

Press Release

Restructuring of Gustav Knippschild and Sander making progress thanks to proceedings being opened

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The Local Court of Bückeberg opened insolvency proceedings for the assets of Gustav Knippschild GmbH and Sander Maschinenbau GmbH & Co. KG as planned on 1 February 2020. Both proceedings will continue to be pursued under debtor-in-possession management.

The managing directors of both companies are being supported by PLUTA restructuring expert Mr Torsten Gutmann. Attorney Dr Rainer Eckert from the Hanover-based law firm Eckert, who had previously been acting as the provisional monitor, was appointed as insolvency monitor. Dr Eckert will oversee the proceedings for both companies, Gustav Knippschild and Sander, and represent creditors' interests at the same time.

Insolvency plans to secure the future

At present, the insolvency plans for Gustav Knippschild and Sander are being drafted. While an agreement with creditors has already been reached, it is now important to convince the works council and the IG Metall trade union of the necessary measures and the feasibility of the restructuring project. Discussions are already being held for this between those responsible and IG Metall representatives. "Customers and suppliers have promised to continue to support us. We now have to convince the

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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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staff of our concept and incorporate their suggestions concerning the restructuring process. If we succeed in restructuring the companies under an insolvency plan as part of debtor-in-possession proceedings, it will be possible to preserve the legal entities," said PLUTA restructuring expert Mr Gutmann.

Now that the proceedings have been opened, the process of restructuring the mechanical engineering companies, based in Rinteln in Lower Saxony, will make considerable progress. "The opening of the proceedings is an important step in the ongoing restructuring process as the company is now in a position to continue the implementation of previously initiated measures," said insolvency monitor Dr Eckert. The staff has been informed that insolvency proceedings have been opened and that business operations will keep running, while the restructuring measures continue to be implemented.

"The situation remains challenging. Since the application was filed, we have been working on a comprehensive restructuring concept that should allow Gustav Knippschild and Sander to become fit for the future," said the managing directors Mr Andreas Eder and Mr Dirk Vogt.

The preparation of the insolvency plan has almost been completed. In addition to cost reductions in production, personnel costs will also have to be cut and, consequently, a collective agreement taking account of the restructuring process will have to be entered into. Such a collective agreement would have to provide that, for example, Gustav Knippschild staff waive their right to holiday pay and Christmas bonus in the next two years, while the working

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hours of Sander staff increase. However, these cost reductions are urgently needed to restructure the companies.

Ongoing business operations

Gustav Knippschild and Sander had filed for debtor-in-possession proceedings with the Local Court of Bückeberg at the end of November 2019. The companies' business operations have been maintained since then. All orders are being processed as planned. Due to the economic conditions and the developments in the sector, the companies' sales had dropped significantly in the financial year 2019.

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