

HANDTMANN GROUP OF COMPANIES PRESS RELEASE

THE CORPORATE LEADERS OF HANDTMANN: ENTREPRENEURIAL CONTINUITY SINCE 1873

Biberach an der Riß, 19th April 2023. In April 2023, after 25 years of corporate leadership, Thomas Handtmann passes on the management of the Handtmann Group of Companies to his son Markus Handtmann and nephew Valentin Ulrich. The name Thomas Handtmann is inseparably linked with Handtmann's expansion to become a globally operating technology company with production sites, subsidiaries and agents in over 100 countries. In doing so, he was able to build on the work of his father Arthur Handtmann, who set the clear course for a successful future with strategic foresight after World War II and transformed the former trade-oriented brass foundry into a company with a global reputation and a wide range of products and business divisions.

Thomas Handtmann, born on 22nd March 1953 in Ravensburg, married and father of six, enters Handtmann in 1982 at the age of 29 as a member of staff of Handtmann Maschinenfabrik. His path to becoming a corporate leader was already mapped out when he was still a child. The boy's interest in technology and machines proved helpful. He learns about the company, among other things, on the Saturday tours with his father through the foundry and the machine and fittings factory. After graduating from the Wieland Grammar School in Biberach, he completes an apprenticeship as a machine fitter at ZF Zahnradfabrik Friedrichshafen from 1972 to 1975. He thus gets to know early on the practical work side of a company in the metalworking industry. A distinct liking for gears and gearboxes, as used in Handtmann portioning and filling machines, also results from this time.

Thomas Handtmann: at home in the world

In 1976, Thomas Handtmann takes up mechanical engineering studies at the Swiss Federal Institute of Technology ETH in Zurich, but then switches to industrial engineering. In order to gain professional experience away from home, he takes up a position as design engineer at Liebherr Verzahntechnik in Kempten after graduating from university in 1980. In 1982, however, he is urgently called back to Biberach, where he is to support his father in the management of the Maschinenfabrik as head of development. Handtmann employs 630 people at the time. Despite this challenging task, in 1986 he decides to go to Japan as an exchange engineer to broaden his professional horizons in the satellite department of Mitsubishi Electric. After his return to Biberach an der Riß, Thomas Handtmann assumes the management of the Armaturenfabrik in 1987.

This is followed by positions as Managing Director of Handtmann Entwicklungs-GmbH (1991-1998), Handtmann Maschinenfabrik and A-Punkt Automation GmbH, which meanwhile had become part of the Handtmann Group of Companies, (both 1995-1998), before Thomas Handtmann succeeds his father as Managing Director of Handtmann Holding on the occasion of the company's 125th anniversary. Arthur Handtmann assumes responsibilities as President of the newly created Advisory Board.

The Handtmann Group of Companies then has 1,592 employees and faces the challenges of globalisation. In the 1990s, competition from the Far East puts the European foundry landscape in a precarious position. Handtmann counters this threat with a positive forward strategy and consistent optimisation of its manufacturing processes to be able to absorb the price cuts demanded by customers in the automotive industry. In addition, the company

relies on new developments and innovative casting methods and introduces three-shift operation in light metal casting.

Between 1990 and 1998, Handtmann invests a total of 200 million Deutschmarks in modernisation measures to stay ahead in the global innovation race. Another 250 million, now euros, follow under Thomas Handtmann between 1998 and 2006. Such amounts are only possible because the Handtmann family has waived any profit withdrawals. As a result of the investment programme, 500 new jobs are created at Handtmann by 2006. But not only the tradition-rich Biberach location benefits from the expenditure: In order to relieve the main factory of simple die-cast parts, Handtmann acquires a former steelwork plant in Košice (Eastern Slovakia) in 2005, and converts it into a new die casting foundry.

Another important project in the era of Thomas Handtmann and, at around 80 million euros, the largest single investment in the corporate history of Handtmann is the construction of a metal casting plant for the production of transmission and clutch housings on the outskirts of the Chinese metropolis of Tianjin. Handtmann Light Metal Foundry (Tianjin) Co., Ltd., starts operations in November 2014.

Leading through innovation and internationalisation

Thomas Handtmann focuses on innovation and internationalisation also in other areas of the company in order to stay competitive worldwide. This includes the new development of safety valves certified for the US market, with which the Handtmann Process Technology division can counter a potential loss of market share, as well as the integration of Inotec GmbH and Dutch supplier Verbufa into the Filling and Portioning Systems division in 2020 and 2021. All of this puts Handtmann in a position to offer complete production lines for the food industry from a single source.

With the new business divisions Systems Engineering and e-solutions, Thomas Handtmann also secures the future of the Biberach-based group of companies as a supplier partner to the automotive industry and thus takes a major step towards electric mobility. The entrepreneur's prudent strategy is paying off: Between 2006 and 2022, the workforce increases from 2,300 to 4,300 people, despite the challenging economic environment. Within the same period, sales revenues soar from 441 million to 1.1 billion euros.

Arthur Handtmann: creator of the modern Handtmann Group of Companies

Thomas Handtmann's entrepreneurial success builds on the life's work of Albert Arthur Georg Handtmann (1927-2018), known by his first name Arthur. He should become the sole owner of the company at the age of just 26 after the death of his father in 1953, and over the next 45 years use his strategic vision to turn an artisan craftsman's business into a widely diversified company of international renown, yet never forget his Upper Swabian roots. To this very day, the majority of the development and production work takes place at the Handtmann headquarters in Biberach.

Arthur Handtmann enters the company, with a headcount of only 18 then, as a partner as early as 1945. In preparation of his engineering studies in Karlsruhe, he completes a two-year internship during which he would mould, cast, deliver goods and thereby learn the business "from scratch". As soon as he has finished his studies in 1950, he takes on responsibility in the family business, because his father's state of health would leave him no choice. At first, Handtmann would continue to cater to long-standing customers – coppersmiths and brewery outfitters – with brass fittings, however, the young graduate realises very quickly that this business model does

not hold any real future. Instead, he relies on aluminium. And his instinct should prove him right, like so many other times thereafter. In 1952, he starts casting aluminium burner parts and fan housings for Weishaupt, based in the nearby town of Schwendi. This is the breakthrough for Handtmann. In 1952, sales revenues for the first time exceed the threshold of one-million Deutschmarks – the economic miracle, the Wirtschaftswunder, has arrived for Handtmann.

The headcount is also on the rise. In 1949, Handtmann already employs 51 people, more than ever before. In 1950, it is already 56 and one year later 65, the beginning of a continued upward trend. Step by step, Arthur Handtmann turns his foundry into an industrial metal casting plant, expands aluminium casting to include all state-of-the-art casting methods and thus opens up the large supplier market of the automotive industry from the 1980s onwards. Today, the Handtmann Light Metal Casting division with its locations in Biberach and Annaberg (Germany), Košice and Kechnec (Slovakia) and Tianjin (China) is the fourth-largest aluminium foundry in Germany and, with over 2,150 employees, the largest family-owned foundry in Germany.

Arthur Handtmann's second pioneering decision is to set up a factory for the production of portioning machines for sausage production as an independent business division. The Maschinenfabrik is launched in 1954 very modestly as a five-man operation. Following arduous early years, the breakthrough comes in 1962 with a new family of portioning and linking machines as well as piston fillers. In 1964, the department already employs 80 people, and in 1979 it is 300. By 2022, the workforce of the division that is now officially named Filling and Portioning Systems increases to 1,373 employees. For some time now, it is no longer just the meat processing industry that is targeted with its products, but the food industry in all its diversity.

Success built on endurance and strategic vision

Arthur Handtmann's entry into plastics development also goes to show that endurance can yield more success than aiming for short-term profit. In 1968, he sets up Handtmann Elteka with the goal of producing marketable products made from a highly promising plastic called Lauramid®. Because, after all, in the 1960s, it is apparent that the metal industry could face competition from innovative plastics. As a visionary entrepreneur, Arthur Handtmann intends to prepare for this development. In the end, it would take 15 years for Lauramid® to reach production maturity and attract new clientèle. Today, the material is indispensable in many fields, including the rollers of aerial cableways or sliding doors of vans.

The development away from fittings manufacture towards complete plant construction and of becoming an engineering partner to the beverage and chemical-pharmaceutical industries in the design of entire processing plants, also falls into the Arthur Handtmann era. In 1993, Handtmann is commissioned by Mexican brewery Grupo Modelo with the design, construction and installation of the piping system for the largest brewing facility in the world at the time in Zacatecas, Mexico.

When Arthur Handtmann passes on the management to his son Thomas in 1998, the company employs 28 times as many people than in 1950 when he took up management. In recognition of this outstanding services as an entrepreneur and for public welfare, Arthur Handtmann is awarded the Order of Merit of the Federal Republic of German – 1st class in 2015. The senior principal passes away on 14th April 2018 at the age of 91.

Karl Handtmann: the manager in times of crisis

Arthur Handtmann's father, Adolf Karl Handtmann (1884-1953) steers the Handtmann brass foundry through the difficult times of inflation in 1923, the world economic crisis in 1929 and the post-war years after 1945. Karl, the name by which the third son of company founder Albert Handtmann is known, is actually a trained salesman. From an early age, the linguistically gifted young man with good manners and an inquisitive mind is tempted to travel the world, first to England, then to France, where he should work both times in the textile wholesale trade. In England, he meets his future wife and has three daughters with her.

After the war, he joins the Handtmann family business, where his brother Karl Albert (1874-1951), known by his first name Albert, is in charge. Karl proves to be a moderniser, expands the traditional business with fittings for breweries and distilleries, the wholesale business supplying fitters with taps and pipe connectors and invests in new machinery. The relationship between Karl, who is a cosmopolitan and always ready to embrace new developments, and his brother, who prefers to stick to the traditional artisanal way of working, is therefore rather strained. Handtmann's relocation from the town centre to Fabrikstraße, still on the outskirts of town at the time, in 1929 marks a milestone for the company's future.

In 1922, Karl Handtmann marries a second time: another English girl, the sister of his wife who died in 1916. Son Albert Arthur Georg is born in 1927 and grows up to lead the company to international renown from the 1950s. Confronted with the loss of all reserves due to inflation as well as the world economic crisis, during which the Handtmann workforce is reduced to five employees, the family is forced to live in rented accommodation and from 1929 in the attic rooms above the newly set up foundry. It is not until 1937 that the family can move into a house next door to the factory.

After World War II, resilient Karl Handtmann, by now seriously ill with a heart condition, systematically grooms his son as his successor. Together they show great talent for improvisation in their fresh start, using sand from fox holes as moulding sand for the brass casting, cannibalising aircraft wrecks to cast waffle irons and spaetzle presses from the metal, and illegally cutting wood to fire the ovens in the factory.

Karl Handtmann still lives to see his son Arthur secure his first major contract for aluminium cast parts and the birth of his grandson Thomas, before he passes away in August 1953 at the age of 68.

Albert Handtmann: the founder

In his endeavour to broaden his personal horizons, Karl Handtmann resembles his father Christoph Albert Handtmann (1845-1918). Known by his first name Albert, the founder of the company is considered well-read and educated. Before he settles in his home town of Biberach, the trained armourer takes to the road and his journeyman years take him all the way to Saxony. During this time, he also learns the trade of bell-foundryman and advances to become a master mechanic. His ambition to make progress is also reflected in his open-mindedness towards new technical ideas. For his "Mechanische Werkstätte und Gelb-Gießerei", established in 1873, for example, he sets up an oil-fired smelting furnace that could achieve the 1,000 °C required for smelting metal a lot quicker than the coal furnaces that were commonly used at the time. What's more, Albert Handtmann always seems to find a way to expand or reposition his business with commercial skill and entrepreneurial spirit, setting the example for all Handtmann corporate leaders yet to come.

More on Albert Handtmann in the founder's portrait in this press kit.

About the Handtmann Group of Companies

The Handtmann Group of Companies is a globally active technology company operating in the processing industry with 4,300 employees, 2,700 of whom work at the headquarters in Biberach an der Riß. Cutting-edge technology, innovation and a strong focus on the individual are at the core of the business run by the founding Handtmann family from Biberach. Handtmann is decentrally organised in six divisions with autonomous management structures: Light Metal Casting and Systems Engineering for the automotive industry, Filling and Portioning Systems and Process Technology for the food industry, Plastics Engineering and e-solutions. At the head of the group of companies is a holding, which acts as the management, financing and holding company. In 2022, Handtmann generated sales of 1.1 billion euros. A high degree of investment in research and development and production facilities is facilitated by a strict reinvestment policy on the part of the owners of the company to be able to sustainably support qualitative growth. The Group of Companies is currently represented in over 100 countries with its own production sites, subsidiaries and agents. Established in 1873 as an artisan brass foundry, Handtmann will be celebrating its 150th anniversary in 2023.

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