

The Zeppelin Group on course for growth

26 September 2019 by ZEPPELIN GmbH

Zeppelin takes over distribution and service of Cat products in Sweden, Denmark and Greenland, as well as distribution and services for MaK engines in the Baltic states, Finland, Iceland and the Faroe Islands

The Zeppelin Group is advancing its cooperation with Caterpillar. Zeppelin is set to take over the distribution and service of Cat construction equipment and special equipment for surface and underground mining in Sweden and Denmark (including Greenland). The portfolio also includes drive, propulsion, traction, and energy systems, as well as machine and equipment rental. The Group is additionally taking over distribution and service for the MaK engine brand in the Baltic states, Finland, Iceland and the Faroe Islands. The transaction will take place subject to the consent of the European antitrust authorities.

Caterpillar is set to appoint Zeppelin with the responsibility to cover the service territories of Sweden, Denmark and Greenland for Cat construction and mining equipment, as well as of Cat and MaK engines.

Previously the Dutch Pon group has been covering those territories as a Cat dealer. Pon will continue to be the Cat dealer in the Netherlands, as well as in Norway, and will concentrate its resources and activity on these two markets. Pon and Zeppelin have agreed that the assets of Pon's previous business operations in Sweden and Denmark will be migrated to the Zeppelin Group, subject to the antitrust authorities giving regulatory approval.

The takeover will happen in the context of an "asset deal" between Pon and Zeppelin. This means that those of Pon's assets that are required for the transaction – such as land, buildings, machinery, patents, contracts etc. – will be transferred to Zeppelin. In addition, Pon employees' existing employment relationships will migrate to Zeppelin, ensuring a seamless handover.

"We are proud that Caterpillar has expressed its confidence in us, and that we will be able to operate in additional countries. We will be offering our entire portfolio of new and used machines, service and spare parts in our new territories, as well as our equipment rental and service solutions package. We also offer the right products and services for the mining industry in the north of Sweden. Our experts have plenty of experience that enables them to capably meet the specific challenges of the mining business, as in the CIS countries, Zeppelin has been very successfully looking after customers in the raw material extraction sector for over twenty years. We see a lot of potential in these new markets, and we are pursuing a long-term growth strategy. We are sure that we will win over our clients in the new territories with our range of products and

services," Peter Gerstmann, Chairman of the Management Board of Zeppelin GmbH, said, commenting on the transaction.

Andreas Brand, Chairman of the Supervisory Board of Zeppelin GmbH, added: "Zeppelin is already one of Caterpillar's biggest and most successful distribution and service partners worldwide. This trust-based cooperation, as well as Zeppelin's experience in opening up international markets, is an excellent starting point from which to continue the success story of our foundation-owned company, and to achieve further growth."

Alongside its sales and service partnership with Caterpillar, in Sweden and Denmark Zeppelin will also take over the SITECH companies, which specialize in the distribution and service of products from the American Trimble technology group. Trimble is the leading manufacturer of machine controls, GPS navigation systems and fleet management systems worldwide, offering both hardware and software for construction planning and for managing integrated construction processes.

Another element of the transaction is the takeover of assets related to the distribution and service operations for MaK engines – not only in Sweden, Denmark and Greenland, but also in the Baltic states (Estonia, Latvia, Lithuania), Finland, Iceland and the Faroe Islands. To facilitate this, Zeppelin will also acquire Baltic Marine Contractor (BMC), headquartered in Tallinn, Estonia, from Pon. MaK is one of the leading brands of premium marine engines and generators, as well as gas engines for power generation. You can find MaK engines in cruise ships, ferries, cargo ships, barges, offshore facilities, tugboats and recovery vessels, cutters and dredgers. The MaK brand also belongs to the Caterpillar Group. MaK engines are manufactured in Kiel and Rostock.

US-based company Caterpillar Inc. is the leading manufacturer of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives in the world. Caterpillar sells its products in different countries and regions via independent distribution and service partners (dealerships).

Zeppelin has been active in the sales and service of Cat construction and mining equipment, as well as Cat and MaK engines, since 1954. Over the years, the Group has continuously expanded its geographic responsibilities as well as its portfolio of products and services. Today, Zeppelin offers these products and services not only in Germany, Austria, the Czech Republic and Slovakia, but also in much of the Russian Federation, in Ukraine, Turkmenistan, Uzbekistan, Tajikistan, Armenia and Belarus.

Source: Zeppelin GmbH