

PRESS RELEASE

Würth Industrie Service successfully closes financial year 2016

- **Sales increase by 7.1% percent to EUR 455 million**
- **Expanding international network**
- **Outlook/investments**

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Bad Mergentheim/Main-Tauber district. Würth Industrie Service GmbH & Co. KG successfully expanded its sales volume to EUR 455 million in the financial year 2016. The planned targets could be achieved thanks to a 7.1 percent growth rate.

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Core business C-Parts Management

Within the Würth Group, Würth Industrie Service specializes in supplying C-parts management solutions to the manufacturing industry. With its CPS® brand – C-Product Service – Würth Industrie Service offers its customers made-to-measure logistics sourcing and service modules such as scanner-supported storage rack systems or just-in-time supplies in Kanban containers. In financial year 2016, Würth Industrie Service focused on a clear system strategy, maximum customer service and a strong commitment to innovation. Industrial companies are increasingly faced with the question of whether their production is truly lean. Many companies would not hesitate answering this question with a yes. However, when considering all internal processes, walkways, handling steps, manual procedures and resources used, how many companies would still answer with a yes? As early as the beginning of 2016, this question was raised during an innovation day at Reinhold Würth House in Bad Mergentheim. The answer was a holistic production supply concept for industrial companies. A total of 130 guests, including national and regional customers, representatives of the press and business partners, participated in the event. “An online shop alone is by far no longer enough. We have to digitalize the entire company and simplify complex processes. This is the only way to prepare the company for the future,” Rainer Bürkert, Executive Vice President of the Würth Group and Managing Director of Würth Industrie Service, explained.

Jobs

“Our employees are the key to further growth, enabling us to win even more customers for our company and convince them of our systems,” Bürkert said.

Compared with the previous year, the number of employees rose by 3.2 percent to 1,420 in 2016. Another vital issue is education and further training. With a total of 188 trainees and students from German cooperative state universities, the company currently boasts a trainee ratio of 15 %. “For young people, the first step in their professional lives is especially important. You have to find the right employer who can offer you both a safe job and a perspective for the future,” Bürkert adds.

International organization

The Industry Business Unit comprising all Würth companies specializing in global industrial supplies to manufacturing companies worldwide reported a positive development. Being able to offer personal advice through experts in more than 45 companies operating in over 35 countries is still a core element of Würth Industrie Service’s international strategy. This integrated approach focuses on maximum process transparency and supply security for the customers as well as a better consideration of cultural requirements and individual needs.

Visitors

The company welcomed a high number of visitors on the company premises, to Reinhold Würth House and the exhibition “Leadership Culture Around the Drillberg – Then and Now”. More than 3,300 visitors, including customers from Germany, Europe and other countries, employees from other Group companies, clubs and associations, school classes, student groups and representatives from institutions visited Würth Industrie Service in 2016.

Investments

By the end of 2016, a total of EUR 207 million had been invested in the Würth Industrial Park. Around EUR 13.5 million were invested in the expansion of Europe’s most modern logistics center for industrial supplies with a new high-bay warehouse, which adds another 49,000 pallet spaces to the existing capacities. Connected to an existing building complex, the new warehouse stretches 120 meters in length and 25 meters in width, standing 45 meters high, adding another imposing structure to the company premises. The expansion of the logistics center is not only an important signal for the location in Bad Mergentheim, it is also a clear commitment of Würth Industrie Service to the European market. Customers have their production materials and consumables supplied directly to their place of consumption, profiting from

maximum supply security at more than 20,000 sites in over 25 countries. Last year, more than 79,000 tons of goods and more than 4.2 million order lines left the logistics center. Customers operating at a distance of up to 2,200 kilometers receive their C-parts supplies directly from the site in Bad Mergentheim. This situation enables Würth Industrie Service to maintain the same service quality level all over Europe, make sustained investments in process technologies and implement long-term logistics concepts and specialist qualification programs for employees. In addition to logistics, other functions are operated centrally as well, including purchasing, a comprehensive and standardized IT environment and standardized C-parts systems for customers.

Outlook for 2017

Product innovations call for expanded capacities, new technologies do not fit into established process structures, outsourcing to international production networks is no longer the exception, production facilities are changing and information and data handling necessitates comprehensive management – rarely has the production industry been as active as it is today. The strategic orientation of C-parts management towards Industry 4.0 and digitalization will remain a cornerstone of our corporate strategy in the financial year 2017. Our personal, worldwide customer service will continue to be essential to the business model of Würth Industrie Service.

Investments in new markets and the expansion of the international business units will stay in the focus, to enable us to concentrate better on the needs of our customers in individual countries.

Image material:



Picture 1: Offizielles Luftbild.jpg

Caption 1: Würth Industrial Park – Head Office of Würth Industrie Service



Picture 2: ORSYmat.jpg

Caption 2: Clear commitment to innovation: ORSY[®]mat – Vending machine supplies for maximum transparency



Picture 3: GeschäftsbereichIndustrie.jpg

Caption 3: Investments in Europe's most modern logistics center for industrial supplies and new companies in international growth markets are strengthening the Würth Industrial Network

Company profile of Würth Industrie Service GmbH & Co. KG

Würth Industrie Service GmbH & Co. KG is the industrial supplies unit within the Würth Group. Since its establishment in 1999, the company has been operating at its site in Bad Mergentheim, the Würth Industrial Park, with currently more than 1,420 employees. To its customers, the company presents itself as a full-service C-parts supplier with a specialized product range comprising more than 1,000,000 items including screws and bolts, fastening and connecting materials, tools, technical chemicals and PPE.

In addition to the comprehensive standard range, the main strength lies in the provision of customized supply and service concepts in logistics and materials planning as well as the supply of special items. With its CPS® brand – C-product service – Würth Industrie Service offers its customers modular solutions, which can easily be adapted to individual customer needs. Consumption- and demand-driven systems lead to significant economies in purchasing, logistics and quality assurance, enabling the customer to minimize the cost involved in the procurement of consumables.

Logistics and materials planning services such as scanner-supported storage rack systems or just-in-time supplies in Kanban containers help achieve significant productivity gains.