

timber

Pfeifer Group Company Magazine



ISSUE 6 | March 2018

Ready for the future

CLT production in Schlitz

Online presence

Shuttering panel production in Chanovice





Editorial

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In 2018, the Pfeifer Group celebrates its 70th anniversary. In 1948, in the midst of an existential crisis, Barbara Pfeifer was determined enough to venture into becoming self-employed. Against the economic backdrop of difficult post-war years and in an industry dominated by men for centuries, this pioneer from the Pfeifer family gave her life a decisive turn. After her husband had died early, Barbara Pfeifer seized a once-in-a-lifetime opportunity: She took over the saw mill they had leased when it was offered to her for sale. Together with her three sons Oskar, Fritz and Bernhard, she evolved it into a timber industry company which has since grown into an industry leader of European rank.

Today, the Pfeifer Group runs eight locations in three countries, employs 1,800 staff and exports its products to more than 90 countries. We have been in worldwide competition for many years. But despite all the global orientation – the values of the founding years still form the foundation of our company. The continuous pursuit of highest levels of quality and efficiency and the aim to make the best out of timber as a raw material are the pillars of the Pfeifer Group's identity. The will to achieve a leading market position from which we secure the highest product quality and cost-effectiveness for our customers.

But also the openness to new developments and technologies while carefully weighing opportunities and risks.

Last but not least, our actions are shaped by the awareness that we as a family-run company of the third generation have a special responsibility. We pursue sustainable relationships with customers, employees, suppliers and partners in all areas of society. In combination with adherence to economic principles, this results in the stability that has always been the source of innovation and investment strength. In 2018 alone, Pfeifer will invest some 64 million Euros in the implementation of new production methods to optimise processes and ultimately meet the needs of our customers even better. The expansion of the Schlitz location into a CLT centre of competence particularly highlights our market orientation.

Today, we at the Pfeifer Group are able to look back on a successful history because our company has never stopped to look forward. And we will continue to do so in the future. Our active investment policy bears a clear testament to that.

Michael Pfeifer, CEO Ewald Franzoi, CFO Clemens Pfeifer, CTO
Managing Directors of the Pfeifer Holding

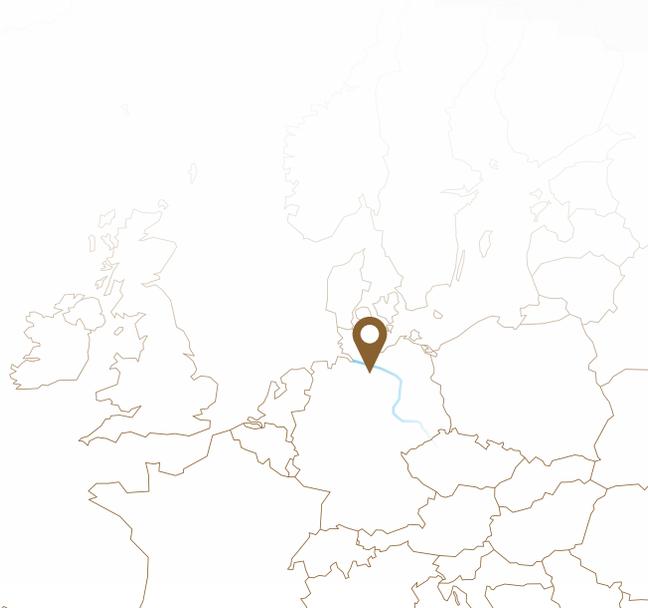
Annually, **480.000** solid cubic metres of round logs are delivered there from a max. distance of 150 km

OUR LOCATIONS IN THE SPOTLIGHT

Uelzen

Its closeness to renowned companies from the international pallet industry makes Uelzen a strategically important base in north-eastern Lower Saxonia.

Located in the centre of broad pine forests guarantees environmentally friendly and sustainable timber supply.



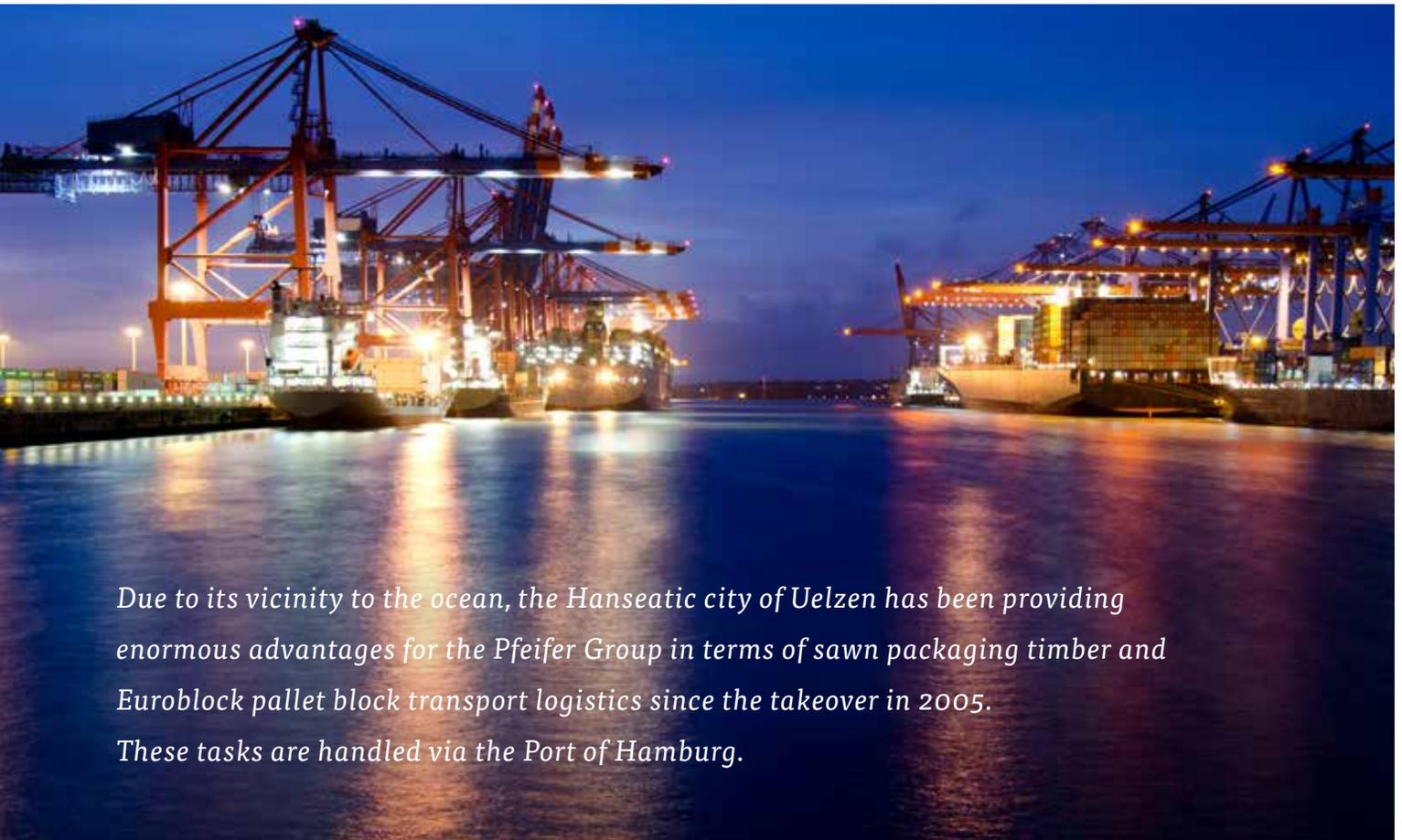
- 1 Round log site
- 2 Maintenance
- 3 Saw mill
- 4 Chip treatment and storage
- 5 Power station
- 6 Pallet block production
- 7 Sawn timber drying
- 8 Dried sawn timber storage hall

36.000 m³ of sawn timber were dried in 2017.

The Uelzen plant produces **274.000 m³** of sawn packaging timber and **250,000 m³** pallet blocks annually.

59 million kilowatt hours of green power are generated by the biomass cogeneration plant annually.





Due to its vicinity to the ocean, the Hanseatic city of Uelzen has been providing enormous advantages for the Pfeifer Group in terms of sawn packaging timber and Euroblock pallet block transport logistics since the takeover in 2005. These tasks are handled via the Port of Hamburg.

The Port of Hamburg - the third-largest in Europe.

Fully integrated & highly capable

For the Pfeifer Group and its customers, the Uelzen location guarantees delivery capability and reliability. Some 480,000 solid cubic metres of round logs from a maximum distance of 150 km from the plant are cut short and processed into 274,000 m³ of sawn packaging timber, 59 million kilowatt hours of green power and 250,000 m³ of pallet blocks. This makes Uelzen the largest »Block factory« in the Pfeifer Group.

Investments of 3.1 million Euros in three drying chambers with a capacity of 200 m³ each in 2016 yielded a mas-

sive product range expansion in the field of sawn timber. Thanks to the new drying process and the pallet blocks, Pfeifer Uelzen can already deliver IP-PC-treated goods to its partners in pallet production. This eliminates the need for further technical drying and heat treatment of the finished pallet.

The second expansion stage will be carried out this year including a channel dryer, which increases the annual drying capacity to 90,000 m³. Commissioning: 4th quarter of 2018. In 2017 a new record was set with 36,000 m³ of dried sawn timber: 10 % more than originally planned! The plant produc-

es the heat for the entire sawn timber drying process through its own power plant.

An attractive future employer

The location currently employs 190 people, 20 of whom are salaried employees and 170 industrial employees - mostly in four-shift operation. The average age of the team is 44 years, the average length of service is 11 years. In Uelzen, Pfeifer trains people to become industrial clerks, industrial technicians or timber processing technicians.

Uelzen has it all

Together with another large company in the vicinity, Pfeifer has become involved in Arbeitgeberinitiative AGI ('Employer Initiative'). This organisation aims at highlighting the many advantages of Uelzen – a city with 33,000 inhabitants – as a place to work and live as well as the high quality of life the surrounding region offers. "With its full employ-

ment, first-class transport connections, top-quality low-priced building land, good childcare, education and training opportunities, urban flair and a unique nature with a wide variety of leisure activities, the district town in the Lüneburg Heath region always achieves top marks in location rankings," says Jill Schenk, the Head of Administration at the Uelzen location. ☰

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The streamlining of the product range, targeted investments in existing facilities to improve quality and performance as well as the full utilisation of the integrated location ensure maximum delivery capability and reliability.

Uwe Herold, Plant Manager in Uelzen



The Hanseatic city of Uelzen is situated on the edge of the Lüneburg Heath region and home to 33,000 citizens.

History and development

1991 Laying of the foundation stone for the saw mill and block production facility. The Uelzen plant's industrial timber production story begins.

2005 The Uelzen location is taken over by Pfeifer

2006 Investments in the saw mill's modernisation brings Uelzen up to date with the latest saw technology.

2008 With the construction of a biomass cogeneration plant, Uelzen becomes another branch where Pfeifer pursues its strategy of a closed, complete utilisation and value creation chain.

2014 Comprehensive optimisation measures implemented in the saw mill to increase yield.

2016 Pfeifer invests in the Uelzen location: Three new drying chambers are built and the storage areas expanded.

2018 The second stage of the sawn timber drying system is taken into operation in the fourth quarter with a new channel dryer. Annual drying capacity increased to 90,000 m³.

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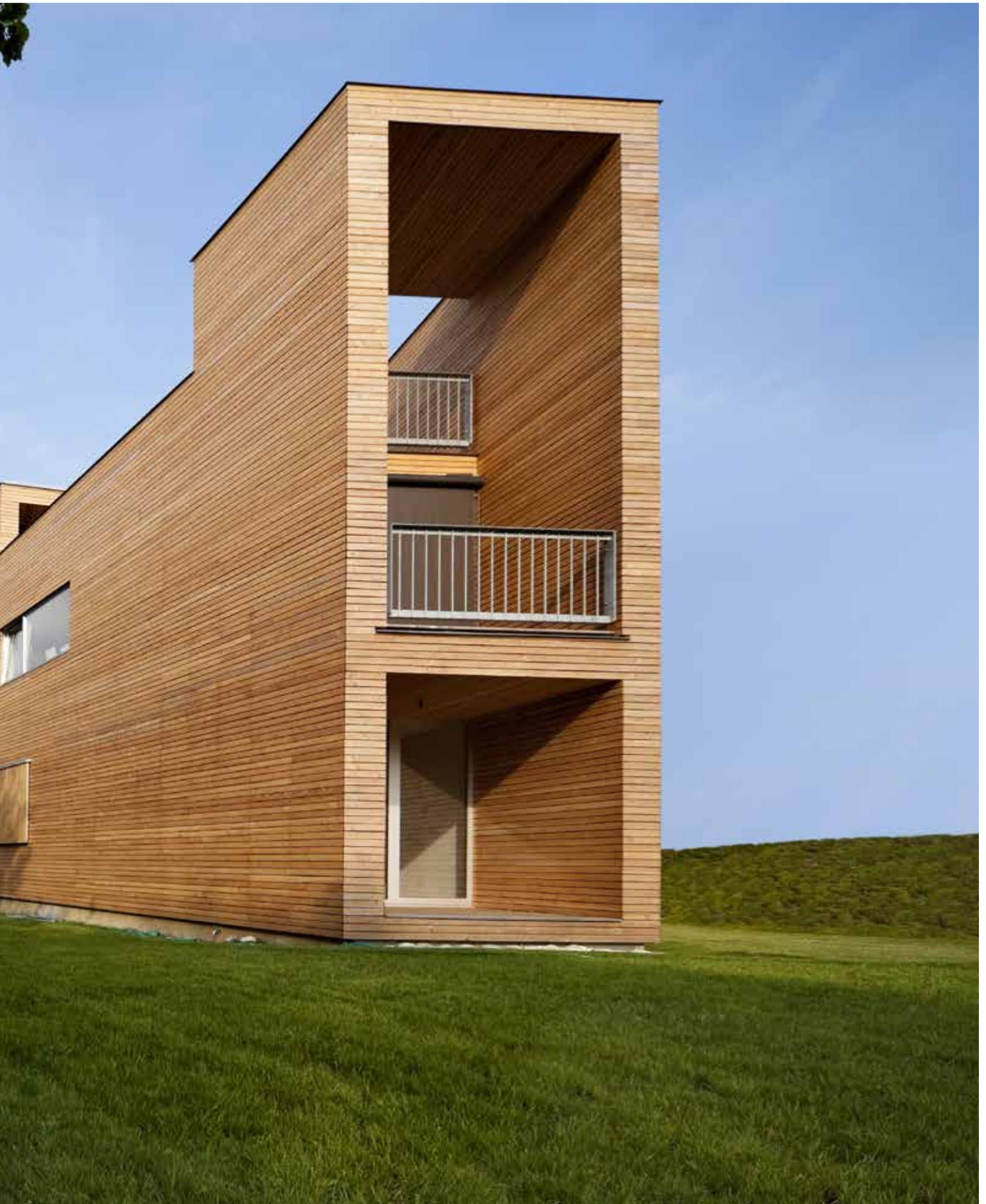
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Learn more at  pfeifergroup.com/en/uelzen

CLT: TIMBER CONSTRUCTION WITH
SIGNIFICANT ADVANTAGES

The new nature of architecture

The dimensions of CLT elements and their structural as well as their aesthetic qualities open up new perspectives in terms of applications and design possibilities for the entire construction industry as well as architects. Together with the many advantages of this product, this explains the triumphant advance of cross laminated timber since the late 1990s. —>



The million is within reach!

90 per cent of worldwide CLT production takes place in Europe, most of it in Austria (currently 60 %) and Germany (currently 24 %). Almost every year, the leading manufacturers massively increase their capacities. According to forecasts, by 2021 the production volume will have reached a total output of 1.3 million cubic meters!

To put this into perspective: In 2016, output was just 680,000 m³.

Cross laminated timber (CLT) practically symbolises the ecology and economy of timber construction. All the advantages of solid constructions such as solidity, value retention, sound insulation or fire protection are ideally combined with the ecologically unique selling points of wood as a sustainable material. The refinement of wood into CLT combines fast and precise construction with the aesthetics, comfort and sustainability of wood.

Production

Cross laminated timber is a solid pre-fabricated system element made from wood. It is one of the most efficient construction materials in rela-

tion to its weight. It consists of three to seven cross laminated softwood board plies. By gluing longitudinal and transverse plies, the swelling and shrinkage of the wood is reduced to a negligible extent. Pfeifer CLT uses dried, planed spruce and pine lamellas sorted by strength and quality as well as formaldehyde-free polyurethane (PU) glue.

The individual panels are connected lengthwise by a finger joint in a force-fitting manner and finalised in the gluing station or press.

In the joining centre, CNC-controlled joinery and sanding takes place according to customer specifications. The entire Pfeifer CLT production is highly automated. ☰



Advantages of solid CLT construction

Sturdy, safe and comfortable buildings are created through a **high degree of prefabrication**, resulting in the **shortest construction times** and **easy assembly**.

Maximum planning reliability due to defined or standardised mechanical and structural properties of CLT prefabricated parts.

Diverse architectural **design possibilities**

CLT elements meet **all criteria of solid construction**.

They achieve the fire resistance class REI 30-90, increase the storage-capable mass of a building and can be used for biaxial load transfer. Earthquake-proof construction is possible.

CLT has a **soundproofing and heat insulation effect** while solid wood regulates indoor air humidity and ensures a **pleasant room and living climate** both in summer (insulation) and winter (heat storage).

CLT elements are **breathable** and work like a vapour barrier, which for the most part means foil-free construction.

All components – walls, ceilings and roof – **can be designed in CLT**, for low and ultra-low energy as well as passive energy buildings of different sizes, building and roof forms.

Net gain of living space through thinner wall construction.

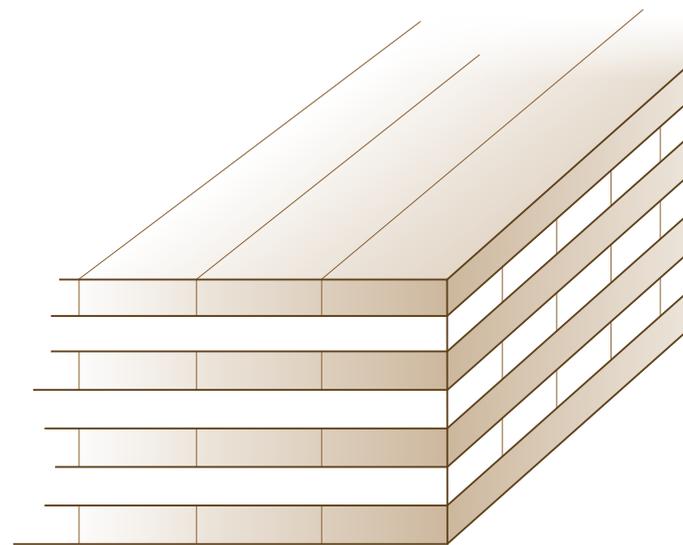
CNC joining centre enables cuts and milling to be made individually according to the construction plan.

Environmental advantages

Compared to conventional building materials such as concrete or steel, wood has a **bonus of being environmentally friendly**: Europe's forests grow more wood than is harvested. Wood is a natural carbon storage medium, has a high amount of CO₂ and thus **contributes actively to climate protection**.

The low weight of CLT offers **advantages in transport and handling**, which saves energy and costs.

At the end of a building's life cycle, this natural raw material can be **completely recycled** in an **ecological** way.



Cross-laminated timber consists of three to seven cross-laminated softwood plies.

Learn more at  pfeifergroup.com/en/blog

THE PFEIFER GROUP ENTERS
CLT PRODUCTION IN 2019

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Pfeifer finally turns into a full-service provider in the timber construction industry



Josef Dringel

is the Managing Director of the two Czech Pfeifer locations in Chanovice and Trhanov, Project Manager of CLT production in Schlitz and since 1 January 2018 serves as the Managing Director of Pfeifer Timber GmbH together with Michael Pfeifer.

Building with wood in general and with cross laminated timber in particular is the future. Pfeifer sets the course at its Schlitz location: Using state-of-the-art facilities, the location will start production of 50,000 m³ of finished CLT (= Cross Laminated Timber) in mid-2019. In line with market demand, full operation is scheduled to double to 100,000 m³. This will make Pfeifer the fifth-largest CLT producer in Europe in an instant.

INTERVIEW WITH JOSEF DRINGEL

Rarely before has a megatrend changed the international construction industry this massively in such a short time: CLT experienced a growth of 17 percent annually since 2008. Globally. The Pfeifer Group reacts correspondingly to the massive market demand and invests 25 million Euros in a state-of-the-art CLT production at the Schlitz location to integrate cross-laminated timber competence into the Group. At the same time, the Lauterach location will be used as a central supplier for Schlitz. timber talked with CLT Project Manager Josef Dringel about the motivation behind and the framework conditions of the company's entrance into the promising CLT market, choosing a location and the future product range.

CLT has been a topic at Pfeifer for a couple of years now. What motivated you to start production now?

The market for cross-laminated timber has developed much more dynamically than expected. Additionally, CLT is in demand around the world. Timber construction will continue to grow globally on a sustained basis due to demographic and social developments. Much has also been done in terms of product standardisation. All these factors have led Pfeifer to enter CLT production. The project started in early 2017. The timing is perfect. Pfeifer finally turns into a full-service provider in the timber construction industry.

What kind preparatory work was done so far, also when it comes to distribution?

CLT complements our product range with a fast-growing product and strengthens our market position. CLT suits us very well. But we have to integrate it into our established production and sales structures or create new ones. CLT or CLT elements are not produced as standardised commodity or warehouse items, but in a purely order-related manner. The customer structure is also different. However, the retail market will remain our main contact for this new product. In some cases, sales can be carried out via existing structures and cooperations. As a second tier, we plan to work directly with partners from the trade and industry on a project-related basis. —→

The order processing in the CLT segment requires appropriate engineering, strong – also digital – networking and high-precision logistics. How will Pfeifer handle this?

Our aim is not to build a large engineering office. The interface between production or work preparation and sales will be an internal service department. In addition to classic order processing, this unit will provide the necessary technical support. In addition, we will outsource engineering services to technical partner offices, while competent product managers will support our customers and the Pfeifer field service team in the implementation of orders and projects. We see continuous IT networking of the entire order processing process, combined with fast response times to customer inquiries and transparent processing as a key success factor. When it comes to logistics, we can rely on our proven, highly efficient structures.

What made you decide for Schlitz as the location?

It was clear that Pfeifer would carry out this project in Germany in the immediate vicinity of the Lauterbach saw mill in order to be able to increase the added value by processing sawn timber. In Schlitz, the entire infrastructure with all production halls, external areas, an order picking warehouse and heating and sawn timber drying facilities is already in place, which reduces investment and running costs enormously.

In addition, we are located centrally in Germany, Europe's most important market, and in the heart of the core markets and not far from booming markets such as Great Britain and Scandinavia.

delivery times of the machines already ordered, commissioning will take place in May 2019. Overall, we are creating 55 new jobs in Schlitz in the first stage of expansion.

Let's talk about the product range: What dimensions of CLT / CLT elements will Pfeifer offer?

As newcomers, we want to make the best possible use of our new facilities. That is why we will produce large-format panels in the most common dimensions, as wall, ceiling and roof elements. This covers 85 to 90 percent of the market demand.

We clearly see ourselves as a supplier of high-efficiently manufactured raw boards that meet market requirements in terms of quality. We process spruce



Contrary to glulam which we mainly deliver to key European countries, CLT is in demand around the world. That's why now is the perfect time to enter CLT production.

Michael Pfeifer, CEO of the Pfeifer Group

The plant will be expanded in two stages. Could you tell us a little bit about them?

In stage 1 we will achieve a capacity of 50,000 m³ of finished CLT, which corresponds to a sawn timber input of approx. 65,000 m³. In the 2nd stage, the capacity will be doubled to 100,000 m³. The investment required for full operation is manageable, and we are already setting the course for this. After a start-up and optimisation phase, the highly automated plants are planned to be operated in three shifts. Due to the long

and pine sawn timber into CLT with a maximum width of 3.10 m, a maximum length of 14.5 m, a thickness of 6 to 30 cm and three to seven plies. Everything will be offered in three grades namely industrial, visual industrial and visual, each with sanded surface. In our ultra-modern CNC joining centre the system elements are automatically and – for special requirements – also manually joined, including openings for doors and windows, milling, cut-outs and apertures for electrics, pipes, etc. according to the order.

What are the main areas where you think CLT products will be used? After all, cross laminated timber is already referred to as the "concrete of the future".

A term I don't like, by the way. In addition to solid wood construction, solid mineral construction or steel construction will continue to have its justification in the future, depending on the requirements placed on the project or object, if criteria such as fire, noise and noise protection are taken into account. In these fields, hybrid technologies must be further developed, i. e. various building materials with different strengths must be combined to form a building system, thus opening up new possibilities for architecture. As always, it's in the combination, also from an aesthetic standpoint. The main areas of application for CLT will certainly be multi-storey buildings such as residential buildings, commercial buildings (offices, hotels), municipal buildings such as schools, kindergartens or nursing homes and much more. Especially these areas are well suited for standardised building, and we want to advance this standardisation.

Further applications are extensions or upgrades of any kind and dimension in urban environments. And let's not forget about private residential construction.

How does the market react to Pfeifer CLT?

Very positively. CLT is currently in short supply due to the high demand. We are even receiving inquiries already. Of course, it's a little early for that.

You have been working with cross laminated timber for more than 15 years.

What do you personally find fascinating about this material?

CLT combines the many advantages of wood with technological achievements that enable a high degree of prefabrication and rapid, safe construction. These benefits are matched by global demographic developments that suggest sustainable growth in timber construction. Thanks to CLT, there are virtually no limits to the height and architectural design possibilities of wooden buildings. That is why I consider cross laminated timber to be one of the greatest innovations in the building industry. This makes CLT an important future product.

Read the unabbreviated interview at:

 pfeifergroup.com/en/blog

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CLT is the most innovative product in the Pfeifer Group's value creation chain and harbours the largest future potential.

Josef Dringel, Project Manager of Pfeifer CLT Schlitz



NEW SHUTTERING PANEL PRODUCTION

Part 1 of “Project Yellow” completed in Chanovice



With the construction of the new shuttering panel production facility, the Pfeifer Group continues its extensive investment programme at the Chanovice location. A modern, state-of-the-art shuttering panel production facility was built in 2017. With this, Pfeifer is expanding its position as a world leader in the manufacture of shuttering panels.

© Gerhard Berger



In 2017, 10 million Euros were invested in stage 1 of the expansion, the second part of which will follow in 2019. The high-performance, highly automated machinery currently generates an output of 1.3 million m² of shuttering panels per year, and the capacity will increase to 2 million m² when the project is completed. This means that shuttering panel production in the Czech Republic will be almost as efficient as at the Imst headquarters, where 3 million m² of shuttering panels leave the plant every year.

Technical refinements

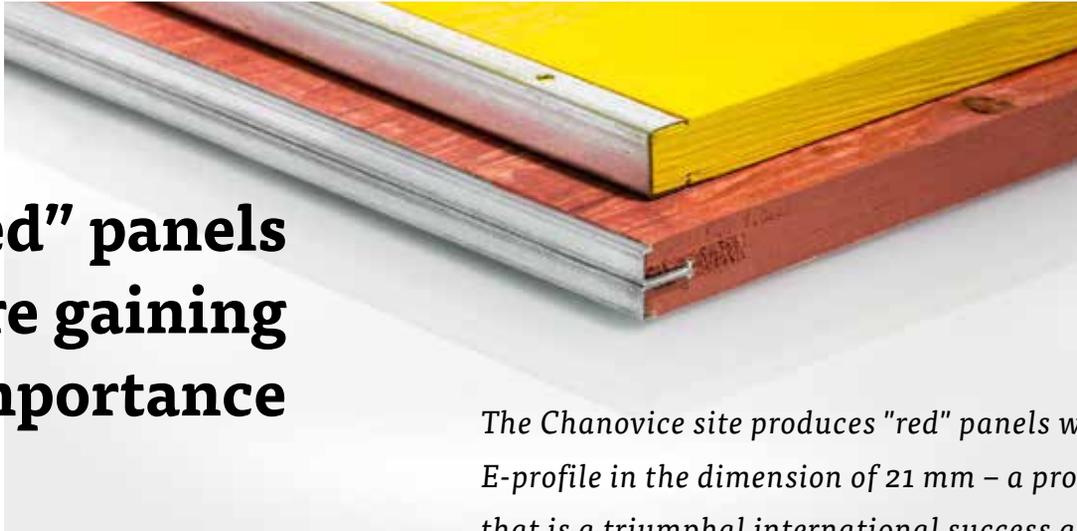
The existing infrastructure is ideally suited, as no new hall had to be built. Managing Director Josef Dringel reports: “We had enough space – 9,000 m² to be precise – in the former glulam production hall to house the shuttering panel factory. It was a pure technology investment.” Technically, the new plant offers a number of refinements, such as thin cutting in the separation of the cover lamellas using band saw technol-

ogy of the highest quality. “This enables us to achieve an even higher material yield,” Managing Director Roger Fränkel explains.

New jobs

While 25 employees were working in the discontinued glulam production, the number of employees in the shuttering panel plant has increased to 80, and work is carried out in three shifts. “Glulam was not competitive in Chanovice and is something we can produce more efficiently in Imst,” says Josef Dringel, explaining the reason for the streamlining of the product range. The essential preparations for the second stage of expansion at the shuttering panel plant have already been made, with a doubling of production capacities scheduled from 2019 onwards and being “already very concrete” according to Josef Dringel. ☰

“Red” panels are gaining importance



The Chanovice site produces "red" panels with E-profile in the dimension of 21 mm – a product that is a triumphal international success as an alternative to plywood.

“Thanks to the recovery of construction activity in Central Europe, demand for shuttering panels is higher than supply. That’s why we invested in Chanovice and Trhanov at exactly the right moment,” says Ingo Meitinger, Sales Manager for concrete formwork prod-

ucts at Pfeifer. Thin-cutting technology will also be used in Trhanov from March/April 2018. For 2018, the aim is to produce 6,5 million m² of shuttering panels in all three plants and increase sales volume by 500,000 m².

Central Europe as a new promising market

Chanovice supplies the same markets as Trhanov and Imst: the core markets in Central Europe such as Germany, Austria, Switzerland, Italy, Spain and France. Ingo Meitinger, Sales Manager for formwork products at Pfeifer, however, also identifies promising markets for which the shuttering panel production in the Czech Republic is very suitable: “Central European markets such as Poland, Romania and Bulgaria are developing rapidly. Of course, we can supply these customers from our Czech plants in the best possible way.” According to Ingo Meitinger, the product range of all three production sites has been optimised: “We don’t have to produce everything everywhere, but focus on core competencies or standard dimensions, depending on the location.”



INVESTMENT INITIATIVE FOR CHANOVICE

Optimisation all along the (saw) line

The integrated Chanovice site produces a wide range of sawn timber, natural wood panels, shuttering panels, construction timber, green power and pellets. 2017 and 2018/19 sees investments in optimisations and expansions to increase performance in almost all production areas.

In addition to the new shuttering panel production, one of the biggest "chunks" in 2017 was the new sawn timber sorting system in the saw mill. The renewal removes the previous bottleneck and increases the sawn timber production capacity. In addition, an external feed is now installed which allows the addition of dry sawn timber for subsequent sorting. A new packaging for side products complements this optimisation in the existing saw mill. —>



Further improvements

It was also possible to renew the saw feed and the side product conveyors as well as to install new software for measurements in the saw mill. Together with the new shuttering panel production and the new sawn timber sorting system, the Pfeifer Group has put 23 million Euros in optimisation and expansion measures in Chanovice.

This also includes smaller infrastructural measures such as replacement and supplementary investments in the company's fleet of vehicles as well as new asphalt surfaces and supports at the log yard, which makes handling much more efficient. "2018 will see further investment in the saw mill," Managing Director Josef Dringel forecasts.

Tripling pellet production

The next major project is the expansion of residual wood recycling (sawdust and wood chips) at the site, the focus in 2018/19 is thus on pellet production: A new belt dryer will be installed to replace the existing drum dryers. In combination with silos, hammer mills for comminution, further presses and corresponding conveying equipment, the production capacity is to be almost tripled.

Managing Director Roger Fränkel talks concrete numbers: "we currently run an output of approx. 36,000 tonnes per year, and our target is 100,000 tonnes."



8 million Euros were invested in the new sawn timber sorting system.

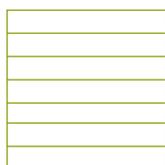
Heat & power

An infrastructure project still to be finalised at the integrated Chanovice site, which will be accompanied by the expansion of pellet production, is the construction of a block heating plant for heat and power generation. It will be supplied with gas from the existing gas pipeline. The reason for this is that "the existing biomass CHP plant has become too small. However, the legal requirements in the Czech Republic are not met for a new biomass cogeneration plant and subsidies are too low," reports Roger Fränkel. Further funds have already been budgeted for the expansion of pellet production and the new cogeneration plant, and by the second quarter of 2019 all new plants are expected to be in operation.

Investments in 2018

Further investments are in the pipeline for 2018: A new waste wood disposal system, an update to the side cuts sorting system, a new warehouse and the replacement of the extraction units in the further processing. Together with various other improvements, the investment volume for 2018 amounts to 7 million Euros. In addition, special projects in the production of solid wood panels have already been approved in 2017 (new double-end profiler for tongue-and-groove, new vacuum portal, increased performance concerning the middle ply). ≡

Investments



**Shuttering panel
production**



**Sawn timber sorting
system**



Saw feed & software



**Other infrastructure
measures**

€ **23,000,000**

Total 2017 investment volume for optimisations & expansions in Chanovice

Optimisations and expansions



- **New sawn timber sorting system with external feed**
- **New packaging system for side cuts**
- **New saw feed & side cut conveyors**
- **New measuring software for the saw mill**



- **Expansion of pellet production**
- **New belt dryer, silos, hammer mills, presses & conveying systems**
- **Production capacity tripled**
- **Target: 100,000 tonnes of pellets/year**



- **New block heating plant for heat and power generation**
- **Fed with gas from the existing gas line**
- **Expansion of the existing biomass cogeneration plant which had become insufficient**

AT THURNER BAU IMST IMPLEMENTED
CONSTRUCTION PROJECT 2,675 M ABOVE
SEA LEVEL USING PFEIFER GLULAM



Glulam for the Ötztal Glacier





The new masterpiece on the Rettenbach Glacier was built in record-breaking five months – thanks to a roof construction from Pfeifer.

Pfeifer supplied the glulam for the entire roof construction as well as the shuttering panels and formwork beams for a new restaurant on the Rettenbach Glacier in the Ötztal Valley.

Apart from a concrete carcass, for which Pfeifer concrete formwork beams and panels were used, the plans for the new building in the middle of a skiing resort stipulated a timber construction roof. With an area of just under 1,100 m² and spans of nine to 17 metres, this meant a challenge for both materials and contractors. In addition, at this sea level, the roof had to support a snow load of 600 kilograms up to one ton per square meter. Roof beams and rafters made from Pfeifer glulam provided the answer. Their dimensions impress: 200 mm (thickness) x 1,200 mm (height) for the roof beams, times two in terms of thickness for the largest spans. At 160 x 280 mm, even the rafters boast a high load bearing capacity. The workers in the employ of AT Thurner Bau Imst who were responsible for the erection installed a total of 150 cubic metres of Pfeifer glued timber construction ele-

ments. This equals some 1,800 running metres of glulam.

Delivery and erection in record time

A total construction time of only five months required meticulous planning, delivery and perfect time management when it came to on-site implementation. Glulam required for roof construction can be produced at the Imst plant in just a few hours. “The possibility to commission Pfeifer with project-specific lengths and dimensions is an enormous advantage for us,” says Planner, Construction Manager and Master Carpenter Hermann Gstrein “Their short delivery times in connection with such a special order are nothing short of sensational.” After a joining period of just five days, the materials were dispatched to the glacier. Only six articulated lorries transported all the goods, including insulation and cladding, to the back of the Ötztal Val-

ley. Only the use of glulam made this possible, whose low weight is advantageous for fast and efficient transport.

For fourteen days, four men worked on the assembly before the roof was completed at the end of August 2017.

A reference project

The new self- and full-service restaurant on the Rettenbach Glacier is a gastronomical highlight and shows that buildings made of timber can withstand even extremely snowy conditions. “The requirements at this altitude were challenging. But Pfeifer’s glulam roof beams and rafters even shine here, on the glacier,” says CEO Michael Pfeifer about the successfully implemented order. ☰

Read more in our News Blog at pfeifergroup.com/en/blog





Top-level meeting of the international pallet industry

ANNIVERSARY OF THE EUROBLOCK CUSTOMER FORUM



As always, the tenth iteration of the Euroblock Customer Forum attracted high-ranking participants. International lecturers and experts addressed current issues, solutions and development opportunities. Interesting expert talks rounded the exclusive event off.

From 2 to 3 February 2017, invited by Euroblock Verpackungsholz GmbH, 200 of the leading representatives of Europe's pallet and packaging industry came together to exchange ideas during the 10th Customer Forum in Freising near Munich. In addition to leading scientists and experts from the fields of logistics, resource management and product development, top-class speakers once again provided the perfect mix of information and entertainment. Among them was Dr. Klaus von Dohnanyi, Minister for Education and Science under Willy Brandt and later Mayor of Hamburg as well as extreme mountaineer Rainer Petek, who climbed the north face of Grandes Jorasses at the early age of 19. Ulrich Feuersinger, an industry institution who has worked at Heggenstaller GmbH / Pfeifer Holz GmbH for 25 years, complemented the agenda with his remarks. He provided the audience with a review of the success story of the pressed particle block which took off in a big way 40 years ago, following Anton Heggenstaller's pioneering innovation.

Thanks & food for thought

Every year, Euroblock delivers around one billion composite blocks for the production of 100 million pallets. The main markets are in Europe, especially the Netherlands and Germany, but also France, Spain and Italy. "Euroblock is the leading manufacturer of composite blocks in Europe. The forum can be understood as a thank-you to our partners for their constant and reliable customer relations. Leonhard Scherer, Managing Director of Euroblock Verpackungsholz GmbH, emphasises the importance of the regular meeting: "It is intended to provide food for thought and enough space for discussion and networking." The event which is held every three years is the largest industry get-together for Europe's pallet industry and the most important exchange platform for international players.

The next meeting is scheduled for early 2020.



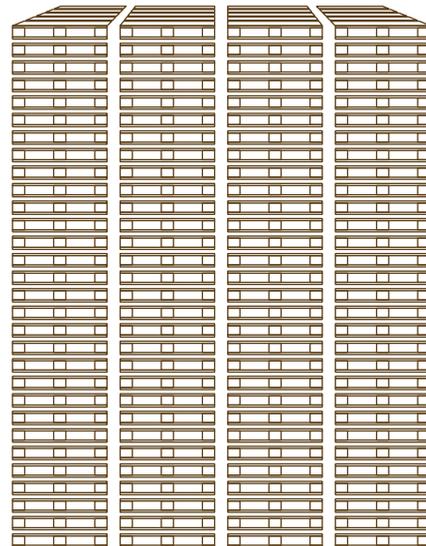
Euroblock – A leading manufacturer of composite blocks in Europe

The main markets are in Europe, especially the Netherlands and Germany, but also France, Spain and Italy.

Annual production of
1,400,000,000
pallet blocks



**140 million
pallets**



 = 1,000,000 pallets

”

What the customers say about the 2017 Euroblock Forum



Robert Holliger, European Pallet Association e.V.

I have been coming here ever since the first Euroblock Forum and always found it highly competent. Science, technology, market – like every year, the spectrum of speakers is very diverse. It's always fun to be a part of this.



Ivan Larrea, Tole Catalana Dos, S.L.U.

The Euroblock Forum is highly interesting and suitable to meet new players, discuss the industry's hot topics, exchange ideas and develop strategies on how the current challenges can be tackled together.



Jan-Bernd Seier, Seier GmbH & Co. KG

We think the topics that keep the industry busy at the moment are very well represented by the speakers. These topics currently concern us enormously.



Fons Ceelart, FEFPEB

The Euroblock Forum is well-balanced, interesting and – above all – relevant. Accuracy in the choice of topics, outstanding speakers and fantastic networking opportunities – it pays to visit the event every time.

PFEIFER PELLET FORUM IN UNTERBERNBACH

A meeting place for industry experts

The agenda included comprehensive market analyses to a captivating speech by the world-famous musician, extreme athlete and entrepreneur Joey Kelly.

”

All forecasts for the development of the pellet market are positive.

Sebastian Proske, Biofuels Area Sales Manager for Germany at Pfeifer



Michael Pfeifer welcomed world-famous musician, extreme athlete and entrepreneur Joey Kelly to Unterbernbach.

In the spring of 2017, Pfeifer invited the international pellet industry to a technical exchange for the third time. The venue couldn't have been more suitable: At the Unterbernbach site, where Pfeifer produces more than 110,000 tonnes of pellets every year, more than 60 leading pellet dealers from Germany, Austria, South Tyrol, Switzerland and Alsace (France) came together to discuss the latest developments in the industry.

Expert market analyses

Respected industry expert Sebastian Proske, Biofuels Area Sales Manager for Germany at Pfeifer, provided the Forum's participants with a compact overview of the current situation on the international pellet market. "All forecasts for the development of the pallet market are positive. In Germany alone, the producers put out some two million tonnes of the biofuel in 2016," the expert stated. Subsequently, Heitling Fahrzeugbau's Dirk Kröger explained to the guests how their lorry drivers optimise the blowing process in the pellet production. Deployed by the best:pellets trade association, Alexander Stihl presented important tips on how to best store the cylindrical fuel.

Pfeifer increases production

According to Michael Pfeifer, CEO of Pfeifer Holding, the production of the biofuel represents an "important pillar" for the Group. "In total, our company produces some 420,000 tonnes of pellets annually. A quarter of that in Unterbernbach. Pellets are one of the most modern and future-proof fuels and at the same time make an active contribution to climate protection." Further investments will increase the production capacity of the existing pellet plants by a further 90,000 tonnes by 2019.

"Passion" leads to success

The event's clear highlight was the lecture titled No Limits – Wie schaffe ich mein Ziel ("How to achieve your goals") by world-famous musician and entrepreneur Joey Kelly. The son of the renowned Kelly Family told the listeners about the many ultra-tough competitions he participated in and provided entertaining anecdotes from his time as a popstar. The musician's motto is "if you want to reach your goals you need discipline, guts and passion." The guests rewarded his motivating lecture with standing ovations. ☰

*The next Pellet Forum
is scheduled to take place
in Imst in the autumn of 2019.*

Showcasing products to an international expert audience



In the next two years, Pfeifer will continue to use its presence at trade fairs as a stage for the presentation of its products and services. Several meetings in eight countries serve as platforms for customer care.

Proven events and international “test runs” combine to form a balanced mix. Most of the fair stands will be built with in-house elements made of high-quality solid wood panels in corporate design.

Strategic product placement

The world’s most important trade fairs in this field, namely Bau and bauma (both in Munich), focus on timber construction, formwork and construction machinery. The Ligna in Hanover is an exciting international meeting place for the woodworking and processing industry. On the Italian market, the Pfeifer Group – one of Europe’s largest pellet manufacturers – participates in the Progetto Fuoco as one of the most im-

portant international trade fairs for biofuels and is represented at the Forum Legno, a congress of wood construction experts. Just like the Dubai Wood Show, India Wood is an fixture for the sawn timber market. Mostly with its concrete formwork products, the Group showcases itself at the bauma Conexpo Africa (South Africa) and the Seebe Belgrade (Serbia).

Travelling between Shanghai and Nantes

The Fmc Premium (Shanghai) plays an important role when it comes to the presentation of sawn timber, packaging timber and pallet blocks which were in great demand in 2017. The FachPack (Germany) and the Hispack in Spain, which Pfeifer will participate in for the first time, as well as the All4Pack in France are regarded as meeting points for the packaging sector. The company is also a guest at the Carrefour International du Bois, the country’s most famous trade fair for timber construction products.





Trade fair dates 2018/2019



Progetto Fuoco	Verona / Italy	21.02. – 25.02.2018
India Wood	Bangalore / India	08.03. – 12.03.2018
Dubai Wood Show	Dubai / United Arab Emirates	12.03. – 14.03.2018
Forum Legno Edilizia Italia	Verona / Italy	13.03. – 14.03.2018
Conexpo Africa	Johannesburg / South Africa	13.03. – 16.03.2018
The 8th Beijing Global Wooden Construction and Decoration Exhibition	Beijing / China	14.04. – 16.04.2018
International Construction Fair Seebe	Belgrade / Serbia	18.04. – 21.04.2018
Hispack 2018	Barcelona / Spain	08.05. – 11.05.2018
Carrefour International du Bois	Nantes / France	30.05. – 01.06.2018
Fmc Premium	Shanghai / China	11.09. – 14.09.2018
FachPack	Nuremberg / Germany	25.09. – 27.09.2018
Timber Expo	Birmingham / Great Britain	09.10. – 11.10.2018
All4Pack Paris	Paris / France	26.11. – 29.11.2018
Bau	Munich / Germany	14.01. – 19.01.2019
Bauma	Munich / Germany	08.04. – 14.04.2019
Ligna	Hannover / Germany	27.05. – 31.05.2019



As in any other industry, the security of supply of raw materials is a prerequisite for the timber industry. Precisely for this reason Pfeifer designs its log purchasing as a fundamental strategic process. Insights into a field of activity characterised by emotions and the weather.

ROUND TIMER PURCHASING IN THE PFEIFER GROUP

With trust comes responsibility

The Pfeifer Group plans to process some 3.4 million solid cubic metres of wood in 2018. Literally: tonnes of wood. Converted into logical facts that means some 125,000 lorry loads. On the other hand, Pfeifer receives more than 600,000 solid cubic metres by railway. This makes the Group one of the largest buyers of round logs in Europe. Pfeifer consciously chooses locations close to densely forested regions. Long transport routes between forests and plants would be neither economically nor ecologically viable. The processed wood comes exclusively from sustainably managed forests.

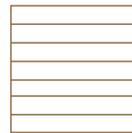
Round logs purchasing as an “open air” event

Europe’s forests still grow more wood than is harvested. Nevertheless, supply bottlenecks still occur in the timber industry. This is one of the reasons why Pfeifer permanently keeps a basic stock of 250,000 solid cubic metres in reserve. Only recently this safety buffer proved its worth. When a prolonged period of bad weather dominated large parts of Central Europe in the autumn of 2017, this led to an unforeseeable shortage of timber supplies with an impact on the entire industry. Large quantities had already been stored in the forests, which had to be felled in summer due to the bark beetle problem. Soils softened by rain combined with mild winter temperatures made harvesting conditions more difficult. Morass stopped the machines. This resulted in the traditional winter lumbering process running several weeks behind schedule. Ingomar Kogler, Head of Round Logs Purchasing at Pfeifer, sums it up as follows: “round logs purchasing is an open-air event with all the associated influences, both positive and negative.” —>



Sustainability

The processed wood is sourced exclusively from sustainably managed forests within a radius of 150 km around the saw mill (beeline).



3,400,000

The Pfeifer Group plans to process some 3.4 million solid cubic metres of wood in 2018.



125,000

2,800,000 solid cubic metres of wood are transported in some 125,000 lorry loads.



600,000

600,000 solid cubic metres are transported by rail.

The principle of success: Integrity

The trained forester knows how important the climate can be: “Forestry training alone doesn’t give you the skills to become a good purchaser. But it helps a great deal to better understand the situation of the forestry managers,” Kogler states. At Pfeifer, some 30 experts maintain the company’s contacts to forest owners, small farms as well as “giants” such as the Austrian Federal Forestry Office in Austria or the State Forests in Germany. The purchasers constantly visit the suppliers in order to keep an

overview. But also to maintain personal relations. “The forest is an emotional subject. Often a piece of forest has been planted by the owner’s grandfather. Now it is to be exploited – inevitably, there are feelings involved. You have to take this into account,” says the expert.

Trust is the essential factor in the timber business which is characterised by inter-human relations to such a high extent. From the collection of wood in the forest, to the determination of quality and quantity, to invoicing – wood pur-



chasing has many aspects that could theoretically lead to conflicts. In practice, however, Pfeifer has enjoyed an excellent reputation among its suppliers for decades. “Back then, the founders established a culture of integrity with the round log suppliers which is extremely helpful. Down to its very core, our company is characterised by the belief that agreements will hold and that quality as well as payments are to be processed correctly. Even if conditions are bad,” says Kogler, hinting at the summer of 2017. When an oversupply of

wood suddenly caused prices to plummet, the Pfeifer Group remained true to its existing purchase commitments. “A tree takes 100 years to be ready for harvest. This is a period of time in which a lot of trust is built up, but can also be lost. It does not pay off in the long term to jeopardise the security of supply because of short-term profit maximisation,” says Kogler.

In the forest, traditional values prevail
Pfeifer’s purchasers and logisticians also maintain established relationships

with a network of regional log freighters. Contrary to the trends in the transport industry, international drivers can hardly cope with such loads. On forest roads the wisdom of all common navigation systems ends. Despite digitisation: Traditional competences such as local knowledge can remain a competitive advantage. At least in the woods. ☰

Read more in our News Blog



pfeifergroup.com/en/blog/



Ingomar Kogler

Born in Metnitz (Carinthia). Having graduated from Höhere Bundeslehranstalt für Forstwirtschaft (Forestry College), he took the federal exam to become a forester at the Austrian Federal Forestry Office. At Binder, he served as an IT officer for years. As a project manager, he then developed an industry software for a large German software developer. Kogler joined Pfeifer to implement a round log software as the IT manager. In 2009, he became the round log purchasing manager for the Pfeifer Group’s German locations. In 2010, Kogler became the head of round log purchasing for the entire Pfeifer Group. He serves as a member of the management of Pfeifer Holz GmbH & Co KG in Imst and Kundl.



The quality of Pfeifer products makes them popular in the Balkan countries.



Strong presence in the Balkan region

The construction industry in Eastern Europe is booming. Mladen Perusko and his company Meridijan, are experienced sales networkers with excellent knowledge of this dynamic and changing economic sector.

Eight locations in three countries, 1,800 employees, 90 export countries – the Pfeifer Group sees itself as an international supplier of timber products. The importance of the South-Eastern European countries for the company is increasing. Due to increasing political stability and the still unrestrained upswing in tourism, Croatia in particular is regarded as a promising growth market. Countries such as Serbia and Bosnia-Herzegovina are following suit, and strong investments are also being made in Macedonia, Montenegro and Kosovo.

An experienced industry insider

Mladen Perusko has been working in the timber industry for 25 years. With his three-man company Meridijan based in Labin (Croatia), he travels the Eastern European countries as a committed representative. About five years ago, Pfeifer Group and Meridijan got to know each other at the world's leading construction trade fair *bauma* in Munich, which culminated in a successful cooperation. Perusko and his team continue to be regarded as an indispensable sales partner with valuable contacts. "We communicate in

English – Meridijan mediates between Pfeifer and the South-Eastern European clientèle or accepts orders directly and forwards them to us. Approximately every two months we meet personally to discuss any issues and visit customers together,” says Hynek Mandula, Area Sales Manager at the Pfeifer Group, describing the cooperation.

Success through continuity

With the exception of the Euroblock pallet blocks, Perusko is responsible for the sale of Pfeifer’s entire product portfolio, with shuttering panels being most popular. Deliveries are mainly made from Imst and Chanovice. Apart from the increased bureaucracy involved in preparing customs and transport documents, the transfer of goods to non-EU countries is quick and uncomplicated.

In addition to maintaining long-term customer relationships with its sales partner Meridijan, the Pfeifer Group scores points with price-conscious South-Eastern European customers

through standardised processes, reliable delivery and uncompromising quality. Customers hold these values in high regard as powerful arguments against the strong competition from Carinthia and Styria, Romania or Slovenia.

Optimistic look into the future

Hynek Mandula thinks the Balkan region has great potential: “Our market observations show that Western European influence on the construction industry is increasing. The return of people who have worked in the Western EU region for years and foreign investors who have awarded contracts to German or Austrian architects bring the (Austrian) timber construction tradition to Croatia, Serbia and other countries. New technologies and proven know-how from the West are entering the industry and increase the demand for our products.” The construction industry in the East looks forward to promising developments, which the Pfeifer Group is responding to with its timeless values and unshakable integrity.



The Pfeifer Group operates in the following Balkan countries:

- Croatia
- Slovenia
- Serbia
- Bosnia-Herzegovina
- Macedonia
- Kosovo
- Montenegro

Slovenia is served directly while Meridijan takes care of the other countries. The entire range (except for Euroblock pallet blocks) is offered.

The Pfeifer Group’s shuttering panels are in particularly high demand.



(from left to right)
Tobias SCHINDLER (Pfeifer Sales Manager),
Paolo BUDANKO (Joint Owner of Meridijan),
Mladen PERUŠKO (Manager & Joint Owner of Meridijan),
Michael PFEIFER (CEO Pfeifer Group),
Hynek MANDULA (Area Sales Manager CEE/SEE Pfeifer)

Successful cooperation with pallet experts Monari



Pfeifer has been working with the Italian pallet manufacturer Monari for more than 25 years. The company from Cizzolo is a strategically important customer concerning the product segments sawn packaging timber and composite blocks.

A current annual demand of 9,000 m³ of sawn timber and 10,000 m³ of composite blocks makes the company, founded in 1968 by Enrico Monari, one of the most important customers in Italy. Almost one third of its raw materials are purchased from the Pfeifer Group. Over the past decades, the family has invested heavily in the company's headquarters in Cizzolo in Lombardy. With success: The plant, which is now managed by the founder's son Giacomo Monari and daughter-in-law Livia Ghirardi, produces around 15,000 pallets per day. 70% of its products are sold to the ceramics industry, while the chemical industry and construction industry make up 15% each.

Trustworthiness and personal consultation

Their sawn timber comes from the Pfeifer locations in Kundl (A), Unterbernbach, Lauterbach, Uelzen (all in Germany) and – since 2017 – also from Chanovice (CZ). In keeping with the principles of the Pfeifer Group and Euroblock Verpackungsholz GmbH, we attach great importance to maintaining active contacts with Monari. In addition to constant contact persons who have served the Italian manufacturer for

many years, Pfeifer employees regularly visit the Lombardy-based company. This guarantees a fast and efficient response to any developments on the market.

Just-in-time delivery

The effective cooperation is based on timely availability and consistent delivery capability. Almost every day, export goods from Pfeifer and Euroblock Verpackungsholz GmbH find their way to Italy via lorry transport in a fast and uncomplicated way. Mutual trust enables great flexibility.

Increasing annual sales figures confirm the successful joint approach and give cause for optimism about the future. ☰

”

Euroblock supplies us with the right products to meet all market needs.

Giacomo Monari



Italian timber market is gathering speed

MARIO MOLINARI,
PFEIFER GROUP COMMERCIAL AGENT
IN ITALY

With sales growth in the double-digit percentage range last year neighbouring Italy plays an important role for the Pfeifer Group. We asked long-standing Italian sales representative Mario Molinari for an interview to find out how the market differs from others and what developments are currently taking place in the Italian industry.

INTERVIEW
WITH MARIO MOLINARI

Mario Molinari has been selling the Pfeifer Group's products for 37 years. As a self-employed commercial agent, he serves some of Italy's 20 regions. In his efforts, he is supported by his son who also works as an agent and his daughter who is responsible for order management and office administration. After the slump in demand for timber products as a result of the global economic crisis, sales volumes are once again on a continuous rise.

Pfeifer has always had a strong presence on the Italian market in the sawn timber segment and subsequently on the pellet market. Is that still the case? What other products are in demand with customers?

We can proudly say that Pfeifer is one of the leading suppliers in the country. The fact that the Pfeifer Group is the European market leader for products such as shuttering panels is also made evident when you look at its sales in Italy. In the area of finished products, we first had to establish ourselves on the market, but thanks to our quality standards we are able to score points with many customers. In order to remain one of the leading companies in the timber industry, it is of course necessary to grow along with the Italian market.

What role does the price play in the purchasing decision or does the quality of the products ultimately lead to one being awarded a contract? How important is personal contact with the customer?

If a company concentrates its sales efforts solely on the price, it is always bad for both the agent and the company. That's why, in addition to the quality of the products, I focus on service and the customer. Personal relationships with the customer play a major role. It is easier to negotiate when being able to look your counterpart in the eye and you get information on the market situation and competitors. —→

How does Pfeifer succeed geographically on the Italian market with its products? Are there differences in sales in the economically strong north and the Mezzogiorno region?

In my experience, the north is certainly the greater incentive for a company such as Pfeifer, if you look at the packaging industry, for example, the leading companies in Italy are now to be found exclusively in the north. Northern and Southern Italy are very balanced when it comes to the construction industry. Nevertheless, the north is still more interesting as a sales market, even if conversions and renovations outnumber new buildings. The reason for this is that timber construction has a high priority in the north, that purchasing power is higher and that investment volumes are greater. The same applies to the pellet market. Especially taking into account that – due to logistics and transport costs – pellet deliveries shouldn't exceed a certain radius since the end price would simply be too high.

”

Personal customer relations are essential.

Mario Molinari

What do you think about the Pfeifer Group's future development on the Italian market? What are your goals?

My main goal is further growth. For that, I need the full support of the company, of course. The Italian market will always be important for Pfeifer, not least because timber is a trendy material for building and heating. ☰



Sales professionals for the Italian market: Son Davide, Mario Molinari and daughter Elena.

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Intelligent investment

In 2018, the Pfeifer Group will once again make significant investments:

Some 64 million Euros will go into its competitiveness and approximately 57 million in the Engineering Division alone.

CTO Clemens Pfeifer talks about focal points and motivations.

Reducing costs while increasing performance and efficiency – the goals for resource allocation in the Engineering Division are clearly laid out. Pfeifer invests continuously but 2018 has some particularly outstanding projects up its sleeve. For example, the expansion of the plants in Schlitz to become CLT's competence centre, as well as targeted optimisation measures at all other Group locations (see info graphic). Within the company's management, Clemens Pfeifer is responsible for the Engineering Division, which

accounts for almost 90 % of the investment volume in the current financial year. “We compete globally. Some of our competitors are able to work with lower labour and raw material costs. Nevertheless, we are firmly convinced that we can run an industrial plant economically at our headquarters in Tyrol as well as at all our locations. We want to ensure this not only by focusing on market requirements, but also by means of technical improvements and Group-wide innovation,” Clemens Pfeifer explains. —→



An ambitious agenda

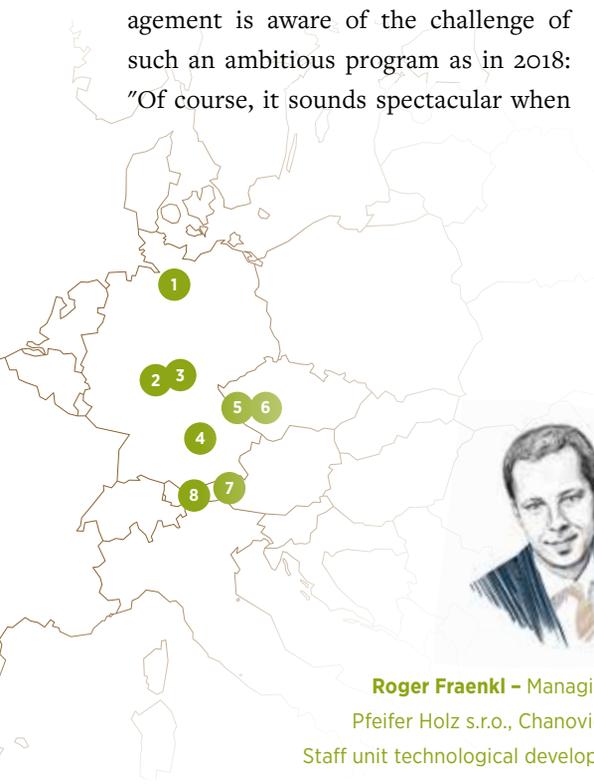
The criteria according to which investment decisions are made are bindingly defined throughout the company. “We invest primarily with common sense. It is clearly a matter of working more efficiently and economically in every respect. At the same time, we also have to do justice to the increased productivity and increased output by expanding and improving our warehousing and logistics capacities,” says Pfeifer. The management is aware of the challenge of such an ambitious program as in 2018: “Of course, it sounds spectacular when

we talk about such sums of money. However, these amounts should not draw attention away from the outstanding performance of many of our specialists. They are dedicated to the implementation of the plans and our company. They deserve our special thanks.”

Focus on safety

In addition to the production facilities themselves, the focus of the investment programme is on the general conditions at workplaces. New recreation rooms, ergonomically improved facilities, safety concepts: The Pfeifer Group is in-

creasingly focusing on the element of well-being at the workplace. “Occupational safety is of particular importance to us. We have initiated an annual Group Safety Day and called on our employees to formulate concrete proposals for progress in this area. Appropriate means are gladly approved at any time,” emphasizes Pfeifer. The chief engineer emphasizes the importance of the regional locations. In addition to business motives, there is also another level of social responsibility. For example, that of being a reliable employer.”



Location Priorities for 2018

An overview of the most important investments in the current business year. Additionally, the Pfeifer Group plans and implements further projects.



Roger Fraenkl – Managing director of Pfeifer Holz s.r.o., Chanovice and Trhanov
Staff unit technological development and innovation



Marco Sturm
Power stations manager



Rene Svatek
Head purchaser of technical equipment



1 Uelzen, Uwe Herold

The following is in the pipeline: Increasing drying capacity on a low temperature basis yields an optimum heat balance, the full expansion of the respective capacities is the logical consequence.

The following is already being implemented: The ongoing conversion of the block factory is being completed.



2 Lauterbarch, Christian Zimmermann, Plant Manager

The following is in the pipeline: Pfeifer is implementing a fully automated sawn timber packaging system. At the same time, a company-wide centre of competence for pallet blocks is being created in the Research & Development Division.



3 Schlitz, Roland Ritter, Plant Manager

The following is in the pipeline: Expanding the facility to become the Pfeifer Group's CLT centre of competence. Due to the machine suppliers' full order books, Pfeifer is confronted with long delivery times. Commissioning will take place in May 2019.



4 Unterbernbach, Andreas Schmid, Plant Manager

The following is in the pipeline: A new high-performance dry sorting plant will be installed, optimisations will be made to the saw mill and block production areas and the storage areas will be expanded.

The following is already being implemented: The improvement of the unloading situation for delivered logs is progressing rapidly. A bagging plant for pellets is under construction.



5 Trhanov, Thomas Wille, Plant Manager

The following is in the pipeline: The programme of gradual improvement and optimisation of the location is being continued on an ongoing basis – in the form of new technologies for increased timber yield or the refurbishment of staff areas.



6 Chanovice, Radek Pecka, Plant Manager

The following is in the pipeline: Investments in the saw mill to increase performance, in the machine output of the three-ply panel plant, planning for a major investment in the processing of residual wood.

The following is already being implemented: Expansion of sawn timber sorting, sawing and three-ply panel plant.



7 Kundl, Georg Walcher, Plant Manager

The following is in the pipeline: Installation of a dry sorting system and various measures aimed at better using the available space, for instance by relocating the petrol station.

The following is already being implemented: Automatisation of the sawn timber sorting system, residual wood transport with energy-efficient conveyor belts.



8 Imst, Dietmar Seelos, Plant Manager

The following is in the pipeline: The year has begun with the construction of a new major storage hall. It sports a space of 5,000 m² and will be available from April 2018.



Pfeifer refines logistics processes

The recent shortage of available freight and cargo space did not take Pfeifer's logistics and scheduling experts unprepared. For years now, the Head of Logistics Herbert Stöckl's team has been working on the optimisation of the entire chain of logistics processes. With success.



© Uwe Mithäuser

Since 2017, the industry has been confronted with difficult framework conditions in the lorry forwarding industry. The underlying dilemma: A booming economy is confronted with stricter legal regulations and a growing shortage of drivers.

The new weekend driving ban in Germany and the minimum wage law in Austria have led to considerable scepticism among German and Eastern-European hauliers. As a result of this development, the booming economy was increasingly confronted with a bottleneck in available cargo space from September 2017 onwards.

Expansion to 750 haulier partners

“We are of course also affected by this development. But our company has taken a number of measures in recent years to counteract this trend. This will continue to ensure cost-efficient and on-schedule freight management,” ex-

plains Stöckl. The Pfeifer Group has continuously increased its pool of hauliers and by 2018 it is expected to grow to 750 partner companies. They register with a digital platform, from which the handling of goods is meticulously organised. Circular routes between the German, Czech and Austrian locations are synchronised in such a way that empty kilometres are largely avoided. All this is based on a precise analysis of the goods turnover and loading processes in the plants themselves. Additional personnel capacities, for example for scheduling and dispatch staff and forklift operations at the locations, ensure internal acceleration. The structural optimisation of entrances is also carried out with a view to the smooth handling of transports. “We minimise standing time and thus save costs for all parties involved,” says Stöckl. —>



Herbert Stöckl, Chief Logistician at the Pfeifer Group.

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Mutual trust is still an essential element of success despite all digitisation and optimisation.

Herbert Stöckl

Automated management of regulations

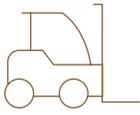
A separate online portal (FUMO) also ensures that all hauliers registered with the Pfeifer Group document compliance with all legal requirements. The Pfeifer Group is increasingly organising the factory safety instructions for the drivers in digital format.

At the Kundl and Chanovice locations, the external lorry drivers are subjected to a fully automatic test, which is offered in ten languages. If drivers meet the requirements, they receive a computer-generated permission from the re-

spective terminals to drive into the plant for one year. At the same time, Chief Logistics Specialist Herbert Stöckl and his team are also working on increasing the use of railway transport, for example in the form of inter-modal transport. In the previous year, 2,222 lorry loads were transported by rail using the piggyback method. In Kundl, some 40% of the round logs are now supplied by rail. “For example, we are working on expanding rail transport along the Regensburg-Vernona axis. There is no doubt, however, that we will continue to depend on a reliable network of lorry hauliers,” Stöckl states. For this reason, sustainable haul-

ier relationships are a central element of Pfeifer’s scheduling philosophy. Once a year, a haulier conference is staged at which all core figures are analysed and the common potential is discussed. Stöckl: “We need this kind of loose coordination with our partners. On the other side, our hauliers know that they have a serious counterpart in Pfeifer and will get their money on time. Mutual trust is still an essential element of success despite all digitisation and optimisation.”

≡



~1,090

loads daily



400

permanent forwarding partners



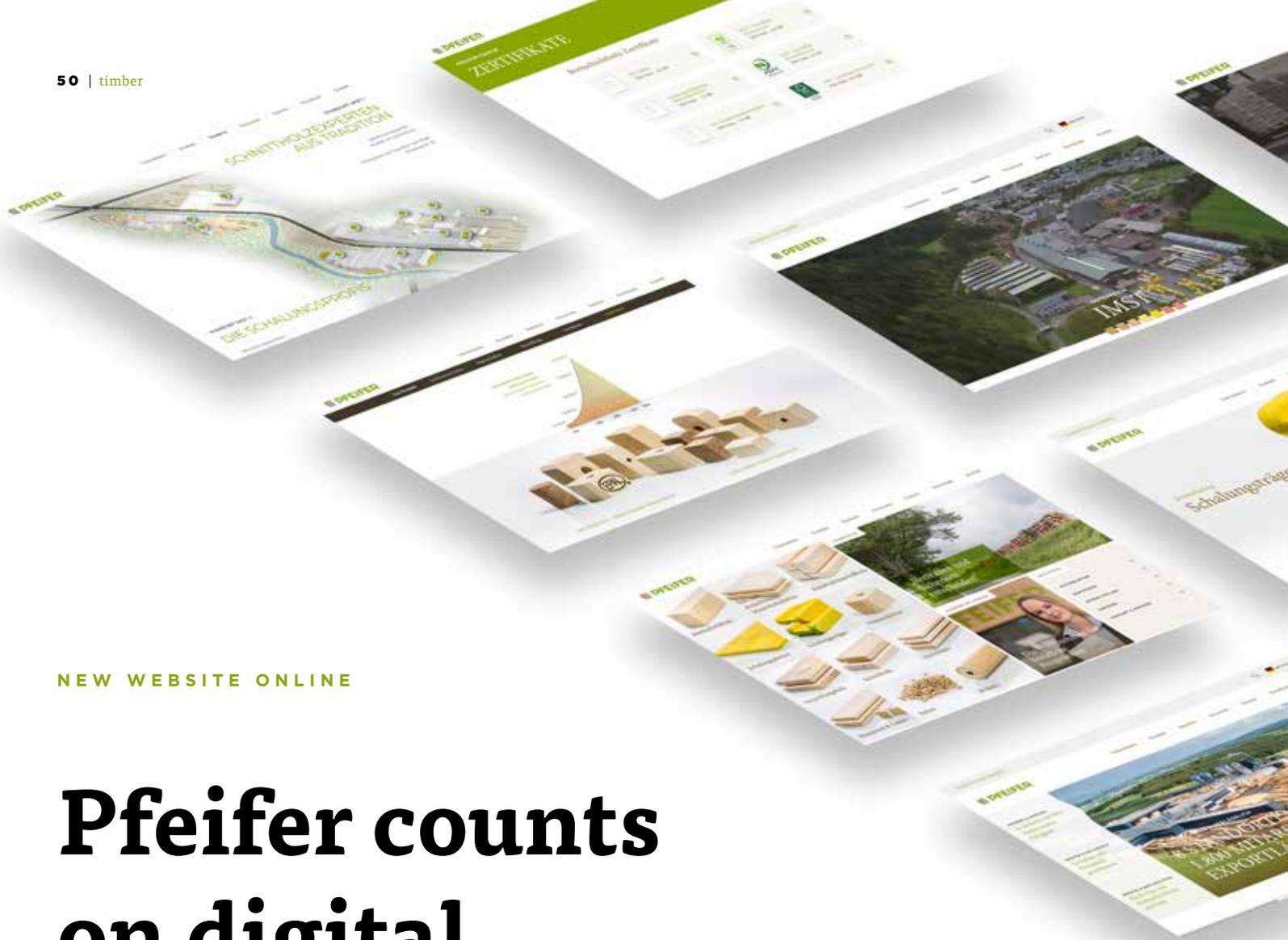
2,222

loads via inter-modal transport annually



Read more in our News Blog at

 pfeifergroup.com/en/blog



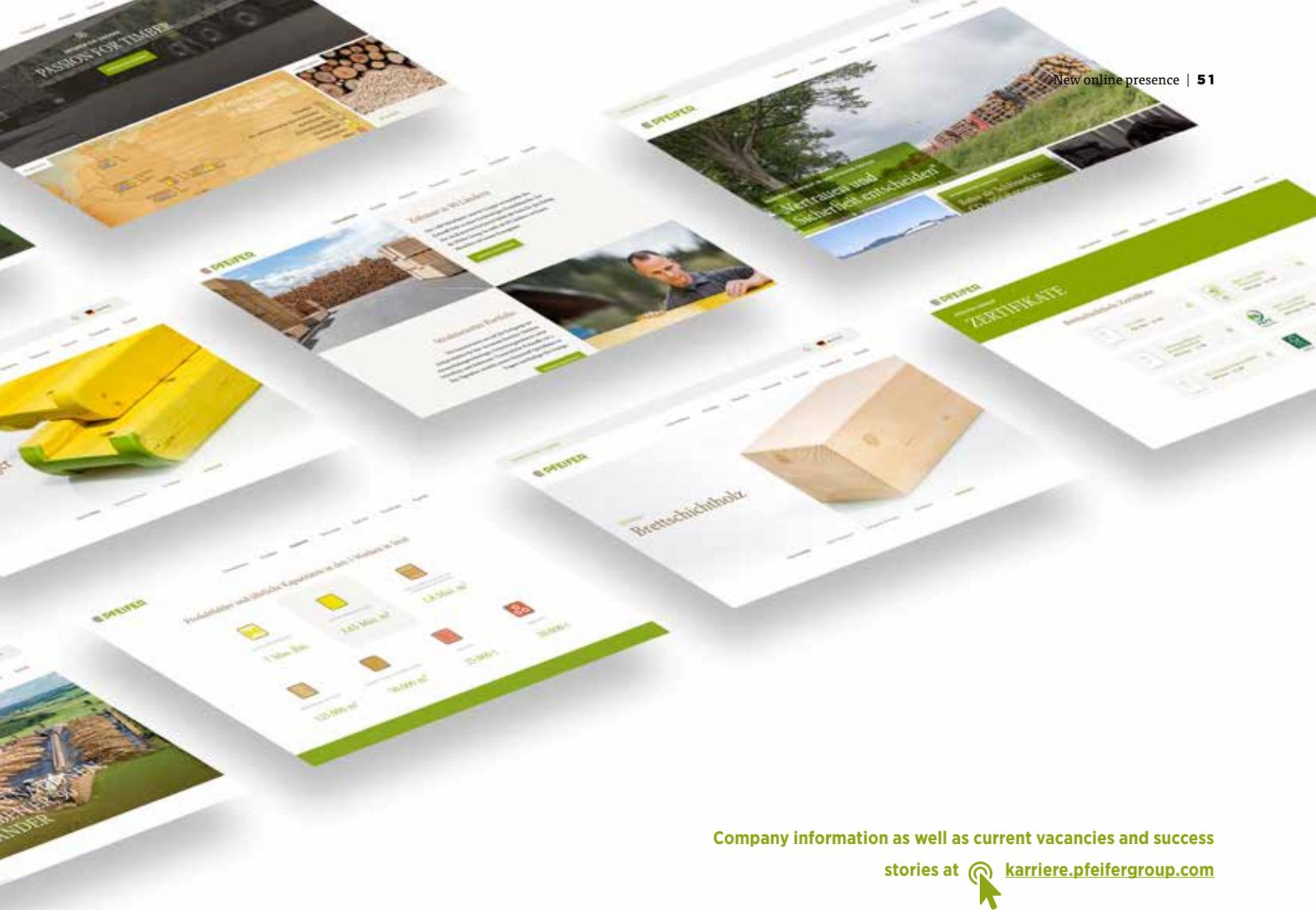
NEW WEBSITE ONLINE

Pfeifer counts on digital communication

www.pfeifergroup.com

The newly designed online presence scores points with its stylish appearance and clear structure and showcases the company at a glance with its locations, products and employees. It represents a further step towards strengthening the brand in the digital world.

The new website finally meets the demand for a modern online presence. The Pfeifer Group's new company homepage is particularly appealing due to its intuitive menu navigation. It provides important data and information on the product range and the Pfeifer Group.



Company information as well as current vacancies and success stories at karriere.pfeifergroup.com



Added-value content

On the one hand, clearly presenting the product range was in the foreground in order to offer sales staff and customers a data platform. On the other hand, the aim was to digitally map one of the largest wood-processing companies in Central Europe and its eight locations. The selection of the appropriate visual language and texts played a major role in this, and the Pfeifer Group was supported by regional specialists. In addition to facts, the management wanted to present current events and provide a glimpse behind the scenes. With the new news section and the timber blog, these requirements could be integrated optimally.

Pfeifer career portal

In the course of the redesign, those responsible also recognised the need to create a designated career portal. Employee and job search is increasingly shifting to online media. In order to support this development, the new website will provide potential applicants in advance with useful information on the various professional fields the timber company offers. In addition to current vacancies, an online form simplifies the application process. A "Job Alert" informs about vacancies by e-mail. The employees themselves also have their say and tell their own personal "success stories".



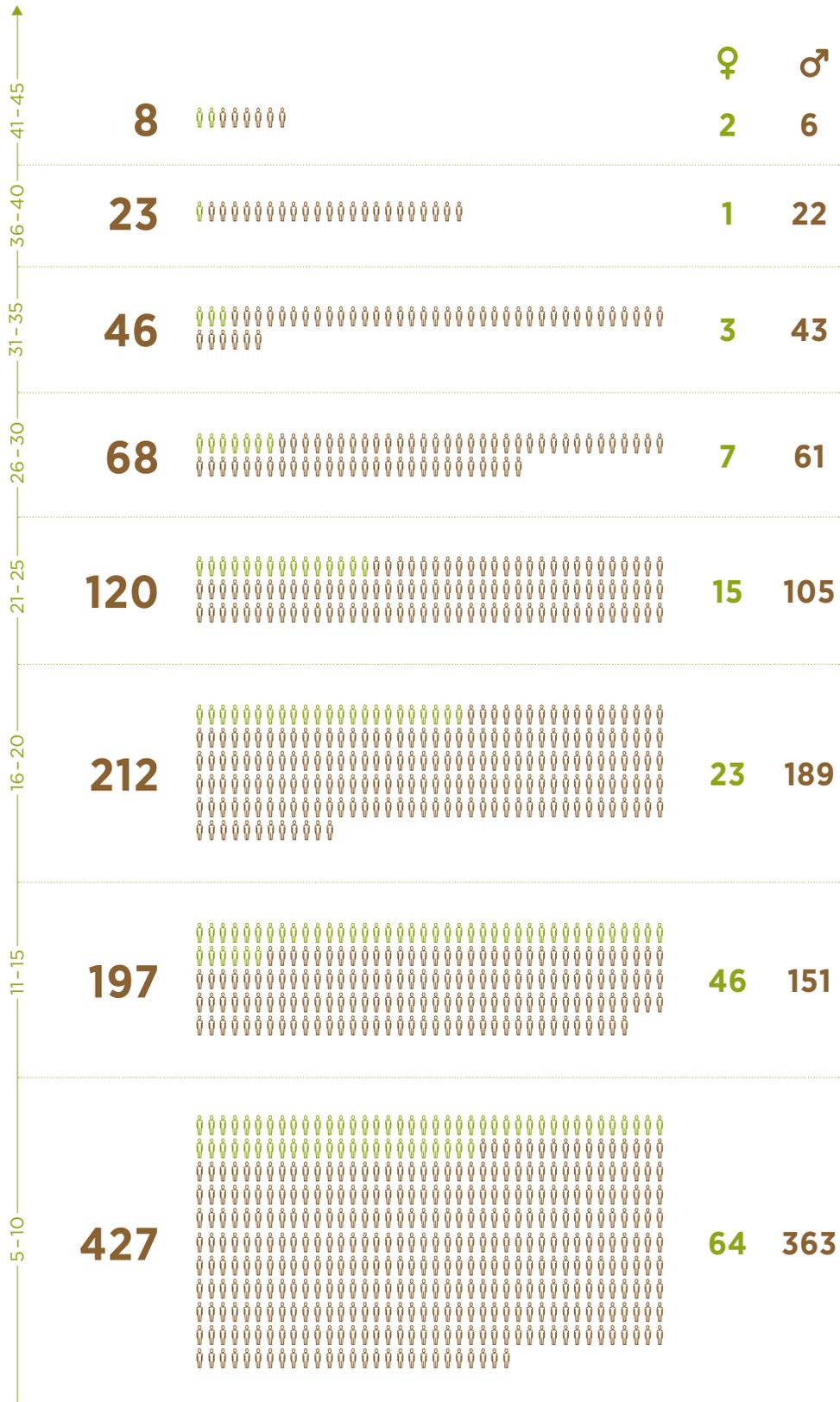
A strong employee base

Qualified personnel is a significant success factor. It's a good thing to have many long-standing team members among your own ranks who can draw on appropriate competence, experience and established contacts. Of the total of 1,800 employees of the Pfeifer Group, more than 1,100 have been with the company for more than five years.



Years
in service

Number of employees



New team players

This graphic shows the composition of the Pfeifer Group's staff sorted by years in service (from five) and gender.



1.101 of the total of 1,800 employees have been with the Pfeifer Group for more than five years.

Experienced networking professional for the Swiss market



From left to right: Vanessa Baldauf, Peter Amann, Brigitte Mäser and Heidi Natter serve our customers from Dornbirn in Vorarlberg.

”

*In many cases, I am working
with the third generation of customers.*

Peter Amann

Peter Amann has been working for us for more than 40 years and, among other things, is responsible for sales on the core market of Switzerland. The most important wholesalers in the Swiss Confederation are among his clientèle and value both timber construction and concrete formwork products and Pfeifer's strong service.

In the late 1970s, senior boss Oskar Pfeifer hired the man who was and remains a passionate motor sport enthusiast. First, Peter Amann moved to London, not least because of his hobby. For five years, the man from Vorarlberg was responsible for the establishment of the sawn timber market in the United Kingdom before his homeland called him back. Since then, he has been stationed in Dornbirn together with his three-man team. Mainly responsible for the Swiss market, Amann and his employees also serve France and various places in the Middle East and are regarded as competent contacts at international trade fair appearances of the Pfeifer Group. Amann's sister Heidi Natter performs an important role in the company, she is responsible for the important French market for formwork beams and shuttering panels.

Growth through service quality

Amann particularly values the innovative spirit of the Swiss timber construction industry and the intensive customer relationships he has built up over decades of contact. "Not least due to the enormous interest in new products, sales on the Swiss market have developed consistently and positively from the outset. We count the most important wholesalers among our part-

ners and strive for perfect service quality. In addition to the consistently high quality of our goods, this includes fast delivery and regular personal visits.

There is a reason for the fact that I travel around 80,000 km a year and often work with the third generation of our customers," says the 63-year-old sales professional.

Sustainability counts

Demand in Switzerland is mainly for

single-ply and three-ply panels, but sales of glulam, profiled timber, shuttering panels and formwork beams are also on the rise.

The Swiss customers respect the Pfeifer Group's sustainability strategy. Groups of customers guided by Amann are regularly wowed by Pfeifer's resource-saving working methods when visiting the various plants. They also show strong interest in the company's modern production facilities. ☰



Well-earned retirement



Peter Heins (3rd from the right)

In 2017, Hermann Egger and Peter Heins – two fixtures in the timber industry – entered into their well-earned retirement. They have been successful in purchasing and sales for decades.

His colleagues started working for Pfeifer in 2004 – when Pfeifer acquired Heggenstaller they were virtually “transferred over”. The change turned out to be extremely positive for both. For more than ten years, Hermann Egger served as the area sales manager for concrete formwork products in Germany, serving the largest market for the purchase of shuttering panels and formwork beams. For many years he has been able to acquire customers all over Europe. His recipe for success: an open and fair relationship with each other. Peter Heins also worked tirelessly for the interests of Pfeifer. As early as 2005, he was re-

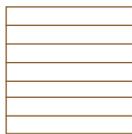
sponsible for purchasing round logs for all German locations. From 2010 until his retirement, he was mainly responsible for the purchasing of raw materials for the Uelzen plant.

Fully dedicated to the company

Economically speaking, the times were not always easy for the Pfeifer Group: Fundamental changes in the round log market necessitated the reorganisation of wood purchasing and shaped work in sales. For the two loyal employees, even more motivation to remain loyal to the company with much enthusiasm and commitment until their retirement. ☰



Hermann Egger



40,000,000

In his career as a sales employee, Hermann Egger was able to sell more than 40 million square metres of shuttering panels.



2,000,000 km

In the process, he travelled more than two million kilometres in the course of 20,000 customer visits.

A review of 2017



TRADE FAIR PRESENCE

2017 Batimat trade fair, Paris

2,400 exhibitors presented their products and services at the Batimat from 6 to 10 November 2017. As the market leader in shuttering panels and formwork beams in France, the Pfeifer Group's stand was correspondingly popular. The expert audience was provided with information on news and displayed great interest. The next and 30th edition of the Batimat will take place in November 2019.

CUSTOMER MEETING

1. Pfeifer Cabin Day

In the autumn of 2017, Managing Director Michael Pfeifer welcomed representatives of various sawn timber customers from five European countries to the company's headquarters. They were offered a two-day programme that included both an insight into the production process and a casual get-together at the Latschenhütte cabin in Imst. The joint ascent to the hut and the downhill run with the Alpine Coaster made for a convivial get-together.

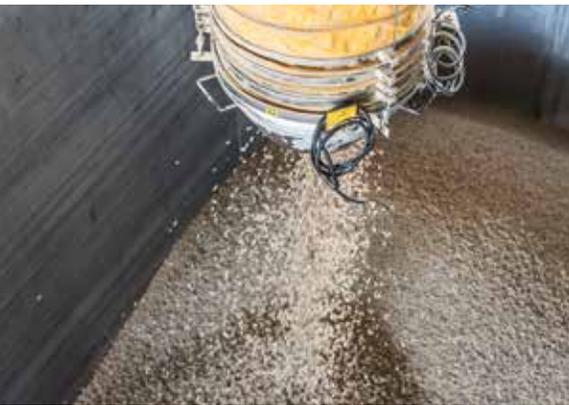


ECONOMIC INFORMATION

Top marks for Pfeifer

In 2017, the Pfeifer Group was awarded the highest mark of 1 in Bisnode's credit rating for the seventh time in a row. The company with a long tradition thus ranks among the five percent of Austrian companies that received top marks. In addition, the managers of the Pfeifer Group are delighted to have been ranked 69th among Austria's top 300 employers last year by the business magazine Trend.

Expansion 2017/18



KUNDL LOCATION

Pellet production expanded

Pfeifer is one of the most successful players on the booming Italian wood pellet market. With an investment of five million Euros in the Kundl location, the company set the course for further expansion among its Southern European EU neighbours. In order to meet the rapidly increasing demand, a new belt drying plant for low-temperature drying of sawdust was put into operation.

UNTERBERNBACH LOCATION

New pellet bagging plant

Perfect planning, a clearly defined schedule and not least comprehensive in-house expertise made it possible to install a new bagging plant in Unterbernbach in a matter of just a few weeks. The plant is now the fifth Pfeifer production site with the option of selling pellets in 15-kg bags directly to regional trading partners.



IMST LOCATION

New storage hall

The new building in Imst, which will be available from early April 2018, will provide a space of some 5,000 m². Built by regional partners and with the company's own glulam products, the facilities offer both space for sawn timber and a place for pre-manufactured products made on site. Customers will benefit from permanent product availability.

LEGAL NOTICE

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**From the heart
of Europe
to the world**

