

PRESS RELEASE**Würth Industrial Network closed the financial year 2021 with turnover of 1.911 billion euros worldwide – of which 663 million euros are of Germany**

Würth Industrie Service
GmbH & Co. KG
Pia Schmitt
Press and Public Relation
97980 Bad Mergentheim,
Germany

Bad Mergentheim/Main-Tauber-Kreis. Würth Industrial Network, or WINWORK®, reported a turnover of 1.911 billion euros worldwide in the financial year 2021. Würth Industrie Service GmbH & Co. KG grew by 23.7 percent with a turnover of 663 million euros in Germany, thus reaching a historic record. The company looks back on a successful financial year 2021, despite a market environment confronted with the COVID-19 pandemic.

T +49 7931 91-3409
F +49 7931 91-53409
www.wuerth-industrie.com
Pia.Schmitt@wuerth-industrie.com

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Current market situation: Development of supply chains

“Last year was challenging in all respects.”, said Rainer Bürkert, Member of the Central Managing Board of the Würth Group. From the ongoing COVID-19 pandemic to political uncertainties, to natural disasters, to one challenge across all markets: the unprecedented and volatile situation in procurement, supply chains and pricing. Rising prices in purchase, for pallets or packaging as well as capacity bottlenecks at manufacturers and delays in availability and in delivery reflect instability in the market. This situation is mainly caused by the surge in demand and a massive increase in transport costs. A large proportion of goods or primary materials are shipped in containers across the oceans: This leads not only to bottlenecks in freight capacity and containers and consequently to higher freight costs, but also to considerably longer delivery times. As a result, there is a shortage of availability across Europe. For Würth Industrial Network, the price increase especially with regard to higher raw material and energy costs as well as container freight resulted in a low return year, as these developments could not be passed on to the customers in full. The situation in the procurement market will remain tense even in 2022. The imminent imposition of anti-dumping duties of EU on fasteners from China will further exacerbate the overall situation. “In this market situation, delivery reliability remains the main focus for our global customers.”, said Martin Jauss, General Manager of Würth Industrie Service. As a company of the Würth Group and part of WINWORK®, the C-Parts partner has a strong industrial network. Its multi-supplier strategy provides additional security in the global procurement markets. Thanks to proactive action, communication with customers, extensive supplier monitoring, use of alternatives and a forward-looking product provisioning, the supply to customers could be largely guaranteed.

Intelligent and innovative C-Parts solutions

2021 has also pointed out the importance of a stable C-Parts management. With automated, digital and contactless technologies, processes can be adapted quickly and timely to unexpected decline or peaks in demand and allow changing circumstances to be handled flexibly. This applies to all areas of application of the customers, both in direct production supply and in MRO products such as occupational safety, chemicals or tools. "Our multi-channel strategy continues to play a decisive role. Our customers can interact with us through different channels: personal, steady, contactless, digital and electronic. Thus, we offer our customers tailor-made procurement and logistics concepts that they need for optimal C-Parts management in their market and industry.", said Mr. Jauss. The company therefore focuses on technologies and systems that promise the highest level of innovation. In addition to the innovative 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 the assembly workstation of the future, people will work together with automatically triggering ordering systems. In addition to 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 in the workplace of the future. The company relies on the consistent development of RFID technology, which has proven in practice for more than 10 years – a milestone in 2021. For this particular innovation and exceptional innovation success, the C-Parts partner was awarded with the TOP 100 seal.

WINWORK® – a strong global unit for the industry!

In more than 60 companies in more than 40 countries, WINWORK® brings together the national companies specialising in industrial requirements within the Würth Group and ensures seamless integration and implementation of intelligent C-Parts solutions at a consistently high level in terms of products, systems, quality, service and knowledge. Since 13th September 2021, Würth Industrie Service and the WINWORK® companies have been operating under a uniform logo. The new WÜRTH INDUSTRY logo aims to strengthen the comprehensive competence in the field of automated C-Parts supply for manufacturing companies on an international level.

Investment in Bad Mergentheim for Europe

The state-of-the-art logistics centre for industrial supply in Europe at the Bad Mergentheim location is the base for supplying all European customers. For maximum security of supply and highest quality with regard to product, service and system, the company has invested more than 392 million euros since its development years. In addition to extending the storage capacity, it has introduced innovative technologies to its existing systems. To automate the processes, Würth Industrie Service now deploys 9 robots in logistics to support picking and palletising. Furthermore, in 2021, a manufacturing unit was put into operation for the first time in the history of Würth Industrie Service. With the new Systemwerk in Boxberg, all the expertise and production activities related to ORSY®mat vending machines for automatically supplying auxiliary and operating materials are bundled for all the companies of the Würth Group. With these measures, the company has taken significant steps for ensuring seamless supply to the customers in the future, and thus unlocked potential in the fields of automation, digitalisation as well as Industry 4.0.

Employees

WINWORK® employs more than 6,000 employees worldwide in more than 60 companies in more than 40 countries. In Germany, the number of employees exceeds 1,700. In the face of demographic change and shortage of qualified professionals, Würth Industrie Service is relying on in-house training. The company achieved a milestone when it hired the 900th apprenticeship in 2021. In 21 job profiles, 200 employees are attending an apprenticeship or a dual study at the Baden-Württemberg Cooperative State University.

One step further: digital and virtual

The fact that Würth Industrie Service is driving digital transformation is proved not only by the technologies in automated C-Parts management but also by the opportunity to interactively experience the range of services of the company. An example here is the fourth Expert Forum on C-Parts Management, which was conducted in a hybrid format for the first time in 2021. In the face of the Covid-19 pandemic, the company is urging to implement traditional formats of personal contact, digital event formats and webinars. With "Upwards", the growth podcast of Würth Industrie Service, the company provides a completely new look behind the scenes for interested customers, business partners, and also for universities and the region.

Outlook 2022

Currently, the attention of the world is on the uncertainties caused by the geopolitical situation in Russia and Ukraine. The situation in the procurement market will also remain tense. Despite these uncertainties, the beginning of the first quarter of 2022 is characterised by a stable demand in the market environment, which gives the company the reason to be optimistic about the coming months. With a solid financial base and a strong industrial network, the company is well positioned to be reliably and securely available to its customers with its innovative system solutions and products.

Photo material:



Photo 1: Aerial view of Würth Industrial Park.jpg

Caption 1: Würth Industrial Park in Bad Mergentheim

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

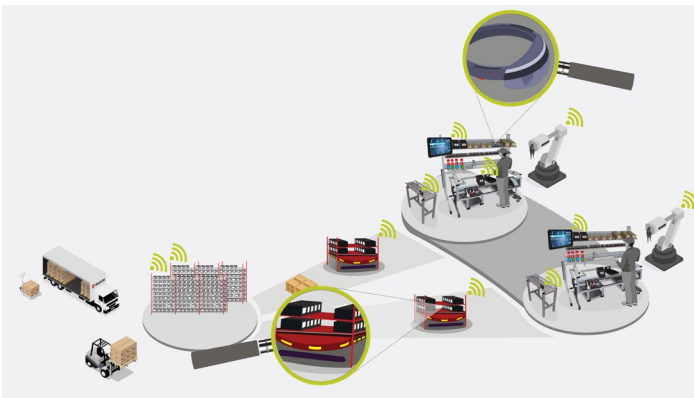


Photo 2: Workplace of the future.jpg

Caption 2: Intelligent supply - Connecting man and machine: In the workplace of the future, people will work together with automatically triggering ordering systems and autonomous vehicles.

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



Photo 3: iScale_scale system.jpg

Caption 3: iSCALE is a sensor-controlled scale, which is directly connected with the Kanban bin and is independently movable.

Photo source 3: Archives of Würth Industrie Service GmbH & Co. KG



Photo 4: Systemwerk in Boxberg.jpg

Caption 4: Systemwerk in Boxberg as a development location for ORSY@mat vending machine family

Photo source 4: Archives of 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 the supply of the industrial sector. Since its foundation in 1999, Würth Industrie Service is located at the Industriepark Würth in Bad Mergentheim, Germany with over 1.700 employees. As a comprehensive C-Parts provider, the company offers its customers a specialised product range of over 1,100,000 items: from screws, connection and fastening technology, tools to technical chemicals and occupational safety. In addition to the extensive standard range, the strength of the company lies in its customer-specific, logistical and dispositive supply and service concepts as well as in special parts. Under the service brand "CPS® - C-Product Service", the company offers modular solutions, which are customised as per customer-specific requirements. Thereby, the consumption-based and demand-based systems significantly rationalise the processes for purchase, logistics and quality assurance and enable the customers to procure small parts in a cost-optimised manner. Logistic and dispositive services such as shelving systems with scanners or a just-in-time supply using Kanban bin systems contribute significantly to increasing the productivity.