



CFCM: Copper Fabricators Competitive Monitor

Year 2024 - n. 111/24 – Excerpt for Wieland Group

A look into WIELAND GROUP's continuous growth and effervescent transformation with CEO Dr Erwin Mayr, at the helm of the Group since 2017. An in-depth interview that provides interesting insights into the strategy of the Group, whose centre of gravity is now halfway between Europe and the United States

This is not the first time that Cu2 Consulting has interviewed Dr Erwin Mayr, but in a way, this is probably the most comprehensive and interesting interview with him, as it follows more than five years of major strategic moves that are only apparently distinct.

As usual, Erwin Mayr did not leave out a single question, answering even the most provocative ones and managing to turn them into communication opportunities.

Through this insightful and informative interview, we get an exclusive perspective of the dynamic evolution of Wieland, one of the most prominent

groups in the copper industry, with a rich history and an excellent market reputation for consistent quality, reliable service, technical support and innovation capacity. Yet, despite this, Wieland is far from being a static Group.

With a firm focus on growth and strategic leadership, Dr Mayr has led the Group since 2017, driving Wieland's transformation and positioning it as a major player in the global business arena.

The geographical concept is particularly important, as Wieland's recent moves have simultaneously strengthened its global presence and its regional focus, combining two only seemingly conflicting positions.

This is an aspect on which the interview dwells a lot. But beyond that, throughout the interview, Dr Mayr provides details of Wieland's latest moves and shares his vision for the company's future, highlighting the Group's strategy for continued growth and transformation while also maintaining its commitment to excellence, innovation, and sustainability.



Dr Erwin Mayr – CEO of Wieland Group

Photo courtesy of Wieland Group

Without taking up any more space in the interview, it is now time to give the floor to Erwin Mayr.

We often start our interviews by commenting on the market. In this case, we can only begin with Wieland's recent major decision to invest \$ 500 million in the expansion and modernisation of East Alton. What strategic vision drove this investment decision?

Wieland is the market leader for rolled products made of copper and copper alloys in North America.

Our objective is to sustain and further expand this position. To accomplish this, we continuously invest in our assets, allowing us to have state-of-the-art capabilities and grow our capacities.

With the expansion and modernisation of East Alton, we will be able to fully meet the growing customer demand for rolled products in North America for decades to come.

More prosaically, how much did the generous incentives offered by the State of Illinois and other local institutions factor into your decision to invest? Or, to put it more directly, would you have made the same investment without the incentives?

The incentives we secured for the expansion of East Alton were crucial to this investment decision.

Without the major investment support by the State of Illinois and local institutions – amounting to more than \$ 200 million – we would not have made the decision to invest in East Alton.

We were in discussions with several other state governments about significant incentive packages, but ultimately the strong support of Governor Pritzker and the State of Illinois was the most convincing.



Rolled products milling line at Wieland's plant in Vöhringen (Germany)
Photo courtesy of Wieland Group

You have explicitly said that Vöhringen will be a benchmark for the modernisation of East Alton. Does this mean that the starting point in terms of equipment, systems, organisation, processes, and quality is quite different?

Our rolled products plant in Vöhringen is state-of-the-art in terms of production capabilities, automation level, and delivery performance. I would go so far as to say that it sets the global benchmark across the industry, not just within Wieland.

Our current facility in East Alton is not up to par today, unfortunately, given its long history under private equity ownership. The new investments in East Alton, in combination with a recently launched Engineering Development Program, will set the stage to turn the plant into a world-class production facility with modern technology, a high level of automation, and lean processes, providing superior product quality and best-in-class service to Wieland's customers.

The press release emphasized that the new investment would "allow Wieland to increase and improve its production of critical copper and copper alloy components that are used today in advanced energy properties such as electric vehicles (EVs), EV charging infrastructure, and renewable energy production." Could you tell us a little more about the specific products for eMobility and renewable energy you will be producing at East Alton, and what alloys will be the main focus of the expansion? Copper, brass, phosphor bronze, HPAs?

There are a variety of end applications our products will be supplied into, including, but not limited to, connector systems, power distribution and power access systems, inverters, and battery management systems.

East Alton has long been a supplier of complex alloys to the automotive and electronic sectors. Today, we produce more than 50 alloys and the investment will expand our capabilities to include additional alloys required to service our existing and growth markets such as electric vehicles (EVs), EV charging infrastructure, and renewable energy requirements.

The announcement mentioned the installation of an additional state-of-the-art rolling mill. Could you add a bit of colour to this rolling mill, such as the name of the supplier and what will distinguish this mill and make it truly cutting-edge?

Wieland is currently in discussions with several suppliers for all major pieces of equipment. Therefore, it is too early to answer this question.

You defined the investment in East Alton as a "comprehensive expansion project". What other investments are included in the project besides the rolling mill?

This project phase will include preheat furnaces, a hot rolling mill, a milling line, a cold rolling mill, a new electrical sub-station, a 250,000 square feet facility expansion, a high-bay coil storage and an automated material handling system.

And when will the whole project be operational?

We expect the facility to be fully operational in 2028.

With the additional capacity coming to East Alton, will some older equipment be taken out of service, or will the total capacity be increased? If so, by how much? And aren't you concerned about possible overcapacity in the market?

We currently are not planning to remove any older equipment. In fact, we will continue to make improvements to the current assets so that we are able to grow our business in advance of the new production plant being fully up and running.

Without disclosing any specific details, Wieland will be significantly expanding capabilities as well as capacities at East Alton, gearing us up to serve growing demand for rolled products made of copper and copper alloys in North America for decades to come.

We believe that, along with our superior product quality and excellent customer service, this will set

us up for success and allow us to be the preferred and most reliable domestic supplier in North America in the long run.

At the end of 2021, you announced another \$ 52 million investment in East Alton for a new casting facility, which was scheduled to be completed this year, in 2024. Is this investment complementary to the one just announced?

In order to maintain a safe work environment and align our resources, we are now managing the construction of the casting facility within the broader expansion project.

Can you give us some additional information on this new casting facility? Will it be for specific types of alloys or raw materials? When will it come into operation?

The new casting technology will be identical to what is in place in Vöhringen, Germany, and will enhance our high-performance-alloy capabilities in East Alton, primarily serving the automotive and electronics industries.



Visualization of the expansion at Wieland's plant in East Alton, Illinois (U.S.) - Photo courtesy of Wieland Group



Hot rolling mill at Wieland's plant in Vöhringen (Germany) - Photo courtesy of Wieland Group

We expect this investment, which is complementary to the announced rolling investments, to be fully operational by late 2025.

What is the status of your bronze strip production at East Alton? Do you plan to strengthen it in terms of volume, strip sizes, and quality, or will you also continue to re-roll pre-material imported from your European plants?

Currently, we do not produce bronze strip in East Alton. The new investment in casting and rolling will expand East Alton's capabilities to produce these alloy systems.

At the same time, we do have the ability to source re-roll from our Wieland foundries in Europe, providing redundancy and security of supply for our global customer base in the long term.

In general, do you believe that the quality level of East Alton's production when the new investments come on stream will be able to meet the product demand and requirements of some

American customers who currently import material from Europe (mainly) or Asia, thus strengthening the construction of a regional supply chain?

Yes, of course.

Once the modernisation and expansion at East Alton is complete, there will be no need for any U.S. customer to import rolled products from Europe or Asia. Wieland will enable all customers in North America to have a completely regional, secure supply chain.

In line with our sustainability commitments, we strive for closed-loop business agreements, within which Wieland's recycling centres and foundries turn scrap into new, lowest carbon footprint feedstock for our customers.

Wieland is also opening a new Engineering Center of Excellence in a town near East Alton. Why was this location chosen to be separate from the manufacturing facility, and what is the

focus of the engineering center?

The North American Engineering hub is part of our 'Global Engineering' department, a team of highly specialized engineers working across all Wieland business units globally. As we are continuously growing and investing a major share of our capital in the U.S., we are seeking to strengthen know-how transfer as well as project execution by developing a dedicated engineering team in North America.

One area of focus for this team will be our investment in East Alton. Therefore, we chose neighboring St. Louis, which also offers direct flights to Europe and access to talents in the technical field.

We launched a 2-year entry-level program to attract engineering talent from across the United States. During the program, the engineers will spend a significant amount of time both in the U.S. and in Europe on a rotating schedule. After two years, they will be well equipped with extensive technical knowledge as well as their personal network within Wieland and will be able to tackle individual projects on their own.

Still regarding the U.S., but moving on to brass rods, you recently established a dedicated division in Montpelier at Wieland Chase - Wieland Forgeworks - to produce leaded and lead-free brass forgings and components for industrial and plumbing applications. Was this decision linked to the potential for re-shoring to the U.S. of products previously imported from China? And how is this business developing?

With companies moving their supply chains to China, the U.S. lost a significant amount of brass rod demand during the past 20 years. Recent issues related to the Covid-19 pandemic and geo-politics have turned the tables, resulting in the current efforts you are seeing to mitigate supply chain risks.

Wieland Forgeworks is designed to provide options for companies looking to re-shore products back to the United States. Displacing entrenched supply chains is not easy, but we believe in the long-term strategic direction of Wieland Forgeworks and cater to our customers' demands for products made in America.



Forged brass fittings and components at Wieland Forgeworks in Montpelier, Ohio (U.S.) - Photo courtesy of Wieland Group



Individual heat exchangers at Wieland's plant in Ulm (Germany) - Photo courtesy of Wieland Group

Still in the U.S., but moving on to tubes, specifically on your Thermal Solutions business as Wieland exited the sanitary tube business in 2020, you have recently acquired Small Tube Products and other assets that were previously part of the former Kothar Group. These new assets complement your other U.S.-based tubing operations in Pine Hall, Chicago, Cuba (Fineweld Tubes), as well as the U.S. unit of Wieland Provides. Can you tell us about your vision and strategy for copper tubes in the U.S.?

Our global Thermal Solutions business is central to Wieland's differentiation strategy and focuses on specialized high-performance tube products and components. We offer mainly copper-based solutions to global customers in the broad heat exchanger market.

The mentioned operations cover different parts of this supply chain and form a solid network to provide our customers all copper parts and solutions they need. Given strong underlying megatrends, this is a growing business for many years to come.

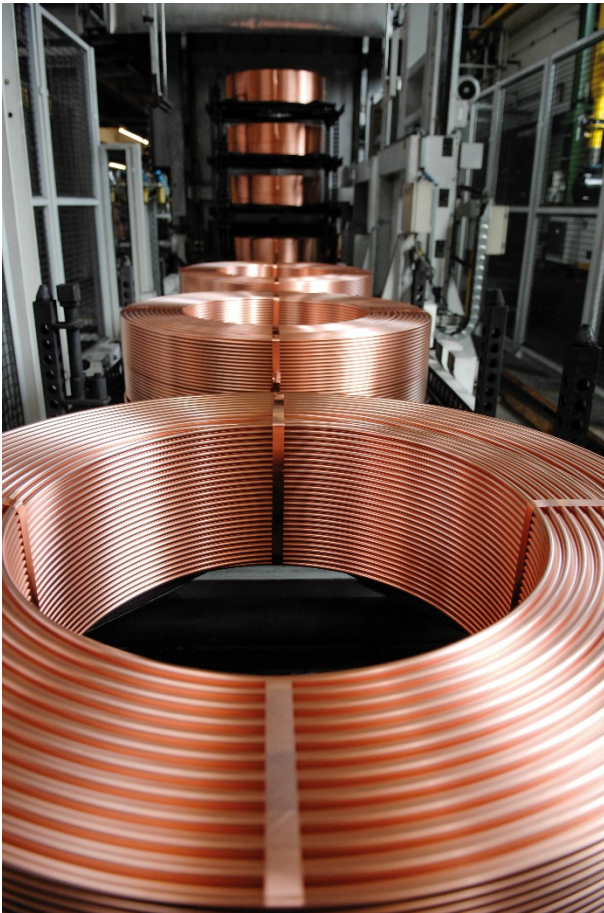
The competitive landscape in the copper tube business in the U.S. includes a number of local

suppliers and, in recent years, has also seen the establishment of two greenfield plants by the two largest Chinese and global producers of copper tube, Golden Dragon and Hailiang. At the same time, the share of imports on demand has risen from an average of 20-21% in the second half of the last decade to around 27-28% in the first four years of this decade. This shows the interest of the U.S. market and helps keep the level of competition high. As a U.S. producer, how do you evaluate this situation, and how do you imagine the future competitive scenario in the region?

Wieland's participation in the U.S. copper tube market is currently relatively small. Most of our copper tube production is consumed internally to supply our value-added businesses in BU Thermal Solutions.

Depending on the future attractiveness of the copper tube market in the U.S., I do not rule out the possibility that we may review our current market participation down the road.

We are not overly concerned by the establishment of Chinese suppliers in the United States. They will have to acquaint themselves with local regulations



*Copper tube coils at Wieland's plant in Vöhringen (Germany)
Photo courtesy of Wieland Group*

and circumstances, pay local salaries, find qualified engineers and other specialized personnel and so on. In the past, this has turned out to be very difficult for Chinese companies. Given current political developments and long-term geopolitical tensions, I do not believe the situation will change in the next couple of years.

Prior to your arrival at the helm of Wieland, the Group operated 51 facilities worldwide between production plants and service companies (excluding sales offices and partners), of which 36 were in Europe, 9 in Asia, 4 in America, and 2 in South Africa. As of today, the Group operates 85 sites, of which 35 are in Europe, 9 in Asia, and 41 in North America. This is undoubtedly significant growth, almost all of it in America, where you have finalized numerous and continuous acquisitions in recent years, resulting in a significant change in the Group's

geographical balance. If we also take into account the two major investments planned in East Alton and underway in Shelbyville, can we say that the Group's operational centre of gravity is gradually shifting westwards?

North America, in particular the U.S., is an attractive region for Wieland to invest in, both organically and via acquisitions. The combination of market growth, political support and a well-functioning legal system is rather unique, making the U.S. far more attractive than any other region at the moment. And, I have to say, this includes Europe and specifically Germany.

In our home country, we are currently in a situation of economic decline and political challenges. On top of that, the European institutions apparently prefer fostering low-cost Chinese imports over supporting European industrial champions. There is a lack of industrial policy and leadership on many fronts.

So, yes, Wieland's centre of gravity is shifting towards North America, where we have a strong team of about 3,000 employees and a solid asset base, providing us a capable platform to further build on.



*Brass bar stock at Wieland Farmers Copper in Texas City, Texas (U.S.)
Photo courtesy of Wieland Group*

In one of our recent interviews with you in September 2021, in response to a question about your many acquisitions in the United States, you replied that Wieland's American campaign was in full swing. That was indeed the case. How would you define it now, still in full swing or kind of settling down?

Wieland's capital allocation is, and will continue to be, predominantly directed towards North America.



Concast Metal Products, Wakeman, Ohio (U.S.) - Photo courtesy of Wieland Group

Just in January 2024, we added Concast Metal Products and Randall Bearings to our portfolio of businesses in the U.S. – marking the second largest acquisition in the history of the Wieland Group.

So, we are not settling down at all, we are still in full swing.

Let us now talk about recycling. You have a major project close to being operational in Shelbyville, Kentucky (U.S.) and another underway in Vöhringen (Germany). Are both projects based on Continuous-Properzi technology? And when will the Vöhringen recycling project be operational?

Both recycling facilities rely on Continuous-Properzi technology for fire refining. This allows us to easily transfer process know-how and technology developments between the two Wieland facilities at Shelbyville and Vöhringen.

The Vöhringen recycling facility is expected to commence operations at the end of next year, i.e. in Q4/2025. Construction activities related to infrastructure and building have already started.

Besides the sustainability motivation, to what extent was your decision to launch these two recycling projects motivated by the objective of increasing the security of raw material supply and reducing dependence on external suppliers? In this respect, how much autonomy do you expect these projects to provide you once they are fully operational?

The decision to launch the recycling activities in the U.S. and Germany was based on three factors:

- 1) Sustainability, i.e., the reduction of our scope-3 CO₂ footprint,
- 2) Securing raw material supply, i.e., broadening the metal supply base, and
- 3) Profitability, i.e., benefitting from lower cost metal inputs.

For the Wieland Group overall, the recycled content is currently approximately 88% (foundry based). Once the two recycling centres are both up and running, we will exceed 90% for the group-wide recycled content. Ultimately, we are targeting 100% recycled content, meaning closed loops involving our customers and post-consumer scrap.

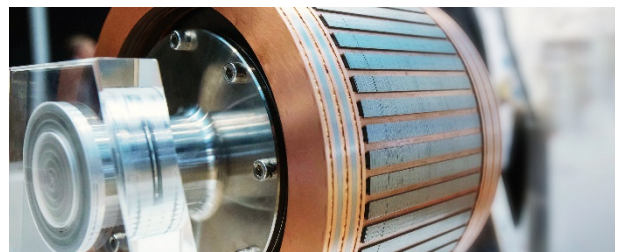


Wieland's recycling center in Shelbyville, Kentucky (U.S.) - Photo courtesy of Wieland Group

However, this will not only require additional recycling capacities – which would be easy to put in place – but also a variety of recycling technologies, given our specific metal quality requirements in some product segments.

Another area in which Wieland is very focused is that of eMobility solutions, where, in addition to supplying semi-finished copper & copper alloy products and ready-to-install copper rotor bars, you have developed specific products such as high voltage components, a specially designed fabricated copper rotor and a patented die-cast rotor, precision and customised shunts based on electron beam, welded multi-metal strips of specially developed resistor alloys, as well as special sensors. How strong do you feel the demand from eMobility at the moment? Is it as strong as expected, or is its pace of

development, although very positive, somewhat slower than anticipated?



Fabricated copper rotor for induction motors at Wieland's plant in Ulm (Germany) - Photo courtesy of Wieland Group

Our global business unit Engineered Products, which encompasses all the above-mentioned products and market segments, is currently doing especially well, largely due to strong demand from e-mobility customers. A bit surprising indeed, given the deceleration of e-mobility developments we read about every day.

Wieland Engineered Products develops and serves a broad base of customers globally and deliberately avoids a strong exposure to the often difficult-to-deal-with automotive industry. Market segments such as aerospace, marine, defence and heavy equipment / machinery – where we are seeing steady growth – seem to be more attractive in the long-term.

Another of your interesting product lines, although perhaps less commonly associated with Wieland, is the electronic cooling products marketed as Wieland Microcool and used in some of the most promising application areas, such as data centres, renewable energy, high-speed rail, eMobility, and waste heat recovery. Which of these sectors is currently driving demand the most?

The main drivers of demand for this product segment are the growing number and increasing performance requirements of data centres. This is a global market which Wieland Thermal Solutions is participating in.

In the U.S., the production centre for electronics cooling is in Pine Hall, North Carolina, and current operations in Decatur are being shifted there.

In Europe, we manufacture products for electronic cooling in Ulm, Germany as well as Latina, Italy.

With the acquisition of your former customer Provides (now Wieland Provides) in 2022, Wieland moved downstream in thermal solutions by entering the production of shell-and-tube heat exchangers. Could this downstream acquisition model be replicated in other areas?

As we will ultimately reach a limit of growth in our core market segments in Europe and North America, expanding our participation upstream and downstream of our current position in the value chain is an obvious strategic option that we carefully assess.

Going downstream allows Wieland to secure a larger part of the value chain and to differentiate from competition in our core semis markets. At the same time, we always want to be careful and provide value rather than compete with our current customers. Hence, the downstream acquisition model – clearly part of our strategic agenda – needs to be carefully considered on a case-by-case basis.

Another very topical issue is lead-free. In this area, Wieland offers a complete portfolio of alloys depending on the specific application. However, it is true that you have a strong focus on Eco brass and have recently been licenced for Globrass by MMC in Europe and the U.S. Other



Wieland: 2-phase cold plate - Photo courtesy of Wieland Group



Machining lead-free brass rod at Wieland in Ulm - Photo courtesy of Wieland Group

companies have focused on developing their own lead-free alloys. What do you think will be the future standard in this respect? And what place will other alternatives have?

The transition to lead-free alloys is a major challenge for the brass industry in Europe. As regulations for exceptions of higher lead content will expire in the next few years, the actual alloy transition is just beginning.

To enable this transition, it would be important to obtain a new standard alloy system. The industry requires the exchangeability of scrap between customers and different suppliers for a wide range of applications. A standard alloy system for the industry would guarantee the highest flexibility for customers and – given the closed-loop recycling process in Europe and North America – exceptional sustainability levels. With non-compatible alloy systems, the loss of exchangeability would probably result in a substitution of brass and a significant decline in the current market demand.

Wieland's early start with Eco brass, already more than 15 years ago, has expanded our capabilities in the CuZnSiP alloy system. Today, Eco brass is the most established lead-free alloy in Europe and North America.

Licensing Globrass from MMC was a logical step for Wieland, because the alloy is based on the same CuZnSiP system. Both alloys are now part of Wieland's Ecoline lead-free alloy portfolio.

In addition, Wieland has developed its own lead-free solutions, also based on the well-known CuZnSiP system, with less than 60% copper content.

Our new alloy (eco SZ3) has passed all internal processes, and we are performing machining tests with selected customers with very positive results. The public launch with a broad product presentation is planned for the end of April 2024.

Your product range is one of the widest in the industry, covering almost all semi-finished products and also extending to components and

engineering solutions. Given the expected development of demand for copper wire rod and wires in connection with electrification, have you ever considered a presence in wire rod?

Wieland has no participation in the large wire rod market. We prefer pursuing value adding opportunities.

Now, let's talk about aluminum. Wieland is one of the leading companies in the semi-finished copper and copper alloy industry. But aluminum is also widely represented in your rolled products offer - at Wieland Wrisco and Wieland Metal Services - and in the tubes offered by Wieland Thermal Solutions. Are you considering further expanding your presence in the aluminum sector in these and other segments?

Currently, aluminum products are a rather small adjacency to our broad portfolio based on copper and copper alloys. In some cases, such as our large service centre network for high performance tubes in North America and Europe, it makes sense to also offer a selection of aluminum and other metal products, thus complementing our portfolio and allowing one-stop shopping to customers.

The bigger question is if and when Wieland is ready and willing to make a large step into aluminum

semis production. This would only be possible via a major acquisition, of course, as we would not want to be a small niche player.

Innovation is another area where Wieland is at the forefront, both in product development and process engineering and robotic solutions with Wieland Anlagentechnik. Perhaps less well known, is your capacity to support your partners and customers not only through Wieland Ventures in the field of start-ups but also with Wieland Virtual Products in the field of product development. How did Wieland Virtual Products come about, who is it aimed at, and how much does it help you with customer bonding?

Wieland Virtual Products stands for a team of specialized experts in our central R&D team who support our global customer base by answering product and tool-related questions in a very early phase of product development.

In a typical project, we create a virtual twin of our customer's product (e.g., a press-fit connector) to simulate stamping and forming operations before any physical trial is performed.

Due to our unique material know-how and understanding of our customers' processes, we are able to reduce time-to-market and R&D costs. Right



Expert discussion on virtual product optimization at Wieland - Photo courtesy of Wieland Group

now, we are expanding our simulation services beyond finite element analysis.

Turning to the market, from your position as a privileged observer in terms of geographical and product scope, how do you see the current demand situation? Are there any signs of a bottoming out, and how do you see 2024 in the different geographical areas?

Currently, the overall demand and short-term outlook for copper semis (excluding wire rod) is still weak in all regions. In fact, the drop in demand versus 2-3 years ago is much more pronounced than what the overall economic development would indicate.

Building-related segments are most affected by recent developments, including the significant rise in interest rates and the hike in building costs overall. However, pent-up demand is growing and

will ultimately drive a major comeback of demand for building related semis.

Of course, there are a few market segments completely bucking this negative trend, such as aerospace or defence, to mention just two exceptions.

Comparing Europe with North America is interesting, as one would expect the demand to be stronger in North America. In 2023 this was not the case, surprisingly. Now, we do see some signs of recovery in North America, while demand in Europe will seemingly remain disappointing, unfortunately.

A mention of Germany cannot be missed. For decades, Germany was the locomotive of Europe. Today, it seems to be in great distress. When we last interviewed you in October 2022, you told us that you saw no change in Germany’s ability to maintain its role in Europe and that,



Wieland Metals Singapore - Photo courtesy of Wieland Group



Wieland's production site in Vöhringen (Germany) - Photo courtesy of Wieland Group

after a short recession, the German industry would emerge from the crisis stronger than before, at least in the European context. 18 months later, are you still of the same opinion? What has happened to Germany, and how could it get out of the tunnel?

The development in Germany is in fact very disappointing.

This is driven by a combination of three key developments:

- 1) declining exports (cars, machinery etc.), especially to Asia,
- 2) significantly increasing energy cost (related to Russia and the renewable energy strategy) and
- 3) political developments (lack of leadership, increasing administration, more rules, less liberty).

The first two points are unlikely to change quickly; the third one will probably change in fall 2025.

So, I would not expect a significant change in the tepid economic development in Germany, and therefore Europe, in the next couple of years – hence our centre of gravity is shifting westwards.

How did Wieland Group perform in the financial year 2022/23 (ended 30 September)? Can you give us some indications and a few preliminary figures on earnings and margins?

We closed fiscal year 2022/23 with sales of € 6.3 billion (vs. € 6.7 billion in FY21/22) and earned an operating EBITDA of € 718 million (vs. € 632 million in FY21/22), i.e., we realized an operating EBITDA / sales margin of 11.2% (vs. 9.5% in the year before).

To what extent have the acquisitions made last year contributed to results?

While we are happy with all acquisitions made in FY 2022/23, their contribution to the overall Wieland Group financials was not that significant.

A brief mention of your intense M&A activity. The pace of your acquisitions is impressive. What is the common thread that links them and the logic behind your M&A strategy?

Essentially, all our acquisitions of the last seven years were derived from our corporate strategy which has been consistent since then.

In addition to strengthening our core business, we strategically expand our business along the value chain with the goal of being able to cater to a very broad range of customer segments, offering the best service and distribution network in the industry.

Furthermore, our differentiation and diversification strategy sets the foundation for a long-term stable and sustainable business and reduces overall business risk with our expanded geographic footprint and broader range of markets served.

How quickly do you manage to integrate the acquired businesses (and not just operationally)?

The integration of the acquired businesses starts with a strong leadership team and “compatible” culture on the side of the acquired business.

This is combined with a structured integration program (first 30/90 days and beyond) and a “hands-on” mentality of the respective Wieland business unit team that takes ownership of a

seamless operational integration while working on new joint strategic growth opportunities.

According to market rumours, there are several companies knocking on your door to be acquired, especially in Europe. Do you have any plans to resume expansion in Europe? If so, what categories of products and companies might be on your radar for potential acquisition?

Our M&A target focus has not changed in the last years and continues to be derived from our strategy.

We do not embark on opportunistic deals and are clearly not a financial investor but a long-term strategic investor.

The only change that we have seen in our industry when it comes to M&A opportunities results from our track record and good reputation as we are able to provide a sustainable home for successful companies that fit our core business.



Material examination with scanning electron microscope at Wieland's plant in Vöhringen (Germany) - Photo courtesy of Wieland Group

Wieland clearly differentiates itself from its competitors with our commitment to invest in profitable growth opportunities, not just via acquisitions but also together with and for our acquired companies.

As you are specifically asking about Europe: Our geographic focus for growth gravitates towards North America, but we are certainly open to and do analyse opportunities in Europe for a potential strategic fit with our core or downstream operations.

Now, on to sustainability. You were a visionary in this respect, and Wieland was one of the industry's forerunners. Where does Wieland stand today in its journey towards Net Zero?

The Wieland Group has made rapid yet steady progress in meeting our very ambitious sustainability targets, and we remain both certain and committed that we will achieve our medium- and long-term goals. SBTi has validated our medium-term decarbonization plans, making us the first in the copper industry.

Decarbonization and reducing the environmental impact of our activities remains a key focus and a

key lever for Wieland. In FY22/23, the company reduced its absolute emissions, from 2.1 mt CO₂e to 1.7 mt CO₂e, via multiple activities: we increased the recycled content of the shipments cast from our foundries to 88% (thus reducing our reliance on primary sources of metal), we improved the efficiency of energy-consuming processes, and significantly increased the amount of renewable energy generated by Wieland.

In the coming months, Wieland will take another major step with the full ramp-up of our new recycling facilities: first, Shelbyville this year, and then our second site in Vöhringen later in 2025. Combined, these two facilities will materially reduce our use of metal from primary sources and are a key component of our long-term decarbonization strategy.

Have the energy issues caused by the war in Ukraine slowed, or could they slow, your path to Net Zero?

As a consequence of the recent energy issues, we have developed our own renewable energy generation capabilities. This resulted in the accelerated installation of photovoltaic systems on



Wieland's solar park in Erbach, near Ulm (Germany) - Photo courtesy of Wieland Group



Wieland Headquarters in Ulm (Germany) - Photo courtesy of Wieland Group

many rooftops worldwide and the construction of the 26MWp solar park in Ulm (Germany), which is coming online in 2024. On top, there are several additional renewable projects underway.

As on other occasions, the last question looks to the future. With its consistent strategy, excellent quality and “German” reliability, Wieland has always been the undisputed benchmark in the copper fabrication industry. In the past, however, the company may have appeared a little slow and almost static. In the seven years of your tenure, you have transformed the Wieland Group, not only in terms of acquisitions and international footprint, but also in terms of vitality, business model, a stronger focus on innovation, sustainability and, last but not least, a change in corporate culture. It is hard to imagine you seeing your task as completed. What do you see in the future for Wieland and ... for you?

Wieland is well positioned in the copper and copper alloys industry. Our footprint – mainly in North America and Europe, with a smaller presence in Asia – is tailored to market needs, and the quality of our

assets overall is best-in-class. In terms of innovation, engineering, and sustainability, we have further strengthened our capabilities and commitments in the last couple of years and continue to expand this competitive advantage. System-wise, we have put in place global platforms (IT, Finance, Procurement, HR etc.) to benefit from scale effects as we grow the company and serve customers globally.

Most important though are our people and our company culture. Everyone who knew Wieland 10 years ago would be totally surprised about our culture today which builds on “freedom to act”, “ownership of results” and “casual intensity” – themes that we have put in place step by step. In fact, as we go forward, we aim for our company culture to be the key competitive advantage for Wieland in our industry.

My future? I like taking bold steps, and I think I can take a few more with Wieland in the next couple of years.

**This is an excerpt
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