

Franz Morat Group has record year

EISENBACH, Germany. The Franz Morat Group looks back on a successful year of business with new records set in sales and incoming orders. The sales target of 100 million euros set in the Target 100 corporate strategy has nearly been reached, one year earlier than planned. Managing Director Gökhan Balkis announces a new sales target of 150 million euros by 2026 at the company meeting, held digitally again this year. Shareholder Dr. Daniel Morat thanks the staff in a live transmission from Berlin.

"The world economy recovered much faster than we all expected. A year ago, who would have thought that 2021 would be a record year?" Gökhan Balkis, Managing Director of the Franz Morat Group, summarizes in the live digital company meeting. The corporate group from Eisenbach earned more than 98 million euros in annual sales, exceeding the previous year's value by approx. 17 million euros. This is 18% higher than the planned value for 2021. "That we almost touch the 100 million mark this year is an impressive result, especially when you consider that the revenue from the E-Motive business is not included in this figure," adds Balkis. The equal joint venture Morat Swoboda Motion (MSM), founded in 2018 with automobile supplier Swoboda for the booming electromobility market, has also flourished according to Balkis. Incoming orders illustrate the Franz Morat Group's record year even more clearly. "Our order books are full to the brim. We have surpassed last year's level by 57% and are 33% above target," Balkis continues.

"We can really be proud of what we accomplished in 2021. The restart of production capacities went superbly for us," says Balkis. It seems that prioritizing the prevention of cyclical layoffs during the crisis-filled year paid off. This laid the groundwork for adapting the organization quickly and flexibly to the cyclical upswing after ending short-time work and making it possible to manage the rapid increase in demand at short notice. "My sincere thanks goes out to the entire staff as well as to the works council chairs of Framo Morat and F. Morat. We have had our foot on the gas for months now and, despite numerous crises, we achieved an excellent basis for the further development of our corporate group," adds Balkis.

For the coming year, the Franz Morat Group is planning on moderate growth and 106 million euros in sales, excluding the E-Motive business. "We have faced big challenges on the purchasing market for many months," Balkis says. Disrupted supply chains, the rising cost of energy, raw materials and transportation, and no end in sight to the pandemic—these will remain significant issues in 2022, according to Balkis. Therefore, the response to these challenges will have to remain flexible. The measures initiated to increase efficiency and improve results will be applied consistently, there will be further promotion of the digitalization and internationalization of the corporate group and, if necessary, short-time work can also be drawn on as a tool in order to secure jobs.

"As series production is starting up for new products and projects in all of our business areas and target industries, we are well equipped for the future," says Balkis. In 2022, multiple drive projects for rehabilitation equipment technology will go into production to reinforce the company's leading position in this business area. In intralogistics, the product range for compact wheel hub drives will be expanded. In the area of plastic or metal gear components, numerous new orders were secured for the industrial and automotive sectors. Large-volume orders were acquired for MSM's E-Motive business, who are already multiplying the current annual sales in the medium term. The Franz Morat Group will even be represented in space, as it will soon provide worm gear sets for communication satellites. In addition, the company recently presented a new gear variant that was developed as a portfolio expansion for established worm gear sets. The gearing, called **speeroX** because of its spiral-shaped design, makes it possible to achieve a high gear ratio and power flow around the corner in just one stage. For its use,

the company envisions special applications requiring a high degree of efficiency and high performance in a tight installation space—especially with just one direction of rotation.

In the company meeting, Balkis also introduced the new corporate strategy **FMG drive 150**. The goal for 2026 is 150 million euros in sales (excluding the E-Motive business)—enough to keep them busy for the next five years, during which the Franz Morat Group hopes to continue to grow profitably and sustainably. "In addition to expanding our innovative force, we are also focusing on the further technological development and expansion of the headquarters in Eisenbach and at our international production locations in Poland and Mexico. We already have specific plans for this, which will be presented in detail at the start of next year," says Balkis.

He also calls for increasing investment in the sustainability of production processes and products and an active contribution to environmental protection in the coming years. To this end, the Franz Morat Group is currently planning to erect a solar park in the immediate neighborhood of its headquarters. This plan has already been introduced to the Eisenbach municipal council; the approval process is still ongoing. For this productive collaboration, Balkis gave special thanks to the two shareholders, Robert and Dr. Daniel Morat, who have supported the growth of the Franz Morat Group for years with large investments. Over video transmission, Dr. Daniel Morat took the opportunity to personally thank the workforce for their service in the record year of 2021.

To be equipped for the challenges of the future, the team also gained reinforcements—in 2021, 50 new employees were hired in Eisenbach alone. In total, the corporate group, including Morat Swoboda Motion, the international production locations in Poland and Mexico, as well as the sales branches in Turkey and the US, employed approx. 700 workers, 550 of which are at the Eisenbach location.

Because of the infection rate, the traditional end-of-year celebration once again did not take place in person in 2021. Instead, honorees Viktor Schlegel, Erdal Tuz, Somsak Pohsuwan, Martin Zweigle, Doris Hiß, Jürgen Horl, Sergej Schick, Joachim Streit, Alexander Haas, Juri Volk, Alexander Schick, Eugen Miller and Manuel Langenbacher were honored as part of the company meeting for 20 years of service with the company. Wolfgang Sühling, Silke Rothe, Norbert Kleiser, Patric Peters and Cristian Serbanescu were recognized for 25 years, while Birgit Pohland and Christina Kleiser have worked at the Franz Morat Group for 30 years. Beate Waßmer received the honorary certificate from the state of Baden-Württemberg and the municipality of Eisenbach this year for a proud 40 years of company service.

About the Franz Morat Group:

With 110 years of experience in gear technology and drive engineering, the Franz Morat Group combines expertise in metal-cutting gear technology and plastic injection molding technology under one roof. The components and drive systems, most of which have been developed specifically for the customer, are used in such fields as mechanical engineering, rehabilitation equipment technology, intralogistics and the automotive industry. For the booming E-Motive sector, the equal joint venture Morat Swoboda Motion (MSM) was founded with automobile supplier Swoboda in 2018. The Franz Morat Group, including MSM, has approximately 700 employees and operates subsidiaries in the US, Poland, Mexico and Turkey.

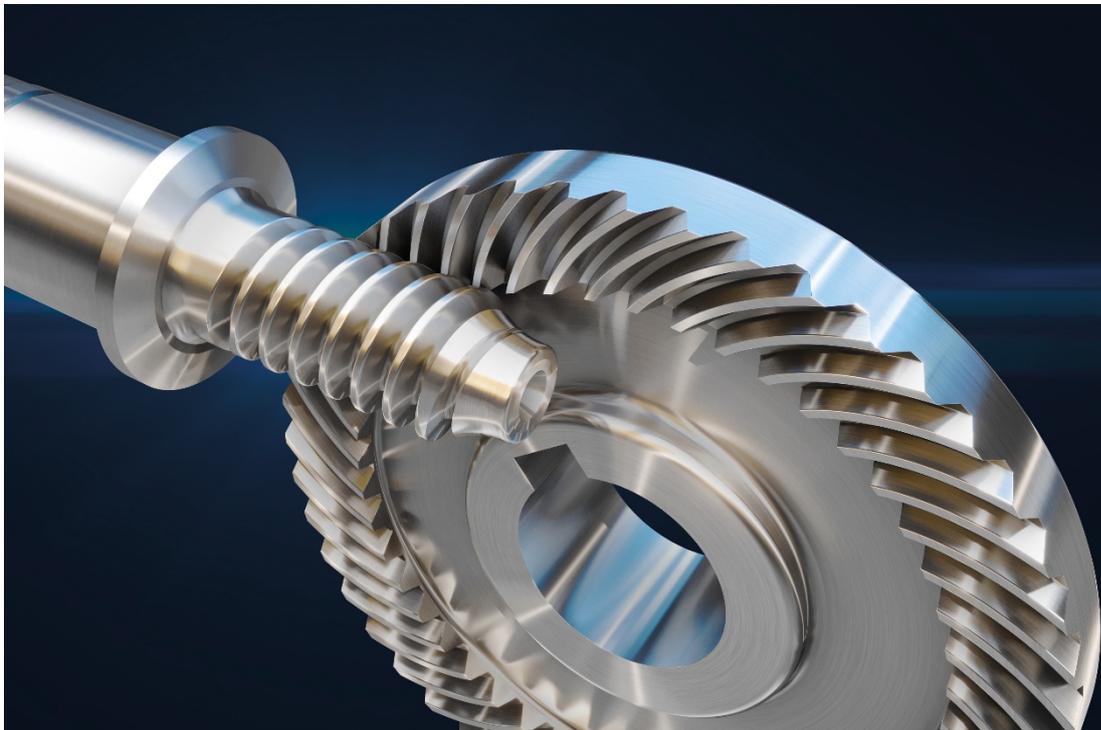
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Gökhan Balkis reports on the closing fiscal year at the digital company meeting of the Franz Morat Group (image source: Franz Morat Group)



The newly developed speeroX gear set has a versatile range of uses. It is intended for applications which require a high degree of efficiency, long service life, small installation space or minimal noise emission. (Image source: Franz Morat Group)