

CSG and Reunert Establish Joint Venture to Manufacture Electronic Fuzes for Large-Calibre Ammunition

Industrial-technology group CSG and Reunert have entered into an agreement to establish a new business focused on the production of electronic fuzes for large-calibre ammunition in Slovakia to be named Fuchs Electronics Europe. The new business will be owned 51% by Reunert and 49% by CSG. Through its investment in Fuchs Electronics Europe, CSG will become one of the few manufacturers of electronic fuzes within the European Union.

The project represents a significant step in further vertically integrating large-calibre ammunition production across CSG's manufacturing base. It will expand the CSG's technological capabilities to include a critical component of modern artillery ammunition, enhance competitiveness, and reinforce its position as a comprehensive supplier within European markets. Localising production within the European Union will also contribute to strengthening supply chain security and advancing Europe's strategic autonomy in artillery ammunition manufacturing.

"This investment significantly enhances CSG's large-calibre ammunition portfolio. Electronic fuzes are technologically sophisticated and strategically important components. The combination of Fuchs' world class technology with our manufacturing and distribution capability will increase CSG's competitiveness and reinforce our role as a reliable partner to European customers," said Jan Marinov, CEO of CSG Defence.

The fuze is a critical element of every artillery shell, determining both the timing and mode of detonation. In modern 155 mm ammunition, electronic fuzes are now standard, enabling multiple modes of operation – impact, delay, time, or airburst at a precisely defined altitude above the target. Compared to mechanical solutions, they offer greater accuracy, enhanced flexibility, and improved integration with modern fire control systems. Their production is technologically demanding, characterized by high added value and strategic importance for ammunition manufacturers.

The newly established business will operate as an independent manufacturer of electronic fuzes, supplying this key component not only to CSG but also to other European producers of large-calibre ammunition.

The business' technology partner is South Africa-based Fuchs Electronics, which is part of the Reunert Group and a globally respected manufacturer of electronic fuzes with more than 60 years experience. The company brings core technology and extensive expertise in the development and production of modern fuzes to the business, supported by long-standing know-how. CSG contributes deep expertise in regulatory, licensing, and export environments and will provide manufacturing infrastructure, industrial facilities, and production of selected components.

"Combining our technological know-how with CSG's industrial capability, creates a strong European manufacturing base for electronic artillery fuzes aligned with applicable NATO qualification requirements. The investment in Fuchs Electronics Europe will allow us to respond more effectively to the growing demand for modern artillery ammunition and contribute to the strengthening of Europe's industrial defence capacity," added Trevor Raman, CEO of Reunert's Applied Electronics Segment.

Production will be located at the ZVS Dubnica nad Váhom site in Slovakia, fully leveraging off existing CSG infrastructure. The business is being established on a capital-efficient basis, supported by a binding launch order underpinning its revenue during the first three-year ramp-up period. It is envisaged that business will be self-sufficient within approximately three years from the start of operations and will achieve attractive margins, which are expected to be value accretive to both Reunert and CSG.

Attachment

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