

HÜBNER management in consultation with political and administrative representatives

# Stable energy supplies essential for production at PTO

Ortrand / Kassel (12 October 2022). The importance of a stable supply of natural gas and energy has been the focus of discussions taking place between the management of PolymerTechnik Ortrand (PTO) and local political figures. During a recent visit, District Administrator Siegurd Heinze (Oberspreewald-Lausitz district, independent), State Parliament Member Ingo Senftleben (CDU), District Director Niko Gebel (Ortrand District Office, CDU), and Maik Bethke (Mayor of Ortrand, CDU) were briefed about the current energy situation at PTO, which belongs to the HÜBNER Group. In addition, the SPD Federal Parliament Member Hannes Walter also visited the PTO company site in southern Brandenburg. Natural gas shortages or supply disruptions could have severe consequences for the company's production activities, which in turn would affect the town of Ortrand, emphasized Ingolf Cedra, General Manager of the HÜBNER Group and PTO Managing Director Alexander Bergk.

# "No natural gas, no production"

As a manufacturing company with more than 180 employees, PTO depends on a stable and also affordable energy supply. In this connection, natural gas is not only used for heating but also as fuel for the vulcanization process to produce textiles and elastomer profiles. These components are an important basis for the production of elastomer-coated fabrics and rubber materials that are then used in the manufacture of gangway systems for trains and buses.

"If there is no natural gas, there is no vulcanization. Without vulcanization, there are no coated fabrics. Without coated fabrics, there are no gangways. These three steps show that the current energy situation harbors the risk of endangering production activities at PTO – and thus at the whole HÜBNER Group," emphasized Ingolf Cedra, General Manager of the HÜBNER Group.

The Ortrand production site has a strategic significance for the entire HÜBNER Group with its worldwide workforce of 3,500 employees. The products manufactured by PTO serve as components for the production at other HÜBNER locations. As a manufacturer of elastomer and silicone-coated textiles for various industrial and medical applications, PTO makes an important contribution to maintaining a wide range of processes in the critical infrastructure and in public life in general.



### **Measures initiated for continuity of production**

The HÜBNER Group has already initiated a number of measures in an effort to ensure the highest possible certainty of production continuity. These include setting up redundant infrastructure elements for the use of alternative fuels. Systems for the generation of renewable energy are also in operation at HÜBNER locations; these will be significantly expanded in the near term. Additional new systems are also being installed.

**PTO Managing Director Alexander Bergk** points out how important it is to receive the necessary support from political representatives and the authorities. "It is our goal to become independent of possible natural gas supply bottlenecks as soon as possible. However, for the required investments we have to receive approval from the involved authorities. In this connection, we are in contact with all relevant authorities and political entities to emphasize the importance of energy supply security for our production processes as a supplier of a critical infrastructure segment."

#### "Focused support is necessary from policymakers"

"We welcome the exchange with political decision-makers to find reliable solutions for the current energy situation and thereby to ensure the natural gas supply for PTO – an important supplier for both local and long-distance public transport as part of Europe's critical infrastructure. The same is true for the HÜBNER Group as a whole. The current energy situation demands pragmatic and focused support from policymakers," emphasizes Ingolf Cedra.

A further effect of the current energy situation are the significant increases in energy prices. These increases are having a direct impact on the business of the HÜBNER Group as well as PTO. "Competitive pressure has increased significantly. Price jumps in energy costs can no longer be offset through increases in productivity. This means that in comparison with global competitors we have to produce with significantly higher costs," says Ingolf Cedra.

# No EU stipulations regarding regional value creation

One result of the sharp price increases may be the loss of market share to global competitors – also directly in the European market. **Ingolf Cedra** explains: "These increases can mean that we lose orders and projects in our home markets because global competitors from outside of Europe can produce more cheaply, and in the European Union there are no stipulations regarding regional value creation."

The General Management of the HÜBNER Group is currently in contact with many political actors regarding this issue. For examples, talks have been held recently in Kassel at the HÜBNER headquarters with Federal Parliament Members Timon Gremmels (SPD) and Boris Mijatovic (Greens) as well as with



Hessian State Parliament Members Vanessa Gronemann and Karin Müller (Greens). Further discussions and meetings are planned.

<u>Caption Energieversorgung 01</u>: Discussions with plant tour: Stefan Blümel (from left, Head of Production PTO), Ingolf Cedra (General Manager HÜBNER Group), District Director Niko Gebel, Ortrand Mayor Maik Bethge, PTO Managing Director Alexander Bergk, County Commissioner Siegurd Heinze, State Parliament Member Ingo Senftleben and Christian Forkert (Head of Technology PTO). Photo: PolymerTechnik Ortrand/Alexander Frenzel

<u>Caption Energieversorgung\_02:</u> Federal Parliament Member Hannes Walter (second from right) during a plant tour with Uwe Werner (from left, Head of Sales PTO), Ingolf Cedra (General Manager HÜBNER Group), machine operator Gunter Schwany, Alexander Bergk (Managing Director PTO). Photo: PolymerTechnik Ortrand/Alexander Frenzel

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With its business units Mobility Rail, Mobility Road, Material Solutions and Photonics, the HÜBNER Group is a global system supplier for the mobility sector, for manufacturing, and for life sciences and research applications. HÜBNER is the worldwide leader in gangway systems for rail vehicles and buses as well as a supplier of chassis technology, cockpit display solutions and door sealing and safety profiles. The company is also an internationally recognized supplier of sophisticated solutions involving elastomers, insulation and composite materials. HÜBNER's business unit for laser technology is developing successfully, featuring applications for cancer diagnostics and spectroscopy, for example. In 2021, the HÜBNER Group generated sales of approximately €440 million, with approximately 3,500 employees worldwide. In addition to its headquarters in Kassel,

Germany, HÜBNER is present with more than 30 locations around the world.

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