



GMH GRUPPE

Media information

GMH Gruppe's Harz Guss Zorge iron foundry under new ownership as US investor Hugh Aiken takes over 100% of the shares through SEKCO Operating Company

GMH Gruppe has sold the Harz-based specialist supplier of complex cast iron components to its strategic investor of choice.

Walkenried/Georgsmarienhütte, 21. November 2024 – GMH Gruppe is divesting the iron foundry Harz Guss Zorge GmbH in Walkenried in Lower Saxony, as it focuses its portfolio on the core business areas of Circular Economy, Green Steel (especially hot-rolled long products) and Heavy Forging. Harz Guss Zorge (HGZ) specializes in core-intensive, customized iron castings and is a development partner for well-known companies in the compressor, railroad, construction equipment and mechanical engineering sectors. HGZ employs almost 450 people and has been part of the GMH Group since 2000.

In the course of a strategic process of consolidation regarding the sustainable production and refining of steel, GMH Gruppe looked for a suitable investor for its iron foundry, which no longer fit its core business activity, and was successful after a period of intensive searching. The US investor Hugh Aiken has already invested in several iron, steel and aluminum processing companies in the USA and Europe over the past three decades, including sites in Poland, France and Sweden, and, in doing so, has increased their profitability.

"We are delighted to be able to present such an experienced investor for Harz Guss Zorge in Hugh Aiken," explains Dr Alexander Becker, CEO of GMH Gruppe. *"It is important for us to have found a strategic partner for our iron casting business, a so-called 'best owner' who brings with him extensive experience from the European metal industry and can utilize this for the continued well-being of HGZ GmbH and its employees."*

The purchase agreement between GMH Gruppe and Hugh Aiken was signed on 12 November and completed on 21 November. It establishes the transfer of Harz Guss Zorge GmbH to the new owner with retroactive economic effect from 1 September 2024.

The seller, buyer, and employees will each contribute millions to strengthen the company's future financial position. The buyer aims to enhance productivity, optimize technical processes, and deepen and expand customer relationships. Investor Aiken, who also speaks French and German, will initially take over the management of the new company during the search for a general manager for HGZ.

"Competition in the metal business, especially with China and India, is tough. It must be in our interest to maintain the expertise and production capacities in the United States and Europe, both economically and in terms of security policy," says Aiken, explaining his motivation for investing in the metal industry.

For the employees of Harz Guss Zorge, the new owner brings a more foundry focused orientation to the challenges facing HGZ, which include carbon footprint, investment priorities, sand disposal and recycling and automation, in addition to continuing low cost country competition from Asia and Turkey.



About Harz Guss Zorge

Harz Guss Zorge (HGZ) GmbH, founded in 1870 and based in Walkenried in the southern Harz region, specialises in complex castings in a wide range of different cast iron alloys. HGZ supplies iron components manufactured, machined and assembled according to customer specifications. These are used in commercial vehicles, agricultural machinery, refrigeration, compressor and drive technology as well as in stationary engines for decentralized energy generation. HGZ employs almost 450 people and is a development partner for well-known companies in the vehicle and mechanical engineering sector worldwide. Production is focused on core-intensive, complex components for vehicle construction and general mechanical engineering. These include cylinder heads, exhaust systems, housings for turbochargers as well as axle and transmission parts, which are supplied as raw castings or machined and assembled ready for installation.

About GMH Gruppe

GMH Gruppe is a full-range supplier of steel as a primary material, melted from scrap, through to ready-to-assemble components. It is one of the largest privately owned metal processing companies in Europe. The group includes more than 15 medium-sized production companies in the steel, forging and casting industries, which are represented in over 50 countries. With more than 6,000 employees, GMH Gruppe generates an annual turnover of more than two billion euros.

GMH Gruppe is a pioneer in sustainable steel production and has been accepted into the 'Association of Climate Protection Companies'. Based on the recycling of scrap metal, the company produces green steel and thus makes an important contribution to the circular economy. The use of electric arc furnaces at four sites reduces CO₂ emissions by a factor of five compared to conventional blast furnaces. This also reduces the CO₂ footprint of the customers supplied by GMH. These include companies worldwide from the automotive industry, mechanical and plant engineering, railway technology, power generation, transport logistics, aerospace, agriculture and construction machinery sectors. GMH Gruppe has set itself the goal of being completely climate-neutral by 2039. Further information can be found at www.gmh-gruppe.de/en/

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