

Growth of new sectors has a positive impact on subdued core business

Annual results for the 2023 financial year

Reutlingen, July 25, 2024 – In the 2023 financial year, WAFIOS achieved a good annual result despite falling demand in its core business. Transformation processes in the field of e-mobility played a significant part in this result. The upheaval in the industrial landscape is changing the market environment. At the same time, however, increasing volumes of preliminary technical work and the associated costs in development present challenges for the company.

The reporting year was a period full of upheaval and uncertainty, hindering economic growth in Europe. Nevertheless, WAFIOG AG was able to record good figures and maintain its results at the level of the previous year. The sales share in Europe and America grew slightly. The steel processing sector did not experience the same level of growth momentum as other sectors did in 2023, which in turn had an impact on WAFIOS' core business.

“There are huge opportunities for growth in the field of e-mobility in particular. At the same time, large-scale projects, the required development work, and investments in the future present challenges for us. We are taking this as an opportunity to develop new markets through innovations and are focusing on the transformation process,” says Dr.-Ing. Uwe-Peter Weigmann, Speaker of the Board at WAFIOS.

Development at a glance

Despite the subdued core business, the war in Ukraine, high energy costs and general inflation, WAFIOS was able to increase group sales to EUR 189.3 million (2022: EUR 187.5 million). This resulted in an annual result of EUR 6.5 million (2022: EUR 7.7 million). The equity ratio increased slightly to 51.2% (2022: 50.2%). WAFIOS AG recorded sales of EUR 131.2 million and an annual result of EUR 7 million (2022: EUR 132.2 million / EUR 6 million).

A dividend payment of EUR 2.1 million (70 cents/share) was decided upon at the general meeting on July 24, 2024.

“We were able to expand the workforce further in 2023. By the end of the year, WAFIOS AG in Reutlingen and Marktredwitz employed a total of 785 people (716 in Reutlingen alone), including 57 trainees. We provide these trainees with practical, thorough training. At the end of their placement, all trainees were offered the opportunity to keep working here,” says Martin Holder.

For the WAFIOS Group, the number of employees including trainees was 1,097, which was 14 more than in 2022.

The company makes active use of funding programs such as tax incentives for research activities as well as partnerships with universities and colleges to support the necessary developments.

A new sector as a driving force

The product portfolio was expanded to include new sectors in 2023. E-mobility is one of the leading and fastest growing fields of innovation in the world. At WAFIOS, electric vehicles have resulted in numerous developments in recent years. The company filed 12 patent applications in 2023 – 50% more than the previous year. Seven of these were in the field of e-mobility. Many of the recent innovations relate to technology involving hairpins – small bent parts made from copper wire which are used in stators. These current-carrying components are part of the motor and provide the necessary drive. New employees were recruited to keep up with growing demand in the field of e-mobility.

“These investments challenge us every day but they are investments that we need. We are harnessing the upswing in the sector – there are so many development opportunities for us in this field. By applying existing technologies and USPs from the wire and tube processing industry to the field of electric vehicle drives, we can offer our customers unique solutions for copper wire processing,” says Dr. Weigmann.

The company has improved the manufacturing process for hairpins and stators in collaboration with partner company Gehring Technologies GmbH + Co. KG from Ostfildern. WAFIOS’ SpeedFormer – a fast bending machine for hairpin production – is combined with Gehring’s stator production systems to create a holistic solution for manufacturing hairpin stators. As part of the new development, the machine design has been adapted to accommodate as many different hairpin sizes and geometries as possible.

Accordingly, the order situation in the e-mobility sector is positive, with new orders coming in for large SpeedFormer systems and systems for manufacturing coils for modern axial flux motors.

In order to meet the high demand and further expand the business area, the company decided back in 2021 to build a new e-mobility campus. Work on the construction of the campus is progressing well. Around EUR 4.6 million has been invested in the e-mobility campus building project in total, with the majority of the investment benefiting regional companies. The official dedication of Wafiosstraße also took place – the address of the e-mobility campus is therefore Wafiosstraße 1.

WAFIOS is tackling the labor shortage

The shortage of skilled workers is something that many industrial companies are having to deal with. WAFIOS AG is adopting a new approach in order to tackle this problem. Assisted and automated machines are to be used to support operators, make the setup process easier, and thus boost productivity. A fully assisted machine guides the operator actively through the entire setup process, explaining or assisting with every setting step by step. In a world premiere, two machines featuring this technology were presented at wire & Tube 2024.

Successful events and a new site

The events calendar was once again full of trade fairs and events, with WAFIOS' own Innovation Days and the Reutlingen E-Mobility Days (REDs) attracting numerous international visitors to Reutlingen.

The 2023 Innovation Days combined the Wuppertal and Reutlingen in-house trade fairs into a joint event held at the main Reutlingen factory. The event was WAFIOS' largest in-house trade fair to date. While the Innovation Days cover all product areas, the Reutlingen E-Mobility Days are specifically dedicated to electric vehicles. Together with event partner Gehring Technologies GmbH + Co. KG and numerous co-exhibitors, the event provided a unique platform for exchanging ideas and holding lively discussions.

With more than 130 machine types, WAFIOS maintains a worldwide presence through its subsidiaries and representatives. In addition to its existing sites in Germany, the USA, Brazil, China, Mexico and France, WAFIOS now has a new production company in Portugal.



Fig. 1. WAFIOS Executive Board members Martin Holder (left) and Dr.-Ing. Uwe-Peter Weigmann. Image: WAFIOS

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. More than 130 years of experience stand for quality and innovation. The range of products includes more than 130 types of machines.

Equipped with the latest software, artificial intelligence, and IoT, WAFIOS machines optimize the output, the quality, and the setup process.

60 percent of WAFIOS' customers work in the automotive and supplier industry, with a growing share in e-mobility. But we also serve 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, Simonswald), France (Ecuelles), Portugal (Maia), the Americas (Branford/USA, Mokena/USA, Querétaro/Mexico; and São Paulo/Brazil), and Asia (Shanghai/China and Zhangjiagang/China). WAFIOS expands its core business with the connectavo brand, developing software solutions for maintenance work in, for example, hotels, communities, or the industry.