Bauer foundation piles support the glass dome of the Reichstag building in Berlin, Germany; the 828-meter-tall Burj Khalifa in Dubai stands on Bauer foundation piles – Bauer has influenced specialist foundation engineering since the mid 20th century. The equipment segment was also growing, and soon new solutions were being found for numerous problems in the construction segment. What once started in a small town in Upper Bavaria has developed into an international company in a short span of just half a century. Despite its growth, Bauer has remained a family business, whose roots go back 225 years.

In 1790, Sebastian Bauer acquired a coppersmith’s shop in Schrobenhausen. Ten years later, he managed to obtain a second workshop, and soon he was the only coppersmith in the town. The fourth Bauer generation struck out on new paths with Andreas Bauer (1858 – 1933): he discovered that it was possible to drill artesian wells in Schrobenhausen, and was given the order to construct the well for the waterhouse of the railroad station in Schrobenhausen, on the new railway line between Augsburg and Ingolstadt.

The move into well drilling was further advanced by Dipl.-Ing. Karl Bauer (1894 – 1956), who took over the business after World War I. An important step was the construction of the central water supply system for Schrobenhausen in 1928. Eventually, the water supply and well drilling business expanded all across Bavaria. World War II badly affected the company, as an increasing number of employees were drafted into the army.

Just a few months after the war had ended, many cities and towns required new well and water pipelines. The work was difficult; the biggest and most important tool was the tripod. With Dr. Karlheinz Bauer, born in 1928, the next generation of the family entered the business during this reconstruction phase. He was already well established in the business when his father, Dipl.-Ing. Karl Bauer, died unexpectedly in 1956. The first projects in the field of foundation engineering – subsequently termed ‘specialist foundation engineering’ by Dr. Karlheinz Bauer – were carried out under the management of Karl Bauer.

In the 1950s, Bauer turned more and more towards specialist foundation engineering. A major development was the invention of the grout injection anchor in 1958. The company was contracted to construct a large, exposed excavation pit with anchored pile walls for Bavarian Broadcasting Corporation center in Munich. To do so, shafts into which the anchors were to be drilled and fixed in place were sunk outside of the pile wall. But the bores deviated, and missed the shafts. Under tremendous time pressure, an idea emerged: to grout the anchor tip through the casing tube with cement. The anchors held and the “Bauer anchor” was born. The invention was patented, and the first licenses went to France, the UK, Japan and Russia. Bauer experienced a boom in the 1960s. The first contracts outside Germany were in Switzerland and Austria; these were followed by a large demand for construction engineering in the Middle East because of the oil boom. Bauer won contracts in Libya and Saudi Arabia. However, there was no specialized machinery for new methods, pile driving and anchoring. Hence, it was decided to develop a new concept and manufacture a brand new anchor
drilling rig – the first UBW 01 rolled off the production line in 1969. The first rotary drilling rig – BG 7 – followed in 1976, and in 1984, the trench cutter. The first large-scale manufacturing unit – today’s “Schrobenhausen plant” – was also built in 1984.

Prof. Dipl.-Kfm. Thomas Bauer, born in 1955, representing the seventh generation of the Bauer family, joined the company in 1982. He started his early years in the family business as a commercial manager of the International Division, and soon thereafter took over the management of commercial administration and production. From 1986 onwards, he acted as the sole managing director of the company, and simultaneously headed the company’s specialist foundation engineering operations in Germany for a number of years.

“The situation for the Bauer group was very difficult at the beginning of the 1980s,” says Thomas Bauer. “The German construction market was at rock bottom. All large construction companies tried to improve their situation by entering specialist foundation engineering, hoping to be given follow-up orders to build the structure after finishing the excavation pit. All of a sudden, there were numerous companies in the field of specialist foundation engineering; a proper war for tenders ensued, in which smaller companies did not stand a chance. This led to cut-throat competition; it was impossible to earn money with specialist foundation engineering. At this time, we already had an active presence abroad – in Saudi Arabia, Libya and Egypt. However, economic conditions in these countries were also not satisfactory due to the low price of oil.”

These problems were solved by devising a new strategy: “The goal was to set the company up on three strong bases: domestic construction, international construction and equipment sales. We were able to implement this strategy with incredible success by the end of the 1980s, mainly due to the strong international expansion – previously, about 80 percent of our construction business was based in Germany. We went from one country to another, from Saudi Arabia to Abu Dhabi, from Bahrain to Dubai, Kuwait, the USA, England, or, in the Far East to Kuala Lumpur – wherever there was money for construction projects.”

By that time, the business had reached a size which called for a new legal form, and in 1986, the new limited company BAUER Spezialtiefbau GmbH was entered in the Commercial Register of Companies. Towards the end of the 80s, Managing Director Thomas Bauer took specific steps to strengthen the specialist foundation engineering business as well as the equipment segment in Germany and abroad through a strategic addition: through new business divisions related to specialist foundation engineering, Bauer was to offer full-service packages and operate as a general contractor. The first steps along this road were the founding of Wöhr + Bauer GmbH and BAUER und MOURIK Umwelttechnik GmbH & Co.

The market situation in Germany changed fundamentally during this period: 1989 became a turning point in history, with the fall of the Berlin Wall. German reunification opened up huge opportunities in the construction industry. The Bauer management also wanted to contribute to the reconstruction process. “It was not just the strategic aspects that played a part in our decision; it was also an emotional decision to say: we want to participate fair and square in the reunification,” says Thomas Bauer. The subsidiary SPESA Spezialbau und Sanierung GmbH was founded with Schachtbau Nordhausen. In the summer of 1992, Bauer was confronted with the privatization of SCHACHTBAU NORDHAUSEN GmbH, and it
was decided to buy the business. The 90s were an exciting era for everyone involved in the construction industry. The boom of the initial years – during which Bauer constructed numerous excavation pits in Berlin, Leipzig and Dresden – lasted only until 1995. The immense construction demand attracted too many international competitors and led to a ruinous price war. “Construction companies earned virtually no money when the capital moved from Bonn to Berlin,” says Thomas Bauer. Over the following critical years, Bauer was able to keep its earnings reasonably stable with its international construction business and the worldwide equipment sales, which were being developed since the 1980s. The German construction market plunged into a recession which lasted for more than ten years, resulting in the downfall of a number of well established companies and loss of a significant number of jobs in the construction industry.

The Far East crisis of 1998/99 had a devastating impact on the equipment business. “At that time, about 25 percent of our company’s turnover was generated in Asia. This market collapsed overnight, so to say,” Thomas Bauer remembers. The company’s management employed all its efforts to guide the business through the crisis, and new markets were opened up through a combination of flexibility and skillful adaptation. Thomas Bauer remembers: “In 1999, we had to report a loss of about 18 million DM. Banks, in particular, had no sympathy for our losses in Asia. However, the following year already showed signs of improvement: at the beginning of the year, we managed to obtain the contract for the construction of foundations for a power plant in Malaysia, which offset the losses – the year 2000 has been the best year in the history of our company.”

After the year 2000, the company undertook targeted steps to adapt to the changes in the world. In particular, the already advanced process of internationalization strengthened the company in all areas. Soon 85 percent of the Equipment segment’s total revenue was generated outside of Germany; the Construction segment earned three times more with its international business than in Germany.

In 2001, BAUER Maschinen GmbH – previously a division of BAUER Spezialtiefbau GmbH – became an independent entity. BAUER AG, founded in 1994 as a holding company, took on service functions for the operating companies. Thomas Bauer has been the Chairman of the Management Board of the AG ever since; the operating companies are headed by newly appointed directors.

The Equipment segment experienced the strongest development during this period. In 2002, a large production hall with extensive grounds was acquired in Aresing near Schrobenhausen, providing perfect conditions for efficient assembly of large machinery. The Equipment segment grew, new subsidiaries were acquired, new capacities had to be built in Schrobenhausen and other locations in Germany. Production facilities were also established in the USA, Russia, China, Malaysia, Italy and Sweden.

In 2005, the German construction industry began to show signs of recovery. During this phase, the company was preparing for its stock market listing – a major step in the history of the company. On July 4 2006, BAUER AG was listed on the Frankfurt Stock Exchange for the first time.

In early 2007, the market presence of the BAUER Group was restructured. Alongside the two existing pillars of the business – construction and equipment – a third segment, BAUER Resources GmbH, was established, grouping together spin-offs of business units from the other two segments. Bauer Resources spe-
sializes in environmental technology, water, mineral resources – a concept designed to meet the challenges of the future.

In the years 2007 to 2009, the largest investment program in the company’s history was implemented. A new administration building was built at the Group’s headquarters in Schrobenhausen. The construction of the new building and the renovations of the old main building were completed in early 2009. The steep growth in the equipment segment required major construction works at the Aresing plant, in order to ensure that the production meets the demand. The structural steel engineering division of the Equipment segment was relocated to completely new premises in Edelshausen. The welding and lathe shops were given space in the large halls, and anchor production was relocated to Edelshausen. At the SCHACHTBAU NORDHAUSEN GmbH plant, welding facilities were expanded.

While the Shanghai and Tianjin plants in China were being expanded and modernized, the need was identified to establish the company’s own production plants for drilling rigs and anchor equipment in the USA, in order to be present in the dollar zone and to develop a closer connection with clients. The new plant in Conroe, north of Houston, Texas, was opened in autumn 2009. In 2010, Bauer Resources completed the construction of the first reed purification system in the Sultanate of Oman. In this multiple award-winning project, water contaminated during the production of oil is purified using a completely biological method.

In the past few years, the BAUER Maschinen Group has entered an additional market with the development and production of deep drilling rigs. Bauer Maschinen sold the first deep drilling rig to South America in 2011. “It has been obvious for a long time that the deep drilling business in the world is gaining importance. Oil and gas supplies are diminishing, new deposits must be tapped into, or already developed sources must be exploited better,” Thomas Bauer says. “Of course, from our point of view, the currently low price of oil is not good, but we can, without a doubt, count on the shortage of resources sooner or later, and the subsequent increase in demand for deep drilling equipment. I am confident that the production and sales of deep drilling equipment will be important in the future, and that it is the right way to go for us. The order we received from Saxon at the end of 2014 is a major step, and a confirmation of our strategy.”

In 2012, Bauer reached and exceeded the milestone of 10,000 employees all over the world; in 2013, the company received the bauma Innovation Award for the construction and successful installation of an underwater drilling rig for a tidal turbine off the coast of Scotland. In the same year, Bauer Spezialtiefbau started the construction of the Kingdom Tower in Saudi Arabia and the Lakhta Tower in Russia – which will soon be the tallest buildings in the world and in Europe, respectively.

When talking about specialist foundation engineering, one thinks of large construction sites, and the tall masts of drilling rigs driving into the soil with enormous force using sophisticated technologies. But, the expertise of the engineers and the efforts of the people “out there” on the construction sites and also “at home” in the offices also belong to this picture of specialist foundation engineering. Currently, Bauer has over 10,300 employees worldwide. “The most important components of our success are the know-how, dedication and enthusiasm of our employees,” Thomas Bauer states. “We are proud of what all of us have managed to achieve together, and look forward to our role in shaping the future.”

Bauer headquarter in Schrobenhausen.

Foundation work for the next tallest building in the world – the Kingdom Tower in Saudi-Arabia.

Development of the total Group revenues according to segments in million Euros.