automation, robotics, medical technology, the food and drinks industry, and mobile machinery.

Schaeffler an ideal new owner for Ewellix

Ewellix is a global company headquartered in Gothenburg, Sweden. Formerly the linear technology arm of SKF, it was acquired by the investment firm Triton in 2018 and repositioned as a stand-alone company under the Ewellix brand.

The Ewellix Group is a leading manufacturer and supplier of linear actuators with over 50 years in the business. The company combines leading-edge design and development with proven expertise in manufacturing, customer-centric applications engineering, and digitalization. Its core products include actuators, lifting columns, robot range extenders, ball and roller screws, and linear guides (monorail guidance systems and linear ball bearings). These products are used in a wide range of applications and equipment types, including medical technology, mobile machinery, assembly automation, robotics, and various other areas of industry. Ewellix has six production and customizing sites across the USA, Europe and Asia, operates 16 sales offices in 15 countries, and works with a network of about 550 sales partners. The company reported revenues of approximately EUR 216 million for 2021 and is currently expected to post revenues of about EUR 250 million for the 2022 financial year.

“By acquiring the Ewellix Group, we are significantly expanding our Industrial division’s linear technology footprint, particularly in areas of strategic importance for the future,” said Dr. Stefan Spindler, CEO Industrial at Schaeffler. “I am familiar with Ewellix and know it to be a very well-run business unit with a strong customer and sales focus backed by solid product development. Consequently, the company has a rich pipeline of highly innovative solutions and customer projects. We will support the Ewellix team in the implementation of their bold growth plans. We will leverage synergies at every step of the way and partner with them to further develop the manufacturing systems at their production units.”

Megatrends of electromechanics, efficiency optimization, and automation and robotics

The Ewellix deal represents a major expansion of the Schaeffler Group’s portfolio of linear technologies, enabling the company to tailor its products in this area even more closely to customer requirements. The purchase of Ewellix also means that Schaeffler can now focus more strongly than before on three central trends in the industrial business. The first of these is the trend toward replacing or supplementing hydraulic and pneumatic solutions with electromechanical systems. The second is the quest for optimal efficiency. And the third is the automation and robotics trend. Ewellix has a modular range of actuator technologies that enables it to build customized, application-specific solutions quickly and cost-effectively. By combining this range with its own, Schaeffler will unlock additional customized solutions based on smart design principles.

The Schaeffler Group’s robust balance sheet and liquidity position

Over the past few years, the Schaeffler Group has built up a robust balance sheet and liquidity position that stand it in good stead to successfully realize the acquisition despite the current volatile times.

“Our robust balance sheet and liquidity position, which are due in large measure to our strict cost and capital discipline over the years, mean that we are able to pursue and take advantage of strategic growth opportunities even in volatile times,” said Schaeffler Chief Financial Officer Claus Bauer.

The purchase price for the acquisition, which will take the form of a share deal, is approximately EUR 582 million. This amount does not include the net debt of Ewellix of approx. 120 Million Euro which will be assumed by Schaeffler, nor does it include transaction costs. The purchase price will be paid from existing internal and external financing sources. The deal is expected to lead to an improvement in Schaeffler AG’s earnings per share in the mid-single digit percentages by as early as 2024.

The closing of the purchase agreement is subject to market customary closing conditions with regard to merger control and foreign direct investment clearances. Closing is expected to occur by the end of 2022.

Forward-looking statements and projections
Certain statements in this press release are forward-looking statements. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial consequences of the plans and events described herein. No one undertakes any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. You should not place any undue reliance on forward-looking statements which speak only as of the date of this press release. Statements contained in this press release regarding past trends or events should not be taken as representation that such trends or events will continue in the future. The cautionary statements set out above should be considered in connection with any subsequent written or oral forward-looking statements that Schaeffler, or persons acting on its behalf, may issue.

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Schaeffler Group – We pioneer motion: The Schaeffler Group has been driving forward groundbreaking inventions and developments in the field of motion technology for 80 years. With innovative technologies, products, and services for electric mobility, chassis solutions, and renewable energies, the company is a reliable partner for making motion more efficient, intelligent, and sustainable – over the entire life cycle. Schaeffler describes its comprehensive range of products and services by means of eight product families: from bearing solutions and all types of linear guidance systems through to repair and monitoring services. With around 110,000 employees and more than 250 locations in 55 countries, Schaeffler is one of the world’s largest family-owned companies and ranks among Germany’s most innovative organizations.

Ewellix’s portfolio includes a wide range of high-performance electromechanical actuators in a variety of designs and setups for both general and specific industrial applications. (Photos: Ewellix)

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