WÜRTH GROUP

« Those who provide stability are rewarded with trust. »

Würth Group
Annual Report

# 2022

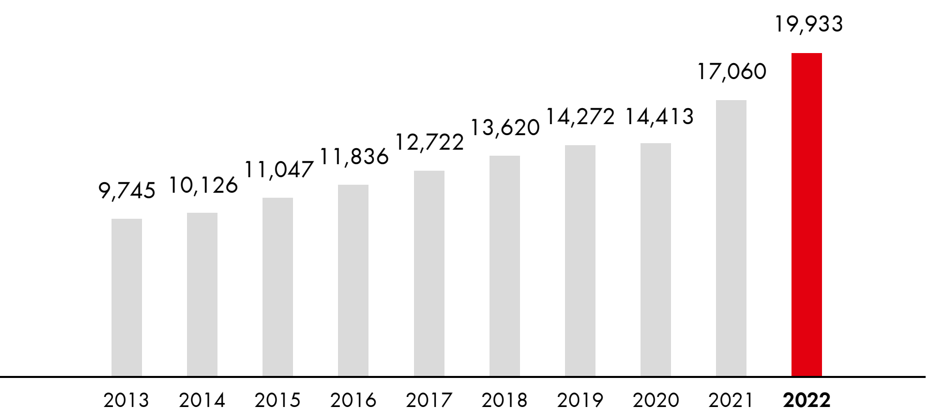
# THE WÜRTH GROUP AT A GLANCE

## WÜRTH GROUP

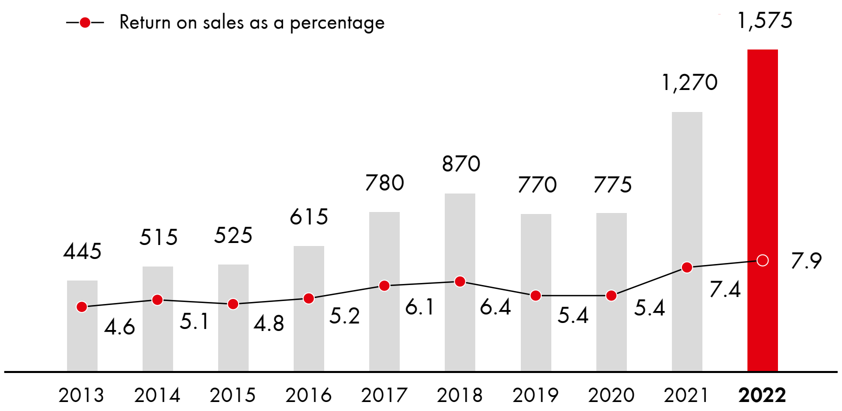
| | | 2018 | 2019 | 2020 | 2021 | **2022** |
|---|---|---|---|---|---|---|
| Sales | in millions of EUR | 13,620 | 14,272 | 14,413 | 17,060 | **19,933** |
| Employees | no. of | 77,080 | 78,686 | 79,139 | 83,183 | **85,637** |
| Pre-tax operating result* | in millions of EUR | 870 | 770 | 775 | 1,270 | **1,575** |
| Return on sales | in % | 6.4 | 5.4 | 5.4 | 7.4 | **7.9** |
| EBIT | in millions of EUR | 903 | 776 | 809 | 1,261 | **1,575** |
| EBITDA | in millions of EUR | 1,278 | 1,497 | 1,588 | 2,036 | **2,379** |
| EBITDAR | in millions of EUR | 1,607 | 1,581 | 1,650 | 2,101 | **2,455** |
| Net income for the year | in millions of EUR | 687 | 595 | 604 | 965 | **1,194** |
| Cash flows from operating activities | in millions of EUR | 751 | 1,123 | 1,600 | 1,034 | **867** |
| Investments | in millions of EUR | 635 | 933** | 852** | 861** | **1,178**** |
| Equity | in millions of EUR | 5,172 | 5,554 | 5,920 | 6,824 | **7,913** |
| Net debt | in millions of EUR | 1,202 | 1,356 | 601 | 567 | **987** |
| Total assets | in millions of EUR | 10,974 | 12,627 | 13,478 | 15,114 | **17,188** |
| Rating by Standard & Poor's | | A/stable | A/stable | A/stable | A/stable | **A/stable** |

The consolidated financial statements of the Würth Group are prepared in accordance with the International Financial Reporting Standards (IFRS).
* Earnings before taxes, before amortization of goodwill, brands, and financial assets, before the collection of negative differences recognized in profit or loss, before the adjustment of purchase price liabilities from acquisitions through profit or loss, and before changes recognized in profit or loss of non-controlling interests disclosed as liabilities
** Incl. additions of right-of-use assets

SALES Würth Group in millions of EUR



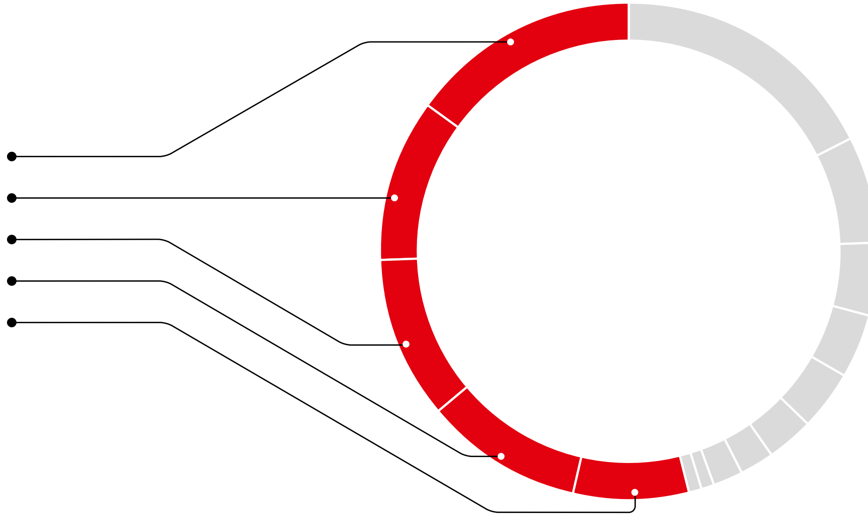

OPERATING RESULT Würth Group in millions of EUR

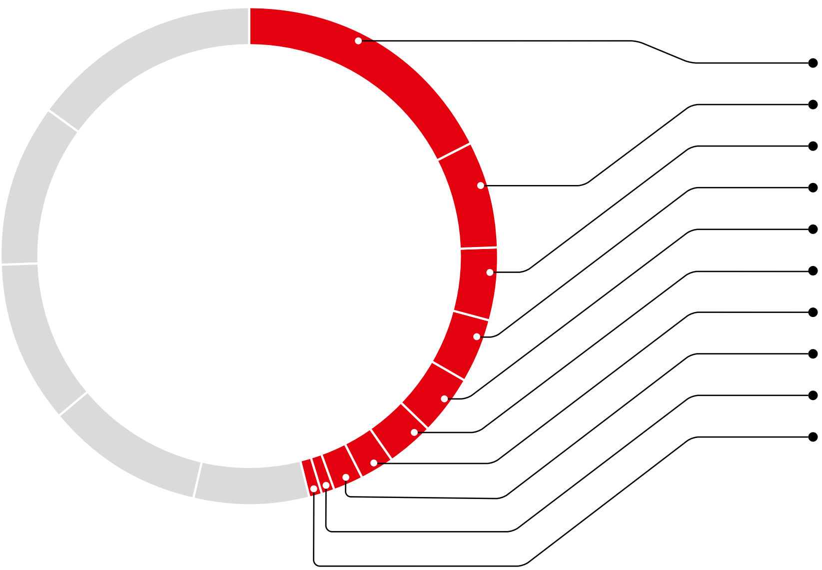


# OPERATIONAL UNITS

SHARE OF SALES Divisions of the Würth Line

| | 2022 in % | **2022 in millions of EUR** | 2021 in millions of EUR | Change in % |
|---|---|---|---|---|
| Metal | 14.7 | **2,929** | **2,564** | +14.2 |
| Industry | 11.5 | **2,290** | **1,894** | +20.9 |
| Auto | 10.4 | **2,072** | **1,874** | +10.6 |
| Wood | 10.2 | **2,029** | **1,672** | +21.4 |
| Construction | 7.3 | **1,472** | **1,327** | +10.9 |
| Total | 54.1 | **10,792** | **9,331** | +15.7 |





SHARE OF SALES Business units of the Allied Companies

| | 2022 in % | **2022 in millions of EUR** | 2021 in millions of EUR | Change in % |
|---|---|---|---|---|
| Electrical Wholesale | 17.4 | **3,472** | **2,781** | +24.8 |
| Electronics | 6.9 | **1,372** | **1,125** | +22.0 |
| Production | 4.8 | **946** | **837** | +13.0 |
| RECA Group | 4.2 | **835** | **762** | +9.6 |
| Chemicals | 3.7 | **738** | **664** | +11.1 |
| Trade | 3.0 | **596** | **539** | +10.6 |
| Tools | 2.3 | **446** | **419** | +6.4 |
| Screws and Standard Parts | 2.0 | **405** | **333** | +21.6 |
| Financial Services | 0.8 | **164** | **140** | +17.1 |
| Other | 0.8 | **167** | **129** | +29.5 |
| Total | 45.9 | **9,141** | **7,729** | +18.3 |

# CONTENT

In turbulent times like these, we seek stability, orientation, and a constant on which we can rely. It is reassuring to have a family business like Würth at your side. A family business that is a reliable partner for its customers and a stable employer for its employees, even in times of crisis. That is why we are continuing to invest in the future.

# At Würth, innovations are inspired by the daily challenges of our customers.

One of the world's top test centers for fastening technology with its own anchor lab was opened at the headquarters of the Würth Group in Künzelsau in September 2022. The Group invested EUR 75 million in its construction.

At Reinhold Würth Innovation Center Curio, around 250 Würth employees, scientists, students, and customers work on bringing pioneering product and system innovations to market even faster and for more customer-specific applications. Workshops, test facilities, climate chambers, 3D printing technology, seismic test benches for anchor systems, and an IoT laboratory promote application-based research and development.

Development focuses above all on fastening technology, screws, anchors, chemicals, power tools, and systems, which constitute our fields of expertise.

In the end, we can offer our customers the best quality possible.

Find out more at
news.wuerth.com/opening-curio


WÜRTH
CURIO
REINHOLD WÜRTH
INNOVATIONSZENTRUM

Our success is based on the interaction between our more than four million customers and our more than 85,000 employees. When we deliver products and services that offer genuine added value, our customers can give their core business their undivided attention. Because making their lives easier is what motivates us. We consistently pursue everything that has proven to be successful, and we try out new things—this is one of our key principles.
Those who provide stability are rewarded with trust.

My heartfelt thanks,

dear customers and employees, for the trust you place in Würth.

Yours truly,

RWürth

Bettina Würth,
Chairwoman of the
Advisory Board
of the Würth Group

# 85,

« WHAT MAKES A FAMILY? EVERYONE PULLS TOGETHER WHEN THEY NEED TO. IT'S A GREAT FEELING TO HAVE WHEN TIMES GET TOUGH. »

**637** employees

Robert Friedmann,
Chairman of the
Central Management Board
of the Würth Group

19,9

« SALES GROWTH OF OVER EUR 5.5 BILLION IN TWO YEARS. THIS SHOWS THAT OUR STRATEGY IS PAYING OFF: OUR BROAD GROUP STRUCTURE, OUR DELIVERY CAPABILITY, OUR MULTI-CHANNEL SALES. »

933

**million euro in sales**

Joachim Kaltmaier,
Member of the
Central Management Board
of the Würth Group

1,5

« GROWTH WITHOUT PROFIT IS FATAL. THIS STATEMENT OF PROFESSOR WÜRTH REALLY HITS THE NAIL ON THE HEAD. PROFITS ARE INVESTED IN THE COMPANY—A SUCCESSFUL APPROACH: DESPITE FACING NUMEROUS CRISES AT ONCE, WÜRTH REMAINS STABLE. »

**75**

**million euro**
**in operating result**

Bettina Würth,
Chairwoman of the
Advisory Board
of the Würth Group

3

« WE HAVE TAKEN THE FIRST FEW STEPS TOWARD A MORE SUSTAINABLE FUTURE, BUT WE KNOW THAT THERE IS STILL A LONG WAY TO GO. HONESTY IS THE MOST IMPORTANT THING FOR US AS WE MOVE FORWARD. »

**areas of sustainable transformation:**

climate, material life cycles, social standards

Prof. Dr. h. c. mult.
Reinhold Würth,
Chairman of the
Supervisory Board of
the Würth Group

7,9

« OUR COMPANY IS A PICTURE
OF GOOD HEALTH! »

# 13

**million euro
in equity**

**Essay** Prof. Dr. h. c. mult. Reinhold Würth

# The Würth Group is poised for further growth

**Ladies and gentlemen,**
**Dear readers,**

To be perfectly honest, writing an essay for the 2022 Annual Report is not an easy task in the least. On the one hand, it is easy to be upbeat when commenting on the Würth Group's 77th fiscal year. The figures reported for both sales and operating result represent new records by a wide margin. I would like to express my enormous gratitude to all of our more than 85,000 employees, to all of our managers, and, of course, to our customers in particular.

But if we look at the other side of the story, namely the world around us, the mood has shifted abruptly: Never in my 73 years of working life have I seen the world face so many crises at the same time. First and foremost, the war in Ukraine, then rampant inflation, supply chain problems, the COVID-19 pandemic with a constant stream of new virus variants, and environmental changes have accumulated into widespread negativism, which has left me, as the person to have the last word for this 85,000-strong company, extremely concerned as we do not know whether we are already on the brink of a third world war.

This makes it all the more astonishing to note that, as things stand at the end of January 2023, we will have grown by around 13 percent this month. Moderate optimism as we look ahead to the 2023 fiscal year would not be entirely unreasonable. Now that the German government has also raised its growth forecasts for the German economy from – 0.3 percent to 0.2 percent and things are also starting to look brighter on the stock market, we naturally cannot rule out a scenario in which the Würth Group will make further progress in 2023. We would certainly be ready for this sort of progress now that the pressure on the supply chain has eased somewhat and our warehouses are well stocked. At Würth France, Würth Italy, and Würth Germany, we are currently investing heavily in largely automating our picking processes using standardized hardware and software and in increasing capacity, which will translate into a significant per capita increase in sales in logistics, thus boosting our competitive standing in the process. So if peace can be maintained, our Group will also be able to achieve significant growth rates in the future. The new Reinhold Würth Innovation Center Curio in Künzelsau and the close cooperation with the universities in Stuttgart and Karlsruhe mean that we

# « ARTIFICIAL INTELLIGENCE, IT, AND ROBOTS WILL SPEARHEAD THE COMPANY. »

expect a significant acceleration in our product cycles. Equipped with around eight billion euro in balance sheet equity and an equity ratio of 46.0 percent, the Würth Group has continued on a solid course over the years.

Let's turn our attention away from the overall conditions in the 2022 fiscal year and consider what Würth might look like as a company in 25 years—long after my time. There is no doubt that artificial intelligence, IT, computing, and robotics will result in far-reaching changes regarding the importance of our various operating departments.

If we are not faced with a nuclear wasteland in 2050, artificial intelligence and IT as a whole will take over the vast majority of operations and production processes currently performed by humans, either semi- or fully automatically, and the increases in sales per capita will be dramatic. Four-day weeks will largely be the norm, with perhaps a three-day week ten years down the road. In 2050, a significant shortage of skilled labor will remain a problem in the field of artificial intelligence with all of its various facets.

These very topics will also prompt the Würth Group to change its way of thinking: For over seven decades, the sales force organization has been by far the spearhead of the company, accounting for 80 percent of sales. Looking ahead to the future, this role will be taken over by artificial intelligence, IT, and robots.

Of course, this does nothing to change my high regard, gratitude, and respect for the sales organization, which comprises more than 43,000 sales reps, because these employees are responsible first and foremost for maintaining personal contact with our customers. Our sales reps are already equipped with our in-house SpeedyTouch software, allowing them to access all customer data online during and between customer visits. With just a hint of artificial intelligence and zero time lag, sales reps can access virtually all of the information about their customers. You know exactly when which product was last purchased and can trigger later purchases in a targeted manner.

So throughout the company, the order of the day is that every employee should at least know the basics of IT and be able to make knowledgeable contributions to related discussions. In the interest of the Group, I am a strong advocate of us forging ahead decisively with the creation of networks, based on a sort of in-house cloud, between our customers and business partners on the one hand and Würth on the other, because this will help to reduce costs further for customers and Würth alike. Beyond all of these

# « IT IS IMPORTANT TO MAINTAIN THE ADVANTAGES OF A FAMILY BUSINESS DESPITE ITS SIZE. »

STEM-related activities, the emotional, motivational approach plays a key role in how we interact within our family business. When we see that Würth Italy has just been named the best employer in the country and we have received a large number of awards for our exemplary working atmosphere, this reflects how important it is to cultivate the advantages of a family business despite its size. Modesty and real gratitude toward employees, customers, and business associates are just as much part of this culture as stringently combating any kind of direct or indirect arrogance. We endeavor for our work environment to be based on loyalty, tolerance, dedication, and a zest for life. Harmony at work fosters team spirit among employees and turns colleagues into acquaintances and friends, making the company a home away from home and genuinely enriching our lives in a way that money cannot buy. It is precisely the emphasis on management culture over management techniques, an aspect that will remain important going forward, that should ensure our company's survival in 2050 and its future.

In addition, the company is committed to charitable activities, making generous annual donations: The Freie Schule Anne-Sophie schools alone, which were initiated by Bettina Würth—from first grade to high school with 606 students in Künzelsau and 410 students in Berlin—receive seven million euro in funding every year. A large number of other charitable activities, such as endowed professorships or support for food banks, are supported by the charitable Würth Foundation, which is funded by the company, with donations totaling tens of millions of euro every year.

So all that is left for me to say today is thank you very much, also on behalf of my dear wife Carmen, to whom I have now been married for 66 years. I wish you all a happy, and most importantly a peaceful and harmonious 2023. Stay healthy!

Yours,

Prof. Dr. h. c. mult. Reinhold Würth
Chairman of the Supervisory Board of the Würth Group
in January 2023


YO PLANETA
QUE LAS DROGAS "NO"
DECIDAN X TI
unicef para cada niño
unicef para cada niño

420,

PROPERTY ENTAILS OBLIGATIONS.

This extremely short sentence taken from the Basic Law of the Federal Republic of Germany acts as a tremendous driving force within the Würth Group. Because Article 14 (2) continues:

ITS USE SHALL ALSO SERVE THE PUBLIC GOOD.

As a family business, Würth takes social responsibility based on this deep-rooted conviction. Würth is committed to a vibrant cultural landscape at the regional, national, and international level, rises to social challenges, facilitates education designed to meet the needs of the future, and recognizes individuals who improve how we all live together.

# Commitment
# Würth takes social responsibility

**700**

**euro**

was the total amount that Würth donated to UNICEF following a worldwide campaign week in 2022.

The funds will go to support schools in Bolivia that have been affected by climate change.

Find out more about resilient schools

**Franz Marc**
**Green Study,** 1908
Würth Collection, Inv. 18558

# 18,5

"ART LETS THE SOUL BREATHE," SAYS PROF. DR. H. C. MULT. REINHOLD WÜRTH, CHAIRMAN OF THE SUPERVISORY BOARD OF THE WÜRTH GROUP.

With this in mind, art and culture have been inextricably linked with Würth as a company from day one. They allow for an inspiring interplay with everyday working life.

THE WÜRTH COLLECTION REMAINS THE FOCAL POINT OF ALL ACTIVITIES. IT INCLUDED MORE THAN 18,500 WORKS OF ART AT THE END OF 2022.

The collection, assembled over a period of almost 60 years in parallel with the development of the global corporation, continues to develop with an eye to the future, enriched by a vast range of artistic, musical, and literary activities.

# Art and culture give rise to fresh perspectives

500

Find out more about art at Würth

**works of art**

make up the Würth Collection.

## WONDROUS WORLDS-IN-BETWEEN IN MUSEUM WÜRTH

From 22 January to 3 July 2022, visitors to Museum Würth in Künzelsau were able to marvel and immerse themselves in the retrospective at the large exhibition of works by Ugo Dossi, a participant in several Biennale and Documenta events. The works of the artist Edita Kadiric, also discovered by Carmen Würth for the collection, were presented in the "Cocoon" exhibition from 16 July to 13 November 2022. "Ox, donkey, elephant and kangaroo—Christmas cribs from Naples to Sydney in the Würth Collection" enchanted the public from 27 November 2022 onward.

## "SPORTS, FUN & GAMES IN THE WÜRTH COLLECTION"

Kunsthalle Würth in Schwäbisch Hall devoted its major 2022 collection to the many facets of leisure. After all, leisure activities, be it in the form of sports or games, not only provide inspiration and exercise, they also play a key role in artistic creativity by providing freedom to think—as the approximately 200 works in the exhibition impressively highlighted.

## "THE NEW HOME IN THE HOLY LAND—PHOTOGRAPHS OF THE GERMAN TEMPLE SOCIETY 1868–1948"

In the 19th century, hundreds of people from the Württemberg region emigrated to the Holy Land. The Hirschwirtscheuer museum in Künzelsau resurrected their everyday life with around 100 historical photographs exhibited from 30 June 2022 to 19 February 2023.

**Donkey ride at Mount Carmel,**
around 1920

Find out more about Kunsthalle Würth

# 100,000

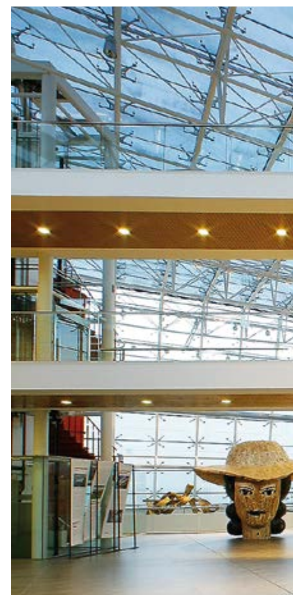
**visitors:**

Museum Würth 2, designed by David Chipperfield Architects, broke this record in November 2022.

Find out more about Museum Würth 2

**Manolo Valdés**
**Lillie (Cabeza con Sombrero),**
2006,
Würth Collection,
Inv. 10618

**Darío Urzay**
**Expanded Field – Hill (Proyecto Würth),**
2007,
Würth Collection,
Inv. 10611



## CLASSICAL MUSIC AT WÜRTH

In the 2021/22 season, the Würth Philharmoniker orchestra once again captivated audiences in the sold-out seats of Carmen Würth Forum. Numerous outstanding international guests, including conductor Christian Thielemann and pianist Khatia Buniatishvili, shone in the world-class acoustics of the Reinhold Würth Hall. With their versatile repertoire, the Würth Philharmoniker orchestra was also sought-after for guest performances—for example, in May 2022 at the Liederhalle cultural and congress center in Stuttgart. The concert calendar for the 2022/23 season also promises to be spectacular: Highlights already include the two-day Beethoven concert cycle conducted by world-renowned piano virtuoso Rudolf Buchbinder.

## ASSOCIATED GALLERIES

Museo Würth La Rioja celebrated its 15th anniversary in 2022, while Kunstlocatie Würth in 's-Hertogenbosch was already marking its 20th anniversary. The associated galleries in Spain and the Netherlands are just two of a total of ten such galleries in European companies of the Würth Group. There are further galleries in Denmark, France, Italy, Norway, Austria, and Switzerland (Arlesheim, Chur, and Rorschach). In 2022, they too once again delighted visitors with numerous temporary exhibitions.

For 15 years now, Museo Würth La Rioja has been presenting art from across the globe in the north of Spain.

Find out more about the associated galleries

# 1,40

In dialog: David Hockney's "The Four Seasons" from the Würth Collection hosted by the Gemäldegalerie in Berlin

David Hockney
**Three Trees near Thixendale, Summer, Autumn, Winter**
2007/2008, Würth Collection,
Inv. 12501, 12502, 12503

## WÜRTH COLLECTION ON THE ROAD

The Würth Collection also made guest appearances at numerous other museums and public venues in 2022. David Hockney's "Three Trees near Thixendale" from the collection met with selected landscapes from collections of the Berlin State Museums in the Gemäldegalerie from 9 April to 10 July 2022. In Berlin's Bode Museum, the new presentation of Kunstkammer Würth, featuring masterpieces from the Renaissance and Baroque eras, has been on display since summer 2022. In Salzburg, the Walk of Modern Art and the Würth Sculpture Garden at Arenberg Palace showcase contemporary art from Würth. At the Museum of Modern Literature in Marbach am Neckar, Hans Magnus Enzensberger's Dadaist poetry machine generated verbal art—also on loan from Würth.

Find out more about the Würth Collection on the road

# 9 loans

from the Würth Collection were on display in 55 institutions in 14 countries in 2022.

Ingo Schulze (right) and Dževad Karahasan (below) at their reading at Kunsthalle Würth

WÜRTH FOUNDATION

## 35TH TÜBINGER POETIK-DOZENTUR

At the traditional kick-off event for the Tübinger Poetik-Dozentur (Tübingen Poetry Professorship), writers Ingo Schulze (Berlin) and Dževad Karahasan (Graz/Sarajevo) read at Kunsthalle Würth in Schwäbisch Hall on 13 November 2022. The Tübinger Poetik-Dozentur is a project organized by the charitable Würth Foundation at the University of Tübingen and is sponsored by Adolf Würth GmbH & Co. KG. Since 1996, authors such as Susan Sontag, Günter Grass, Amos Oz, Jonathan Franzen, Juli Zeh, Christoph Ransmayr, Hans Magnus Enzensberger, Siri Hustvedt, and Karl Ove Knausgård have been providing material for discussion and food for thought.

WÜRTH FOUNDATION

## THE NOTOS QUARTET RECEIVED THE 32ND WÜRTH PRIZE OF JEUNESSES MUSICALES DEUTSCHLAND (JMD)

Prof. Dr. h. c. mult. Reinhold Würth, Chairman of the Supervisory Board of the Würth Foundation, Maria Würth, Member of the Board of the Würth Foundation, and JMD President Johannes Freyer presented the award at Carmen Würth Forum on 26 September 2022. The prize was endowed with EUR 25,000 for the very first time.

## NEWS IN BRIEF

+++ At the 21st Würth Open Air event held on 24 June 2022 in Künzelsau, 7,500 festival fans celebrated the pop rock shows by Silbermond, Wincent Weiss, and Herbstbrüder. +++ The young violinist Sara Ispas was awarded the 8th Reinhold Würth Promotion Prize for the Violin of the Würth Foundation on 3 September 2022. +++ The Old Masters in the Würth Collection continued to draw visitors: Johanniterkirche in Schwäbisch Hall attracted over 625,000 visitors between its opening in 2008 and the end of 2022. +++ The "Kocherwerk–Haus der Verbindungstechnik" museum in Ernsbach, a project organized by the non-profit association Förderer des Schrauben- und Befestigungsclusters Hohenlohe e. V., received the iF Design Award 2022 in the Interior Design/Exhibition category and was recognized by the Baden-Württemberg Chamber of Architects for "Exemplary Construction in 2016–2022." +++

**Surprise concert**
with Helene Fischer as a thank you: The pop star sang at the employee party in Künzelsau on 25 June 2022.

Annie Ernaux received the Würth Prize for European Literature from Prof. Dr. h. c. mult. Reinhold Würth.

WÜRTH FOUNDATION

## 13TH WÜRTH PRIZE FOR EUROPEAN LITERATURE FOR ANNIE ERNAUX

"Shaking up the unjust order of the world a little": French writer Annie Ernaux was honored with the 13th Würth Prize for European Literature in Künzelsau on 10 May 2022. Ernaux received the EUR 25,000 award "for her fearlessness and the clarity of her vision of society," the jury said. Her work, in which the self is always an example of social and contemporary conditions, has revolutionized autobiographical writing.

# 10,000

**employees**

celebrated with partners. The anniversary celebration originally planned for 2020 to mark 75 years of Adolf Würth GmbH & Co. KG was finally held in 2022.

# 5

"BE THE CHANGE YOU WISH TO SEE IN THE WORLD," SAID MAHATMA GANDHI, LOOSELY BASED ON KANT'S CATEGORICAL IMPERATIVE.

The Würth Group also follows this principle: The company is involved in a wide range of social initiatives, be it in the social or political arena or in the sporting world.

HELPING OUT WHERE HELP IS NEEDED MOST IS SOMETHING OF A TRADITION AT WÜRTH.

In 2022, the company supported large, well-known projects, but often also provided assistance on a small scale, not that this was any less important.

# For a better society


WÜRTH FOUNDATION

## music groups from institutions for special education

played at the 5th music festival of the Würth Foundation in July 2022 initiated by Carmen Würth.

Find out more about the music festival

## A HUMANITARIAN IMPERATIVE: THE WÜRTH GROUP PROVIDES HELP TO PEOPLE IN UKRAINE

By providing more than two million euro in cash and donations in kind, the Würth Group was on hand to support those affected by the war in Ukraine in 2022. Over one million euro was donated to the "Aktion Deutschland Hilft e. V." alliance and the children's relief organization UNICEF, both of which have a wealth of experience in providing disaster relief outside Germany, especially for children and young people in need. In addition to monetary donations, Group companies also provided support in the form of donations in kind, such as medical supplies, toiletries, and toys.

Prof. Dr. h. c. mult. Reinhold Würth launched the emergency aid campaign together with Bettina Würth, Chairwoman of the Advisory Board of the Würth Group, and the boards of the Würth Group in February 2022.

"THE SITUATION IN UKRAINE IS OF REAL CONCERN TO ME. THE TOP PRIORITY IS TO KEEP PEOPLE SAFE. WE WILL DO EVERYTHING WE CAN TO SUPPORT THEM." REINHOLD WÜRTH

WÜRTH FOUNDATION

## EUR 120,000 FOR THE LEBENSWEG FAMILY HOSTEL

Initiated by Carmen Würth, the Würth Foundation is donating EUR 120,000, spread out over a period of three years, to the Lebensweg family hostel in Schützingen, Baden-Württemberg. Founded in 2016 by pediatric nurse Karin Eckstein, the home allows families with seriously ill and disabled children to take time out together with professional 24-hour care.

WÜRTH FOUNDATION

## ITHEMBA LABANTU COMMUNITY CENTER IN CAPE TOWN

In one of the poorest townships in the South African city, the Würth Foundation has been supporting the iThemba Labantu community center for many years now. Day after day, it provides a safe place for 500 children of school age to play and learn, for women to earn an income with ceramics and sewing, and for young adults to undergo training and train at the Philipp Lahm sports field. Most recently, Carmen Würth initiated the sponsorship of a school class, meaning that children in this class receive support throughout their eight years of schooling.

Find out more about the Lebensweg family hostel

WÜRTH FOUNDATION

# 300,000

## euro

was donated by the Würth Foundation to support food banks in the district of Hohenlohe, the Main-Tauber district, and the Schwäbisch Hall region.

Find out more about the food banks

**Donations are handed over in Öhringen**
From left to right: Elisabeth Ernst, Kreisdiakonieverband Hohenlohekreis, with Ute Kettemann, Sonja Funk, Ute Münster, and Petra Fiedler from the Öhringen food bank, as well as Harald Unkelbach, Maria Würth, and Helmut M. Jahn from the Würth Foundation

"WITH ALL THE CRISES CURRENTLY HITTING US, IT IS IMPORTANT THAT WE DO NOT LOSE SIGHT OF THE REGION WE ARE IN. THE FOOD BANKS ALLEVIATE A LOT OF SUFFERING HERE. I WOULD LIKE TO THANK THE VOLUNTEERS IN PARTICULAR. WITHOUT THEIR DEDICATION, HELPING PEOPLE IN NEED WOULD NOT EVEN BE POSSIBLE IN THE FIRST PLACE." CARMEN WÜRTH

## HOTEL-RESTAURANT ANNE-SOPHIE

The idea for this unique project came from the heart of Carmen Würth. At Hotel-Restaurant Anne-Sophie in Künzelsau, people with and without disabilities work together hand-in-hand. It has created a place where people, as different as they may be, meet as equals and learn to interact. The hotel, which has won several awards, currently employs around 120 people, including around 20 with disabilities.

## THE WÜRTH REPRESENTATIVE OFFICES IN BERLIN AND BRUSSELS

Competing ideas are one of the engines that drive any democratic society. Würth contributes to critical but constructive discourse with its representative offices in Berlin and Brussels.

Würth's representative offices in the German and European capitals promote dialog between policy-makers, business and industry, science, culture, and the media. The topics covered by the discussions and conferences range from issues concerning the globalized economy and digitalization to the future development of a society living in peace and prosperity, and the integration of people with health-related impairments.

## WÜRTH AS A PARTNER OF ELITE SPORTS

The Würth Group supports athletes on all continents. Würth was Official Supplier of the 2022 European Championships, the biggest sporting event in Munich since the 1972 Olympics. Würth has also been an official partner of the German soccer association DFB since 2022 and has been cooperating with German top-tier Bundesliga soccer clubs since the 1990s. Würth has also been a partner of the Italian national team since 2022. In Spain, the company sponsors referees in the Primera and Segunda División soccer leagues, while in France it sponsors the first division club Racing Strasbourg. Würth has been supporting FOKUS, one of the most successful FIFA eSports teams in the world, since 2022. In the US, Würth has been a sponsor of the Penske team in the NASCAR racing series since 2012, while it sponsors the Triple Eight Race Engineering supercar racing team in Australia.

Würth has been one of the main sponsors of the German Ski Association (DSV) since 2002. Since then, the Würth logo has become a permanent feature of the competition dress and thermal garments worn by athletes competing in the DSV disciplines of alpine skiing, biathlon, ski jumping, cross-country skiing, Nordic combined, ski cross, and the German national ski team in freeskiing. In 1999, Reinhold Würth and Harald Unkelbach founded the Würth Künzelsau Fencing Club together with fencing legend Emil Beck. The club produced the German champion in saber fencing in 2022.

# 4,300

## athletes

competed at the national 2022 Special Olympics in Berlin. 60 volunteers from the Würth Group supported the table tennis competitions.

Find out more about the 2022 Special Olympics


1,0

EDUCATION TO MEET THE NEEDS OF THE FUTURE IS NOT ONLY CRUCIAL FOR EACH AND EVERY ONE OF US.

Education forms the basis for a fair society, for the future prosperity of every country, and for our democracies.

THIS IS WHY THE WÜRTH GROUP IS COMMITTED TO FORWARD-LOOKING SCHOOL PRACTICES THAT ARE EFFECTIVE, OFFER EQUAL OPPORTUNITIES, AND FOCUS ON THE WELL-BEING OF CHILDREN AND YOUNG PEOPLE.

Würth also helps to prepare young people for an active life, and one that they choose for themselves, by promoting university teaching and research into early childhood development.

# Rethinking education and teaching

00

WÜRTH FOUNDATION

## students

are taught at the Freie Schule Anne-Sophie schools—also learning how to use digital media.

WÜRTH FOUNDATION

## FREIE SCHULE ANNE-SOPHIE SCHOOLS IN KÜNZELSAU AND BERLIN

Bettina Würth founded the independent school Freie Schule Anne-Sophie in Künzelsau in 2006. Its sister school opened in Berlin in 2011. Both schools are state-accredited and offer education from primary school (grade one) to high school graduation for more than 1,000 students. The Würth Foundation is the supporting organization behind the schools. The focus in Berlin is on bilingual education in German and English. Freie Schule Anne-Sophie in Künzelsau has been a "Global Ethics School" since 2018.

Besides the concept of target- and performance-based learning in an actively shaped learning environment, the main focus lies on acquiring independent learning skills and developing social skills. Appreciation, mindfulness, willingness to learn, and confidence are the four basic attitudes of Freie Schule Anne-Sophie.

"EVERY CHILD SHOULD LEAVE THE SCHOOL AS A WINNER." THIS IS HOW BETTINA WÜRTH EXPLAINED HER MOTIVATION FOR SETTING UP THE SCHOOL.

**Collaborative and digital learning:**
For students at the Freie Schule Anne-Sophie schools, this is a matter of course from the very first day of school.

WÜRTH FOUNDATION

## "SCORA" SCHOOL PROJECT TO COMBAT RACISM AND ANTI-SEMITISM—YES, WE CARE!

From 2022 to 2025, the Würth Foundation will be supporting the SCORA international school project to combat racism and anti-Semitism (Schools Opposing Racism and Anti-Semitism). SCORA was launched in the Stuttgart administrative district and has since been expanded to cover all of Baden-Württemberg. It aims to bring together students from Baden-Württemberg and Israel. The patron is the president of the federal state parliament, Muhterem Aras.

**Reinhold-Würth-Hochschule of Heilbronn University of Applied Sciences in Künzelsau**
The Künzelsau campus

WÜRTH FOUNDATION

## PROMOTING RESEARCH AND TEACHING

The Würth Foundation is the supporting organization for the Foundation for the Promotion of Reinhold-Würth-Hochschule of Heilbronn University of Applied Sciences in Künzelsau. The Künzelsau campus is home to the Faculty of Engineering and Business at Heilbronn University of Applied Sciences with around 1,500 students. It offers ten hands-on bachelor's and master's degree programs.

**10 years**

have already been spent by Professor Renée Lampe, who holds the Markus Würth Endowed Professorship at the Technical University of Munich, developing new findings on early childhood brain damage.

## "MACH WAS!" (DO SOMETHING!) TRADES COMPETITION

The Findorff-Realschule school from Bremervörde won the "MACH WAS!" trades competition with an illuminated bench seat covered by a photovoltaic system that can also be used to charge smartphones. The first Carmen Würth Prize sponsored by the Würth Foundation was awarded to the Helen-Keller-Schule school in Wiehl, a special school for intellectual development. The Innovation Prize was won by the Gesamtschule Duisburg-Mitte school.

The "MACH WAS!" competition is an initiative by Würth under the patronage of the Aktion Modernes Handwerk e. V. trades association and aims to get young people interested in the trades. Adolf Würth GmbH & Co. KG spends more than EUR 500,000 a year on the competition.


**1st place for the Findorff-Realschule Bremervörde school**
At the awards ceremony, Jasmin Sackmann, head of the initiative (left), and Norbert Heckmann, Chairman of the Management of Adolf Würth GmbH & Co. KG (second from the right), celebrated with the young people.

## WÜRTH BIKE PARK IS OPENED

Clear the way! On 11 November 2022, the Würth Bike Park was opened in Künzelsau, a circuit featuring waves, steep curves, and jumps for bikes, scooters, and skates. Adolf Würth GmbH & Co. KG was the main source of support behind the park's completion.

**Through the steep curve and over the hill**
Professionals, but also recreational athletes, children, and young people, now train their motor skills on the track.

# 920

## square meters

of asphalt to let off steam on wheels can be found at the new pump track.


**Competence Center for Economic Education**
**Presentation of the study "Economics as a separate school subject"**
From left to right: Stefanie Hagenmüller, Helmut M. Jahn, Johannes Schmalzl, Maria Würth, and Harald Unkelbach from the Würth Foundation, Dr. Luis Oberrauch, Junior Professor Dr. Tim Kaiser, and Mira Eberle from the University of Koblenz-Landau, as well as Volker Schebesta, member of the federal state parliament and State Secretary in the Ministry of Education, Youth, and Sports for Baden-Württemberg

WÜRTH FOUNDATION

## COMPETENCE CENTER FOR ECONOMIC EDUCATION

Established on the initiative of Prof. Dr. h. c. mult. Reinhold Würth under the umbrella of the Würth Foundation, the Baden-Württemberg Competence Center for Economic Education has been promoting entrepreneurial thinking and action among school students since 2005. The Ministry of Education and Cultural Affairs, Youth, and Sports of Baden-Württemberg is a partner of the initiative. The activities of the Competence Center include the Würth Education Prize, the federal state prize for graduates of secondary technical schools, the management symposium, and the company placement program for teaching staff, as well as the "HANDWERKSTATT" (TRADES WORKSHOP).

What effect does having economics as a separate subject actually have? In 2022, a long-term study conducted by the University of Koblenz-Landau involving 10,727 students—the most comprehensive survey on economic education performed in Germany to date, supported by the Competence Center—proved that the subject of economics in vocational training and higher education, introduced in Baden-Württemberg in 2016, plays a key role in boosting economic literacy among young people in the federal state.

Prof. Dr. h. c. mult. Reinhold and Carmen Würth

WÜRTH FOUNDATION

## Back in 1987, Prof. Dr. h. c. mult. Reinhold and Carmen Würth established the Würth Foundation

As a civil law foundation based in Künzelsau, Germany, it promotes charitable and benevolent purposes.

The Würth Foundation promotes a wide range of projects in the fields of art and culture, education and training, research and science, and integration and inclusion. Its activities focus on the Heilbronn-Franconia region.

Johannes Schmalzl, former managing director of the Chamber of Industry and Commerce (IHK) for the Stuttgart Region and, prior to that, long-standing district president, took over as Chairman of the Board of the Würth Foundation on 1 November 2022. He took over the reins from Harald Unkelbach, who had been a member of the Board of the Würth Foundation since 2010 and stepped down at his own request.

# Bulletin and the boards

20

22

# REPORT OF THE ADVISORY BOARD

## Ladies and Gentlemen,

The year 2022 can only be described as a turning point. There is no doubt about it: On 24 February 2022, our globally organized world changed completely. Supply chains collapsed virtually overnight, energy prices skyrocketed, and inflation has since made deep inroads into our day-to-day lives. Personally, the people that worry me most are the very youngest members of our society. According to a study, one in five children in Germany are affected by poverty—another horrific consequence of war, flight, rising prices, and international economic relations that have been turned upside down. All of this really spurs me on to think ahead in terms of the future. Our Minister for Economic Affairs is cautiously optimistic and expects Germany to report slight economic growth of 0.2 percent this year. It is crucial that we do not let times like these simply pass us by, but rather that we make a conscious decision to reflect on them. We have never known uncertainty like this before, and we need to learn how to deal with it.

The year 2022 has shown how important stability is for each and every one of us. We need something to offset the current uncertainty, a firm leg to stand on when the other is on shaky ground. This is the only way we can stay on an even keel in difficult times. When we are faced with insecurity on our left, we need security on our right. Where grief and anger prevail on one side, hope and courage must reign on the other. As a family business, we managed to build on these values in a year that marked a turning point—together with our more than four million customers and our suppliers across the globe, hand-in-hand with our more than 85,000 employees. This will certainly have played a key role in our success.

We almost reached the EUR 20 billion threshold, with just one day's sales separating us from that goal. But that is not the most important thing. What is important is that we achieved a fantastic result—by sticking together and showing the sort of curiosity that now defines us as a company, in partnership with our customers and our suppliers, with a genuine sense of responsibility toward all our employees, and with humility. This is something I am very grateful for indeed!

## Work of the Advisory Board

The Advisory Board of the Würth Group held four extensive meetings in 2022, one of which was devoted primarily to the Würth Group's strategy. All meetings were based on reports delivered by the members of the Central Management Board on the business situation, planning, and opportunity and risk management. All transactions subject to approval pursuant to the company statutes were submitted to the Advisory Board for approval in good time and considered at length; in urgent cases, resolutions were passed by means of a circular procedure.

In 2022, the Advisory Board's work was heavily influenced by the war in Ukraine and its aftermath, such as the energy crisis, inflation, and sanctions. While the war in Ukraine pushed the COVID-19 pandemic and supply chain issues somewhat into the background, these challenges are not yet over either.

The Advisory Board provided support to the Central Management Board in all of these matters. The Advisory Board's work also focused on the general strategic development of the Würth Group. In this respect, the focus in 2022 remained on topics relating to the digitalization of the business model. The Advisory Board's regional focus was once again on the Würth Group's activities in North America.

The Advisory Board continuously monitored the work of the Central Management Board and provided it with support in its management duties, in the further strategic development of the company, and with regard to key individual issues. In addition, the Chairwoman of the Advisory Board was provided with regular information on current developments and relevant events within the company outside of board meetings by members of the Central Management Board.

Each of the Advisory Board's three committees (Personnel, Audit, and Investment Committee) met three times in 2022. These meetings serve to boost the efficiency of the

**Bettina Würth**
Chairwoman of the
Advisory Board
of the Würth Group

Advisory Board's work and to prepare complex issues. The committee chairs all report regularly and in depth to the Advisory Board as a whole on the work of the committees.

On 26 April 2022, the Advisory Board's Audit Committee took a detailed look at the 2021 consolidated financial statements, including the Group management report, for which an unqualified audit opinion was issued, as well as the audit report prepared by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft. The Audit Committee reviewed and approved these documents. One focus of the Audit Committee's work in 2022 was on future-proofing the internal audit and compliance structures within the Würth Group.

The Advisory Board's Investment Committee reviewed any investment projects that were subject to approval and categorized them based on their urgency and importance. The Committee also dealt with investment controlling and the approach to be adopted for companies directly affected by the war in Ukraine. The Würth Group remained committed to its investment culture as a prerequisite for the company's growth in 2022. The Advisory Board approved the corporate plan, including the investment and financial plan, of the Würth Group for the 2023 fiscal year at its meeting on 9 December 2022 based on the proposal submitted by the Investment Committee.

The Advisory Board's Personnel Committee dealt with all personnel measures falling within the Advisory Board's area of responsibility at its meetings. The Committee focused on HR development and succession planning for managers, as well as on the structure of the management incentive and remuneration systems. The Personnel Committee has the power to pass resolutions regarding employment contracts and management remuneration.

The Advisory Board of the Würth Group would like to thank the Central Management Board and the Supervisory Board of the Würth Group for the good working relationship, especially Prof. Dr. h. c. mult. Reinhold Würth, Chairman of the Supervisory Board of the Würth Group.

Although the 2022 fiscal year was marred by a number of crises, our quick reactions, agile management, and flexible, well-meaning employees once again helped us to close the year with record performance.

We would like to extend a very sincere thank you to all our employees for this outstanding achievement. Most importantly, we would like to thank all our customers and business partners for their loyalty to the Würth Group.

Yours,

B. Würth

Bettina Würth
Chairwoman of the Advisory Board of the Würth Group

## REPORT OF THE CENTRAL MANAGEMENT BOARD

### Ladies and Gentlemen,

The year 2022 was a record year for the Würth Group: At EUR 19.9 billion and with 16.8 percent growth, sales were up significantly in a year-on-year comparison. This means that in the last two years alone, the Group has generated sales growth of over EUR 5.5 billion—a remarkable achievement in the company's 75-year history. Our operating result increased from EUR 1.3 billion in 2021 to EUR 1.6 billion. As recently as mid-2022, we would not have dared to forecast growth at this rate. The COVID-19 pandemic and the war in Ukraine have triggered such major upheaval that market volatility has become an incalculable risk. Repeated disruption and trouble spots have made any sort of predictable outlook impossible. In these difficult times, our customers have valued our consistent product availability and our market-leading service—if we compare the company to its peers, this strategy has borne fruit.

At the moment, signs of a brighter economic outlook are starting to emerge: China has lifted the restrictions it imposed in response to the pandemic, and the German government is projecting an inflation rate of 6.0 percent for 2023 as a whole, down from 6.9 percent in 2022, the highest rate in the existence of the Federal Republic. The robust labor market also gives us reason to be hopeful. The number of people employed is extremely stable. The recession many had feared turned out to be less severe than expected a few months ago. This means that we can all be confident that purchasing power will remain high in many areas, despite higher prices.

Hope, trust, and confidence in times of crisis—these are the values that unite us. What is decisive is that brief moment in which we decide whether we can up the tension a bit more or help to calm things down. How we react reflects the importance we attach to the crisis and, as a result, its impact. Will we emerge from the crisis stronger, or will we allow ourselves to be overwhelmed? It is precisely here that the power of a family business becomes visible and tangible. It gives us support and strengthens us in our ability to make good and courageous decisions.

As such, crises can turn into opportunities. Opportunities for special partnerships, for long-term relationships and bonds. The people that stand by you in difficult times are the people you trust unconditionally. When our employees can trust in a secure employer, and our customers in a reliable supplier, then Würth becomes something akin to a family. Würth will remain Würth and, as a result, will stay in the family's hands in future—this message from Prof. Dr. h. c. mult. Reinhold Würth on the succession plan provides the sort of stability that we are currently missing in many other areas. It has never been clearer than it is today: Our family business is something to be valued and provides the overarching framework that allows a strong corporate culture to really radiate.

Family businesses are also characterized by consistency, long-term management, and an intrinsic motivation to succeed. According to the Foundation for Family Businesses in Germany and Europe, these businesses are hugely important in economic terms: They account for 58 percent of the workforce in Germany and 52 percent of total sales in the German economy. As such, family businesses have a very important role to play as employers and strengthen the country's economic power as a driver of growth.

**Robert Friedmann**
Chairman of the
Central Management Board
of the Würth Group

The future is our joint responsibility. If we cannot offer our children prospects for a world worth living in, we do not need to think about investing in further growth. As a company with global operations, it is our duty to assess global dependencies from a 360-degree angle. Resource shortages and volatile commodity flows will increase because the world is ultimately only a warehouse with finite capacities. Focusing on a circular economy will allow us to sever the links tying us to these challenges. Nevertheless, the incentive for us as a company has to be to find the best solution for each problem through research and development. And it has to be a solution that benefits everyone equally. Decarbonization in one country must not be pursued at the expense of another.

Starting in 2035, the EU will only permit the sale of new cars that can be driven without emitting any greenhouse gases. By the end of 2023, the Chinese automotive industry intends to have launched 80 electric car models. In this way, competition will determine the best solution. It is crucial that Europe does not abandon this key industry because it secures jobs and livelihoods. We need to map out the right path between responsible business and a healthy planet. For me, this path lies in an open-minded approach to new technologies. After all, sustainable energy production is also finite. At the same time, the carbon footprints of alternative concepts for synthetic fuels have not been conclusively clarified. We do not yet have reliable answers to a whole number of questions. This is precisely why we are called upon to consider all options to strike a healthy balance for people, the environment, and the economy.

The Central Management Board of the Würth Group would like to thank everyone who joins us in seeing the future as an opportunity: our customers, employees, the Councils of Confidence and Works Councils, the members of the Customer Advisory Board, the Supervisory Board of the Würth Group, the Advisory Board, and the Würth family, in particular Prof. Dr. h. c. mult. Reinhold Würth and Bettina Würth.

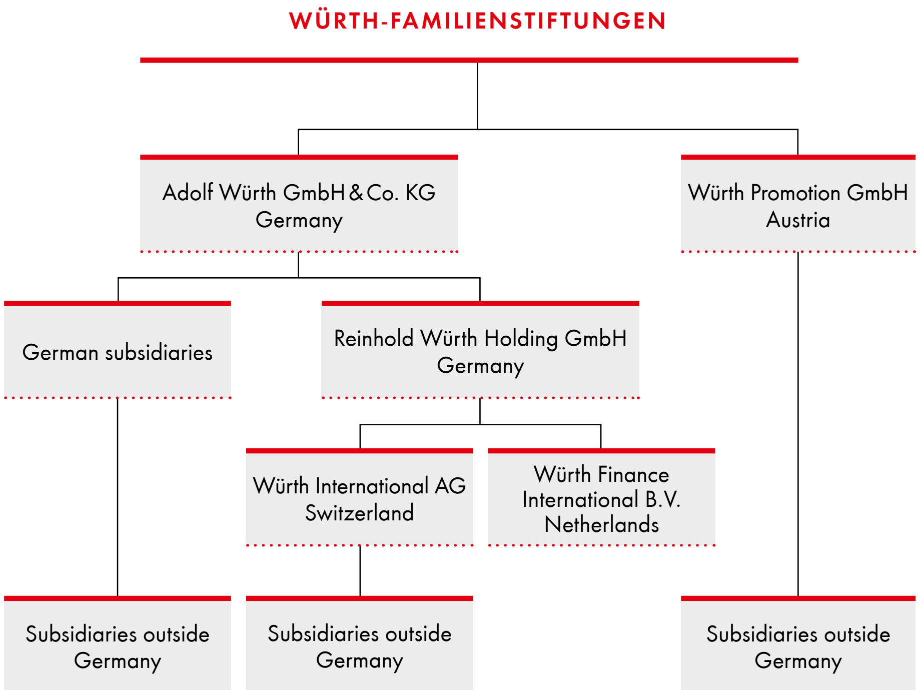
For the Central Management Board

R. Friedmann

Robert Friedmann
Chairman of the Central Management Board of the Würth Group

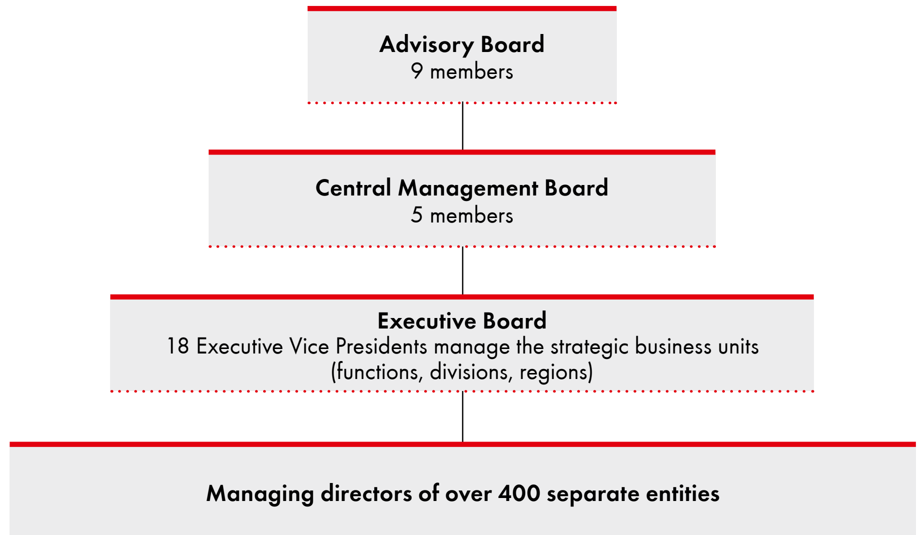
# Würth Group: legal structure

Simplified chart




# Organizational structure

As of 31 December 2022



# Advisory Board

The Advisory Board is the chief supervisory and controlling body of the Würth Group. It advises on strategy and approves corporate planning, as well as the use of funds. It appoints the members of the Central Management Board, the Executive Board, and the managing directors of the companies that generate the most sales.

**Bettina Würth**
Chairwoman of the Advisory Board of
the Würth Group

**Dr. Frank Heinricht**
Deputy Chairman of the Advisory Board of
the Würth Group
Chairman of the Management Board of
Schott AG, Mainz

**Peter Edelmann**
Managing Partner of
Edelmann & Company, Ulm

**Dr. Ralph Heck**
Director emeritus at
McKinsey & Company, Düsseldorf
Chairman of the Bertelsmann Stiftung
Executive Board, Gütersloh
Deputy Chairman of the Supervisory Board of
Klöckner & Co SE, Duisburg

**Wolfgang Kirsch**
Chairman of the Supervisory Board of
Fresenius SE & Co. KGaA,
Bad Homburg v. d. Höhe
Former Chief Executive Officer of
DZ BANK AG, Frankfurt/Main

**Hans-Otto Schrader**
Chairman of the Supervisory Board of
Otto AG für Beteiligungen, Hamburg

**Markus Sontheimer**
Chief Information and Digital Officer of
ISS A/S, Søborg, Denmark

**Dr. Martin H. Sorg**
Certified Public Accountant and Partner of
Binz & Partner Rechtsanwälte Steuerberater
Wirtschaftsprüfer mbB, Stuttgart

**Sebastian Würth**
International Division Manager,
Würth Group

**Honorary Chairman of the Advisory Board**

**Prof. Dr. h. c. mult. Reinhold Würth**
Chairman of the Supervisory Board of
the Würth Group

**Honorary members of the Advisory Board**

**Rolf Bauer**
Former Member of the
Central Management Board of
the Würth Group

**Dr. Bernd Thiemann †**
Former Chairman of the Management Board of
Deutsche Genossenschaftsbank AG,
Frankfurt/Main

# Central Management Board

The Central Management Board is the highest decision-making body of the Würth Group. It has five members and is comparable to the management board of a group holding company. Its most important duties include corporate strategy planning, the selection of executives, and the management of strategic business units and functions.

**Robert Friedmann**
Chairman of the Central Management Board of the Würth Group

**Dr. Jan Allmann**
Member of the Central Management Board of the Würth Group

**Bernd Herrmann**
Member of the Central Management Board of the Würth Group

**Rainer Bürkert**
Member of the Central Management Board of the Würth Group

**Joachim Kaltmaier**
Member of the Central Management Board of the Würth Group

Rainer Bürkert, Dr. Jan Allmann, Robert Friedmann, Bernd Herrmann, and Joachim Kaltmaier (from left to right)

# Group management report

20

22

# The company

The Würth Group is the global market leader in the development, production, and sale of assembly and fastening materials. The family business, headquartered in Künzelsau, Germany, includes over 400 companies with more than 2,500 pick-up shops in 80 countries.

The Group is divided into two operational units: The Würth Line focuses on the production and sale of assembly and fastening materials for customers in the trades and industry. Other trading and production companies, known as the Allied Companies, operate in related business areas, ranging from electrical wholesale and electronics to financial services. The Würth Group generated sales of EUR 19.9 billion in the 2022 fiscal year.

The factors behind the success of the Würth Group include successful multi-channel sales, state-of-the-art logistics, as well as product innovations and related services that make everyday life easier for more than four million customers across the globe. The Würth Group's range comprises more than one million products.

What is now a global Group evolved from the screw wholesaler Adolf Würth, which was established back in 1945. After the death of the company founder in 1954, his son, Prof. Dr. h. c. mult. Reinhold Würth, Chairman of the Supervisory Board of the Würth Group, took over what was then a two-man business. As Adolf Würth GmbH & Co. KG, this business remains the largest individual company in the Group to this day. The Würth Group currently employs more than 85,000 people, with more than 43,000 working in sales.

The corporate culture is characterized by values such as openness, gratitude, respect, curiosity, and responsibility, but also humility and modesty. The Würth Group's actions are geared toward sustainable corporate success. In order to live up to its responsibilities beyond the commercial realm, the family business has always been committed to social and cultural causes.

The Würth Group and the not-for-profit Würth Foundation contribute to a vibrant cultural landscape and social welfare for members of society. Five company-owned museums and ten associated galleries of the Würth Group in Europe present the works of the Würth Collection, which now comprises more than 18,500 exhibits. All of the company's museums are open to the public free of charge. The establishment of the Würth Philharmoniker as the musical ensemble of Reinhold Würth Musikstiftung gGmbH laid the foundation for Würth's commitment to classical music. In addition, the Würth Group and the Würth Foundation are committed to helping people with disabilities. Other focal points include education and training, as well as science and research. The company's sports sponsorship activities focus on soccer and winter sports.

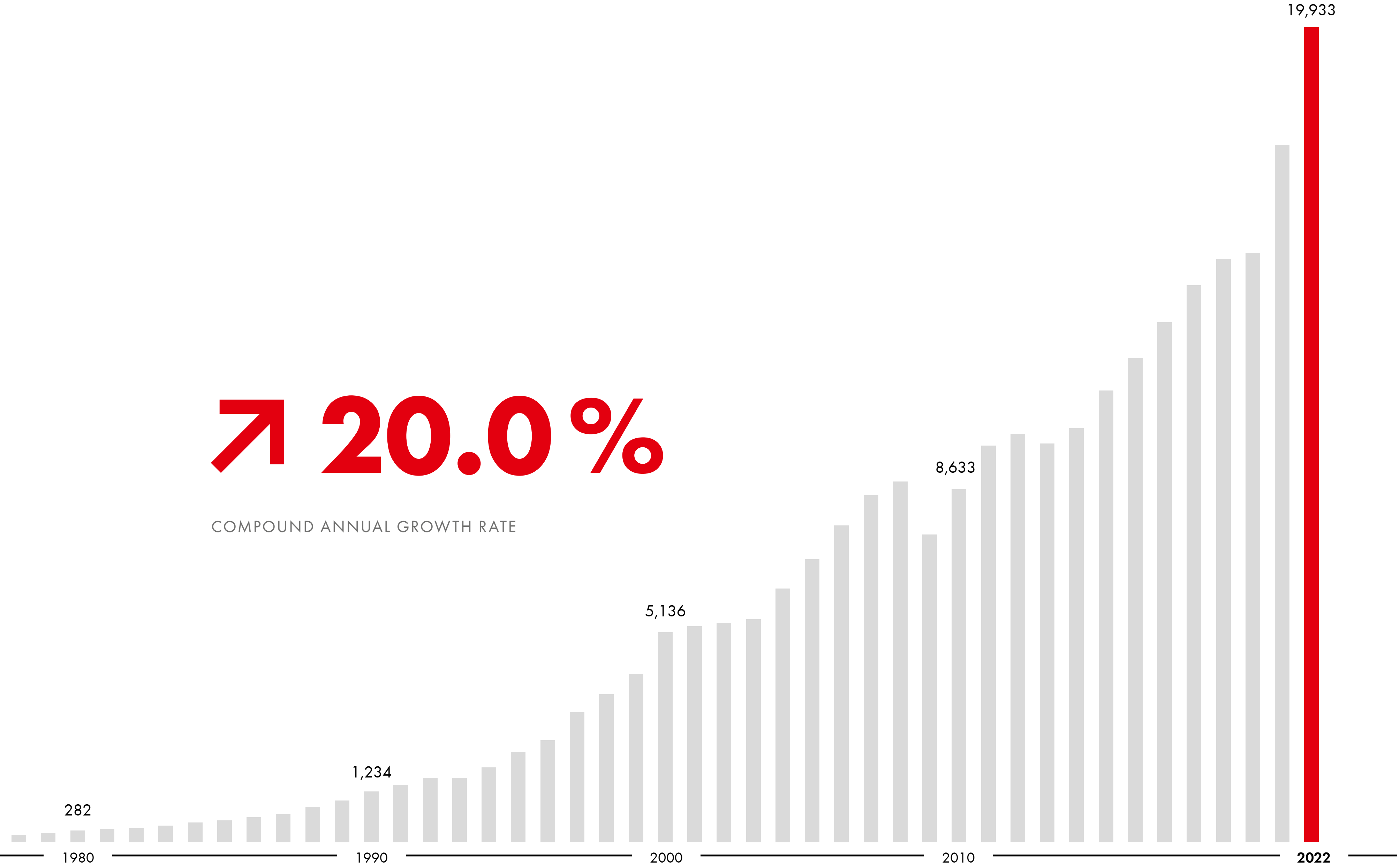
The Würth Group believes that it is its obligation and responsibility to use resources consciously and to engage in sustainable business practices. The family business has already taken numerous measures to support this quest. Würth believes that the key lies in transitioning from a linear to a circular economy. The Würth Group has defined three areas of transformation to achieve this: climate, material cycles, and social standards.

SALES DEVELOPMENT Würth Group in millions of EUR

| 0.08 | 1.0 | 33 |
|---|---|---|
| **1954** | 1960 | 1970 |

# ↗ 20.0 %

COMPOUND ANNUAL GROWTH RATE



# Economic environment

After the COVID-19 pandemic was the main factor shaping global economic development in 2020 and 2021, the Russian military's attack on Ukraine on 24 February 2022 sparked fundamental changes in the global economic order. Material shortages and export problems intensified and continued to affect global supply chains. The war triggered a severe energy crisis that dealt a blow to the economic strength of European businesses and industries, led to an increase in the cost of living, and drove up inflation.

This development meant that individual economies were unable to meet their forecasts for 2022. In almost all regions of the world, economic growth was lower than in the previous year, meaning that the global economy as a whole grew by only 3.4 percent (2021: +6.1 percent). China reported growth of 3.0 percent, falling short of the targets it had set for itself (2021: +8.1 percent). After growing at a rate of 5.7 percent in 2021, the strongest increase seen since 1984, the US posted only a 2.1 percent gain in 2022.

- **Private consumption and relief packages managed to prevent a recession in Germany**
- **The eurozone economy grew moderately despite the energy crisis**
- **Shortages of materials and skilled labor, as well as price increases, presented challenges for the trades**

In **Germany**, huge supply bottlenecks and an inflation rate of 6.9 percent (2021: 3.1 percent) created a difficult environment in which to start the year. In 2022, Germany, the Würth Group's largest individual market, lagged behind the success witnessed in the previous year with a price-adjusted increase in gross domestic product of 1.8 percent (2021: +2.7 percent). Overall, however, Germany was able to avert the feared recession, first of all because private consumption grew strongly at a rate of 4.6 percent year-on-year despite rising prices (2021: +3.1 percent). People were determined to catch up on a number of things that had not been possible during the pandemic: travel, cultural events, parties, dining out, and trade fairs. Second, the German government's relief measures and the robust labor market contributed to growth. In 2022, economic output was generated by an average of 45.6 million people in work (2021: 44.9 million).

The European economies were also affected by rising energy prices and achieved lower growth than in the previous year. The eurozone economy grew by 3.5 percent (2021: +5.2 percent).

Like so many industries, the **trades** faced major challenges in 2022. In the **construction sector**, shortages of materials and skilled labor met with high construction costs, not least due to significant price increases for energy-intensive building materials, resulting in hampered growth. This means that the industry was hit by a 2.3 percent decline in gross value added (2021: –1.4 percent). Construction investments also decreased by 1.6 percent in price-adjusted terms (2021: 0.0 percent).

The situation in the **automotive sector** also painted a mixed picture. Although the high energy and raw material prices and the shortage of products sent sales on a clear downward trend, at least until the middle of the year, 2.7 million more passenger cars were registered in 2022 as a whole than in the previous year (2021: 2.6 million). This corresponds to a year-on-year increase of 1.0 percent (2021: –10.0 percent).

All in all, 2022 once again served to demonstrate just how complex and interconnected all areas of the economy are worldwide. Germany fared comparatively well during the year given the geopolitical and economic circumstances and managed to stave off a severe economic crisis.

# Business trends

- **Sales growth of 16.8 percent to EUR 19.9 billion**
- **Operating result increases to EUR 1,575 million**
- **Investments up significantly year-on-year**

The Würth Group once again demonstrated its competitive strength and stability in the 2022 fiscal year: The global Group achieved further record results. At EUR 19.9 billion, sales were up considerably on the previous year (2021: EUR 17.1 billion). This corresponds to an increase of 16.8 percent, or 15.1 percent after adjustments to reflect currency effects. This means that, in the space of the last two years, the Würth Group's sales have increased by EUR 5.5 billion, which is more than noteworthy against the backdrop of the global economic developments. In Germany, sales were up by 13.1 percent to EUR 7.8 billion (2021: EUR 6.9 billion). The companies outside of Germany performed even better in the 2022 fiscal year, with sales up by 19.4 percent to EUR 12.1 billion (2021: EUR 10.1 billion).

The year 2022 was dominated by crises such as the war in Ukraine, the global COVID-19 pandemic, which is subsiding but has not yet been fully overcome, and material and supply bottlenecks. Nevertheless, the Group once again clearly demonstrated its ability to perform by spreading risk through its international positioning, diversification across various business areas, and its multi-channel strategy. The Electrical Wholesale business unit was particularly successful, posting growth of 24.8 percent. This very positive development can be traced back to service leadership and very high levels of product availability coupled with above-average logistics expertise. This sector also benefited from the boom in renewable energies. The Würth Elektronik Group, with its smart power and control systems, printed circuit boards, and electronic and electro-mechanical elements, also showed very robust business performance with sales growth of 22.0 percent. The Industry division of the Würth Line reported above-average performance as well, with sales growth of 20.9 percent.

Pick-up shops, where our customers can find products to meet their needs, represent one pillar of the multi-channel strategy. There are 2,594 pick-up shops worldwide, a figure that has more than doubled since 2011. In addition, the digital possibilities offered by online shops, e-procurement, and the Würth App offer the right solutions for contactless shopping. In the 2022 fiscal year, e-business generated sales of EUR 4.1 billion across the Group. The share of sales accounted for by this area rose to over 20 percent for the first time, reaching a new high of 20.7 percent.

The Group's own production plants in Germany and Europe ensure a certain degree of independence from global supply chains. Around 70 percent of the products sold originate in Europe. Production bottlenecks and congestion in container shipping left their mark on the global exchange of goods and also on individual areas of the Group in 2022, particularly with regard to fasteners and hand tools.

The Würth Group significantly increased its operating result for the second year in a row. At EUR 1,575 million, it was up by 24.0 percent on the prior year (2021: EUR 1,270 million), marking a new record in the history of the Group. This achievement can be attributed to strong sales growth, increased productivity, and the fact that sales growth outpaced the increase in costs. The year 2022 is the third year in a row in which costs for travel, trade fairs, and conferences were not incurred to the usual extent due to the pandemic. The return on sales increased year-on-year to 7.9 percent (2021: 7.4 percent). In the past fiscal year, the Würth Group once again made sustained investments in its various business units and markets in order to implement its planned strategies. Capital expenditure on intangible assets and property, plant and equipment, excluding acquisitions, came to EUR 821 million in 2022. One very significant individual investment was Reinhold Würth Innovation Center Curio. With an investment volume of EUR 75 million, state-of-the-art laboratories and workplaces have been created on premises spanning around 15,500 square meters at Würth's home in Künzelsau. The aim of the Würth Innovation Center is to create space for creative ideas, shorten innovation cycles, and bring new and further developments to market even faster and in a more customer-specific manner.

The Würth Group hired a total of 2,454 new employees in 2022. At the end of the year, the Group employed 85,637 people, with 43,297 working in sales. In Germany, the company employed 26,113 people.

# Sales by region

- **Germany remains biggest individual market**
- **The Americas report growth in excess of 30 percent**
- **Nearly all regions show double-digit growth**

Germany remains the most important individual market for the Würth Group, accounting for 39.4 percent of sales. The Würth Group achieved a clear double-digit increase of 13.1 percent in this market, a very positive result. At 19.4 percent, growth outside of Germany was even more dynamic. This meant that the share of sales outside of Germany exceeded the 60 percent mark for the first time, up by 1.3 percentage points. The main growth drivers here are the Group companies in the Americas, and in Southern and Eastern Europe. In regional terms, the Würth Group's growth is broad-based, with all regions—with the exception of Scandinavia—recording double-digit growth rates.

SALES Würth Group in millions of EUR

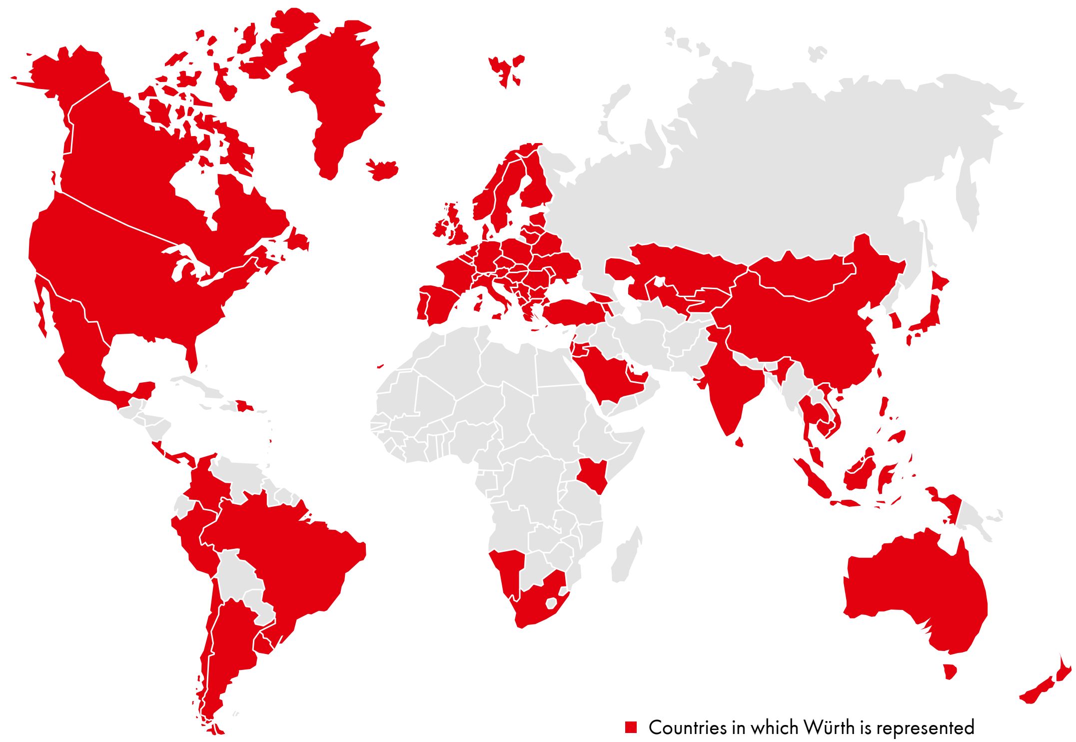
| | **2022** | 2021 | % |
|---|---|---|---|
| Würth Line Germany | 2,912 | 2,628 | +10.8 |
| Allied Companies Germany | 4,937 | 4,311 | +14.5 |
| Würth Group Germany | 7,849 | 6,939 | +13.1 |
| Würth Group International | 12,084 | 10,121 | +19.4 |
| **Würth Group total** | **19,933** | **17,060** | **+16.8** |

War in Europe, the COVID-19 pandemic, supply chain disruptions, and inflation were the main issues dominating the economic framework in 2022 and also posed major challenges for the Würth Group. Our multi-channel strategy and risk spreading based on the international and decentralized structure of the Würth Group with more than 400 companies in 80 countries, coupled with diversification through our large number of business areas once again paid off in 2022. The interplay between the various sales channels allowed the Group to maintain its proximity to customers. Ensuring material supplies and services was crucial. We supported this by increasing our inventories considerably. The Würth Group supplied more than four million customers across the globe last year, with over 50 million orders leaving our warehouses.

In the 2022 fiscal year, sales of EUR 7,849 million were generated in **Germany**, up by 13.1 percent (2021: EUR 6,939 million). The German companies continued to reap the benefits of their robust performance in 2020 and 2021, the two years dominated by the pandemic. The stability of the individual business models and very high levels of product availability explain the renewed double-digit growth and the excellent performance of the German companies. The Electrical Wholesale companies, the Würth Elektronik Group, WASI GmbH, a specialist in stainless steel fasteners and special materials, and Würth Industrie were particularly successful. The German companies that supply the automotive and mechanical engineering sectors directly, such as Arnold Umformtechnik or the tool distributor Hahn+Kolb, were yet again able to report double-digit growth in 2022 despite the countless uncertainties surrounding the transition to electromobility and the supply chain problems. Following the difficult pandemic years of 2020 and 2021, the Trade business unit also made a return to stable double-digit growth in the fiscal year under review. The companies in this unit also cover sales to DIY stores.

Adolf Würth GmbH & Co. KG, the parent company and at the same time largest individual company in the Group, generated sales of EUR 2,775 million including intra-Group sales (2021: EUR 2,511 million). Following an outstanding year in 2021, the company again achieved double-digit growth of 10.5 percent in 2022. On 16 July 1945, one of the success stories of post-war Germany began with the establishment of the company. It plays a pioneering role within the Group and successfully introduced the multi-channel strategy back in 2014. Alongside sales employees, the 585 pick-up shops (2021: 574) are key to the company's positive development. The further expansion of e-business, whose sales increased by one-fifth to account for a share of 20.6 percent in 2022, underpins the company's successful digitalization strategy.

THE WÜRTH GROUP AROUND THE WORLD




Professionalism, in both internal and external interaction, coupled with dynamic sales growth explain the high level of profitability of Adolf Würth GmbH & Co. KG. It was able to follow in the footsteps of 2021 and again achieve a record operating result in excess of EUR 300 million in the 2022 fiscal year. This earnings power is also a prerequisite for investments in forward-looking sales, logistics, and product solutions: for instance, the construction of the new Reinhold Würth Innovation Center Curio that was opened at the company's headquarters in Künzelsau in September 2022. The expansion of Distribution Center West is planned for 2023. Würth is using artificial intelligence and robots to boost the level of automation and digitalization within logistics. The robots support incoming goods, picking, and palletizing for outgoing goods.

All in all, Germany accounts for an operating result totaling EUR 721 million (2021: EUR 639 million), making it the most profitable region.

**The Americas** once again had to contend with natural disasters in 2022. Severe storms and extreme weather hit North America in particular very hard, and the extent of the damage has increased dramatically over the past five years. In addition, the strain on supply chains came to a head with the war in Europe and China's "zero-COVID strategy". This resulted in a historically sharp rise in inflation until mid-2022, particularly in the US, and prompted the Federal Reserve to raise the key interest rate several times to combat this development. At the same time, fears started to mount that economic growth could slow down. In addition, falling prices on the stock markets fueled fears of a recession in the US. The Würth Group was able to hold its own in this economic environment. Almost all of its companies in the US achieved double-digit growth. The companies in the Würth Line's Wood and Industry divisions were particularly impressive, reporting growth rates in excess of 30 percent in some cases. The Midcom Group was particularly successful in the US, with a year-on-year increase in sales of over 50 percent. Würth Electronics Midcom Inc. is a transformer manufacturer that was acquired by the Würth Group in 2008 and operates two production plants in China.

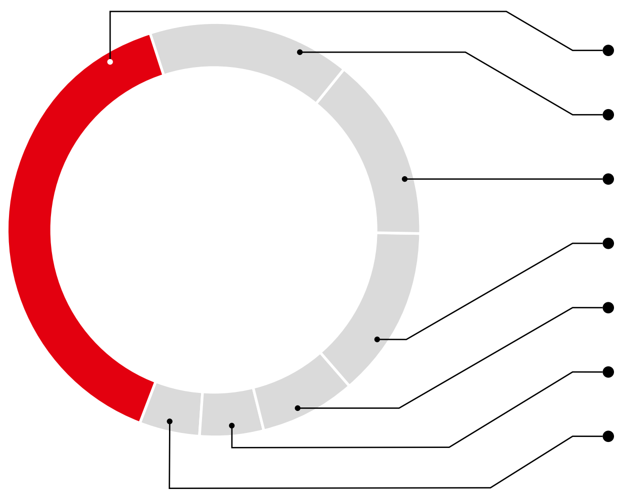
The companies in South America also performed very well in 2022. They account for 1.4 percent of Group sales, with Würth Brazil being the largest company in the region. Sales growth of 38.7 percent in euro and an increase of 27.5 percent in local currency in the region represent above-average growth rates within the Würth Group, partly due to the high inflation in the countries that make up this region.

Overall, the Würth Group generated sales of EUR 3,134 million in the Americas (+32.2 percent). In local currency, this translates to growth of 18.4 percent.

In 2022, the Würth Group companies in **Southern Europe** were able to carry over the post-COVID momentum from 2021 and achieve double-digit growth of 18.5 percent to EUR 2,888 million under their own steam. With a sales share of 14.5 percent, this puts Southern Europe in third place within the Würth Group, after Germany and the Americas. In terms of absolute sales, Italy is the dominant country in the Southern European region, followed by Spain and, with a wide margin, Portugal.

The companies in these regions have become more crisis-resistant over the past two years, which also had an impact on their figures in 2022. While COVID-19 became less of an issue, the supply chain issue remained. The war in Europe posed an additional challenge to the Southern European regions. The Würth companies nevertheless managed to achieve very good sales performance in this region by responding

SALES Regions of the Würth Group



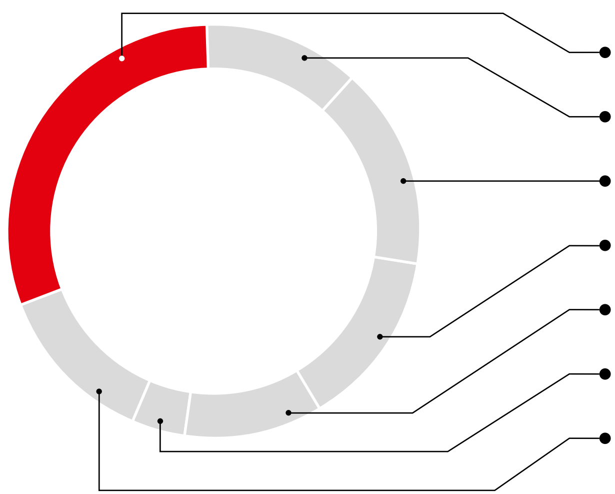
| | **2022** in % | **2022** in millions of EUR | 2021 in millions of EUR | Change in % |
|---|---|---|---|---|
| Germany | 39.4 | 7,849 | 6,939 | +13.1 |
| The Americas | 15.7 | 3,134 | 2,370 | +32.2 |
| Southern Europe | 14.5 | 2,888 | 2,438 | +18.5 |
| Western Europe | 13.4 | 2,674 | 2,365 | +13.1 |
| Eastern Europe | 7.4 | 1,468 | 1,226 | +19.7 |
| Scandinavia | 5.1 | 1,022 | 939 | +8.8 |
| Asia, Africa, Oceania | 4.5 | 898 | 783 | +14.7 |
| Total | | **19,933** | **17,060** | **+16.8** |

quickly and systematically to the ever-changing challenges. This was supported by many years of cooperation with customers and suppliers built on trust. Both the Italian and the Spanish companies in the Würth Group were able to increase their sales by just shy of 20 percent. Despite the volatile situation, the Würth Group has decided to continue investing in new employees in order to drive forward dynamic growth in the region in the future. As a result, 570 additional employees were hired in the Southern Europe region in the 2022 fiscal year, an increase of 4.4 percent compared with the previous year. Out of the 13,624 employees, more than 10,000 work in sales. No other region has such a substantial sales team.

**Western Europe** is home to many of the Group's more established companies as it was there that the internationalization of the Würth Group began: one of the Group's major success factors. Sales showed double-digit growth of 13.1 percent to reach EUR 2,674 million. The majority of countries in this region recorded double-digit growth in 2022, with the exception of companies in the Netherlands (+9.3 percent) and Ireland (+8.6 percent).

The two countries with the highest sales, France and Austria, which reported growth of 10.4 and 15.9 percent respectively, were also able to contribute the biggest growth in sales in absolute terms. In Austria in particular, very good, sustained success was achieved in e-business, with growth of 31.5 percent to make up 29.9 percent of sales. France, Austria, and Switzerland account for just under 80 percent of the region's total sales.

EMPLOYEES Regions of the Würth Group



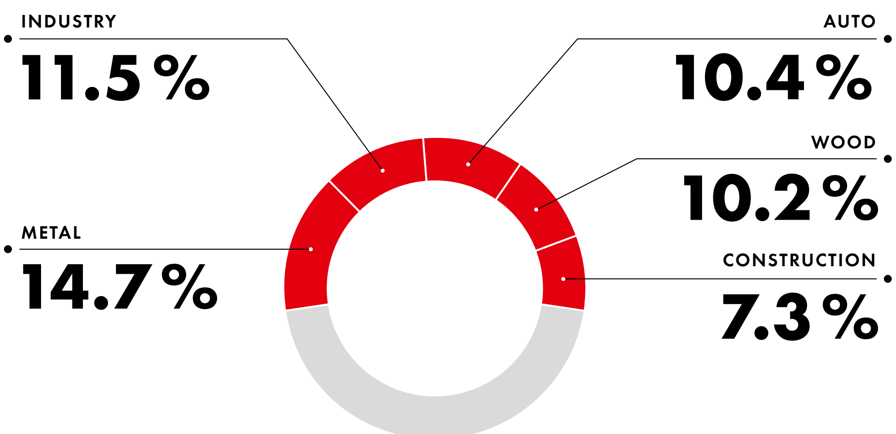
| | **2022** in % | **2022** | 2021 | Change in % |
|---|---|---|---|---|
| Germany | 30.5 | 26,113 | 25,438 | +2.7 |
| The Americas | 12.1 | 10,335 | 9,786 | +5.6 |
| Southern Europe | 15.9 | 13,624 | 13,054 | +4.4 |
| Western Europe | 13.8 | 11,856 | 11,687 | +1.4 |
| Eastern Europe | 10.8 | 9,246 | 9,200 | +0.5 |
| Scandinavia | 4.3 | 3,696 | 3,592 | +2.9 |
| Asia, Africa, Oceania | 12.6 | 10,767 | 10,426 | +3.3 |
| Total | | **85,637** | **83,183** | **+3.0** |

# THE OPERATIONAL UNITS OF THE WÜRTH GROUP

## The divisions of the Würth Line

The business activities of the Würth Line focus on the production and sale of assembly and fastening materials for customers in the trades and industry. Within the Würth Line, the operating business units are split into Metal, Industry, Auto, Wood, and Construction divisions.

SHARE OF SALES OF THE DIVISIONS in relation to the Würth Group's total sales



## Metal division

The Metal division offers its customers innovative solutions to support them in their daily work today and in the future. Our core competency, direct selling, coupled with our pick-up shops and the various options for placing orders online, allows us to offer our customers top-quality advice and options for the procurement and provision of suitable products.

**Metal subdivision**
This subdivision directly serves customers in the metalworking and metal processing industries, and its main customers include metal and steel fabricators, fitters, and machine and vehicle manufacturers.

**Installations subdivision**
This subdivision concentrates on electricians, gas, heating and water installation firms, and air-conditioning and ventilation system engineers.

**Maintenance subdivision**
This subdivision addresses customers with in-house repair shops from a wide range of sectors, such as industrial enterprises, hotels, shopping centers, airports, and hospitals.

## Industry division

The entities of the Industry division are specialized companies with a complete range of assembly and connecting materials for industrial production, maintenance, and repair. In addition to this comprehensive standard range, the division's strength lies in customized logistics concepts for supply and service, along with the provision of technical consulting.

The innovative further development of procurement and logistics systems within the Industry division emphasizes the role of full automation and systems in stocking and replenishing Würth products for manufacturing customers. One key focus remains the maximum availability of C-parts directly at the place of consumption, in the warehouse, and at the workstation. All solutions are made available as part of a holistic approach to the supply of production and operating resources. As in the past, the focus is on expanding digital processes and sales channels.

The strategic focus remains on personal on-site customer service thanks to a global network of companies and, as a result, the same high standards for quality, products, and processes across the globe.

## Auto division

The Auto division sees itself as a competent partner for car workshops—today and in the future. In addition to a comprehensive product range meeting the highest quality standards, we offer our customers innovative services and systems to optimize their internal processes. In complementary areas of expertise such as diagnostics, air-conditioning services, and special tools, we support workshops in the automotive and commercial vehicle markets. We also offer solutions for alternative drive systems and the increasing digitalization in the automotive aftersales segment.

**Car subdivision**
The customers in the car subdivision include vehicle manufacturers, brand-specific and independent car dealers, customers with large vehicle fleets, bodywork specialists, vehicle restorers, tire changing businesses, and businesses in the bike segment.

**Cargo/Commercial Vehicles subdivision**
The customers of this subdivision are authorized commercial vehicle repair shops, independent commercial vehicle repair shops, repair businesses focusing on construction and agricultural machinery, transportation and logistics companies, bus companies, businesses specializing in repairing and renting working platforms and forklifts, public-sector municipal utilities and waste disposal companies, as well as companies from the agricultural and forestry sector.


## Wood division

The Wood division supports its customers in the entire woodworking and wood processing trade with a tailored product portfolio and specific application solutions. The product range includes wood screws, fittings, technical chemicals, as well as material treatment and structural connection products.

Thanks to a high level of expertise and holistic sales solutions, we not only offer our customers products that are perfectly tailored to suit their needs, we also see ourselves as a personal advisor, assisting our clients from the preparation of their initial plans to the completion stage.

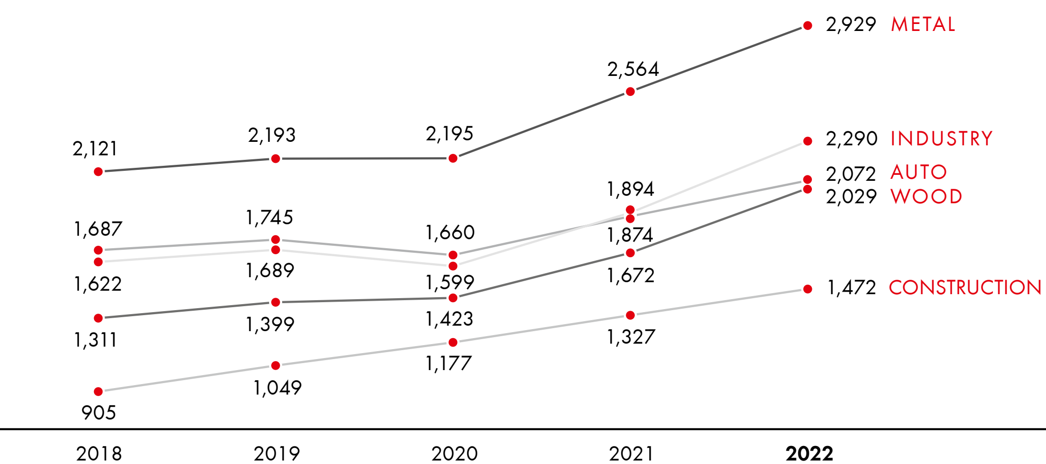
In these endeavors, the Wood division is responding to the latest trends in the industry: The WÜDESTO online configurator already allows customers to create customized furniture elements and order semi-finished parts with exact dimensions in Germany, Austria, and Italy. In order to sustainably develop the e-business area internationally and to meet demands in the skilled trades, there are already plans to integrate further companies into WÜDESTO.

## Construction division

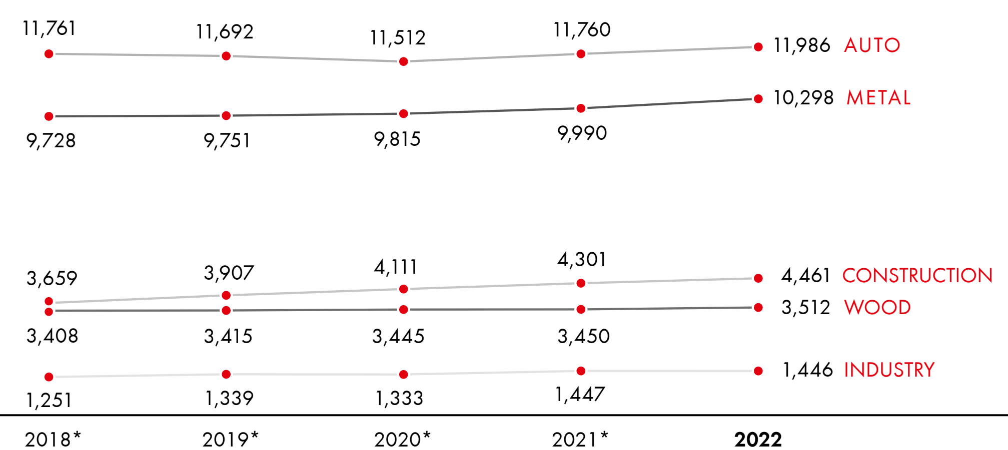
The Construction division aims to supply construction companies across the globe at the regional, national, and international level with standardized high-end products and services. The pick-up shops are the ideal port of call for customers looking to cover their immediate needs. The sales force acts as a permanent point of contact at the construction site. They are responsible for optimizing the processes associated with the main trades involved in the shell construction phase and in the various technical building installations as part of the project business.

The Construction division encompasses all sales units responsible for serving customers in the building and civil engineering industry and the finishing trades. The focus is on construction companies, technical building equipment, roof and wood construction customers, finishing and facade specialists, and direct supplies to construction sites. Customized service and logistics solutions are also provided, such as equipped material stores directly at the construction site. There is an increasing focus on strategic target groups such as real estate developers, planners, architects, and project managers.

SALES by division in millions of EUR




SALES EMPLOYEES by division

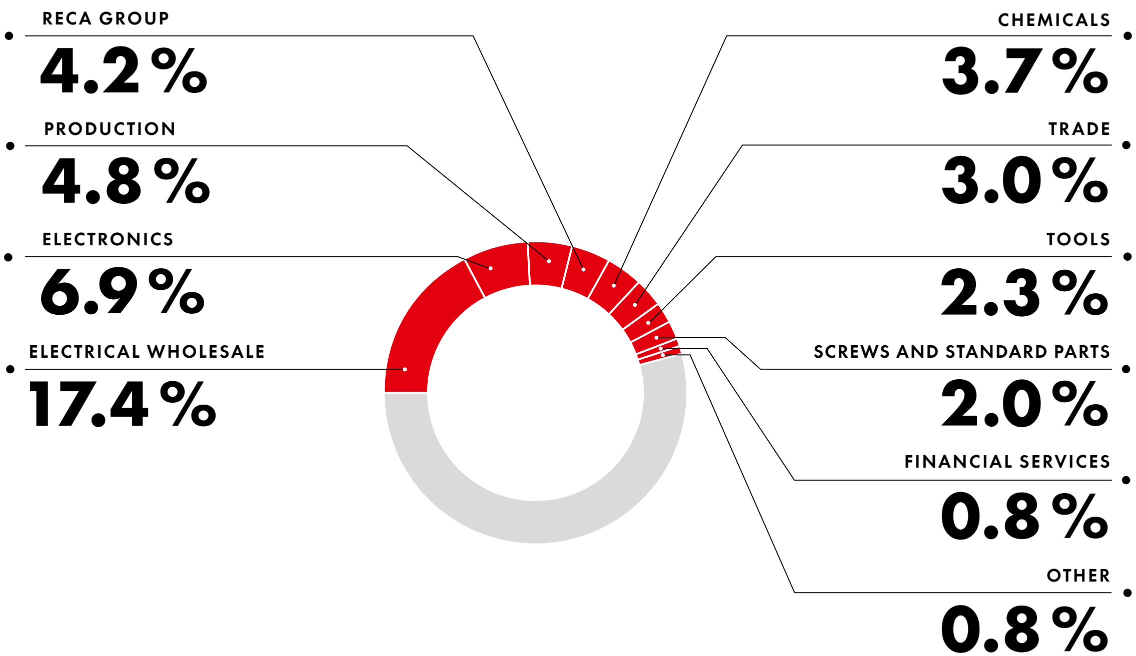



* information presented differently due to new employee classification

# The business units of the Allied Companies

The Allied Companies operate either in business areas related to the Group's core business or in diversified business areas, rounding off the Würth Group's portfolio. They are divided into nine strategic business units. With the exception of a small number of manufacturing companies, the majority are sales companies operating in related areas.

SHARE OF SALES OF THE BUSINESS UNITS OF THE ALLIED COMPANIES in relation to the Würth Group's total sales

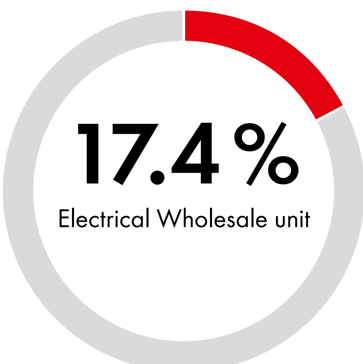


## Electrical Wholesale

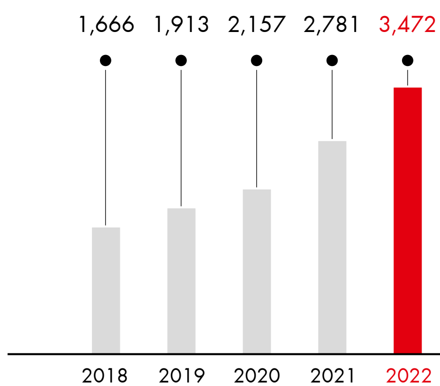
**The business activities of these companies include products and systems covering the areas of electrical installation, industrial automation, cables and lines, tools, data and network technology, lighting and illumination, household appliances and multimedia, electrical domestic heating technology, and regenerative power generation. Trading activities are supplemented by extensive consultancy and service ranges and are aimed at professional customers from the trades, industry, and the retail/wholesale sector.**

- Growth outstrips market development yet again: new record sales in 2022
- Investments running into the millions in warehouse and logistics structures
- Expansion of sales focus to include renewable energies, electromobility, and heat pumps

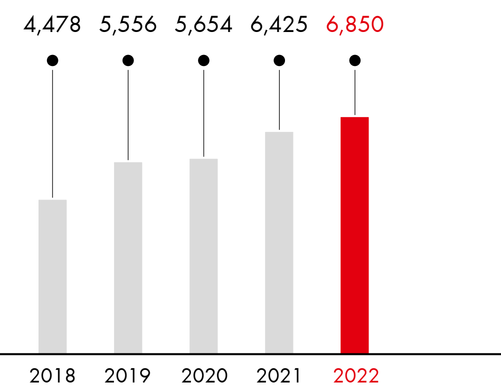
SHARE OF TOTAL SALES




SALES in millions of EUR




EMPLOYEES

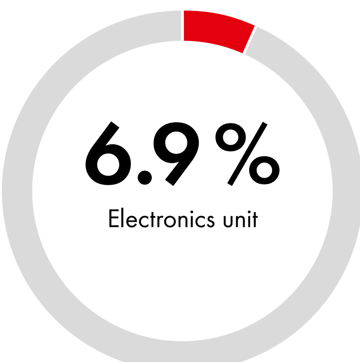


## Electronics

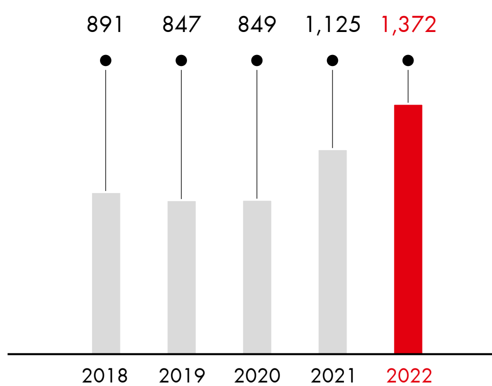
**The Electronics unit produces and sells electronic components such as printed circuit boards, electronic and electro-mechanical elements, and full system components from smart power and control systems.**

- Expansion of printed circuit board sales in Europe through the establishment of an international sales company: Würth Elektronik CBT International GmbH
- Würth Elektronik ICS (intelligent power and control systems): market launch of a new product family for integrated function control and power distribution in mobile machinery and commercial vehicles
- Würth Elektronik eiSos (electronic and electro-mechanical elements): completion and move into Hightech Innovation Center in Munich-Freiham

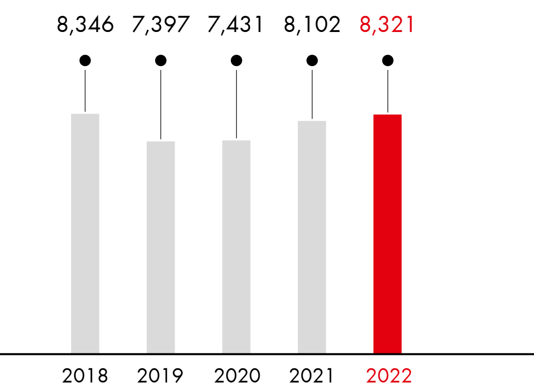
SHARE OF TOTAL SALES




SALES in millions of EUR




EMPLOYEES

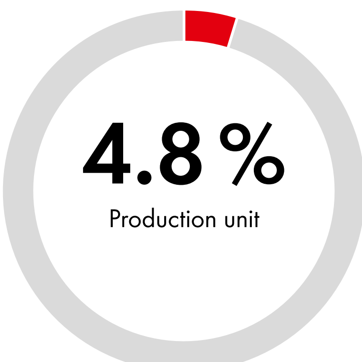


## Production

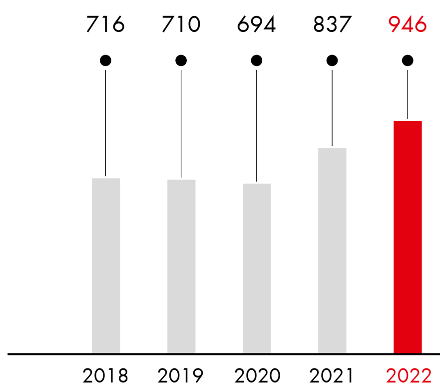
**The range in this business unit includes the production of cold-formed parts, forming and punching tools, a variety of fasteners and fastening systems, furniture fittings, plastic assortment and storage boxes, as well as factory and vehicle equipment. The business unit supplies a range of customers, including customers from the construction sector, the automotive industry, manufacturers of kitchens and household appliances, and wholesalers.**

- SWG Schraubenwerk Gaisbach invests in a high-performance production line for geometrically fully formed screws with a total length of up to 1,000 mm and a thread length of 420 mm, and expands electroplating and hardening facilities to shorten delivery times and improve process sustainability
- Arnold Umformtechnik supplies all parts from climate-neutral production
- Grass Austria: investment in new production facility in Höchst

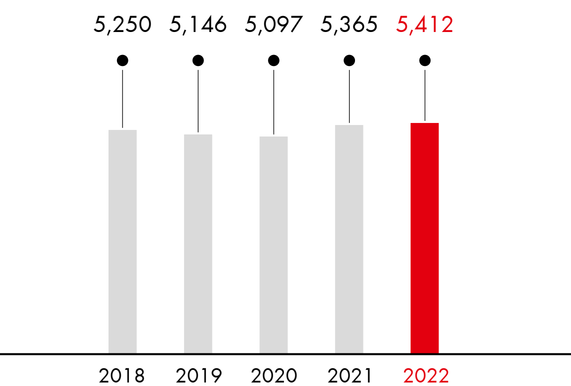
SHARE OF TOTAL SALES




SALES in millions of EUR




EMPLOYEES

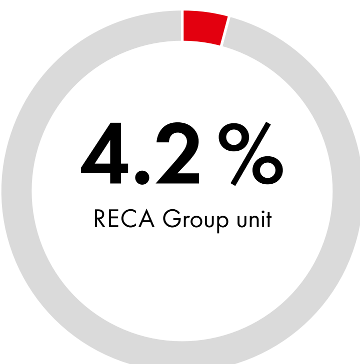


## RECA Group

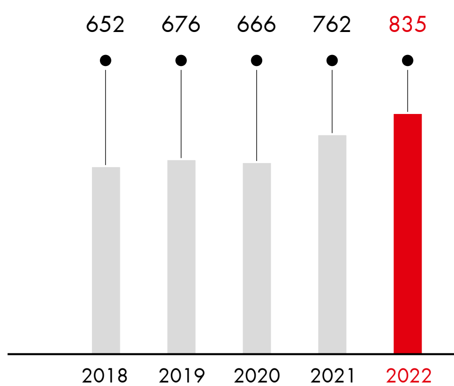
**The companies of the RECA Group supply the industry and sell directly to construction, wood, metal, car, and cargo customers in 19 European countries. The company's portfolio includes tools, assembly and fastening materials, C-parts, workwear, advertising materials, and vehicle equipment.**

- Focus on services that help customers reduce procurement costs for small parts, such as Kanban and RFID-supported storage systems, the SECO® shelf management system, shelf and vending solutions for the direct retrieval of goods, and automated reordering for customers
- Investment in digitalization and expansion of e-shops: Combination of digital sales systems and personal customer support provided by the sales force prove effective as growth levers
- Broad product range and high delivery capability provide customers with supply chain security and help cut procurement and process costs

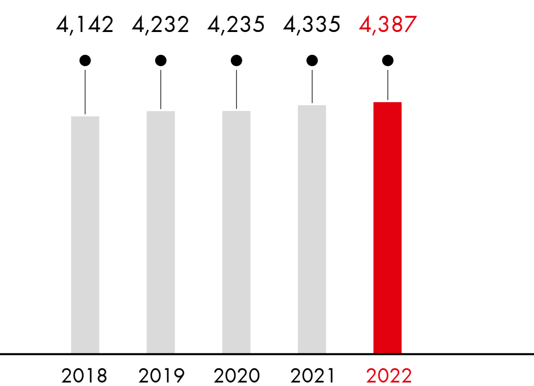

SHARE OF TOTAL SALES




SALES in millions of EUR




EMPLOYEES

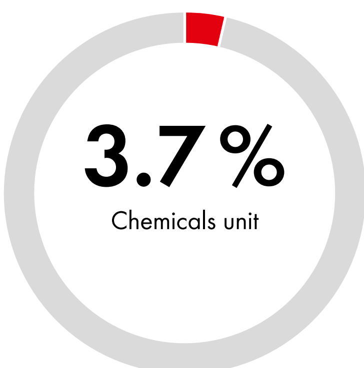


## Chemicals

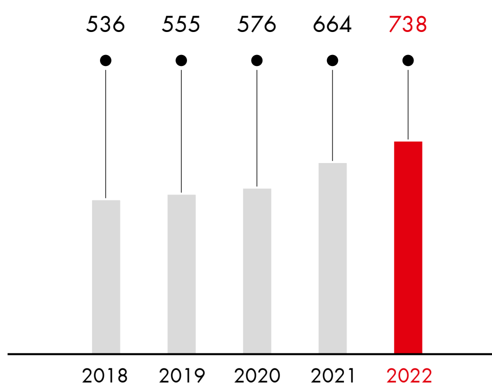
**The companies in the Chemicals unit are responsible for the development, manufacturing, and distribution of chemical products for the automotive, industrial, and cosmetics sectors. They distribute both their own brands and private-label products and are recognized as innovation specialists and experts in their niche areas.**

- Procurement market created challenges in 2022 due to major supply bottlenecks for solvents as well as specialty chemicals and petrol
- Kisling: acquisition of Copaltec GmbH in Böblingen, a specialist in the field of potting compounds
- Liqui Moly: Two new electromobility products, fuel cell coolant and Top Tec Gear gearbox oil, set new strategic standards

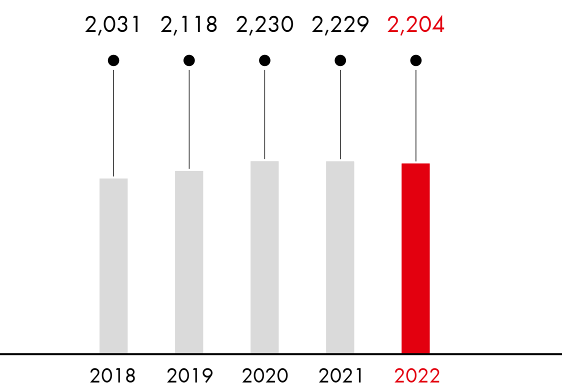

SHARE OF TOTAL SALES




SALES in millions of EUR




EMPLOYEES



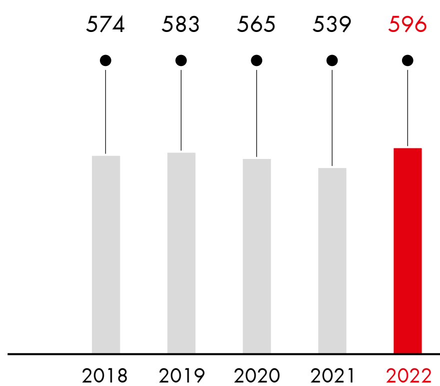
## Trade

**Companies in this business unit sell installation, sanitary, fastening and assembly materials, garden products, power tools, and hand tools. The range also includes furniture fittings for specialist stores and retailers, as well as products for DIY stores and discount stores.**

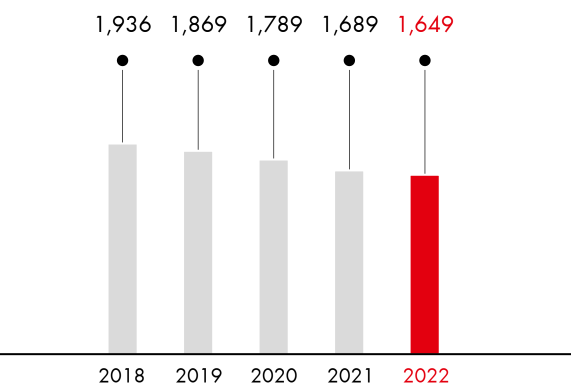
- Focus on securing supply chains, supply of goods, and gross profit
- SWG: “Find it” all-in-one solution shelf receives the BHB-Branchen-Award 2022 from the Home Improvement, DIY and Garden Trade Association *(Handelsverband Heimwerken, Bauen und Garten)* in the “Best of Process” category
- Further investments in IT infrastructure and forward-looking technologies such as electronic shelf labels

SHARE OF TOTAL SALES


SALES in millions of EUR




EMPLOYEES

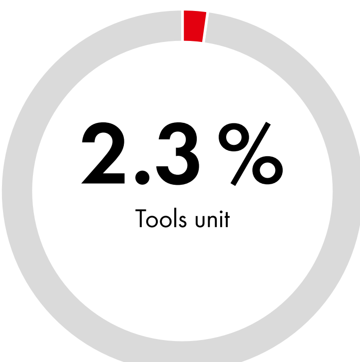


## Tools

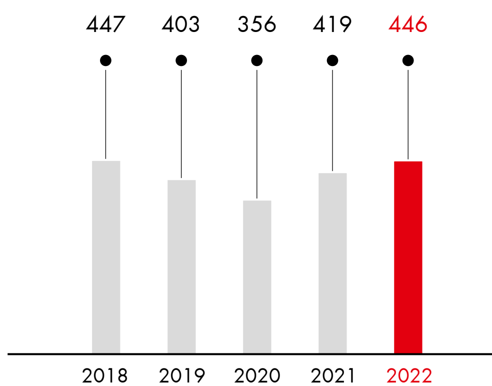
**The tools companies supply customers in the metalworking and metal processing industries, particularly in the mechanical and plant engineering sector, and in the automotive manufacturing and automotive supplier industry. They sell products from the areas of drilling, milling, turning, clamping, grinding, testing and measurement equipment, hand tools, operating equipment, machinery, and personal protective equipment.**

- Use of e-business solutions and tool dispensing systems to boost customer loyalty and increase sales and productivity
- Own brand ATORN®: focus on expanding the proprietary brand share, especially in the areas of metal cutting, hand tools, occupational health and safety, and measuring equipment
- Implementation of sustainability projects such as recycled packaging, photovoltaic systems and electromobility

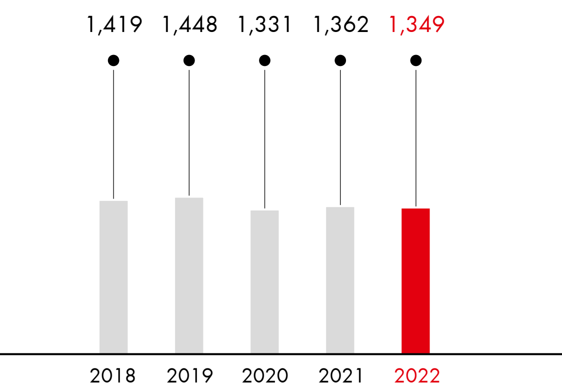

SHARE OF TOTAL SALES




SALES in millions of EUR




EMPLOYEES

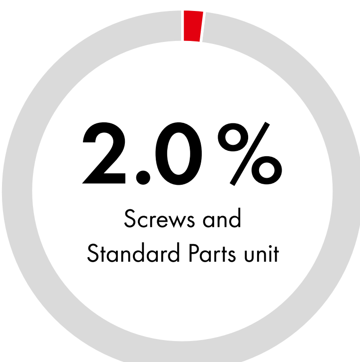


## Screws and Standard Parts

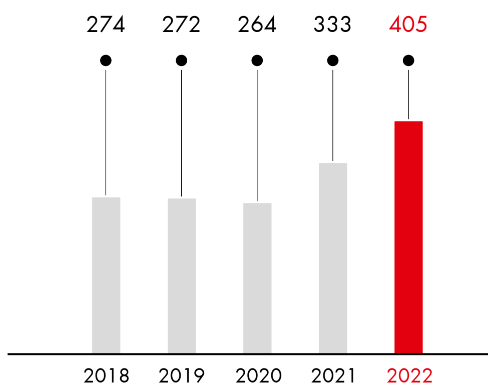
**The stainless steel companies are product specialists with supply concepts for industry and trade. The unit's main business activity is the sale of stainless connecting elements, in particular DIN and standard parts. The hydraulic companies specialize in trading in hydraulic connection technology and providing the associated services.**

- Stainless steel companies: focus on telemarketing, as well as acquisition and reactivation of high-revenue customers
- WASI invests in renewable energies: New photovoltaic system supplies 70 percent of required energy
- HSR: Hydraulics company expands digital services to support customers

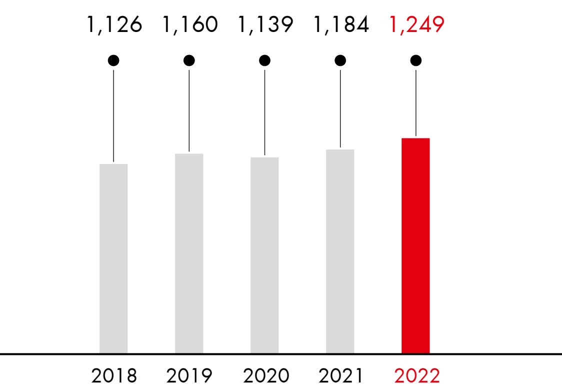
SHARE OF TOTAL SALES




SALES in millions of EUR




EMPLOYEES

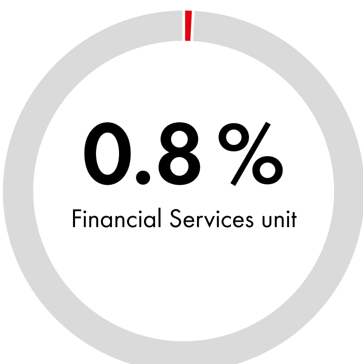


## Financial Services

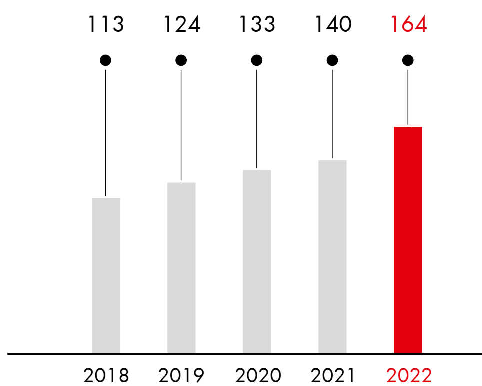
**Security is a buzzword at the moment, especially in the financial sector. Thanks to its financial independence, the Würth Group offers this very security in all areas of financial services: financing, leasing, retirement plans, property and personal insurance, and asset management.**

- IBB Internationales Bankhaus Bodensee AG: stable result hit by impairment losses
- Leasing companies secure further market share and offer their customers funds at attractive interest rates as part of the global loan program launched by the German state-owned development bank KfW
- Waldenburger Versicherung: investments in digitalization, sales, and staff ensure future viability

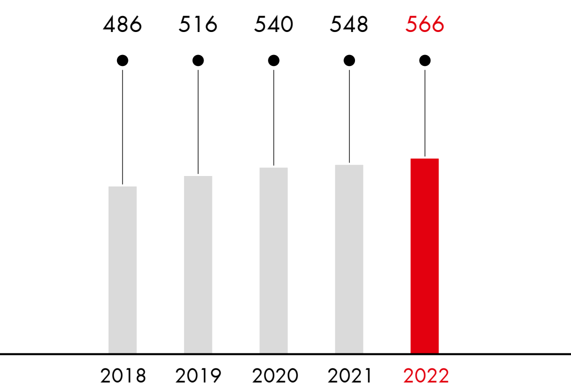
SHARE OF TOTAL SALES




SALES in millions of EUR




EMPLOYEES



# Net assets, financial position, and results of operations

- **Operating result doubled within the last five years**
- **Cash flow down due to forward-looking portfolio management**
- **Würth Group ups its investments**

In the past fiscal year, the Würth Group was able to generate an operating result of more than EUR 1.5 billion for the very first time, doubling its earning power in the last five years to EUR 1,575 million (2017: EUR 780 million). This equates to a year-on-year increase of 24.0 percent (2021: EUR 1,270 million). Although the increase in sales in 2022 was once again very significant at 16.8 percent, the return on the operating result improved again to 7.9 percent (2021: 7.4 percent). We calculate the operating result as earnings before taxes, before amortization of goodwill, brands and financial assets, before the collection of negative differences recognized in profit or loss, before the adjustment of purchase price liabilities from acquisitions through profit or loss, and before changes recognized in profit or loss of non-controlling interests disclosed as liabilities.

One major reason for this very encouraging operating result, in addition to the strong increase in sales, is the consistently positive productivity trend for years now. Increasing process digitalization, the associated streamlining and constant improvements, even with regard to small details, were the main drivers behind this development. In addition, the pandemic meant that costs for travel, trade fairs, and conferences in 2022 had not yet bounced back to the pre-pandemic level. Although the shortage of materials in the industrial sector eased slightly over the course of the year, various sectors such as mechanical engineering and the automotive industry continued to be affected. Although the Group's own production facilities in Germany and Europe ensure a certain degree of independence from global supply chains, supply bottlenecks prevented an even more positive earnings trend at companies trading in tools and within the Würth Elektronik Group.

The German companies achieved an operating result of EUR 721 million (2021: EUR 639 million). The increase of EUR 82 million corresponds to growth of 12.8 percent. This brought the share of the Group's overall result attributable to the German companies to 45.8 percent, with the return on sales remaining stable at 9.2 percent. With a record operating result in excess of EUR 300 million for the first time, Adolf Würth GmbH & Co. KG made the biggest contribution to earnings, followed by Würth Elektronik eiSos. Other contributors include Würth Industrie Service, Fega & Schmitt Elektrogroßhandel, Liqui Moly, and Uni Elektro Fachgroßhandel.

An even more significant increase in earnings was achieved by the foreign companies, whose earnings rose by 35.3 percent to EUR 854 million (2021: EUR 631 million). This very positive development is evident across the board. Established companies in the Würth Line, Electrical Wholesale companies, the Würth Elektronik Group, and stainless steel dealers coped very well with the economic challenges and closed 2022 successfully. Significant improvements in earnings at the US companies, particularly in the industrial sector, also had a positive impact. New measures that were introduced, such as the consolidation of warehouse locations, started to bear fruit in the 2022 fiscal year, and the strategic adjustment is taking effect.

The ratio of cost of materials to sales was up on the previous year at 52.9 percent (2021: 51.4 percent). Material shortages and increased energy costs at suppliers, coupled with the associated purchase price increases, which could not be passed on in full to customers, were the main reasons behind this increase. At EUR 109 million, other operating income was up only very slightly on the previous year (2021: EUR 96 million).

At the end of December 2022, the Würth Group had a total of 85,637 employees. This equates to an increase of 2,454 employees. A new system was introduced in the fiscal year under review in order to better reflect the multi-channel strategy in employee classification. One key objective of the new classification is to provide a more accurate view of productivity. The main new feature is that the sales force has been combined with employees working in the pick-up shops and the e-business specialists. As a result, the main increase in employees could be seen in the sales area with 1,643 new colleagues. All in all, the ratio of personnel expenses to sales was down considerably year-on-year at 23.9 percent (2021: 25.6 percent). One reason for this is the improved sales productivity of all employees, with an increase of 12.3 percent.

At EUR 804 million, amortization, depreciation, and impairment losses were up slightly on the previous year (2021: EUR 776 million). Amortization, depreciation, and impairment losses include impairment losses on intangible assets, including goodwill, property, plant and equipment, and right-of-use assets amounting to EUR 44.4 million (2021: EUR 68.8 million). These mainly relate to the Russian companies. Due to the war in Ukraine and the related sanctions imposed on Russia, the Würth Group intends to sell its cash-generating units in Russia. For details, please refer to the comments in the notes on the consolidated financial statements in [24] "Assets classified as held for sale and liabilities in a group of assets classified as held for sale" in Section H. Notes on the consolidated statement of financial position. Depreciation and amortization increased by 7.4 percent to EUR 759.3 million (2021: EUR 706.8 million).

Other operating expenses showed slightly above-average growth of 18.1 percent compared to the previous year. The ratio was up slightly year-on-year at 11.9 percent (2021: 11.8 percent). There was a significant increase in packaging costs and the cost of energy, including fuel. Due to the increase in global mobility, travel costs are also higher again, although they have not yet returned to pre-pandemic levels.

The tax rate increased slightly in the 2022 fiscal year to 22.8 percent (2021: 22.4 percent). One major reason for this slight increase is an effect from an adjustment of tax-deductible amortization, depreciation, and impairment losses in future fiscal years. For a detailed analysis, please refer to Section G. Notes on the consolidated income statement, [10] "Income taxes", in the consolidated financial statements.

Overall, the 2022 fiscal year was better than expected with sales of EUR 19.9 billion and an operating result of EUR 1.6 billion. Despite the difficult economic and political conditions created by the war in Ukraine, the material and supply bottlenecks and the price increases, new records were achieved. The Würth Group has once again clearly demonstrated its ability to perform by spreading risks through its international positioning, diversification across various business areas, and its multi-channel strategy. Its broad positioning, which once again proved to be relatively resistant to crisis in 2022, means that it is able to compensate for economic fluctuations in individual submarkets.

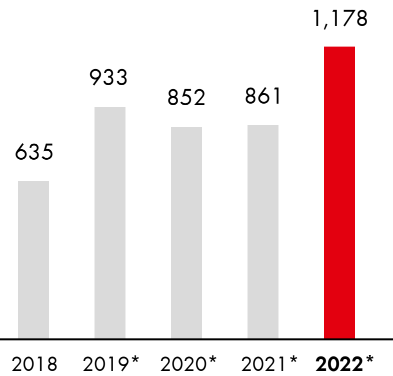
Net income for the year increased to EUR 1,194 million. Our gross profit—that is to say, sales minus the cost of goods sold—came under considerable pressure due to developments on the global procurement markets. The staff turnover indicator deteriorated slightly compared with the previous year, also due to the improved economic conditions in our main core markets. In a long-term comparison over the last 20 years, staff turnover is at an acceptable level. For the second year in a row, there was a double-digit increase in productivity. Overall, the Central Management Board is satisfied with developments in the 2022 fiscal year. The targets set for sales and the operating result were surpassed.

**Capital expenditures and cash flow**

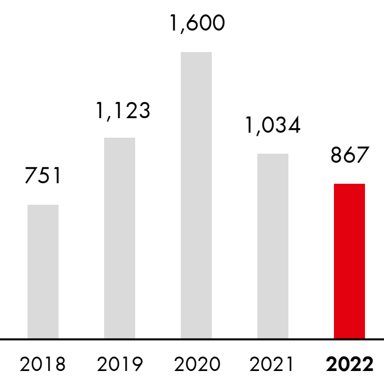
The energy crisis, inflation, the war in Ukraine, an incipient recession, supply chain difficulties, the COVID-19 pandemic: 2022 was a year characterized by many challenges. The Würth Group nevertheless broke numerous records. Investments were stepped up to ensure that this positive trend continues in the future. At EUR 821 million, investments (excluding right-of-use assets under IFRS 16) increased by a significant 48.5 percent compared to the previous year (2021: EUR 553 million). This also reflects a certain amount of pent-up demand from previous years in which the Würth Group was more cautious in its investments in its quest to pursue a commercially prudent approach. Growth is inextricably linked to the self-image of the Würth Group as a matter of principle. Growth by tapping into new markets and growth in existing markets require optimal underlying conditions. One of the ways in which the Würth Group achieves such conditions is through sustainable investment. Over the past ten years, the Group has invested more than EUR 5.4 billion in intangible assets and in property, plant, and equipment. In 2022, investments focused on the expansion of IT infrastructure and warehouse capacities for our distribution companies, as well as on production buildings and technical equipment and machinery for our manufacturing companies.

In April 2022, for example, the foundation stone was laid for another Arnold Umformtechnik production site in Hohenlohe. For the first phase of construction

INVESTMENTS Würth Group in millions of EUR




CASH FLOW FROM OPERATING ACTIVITIES Würth Group in millions of EUR




* incl. additions of right-of-use assets

work, the company is investing around EUR 20 million in the new Forchtenberg/Rauhbusch site, where Arnold Umformtechnik, as a manufacturer of high-quality connecting and fastening systems, intends to forge ahead with the "Conform Next" product range in the future, which is in particularly high demand in the mobility industry. The second construction phase will see a further production building being constructed starting in 2024. In the medium term, several hundred people are to be employed at the new site. A total of EUR 100 million will have been invested by then. In addition to manufacturing innovative products, the focus is also on climate protection and energy conservation. The planned wood and concrete construction is just one example of Arnold Umformtechnik's many ambitions in its quest to produce sustainable products at a sustainable location.

In addition to the Allied Companies, the Würth Line companies also made substantial investments in expanding their logistics capacities for future growth. Both Würth France and Würth Italy kicked off the largest investment initiative in their company's history in 2022. At Würth Italy, work started on the conversion of the logistics center in Neumarkt with an investment of EUR 60 million, the project being scheduled for completion in mid-2025. The work will create a shuttle warehouse with a three-story functional building for all outgoing goods functions. The plan is also to reduce oxygen levels in the shuttle warehouse so that it can be used to store hazardous goods as well. This investment in logistics will enable Würth Italy to achieve further sales growth, establish additional customer services, and reduce inbound and outbound costs.

Over EUR 60 million is being invested in the modernization and expansion of the Würth France logistics center in Erstein, a project that is also scheduled for completion by 2025. Plans include a fully automated high-bay and shuttle warehouse. It consolidates customers' orders thanks to a package buffer warehouse. If an order consists of several packages, the packages that have already been prepared wait in the shuttle warehouse until the others are ready. This means that customers receive fewer individual deliveries and, at the same time, the environmental impact is reduced due to the need for fewer trips. In addition, as with Würth Italy in Neumarkt, the logistics expansion measures in Erstein also involve reducing oxygen levels, and we are modernizing a large portion of the current logistics center. Aside from a new conveyor system, employee workstations are being revamped to make them more ergonomic.

In addition to investments in production and storage space, we have also, as in previous years, invested in our ORSY® storage management system, which offers our customers storage and provision options for various consumables and supplies in line with their needs. A total of 48.8 percent of the total investments were made in Germany (EUR 401 million). This reflects how important the domestic market continues to be for the Würth Group.

The investment controlling system, which has been further refined in recent years to feature sophisticated recording and detailed analysis options, allows the Central Management Board to respond to any changes that emerge at very short notice and to adapt to new conditions at any time of the year. In 2022, the Würth Group once again remained true to its approach of financing investments in intangible assets and property, plant, and equipment (excluding right-of-use assets under IFRS 16) entirely from its operating cash flow. Our cash flow from operating activities came in at EUR 867 million (2021: EUR 1,034 million). This represents a decrease of 16.2 percent year-on-year, which is mainly due to more funds being tied up in inventories in response to the crises and inflation despite the increased result. This, in turn, bears testimony to the company's far-sighted management of resources: The tense situation on the procurement markets prompted the company to build up safety stocks in order to ensure that it could continue fulfilling orders. The increase in trade receivables also contributed to the drop in cash flow from operating activities.

**Purchasing**

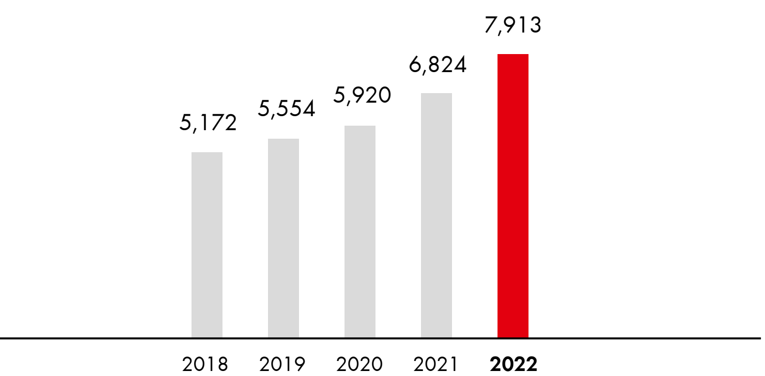
The tense global political situation is still having a negative impact on the global economy. This was also reflected in the purchasing managers' indices for Europe and Germany. At the end of December 2022, the indices stood at 47.8 points for the eurozone and 47.1 points for Germany. The purchasing managers' indices for Germany and Europe slipped to their lowest point for 2022 in October at 45.1 and 46.4 points, respectively. Since July, the values for these two markets have been lingering below the 50-point mark. This suggests that leading purchasers expect to see negative market developments.

In China, the purchasing managers' index rose to 49.0 points in December 2022, but remains below the 50-point mark. The situation for the Würth Group's buyers was a very challenging one throughout 2022. The global economy remains under huge pressure. Global political conflicts, price increases, and supply bottlenecks are just a few of the big issues that dominated the situation on the procurement market. Production bottlenecks and congestion in container shipping were the order of the day in 2022, putting a strain on the global exchange of goods. Ship congestion in European ports, such as those on the North Sea, also increased again during the year. As a result, supply chains remained unstable at the end of 2022 and delivery performance was under continuous pressure. The raw material situation varied considerably from product segment to product segment. For example, the availability of steel, aluminum, and plastics improved significantly, particularly in Asia, while the technical chemicals sector remained plagued by disruption.

As a result of the heavy influence of the global political environment on procurement markets and the Russia-Ukraine conflict, further challenges arose, such as the energy crisis in Europe. Many suppliers confronted companies in the Würth Group with renewed price demands, which they justified by pointing to the drastic increase in energy and gas prices. Generous collective pay scale agreements are also putting pressure on Würth's suppliers and manufacturers.

Currency policy and the associated weak euro had an increasing impact on purchasing prices and the buying behavior of Würth's customers over the past

EQUITY Würth Group in millions of EUR




fiscal year. Moves by the Federal Reserve Bank and the European Central Bank to boost key rates were designed to curb inflation. This meant, however, that the US dollar reaped considerable benefits from the Federal Reserve's significantly higher interest rate hike, while the euro recorded its lowest purchasing power in 20 years. This naturally had a negative impact on all purchases in dollars.

**Inventories and receivables**

Due to its business model, inventories and receivables are key balance sheet items for the Würth Group. The company's management keeps a constant eye on managing and optimizing them. The ongoing difficulties in procuring goods again played a major role in inventory management in 2022. We had to contend with supply bottlenecks in various areas, such as fasteners and hand tools. As in 2021, one key advantage for the successful sales development reported by the Würth Group in 2022 was the fact that the companies were able to deliver. The Group made the conscious decision to increase inventories or keep them at a high level by purchasing safety stocks. This also led to a slight increase in the service level over the course of the year to 94.9 percent. This means that out of 100 items ordered, 95 were delivered to the customer the next day. In retrospect, it became clear that increasing inventories was exactly the right measure, because alongside sales, logistics is a central element within the Würth Group. Without the targeted measures to build up inventories, it would never have been possible to achieve the strong sales growth of 16.8 percent. Overall, the Würth Group's inventories increased to EUR 3,828 million (2021: EUR 3,064 million), up by 25.0 percent on the previous year. The inventory buildup reached its peak in September 2022, by which time it was foreseeable that the situation on the procurement markets would ease somewhat. Stock turnover, calculated on a 12-month basis, nevertheless fell from 4.9 times at the end of 2021 to 4.2 times at the end of 2022.

Since the start of the COVID-19 pandemic, safeguarding liquidity in the Würth Group has been even more of a priority than in previous years. This approach was prompted primarily by fears of increasing corporate insolvencies or at least delayed incoming payments. This prompted Würth to keep a close eye on the development of receivables. The long-established controlling systems, which allow the Group to take fast action in response to any undesirable developments that may emerge, helped the Würth Group to stay on top of the situation at all times. Thanks to extremely efficient interaction between sales and receivables management, the Group succeeded in keeping the increase in trade receivables at 18.7 percent to EUR 2,819 million (2021: EUR 2,376 million) only slightly ahead of the Group's sales growth of 16.8 percent. At 54.0 days, the collection days key figure (based on a 12-month calculation) was, however, up on the figure for the previous year (2021: 52.5 days). The increase in this key figure was somewhat more moderate in Germany, at 41.2 days in 2022 compared with 40.2 days in 2021, than outside Germany, where it was up to 62.3 days compared with 60.9 days at the end of 2021. We will continue to optimize accounts receivable by means of effective cooperation between sales and accounts receivable management, as well as by refining our analyses. We see the payment patterns of debtors as critical in Southern Europe, China, and the Middle East, as they can slow growth.

The percentage of bad debts and the expenses from additions to value adjustments related to sales remained constant at 0.4 percent (2021: 0.4 percent).

**Financing**
The Würth Group's equity increased to EUR 7,913 million last year (2021: EUR 6,824 million). This equates to an increase of 16.0 percent. This increase of EUR 1,089 million pushed the equity ratio up to 46.0 percent (2021: 45.2 percent), a very good level for a trading company. The high level of equity financing allows the company to be largely independent of external capital providers, which is a must particularly in times of crisis. In addition, a good level of equity capitalization has been the basis for consistently high levels of financial stability and the solid financing of our group of companies for years, strengthening customers' and suppliers' trust in the Würth Group. As a family business, the Würth Group has largely reinvested profits in the company for decades.

The increase in inventories and receivables associated with the higher business volume and the increase in property, plant, and equipment due to investments fueled an increase in total assets of EUR 2,074 million to EUR 17,188 million (2021: EUR 15,114 million).

Refinancing in the banking sector was mainly achieved via customer deposits and financial intermediaries, as well as via the European Central Bank, while refinancing in the leasing segment was achieved mainly through the ABCP (Asset Backed Commercial Paper) program created especially for this purpose, a global loan program launched by the German state-owned development bank KfW, as well as through non-recourse financing and internal funds.

The Würth Group has undergone an annual rating process for more than 25 years now. The leading rating agency Standard & Poor's once again confirmed the Würth Group's "A/outlook stable" rating in June 2022. This rating reflects the confidence that business and the financial KPIs will continue to develop successfully. The outlook for the Würth Group is viewed in a positive light. Our long history of good ratings not only documents the positive credit rating. At the same time, it is proof of the continuous and successful development of our corporate group and the stability of our business model.

Investments and the increase in inventories and receivables in the year under review increased the Würth Group's net debt to EUR 987 million, up from EUR 567 million in 2021. For financing purposes, the Würth Group had four bonds issued on the capital market at the end of the 2022 fiscal year with a total volume of EUR 1,850 million plus CHF 300 million (2021: EUR 1,750 million). The 1 % bond due in May 2022 was repaid early on 21 February 2022 using the company's own funds. As part of the "Euro Medium Term Note" program, the Würth Group successfully placed a EUR 600 million bond on the market via its finance company Würth Finance International B.V. on 25 May 2022. The bond, which has a term of 8.25 years expiring on 23 August 2030, has a coupon of 2.125 percent p.a. and is secured by an unconditional, irrevocable guarantee provided by Adolf Würth GmbH & Co. KG. In addition, October 2022 saw the Würth Group place a bond for CHF 300 million on the Swiss capital market for the first time in 13 years. The bond, which has a term of four years, has a coupon of 2.1 percent p.a. and is also secured by an unconditional, irrevocable guarantee provided by Adolf Würth GmbH & Co. KG. Further bonds of EUR 500 million and EUR 750 million will mature in 2025 and 2027 respectively. This means that the maturities are well spread out. For further details, please refer to [27] "Financial liabilities" in Section H. Notes on the consolidated statement of financial position, in the consolidated financial statements.

The Würth Group has sufficient liquidity reserves. As of 31 December 2022, cash and cash equivalents came to EUR 1,215 million (2021: EUR 1,217 million). In addition, the Group has a fixed undrawn credit line of EUR 500 million provided by a syndicate of banks until September 2027. As a result, the Würth Group continues to have extremely generous financial resources at its disposal, giving it the leeway it needs to act.

# Research and development

For more than 30 years now, Würth has been investing in research and development with the aim of further expanding its expertise as a leading manufacturer and distributor of fastening technology for professional applications. The Würth Group already generates around 50 percent of its sales with products manufactured within the Group or incorporating its own development expertise.

A central component of the research and development work is to link individual products, services, and application steps to create efficient work processes, making customers' work easier and meeting their future requirements. The focus is on Würth's fields of expertise: fastening technology, screws, anchors, chemicals, power tools, and systems.

In the future, product and service innovations will receive another boost. On 28 September 2022, Reinhold Würth Innovation Center Curio was inaugurated at the company's headquarters in Künzelsau-Gaisbach. Modern climate chambers, workshops, and one of the world's most efficient fastening technology test centers were built on premises spanning 15,500 square meters, along with test facilities for power tools and IoT.

Around 250 employees from the product management, quality assurance, and R&D departments of Adolf Würth GmbH & Co. KG and from the Group's production companies work alongside external scientists thanks to university partnerships.

Cooperation with the Karlsruhe Institute of Technology KIT, as well as the University of Stuttgart and Reinhold-Würth-Hochschule of Heilbronn University of Applied Sciences on the Künzelsau campus, creates a cluster of specialized knowledge and application expertise. This enables solutions from university research to be implemented more quickly in industrial practice.

Innovations are a top priority throughout the Group. At present, the Würth Line has over 1,000 active patents and two active utility models. The Allied Companies have a combined total of over 1,300 active patents. The Group has more than 1,300 registered designs and over 8,100 active trademarks. The following are three forward-looking products that serve as examples of the wide range of innovations from the Würth Group:

### Würth Line: Adolf Würth GmbH & Co. KG

**SHARK® TWIST universal multi-purpose anchor makes work easier for the trades**
The Würth Group develops and produces the majority of its anchor assortment in-house. High-quality fastening solutions are created using the knowledge of numerous experts, state-of-the-art technology at production sites in Switzerland and Germany, and many years of experience.

With SHARK® TWIST, Würth has succeeded in further enhancing the current technology used in multi-purpose anchors. The new plastic anchor stands out due to enhanced user-friendliness and an improved basic function.

The SHARK® TWIST consists of two components that provide flexibility between the anchor sleeve and the anchor ribs. This allows for multiple knotting in cavities, with a very high load-bearing capacity thanks to the large contact surface of the expansion arms. The design of the SHARK® TWIST, which is made of expandable and robust material, means that the anchor holds in almost every common building material.

The multi-purpose anchor can be combined with different types and diameters of screws. It features integrated protection against overwinding and is easy to use: The SHARK® TWIST can be set flush using just one finger. The aim is to make anchor installation more time-saving for customers.

**Allied Companies: WOW! Würth Online World GmbH and Arnold Umformtechnik GmbH & Co. KG**

There are many different facets to mobility. The following Würth Group companies serve as examples of how the Group is rethinking mobility and helping to shape it at the same time.

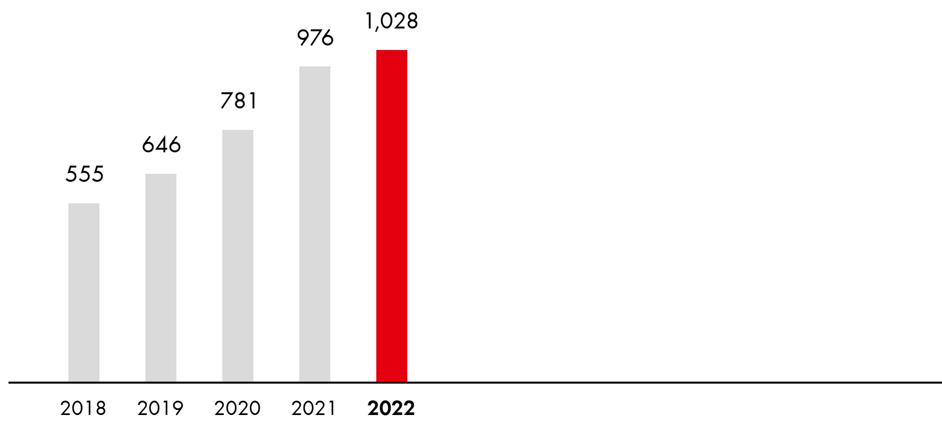
**LOOQIT® diagnostic software simplifies access to encrypted vehicles**
The WOW! Würth Online World has developed the Security Gateway Portal (SGP) in close cooperation with vehicle manufacturers. Using one-time authentication, customers can access the SGP using the LOOQIT® diagnostic software, making it easier to work on encrypted vehicles.

This new solution was developed in response to increasing digitalization in the automotive industry. Vehicles are becoming increasingly networked, making them more vulnerable to hacker attacks. Motivated by these security concerns, vehicle manufacturers have therefore integrated what are known as security gateways to encrypt data and control units. Vehicle access via multi-brand diagnostic devices and on-board diagnostics is partially restricted for workshops. The SGP remedies this by providing easy vehicle access.

The WOW! diagnostic database and its features are being continuously enhanced to incorporate new developments to meet the requirements of new vehicles and the associated tasks and services in the workshop.

**Conform® Next cold-formed part, developed and manufactured sustainably**
Sustainability is a top priority at Arnold Umformtechnik. As a result, the fastener manufacturer has launched the $ACO_2$ Save initiative. The aim is to actively support customers in reducing greenhouse gases. The company is focusing not only on more climate-friendly product manufacturing, but also on a more sustainable development process.

ACTIVE PATENTS of the Würth Line




There are many ways to reduce $CO_2$ emissions. One of these is the use of innovative connection and cold-forming techniques, for example, in components for the automotive industry.

Arnold Umformtechnik has re-engineered an aluminum turned part for a customer component—in terms of both cost and $CO_2$ emissions. The result is the Conform® Next formed part, which offers a host of advantages. The fewer materials required for cold-forming processes cut costs and raw materials as the working weight of the forming blank and the waste are reduced. Compared to conventional machining, the new technology can reduce $CO_2$ emissions by 45 percent.

# Risk and opportunities report

As a globally active company, the Würth Group is constantly exposed to risks, but also makes systematic use of opportunities that present themselves. Opportunities and risks can arise both as a result of our own actions or failure to act and as a result of external factors. The risk and opportunities policy of the Würth Group is aimed at meeting the company's medium-term financial objectives and at ensuring the sustainable, long-term growth of the Group. To ensure this, the Würth Group has a system that identifies entrepreneurial opportunities and risks, records and assesses them using a standardized system, weighs them against each other, and communicates them. Our conscious and systematic approach to addressing opportunities and risks is inextricably linked to our entrepreneurial activities.

### How the risk management system works

The Würth Group has a three-tier risk management system (RMS), comprising the cyclical monitoring system of the Auditing Department, the Group Controlling Department, and the early warning system. The Central Management Board of the Würth Group holds overall responsibility for the Group-wide risk management process and defines the principles of our risk policy and risk strategy. The management of each company within the Group is responsible for installing a functioning and efficient RMS for themselves. They are supported by the risk manager, who reports directly to the Central Management Board of the Würth Group and coordinates risk management at the Group level. The risk manager remains in close contact with the risk controller of the Advisory Board, who reports directly to the Chairwoman of the Advisory Board.

### How the internal control system for financial reporting works

The aim of the internal control system for financial reporting is to ensure that all business transactions are completely recorded and correctly evaluated in line with the financial reporting requirements.

The Würth Information System is an integral component of the internal control and risk management system of the Würth Group. With the help of this reporting system, all key performance indicators required to steer the Würth Group are presented in a timely manner and are available for further evaluation by the Central Management Board and Executive Board based on standardized monthly reporting.

System-based control mechanisms such as validation and cross-checks optimize the quality of the information as a basis for decision-making. The standardized recording of the financial statements of all Group entities, combined with monthly

RISK DEVELOPMENT Würth Group 1 January 2022–31 December 2022

| Economic environment | Political environment | Information technology | Human resources | Compliance | Business model |
|---|---|---|---|---|---|
| ↑ | ↑ | ↗ | ↗ | ↗ | ↘ |

↑ marked increase ↗ slight increase → unchanged ↘ slight decrease reporting, is not only efficient, it also avoids carry-over errors, safeguards the uniform provision of information, and includes numerous plausibility checks, without which the information cannot be forwarded. Standardized external and internal reporting also helps to ensure that financial reporting changes are implemented in a uniform manner across the Group. Changes to the data recorded are documented using check digits and authorized by a corresponding system of IT access rights. Standard software is used for consolidation. Changes in the system settings are logged centrally. The monthly and annual financial statements of Group companies are subject to regular automated assessment mechanisms, as are the consolidated financial statements. Moreover, Würth's Policy and Procedure Manual (PAP) contains internal procedural instructions. Internal publications and training include detailed rules on financial reporting, compliance with which is regularly reviewed by the Auditing Department. External specialists are consulted to clarify the implications of legal and tax issues on accounting. External actuaries calculate pension obligations and similar obligations. Furthermore, regular training courses for those in charge of finance departments, which are also offered online, ensure that all employees involved in the financial reporting process are up to date on the latest information and knowledge of relevance to them.

The opportunity and risk management process is updated within the Würth Group on an ongoing basis and adapted to changes in the Group or in its economic and legal environment. At the request of the Advisory Board's Audit Committee, an analysis of the risk management system was carried out by an auditing firm at the beginning of the 2021 fiscal year. The focus was on determining the status quo, analyzing the degree of maturity, and performing a comparison with third-party companies. The resulting recommendations were explored in close consultation between the Central Management Board and the Audit Committee, with some of them being implemented immediately or scheduled for implementation in the future, also from an economic and efficiency perspective. Otherwise, the results of the analysis generally confirmed the previous focus of our risk management activities. The IT-based risk reporting system was rolled out at further Group companies in the 2022 fiscal year. The Executive Board and the heads of the administrative offices and functions were actively involved in the risk management process.

## Risks

The Central Management Board identifies, analyzes, and assesses the Group's risks at a dedicated annual workshop. This workshop determines focus risks that could pose a threat to the net assets, financial position, and results of operations of individual entities or the Würth Group as a whole in the short, medium, or long term. Furthermore, in some cases with the support of the risk manager, all major Group entities carried out a risk inventory and recorded and assessed focus risks and other risks in the reporting system. The processes already in place were enhanced in 2022, undergoing improvements and adjustments in line with changing internal and external requirements.

Major risks that can be insured on an economically reasonable scale are covered by Group insurance programs for all Group entities whenever possible. In the area of credit insurance, further local insurance policies taken out by individual Würth companies were incorporated into existing master agreements with various credit insurers. This allowed us to expand and standardize our insurance coverage and achieve economies of scale. The credit insurance master policies were extended ahead of schedule until 1 January 2025, and the conditions were therefore secured for the years to come. In addition, receivables from customers are monitored by an extensive receivables management system, also at the Group level. Individual financial service providers are associated with a heightened risk of default due to the nature of the business model. We counter these risks through a strict credit verification procedure and appropriate insurance for our investments. Collection days increased slightly in 2022 compared to the previous year, but are still at a low level. This highlights that our risk in this area is currently relatively low and that the existing processes and systems are effective. We believe that other risks in Germany lie in the predicted increase in insolvencies and the applicable insolvency challenge rights, which grant insolvency administrators extensive opportunities for reimbursement if we have supported our customers with generous payment terms in the past. This risk had initially been reduced by the temporary suspension of the obligation to file for insolvency introduced in response to the COVID-19 pandemic. Looking ahead to 2023, however, we expect to see a renewed increase in corporate insolvencies and, consequently, also in the number of insolvency challenges. We have an insurance policy in place to cover such reimbursement claims so as to protect all German companies against unforeseeable risks in this area. The Würth Group's insurance policies are managed centrally in the main lines of insurance.

The Central Management Board has identified the following areas that could have a negative impact on the net assets, financial position, and results of operations of the company, sorted by descending order of relevance:

**Economic environment**
Through our global purchasing and sales activities, we have a high natural diversification of risk and, as a result, are less sensitive to negative economic developments in individual countries, even though more than 80 percent of our sales are generated in Europe. In addition, the diversification in our business units makes us independent of specific industries and markets, which proved an effective strategy in particular during the various phases of the COVID-19 pandemic. Due to the large proportion of sales generated in Europe, we are heavily affected by economic fluctuations in the eurozone. The Würth Group sources around 25 percent of its goods from the Far East. The supply chain problems coupled with a drastic increase in container freight rates that persisted until the fall of 2022 have had a significant impact on the business development of the Würth Group. Inventories were built up throughout the year to ensure our delivery capability.

In addition to the risks associated with the ongoing COVID-19 pandemic, we believe that risks lie in political developments in Eastern European markets and in Türkiye, as well as in the trade barriers between China, the US, and Europe. We believe that—despite all of the associated economic and social challenges—immigration to Europe still presents opportunities for the labor market and on the demand side for our customers and, as a result, for the Würth Group. We are observing the rise of right-wing populism with just as much concern as the development of risks on the procurement markets. We do not, however, currently see this as a direct threat to our business targets for 2023.

Most of the financial risks of the Würth Group are measured, monitored, and controlled centrally by Würth Finance International B.V. With liquid assets of EUR 1,215 million and a committed, unused credit line of EUR 500 million running until September 2027, the Würth Group has sufficient liquidity reserves to meet its payment obligations at all times. Thanks to its "A" rating from Standard & Poor's, the Würth Group has very good access to the public and private capital markets to procure further financial resources. Any risks arising from derivative financial instruments are accounted for. At the time this management report was prepared, there was no indication of any specific counterparty risks, which are automatically monitored on a daily basis. A Credit Support Annex (CSA) is in place with the main counterparties to derivatives, thus further reducing counterparty risk. Cluster risks are avoided by means of internal deposit limits for individual banks. For a description of derivatives and their risks, please refer to the notes on the consolidated financial statements under I. Other notes, [4] "Financial instruments".

**Political environment**
The risk of trouble spots giving rise to armed conflicts increased significantly in 2022. The relationship between China and the United States has once again deteriorated with the passage of the US defense policy bill over the Christmas period, which provides for military aid to Taiwan.

In very real terms, the buildup of Russian troops on the Ukrainian border, followed by the Russian military's attack on 24 February 2022, heralded definitive fundamental changes in the global geopolitical landscape. The war in the former Soviet republic became the dominant topic throughout Europe. It has claimed thousands of lives, driven millions to flee, and changed the international security order.

The events of the past year made economic dependencies in Germany, but also throughout Europe, tangible for everyone. The war in Ukraine triggered a severe energy crisis that dealt a blow to the economic strength of European businesses and industries, increasing the cost of living for citizens in the EU and driving up inflation.

Overall, the complexity and interconnectedness of energy policy, the economy, climate protection, and geopolitical issues have once again become apparent over the past few months. Although we cannot exert any direct influence over the development of the political situation, we have tried to mitigate the impact on companies in the Würth Group and their employees. These endeavors are based on the solid financial resources of the Würth Group overall. To partially offset the impact of increased inflation in large parts of the world, we paid a one-off compensatory bonus totaling almost EUR 50 million to employees worldwide. As far as energy supplies are concerned, we are seeking to switch from gas and oil to renewable energy sources wherever possible.

**IT structures**

As a company with a highly decentralized structure, the Würth Group had previously used various different IT systems, software components, platforms, and process control systems. This structure, which allows for a high degree of flexibility at the local level, increasingly emerged as a disadvantage in light of changing business models, digitalization, disruption, and the ever growing requirements related to cybersecurity. In line with our corporate philosophy, which allows for a significantly higher degree of centralization in IT, the Würth Group's IT organization, represented by the IT companies, has established a global ecosystem featuring platform-based IT solutions to suit the various business models within the Würth Group.

**IT standardization**

The central management of the IT companies with what is now a standardized product portfolio in the form of the IT ecosystem allows us to reflect the international multiplication strategy in our IT systems, too. Further standardization is achieved in line with a roll-out plan that sets out the launch dates at the individual companies, with numerous roll-out teams working on the introduction of the components in question in parallel to ensure a broad multiplication platform for the individual applications, processes, and functions.

The roll-outs will make existing processes more uniform, more efficient, more transparent, and faster. The increasing demand from our customers for individual ordering and delivery systems can now be met by the individual companies, and the new IT solutions are being made available to other companies. Efficiency gains can still be achieved as the standardization of the IT structures through central development will result in economies of scale. Harmonization of the system environment and support by specialists provide the IT ecosystem with significantly better protection against attacks.

The Würth Group's IT structure has proven its effectiveness in line with high standards. The uniform system platforms will allow further developments to be made available to all companies working on the platform in question within a very short period of time.

**IT security**

Cyber attacks remain a huge risk for every company worldwide. The Würth Group also identified attempted attacks in 2022, but these did not result in any significant damage. Risks arising from global integration are minimized by applying high security standards and systematically isolating the individual strategic business units to make sure that the company has the best level of protection possible. The information security organization was also significantly expanded. The topic of IT security is a top priority within the Würth Group, right up to the top management level, and lessons learned from the incidents are incorporated into security policies on an ongoing basis. IT system standards are reviewed by means of IT checks at the Group entities in accordance with a plan coordinated with the Group Auditing Department. This allows us to analyze and reduce the potential threat that cyber risks pose on a regular basis and directly on site. We counteract existing risks by taking organizational and technical measures and also transfer insurable risks to external risk carriers, taking economic aspects into account. All measures relating to data security and IT risks are supported and implemented by our IT security officers in the national companies. They work in line with an IT Compliance Code of Conduct. The IT Compliance Officer of the Würth Group, together with his team and the IT security officers, ensures that the IT Compliance Code of Conduct is further developed and applied. The network of IT security officers in the companies is used to take measures to ward off security risks quickly at the level of the Group companies and implement those measures with an aim to the continuously improve IT security. In companies where the IT systems have already been centralized, it is also possible to implement far-reaching and multi-level security procedures. At a physical level, these relate to our own data centers, and at the logistical level, they relate to various system and program components.

Raising employee awareness for information security risks is a top priority. Various media such as e-learning sessions, poster campaigns, information letters, and specialist presentations are used to show employees the behaviors and habits that reduce IT security risks. Targeted simulated attacks, such as phishing attacks, on individual companies and on particularly vulnerable functions are used to test the success of the measures and adjust them if necessary.

**Human resources**

Staff turnover, particularly among our sales force employees, remains a key focus. This is documented and analyzed across all hierarchy levels for every entity within the Würth Group.

Regular employee surveys conducted by independent institutions and the monthly monitoring of staff turnover are key tools that allow us to identify unfavorable developments, analyze their impact on recruitment processes, customer loyalty, and training programs, and combat these effects using targeted measures. The overall staff turnover rate of the Würth Group remains at a very encouraging low level below the 15-percent mark. We aim to ensure that this remains the case in the future.

Demographic trends and the shortage of skilled workers mean that competition for employees is now also increasing in our inside departments, and vacancies are becoming increasingly harder to fill. In this respect, keeping existing employees within the Group is paramount. Offering attractive working conditions plays a decisive role in this endeavor and strengthens the Würth employer brand. The "New Work" approach illustrates ways of structuring work in the Würth Group for the future and how time at home and in the office can be combined effectively.

As a further approach to countering the shortage of specialists in our inside departments and in the sales force, the activities of Akademie Würth in Germany and Würth Business Academy in Switzerland were further expanded for both groups. The range of courses offered by Akademie Würth is designed to enable employees and managers to meet current and future requirements. Up-and-coming international management candidates partake in development courses to prepare them for various levels of management within the Würth Group via the Würth Potential, High Potential, and Top Potential training programs organized under the umbrella of Würth Business Academy. These programs give employees targeted training that is tailored to suit their own individual ambitions and skills in order to prepare them for further managerial duties within the Group.

In order to ensure that the process involved in providing all central and key areas of the Würth Group with up-and-coming management talent for both leadership and specialist career paths is structured and targeted, two processes are in place at larger companies: The Management Assessment Process (MAP) is the qualitative tool used for the objective and standardized evaluation of executives. The talent management system is used as a quantitative instrument to identify whether there is a sufficient number of qualified successors for functions that are relevant to the success of the Würth Group companies and, if not, by when these successors need to be available. Up-and-coming management talent is included in this system as well in order to ensure a structured and transparent development process. This approach ensures that key existing and also new functions in the Group can be filled in the short term through contingency plans and in the medium term for planned succession and that up-and-coming talent can be developed in the long term. There is also a succession and contingency plan in place for managing directors, which ensures that succession arrangements that can be planned are made in good time.

In order to meet the increased requirements in the area of human resources, the Group HR function is tasked with bundling and organizing, at Group level, the strategically relevant HR topics that are important for the entire Würth Group. Within this context, Würth Business Academy focuses exclusively on the core topic of management development. Akademie Würth ensures that the necessary specialist and management knowledge is available throughout the Würth Group. This also includes training measures in the areas of product management, procurement, logistics, and finance. The Learning Campus provides a platform for digital learning on which all employees can complete e-learning courses. Together with the specialist departments, targeted activities are under way to digitize knowledge about global standards so as to make it available across the globe.

A third pillar is currently being established within the Group HR function: HR Strategy and Processes. This includes the Group Global Mobility and Group HR IT units. The Global Mobility unit is responsible, among other things, for drafting and maintaining globally applicable policies and directives in order to provide professional support to employees and managers on international assignments and to help fill key positions with optimal candidates. HR IT supports and coordinates the establishment of a uniform IT infrastructure for the HR function to provide the Würth Group companies with the best possible support for their HR processes and make state-of-the-art tools available to applicants, employees, and managers alike.

**Compliance risks**
National and international transactions involving goods, services, payments, capital, technology, software, and other types of intellectual property are subject to numerous regulations and limitations that also have to be observed by the companies in the Würth Group. There is no question that we aim to comply with all statutory and official regulations for our business, both nationally and internationally. This applies to dealings with customers and suppliers, employees, competitors, and other business partners and authorities. Due to increasing legal complexity, we have in-house experts and consult renowned external consultants on a case-by-case basis. Particularly in China and emerging markets such as Brazil, complex, inconsistent, and constantly changing legal principles pose a challenge and also create risks that are difficult to assess and will persist in the long term due to the possibility of retroactive effects.

In November 2022, searches were carried out at various electrical wholesalers—including three subsidiaries of the Würth Group—as part of investigations by the German Federal Cartel Office. The searches were motivated by initial suspicions of anti-competitive agreements at the wholesale level in Germany. The Würth Group immediately launched an internal investigation after the facts came to light. As the investigations are at a very early stage, no information can be provided on their outcome at present. All in all, and based on the information currently available, the Würth Group can conclude that, while the imposition of a fine by the German Federal Cartel Office in the course of the proceedings is possible in principle, it is an unlikely outcome for the subsidiaries of the Würth Group concerned.

**Value-oriented corporate culture**
Mutual trust, predictability, honesty, and straightforwardness in both internal and external interaction are fundamental principles that are deeply ingrained in Würth's corporate culture. Our commitment to these values can be found as far back as the corporate philosophy penned by Prof. Dr. h. c. mult. Reinhold Würth back in the 1970s. This is not just about complying with all of the relevant legislation and internal company regulations, but also about employees adopting the right intrinsic attitude, a key component in the sustainable corporate success of the Würth Group. Extensive internal guidelines known as the Policy and Procedure Manual (PAP) operationalize these fundamental principles in the form of descriptions of the structure and process organization, in addition to setting out specific rules and codes of conduct.

**Compliance organization**
In order to meet the increasingly stringent compliance requirements, the Central Management Board of the Würth Group has established a Group-wide compliance management system with the approval of the Advisory Board and the Supervisory Board of the Würth Group. In addition to the role of Chief Compliance Officer and Group Compliance Officer, compliance officers have been appointed at the level of the business units and also within the largest individual companies in the Würth Group. The responsibilities and structures for product, tax, and IT compliance that are already in place across the Group remained unchanged in the 2022 fiscal year, and the individuals responsible report to the Chief Compliance Officer of the Würth Group. The Compliance Board provides

advice on compliance incidents as and when required and makes recommendations regarding any measures that need to be taken. The Compliance Board is also responsible for the further development of the compliance organization and reports to the Central Management Board and the Advisory Board of the Würth Group in all compliance matters. Particular emphasis was placed on further training for compliance officers at the company level and on meeting face-to-face after the restrictions imposed in response to the pandemic were lifted.

**Compliance regulations**
The fundamental features of the corporate philosophy are summarized in a Code of Compliance and supplemented with regard to compliance with international standards. In order to anchor the compliance organization within the Group in the long term, Group-wide training sessions are conducted on compliance issues. Training sessions initially focus on “Dealing with gifts and invitations,” “Antitrust law and price fixing,” “Company secrets,” “Data protection,” “European General Data Protection Regulation,” and “Export control.” In the 2022 fiscal year, an anti-money laundering policy and a policy on protection against discrimination and harassment were also added to the compliance framework.

**Group-wide reporting system**
The Group-wide reporting system means that not only employees but also customers, suppliers, and other individuals are able to report any suspected compliance breaches directly to the Würth Group’s Compliance Office. The use of a technical system made available by an external service provider means that reports can be submitted completely anonymously. This system means that we have already laid the foundation that will allow us to meet the requirements of the German Whistleblower Protection Act *(Hinweisgeberschutzgesetz)* planned for 2023.

**Prerequisite for sustainable corporate success**
The compliance organization is supported by the firm conviction of the Central Management Board, the Würth family, the Supervisory Board of the Würth Group, and the Advisory Board that a living and breathing compliance culture will play a key role in ensuring the further sustainable success of the Würth Group. At the same time, the management teams of the Group companies can proactively live up to their responsibilities with regard to the mounting national and international demands that compliance organizations have to meet.

**Continuous further development of the compliance management system**
In the 2020 fiscal year, in consultation with the Advisory Board of the Würth Group, we conducted a status quo assessment of our compliance management system together with an external consultant. As well as reviewing its fundamental orientation, we also wanted to receive impetus for further development and improvement. The results of this assessment have confirmed that we are pursuing the right focus with our compliance management system and form part of the continuous improvement process at the same time. In the past fiscal year, the Würth Group’s trade compliance structure, among other things, was adjusted based on the findings of this status quo assessment.

**Business model**
The business model of direct selling still offers considerable opportunities for the Würth Group in that it places us very close to the market and ensures customer loyalty. Nevertheless, customer ordering behavior has changed considerably in recent years. Digitalization offers a whole host of opportunities for working directly with suppliers. The relative ease with which businesses can establish Internet-based business models is resulting in growing competitive pressure. Our business model has to adapt to reflect this development. We want direct selling to continue to play a key role but also want issues such as logistics, services, and a broad product range to open up market opportunities. The sales representatives of today are no longer just salespeople, but rather manage the various customer contact points: the sales force, the pick-up shops, and the Internet. We refer to this as a multi-channel sales model in which e-business serves as a practical complement to the traditional sales methods in a manner that is tailored to suit our customers’ procurement organization. The COVID-19 crisis and the resulting change in our customers’ purchasing behavior led to an above-average increase in e-business sales, as our systemic importance gave us the green light to deliver and our delivery capacity was virtually unrestricted. This development shows that we are on the right track with the services that we are offering with our customers’ needs in mind and that our strategy of multi-channel sales is bearing fruit.

## Opportunities

The opportunities set out below could have a positive impact on our net assets, financial position, and results of operations. Like the risks, they are listed in decreasing order of relevance.

**Decentralized structure**
Würth's decentralized structure is a great advantage for the Group, especially in light of the fact that the individual countries in which we operate display such variation in their economic development. We believe that this structure presents an opportunity for further sustainable growth. It allows for a quick local response to circumstances and changes in any given market environment, meaning that we can implement efficient measures. We will continue to push the development of the Würth Group while maintaining our decentralized structure. The term "decentralized" within this context not only refers to regional aspects, but also covers our large array of different business models. However, the fact that we pursue the principle of decentralization does not mean that we cannot standardize processes further where it makes sense to do so in order to make more efficient use of our resources.

**Market penetration**
Our share of the market is estimated at just five percent due to a low share of the market in most countries, with a few exceptions. What would appear to be a disadvantage actually signals major growth potential that we can tap into by further expanding our customer base and intensifying our customer relationships, for example, by continually enhancing intelligent distribution systems that offer real benefits to our customers.

**Customer relations**
Our more than four million customers form the basis for our business success. As a result, expanding and maintaining our customer relations are key components of our day-to-day work. We will continue to focus on comprehensive customer management at all Group companies. Around 300,000 customer contacts a day and our more than 43,000 sales employees, many of whom have long-standing customer relationships, help us to exploit the existing potential to the greatest extent possible. Grouping our customers based on their individual needs is a key steering mechanism for strategic management. Being close to our customers is our declared objective. The correlation between additional customers and sales growth, together with the service level, are important indicators of business success for us. Customer insolvencies are a manageable risk for the Würth Group. Due to our very extensive core range of over one million products, the comparatively low average order values, and our broad customer base, we are well positioned to keep these risks to a minimum.

**Quality**
Würth always sees it as its responsibility to meet the very highest quality standards with its products and services. Based on this firmly established principle, we strive to be a trustworthy and reliable partner to our customers in the markets we serve. The high diversity of business models within the Würth Group leads to a large number of very different requirements on the part of our customers and stakeholders, which we meet by taking the comprehensive approach of integrated management systems. By creating synergies and pooling resources in the area of established management systems, we adapt the process landscape in the individual companies to suit the relevant challenges.

The Group Quality function is doing its bit to minimize the risks to our companies through the preventive measures that have been taken, our training programs, and the performance of its role in the after-sales process. In our standard range in particular, we adopt a proactive approach in our supply chain through the risk-based use of a network of highly qualified Supplier Quality Engineers (SQE) operating worldwide. A number of ongoing restrictions due to the pandemic were mitigated in 2022 by the increased use of remote technologies. World-renowned local testing laboratories are also used for testing approvals, norms, and standards. These activities serve to ensure high-quality products, even in times when procurement conditions are more difficult.

**Sustainability**
As a family business, one of our top priorities is ensuring a future that is fit for future generations and, at the same time, securing growth opportunities for the

companies in the Würth Group, while also living up to our social responsibility. As a result, sustainability is an integral part of our principles and increasingly also of our corporate culture. We have made the decision to gradually transition the Würth Group to a circular economy—an approach we refer to as our "Circular Way". Our aim is for this circular economy to secure the basis for further, sustainable growth. We have defined three areas of transformation to achieve this: climate, material cycles, and social standards. As we progress toward a circular economy, it is important to develop all fields equally. Integrated management systems provide the basis for this. We will be providing transparent information on our progress annually as part of our Sustainability Report.

The Würth Group's sustainability management is controlled centrally. The associated reporting provides us and our stakeholders with the necessary information and data as a guide and basis for decision-making. Risk assessment is also extremely relevant in sustainability management in order to control or preventively minimize social and ecological risks or, in the best case scenario, to avert them entirely. This is why we will be expanding our risk portfolio and, in addition to the existing risk assessment, will also be covering social and ecological risk developments in the future.

**Diversity**
Different opinions and outlooks boost creativity and innovation, while paving the way for new solutions. In order to make the best possible use of the considerable potential that diversity offers within the Würth Group's workforce, the aim is not only to build diverse teams but also to involve and listen to all employees. With this in mind, the Würth Group laid out its position on diversity and inclusion in 2022:

> "The future needs good decisions. Good decisions arise from the diversity of opinions and perspectives. Diversity is our future. Diversity stands for creating space, for variety, for opportunities—and that is precisely what the Würth Group stands for. That is why we make our teams diverse at all organizational levels and are enthusiastic about the opportunities this creates. That is why we actively focus on incorporating the perspectives of people with different world views, experiences, and socio-economic backgrounds. That is why we provide a framework and work environment that is free of prejudice and intolerance and enables everyone to make a valuable contribution. That is why we do not tolerate any discrimination based on gender, gender identity, sexual orientation, physical or mental impairments, social or ethnic origin, age, nationality, language, skin color, or religion. That is why, in the end, it is the best idea that counts for us, and not where the idea comes from. That is why we are committed to inclusion and diversity for the future success of the Würth Group."

As an initial step on the way to greater diversity within the company, the focus is on a higher proportion of women at all hierarchical levels, especially in management positions.

## Overall assessment

The opportunities available will generally enable us to achieve further profitable growth in 2023 and beyond. The risks for the Würth Group are limited by the established and functioning risk management system, even in an economic and political environment that remains challenging, and are being monitored very closely. Existing risks are consistently monitored and assigned measures to ensure that they do not jeopardize the Würth Group's continued prosperity.

We are very concerned as we follow the ongoing developments in the Ukraine conflict and the associated impact on the population. Further direct and indirect economic implications and risks for the Würth Group are difficult to forecast at the present time.

# Employees

The number of employees in the Würth Group rose by 3.0 percent to 85,637 as of 31 December 2022 (2021: 83,183). In Germany, the Würth Group had 26,113 employees (2021: 25,438).

EMPLOYEE HEADCOUNT
Würth Group as of 31 December

| | 2022 | 2021 | % |
|---|---|---|---|
| Würth Line Germany | 9,640 | 9,433 | +2.2 |
| Allied Companies Germany | 16,473 | 16,005 | +2.9 |
| Würth Group Germany | 26,113 | 25,438 | +2.7 |
| Würth Group International | 59,524 | 57,745 | +3.1 |
| **Würth Group total** | **85,637** | **83,183** | **+3.0** |

**HR strategy**
The shortage of specialists and managers is having an impact in many countries and is increasingly becoming a limiting factor for growth. It is therefore important to retain employees at the company and to offer a positive working environment with interesting development opportunities. The Würth Group, with its diverse business models and international focus, has a great many options open to it in this regard.

In order to meet the increased requirements within HR, the Group HR function has been tasked with overseeing strategically relevant HR issues at the Group level since January 2021. Group HR is divided into three pillars:

Würth Business Academy (WBA) focuses on management development and talent management. Akademie Würth offers training and consultancy services worldwide for the companies in the Würth Group and their customers. A third area, HR Strategy and Processes, ensures, for example, that a state-of-the-art IT infrastructure is available for HR, while an attractive Global Mobility Policy guarantees that key functions can be filled internationally.

WBA provides holistic management training and the systematic development of up-and-coming talent. The aim is for management positions to be filled primarily from the company's own ranks. Accordingly, WBA offers suitable development programs for different development stages. It also supports management teams worldwide in succession planning as part of a structured process and makes its information available to the Central Management Board and the executive bodies of the Würth Group as part of the risk assessment process.

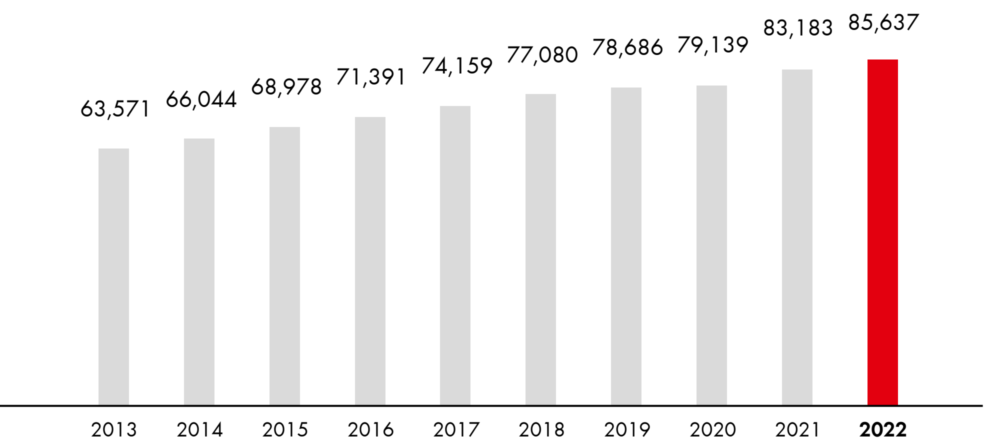
Digitalization will lead to major changes and associated challenges with regard to human resources. The newly established HR Strategy and Processes function works together with the companies in the Würth Group and the IT department to develop an appropriate strategy and provide the companies with suitable software solutions. In the area of digital learning, the Learning Campus is a platform that is open to all employees of the Würth Group.

**Employee training**
The skills, competences, and qualifications of all employees, together with their motivation and enthusiasm, form the basis for a successful future. That is why personal development and continuing professional development are of particular relevance in the company. The programs available aim to offer each and every employee training that suits their individual skills and professional objectives.

As a family business, Würth focuses on long-term corporate development and has been committed to providing people with extensive vocational training for more than 60 years now. At the end of 2022, the Würth Group in Germany had 1,150 trainees for around 50 different occupations. Young professionals can also study for bachelor's degrees at the Baden-Württemberg Cooperative State University.

Akademie Würth offers a holistic further training concept for employees of the Würth Group, as well as for customers and interested parties outside the

EMPLOYEES in the Würth Group as of 31 December




Würth Group. Akademie Würth offers a practice-oriented range of further training courses specifically for craft businesses in the form of technically oriented training courses. This allows Würth to support its customers as a service provider, driver of innovation, and mentor as well.

Degree programs for working professionals at Akademie Würth Business School, which are open both to employees of the Group and to interested individuals from outside the Group, allow people to study for academic degrees. Various bachelor's degree courses with cooperating distance learning universities allow employees to work toward qualifications part-time. The current focus on sustainability management, both for business administrators and engineers, is particularly worthy of mention. In collaboration with the University of Louisville in Kentucky (USA), Würth also offers an internationally recognized master's degree in Global Business. Students can then work toward a Master of Science (M.Sc.) in Family Business. The courses are offered in cooperation with Heilbronn University of Applied Sciences. The master's program in Digital Management & Transformation confers a Master of Science in four semesters, also in cooperation with SRH Distance Learning University. New options include master's degree programs in sustainability management in cooperation with the University of Applied Management in Erding. There is also a Doctor of Business Administration (DBA) as a three-year program in conjunction with Northumbria University, Newcastle.

**Health management**
Since 1994, the in-house health management program of Adolf Würth GmbH & Co. KG, "Fit mit Würth", has been promoting the health and productivity of its employees and offering a wide range of health promotion measures. They cover exercise, nutrition, regeneration, safety, social affairs, and check-ups. The courses are open to employees, relatives, and senior citizens within the Würth Group.

**Employee survey**
Employee satisfaction has always been a top priority for the Würth Group. Regular surveys have been carried out since 2005 in order to obtain regular information on how satisfied employees are with the Würth Group company for which they work and how these satisfaction levels are developing. The focus is on boosting satisfaction with the aim of improving company performance. The surveys are carried out together with the independent Mannheim-based W.O. Institut (Institute for Economic and Organizational Psychology).

**Thanks to our employees**
The Central Management Board of the Würth Group would like to thank all employees, as well as the employee representatives, for their considerable commitment and flexibility in exploring new avenues in a constantly changing environment in order to promote the Würth Group's healthy growth in the long term.

# Outlook

**Macroeconomic environment**

Developments in the 2023 fiscal year remain as unpredictable as they have been over the past two years. After a mixed and challenging 2022 in economic terms, the current crises mean that it is still difficult to arrive at any reliable forecasts. The global economic and political situation remains fragile. It is uncertain how the Ukraine war will develop and whether the relationship between the US and China will deteriorate further. A global recession could weaken the economy, as could a new wave of COVID-19 infections.

Nevertheless, leading economic institutes offer a glimmer of encouragement and hope in their latest forecasts. Slight growth increases are becoming more likely for the US and the eurozone, although they will still lag well behind the 2022 levels. For the **US**, the International Monetary Fund (IMF) predicts growth of 1.4 percent in 2023 (2022: +2.1 percent). While the Leibniz Centre for European Economic Research (ZEW) forecasted growth of only 0.2 percent in the **eurozone** at the end of 2022 (2022: +3.5 percent), the IMF made a somewhat more confident prediction at the beginning of 2023, raising its forecast from 0.5 percent to 0.7 percent. The European Commission goes as far as to expect an increase of 0.9 percent. The IMF corrected its predicted global GDP growth of 2.7 percent to 2.9 percent at the end of January 2023 (2022: +3.4 percent).

Forecasts suggest that the economy in **Germany** is also likely to develop better than assumed. While inflation will persist this year, with the German government currently estimating it to come in at 6.0 percent (2022: 6.9 percent), there does not appear to be any threat of a severe recession—not least because fears of a gas shortage resulting from a lack of Russian supplies have been allayed.

At the end of January 2023, for example, the European Commission corrected its gloomy forecast and currently estimates slight growth of 0.2 percent for the German economy (2022: +1.8 percent).

High inflation, supply problems, and high procurement costs for energy and raw materials make it difficult to provide any reliable forecast for the **trades** and the **construction industry**. The overall situation could mean that the construction sector will no longer serve as a reliable support and stabilizer for the economy. The 6.0 percent decline in sales forecast for 2023 by the German Construction Industry Federation at the end of February also leaves little room for hope (2022: –5.1 percent).

The **automotive sector** will also continue to feel the effects of the ongoing difficulties in 2023. In addition to material shortages, high inflation has made cars more expensive to produce. At the same time, consumers are opting to shy away from new purchases in economically volatile times. Nevertheless, the industry association VDA forecasts a 2.0 percent increase in new registrations for the German market (2022: +1.0 percent).

All in all, it is currently difficult to arrive at any reliable forecasts in the mixed overall political and economic situation. What is certain is that the economy as a whole will not bounce back easily or quickly from the various crises seen in recent years.

Nevertheless, the market stability that has emerged of late gives us reason to be hopeful: Inflation rates and energy prices are falling, the labor market remains stable, and the individual economies are forecast to grow at least a little over the course of the year, albeit with major differences from region to region.

## Development of the Würth Group

- **Sales growth of the Würth Group based on a broad foundation**
- **Share of e-business sales rises to over 20 percent**
- **Adolf Würth GmbH & Co. KG invests EUR 97 million in logistics**

The Würth Group once again demonstrated its competitive strength and stability by setting new records for sales and operating result in the 2022 fiscal year. The Group's broad positioning in 80 countries and in a wide range of industries contributed to the company's success, as did its multi-channel strategy.

In addition to direct sales, the more than 2,500 pick-up shops worldwide, and the inside sales staff, e-business is one of the Würth Group's strategic growth areas. It was able to continue the positive trend established in recent years and recorded sales growth of 21.2 percent in the 2022 fiscal year. For the very first time, its slice of the total sales of the Würth Group exceeded 20 percent.

**More and more customers digitalizing their procurement**
With regard to online shops, e-procurement, app, and systems, which are all part of e-business, the Würth Group relies on its own in-house digital solutions. This allows it to create a shared uniform technical foundation that enables not only innovative further developments, but also their rapid, cost-effective roll-out. These central solutions are now used at more than 60 companies within the Würth Group.

E-procurement and the Würth App are the growth drivers within the Würth Line. More and more customers are professionalizing and digitalizing their procurement, which is also reflected in the 26.9 percent sales growth in e-procurement compared to 2021. In many countries, specialists are helping defined key accounts to optimize and automate their purchasing processes. Regardless of customer size and procurement processes, the Würth App is a quick and easy way to meet product needs. More than 200,000 customers from 37 Würth companies worldwide are now using the Würth App, with sales up significantly by 52.4 percent year-on-year.

Within the Würth Line, regional competence centers are being set up in Southeast Asia, Latin America, and Africa in order to cultivate e-business activities in those markets and to support the local companies with individually customized expertise.

**Finding the right Würth product thanks to artificial intelligence**
Digitalization of processes and applications is indispensable for companies that want to maintain their competitive standing. For example, the Würth Group has been operating a Competence Center in Berlin-Adlershof since 2018: In addition to 20 data scientists from Adolf Würth GmbH & Co. KG's Big Data Research team, the subsidiaries Würth Elektronik, Würth IT, and Würth Cloud Services are working here on the digital transformation of the trades. One example of increasing digitalization in this area is the "Würth Match" app, which automatically recognizes images of products used in the trades. The project is based on the latest findings in the field of artificial intelligence. The app can recognize hand tools in photos and assign corresponding Würth products. This means that in the future, customers and employees will be able to find the right product for the relevant application more quickly. The app is currently being developed further to feature a screw finder that recognizes the type of screw from photos and identifies the corresponding Würth product.

**Investment in automation and digitalization of logistics**
Artificial intelligence and robots will continue to be used increasingly in logistics at Adolf Würth GmbH & Co. KG to increase the level of automation and digitalization. The robots support incoming goods, picking, and palletizing for outgoing goods. The aim of the expansion of Distribution Center West in Künzelsau-Gaisbach is to avoid split deliveries so that domestic and foreign customers, as well as Würth subsidiaries, receive all order items in one delivery in the future. The groundbreaking ceremony for the largest logistics investment in the history of the Würth Group, worth around EUR 97 million, was held on 29 June 2022. The new building will see Würth create over 200 new jobs for the region. It is scheduled to go live in December 2024.

**Diversity and sustainability as focal issues**
In addition to digitalization, the Würth Group is also focusing on the topic of diversity. The first step will involve increasing the proportion of women at all hierarchical levels, especially in management positions. With this goal in mind, Würth Business Academy has established various programs for up-and-coming female talent. The year 2022 marked the launch of the new CHAMP mentoring program. Female high-potentials learn from experienced managers, who help them with networking and career planning. The dialogue also allows the managers to gain new perspectives. The mentoring program lasts approximately 18 months and around 270 women worldwide are currently participating.

In addition, the Würth Group is working on its transformation to a circular business. The company provides information on its progress as part of its Sustainability Report.

**EUR 500,000 in emergency aid for earthquake victims**
The Würth Group has always been committed to social welfare. When several earthquakes, the most violent measuring 7.7 on the Richter scale, struck Türkiye and Syria on the night of 6 February 2023, it was a matter of course for the company to help as quickly as possible. On the initiative of the Würth family, the Group provided emergency aid of EUR 500,000 as a gesture of its solidarity. The amount went to the aid organization UNICEF, which is particularly committed to the welfare of children and young people and has an international network.

The Würth Group also supported its employees and their families in the affected regions with numerous emergency aid measures. According to the German Foreign Office, the earthquakes in the Turkish-Syrian border region rank among the worst natural disasters of the past hundred years. More than 50,000 people died and more than 1.5 million are without shelter.

**Overall statement on the future development of the Würth Group**
After 2020 and 2021 were dominated by the COVID-19 pandemic, there was real hope that the Würth Group would find a way back to normality in 2022. This hope was extinguished on 24 February 2022 when Russia attacked Ukraine. Worldwide supply chain problems and a looming energy crisis were just two consequences of this war, with which the Würth Group also had to contend.

As the global economic and political situation remains volatile, it is difficult to predict the future development of the Würth Group. The situation in Ukraine is too uncertain. In addition, the simmering conflict between China, Taiwan, and the US is also expected to have a huge impact on global supply chains, with the first few effects already being felt. If this conflict were to escalate, this would pose an acute risk to the supply of products, components, and raw materials.

As a result, Central Purchasing is focusing on establishing new suppliers in other countries. The current challenges, such as increased prices, will remain an issue in 2023. For purchasing, this means renegotiating purchase prices. This will involve taking advantage of all opportunities for price reductions that arise and scrutinizing price increases in order to avoid them as far as possible. Central Purchasing forecasts a slight increase in prices for the product range as a whole in 2023.

By contrast, the forecast of the European Commission is a source of good news: It predicts that the economic situation in Germany, for example, will develop better than expected. It does not anticipate a recession and expects gross domestic product to increase by 0.2 percent, compared with its original forecast of –0.6 percent in November. The European Commission cites the fact that Germany has come through the energy crisis well so far as the reason behind this encouraging forecast. Inflation is also not expected to be as high this year, with an inflation rate of 6.3 percent, compared with the 7.5 percent assumed in November 2022.

Despite all of the crises facing us, we are taking the momentum and positive mood from 2022 along with us, maintaining our optimism and acting prudently. This leads us to be cautiously optimistic about 2023 and to expect sales growth in the mid-single digits and slight earnings growth—provided that the military conflict remains confined to the territory of Ukraine and does not escalate any further. Acquisitions will remain part of our growth strategy, and we will seize any opportunities that arise in line with our previous acquisition behavior.

# Consolidated financial statements

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22

# Consolidated income statement

| in millions of EUR | | 2022 | Share in % | 2021 | Share in % | Change in % |
|---|---|---|---|---|---|---|
| Sales | [1] | 19,933.1 | 100.0 | 17,059.9 | 100.0 | 16.8 |
| Changes in inventories | | 46.7 | 0.2 | 42.4 | 0.2 | 10.1 |
| Own work capitalized | | 12.1 | 0.1 | 15.4 | 0.1 | -21.4 |
| Cost of materials | [2] | 10,554.9 | 52.9 | 8,772.3 | 51.4 | 20.3 |
| Cost of financial services | [3] | 31.9 | 0.2 | 25.6 | 0.2 | 24.6 |
| **Gross profit** | | **9,405.1** | **47.2** | **8,319.8** | **48.7** | **13.0** |
| Other operating income | [4] | 108.6 | 0.5 | 96.2 | 0.6 | 12.9 |
| Personnel expenses | [5] | 4,762.4 | 23.9 | 4,369.7 | 25.6 | 9.0 |
| Amortization and depreciation | [6] | 803.7 | 4.0 | 775.6 | 4.5 | 3.6 |
| Other operating expenses | [7] | 2,372.7 | 11.9 | 2,009.8 | 11.8 | 18.1 |
| Finance revenue | [8] | 75.7 | 0.4 | 53.9 | 0.3 | 40.4 |
| Finance costs | [8] | 105.2 | 0.5 | 71.1 | 0.4 | 48.0 |
| **Earnings before taxes** | [9] | **1,545.4** | **7.8** | **1,243.7** | **7.3** | **24.3** |
| Income taxes | [10] | 351.8 | 1.8 | 278.3 | 1.6 | 26.4 |
| **Net income for the year** | | **1,193.6** | **6.0** | **965.4** | **5.7** | **23.6** |
| Attributable to: | | | | | | |
| Owners of parent companies in the Group | | 1,175.5 | 5.9 | 954.4 | 5.6 | 23.2 |
| Non-controlling interests | | 18.1 | 0.1 | 11.0 | 0.1 | 64.5 |
| | | **1,193.6** | **6.0** | **965.4** | **5.7** | **23.6** |

# Consolidated statement of comprehensive income

| in millions of EUR | 2022 | Share in % | 2021 | Share in % | Change in % |
|---|---|---|---|---|---|
| **Net income for the year** | **1,193.6** | **100.0** | **965.4** | **100.0** | **23.6** |
| **Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):** | | | | | |
| Net gain (+)/loss (–) on cash flow hedges | 2.6 | 0.2 | 2.1 | 0.2 | 23.8 |
| Foreign currency translation | 19.6 | 1.7 | 48.2 | 5.0 | –59.3 |
| **Net other comprehensive income that may be reclassified to profit or loss in subsequent periods** | **22.2** | **1.9** | **50.3** | **5.2** | **–55.9** |
| **Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):** | | | | | |
| Remeasurement gain/loss on defined benefit plans | 68.3 | 5.7 | 32.8 | 3.4 | > 100 |
| **Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods** | **68.3** | **5.7** | **32.8** | **3.4** | **> 100** |
| **Other comprehensive income, net of tax** | **90.5** | **7.6** | **83.1** | **8.6** | **8.9** |
| **Total comprehensive income, net of tax** | **1,284.1** | **107.6** | **1,048.5** | **108.6** | **22.5** |
| Attributable to: | | | | | |
| Owners of parent companies in the Group | 1,265.1 | 106.0 | 1,037.3 | 107.4 | 22.0 |
| Non-controlling interests | 19.0 | 1.6 | 11.2 | 1.2 | 69.6 |
| | **1,284.1** | **107.6** | **1,048.5** | **108.6** | **22.5** |

# Consolidated statement of financial position

| **Assets**<br>in millions of EUR | | **2022** | Share in % | **2021** | Share in % | Change in % |
|---|---|---|---|---|---|---|
| **Non-current assets** | | | | | | |
| Intangible assets including goodwill | [11] | 247.1 | 1.4 | 267.9 | 1.8 | -7.8 |
| Property, plant, and equipment | [12] | 4,185.7 | 24.3 | 3,837.8 | 25.4 | 9.1 |
| Right-of-use assets | [13] | 994.5 | 5.8 | 962.1 | 6.4 | 3.4 |
| Financial assets | [14] | 150.7 | 0.9 | 110.3 | 0.7 | 36.6 |
| Receivables from financial services | [15] | 1,460.3 | 8.5 | 1,347.3 | 8.9 | 8.4 |
| Other assets | [21] | 30.3 | 0.2 | 32.6 | 0.2 | -7.1 |
| Deferred taxes | [16] | 250.4 | 1.5 | 237.0 | 1.6 | 5.7 |
| | | **7,319.0** | **42.6** | **6,795.0** | **45.0** | **7.7** |
| **Current assets** | | | | | | |
| Inventories | [17] | 3,828.4 | 22.3 | 3,063.9 | 20.3 | 25.0 |
| Trade receivables | [18] | 2,819.4 | 16.4 | 2,376.2 | 15.7 | 18.7 |
| Receivables from financial services | [15] | 1,328.9 | 7.7 | 1,099.7 | 7.3 | 20.8 |
| Income tax assets | [19] | 43.9 | 0.3 | 29.2 | 0.2 | 50.3 |
| Other financial assets | [20] | 238.6 | 1.4 | 206.4 | 1.3 | 15.6 |
| Other assets | [21] | 284.0 | 1.7 | 243.4 | 1.6 | 16.7 |
| Securities | [22] | 110.8 | 0.6 | 83.8 | 0.6 | 32.2 |
| Cash and cash equivalents | [23] | 1,214.7 | 7.0 | 1,216.8 | 8.0 | -0.2 |
| | | **9,868.7** | **57.4** | **8,319.4** | **55.0** | **18.6** |
| | | | | | | |
| | | **17,187.7** | **100.0** | **15,114.4** | **100.0** | **13.7** |

| Equity and liabilities<br>in millions of EUR | | 2022 | Share in % | 2021 | Share in % | Change in % |
|---|---|---|---|---|---|---|
| **Equity** | | | | | | |
| Equity attributable to parent companies in the Group | [25] | | | | | |
| Share capital | | 408.4 | 2.4 | 408.4 | 2.7 | 0.0 |
| Reserves | | 2,979.8 | 17.3 | 2,634.9 | 17.5 | 13.1 |
| Retained earnings | | 4,438.0 | 25.8 | 3,708.0 | 24.5 | 19.7 |
| | | 7,826.2 | 45.5 | 6,751.3 | 44.7 | 15.9 |
| Non-controlling interests | | 87.2 | 0.5 | 73.1 | 0.5 | 19.3 |
| | | **7,913.4** | **46.0** | **6,824.4** | **45.2** | **16.0** |
| **Non-current liabilities** | | | | | | |
| Liabilities from financial services | [26] | 1,017.2 | 5.9 | 966.8 | 6.4 | 5.2 |
| Financial liabilities | [27] | 2,119.8 | 12.3 | 1,256.4 | 8.3 | 68.7 |
| Lease liabilities | [28] | 728.4 | 4.3 | 718.6 | 4.8 | 1.4 |
| Post-employment benefit obligations | [29] | 232.7 | 1.4 | 318.7 | 2.1 | -27.0 |
| Provisions | [30] | 127.0 | 0.7 | 136.5 | 0.9 | -7.0 |
| Other financial liabilities | [31] | 15.8 | 0.1 | 15.3 | 0.1 | 3.3 |
| Other liabilities | [32] | 0.2 | 0.0 | 1.6 | 0.0 | -87.5 |
| Deferred taxes | [16] | 139.4 | 0.8 | 112.6 | 0.7 | 23.8 |
| | | **4,380.5** | **25.5** | **3,526.5** | **23.3** | **24.2** |
| **Current liabilities** | | | | | | |
| Trade payables | | 1,247.3 | 7.3 | 1,091.9 | 7.2 | 14.2 |
| Liabilities from financial services | [26] | 1,323.8 | 7.7 | 1,108.2 | 7.3 | 19.5 |
| Financial liabilities | [27] | 192.3 | 1.1 | 610.9 | 4.0 | -68.5 |
| Lease liabilities | [28] | 285.9 | 1.7 | 259.1 | 1.7 | 10.3 |
| Income tax liabilities | | 149.9 | 0.9 | 141.9 | 1.0 | 5.6 |
| Provisions | [30] | 286.2 | 1.7 | 254.6 | 1.7 | 12.4 |
| Other financial liabilities | [31] | 743.1 | 4.3 | 687.5 | 4.6 | 8.1 |
| Other liabilities | [32] | 661.2 | 3.8 | 609.4 | 4.0 | 8.5 |
| | | **4,889.7** | **28.5** | **4,763.5** | **31.5** | **2.6** |
| Liabilities in a group of assets classified as held for sale | [24] | 4.1 | 0.0 | 0.0 | 0.0 | 100 |
| | | **4,893.8** | **28.5** | **4,763.5** | **31.5** | **2.6** |
| | | | | | | |
| | | **17,187.7** | **100.0** | **15,114.4** | **100.0** | **13.7** |

# Consolidated statement of cash flows*

| Cash flows from operating activities<br>in millions of EUR | 2022 | 2021 |
|---|---|---|
| **Earnings before taxes** | **1,545.4** | **1,243.7** |
| Income taxes paid | -359.5 | -221.3 |
| Finance costs (excluding loss on derivative instruments at fair value through profit or loss) | 105.2 | 71.1 |
| Finance income (excluding gain on derivative instruments at fair value through profit or loss) | -34.9 | -56.2 |
| Interest received from operating activities | 12.5 | 8.7 |
| Interest paid from operating activities | -23.4 | -14.9 |
| Changes in post-employment benefit obligations | -4.8 | 0.2 |
| Depreciation, amortization, and reversals of impairment losses on intangible assets, property, plant and equipment, and right-of-use assets | 801.9 | 774.4 |
| Losses on disposal of non-current assets | 4.2 | 5.4 |
| Gains on disposal of non-current assets | -20.4 | -11.7 |
| Gains/losses on derivative instruments reported at fair value through profit or loss | -40.8 | 2.3 |
| Other non-cash income and expenses | 207.5 | 167.6 |
| **Gross cash flows** | **2,192.9** | **1,969.3** |
| Changes in inventories | -861.4 | -877.6 |
| Changes in trade receivables | -480.7 | -417.1 |
| Changes in receivables from financial services | -352.9 | -308.8 |
| Changes in trade payables | 151.3 | 220.0 |
| Changes in liabilities from financial services | 263.5 | 341.2 |
| Changes in short-term securities | -32.6 | 1.7 |
| Changes in other net working capital | -13.4 | 105.2 |
| **Cash flows from operating activities** | **866.7** | **1,033.9** |
| Investments in intangible assets | -42.1 | -39.9 |
| Investments in property, plant, and equipment | -767.9 | -512.6 |
| Investments in financial instruments | -62.9 | -34.6 |
| Investments in newly acquired subsidiaries less cash, as well as variable purchase price payments** | -4.4 | -48.0 |
| Cash received from disposals of assets | 58.3 | 46.3 |
| **Cash flows from investing activities** | **-819.0** | **-588.8** |

| **Cash flows**<br>in millions of EUR | **2022** | **2021** |
|---|---:|---:|
| Distributions | -369.4 | -325.9 |
| Change in receivables from/liabilities to Würth-Familienstiftungen and the Würth family incl. interest income | 16.5 | 62.8 |
| Capital contribution | 174.3 | 169.1 |
| Increase in financial liabilities | 1,005.0 | 35.7 |
| Decrease in financial liabilities | -526.5 | -239.4 |
| Payments for the repayment portion of lease liabilities | -304.6 | -287.5 |
| Interest paid/received from financing activities | -38.0 | -27.5 |
| Increase in majority shareholdings | 0.0 | -24.3 |
| **Cash flows from financing activities** | **-42.7** | **-637.0** |
| Changes due to consolidation | -2.5 | 19.5 |
| Effect of exchange rate changes on cash and cash equivalents | -4.6 | 2.8 |
| **Changes in cash and cash equivalents** | **-2.1** | **-169.6** |

| **Composition of cash and cash equivalents**<br>in millions of EUR | **2022** | **2021** | Change<br>in millions of EUR |
|---|---:|---:|---:|
| Short-term investments | 27.1 | 72.6 | -45.5 |
| Other cash equivalents | 2.6 | 2.9 | -0.3 |
| Cash on hand | 2.8 | 2.2 | 0.6 |
| Cash at banks | 1,182.2 | 1,139.1 | 43.1 |
| **Cash and cash equivalents** | **1,214.7** | **1,216.8** | **-2.1** |

* Reference to "J. Notes on the consolidated statement of cash flows"
** Reference to "C. Consolidated group"

# Consolidated statement of changes in equity*

| in millions of EUR | Equity attributable to parent companies in the Group | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Share capital | Differences from currency translation | Adjustment for post-employment benefit obligations | Cash flow hedge reserve | Other capital and revenue reserves | Retained earnings | Total | Non-controlling interests | Total equity |
| **1 January 2021** | **408.4** | **–177.1** | **–136.4** | **–13.0** | **2,664.0** | **3,116.8** | **5,862.7** | **57.7** | **5,920.4** |
| Net income for the year | – | – | – | – | – | 954.4 | 954.4 | 11.0 | 965.4 |
| Other comprehensive income | – | 48.0 | 32.8 | 2.1 | – | – | 82.9 | 0.2 | 83.1 |
| Total comprehensive income | – | 48.0 | 32.8 | 2.1 | – | 954.4 | 1,037.3 | 11.2 | 1,048.5 |
| Issue/reduction of share capital | 0.0 | – | – | – | 168.5 | 0.0 | 168.5 | 0.6 | 169.1 |
| Transfer to/drawings from reserves | – | – | – | – | 45.9 | –45.9 | 0.0 | – | 0.0 |
| Distributions | – | – | – | – | – | –320.3 | –320.3 | –5.6 | –325.9 |
| Changes in the consolidated group | – | – | – | – | – | – | – | 10.0 | 10.0 |
| Other changes recognized in equity | – | 0.0 | – | – | 0.1 | 3.0 | 3.1 | –0.8 | 2.3 |
| **31 December 2021** | **408.4** | **–129.1** | **–103.6** | **–10.9** | **2,878.5** | **3,708.0** | **6,751.3** | **73.1** | **6,824.4** |
| **1 January 2022** | **408.4** | **–129.1** | **–103.6** | **–10.9** | **2,878.5** | **3,708.0** | **6,751.3** | **73.1** | **6,824.4** |
| Net income for the year | – | – | – | – | – | 1,175.5 | 1,175.5 | 18.1 | 1,193.6 |
| Other comprehensive income | – | 18.7 | 68.3 | 2.6 | – | – | 89.6 | 0.9 | 90.5 |
| Total comprehensive income | – | 18.7 | 68.3 | 2.6 | – | 1,175.5 | 1,265.1 | 19.0 | 1,284.1 |
| Issue/reduction of share capital | 0.0 | – | – | – | 173.5 | 0.0 | 173.5 | 0.8 | 174.3 |
| Transfer to/drawings from reserves | – | – | – | – | 81.8 | –81.8 | 0.0 | – | 0.0 |
| Distributions | – | – | – | – | – | –363.7 | –363.7 | –5.7 | –369.4 |
| Other changes recognized in equity | – | 0.1 | – | – | –0.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| **31 December 2022** | **408.4** | **–110.3** | **–35.3** | **–8.3** | **3,133.7** | **4,438.0** | **7,826.2** | **87.2** | **7,913.4** |

* Reference to (25) "Equity" in Section H. Notes on the consolidated statement of financial position

# Consolidated value added statement *

| Origin of the value added<br>in millions of EUR | 2022 | 2021 | Change<br>in % |
|---|---|---|---|
| Sales | 19,933.1 | 17,059.9 | 16.8 |
| Changes in inventories and own work capitalized for capital expenditure | 58.8 | 57.8 | 1.7 |
| Other operating income | 108.6 | 96.2 | 12.9 |
| Finance revenue | 75.7 | 53.9 | 40.4 |
| | **20,176.2** | **17,267.8** | **16.8** |
| **Less advance payments** | | | |
| Cost of materials and cost of financial services | 10,586.8 | 8,797.9 | 20.3 |
| Other operating expenses | 2,372.7 | 2,009.8 | 18.1 |
| Amortization and depreciation | 803.7 | 775.6 | 3.6 |
| | **13,763.2** | **11,583.3** | **18.8** |
| | | | |
| **Value added** | **6,413.0** | **5,684.5** | **12.8** |

| Purpose<br>in millions of EUR | 2022 | 2021 | Change<br>in % |
|---|---|---|---|
| Employees (personnel expenses) | 4,762.4 | 4,369.7 | 9.0 |
| Public sector (tax expenses) | 351.8 | 278.3 | 26.4 |
| Company | 998.5 | 808.6 | 23.5 |
| Equity holders** | 195.1 | 156.8 | 24.4 |
| Lenders | 105.2 | 71.1 | 48.0 |
| **Value added** | **6,413.0** | **5,684.5** | **12.8** |

* Not part of the consolidated financial statements in accordance with IFRS
** Distributions net of contribution to capital

# Notes on the consolidated financial statements

## A. General information

The headquarters of the Würth Group are located in 74653 Künzelsau, Germany.

The core business of the Würth Group involves the manufacture and distribution of fastening and assembly materials worldwide. The companies that make up the Würth Group's active sales operations are divided into two operational units: Würth Line and Allied Companies.

Würth Line operations focus on the manufacture of fastening and assembly materials, supplying customers in the trades, the construction sector, and industry. The sales portfolio of the Würth Line comprises products sold under its own brand name and by its own sales organization. Its main business activity is the manufacture and distribution of screws, screw accessories, DIN and standard parts, chemical-technical products, furniture and construction fittings, anchors, insulation, hand tools, power tools, cutting and pneumatic tools, service and care products, connecting and fastening materials, stocking and picking systems, and the direct mailing of workwear.

The Allied Companies, which either operate in business areas related to the core business or in diversified business areas, round off the Würth Group's portfolio. They are divided into nine strategic business units. With the exception of a small number of manufacturing companies, the majority are sales companies operating in related areas. The Diversification unit within the Allied Companies comprises service companies, such as hotels, restaurants, and logistics operators.

## B. Adoption of International Financial Reporting Standards

**Statement of compliance with IFRS**
The consolidated financial statements of the Würth Group were prepared according to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), London, UK, as adopted by the EU, the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB ["Handelsgesetzbuch": German Commercial Code], and full IFRS. The consolidated financial statements consist of the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, and notes on the consolidated financial statements. The Group management report has been prepared in accordance with Sec. 315 HGB.

**Basis of preparation**
All IFRS standards whose adoption is mandatory as of 31 December 2022 have been applied. This also includes the International Accounting Standards (IAS), as well as the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC).

The financial statements have been prepared on the basis of historical costs, with the exception of financial assets and financial liabilities at fair value through profit or loss. The carrying amounts of the assets and liabilities recognized in the consolidated statement of financial position, which represent underlying transactions in connection with fair value hedges and are otherwise stated at amortized cost, are adjusted to reflect the changes in the fair value that can be attributed to the hedged risks in effective hedge relationships.

The consolidated financial statements were prepared in euro. All figures are reported in millions of euro (EUR) unless otherwise indicated.

The items in the consolidated statement of financial position have been classified into current and non-current assets and liabilities in accordance with IFRS. Items not due within a year are disclosed as non-current assets or non-current liabilities. In addition, deferred taxes are disclosed as non-current assets or liabilities.

The consolidated income statement has been prepared using the nature of expense method.

The consolidated financial statements were approved by the Central Management Board of the Würth Group on 23 March 2023 for issue to the audit committee of the Würth Group's Advisory Board.

**Use of estimates and judgments**

The preparation of the consolidated financial statements pursuant to IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities and other financial obligations as of the reporting date and the reported amounts of income and expenses during the reporting period. The assumptions and estimates are based primarily on Group-wide regulations governing useful lives, accounting policies for capitalized development costs and provisions, the probability of future tax relief being realized from deferred tax assets, and assumptions regarding the future earnings power of cash-generating units. Actual amounts in future periods may differ from the estimates. Changes are recognized in income as and when better information becomes available.

The key assumptions concerning the future and other key sources of estimation uncertainty as of the reporting date that entail a risk of causing a material adjustment to the carrying amounts of assets and liabilities in the following fiscal year are discussed below.

**a) Impairment of goodwill**

The Würth Group tests goodwill for impairment at least once a year. This involves an estimate of the fair value less costs to sell of the cash-generating units to which the goodwill is allocated. The cash-generating units are determined on the basis of the lowest level used to monitor goodwill for internal purposes by management as it makes decisions on business combinations. In the Würth Group, this is generally the legal entity. As of 31 December 2022, the carrying amount of goodwill totaled EUR 71.1 million (2021: EUR 87.5 million). Further details are presented under [11] "Intangible assets including goodwill" in Section H. Notes on the consolidated statement of financial position.

**b) Inventories**

Inventories are measured at the lower of cost and net realizable value. The calculation of the net realizable value and the resulting impairment losses are subject to estimates.

**c) Impairment of intangible assets, property, plant, and equipment, and right-of-use assets**

The Würth Group tests intangible assets, property, plant, and equipment, and right-of-use assets for impairment if events or changes in circumstances suggest that it may not be possible to recover the carrying amount of an asset. The intrinsic value is calculated by comparing the carrying amount of the individual assets with their recoverable amount. The recoverable amount is either the value in use or the fair value, whichever is higher, less the cost of sale. The value in use is the amount calculated by discounting the estimated future cash flows. If an asset does not generate any cash inflows that are largely independent of the cash inflows generated by other asset groups, the impairment test is not carried out at the level of an individual asset, but at the level of the cash-generating unit. Further details are presented under [11] "Intangible assets including goodwill," [12] "Property, plant, and equipment," and [13] "Right-of-use assets" in Section H. Notes on the consolidated statement of financial position.

### d) Unused tax losses and temporary differences

Deferred tax assets are recognized for all unused tax losses and temporary differences to the extent that it is probable that taxable income will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable income together with future tax planning strategies. Unused tax losses and temporary differences are considered recoverable only if they are likely to be used within the next five years. Deferred tax assets recognized on unused tax losses amount to EUR 22.4 million as of 31 December 2022 (2021: EUR 17.8 million) and are presented in [16] "Deferred taxes" in Section H. Notes on the consolidated statement of financial position.

### e) Post-employment benefit obligations

The cost of post-employment defined benefit plans and the present value of the pension obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate, future salary increases, mortality rates, and future pension increases. Due to the complexity of the valuation, the underlying assumptions, and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed by the management on each reporting date. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in their respective currencies with at least an AA rating or above and an extrapolated maturity corresponding to the expected duration of the defined benefit obligation. Moreover, the quality of the underlying bonds is assessed by the management. Those having excessive credit spreads are excluded from the analysis of bonds from which the discount rate is derived on the basis that they do not represent high-quality bonds. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates for the respective country. The net carrying amounts of the obligations from post-employment benefits amount to EUR 232.7 million as of 31 December 2022 (2021: EUR 318.7 million). Further details are presented under [29] "Post-employment benefit obligations" in Section H. Notes on the consolidated statement of financial position. All parameters are reviewed annually.

### f) Fair value measurement of financial instruments

If the fair values of recognized financial assets and financial liabilities cannot be measured using quoted prices in active markets, they are determined using valuation techniques, including the discounted cash flow method. The input factors used in the model are based on observable market data as far as possible. If such data is not available, the determination of fair values is largely based on discretionary decisions by management. The discretionary decisions relate to input factors such as liquidity risk, default risk, and volatility. Changes in the assumptions made for these factors may affect the fair values of the financial instruments. Further information can be found under [33] "Additional disclosures on financial instruments—carrying amounts and fair values by measurement category IFRS 9" in Section H. Notes on the consolidated statement of financial position.

### g) Development costs

Development costs are capitalized in accordance with the accounting policies set out in Section F. Initial recognition of development costs is based on an assessment by management that the development is both technically and economically feasible. Generally, this is the case if a product development project has reached a certain milestone within an existing project management model. In determining the amounts to be capitalized, management makes assumptions regarding the expected future cash generation of the assets, discount rates to be applied, and the expected period of benefits. As of 31 December 2022, the carrying amount of capitalized development costs was EUR 11.3 million (2021: EUR 13.7 million).

**h) Allowance for expected credit losses on trade receivables and receivables from financial services**

The Würth Group uses an allowance matrix in order to calculate expected credit losses on trade receivables and receivables from financial services. The allowance rates are determined on the basis of days past due for various customers (grouped according to criteria such as geographical region, credit rating, and credit insurance coverage).

The allowance table is initially based on the historical default rates within the Würth Group. The Würth Group then calibrates the table in order to adjust its historical loan defaults to future-related information. If, for example, it is assumed that forecast economic conditions (such as gross domestic product) will deteriorate in the course of the coming year, which could lead to an increase in loan defaults, then the historical default rates are adjusted. Historical default rates are updated and changes in future-oriented estimates are analyzed on each reporting date.

The assessment of the relationship between historical default rates, forecast economic conditions, and expected loan defaults represents a material estimate. The amount of expected loan defaults depends on changes in circumstances and the forecast economic environment. Historical loan defaults within the Würth Group and the forecast of the general economic conditions may not be representative of the actual defaults of customers in the future. Information on expected credit losses on trade receivables of the Würth Group is provided in [18] "Trade receivables" in Section H. Notes on the consolidated statement of financial position.

For receivables from financial services that are valued at amortized cost, the first step is to calculate the impairment at the 12-month credit loss. In cases involving receivables from financial services whose default risk has increased significantly since initial recognition, the impairment loss is calculated based on the expected losses over the remaining term.

**i) Purchase price liabilities from business combinations and/or acquired operations**

Some business combinations involve conditional purchase price components, or the seller is granted put options for non-controlling interests. The resulting purchase price liabilities are subject to estimates in the form of the objectives that can be achieved in the future and with respect to the present value assumptions for the future purchase prices. They are measured at fair value on each reporting date.

**j) Determining the term of leases featuring extension and termination options—the Würth Group as the lessee**

The Würth Group defines the lease term based on the non-cancelable basic term of the lease and taking periods resulting from an option to extend the lease into account as long as it is reasonably certain that it will exercise this option. If it is reasonably certain that the option will not be exercised, only the periods resulting from the option up to the time of termination of the lease are included. The Würth Group has entered into leases featuring extension and termination options. Assessing whether it is reasonably certain that the lease extension/termination option will be exercised or not is a process that involves discretionary decisions. This means that it considers all of the relevant factors that give it a financial incentive to exercise the extension or termination option. After the commencement date, the Würth Group reassesses the lease terms upon the occurrence of a significant event or a significant change in circumstances that are within its control and have an impact on whether it will exercise the lease extension or termination option or not (e.g., if significant leasehold improvements are made or if the underlying asset is considerably altered).

**k) Leases—estimate of the incremental borrowing rate**

It is not possible for the Würth Group to readily determine the interest rate on which a lease is based. This is why it applies its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the interest rate that the Würth Group would have to pay to borrow the funds required to finance an asset of a similar value to the right-of-use asset in a comparable economic situation with a similar term and similar collateral arrangements. This means that the incremental borrowing rate reflects the interest that the Würth Group "would have to pay." If no observable interest rates are available, the incremental borrowing rate has to be estimated. Further details are provided in Section F. Accounting policies.

**l) The war in Ukraine**
As the war continues and new sanctions are imposed, the full extent of the impact remains uncertain. Further direct and indirect economic implications and risks for the Würth Group are difficult to forecast at the present time.

**m) Climate change**
The Würth Group continuously monitors legislation relating to climate change. At present, no laws have been passed that have an impact on the Würth Group. The Würth Group will adjust the basic assumptions for the calculation of the value in use and the sensitivity analysis to reflect any assumptions made if necessary.

**Effects of new accounting standards**
The adopted accounting policies are consistent with those of the prior fiscal year, except that the Group has adopted the revised IFRS standards and IFRIC interpretations set out below that are mandatory for fiscal years beginning on or after 1 January 2022:

- **Amendments to IFRS 3: "Reference to the Conceptual Framework"**
- **Amendments to IFRS 4: "Insurance Contracts"**
- **Amendments to IFRS 16: "Proceeds before Intended Use."**
- **Amendments to IAS 37: "Onerous Contracts—Cost of Fulfilling a Contract."**
- **Amendments to IFRS 9: "Fees in the '10 percent' test for derecognition of financial liabilities"**

The adoption of these standards is described below:

In May 2020, the IASB published amendments to **IFRS 3: "Business Combinations—Reference to the Conceptual Framework."** The amendments replace the reference to the Conceptual Framework for Financial Reporting issued in 1989 with a reference to the Conceptual Framework for Financial Reporting issued in March 2018, without making any significant changes to the existing provisions of the standard. The Board has also introduced an exemption to the recognition principles in IFRS 3 to avoid day 2 gains or losses arising on separately recognized liabilities and contingent liabilities within the scope of IAS 37 or IFRIC 21 levies. At the same time, the Board decided to amend the standard to include clarification that the existing regulations for contingent assets in IFRS 3 are not affected by the replacement of the reference to the Conceptual Framework for Financial Reporting. The amendments apply to fiscal years beginning on or after 1 January 2022 and are to be applied prospectively. These amendments did not have any impact on the consolidated financial statements of the Würth Group.

On 25 June 2020, the IASB published an **amendment to IFRS 4: "Insurance Contracts."** The amendment temporarily exempts insurers from applying the provisions of **IFRS 9: "Financial Instruments"** until 31 December 2022. This means that the provisions set out in IFRS 9: "Financial Instruments" are mandatory for insurers for the first time for fiscal years beginning on or after 1 January 2022. These amendments did not have any impact on the consolidated financial statements of the Würth Group.

In May 2020, the IASB published an amendment to **IAS 16: "Property, Plant, and Equipment: Proceeds before Intended Use**." The amendment prohibits deducting from the cost of an item of property, plant, and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendments are effective for fiscal years beginning on or after 1 January 2022 and are to be applied retrospectively to items of property, plant, and equipment that are brought to the condition necessary for them to be capable of operating on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. These amendments did not have any impact on the consolidated financial statements of the Würth Group.

In May 2020, the IASB published **an amendment to IAS 37: "Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts—Cost of Fulfilling a Contract"** to specify which costs a company should include when assessing whether a contract is onerous. The amendment focuses on costs that relate directly to the contract (directly related cost approach). The costs associated with the performance of contracts for the supply of goods or the rendering of services can either be the directly attributable (incremental) costs of fulfilling that contract or overheads that relate directly to activities for fulfilling contracts. General administrative expenses do not relate directly to the contract, meaning that they are not classed as costs of fulfilling that contract, unless the contract explicitly provides for these costs to be charged to customers. The amendments are effective for fiscal years beginning on or after 1 January 2022. These amendments did not have any impact on the consolidated financial statements of the Würth Group.

As part of its Annual Improvements to IFRS Standards 2018–2020, the IASB has published an **amendment to IFRS 9: "Financial Instruments—Fees in the '10 percent' test for derecognition of financial liabilities."** The amendment clarifies the fees a company includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. This includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. An entity shall apply the amendment to financial liabilities that are modified or exchanged at or after the beginning of the fiscal year in which the entity first applies the amendment. The amendment is effective for fiscal years beginning on or after 1 January 2022. These amendments did not have any impact on the consolidated financial statements of the Würth Group.

**Published standards endorsed by the EU in the comitology procedure that are not yet effective**

Standards issued but not yet effective by the date of issuance of the consolidated financial statements of the Würth Group are listed below. This listing of standards and interpretations issued includes those that the Würth Group reasonably expects to have an effect on disclosures in the notes, net assets, financial position, and results of operations when applied at a future date. The Würth Group intends to apply these standards as soon as they become mandatory and does not expect them to have any significant impact on the Würth Group's financial statements.

The IASB published **IFRS 17: "Insurance Contracts"** in May 2017, a comprehensive new accounting standard setting out principles for recognition, measurement, presentation, and disclosure requirements with regard to insurance contracts. When it comes into force, IFRS 17 will replace IFRS 4: "Insurance Contracts," which was published in 2005. IFRS 17 is to be applied, irrespective of the type of issuing entity, to all types of insurance contracts (i.e., life insurance, property insurance, direct insurance, and reinsurance) and to certain guarantees and financial instruments. Individual exemptions apply in terms of the scope of application. The overall objective of IFRS 17 is to create a more useful and more uniform accounting model for insurers. Unlike the provisions of IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the General (building block) Model, supplemented by:

- a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and
- a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 is to apply for the first time to fiscal years beginning on or after 1 January 2023. Comparative figures must be provided. Early application is permitted if the entity already applies IFRS 9 and IFRS 15 or applies them for the first time at the same time as IFRS 17. In December 2021, the IASB issued further amend-

ments to permit entities that first apply IFRS 17 and IFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset before. The application of these amendments does not have any material impact on the consolidated financial statements of the Würth Group.
In January 2020 and in October 2022, the IASB issued **amendments to IAS 1: "Classification of Liabilities as Current or Non-current"** to clarify the requirements for classification.

The amendments clarify the following:

- The right to defer settlement of a liability is explained.
- The right to defer settlement of a liability must be in place at the end of the reporting period.
- Classification is unaffected by expectations about whether an entity will exercise this right.
- It is only in cases involving a derivative embedded in a convertible liability that is an equity instrument to be recognized separately that the terms of the debt instrument do not affect its classification.
- For liabilities classified as non-current on the reporting date, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that the liability could become repayable within twelve months of the reporting date. In this context, disclosures are required regarding the covenants, the carrying amount of the corresponding liabilities, and facts and circumstances that could jeopardize compliance with the covenants.

The amendments apply to fiscal years beginning on or after 1 January 2023 and are to be applied retrospectively. The Würth Group is currently assessing what impact the amendments will have on current accounting practice and whether existing credit agreements may need to be renegotiated.

In February 2021, the IASB issued **amendments to IAS 8: "Definition of Accounting Estimates**," which introduced a new definition for accounting estimates. The amendments clarify how changes in accounting estimates differ from changes in accounting policies and error corrections. They also explain how companies can make accounting estimates using measurement techniques and inputs. The amendments apply to fiscal years beginning on or after 1 January 2023, and are to be applied to changes in accounting policies and accounting estimates that occur at or after the beginning of that fiscal year. Earlier application is permitted, provided that this fact is stated.

In February 2021, the IASB issued **"Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)"** in which it provides guidance and illustrative examples to help entities assess when information about accounting policies is "significant" and should therefore be disclosed. The amendments are intended to assist entities in making disclosures about accounting policies that are more helpful to users of financial statements by replacing the requirement to disclose "significant" accounting policies with the requirement to disclose "material" information about accounting policies and by adding guidance to help entities apply the concept of materiality in assessing when to disclose information about accounting policies. The amendments to IAS 1 are effective for fiscal periods beginning on or after 1 January 2023. Earlier adoption is permitted. As the amendments to Practice Statement 2 provide non-binding application guidance on the definition of "material" in relation to accounting policy disclosures, an effective date for the amendments was not considered necessary.

In May 2021, the IASB issued **amendments to IAS 12: "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"** that narrow the scope of the initial recognition exemption under IAS 12 to no longer apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. The amendments are effective for transactions that occur on or after the beginning of the earliest comparative period presented. Also, at the beginning of the earliest comparative period presented, the entity recognizes a deferred tax asset (insofar as sufficient taxable income is available) and a deferred tax liability for all deductible and taxable temporary differences relating to leases and decommissioning obligations. The amendments to IAS 1 are effective for fiscal periods beginning on or after 1 January 2023. Earlier adoption is permitted. The application of these amendments does not have any material impact on the consolidated financial statements of the Würth Group.

## C. Consolidated group

The consolidated financial statements of the Würth Group include parent companies at the same organizational level, as well as all domestic and foreign entities in which the parent companies at the same organizational level hold a majority of the voting rights, either directly or indirectly, and thus have the possibility to exercise control over these entities. The parent companies–and hence the entire Würth Group–are subject to common control by the Central Management Board. One exception is Zebra S.A. Luxemburg, Luxembourg, whose inclusion is based on the right to variable returns generated by the company and the ability to direct the main activities that significantly affect the company's returns. The consolidated group is therefore based on the Würth Group's uniform ownership, organizational, and management structure, as only this presentation gives a true and fair view of the Würth Group. Determining the consolidated group in accordance with IAS 27 / IFRS 10 would not portray a true and fair value of the net assets, financial position, and results of operations because transactions between the subgroups thereby created would not be presented fairly. In this case, the subgroups would provide an incomplete and misleading presentation of the economic and financial conditions of the Würth Group regarding practically every item of the consolidated financial statements.
Subsidiaries are fully consolidated as of their date of acquisition, being the date on which the Würth Group obtains control, and continue to be consolidated until the date on which such control by the parent ceases.

The cost of subsidiaries and business operations acquired comprises the consideration transferred plus any non-controlling interests.

The major changes to the consolidated group in comparison to the prior year on account of acquisitions are as follows:

On 29 July 2022, the Würth Group purchased the business operations of J&G Machinery Inc., Sanford, USA. The company distributes machinery for the woodworking industry in the southeast of the US.

| in millions of EUR | Fair value at acquisition date | Previous carrying amount |
|---|---|---|
| **Assets** | | |
| Customer base | 3.2 | 0.0 |
| Right-of-use assets | 1.7 | 1.7 |
| Other property, plant, and equipment | 0.2 | 0.2 |
| Inventories | 2.8 | 2.8 |
| Trade receivables | 0.4 | 0.4 |
| | 8.3 | 5.1 |
| **Liabilities** | | |
| Lease liabilities | 1.7 | 1.7 |
| Trade payables | 1.1 | 1.1 |
| Other liabilities | 0.1 | 0.1 |
| | 2.9 | 2.9 |
| **Total identifiable net assets** | **5.4** | **2.2** |
| **Consideration transferred** | **5.4** | |
| | | |
| Transaction costs | 0.2 | |
| **Net cash outflow** | **5.6** | |

Since the acquisition date, the business operations have contributed EUR 7.1 million to sales. The net income for the year came in at EUR 0.2 million. If the business operations had been acquired at the beginning of the year, then the sales for 2022 would have amounted to EUR 16.8 million and the net income for the year to EUR 0.6 million.

Expenses amounting to EUR 28.4 million (2021: EUR 66.2 million) resulting from the amortization, depreciation, and impairment of assets identified in the course of purchase price allocation were recognized in connection with company acquisitions from prior years.

Purchase price liabilities from company acquisitions in previous years amounting to EUR 0.3 million were settled in the 2022 fiscal year (2021: EUR 0.7 million).

## D. Consolidation principles

The consolidated financial statements are based on the financial statements of the parent companies and subsidiaries included in the Group as of 31 December 2022, which have been prepared according to uniform standards.

Acquisition accounting is performed using the acquisition method in accordance with IFRS 3 (revised). Accordingly, the consideration transferred to the seller plus any non-controlling interests and the fair value of the previously held equity interests in the acquiree are offset against the fair value of the acquired assets and liabilities as of the acquisition date. Any remaining differences on the assets side are capitalized as goodwill. Any remaining debit differences are posted to profit or loss. Any contingent consideration is recognized at acquisition-date fair value. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability are recognized in accordance with IFRS 9 in the consolidated income statement. If the contingent consideration is classified as equity, it is not remeasured and its subsequent settlement is accounted for within equity. Business combinations achieved in stages where the Group already has control or disposals of shares without a loss of control are recognized directly in equity.

In the case of business combinations achieved in stages that give rise to control over an entity, or in the case of disposals of shares that result in a loss of control, the previously held or remaining equity interests are remeasured at fair value through profit or loss. Under this method, any gains or losses on disposal lacking commercial substance are offset directly in equity in the reserves. The same accounting policies are used to determine the Group's share in equity of all companies accounted for using the equity method. Receivables and liabilities between the consolidated entities are netted. Intercompany profits in inventories and non-current assets are eliminated in the consolidated income statement. Intercompany sales and other intercompany income are netted against the corresponding expense. Deferred tax is recognized for consolidation transactions that are recognized in profit or loss.

Non-controlling interests represent the portion of profit or loss and net assets not attributable to the equity holders of the parent companies in the Group. Non-controlling interests are presented separately in the consolidated income statement and the consolidated statement of financial position. In the consolidated statement of financial position, non-controlling interests are disclosed in equity, separately from the equity attributable to the parent companies in the Group.

## E. Foreign currency translation

In the separate financial statements of the entities, non-monetary and monetary items denominated in foreign currency are recognized at the rate prevailing when they were first recorded. Monetary items are translated at the exchange rate as of the reporting date. Any exchange rate gains generated and losses incurred as of the reporting date from the measurement of monetary assets and monetary liabilities denominated in foreign currency are recognized through profit or loss in finance revenue and finance costs, respectively.

The functional currency method is used to translate the financial statements of foreign entities. In the consolidated financial statements, except for equity, the items of the statement of financial position of all foreign entities are translated into euro at closing rates, as the significant Group entities included in the consolidated financial statements conduct their business independently in their local currency, which is the functional currency. Differences compared to the prior-year translation are offset against reserves directly in equity (other comprehensive income). Goodwill is translated at the closing rate as an asset of foreign entities.

Income and expense items are translated using average rates. Differences compared to the closing rate are also recognized directly in equity.

The financial statements of the major subsidiaries in countries outside the European Monetary Union were translated into euro using the following exchange rates:

| | Average exchange rates for the fiscal year | | Closing rates on the reporting date | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| 1 US dollar | 0.95008 | 0.84629 | 0.93677 | 0.87935 |
| 1 pound sterling | 1.17359 | 1.16384 | 1.12667 | 1.19072 |
| 1 Canadian dollar | 0.73202 | 0.67538 | 0.69152 | 0.69634 |
| 1 Australian dollar | 0.66028 | 0.63547 | 0.63550 | 0.63910 |
| 1 Brazilian real | 0.18493 | 0.15719 | 0.17730 | 0.15783 |
| 1 Chinese yuan renminbi | 0.14142 | 0.13093 | 0.13581 | 0.13849 |
| 1 Danish krone | 0.13442 | 0.13446 | 0.13448 | 0.13444 |
| 1 Norwegian krone | 0.09898 | 0.09850 | 0.09509 | 0.09973 |
| 1 Polish zloty | 0.21332 | 0.21866 | 0.21354 | 0.21818 |
| 1 Russian ruble | 0.01350 | 0.01150 | 0.01283 | 0.01173 |
| 1 Swedish krona | 0.09402 | 0.09862 | 0.08989 | 0.09716 |
| 1 Swiss franc | 0.99570 | 0.92459 | 1.01275 | 0.96542 |
| 1 Czech koruna | 0.04072 | 0.03904 | 0.04140 | 0.04024 |
| 1 Hungarian forint | 0.00255 | 0.00279 | 0.00250 | 0.00271 |

## F. Accounting policies

The Würth Group uses transaction date accounting. The financial statements of all consolidated companies have been prepared in line with uniform accounting policies for the Group (IFRS).

**Goodwill** arising from a business combination is initially measured at cost, which is the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities, and contingent liabilities acquired. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

In accordance with IFRS 3.19, non-controlling interests are measured either based on the proportionate share of identifiable net assets of the acquiree (partial goodwill) or at fair value (full goodwill). This decision can be made on a transaction-by-transaction basis for each business combination and is not an accounting policy choice that determines the accounting treatment for all business combinations to be carried out by the Würth Group.

Recognized goodwill is tested for impairment on an annual basis and when there is any indication that it may be impaired. The impairment test for goodwill is carried out at the level of the cash-generating unit. The cash-generating unit is defined as the legal entity, with the exception of the companies HSR and Indunorm, as well as ORR Safety and Northern Safety.

The impairment loss is determined by calculating the recoverable amount of the cash-generating unit to which goodwill relates. If the recoverable amount of the cash-generating unit is lower than its carrying amount, an impairment loss is recorded.

**Intangible assets** acquired separately are initially measured at cost. The cost of an intangible asset acquired in a business combination is its acquisition-date fair value. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be legitimate. If this is not the case, the assessment is prospectively changed from an indefinite to a finite useful life.

Intangible assets with finite lives are amortized over their useful life using the straight-line method and tested for impairment whenever there is any indication that the intangible asset may be impaired. The useful life and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each fiscal year. The necessary changes in the amortization method and the useful life are treated as changes to estimates. Amortization of intangible assets with a finite useful life is reported in the consolidated income statement under amortization and depreciation. Capitalized customer relationships, software, franchises, and other licenses are amortized over a useful life of three to fifteen years.

Intangible assets with an indefinite useful life and intangible assets that are not ready for use are tested for impairment at least once a year. Such intangibles are not amortized as scheduled. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be legitimate.

If all prerequisites of IAS 38.57 are met, internally generated intangible assets are reported at the amount of the directly attributable development costs incurred. Borrowing costs are capitalized. Capitalization ceases when the asset is finished and released. Pursuant to IAS 38.57, development costs may only be capitalized if an entity can demonstrate that all of the following six prerequisites have been satisfied:

- The technical feasibility of completing the asset so that it will be available for use and/or sale
- The intention to complete the intangible asset and use or sell it
- The ability to use or to sell the intangible asset
- The verification that the intangible asset will generate probable future economic benefits
- The availability of adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset
- The ability to measure reliably the expenditure attributable to the intangible asset during its development

The Würth Group estimated the customary useful life of the recognized internally generated intangible assets to be three to seven years.

Costs of research and general development are immediately recorded as an expense in accordance with IAS 38.54.

**Property, plant, and equipment** are stated at amortized cost. Repair costs are expensed immediately. Costs of conversion contain directly allocable costs (such as direct materials and labor) and fixed and variable production overheads (such as materials and production overheads) including appropriate depreciation of the production plant based on ordinary capacity utilization. Borrowing costs are capitalized, provided the requirements for a qualifying asset are met. Except for land and land rights, property, plant, and equipment are generally depreciated using the straight-line method, unless a different depreciation method better reflects the pattern of consumption.

Depreciation is computed according to the Group's following uniform useful lives:

| | |
|---|---|
| Buildings | 25–40 years |
| Furniture and fixtures | 3–10 years |
| Technical equipment and machines | 5–15 years |

The residual values of the assets, useful lives, and depreciation methods are reviewed at the end of each fiscal year and adjusted if necessary.

An item of property, plant, and equipment or an intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the disposal of the asset (calculated as the difference between the fair value less costs to sell and the carrying amount of the asset) is included in the consolidated income statement in the year the asset is derecognized.

An impairment test is performed at the end of the fiscal year for all intangible assets, property, plant, and equipment, and right-of-use assets if events or changes in circumstances indicate that the carrying amount of the assets exceeds their recoverable amount or if an annual impairment test is required. If the recoverable amount of the asset falls short of the carrying amount, an impairment loss is recognized. The recoverable amount is the higher of an asset's net realizable value and its value in use. The net realizable value is the amount obtainable from the sale of an asset in an arm's length transaction less the costs necessary to make the sale. Value in use is the present value of estimated future cash flows expected to arise from the continued use of an asset and from its disposal at the end of its useful life. The recoverable amount is determined for each asset individually or, if that is not possible, for the cash-generating unit.

Impairment losses recognized for an asset in profit or loss in prior years are reversed when there is any indication that the impairment no longer exists or has decreased. Any reversal is posted to profit or loss. A reinstatement or reversal of the impairment loss recorded on an asset cannot, however, exceed the amortized cost that would have been recognized without the impairment. Impairment losses recognized on goodwill are not reversed.

The **right-of-use assets** relate to leases in which the Würth Group is the lessee. More information is available under "Leases" in Section F. Accounting policies.

Upon **initial recognition and measurement, financial assets** are classified as either measured at amortized cost or at fair value through profit or loss. The classification of financial assets upon initial recognition depends on the characteristics of the contractual cash flows of the financial assets and on the business model of the Würth Group for controlling its financial assets. The Würth Group measures a financial asset at fair value plus transaction costs when it is first recognized. Trade receivables that do not contain a significant financing component or for which the Würth Group has used the practical aid approach are valued at the transaction price determined in accordance with IFRS 15. In this context, reference is made to revenues from contracts with customers in Section F. Accounting policies. In order for a financial asset to be classified and measured at amortized cost, cash flows may consist solely of principal and interest payments (SPPI) on the outstanding principal amount. This assessment is called the SPPI test and is carried out at the level of the individual financial instrument.

The business model of the Würth Group for managing its financial assets reflects how the Würth Group manages its financial assets in order to collect cash flows. Depending on the business model, cash flows arise from the receipt of contractual cash flows, the sale of financial assets, or both.

For subsequent measurement, financial assets are classified into the following categories:

- Financial assets measured at amortized cost (debt instruments) = AC
- Financial assets reported at fair value through profit or loss = FVTPL

The category of **financial assets measured at amortized cost (debt instruments)** is the most significant for the consolidated financial statements of the Würth Group. The Würth Group values financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within the framework of a business model whose objective is to hold financial assets in order to collect the contractual cash flows, and
- The contractual terms of the financial asset result in cash flows at specified points in time that represent only principal and interest payments on the outstanding principal amount

Financial assets measured at amortized cost are measured in subsequent periods using the effective interest method and are tested for impairment. Gains and losses are recognized in the income statement when the asset is derecognized, modified, or impaired.
The financial assets of the Würth Group measured at amortized cost include trade receivables, receivables from banking business, and other financial assets reported as debt instruments.

The category of **financial assets measured at fair value through profit or loss** includes financial assets held for trading that are designated as at fair value through profit or loss upon initial recognition, or financial assets that are required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of sale or repurchase in the near future. Derivatives are also classified as held for trading with the exception of derivatives designated as hedging instruments and effective as such. Financial assets with cash flows that do not exclusively represent principal and interest payments are classified as at fair value through profit or loss irrespective of the business model and measured accordingly.
Notwithstanding the above criteria for classifying debt instruments into the category "measured at amortized cost," debt instruments may be classified as at fair value through profit or loss on initial recognition if this eliminates or significantly reduces an accounting mismatch.
Financial assets at fair value through profit or loss are recognized in the consolidated statement of financial position at fair value, with changes in fair value being recognized in the consolidated income statement on a net basis. This category comprises derivative financial instruments, listed debt instruments, and listed and unlisted equity instruments for which the Würth Group has not irrevocably decided to classify them as at fair value through equity in other comprehensive income. Dividends from listed equity instruments are also recognized as other income in the consolidated income statement if there is a legal claim to payment.

**Financial assets** (or part of a financial asset or part of a group of similar financial assets) are mainly derecognized (i.e., removed from the consolidated statement of financial position of the Würth Group) if one of the following conditions is fulfilled:

- The contractual rights to receive cash flows from the financial asset have expired.
- The Würth Group has transferred its contractual rights to receive cash flows from the financial asset to third parties or has assumed a contractual obligation to immediately pay the cash flow to a third party within the framework of a so-called pass-through agreement and has either (a) essentially transferred all opportunities and risks associated with ownership of the financial asset or (b) essentially neither transferred nor retained all opportunities and risks associated with ownership of the financial asset, but has transferred the power of disposal over the asset.

When the Würth Group transfers its contractual rights to receive cash flows from an asset or enters into a pass-through agreement, it assesses whether and to what extent the opportunities and risks associated with ownership remain with it. If it neither transfers nor retains the majority of all risks and rewards of ownership of the asset nor transfers control of the asset, it continues to recognize the transferred asset to the extent of its continuing involvement. In this case, the Würth Group also recognizes an associated liability. The transferred asset and the associated liability are valued in such a way that the rights and obligations retained by the Würth Group are taken into account.
If the form of the sustained commitment guarantees the transferred asset, the extent of the sustained commitment corresponds to the lower of the original carrying amount of the asset and the maximum amount of the consideration received that the Würth Group might have to repay.

Additional information concerning the **impairment of financial assets** is provided in the following notes:
- "Use of estimates and judgments" in Section B. Adoption of International Financial Reporting Standards
- [15] "Receivables from financial services" in Section H. Notes on the consolidated statement of financial position
- [18] "Trade receivables" in Section H. Notes on the consolidated statement of financial position

The Würth Group records an allowance for expected credit losses for all debt instruments that are not measured at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows to be paid in accordance with the contract and the sum of the cash flows that the Würth Group expects to receive, discounted at an approximate value of the original effective interest rate. The expected cash flows include the cash flows from the sale of collateral held or other credit collateral that is an integral part of the terms of the contract. Expected credit losses are recognized in two steps. For financial instruments whose default risk has not increased significantly since initial recognition, a provision is recognized in the amount of the expected credit losses based on a default event within the next twelve months (12-month credit loss). For financial instruments whose default risk has significantly increased since their initial recognition, the Würth Group has to record a risk provision in the amount of the credit losses expected over the remaining term, irrespective of when the default event occurs (total term credit loss).

For trade receivables, the Würth Group uses a simplified method for calculating expected credit losses. It therefore does not track changes in credit risk, but instead recognizes a provision for losses on loans and advances at each reporting date on the basis of the total term credit loss. The Würth Group has prepared an impairment matrix based on its previous experience with credit losses and adjusted for future-related factors specific to the borrowers and the economic environment.

Financial liabilities are classified as loans, liabilities, or derivatives designated and effective as hedging instruments upon initial recognition and measurement **as financial liabilities at fair value through profit or loss.** All financial liabilities are initially measured at fair value and, in the case of financial liabilities and liabilities, less any directly attributable transaction costs. The financial liabilities of the Würth Group comprise trade payables and other liabilities, bonds, and liabilities to banks including overdrafts and derivative financial instruments.

The **subsequent measurement of financial liabilities** accordingly depends on their classification:

**Financial liabilities at fair value through profit or loss**
Financial liabilities at fair value through profit or loss include derivative financial instruments concluded by the Würth Group that are not part of a hedge and liabilities from company acquisitions. Realized gains and losses are recognized through profit or loss. Financial liabilities are classified as at fair value through profit or loss at the time of initial recognition if the criteria in IFRS 9 are met.

**Financial liabilities**
After initial recognition, interest-bearing bonds, liabilities to banks, and liabilities under leases are measured at amortized cost using the effective interest method. Amortization using the effective interest method is included in the consolidated income statement as part of financial expenses. In addition, financial liabilities include liabilities to other companies that are measured at fair value through profit or loss. These are minority interests reported as liabilities or a liability to minority shareholders from a put option for the acquisition of further minority interests. Further information can be found under [27] “Financial liabilities” in Section H. Notes on the consolidated statement of financial position.

**Financial liabilities are derecognized** when the underlying obligation has been discharged, canceled, or expired. If an existing financial liability is replaced by another financial liability from the same lender on substantially different terms, or if the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the respective carrying amounts is recognized in profit or loss.

**Financial assets and financial liabilities are offset** when there is a present legal right to set off the recognized amounts against each other and it is intended to settle on a net basis or to settle the associated liability simultaneously with the realization of the asset. In this case, the net amount is shown in the consolidated statement of financial position.

All **assets and liabilities** for which the fair value is calculated or is reported in the financial statements of the Würth Group are allocated to the fair value hierarchy described below based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Valuation procedures in which the lowest level input factor that is relevant to valuation at fair value as a whole can be directly or indirectly observed on the market
- Level 3: Valuation procedures in which the lowest level input factor that is relevant to valuation at fair value as a whole cannot be observed on the market

The Würth Group uses **derivative financial instruments** such as forward exchange contracts and interest rate swaps to hedge against exchange rate and interest rate risks. These derivative financial instruments are recognized at fair value through profit or loss at the inception of the contract and remeasured to fair value in subsequent periods. Derivative financial instruments are recognized as financial assets if their fair value is positive and as financial liabilities if it is negative.

**Derivative financial instruments used as hedges** are classified as follows for accounting purposes:

- As fair value hedges if they hedge the risk of fluctuations in the fair value of a recognized asset or liability, or a firm commitment not recognized in the balance sheet.
- As cash flow hedges if they hedge the risk of fluctuations in cash flows that can be allocated to the risk associated with a recognized asset, a recognized liability, or a highly probable future transaction, or the foreign currency risk associated with an unrecognized firm commitment.

Since 1 January 2018, documentation has included the identification of the hedging instrument, the hedged item, the nature of the risk being hedged, and the manner in which the Würth Group will assess whether the hedging relationship meets the requirements for hedge effectiveness (including its analysis of the causes of hedge ineffectiveness and the manner in which the hedging ratio is determined). A hedging relationship meets the requirements for hedge accounting only if all of the following criteria are met:

- There is an economic relationship between the hedged item and the hedging instrument.
- The effect of the default risk has no dominant influence on the changes in value resulting from this economic relationship.
- The hedging ratio of the hedging relationship corresponds to that resulting from the volume of the underlying transaction actually hedged by the Würth Group and the volume of the hedging instrument actually used by the Würth Group to hedge this volume of the hedged underlying transaction. Hedging transactions that meet all of the criteria for hedge accounting are recognized as follows:

**Fair value hedge**

The change in the fair value of the hedging instrument is recognized in the financial result of the consolidated income statement. The change in the fair value of the underlying transaction that can be attributed to the hedged risk is recognized as part of the carrying amount of the hedged underlying transaction and is also recognized in the financial result in the consolidated income statement. For fair value hedges relating to items carried at amortized cost, the adjustment to the carrying amount is amortized through profit or loss over the remaining term to maturity of the hedge using the effective interest rate method. Effective interest rate amortization can begin as soon as an adjustment exists, but no later than when the underlying transaction ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the underlying transaction is derecognized, then the fair value that has not yet been amortized is recognized in the consolidated income statement with immediate effect.
When an unrecognized firm commitment is designated as the underlying transaction, the subsequent cumulative change in the fair value of the commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recorded in the consolidated income statement. Additional information can be found under [4] “Financial instruments” in Section I. Other notes.

**Cash flow hedge**
The effective part of the profit or loss resulting from a hedging instrument is posted to other comprehensive income in the reserve for cash flow hedges, while the ineffective part is recognized in the income statement with immediate effect. The reserve for cash flow hedges is adjusted to the lower of the following amounts:

- The cumulative gain or loss on the hedging instrument from inception of the hedge, or
- The cumulative change in the fair value of the hedged item

The Würth Group designates cash flow hedges as part of its strategy to reduce its interest rate and foreign currency revaluation fluctuations within defined limits and to reduce the cash flow fluctuations resulting from the exchange rate and interest rate risks of an instrument or a group of instruments.

The amounts accumulated in other comprehensive income are recognized depending on the nature of the hedged item. If the hedged transaction subsequently results in the recognition of a non-financial item, the cumulative amount recognized in equity is transferred from the separate component of equity to the initial cost or other carrying amount of the hedged asset or liability. This does not represent a reclassification amount and is therefore not recognized in other comprehensive income in the reporting period. This also applies in cases where the hedged forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment to which fair value hedge accounting is applied. For all other cash flow hedges, the cumulative amount recognized in other comprehensive income is reclassified to the consolidated income statement as a reclassification adjustment in the same period or periods in which the hedged cash flows affect profit or loss.

If hedge accounting for cash flow hedges is discontinued, the cumulative amount recognized in other comprehensive income remains in equity if it is still expected that the hedged future cash flows will occur. Otherwise, the amount is immediately reclassified to the consolidated income statement as a reclassification adjustment. After the termination of recognition, any amount remaining in accumulated other comprehensive income when the hedged cash flows occur shall be accounted for in accordance with the nature of the underlying transaction as described above. Additional information can be found under [4] “Financial instruments” in Section I. Other notes.

**Receivables and liabilities from financial services** include the receivables and liabilities arising from the financial services business. Bank receivables and loans, as well as receivables or loans due from customers, are financial investments with fixed or determinable payments and fixed maturity that are not quoted in an active market. After initial recognition, receivables and liabilities from financial services are carried at amortized cost using the effective interest method less any credit risks. As a lessor, the Würth Group recognizes finance lease assets as receivables from financial services in the consolidated statement of financial position equal to the unsold net investment in the lease. Financial income is recognized to reflect a constant periodic rate of return on the lessor’s net investment outstanding. Initial direct costs are immediately expensed. Income on unsold contracts is recognized over the term of the lease. Leases that do not essentially transfer all of the risks and rewards associated with ownership from the Würth Group to the lessee are classified as operating leases. Initial direct costs incurred during the negotiation and conclusion of an operating lease are added to the carrying amount of the leased asset and recorded as an expense during the term of the lease in the same way as leasing income. Conditional rental payments are recognized as income during the period in which they are generated. The Würth Group sells assets from finance leases to receivables purchasing companies as part of “asset backed commercial papers” (ABCP) transactions. Notwithstanding the legal transfer, these must continue to be recognized by the Würth Group where Group entities retain significant risks and rewards on a contractual basis.

Receivables from financial services are tested for impairment in accordance with IFRS 9.

Actual **income taxes** are calculated based on the taxable income in the fiscal year and in accordance with national tax legislation. Additional tax payments/refunds that are expected or have actually been made for previous years are also included.

**Deferred taxes** result from temporary differences between the IFRS carrying amounts and the tax accounts of the individual entities (except for differences from goodwill arising upon acquisition of shares) and from consolidation entries. Deferred tax assets also include tax credits that result from the expected utilization of existing loss carryforwards in subsequent years. Deferred tax assets for recognition and measurement differences, and for unused tax losses, are only taken into account if they are expected to be realized. Deferred taxes are measured on the basis of the respective local income tax rates. Deferred tax assets and deferred tax liabilities are offset if a Group entity has a legally enforceable right to offset current tax assets and current tax liabilities and these relate to income taxes levied by the same taxation authority on the same taxable entity. Deferred taxes relating to items recognized directly in equity are also posted directly to other comprehensive income. Other deferred taxes are posted to the consolidated income statement.

**Inventories** are stated at cost of purchase or cost of conversion. Costs of conversion contain directly allocable costs (such as direct materials and labor) and fixed and variable production overheads (such as materials and manufacturing overheads) including appropriate depreciation of the production plant based on ordinary capacity utilization and, in the case of qualifying assets, borrowing costs.

The carrying amounts are calculated using the weighted average cost method.

Risks inherent in inventories from reduced salability are accounted for by recognizing appropriate write-downs to the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**Payments on account** received from customers are recorded as liabilities.

**Cash and cash equivalents** include cash, demand deposits, and short-term investments (e.g., money market funds). Cash and cash equivalents are tested for impairment in accordance with IFRS 9.

**Assets classified as held for sale and liabilities in a group of assets classified as held for sale** are measured at the lower of the carrying amount or the fair value less cost to sell. Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continued use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Property, plant, and equipment and intangible assets are not depreciated or amortized once classified as held for sale. For details, please refer to [24] “Assets classified as held for sale and liabilities in a group of assets classified as held for sale” in Section H. Notes on the consolidated statement of financial position.

**Non-controlling interests** include non-controlling interests in share capital, in reserves, and in retained earnings, unless they qualify as liabilities as defined by IAS 32. In this case, they are reported under financial liabilities. Changes in fair value are recognized in financial results in this case.

The **lease liabilities** relate to leases in which the Würth Group is the lessee. More information is available under “Leases” in Section F. Accounting policies.

**Post-employment benefit obligations** for defined benefit plans are calculated using the projected unit credit method. Future obligations are measured using actuarial methods. Taking account of dynamic components, on occurrence of the insured event, the future benefit obligations are spread over the entire period of service. Actuarial calculations and estimates must be obtained for all benefit plans. Actuarial gains and losses for the defined benefit plan are recognized in full in other comprehensive income in the period in which they occur. Such actuarial gains and losses are also immediately recognized in revenue reserves and are not reclassified to profit or loss in subsequent periods.
The defined benefit asset or liability comprises the present value of the defined benefit obligation (using a discount rate based on high-quality fixed-rate corpo-

rate bonds) and the fair value of plan assets out of which the obligations are to be settled. Plan assets are assets that are held by a long-term employee benefit fund or by qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value is based on market price information and, in the case of quoted securities, it is the published bid price. The value of any defined benefit asset recognized is restricted to the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

In the case of defined contribution plans, the respective entity pays contributions to state or private pension companies either as required by law or on a voluntary basis. No further payment obligations arise for the company from the payment of contributions. The amounts are recognized in profit or loss in full.

**Provisions** are created for all legal or constructive obligations to third parties as of the reporting date that relate to past events, will probably lead to an outflow of resources in the future, and whose amount can be reliably estimated. Provisions are reviewed on each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of the money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. In the discounting process, the increase in the provision reflecting the passage of time is recognized as finance costs. Reversals of provisions are posted against the expense items for which the provisions were set up.

**Financial guarantee contracts** issued by the Würth Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. These financial guarantee contracts are treated as insurance contracts as defined by IFRS 4, i.e., the financial guarantee contracts are presented as contingent liabilities until utilization becomes probable. When this is the case, the corresponding obligation is recognized.

The core business of the Würth Group is the distribution of fastening and assembly materials. In addition, there are trading and production companies in related business fields. **Revenue from contracts with customers** is recognized when control of the goods or services is transferred to the customer. This is recorded in the amount of the consideration that the Würth Group is expected to receive in exchange for these goods or services. In principle, the Würth Group has come to the conclusion that it acts as principal in its sales transactions since it usually has control over the goods or services before they are transferred to the customer.

Revenue from the sale of goods is recognized when control of the asset is transferred to the customer. This is generally the case at the time the goods are delivered. Customer-specific contract manufacturing in the Production and Electronics units is one exception to this rule. In individual cases, revenue is realized over a specific period of time in line with the progress of production. Due to the fact that production in these areas is largely "just-in-time" production, however, there is no significant deviation compared with the realization of revenue at a specific point in time. The usual payment period is 30 to 90 days from delivery. The Würth Group examines whether the contract contains other commitments that represent separate performance obligations to which part of the transaction price must be allocated (e.g., warranties, loyalty point programs). When determining the transaction price for the sale of goods, the Würth Group takes into account the effects of variable consideration, significant financing components, non-cash consideration, and any consideration payable to a customer.

### Variable consideration

If contractual consideration contains a variable component, the Würth Group determines the amount of the consideration to which it is entitled in exchange for the transfer of the goods to the customer. The variable consideration is estimated at the inception of the contract and may only be included in the transaction price if it is highly probable that there will be no significant reversal of the recognized cumulative revenue or if the uncertainty surrounding the variable consideration no longer exists. Some contracts for the sale of goods grant customers a right of return or volume discounts. These return rights and volume discounts result in variable consideration.

- Right of return
  Certain contracts give a customer the right to return the products within a specified period. The Würth Group uses the expected value method to estimate the products that are not returned since this method is the most reliable way of estimating the variable consideration to which the Würth Group is entitled. In addition, the provisions of IFRS 15 with respect to the limitation of the estimation of variable consideration are applied to determine the amount of variable consideration that may be included in the transaction price. For expected product returns, the Würth Group recognizes a contract liability instead of proceeds. In addition, an asset from return rights is recognized for the customer's right to return products.
- Volume discounts
  The Würth Group retrospectively grants certain customers volume discounts as soon as the quantity of products purchased during the period exceeds a contractually agreed minimum purchase quantity. Discounts are offset against the amounts payable by the customer. To estimate the variable consideration for the expected future discounts, the Würth Group applies the most probable amount method for contracts with a single minimum purchase quantity and the expected value method for contracts with several minimum purchase quantities. The choice of the method by which the amount of the variable consideration can most reliably be determined therefore depends primarily on the number of minimum purchase quantities contained in the contract. Subsequently, the Würth Group applies the rules for limiting the estimate of variable consideration and recognizes a contract liability for the expected future discounts.

### Costs to obtain the contract

The Würth Group pays its employees sales commissions for contracts resulting in the sale of goods and services. The Würth Group has decided to apply the principle of practical assistance for the costs of initiating a contract. Accordingly, it can immediately recognize sales commission in personnel expenses, as the amortization period for the asset that the Würth Group would otherwise have recognized is not more than one year.

### Non-cash consideration

The Würth Group usually offers legally prescribed guarantees for the remedying of defects that existed at the time of sale. In accordance with IAS 37, provisions are formed for these assurance-type warranties.

In addition, the Würth Group generates **revenue from financial services**. The financial services companies are active in the areas of financing, leasing, retirement plans, property and personal insurance, and asset management. Revenue from financial services is recognized when it is realized or realizable and earned. Interest from interest-bearing assets and liabilities is recognized proportionately over the term of the assets or liabilities concerned using the effective interest method and taking into account any deferred charges and fees as well as premiums or discounts. Commission is recognized when there is sufficient evidence that an agreement exists, the performance has been rendered, the fee or commission has been fixed, and collectability is sufficiently certain.

### Trade receivables

A receivable is the unconditional claim of the Würth Group for consideration (i.e., the due date occurs automatically on account of the passage of time). The accounting policies for financial assets are explained in more detail in this Section F. Accounting policies.

## Leases

### Leases of the Würth Group and their accounting

The Würth Group rents various properties, facilities, and vehicles. While rental agreements tend to be concluded for fixed periods, they can feature extension options. The rental conditions are negotiated individually and include a large number of different terms and conditions.

Leases are recognized in the statement of financial position as right-of-use assets and corresponding lease liabilities at the time when the leased asset is made available for use by the Würth Group. Each lease installment is separated into a repayment portion and a financing expense portion. Finance expenses are recognized in profit or loss over the term of the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability for each item. The right-of-use assets associated with leases are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis:

| | |
|---|---|
| Right-of-use assets for land, land rights, and buildings incl. buildings on third-party land | 2–40 years |
| Right-of-use assets for technical equipment and machines | 2–15 years |
| Right-of-use assets for other equipment, furniture, and fixtures | 2–10 years |

On the commencement date, the Würth Group recognizes the lease liabilities at the present value of the lease payments to be made over the term of the lease, for example:

- Fixed payments less any lease incentives receivable
- Variable lease payments that depend on an index or interest rate
- Amounts expected to be payable by the lessee under residual value guarantees
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option
- Payments of penalties for terminating the lease if the lease term reflects that the lessee will exercise an option to terminate the lease

Lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. Otherwise, discounting is based on the incremental borrowing rate of the lessee in the Würth Group.

Right-of-use assets are measured at cost, comprising the following:

- The amount of the initial measurement of the lease liability
- Any lease payments made on or before the commencement date, less any lease incentives received
- Any initial direct costs incurred by the lessee
- Estimated costs incurred by the lessee in dismantling or removing the underlying asset, restoring the site on which it is located, or returning the underlying asset to the condition specified in the lease agreement

The Würth Group has also entered into leases with a term of twelve months or less, as well as leases of low-value assets. The Würth Group applies the practical expedient for these leased assets, which applies to short-term leases and leases of low-value assets.

In 2022, the Würth Group reported total cash outflows from leases amounting to EUR 394.3 million (2021: EUR 365.5 million). Furthermore, the Würth Group reported non-cash additions to right-of-use assets amounting to EUR 356.7 million in 2022 (2021: EUR 308.7 million).

Further information on the leases of the Würth Group and their accounting treatment can be found under [4] "Other operating income," [6] "Amortization and depreciation," [7] "Other operating expenses," and [8] "Finance revenue/finance costs" in Section G. Notes on the consolidated income statement and under [13] "Right-of-use assets," [28] "Lease liabilities," and [33] "Additional disclosures on financial instruments—carrying amounts and fair values by measurement category IFRS 9" in Section H. Notes on the consolidated statement of financial position.

### Extension and termination options

A number of real estate and facility leases within the Würth Group feature extension and termination options. These contractual conditions are used to maintain the Würth Group's operational flexibility with regard to the agreements in force. When determining lease terms, all facts and circumstances that provide an economic incentive to exercise an extension option, or not to exercise a termination option, are taken into account. Changes in the term resulting from the exercise of extension and termination options are only included in the lease term if it is reasonably certain that the lease will be extended, or that the termination option will not be exercised. The assessment is reviewed upon the occurrence of a significant event or a significant change in circumstances that could affect this assessment, provided that this is within the lessee's control.

### The Würth Group as the lessor

#### Receivables and liabilities from financial services

Information on this item is presented in this section under "Receivables and liabilities from financial services."

#### Residual value guarantees

In some cases, the Würth Group grants residual value guarantees in order to optimize leasing costs during the lease term. The Würth Group estimates the payments expected to be made under residual value guarantees and recognizes them as part of the lease liability. The estimates are reviewed at the end of each period, with adjustments being made if necessary.

**Government grants** are not recognized until there is reasonable assurance that the company will comply with the conditions attached to the grant and that the company will in fact receive it. Government grants are recognized in profit or loss as scheduled in line with the related expenses that are subsidized by the grants. If grants are issued for the purchase of property, plant, or equipment, the grants are treated as a reduction of the cost of those assets.

**Contingent liabilities** are potential or present obligations arising from past events that are not likely to result in an outflow of resources and are thus not recorded in the consolidated statement of financial position. The amounts stated correspond to the potential liability as of the reporting date.

**Subsequent events** that provide additional information about the situation before the reporting date are reflected in the consolidated statement of financial position. Subsequent events that do not result in any adjustments are reported in the notes where material.

## G. Notes on the consolidated income statement

### [1] Sales

| in millions of EUR | 2022 | 2021 |
|---|---|---|
| Revenue from contracts with customers | 19,769.3 | 16,919.7 |
| Revenue from financial services | 163.8 | 140.2 |
| **Total** | **19,933.1** | **17,059.9** |

Revenues from contracts with customers relate to revenues from the sale of goods and services. These revenues include services amounting to EUR 126.3 million (2021: EUR 96.2 million).

Revenues from financial services contain interest income of EUR 51.7 million (2021: EUR 43.8 million), similar income of EUR 6.6 million (2021: EUR 6.3 million), and commission income of EUR 8.0 million (2021: EUR 8.0 million) of Internationales Bankhaus Bodensee AG, Friedrichshafen, Germany, as well as income from the leasing and insurance business amounting to EUR 97.5 million (2021: EUR 82.1 million).

The following table shows the breakdown of sales revenues for the 2022 fiscal year by region and business segment:

| 2022<br>in millions of EUR | Germany | Western Europe | The Americas | Southern Europe | Eastern Europe | Scandinavia | Asia, Africa, Oceania | Total |
|---|---|---|---|---|---|---|---|---|
| **Würth Line** | 2,912.3 | 1,664.5 | 2,723.4 | 1,472.7 | 562.7 | 882.7 | 573.5 | **10,791.8** |
| **Allied Companies** | | | | | | | | |
| Electrical Wholesale | 1,889.1 | 0.0 | 0.0 | 920.6 | 662.2 | 0.0 | 0.0 | **3,471.9** |
| Electronics | 585.4 | 171.3 | 201.8 | 93.6 | 66.3 | 41.7 | 212.2 | **1,372.3** |
| Production | 446.9 | 251.0 | 121.2 | 21.7 | 3.0 | 52.8 | 49.8 | **946.4** |
| RECA Group | 269.4 | 322.9 | 0.0 | 148.4 | 94.2 | 0.0 | 0.0 | **834.9** |
| Chemicals | 497.9 | 77.1 | 85.3 | 47.2 | 3.5 | 2.3 | 24.2 | **737.5** |
| Trade | 466.6 | 52.3 | 0.0 | 51.3 | 18.1 | 0.0 | 7.9 | **596.2** |
| Tools | 351.0 | 36.7 | 2.3 | 0.8 | 42.7 | 0.0 | 12.5 | **446.0** |
| Screws and Standard Parts | 188.4 | 25.6 | 0.0 | 120.2 | 15.1 | 40.2 | 15.8 | **405.3** |
| Financial Services | 122.0 | 39.7 | 0.0 | 0.0 | 0.0 | 2.1 | 0.0 | **163.8** |
| Other | 120.0 | 33.2 | 0.0 | 11.7 | 0.1 | 0.0 | 2.0 | **167.0** |
| **Total** | **7,849.0** | **2,674.3** | **3,134.0** | **2,888.2** | **1,467.9** | **1,021.8** | **897.9** | **19,933.1** |

| 2021<br>in millions of EUR | Germany | Western Europe | The Americas | Southern Europe | Eastern Europe | Scandinavia | Asia, Africa, Oceania | Total |
|---|---|---|---|---|---|---|---|---|
| **Würth Line** | 2,627.6 | 1,499.9 | 2,075.4 | 1,284.1 | 515.7 | 817.4 | 510.4 | **9,330.5** |
| **Allied Companies** | | | | | | | | |
| Electrical Wholesale | 1,557.1 | 0.0 | 0.0 | 723.2 | 500.9 | 0.0 | 0.0 | **2,781.2** |
| Electronics | 515.7 | 140.4 | 136.3 | 71.2 | 52.3 | 34.4 | 174.8 | **1,125.1** |
| Production | 411.5 | 218.4 | 97.3 | 22.3 | 2.0 | 47.9 | 37.8 | **837.2** |
| RECA Group | 261.9 | 286.2 | 0.0 | 133.1 | 80.9 | 0.0 | 0.0 | **762.1** |
| Chemicals | 472.5 | 59.3 | 58.3 | 44.5 | 3.4 | 2.5 | 23.5 | **664.0** |
| Trade | 418.7 | 47.4 | 0.0 | 49.3 | 16.0 | 0.0 | 7.4 | **538.8** |
| Tools | 329.8 | 33.5 | 2.2 | 0.8 | 40.5 | 0.0 | 12.1 | **418.9** |
| Screws and Standard Parts | 154.6 | 15.7 | 0.0 | 100.0 | 13.8 | 35.5 | 13.7 | **333.3** |
| Financial Services | 104.0 | 34.5 | 0.0 | 0.0 | 0.0 | 1.7 | 0.0 | **140.2** |
| Other | 85.2 | 30.1 | 0.2 | 9.7 | 0.1 | 0.0 | 3.3 | **128.6** |
| **Total** | **6,938.6** | **2,365.4** | **2,369.7** | **2,438.2** | **1,225.6** | **939.4** | **783.0** | **17,059.9** |

Of the revenues from the sale of goods and services, EUR 1,217.0 million (2021: EUR 848.8 million) was generated in 2022 on a periodic basis. All other revenues were recognized at a specific point in time.

## [2] Cost of materials

| in millions of EUR | 2022 | 2021 |
|---|---|---|
| Cost of materials and supplies and of purchased merchandise | 10,183.1 | 8,464.7 |
| Cost of purchased services | 371.8 | 307.6 |
| **Total** | **10,554.9** | **8,772.3** |

## [3] Cost of financial services

The cost of financial services primarily contains interest expenses of EUR 5.8 million (2021: EUR 3.2 million) and commission of EUR 4.9 million (2021: EUR 4.1 million) from Internationales Bankhaus Bodensee AG, Friedrichshafen, Germany. This item also contains EUR 3.1 million (2021: EUR 1.0 million) from the external business of the companies specializing in leases and EUR 18.1 million (2021: EUR 17.2 million) from the insurance business.

## [4] Other operating income

Other operating income principally includes income from the disposal of assets in the amount of EUR 20.4 million (2021: EUR 20.2 million). Other operating income also includes income from the subleasing of right-of-use assets in the amount of EUR 4.5 million (2021: EUR 1.8 million).

## [5] Personnel expenses and number of employees

Personnel expenses:

| in millions of EUR | 2022 | 2021 |
|---|---|---|
| Wages and salaries | 3,913.7 | 3,596.4 |
| Social security | 489.7 | 467.5 |
| Pension and other benefit costs | 359.0 | 305.8 |
| **Total** | **4,762.4** | **4,369.7** |

Number of employees as of the reporting date:

| | 2022 | 2021 |
|---|---|---|
| Würth Line Germany | 9,640 | 9,433 |
| Allied Companies Germany | 16,473 | 16,005 |
| Würth Group Germany | 26,113 | 25,438 |
| Würth Group International | 59,524 | 57,745 |
| **Würth Group total** | **85,637** | **83,183** |
| Thereof | | |
| Sales | 43,297 | 41,654 |
| Functional areas | 42,340 | 41,529 |

The average headcount of the Würth Group totaled 85,043 in the reporting period (2021: 81,073).

## [6] Amortization and depreciation

Further details on amortization and depreciation are presented in the financial statements under [11] "Intangible assets including goodwill" and [12] "Property, plant, and equipment" in Section H. Notes on the consolidated statement of financial position. The consolidated income statement includes the following depreciation expense for right-of-use assets:

| in millions of EUR | 2022 | 2021 |
|---|---|---|
| Depreciation of right-of-use assets for land, land rights, and buildings incl. buildings on third-party land | 196.6 | 177.7 |
| Depreciation of right-of-use assets for technical equipment and machines | 2.9 | 2.9 |
| Depreciation of right-of-use assets for other equipment, furniture, and fixtures | 112.9 | 111.2 |
| **Total** | **312.4** | **291.8** |

## [7] Other operating expenses

Other operating expenses mainly include selling, administration, and operating expenses, bad debts, and other taxes.

Other operating expenses also include the following expenses from leases that were not included in the measurement of the lease liabilities:

| in millions of EUR | 2022 | 2021 |
|---|---|---|
| Expense from short-term leases | 64.5 | 52.5 |
| Expense from leases of low-value assets | 11.1 | 9.6 |
| Expense from variable lease payments | 0.6 | 2.6 |
| **Total** | **76.2** | **64.7** |

The total cash outflows for leases in the 2022 fiscal year amounted to EUR 394.3 million (2021: EUR 365.5 million).

Other operating expenses also include an expense from the increase in the impairment of receivables from the banking business of EUR 5.7 million (2021: EUR 1.5 million).

## [8] Finance revenue/finance costs

| in millions of EUR | 2022 | 2021 |
|---|---|---|
| Other interest and similar income | 75.6 | 53.9 |
| Interest and similar expenses | 86.2 | 55.0 |
| Interest expense from lease liabilities | 13.7 | 13.3 |
| Net interest cost from pension plans | 5.2 | 2.8 |
| **Total financial result** | **29.5** | **17.2** |
| Thereof from financial instruments under the IFRS 9 measurement categories: | | |
| Financial assets and liabilities to be reported at fair value through profit or loss (FVTPL) | -17.8 | 12.5 |
| Financial liabilities at amortized cost (AC) | 42.1 | 1.9 |

The translation of foreign currency items resulted in similar income of EUR 6.8 million (2021: EUR 33.3 million).

The net gains or losses from financial assets/liabilities held for trading include the net gains or losses from changes in fair value, as well as interest income and expenses from these financial instruments. The net gains or losses from loans and receivables chiefly include the effects of impairments and reversals of impairment losses.

### [9] Earnings before taxes—reconciliation of operating result of the Würth Group*

| in millions of EUR | 2022 | 2021 |
|---|---|---|
| **Operating result** | **1,575.1** | **1,269.9** |
| Impairment losses for goodwill and brands | -19.0 | -23.0 |
| Measurement of the interests as defined by IAS 32 | -6.2 | -0.6 |
| Other | -4.5 | -2.6 |
| **Earnings before taxes** | **1,545.4** | **1,243.7** |

*Not part of the consolidated financial statements in accordance with IFRS

### [10] Income taxes

| in millions of EUR | 2022 | 2021 |
|---|---|---|
| Income taxes | 354.6 | 299.9 |
| Deferred tax income | | |
| Deferred tax income from unused tax losses | 37.6 | 28.8 |
| Other deferred tax income | 103.5 | 113.1 |
| Deferred tax expense | | |
| Deferred tax expense from unused tax losses | 33.2 | 32.8 |
| Other deferred tax expenses | 105.1 | 87.5 |
| **Total** | **351.8** | **278.3** |

Income taxes include corporate income tax (including solidarity surcharge) and trade tax of German entities and comparable income taxes of foreign entities.

| in millions of EUR | 2022 | 2021 |
|---|---|---|
| Earnings before taxes | 1,545.4 | 1,243.7 |
| Theoretical tax rate as a % | 20.4 | 20.6 |
| **Theoretical tax expense** | **315.3** | **256.2** |
| Changes in theoretical tax expense due to: | | |
| Unrecognized tax losses from the current fiscal year | 15.2 | 16.0 |
| Recognition of unused tax losses from prior periods | -3.2 | -2.9 |
| Use of unused tax losses written down in prior years | -5.8 | -5.1 |
| Write-down on recognized unused tax losses from prior years | 0.2 | 0.4 |
| Write-down (+)/write-up (-) on temporary differences | 0.6 | -0.2 |
| Different tax rates | -2.8 | -1.9 |
| Tax reductions due to tax-free items | -3.3 | -1.8 |
| Tax increases due to non-deductible expenses | 11.7 | 10.0 |
| Income tax expense that cannot be derived from earnings before taxes | 2.0 | 4.0 |
| Non-tax-deductible amortization of goodwill and other intangible assets | 4.2 | 0.0 |
| Taxes relating to other periods | 17.3 | 0.8 |
| Other | 0.4 | 2.8 |
| **Income taxes** | **351.8** | **278.3** |
| **Effective tax rate as a %** | **22.8** | **22.4** |

The theoretical tax rate is based on the weighted average tax rate of all consolidated entities.

Changes in income taxes resulted mainly from a change in the tax base for future fiscal years, as well as the increase in earnings before taxes and from tax losses in the current fiscal year that cannot be utilized with sufficient certainty in future fiscal years. Deferred tax assets were not recognized in such cases.

# H. Notes on the consolidated statement of financial position

## [11] Intangible assets including goodwill

| in millions of EUR | Franchises, industrial rights, licenses, and similar rights | Internally generated intangible assets | Customer relationships and similar assets | Goodwill | Payments on account | Total |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| 1 January 2022 | 498.5 | 92.7 | 411.2 | 488.2 | 6.1 | 1,496.7 |
| Exchange differences | 3.3 | 0.2 | 8.7 | 15.0 | 0.1 | 27.3 |
| Changes in the consolidated group | 0.0 | 0.0 | 3.2 | 0.0 | 0.0 | 3.2 |
| Additions | 34.9 | 2.3 | 0.0 | 0.0 | 4.9 | 42.1 |
| Disposals | 23.1 | 0.1 | 0.1 | 0.0 | 0.0 | 23.3 |
| Reclassifications to "Assets classified as held for sale" | -2.9 | -0.5 | 0.0 | 0.0 | -0.1 | -3.5 |
| Reclassifications | 9.9 | 0.0 | 0.0 | 0.0 | -4.8 | 5.1 |
| **31 December 2022** | **520.6** | **94.6** | **423.0** | **503.2** | **6.2** | **1,547.6** |
| **Accumulated amortization and depreciation** | | | | | | |
| 1 January 2022 | 409.5 | 79.0 | 339.6 | 400.7 | 0.0 | 1,228.8 |
| Exchange differences | 3.0 | 0.0 | 7.7 | 14.0 | 0.0 | 24.7 |
| Amortization and depreciation | 37.9 | 4.6 | 8.7 | 0.0 | 0.0 | 51.2 |
| Impairment losses | 3.2 | 0.4 | 0.0 | 17.4 | 0.1 | 21.1 |
| Disposals | 21.8 | 0.1 | 0.0 | 0.0 | 0.0 | 21.9 |
| Reclassifications to "Assets classified as held for sale" | 2.9 | 0.5 | 0.0 | 0.0 | 0.1 | 3.5 |
| Reclassifications | 0.2 | -0.1 | 0.0 | 0.0 | 0.0 | 0.1 |
| **31 December 2022** | **429.1** | **83.3** | **356.0** | **432.1** | **0.0** | **1,300.5** |
| **Net carrying amount** | | | | | | |
| **31 December 2022** | **91.5** | **11.3** | **67.0** | **71.1** | **6.2** | **247.1** |

| in millions of EUR | Franchises, industrial rights, licenses, and similar rights | Internally generated intangible assets | Customer relationships and similar assets | Goodwill | Payments on account | Total |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| 1 January 2021 | 465.0 | 92.1 | 365.4 | 464.1 | 7.8 | 1,394.4 |
| Exchange differences | 5.3 | 0.3 | 8.9 | 17.4 | 0.0 | 31.9 |
| Changes in the consolidated group | 0.2 | 0.0 | 35.6 | 6.7 | 0.0 | 42.5 |
| Additions | 28.1 | 2.8 | 1.3 | 0.0 | 7.7 | 39.9 |
| Disposals | 10.9 | 4.6 | 0.0 | 0.0 | 0.0 | 15.5 |
| Reclassifications | 10.8 | 2.1 | 0.0 | 0.0 | –9.4 | 3.5 |
| **31 December 2021** | **498.5** | **92.7** | **411.2** | **488.2** | **6.1** | **1,496.7** |
| **Accumulated amortization and depreciation** | | | | | | |
| 1 January 2021 | 358.1 | 80.3 | 289.7 | 382.0 | 0.0 | 1,110.1 |
| Exchange differences | 4.1 | 0.4 | 7.7 | 16.4 | 0.0 | 28.6 |
| Amortization and depreciation | 35.7 | 3.5 | 11.8 | 0.0 | 0.0 | 51.0 |
| Impairment losses | 20.7 | 0.0 | 30.4 | 2.3 | 0.0 | 53.4 |
| Disposals | 9.8 | 4.6 | 0.0 | 0.0 | 0.0 | 14.4 |
| Reclassifications | 0.7 | –0.6 | 0.0 | 0.0 | 0.0 | 0.1 |
| **31 December 2021** | **409.5** | **79.0** | **339.6** | **400.7** | **0.0** | **1,228.8** |
| **Net carrying amount** | | | | | | |
| **31 December 2021** | **89.0** | **13.7** | **71.6** | **87.5** | **6.1** | **267.9** |

Research and development costs (including amortization of capitalized development costs) recognized as expenses totaled EUR 9.3 million (2021: EUR 7.9 million).

Goodwill contains amounts from asset deals, as well as from share deals.

Goodwill is tested for impairment annually. The recoverable amount was calculated based on the value in use calculated using cash flow projections based on financial budgets approved by the management for a four-year period.

The recoverable amount of the cash-generating unit M.E.B. S.r.l., Schio, Italy, was EUR 97.6 million as of the reporting date. The pre-tax discount rate used for the cash flow projections is 14.2 percent. Cash flows beyond the four-year period are extrapolated using a growth rate of 1.0 percent. The projected cash flows have been updated and discounted using the new discount rate determined due to the increase in interest rates. The review showed that the fair value less costs to sell does not exceed the carrying amount. As a result of this analysis, an impairment loss of EUR 15.0 million had to be recognized on goodwill.

The recoverable amount of the cash-generating unit Deko-Light Elektronik-Vertriebs GmbH, Karlsbad, Germany, was EUR 11.6 million as of the reporting date. The pre-tax discount rate used for the cash flow projections is 10.7 percent. Cash flows beyond the four-year period are extrapolated using a growth rate of 1.0 percent. The cash flow forecasts have been updated to reflect the drop in demand for products and services. The review showed that the fair value less costs to sell does not exceed the carrying amount. As a result of this analysis, an impairment loss had to be recognized on goodwill in the amount of EUR 2.4 million and on franchises, industrial rights, licenses, and similar rights in the amount of EUR 1.6 million.

The impairment losses of EUR 1.2 million are mainly related to the sanctions imposed against Russia due to the war in Ukraine. As a result, an impairment loss of EUR 1.1 million on franchises, industrial rights, licenses, and similar rights, as well as on payments on account of EUR 0.1 million, was necessary. For further details, please refer to [24] “Assets classified as held for sale and liabilities in a group of assets classified as held for sale” in Section H. Notes on the consolidated statement of financial position.

Impairment losses were recognized in the consolidated income statement under amortization and depreciation.

The table below provides a summary of the tested goodwill and the assumptions underlying the impairment tests:

| **2022**<br>in millions of EUR | M.E.B. S.R.L. | Tunap GmbH & Co. KG | HSR/ Indunorm | Chemofast Anchoring GmbH | Dakota Premium Hard-woods LLC | Lichtzentrale Lichtgroß-handel GmbH | Kaczmarek Electric S.A. | Other | Total |
|---|---|---|---|---|---|---|---|---|---|
| Goodwill before impairment test | 23.0 | 9.2 | 9.1 | 8.7 | 8.4 | 6.8 | 4.3 | 18.0 | 87.5 |
| Exchange difference | 0.0 | 0.0 | 0.0 | 0.0 | 0.5 | 0.0 | -0.1 | 0.6 | 1.0 |
| Impairment losses | 15.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 2.4 | 17.4 |
| **Goodwill** | **8.0** | **9.2** | **9.1** | **8.7** | **8.9** | **6.8** | **4.2** | **16.2** | **71.1** |
| Average sales growth in the planning period (in %) | 7.0 | 9.0 | 8.6 | 6.3 | 12.4 | 5.5 | 5.9 | 4.2-14.8 | |
| EBIT margin in the planning period (in %) | 7.3-9.1 | 7.0-8.3 | 6.2-6.9 | 9.1-9.3 | 6.8-7.3 | 3.3-3.4 | 1.3-2.0 | 3.1-20.0 | |
| Length of the planning period | 4 years | 4 years | 4 years | 4 years | 4 years | 4 years | 4 years | 4 years | |
| Sales growth p.a. after the end of the planning period (in %) | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | |
| EBIT margin after the end of the planning period (in %) | 9.9 | 8.3 | 6.4 | 10.2 | 7.7 | 3.4 | 2.3 | 3.6-20.0 | |
| Discount rate (before tax) | 14.2 | 10.3 | 10.2 | 10.4 | 11.7 | 10.9 | 16.2 | 9.9-11.6 | |
| Additional impairment losses | | | | | | | | | |
| assuming a 10% lower cash flow | 8.0 | 0.0 | 2.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| assuming a 1% higher discount rate | 8.0 | 0.0 | 4.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |

| **2021**<br>in millions of EUR | M.E.B. S.R.L. | Tunap GmbH & Co. KG | HSR/ Indunorm | Chemofast Anchoring GmbH | Dakota Premium Hard-woods LLC | Lichtzentrale Lichtgroß-handel GmbH | Kaczmarek Electric S.A. | Other | Total |
|---|---|---|---|---|---|---|---|---|---|
| Goodwill before impairment test | 23.0 | 9.2 | 9.1 | 8.7 | 7.8 | 6.8 | 4.3 | 19.9 | 88.8 |
| Exchange difference | 0.0 | 0.0 | 0.0 | 0.0 | 0.6 | 0.0 | 0.0 | 0.4 | 1.0 |
| Impairment losses | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 2.3 | 2.3 |
| **Goodwill** | **23.0** | **9.2** | **9.1** | **8.7** | **8.4** | **6.8** | **4.3** | **18.0** | **87.5** |
| Average sales growth in the planning period (in %) | 7.0 | 7.9 | 10.2 | 6.9 | 12.0 | 5.9 | 5.5 | 4.1–13.9 | |
| EBIT margin in the planning period (in %) | 6.3–7.8 | 7.4–10.2 | 6.4–7.0 | 8.8–9.3 | 4.8–5.9 | 2.9–3.1 | 1.1–1.2 | 1.0–20.3 | |
| Length of the planning period | 4 years | 4 years | 4 years | 4 years | 4 years | 4 years | 4 years | 4 years | |
| Sales growth p.a. after the end of the planning period (in %) | 1.5 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | |
| EBIT margin after the end of the planning period (in %) | 8.9 | 10.2 | 7.0 | 10.4 | 5.7 | 3.1 | 1.6 | 2.8–20.3 | |
| Discount rate (before tax) | 11.6 | 7.4 | 9.8 | 7.5 | 10.6 | 9.4 | 11.7 | 7.4–11.3 | |
| Additional impairment losses | | | | | | | | | |
| assuming a 10 % lower cash flow | 11.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1.5 | |
| assuming a 1 % higher discount rate | 15.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 2.3 | |

The assumptions underlying the calculation of the fair value less costs to sell are most sensitive to estimation uncertainties regarding sales growth, EBIT margins, and the discount rates used.

The assumptions concerning sales growth and EBIT margins used for the impairment tests in the planning period are based on internal records of past experience and assumptions by management used in the business plans valid as of the reporting date.

Discount rates reflect the current market assessment of the risks specific to each cash-generating unit. The discount rate was estimated based on the weighted average cost of capital for the industry. This rate was further adjusted to reflect the market assessments of any risks specific to the cash-generating units for which estimates of future cash flows have not been adjusted.

With regard to the assessment of value in use of the cash-generating units, management believes that—with the exception of those cash-generating units where impairment losses were recognized—no reasonably probable change in any of the above key assumptions made to determine the fair value less costs to sell would cause the carrying amount of the cash-generating unit to materially exceed its recoverable amount.

**[12] Property, plant, and equipment**

| in millions of EUR | Land, land rights, and buildings incl. buildings on third-party land | Technical equipment and machines | Other equipment, furniture, and fixtures | Advance payments and assets under construction | Total |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| 1 January 2022 | 3,288.0 | 1,460.5 | 2,462.2 | 248.3 | 7,459.0 |
| Exchange differences | 9.7 | 4.1 | 10.9 | 0.1 | 24.8 |
| Changes in the consolidated group | 0.2 | 0.0 | 0.0 | 0.0 | 0.2 |
| Additions | 127.1 | 73.0 | 291.1 | 287.7 | 778.9 |
| Disposals | 12.6 | 26.8 | 72.2 | 1.2 | 112.8 |
| Reclassifications to “Assets classified as held for sale” | -23.4 | 0.0 | -8.0 | 0.0 | -31.4 |
| Reclassifications | 103.8 | 56.5 | 26.1 | -192.9 | -6.5 |
| **31 December 2022** | **3,492.8** | **1,567.3** | **2,710.1** | **342.0** | **8,112.2** |
| **Accumulated amortization and depreciation** | | | | | |
| 1 January 2022 | 1,298.0 | 918.5 | 1,404.7 | 0.0 | 3,621.2 |
| Exchange differences | 2.8 | 2.3 | 8.3 | 0.0 | 13.4 |
| Amortization and depreciation | 98.8 | 106.4 | 190.2 | 0.0 | 395.4 |
| Impairment losses | 18.2 | 0.0 | 5.0 | 0.0 | 23.2 |
| Disposals | 5.1 | 23.8 | 64.7 | 0.0 | 93.6 |
| Reclassifications to “Assets classified as held for sale” | 23.4 | 0.0 | 8.0 | 0.0 | 31.4 |
| Reclassifications | 0.5 | 0.7 | -2.2 | 0.0 | -1.0 |
| Reversal of impairment losses | -0.1 | 0.0 | -0.6 | 0.0 | -0.7 |
| **31 December 2022** | **1,389.7** | **1,004.1** | **1,532.7** | **0.0** | **3,926.5** |
| **Net carrying amount** | | | | | |
| **31 December 2022** | **2,103.1** | **563.2** | **1,177.4** | **342.0** | **4,185.7** |

| in millions of EUR | Land, land rights, and buildings incl. buildings on third-party land | Technical equipment and machines | Other equipment, furniture, and fixtures | Advance payments and assets under construction | Total |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| 1 January 2021 | 3,144.5 | 1,294.2 | 2,284.7 | 264.0 | 6,987.4 |
| Exchange differences | 25.6 | 13.7 | 20.8 | 0.5 | 60.6 |
| Changes in the consolidated group | 7.8 | 1.1 | 2.3 | 0.3 | 11.5 |
| Additions | 59.0 | 69.5 | 197.8 | 186.3 | 512.6 |
| Disposals | 21.9 | 22.0 | 66.3 | 0.4 | 110.6 |
| Reclassifications | 73.0 | 104.0 | 22.9 | -202.4 | -2.5 |
| **31 December 2021** | **3,288.0** | **1,460.5** | **2,462.2** | **248.3** | **7,459.0** |
| **Accumulated amortization and depreciation** | | | | | |
| 1 January 2021 | 1,207.6 | 821.9 | 1,272.7 | -1.4 | 3,300.8 |
| Exchange differences | 10.7 | 9.7 | 16.3 | 0.0 | 36.7 |
| Amortization and depreciation | 92.8 | 101.6 | 172.3 | 0.0 | 366.7 |
| Impairment losses | 1.2 | 9.9 | 3.9 | 0.0 | 15.0 |
| Disposals | 15.1 | 21.9 | 60.7 | 0.0 | 97.7 |
| Reclassifications | 0.8 | -2.7 | 0.9 | 1.4 | 0.4 |
| Reversal of impairment losses | 0.0 | 0.0 | -0.7 | 0.0 | -0.7 |
| **31 December 2021** | **1,298.0** | **918.5** | **1,404.7** | **0.0** | **3,621.2** |
| **Net carrying amount** | | | | | |
| **31 December 2021** | **1,990.0** | **542.0** | **1,057.5** | **248.3** | **3,837.8** |

There are restrictions on the rights of disposal of property, plant, and equipment and assets assigned as collateral, which can be broken down as follows:

| in millions of EUR | 2022 | 2021 |
|---|---|---|
| Land charges | 0.0 | 4.1 |
| Collateral assignment | 9.1 | 13.1 |
| **Total** | **9.1** | **17.2** |

There are payment obligations for investment in fixed assets of EUR 81.5 million (2021: EUR 79.3 million).

Payments on account and assets under construction contain additions to assets under construction of EUR 191.7 million (2021: EUR 123.2 million), which relate to technical equipment and machines, as well as buildings.

Other equipment, furniture, and fixtures include an art asset with an indefinite useful life in a material amount.

The impairment losses of EUR 21.2 million are mainly related to the sanctions imposed against Russia due to the war in Ukraine. As a result, impairment losses of EUR 18.2 million were recognized on land, land rights, and buildings incl. buildings on third-party land, and impairment losses of EUR 3.0 million were recognized on other equipment, furniture, and fixtures. For further details on the calculation of the recoverable amount and the background to the impairments, please refer to [24] “Assets classified as held for sale and liabilities in a group of assets classified as held for sale” in Section H. Notes on the consolidated statement of financial position.

Impairment losses were recognized in the consolidated income statement under amortization and depreciation.

## [13] Right-of-use assets

| in millions of EUR | Right-of-use assets for land, land rights, and buildings incl. buildings on third-party land | Right-of-use assets for technical equipment and machines | Right-of-use assets for other equipment, furniture, and fixtures | Total |
|---|---|---|---|---|
| **Cost** | | | | |
| 1 January 2022 | 1,228.1 | 21.3 | 359.4 | 1,608.8 |
| Exchange differences | 9.5 | 0.3 | 0.7 | 10.5 |
| Changes in the consolidated group | 1.7 | 0.0 | 0.0 | 1.7 |
| Additions | 225.4 | 3.0 | 128.3 | 356.7 |
| Disposals | 54.7 | 3.0 | 76.3 | 134.0 |
| Reclassifications to “Assets classified as held for sale” | 0.0 | 0.0 | –0.2 | –0.2 |
| Reclassifications | 0.1 | 0.1 | 0.8 | 1.0 |
| **31 December 2022** | **1,410.1** | **21.7** | **412.7** | **1,844.5** |
| **Accumulated amortization and depreciation** | | | | |
| 1 January 2022 | 447.3 | 13.3 | 186.1 | 646.7 |
| Exchange differences | 1.4 | 0.1 | –0.6 | 0.9 |
| Amortization and depreciation | 196.6 | 2.9 | 112.9 | 312.4 |
| Impairment losses | 0.0 | 0.0 | 0.1 | 0.1 |
| Disposals | 37.6 | 1.7 | 70.7 | 110.0 |
| Reclassifications to “Assets classified as held for sale” | 0.0 | 0.0 | 0.2 | 0.2 |
| Reclassifications | –0.1 | 0.0 | 0.2 | 0.1 |
| **31 December 2022** | **607.6** | **14.6** | **227.8** | **850.0** |
| **Net carrying amount** | | | | |
| **31 December 2022** | **802.5** | **7.1** | **184.9** | **994.5** |

| in millions of EUR | Right-of-use assets for land, land rights, and buildings incl. buildings on third-party land | Right-of-use assets for technical equipment and machines | Right-of-use assets for other equipment, furniture, and fixtures | Total |
|---|---|---|---|---|
| **Cost** | | | | |
| 1 January 2021 | 1,064.9 | 19.6 | 315.5 | 1,400.0 |
| Exchange differences | 8.2 | –0.6 | 4.3 | 11.9 |
| Changes in the consolidated group | 5.3 | 0.1 | 0.1 | 5.5 |
| Additions | 195.4 | 3.7 | 109.6 | 308.7 |
| Disposals | 45.7 | 1.5 | 69.1 | 116.3 |
| Reclassifications | 0.0 | 0.0 | –1.0 | –1.0 |
| **31 December 2021** | **1,228.1** | **21.3** | **359.4** | **1,608.8** |
| **Accumulated amortization and depreciation** | | | | |
| 1 January 2021 | 291.7 | 11.1 | 136.6 | 439.4 |
| Exchange differences | 4.1 | 0.0 | 1.5 | 5.6 |
| Amortization and depreciation | 177.4 | 2.9 | 111.1 | 291.4 |
| Impairment losses | 0.3 | 0.0 | 0.1 | 0.4 |
| Disposals | 26.2 | 0.8 | 62.6 | 89.6 |
| Reclassifications | 0.0 | 0.1 | –0.6 | –0.5 |
| **31 December 2021** | **447.3** | **13.3** | **186.1** | **646.7** |
| **Net carrying amount** | | | | |
| **31 December 2021** | **780.8** | **8.0** | **173.3** | **962.1** |

### [14] Financial assets

The investments reported under financial assets are allocated to the category "at fair value through profit or loss" (FVTPL) in accordance with IFRS 9. There were no fair value adjustments in the 2022 fiscal year. Fair values that could not be determined on the basis of observable market data of EUR 26.3 million (2021: EUR 12.1 million) relate to long-term interests in non-listed corporations and partnerships.

Internationales Bankhaus Bodensee AG, Friedrichshafen, Germany, issued securities with a book value of EUR 102.6 million (2021: EUR 78.4 million) as security for the granting of a credit line for refinancing at Deutsche Bundesbank, Frankfurt am Main, Germany. The maximum credit risk corresponds to the amount carried in the consolidated statement of financial position.

### [15] Receivables from financial services

| in millions of EUR | 2022 | Thereof due within one year | 2021 | Thereof due within one year |
|---|---|---|---|---|
| Receivables from the leasing business | 1,426.7 | 536.7 | 1,224.3 | 496.5 |
| Receivables from the insurance business | 1.9 | 1.9 | 3.2 | 3.2 |
| Receivables from the banking business | | | | |
| Receivables from customers | 1,319.0 | 748.7 | 1,167.9 | 548.4 |
| Receivables from banks | 37.7 | 37.7 | 48.1 | 48.1 |
| Other asset items | 3.9 | 3.9 | 3.5 | 3.5 |
| **Total** | **2,789.2** | **1,328.9** | **2,447.0** | **1,099.7** |

Receivables from the leasing business include finance leases under which substantially all the risks and rewards from the leasing business have been transferred to the lessee, as well as operating leases. Further details can be found under [5] "Leases: The Würth Group as the lessor" in Section I. Other notes.

Receivables from financial services include receivables from related parties of EUR 13.8 million (2021: EUR 24.0 million).

The Würth Group regularly sells receivables from financial services arising from the external leasing business in the form of ABCP transactions. As of 31 December 2022, EUR 783.3 million (2021: EUR 612.6 million) of sold receivables were not derecognized from the consolidated statement of financial position because all the risks and rewards incidental to ownership were essentially retained by the Würth Group. The corresponding liability is disclosed under [26] "Liabilities from financial services" in Section H. Notes on the consolidated statement of financial position.

During the first step, the impairment loss is calculated at the 12-month credit loss. In cases involving receivables from financial services whose default risk has increased significantly since initial recognition, the impairment loss is calculated based on the lifetime expected credit loss.

The following table provides information on the extent of the credit risk included in receivables from financial services.

| in millions of EUR | 2022 | 2021 |
|---|---|---|
| Receivables from financial services that are neither past due nor impaired | 2,744.2 | 2,427.4 |
| Receivables not impaired but past due by | | |
| less than 120 days | 2.7 | 4.6 |
| **Total receivables not impaired** | **2,746.9** | **2,432.0** |
| Impaired receivables from financial services (gross) | 78.5 | 42.8 |
| Impairment loss recognized on receivables from financial services | 36.2 | 27.8 |
| **Net carrying amount** | **2,789.2** | **2,447.0** |

Movements in the provision for impairment of receivables from financial services based on this were as follows:

| in millions of EUR | 2022 | 2021 |
|---|---|---|
| **Provision for impairment as of 1 January** | **27.8** | **28.7** |
| Amounts recognized as income (–) or expense (+) in the reporting period | 12.9 | 6.6 |
| Derecognition of receivables | –2.7 | –6.8 |
| Payments received and recoveries of amounts previously written off | –2.0 | –0.8 |
| Currency translation effects | 0.2 | 0.1 |
| **Provision for impairment as of 31 December** | **36.2** | **27.8** |

The income or expense from impairment losses and the derecognition of receivables from financial services are disclosed under other operating expenses.

### [16] Deferred taxes

Deferred tax assets and liabilities can be allocated as follows:

| in millions of EUR | Deferred tax assets 2022 | Deferred tax liabilities 2022 | Deferred tax assets 2021 | Deferred tax liabilities 2021 | Change 2022 | Change 2021 |
|---|---|---|---|---|---|---|
| Fixed assets | 159.4 | 156.0 | 176.7 | 151.9 | –21.4 | 36.9 |
| Inventories | 119.7 | 65.4 | 87.0 | 49.7 | 17.0 | 14.2 |
| Receivables | 128.1 | 55.6 | 75.2 | 49.3 | 46.6 | 15.5 |
| Other assets | 7.2 | 137.8 | 7.4 | 105.9 | –32.1 | –25.6 |
| Provisions | 64.6 | 42.2 | 102.5 | 37.1 | –43.0 | –3.6 |
| Liabilities | 97.3 | 4.6 | 95.0 | 3.5 | 1.2 | –44.4 |
| Other liabilities | 45.1 | 71.2 | 18.0 | 57.8 | 13.7 | 23.0 |
| | **621.4** | **532.8** | **561.8** | **455.2** | **–18.0** | **16.0** |
| Unused tax losses | 22.4 | | 17.8 | | 4.6 | –2.6 |
| Offset | –393.4 | –393.4 | –342.6 | –342.6 | | |
| **Total** | **250.4** | **139.4** | **237.0** | **112.6** | **–13.4** | **13.4** |

The development of timing differences is fully reflected in income taxes. One exception relates to foreign exchange differences of EUR 3.9 million (2021: EUR 5.4 million), which were recognized directly in equity, and additions of deferred taxes of EUR 0.0 million (2021: EUR –2.3 million) arising from acquisitions, as well as deferred taxes on items recorded in equity that were also recognized directly in other comprehensive income in the amount of EUR –17.3 million (2021: EUR –8.3 million).

There are deferred tax assets totaling EUR 59.1 million (2021: EUR 41.2 million) for entities that have a history of losses.

During the 2022 fiscal year, deferred tax assets of EUR 3.2 million (2021: EUR 2.9 million) were subsequently formed on unused tax losses in the amount of EUR 31.7 million (2021: EUR 19.7 million), since the management has classified future use within the Würth Group as probable.

In total, deferred tax assets of EUR 114.8 million (2021: EUR 97.0 million) were recognized on unused tax losses.

No deferred tax assets were recognized in the consolidated statement of financial position for unused tax losses of EUR 812.5 million (2021: EUR 775.4 million), as realization is not sufficiently certain.

These unused tax losses are classified by expiration period as follows:

| in millions of EUR | 2022 | 2021 |
|---|---|---|
| **Expiration of unused tax losses** | | |
| Non-forfeitable | 489.1 | 455.3 |
| Expiration within the next five to ten years | 167.0 | 127.9 |
| Expiration within the next one to five years | 135.5 | 134.6 |
| Expiration within the next year | 20.9 | 57.6 |
| **Total unused tax losses net of deferred tax assets recognized** | **812.5** | **775.4** |

The unused tax losses include unused tax losses of EUR 23.2 million (2021: EUR 23.2 million) that originated prior to creation of the consolidated tax group and that cannot be used until the existing profit and loss transfer agreements have been terminated.

No deferred taxes were recognized for accumulated results of foreign subsidiaries amounting to EUR 1,150.4 million (2021: EUR 920.5 million), as a distribution in the near future is within the Würth Group's control and is not probable. If deferred taxes had been recognized for these timing differences, they would have had to be calculated exclusively using the withholding tax rate applicable in each case, possibly including the German tax rate of five percent on distributed dividends.

Future distributions to the owners do not have any other income tax implications for the Würth Group.

## [17] Inventories

| in millions of EUR | 2022 | 2021 |
|---|---|---|
| Materials and supplies | 190.0 | 160.4 |
| Work in process and finished goods | 268.6 | 219.4 |
| Merchandise | 3,340.5 | 2,646.8 |
| Payments on account | 29.3 | 37.3 |
| **Total** | **3,828.4** | **3,063.9** |

The write-down recorded on inventories, which was recognized under cost of materials in the consolidated income statement, amounts to EUR 93.5 million (2021: EUR 69.6 million).

## [18] Trade receivables

This item exclusively comprises receivables from third parties.

| in millions of EUR | 2022 | 2021 |
|---|---|---|
| Trade receivables that are neither past due nor impaired | 1,188.5 | 1,076.4 |
| Receivables not impaired but past due by | | |
| less than 120 days | 504.7 | 441.8 |
| between 120 and 179 days | 44.5 | 28.9 |
| between 180 and 359 days | 1.0 | 1.6 |
| more than 360 days | 0.0 | 1.1 |
| **Total receivables not impaired** | **1,738.7** | **1,549.8** |
| Impaired trade receivables (gross) | 1,252.8 | 991.9 |
| Provision for impairment of trade receivables | 172.1 | 165.5 |
| **Net carrying amount** | **2,819.4** | **2,376.2** |

Information on the credit risk position of the Würth Group's trade receivables is presented below:

| **2022** in millions of EUR | Expected default rate in % | Gross book value | Expected losses over remaining term |
|---|---|---|---|
| less than 120 days (level 2) | 1.07 | 2,692.3 | 28.8 |
| 120 to 359 days (level 2) | 10.8 | 179.7 | 19.4 |
| more than 360 days (level 3) | 64.0 | 119.5 | 76.5 |
| **Total** | | **2,991.5** | **124.7** |

| **2021** in millions of EUR | Expected default rate in % | Gross book value | Expected losses over remaining term |
|---|---|---|---|
| less than 120 days (level 2) | 1.42 | 2,284.1 | 32.5 |
| 120 to 359 days (level 2) | 11.8 | 139.6 | 16.5 |
| more than 360 days (level 3) | 62.1 | 118.0 | 73.3 |
| **Total** | | **2,541.7** | **122.3** |

Where possible and feasible, we take out credit insurance.

Movements in the provision for impairment of trade receivables were as follows:

| in millions of EUR | 2022 | 2021 |
|---|---|---|
| **Provision for impairment as of 1 January** | **165.5** | **162.4** |
| Changes in the consolidated group | 0.0 | 2.5 |
| Amounts recognized as expense in the reporting period | 42.7 | 35.7 |
| Derecognition of receivables | -31.7 | -37.4 |
| Payments received and recoveries of amounts previously written off | -2.8 | -1.5 |
| Currency translation effects | 1.8 | 3.8 |
| Less impairment losses recognized on assets classified as held for sale | 3.4 | 0.0 |
| **Provision for impairment as of 31 December** | **172.1** | **165.5** |

The following table presents the expenses from the full derecognition of trade receivables and income from recoveries of amounts previously written off:

| in millions of EUR | 2022 | 2021 |
|---|---|---|
| Expenses from the derecognition of receivables | 37.3 | 39.2 |
| Income from recoveries of amounts previously written off | 4.0 | 3.0 |

The income or expense from impairment losses and the derecognition of trade receivables is disclosed under other operating expenses.

### [19] Income tax assets

This item records income tax assets from tax authorities.

### [20] Other financial assets

| in millions of EUR | 2022 | Thereof due within one year | 2021 | Thereof due within one year |
|---|---|---|---|---|
| Derivative financial assets | 19.5 | 19.5 | 5.4 | 5.4 |
| Sundry financial assets | 219.1 | 219.1 | 201.0 | 201.0 |
| **Total** | **238.6** | **238.6** | **206.4** | **206.4** |

Sundry financial assets mainly include rebates, supplier discounts, and bonuses.

All other past due financial assets are directly written off against the underlying other financial assets.

### [21] Other assets

| in millions of EUR | 2022 | Thereof due within one year | 2021 | Thereof due within one year |
|---|---|---|---|---|
| Sundry assets | 200.7 | 170.4 | 178.9 | 146.3 |
| Prepaid expenses | 113.6 | 113.6 | 97.1 | 97.1 |
| **Total** | **314.3** | **284.0** | **276.0** | **243.4** |

Sundry assets mainly include VAT receivables. Prepaid expenses mainly relate to prepaid insurance premiums and prepaid lease and rental payments.

## [22] Securities

Securities comprise listed equity and bond exposures (equity and debt instruments) that are actively traded and measured at fair value through profit or loss in accordance with IFRS 9. Changes in value are calculated using quoted prices in active markets (level 1). Among other things, these include actively traded bonds (debt instruments) from Internationales Bankhaus Bodensee AG, Friedrichshafen, Germany, in the amount of EUR 15.1 million (2021: EUR 15.2 million), which are pledged as collateral for the grant of a credit line for refinancing at Deutsche Bundesbank, Frankfurt am Main, Germany. The maximum credit risk corresponds to the fair value.

## [23] Cash and cash equivalents

Balances denominated in foreign currency are measured at the closing rate. The composition and development of cash and cash equivalents are presented in the consolidated statement of cash flows. The money market funds were valued at the current money market rate. Due to the very short maturities and the creditworthiness of the contractual partners of the Würth Group, no impairment based on expected credit losses was created.

## [24] Assets classified as held for sale and liabilities in a group of assets classified as held for sale

| Liabilities in millions of EUR | 2022 | 2021 |
|---|---|---|
| **Current liabilities** | | |
| Trade payables | 0.6 | 0.0 |
| Other liabilities | 3.5 | 0.0 |
| **Liabilities in a group of assets classified as held for sale** | **4.1** | **0.0** |
| **Net assets directly related to the disposal group** | **–4.1** | **0.0** |

The statement of financial position of the Würth Group as of 31 December 2022 reports assets classified as held for sale and liabilities in a group of assets classified as held for sale. Due to the war in Ukraine and the sanctions imposed on Russia, the Würth Group intends to sell its cash-generating units in Russia, but assumes that the proceeds from the sale less costs to sell will not reach the carrying amount. As a result, impairment losses have been recognized on all assets. An amount of EUR 51.9 million was recognized as an expense in the consolidated income statement. EUR 1.2 million of this relates to intangible assets, including goodwill, and EUR 21.2 million to property, plant, and equipment. Further details on the impairment losses on non-current assets can be found in [11] “Intangible assets including goodwill” and [12] “Property, plant, and equipment” in Section H. Notes on the consolidated statement of financial position. In addition, total impairment losses of EUR 29.6 million were recognized on inventories, trade receivables, and other assets.

## [25] Equity

Share capital comprises the share capital of the following parent companies within the Group:

| Parent companies within the Group | Registered office | Share capital in millions of EUR | Shareholders |
|---|---|---|---|
| Adolf Würth GmbH & Co. KG | Germany | 300.8 | Würth-Familienstiftungen |
| Würth Finanz-Beteiligungs-GmbH | Germany | 67.0 | Würth-Familienstiftungen |
| Waldenburger Beteiligungen GmbH & Co. KG | Germany | 20.0 | Würth-Familienstiftungen |
| Würth Elektrogroßhandel GmbH & Co. KG | Germany | 19.6 | Würth-Familienstiftungen |
| Würth Promotion GmbH | Austria | 0.07 | Würth-Privatstiftung |
| Würth Beteiligungen GmbH | Germany | 0.03 | Würth-Familienstiftungen |
| ZEBRA S.A. | Luxembourg | 0.03 | |
| Other (including 35 general partner companies) | Germany | 0.87 | Adolf Würth-Stiftung |
| **Total** | | **408.4** | |

The limited partners' capital in the partnerships corresponds to the share capital.

Other capital and revenue reserves include the profits earned in prior years and not yet distributed, as well as capital contributions at the parent companies in the Group and consolidated subsidiaries. Differences arising from foreign currency translation are also disclosed here.

The individual equity components and their development in 2022 and 2021 are shown in the consolidated statement of changes in equity.

Non-controlling interests mainly relate to shares held by third parties in subsidiaries as well as direct shareholdings of members of the Würth family.

The reserves for cash flow hedges relate to the effective part of the loss from an instrument to hedge the risk of fluctuations in the cash flow from future financing.

Distributions of EUR 240 million are planned for 2023.

## [26] Liabilities from financial services

| 2022<br>in millions of EUR | Total | Due in<br>< 1 year | Due in<br>1–5 years | Due in<br>> 5 years |
|---|---|---|---|---|
| Liabilities from the leasing business | 920.7 | 219.6 | 640.5 | 60.6 |
| Liabilities from the insurance business | 0.8 | 0.8 | 0.0 | 0.0 |
| Liabilities from the banking business | 1,419.5 | 1,103.4 | 295.4 | 20.7 |
| **Total** | **2,341.0** | **1,323.8** | **935.9** | **81.3** |

| 2021<br>in millions of EUR | Total | Due in<br>< 1 year | Due in<br>1–5 years | Due in<br>> 5 years |
|---|---|---|---|---|
| Liabilities from the leasing business | 788.0 | 290.7 | 488.3 | 9.0 |
| Liabilities from the insurance business | 0.9 | 0.9 | 0.0 | 0.0 |
| Liabilities from the banking business | 1,286.1 | 816.6 | 437.1 | 32.4 |
| **Total** | **2,075.0** | **1,108.2** | **925.4** | **41.4** |

Liabilities from financial services include liabilities from related parties of EUR 6.1 million (2021: EUR 4.6 million).

Liabilities from the leasing business include liabilities from an ABCP transaction of EUR 687.7 million (2021: EUR 612.6 million). The nominal amount of this ABCP transaction comes to EUR 838.8 million (2021: EUR 647.4 million). Any risk items relating to it are hedged by interest swaps of the same amount and term as soon as they become apparent. As of the end of the reporting period, the contrasting changes in value and cash flows from hedged transactions and hedging instruments had largely balanced each other out.

The table below shows the contractually agreed remaining terms to maturity:

| | | Cash flow | | |
|---|---|---|---|---|
| in millions of EUR | Carrying amounts<br>**31 December 2022** | < 1 year | 1–5 years | > 5 years |
| Liabilities from the leasing business | 920.7 | 254.8 | 659.2 | 62.6 |
| Liabilities from the insurance business | 0.8 | 0.8 | 0.0 | 0.0 |
| Liabilities from the banking business | 1,419.5 | 1,118.7 | 302.8 | 21.5 |

## [27] Financial liabilities

| in millions of EUR | 2022 | Thereof due within one year | 2021 | Thereof due within one year |
|---|---|---|---|---|
| Bonds | 2,109.6 | 0.0 | 1,749.9 | 499.8 |
| Liabilities to banks | 158.2 | 152.8 | 78.4 | 76.9 |
| Liabilities to non-controlling interests | 44.3 | 39.5 | 39.0 | 34.2 |
| **Total** | **2,312.1** | **192.3** | **1,867.3** | **610.9** |

There are financial liabilities of EUR 569.3 million (2021: EUR 746.9 million) due in more than five years.

The maturities and terms of the bonds repayable and their fair values are as follows:

| Type | Amount | Interest | Effective interest | Maturity | Carrying amount in millions of EUR | Fair value in millions of EUR |
|---|---|---|---|---|---|---|
| Bond | EUR 500 million | 1.00 % | 1.08 % | 26 May 2025 | 490.3 | 476.8 |
| Bond | EUR 750 million | 0.75 % | -0.023 % | 22 November 2027 | 747.5 | 661.4 |
| Bond | CHF 300 million | 2.10 % | 2.07 % | 16 November 2026 | 302.5 | 304.0 |
| Bond | EUR 600 million | 2.125 % | 2.174 % | 23 August 2030 | 569.3 | 540.2 |
| **31 December 2022** | | | | | **2,109.6** | **1,982.4** |

| Type | Amount | Interest | Effective interest | Maturity | Carrying amount in millions of EUR | Fair value in millions of EUR |
|---|---|---|---|---|---|---|
| Bond | EUR 500 million | 1.00 % | 1.04 % | 19 May 2022 | 499.9 | 500.9 |
| Bond | EUR 500 million | 1.00 % | 1.08 % | 26 May 2025 | 503.1 | 516.2 |
| Bond | EUR 750 million | 0.75 % | -0.023 % | 22 November 2027 | 746.9 | 773.1 |
| **31 December 2021** | | | | | **1,749.9** | **1,790.2** |

There are three-month par call options for the bonds.

The maturities and conditions of liabilities due to banks are as follows:

| Currency | Interest terms | Remaining fixed interest period | Interest rate | < 1 year | 1–5 years | Carrying amount |
|---|---|---|---|---|---|---|
| EUR | floating/fixed | < 1 year | 0.00%–14.00% | 112.9 | 0.0 | 112.9 |
| EUR | floating/fixed | 1–5 years | 1.00%–8.00% | 0.0 | 4.6 | 4.6 |
| USD | floating/fixed | < 1 year | 0.00%–5.00% | 0.2 | 0.0 | 0.2 |
| Other | floating/fixed | < 1 year | 0.00%–26.00% | 39.7 | 0.4 | 40.1 |
| Other | floating/fixed | 1–5 years | 2.00%–23.00% | 0.0 | 0.4 | 0.4 |
| **31 December 2022** | | | | **152.8** | **5.4** | **158.2** |

| Currency | Interest terms | Remaining fixed interest period | Interest rate | < 1 year | 1–5 years | Carrying amount |
|---|---|---|---|---|---|---|
| EUR | floating/fixed | < 1 year | 0.00%–14.00% | 39.4 | 0.0 | 39.4 |
| EUR | floating/fixed | 1–5 years | 1.00%–8.00% | 0.0 | 0.5 | 0.5 |
| USD | floating/fixed | < 1 year | 0.00%–5.00% | 0.7 | 0.0 | 0.7 |
| Other | floating/fixed | < 1 year | 0.00%–26.00% | 36.8 | 0.0 | 36.8 |
| Other | floating/fixed | 1–5 years | 2.00%–23.00% | 0.0 | 1.0 | 1.0 |
| **31 December 2021** | | | | **76.9** | **1.5** | **78.4** |

The carrying amounts of liabilities to banks reported in the consolidated statement of financial position closely approximate fair value due to the current interest rates and the short terms.

### [28] Lease liabilities

| in millions of EUR | **2022** | **2021** |
|---|---|---|
| Lease liabilities < 1 year | 285.9 | 259.1 |
| Lease liabilities 1–5 years | 549.5 | 538.8 |
| Lease liabilities > 5 years | 178.9 | 179.8 |
| **Total** | **1,014.3** | **977.7** |

### [29] Obligations from post-employment benefits

A pension plan is in place for employees of the Würth Group for the period after they retire. The benefits vary according to local legal, fiscal, and economic conditions. The obligations include vested future pension benefits, as well as current pensions paid. The company pension scheme includes defined contribution plans and defined benefit plans.

In the case of defined contribution plans, the respective entity pays contributions to state or private pension companies either on a voluntary basis or based on legal provisions. The contributions are recognized as a personnel expense when they fall due. No further payment obligations arise for the Würth Group from the payment of contributions. Current contributions (excluding contributions to the statutory pension insurance) totaled EUR 25.7 million (2021: EUR 24.1 million). Payments of EUR 266.1 million were made to the statutory pension insurance in the fiscal year (2021: EUR 219.3 million).

The largest defined benefit plans are in Germany, Austria, Italy, and Switzerland. The defined benefit plans in Germany, Austria, and Italy constitute direct obligations, whereas the Swiss plans are indirect benefit obligations. The amount of the entitlements depends on the length of service, frequently on the salary development, and, for indirect benefit obligations, also on the employee contributions paid in.

The Würth Group's benefit obligations in Germany guarantee the beneficiaries a life-long monthly old-age pension, provided that a vesting period of ten years of service can be demonstrated. The amount of the benefit is usually determined by arranged fixed amounts. Employees receive such voluntary pensions in addition to the statutory pension once they reach the statutory retirement age. Employees are also offered another defined benefit plan in the form of a deferred compensation arrangement under which gross cash compensation is converted into a company pension plan based on individual contracts. This voluntary conversion of monthly compensation is generally limited to the higher of either 10 percent of one twelfth of the annual income in the year before commencement of the conversion or 4 percent of the respective maximum monthly contribution to the German pension system (western German states). This was already closed in 2018. In total, obligations in Germany amount to EUR 136.9 million (2021: EUR 206.9 million).

In Austria, a severance payment is guaranteed by law, subject to the provisions of the BMVG ["Betriebliche Mitarbeiterversorgungsgesetz": Austrian Act Governing Company Pensions]. This is paid out when the employment relationship ends. For employment relationships that began before the end of 2002, the employee has a right to such payment from the employer. The amount depends on the length of service and salary development. If the employment relationship is terminated by the employee, the right to a severance payment from the employer is forfeited. For employment relationships started as of the beginning of 2003, the employer pays 1.53 percent of the gross monthly salary into a selected company pension scheme, which then pays out any severance payment entitlement when the employment ends. The entitlement is now retained even if the employee terminates the employment relationship. For employment relationships that began before the end of 2002, total obligations were recognized in the amount of EUR 25.4 million in Austria (2021: EUR 30.8 million).

In Italy, employees are entitled by law to a severance payment when the employment relationship ends (trattamento di fine rapporto, TFR). The amount of the TFR is determined by the number of years of service and is capped at one month's salary per year of service. Since 2007, the legislature provides for a capital option, i.e., the employees can choose whether their entitlements should continue to be made in the company or whether future entitlements should be paid into a pension fund instead. Obligations of EUR 23.7 million were recognized in the consolidated statement of financial position of the Würth Group in Italy (2021: EUR 26.4 million).

In the Würth Group in Switzerland, retirement benefits are handled via external insurance companies. They are subject to regulatory supervision and are governed by the BVG ["Bundesgesetz über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge": Swiss Federal Act on Occupational Retirement, Survivors' and Disability Pension Plans]. The top management body of these insurance companies, the trust board, is composed of an equal number of employee and employer representatives. The various benefits are set forth in regulations, with minimum benefits stipulated by the BVG. The contributions to the insurance company are settled by employers and employees. In the event of a deficit, measures can be agreed, such as adjusting the benefit obligation by changing conversion rates or increasing current contributions. In the case of almost all entities in the Würth Group in Switzerland, the insurance company is a separate pension trust. The benefits comprise not only old-age pensions, but also disability and surviving dependents' pension benefits. The trust's statutes define the pension scope and benefit amounts, minimum payment obligations, and the investment strategy. All insurance-related risks are borne by the trust. The trust board reviews the investment strategy annually by means of an ALM (asset liability management) analysis as part of its responsibility for the investment of the assets. In total, obligations in Switzerland amounted to EUR 288.4 million (2021: EUR 281.1 million). Plan assets came to EUR 267.2 million (2021: EUR 254.9 million). The associated net liability amounts to EUR 21.2 million (2021: EUR 26.2 million).

The post-employment benefit obligations were determined based on the following assumptions:

| | Interest rate | | Future salary increases | | Pension increase rate | |
|---|---|---|---|---|---|---|
| in % | **2022** | **2021** | **2022** | **2021** | **2022** | **2021** |
| Germany | 3.75 | 1.25 | 3.00* | 3.00* | 2.10 | 2.00 |
| Austria | 3.70–4.00 | 0.95–1.00 | 2.50–3.25 | 1.50–3.00 | – | – |
| Italy | 3.00 | 1.00 | 3.00 | 2.50 | 2.50 | 1.75 |
| Switzerland | 2.20 | 0.30 | 1.00 | 0.50 | – | – |
| Other countries | 3.00–3.75 | 0.90–2.00 | 3.25 | 2.25 | 1.00 | 1.00 |

* For pension commitments with salary-based components

The 2018 G mortality tables from Dr. Klaus Heubeck are applied in Germany. In Austria, the AVÖ 2018-P pension tables are applied, and in Italy the ISTAT 2011 mortality tables are used to calculate post-employment benefit obligations. In Switzerland, the switch to the BVG 2020 generation tables was made in the 2021 fiscal year (2020: BVG 2015 generation tables).

The benefit obligations are derived as follows:

| in millions of EUR | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|
| Present value of funded benefit obligations | 337.8 | 335.3 | 330.0 | 317.7 | 273.2 |
| Fair value of plan assets | –297.2 | –285.1 | –254.0 | –242.6 | –207.6 |
| **Net carrying amount on funded benefit obligations** | **40.6** | **50.2** | **76.0** | **75.1** | **65.6** |
| Present value of unfunded benefit obligations | 192.1 | 268.5 | 283.3 | 264.6 | 218.4 |
| **Net benefit liability recognized in the statement of financial position** | **232.7** | **318.7** | **359.3** | **339.7** | **284.0** |
| Empirical adjustments | | | | | |
| Present value of the obligations | 25.5 | 0.7 | 9.9 | 8.4 | 6.6 |

The average term to maturity of the post-employment benefit obligations is 17 years (2021: 22 years).

The net benefit expense from defined benefit plans can be broken down as follows:

| in millions of EUR | 2022 | 2021 |
|---|---|---|
| Service cost | | |
| Current service cost | 23.6 | 25.4 |
| Expense/income from plan settlements | –0.6 | –0.6 |
| Net interest cost | 4.1 | 2.8 |
| Other | 0.9 | 0.0 |
| **Total expense recognized in the consolidated income statement** | **28.0** | **27.6** |

The service cost is recognized under personnel expenses, while the net interest cost is recorded in the financial result.

The remeasurement of defined benefit plans can be broken down as follows:

| in millions of EUR | 2022 | 2021 |
|---|---|---|
| Actuarial gains (–) and losses (+) recognized | | |
| on changes in actuarial assumptions | –126.8 | –36.2 |
| on empirical adjustments | 25.5 | 0.7 |
| Expense/income from plan assets (less interest income) | 15.0 | –9.2 |
| **Remeasurement of defined benefit plans** | **–86.3** | **–44.7** |

The changes in the present value of the defined benefit obligations are as follows:

| in millions of EUR | 2022 | 2021 |
|---|---|---|
| Defined benefit obligation at the start of the year | 603.8 | 613.3 |
| Changes in the consolidated group | 0.0 | 0.1 |
| Increase due to deferred compensation | 0.2 | 0.2 |
| Service cost | 23.0 | 24.9 |
| Interest cost | 5.6 | 3.9 |
| Employee contributions | 8.1 | 7.7 |
| Benefits paid | -21.2 | -17.5 |
| Actuarial gains (-) and losses (+) recognized | -101.3 | -35.5 |
| Transfer of benefits | -4.9 | -2.6 |
| Exchange difference on foreign plans | 7.7 | 9.3 |
| Other | 8.9 | 0.0 |
| **Defined benefit obligation at the end of the year** | **529.9** | **603.8** |

Future adjustments in the development of pensions are taken into account on the basis of statutory regulations (e.g., in Germany Sec. 16 BetrAVG).

The fair value of the plan assets has developed as follows:

| in millions of EUR | 2022 | 2021 |
|---|---|---|
| Fair value of plan assets at the beginning of the year | 285.1 | 254.0 |
| Changes in the consolidated group | 0.0 | 0.1 |
| Interest income | 1.5 | 1.1 |
| Expense/income from plan assets (less interest income) | -15.0 | 9.2 |
| Employer contributions | 13.2 | 12.8 |
| Employee contributions | 8.1 | 7.7 |
| Benefits paid | -6.2 | -5.5 |
| Transfer of assets | -5.2 | -2.3 |
| Exchange difference on foreign plans | 7.7 | 8.0 |
| Other | 8.0 | 0.0 |
| **Fair value of plan assets at the end of the year** | **297.2** | **285.1** |

The actual return came in at –4.4 percent (2021: 3.76 percent). The amount of employer contributions to external funds is expected to be similar in the following year.

Breakdown of fair value of plan assets by asset category:

| in millions of EUR | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|
| Fixed-income investment funds | 106.8 | 98.9 | 87.3 | 76.5 | 64.9 |
| Share-based investment funds | 59.0 | 65.5 | 50.1 | 59.6 | 51.5 |
| Real estate investment funds | 75.9 | 67.4 | 56.7 | 53.6 | 46.7 |
| Other funds | 25.7 | 23.8 | 19.6 | 19.1 | 10.4 |
| Fixed-interest securities | 17.5 | 18.4 | 16.8 | 16.8 | 16.2 |
| Shares | 2.2 | 2.2 | 2.0 | 1.9 | 1.9 |
| Real estate | 3.1 | 3.1 | 2.8 | 2.7 | 2.6 |
| Other | 7.0 | 5.8 | 18.7 | 12.4 | 13.4 |
| **Total** | **297.2** | **285.1** | **254.0** | **242.6** | **207.6** |

As a rule, quoted prices are available on an active market for the equity and debt instruments. The ratings for funds and fixed-interest securities are usually not below A. The item “Other” primarily relates to cash and cash equivalents invested at banks with an A rating or higher.

With regard to sensitivities, the key actuarial assumptions determined for the Würth Group in Germany are the discount rate, the pension trend, and life expectancy. For the Würth Group in Switzerland, the discount rate, the rate of future salary increases, and life expectancy have been determined.

At the Würth Group in Germany, a 0.25 percent increase/decrease in the discount rate would lead to a decrease/increase in the DBO (Defined Benefit Obligation) of –3.8 percent/+4.0 percent. A 0.25 percent increase/decrease in the pension trend would lead to an increase/decrease in the DBO of +1.9 percent/–1.8 percent. An increase in life expectancy of one year would increase the DBO by 3.0 percent.

At the Würth Group in Switzerland, a 0.25 percent increase/decrease in the discount rate would lead to a decrease/increase in the DBO of –3.2 percent/+3.4 percent. A 0.5 percent increase/decrease in the rate of future salary increases would lead to an increase/decrease in the DBO of +1.1 percent/–1.1 percent. An increase in life expectancy of one year would increase the DBO by 1.4 percent.

## [30] Provisions

| in millions of EUR | 1 January 2022 | Exchange difference | Additions due to changes in the consolidated group | Utilization | Reversal | Addition | Unwinding of the discount and changes in the discount rate | 31 December 2022 |
|---|---|---|---|---|---|---|---|---|
| Credit notes | 113.3 | 0.1 | 0.1 | 75.2 | 9.9 | 97.1 | 0.0 | 125.5 |
| Long-service bonuses | 98.3 | 0.1 | 0.0 | 0.6 | 15.8 | 1.0 | 1.2 | 84.2 |
| Warranty obligations | 24.4 | –0.1 | 0.0 | 6.4 | 1.7 | 9.3 | 0.0 | 25.5 |
| Litigation and lawyers' fees | 59.9 | 0.9 | 0.0 | 7.8 | 4.3 | 8.6 | 0.2 | 57.5 |
| Phased retirement scheme | 15.3 | 0.1 | 0.0 | 0.2 | 3.3 | 3.8 | 0.2 | 15.9 |
| Product liability | 4.2 | 0.0 | 0.0 | 0.9 | 0.4 | 2.1 | 0.0 | 5.0 |
| Sundry | 75.7 | 0.0 | 0.0 | 16.4 | 4.3 | 44.5 | 0.1 | 99.6 |
| **Total** | **391.1** | **1.1** | **0.1** | **107.5** | **39.7** | **166.4** | **1.7** | **413.2** |
| Thereof: current | 254.6 | | | | | | | 286.2 |
| non-current | 136.5 | | | | | | | 127.0 |

| in millions of EUR | 1 January 2021 | Exchange difference | Additions due to changes in the consolidated group | Utilization | Reversal | Addition | Unwinding of the discount and changes in the discount rate | 31 December 2021 |
|---|---|---|---|---|---|---|---|---|
| Credit notes | 95.0 | 0.5 | 0.2 | 61.3 | 7.1 | 86.0 | 0.0 | 113.3 |
| Long-service bonuses | 98.6 | 0.2 | 0.1 | 0.8 | 2.5 | 1.5 | 1.2 | 98.3 |
| Warranty obligations | 22.5 | 0.0 | 0.0 | 5.3 | 1.0 | 8.2 | 0.0 | 24.4 |
| Litigation and lawyers' fees | 38.0 | 0.4 | 0.0 | 1.2 | 0.9 | 23.5 | 0.1 | 59.9 |
| Phased retirement scheme | 11.2 | 0.1 | 0.0 | 0.1 | 1.1 | 5.1 | 0.1 | 15.3 |
| Product liability | 4.4 | 0.1 | 0.0 | 1.8 | 0.7 | 2.2 | 0.0 | 4.2 |
| Sundry | 68.4 | 0.1 | 0.4 | 19.6 | 1.6 | 27.9 | 0.1 | 75.7 |
| **Total** | **338.1** | **1.4** | **0.7** | **90.1** | **14.9** | **154.4** | **1.5** | **391.1** |
| Thereof: current | 217.0 | | | | | | | 254.6 |
| non-current | 121.1 | | | | | | | 136.5 |

The provision for credit notes is primarily attributable to obligations relating to granted discounts, bonuses, etc. that are allocable to the period after the reporting date, but caused by sales prior to the reporting date. The provision for long-service bonuses contains bonuses awarded to employees who have been with the company for many years. The provision for warranty obligations largely accounts for risks from legal or constructive obligations from trade with fastening and assembly materials involving trade customers, the building industry, and industrial customers, as well as from the manufacture of screws and fittings. Other provisions relate to numerous identifiable specific risks and uncertain liabilities, which were accounted for at the amount at which they are likely to be incurred.

The cash outflow for provisions for long-service bonuses and the German phased retirement scheme ("Altersteilzeit") is mainly of a medium (two to four years) to long-term (five to 50 years) nature. In most cases, other provisions are expected to lead to a cash outflow in the next fiscal year.

### [31] Other financial liabilities

| in millions of EUR | 2022 | Thereof due within one year | 2021 | Thereof due within one year |
|---|---|---|---|---|
| Liabilities to related parties | 172.6 | 171.5 | 177.1 | 176.0 |
| Derivative liabilities | 10.8 | 10.8 | 7.5 | 7.5 |
| Liabilities from business combinations | 5.1 | 0.0 | 4.3 | 0.0 |
| Sundry financial liabilities | 570.4 | 560.8 | 513.9 | 504.0 |
| **Total** | **758.9** | **743.1** | **702.8** | **687.5** |

Sundry financial liabilities essentially include liabilities to employees, outstanding purchase invoices, and customers with credit balances.

### [32] Other liabilities

| in millions of EUR | 2022 | Thereof due within one year | 2021 | Thereof due within one year |
|---|---|---|---|---|
| Deferred income | 36.3 | 36.3 | 32.6 | 32.6 |
| Other liabilities | 625.1 | 624.9 | 578.4 | 576.8 |
| **Total** | **661.4** | **661.2** | **611.0** | **609.4** |

Liabilities relating to social security amount to EUR 94.4 million (2021: EUR 84.6 million). In addition, sundry liabilities include liabilities from other taxes of EUR 207.0 million (2021: EUR 175.6 million).

**[33] Additional disclosures on financial instruments—carrying amounts and fair values by measurement category IFRS 9**

| in millions of EUR<br>**Assets** | Measurement category under IFRS 9 | Carrying amount **31 Dec. 2022** | Fair value **31 Dec. 2022** |
|---|---|---|---|
| Financial assets | FVTPL/AC | 150.7 | 150.7 |
| Receivables from the banking business | AC | 1,360.6 | 1,360.6 |
| Trade receivables | AC | 2,819.4 | 2,819.4 |
| Other financial assets | | | |
| Derivative financial assets | FVTPL | 19.5 | 19.5 |
| Sundry financial assets | AC | 219.1 | 219.1 |
| Securities | FVTPL | 110.8 | 110.8 |
| Cash and cash equivalents | AC | 1,214.7 | 1,214.7 |
| **Equity and liabilities** | | | |
| Liabilities from the leasing business | AC | 920.7 | 920.7 |
| Liabilities from the banking business | AC | 1,419.5 | 1,419.5 |
| Trade payables | AC | 1,247.3 | 1,247.3 |
| Financial liabilities | FVTPL/AC | 2,312.1 | 2,184.9 |
| Other financial liabilities | | | |
| Liabilities to related parties | AC | 172.6 | 172.6 |
| Derivative liabilities | FVTPL | 10.8 | 10.8 |
| Liabilities from business combinations | FVTPL | 5.1 | 5.1 |
| Sundry financial liabilities | AC | 570.4 | 570.4 |
| **Thereof combined by measurement category in accordance with IFRS 9:** | | | |
| Financial assets measured at amortized cost | AC | 5,738.2 | 5,738.2 |
| Financial liabilities measured at amortized cost | AC | 6,603.2 | 6,476.0 |
| Financial assets at fair value through profit or loss | FVTPL | 156.6 | 156.6 |
| Financial liabilities at fair value through profit or loss | FVTPL | 55.4 | 55.4 |

| in millions of EUR<br>**Assets** | Measurement category under IFRS 9 | Carrying amount<br>**31 Dec. 2021** | Fair value<br>**31 Dec. 2021** |
|---|---|---|---|
| Financial assets | FVTPL/AC | 110.3 | 110.3 |
| Receivables from the banking business | AC | 1,219.5 | 1,219.5 |
| Trade receivables | AC | 2,376.2 | 2,376.2 |
| Other financial assets | | | |
| Derivative financial assets | FVTPL | 5.4 | 5.4 |
| Sundry financial assets | AC | 201.0 | 201.0 |
| Securities | FVTPL/AC | 83.8 | 83.8 |
| Cash and cash equivalents | AC | 1,216.8 | 1,216.8 |
| **Equity and liabilities** | | | |
| Liabilities from the leasing business | AC | 788.0 | 788.0 |
| Liabilities from the banking business | AC | 1,286.1 | 1,286.1 |
| Trade payables | AC | 1,091.9 | 1,091.9 |
| Financial liabilities | FVTPL/AC | 1,867.3 | 1,907.6 |
| Other financial liabilities | | | |
| Liabilities to related parties | AC | 177.1 | 177.1 |
| Derivative liabilities | FVTPL | 7.5 | 7.5 |
| Liabilities from business combinations | FVTPL | 4.3 | 4.3 |
| Sundry financial liabilities | AC | 513.9 | 513.9 |
| **Thereof combined by measurement category in accordance with IFRS 9:** | | | |
| Financial assets measured at amortized cost | AC | 5,118.1 | 5,118.1 |
| Financial liabilities measured at amortized cost | AC | 5,690.1 | 5,730.4 |
| Financial assets at fair value through profit or loss | FVTPL | 94.8 | 94.8 |
| Financial liabilities at fair value through profit or loss | FVTPL | 46.0 | 46.0 |

Measurement of the fair value of the Würth Group’s assets and liabilities by hierarchical level

| in millions of EUR | **Total 31 December 2022** | Listed price on active markets (level 1) | Material observable input parameter (level 2) | Material unobservable input parameter (level 3) |
|---|---|---|---|---|
| Financial assets | 26.3 | 0.0 | 26.3 | 0.0 |
| Derivative assets | | | | |
| Currency instruments | 4.9 | 0.0 | 4.9 | 0.0 |
| Interest instruments | 19.6 | 0.0 | 19.6 | 0.0 |
| Securities | 110.8 | 110.8 | 0.0 | 0.0 |
| **Financial assets at fair value** | **161.6** | **110.8** | **50.8** | **0.0** |
| Liabilities to non-controlling interests | 39.5 | 0.0 | 0.0 | 39.5 |
| Derivative liabilities | | | | |
| Currency instruments | 13.3 | 0.0 | 13.3 | 0.0 |
| Interest instruments | 36.1 | 0.0 | 36.1 | 0.0 |
| Liabilities from business combinations | 5.1 | 0.0 | 0.0 | 5.1 |
| **Financial liabilities at fair value** | **94.0** | **0.0** | **49.4** | **44.6** |

| in millions of EUR | **Total 31 December 2021** | Listed price on active markets (level 1) | Material observable input parameter (level 2) | Material unobservable input parameter (level 3) |
|---|---|---|---|---|
| Financial assets | 21.1 | 0.0 | 21.1 | 0.0 |
| Derivative assets | | | | |
| Currency instruments | 2.6 | 0.0 | 2.6 | 0.0 |
| Interest instruments | 9.0 | 0.0 | 9.0 | 0.0 |
| Securities | 68.5 | 68.5 | 0.0 | 0.0 |
| **Financial assets at fair value** | **101.2** | **68.5** | **32.7** | **0.0** |
| Liabilities to non-controlling interests | 34.3 | 0.0 | 0.0 | 34.3 |
| Derivative liabilities | | | | |
| Currency instruments | 18.0 | 0.0 | 18.0 | 0.0 |
| Interest instruments | 4.4 | 0.0 | 4.4 | 0.0 |
| Liabilities from business combinations | 4.3 | 0.0 | 0.0 | 4.3 |
| **Financial liabilities at fair value** | **61.0** | **0.0** | **22.4** | **38.6** |

Financial assets and liabilities not stated at fair value:

| in millions of EUR | Total 31 December 2022 | Listed price on active markets (level 1) | Material observable input parameter (level 2) |
|---|---|---|---|
| Financial assets | 124.4 | 0.0 | 124.4 |
| Receivables from the banking business | 1,360.6 | 0.0 | 1,360.6 |
| Trade receivables | 2,819.4 | 0.0 | 2,819.4 |
| Sundry financial assets | 219.1 | 0.0 | 219.1 |
| Cash and cash equivalents | 1,214.7 | 1,214.7 | 0.0 |
| **Financial assets not stated at fair value** | **5,738.2** | **1,214.7** | **4,523.5** |
| Liabilities from the leasing business | 920.7 | 0.0 | 920.7 |
| Liabilities from the banking business | 1,419.5 | 0.0 | 1,419.5 |
| Trade payables | 1,247.3 | 0.0 | 1,247.3 |
| Financial liabilities (partially excluding liabilities to other companies) | 2,272.7 | 0.0 | 2,272.7 |
| Liabilities to related parties | 172.6 | 0.0 | 172.6 |
| Sundry financial liabilities | 570.4 | 0.0 | 570.4 |
| **Financial liabilities not stated at fair value** | **6,603.2** | **0.0** | **6,603.2** |

| in millions of EUR | Total 31 December 2021 | Listed price on active markets (level 1) | Material observable input parameter (level 2) |
|---|---|---|---|
| Financial assets | 89.2 | 0.0 | 89.2 |
| Receivables from the banking business | 1,219.5 | 0.0 | 1,219.5 |
| Trade receivables | 2,376.2 | 0.0 | 2,376.2 |
| Sundry financial assets | 201.0 | 0.0 | 201.0 |
| Securities | 15.3 | 0.0 | 15.3 |
| Cash and cash equivalents | 1,216.8 | 1,216.8 | 0.0 |
| **Financial assets not stated at fair value** | **5,118.0** | **1,216.8** | **3,901.2** |
| Liabilities from the leasing business | 788.0 | 0.0 | 788.0 |
| Liabilities from the banking business | 1,286.1 | 0.0 | 1,286.1 |
| Trade payables | 1,091.9 | 0.0 | 1,091.9 |
| Financial liabilities (partially excluding liabilities to other companies) | 1,833.0 | 0.0 | 1,833.0 |
| Liabilities to related parties | 177.1 | 0.0 | 177.1 |
| Sundry financial liabilities | 513.9 | 0.0 | 513.9 |
| **Financial liabilities not stated at fair value** | **5,690.0** | **0.0** | **5,690.0** |

Additional information on the determination of fair value can be found under [4] “Financial instruments” in Section I. Other notes.

### Contractually agreed remaining terms to maturity from financial liabilities

| in millions of EUR | Carrying amounts **31 December 2022** | Cash flow < 1 year | Cash flow 1–5 years | Cash flow > 5 years |
|---|---|---|---|---|
| **Financial liabilities** | | | | |
| Bonds, liabilities to banks | 2,267.8 | 182.6 | 1,661.8 | 638.3 |
| Trade payables | 1,247.3 | 1,247.3 | 0.0 | 0.0 |
| **Derivative financial liabilities** | | | | |
| Inflows from currency derivatives | – | 624.4 | 94.8 | 0.0 |
| Outflows from currency derivatives | 13.3 | 637.7 | 102.0 | 0.0 |
| Outflows from interest rate derivatives | 36.1 | 6.2 | 25.1 | 11.0 |

| in millions of EUR | Carrying amounts **31 December 2021** | Cash flow < 1 year | Cash flow 1–5 years | Cash flow > 5 years |
|---|---|---|---|---|
| **Financial liabilities** | | | | |
| Bonds, liabilities to banks | 1,828.3 | 592.5 | 539.0 | 755.6 |
| Trade payables | 1,091.9 | 1,091.9 | 0.0 | 0.0 |
| **Derivative financial liabilities** | | | | |
| Inflows from currency derivatives | – | 831.1 | 103.0 | 0.0 |
| Outflows from currency derivatives | 18.0 | 851.9 | 108.2 | 0.0 |
| Outflows from interest rate derivatives | 4.4 | 5.7 | 9.7 | 5.7 |

## Change in liabilities from financing activities

| in millions of EUR | **1 January 2022** | Additions due to changes in the consolidated group | Cash flows | Exchange differences | New leases | Other | **31 December 2022** |
|---|---|---|---|---|---|---|---|
| Bonds > 1 year | 1,250.0 | 0.0 | 898.6 | -39.0 | 0.0 | 0.0 | 2,109.6 |
| Liabilities to banks > 1 year | 1.6 | 0.0 | 5.1 | -0.3 | 0.0 | -0.9 | 5.5 |
| Lease liabilities > 1 year | 718.6 | 1.6 | 0.0 | 5.6 | 204.7 | -202.1 | 728.4 |
| Bonds < 1 year | 499.9 | 0.0 | -499.9 | 0.0 | 0.0 | 0.0 | 0.0 |
| Liabilities to banks < 1 year | 76.9 | 0.0 | 74.7 | 0.2 | 0.0 | 1.0 | 152.8 |
| Lease liabilities < 1 year | 259.1 | 0.1 | -304.6 | 1.4 | 151.7 | 178.2 | 285.9 |
| Receivables from/liabilities to Würth-Familienstiftungen and the Würth family | 143.3 | 0.0 | 16.5 | 0.0 | 0.0 | 0.0 | 159.8 |
| **Total liabilities from financing activities** | **2,949.4** | **1.7** | **190.4** | **-32.1** | **356.4** | **-23.8** | **3,442.0** |

| in millions of EUR | **1 January 2021** | Additions due to changes in the consolidated group | Cash flows | Exchange differences | Changes in fair value | New leases | Other | **31 December 2021** |
|---|---|---|---|---|---|---|---|---|
| Bonds > 1 year | 1,752.3 | 0.0 | 0.0 | 0.0 | -2.7 | – | -499.6 | 1,250.0 |
| Liabilities to banks > 1 year | 6.5 | 7.9 | 0.2 | -0.4 | 0.0 | – | -12.6 | 1.6 |
| Lease liabilities > 1 year | 723.8 | 4.9 | 0.0 | -0.8 | 0.0 | 187.7 | -197.0 | 718.6 |
| Bonds < 1 year | 163.5 | 0.0 | -175.9 | 12.4 | 0.3 | – | 499.6 | 499.9 |
| Liabilities to banks < 1 year | 86.9 | 4.9 | -28.0 | 0.5 | 0.0 | – | 12.6 | 76.9 |
| Lease liabilities < 1 year | 249.7 | 1.8 | -287.5 | 4.5 | 0.0 | 121.5 | 169.1 | 259.1 |
| Receivables from/liabilities to Würth-Familienstiftungen and the Würth family | 80.5 | 0.0 | 62.8 | 0.0 | 0.0 | – | 0.0 | 143.3 |
| **Total liabilities from financing activities** | **3,063.2** | **19.5** | **-428.4** | **16.2** | **-2.4** | **309.2** | **-27.9** | **2,949.4** |

# I. Other notes

## [1] Commitments and contingencies

| in millions of EUR | 2022 | 2021 |
| --- | --- | --- |
| Guarantees, warranties, and collateral for third-party liabilities | 25.9 | 24.3 |

Guarantees, warranties, and collateral are due immediately upon request.

## [2] Other financial obligations

| in millions of EUR | 2022 | 2021 |
| --- | --- | --- |
| **Purchase obligations** | | |
| due within 12 months | 1,022.1 | 1,466.6 |
| due in 13 to 60 months | 1.3 | 1.1 |
| | **1,023.4** | **1,467.7** |
| **Sundry financial obligations** | | |
| due within 12 months | 103.8 | 39.6 |
| due in 13 to 60 months | 89.0 | 190.2 |
| due in more than 60 months | 4.2 | 0.0 |
| | **197.0** | **229.8** |
| **Total** | **1,220.4** | **1,697.5** |

The sundry financial obligations contain irrevocable lending commitments of Internationales Bankhaus Bodensee AG, Friedrichshafen, Germany, in the amount of EUR 135.4 million (2021: EUR 187.8 million).

## [3] Contingent liabilities

In November 2022, searches were carried out at various electrical wholesalers—including three subsidiaries of the Würth Group—as part of investigations by the German Federal Cartel Office. The searches were motivated by initial suspicions of anti-competitive agreements at wholesale level in Germany. The Würth Group immediately launched an internal investigation after the facts came to light. As the investigations are at a very early stage, no information can be provided on their outcome at present. All in all, and based on the information currently available, the Würth Group can conclude that, while the imposition of a fine by the German Federal Cartel Office in the course of the proceedings is possible in principle, it is an unlikely outcome for the subsidiaries of the Würth Group concerned.

In addition, as an international group with various areas of business, the Würth Group is exposed to many legal risks. This is especially true of risks for warranties, tax law, and other legal disputes. However, according to the assessment by the Central Management Board, no decisions are expected that would have a significant influence on the net assets of the Group. Tax field audits at Group entities have not been completed yet, and the related audit findings have not been reported yet.

## [4] Financial instruments

### Financial risk management

Through its financial activities, the Würth Group is subject to various risks that are assessed, managed, and monitored by a systematic risk management system. Details of the Group's management of market risks (exchange rates, interest rates, and securities risks), credit risks, and liquidity exposures are presented below.

### Exchange rate risks

The Würth Group is exposed to currency risks from financing and operating activities. By exchange rate risks, the Würth Group means the exposure of the assets and income disclosed resulting from exchange rate fluctuations between the transaction currency and the functional currency in each case.

As far as operations are concerned, the individual Group entities mainly carry out their activities in their own functional currency. The currency risk for the Würth Group from current operating activities is therefore classified as low. Exchange rate risks are countered by forward exchange contracts and currency options. Derivative financial instruments are used to hedge future sales and purchased goods against exchange rate risks. These are not, however, designated as hedges and are measured at fair value through profit or loss.

Regarding the presentation of market risks, IFRS 7 requires sensitivity analyses showing how profit or loss and equity would be affected by hypothetical changes in the relevant risk variables.

If the euro had depreciated (appreciated) against the following currencies by 10 percent as of 31 December 2022, the hypothetical effect on profit or loss would have been as follows:

| in millions of EUR | Hypothetical effect on profit or loss 2022 | | Hypothetical effect on profit or loss 2021 | |
|---|---|---|---|---|
| Currency | Depreciation | Appreciation | Depreciation | Appreciation |
| US dollar | 11.1 | -11.1 | 7.5 | -7.5 |
| Swiss franc | 12.9 | -12.9 | 14.6 | -14.6 |
| Pound sterling | 1.0 | -1.0 | 1.2 | -1.2 |
| Danish krone | 6.7 | -6.7 | 4.7 | -4.7 |
| Swedish krona | 2.9 | -2.9 | 4.5 | -4.5 |
| Other | 5.6 | -5.6 | -1.1 | 1.1 |

There were no changes affecting other comprehensive income.

### Interest rate risks

By interest rate risk, the Würth Group refers to the negative effects on the net assets and results of operations resulting from changes in interest rates. One of the methods used to counter this risk is to ensure that a large portion of external financing is in fixed-interest rate bonds. In addition, derivatives are used for risk management purposes (e.g., interest rate swaps).

The interest rate risk is mainly limited to the liabilities to banks with floating interest rates listed under [27] "Financial liabilities" as well as the items presented under [15] "Receivables from financial services" and under [26] "Liabilities from financial services" in Section H. Notes on the consolidated statement of financial position.

Under IFRS 7, interest rate risks are presented using sensitivity analyses. These present the effects of changes in market interest rates on interest payments, interest income and expenses, other components of profit or loss, and, if applicable, on equity.

If the market interest level had been 100 base points higher (lower) as of 31 December 2022, profit or loss would have been EUR 13.7 million lower (higher) (2021: EUR 12.6 million). The hypothetical effect on profit or loss is mainly attributable to overdraft facilities as well as receivables and liabilities from financial services. Equity would change accordingly.

There were no changes affecting other comprehensive income.

### Securities risks

The Würth Group is exposed to securities risks because of its investments. Specifically, there is a risk of financial loss due to changes in prices of (publicly traded) securities. One way of countering this risk is through diversification of the investment portfolio. When selecting bonds, a minimum rating of BBB (Standard & Poor's) is generally required. The rating development is monitored on a daily basis. If the bonds are downgraded by the rating agency, they are sold immediately. In addition, derivatives are used for risk management purposes to hedge securities risks.

### Credit risks

Credit risks are countered by limiting business relationships to first-class banks with a minimum rating of BBB (Standard & Poor's). Default risks from receivables are minimized by continuously monitoring the creditworthiness of the counterparty and by limiting the aggregated individual risks from the counterparty. Standardized master agreements from the International Swaps and Derivatives Association (ISDA master agreements), including the Credit Support Annex (CSA), are in place with those external counterparties of the Würth Group with whom it enters into transactions as part of its financial risk management.

The maximum credit risk is the carrying amount of the financial assets recognized in the statement of financial position. The credit risk from operating activities is accounted for by recognizing a portfolio-based specific allowance on trade receivables.

Additional information about credit risks may be found under [15] "Receivables from financial services" and [18] "Trade receivables" in Section H. Notes on the consolidated statement of financial position.

### Liquidity risks

The Würth Group needs liquidity to meet its financial obligations. Group entities are obliged by the Group's guidelines to deposit any excess cash not needed to meet current obligations with Würth Finance International B.V., 's-Hertogenbosch, Netherlands, or Adolf Würth GmbH & Co. KG, Künzelsau, Germany, to make it available to the Würth Group. The high international credit rating received by the Würth Group (Standard & Poor's issued an A rating on the Würth Group's non-current liabilities) means that the Group can obtain favorable terms for procuring funds on international capital markets. In order to be in a position to meet its payment obligations at any time, even in extraordinary circumstances, the Würth Group also maintains lines of credit with various banks to cover potential liquidity bottlenecks. The Group has a fixed undrawn credit line of EUR 500 million provided by a syndicate of banks until September 2027.

### Default risk

Default risk from receivables from customers is controlled on the basis of the Würth Group's guidelines, procedures, and controls for customer default management. The individual credit lines for customers are determined according to the credit rating. Outstanding receivables from customers are monitored regularly.

The impairment requirement is analyzed at each reporting date using the impairment matrix to determine the expected credit losses. The impairment rates are determined on the basis of the past-due period in days with customers grouped together with similar default patterns. The calculation includes the probability-weighted result taking into account the interest effect and appropriate and reliable information about past results, current circumstances, and expected future economic conditions available on the reporting date. The maximum default risk on the reporting date corresponds to the carrying amount of each class of financial asset reported. The impairment matrix for receivables from customers may be found under [18] "Trade receivables" in Section H. Notes on the consolidated statement of financial position.

### Capital management

The primary objective of the Würth Group's capital management is to ensure that it maintains a strong credit rating and healthy equity ratio. The Würth Group manages its capital structure taking into account changes in the economic environment. In addition, the financial service providers within the Würth Group comply with the applicable regulatory capital requirements. No changes were made to the objectives, policies, and processes as of 31 December 2022 and 31 December 2021. The equity ratio, calculated as equity in accordance with IFRS divided by total assets, is 46.0 percent (2021: 45.2 percent). This means that the equity ratio is higher than the industry average and ensures the Würth Group an investment grade A rating at present.

### Fair value of financial instruments

The fair value of the financial instruments reported under financial assets, which form part of the portfolio of financial instruments measured at fair value through profit or loss or part of financial instruments measured at amortized cost, is estimated largely by comparison with their listed market price on the reporting date.

The fair value of securities classified as financial instruments at fair value through profit or loss is determined in accordance with the valuation methods described in [22] "Securities" in Section H. Notes on the consolidated statement of financial position. The result of adjusting the fair value of financial assets at fair value through profit or loss amounted to EUR 6.1 million in the fiscal year and was recorded as an expense. In the 2021 fiscal year, there was an effect recognized in income of EUR 2.0 million. This was recorded in full in profit or loss for the period.

The fair value of forward exchange contracts is measured using the closing rates on the forward exchange markets. Interest rate swaps are measured at fair value on the basis of the present value of estimated future cash flows. The fair value of options is measured using option-pricing models. The Würth Group has a policy of obtaining confirmation of the fair value of all the above instruments from the banks that arranged the respective contracts for the Würth Group.

The financial instruments not measured at fair value within the Würth Group primarily comprise certain cash equivalents, trade receivables, other current assets, other non-current assets, trade payables, and other liabilities, overdraft facilities, non-current loans, and held-to-maturity investments.

The carrying amount of cash equivalents and overdraft facilities closely approximates fair value due to the short maturities of the financial instruments.

The historical cost carrying amount of receivables and payables subject to normal trade credit terms also closely approximates fair value.

The fair value of non-current liabilities is based on the market price for these liabilities or similar financial instruments, or on the current interest rates for borrowing at similar terms and conditions. The amounts reported in the consolidated statement of financial position are very close to their fair value or are separately stated under [33] “Additional disclosures on financial instruments—carrying amounts and fair values by measurement category IFRS 9” in Section H. Notes on the consolidated statement of financial position.

**Derivative financial instruments and hedge accounting**
As of the reporting date, the fair value of derivative financial instruments was as follows:

| in millions of EUR | Contract value or nominal value | | Positive replacement value | | Negative replacement value | |
|---|---|---|---|---|---|---|
| Type | **2022** | **2021** | **2022** | **2021** | **2022** | **2021** |
| Currency instruments | | | | | | |
| Foreign exchange forward contracts | 1,365.4 | 1,406.3 | 4.9 | 2.6 | 13.3 | 18.0 |
| Currency options (OTC) | 8.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total currency instruments** | **1,373.9** | **1,406.3** | **4.9** | **2.6** | **13.3** | **18.0** |
| Interest instruments | | | | | | |
| Interest rate swaps | 1,620.7 | 585.1 | 12.9 | 7.4 | 31.0 | 3.1 |
| Cross-currency swaps | 268.2 | 290.7 | 6.7 | 1.6 | 5.1 | 1.3 |
| Interest rate futures | 14.3 | 20.6 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total interest instruments** | **1,903.2** | **896.4** | **19.6** | **9.0** | **36.1** | **4.4** |
| **Reduction due to CSA** | | | **5.0** | **6.2** | **38.6** | **14.9** |
| Net replacement value | | | 8.7 | –2.1 | | |

As part of financial risk management, a credit support annex (CSA) was entered into. For this reason, the positive and negative replacement values of the interest instruments were all presented as a net value in the statement of financial position, i.e., after taking into account the cash settlement under the CSA.

Derivative financial instruments not designated as hedging instruments show the change in the fair value of the foreign exchange forward contracts that are not designated as hedging instruments in hedges but are nevertheless designed to reduce the currency/interest rate risk of the Würth Group.

**Cash flow hedges**
The Würth Group designates cash flow hedges as part of its strategy to reduce its interest rate and foreign currency fluctuations within defined limits and to reduce the cash flow fluctuations resulting from the exchange rate and interest rate risks of an instrument or a group of instruments. Interest rate swaps are mainly used to hedge cash flows for highly probable forecast transactions.

The following table shows the results of the hedges:

| in millions of EUR<br>**Micro cash flow hedges** | Assets<br>**2022** | Liabilities<br>**2022** | Liabilities<br>**2021** |
|---|---|---|---|
| Planned new bond 2018 EUR | 0.0 | 0.2 | 0.3 |
| Planned new bond 2020 EUR | 0.0 | 8.7 | 10.7 |
| Planned new bond 2022 EUR | 0.5 | 0.0 | 0.0 |

The micro cash flow hedge in connection with the new issue of a Würth bond in 2018 was terminated in 2018. The loss in other comprehensive income from premature termination will be recognized in profit and loss over the actual derivative term from May 2019 onward.

The micro cash flow hedge in connection with the new issue of a Würth bond in 2020 was terminated in 2020. The loss in other comprehensive income from premature termination will also be recognized in profit and loss over the actual derivative term from May 2020 onward.

The micro cash flow hedge in connection with the new issue of a Würth bond in 2022 was terminated in 2022. The profit in other comprehensive income from premature termination will also be recognized in profit and loss over the actual derivative term from May 2022 onward.

**Fair value hedges**
Fair value hedges within the Würth Group essentially consist of interest rate swaps that are used to hedge against changes in the market value of the fixed-interest Würth bond maturing in 2025.

The following table shows the results of the hedges, in particular the nominal value and book value of derivatives used by the Würth Group as hedging instruments:

| in millions of EUR<br>**Micro fair value hedges** | Nominal amount | Liabilities<br>**2022** | Assets<br>**2021** |
|---|---|---|---|
| 2025 bond EUR | 150.0 | 8.8 | 4.4 |
| 2026 bond CHF | 100.0 | 0.7 | 0.0 |
| 2030 bond EUR | 250.0 | 27.1 | 0.0 |

The following table shows the maturity and interest rate risk profile of the hedging instruments used in fair value hedges. Since the Würth Group only uses micro hedges with a ratio of 1:1 hedges, the following table effectively shows the result of the fair value hedges:

| in millions of EUR<br>**31 December 2022** | 1–5 years | > 5 years |
|---|---|---|
| Bond 2025 | 8.8 | 0.0 |
| Bond 2026 | 0.7 | 0.0 |
| Bond 2030 | 0.0 | 27.1 |

In accordance with its hedging strategy, the Würth Group adapts the principle of hedging instruments to the principle of hedged items.

If the hedging instrument expires or is sold, terminated, or exercised, or if the hedging transaction no longer meets the criteria for hedge accounting, or if the Würth Group decides to voluntarily terminate the hedging relationship, the hedging relationship is terminated prospectively. If the relationship does not meet the criteria for hedge effectiveness, the Würth Group discontinues hedge accounting from the last day on which compliance with the hedge effectiveness was demonstrated. If the hedging relationship for an item carried at amortized cost is terminated, the cumulative fair value hedge adjustment to the carrying amount of the hedged item is amortized over the remaining term of the original hedging instrument. When the hedged item is derecognized, the unamortized fair value adjustment is immediately recognized in the consolidated income statement.

### [5] Leases: The Würth Group as the lessor

The consolidated group also contains several entities that specialize in leases. These entities also have finance and operating lease agreements with external third parties. They comprise lease agreements primarily for machines, equipment, furniture, and fixtures, as well as vehicles.

#### Finance leases

| in millions of EUR | 2022 | 2021 |
|---|---|---|
| Lease installments (future minimum lease payments) | 1,127.4 | 930.4 |
| due within 12 months | 385.4 | 347.3 |
| due in 1 to 2 years | 264.0 | 214.7 |
| due in 2 to 3 years | 209.3 | 165.5 |
| due in 3 to 4 years | 146.2 | 110.3 |
| due in 4 to 5 years | 79.3 | 62.3 |
| due in more than 5 years | 43.2 | 30.3 |
| Unearned finance income | 101.8 | 69.9 |
| **Net investment in the lease** | **1,025.6** | **860.5** |
| Lease payments already sold | 372.7 | 322.0 |
| Advance payments on leased assets | 45.1 | 53.0 |
| Impairments on lease receivables | 16.7 | 11.2 |
| **Lease receivable (net)** | **1,426.7** | **1,224.3** |

The finance leases are mainly hire-purchase arrangements or full payout lease agreements with a maximum term of over 90 percent of the leased assets' estimated useful life. The contracts can only be terminated for due cause, for which the counterparty is responsible.

#### Income realized from finance leases

| in millions of EUR | 2022 | 2021 |
|---|---|---|
| Disposal gain (+)/loss (-) | 6.3 | 5.1 |
| Financial revenue on the net investment in the lease | 43.1 | 32.4 |
| Income from variable lease payments not included in the measurement of the net investment in the lease | 0.3 | 0.4 |
| **Total** | **49.7** | **37.9** |

#### Operating leases

Maturity analysis of operating leases:

| in millions of EUR | 2022 | 2021 |
|---|---|---|
| due within 12 months | 1.9 | 2.0 |
| due in 1 to 2 years | 1.6 | 1.9 |
| due in 2 to 3 years | 0.0 | 1.7 |
| **Total** | **3.5** | **5.6** |

Leasing income of EUR 2.0 million was generated from operating leases (2021: EUR 2.2 million).

Reconciliation of the carrying amount from operating leases:

| in millions of EUR | Technical equipment and machines | Other equipment, furniture, and fixtures | Total |
|---|---|---|---|
| **Cost** | | | |
| 1 January 2022 | 15.1 | 1.6 | 16.7 |
| **31 December 2022** | **15.1** | **1.6** | **16.7** |
| **Accumulated amortization and depreciation** | | | |
| 1 January 2022 | 9.5 | 0.9 | 10.4 |
| Amortization and depreciation | 1.6 | 0.1 | 1.7 |
| **31 December 2022** | **11.1** | **1.0** | **12.1** |
| **Net carrying amount of cost** | | | |
| **31 December 2022** | **4.0** | **0.6** | **4.6** |

| in millions of EUR | Technical equipment and machines | Other equipment, furniture, and fixtures | Total |
|---|---|---|---|
| **Cost** | | | |
| 1 January 2021 | 15.7 | 2.5 | 18.2 |
| Disposals | 0.6 | 0.9 | 1.5 |
| **31 December 2021** | **15.1** | **1.6** | **16.7** |
| **Accumulated amortization and depreciation** | | | |
| 1 January 2021 | 8.1 | 1.5 | 9.6 |
| Amortization and depreciation | 1.6 | 0.2 | 1.8 |
| Disposals | 0.2 | 0.8 | 1.0 |
| **31 December 2021** | **9.5** | **0.9** | **10.4** |
| **Net carrying amount of cost** | | | |
| **31 December 2021** | **5.6** | **0.7** | **6.3** |

## [6] Related parties

Basically, "related parties" are members of the Würth family and entities controlled by them, as well as key management personnel (members of the Würth Group's Central Management Board and the Executive Board), members of the Advisory Board of the Würth Group, the Management Board of Würth-Familienstiftungen, the Supervisory Board of the Würth Group, and close family members of the aforementioned groups of persons. "Related parties" also include Würth-Familienstiftungen. Related party transactions were all conducted at arm's length.

Payments of EUR 363.7 million (2021: EUR 320.3 million) were made to members of the Würth family and Würth-Familienstiftungen for distributions and usufructuary rights. Of the payments made, an amount of EUR 173.5 million (2021: EUR 169.1 million) was later recontributed.

The transactions and interest income and expenses listed below were effected between the Würth Group and the Würth family, members of the Central Management Board, the Executive Board and the Advisory Board, as well as the Supervisory Board of the Würth Group and the Management Board of Würth-Familienstiftungen.

| in millions of EUR | **2022** | **2021** |
|---|---|---|
| Purchased services | 2.9 | 4.9 |
| Services rendered | 0.3 | 0.1 |
| Interest cost | 0.1 | 0.3 |
| Lease/rental expense | 6.1 | 5.8 |
| Lease/rental income | 0.9 | 0.9 |
| Remuneration of the Management Board of Würth-Familienstiftungen, the Supervisory Board of the Würth Group, the Advisory Board of the Würth Group, members of the Würth family | 16.1 | 15.3 |

The following receivables and liabilities arose from these business relationships:

| in millions of EUR | **2022** | **2021** |
|---|---|---|
| Receivables from financial services | 13.8 | 24.0 |
| Liabilities from financial services | 6.1 | 4.6 |
| Loan liabilities | 74.0 | 82.1 |

In addition, close family members of key management personnel have the following liabilities:

| in millions of EUR | 2022 | 2021 |
|---|---|---|
| Liabilities from financial services | 0.5 | 0.5 |
| Loan liabilities | 0.8 | 12.9 |

There was also remuneration paid to family members of key management personnel amounting to EUR 0.1 million (2021: EUR 0.4 million).

The income and expenses listed below were transacted between the Würth Group and Würth-Familienstiftungen:

| in millions of EUR | 2022 | 2021 |
|---|---|---|
| Lease/rental expense | 1.0 | 1.0 |
| Interest cost | 6.5 | 5.5 |

These transactions gave rise to loan liabilities of EUR 97.8 million (2021: EUR 82.1 million).

The receivables due from and liabilities due to related parties for financial services are subject to market interest rates. All other purchased services are also rendered at market terms and conditions.

## [7] Compensation of key management personnel

| in millions of EUR | 2022 | 2021 |
|---|---|---|
| Short-term employee benefits | 49.7 | 47.8 |
| **Total** | **49.7** | **47.8** |

Individual members of the Central Management Board and the Executive Board have a right to pension benefits with a total present value of EUR 12.2 million (2021: EUR 16.7 million). Former members and their surviving dependents are also entitled to benefit payments. The present value of the resulting benefit obligations totals EUR 12.6 million (2021: EUR 16.1 million). The reduction is due to settlements of existing pension obligations.

## [8] Government grants

The table below shows government grants, which decreased in the 2022 fiscal year. In the 2021 fiscal year, they were received primarily due to the COVID-19 pandemic:

| in millions of EUR | 2022 | 2021 |
|---|---|---|
| Investment subsidies for infrastructure projects deducted from the carrying amount | 0.0 | 0.2 |
| Investment subsidies for infrastructure projects recognized immediately in profit or loss | 0.4 | 1.0 |
| Reimbursements of social security contributions due to the use of short-time work schemes | 0.0 | 0.4 |
| Wage subsidies | 0.1 | 2.8 |
| Other subsidies | 0.3 | 0.4 |
| **Total** | **0.8** | **4.8** |

## [9] Auditor’s fees

The following table shows, on aggregate, the fees incurred for the services provided by the auditor Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, Germany, in the 2022 fiscal year.

| in millions of EUR | 2022 | 2021 |
|---|---|---|
| Audit | 2.4 | 2.1 |
| Tax services | 0.1 | 0.1 |
| Other fees | 0.1 | 0.2 |
| **Total** | **2.6** | **2.4** |

**[10] Exemption from the duty of partnerships and stock corporations to prepare, audit, and disclose financial statements**

The following German Group entities organized as partnerships made use of the exemption clause according to Sec. 264b HGB for the 2022 fiscal year:

| Entity | Registered office |
|---|---|
| Abraham Diederichs GmbH & Co. oHG | Wuppertal |
| Adolf Menschel Verbindungstechnik GmbH & Co. KG | Plettenberg |
| Adolf Würth GmbH & Co. KG | Künzelsau |
| Arnold Umformtechnik GmbH & Co. KG | Forchtenberg |
| Baier & Michels GmbH & Co. KG | Ober-Ramstadt |
| Conpac GmbH & Co. KG | Celle |
| Erwin Büchele GmbH & Co. KG | Esslingen am Neckar |
| Hommel Hercules-Werkzeughandel GmbH & Co. KG | Viernheim |
| IMS-Verbindungstechnik GmbH & Co. KG | Neuenstein |
| IVT Installations- und Verbindungstechnik GmbH & Co. KG | Rohr |
| Marbet Marion & Bettina Würth GmbH & Co. KG | Schwäbisch Hall |
| Meguin GmbH & Co. KG Mineraloelwerke | Saarlouis |
| MKT Metall-Kunststoff-Technik GmbH & Co. KG | Weilerbach |
| SARTORIUS Werkzeuge GmbH & Co. KG | Ratingen |
| Siller & Laar Schrauben- Werkzeug- und Beschläge- Handel GmbH & Co. KG | Augsburg |
| Sonderschrauben Güldner GmbH & Co. KG | Niederstetten |
| SYNFIBER AS & Co. beschränkt haftende KG | Worms |

| Entity | Registered office |
|---|---|
| Teudeloff GmbH & Co. KG | Waldenburg |
| TOGE Dübel GmbH & Co. KG | Nuremberg |
| TUNAP GmbH & Co. KG | Wolfratshausen |
| UNI ELEKTRO Fachgroßhandel GmbH & Co. KG | Eschborn |
| Waldenburger Beteiligungen GmbH & Co. KG | Künzelsau |
| Werkzeugtechnik Niederstetten GmbH & Co. KG | Niederstetten |
| WLC Würth-Logistik GmbH & Co. KG | Künzelsau |
| Würth Elektrogroßhandel GmbH & Co. KG | Künzelsau |
| Würth Elektronik eiSos GmbH & Co. KG | Waldenburg |
| Würth Elektronik GmbH & Co. KG | Niedernhall |
| Würth Elektronik ICS GmbH & Co. KG | Niedernhall |
| Würth GmbH & Co. KG Grundstücksgesellschaft | Künzelsau |
| Würth Immobilien-Leasing GmbH & Co. KG | Albershausen |
| Würth Industrie Service GmbH & Co. KG | Bad Mergentheim |
| Würth IT International GmbH & Co. KG | Bad Mergentheim |
| Würth Leasing GmbH & Co. KG | Albershausen |
| Würth Modyf GmbH & Co. KG | Künzelsau |
| Würth TeleServices GmbH & Co. KG | Künzelsau |

The following German Group entities organized as corporations made use of the exemption clause according to Sec. 264 (3) HGB for the 2022 fiscal year:

| Entity | Registered office |
|---|---|
| BB-Stanz- und Umformtechnik GmbH | Berga |
| Chemofast Anchoring GmbH | Willich-Münchheide |
| Conmetall Meister GmbH | Celle |
| Deko-Light Elektronik-Vertriebs GmbH | Karlsbad |
| Dinol GmbH | Lügde |
| Dringenberg GmbH Betriebseinrichtungen | Ellhofen |
| E 3 Energie Effizienz Experten GmbH | Künzelsau |
| EKOR Tech GmbH | Potsdam |
| enfas GmbH | Karlshuld |
| EPRO GmbH | Ulm |
| Erbschloe Werkzeug Vertriebsgesellschaft mbH | Wuppertal |
| ESB Grundstücksverwaltungsgesellschaft mbH | Eschborn |
| Eurofast Germany GmbH | Schwäbisch Hall |
| FEGA & Schmitt Elektrogroßhandel GmbH | Ansbach |
| FELO-Werkzeugfabrik Holland-Letz GmbH | Neustadt |
| Flugplatz Schwäbisch Hall GmbH | Schwäbisch Hall |
| Grass GmbH | Reinheim |
| HAHN+KOLB Werkzeuge GmbH | Ludwigsburg |
| HSR GmbH Hochdruck Schlauch + Rohr Verbindungen | Neukirchen-Vluyn |
| INDUNORM Hydraulik GmbH | Neukirchen-Vluyn |
| KERONA GmbH | Öhringen |
| Kisling (Deutschland) GmbH | Künzelsau |
| KOSY Gesellschaft zur Förderung des holzverarbeitenden Handwerks mbH | Künzelsau |
| Lichtzentrale Lichtgroßhandel GmbH | Ansbach |
| Liqui Moly Gesellschaft mit beschränkter Haftung | Ulm |
| Meguin Verwaltungs-GmbH | Saarlouis |
| Meister-Werkzeuge, Werkzeugfabrik Vertriebsgesellschaft mbH | Wuppertal |
| "METAFRANC" Möbel- u. Baubeschläge Vertriebsgesellschaft mbH | Wuppertal |
| MKT Metall-Kunststoff-Technik Beteiligungsgesellschaft mbH | Weilerbach |

| Entity | Registered office |
|---|---|
| nordberliner Elektro-Großhandels-Gesellschaft mbH | Eschborn |
| Normfest GmbH | Velbert |
| Panorama Hotel- und Service GmbH | Waldenburg |
| Pronto-Werkzeuge GmbH | Wuppertal |
| RECA NORM GmbH | Kupferzell |
| Reinhold Würth Holding GmbH | Künzelsau |
| Reinhold Würth Musikstiftung gemeinnützige GmbH | Künzelsau |
| REISSER Schraubentechnik GmbH | Ingelfingen |
| Schmitt Elektrogroßhandel GmbH | Fulda |
| SCREXS GmbH | Waldenburg |
| SVH Handels-GmbH | Dortmund |
| SWG Schraubenwerk Gaisbach GmbH | Waldenburg |
| UNI ELEKTRO Handels- und Beteiligungs-GmbH | Eschborn |
| Walter Kluxen GmbH | Hamburg |
| WASI GmbH | Wuppertal |
| WLC Personal GmbH | Adelsheim |
| WOW ! Würth Online World GmbH | Künzelsau |
| WPS Beteiligungen GmbH | Künzelsau |
| WSS Würth Shared Services GmbH | Künzelsau |
| WUCATO Marketplace GmbH | Stuttgart |
| Würth Aerospace Solutions GmbH | Bad Mergentheim |
| Würth Aviation GmbH | Künzelsau |
| Würth Cloud Services GmbH | Bad Mergentheim |
| Würth Elektronik CBT International GmbH | Niedernhall |
| Würth Elektronik iBE GmbH | Thyrnau |
| Würth IT GmbH | Bad Mergentheim |
| Würth Logistic Center Europe GmbH | Künzelsau |
| Würth Logistics Deutschland GmbH | Bremen |
| Würth MODYF International GmbH | Künzelsau |
| Würth Truck Lease GmbH | Dreieich |
| Würth Versicherungsdienst GmbH | Künzelsau |

## J. Notes on the consolidated statement of cash flows

In accordance with IAS 7, the consolidated statement of cash flows shows how the Würth Group's cash has changed over the fiscal year as a result of cash received and paid. It is classified by cash flows from operating, investing, or financing activities.

The effects of acquisitions and other changes in the consolidated group have been eliminated. When purchased subsidiaries are included for the first time, only the actual cash flows are shown in the consolidated statement of cash flows. Cash and cash equivalents in the consolidated statement of cash flows consist of cash, demand deposits, and short-term investments (e.g., money market funds). The effects of acquisitions and other changes in the consolidated group on the consolidated statement of cash flows have been considered separately. Please refer to Section C. "Consolidated group."

At EUR 866.7 million, **cash flow from operating activities** was significantly lower than in the previous year due to the buildup of inventories and the increase in trade receivables (2021: EUR 1,033.9 million). Specifically, the figure for earnings before income taxes is adjusted for income tax paid, finance costs and finance revenue, interest income and expenses from operating activities, changes in post-employment benefit obligations, and non-cash amortization, depreciation, impairment and reversals of impairment on intangible assets and property, plant, and equipment.

Other non-cash income and expenses are as follows:

| in millions of EUR | 2022 | 2021 |
|---|---|---|
| Expenses from receivables that have been derecognized | 41.9 | 46.2 |
| Additions to/reversal of allowances for trade receivables | 14.4 | -3.5 |
| Expenses/income from the measurement of inventories at their net realizable value | 93.5 | 69.6 |
| Expenses/income from the elimination of intragroup profits in relation to inventories | 30.4 | 32.2 |
| Personnel expenses | 25.1 | 0.0 |
| Legal and consultancy fees | -2.2 | 20.8 |
| Other | 4.4 | 2.3 |
| **Total non-cash income (+) and expenses (–)** | **207.5** | **167.6** |

The **cash flow from investing activities** rose considerably from EUR 588.8 million to EUR 819.0 million. This also includes a certain catch-up effect from previous years.

The **cash flow from financing activities** came to EUR -42.7 million (2021: EUR -637.0 million) was significantly lower than in the previous year, as two new bonds were issued in the 2022 fiscal year, which in total significantly exceeded the redemption of a bond in 2022.

# K. List of shareholdings

## WÜRTH LINE CRAFT

| Entity | Registered office | Würth Group share in % |
|---|---|---|
| **Albania** | | |
| Würth Albania Ltd. | Tirana | 100 |
| **Argentina** | | |
| Wumet Argentina S.A. | Canuelas | 100 |
| Würth Argentina S.A. | Buenos Aires | 100 |
| **Armenia** | | |
| Würth LLC | Yerevan | 100 |
| **Australia** | | |
| Würth Australia Pty Ltd | Dandenong South | 100 |
| **Austria** | | |
| Würth Handelsgesellschaft m.b.H. | Böheimkirchen | 100 |
| **Belarus** | | |
| WurthBel FLLC | Minsk | 100 |
| **Belgium** | | |
| Würth Belux N.V. | Turnhout | 100 |
| **Bosnia and Herzegovina** | | |
| WURTH BH d.o.o. | Hadzici | 100 |
| **Brazil** | | |
| Wurth do Brasil Peças de Fixação Ltda. | Cotia | 100 |
| **Bulgaria** | | |
| Würth Bulgaria EOOD | Sofia | 100 |
| **Cambodia** | | |
| Wuerth (Cambodia) Ltd. | Phnom Penh | 100 |

| Entity | Registered office | Würth Group share in % |
|---|---|---|
| **Canada** | | |
| McFadden's Hardwood & Hardware Inc. | Oakville | 100 |
| Würth Canada Ltd., Ltée | Guelph | 100 |
| **Chile** | | |
| Würth Chile Ltda. | Santiago de Chile | 100 |
| **China** | | |
| Wuerth Master Power Tools Limited | Hong Kong | 51 |
| Wuerth (China) Co., Ltd | Shanghai | 100 |
| Wuerth (Tianjin) International Trade Co., Ltd. | Tianjin | 100 |
| Wuerth (Zhejiang) Trade Co., Ltd | Haiyan | 100 |
| Wurth Taiwan Co., Ltd. | Miaoli | 100 |
| Wuerth (Chongqing) Hardware & Tools Co., Ltd | Chongqing | 100 |
| Wuerth (Guangzhou) International Trading Co., Ltd. | Guangzhou | 100 |
| Wurth Hong Kong Co., Ltd. | Hong Kong | 100 |
| **Colombia** | | |
| Würth Colombia S.A.S. | Bogotá | 100 |
| **Costa Rica** | | |
| Würth Costa Rica, S.A. | La Uruca, San José | 100 |
| **Croatia** | | |
| Würth-Hrvatska d.o.o. | Zagreb | 100 |

## WÜRTH LINE CRAFT

| Entity | Registered office | Würth Group share in % |
|---|---|---|
| **Czech Republic** | | |
| Würth, spol. s r.o. | Neprevázka | 100 |
| Würth MASTERSERVICE CZ, spol. s r.o. | Pilsen | 100 |
| **Denmark** | | |
| Würth Danmark A/S | Kolding | 100 |
| **Dominican Republic** | | |
| Würth Dominicana S.A. | Santo Domingo | 100 |
| **Estonia** | | |
| Aktsiaselts Würth | Tallinn | 100 |
| **Finland** | | |
| Würth Oy | Riihimäki | 100 |
| **France** | | |
| Würth France SAS | Erstein | 95 |
| Würth Modyf France S.A.R.L. | Erstein | 100 |
| **Georgia** | | |
| Würth Georgia Ltd. | Tbilisi | 100 |
| **Germany** | | |
| Würth Modyf GmbH & Co. KG | Künzelsau | 100 |
| Würth MODYF International GmbH | Künzelsau | 100 |
| **Greece** | | |
| Wurth Hellas S.A. | Kryoneri, Attica | 100 |
| **Hungary** | | |
| Würth Szereléstechnika KFT | Budaörs | 100 |

| Entity | Registered office | Würth Group share in % |
|---|---|---|
| **Iceland** | | |
| Würth á Íslandi ehf. | Reykjavík | 100 |
| **India** | | |
| Wuerth India Pvt. Ltd. | Mumbai | 100 |
| **Indonesia** | | |
| Wuerth Indonesia P.T. | Tangerang | 100 |
| **Ireland** | | |
| Würth (Ireland) Limited | Limerick | 100 |
| **Israel** | | |
| Würth Israel Ltd. | Caesarea | 100 |
| **Italy** | | |
| KBlue S.r.l. | Neumarkt | 80 |
| Modyf S.r.l. | Tramin | 100 |
| Würth S.r.l. | Neumarkt | 100 |
| **Japan** | | |
| Würth Japan Co., Ltd. | Yokohama | 100 |
| **Jordan** | | |
| Wurth - Jordan Co. Ltd. | Amman | 100 |
| **Kazakhstan** | | |
| Wuerth Kazakhstan Ltd. | Almaty | 100 |
| **Kenya** | | |
| Wuerth Kenya Ltd. | Nairobi | 100 |

## WÜRTH LINE CRAFT

| Entity | Registered office | Würth Group share in % |
|---|---|---|
| **Kosovo** | | |
| Würth-Kosova Sh.p.k. | Gračanica | 100 |
| **Kyrgyzstan** | | |
| Würth Foreign Swiss Company Ltd. | Bishkek | 100 |
| **Latvia** | | |
| SIA Wurth | Riga | 100 |
| **Lebanon** | | |
| Wurth Lebanon SAL | Beirut | 100 |
| **Lithuania** | | |
| UAB Wurth Lietuva | Ukmerge | 100 |
| **Macedonia** | | |
| Wurth Makedonija DOOEL | Cucher-Sandevo | 100 |
| **Malaysia** | | |
| Wuerth (Malaysia) Sdn. Bhd. | Kuala Lumpur | 100 |
| **Malta** | | |
| Würth Limited | Zebbug | 100 |
| **Martinique** | | |
| Würth Caraïbes SARL | Ducos | 100 |
| **Mexico** | | |
| Würth México S.A. de C.V. | Morelos | 100 |
| **Moldova** | | |
| Wurth S.R.L. | Chisinau | 100 |
| **Mongolia** | | |
| Wuerth Mongolia LLC | Ulaanbaatar | 100 |
| **Montenegro** | | |
| Wurth d.o.o. Podgorica | Podgorica | 100 |

| Entity | Registered office | Würth Group share in % |
|---|---|---|
| **Namibia** | | |
| Wurth Namibia (Pty) Ltd | Windhoek | 100 |
| **Netherlands** | | |
| Würth Nederland B.V. | ’s-Hertogenbosch | 100 |
| **New Zealand** | | |
| Wurth New Zealand Ltd. | Auckland | 100 |
| **Norway** | | |
| Würth MODYF AS | Hagan | 100 |
| Würth Norge AS | Hagan | 100 |
| **Panama** | | |
| Würth Centroamérica S.A. | Panama City | 100 |
| **Peru** | | |
| Würth Perú S.A.C. | Lima | 100 |
| **Philippines** | | |
| Wuerth Philippines, Inc. | Laguna | 100 |
| **Poland** | | |
| Würth Polska Sp. z o.o. | Warsaw | 100 |
| **Portugal** | | |
| Würth (Portugal) Técnica de Montagem Lda. | Sintra | 100 |
| Würth Modyf Lda. | Sintra | 100 |
| **Romania** | | |
| Würth Romania S.R.L. | Otopeni | 100 |
| **Russia** | | |
| Wuerth-Eurasia JSC | Yekaterinburg | 100 |
| AO “WÜRTH-RUS” | Moscow | 100 |
| JSC Wurth Northwest | St. Petersburg | 100 |

## WÜRTH LINE CRAFT

| Entity | Registered office | Würth Group share in % |
|---|---|---|
| **Saudi Arabia** | | |
| Wurth Saudi Arabia LLC | Riyadh | 75 |
| **Serbia** | | |
| CRAFTER d.o.o. | Belgrade | 50 |
| Wurth d.o.o. | Belgrade | 100 |
| **Slovakia** | | |
| Hommel Hercules France, s.r.o. | Bratislava | 100 |
| Würth spol. s r.o. | Bratislava | 100 |
| **Slovenia** | | |
| Würth d.o.o. | Trzin | 100 |
| **South Africa** | | |
| Wuerth South Africa (Pty.) Ltd. | Gauteng | 100 |
| **Spain** | | |
| WÜRTH CANARIAS, S.L. | Las Palmas | 100 |
| Würth España, S.A. | Palau-solità i Plegamans | 100 |
| Würth Modyf S.A. | Palau-solità i Plegamans | 100 |
| **Sri Lanka** | | |
| Wurth Lanka (Private) Limited | Pannipitiya | 100 |
| **Sweden** | | |
| Würth Svenska AB | Örebro | 100 |
| **Switzerland** | | |
| Würth AG | Arlesheim | 100 |
| **Thailand** | | |
| Wuerth (Thailand) Company, Limited | Bangkok | 100 |
| **Türkiye** | | |
| Würth Sanayi Ürünleri Tic. Ltd. Sti. | Mimarsinan | 100 |

| Entity | Registered office | Würth Group share in % |
|---|---|---|
| **Ukraine** | | |
| Würth Ukraine Ltd. | Kiev | 100 |
| **United Arab Emirates** | | |
| Würth Gulf FZE | Dubai | 100 |
| Wurth Gulf (L.L.C.) | Dubai | 100 |
| **United Kingdom** | | |
| Wurth (Northern Ireland) Ltd. | Belfast | 100 |
| Würth U.K. Ltd. | Erith | 100 |
| **Uruguay** | | |
| Wurth del Uruguay S.A. | Barros Blancos | 100 |
| **USA** | | |
| Dakota Premium Hardwoods LLC | Waco, Texas | 100 |
| Wurth Additive Group Inc. | Greenwood, Indiana | 100 |
| Wurth Baer Supply Co. | Vernon Hills, Illinois | 100 |
| Wurth Louis and Company | Brea, California | 100 |
| Wurth USA Inc. | Ramsey, New Jersey | 100 |
| Wurth Wood Group Inc. | Charlotte, North Carolina | 100 |
| **Vietnam** | | |
| Wurth Vietnam Company Limited | Ho Chi Minh City | 100 |

## WÜRTH LINE INDUSTRY

| Entity | Registered office | Würth Group share in % |
|---|---|---|
| **Australia** | | |
| Thomas Warburton Pty. Ltd. | Dandenong South | 100 |
| **Belgium** | | |
| Würth Industry Belgium N.V. | Grâce-Hollogne | 100 |
| Würth Industry Belux S.A. | Grâce-Hollogne | 100 |
| **Brazil** | | |
| Würth SW Industry Pecas de Fixacão Ltda. | São Bernardo do Campo | 100 |
| **Canada** | | |
| Wurth Industry of Canada Ltd. | Brantford | 100 |
| **China** | | |
| WASI Tianjin Fastener Co., Ltd. | Tianjin | 100 |
| Wuerth Baier & Michels (Shanghai) Automotive Fastener Co., Ltd. | Shanghai | 100 |
| Würth Industry Service (China) Co., Ltd. | Shanghai | 100 |
| Würth Industry Service Taiwan Co., Ltd. | Miaoli County | 100 |
| **Czech Republic** | | |
| Würth Industry, spol. s r.o. | Neprevázka | 100 |
| **Denmark** | | |
| Würth Industri Danmark A/S | Kolding | 100 |
| **France** | | |
| Würth Industrie France S.A.S. | Erstein | 100 |
| **Germany** | | |
| Baier & Michels GmbH & Co. KG | Ober-Ramstadt | 100 |
| Würth Aerospace Solutions GmbH | Bad Mergentheim | 100 |
| Würth Industrie Service GmbH & Co. KG | Bad Mergentheim | 100 |

| Entity | Registered office | Würth Group share in % |
|---|---|---|
| **Hungary** | | |
| baier & michels Kft. | Alsónémedi | 100 |
| **India** | | |
| Wuerth Industrial Services India Pvt. Ltd. | Pune | 100 |
| **Italy** | | |
| Baier & Michels S.r.l. | Selvazzano Dentro | 100 |
| **Malaysia** | | |
| Wuerth Industrial Services Malaysia Sdn. Bhd. | Kuala Lumpur | 100 |
| **Mexico** | | |
| Wuerth Baier & Michels México S.A. de C.V. | Querétaro | 100 |
| Würth Industry de México S de R.L. de C.V. | San Nicolas | 100 |
| Würth McAllen Maquila Services S. de R.L. de C.V. | Reynosa | 100 |
| **Norway** | | |
| Würth Industri Norge AS | Dokka | 100 |
| **Poland** | | |
| Würth Industrie Service Polska sp. z o.o. | Bydgoszcz | 100 |
| **South Africa** | | |
| Action Bolt (Pty.) Ltd. | Durban | 100 |
| **South Korea** | | |
| Wuerth Korea Co., Ltd. | Gyeonggi-Do | 100 |
| **Spain** | | |
| Wuerth Baier & Michels España, S.A. | Sabadell | 100 |
| Würth Industria España, S.A. | Palau-solità i Plegamans | 100 |

## WÜRTH LINE INDUSTRY

| Entity | Registered office | Würth Group share in % |
|---|---|---|
| **Sweden** | | |
| Würth Industri Sverige AB | Askim | 100 |
| **Thailand** | | |
| Wuerth Industry Service (Thailand) | Bangkok | 100 |
| **Türkiye** | | |
| Würth Baier Michels Otomotiv Ltd. Sti. | Bursa | 100 |
| Würth Industrie Service Endüstriyel Hizmetler Pazarlama Limited Sirketi | Istanbul | 100 |
| **USA** | | |
| Baier & Michels USA Inc. | Greenville, South Carolina | 100 |
| Marine Fasteners Inc. | Sanford, Florida | 100 |
| Northern Safety Company, Inc. | Frankfort, New York | 100 |
| Oliver H. Van Horn Co., LLC | Metairie, Louisiana | 100 |
| ORR Safety Corporation | Louisville, Kentucky | 100 |
| Würth Industrial US, Inc. | Brooklyn Park, Minnesota | 100 |
| Wurth Construction Services, Inc. | Wilmington, Delaware | 100 |
| Wurth RevCar Fasteners, Inc. | Roanoke, Virginia | 100 |
| Wurth Snider Bolt and Screw, Inc. | Louisville, Kentucky | 100 |
| Wurth Timberline Fasteners Inc. | Commerce City, Colorado | 100 |
| **Vietnam** | | |
| Wuerth Industry Service (Vietnam) Company Limited | Ho Chi Minh City | 100 |

## ELECTRICAL WHOLESALE

| Entity | Registered office | Würth Group share in % |
|---|---|---|
| **Czech Republic** | | |
| Elfetex spol. s r.o. | Pilsen | 100 |
| **Estonia** | | |
| W.EG Eesti OÜ | Tallinn | 100 |
| **Germany** | | |
| Deko-Light Elektronik-Vertriebs GmbH | Karlsbad | 100 |
| FEGA & Schmitt Elektrogroßhandel GmbH | Ansbach | 100 |
| Lichtzentrale Lichtgroßhandel GmbH | Ansbach | 100 |
| UNI ELEKTRO Fachgroßhandel GmbH & Co. KG | Eschborn | 100 |
| Walter Kluxen GmbH | Hamburg | 100 |
| **Italy** | | |
| Blumel S.r.l. | Merano | 100 |
| MEF - S.r.l. | Florence | 100 |
| M.E.B. S.R.L. | Schio | 100 |
| **Latvia** | | |
| SIA Baltjas Elektro Sabiedriba | Riga | 100 |
| **Lithuania** | | |
| UAB Gaudre | Vilnius | 100 |
| UAB ELEKTROBALT | Vilnius | 100 |
| **Poland** | | |
| ENEXON Polska Sp. z o.o. | Poznan | 100 |
| Fega Poland Sp. z o.o. | Wrocław | 100 |
| Kaczmarek Electric S.A. | Wolsztyn | 100 |
| W.EG Polska Sp. z o.o. | Wrocław | 60 |
| **Slovakia** | | |
| HAGARD: HAL, spol. s r.o. | Nitra | 100 |
| **Spain** | | |
| Grupo Electro Stocks, S.L.U. | Sant Cugat del Vallés | 100 |

## ELECTRONICS

| Entity | Registered office | Würth Group share in % |
|---|---|---|
| **Australia** | | |
| Wurth Electronics Australia Pty. Ltd. | Footscray | 100 |
| **Austria** | | |
| Würth Elektronik Österreich GmbH | Schwechat | 100 |
| **Belgium** | | |
| Würth Elektronik België | Turnhout | 100 |
| **Bulgaria** | | |
| Würth Elektronik Bulgaria EOOD | Sofia | 100 |
| Würth Elektronik iBE BG EOOD | Belozem | 100 |
| Würth Elektronik ICS Bulgaria EOOD | Belozem | 100 |
| **China** | | |
| Midcom-Hong Kong Limited | Hong Kong | 100 |
| Nanjing enfas Technology Co, Ltd | Nanjing | 15 |
| Wuerth Electronic Tianjin Co., Ltd. | Tianjin | 100 |
| Wurth Electronics Co., Ltd. | Taipei | 100 |
| Wurth Electronics (Chongqing) Co., Ltd. | Chongqing | 100 |
| Wurth Electronics (HK) Limited | Hong Kong | 100 |
| Wurth Electronics (Shenyang) Co., Ltd. | Shenyang | 100 |
| Wurth Electronics (Shenzhen) Co., Ltd. | Shenzhen | 100 |
| **Czech Republic** | | |
| Würth Elektronik eiSos Czech s.r.o. | Brünn | 100 |
| Würth Elektronik IBE CZ s.r.o. | Budweis | 100 |
| **Finland** | | |
| Würth Elektronik Oy | Nurmijärvi | 100 |
| **France** | | |
| Würth Elektronik France SAS | Jonage | 100 |
| **Germany** | | |
| EKOR Tech GmbH | Potsdam | 100 |
| enfas GmbH | Karlshuld | 100 |
| Erwin Büchele GmbH & Co. KG | Esslingen am Neckar | 100 |
| Würth Elektronik CBT International GmbH | Niedernhall | 100 |

| Entity | Registered office | Würth Group share in % |
|---|---|---|
| **Germany** | | |
| Würth Elektronik GmbH & Co. KG | Niedernhall | 94 |
| Würth Elektronik eiSos GmbH & Co. KG | Waldenburg | 100 |
| Würth Elektronik iBE GmbH | Thyrnau | 100 |
| Würth Elektronik ICS GmbH & Co. KG | Niedernhall | 100 |
| **Hungary** | | |
| Würth Elektronik Hungary Kft. | Budapest | 100 |
| **India** | | |
| Wuerth Elektronik CBT India Private Limited | Mysore | 100 |
| Wuerth Elektronik India Pvt Ltd | Mysuru | 100 |
| Wurth Electronics Services India Private Limited | Bangalore | 100 |
| **Israel** | | |
| Würth Elektronik Israel LTD | Caesarea | 100 |
| **Italy** | | |
| Wuerth Elektronik ICS Italia S.r.l. | San Giovanni Lupatoto | 100 |
| Wuerth Elektronik Italia S.r.l. | Vimercate | 100 |
| Wuerth Elektronik Stelvio Kontek S.p.A. | Oggiono | 100 |
| **Japan** | | |
| Wurth Electronics Japan Co., Ltd. | Yokohama | 100 |
| **Lithuania** | | |
| Wurth Elektronik Lietuva UAB | Vilnius | 100 |
| **Malaysia** | | |
| Wurth Electronics Malaysia Sdn. Bhd. | Kuala Lumpur | 100 |
| **Mauritius** | | |
| Wurth Electronics Midcom International Holdings (Mauritius) LTD | Ebene | 100 |
| **Mexico** | | |
| Würth Elektronik Mexico S.A. de C.V. | Irapuato | 100 |
| **Netherlands** | | |
| Würth Elektronik Nederland B.V. | ’s-Hertogenbosch | 100 |

## ELECTRONICS

| Entity | Registered office | Würth Group share in % |
|---|---|---|
| **Poland** | | |
| Würth Elektronik Polska sp. z o.o. | Wrocław | 100 |
| **Romania** | | |
| sc STM Elettromeccanica S.R.L. | Blaj | 100 |
| Würth Elektronik România S.R.L. | Bucharest | 100 |
| **Russia** | | |
| Würth Elektronik RUS OOO | Moscow | 100 |
| **Singapore** | | |
| Wurth Electronics Singapore Pte. Ltd. | Singapore | 100 |
| **Slovenia** | | |
| Würth Elektronik eiSos, izdelava in prodaja elektronskih ter elektromehanskih komponent d.o.o. | Trbovlje | 100 |
| **South Korea** | | |
| Wurth Electronics Korea Ltd. | Seoul | 100 |
| **Spain** | | |
| Würth Elektronik España, S.L. | Barcelona | 100 |
| **Sweden** | | |
| Würth Elektronik Sweden AB | Enköping | 100 |
| **Switzerland** | | |
| Würth Elektronik (Schweiz) AG | Volketswil | 100 |
| **Türkiye** | | |
| Würth Elektronik Ithalat Ihracat ve Ticaret Ltd. Sti. | Ümraniye | 100 |
| **United Kingdom** | | |
| IQD Frequency Products Limited | Crewkerne | 100 |
| Würth Electronics UK Ltd. | Manchester | 100 |
| **USA** | | |
| IQD Frequency Products Inc. | Palm Springs, California | 100 |
| Wurth Electronics ICS, Inc. | Dayton, Ohio | 100 |
| Wurth Electronics Midcom Inc. | Watertown, South Dakota | 100 |

Re. (1): Entity also operates in the Trade segment.

## PRODUCTION

| Entity | Registered office | Würth Group share in % |
|---|---|---|
| **Australia** | | |
| Grass Australia/New Zealand Pty Ltd. | Coburg | 100 |
| **Austria** | | |
| Grass GmbH | Höchst | 100 |
| Schmid Schrauben Hainfeld GmbH | Hainfeld | 100 |
| **Canada** | | |
| Grass Canada Inc. | Toronto | 100 |
| **China** | | |
| Arnold Fasteners (Shenyang) Co., Ltd. | Shenyang | 100 |
| Grass (Shanghai) International Trading Co., Ltd. | Shanghai | 100 |
| **Czech Republic** | | |
| GRASS CZECH s.r.o. | Cesky Krumlov | 100 |
| **Denmark** | | |
| Dokka Fasteners A/S | Brande | 100 |
| **France** | | |
| Arnold Technique France SAS | Salaise-sur-Sanne | 100 |
| **Germany** | | |
| Adolf Menschel Verbindungstechnik GmbH & Co. KG | Plettenberg | 100 |
| Arnold Umformtechnik GmbH & Co. KG | Forchtenberg | 100 |
| BB-Stanz- und Umformtechnik GmbH | Berga | 100 |
| Chemofast Anchoring GmbH | Willich-Münchheide | 100 |
| Dringenberg GmbH Betriebseinrichtungen | Ellhofen | 100 |
| Emil Nickisch GmbH | Burscheid | 51 |
| FELO-Werkzeugfabrik GmbH | Neustadt | 100 |
| Grass GmbH | Reinheim | 100 |
| MKT Metall-Kunststoff-Technik GmbH & Co. KG | Weilerbach | 100 |
| REISSER Schraubentechnik GmbH | Ingelfingen | 100 |
| SWG Schraubenwerk Gaisbach GmbH (1) | Waldenburg | 100 |
| TOGE Dübel GmbH & Co. KG | Nuremberg | 100 |
| Werkzeugtechnik Niederstetten GmbH & Co. KG | Niederstetten | 100 |

## PRODUCTION

| Entity | Registered office | Würth Group share in % |
|---|---|---|
| **Hungary** | | |
| Felo Szerszámgyár Kft. | Eger | 100 |
| **Italy** | | |
| Grass Italia S.r.l. | Pordenone | 100 |
| **Lithuania** | | |
| UAB Dokka Fasteners Lithuania | Klaipeda | 100 |
| **Norway** | | |
| Dokka Fasteners AS | Dokka | 100 |
| **Poland** | | |
| Dringenberg Polska Sp. z o.o. | Zagan | 100 |
| **South Africa** | | |
| Grass ZA (Pty.) Ltd. | Montague Gardens | 100 |
| **Spain** | | |
| Grass Iberia, S.A. | Iurreta | 100 |
| **Sweden** | | |
| Grass Nordiska AB | Jönköping | 100 |
| **Switzerland** | | |
| KMT Kunststoff- und Metallteile AG | Hinwil | 100 |
| **Türkiye** | | |
| Grass TR Mobilya Aksesuarlari Ticaret Limited Sirketi | Istanbul | 100 |
| **United Kingdom** | | |
| Grass Movement Systems Ltd | West Bromwich | 100 |
| Tooling International Ltd. | Solihull | 100 |
| **USA** | | |
| Arnold Fastening Systems, Inc. | Auburn Hills, Michigan | 100 |
| Chemofast USA, Inc. | Wilmington, Delaware | 100 |
| Grass America, Inc. | Kernersville, North Carolina | 100 |
| MKT Fastening L.L.C. | Lonoke, Arkansas | 100 |

## RECA GROUP

| Entity | Registered office | Würth Group share in % |
|---|---|---|
| **Austria** | | |
| Kellner & Kunz AG | Wels | 100 |
| **Belgium** | | |
| Reca Belux S.A./N.V. | Schaerbeek | 100 |
| **Bosnia and Herzegovina** | | |
| RECA d.o.o. Sarajevo | Sarajevo | 100 |
| **Bulgaria** | | |
| Reca Bulgaria EOOD | Sofia | 100 |
| **Croatia** | | |
| reca d.o.o. | Varazdin | 100 |
| **Czech Republic** | | |
| Normfest, s.r.o. | Prague | 90 |
| reca spol. s r.o. | Brünn | 100 |
| **France** | | |
| Reca France SAS | Reichstett | 75 |
| **Germany** | | |
| Normfest GmbH | Velbert | 100 |
| RECA NORM GmbH | Kupferzell | 100 |
| Siller & Laar Schrauben- Werkzeug- und Beschläge- Handel GmbH & Co. KG | Augsburg | 100 |
| **Hungary** | | |
| Reca KFT | Budapest | 100 |
| **Italy** | | |
| FIME S.r.l. | Belfiore | 100 |
| Reca Italia S.r.l. | Gazzolo d'Arcole | 100 |
| SCAR S.r.l. | Bussolengo | 100 |
| **Netherlands** | | |
| STEENKIST RECA Nederland B.V. | Eindhoven | 100 |

## RECA GROUP

| Entity | Registered office | Würth Group share in % |
|---|---|---|
| **Poland** | | |
| Normfest Polska Sp. z o.o. | Poznan | 100 |
| reca Polska Sp. z o.o. | Wegrzce | 100 |
| **Romania** | | |
| Reca Bucuresti S.R.L. | Bucharest | 100 |
| **Serbia** | | |
| reca d.o.o. Beograd | Belgrade | 100 |
| **Slovakia** | | |
| reca Slovensko s.r.o. | Bratislava | 100 |
| **Slovenia** | | |
| Reca d.o.o. | Pesnica pri Mariboru | 100 |
| **Spain** | | |
| reca Hispania S.A.U. | Paterna | 100 |
| Walter Martínez S. A. | Zaragoza | 100 |
| **Switzerland** | | |
| Airproduct AG | Oberwil-Lieli | 100 |
| Reca AG | Samstagern | 100 |
| **United Kingdom** | | |
| reca-uk ltd | West Bromwich | 100 |

## CHEMICALS

| Entity | Registered office | Würth Group share in % |
|---|---|---|
| **Austria** | | |
| LIQUI MOLY Austria GmbH | Dornbirn | 100 |
| TUNAP Cosmetics Liegenschaften GmbH | Kematen in Tirol | 51 |
| TUNAP chemisch-technische Produkte Produktions- und Handelsgesellschaft m.b.H. | Böheimkirchen | 67 |
| **Australia** | | |
| LIQUI MOLY AUSTRALIA PTY LIMITED | Sydney | 100 |
| **Belgium** | | |
| Tunap Benelux nv | Lokeren | 100 |
| **Brazil** | | |
| AP Winner Indústria e Comércio de Produtos Químicos Ltda. | Ponta Grossa | 100 |
| TUNAP do Brasil Comércio de Produtos Químicos Ltda. | São Paulo | 67 |
| **China** | | |
| AP Winner (Changzhou) Chemical Technology Co., Ltd. | Changzhou | 100 |
| Tunap (Shanghai) International Trading Co., Ltd. | Shanghai | 67 |
| **Denmark** | | |
| TUNAP Danmark ApS | Rødekro | 67 |
| **France** | | |
| LM FRANCE SAS | Sarreguemines | 100 |
| Tunap France SAS | Altorf | 67 |
| **Germany** | | |
| Dinol GmbH | Lügde | 100 |
| EPRO GmbH | Ulm | 100 |
| Kisling (Deutschland) GmbH | Künzelsau | 100 |
| Liqui Moly Gesellschaft mit beschränkter Haftung | Ulm | 100 |
| Meguin GmbH & Co. KG Mineraloelwerke | Saarlouis | 100 |
| Momper Auto-Chemie GmbH | Vöhringen | 100 |
| TUNAP GmbH & Co. KG | Wolfratshausen | 51 |
| TUNAP Sports GmbH | Wolfratshausen | 100 |

## CHEMICALS

| Entity | Registered office | Würth Group share in % |
|---|---|---|
| **Italy** | | |
| LIQUI MOLY ITALIA S.r.l. | Milan | 100 |
| Tunap Italia S.r.l. | Terlano | 67 |
| **Netherlands** | | |
| Diffutherm B.V. | Hapert | 100 |
| **Norway** | | |
| Tunap Norge AS | Hagan | 67 |
| **Poland** | | |
| TUNAP Polska Sp. z o.o. | Nowy Dwor Mazowiecki | 67 |
| **Portugal** | | |
| LIQUI-MOLY IBÉRIA, UNIPESSOAL, LDA | Sintra | 100 |
| **Russia** | | |
| TUNAP Russia OOO | Moscow | 67 |
| **South Africa** | | |
| LIQUI MOLY SOUTH AFRICA (PTY) LTD | Randburg | 100 |
| **Spain** | | |
| Tunap Productos Quimicos S.A. | Barcelona | 67 |
| **Sweden** | | |
| Tunap Sverige AB | Jönköping | 67 |
| **Switzerland** | | |
| Kisling AG | Wetzikon | 100 |
| TUNAP AG | Märstetten | 51 |
| **Türkiye** | | |
| Tunap Kimyasal Ürünler Pazarlama Ltd. Sti. | Istanbul | 67 |
| **United Kingdom** | | |
| LIQUI MOLY UK Limited | Purley | 100 |
| Tunap (UK) Limited | Tonbridge | 67 |
| **USA** | | |
| Dinol U.S. Inc. | Wilmington, Delaware | 100 |
| Liqui Moly USA, Inc. | Hauppauge, New York | 100 |

## TRADE

| Entity | Registered office | Würth Group share in % |
|---|---|---|
| **Belgium** | | |
| CONMETALL N.V. | Mechelen | 100 |
| Duvimex Belgium BvbA | Edegem | 100 |
| **China** | | |
| DIY Products Asia Ltd. | Hong Kong | 100 |
| Meister Tools Trading (Shanghai) Co., Ltd. | Shanghai | 100 |
| **Czech Republic** | | |
| CONMETALL spol. s r.o. | Opava | 100 |
| **France** | | |
| Meister France S.A.S. | Strasbourg | 100 |
| SWG France SARL | Forbach | 100 |
| **Germany** | | |
| Conmetall Meister GmbH | Celle | 100 |
| Conpac GmbH & Co. KG | Celle | 100 |
| Eurofast Germany GmbH | Schwäbisch Hall | 100 |
| IMS-Verbindungstechnik GmbH & Co. KG | Neuenstein | 100 |
| IVT Installations- und Verbindungstechnik GmbH & Co. KG | Rohr | 100 |
| KERONA GmbH | Öhringen | 100 |
| Teudeloff GmbH & Co. KG | Waldenburg | 100 |

## TRADE

| Entity | Registered office | Würth Group share in % |
|---|---|---|
| **Hungary** | | |
| REISSER Csavar Kft | Szár | 100 |
| Van Roij Fasteners Hungaria Kft. | Dunaharaszti | 100 |
| **Italy** | | |
| Masidef S.r.l. | Caronno Pertusella | 100 |
| Unifix SWG S.r.l. | Terlano | 100 |
| **Netherlands** | | |
| Van Roij Fasteners Europe B.V. | Deurne | 100 |
| **Poland** | | |
| Eurofast Poland sp. z o.o. | Stawiguda | 100 |
| REISSER-POL Sp. z o.o. | Poznan | 100 |
| **Romania** | | |
| REISSER TEHNIC S.R.L. Filiala Romania | Cluj Napoca | 100 |
| **Spain** | | |
| Reisser Tornillería SLU | Barcelona | 100 |
| RUC Holding Conmetall S.A. | Barcelona | 100 |
| **Switzerland** | | |
| Würth MODYF AG | Arlesheim | 100 |

## TOOLS

| Entity | Registered office | Würth Group share in % |
|---|---|---|
| **Austria** | | |
| Hommel & Seitz GmbH | Vienna | 100 |
| Metzler GmbH & Co. KG | Röthis | 100 |
| **Bulgaria** | | |
| Hahn i Kolb Instrumenti EOOD | Sofia | 100 |
| **China** | | |
| HAHN + KOLB (Tianjin) International Trade Co., Ltd. | Tianjin | 100 |
| **Czech Republic** | | |
| HHW-Hommel Hercules Werkzeughandel CZ/SK s.r.o. | Prague | 100 |
| **Germany** | | |
| HAHN + KOLB Werkzeuge GmbH | Ludwigsburg | 100 |
| Hommel Hercules-Werkzeughandel GmbH & Co. KG | Viernheim | 100 |
| SARTORIUS Werkzeuge GmbH & Co. KG | Ratingen | 100 |
| SVH Handels-GmbH | Dortmund | 100 |
| **Hungary** | | |
| HAHN + KOLB Hungaria Kft. | Budapest | 100 |
| **India** | | |
| HAHN+KOLB Tools Pvt. Ltd. | Pune | 100 |

## TOOLS

| Entity | Registered office | Würth Group share in % |
|---|---|---|
| **Mexico** | | |
| HAHN+KOLB Mexico, S. de R.L. de C.V. | Puebla | 100 |
| **Poland** | | |
| HAHN + KOLB POLSKA Sp. z o.o. | Poznan | 100 |
| HHW Hommel Hercules PL Sp. z o.o. | Chorzów | 100 |
| **Romania** | | |
| HAHN + KOLB ROMANIA S.R.L. | Otopeni | 100 |
| **Russia** | | |
| OOO "Hahn + Kolb" | Moscow | 100 |
| **Serbia** | | |
| HAHN + KOLB DOO | Belgrade | 100 |
| **Türkiye** | | |
| HAHN KOLB Endüstri Ürünleri Tic. Ltd. Sti | Istanbul | 100 |

## SCREWS AND STANDARD PARTS

| Entity | Registered office | Würth Group share in % |
|---|---|---|
| **Australia** | | |
| James Glen Pty Ltd | Lidcombe | 100 |
| **Austria** | | |
| C.I.C.M.P. Vertriebs-GmbH | Kirchberg-Thening | 100 |
| **Belgium** | | |
| HSR Belgium S.A./N.V. | Antwerp | 100 |
| **Bulgaria** | | |
| Wasi Bulgarien EOOD | Sofia | 100 |
| **Croatia** | | |
| WASI d.o.o. | Zagreb | 100 |
| **Estonia** | | |
| Ferrometal Baltic OÜ | Tallinn | 100 |
| **Finland** | | |
| Ferrometal Oy | Nurmijärvi | 100 |
| **France** | | |
| INTER-INOX Sarl | Meyzieu | 100 |

## SCREWS AND STANDARD PARTS

| Entity | Registered office | Würth Group share in % |
|---|---|---|
| **Germany** | | |
| HSR GmbH Hochdruck Schlauch + Rohr Verbindungen | Neukirchen-Vluyn | 100 |
| INDUNORM Hydraulik GmbH | Neukirchen-Vluyn | 100 |
| Sonderschrauben Güldner GmbH & Co. KG | Niederstetten | 100 |
| WASI GmbH | Wuppertal | 100 |
| **Greece** | | |
| Inox Mare Hellas SA | Kalochori | 100 |
| **Italy** | | |
| HSR Italia S.r.l. | Verona | 100 |
| Inox Mare S.r.l. | Rimini | 100 |
| Inox Tirrenica S.r.l. | Fiumicino | 100 |
| Spinelli S.r.l. | Terlano | 100 |
| **Serbia** | | |
| WASI d.o.o. | Belgrade | 100 |
| **Türkiye** | | |
| Inox Ege Metal Ürünleri Dis Ticaret Limited Sirketi | Beylikdüzü | 100 |

## FINANCIAL SERVICES

| Entity | Registered office | Würth Group share in % |
|---|---|---|
| **Austria** | | |
| Würth Leasing GmbH | Vienna | 100 |
| **Denmark** | | |
| Würth Leasing Danmark A/S | Kolding | 100 |
| **Germany** | | |
| Internationales Bankhaus Bodensee AG | Friedrichshafen | 94 |
| Waldenburger Versicherung AG | Künzelsau | 100 |
| Würth Immobilien-Leasing GmbH & Co. KG | Albershausen | 100 |
| Würth Leasing GmbH & Co. KG | Albershausen | 100 |
| Würth Truck Lease GmbH | Dreieich | 100 |
| Würth Versicherungsdienst GmbH | Künzelsau | 100 |
| **Luxembourg** | | |
| Würth Reinsurance Company, S.A. | Luxembourg | 100 |
| **Netherlands** | | |
| Würth Finance International B.V. | 's-Hertogenbosch | 100 |
| **Switzerland** | | |
| Würth Financial Services AG | Rorschach | 100 |
| Würth Invest AG | Chur | 100 |
| Würth Leasing AG | Dietikon | 100 |
| **USA** | | |
| RC Insurance Corp., Inc. | Ramsey, New Jersey | 100 |

## IT SERVICE AND HOLDING COMPANIES

| Entity | Registered office | Würth Group share in % |
|---|---|---|
| **Austria** | | |
| Würth Leasing International Holding GmbH | Böheimkirchen | 100 |
| RuC Holding GmbH | Böheimkirchen | 100 |
| **China** | | |
| Wuerth (China) Holding Co., Ltd. | Shanghai | 100 |
| Wuerth Information Technology (Shanghai) Co., Ltd. | Shanghai | 100 |
| **Germany** | | |
| Reinhold Würth Holding GmbH | Künzelsau | 100 |
| UNI ELEKTRO Handels- und Beteiligungs-GmbH | Eschborn | 100 |
| WABCOWÜRTH Workshop Services GmbH | Künzelsau | 50 |
| WOW ! Würth Online World GmbH | Künzelsau | 100 |
| Würth IT GmbH | Bad Mergentheim | 100 |
| Würth IT International GmbH & Co. KG | Bad Mergentheim | 100 |
| **India** | | |
| Wurth Information Technology India Private Limited | Pune | 100 |
| **Italy** | | |
| W.EG Italia S.r.l. | Tramin | 100 |
| Wuerth Phoenix S.r.l. | Bolzano | 100 |

| Entity | Registered office | Würth Group share in % |
|---|---|---|
| **Sweden** | | |
| Autocom Diagnostic Partner AB | Trollhättan | 100 |
| **Switzerland** | | |
| Würth Elektronik International AG | Chur | 100 |
| Würth International AG | Chur | 100 |
| Würth ITensis AG | Chur | 100 |
| Würth Management AG | Rorschach | 100 |
| **United Kingdom** | | |
| IQD Group Limited | Crewkerne | 100 |
| IQD Holdings Limited | Crewkerne | 100 |
| Wurth Holding UK Ltd | Kent | 100 |
| **USA** | | |
| Wurth Electronics Inc. | Ramsey, New Jersey | 100 |
| Wurth Group of North America Inc. | Ramsey, New Jersey | 100 |
| Wurth Industry North America LLC | Ramsey, New Jersey | 100 |
| Wurth IT USA Inc. | Ramsey, New Jersey | 100 |
| Würth Wood-Division Holding LLC | Ramsey, New Jersey | 100 |

DIVERSIFICATION

| Entity | Registered office | Würth Group share in % |
|---|---|---|
| **China** | | |
| Wuerth International Trading (Shanghai) Co., Ltd. | Shanghai | 100 |
| **Germany** | | |
| EOS KSI Forderungsmanagement GmbH & Co. KG | Künzelsau | 50 |
| Flugplatz Schwäbisch Hall GmbH | Schwäbisch Hall | 100 |
| Marbet Marion & Bettina Würth GmbH & Co. KG | Schwäbisch Hall | 100 |
| Panorama Hotel- und Service GmbH | Waldenburg | 100 |
| Reinhold Würth Musikstiftung gemeinnützige GmbH | Künzelsau | 100 |
| WLC Personal GmbH | Adelsheim | 100 |
| WLC Würth-Logistik GmbH & Co. KG | Künzelsau | 100 |
| WSS Würth Shared Services GmbH | Künzelsau | 100 |
| WUCATO Marketplace GmbH | Stuttgart | 100 |
| Würth Aviation GmbH | Künzelsau | 100 |
| Würth Cloud Services GmbH | Bad Mergentheim | 100 |
| Würth Logistics Deutschland GmbH | Bremen | 100 |
| Würth TeleServices GmbH & Co. KG | Künzelsau | 100 |

| Entity | Registered office | Würth Group share in % |
|---|---|---|
| **Malaysia** | | |
| Wurth Logistics Asia-Pacific Sdn. Bhd. | Kuala Lumpur | 100 |
| **Singapore** | | |
| Wurth International Trading (Singapore) Pte. Ltd. | Singapore | 100 |
| **Slovakia** | | |
| Würth International Trading s. r. o. | Bratislava | 100 |
| **Spain** | | |
| FINCA INTERMINABLE, S.L. | Maspalomas | 100 |
| marbet Viajes Espana S.A. | Barcelona | 100 |
| **Switzerland** | | |
| Würth Logistics AG | Rorschach | 100 |
| **USA** | | |
| Wurth International Trading America, Inc. | Ramsey, New Jersey | 100 |
| Wurth Logistics USA Inc. | Greenwood, Indiana | 100 |

## OTHER ENTITIES

| Entity | Registered office | Würth Group share in % |
|---|---|---|
| **Australia** | | |
| EDL Fasteners Pty. Ltd. | Eastern Creek | 100 |
| **Austria** | | |
| Metzler GmbH | Röthis | 100 |
| **Belgium** | | |
| MinDCet NV | Leuven | 46 |
| Würth België N.V. | Turnhout | 100 |
| **Bulgaria** | | |
| Meister Bulgaria | Sofia | 100 |
| **China** | | |
| GQ Electronics Co. Ltd | Hong Kong | 36 |
| **Germany** | | |
| Abraham Diederichs GmbH & Co. oHG | Wuppertal | 100 |
| CAMPTON Diagnostics GmbH | Itzehoe | 30 |
| E 3 Energie Effizienz Experten GmbH | Künzelsau | 100 |
| Erbschloe Werkzeug Vertriebsgesellschaft mbH | Wuppertal | 100 |
| ESB Grundstücksverwaltungsgesellschaft mbH | Eschborn | 100 |
| EuroSun GmbH | Freiburg im Breisgau | 45 |
| FANDUS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Willich KG | Pullach im Isartal | 94 |
| Grundstücksgesellschaft Berlin Chemnitz Erfurt GbR | Künzelsau | 49 |
| Grundstücksgesellschaft Cottbus Magdeburg GbR | Künzelsau | 49 |
| hfcon GmbH & Co. KG | Künzelsau | 50 |

| Entity | Registered office | Würth Group share in % |
|---|---|---|
| **Germany** | | |
| KOSY Gesellschaft zur Förderung des holzverarbeitenden Handwerks mbH | Künzelsau | 100 |
| Meguin Verwaltungs-GmbH | Saarlouis | 100 |
| Meister-Werkzeuge, Werkzeugfabrik Vertriebsgesellschaft mbH | Wuppertal | 100 |
| "METAFRANC" Möbel- u. Baubeschläge Vertriebsgesellschaft mbH | Wuppertal | 100 |
| MKT Metall-Kunststoff-Technik Beteiligungs-gesellschaft mbH | Weilerbach | 100 |
| nordberliner Elektro-Großhandels-Gesellschaft mbH | Eschborn | 100 |
| pepper motion GmbH | Denkendorf | 2 |
| Pronto-Werkzeuge GmbH | Wuppertal | 100 |
| Schmitt Elektrogroßhandel GmbH | Fulda | 100 |
| SCREXS GmbH | Waldenburg | 100 |
| SYNFIBER AS & Co. beschränkt haftende KG | Worms | 100 |
| TUNAP Deutschland Vertriebs - GmbH | Wolfratshausen | 51 |
| TUNAP Industrie Chemie GmbH | Wolfratshausen | 100 |
| WPS Beteiligungen GmbH | Künzelsau | 100 |
| Würth GmbH & Co. KG Grundstücksgesellschaft | Künzelsau | 100 |
| Würth Logistic Center Europe GmbH | Künzelsau | 100 |
| Würth Montagetechnik GmbH | Dresden | 100 |

## OTHER ENTITIES

| Entity | Registered office | Würth Group share in % |
|---|---|---|
| **Indonesia** | | |
| PT. TUNAP INDONESIA | Jakarta | 67 |
| **Iran** | | |
| Würth Teheran Ltd. | Tehran | 100 |
| **Luxembourg** | | |
| ZEBRA S.A. (2) | Luxembourg | 0 |
| **Mexico** | | |
| Würth Service Supply de Mexico | Mexicali | 100 |
| **Morocco** | | |
| Würth Maroc SARL | Casablanca | 100 |
| **Pakistan** | | |
| Würth Pakistan (Private) Limited | Karachi | 100 |
| **Singapore** | | |
| TUNAP Asia-Pacific Pte. Ltd. | Singapore | 67 |
| **South Korea** | | |
| SST Co. Ltd. | Anyang | 15 |

| Entity | Registered office | Würth Group share in % |
|---|---|---|
| **Spain** | | |
| ISA EOLICAS S.L. | Madrid | 100 |
| **United Kingdom** | | |
| Anchorfast Limited | Wednesbury | 100 |
| Winzer Würth Industrial Ltd. | Erith | 100 |
| **USA** | | |
| Lubro Moly of America, Inc. | Los Angeles, California | 100 |
| R. W. Ramsey Realty Corporation | Ramsey, New Jersey | 100 |
| Session Solar USA, Inc. | Ramsey, New Jersey | 100 |

Re. (2): Inclusion based on the right to variable returns generated by the company and the ability to direct the main activities that significantly affect the company's returns.

## L. The boards

### Advisory Board

The Advisory Board is the highest-ranking supervisory and control body within the Würth Group. It advises on strategy and approves corporate planning, as well as the use of funds. It appoints the members of the Central Management Board, the Executive Board, and the managing directors of the companies that generate the most sales.

**Bettina Würth**
Chairwoman of the Advisory Board
of the Würth Group

**Dr. Frank Heinricht**
Deputy Chairman of the Advisory Board
of the Würth Group
Chairman of the Management Board
of Schott AG, Mainz

**Peter Edelmann**
Managing Partner
of Edelmann & Company, Ulm

**Dr. Ralph Heck**
Director emeritus at
McKinsey & Company, Düsseldorf
Chairman of the Bertelsmann Stiftung
Executive Board, Gütersloh
Deputy Chairman of the Supervisory Board
of Klöckner & Co SE, Duisburg

**Wolfgang Kirsch**
Chairman of the Supervisory Board
of Fresenius SE & Co. KGaA,
Bad Homburg v. d. Höhe
Former Chief Executive Officer
of DZ BANK AG, Frankfurt/Main

**Hans-Otto Schrader**
Chairman of the Supervisory Board
of Otto AG für Beteiligungen, Hamburg

**Markus Sontheimer**
Chief Information and Digital Officer
of ISS A/S, Søborg, Denmark

**Dr. Martin H. Sorg**
Certified Public Accountant and Partner
of Binz & Partner Rechtsanwälte Steuerberater
Wirtschaftsprüfer mbB, Stuttgart

**Sebastian Würth**
International Division Manager
Würth Group

**Honorary Chairman of the Advisory Board**

**Prof. Dr. h. c. mult. Reinhold Würth**
Chairman of the Supervisory Board
of the Würth Group

**Honorary members of the Advisory Board**

**Rolf Bauer**
Former Member of the Central Management
Board of the Würth Group

**Dr. Bernd Thiemann †**
Former Chairman of the Management Board
of Deutsche Genossenschaftsbank AG,
Frankfurt/Main

**Central Management Board**
The Central Management Board is the highest decision-making body of the Würth Group. It has five members and is comparable to the management board of a group holding company. Its most important duties include corporate strategy planning, the selection of executives, and the management of strategic business units and functions.

**Robert Friedmann**
Chairman of the
Central Management Board
of the Würth Group

**Bernd Herrmann**
Member of the
Central Management Board
of the Würth Group

**Dr. Jan Allmann**
Member of the
Central Management Board
of the Würth Group

**Joachim Kaltmaier**
Member of the
Central Management Board
of the Würth Group

**Rainer Bürkert**
Member of the
Central Management Board
of the Würth Group

**Executive Board**
The members constitute the operational management of the Würth Group. Each of the members is in charge of one strategic business unit or responsible for one functional area.

**João Cravina**
Würth Line Craft South America

**Norbert Heckmann**
Würth Line Craft Germany,
Chairman of the Management of
Adolf Würth GmbH & Co. KG

**Dan Hill**
Würth Line Industry America
(until 30 September 2022)

**Thomas Klenk**
Purchasing and
Product Management,
Anchor Production

**Andreas Kräutle**
Tools Companies

**Jörg Murawski**
Würth Elektronik CBT Group,
Würth Elektronik ICS Group,
Chemicals Group

**Thomas O'Neill**
Würth Line Craft North America

**Ignacio Roger**
Würth Line Craft Southern Europe

**Uwe Schaffitzel/Ulrich Liedtke**
Electrical Wholesale

**Thomas Schrott**
Würth Elektronik eiSos Group

**Dr. Reiner Specht**
Würth Group Finland,
Würth Line Craft Baltic states,
Austria, Chile, and Central Asia,
Trade Unit, Deputy Member of
the Central Management Board
of the Würth Group

**Ulrich Steiner**
DIN and Standard Stainless
Steel Parts

**Larry Stevens**
Würth Line Industry Americas,
Asia, Pacific, and Africa
(since 1 October 2022)

**Thomas Wahl**
Logistics

**C. Sylvia Weber**
Arts and Culture in the Würth Group,
Director of Museum Würth and
Kunsthalle Würth, Curator of the
Würth Collection

**Mario Weiss**
Würth Line Craft France,
UK, Ireland, Belgium,
WOW! Group

**Ernst Wiesinger**
RECA Group

**Alois Wimmer**
Production of screws,
plastic anchors, fittings,
and tools for the production
of fasteners

# Independent auditor's report

To the Würth Group

**Opinions**
We have audited the consolidated financial statements of the Würth Group, Künzelsau (the Group), which comprise the consolidated income statement and the consolidated statement of comprehensive income for the fiscal year from 1 January to 31 December 2022, the consolidated statement of financial position as at 31 December 2022, the consolidated statement of cash flows and the consolidated statement of changes in equity for the fiscal year from 1 January to 31 December 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of the Würth Group, for the fiscal year from 1 January to 31 December 2022.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB ["Handelsgesetzbuch": German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2022 and of its financial performance for the fiscal year from 1 January to 31 December 2022, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to Sec. 322 (3) Sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

**Basis for the opinions**
We conducted our audit of the consolidated financial statements and of the group management report in accordance with Sec. 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the group management report.

**Other information**
The Advisory Board is responsible for the report of the Advisory Board. In all other respects, the executive directors are responsible for the other information. The other information comprises the following components designated for the annual report, a version of which we obtained prior to the issue of this auditor's report: the disclosures made in the sections "The Würth Group at a glance," "Those who provide stability are rewarded with trust," "Commitment," "Bulletin" and "The boards" as well as the consolidated value added statement.

Our opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

**Responsibilities of the executive directors and the supervisory body for the consolidated financial statements and the group management report**
The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory body is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

**Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report**
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sec. 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Stuttgart, 23 March 2023

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

| | |
|---|---|
| Prof. Dr. Wollmert | Heubach |
| Wirtschaftsprüfer | Wirtschaftsprüfer |
| German Public Auditor | German Public Auditor |

# Imprint

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The editorial team would like to thank the many people who helped prepare this annual report.

All of the information in this annual report was made available by Adolf Würth GmbH & Co. KG and its affiliated companies and is for informational purposes only. No liability or warranty is assumed or provided for the accuracy of the information.

This Group annual report is also published in German.
The German version shall prevail.

To make our annual report easier to read, we use the generic masculine form in some cases. This naturally always applies to all genders (male/female/neutral), which are addressed equally and with equal rights.

The German and English versions of this annual report, along with further information about the Würth Group, can be found online at:
**www.wuerth.com**
**news.wuerth.com**

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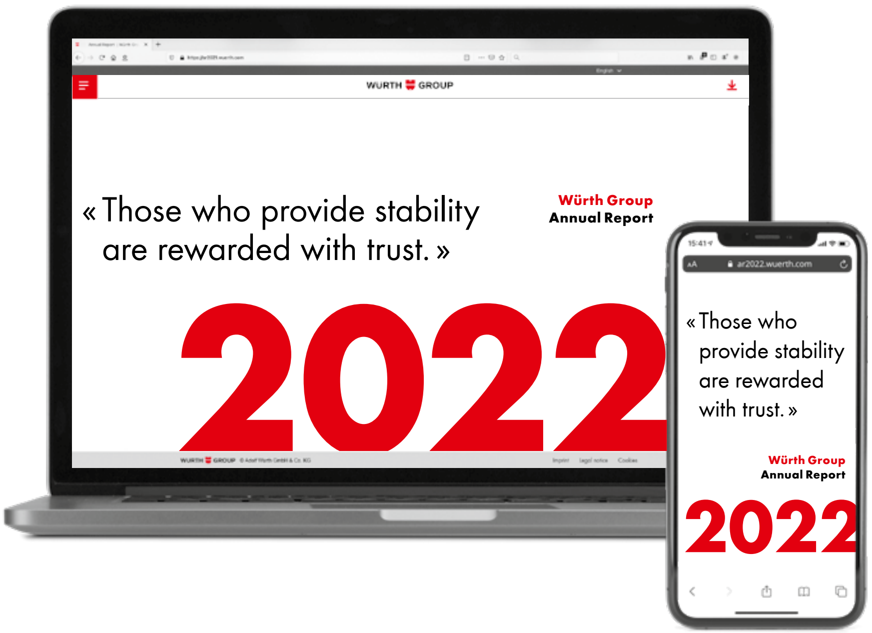


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1945 – 2020

75 YEARS OF WÜRTH

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