

## PRESS RELEASE

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### **Witzenmann Group successfully concludes the year 2016**

*Pforzheim, 28.04.2017*

*The Pforzheim-based family-owned company achieves turnover at the level of the previous year*

Last year the Witzenmann Group recorded a slight decrease in turnover of €8 million to €570 million and cannot quite achieve the record high of 2015 (€578 million).

The decrease compared with the previous year is -1%. Adjusted for exchange rate effects, the turnover is almost at the same level as 2015, however.

#### **Germany with plus – Asia stable and America with minus**

Turnover in Germany in 2016 grew by 4% to €182 million. The group was able to achieve a slight growth in turnover within Europe of 1% to €180 million.

Turnover in Asia remained at the prior year's level of about €98 million. In America, the turnover decreased by 13% to €109 million primarily due to the weak market-related demand in the commercial vehicle sector.

In 2016, 32% of total turnover in Germany, 32% within Europe and 36% outside of Europe was achieved.

#### **Automotive business with the largest share – difficult market environment in the industrial business segment**

The automotive industry business segment has accounted for the largest share of turnover (cars, trucks) in the Witzenmann Group. The order of magnitude of the turnover remained almost unchanged. A strong rise in turnover in the passenger car segment compensated for the weaker demand in the lorry segment.

In the industrial sector, the turnover compared with the previous year fell by -4% (€6 million) due to the weak demand in the construction equipment and agriculture machinery as well as large engine sector. Positive impulses as a result of European large-scale plant construction were not posted in 2016. In the industrial business segment, the turnover was therefore relatively stable despite a tough market environment.

Technical building equipment posted a slight decrease in turnover (-€2 million or -5%) and aerospace posted a strong increase (+€1 million or +19%), but still at a low level.

The turnover of the Witzenmann GmbH was lower compared to 2015 (-5%) but at €289 million was better than planned (€281 million). The decrease in turnover depends largely on the reorganisation of the technical building equipment business activities and on their allocation to the Witzenmann-Speck GmbH subsidiary.

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€36 million were invested in 2016. €46 million have been planned this year. The investment ratio of 8% is at an exceptionally high level, and underscores the intention to grow further.

### **The number of corporate employees continues to rise**

Despite the stagnation in turnover, the number of employees increased in 2016. At the end of 2016, 4,158 people were employed at the Witzenmann Group. Employment in countries both within and outside Europe has increased, where subsidiaries are being consolidated for further growth. In the meantime, more than 50% of employees work at the foreign companies. The number of employees in Germany is stable at around 1,900, of whom 85% work at the Pforzheim-based headquarters in an increasing number of tasks involving the coordination and management of the group.

### **Strategic planning for the future**

Despite the anticipated changes in the mobility markets, Witzenmann continues to focus on growth. A successive expansion of the product portfolio, the development of new fields of application and the extension of the service business will contribute substantially to this.

Furthermore, as a development partner of its customers, Witzenmann is focussing on strategic innovation management, which also deals with new processes and procedures and entails the development of new business models.

With regard to megatrends and future issues, those responsible at the Witzenmann Group are working on adapting and further developing the corporate strategy beyond 2025.

### **Successful start to the fiscal year 2017**

In general, the economy for this year is being viewed as more favourable compared to the previous year despite all political and economic risks. After the restrained development in turnover last year, the Witzenmann Group plans a growth in turnover of almost €600 million in 2017 (2016: €570 million). This corresponds to an increase of more than 4%. Business activity in the 1st quarter has increased more noticeably than expected. The turnover in the first quarter was €159 million and stands out very positively compared to the previous quarters. From the current perspective, the turnover prospect is therefore better than expected in the planning.

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**The Witzenmann Group**

The Witzenmann Group is the world's leading manufacturer of flexible metal tubes, expansion joints, metal bellows and automotive components. Around 4,100 employees at 24 companies in 19 different countries develop and produce tailor-made solutions for customers from all branches of industry. Witzenmann is a global technological leader within its sector and offers both an extensive product range and broad expertise in the field of flexible metallic pipeline elements.

**Photo 1:**

**Photo 2:**