

Press release

Segment Materials Services

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New logistics center ready to start: thyssenkrupp Materials Services sets new standards for the materials business of the future

- Increased productivity through holistic digitization and automation
- € 60 million investment a milestone for "Materials as a Service" strategy
- Sustainability as an essential cornerstone in planning and processes

thyssenkrupp Materials Services has put a new logistics center in Rotenburg, Lower Saxony, into operation. With an innovative concept it sets new industry standards and further enhances the company's performance. "We want to be not only the best materials seller for our customers, but also the best supply chain manager," explains Martin Stillger, Spokesman of the Executive Board of thyssenkrupp Materials Services. "In Rotenburg we are demonstrating what is now possible in the modern materials business thanks to automation, digitization and artificial intelligence: We connect production machineries of all generations, automate order processes, analyze materials flows and forecast our customers' materials requirements. Our new logistics site is therefore an important milestone in the implementation of our future strategy 'Materials as a Service'."

The largest mill-independent materials distribution and service provider in the western world has invested around € 60 million in the new logistics site. This makes it one of the biggest projects in recent decades and points the way to the future of the materials business. The warehouse layout of the site has been completely redesigned. The entire process chain has a high level of automation and digitization, increasing productivity and offering customers more and more individualized services. The concept is to serve as a blueprint for other sites in the future.

Logistics process completely rethought

The underlying approach: The layout of the site is aligned with the optimum flow of materials and no longer has to take into account the ideal loading sequence of the trucks, as was previously the case. Driverless transport systems move the provided goods directly to the truck, which is loaded in bays at ground level. The time-consuming process of moving from one loading point to the next in the hall, which was common in the past, is no longer necessary. As a result, several trucks can be dispatched at the same time. "This now not only allows us to process orders better and more closely to demand, but at the same time ensures more efficient processes, shorter downtimes and ultimately greater productivity with increased safety for employees," explains Dr. Tobias Hegmanns, Chief Operating Officer of thyssenkrupp Schulte.

What is already common standard in other sectors is a novelty for materials trading: As the goods can be up to 20 meters long and weigh 10 tons, only the automation of the systems and the driverless transport systems have made it possible to implement the concept economically. The traffic in the storage and processing areas, which is reduced to a minimum, also reduces the risk of occupational accidents, and creates increased protection for employees. For customers, the new logistics center not only offers a wider range of materials, but also a more extensive processing portfolio. From cutting and sawing to foiling, individual services are realized in a short time.

Holistic digital integration of the material flow

The site is digitally integrated and connected along the entire supply chain. Orders are processed digitally and paperlessly and can thus be ideally planned and tracked. The inhouse-developed IIoT platform "toii" is the heart of the digital processes at the site. By connecting the plants digitally, data is exchanged directly without any manual intermediate steps. As a result, the materials flow is controlled more efficiently and in line with demand. In addition, automation increases plant utilization by smoothly coordinating the modern processing stations. The data analytics platform "alfred" ensures that supply flows are optimally coordinated on an ongoing basis. Based on intelligent, self-learning algorithms, it permanently analyzes the processes – from incoming goods and inventory management to order storage and delivery.

Role model for sustainability

Sustainability also played a decisive role in the planning of the new site – both in construction and supply chain management. The installation of a photovoltaic system will take place in the coming months. In the first stage, the aim is to generate electricity for the logistics center. In further expansion stages, electricity will also be generated for other sites of thyssenkrupp Materials Services. The area has its own rail line, which will be used three times a week to deliver materials by climate-friendly train track in the future. Order entry and processing will be mostly paperless. The new logistics concept also facilitates to plan routes, reduces downtimes, and significantly increases the utilization of truck capacity.

What potential the Rotenburg concept can hold for Materials Services is illustrated by one figure: the company currently has 500 trucks on the roads every day in Germany alone. The goal is to further reduce the number through more efficient and demand-oriented planning.

Logistics network for Northern Germany

The logistics center in Lower Saxony is part of the Materials Services subsidiary thyssenkrupp Schulte, the leading materials distributor and service provider in Germany. It was completed after around a year of construction and comprises 36,000m² of warehouse space where around 20,000 tons of materials such as steel or aluminum can be stored. This creates the greatest possible availability and performance. After a successful ramp-up, around 70 jobs will be created at the site in 3-shift operation. "Rotenburg is our new logistics hub for Northern

Germany, here we have pooled our capacities from several previous locations to serve our customers even better. The location is geographically favorable and offers space for further growth which was lacking at the previous operating sites," says Detlef Schotten, Chief Executive Officer of thyssenkrupp Schulte.

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Image material is available for download here (Source: thyssenkrupp Materials Services):
https://transfer.thyssenkrupp.com/public/t117989w_fc4f8b6b307b35ee947566/

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About thyssenkrupp Materials Services:

With around 480 locations – 271 of them warehousing locations – in over 40 countries, thyssenkrupp Materials Services is the biggest mill-independent materials distributor & service provider in the western world. The wide-ranging capabilities offered by the materials experts enable customers to concentrate more on their individual core business and span two strategic areas: global materials distribution as a one-stop-shop – from steel, tubes and pipes, nonferrous metals and specialty materials to plastics and raw materials – and tailored services in the areas of materials management and supply chain management. An extensive omni-channel architecture offers 250,000 customers worldwide round-the-clock access to more than 150,000 products and services. A high-performance logistics system ensures that all deliveries are integrated smoothly into customer production processes on a just-in-time or just-in-sequence basis.