

Press Information

Semperit: Ground-breaking ceremony for the expansion of hose production in the Czech Republic

- **Start of construction for world's first CO₂-neutral hose production facility**
- **Use of technology enables efficiency increase and resource protection**
- **Capacity expansion for hose products by approx. 20% to almost 200 million meters p.a.**
- **Investment volume of around EUR 110 million**

Vienna, Austria/Odry, Czech Republic, 22 June 2023 – Following the decision made in July of last year to further increase hydraulic hose production at the Odry facility in the eastern Czech Republic, the official ground-breaking ceremony for the plant expansion has now taken place on site. Gerfried Eder, designated Chief Industrial Officer of the Semperit Group and currently Segment Manager of Semperflex, commented on the milestone: “The expansion of Odry is an important organic growth project for Semperit in our largest product segment. The capacity expansion will strengthen our position as one of the global market leaders for hydraulic hoses. The expansion will enable us to respond better and faster to new customer requirements in the future through flexible production processes. Furthermore, I am proud that the hydraulic hose production will be CO₂-neutral in the future.”

Upon completion of the new hall in 2028, total capacities of almost 200 million meters p.a. will be achieved, 32 million meters of which will come from the plant expansion in the future. Production at the new plant is scheduled to start at the beginning of 2025 and will then comprise half of the additional capacity. This will be followed step by step by further plant expansion until 2028. The total investment volume is around EUR 110 million, with the majority of the costs to be incurred between 2023 and 2027. The new production hall on the site of the existing plant in Odry will cover around 17,000 sqm.

Focus on efficiency increase and resource protection

The ground-breaking ceremony was preceded by an intensive preparation and planning phase for designing one of the world's most modern production plants for hydraulic hoses. In addition, the criteria of the EU taxonomy have already been taken into account in the planning. Michael Adelbauer, Director Operations of the Semperflex segment of the Semperit Group, placed particular emphasis on two topics when designing the new factory building: productivity enhancement and CO₂ neutrality.

“Thanks to automation in production and internal logistics, we will achieve a very high and consistent quality level throughout the entire manufacturing process, produce little scrap, and thus also increase profitability and sustainability,” explains Adelbauer. The second focus is on CO₂ neutrality: the new production facility requires neither oil nor gas as an energy source; and a considerable part of the electricity demand will be covered by an 835kWp photovoltaic system. The building will also have high energy efficiency in terms of heating requirements – heating requirement according to the energy certificate is only 116kWh/sqm per year). At the current state of knowledge, an industrial building of this type has not yet been built anywhere in the Czech Republic.

Daniel Pazdirek, Semperit site manager of the Odry plant, comments: “According to latest calculations, the specific water consumption of the entire plant can be reduced by up to 60% thanks to the improved production design – originally, 30% water savings were assumed.” That way, Semperit minimises water requirements for example by using rainwater and closed water circulation systems. With the resource savings outlined, Semperit is a significant step closer to the goal it has set itself of using 30% less energy and 30% less water by 2030 – “30 by 2030” is one of the company's major ESG programmes.

Hoses for a wide variety of industrial customers

Semperit produces hydraulic and industrial hoses in its Semperflex segment (around 31% of the Semperit Group's total revenue in the 2022 financial year). Thanks to continuous capacity expansion and

a focus on the highest quality standards, Semperit is now number 3 worldwide for hydraulic hoses and number 2 in Europe for industrial hoses. Further production sites of the Semperflex segment are located in Austria, Thailand and China.

Hydraulic hoses are used for power transmission in hydraulic systems, mainly in the construction, agricultural and mining industries, as well as for high-pressure cleaning. Industrial hoses serve for transporting a wide variety of media and are primarily applied in the construction and transport industries as well as in industrial and agricultural mechanical engineering.

About Semperit

The publicly listed company Semperit AG Holding is an internationally oriented group that develops and produces polymer products for the industrial and medical sectors, selling them in over 100 countries around the world: hydraulic and industrial hoses, conveyor belts, escalator handrails, construction profiles, cable car rings, products for railway superstructures, and examination and surgical gloves. Founded in 1824, this long-standing Austrian company has its headquarters in Vienna, Austria. The Semperit Group employs around 6,500 people worldwide in its continuing and discontinued operations, including some 3,100 in Asia and approximately 900 in Austria (Vienna and production site Wimpassing, Lower Austria). The Group has 16 manufacturing facilities worldwide and numerous sales offices in Europe, Asia, Australia, and America. In the 2022 financial year, the Group generated revenue of EUR 779.8 million and an EBITDA of EUR 100.5 million in continuing operations.