

News and facts all about the GAUDLITZ team and its locations – the staff magazine premieres.

simplix 4.0. The baptism of fire for our in-house Innovation Management.

Our new young rebels start into their first year of training – with a new training concept.

Half way around the world and back. Steffen Luthardt on his exciting journey to the middle kingdom.



No 1

The GAUDLITZ staff magazine premieres.

20 pages about the most vital success factor of our group – you!



Niels Roelofsen,
Group CEO

Dear employees, whom who runs fast does not realize how fast the time goes by; one easily forgets everything that we have accomplished this past year. Therefore, it was very important to me to develop a tool, which not only documents our achievements, but also our personality and values of the GAUDLITZ group. An own magazine, for and about us. Just in time for the holiday season, I am excited to present you the new staff magazine “GAUDLITZ Inside Journal”. It symbolizes the start of a real series, which will come out every six months periodically. Exciting stories of our employees, the brains behind the products, news from our subsidiaries and technologies, as well as valuable insights beyond the edge of the daily business – 28 pages real GAUDLITZ DNA.

Without your commitment we would not stand where we are today, and therefore I want to share your success stories on the following pages. I would especially like to thank you for your loyalty, your teamwork and your relentless effort that you have given me on our joint mission.

I wish you and your families a joyful, peaceful holiday season and a happy, successful and healthy New Year. 🍀



A fundamental investment that paves the way for our future.

In order to keep building the best and most precise tools of the world, we invested in efficiency, and the expansion of our milling and erosion technologies.

In the process of the strategic reorganization of our company it is important to us to implement new technologies and design processes as efficient and user friendly as possible. Therefore, as a first step of our investment plan, we spent over one million euro in a new hybrid milling center and a vertical erosion machine at the headquarters in Coburg. At the same time, we accomplished to reduce the tool shop from three to two levels in order to combine

internal processes and make them more efficient. With the restructuring of the tool shop, we meet the requirements to be even more competitive on an international level. “All steps of the process chain from preparation to the finished part are now optimized and adjusted. Even though we were able to shorten the production steps of a mold insert for a gearbox housing from 7 to 5, we are not even close to the limit of our possibilities”, explains Head of Tool Shop Michael Kornitzky. 🍀

“Goodday” Mr. Strehle!

A fresh northern breeze reaches our headquarters in Coburg – Olaf Strehle is our new “Chief Legal and Human Resources Officer (Group)” as well as division manager.

Since 10.10.2016 Olaf Strehle (51) has been our new “Chief Legal and Human Resources Officer (Group)”. The Hamburg born currently lives 30 km away from his birthplace, in a small village in Lower Saxony. Due to his military services in the German Navy, the law studies and his professional career, he is more than experienced when it comes to moving. However, he emphasizes: “My home is where my family and friends are.” Outside of work, the passionate water sports hobby athlete likes to travel across Europe in his caravan together with his wife and two daughters.

After successfully finishing his studies he decided to start his career where others usually seek work – the job center. There, his main job was to uncover illegal employment in companies. After working in a renown notary's office, he decided to start his own business in 1999 and founded his own law firm, where he worked until joining GAUDLITZ.



As of now, the lawyer will be “Chief Legal and Human Resources Officer (Group)” in the headquarters in Coburg. Today he is profiting from the extensive experience he gained for many years working at SME's (small and medium-sized enterprises). “In SME's you have to take matters into your own hand. As I am not used to it differently, I am more than happy to take initiative for my tasks. At the same time, it is exciting to work in a motivated team, where loyalty and identification are a top priority. Solely the number of employee anniversaries this year speaks for itself.”

When asked about his future role, the likeable man from Lower Saxony states: “For me, an effective Human Resources Department is primarily an interface between the personnel and the management. Thereby I want to do a proper job together with my team, to establish this crucial link. It must be the clear objective to face the challenges of the future demographic change and to create sensible incentives.”

We hope you will get used to our local “Franconian” dialect quickly and we will do our best to talk proper German as often as possible. In this sense: “Goodday” Mr. Strehle! 🍷



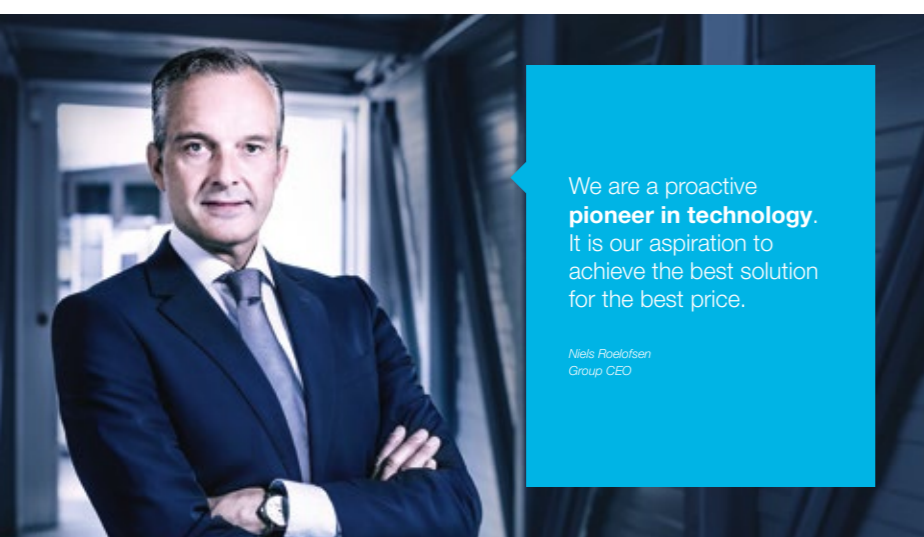
A clear statement, one uniform handwriting.

Our “Mission & Vision“ represents the lived corporate culture and roadmap of our common path.

It was back in January 2015 when our new “Mission & Vision” concept was already launched - a symbol for the newly implemented change and the restructuring of our company. Just a couple of months later, we made every effort getting this new mission statement from the drawing board to the minds of each customer, supplier, and employee. A clear image of our company, both internally and externally.

What started with the implementation of our new analog and digital brand image at the end of 2015, was to be continued with our new Mission & Vision boards within the entire hallways of the company. The large-scale and high-quality picture boards illustrate employees of the GAUDLITZ group, authentically expressing their guidelines for the company. More than 16 quotes, expressing exactly what we stand for, who we are and what our expertise is. Also, at this point a big thank you to all participating models, and our two colleagues from the facility management, who helped to implement this project.

“This kind of implementation of the mission–vision–concept, represents our understanding of a lived corporate culture. Every employee recognizes their colleagues in the pictures, therefore the message is conceived much more consciously and authentically, one takes time and thinks about the statement”, states marketing responsible Stefan Leifhelm. The design and visual language goes hand in hand with our new corporate design, giving the old industrial halls a fresh and more modern look. ●





New CEO in Dačice.

A lot has changed since the 100% acquisition past December. While Niels Roelofsen is still the legal representative, Richard Auer has taken the helm on the operative side. Together they are continuing the successful development of our company in Eastern Europe.



After successfully completing his studies, the 42-year old engineer, who was born in Třebíč (approx. 30 km from Dačice), worked for a former Siemens subsidiary in Munich. Afterwards he started his successful career path at Mann+Hummel s.r.o. in the Czech Republic, where he climbed the ladder in 16 years. Starting as a Financial Controller, becoming the spearhead of the Finance Department (CFO), and eventually taking over as the Managing Director of an entire branch, which he built up from zero to 280 employees. After working at M+H, it was important to Mr. Auer to remain true to the automotive industry and especially to his roots. "Therefore, the job at GAUDLITZ was the perfect next challenge", so the engineer said.

The new CEO is certain that especially the Eastern European market has a considerable potential for growth. "The Czech Republic and its neighboring countries are currently experiencing a clear economic boom. With our numerous customers in Eastern Europe, our expertise in plastics, and our increased production capacities, the indicators are clearly pointing towards growth." (Richard Auer, CEO)



Reinforcement for the front row.

May we introduce: Jiří Richter (47), the sales expert in Dačice.

One of the key factors for the expansion and the capacity increase in the Czech Republic are the increasing volumes for a project of our customer AMK. Here, our subsidiary produces challenging housings, 2-component parts, and parts for the pneumatic damping system, which AMK delivers to its customer Land Rover. Thanks to the great support from the colleagues at the headquarters in Coburg, Mr. Auer is already fully convinced that the company strategy will have a promising future.

"My first impressions are very positive. I am especially thrilled with the support of the colleagues in Coburg, but also with the positive energy that the strategy is being implemented with."

At this point, we would like to say "welcome to the team" and are looking forward to a constructive and friendly collaboration. ●

The likable sales expert can proudly look back at 23 years of experience in the automotive sector. After completing his Automotive Engineering studies in Brno, the Třebíč born started his career at Škoda in 1993. In 2000 he joined the Mann+Hummel s.r.o. where he worked, among others, as a Sales Manager and Head of Project Management. Since November 1st, the new Sales Director at our Czech plant is responsible for the departments; Order Management, Project Management and Purchasing – and this with a clear vision: "We will continue to build upon our existing structures and gain new customers in Central and Eastern Europe, but also in the OEM business." ●

Back on track for healthy growth.

GAUDLITZ China got it done. In just two years, Lucas Galuppo (34) and his team completed the turnaround.

In an interview with the GAUDLITZ editor, the Italian-Brazilian CEO looks back at his first two years and unveils how he wants to spearhead the subsidiary in the future.

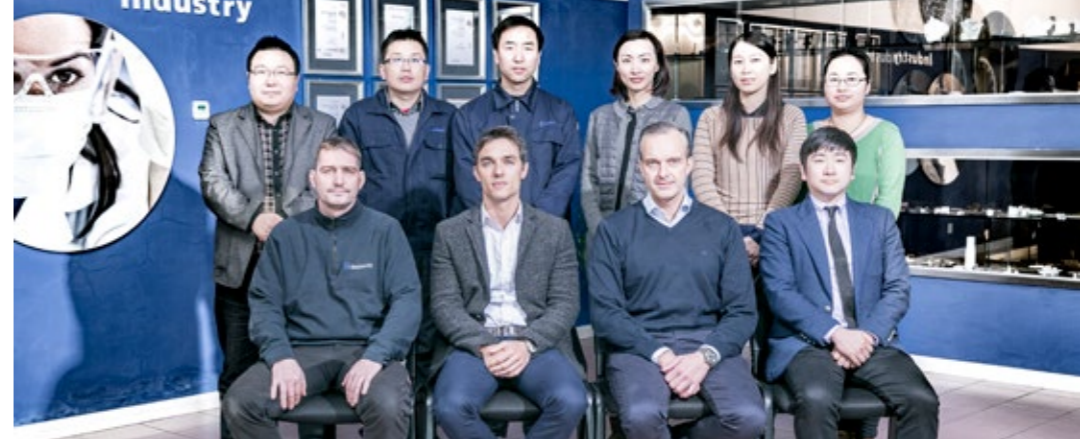
Lucas, the Chinese market is currently undergoing a phase of economic slowdown. What is your opinion regarding the future potential for growth?

Five to ten years ago the main drivers responsible for the growth of the Chinese economy were export and infrastructure. Due to the fact that the wages have increased on a yearly basis over the past and the stagnating demand for infrastructural investments in industrial cities, the trend is now clearly going towards a consumption-based economy. This switch, along with the shift from the lower to the middle class is a clear advantage for us and at the same time a tremendous opportunity for growth. As an example, compared to Europe where roughly every other person owns a car, in China it is every 15th. In the past five years where I have lived in China, the automotive industry has never slowed down, and I do not expect a slowdown in the upcoming years.

How did the market develop ever since GAUDLITZ entered in 2004, and what were the consequences?

When entering the Chinese market more than ten years ago, we followed our customers and were planning to grow with them. At the time the market only showed a few competitors, thus our Tier 1 customers were glad to have a reliable European supplier. However, as the market evolved, competition grew and many competitors built a local strategy, which was extremely price and time driven. Unfortunately we missed this step, with the consequence of growing at a slower pace than our competition.





How did you manage to adapt to the “new” market environment?

We had to go back to the drawing board and learn to understand the market. To cut the lead-time and costs in half, we, together with the strong support of Coburg, built a local network of trusted tooling suppliers and adapted our internal structure to the market environment. Our market analysis showed that compared to Europe, 90% of the RFQs from customers are fully developed parts ready for mass production in an extremely narrow time window. To clearly position ourselves in the market, our strategy is to add value to the part and offer our customer complex solutions. As soon as you get the RFQ, things have to go fast; the average time for us to develop a tooling is 1.5 to 2 months.

Looking back, which were your biggest challenges during your first two years?

Understanding the market, restructuring the subsidiary, building a stable team, and ensuring the know-how transfer. Since China is still a comparatively emerging market, we lack qualified and experienced engineers here. On the contrary, Germany has a huge plus when it comes to the experience in manufacturing and can proudly look back at hundreds of years of experience in mechanical engineering. In Coburg, where they are celebrating their 80th anniversary next year, plastic parts have been produced even longer than the Chinese borders are open.

Since 2015 GAUDLITZ China has been in the black again. What does the future hold?

I am absolutely confident about the future. In 2015 we already completed the turnaround and were able to close the year with a positive operative result. Merely one year later we will demonstrate a plus in sales of 10%. Besides improving internal processes, major drivers for the positive results are the increasing volumes of current projects and the SOP of acquired projects. Our sales team in Wuxi did a terrific job. We managed to mix up the customer portfolio and add valuable key accounts. The new projects will go into serial production in two years, which will also influence the future sales figures positively. 2018 we expect a growth of 30%. There is still room for six or seven injection-molding machines left on the shop floor, making my goal of 200 Million RMB in my five-year plan challenging, but achievable. Due to our focus on fully automated processes, we are able to compensate skyrocketing labor costs, participate from the automotive market upswing and have a shifting economy play in our favor. Together we are heading towards a very bright future.

Thank you for your time and the interesting interview. Do you have any additional comments that you would like to share at this point?

Yes, I gladly would. A big thank you goes to the great support coming from Coburg in Finance, Project Management, Quality and Engineering, as well as to my committed team, without them, the turnaround would have not been possible in such a short amount of time. It is their result, not mine, I only gave the direction. ●

Baptism of fire for the new Innovation Management.

Under the management of Saskia Stammberger, the newly established Innovation Management built the first self-made automation line ready for serial production. The green light for a real innovation culture.



Innovation is an important component of our company's DNA. It is an expression of our pioneering spirit and the bedrock for a conscious approach towards technology.

With the newly established Innovation Management, we are actively and confidently tackling the topic "automation". An institution that under the management of Saskia Stammberger, splits into three main areas; process optimization, digitalization as well as process standardization. Topics such as Industry 4.0, automation, the development of new technologies, material substitution or 2-component injection molding are evaluated and initiated in favor of the group. Here it is crucial if it makes sense to build up detailed know-



how in a particular area and to sell it as a competence in the market. The core team of the department consists of a total of six employees. Among others, designers, as well as Moldflow- and tooling experts shape the department. However, when it comes to putting theory into practice, the specialists of various departments are consulted for specific projects.

Testing the limits! simplix 4.0 as an example for successful in-house automation.

Our sample extraction device simplix continues its success story. Solely in the past four years, the volumes have almost quadrupled, and are predicted to double again over the course of the next 5 years. The forecast for 2017 projects a production volume of 2.6 million pieces - under existing circumstances, the manual assembly in the three-shift model would push employees and capacities to their limit. To fundamentally test our potential in terms of automated processes, simplix was the perfect pilot project for our freshly installed Innovation Management.

In only twelve months, the concept, design, as well as the assembly of the automation line was completely done under our auspices, with only selected components being purchased. The three main components (closing cap, adapter, extraction stick) are manually fed into the machine. Afterwards, the parts are transported via vibratory feeder bowls, which place the parts in the correct direction onto the rotary index table, where they are crimped and screwed together. In the final step, the vision sensor checks, if all parts are present and the adapter together with the cap is properly closed.

The automation of the assembly is only the 1st Module of the concept. In a second step, the preassembled part is directly transferred to Module 2, where it is then filled and labeled afterwards. The project planning for Module 2 is already in full swing.

"A big thank you goes to my team and all involved departments for the great performance throughout this challenging project. After successfully completing Module 1, I am excited to start the next Module together with you."

Saskia Stammberger, Innovation Manager

More agility and flexibility in the market

Already today, we can make use of our valuable know-how in automation which we have gained over the past decades. Therefore, the inquiries of our customers for fully automated system solutions have significantly increased. "The advantage in the future will be that we can react to change requests from the customer along the complete value chain, thus being more flexible and faster in the quotation phase. The longwinded feasibility-, change- and cost discussions with external suppliers will be eliminated. Everything is under one roof", explains Mrs. Stammberger. ●



Half way around the world and back.

Joseph alias “Steffen” Luthardt on his impressive journey to the middle kingdom. From sincere people, intoxicating natural spectacles and sometimes bizarre eating habits. A plunge into the deep end.

Steffen Luthardt is one of our “old hands” here at GAUDLITZ. In 1977 he completed his apprenticeship as a toolmaker, ever since, he first-handedly witnessed the growth of our company and actively supported it with his extensive know-how. The only thing still missing in his GAUDLITZ résumé was a trip to our subsidiary in distant China. Up until now, he had only heard it through the grapevine but had trouble imagining how it really was. When our Head of Research & Development, Walter Franz, offered him to join him on a four-week business trip to Wuxi, he knew, despite the language barrier, he could not let this chance slip away- a trip into the unknown.

Due to the fact that we were temporarily more than understaffed with only one colleague working in tool maintenance, support was urgently needed in Wuxi. Having more than 40 years of professional experience, Mr. Luthardt was naturally predestined for the job. Without any hesitation, he determinedly assisted the tooling- and engineering teams on-site. He was able to analyze and remedy the cause of problems in the project phase, as well as aid with, until then, unfamiliar tasks like the selection of the future tool maintenance team.



Mr. Luthardt was impressed by Mr. Deng's willingness to learn – his colleague in Wuxi. Despite the language barrier, the two were yet able to communicate thanks to the technical help of a voice translator App.

"The comparatively long stay enabled us to build trust and work on the same wavelength. If you get along with each other and want to learn from each other, anything is possible."

Being a very active person by nature, and due to his open-minded attitude, Mr. Luthardt was able to make a huge impact in Wuxi. Besides various tips and tricks, that he was able to teach his Chinese colleagues in terms of toolmaking, he introduced new standards together with his colleague from Coburg, Ambros Gagel, which will make the future day-to-day operations much easier and more effective.



During those four weeks, the picture he had of China changed completely. With great enthusiasm for the improvisational talent of the people on-site and the technically challenging parts being produced in Wuxi, he underlines: "It is astounding, what kind of products are not only being produced by the toolmakers, but also by the colleagues in the plant. Even for us in Coburg, these would be challenging projects."

After the working day at the plant, his evenings and weekends were always fully booked with activities. Whether it was with his Chinese colleagues or his colleagues from Coburg – Mr. Luthardt did not miss out on a single opportunity to get to know the local people and culture. "The hospitality in China is absolutely incredible", Mr. Luthardt enthuses. Starting from the landmarks in Shanghai, the Buddhist Center and the old town of Wuxi, he took plenty of unforgettable impressions back to Coburg. Together with two colleagues, the Wuppertal born was accommodated in the boardinghouse. Although it had been a couple of years since the husband and

father of two kids lived in a shared flat, he especially enjoyed this experience: "It was great to see how the middle class in China lives. This intensified my experience even more. Supermarkets, great restaurants or vegetable markets – everything was right at our doorstep. Although fried scorpions will definitely not make my list of culinary evergreens."

He ends the interview with bright eyes and a big grin on his face:

"For me, this business trip was the greatest recognition the company could give me for my 40 years of commitment. From start to finish everything was well organized, and I was always supported throughout my entire stay. I would especially like to thank my colleagues from Coburg and Wuxi, who have made this adventure an experience of a lifetime." ●



The new young rebels at GAUDLITZ.

Our new entry level trainees start their first year.

Ready for the big jump! On September 1st, seven ambitious trainees started their exciting journey into the GAUDLITZ work life; including three tool mechanics, three process engineers, and one industrial management assistant. Throughout the newly designed orientation days, our training team Mrs. Mueller and Mr. Durst familiarized our new trainees with the company. Fun and teamwork were the top priority, but also realizing what it means to be a part of the GAUDLITZ organization. ☺



Not a blockbuster, but a new training concept – “The Godfather” of training.

2016 we have laid the foundation for a new practical and modern training concept.

In order to keep up with the time, technology and development of our company, it is vital that the training program of our future professionals develops as well – and this as practical and modern as possible. Part one of the concept is to intensify the training where it matters the most - the machine and the real process. For Instance, Klaus Engel, a toolmaker with years of experience, has started to integrate first-year entry level trainees from the training workshop in the tool making process, to actively work on serial tools. Right from the start work is done on the real tools and the know-how is taught directly on the machine. Part two of the concept is the active mentoring given by experienced colleagues during production processes, acting as mentors for our trainees in their first year. A concept, which ensures that our trainees are being perfectly prepared for their future career in the age of automation.

Mr. Roelofsen also sees the personnel development, especially of our future professionals, as one of the most important challenges in the next years:

“Although we have trained over 600 trainees in the past 60 years, the requirements are constantly changing during the course of industrialization. For example, nowadays, a toolmaker has to be able to deal with the programming of modern tooling machines.” ☺



Our employee anniversaries

We would like to say thank you for your long-lasting loyalty!

One more thing ...

“Plan your dive, and dive your plan“

In accordance with an often used favorite guideline from our Group CEO, which originates from the diving sport, we would like to give you a brief glimpse in our roadmap for the upcoming GAUDLITZ year 2017. Together we have big plans and can't wait to “start diving” with you again next year. ●

Mission USA

Due to the first successful meetings with customers, potential partners and representatives of various states, we will keep exploring our potential and stay ready.

Product innovation

The project for Module 2 for the simplix automation is in the starting block. Simultaneously, the development phase for the next generation “simplix 2.0” is in full swing.

Industry 4.0

Together with our Innovation Management we continue to look for new, efficient technologies that benefit our employees as well as our customers.

Expansion

Besides the expansion of our production and warehouse capacities in Dačice, the next step for our tool shop project at the headquarters in Coburg is on the agenda.

A new look

In the course of our new corporate identity, the facades and vintage hallways will get a new look. We will only reveal this much; the colors anthracite and grey will play a big role.

Personnel

To promote the know-how transfer within our group and to continue to strengthen our position as a quality pioneer, we will invest in existing and new personnel.

MOTIV(E)ation

Ready for take-off into the second training year. The contagiously energetic Trainee Class of 2015/16.

Our MOTIV(E)ation picture of this edition.

