

Press release

Germany's oldest producing foundry achieves reorganization

Chemnitz, 28.06.2023 - After Eisenwerk Erla GmbH applied for reorganization proceedings in self-administration according to § 270d InsO, which were opened on 01.03.2023 by the competent local court of Chemnitz, the termination of the proceedings could be initiated by the acceptance of the plan submitted by the administrator Rüdiger Weiß. The termination of the proceedings was announced by the court for 31.07.2023.

In recent years, the long-established foundry and machining company, which had previously operated mainly as an automotive supplier, had begun to broaden its customer base and was able to acquire new customers in the agricultural, construction machinery and electrical infrastructure, and mechanical engineering sectors. However, the transformation process was interrupted and permanently disrupted as a result of the Corona pandemic, the Ukraine war and the associated supply chain problems, as well as the increase in the price of raw materials and the explosion in energy costs.

Due to the imminent inability to pay, Eisenwerk Erla GmbH decided to pursue reorganization by way of protective shield proceedings. The administrator, attorney Rüdiger Weiß of the WallnerWeiß law firm, was commissioned to draw up the plan. In only three months after the opening of proceedings, the management of Eisenwerk Erla GmbH and attorney Weiß were able to draw up the plan for the reorganization and present it to the creditors.

The business operations of Eisenwerk Erla GmbH were continued without restriction. All of the approx. 300 jobs will be retained.

Talks with more than 50 customers on contract and price adjustments were for the most part very successful, and, as Managing Director Fischer points out, most customers were firmly on the side of the traditional company. Not least because of this and the cooperation of the suppliers of Eisenwerk Erla GmbH involved, it was possible to achieve a rapid and targeted turnaround, which has now been completed with the adoption of the plan.

The shareholder, the Dynamatic Technologies Group, is thus implementing its plan to build up a further line of business for the manufacture of components for aircraft applications at the Erla site in addition to the existing production.

The logo for WallnerWeiß consists of a dark blue rectangle with the company name in white, bold, sans-serif font.

About Eisenwerk Erla GmbH

Eisenwerk Erla GmbH is the oldest foundry still in production in Germany. The first documented mention of the ironworks in Erla dates back to 1380. The traditional company manufactures highly complex castings for engine and drive mechanics and, with almost 300 employees, is one of the largest employers in the region.

www.eisenwerk-erla.de

About WallnerWeiß

The WallnerWeiß group of companies, consisting of wwp WallnerWeiß Rechtsanwälte Partnerschaft mbB as well as the companies for corporate restructuring and insolvency administration, is a group of law firms with more than 20 locations nationwide, specializing in corporate restructuring and operating exclusively in this field. Attorney Rüdiger Weiß has been regularly appointed as insolvency administrator and trustee for over 20 years, most recently in the criminal insolvency proceedings of the Deutsche Lichtmiete Group as well as the group insolvency of the metal construction company DRADURA Group with 1200 employees.

www.wallnerweiss.de