

A man with short grey hair and glasses, wearing a dark blue suit, white shirt, and blue patterned tie, is smiling. He is standing in a factory or industrial setting with blurred machinery in the background.

NKE AUSTRIA & FERSA BEARINGS: **International Expansion and Investments**

NKE Austria GmbH has been part of the Fersa Group for more than two years now. The corporate group was established through the merger of the Austrian bearing manufacturer with Spanish company Fersa Bearings S.A. Both companies are active in the development, production and sales of bearings for the global automotive and industrial markets: NKE in Steyr covers the industrial sector and Fersa, headquartered in Zaragoza, the automotive sector.

Thomas Witzler
General Manager of NKE



Fersa Bearings's CEO Carlos Oehling, COO Pedro Pablo Andreu, NKE's general manager Thomas Witzler and NKE's sales director Jesús Monforte talk about the group's international expansion, investments in the next two years and the future outlook.

The Fersa Group has sales offices and trade partners in 86 countries as well as four production sites, six distribution centres, and four research and development facilities, two of which are located in Europe and two in Asia. "Fersa wanted to go beyond just having international sales", says Fersa Bearings' COO Pedro Pablo Andreu. "So in 2009 we started to establish commercial offices in Brazil. They were followed by our subsidiary in China, which we built in 2011, the United States in 2015, the acquisition of NKE Austria in 2016, and in 2017 the implementation of our quality center in India as well as our joint venture with Shenyang Hanking Precision Bearing in China." CEO Carlos Oehling says: "In addition to our presence in Zaragoza, Jiaxing and Steyr, where manufacturing plants, logistics centers and quality control are located, Fersa has added two logistic centers in Brazil and in Toledo in Ohio, USA, while in Jodhpur in India we have another quality

control center. Our aim is to continue our growth in foreign markets." Fersa Group's turnover is expected to exceed 80 million euros in 2018, with EBITDA (earnings before interest, tax, depreciation and amortization) of 9 million euros. "In 2020, we plan to achieve a turnover of 110 million euros and EBITDA of 15 million euros", Andreu adds. The total workforce in all of the group's locations is 500 employees, 100 of which work at NKE in Steyr. "In Zaragoza, with the factory, logistics, quality control and the R&D department, we employ about 215 people", Oehling says. "The facility was recently expanded, but the company believes that the productive capacity can still be increased." Continues Andreu: "To achieve this aim, Fersa Bearings plans to invest 16 million euros in the facilities in Zaragoza by 2020. In April 2018, we opened a new warehouse in Zaragoza's industrial park Plaza (Plataforma Logística de Zaragoza), which involved an investment of 3.2 million euros. This

was necessary to release stock space in the production hall to accommodate new production lines. By 2020 we plan to build an additional warehouse with a height of 16 meters. To further increase production capacities, we plan to build a fourth production line by the middle of next year. We want to go from the 1.85 million bearings produced last year to more than 3 million. In addition to expanding production capacities in Zaragoza, this will involve an additional production line in Jiaxing in China." In addition, the Fersa Group is investing in intelligence and information management systems: "In 2018, we are continuing with our digitalization, investing 700,000 euros in our intelligence and information management systems", Andreu explains.

"Investments at NKE's facilities in Steyr include a new production line for bearings ranging from 100 to 500 mm", says NKE's General Manager Thomas Witzler. "This automated line will be set up to meet

European OEM demands, with shortened production cycles and of European origin: Produced in the region, for the region". He continues: "We are optimistic about the future and are investing heavily in tomorrow's technologies. Since conventional rolling bearing technology is a fairly limited field, profitable growth will, in the long term, be possible only in niche markets. NKE is therefore focusing on the development of intelligent products for the industrial market, like our sensor bearing that we are currently developing."

"Due to the growing trend towards electric mobility, the reduced demand for conventional bearings will be especially felt in the automotive market", Witzler says. Oehling, however, is optimistic about applications for Fersa's bearings in electric cars: "Our bearings are used not in the engine but in the transmission and the wheels, so that is where the company will continue to focus its activity."

Asked about Fersa Group's current projects, Andreu says: "To get business with two of the largest original equipment manufacturers in Europe, strengthen our subsidiaries in the United States and Brazil, and increase activities in our quality center in India. Moreover, we are analyzing the possibility of opening a new subsidiary in Europe or Asia and are in the process of searching for potential acquisitions. As you can see, we have many challenges ahead! We are convinced that technology and our

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General Manager of
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Carlos Oehling

CEO of Fersa Bearings in Zaragoza, Spain



Pedro Pablo Andreu

COO of Fersa Bearings in Zaragoza, Spain



Thomas Witzler

General Manager of NKE in Steyr, Austria



Jesús Monforte

Sales Director of NKE

company culture will continue to be our distinguishing elements and will give the Fersa Group a competitive edge." NKE's new sales director Jesús Monforte adds: "The ambitious investment plans of the Fersa Group also represent an important step towards the internationalisation of our sales operations. We can now reach more international customers in locations across Europe, Asia and the Americas and provide them with the right product fit at the same, high quality level from our internal production and engineering capabilities."

NKE company information:

NKE Austria GmbH is a bearing manufacturer with headquarters in Steyr, Austria. The company was founded in 1996 by a group of senior staff members of the former company Steyr Wälzlager. Spanish rolling bearing manufacturer

Fersa Bearings, which is specialised in the automotive sector, acquired an interest of 49 percent in NKE in 2016. NKE offer both standard and special bearings for all industrial applications. Engineering, product development, production and final processing of components, assembly, quality assurance, logistics, and sales and marketing are centralised at its Steyr headquarters. The factory in Steyr is certified to ISO 9001:2008, ISO 14001:2004 and OHSAS 18001. A wide range of standard bearings is available from stock or at short production leadtimes. NKE also provides tailored products and solutions. In addition to product development and application engineering NKE offers a full range of technical services, consulting, documentation and training. NKE's products are distributed through 12 international representative offices and more than 240 distribution outlets in 60 countries.