

Reutlingen, July 27, 2022 – WAFIOS AG emerges from the second year of the pandemic with renewed momentum and is now back on track for growth. Orders increased significantly in 2021 compared with the unusual events of 2020 and ensured a positive financial result for the year. E-mobility has been and continues to be an important driver in this regard.

The increase in demand that had already become apparent at the end of 2020 continued for WAFIOS in the 2021 fiscal year, as hoped. However, the general conditions were far from easy. In many places, for example, there were supply problems with materials for certain product groups. Thanks to a forward-looking and prudent purchasing policy, however, WAFIOS was able to largely avoid the general issues faced in global logistics. As a result, the machines ordered could be delivered on schedule, and there were no delays in order processing.

In view of these aspects, the WAFIOS Group achieved sales of €166.6 million in the 2021 fiscal year – an increase of 31.9 percent – and an annual financial result of €6.2 million. The equity ratio increased again from 45.7 to 47.8 percent. WAFIOS AG achieved sales of €118.7 million – an increase of 43.9 percent – and an annual financial result of €4.0 million.

The strength with which the workforce was maintained was particular cause for celebration. Following short-time working from January to March 2021, all employees were able to return to full employment from April. By the end of 2021, WAFIOS AG in Reutlingen and Marktredwitz employed a total of 751 people (682 in Reutlingen alone), including 48 trainees. This was 6 employees more than in 2020. For the WAFIOS Group, the number of employees including trainees was 1,043, which was 15 fewer than in 2020.

Numerous product developments and projects

From October 18 to 29, 2021, the second "Reutlinger E-Mobility Days" (REDs) took place. At this event, WAFIOS and its partner Gehring, Ostfildern, presented groundbreaking technologies in the field of electric powertrains. Both companies showed the entire manufacturing process of a stator for an electric motor for the first time.

The development investments made in the area of e-mobility in recent years are increasingly having an impact on orders and sales. WAFIOS therefore decided to increase investment in this direction. Among other things, Plant 2 near the southern train station in Reutlingen is currently being refurbished. As already reported, the new E-Mobility Campus is being built there. This will be the future competence center for all activities related to e-mobility. WAFIOS currently has 6 newly and specifically developed machines for the production of components for electric vehicles. In addition to a suspension spring machine, a specific machine for forming plastic tubes was developed, as well as two machinery systems for the production of bus-bars and two machinery systems for the production of hairpins.

Despite the pandemic-related challenges, research and development work in 2021 was in full swing in all areas. Numerous patents have been filed. Many spring coiling, wire bending, tube bending, chain and welding machines have been further developed, and some have been newly added to the program. As things stand today, WAFIOS manufactures the fastest spring coiling machines in the world with the FUL 36+ and 26+. Another highlight is the TWISTER2 series, machining solutions for complex tube systems with integrated robot.

WAFIOS has been working on the topic of digitalization for years. A high percentage of the development budget has been allocated to the transformation to the "Smart Factory". Customers also benefit from this: "In our new Digital Services division, we are continuously expanding the range of services for customers and creating added value through new software solutions, including mobile apps and the use of cloud technologies," explains Dr. Uwe-Peter Weigmann, CEO of WAFIOS. "An open system for complete networking of the machines into the customer infrastructure is already a reality today."

Another part of the investment has been allocated to the company's own production in order to expand capacities and optimize processes there, or to introduce new technologies, which also includes the expansion of 3D printing technology. WAFIOS ordered a new turn-mill center for machining production in 2021. Delivery will take place in the current fiscal year. Zero point clamping technology was also introduced to optimize set-up times during milling.

Together with the management consultancy Krauss & Partner, WAFIOS launched a strategy project on the topic of sustainability in 2021. "This topic is one which is very close to our hearts," says Executive Board member Martin Holder. "It's about nothing less than embedding the idea of sustainability in all areas of the company. This has both a social and a corporate dimension." Two important tasks being worked on are defining a roadmap for climate-neutral production and implementing the new supply chain law.

Outlook and risks

The encouraging economic recovery continued in the first half of 2022, with orders remaining at a consistently high level. An outward sign of the positive development after a four-year absence was the staging of the important international trade fair wire & Tube in Düsseldorf in June. Despite travel restrictions for exhibitors and visitors from America and Asia, the event met with an overwhelmingly positive response. For WAFIOS, it was an opportunity to present innovations to a large audience again: Technologies for plastic tube bending, automation through robot integration, the most powerful spring coiling machine for high-strength wires, and more.

"For 2022, a steady flow of orders with growth in the area of machines for electric vehicles is emerging," says Dr. Uwe-Peter Weigmann. "Known risk factors include logistics issues in the movement of goods, which will only ease in the medium term. In addition, there are bottlenecks in the procurement markets for certain product groups, such as electrical parts."

The continuing impact and risks of the pandemic, and now the war in Ukraine, cannot be anticipated for the time being. If new dangerous viral mutations should emerge, comprehensive measures may again need to be taken. Rising inflation and energy price changes as a result of the war are driving up costs. However, the greatest risk is the intermittent occurrence of energy shortages in industry. WAFIOS has already drawn up an emergency gas and electricity program for this eventuality and is already trying to help prevent bottlenecks in winter through energy-saving measures and the expansion of renewable energy supplies.

The members of the Executive Board would like to take this opportunity to appeal to industry and private consumers to do everything they can to help avoid bottlenecks in the coming winter by saving energy today. The appeal to politicians is to set the course in such a way that an energy supply in winter is guaranteed in the event of a failure of gas supplies from Russia.



Fig. 1 WAFIOS Executive Board members Dr.-Ing. Uwe-Peter Weigmann and Martin Holder



Fig. 2 The most powerful spring coiling machine in the world

Brief profile of WAFIOS

WAFIOS develops, designs, and produces sophisticated, specialist machinery for the wire and tube processing industry and for cold-forging applications. The company is one of the world's foremost providers in this field and offers more than 120 different machine types. Its machinery is equipped with state-of-the-art drive and control technology as well as innovative software.

60 percent of WAFIOS' customers work in the automotive and supplier industry, but the company also serves major industries such as mining, construction, electrical engineering, medical technology, household appliances, agriculture, and furniture. Exports account for more than 60 percent of total sales.

Today, WAFIOS has evolved into a group of companies that consists of parent company WAFIOS AG, based in Reutlingen, plus several locations throughout Germany (Reutlingen, Marktredwitz, Wuppertal, Berlin, and Simonswald), the Americas (Branford, USA; Mokena, USA; Querétaro, Mexico; and São Paulo, Brazil), and Asia (Shanghai, China and Zhangjiagang, China).