

Weidmüller expecting slight growth despite challenging economic conditions

- **Electrical engineering company expects slight sales growth**
- **Focus on the digitalisation and automation of the core business, as well as expanding the IoT portfolio for the digitalisation of processes**
- **Position reinforced by breaking into important future markets such as electromobility, and investing in important growth markets**
- **Substantial investment in the company's future, and ongoing expansion of production, research and development**

Detmold, 19 December 2019. The Detmold-based electrical engineering company expects to achieve slight growth in 2019, and therefore a slight increase in total sales in comparison to last year despite the challenges presented by unfavourable economic conditions. This was announced by the company at this year's press conference for the annual financial statements held at its headquarters in Detmold. "The economic downturn has also impacted us and our clients, resulting in much slower growth than we had anticipated at the start of the year," stressed Weidmüller's Speaker of the Executive Board and Chief Financial Officer Jörg Timmermann. "But given the current situation of many companies and significant uncertainty on the market, we performed well and expect slight growth". The result reflects the strategic groundwork carried out in recent years. "In many markets, Weidmüller is associated with expert control cabinet advice, IIoT solutions such as the Automated Machine Learning Tool and the factory floor of the future, in addition to our components business," summarised Weidmüller's Chief Technology Officer Volker Bibelhausen. "This shows that we are on the right track". As in previous years, Weidmüller will present its final annual financial statements at the Hannover Messe.

A reliable partner for recording, analysing and processing data

Weidmüller now offers a wide range of communication-enabled components for recording, providing and analysing process data. "The Industrial Internet of Things is set to fundamentally change the manufacturing industry, and we are moving early to position ourselves with our solutions in this field. We want to

present ourselves as a recognised player in the market,” Bibelhausen said. To this end, at the Smart Production Solutions trade fair in November, the company presented initial products such as the IoT Terminal Block, which allows the efficient and cost-effective monitoring of the status of decentralised machines and equipment, as well as simple automation controls. The Detmold-based company benefited from the investment announced in summer in the Taiwanese company ORing, which specialises in the development of IIoT solutions.

Digitalisation and automation of the core business

Weidmüller is addressing the challenges of digitalisation and automation in its core business with additional digital services and solutions as well as components for automated assembly and marking. “The aim is always to make our customers’ procedures and processes more efficient with coordinated production,” said Weidmüller’s Chief Marketing and Sales Officer Dr Timo Berger. “One example of this is our automated terminal rail assembly, which can be used for the semi-automated mounting of terminal blocks on a terminal rail. Our RailLaser means that marking can then be carried out entirely automatically”. In addition to the progress of technology, the future of control cabinet production will also be shaped by the shortage of specialists. “Control cabinet manufacturers face increasing challenges due to a lack of young talent. Our efficient assembly solutions relieve the pressure on companies, and in so doing help to mitigate the shortage of specialists,” Berger explained.

Position reinforced by breaking into important future markets such as electromobility, and investing in important growth markets

In October, Weidmüller unveiled its solutions in the field of charging infrastructure, which are aimed at benefiting from the electromobility trend. “We believe the time has come that the market and society are ready for a new technology, and that the technology is also capable of meeting customers’ needs,” said Bibelhausen. “Our AC wall-mounted charging station is a solution that takes all of the factors of daily use into consideration, and with which we have attached particular value to simple assembly, availability, reliability and design”. The company received a lot of positive feedback in this regard at the

eMove360 in Munich. The investment in Wallbe GmbH that was announced in September will help the company to become established in the market. While Wallbe is an established company in the electromobility market with regard to its technology and product range, Weidmüller is an expert in the transmission of power, signals and data - an ideal combination.

Substantial investment in the company's future, and ongoing expansion of production, research and development

The company's future direction is being backed up by investment in the tens of millions in new products, infrastructure and technologies. "We have increased the volume again in comparison to previous years, and built up our presence in important growth markets," according to Berger. In June, Weidmüller opened a new production building in China with 14,000 square metres of total useful floor space. A new building with 450 square metres of office space and around 4,000 square metres of production and storage space was also opened in the important region of South-East Asia in November. "Asia is still one of Weidmüller's most important growth regions, and one of the drivers of our growth with an increase of just under four per cent in 2019," Berger explained.

Cautious but optimistic outlook for 2019

Despite numerous sources of uncertainty, the Executive Board of the Weidmüller Group is confident that it will be able to achieve growth in the low single digits in 2020. The German Electrical and Electronic Manufacturers' Association (ZVEI) anticipates growth of three per cent in 2020, while the German Mechanical Engineering Industry Association expects production to fall by four per cent and a drop in sales by two per cent. "Initial long-term indicators suggest a potential recovery half-way through the year," said Timmermann, optimistically, despite the political uncertainties, global trade disputes, the approach of Brexit and industrial turmoil as a result of electromobility. "We have built up a lot of expertise in 2019, and we are ready and willing to benefit when the market returns".

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Image caption: The Detmold-based electrical engineering company Weidmüller plans to continue growing in 2020 with solutions in the field of electromobility, among other things.

Weidmüller – your partner in industrial connectivity.

As experienced experts we support our customers and partners around the world with products, solutions and services in the industrial environment of power, signal and data. We are at home in their industries and markets and know the technological challenges of tomorrow. We are therefore continuously developing innovative, sustainable and useful solutions for their individual needs. Together we set standards in Industrial Connectivity.

The Weidmüller Group owns manufacturing plants, sales companies and representatives in more than 80 countries.

In its fiscal year 2018 Weidmüller achieved sales of 823 million Euros with 4,900 employees.

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