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## „My family still holds about 70% of the company shares “

Interview with Marco R. Fuchs, CEO, OHB AG - 26.04.2013

*Like no other joins the company OHB AG independence of a family business with the benefits of the capital market. The Fox family is still the main shareholder of the listed aerospace and technology company with a share of around 70% and has held key leadership positions: Marco R. Fuchs is the Chairman of the Board, his father Prof. Manfred Fuchs Board and his mother Christa Fuchs sits at the top of the Supervisory Board. In the interview, Marco R. Fuchs talks about the rise of hydraulic operation the third largest aerospace company in Europe, the tension between family and market, as well as his vision for the future.*



Marco R. Fuchs, CEO of OHB AG. Image: OHB AG

**Unternehmeredition: Mr. Fuchs, your parents have taken a workshop for hydraulic machinery in late 1981 and formed from it in 30 years, the third largest aerospace company in Europe. What were the key success factors behind this rapid development?**

**Fuchs:** Well, certainly the rapid development began only in 2001. The 20 years before that were more marked by slow, steady growth, responsibly medium entrepreneurship, good ideas, the creativity of our staff and of course the irrepensible want my parents to be a major player in the aerospace industry. In the early 2000s, it is clearly the SAR-Lupe program, which catapulted us into the realms of space systems company and ultimately for all qualified what we celebrate today - namely the large contracts for Galileo, SmallGEO or MTG. A third major factor is of course the acquisitions of the last ten years. We have for example 2005 secured 5 program with the acquisition of MT Aerospace valuable stake in Ariane. In 2007, we were able to bring with Kayser-Threde a partner, but also our competitors to our Bremen business into our own boat. In addition, we are well positioned in Europe with the other investments in order to participate in the programs of the ESA and national agencies.

**Unternehmeredition: OHB AG is divided into two business areas Space Systems Aerospace & Industrial Products. What are these and what are the most important projects?**

**Fuchs:** The area of Space Systems is clearly for business with satellite or payload systems for all applications, except the navigation, communications, Earth observation and science. Program examples are the next generation of European meteorological satellites, MTG short, novel communication satellites based on our SmallGEO platform, and of course the 22 Galileo satellites. The Aerospace & Industrial Products is our business both in the product space and aviation as well as in the field of telematics. Here the approximately 10% share of MT Aerospace in Augsburg stands at Workshare out for the Ariane 5 rocket. But our daughter is Aerotech

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Peissenberg for this area. It is an important supplier of all major aircraft engine manufacturers worldwide.

**Unternehmeredition: A major milestone in the company history was 2010, the contract for the production of the first 14 satellites of the European satellite navigation system "Galileo" - the order was worth EUR 566 million. How did you manage to pull a job of this magnitude ashore and beat the competition, EADS?**

**Fuchs:** We could win this job only because the European Commission has reissued the entire program "Galileo" in 2009 and thus allowed an industrial competition with us as a supplier. This is one of the reasons. A second is the price now time plays no small part in a competition. We submitted the ESA then a more attractive offer with better evaluation of the technical information. So we could convince one hand and on the other hand, technically exploit the advantage of a smaller, leaner organization and reduced overtime costs in our offer and so the competition for us.

**Unternehmeredition: 2001 Your company has taken the step to the new market. What were once the reasons for the IPO? What role does the raising of capital through the stock market today in your financing mix? What is more important is the presence in the capital market for your company's success?**

**Fuchs:** The possibility of being able to give in this way in certain situations, liquidity was, and is associated with a high attractiveness for us. At the time of the IPO, we were able to provide the financial basis for the first large-SAR-Lupe project. Since then, OHB AG but made no use of the funding opportunities that open up for example in the form of a capital increase. For the future, there are no concrete plans in this regard. On operations, and thus on the success of the company, the listing has no direct impact.

**Unternehmeredition: Many companies shy away from going public. You are afraid to lose influence, and fear too much transparency or participation of shareholders. What is the balancing act you have succeeded as a family to keep the scepter in his hand and still reap the benefits of the capital market?**

**Fuchs:** My family still holds a total of about 70% stake in OHB AG. In this respect, the majority is still in family hands.

**Unternehmeredition: Your company's history is marked by numerous takeovers and acquisitions, including Antwerp Space NV in 2010, Aerotech Peissenberg GmbH & Co. KG and OHB Sweden AB, 2011. What is the strategy behind it, and how these acquisitions were mainly financed?**

**Fuchs:** We have been in the fortunate position of being able to finance the acquisitions made without the issuance of debt. Our M & A activities in the area are due no overall strategy, but rather the result of point-in-time individual case considerations. Basically, however, you can see that we have selected our acquisitions with a view to the European space market. Today we are represented in some important ESA nations. In the case of the acquisition of Aerotech Peissenberg was the aspect of diversification in the center of the decision. The market in which the subsidiary is moving, barely correlated with the aerospace industry, yet the aviation

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sector is not entirely foreign to us naturally . Here was also an interesting way to take a manufacturer of sensitive components for aircraft engines . The production of such components has the advantage that the products are very price elastic, resulting in a stable revenue - for a given job position - ensures . For a company like OHB AG, which is mainly active in the project business , resulting in this new area of higher predictability than other areas , which are mainly focused on project business , which naturally is subject to higher volatility

**Unternehmeredition: 2012 increased sales by 11% to EUR 616 million, net income increased 10% to EUR 15 million. What were the main reasons for this growth?**

**Fuchs:** The main reason for the growth of the fiscal year is the increased sales of the ramp-up of major projects in the Space Systems, so the programs Galileo SmallGEO and MTG. But also in the Aerospace & Industrial Products, there were others with seven Ariane 5 launches an increase in sales. The improved results of the Aerotech Peissenberg Rest wore their help.

**Unternehmeredition: What is your vision for the future?**

**Fuchs:** We want to be in a leading role there when the space is further explored and always bring better benefits, more and more satellites to Earth. Then the business success comes by itself.

**Unternehmeredition: What would you advise other family that can hold an IPO in the eye?**

**Fuchs:** Initially, the companies concerned should make course aware that a stock market listing is associated with a catalog of legal duties. The advantages are a listing in terms of name recognition, the financial capacity and the opportunities that present themselves in the field of corporate governance through a listing, weighed against the costs. I personally believe that the costs can be limited and that the duties and responsibilities of family also benefits because they bring structures and organizational discipline with them.

**Unternehmeredition: Mr Fuchs, thanks for the interview!**

Interview by Mark Hofelich. [markus.hofelich\(at\)unternehmeredition.de](mailto:markus.hofelich(at)unternehmeredition.de)

**Kurzprofil: OHB AG**

Gründungsjahr: 2001

Branche: Luft- und Raumfahrttechnik

Unternehmenssitz: Bremen

Mitarbeiterzahl: 2.493

Umsatz (2012): 616 Mio. EUR

Internet: [www.ohb.de](http://www.ohb.de)