

Press release



New future for Papierwerke Lenk AG as LENK Paper GmbH!

Papierwerke Lenk AG will have a Canadian entrepreneur as its new owner. All jobs will be preserved.

A solution has been found for The Papierwerke Lenk AG paper mills in Kappelrodeck, which have been operating in a self-management insolvency procedure since February 2019. The specialty paper manufacturer and inventor of the crepe paper was in financial difficulties due to the loss of a large customer as well as the rapidly rising pulp prices in 2018 which could not be compensated.

After months of negotiations, despite the notoriously difficult market environment in the paper industry, it has now been possible to find a buyer for the company of over 200 employees. This is the entrepreneur Rajeev Singh. Mr. Singh is a Canadian citizen residing in Toronto, Canada. He is a mechanical engineer with extensive experience in the design/production of components and assemblies for the automotive, aircraft and medical industries. Mr. Singh currently owns manufacturing, mechanical engineering, real estate development and private equity companies in six different countries. He has been actively involved in acquisitions in Europe and the United States, including the rebuilding of a Florida-based aviation services company that was recently sold to a world-renowned London-based aviation company.

We are very pleased to have found with Mr. Singh a globally active entrepreneur personality for the continuation of the traditional Lenk paper mills and thus to have preserved the jobs in Kappelrodeck. Due to the existing legal framework and the resulting complexity, it was a very complex and time-consuming process. "I am proud that, despite the well-known difficult market environment in the paper industry, all parties involved have succeeded in finding a sustainable solution for the location and jobs from today's point of view," said Jochen Sedlitz, the restructuring attorney from the Stuttgart law firm Menold Bezler. Sedlitz has extensively supported Papierwerke Lenk AG in the refurbishment, while a team led by Jost Rudersdorf and Felix Rebel has advised on the sales process.

Dirk Schuldt, COO, is also pleased with the solution found: "The staff and management have done a great job in recent months, showing a great commitment and a lot of flexibility, for which I would like to express my special thanks. I am sure that the solution found with Mr. Singh offers a new and promising future for the company. As a specialty paper manufacturer of high-quality paper products, this opens up a wide range of opportunities for our local and global customers to develop innovative solutions and to continue to grow successfully together with our business partners."

"Overall, all parties involved, including our administrator Marcus Winkler from the law firm BBL Bernsau Brockdorff and the creditors' committee have shown remarkable commitment over the past few months to find a solution. The fact that we managed to do it without a reduction in staff makes us very proud," explains Sedlitz.

Administrator Marcus Winkler is also satisfied: "If someone had told me at the beginning that it would be possible to maintain the location and all the jobs in this difficult market segment, I would have been very skeptical. The efforts of the workforce and all those involved is all the higher. The best achievable result has also been achieved for creditors."

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