

Concentric completes acquisition of Licos

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Concentric AB has completed the acquisition of Licos Trucktec GmbH of Germany, a leading producer of water pumps and electromagnetic fan clutches fused in the truck industry, for approximately €12.5 million.

The acquisition, which will broaden Concentric's product portfolio in the growing market for semi-variable water pumps, presents an opportunity to leverage Concentric's position in the U.S. for Licos electromagnetic fan clutches. Licos' high quality products have attracted the business of global top-tier OEMs and Concentric aims to increase sales by more than 50% over three years.

David Woolley, CEO of Concentric, commented: "Licos is a perfect strategic fit for Concentric, being as committed as we are to the twin goals of technology and innovation. Their controllable water pump complements our own fully-variable technology, enabling us to offer customers a full range of water pumps to meet every need. Concentric will also gain access to Licos know-how in the field of electro-magnetic and friction clutch technologies. Licos in turn will benefit from a growing range of opportunities within the successful and expanding Concentric family. As existing contracts include a ramp-up, we believe Licos sales will grow by 50% over the coming three-year period and enable them to reach Concentric's existing margin levels."

Controllability is an increasingly important driver within the commercial diesel industry and Licos clutch technology has potential applications across the range of Concentric's oil, water and hydraulic pumps as well as in fans and compressors. The Licos combination of magnetic and friction clutch technology makes it possible to achieve zero-loss performance at high load conditions. The two companies have already collaborated in the field of magnetic clutches and this technology will enable Concentric to offer significant fuel efficiency gains across a wider range of applications. In addition, Licos has a wealth of experience in manufacturing and production supply of specialist clutch technologies with major OEMs declaring the proven net fuel benefits of up to 0.7%.

In addition to its electromagnetic clutches for water pumps and fan applications within the truck industry, Licos also manufactures belt drive components for heavy-duty diesel engines. The company employs around 55 people in a single production and engineering facility in Markdorf, Württemberg, near Lake Konstanz. The current managing director, Dr. Andreas Wolf, will remain in the company and help integrate the business over the coming months.

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