

## PRESS RELEASE

**Positive resonance – Würth Industrial Network closed the financial year 2022 with turnover of EUR 2.263 billion worldwide – of which EUR 771,5 million are of Würth Industrie Service Germany.**

*Bad Mergentheim/Main-Tauber-Kreis.* The Würth Group, the global market leader in development, production and sale of fastening and assembly materials, has once again demonstrated its competitive strength in the financial year 2022 by achieving total turnover of EUR 19.95 billion, according to the preliminary consolidated financial statements. Even Würth Industrial Network, or WINWORK®, recorded a turnover of EUR 2.263 billion in financial year 2022. Würth Industrie Service GmbH & Co. KG grew by 17,9 percent by achieving a turnover of EUR 771,5 million. Even though the market environment has been affected by uncertainties, the company can look back on a successful financial year 2022.

### **Current market situation and challenges**

“This past year was challenging in every respect”, says Martin Jauss, General Manager of Würth Industrie Service. From the effects of the ongoing Covid-19 pandemic to geopolitical uncertainties and from increasing inflation and energy crisis to the challenge across all markets: A continuing fragile situation in the procurement market, in the supply chain, and especially in pricing. The imposition of anti-dumping duties of EU on fasteners from China since 18 February 2022 has further exacerbated the overall situation. “The delivery reliability to our global customers remains the point of focus for us in such a market situation,” says Jauss. Being a company of the Würth Group and a part of WINWORK®, the C-Parts partner has a strong industrial network. The multi-supplier strategy in global procurement markets offers an additional security factor to the company. Thanks to the commitment of its 1,750 employees with their proactive action, communication with the customers, extensive monitoring of suppliers, recourse to alternatives and appropriate product stocking, Würth Industrie Service has been able to ensure continuous and timely supply to its customers.

### **Progress in C-Parts management**

Even 2022 has demonstrated how important a stable C-Parts management is. With automated, digital and contactless technologies, unexpected declines or peaks in demand can be detected quickly and at an early stage, thus make it

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possible to handle changing circumstances flexibly – across all application areas of the customers, both in direct production supply and in MRO products such as occupational safety materials, chemicals or tools. “Here, we offer tailor-made procurement and logistics concepts to our customers, which are necessary for optimum C-Parts management in their market and their industry,” explains Jauss. Therefore, the company focuses on system solutions that promise the highest level of innovation. In addition to its scale system iSCALE, a sensor-controlled scale that is directly connected to the Kanban bin and notifies the requirements of production materials and other small parts based on weight, the company presents the Smart Workplace. In this assembly workplace of the future, people and machines work hand in hand with self-triggering ordering systems, driverless transport systems and worker assistance systems. Along with iSCALE, iPLACER® as an order and inventory management system or the pilot project on iDISPLAY as a digital rack label enable all the processes to be intelligently connected. The C-Parts partner was felicitated with prestigious awards like “LOGISTRA best practice: Innovations 2022” and “100 Places for Industry 4.0 in Baden-Württemberg” especially for its innovation successes.

### **WINWORK® – A strong, global unit for the industry!**

In more than 40 countries, WINWORK® brings together the companies within the Würth Group that specialise in industrial requirements, thus ensuring seamless integration and implementation of intelligent C-Parts solutions with a consistently high level in terms of products, systems, quality, service and knowledge. It aims to continually strengthen its comprehensive expertise in the field of automated C-Parts supply to manufacturing companies on an international level. The Würth Industrial Network has closed the financial year 2022 with turnover of EUR 2.263 billion worldwide. To strengthen the Czech market, the sales unit was spun off into an independent company in May 2022. The industrial company Würth Industry spol. s r.o. is now independently active in operating business.

### **Investments at the Bad Mergentheim site for Europe**

The most modern logistics centre for industrial supply in Europe at Bad Mergentheim is the base for supplying all European customers. To date, the company has invested more than EUR 422 million to ensure maximum supply security and the highest level of quality in its products, service and systems. In July 2022, the plan to expand the logistics centre at Würth Industrie Service by constructing a new, automated high-bay warehouse with 59,000 additional storage spaces on an area of over 4,000 square meters was approved. The total

investment amounted to more than EUR 30 million. "The logistical expansion ensures a significant increase in efficiency and capacity in the entire value-added process. This is the only way to ensure long-term supply security for our customers across Europe. With this expansion, we are clearly investing in customer benefits and customer development in Europe and thereby also investing in the future of Würth Industrie Service at the Bad Mergentheim site", emphasises Jauss.

In addition to the consistent expansion of storage capacity, the existing facilities have been supplemented by innovative technologies. By using camera monitoring systems, autonomously moving bin shuttles and self-learning robots in picking and palletising, the C-Parts partner is continuously increasing its degree of automation and digitalisation within logistics – with the aim of optimising workplace ergonomics and reducing the physical burden on employees.

Würth Industrie Service is also investing in conversion of the central location of Bad Mergentheim to new premises for operating technology and an integrated training workshop.

## **Employees**

The Würth Group employs 85,637 employees worldwide. Out of that, more than 6,600 employees are a part of WINWORK® and over 1,750 employees are employed by Würth Industrie Service in Germany. In view of demographic change and the resulting shortage of labour, Würth Industrie Service consistently focuses on training its employees. The company achieved a milestone in 2022 when it hired its 1750th employee and 1000th apprentice. In 25 job profiles, around 200 colleagues are completing an apprenticeship or a dual study programme at the Baden-Württemberg Cooperative State University. As one of the biggest employer in the Main-Tauber region, the company invests EUR 1.5 million annually in training and development of its employees.

## **One step ahead: digitally and virtually**

The fact that Würth Industrie Service is driving digital transformation is reflected in the technologies used for automated C-Parts management and the options to experience the company, its history and its entire service range in an interactive and digital manner. For example, with the interactive visit platform WISperience, product and supply solutions can be discovered completely independent of time. The permanent exhibition on "Leadership culture across Drillberg – then and now" can also be experienced digitally on the app "Würth Collection" since May 2022. In addition to several digital event formats and webinars, Würth Industrie Service is increasingly focusing again on the traditional forms of personal customer

contact. In 2022, the company premises saw around 1,800 visitors.

### **Constantly committed to sustainability**

Sustainability is a strategic success factor for Würth Industrie Service. The company is continuously working to act in a more sustainable manner in all areas of entrepreneurial activity and to implement targeted measures globally. It has been particularly successful in the area of sustainable energy production. Würth Industrie Service relies on renewable energies for carbon-neutral energy supply and has commissioned another photovoltaic system with an output of around 480 kWp in 2022. Currently, several photovoltaic systems with a total output of over 900 kWp and generated volume of over 800,000 kWh are installed at the Drillberg site. Having published its sustainability strategy, the company offers complete transparency on the topic of sustainability.

### **Outlook 2023**

The war in Ukraine and the subsequent material and supply shortages as well as price increases continue to be a challenge and will remain the focus of all measures in 2023. In addition to the development in energy prices, it is also important to wait and observe the impact of China's relaxed Zero Covid strategy on supply chains as well as on the production utilisation of manufacturing companies in Europe. Despite these uncertainties, the beginning of the first quarter of 2023 is characterised by a stable demand in the market environment, which gives the company the reason to be optimistic about the coming months. The easing of material scarcity and the prospect of stabilisation in supply chain pave the way towards continuity. With a solid financial base and a strong industrial network, the company is well positioned in terms of resilience and diversity to be reliably and securely available to its customers with innovative system solutions and products.

## Images

### Captions:



Photo 1: Aerial view of Würth industrial park.jpg

Caption 1: Würth industrial park in Bad Mergentheim

Image source 1: Archives of Würth Industrie Service GmbH & Co. KG



Image 2: iScale\_Scale system.jpg

Caption 2: iSCALE is a sensor-controlled scale, which is directly connected with the Kanban bin and is independently movable.

Image source 2: Archives of Würth Industrie Service GmbH & Co. KG



Photo 3: Photovoltaics.jpg

Caption 3: Würth Industrie Service relies on the use of highly efficient photovoltaic systems for sustainable energy generation.

Image source 3: Paul Dürr, Würth Industrie Service GmbH & Co. KG

#### Brief profile of Würth Industrie Service GmbH & Co. KG

Within the Würth Group, Würth Industrie Service GmbH & Co. KG is responsible for supplying to the industrial sector. Since its foundation in the year 1999, the company is located at Industriepark, Würth in Bad Mergentheim, Germany with over 1,750 employees.

As a one-stop C-Parts provider, the company offers its customers a specialised product range with over 1,400,000 items: from screws and tools to connection and fastening technology, technical chemicals as well as occupational safety solutions. Aside from the extensive standard product range, the strength of the company lies in its customer-specific, logistical and dispositive supply and service concepts as well as special parts. Under the service brand "CPS® - C-Product Service", the company offers modular solutions customised as per the customer's requirements. These consumption-based and demand-based systems streamline the processes for purchase, logistics and quality assurance while enabling the procurement of small parts in a cost-optimised manner. Logistic and dispositive services such as shelving systems that use scanners or a just-in-time supply using Kanban bin systems play a significant role in increasing productivity.