



On World Creativity and Innovation Day: thyssenkrupp Materials Services focuses on innovation and presents Forward Sensing

- A systematic innovation process focuses on digital solutions for the flexible and resilient design of global supply chains.
- Four corporate ventures of thyssenkrupp Materials Services are active on the market.
- The new solution "Forward Sensing" is designed to give users a complete overview of their entire supply network.

Expanding in growth markets and creating new forms of value creation: Businesses in all sectors worldwide are faced with the challenge of continuously adapting to new conditions and changing customer demands in order to remain successful competitive. One way to do this is to develop new solutions and offerings. On the occasion of the UN World Day of Creativity and Innovation on April 21, 2024, thyssenkrupp Materials Services is presenting its innovation activities.

To drive business development with innovations, the materials distribution and service provider established a systematic innovation process several years ago. Its activities focus on digital solutions that enable a more flexible and resilient organization of global supply chains.

"We are using innovation strategically to digitalize supply chains and make them transparent. In doing so, we are responding to the growing needs of our customers who, in the face of macroeconomic and geopolitical disruptions and the associated dynamic market conditions, want to have not only stable, but above all flexible supply chains," says Martin Stillger, CEO of thyssenkrupp Materials Services. "As a company, we have been around for more than 125 years. Throughout this time, our transformation has always been driven by the goal of evolving – with the customer at the center."

Innovation process: From idea to corporate venture

Since 2020, the company has followed a systematic process. In five stages, ideas are generated, specified and a prototype is developed, which is then piloted and launched. This includes the early integration of customer feedback to ensure that the idea is actually relevant and solves corresponding customer problems. Dr Sebastian Smerat, CEO of Operating Unit Smart Services at thyssenkrupp Materials Services, says: "We have created a central unit where dedicated project managers guide our employees step by step through the innovation process. Our goal is to create customer solutions that can ultimately be scaled within a corporate venture."

Since the process was introduced, more than 40 ideas have been reviewed and tested in the marketplace, and nine of these have been taken forward. All employees worldwide can submit ideas. Four corporate ventures of thyssenkrupp Materials Services are currently active on the market, including the forecasting solution "pacemaker" and the 3D printing joint venture "Pelagus 3D".

pacemaker helps with accurate sales planning. In addition to historical data, the AI-based software uses market and production data as well as demand forecasts. In this way, incorrect deliveries or empty runs can be avoided, for example. This is more economical and sustainable. Pelagus 3D, a company founded with the global shipping group Wilhelmsen, offers spare parts for the shipping industry worldwide via a digital warehouse. The joint venture, founded in October 2023, uses advanced additive manufacturing technology and a global network of partners to produce and deliver spare parts more quickly and cost-effectively.

Network transparency: New Forward Sensing solution launched

thyssenkrupp Materials Services also launched the first phase of Forward Sensing, a cross-industry digital platform. Forward Sensing gives users a complete view of their entire end-to-end supply network and its dependencies in real time. This provides valuable insights for optimizing industrial supply chains. In this way, the materials distribution and service provider can break down different companies or industries and unlock potential for better planning, sustainability as well as compliance.

The guiding principle of Forward Sensing is to create value through end-to-end data collaboration between all companies involved in a supply chain – from small and medium-sized enterprises to global corporations, from original equipment manufacturers to tier-n suppliers. "This is done by sharing transactional data, such as orders and their confirmations. Of course, this involves a lot of effort in terms of data provision, but it more than pays off in the end," says Smerat.

The software draws logical conclusions from the data, which the parties can use to optimize their planning. For example, the platform warns of limited material availability or delivery delays, presents alternatives, and can simulate supply chain scenarios and their consequences. The optimized forecasts ensure efficient and resource-saving processes.

About thyssenkrupp Materials Services

thyssenkrupp Materials Services is one of the world's leading mill-independent materials distribution and service providers with around 380 locations – including around 270 warehouse sites – in more than 30 countries. In the 2022/23 fiscal year, the company generated sales of € 13.6 billion and earnings of € 178 million. The versatile range of services offered by the materials experts allows customers to focus even more strongly on their individual core businesses. As part of its strategic further development "Materials as a Service", the company is focusing on the supply of raw materials and materials as well as products and services in the area of supply chain management. Digital solutions ensure efficient and resource-saving processes for customers and thus provide the basis for sustainable action. From 2030 on, Materials Services will operate on a climate-neutral basis.

An illustrative image is available for download under the following link:
https://transfer.thyssenkrupp.com/public/h145100j_3dc4792cc44145d5db7ff4/

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