

Press Release

Meier-Ratio emerges strengthened from debtor-in-possession proceedings

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- Insolvency monitor Dr Stephan Thiemann from PLUTA praises debtor-in-possession proceedings as an excellent tool
- All jobs saved
- Focus to remain on optimising production processes
Now it is official: the Local Court of Dessau has terminated the debtor-in-possession proceedings for the vehicle producer Meier-Ratio GmbH based in Dessau-Roßlau. This means that the management team has successfully completed the restructuring process implemented on its own initiative.

The long-established company thus emerges strengthened from the proceedings and with clear objectives. At the beginning of the proceedings, the company worked with the Düsseldorf-based business consultancy Buchalik Brömmekamp to prepare a comprehensive concept that included almost 40 optimisation measures. Most of these were already implemented during the proceedings. For example, specific tasks in several areas that are no longer required have been reduced, reallocated or combined, while production has been further expanded. This successful

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About PLUTA

PLUTA helps companies in legally and economically difficult situations. Since the company was founded in 1982, PLUTA has constantly grown. Today PLUTA has a staff of about 500 employees in Germany, Spain and Italy including more than 290 graduates in business economics and business management, attorneys, business lawyers, tax consultants, public auditors, certified accountants, economists, bankers, bookkeepers, engineers and insolvency administration specialists. Many of them own multiple qualifications what ensures practicable and economically sensible solutions. In particular, PLUTA provides support in restructuring companies affected by a crisis or insolvency and in continuing business operations, if necessary by involving restructuring experts in a responsible role. PLUTA is one of the top enterprises specialising in restructuring and turning around companies, as demonstrated by rankings and awards from INDat, JUVE, The Legal 500, Who's Who Legal, brandeins, and Focus. Further information at www.pluta.net

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case shows that a company restructuring need not necessarily involve staff cuts. In fact, not only have all jobs in production been saved, but even further have been added. Staff shortages have been covered by temporary staff during the transitional period. However, these are expected to be made permanent by Meier-Ratio in the first half of 2020.

“The decision we took in January 2019 to keep Meier-Ratio and its proven products in the market has turned out to be the right one. However, we needed competent support to bring the restructuring process to a successful conclusion. Following intensive research, we contacted Buchalik Brömmekamp, a business law firm and consultancy in Düsseldorf. After many discussions, we ultimately had a good feeling about bringing these restructuring experts on board as consultants for the debtor-in-possession proceedings, and this was subsequently confirmed by the positive reactions from creditors during the proceedings. The restructuring concept and insolvency plan have been unanimously accepted by the creditors. Therefore, I would like to sincerely thank everybody who has believed in the company's future and has supported us along the way. My thanks go to all customers, suppliers, business partners, our bank – and, in particular, our employees. All of them have kept faith with us. Anything else would have made this an even more difficult process. As you all know, this company has enormous potential,” said the managing director Mr Henning Meier.

A chain of unfortunate circumstances obliged the company to undergo a restructuring process at the

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beginning of 2019. Vehicles being delivered late led to high stock levels and tied up an enormous amount of the company's liquidity. Added to this was an unusually high number of workdays lost due to illness and defective internal workflows.

By opting for debtor-in-possession proceedings, the vehicle producer took advantage of a new restructuring tool that has only been available since 2012. This allows a company to undergo a restructuring process while protected by the status of insolvency, with the aim of maintaining its operations. Therefore, the management board already in place continues to be responsible for managing the business and implementing the restructuring process – independently and without an insolvency administrator. Moreover, such proceedings even allow restructuring measures, such as the termination of unprofitable contracts or long-term agreements involving continuing obligations, to be implemented much more quickly and at significantly lower costs. The benefit of these proceedings for creditors is that business partnerships are maintained and, generally, a significantly higher insolvency dividend is paid than in the case of ordinary proceedings.

In this particular case, managing director Mr Henning Meier was supported by the attorney Mr Tim Langstädtler, a project manager from Buchalik Brömmekamp. "Mr Langstädtler assumed responsibility for questions involving insolvency law and for communication with the stakeholders. Some of the stakeholders had not even heard of debtor-in-possession proceedings, so there was

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quite a bit of explanatory work involved,” explained Mr Meier, with Mr Langstädtler adding: “It has only been possible to save the company because customers, suppliers and employees have remained loyal to it and, in doing so, have allowed it to achieve its revenue targets. The task now is to consistently pursue the measures taken.”

“Meier-Ratio has made extensive use of the opportunities offered by debtor-in-possession proceedings to bring the company back on a path to success and re-establish its competitiveness. I can see a good future for the company,” said the attorney Dr Stephan Thiemann, Managing Director of PLUTA. In his capacity as insolvency monitor, Dr Thiemann was responsible for verifying the debtor’s financial situation and supervising its managerial activities.

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