

Press release

Brugg - Tuesday, 3 March 2020

Free for editorial use

Receipts requested:

BRUGG Kabel AG, Press contact, Industriestrasse 19, 5200 Brugg
41 56 460 35 22, e-mail: marketing.bkag@brugg.com

Brugg Kabel AG: Promising future with Terna

Brugg Kabel AG, one of the 5 divisions of the BRUGG Group to date, has been incorporated into the Italian Terna Group as of 1 March 2020. The traditional Swiss cable manufacturer is well positioned for the future with an innovative product strategy after undergoing a fitness cure last year. The sale of Brugg Kabel AG has no impact on the other divisions of the BRUGG Group, which will remain with the Group.

The products from Brugg are characterised by a technological lead and the fulfilment of the highest quality requirements. Brugg Kabel AG, for example, is one of the few cable manufacturers in the world able to produce cable systems and accessories for the currently highest voltage level of 550 kilovolts.

Important jobs secured

As a Swiss supplier of cable systems, Brugg Kabel AG is faced with major challenges in the global market. The continuing high pressure on prices and the increasing localisation of cable production in export markets have created conditions in which only inadequate results could be achieved with the current location factors. The Cables Division of the BRUGG Group therefore launched the comprehensive "ChangeToFit" transformation strategy in 2019, which included cost optimisation and organisational adjustments. This led to the reduction of 56 jobs, which was made as socially acceptable as possible and has now been completed. The previously announced reduction of 180 jobs did not have to be carried out thanks to the new owners. The cable factory is again operating at full capacity with orders from Switzerland and abroad. No further redundancies are planned.

Terna S.p.A. as a strategic partner of choice

The "ChangeToFit" strategy led to the decision to secure the future of the Brugg plant by selling the Cable Division. The takeover of the majority of all shares in Brugg Kabel AG by Terna Energy Solutions s.r.l., a subsidiary of the Italian Terna S.p.A., announced in December 2019, has now been completed as of 1 March 2020. The BRUGG Group was thus able to find a strategic partner of choice for its cable business who, as a large and competent market player, will play a long-term and successful role in shaping the future of Brugg Kabel AG. The BRUGG Group retains a minority stake in the shares of Brugg Kabel AG. BRUGG eConnect AG, formerly part of Brugg Kabel AG, remains in the BRUGG Group and is active in the wind energy, e-mobility and mechanical engineering markets. The BRUGG Group likewise retained ownership of the plant facilities of Brugg Kabel AG; these were transferred to Brugg Immobilien AG. Production and administration of Brugg Kabel AG, which previously occupied rooms on Windischer Boden, have been merged at the Brugg site.

Successful business year 2019

Brugg Kabel AG performed well despite the adverse market environment. The "ChangeToFit" strategy has already made it possible to significantly increase productivity in 2019. Thanks to the completed restructuring and a successful market expansion, the profit margin shows a significant improvement. In the Swiss market, the market position was maintained and strategically important projects were won abroad, particularly in the United Arab Emirates and China.

Transformation

The transformation from a pure cable manufacturer to a versatile system and solution provider will be consistently continued in the 124th year of the company under the new owner. Brugg Kabel AG is increasingly concentrating on full service in the development, planning, supply, manufacture and maintenance of cable systems, including the perfectly tailored accessories. First-class cables and a wide range of accessories continue to be used for the requirements of low and medium voltage networks.

In future, Brugg Kabel AG will focus in particular on expanding the maintenance business and also on further training through the Brugg Cables Academy, which will support customers in the energy supply industry in maintaining their systems efficiently and competitively.

In the course of the energy turnaround, which is increasingly geared towards socially and ecologically sustainable solutions, major investments in the energy transmission sector are expected to continue. Thanks to Terna S.p.A, Brugg Kabel AG will have additional opportunities for innovation, especially as the new majority shareholder is strongly committed to sustainable technologies.

Agostino Scornajenchi, CFO of the Terna Group and Chairman of the Board of Directors of Brugg Kabel AG, explains: "In an important phase of change in which the European energy sector is currently undergoing, this industry initiative makes it possible to combine the know-how of one of the largest European network operators with the expertise and quality products of Brugg Kabel AG. "

Environment

"Great importance", says Samuel Ansoerge, CEO of Brugg Kabel AG, "continues to be attached to the Swiss market, where we supply energy suppliers with reliable cables, accessories and services and develop future solutions together with them". The most recent example of this: at the "Gäbühel" near Bözberg / Riniken, a 380kV cable system for the partial cabling of a 380kV line from Swissgrid was successfully commissioned for the first time in Switzerland.

As a supplier of underground cables, Brugg Kabel AG makes a decisive contribution to modern electrical power transmission, which increasingly takes into account the aspects of landscape and environmental protection. With the new majority shareholder Terna, Brugg Kabel AG will continue to develop innovations in the field of recyclable materials. CEO Samuel Ansoerge: "Our vision is environmentally friendly cables made of materials that can later be recycled".

Press contact

Carla De Giorgi, Head of Marketing Communication & Management Support
Phone: +41 56 460 35 22 E-mail: carla.degiorgi@brugg.com

About the companies

Brugg Cable AG

Brugg Kabel AG, which operates under the name Brugg Cables, stands for integrated solutions, competence and Swiss quality in energy supply. Founded in 1896, the company is the leading cable manufacturer in Switzerland and internationally active in the system business with high, medium and low voltage cables and fittings. In our own research and development department and in close cooperation with the customer, we are constantly working on new, innovative products for highest voltage levels and for the complex wiring of power supply systems. Brugg Cables has 320 employees

and has been part of the Italian energy utility Terna S.p.A. since 1 March 2020. A minority shareholding is still held by the BRUGG Group. - www.bruggcables.com

Terna

Terna S.p.A. (Trasmissione Elettricità Rete Nazionale), with headquarters in Rome, is the largest electricity network operator in Europe. With 4'300 employees and a turnover of 2.3 billion Euro, Terna works successfully in the high and extra-high voltage network in Italy, Europe and partly also overseas. Terna manages some 75,000 km of high-voltage lines and plays a central role in transforming the electricity market towards the use of environmentally friendly sources. –

www.terna.it/en

BRUGG Group

In 1896 Gottlieb Suhner founded a cable factory in Brugg, which developed into the BRUGG Group. Around 1,500 employees work for the following divisions or companies belonging to the BRUGG Group:

BRUGG Ropes
BRUGG Pipes
BRUGG Process Control
BRUGG Real Estate
BRUGG eConnect AG

The Brugg Group is represented in all major industrialised countries with 19 production sites and 17 sales organisations - www.brugg.com