Anniversary Year in 2018 Generates Momentum for WAFIOS

Reutlingen, July 2019 – WAFIOS AG's anniversary year, 2018, proved a successful one from start to finish. At the latest instalment of its annual financial press conference, the company reported an increase in sales once again – allowing it to forge ahead with its development of innovative solutions and other pursuits. The company's key areas of focus have been e-mobility and robotics integration.

2018 was an eventful year for WAFIOS AG's technological advancements and financial development, but also gave the mechanical engineering company much to reflect on as it celebrated its 125th year in business. Addressing what the future had in store, the company's representatives reinforced their commitment to making Reutlingen the focus of operations. The latest construction projects that WAFIOS has undertaken are also proof of this. Its purchase of a 1,500 m² piece of land on Karlstrasse in the city center happened to include the former Stadt Reutlingen restaurant, providing the opportunity for further expansion directly next to the company premises. "WAFIOS is currently renovating the existing building so that it can be used for meetings, accommodating visitors, and providing more work stations in the future", explained Executive Board member Martin Holder. The company has also remodeled the entrance area in the main building on Silberburgstrasse and the customer parking lot at the center of the site – marking an important milestone in WAFIOS' development and an investment in its future.

Orders came in at a higher-than-average rate during the anniversary year, resulting in excellent key figures. As Executive Board members Dr. Uwe-Peter Weigmann (Speaker of the Board) and Martin Holder reported, both WAFIOS AG and the Group as a whole were able to achieve sales exceeding the previous year's figures by approximately 9.3 percent. WAFIOS AG closed the 2018 financial year on EUR 145.3 million and the Group on EUR 201.4 million (2017: EUR 132.9 and EUR 184.3 million respectively). After tax, the Group's result represented a rise of 35 percent to EUR 7.5 million. Despite this, the dividend distribution amounted to a moderate EUR 2.25 million or EUR 0.75 per share (compared to EUR 2.4 million or EUR 0.80 per share in the previous year), indicating the shareholders' desire to establish a firm capital base that would put the company in a healthier position in the event of a financial slump.

"The positive results that had been achieved in the previous year continued in the first two months of this year. Since March 2019, however, the incoming orders situation has been showing the effects of the crisis being experienced in the automotive sector. We believe that this decline has been caused by a combination of the diesel scandal in Germany, the dual approval procedure brought about by the WLTP for exhaust gas, and uncertainty surrounding the developments being made in the field of e-mobility. This has resulted in a fall in the number of cars sold, which means that our customers are supplying fewer springs and wire parts to the automotive industry and, in turn, are less inclined to make investments in new machinery", explained Dr. Uwe-Peter Weigmann. While the expansion of e-mobility is generating some new momentum, some automotive supplier industry players have also expressed reservations about the field, leading to a more cautious attitude toward business.

WAFIOS AG
Silberburgstraße 5, 72764 Reutlingen
Germany

Phone +49 (71 21) 146-0
Fax +49 (71 21) 49 12 09
sales@wafios.de - www.wafios.com

Chairman of the Supervisory Board
Hanns-Gerhard Rösch
HRB 353427 Stuttgart

Members of the Executive Board
Martin Holder,
Dr.-Ing. Uwe-Peter Weigmann (Speaker)

The area of e-mobility is picking up speed – a contrast to the general trend seen in the automotive industry. Special formed parts made from copper materials, such as busbars, and components known as hairpins in motors both require electric drives. “We have managed to establish a new

area of business thanks to the development activities that we have been conducting since 2016. Not only have we produced prototypes for hairpins, but we have also managed to deliver several machines to end customers”, explained Dr. Uwe-Peter Weigmann. Steel materials, generally with round cross-sections, have been a prominent feature of the company’s portfolio to date. However, copper-based raw materials with a plastic coating to provide electrical insulation have also introduced rectangular cross-sections in some cases too. Combining WAFIOS’s existing torsion spring bending technology with tube bending tools has led to new patent pending solutions for copper parts. In tube-bending activities, one of the aims is to avoid damaging the tube – but when it comes to bending copper, it is damage to the insulation material that needs to be prevented. In this case, there are certain tool methods drawn from tube-bending applications that are ideal for bending operations on insulated copper parts. “We are rising to the challenge that this new development is presenting, and believe it will represent a key market for our company in the future”, said Dr. Uwe-Peter Weigmann.

Robots come to the fore in forming technology. Another crucial item on the agenda was the use of robots in production. Programming a robot and integrating it into a process is a laborious task because of the complex motion sequences that the robot has to accomplish. While many companies shy away from engaging in this and instead settle for less productive methods, WAFIOS is fully on board with merging the operations of robots and bending machines with one another. The company’s WPS 3.2 EasyWay machine control, developed in Reutlingen, makes it possible to control machinery and robots by means of a shared user interface – so there is no need to program robots separately. WAFIOS in fact presented several TWISTER² production cells for tube forming at its in-house exhibition that took place at the company’s Wuppertal site back in May. The expert audience that attended the event was amazed by the exceptional ease and user-friendliness with which it was possible to integrate a robot into common processes.

Exceptional speed and outstanding precision. WAFIOS is continuing to develop high-speed solutions and maintain superb standards of accuracy in forming products. One example is its new compression spring winding machine featuring a patent pending feed unit, which has managed to reach a record feed speed of 600 m/min for the first time. Another is the company’s camera-based precision measurement system. which works in-process to monitor the quality of bent parts after straightening, achieving significant time savings as a result.

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sales@wafios.de - www.wafios.com

Fig. 1 The members of the WAFIOS AG Executive Board, Dr. Uwe-Peter Weigmann (left, also the Speaker) and Martin Holder.

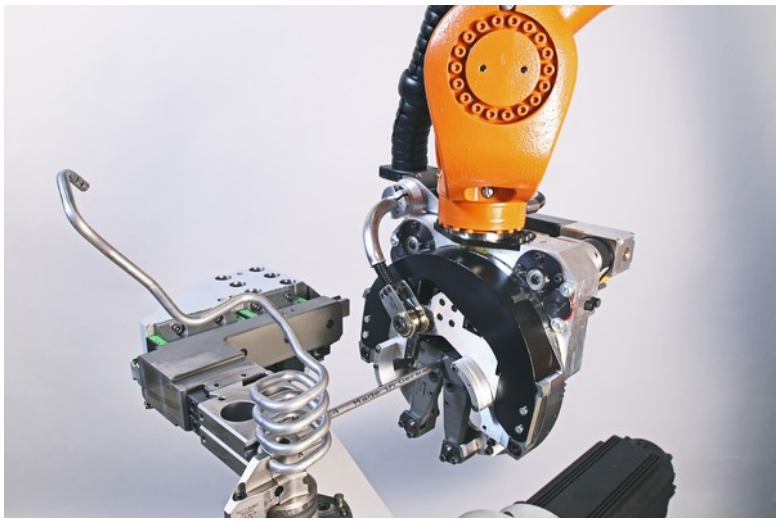

Fig. 2 TWISTER². Robots are playing an increasingly significant role in forming technology. WAFIOS integrates these high-tech units into its own machine control, making it easier to program complex motion sequences.

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