

Tear Sheet:

Adolf Wuerth GmbH & Co. KG

June 10, 2026

This report does not constitute a rating action.

We forecast Wuerth will maintain resilient operating performance in 2026. This is despite continued macroeconomic uncertainty, ongoing geopolitical risk, and supply chain disruption. In the first quarter of 2026, Wuerth delivered resilient performance with revenue increasing by 1.9% and operating profit surging by about 21% on the first quarter of 2025. This was led by steady demand across international markets, pre-buying ahead of announced price increases, and strong momentum in high-growth segments including Wuerth Elektronik eiSos (electronic and electromechanical components) and chemicals. While macroeconomic conditions remain challenging in parts of Europe and the U.S., particularly in industrial end markets, Wuerth's decentralized operating model and predominantly European sourcing largely insulate it from global trade friction. For 2026, we forecast revenue growth of about 2.5%-3.0%, supported by pricing measures and resilient international operations.

The S&P Global Ratings-adjusted EBITDA margin should remain broadly stable, at about 10%, in 2026, despite ongoing cost inflation. This reflects continued operational efficiencies, logistics automation benefits, and a resilient contribution from higher-margin international businesses. Backed by pricing discipline, Wuerth is well positioned to pass through procurement, freight, and energy inflation while benefiting from recovering construction demand and infrastructure spending, including potential upside from German fiscal stimulus.

Wuerth's performance in 2025 was in line with our expectations. Despite a difficult market environment, the company reported steady performance as S&P Global Ratings-adjusted revenue--excluding bank and leasing activities---rose by 2.4% year over year to €20.5 billion in 2025. Strong international expansion and a robust recovery in the auto and construction divisions strengthened core operations. The rise largely offset softer industrial production trends and demand across parts of the German market. Stable pricing and structural operational efficiencies increased the adjusted EBITDA margin to about 10% in 2025 from 9.6% in 2024.

We anticipate rating headroom will remain comfortable over 2026-2027, supported by the group's highly diversified operational footprint and strong pricing discipline. Our base-case scenario assumes broadly stable capital expenditure (capex) of €750 million-€800 million in 2026-2027, focusing primarily on logistics automation, digital platforms, and warehouse infrastructure expansion. We also expect working capital outflows of about €100 million in 2026 and €125 million in 2027, driven by business growth, as well as management's strategic decision to maintain elevated buffer inventories to insulate operations from ongoing geopolitical and supply chain

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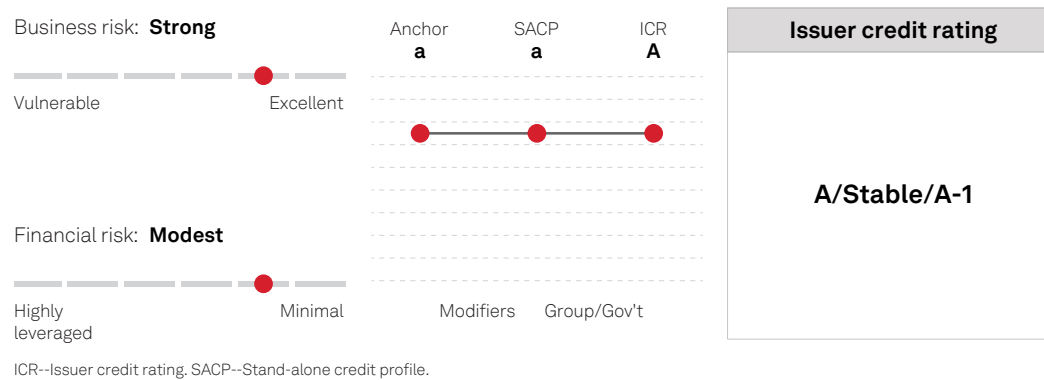
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pressures. Factoring in EBITDA of above €2 billion in both years, alongside only bolt-on acquisitions and steady shareholder remuneration, we predict cash flow generation will remain robust. We consequently forecast adjusted funds from operations (FFO) to debt will track strongly at 65%-75% in 2026-2027. These levels significantly exceed the 40.0% minimum threshold we consider commensurate with the current 'A' rating, providing substantial financial flexibility over the forecast period.

Wuerth's prudent financial policy is a key rating strength. We think Wuerth will remain highly disciplined in its discretionary spending to sustain its credit metrics in line with our 'A' long-term issuer credit rating. Our rating has not changed since 2000, with Wuerth weathering all economic downturns in the past two decades and with one of the most stable corporate credit profiles globally.

Ratings Score Snapshot



Recent Research

- [Credit FAQ: European High-Yield Building Materials Distributors: Navigating A Fragile Rebound](#), Feb. 18, 2026
- [Industry Credit Outlook 2026: Building Materials](#), Jan. 14, 2026

Company Description

Headquartered in Kuenzelsau, Germany, family trust-owned Wuerth is the largest global distributor of assembly products in the maintenance, repair, and operations industry, mainly selling to small and midsize industrial companies. Wuerth sells own-brand products in its core businesses to the auto aftermarket, metalworking, woodworking, craft, and manufacturing industries, which generated about 53% of group revenue in 2025. The remaining 47% of group sales came from allied companies, which have been acquired, or founded entities that maintain their individual brand names and operate in segments adjacent to the core business, including electrical wholesale, the manufacturing of chemical products, and the distribution of stainless-steel screws. In 2025, Wuerth generated S&P Global Ratings-adjusted sales of about €20.5 billion and adjusted EBITDA of €2.1 billion.

Outlook

The stable outlook reflects our expectation that Wuerth will maintain its focus on operating efficiency and continue generating solid free operating cash flow (FOCF) through the cycle, with adjusted debt to EBITDA remaining below 2x and adjusted FFO to debt continuing to exceed 45%. We expect Wuerth's financial policy will remain cautious, which will help the company maintain sufficient rating headroom over the next 12-18 months.

Downside scenario

We could lower the ratings if Wuerth implements a more aggressive financial policy than we expect--including materially higher shareholder returns--or larger debt-funded acquisitions than anticipated, leading to a material and prolonged weakening of credit metrics such that adjusted debt to EBITDA exceeds 2x and FFO to debt is below 40%. A lasting deterioration in margins could also weigh on the ratings. We believe the ample rating headroom built over 2021-2023 will protect Wuerth from weakening economic conditions and still offer room for moderate acquisition spending.

Upside scenario

We could raise the ratings if Wuerth builds a track record of stronger leverage metrics, with adjusted debt to EBITDA of about 1.5x and adjusted FFO to debt of at least 60%. An upgrade also depends on a strong commitment from shareholders to maintain these credit metrics.

Key Metrics

Adolf Wuerth GmbH & Co. KG--Forecast summary

Period ending	Dec-31-2024	Dec-31-2025	Dec-31-2026	Dec-31-2027	Dec-31-2028
(Mil. EUR)	2024a	2025a	2026e	2027f	2028f
Revenue	20,017	20,488	21,049	21,689	22,452
Capital expenditure (capex)	763	714	751	786	786
Free operating cash flow (FOCF)	856	972	767	779	826
Adjusted ratios					
Debt/EBITDA (x)	1.3	1.1	1.2	1.1	1.0
FFO/debt (%)	56.7	72.5	68.9	75.1	83.2
EBITDA margin (%)	9.6	10.0	9.9	10.0	10.0

All figures are adjusted by S&P Global Ratings, unless stated as reported. a--Actual. e--Estimate. f--Forecast.

Financial Summary

Adolf Wuerth GmbH & Co. KG--Financial Summary

Period ending	Dec-31-2020	Dec-31-2021	Dec-31-2022	Dec-31-2023	Dec-31-2024	Dec-31-2025
Reporting period	2020a	2021a	2022a	2023a	2024a	2025a
Display currency (mil.)	EUR	EUR	EUR	EUR	EUR	EUR
Revenues	14,323	16,969	19,821	20,218	20,017	20,488
EBITDA	1,549	1,992	2,320	2,319	1,918	2,059
Funds from operations (FFO)	1,327	1,735	1,894	1,842	1,447	1,688

Adolf Wuerth GmbH & Co. KG

Adolf Wuerth GmbH & Co. KG--Financial Summary

Interest expense	75	36	93	168	153	163
Cash interest paid	54	42	73	101	168	130
Operating cash flow (OCF)	1,446	932	833	1,968	1,619	1,686
Capital expenditure	455	547	796	898	763	714
Free operating cash flow (FOCF)	992	386	37	1,070	856	972
Discretionary cash flow (DCF)	834	195	(158)	830	653	831
Cash and short-term investments	1,312	1,066	1,110	1,638	1,945	1,641
Gross available cash	1,218	957	938	1,467	1,772	1,382
Debt	2,229	2,247	2,659	2,148	2,550	2,328
Common equity	5,682	6,555	7,621	8,455	8,945	9,430
Adjusted ratios						
EBITDA margin (%)	10.8	11.7	11.7	11.5	9.6	10.0
Return on capital (%)	11.3	16.1	17.2	15.5	10.1	10.3
EBITDA interest coverage (x)	20.6	54.9	25.0	13.8	12.5	12.6
FFO cash interest coverage (x)	25.6	42.0	26.8	19.3	9.6	14.0
Debt/EBITDA (x)	1.4	1.1	1.1	0.9	1.3	1.1
FFO/debt (%)	59.6	77.2	71.2	85.8	56.7	72.5
OCF/debt (%)	64.9	41.5	31.3	91.6	63.5	72.4
FOCF/debt (%)	44.5	17.2	1.4	49.8	33.6	41.8
DCF/debt (%)	37.4	8.7	(5.9)	38.6	25.6	35.7

Peer Comparison

Adolf Wuerth GmbH & Co. KG--Peer Comparisons

	Adolf Wuerth GmbH & Co. KG	Grainger (W.W.) Inc.	Legrand S.A.	Rexel S.A.
Foreign currency issuer credit rating	A/Stable/A-1	A+/Stable/A-1	A-/Stable/A-2	BB+/Stable/B
Local currency issuer credit rating	A/Stable/A-1	A+/Stable/A-1	A-/Stable/A-2	BB+/Stable/B
Period	Annual	Annual	Annual	Annual
Period ending	2025-12-31	2025-12-31	2025-12-31	2025-12-31
Mil.	EUR	EUR	EUR	EUR
Revenue	20,488	15,281	9,481	19,415
EBITDA	2,059	2,643	2,228	1,529
Funds from operations (FFO)	1,688	2,024	1,690	1,049
Interest	163	78	168	207
Cash interest paid	130	100	107	209
Operating cash flow (OCF)	1,686	1,797	1,515	822
Capital expenditure	714	583	221	146
Free operating cash flow (FOCF)	972	1,215	1,294	676
Discretionary cash flow (DCF)	831	(104)	607	225
Cash and short-term investments	1,641	498	2,373	1,038
Gross available cash	1,382	498	2,373	1,038
Debt	2,328	2,067	4,549	4,409
Equity	9,430	3,527	7,334	5,406

Adolf Wuerth GmbH & Co. KG--Peer Comparisons

EBITDA margin (%)	10.0	17.3	23.5	7.9
Return on capital (%)	10.3	42.8	16.5	10.6
EBITDA interest coverage (x)	12.6	33.7	13.3	7.4
FFO cash interest coverage (x)	14.0	21.3	16.8	6.0
Debt/EBITDA (x)	1.1	0.8	2.0	2.9
FFO/debt (%)	72.5	97.9	37.1	23.8
OCF/debt (%)	72.4	86.9	33.3	18.6
FOCF/debt (%)	41.8	58.8	28.4	15.3
DCF/debt (%)	35.7	(5.0)	13.3	5.1

Environmental, Social, And Governance

Governance factors are a moderately positive consideration in our credit rating analysis of Wuerth. The company's performance was more resilient than that of most industry peers during the COVID-19 pandemic and during the 2023-2024 sector contraction. This demonstrated management's ability to operate the business effectively through market downturns and reflected prudent risk management. Wuerth is controlled by the Wuerth family, who remain heavily involved in the company's development and strategic decisions. However, we think the governance structure is effective and balances stakeholders' interests.

Environmental factors have an overall neutral influence on our credit rating analysis. Wuerth's business is not energy intensive, mainly because the company distributes products rather than developing them.

Rating Component Scores

Foreign currency issuer credit rating	A/Stable/A-1
Local currency issuer credit rating	A/Stable/A-1
Business risk	Strong
Country risk	Low
Industry risk	Intermediate
Competitive position	Strong
Financial risk	Modest
Cash flow/leverage	Modest
Anchor	a
Modifiers	
Diversification/portfolio effect	Neutral (no impact)
Capital structure	Neutral (no impact)
Financial policy	Neutral (no impact)
Liquidity	Strong (no impact)
Management and governance	Positive (no impact)
Comparable rating analysis	Neutral (no impact)
Stand-alone credit profile	a

Related Criteria

- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct.10, 2021
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments](#), April 1, 2019
- [Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings](#), March 28, 2018
- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7, 2017
- [Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers](#), Dec. 16, 2014
- [General Criteria: Country Risk Assessment Methodology And Assumptions](#), Nov. 19, 2013
- [Criteria | Corporates | General: Corporate Methodology](#), Nov. 19, 2013
- [General Criteria: Methodology: Industry Risk](#), Nov. 19, 2013
- [General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities](#), Nov. 13, 2012
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

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