

# Sharing our Experience

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# 1. History of Wilo



Formation of the company  
Messingwarenfabrik  
Louis Opländer  
Maschinenbau



Wilo  
international:  
Formation of  
own  
subsidiaries  
abroad



Acquisition of  
the French pump  
manufacturer  
Pompes  
Salmson



Formation of  
the Wilo-LG  
Pumps Ltd.  
Korea



Own  
production  
of electronic  
devices,  
Dortmund



Acquisition of  
the  
EMU Group,  
Hof/Bayern



Acquisition  
of Mather  
& Platt,  
India



Acquisition  
Weil Pump  
and Scot  
Pump,  
USA



Acquisition  
American  
Marsh  
Pumps,  
USA



1872

1965

1984

2000

2001

2003

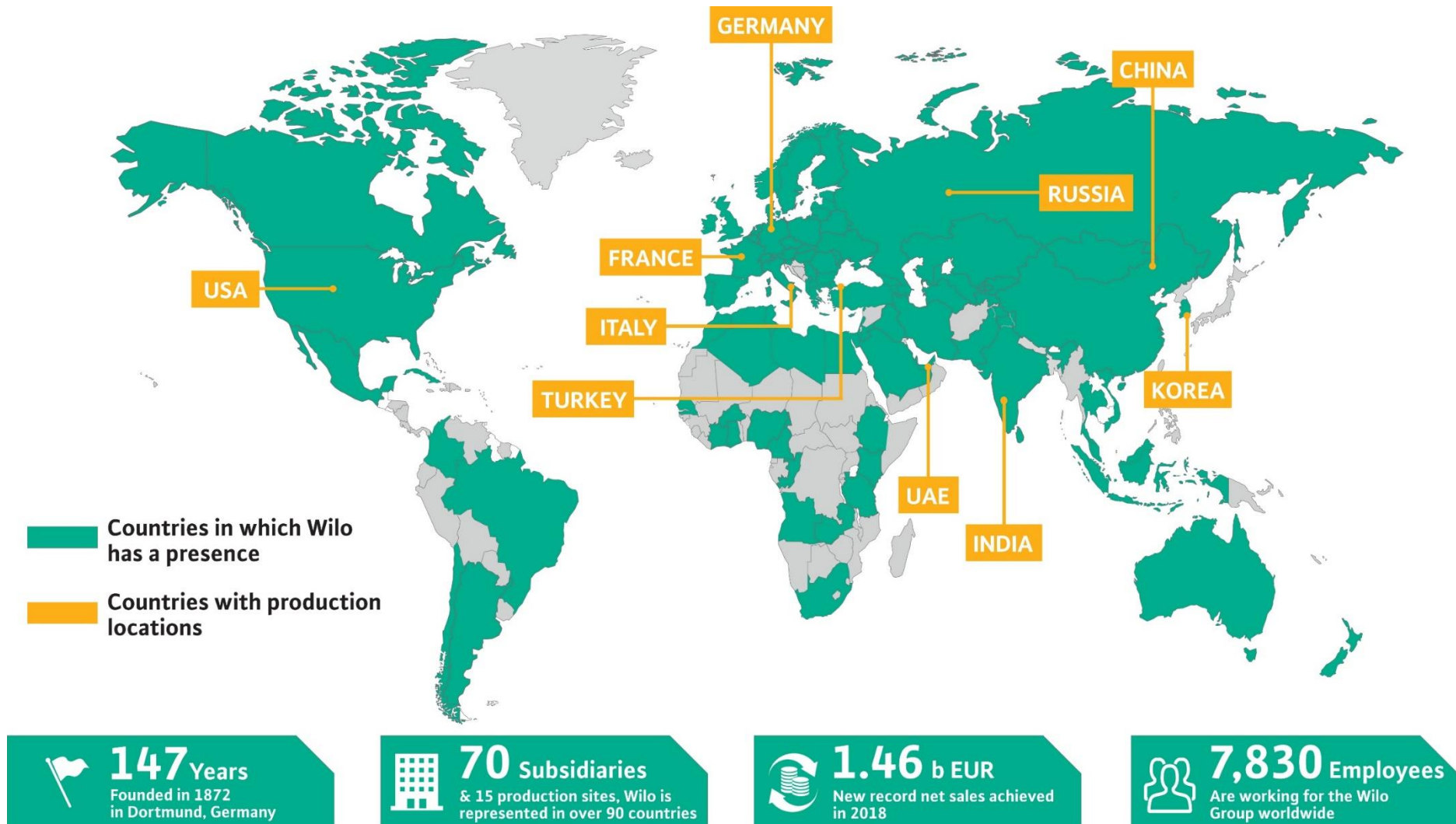
2005

2017





2019

## 2. Wilo Group Overview

**WILO is one of the world's leading manufacturers of pumps and pump systems**



### 3. Australia – Facts & Figures

Population:		25Mio	 <b>Political Situation</b> <i>Local Government is responsible for services to local area (parks, garbage, town planning etc.), State/Territory Government is responsible respectively for schools, hospitals etc. across the 6 States and 2 Territories, Federal Government responsible for taxation, defence, immigration, trade, foreign affairs etc. Current Federal Government is a conservative coalition, dominated by the Liberal Party.</i>	 <b>Economic Situation</b> <i>- GDP – IMF forecast 2021-2022-2023: Growth of 3% - 2.8% - 2.6%  - growing inflation (→ 1.3% in 2021 to 1.9% by 2023)  - Unemployment rate set to increase to 7.7% in 2021 before declining to 6.7% in 2022.</i>
GDP/Capita:		44,K€		
Unemployment:		6.6%		
Currency		AUD		
Currency Rate		0,61€		
kW/h*:		0,17€*	 <b>Building Construction</b> <i>Residential Building activity is expected to decline in 2021 but will be partly offset by an increase in other building and construction activities, however not enough to prevent a decline overall. Growing Infrastructure Construction spending will be sufficient to stabilise the amount of building and construction work to be done in 2021-22 and lead to a return to growth in 2021-22.</i>	 <b>WM Construction</b> <i>With a high percentage of the population living in cities and connected to existing water and sewerage infrastructure, the market for the Water Management segment in AU is currently a replacement market. However longer term projection is that due to urban population growth in Sydney and Melbourne, there will be need for investment in new water infrastructure to support the population growth.</i>
BSR Construction:		75 €B		
BSC Construction:		23 €B		
CW Connection:		98%		
WW Connection:		95%		

\*= in 2021

## 4. Wilo Australia Pty Ltd (WAU)

- Wilo bought the existing Distributor, Auric Industries in 2011.
- Subsidiary HQ based in Brisbane, Queensland (3rd largest city).
- Auric main focus was on in-line circulator pumps sold to OEM's for Solar Hot Water Systems. Huge Solar Renewables incentives at the time.
- Other Market Segments were not focused on so much (Water Utility, Industrial).
- Routes to markets for other segments were established. Water Utility (Direct); Industrial (indirect via System Builders); Building Services Commercial (Indirect via HVAC Contractors); Building Services Residential (Indirect via Plumbing Wholesalers and Small Pump & Irrigation shops)
- Challenge for young Wilo Subsidiary was the competition were already present with local subsidiaries for up to 35 years prior and there was established relationships within the individual market segments.
- Competition had early mover advantage with some heavily investing in their supply chains including local assembly to reduce lead times from Europe ensuring JIT production or local stock.



## 5. Issues to Consider if Coming to AU

- Australia's cities and towns are geographically dispersed (land area 7.7M sq. km) but its population is concentrated in the 3 largest capital cities, all of which are on the eastern seaboard. 43% of the population live in Sydney, Melbourne and Brisbane.
- This brings into consideration things like:
  1. where to base your business (Brisbane to Sydney is 1,000 km and it's another 1,000 km from Sydney to Melbourne),
  2. will you promote your business in every State and Territory,
  3. how to provide an after-sales service offering if you're not physically present in all locations.
- Australia is at the opposite end of the earth to Europe. The lead time for sea cargo has blown out to as much as 12 weeks in recent times due to covid-19 quarantine restrictions at a number of the intermediate ports.
- Certain segments of the market are price-sensitive and open to purchasing the generally cheaper Asian imports.
- Our experience suggests there is a degree of reluctance on the part of some purchasing managers (particularly in the municipals) to try "something different". If your competitors have been in AU for a long time, you will need to know your points of difference to compete in that replacement market.
- You will need to be aware of when the Councils or other statutory bodies open up their preferred supplier/equipment lists for interested parties to apply. If you miss the process, it can be years before it opens again.
- To secure projects, you will need to get to know as many consultants and lead contractors as possible. Be aware of any past issues with these parties, anywhere in the world, as they can hold a grudge.
- Australia has a heavily-regulated economy, with many consumer protection laws. Suggest anyone thinking of setting up in AU take expert advice on where their products sit in the regulatory framework. See next slide for the WAU context.



## 5 (cont.). Issues to Consider When Coming to AU

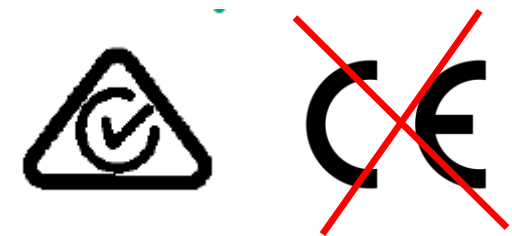
**Product Compliance – meeting national norms & regulatory requirements.**

### 1. Electrical Compliance to AS/NZS standards.

- Register household products on EESS

### 2. Communication and mandatory marking (RCM):

- ACMA (Australian Communications & Media Authority)
- EMC (Electromagnetic Compatibility)
- Bluetooth Certification.



### 3. Greenhouse & Energy Minimum Standards (GEMS) Act 2019.

### 4. Watermark & Drinking Water Approval

- Note that ACS, DVGW/KTW, WRAS are not accepted. AS/NZS4020 only.
- Some products also require to be approved for Watermark labelling.





## 6. Wilo's View of the Future - Megatrends

### MEGATRENDS

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As part of its long-term strategy, Wilo has defined **six global megatrends** that will affect people's lives over the coming decades and that are crucial to the Group's current and future business.



GLOBALISATION



URBANISATION



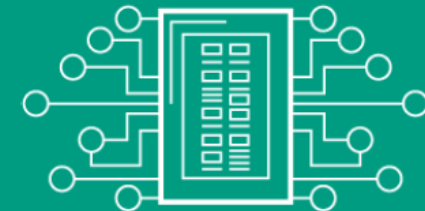
ENERGY SHORTAGE



CLIMATE CHANGE

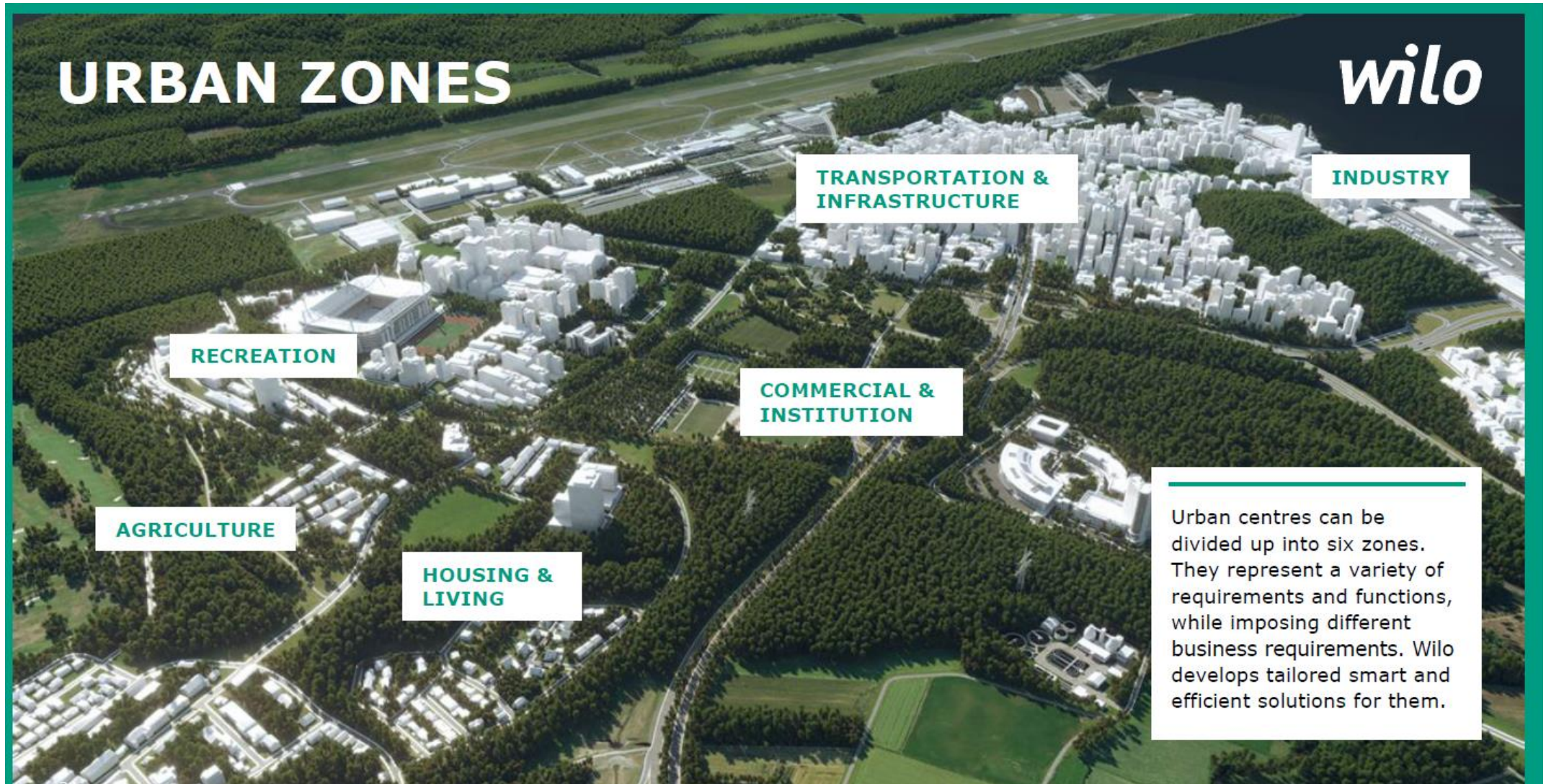


WATER SHORTAGE



DIGITAL TRANSFORMATION

## 6 (cont.). Wilo's View of the Future - Urban Zones





## 6 (cont.). Wilo's View of the Future – Solutions for Urban Zones

### PUMPS AND SYSTEMS IN ALMOST ALL PERFORMANCE CLASSES

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#### BUILDING SERVICES



#### WATER MANAGEMENT

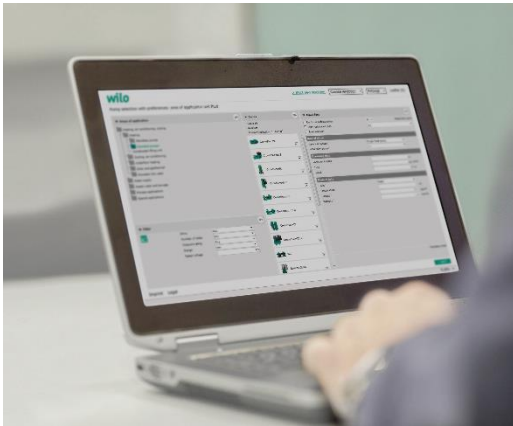


#### INDUSTRY



## 6 (cont.). Wilo's View of the Future – Digital Solutions

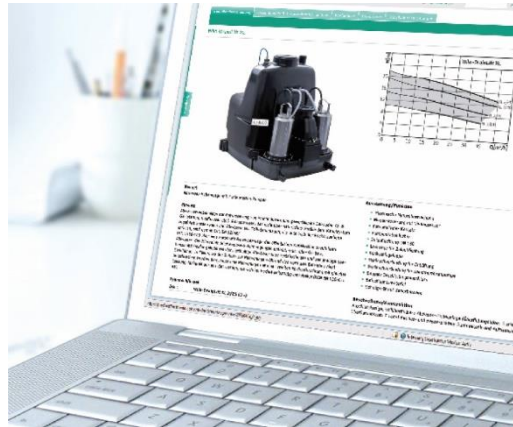
Select 4 Online – the pump consultant



Remote Tech Support – Wilo Live Assist



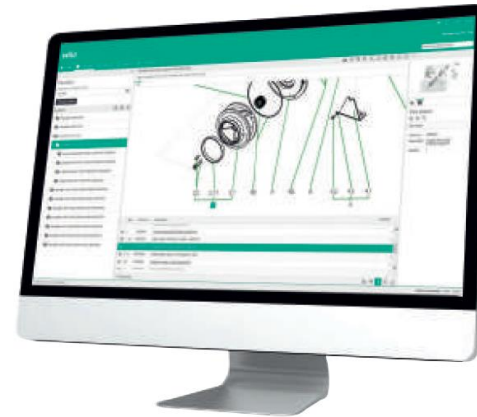
Product catalogue



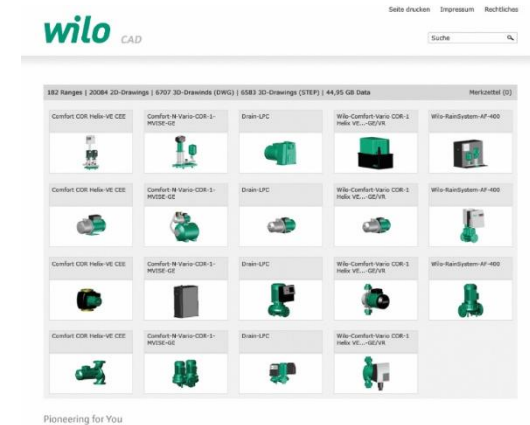
Social Media

**Twitter** @WiloPumpsAus  
**Instagram** @wiloaustralia  
**Facebook** Wilo Australia  
**LinkedIn** Wilo Group

Wilo Spare Parts Catalogue

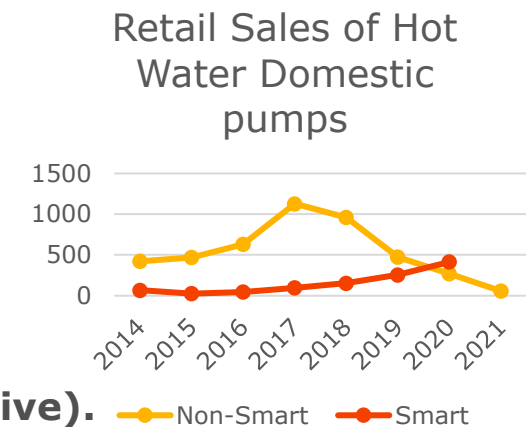
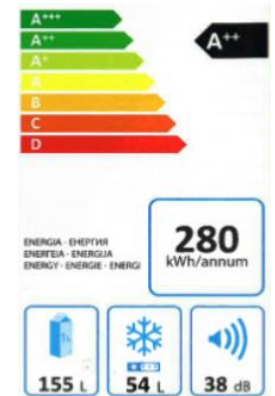


Wilo CAD Catalogue



## 6 (cont.). Wilo's View of the Future - Future Trends for Australia's Smart Cities

- Continued migration from rural to urban population centres.
- Sydney and Melbourne will become global smart cities.
- Doubling of their populations by 2050.
- Huge infrastructure investment for transport (metro, rail, airports)
- Growing populations will require housing, schools, hospitals, sports facilities
- Utilities need to keep up to provide Water, Wastewater, Electricity.
- Continued investment in Renewables (Solar, Hydro, Wind).
- Australia will become a Green Hydrogen Energy exporter (Joint Plan).
- More Energy Efficiency regulation on a product level (Similar to ErP Directive).



Any questions?

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