

timber

Pfeifer Group Company Magazine

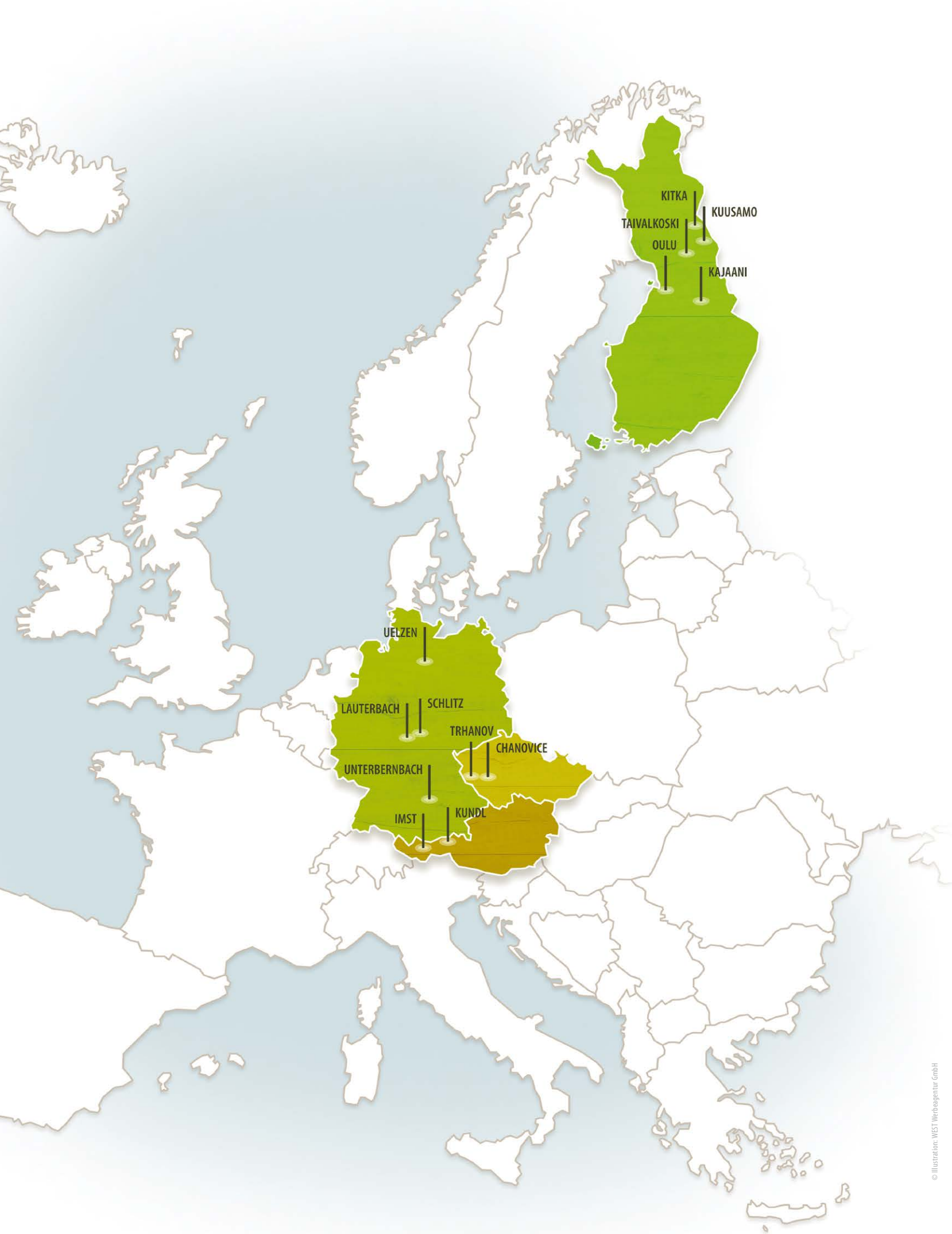


ISSUE 9 | 2023

Welcome to the Pfeifer Group, PÖLKKY!

Timber construction reference projects
On a growth trajectory with strong roots
Expert interviews





We connect people,
nature and technology.
For better wood solutions.

[PFEIFERGROUP.COM](https://pfeifergroup.com)



Great opportunities

When, if not now, will our society realise that true sustainability is the key to a future worth living? Sustainable means nothing other than the 300-year-old principle of forestry: Don't harvest more wood than can grow back. Applied to society, this means: We must satisfy the needs of the present in such a way that the possibilities of future generations are not restricted.

Building with wood is our great opportunity to make the construction sector more climate-friendly. After all, timber construction is sustainable in all respects: at an ecological, economic and social level. Deeply convinced of these advantages, the Pfeifer Group will continue to expand its services related to timber construction products in order to turn as many decision-makers, architects and builders as possible into timber construction enthusiasts. Our own sawmills guarantee a secure supply of sawn timber. Our decision to invest in Scandinavia is also aimed at keeping the availability of the valuable raw material that is wood and thus the supply capability high.

The mega-trend of “climate-friendly construction” suggests that the volumes just being created will soon be needed in their entirety. Support comes from politicians who explicitly want and promote sustainable building and renovation.

In the present magazine, we would like to give you an insight into our company, markets and future developments. Besides the main topic of timber construction, you will also learn about the subjects of biofuels, sustainability and corporate growth. If you have any further questions or are simply interested in our products, you can always contact our experienced sales team directly or write us an email at info@pfeifergroup.com.

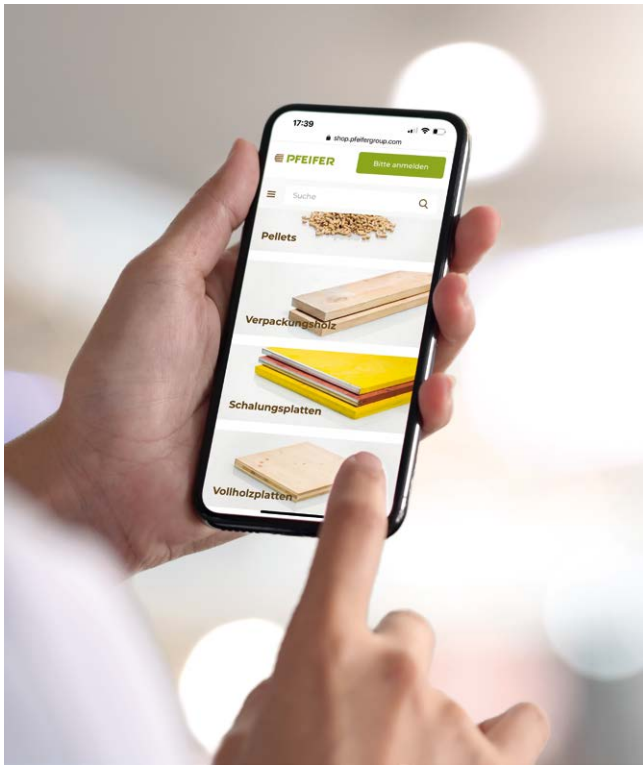
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LEGAL NOTICE

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Sustainability



Single family home in Allondans

For the construction of a private home in the small French community of Allondans, Pfeifer supplied around 480 m² of cross laminated timber in January 2021. The prefabricated elements were used as slabs, roof and walls.

ABOUT THE PROJECT

This best-practice example of a modern single family home built with wood was penned by French architect Pierre Gigon. Timber construction company Toiture Berger was responsible for the successful implementation.

OUR CONTRIBUTION

Pfeifer provided 184 m² of 120 mm CLT for the ceilings and roof and 300 m² of 100 mm CLT for the walls.

© Pfeifer Holding GmbH



FACTS

Architect: Pierre Gigon
Timber construction company:
Toiture Berger

Single family home in Montbéliard

In the fall of 2020, Pfeifer CLT produced in Schlitz went on a journey to the small French town of Montbéliard. The high-quality material was used to build a modern single family home.

ABOUT THE PROJECT

The elegant domicile was designed by Pierre Gigon from the Vieux-Charmont based architectural office of the same name. A specialist for biological living spaces and single family homes, he designed the house as a straight-forward, resource-friendly timber frame structure.

OUR CONTRIBUTION

The executing timber construction company Toiture Berger installed some 200 m2 of Pfeifer cross laminated timber to make up ceilings, roof and interior walls.

© Pfeifer Holding GmbH



FACTS

Architect: Pierre Gigon
Timber construction company:
Toiture Berger





FACTS

Architect: De Zwarte Hond commissioned by real estate developer MWPO

Construction company: Brands Bouwgroep

Photographer: Walter Frisart FOTOwerk



SuperHub Meerstad in Groningen

Inspired by the mission to improve connections in the emerging district of Groningen (Netherlands), De Zwarte Hond designed a multi-functional and adaptable central building of extraordinary shape. The sustainable timber community hub was officially opened in 2022.

ABOUT THE PROJECT

SuperHub in the newly developed Meerstad area was designed as a modern version of a supermarket with additional usage. The building marks a revitalised circular version of the traditional market hall design. The supporting structure is entirely

made of cross-shaped laminated wood columns and beams, giving SuperHub a cathedral-like appearance. The large span and nine-meter ceiling height create an exceptionally bright space and allow for a flexible layout and possible different types of use in the future. The large canopy draws the building into its green surroundings. In addition, sophisticated cross shapes give the building stability, eliminating the need for additional wind bracing infrastructure.

OUR CONTRIBUTION

Pfeifer supplied a total of 1,120 m² of CLT boards to make up the roof elements.

© Walter Frisart FOTOwerk





© Pfeifer Holding GmbH



District school in Ludwigsburg

Since the start of the school year 2022/2023 the new Fuchshofschule in Ludwigsburg offers more than 600 primary school pupils a modern learning environment. The three-storey building was designed on the basis of a concept drawn up by architectural office VON M GmbH from Stuttgart and in co-operation with müllerblastein HolzBauWerke GmbH. Among others, Pfeifer CLT was used in its construction.

ABOUT THE PROJECT

The new district school in the newly developed Fuchshof area is supposed to serve as a meeting place for various activities and offers for students, teachers and parents and promote community within the district. The client put great emphasis on sustainable building materials that were chosen on the basis of the cradle to cradle principle, meaning that they can be recycled or reused. To optimise construction progress, the building was designed as a timber structure with a high degree of prefabrication. The outer walls, for instance, were prefabricated in the plant, where the weather is not an issue, while the carcass was being built on site.

OUR CONTRIBUTION

At 83 m long and 33 m wide, the building offers many visible highlights such as the cross and square pillars inside as well as timber staircases, projecting beams and soffits (outer side of balconies) made from cross laminated timber. A total of approx. 1,500 m³ of spruce were installed.

FACTS

Client: City of Ludwigsburg

Architects: VON M GmbH

Timber construction: müllerblastein HolzBauWerke GmbH

Student residence at Campus Riedberg, Frankfurt

In early March 2020, one of the largest CLT projects in Germany began construction at Johann Wolfgang Goethe University's Campus Riedberg in Frankfurt am Main. During the construction of the sustainable students' residence and international house, Kai Laumann Zimmerei und Bedachung GmbH from Wettengel used Pfeifer CLT.

ABOUT THE PROJECT

In the middle of the natural science Campus Riedberg, a new students' residence with 324 residential units for students and 27 units for visiting scientists was built. The upper storeys of the sustainably built passive house were built with CLT by the Kai Laumann team with the timber surfaces being visible on the inside, giving the interior a unique character.

OUR CONTRIBUTION

At a total of 3,000 cubic metres of domestic spruce CLT installed, the students' residence is one of the largest CLT projects in Germany. Approx. 85 percent were supplied by Pfeifer. Exactly 1,355 building components were delivered on 68 trucks. All of that in a mere four months of construction. Just in time for the winter semester 2022/23, the inhabitants were able to move into their new home.

FACTS

Client: Bauherrengemeinschaft IHCR

Planning and construction supervision:

Ferdinand Heide Architekt Planungsgesellschaft mbH

Timber construction: Kai Laumann Zimmerei und Bedachung GmbH

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Residential complex in Milan

In the heart of the major Italian city of Milan, a multi-storey solid wood residential complex was built between November 2022 and November 2023. Only solid glulam elements provided by Pfeifer were used in the process.

ABOUT THE PROJECT

The multi-storey construction project in Milan proves that multi-faceted timber construction has long become established in the urban realm as well. It allows for urgently needed living space to be created in metropolitan areas in the shortest amount of time possible.

OUR CONTRIBUTION

Pfeifer supplied a total of 2,000 m² of cross laminated timber (CLT) for walls, ceilings and roof of the residential structure.

Hotel at Frankfurt Airport

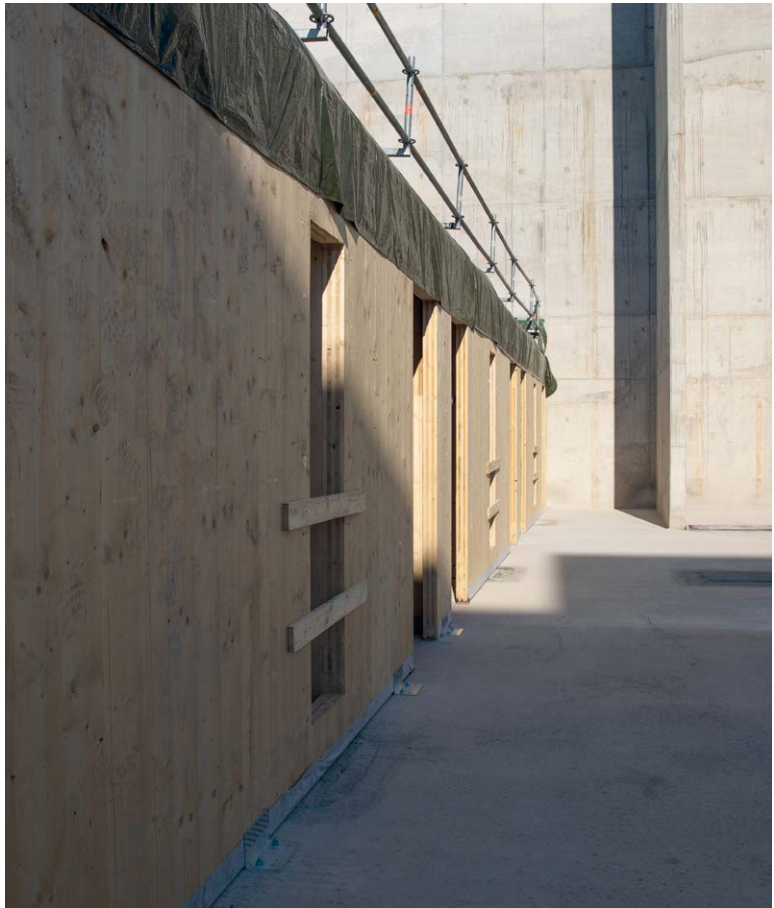
Boasting 167 rooms, the Platzhirsch Living - Kelsterbach 3-star hotel was built from Pfeifer CLT elements in the direct vicinity of Frankfurt Airport. After one year of construction, the hotel is able to welcome its first guests in spring 2023.

ABOUT THE PROJECT

The building is located at Südpark, a mere 2.2 kilometres from Terminal 1 and 4 kilometres from Terminal 2. With its “park, sleep & fly” concept, the hotel mainly caters to people whose flights take off very early in the morning or those who return from a journey in the middle of the night. The hotel is a timber structure employing a high degree of prefabrication.

OUR CONTRIBUTION

Pfeifer delivered a total of 41 truck loads to Frankfurt, comprised of approx. 15,000 m² / 1,940 m³ of raw boards in the thicknesses of 100 5S, 120 5S, 140 5S and 160 5S.



© Pfeifer Holding GmbH

FACTS

Client: Sutom Invest oHG
Architect: ibb – Ingenieurbüro für Bauwesen
(Klaus Mitternützer)
Project / construction management:
ibb – Ingenieurbüro für Bauwesen
Timber construction company: Falter GmbH

Heat for the future

Who better to assess the developments in the biofuel sector than Christian Rakos, Managing Director of proPellets Austria and President of the World Biomass Association? In this interview, he analyses the causes of the shortage and high prices for pellets in the previous year and outlines ways to stabilise the market and strengthen the positive image of pellets.

Mr. Rakos, pellets are still demonstrably the most affordable energy source. Why have the price adjustments still led to irritation among many customers?

If we look at the annual heating cost savings that a pellets system using 6 tons yields compared to an oil-fired system, we can clearly see: The savings fluctuated over the years, but the costs always came in below those of oil-fired systems. Even during the last year with its record-breaking pellets prices, pellet customers were still able to save a lot of money. Unfortunately, customers only saw that pellets became more expensive, even though they were still produced domestically. Most people are oblivious to the fact that behind said production is an international market that can lead to seismic activity across Europe.

Has the war in Ukraine impacted the European pellet markets?

In 2021, some 13 million tons of pellets were imported into Europe. 3.3 million tons or a quarter of that came from Russia, Belarus and Ukraine. Many countries that had bought Russian pellets used them to produce electricity; relevant amounts also went to heat production. When supply from Russia, Belarus and Ukraine ran completely dry in early July of 2022, the prices for pellets exploded. The result was a dynamic and volatile market. Due to high prices for coal, the power plants that had used up half of all the pellets in Europe, sought to maximise the use of pellets. This had a significant impact on the pellet markets! When the price of electricity plummeted in the fall of 2022, the use of pellets became less attractive to the power plants and in turn, the prices for pellets fell.

So the principle of supply and demand came into effect?

Exactly. The described scenario confirmed that developments on the industry market have immediate effects on the house-

hold market. Power plants buy up pellets when power generation is economically interesting. And despite the fact that the power plants that are able to flexibly switch between coal and pellets, are located in the Netherlands, their activities affect all of Europe. However, it wasn't just the power plants that drove consumption, but also the massive number of new pellet heating systems that were installed in many countries. We estimate their added consumption at approx. 2.5 million tons.

To avoid future supply bottlenecks the proPellets Austria association has spoken in favour of mandatory pellet stockpiling. What could this look like?

We think that mandatory stockpiling by producers and importers could be a key to supply security and stable markets.



© proPellets Austria, Georg Wille

Our proposition aims at seasonal stockpiling, meaning 5 % of the previous year's quantity need to be in storage by 1 December (and can then be delivered). An additional 5 % would be stored for the long term and only be released in response to political decisions. If this idea was implemented, end customers would face a price increase of 1 - 2 % which is reasonable in light of the benefits.

So what's next? Will pellets continue their successful run?

We observe various trends. The image drop caused by the price increases and the associated negative responses in the media and on social media had an inhibiting effect. In this context, we need to encourage a more objective debate. Numerous disinformation campaigns by environmental organisations against bioenergy/pellets, some of which spread outrageous lies, also have a damaging effect. Why the USA in particular is spending millions to stir up opposition to Europe's self-sufficiency in terms of renewable energy is anyone's guess. In any case, these campaigns are creating an increasingly critical perception of pellets, also among politicians in Brussels and Berlin. This becomes evident, among others, in the fact that the German government has completely turned the subsidy policy for pellet heating systems on its head since last year.

The topics of renewable energies and climate protection are becoming more and more important.

But of course there are also trends that are working in our favour. Pellets still offer a price advantage and benefit from legal pressure to opt out of fossil fuels. The subjects of renewable energies and climate protection are becoming more pressing. Depending on how conservatively one estimates the effects of the Renewable Energies Act in Austria, it results in a peak of approx. 20,000 to 35,000 new pellets heating systems for the Austrian market by 2027. Naturally, this will boost demand for pellets. Even the most conservative estimates see it at least double.



CHRISTIAN RAKOS
Managing Director of proPellets Austria and
President of the World Biomass Association

Is there enough raw material to cover this demand?

Speaking for Austria, this seems to be the case when we look at the strong production increase by 600,000 tons until 2024. Of course, there will be adjustments in the waste wood area as well as increased use of sawmill chips and industrial timber. Generally speaking, increased use of hardwood in the framework of adapting the forests to climate change does much more to protect the climate than banning timber harvest altogether, as many have proposed. This has been confirmed by a study commissioned by proPellets Austria and Deutsches Pelletsinstitut (DEPI). This would mean that there would be a much greater potential for raw materials than there is today. If this does not happen, beetles will probably provide more raw materials than we would like.

The spirits in the timber construction

Rampant inflation, a lack of skilled workers, decreasing construction permit numbers: Claus Greber, Sales Manager for Timber Construction Products at Pfeifer, has every reason to see the glass as “half empty”. Nonetheless, the professional optimist is convinced that the future of timber construction belongs to those that help shape it. In our interview, Greber talks about an atmosphere of high spirits in the timer construction industry.

Mr. Greber, as a Sales Manager you are in direct contact with customers. How is the timber construction industry doing at the moment?

Let me make one thing clear from the outset: We didn't experience any real bottlenecks during the last year. The industry has done everything in its power to prevent a repeat of 2021 – with success. What we do see are decreasing construction permit

numbers. These could create a significantly altered situation towards the end of 2023 and in 2024. At the moment, however, spirits on our core markets of Austria, Germany, Italy and Switzerland, are high.

What are the biggest challenges the construction industry faces?

The current global developments and their results, no doubt. Excessive stress for individual players due to a shortage of skilled workers naturally reduces the growth opportunities for timber construction. At the same time, there is also a shortage of skilled workers in concrete construction, which delays the assembly of timber buildings. Furthermore, rising and fluctuating material costs make projects difficult to calculate, which is always a risk. Bureaucracy in the form of slow approval procedures, different building regulations, etc., and the indefinite postponing of investments also often turn out to be a challenge. Inflation, energy costs, interest rates and financing rules naturally play a major role in this context.

Let's talk about opportunities: Why does timber construction still have a future?

Where there's shadow, there is light! High energy costs are a death sentence for steel and concrete – the first opportunity for timber construction. In the long run, everything speaks for resource-friendly timber construction – opportunity number 2. A continued shortage of skilled workers means that construction times are also an issue, a clear advantage for timber and opportunity no. 3. Making construction green as desired by politicians is opportunity no. 4, and circular construction is opportunity no. 5. Construction methods with a high degree of prefabrication, such as modular construction, mark opportunity no. 6. The possibility to erect high-rise buildings – opportunity no. 7. The perfect properties of wood for elevated buildings in urban areas – opportunity no. 8. The growing awareness among architects, planners, engineers and builders for the advantages of timber are opportunity no. 9 for timber construction – and this list goes on and on! Specifically, the shift in



CLAUS GREBER
Sales Manager for Timber Construction Products at Pfeifer



High energy costs hamper steel and concrete – opportunity no. 1 for timber construction.

thinking toward a circular economy and urban mining, or harnessing the urban treasure trove, will define the future. And in this scenario, timber has once again by far the best cards in the deck.

What does this mean for timber construction companies?

They will increasingly have to invest in digitisation (talking about BIM), even more prefabrication and shorter assembly times. Planning will have to shift towards material re-use and

circular construction, which will increase planning efforts, however. The challenge is to train enough planners and architects and to provide them with the required timber construction expertise. The planners themselves will also have to change their thinking. When timber construction companies do the engineering, they will need more people, too. In the light of the previously mentioned ecology topics, this means one thing above all others: The timber construction industry won't be short of projects for a while!



work manufacturers who lack the component of formwork beams for their own formwork system.

How do you perceive the development of prefabricated concrete elements?

There are certainly countries that are influenced by it. In Germany, for example, shuttering panels have been somewhat displaced by the use of prefabricated concrete elements in the last 10 years. Countries like Italy, Switzerland or Austria, however, will always use shuttering panels due to their tradition. Many other countries still lack the know-how to use prefabricated concrete elements. So there will always be a need for our shuttering panels as a “simple product” for smaller, but also larger projects. In addition, new markets are constantly being added, such as India a few years ago. There, the required knowledge is only being built right now. With our formwork beams and shuttering panels, such countries are just now entering concreting work. It is possible that they will use formwork elements later on, but that is always the last step. Many manufacturers need formwork beams as a component anyway.



INGO MEITINGER
Sales Manager for Formwork Products at Pfeifer

The future takes shape

We talk to Ingo Meitinger, Sales Manager for Formwork Products at Pfeifer, about the stability of his product segment.

Pfeifer shuttering panels and formwork beams enjoy an excellent reputation in the construction industry. Why is that?

We were among the first companies to produce shuttering panels and formwork beams. In addition, we stand out from other manufacturers due to our complete range of products (large format shuttering panels, 21 mm shuttering panels with and without edge protection (E and C profile), as well as 27 mm shuttering panels and our fast delivery capability. We always keep standard formats in stock and can therefore deliver within 24 hours.

And what about the formwork beams?

Pfeifer is one of the few manufacturers to offer the option of supplying its formwork beams with or without a cap. This is a great advantage, especially in countries that consider plastic and synthetic materials to be problematic. Another special feature: We can produce formwork beams with a length of 11.9 m and thus guarantee our customers optimum utilisation for container shipments.

Who are your customers?

We supply shuttering panels to the building material trade. We have set up our sales concept in such a way that we serve everyone equally well, from wholesalers to private customers who only buy 1/3 of a load. We also supply formwork beams to the building materials trade, but internationally mainly to form-

We at Pfeifer are constantly
re-evaluating the competitiveness
of our products.

How important is innovation for you?

We at Pfeifer are constantly thinking about the competitiveness of our products. During the last few years, we have conducted tests for even lighter shuttering panels and generally increased their quality even further. The quality we offer fully meets the requirements of the segment we operate in.

Your sales success is directly connected to the construction industry's economic situation. What's your take on the current situation?

It's exciting! At peak times before the crises, we supplied formwork beams to 90 countries, which then dropped briefly to 30,

and now we again serve 75 countries. We will then benefit once again from our customers' recovery and the market access. In short: There is always an opportunity to sell our products. Thank goodness we are not so badly affected by the shortage of skilled workers in our sector. And we can also score points in ecological terms with our environmentally friendly timber products.

What future challenges for the formwork industry do you foresee?

There are many interesting developments such as 3D printers. I think the future is a stable one for our products. Some countries that have stopped using them due to Covid-19, war and crises, will come back and will have a lot of work to do. Considering that formwork beams last about 6 - 7 years and have been rented out over and over again by companies in recent years to save money, demand will soon be high. At some point, the companies will have to invest again.

Excellent relationships with customers can compensate for many turbulences

Leonhard Scherer, Sales Manager for Sawn Timber at Pfeifer, talks about the global flow of goods, active customer focus and not giving in to panic.

An ample supply of sawn timber is the basis for a booming timber construction sector. Do you think global supply to timber processors is secure in the long term?

Generally, I think so. After all, sustainable forestry acts on the principle to never use more wood than the forests can grow back, making sure that future generations have enough raw material at their disposal. However, it also depends on how strongly the timer construction industry is actually booming. In Central Europe, we will probably see adjustments in the export sector. And lower export quotas will result in more wood being delivered to processing firms.



LEONHARD SCHERER
Sales Manager for Sawn Timber at Pfeifer and managing director of Euroblock Verpackungsholz GmbH

How much sawn timber is Pfeifer using for timber construction vs. packaging timber?

Some 30 % of our entire sawmill output goes into packaging. Since our cross laminated timber plant in Schlitz went online, it has changed a little. Now, a part of the goods that we used to deliver to the construction industry or exported is now used in our own processing plants. Nothing has changed in production, however. We still sell the same quantities to the packaging sector as always.

How did the war in Ukraine affect global sawn timber flows?

Globally, the sawn timber flows have only been adjusted somewhat. Large flows between Europe and the US, for instance, have grown over the last few years. The flow of goods from Russia to Western Europe, on the other hand, is a thing of the past or has shifted towards China and other countries that still buy goods from Russia. The Scandinavian countries somewhat compensate for this loss. Siberian larch will need to be replaced by other products – some by the Scandinavian countries or local sawmills. When it comes to Europe, I expect export quantities to decrease somewhat while the domestic market remains stable. Sawn timber production has already fallen slightly and will not increase again this year, but will fall back to the level of 2021.

The quantities we sell in the packaging product division have remained the same.

What role does the supply of the domestic market play at Pfeifer? Are existing customers treated preferentially?

Pfeifer is strong in Central Europe. While the overseas market fluctuates between 15 and 20 %, the Central European market is by far the largest for us. Here, we have long-standing custom-



ers that indeed enjoy a somewhat preferential treatment. However, we also export various products and ranges. And the ones the Central European market doesn't need to this extent, are mostly exported. The Central European market is also not really interested in reject goods. Depending on range and quality, there will always be a certain portion that is exported. When it comes to higher quality products, however, the Central European markets and our long-standing customers come first.

What other benefits do Pfeifer sawn timber customers enjoy?

Generally speaking, Pfeifer is very well represented on the market with its 9 sawmills in Central Europe and Scandinavia. Thanks to our acquisition in Finland, we further safeguarded round timber supply. We offer our customers a wide range of products and produce similar ranges in several plants. This results in strong constant delivery readiness. Due to long-standing relationships with round timber suppliers, we are able to secure our raw material supply and can respond flexibly to fluctuations in demand within the construction and packaging industry within the Pfeifer Group. A further plus: Our professional sales team knows the markets and customer requirements very well. We are always open

to listen to our customers' requests. Through Euroblock, we maintain close ties to the packaging and pallet market. Logistics is another area where Pfeifer stands out: Apart from standard trucks we push inter-modal transport, establish railway connections to our plants wherever possible and use water transport as well.

The last few years were challenging for the sawn timber market. Did you learn anything important during this time?

One thing we learned is that partnerships are becoming more and more important. Strong relationships with suppliers and customers can compensate many a turbulence and provide continuity. The fact that Pfeifer has always aimed for long-standing business relationships that provide a win-win has paid off. We grow with our customers and their economical success.

Adding to this is the insight that there is no reason to panic even when markets change quickly. Despite strong price fluctuations in the last years, there was always enough wood in the end – at adjusted prices, but the markets will always change. We shouldn't worry too much about everything.

Pfeifer pellets stand for quality

Michael Almberger, Sales Manager for Biofuels at Pfeifer, talks to us about peak prices, total market penetration and other hot benefits for pellet and briquette customers.

People still remember the record-breaking prices of 2022. Will the prices for pellets be similarly volatile in 2023?
The price peak is behind us, demand has plummeted since November 2022. The low consumption we are seeing right now is a result of the relatively warm weather and accounts for 20 - 30 % less consumption. However, the falling prices are due to calculations at the manufacturers.

The forecast sees growth on our core markets for 2023.

For even if the price of the product is now going down in the first quarter, developments in the raw materials sector are actually pointing in the other direction. As a result, it will become clear in the near future to what extent the shortage and the increase in round timber prices will affect the availability of pellets. In the end, market demand will again determine the price. Growth in our core markets is also forecast for 2023.

What role does panic buying play in this?
Panic buying exacerbated the trend enormously in the previous year because it emptied producers' warehouses within a very short time. Combined with very high demand, this created a certain vacuum, which resulted in shortages and thus higher prices and longer delivery times. The massive demand for pellets, however, was also a result of the fact that some 12,000 pel-

let heating systems were sold in Austria in 2022. At the same time, supply from Russia, Belarus and Ukraine ran completely dry – these quantities were missing from the market and resulted in added pressure.

In the current situation, would you recommend stockpiling pellets or buying them when needed?
The most important thing is to bring a certain calm and stability back into the market and consolidate confidence in the product – that is, availability for the trade sector and an affordable price range for traders and producers should be achieved. If these factors are guaranteed, the question does not even come up. A storeroom should be filled when it runs empty. As the past has shown, panic buying and speculation are not the solution.

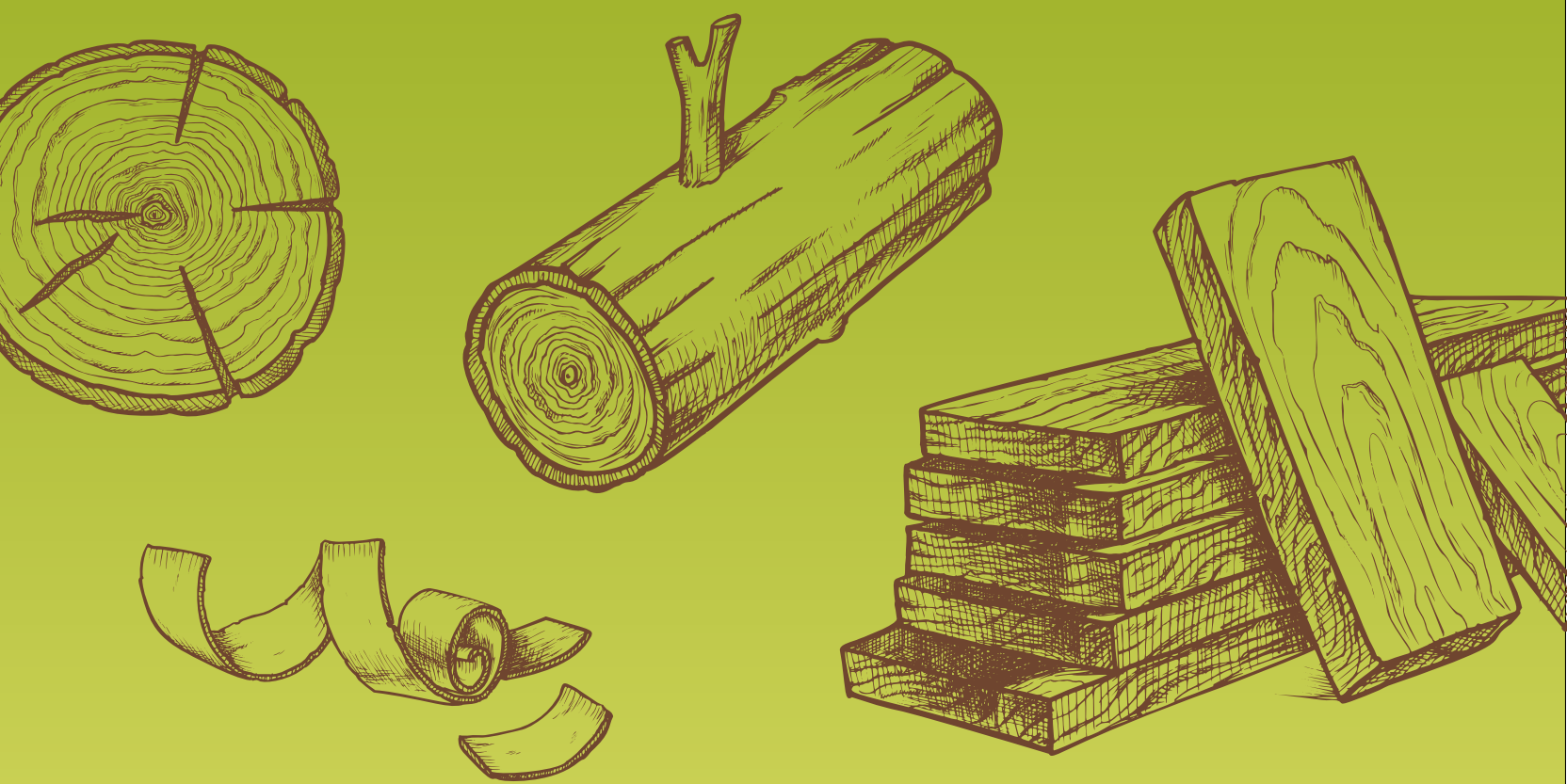
What kind of production capacities does Pfeifer have and does it intend to expand them?
Our current capacity is 620,000 tons of pellets and 20,000 tons of briquettes per year. Currently, there are no plans for capacity expansion. However, we are able to guarantee secure supply from our side. As Europe's largest pellet producer, Pfeifer guarantees 100 % market coverage and supply readiness in its core markets of Germany, Italy, Austria, Switzerland, Czechia and France. This fact makes panic buying obsolete.

But that's not the only benefit for Pfeifer customers ...
The benefits are massive. First and foremost is our quality – when it comes to pellets, Pfeifer is a household name. Moreover, Pfeifer stands for continuity, service and contract compliance. We have delivered all contracts already concluded down to the last ton, even if they did not correspond to the market price at the time. The result of our efforts is a large and particularly loyal customer base.



MICHAEL ALMBERGER
Sales Manager for Biofuels at Pfeifer

10 GOOD REASONS FOR BUILDING WITH WOOD



High-rise buildings, underground stations, football stadiums: Today, almost everything can be built from wood. Why is wood experiencing such a boom as a building material? The following is a list of the top 10 reasons pro:Holz Austria identifies for a future “made of wood”.

1. WOOD PROTECTS THE CLIMATE

Every cubic metre of installed wood sequesters one ton of CO₂ for the long term. Every felled tree makes room for new trees that actively absorb CO₂ from the atmosphere. Every building made from wood contributes to less construction involving other, more CO₂-intensive building materials such as steel or concrete.

2. WOOD GROWS BACK

While other raw materials used in construction are becoming more scarce, wood grows back constantly. In the forests of Austria, one cubic metre of wood is created every second. Actively implemented for more than 300 years, the principle of sustainability makes sure that there is always enough wood.

3. WOOD IS A SIGNIFICANT ECONOMIC FACTOR

Utilising wood as a material, e.g. as a building material, significantly improves value creation. The timber sector creates 300,000 jobs in Austria alone, mostly in rural regions. This makes the forestry and the timber industries some of the largest employers in the country.

4. WOOD IS A HIGHLY DEVELOPED BUILDING MATERIAL

Cross laminated timber, a flat wood product made of several layers of wood laid crosswise on top of each other and glued together, has revolutionised timber construction and is the key to the use of wood in multi-storey construction. Solid wood slabs can be used like reinforced concrete slabs.

5. WOOD ALLOWS FOR LOTS OF FREEDOM IN DESIGN

Computer-based calculation and manufacturing methods allow completely new forms of design – from long-span support structures to high-rise buildings. More and more renowned architects are discovering the potential of timber construction. Possibly humanity's oldest building material, wood is becoming the epitome of modern architecture and mastery of construction.



6. WOOD IS PARTICULARLY SUITABLE FOR PREFABRICATION

Timber construction mostly takes place in production halls. Walls, ceilings and entire modules are prefabricated at the plant, subsequently transported to the construction site and assembled in record time – not needing any time to dry, not creating much noise or disruptions.

7. WOOD CAN SUPPORT MANY TIMES ITS OWN WEIGHT

Timber building components are lighter than equivalent ones made from concrete, steel or brick. This means that timber constructions require smaller foundations, saving space and money. For structural reasons, building extensions upwards can often only be realised with the light building material that is timber. A significant benefit when it comes to urban redensification.

8. WOOD BURNS SAFELY

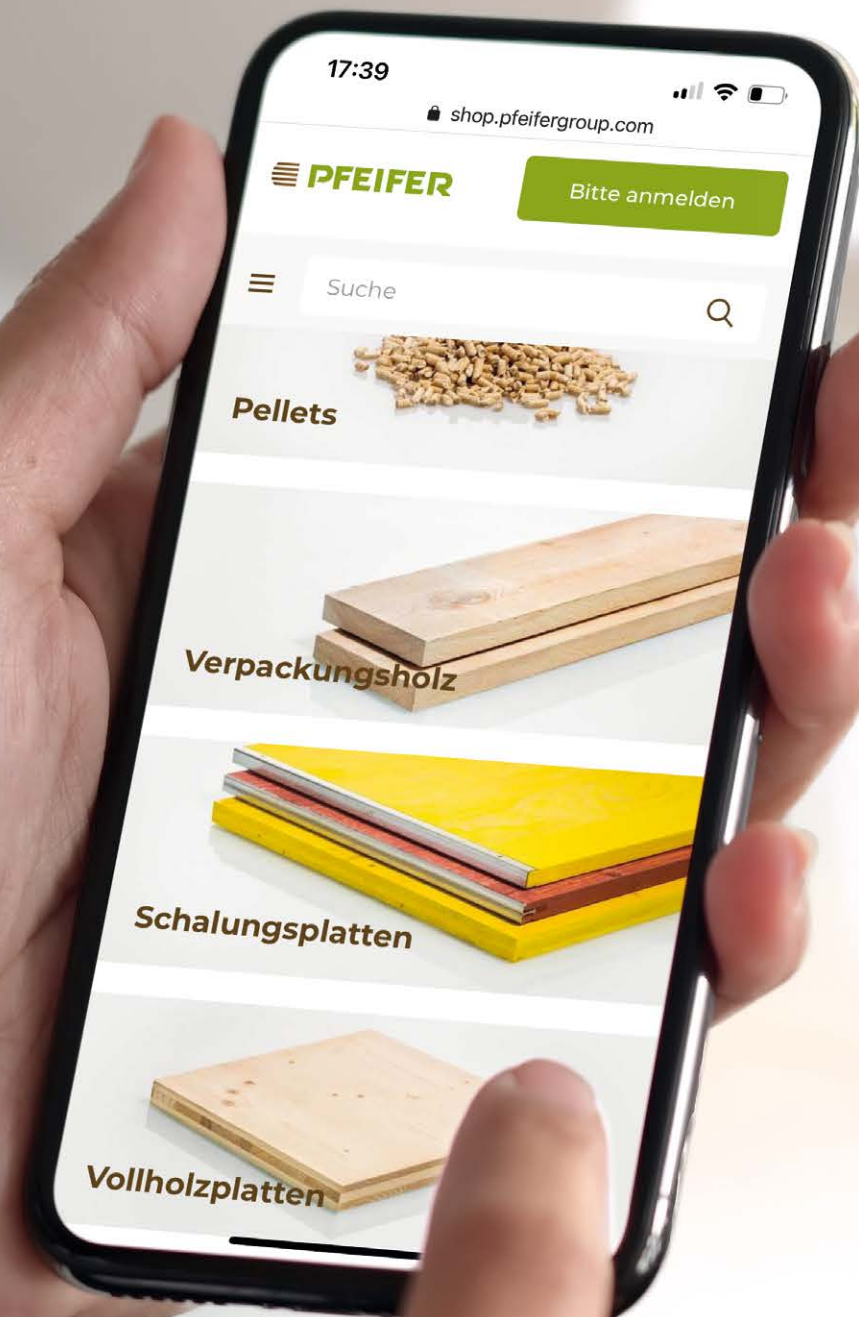
Just like all other buildings, timber structures need to meet the authorities' safety regulations. Contrary to other building materials, however, the fire behaviour of wood is predictable and controllable. Wood burns off slowly, retaining its load bearing capacity for a long time.

9. WOOD FEELS GOOD

Wood smells good, is nice to the touch and creates a pleasant atmosphere. It's a 'warm' building material that doesn't absorb heat from the human body. Wood is capable of absorbing and giving off moisture, creating a naturally regulated indoor climate.

10. WOOD DOESN'T PRODUCE WASTE

Wooden buildings can be easily deconstructed at the end of their service life. Individual components can be recycled, and the rest can be used for energy. In the process, the CO₂ stored during the growth of the trees is released again and the CO₂ cycle is closed.



THE NEW TIMBER CONSTRUCTION APP FOR OUR CUSTOMERS

- ✓ Easy to use on your smartphone
- ✓ Ongoing updates
- ✓ Comprehensive information on the topic of timber construction

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On a growth trajectory with strong roots

In late 2022, Pfeifer announced its acquisition of the Finish timber processing firm Pölkky Oy. The transaction made Pfeifer the third-largest sawmill group in Europe and the tenth-largest in the world. Furthermore, this step has been part of a well-considered strategy of growth that is supposed to open attractive markets and a secure raw materials supply to the producer.

In its 75-year history, the family-led company has always stood out with its visionary approach towards growth. “Today, we at the Pfeifer Group are able to look back on a successful history because our company has never stopped to look forward. These future perspectives will remain a constant,” CEO Michael Pfeifer commented five years ago when the company celebrated a major anniversary. Its latest feat in Finland proves that this philosophy is still on the money. By acquiring Pölkky Oy Pfeifer, hitherto located in Austria, Germany and Czechia, pushes a strategically logical expansion towards the Nordic countries. The main reasons for this step were the quality and availability of its raw materials, a predictable round timber price and synergies that could be achieved. The deal was based on a thorough analysis during which the Pfeifer Holding’s management reviewed all acquisition options of the last years. Pölkky emerged as the best option, as Michael Pfeifer specifies, “We are excited about the opportunities this acquisition brings. Pölkky is a well-managed family company with a competent management and staff, a unique location in the heavily forested area of Northern Finland and a valuable market position. This is why Pölkky fits perfectly into our strategy of synergistic growth.”

AN ESTABLISHED PLAYER

Since its foundation in 1968 the company has been owned by the Virranniemi family. As the largest wood processing company in private ownership in Northern Finland, Pölkky Oy employs 420 people and most recently recorded an annual turnover of 200 million Euros. Its sawmills and processing plants are located in Kuusamo (headquartes), Taivalkoski,



Kajaani, Kitka and Oulu. The company processes 1.4 million cubic metres of wood annually, its product portfolio comprising sawn timber, planed timber, pressure-treated wood, glulam as well as wood chips and sawdust. With an export quota of over 70 percent and delivery destinations in 35 countries, Pölkky is a major player in the global sawmill market.

“Pölkky is well established on the market. It always produced consistent results. In fact, they were must more stable than here in Central Europe: Not exceptionally high, but neither were they ever low. Pölkky is an integrated company and the owning family has built a management early on that we now want to invest in. Every takeover offers many opportunities. New employees are now being added with whom we will continue on this path,” says Michael Pfeifer.

The Pölkky brand will remain in use. The acquisition has no impact on Pölkky’s staff levels, customers and cooperation agreements, either. Nonetheless, Pfeifer seeks to bring

© Pölkky Oy

© Gerhard Berger | Pölkky Oy



“Pölkky is a well-managed family-run company with a competent management team and staff, a unique location in the forested north of Finland and a valuable market position.”

Michael Pfeifer, CEO Pfeifer



together the teams in Central Europe and Finland and to capitalise on the synergies the Pfeifer Group now offers.

NEW PERSPECTIVES FOR PFEIFER

Thanks to the acquisition, the Pfeifer Group's number of employees rises to some 2,600 in four countries. The forecast turnover will increase to 1.4 billion Euros in 2023. Including Pölkky's four sawmill sites, Pfeifer now operates nine sawmills that put out 3 million m³ of sawn timber in total. In order to further increase its performance and to prepare for global competition, Pfeifer is running the investment programme for the Finish sites (which had been initiated before the deal) as planned. Some 100 million Euros will be invested in optimising its infrastructure in three years. The end result will be two comprehensively renovated sawmills with new Hewsaw and Veisto lines. The first one will begin operation in the spring of 2023. Timber harvest is one area where Pölkky already operates highly efficiently. Adding to this are top-quality raw materials: "Pölkky harvests 80 % pine and 20 % spruce. Contrary to Central Europe, raw material supply isn't really an issue in Northern Finland. Moreover, the prices are very reliable at between 80 and 85 €/m³," Michael Pfeifer sums up.

In order to capitalise on the full potential of all Finish sites, Pfeifer seeks to transfer the Tyrolean timber company's processing know-how up north. At the same time, the firm wants to adapt to the conditions on site. Traditionally, for instance, chopped wood is delivered to paper mills in Finland. Local processing of wood ships is an option for the future.

CENTRAL EUROPEAN TIMBER INDUSTRY COMPANIES ARE EXPANDING

Pfeifer's deal in Finland is only one in a long list of take-overs by Central European timber industry companies in the north. They use their excellent results from the last five or six years to grow, combined with increasingly more important raw material supply security. Today, Austrian companies account for 15 % of the entire timber harvest in Finland. Besides that, the US, Canada as well as North and South America also become increasingly interesting to the large timber processing firms. "Pölkky won't be a our last acquisition," Michael Pfeifer hints at further additions to the family.

75 YEARS OF PFEIFER
FROM A SMALL SAWMILL TO
THE THIRD-LARGEST TIMBER
INDUSTRY COMPANY IN EUROPE

1948

Barbara Pfeifer establishes a commissions order sawmill in Imst (A).

1971

First wood processing plant with shuttering panel production in Imst.

1985 bis 1995

Plants for timber construction products, natural wood panels and glulam are established in Imst.

1978

Pfeifer expands to Kundl (A), now operating two sites.

1997

Acquiring a shuttering panel plant in Schlitz (D) makes the company expand beyond the Austrian borders.

2004

Expansion in Czechia: Acquisition of a shuttering panel plant in Trhanov.

2005

Pfeifer acquires Anton Heggenstaller GmbH and with it, three new sites in Unterbernbach and Uelzen (D) as well as Trhanov (CZ).

2009

Pfeifer builds a model site meeting the latest standards in Lauterbach (D).

2016

Holzindustrie Chanovice (CZ) is added to the Pfeifer Group.

2023

Pfeifer acquires Finish wood processing company Pölkky Oy, growing to 2,600 employees at 13 sites in four countries.

7
FACTS
ABOUT
FINLAND

Total area
338,440 km²

Population density
16 people per km²

Forested area
26.3 million hectare

Area usable for forestry
20.3 million hectare

Species of trees
50 % pine, 30 % spruce and 20 % hardwood

Timber stock
2.5 billion cubic metres

Annual timber growth
Approx. 100 million cubic metres



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TRADE FAIRS AND DATES

Pfeifer will once again appear at the largest trade fairs and industry meetings in 2023/24. A constantly updated overview of these can be found in the newsroom at pfeifergroup.com.

Pfeifer uses its presence at trade shows as a stage to personally present its products and services to all customers and interested parties. The appropriate framework for stimulating conversations is provided by a new trade show booth, which was partly built from Pfeifer products and will be used for the first time at BAU Munich in April 2023.

! All trade fair dates at
[www.pfeifergroup.com/en/news-room/
events-and-fairs/](https://www.pfeifergroup.com/en/news-room/events-and-fairs/)



PFEIFER TALK

First-hand expert knowledge, comfortably presented online and in an interactive fashion: That's our popular Pfeifer Talk. The format was born during the first Covid-19 lockdown and has since become a fixed item in the calendar of many managers, customers and interested parties. At regular intervals, Pfeifer invites renowned lecturers from the areas of the timber industry, science and society to chat about relevant developments. During these meetings, even highly complex topics are presented in a palatable and practical way.

An invitation to the Talk including registration option will be sent out via our newsletter and can be found in the newsroom at pfeifergroup.com.

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PASSION FOR TIMBER

We have added biofuels to our product portfolio all the way back in the 1990s. Thus, we are able to process 100 % of the raw materials we use into our products.

Based on the sustainable raw material that is wood, Pfeifer actively contributes to the decarbonisation of our society through its products.

100 % of the wood processed is sourced from sustainable European forestry supplied by some 3,500 suppliers.

At our sites, we produce some 300,000 MWh of green energy* per year.

At our sites, we produce some 900,000 MWh of heat from biomass* per year.

We ensure that some 3,500,000 tons of CO₂ remain sequestered in our products and some 600,000 tons of CO₂ are saved through the generation of our biofuels.*

We procure some 95 % of our operating materials and plant components from suppliers based in the EU, thus operating under strict social and environmental standards.*

Our products are certified in accordance with leading standards such as PEFC, FSC, CE certificates, ETA, IPPC, ENPlus, DIN CERTCO, etc., guaranteeing high quality and environmental standards.

* The Pfeifer Group continues its successful growth and has acquired the Finnish wood processor Pölkky Oy. The facts stated refer to the time before the acquisition of Pölkky Oy.

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