

# Report from the Management Board

The German economy experienced its second consecutive year of recession in 2024. The economy was weak in the manufacturing industry, particularly in mechanical engineering and the automotive industry, as well as in residential construction, which declined sharply. The drivers of these negative developments – such as high energy costs, bureaucratic obstacles, high interest rates and struggling exports – are well known.

## **Developments in the industrial B2B sector**

The resulting decline in demand impacted most areas of the industrial B2B sector, with the exception of sub-segments such as the construction equipment rental business. In this market environment, the concentration processes within the industrial B2B sector accelerated due to business closures or insolvencies. Individual companies were able to decouple themselves from these developments, for example, by concluding framework agreements with industrial customers. For the majority of distributors, the focus remained on cost optimisation, particularly through inventory reduction, and E/D/E supported and alleviated the burden on its members in this regard.

## **Developments within E/D/E**

The developments outlined above led to a significant decline in the trading volume that E/D/E settled with its members in Germany in 2024. The E/D/E warehousing business (turnover EUR 347 million) developed slightly more positively than central payment. One exception among the product areas is personal protective equipment (PPE), which saw an increase. The steel business, which declined in the first six months, recovered noticeably in the second half of the year. We expect this trend to continue in 2025.

In other European countries, the overall trading volume in 2024 was closer to the previous year's level, which is in line with the development of the major European industrialised countries. The individual national markets recorded varying trends, from noticeable slumps to healthy growth.

The decline in E/D/E product business was largely compensated by ETRIS BANK's contribution in the form of business volume of EUR 2.7 billion. Additionally favoured by the interest rate trend, the bank made a considerable contribution to earnings. With a trading volume of EUR 8.9 billion, E/D/E considers the financial year 2024 to be satisfactory, taking into account the economic environment.

### Company result

The sum of these effects meant that the business development further strengthened the financial power of the E/D/E Group in 2024. At EUR 20.7 million, the consolidated net income for the year was below the previous year's level, but equity increased to EUR 497.1 million. This means that E/D/E still possesses the necessary strength to make the considerable investments in modern technologies, digitalisation and automation that are relevant for the future of the alliance from its own resources.

### ETRIS BANK

The E/D/E subsidiary, ETRIS BANK, had a successful year in terms of earnings and risk. In factoring, in particular, the bank achieved exceptional growth in a generally stagnant factoring market in Germany. The general interest rate environment has further reinforced the positive trend. Factoring is the bank's second strategic business segment alongside central payment. This particular business alignment and stable outlook were again confirmed by an external rating agency with an "A+ stable" rating.



E/D/E Management Board: Peter Jüngst, Bettina Jakobi, Dr Andreas Trautwein, Dr Christoph Grote, Marco Statt and Christian Grotowsky (from left)

## E/D/E core topics in 2024

In addition to its day-to-day business, E/D/E worked intensively on the following future-oriented topics as part of EVOLUTION in 2024, achieving significant progress:



### Completion of the development and roll-out of SHOPcloud360

By combining leading technology with E/D/E's industry expertise, we are able to provide our members with an effective tool to position themselves well in digital competition with the major players in the industry. SHOPcloud360 is characterised, among other things, by an intelligent search that takes individual buyer behaviour into account, as well as industrial B2B sector-specific functions such as free text orders or the specification of individual integration solutions that are required in the industrial B2B sector. The development phase and the onboarding of the first distributors were successfully completed in 2024.

## DATAcloud360

### Roll-out of DATAcloud360

The new central data portal in the E/D/E alliance delivers an impressive performance with its high usability and customised range of functions. These include, for example, the de-duplication of existing articles or automated data export. This reduces manual data handling tasks and significantly lowers the workload for users in their day-to-day business. By the end of the year, we had supported more than 270 national and international member companies in switching to the new platform.

## SAP + IT

### Development of the IT roadmap and modernisation of the SAP system

Central planning and considerable preparatory work in the core systems have been successfully implemented for the upcoming transformation to SAP S/4. We specifically align systems, technologies and expertise to exploit the efficiency potential from end-to-end process optimisation, digitalisation and automation, and create the technological prerequisites for growth in the E/D/E alliance.



### Start of myEDEportal

By way of myEDEportal, we have created a technologically new and state-of-the-art basis for the central digital access point for our members and contract suppliers in their business relationship with E/D/E. As the successor to the "Extranet", the new portal combines cloud-based technology, user-friendliness and high IT security standards. As part of a pioneering project, myEDEportal was initially launched for the international division at the end of 2024. The launch in Germany is earmarked for 2025.



### Expanding the services of E/D/E AKADEMIE

Given the shortage of skilled workers and the opportunities presented by digitalisation and automation, employee qualifications are becoming even more important for the medium-sized industrial B2B sector. Against this backdrop, we can see that the E/D/E AKADEMIE is becoming increasingly important for our partners. We have redesigned the college formats that our members appreciate and expanded the hybrid mix of training courses to include additional topics relating to digitalisation.



### New technological platform – Toolineo

At the end of 2024, we transferred Toolineo to a new technological platform, significantly improving the user experience for customers and the sense of convenience for distributors. This creates the basis for strong growth in the coming years. The IT landscape scalability and modern interfaces increase the attractiveness for distributors, enable the constant expansion of the product range and thus strengthen Toolineo's position as the leading marketplace for craft supplies.



### Development of the FORMAT Brand Space

By way of the FORMAT 3.0 concept, EDE International has transferred sales support for its European partners to the digital world. In this context, we launched the FORMAT Brand Space in 2024. Interactive 3D models and augmented reality elements provide visitors with an exciting 360-degree virtual experience with contemporary, staged tools and access to the digital FORMAT catalogue.



Challenging times offer opportunities, especially for those who work together and have a clear vision for the future.

### A strong network

Collaboration within a strong network is more important today than ever before. At E/D/E, we utilise our combined expertise and resources to relieve the burden on members and actively support them in their current entrepreneurial tasks, and provide comprehensive advice. This applies to the wide range of digitalisation topics, as well as the handling of legislative initiatives. These include the introduction of e-billing, sustainability regulation and the topic of Artificial Intelligence (AI), to name just a few aspects that we worked on together in 2024.

Just how valuable and welcome dialogue on an equal footing is – especially in times of crisis – was also demonstrated at the events organised by E/D/E in 2024 to bring together the industry's leading minds. At the larger event formats alone – such as the marketplaces, which are now called “Meet & Connect,” the Building Elements Forum and our industry get-together “Branchentreff total” – we welcomed around 3,000 guests from trade and industry. There were also specialist group meetings, “Business NETZWERK” conferences and numerous digital events. In many cases – and especially at the industry meeting in Leipzig – we were able to ascertain the high degree of confidence and creative drive that characterises the SME sector and that we all continue to need, despite the difficult prevailing market situation.

### Outlook 2025

German economic output this year is expected to be similar to the level before the corona virus crisis. Significant growth is, therefore, not expected. Financial sector experts see 2025 as a year of consolidation, which also offers growth opportunities for active market participants.

We anticipate stagnation in the private sector and only isolated sources of impetus from industrial customers, such as the aviation, wind power and, more recently, the defence industry. The crisis in the construction industry

will continue for the time being and will have a corresponding impact on the associated product areas – including building services and steel. We expect further volume decline in 2025 with prices rising significantly in some cases, but see great potential in the construction-related areas in the following years.

As before, it will be important to provide our own impetus. For us within E/D/E, this means, among other things, intensive activities for our trade brands, the digitalisation of marketing activities, strengthening the eLC central warehouse and acquiring new customer groups for the industrial B2B sector via our industrial services and corresponding framework agreements.

We also want to realise growth potential on our “New” Toolineo marketplace and at the ETRIS BANK. We believe that we are well-positioned to do so, and are working on expanding our alliance with additional capable partners in Germany and Europe, in particular, thereby strengthening it overall. Based on these targets, we plan to achieve a trading volume of almost EUR 9.2 billion for 2025 and thus a return to growth.

To strengthen the competitiveness of the medium-sized industrial B2B sector, E/D/E will continue to provide centralised services in the future that individual members will find difficult to manage on their own. Process efficiency remains a particular focus in the further development of the alliance. One example of this is the “Clearing Centre,” which makes a lot of work in the company easier by digitising and optimising processes that were previously often still manual.

We would like to thank our members, cooperation partners and contract suppliers for their commitment, trust and often long-standing loyalty. Recognition and thanks also go to the employees of E/D/E, who achieved great things in 2024 and made the aforementioned successes possible. This Annual Report provides further details and background information in this regard.

The tasks facing us in 2025 will remain very challenging. However, by standing shoulder to shoulder, with a sense of confidence and a clear idea of a successful future for the industrial B2B sector, we – as an alliance – are in a position to utilise our opportunities in challenging times. At E/D/E we will make our contribution to this.

### The Management Board

Einkaufsbüro Deutscher Eisenhändler GmbH



Dr Andreas Trautwein  
Chairman of the  
Management Board



Dr Christoph Grote  
Member- and Supplier  
Management, Tools, PPE/Technical Trade, Operating and Construction Technology, Construction



Peter Jüngst  
Building Services,  
Steel, Logistics



Christian Grotowsky  
Digital Services,  
Marketing, Toolineo



Bettina Jakobi  
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