

Press Release

Vehicle Producer Meier-Ratio sets the Course for Restructuring in Debtor-in-Possession Proceedings

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- Production being continued without any changes
- No redundancies being planned under the proceedings
- PLUTA restructuring expert Dr Thiemann appointed as provisional insolvency monitor

“In the past year, we were unable to deliver all of the vehicles scheduled for delivery on time due to an extraordinarily high sickness rate in production. This led to a significant decline in profit, which so far could not be compensated for,” explained Mr Henning Meier, Managing Director of Meier-Ratio GmbH (based in Dessau-Roßlau) in view of the difficult financial situation currently faced by the vehicle producer. With a workforce of 48 employees, Meier-Ratio manufactures set-down and roll-off skip loading superstructures for commercial vehicles. As a precaution, Henning Meier filed for debtor-in-possession proceedings with the Local Court of Dessau-Roßlau so as to restructure the company comprehensively and to increase its productivity. The court assented to the company’s application and ordered preliminary debtor-in-possession proceedings.

“These proceedings are aimed to maintain our company’s business on a sustained basis with our existing owners.

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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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Business operations will continue without any restrictions. While the previous year was already extremely positive in terms of order intake, this year we even started with an increase of 54 per cent in orders received compared to 2018. I am very confident," said the managing director Mr Meier. The employees were informed about the proceedings at a staff meeting. Their wages and salaries are guaranteed for the next three months thanks to specific substitute benefits provided under German insolvency law. After that, responsibility for pay will pass back to Meier-Ratio. No redundancies are planned under the proceedings.

A feasible restructuring concept, which has to be approved by the court and the creditors, will now be devised for the vehicle producer with the assistance of the business consulting company Buchalik Brömmekamp (based in Düsseldorf). Buchalik Brömmekamp boasts a track record of successfully supporting more than 150 companies in debtor-in-possession proceedings, whose market position has been strengthened by the measures taken. "Thanks to the options offered by the proceedings, we will succeed in improving the cash situation significantly, thus achieving the main purpose of restructuring. We will take a hard look at our processes, at specific areas such as IT and logistics and at our headcount and also think about technical adjustments to the products. Our order books for special equipment are full, but we need more staff to complete these orders. These are some of the most important topics we will be working on," said the managing director Mr Henning Meier.

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Debtor-in-possession proceedings allow the company to take advantage of the option to undergo a restructuring process while being protected by the status of insolvency, which has been possible since 2012. During debtor-in-possession proceedings, the previous management board continue to be responsible for managing the business. They implement the restructuring process on their own initiative and without an insolvency administrator, but with the support of an insolvency monitor appointed by the court. The court has appointed the attorney Dr Stephan Thiemann from PLUTA Rechtsanwalts GmbH as the provisional insolvency monitor. The insolvency monitor assumes a supervisory function as well as the task of checking the debtor's financial situation.

Background: the provisional debtor-in-possession proceedings (section 270a of the German Insolvency Code)

Since 1 March 2012, the new insolvency code has provided for what is called provisional debtor-in-possession proceedings that may be ordered on request. In proceedings of this type, the members of the management board remain in office and continue to control the company. Instead of a provisional administrator, a provisional insolvency monitor is appointed whose main task is to assess the debtor's financial situation and to supervise the managerial activities. In mutual agreement with the creditors, the provisional insolvency monitor and the insolvency court, the proceedings' aim is to maintain the company under the protection of the insolvency code. It is intended to preserve the owner structure and to not strip the company's assets, if possible. This is why the

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company should not be sold (asset deal), but be relieved from its debt under an insolvency plan. Many companies emerge significantly strengthened from these proceedings because sufficient cash is generated and the liabilities side of the balance sheet is relieved by creditors waiving part of their claims to debt repayments.

About MEIER-RATIO GmbH:

The company manufactures set-down and roll-off skip loaders as well as trailers for commercial vehicles at its site in Dessau-Roßlau. Meier-Ratio's customers range from one-man firms to the big players in the transport sector.

The long-established company founded in 1968 has a workforce of 48 employees.

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