

# Germany - The foundation for European growth

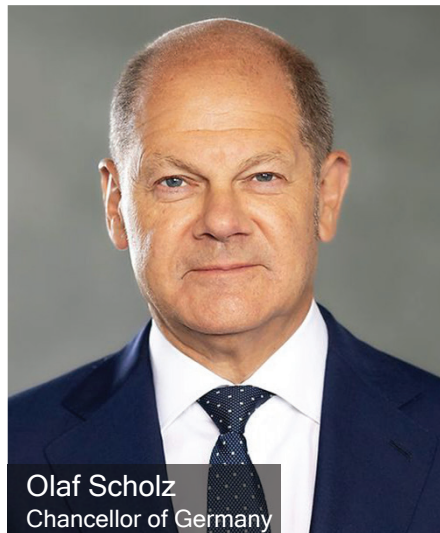
According to the German Federal Statistics Office, Germany's GDP increased by 1.9% in 2022 and exceeded pre-pandemic levels. Hence, despite Europe's current situation, "the German economy is starting the new year with more confidence," said the ifo Institute's president, Clemens Fuest, after its business climate index rose to 90.2 in January 2023, up from 88.6 in December 2022.

Germany's resiliency against recent economic shocks comes primarily from its longstanding fiscal stimulus policy, and the country's government considers it to be both a massive opportunity and a duty to future-proof its growth by supporting the global drive for sustainable energy production. Germany now plans to invest EUR 40B to help households and businesses deal with the energy crisis caused by Russia's war with Ukraine and has committed EUR 200B by 2026 to reach its ambitious climate targets.

Speaking at the World Economic Forum at Davos in January 2023, Germany's chancellor, Olaf Scholz, stated that "industrial production in Germany has remained stable over the past few months, against all the odds. Our employment rate is at record levels and has recently increased even further. Most importantly, our transformation toward a climate-neutral economy - the fundamental task of our century - is currently taking on an entirely new dynamic... within a few months, Germany made itself completely independent from Russian gas... and we intend to step up the pace even more." Scholz also expressed his desire to make this same "German speed... the benchmark for the transformation of the economy as a whole." For Scholz, Germany's swift transformation is thanks to the "thousands of small and medium-sized enterprises all across the country. Enterprises that are highly innovative and adaptable - which explains why they are so often global leaders," and he stated that his government is "looking at what we ourselves can do to further improve investment conditions here in Europe."

Internationally speaking, the ifo's confidence remains underwhelming compared to that shared by the 5,700 international companies that helped complete a staggering 7,200 investment projects in Germany between 2015-2020, according to the Financial Times Group's fDi Markets database. In 2020 alone, about 1,000 projects were recorded, placing Germany third worldwide in terms of FDI projects attracted - a remarkable feat given the pandemic. Then, for 2021, the German government agency GTAI recorded 1,806 international companies launching in Germany and 229 M&A deals in which foreign investors bought more than 50% of shares.

Significantly, one in five of those 1,806 international companies used Germany as a



Olaf Scholz  
Chancellor of Germany

production base or R&D location, highlighting the country's enormous industrial capacity and wealth of technical knowledge. The majority of FDI went towards finance, manufacturing and trade, ICT, and real estate, but Germany is also Europe's top location for electronics and chemicals production. Ultimately, however, Germany's "diversified, high value-added economy" and "strong external position" is "underpinned by its large, competitive and export-oriented manufacturing sector," according to Fitch Ratings, which affirmed the country at AAA - 'Stable Outlook' - in October 2022. Promisingly, Germany's export-economy is set for a boost as its number-one trading partner, China, reopens and relaxes its Covid-19 restrictions, according to Reuters - this follows as German exports reached a record high of €142.8B in November 2022.

Germany ranked 8th on the WIPO 2022 Global Innovation Index, outperforming the regional average in business and market sophistication; infrastructure; human capital and research; and knowledge and technology output. The index also ranked Germany first in the world for logistics performance and second in terms of global corporate R&D investors. "Our infrastructure system is second to none, as is the level of education amongst our workforces," said Carolin Langer, Managing Partner of Wilhelm Layher. "People take pride in what they do, and as a manufacturing

company, we've certainly benefitted from that dedication and drive. When we needed more capacity during the pandemic, we found people willing to work on bank holidays, Saturday nights, and Sunday mornings," reflects Georg Layher, Managing Partner of Wilhelm Layher.

Moreover, the continuous exchange of manpower and knowledge enabled by the sheer size of Germany's market and global presence makes it invaluable to international investors. Germany comprises the largest consumer market in the European Union, with its 80-million-plus population contributing approximately one-fifth of the EU-27 population. But whilst its traditional strengths lie in chemicals, manufacturing, and the automotive industry, Germany's pool of highly skilled and trained workforces - the largest in Europe - has helped German companies seize the new opportunities that globalisation has presented them with. "Medium and large-sized German companies understand that they cannot always succeed alone - the international market is best accessed by working together, rather than everyone developing their own solutions. Whether domestically or internationally, we're very receptive as a country to joint efforts," said Schmidt Kranz Group's CEO, Mortimer Glinz.

Today, "Made in Germany" remains one of the world's most recognisable and highly regarded brands and has long been a magnet for international investors seeking partnerships based on knowledge, quality, and trust. But as with Germany's drive for globalisation, German industry leaders understand that they must rely on more than Germany's brand image to remain competitive. "We have to enlarge our effort to maintain Germany's strong brand for the long term. It's up to German industry to create the German brand image of the future," said Friedhelm Loh's chairman, Friedhelm Loh, who added, "what is also crucial is that medium-sized companies here have a fundamental capability of execution. Industry 4.0 is not just a buzzword here; it has been implemented for a while. For future businesses, the rising demands of digitalisation require a different type of skilled workforce, and that's what Germany can provide. Above all, the mindset in Germany is key - it's customer-centric. Our working culture is geared towards flexibility and a diverse clientele; it's something that German companies understand very well."

# Friedhelm Loh Group

Helping Germany's Mittelstand keep pace with global digitalisation

German business morale rose more than expected in the final months of 2022, with the ifo Institute revising its December business climate index upwards from 86.4 to 88.6, reflecting a surge in consumer spending despite the continent-wide energy crisis. Meanwhile, as supply chains stabilised, Germany recorded a stronger than expected Q3 2022 GDP expansion - 0.4% against an initial projection of 0.3% - according to Bloomberg, a defiant performance in the face of market volatilities caused by Russia's war with Ukraine.

Home to an unparalleled density of innovation-focused small and medium-sized enterprises, Germany's software market is the largest in Europe, according to the German economic development agency (GTAI). The country has quickly established itself as an industry 4.0 world leader. Germany is now leveraging its position as the second biggest exporter of machines and equipment to unlock real-world digital synergies within advanced manufacturing and consolidate its reputation as the world's factory outfitter in the new industrial revolution.

Founded in 1961 with the first company Rittal, the Friedhelm Loh Group is today a leading family-owned German business comprising small and medium-sized enterprises - and supports these targets. Through its companies, Friedhelm Loh Group develops innovative products and system solutions to optimise and industrialise companies' value chains in multiple industries worldwide.

Rudolf Loh founded the first company with a new idea: Standardised enclosures for electrical control systems. "When my father started with Rittal, the main thing he was looking for was an industrial product that lent itself to high quantity production," says today's Group's owner and chairman, Friedhelm Loh. During the 1970s and 1980s, the group founded international subsidiaries and leveraged its portfolio. Rittal, the world's leading supplier of enclosures, expanded its offering also to power distribution, climate control, and IT infrastructure. In these days Friedhelm Loh also invested in Eplan, today Europe's number-one software solutions provider for electrical automation engineering; and founded Stahlo and LKH, innovative steel and plastic solutions providers, to extend its vertical integration - as a launchpad for its worldwide growth.

The 1990s saw the Group expand into Britain, India, and China. Now it has over 90 subsidiaries, owns 1,500 worldwide patents and sticks to its very first USPs: System solutions with standardized components, configurable to optimise customers' value chains, highly available from stock - which Friedhelm Loh believes was the key to



Prof. Dr. Friedhelm Loh  
Owner and Chairman

the company's performance during the pandemic. "Our patented innovations that fit into the processes of our customers, and our constant deliverability are the reason for our extraordinary success. The Group's products and services are in use across 90% of all industries worldwide," he says.

Friedhelm Loh Group subsequently generated revenues of €2.5B in 2021, with Eplan's and Rittal's combination of hardware and software solutions as the main driver of growth. The target: Standardising and industrialising the individual processes of the customers through modular solutions and domain knowledge of their business. This customer-centric DNA is the base to outperform the market. The Group offers its customers hardware, software, and process competency along their whole value chains, optimising every step from engineering through to manufacturing to operations and service. The result are time savings of up to 50% and the database for further digitalisation. "We're not just adding value to our customers; we're doing so in a way that prepares them for the digital future. It's a game-changer," says Loh, adding, "the overwhelming feedback we receive from customers is that our complete systems - and its digital twins - are helping them be successful in what they do.

Our solutions help transform the industry."

Looking ahead to an electrical future, Friedhelm Loh Group is ideally placed to capitalise on the high-growth market niches arising from it. Energy & Power solutions are one of the core pillars in the Rittal business strategy. With its start-up German Edge Cloud the group already offers Best-in-class digital industrial IIoT solutions for data transparency and efficiency in operations. Loh's companies Rittal, Eplan, German Edge Cloud, and Cideon - specialists for digital twins in automation, product design and operations - are already helping customers achieve core Industry 4.0 advantages and drive progress in smart, digitally networked production processes - tested and proven in the group's own Industry 4.0 factory. As a co-founder to the Gaia-X and Catena-X initiatives - major European projects to strengthen data sovereignty across key industries - Friedhelm Loh Group is using its edge and cloud portfolio to enable the digital independence of Europe's SMEs and hidden champions.

Friedhelm Loh is confident in the Group's enduring power to transform its operating markets, but ultimately, he believes that future customer requirements always take priority. He is thus open to partnerships that help improve its customers' competitive position.

Based in Hesse, Friedhelm Loh Group is the ideal ambassador for Germany's newly built reputation as a digital frontrunner in industry and an example of the proven engineering tradition which lies behind it. The combination of competencies - from hardware and software solutions through to comprehensive domain knowledge for solving the customers' challenges with start-ups like German Edge Cloud or well-established companies like Rittal is unique in German Industry. It results from the guiding principle: To be close to the customer in every step of their processes. The Group has also been voted as Germany's leading employer by the Top Employers Institute for fourteen years running.

FRIEDHELM  
**LOH**  
GROUP

# SICK AG

## World-leading sensor company enabling the factory of the future

Fuelled by its thriving 'Mittelstand' of small and medium-sized enterprises (SME), Germany has fast become one of the world's most innovative countries. Germany submitted a record 26,000 patent applications to the European Patent Office (EPO) in 2020 and ranks first worldwide for patent applications per capita. Meanwhile, Germany ranks behind only China and the USA in terms of its value of exports, which reached 1.63T in 2021, according to Statista. Across the world, "Made in Germany" is synonymous with high-precision engineering and exceptional reliability, and the country's highly qualified workforce has set international benchmarks in numerous industries.

As the megatrends of Industry 4.0 and smart manufacturing envelop the global technology sector, many of Germany's SMEs have come out of the pandemic urgent to complete their digital transformation. However, according to a study conducted by Deloitte on the future of Germany's technology sector in 2030, although globally competitive, the sector's frontrunner status depends on overcoming "the fragmentation of offerings" and the lack of "integrated capabilities" between hardware and software companies. German tech companies must, says Deloitte, focus on software and B2B business, invest in Analytics and AI, and reinforce the high-margin special hardware business, such as sensors, cameras, and robots. In the field of intelligent sensors, the company SICK is driving forward precisely these developments and is building the bridge from the physical sensor to digital applications for automation.

Founded in 1946, SICK is one of the world's leading manufacturers of industrial sensors, helping industries worldwide achieve their digitalisation, automation, and smart manufacturing ambitions. SICK maintains a strong global presence with more than 50 subsidiaries and 11,000 employees worldwide and firmly believes in the transformative power of smart sensor technology.

"Our roots lie in constantly bringing innovative sensors successfully to the market. Today we do more, we leverage 'sensor intelligence' - our unique way of capturing reality in the form of data," says Mats Gökstorp, CEO of SICK. SICK's unique portfolio of intelligent sensors optimises productivity, safety and sustainability across three main business divisions - factory automation, logistics automation, and process automation. Some recent examples include SICK's TriSpector1000 3D vision sensor, used across battery factories to increase the accuracy of battery components inspection, and nanoScan3, a high-precision safety sensor solution for mobile and stationary robot applications. Additionally, rapidly fast commissioning of safety sensor solutions is achieved through an augmented reality smart phone App called SARA. Empowering a digitally networked factory, SICK is supplier to a large number of



Mats Gökstorp  
CEO

world leading companies in the markets SICK serves, across Europe, Americas and Asia.

Logistically, SICK enables traditional brick-and-mortar stores to keep pace with the pandemic-induced boom in e-commerce and widen their digital transformation. The company's deep learning sensor system packages dramatically improve the performance of delivery and fulfilment centres through intelligent networking and real-time diagnostics.

Whilst SICK has helped others complete their digital transformation, the company's own pandemic experience tells a similar story. According to Gökstorp, SICK rapidly switched to "virtual collaboration," completing its digitalisation leapfrog by the end of 2020. Consequently, SICK's FY21 figures far exceeded the company's forecasts, with sales rising to €2.0B - up by 15.5% on FY20 - and net income reaching €148M - up 46.2% on FY20. "We live in a hybrid world - both virtual and physical - and we're harnessing both to push the limits of what is technologically possible," he says.

Going forward, Gökstorp believes that SICK's core business will remain within industrial markets. However, he is also confident that as these markets evolve in line with AI and digitalisation trends, SICK is poised to capitalise from the resulting

exponential growth in demand for sensors. "If you look at the automotive industry, not only has the manufacturing of cars changed, but the cars themselves have too - from combustion to electric and manual to automated drivability. From a smart manufacturing perspective, we're able to navigate this change for our customers," says Gökstorp. Whilst prioritising organic growth, SICK is also not afraid to drive growth through strategic acquisitions. SICK recently acquired the Croatian cloud-based company MOBILISIS, which provides digital logistics systems and perfectly complements its sensor-based cloud and edge solutions portfolio.

Since the pandemic, SICK has observed significant catch-up effects in high-growth regions like Asia, and the company is now looking to further increase its already strong presence in the opportunity-rich markets of Europe and North America, particularly in the USA. Ultimately, what distinguishes SICK from its worldwide competitors is that it understands the digital transformation complexities behind software and hardware and can connect the two seamlessly to create a fully integrated, automated supply chain.

In the context of digital transformation, SICK's unrivalled ability to embed AI software communicability into its sensor hardware represents a total-package deal for business clients. For example, SICK's IO-Link sensor technology transforms sensors in an automation network into active process participants, enabling tailor-made 'smart tasks.' "We understand the total supply chain - that's the uniqueness and strength of SICK, and the real value we offer to clients," says Gökstorp.

SICK is committed to a greener future worldwide. SICK's flow meters are already helping shape Germany's energy transition by measuring the flow of gas containing hydrogen. This is not the only example of the company's purpose, which is emblematic of outstanding German engineering. Gökstorp: "Using technology for good, was the aim when the company was founded. We follow this directive more than ever and are very proud to uphold it," says Gökstorp.



# Layher

## Germany's leading scaffolding company invests in the future

Germany's economic resilience is best exhibited by its world-renowned manufacturing and construction sector. The construction sector has become one of the major backbones of the German economy over recent years, with expertise ranging from single-family home builds to building and maintaining large industrial plants, such as in the processing industry.

One company with a long and successful history in the German construction industry is Layher. Founded in 1945 by Wilhelm Layher, the family-owned company is now the largest manufacturer of scaffolding systems and height access solutions worldwide and provides a quality service to customers in the scaffolding, crafts, construction, industry and events business. Alongside an impressive worldwide market share, Layher also has an extensive service network, including subsidiaries in more than 40 countries, such as in the USA and Australia. Due to double-digit growth rates, the company is on track for a €1B turnover soon.

Layher's success as the global leader in scaffolding is embedded in the way it approaches business. Their customer's success, by making it easier, safer, and more profitable to work at height, is the company's overriding priority - requiring an end-to-end approach to both products and services. This relies on the company's employees who are dedicated, disciplined, and "crazy for scaffolding," reveals Georg Layher, Managing Partner of Layher. Scaffolding is a team exercise, and Layher takes teamwork seriously. The company's special relationships with all customers have been developed through trust and sustained by employee authority. "We all rely on one another and our passion for this industry to be successful. We are dependent on the brains of our employees, if we don't give them responsibility it doesn't work," says Carolin Langer, Managing Partner of Layher.

With an exceptional reputation for innovative scaffolding solutions and extensive services such as a high material availability, expert advice on applications, and on-site field service, as well as training and seminars, Layher's revenue, global presence, and number of employees have continued to grow despite the pandemic. The company has been smart in its investments and is currently building its 3rd production plant to meet growing

demand. All plants are highly automated to maximise cost-efficiency and enables Layher to continue producing exclusively in Germany to the highest standards. By keeping development, production, sales, distribution and management in one place, Layher has the capacity to scale production and respond rapidly to its customers' requirements. Layher also maintains an excellent and long-lasting relationship with all their material suppliers, which is key to the company's reliable use of materials - such as special high-tensile steel.

Layher's strong global presence has been developed through a focused strategy of exporting to new markets. Through a global network of subsidiaries and more than 140 service-centres worldwide, the families Langer and Layher ensure that they are always close to customers



and their challenges. "Our employees understand the local culture, and the local market, and gear our products and services accordingly", assures Georg Layher. With 4 service-centres in Alabama, Baltimore, Florida and Texas as well as sales offices in California and the Boston area, the company is now focused on increasing its presence in the USA's markets even further, with strengths in the processing industry - such as chemical and petrochemical plants. Combining safety and speed, Layher offers potential customers many advantages; from saving wages to reducing the downtime of plants and greatly increasing occupational safety, Layher solutions are the ideal choice for companies in the processing industry.



Carolin Langer  
Managing Partner

Georg Layher  
Managing Partner

Alongside offering the best quality scaffolding products in the world, the company is driven by customer satisfaction and prides itself on enabling customers to diversify and increase their competitiveness through tailor-made solutions. Unlike many of its competitors, Layher's high manufacturing capacity allows it to supply instantaneously to its customers. Most of the company's customer base consists of specialised scaffolding companies who invest in Layher equipment, rent, assemble and then dismantle it. To ensure that customers get the most out of its scaffolding systems, the company now incorporates digital services. Its latest innovation, Layher SIM (Scaffolding Information Modeling), makes the scaffolding construction process more efficient and greatly increases flexibility and safety. "We are providing the only tool that our customers ever use, and we support them in all aspects of business: scaffolding design, logistics, engineering, and even financing. Customers greatly appreciate our 'one-stop shop' solution," says Georg Layher.

**Layher** 

More Possibilities. The Scaffolding System.

# Willi Elbe Group

## Automotive success lays its foundation for the future

Known around the world for its highly educated professional labour force, Germany is Europe's largest economy and the third largest export nation in the world. Despite economic and political uncertainties, Germany's labour market remains as robust as ever and the country has confidently built up its gas storage supplies to be fully prepared for any shortfall in Russian supplies, with normal growth set to return by spring 2023, according to KPMG.

One of Germany's most important sectors is manufacturing, the backbone of which being its prized automotive industry. The country counts six of Europe's top ten manufacturers amongst its ranks, three of which are automotive companies, with the market-leading industry one of the largest employers in the world. Even better, the automotive industry is the most innovative of all German sectors, accounting for 34.1% of the country's total R&D expenditure (€71B) in 2020, according to GTAI figures. The association of the German Automotive Industry (VDA) is expecting 2.8 million new-car registrations in 2022, up 7% year on year, which is the highest in Europe. Germany also leads

offers creative engineering solutions to global partners and is the market leader in lightweight steering systems. The company is headquartered in Tamm, near Stuttgart, with production sites in Germany, Norway, and Bulgaria, alongside global plants in China and Mexico.

The company has recently undergone a restructuring to support its growth opportunities - with a specific focus on international markets. As part of the AEQUITA Industry Group, Willi Elbe understands that fast growth has to be met with a certain style of leadership and management to ensure its sustainability and maintain professionalism. "After an imminent risk of growing too fast, the company's growth

for acquisition opportunities, financial investors, and new clients outside of Germany, with a goal to enter the US' lucrative automotive sector within 3 years. WE Group boasts an impressive track record of delivering quality solutions to global partners, winning the highly-coveted industry award, 'International Truck of the Year,' in 2019 for supplying the complete steering system to Ford's F-Max (built by Ford Otosan, Turkey). As a testament to the high satisfaction of the company's Turkish customers, WE Group received further orders for steering supplies in 2019 to continue until 2027 with 10,500 units per year.

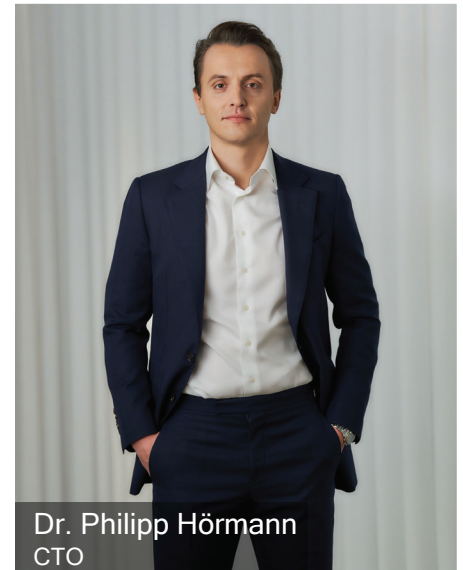
WE Group is conscious of the responsibility of care it has towards its customers and prides



Lukas Krahe  
CRO/CFO



Alexander Güntzel  
COO



Dr. Philipp Hörmann  
CTO

Europe in passenger car production - with figures double that of the next largest producer, Spain - and experiences a strong global demand, with 23% of all cars produced globally manufactured in Germany. The enterprise landscape of the industry benefits from a highly diverse set of company sizes, according to McKinsey, with family-run businesses of 50 employees or less collaborating and innovating beside large corporate groups with over 20,000 employees.

One company benefitting from Germany's outstanding automotive sector is the Willi Elbe Group. Founded in 1951 by Willi Elbe, the company has a well-respected history of supplying highly innovative steering and driveline technology to the automotive sector. With a wealth of experience in R&D and production expertise as a tier-1 supplier to the automotive sector, WE Group now

trajectory has been fully stabilised," says WE Group's CRO Lukas Krahe. The company prides itself on the consistency and long-term reliability of its products, and the restructuring will enable greater oversight along the whole chain of production to continue its flawless record. Whilst WE Group's priority is the automotive sector; the company also sees a strong potential in using its deep technological know-how to supply to other sectors. "We have core competencies in manufacturing, especially in aluminium. Why not apply our strengths to other sectors?" says COO Alexander Güntzel.

In addition to the company's internal growth, WE Group is heavily focused on increasing its international presence, as well as the range of products it offers, through mergers and acquisitions. The company is currently looking

itself on delivering on its history of quality and safety. Steering systems are sold on reliability, driver safety, and, above all, trust in the product's engineering and the expertise of the people who manufacture it. There is no better - or safer - location for an automotive company than Germany, a country known globally for its extensive highly skilled workforce - and WE Group intends to take full advantage of this. "We will make even greater efforts with the aim of extracting the most out of our premium talent and fulfilling our priority of making driver-safety financially accessible for all," says CTO Dr. Philipp Hörmann. It is fair to say that WE Group's innovative vision has enabled it to adapt and grow to meet consumer needs now and in the future.



# Delticom AG

## More good years to come for Europe's leading online tyre retailer

Aiming to become the “world’s supplier” in the coming decades, Germany houses Europe’s largest and most important economy. Situated at the nexus of the world’s largest economic area - the EU - Germany offers investors a plethora of well-established contacts to the European markets with the highest trade volumes, including the emerging markets of Central and Eastern Europe, as well as a secure and stable environment. Germany ranked 8th on the latest Corruptions Perceptions Index and in the top 10 globally for FDI inflows and outflows, according to the World Investment Report 2022.

As the world’s leading exporter of cars, Germany is the epicentre of the global automobile industry. And with stringent regulations regarding the periodical replacement of tyres and minimum tread depth, Germany is also the dominant country in Europe’s tyre market, where online sales channels account for 20% of the total market share. And whilst traditional tyre manufacturers have now embraced e-commerce sales, the market remains skewed towards digital-first online retailers, who benefit from extra Industry 4.0 experience, dynamic pricing, and higher overall margins.

Founded in 1999, Delticom AG is Europe’s largest online tyre retailer, with over 400 online shops and 30,000 garages spanning more than 70 countries worldwide. Delticom is primarily active in Europe and manages a portfolio covering B2C and B2B e-commerce services and marketplaces - such as Reifendirekt.de, the leading B2C tyre site in Germany and several European countries.

Delticom has always been at least two steps ahead of the competition, opening Germany’s first online B2C and B2B tyre shops in early 2000 and England’s later that year. By 2006, Delticom had launched in the USA, becoming one of a select few e-commerce companies to successfully make the leap from Europe to the USA, and was present in all European countries - subsequently being listed on the German Stock Exchange’s Prime Standard. The 2010s proved highly lucrative for the company, with solid growth, impressive financials, and new winter tyre regulations exciting investors and helping to diversify its portfolio.

“As we are now in all European markets, our present focus is to strengthen our brands and increase our market share of online tyre sales,” says Delticom’s co-founder & co-owner, Andreas Prüfer. Delticom’s market share of the online tyre market sits at roughly 30% and the company employs decades of expertise in designing efficient, fully integrated, high-coverage logistics processes to appeal to the younger generation and persuade people who would not usually think to purchase tyres online.

Ultimately, what distinguishes Delticom from its competition is the level of customer service it



Andreas Prüfer  
Co-Founder & Co-Owner

provides - despite dealing with incredibly complex logistics processes daily. Delticom’s cutting-edge global logistics facilities include a newly commissioned warehouse in Ensisheim, France, alongside warehouses in Germany, Romania, and Slovakia. Delticom’s vast infrastructural network supports customers with a rapid supply rate during seasonal peaks, even in niche sizes.

Delticom’s customers benefit from lower prices, special offers, and an unprecedented range of 600-plus tyres, including the company’s in-house brand, Star Performer. Meanwhile, Delticom’s garage partners benefit from exclusive purchasing conditions - no minimum order quantity or shipping costs, total flexibility, and a 30-day return policy.

Delticom generated revenues of more than €500M in FY22, and whilst others serving the automobile industry may struggle to navigate the future of electric car dominance, Delticom is ideally positioned to capitalise on it. “There’s a massive technology shift with electric cars. You no longer need engine oil or engine repair services. The only things left are tyres and windscreen wipers - and many

suggest that the higher torque, different driving habits, and increased weight associated with electric cars will lead to faster tyre degradation, which is good for business,” says Prüfer.

Delticom is now looking to expand and explore new partnerships with manufacturers and suppliers worldwide. “We already buy tyres from Asia, Africa, and North America and supply to those regions, but we want to extend those business opportunities. The goal now is to establish our European business model in these regions through cooperation with other industry leaders - whether in purchasing, buying, or e-commerce,” says Prüfer. Delticom already enjoys strong relationships with multiple Asian manufacturers, particularly those in Japan, as well as with US and Canadian investors. In January 2021, Delticom sold Delticom US as a cash injection to explore more opportunities in the USA and also launched its new workshop partner concept, enabling its 30,000 partner garages to tap into its e-commerce customer base free of charge.

As a digital-first company and industry leader, Delticom keenly understands upcoming digital trends and new market opportunities. The company’s latest innovation hopes to optimise customer experience by utilising artificial intelligence across its websites, such as generating automatic answers to customer queries. “Our priority is always the customer. We have 170 employees, 600 people in Eastern Europe, and 250 suppliers working for us. Our international teams help the business run smoothly and ensure a seamless customer experience,” says Prüfer.

Delticom perfectly embodies how Germany is harnessing its worldwide reputation for quality-orientated manufacturing and the tech-driven aspirations of its younger generation to bolster its global presence. For Prüfer, Germany’s brand recognition has helped to open many doors internationally. “We’re proud to be a German company, it’s always been a great selling point. The trust is there - to invest in us and the country,” he says.

To contact: [delti.com/en/company/contact/](https://delti.com/en/company/contact/)

**DELTIKOM**  
Aktiengesellschaft

# Beckhoff

## German automation leader at the heart of revolutionary innovation

Germany is one of the world's most international economies after the USA, China, and Japan, owing to its national focus on innovation and international exports. Since 1990, Germany's total foreign investment abroad has increased five-fold to more than €1T, and, in 2020, Germany's investment in research and development rose to €106B, enabling the country's economic core of medium-sized companies to maintain excellent performance throughout the Covid-19 pandemic.

Germany boasts the most automated economy in the EU and accounts for 33% of Europe's automation inventory. Globally, Germany ranks fifth after China, Japan, Korea, and the USA for the number of industrial robots in use and is a major supplier to the Chinese and American manufacturing markets. Despite the impact of the Covid-19 pandemic, the automation industry is experiencing a boom, with an order intake increase of 38% year-over-year as of April 2022 and integrated assembly solutions the biggest gainer.

Founded in 1980, Beckhoff is one of the largest privately held automation companies and a global standard-setter for PC-based control technology. Started in a garage by its owner, Hans Beckhoff, Beckhoff is now one of Germany's hidden champions (publicly less well-known international market leaders). The company supplies more than 20 industries, with subsidiaries across 40 countries; employs more than 5000 people, including 2000 engineers; and has a worldwide market share of about 3%.

Beckhoff is renowned for its Industrial PC-based control technology, building its first IPC for control applications as early as 1986. The fusion of information and automation technology proved incredibly successful for applications of all kinds of machinery, such as a tool-laser for packaging and semiconductor machinery. The same technology also controls modern production lines for batteries, electric engines, and smartphones. In other application areas, wind turbines, stage automation, as well as scientific research are also controlled intelligently by Beckhoff systems.

To serve these different markets, Beckhoff offers a powerful automation platform, including all standard sequential and motion control, as well as vision, artificial intelligence, scientific engineering, and Industry 4.0 functionalities. With Beckhoff, engineers have the most advanced tools at their fingertips for implementing state-of-the-art functionality and efficiency in their projects.

Beckhoff sees itself as a technology company and is constantly improving automation technology - often through revolutionary quantum leaps. For instance, the Beckhoff bus terminal, the EtherCAT communication



Hans Beckhoff  
Managing Director

protocol, and many other Beckhoff inventions have become world standards.

Beckhoff's factories remained open throughout the Covid-19 pandemic, maintaining the company's strong output and supply levels. "From our point of view, it was a difficult but extremely successful period. Our employees and engineers bravely kept production running smoothly and ensured that all customer orders were fulfilled," says Hans. As a testament, Beckhoff saw an increase in sales by nearly 30% in 2021, becoming a €1B company in the process, and has maintained a full order book for the entirety of 2022 so far.

Hans attributes much of his company's historic success to a strategy of "harmonic growth." Whilst driving expansion through buying small companies, Beckhoff focuses more on the technology they can offer than their market share. "We're growing in a way that the company can sustain. Over the past 22 years, we've grown at an average rate of 15% per year. Our business model is highly scalable, and we're now looking to scale up further," says Hans. By the end of this year, Beckhoff will have grown a further 20-23%

and is on track for €1.45B worldwide revenue.

Looking to the future, Beckhoff has invested in a sales channel designed to connect directly with customers and is constantly increasing its production capacity to drive new innovative market-changing products to market - with the final aim to become a €3B company by 2030. Recent examples include Beckhoff's XTS and XPlanar motion systems, which provide advanced linear and planar motion functionalities and allow for entirely new machine concepts. Another example is the MX-system, which will replace the conventional building of electrical cabinets!

At present, Beckhoff is strengthening its international network to increase its global presence further. Beckhoff already conducts two-thirds of its business internationally.

Customer satisfaction lies at the heart of Beckhoff's business philosophy, and the company offers bespoke customisation options across its product range. Beckhoff strives to provide the most intelligent, cutting-edge automation technology available on the market and manages this without sacrificing any of the traditional family values upon which the company is built. "Our focus on trust-based business and long-term relationships is why so many worldwide specialists want to work with us. As a high-tech company with a traditional approach, we are unique in our industry," says Hans.

For Hans, Beckhoff's future success is not only good for business but good for the environment. As climate change continues to build tensions in the form of increased demand for limited resources, technological advances will play a major role in resolving this. The company thus feels it has a duty to help to educate the future generation of engineers and enable German industries to set the standard for future solutions. "Automation is an important base technology for all parts of our society, and our powerful system is perfectly suited for all these different applications," says Hans, adding: "The engineers have to save the world! Energy and resource reduction has to be achieved. Precise and intelligent automation is the key to it."

**BECKHOFF** New Automation Technology

# SCHMIDT KRANZ GROUP

## The future will be hydrogen powered!

Housing the fourth-largest economy in the world after the USA, China, and Japan, and ranked the best country for innovation by Forbes, Germany is on track for a bright future. Whilst being the leading exporter of machinery, vehicles and chemicals, the country also boasts a plethora of strong family-owned businesses. Accounting for more than 99 percent of all companies, small and medium-sized enterprises (SMEs) form the backbone of the economy. Germany is also the largest market in Europe and is already reaping the financial returns on its low-carbon initiatives, according to a recent PWC report.

Germany is a global pioneer in renewable energy and environmental technologies. In the first half of 2022, 50% of the country's power was produced through renewables. Following the government's policy transition to low-carbon, non-nuclear, sustainable energy - 'Energiewende' - the country's investment in renewables has skyrocketed. The "megatrends" of environmental protection and sustainability are boosting efficiency and technological development across all German industries, according to KPMG. One key sector for the country's transition to renewable energy is hydrogen energy. In June 2020 a €9B investment in hydrogen energy was announced under the National Hydrogen Strategy, with €2B earmarked for international partnerships, whilst a further €20B of the wider €177B energy shift acceleration package has been allocated to the development of the hydrogen energy sector specifically.

One of these successful SME's investing in green hydrogen is Schmidt Kranz Group. Founded in 1885, the family-owned business builds on over 130 years of experience and expertise in high-performing machines and component manufacturing. Today, it consists of several medium-sized groups of businesses and has an international presence in over 25 countries across the globe.

The company is now managed by the 4th generation of the family and holds an impressive entrepreneurial record in overcoming challenges. Today's generation faces the climate crisis. "Climate issues are putting us all under a lot of pressure, but ultimately they also push innovation and force us to find better solutions," says SK Group's CEO Mortimer Glinz.

The company, with roots in heavy machinery for the potash and salt mining industry, is now a major player in the hydrogen business. "We have always embraced innovation and flexibility. We recognised that the expertise within our companies, such as high-pressure technology and automation, were key to providing green



hydrogen as an alternative energy source. Today, we are focused on supporting this transformation to green hydrogen and are proud to be able to combine a successful business with such an important purpose."

Together, the group covers a comprehensive range of green hydrogen solutions: from production by electrolysis, to storage solutions, engineering of plant technology and components to complete hydrogen refuelling systems and testing solutions for hydrogen vessels. Its latest innovation uses the recycled and organic waste market to produce energy. This market is one of the biggest in the world and presents a unique opportunity with strong returns. SK's companies all focus on their core expertise but thrive on a strong culture of mutual cooperation and best-practise sharing. "We have combined a unique business model with our long-standing hydrogen know-how," says Mortimer Glinz, "and this is why we expect our hydrogen partners to grow between 50-100% during the next few years."

"We also believe that to be a successful business you have to recognise opportunities

for cooperation and share innovation," says Hans-Caspar Glinz, SK's President. Much of the company's international success is due to the trust, fairness, and flexibility partners can expect from the family-owned business. The partners are in full control of their day-to-day business, whilst the holding company supports them with long-term strategic direction, industry specific business development, and the financial implementation of core initiatives.

SK Group recently experienced a highly successful partnership in Switzerland with h2energy and companies like Avia, Migros and Coop, solving the problem of pollution-free infrastructure transportation using hydropower and hydrogen. Today, it boasts a 90% market share in the country's hydrogen refuelling stations. Alongside the European nations, the company counts China, India, Mexico, and the USA amongst its strongest markets for hydrogen. "If you are looking to do business in a joint venture without exchanging shares, like in Switzerland, we are able to develop a highly successful and trustful relationship," says Mortimer Glinz.

Located in the North Rhine-Westphalia, Germany's biggest region and the country's economic powerhouse, SK Group shares the openness and dynamism that defines the region.

Its international diversification is driven by a sustainable strategy for future growth. Hence, SK Group has created several smaller companies out of larger entities to ensure individual empowerment. For bigger projects, these sister companies work in teams whilst the parent group helps to carry risks and financial requirements - a modern translation of the family business concept.

As a group, SK has consolidated €300M in revenue and has an additional combined revenue of €200M from the businesses it manages. But at the end of the day, whether hydrogen or mining technology: "The most precious resource is HR," says Mortimer Glinz.

