

DEUROTECH STAYS STRONG

The Deurotech Group of businesses has been growing in the wood-based panels and paper industries and aims to provide a wide range of technology from a single source.

Stephen Powney spoke to group chairman Werner Deuring



Our next interview for this year's Focus on Germany was with the Langenfeld-based Deurotech Group, a growing group of companies that is making a name for itself as a single source for technology solutions in the wood-based panels/paper and surfaces arena.

I caught up with the Group's chairman and president Werner Deuring, who has built up Deurotech since the acquisition of impregnation equipment manufacturer Vits back in 2002.

Above: Werner Deuring has built up the Deurotech Group to be a single source in co-ordinated process technology in surface converting

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Mr Deuring has a long experience in the woodworking technology field which extends back to the 1980s when he operated businesses which supplied machines and plants in the cut-to-size equipment field in North America and Europe.

First, a bit more information on the Deurotech Group. Vits and IFA Technology form the industrial systems division of Deurotech.

Vits is of course well-known as an impregnation equipment manufacturer, having been established in 1927 and its penetration in the market was seen recently with the sale of its 1,000th impregnation line to a facility in Germany.

It was a landmark moment and next year will be the company’s 95th anniversary. The impregnation business at Vits has been operating since the 1950s.

IFA Technology, a process engineering company specialising in the weighing, mixing, conveying and dosing of solids and liquid materials, has a global reputation for its resin processing equipment.

Since its acquisition of IFA, Deurotech has grown IFA so it caters for not only its customers’ melamine resin plants but also wider ranges of equipment and expertise outside the wood industry.

Three further members acquired over the years form the environmental division: Wessel, Airprotech and Eisenmann Environmental Technology.

Hamburg-based Wessel builds air purification systems and water treatment systems, particularly specialising in the area of removing formaldehyde, which is a big issue in melamine product manufacture and the panels production sector generally.

Airprotech, based near Milan, was acquired four years ago and is a turnkey supplier of technologies for air pollution control, complete systems for cleaning of polluted process gases and reducing the impact of industrial emissions on the environment. Its expertise extends to controlling of industrial emissions including VOC volatile organic compounds, VIC volatile inorganic compounds, aerosols, mists, solvents,

odours, hydrocarbons and particles.

The fifth group company – Eisenmann Environmental Technology – represents an acquisition last year when Deurotech bought the environmental protection division of the Eisenmann group. This makes exhaust air purification, heat recovery, water purification and wastewater treatment technology.

Mr Deuring said the aim of Deurotech was offering co-ordinated process technology in surface converting from a single source: impregnation and coating lines as well as systems for resin preparation.

“At Deurotech Group we are trying to provide a single source to cover the whole process from the resin side to the impregnation side, all the way to air cleaning and water cleaning,” said Mr Deuring.

“This has been very successful for us. Our projects have grown in size because we often have packages where there is a big Vits line but we also build a resin plant, storage tanks for the resin and air purification plants.”

Its customers represent a big sector – the production of laminates for furniture, flooring, surfaces and architectural elements such as façade construction. The surfaces range these days is of course myriad – weather-resistant, scratch-resistant, high-gloss, silk-mat or structured.

BUSINESS DURING THE PANDEMIC

Like many companies and groups, Deurotech experienced a rollercoaster ride in the pandemic-impacted 2020 after experiencing record turnover in 2019.

“When we look at 2020 we had a 25% drop in revenue generally as an industry because of a shortage in orders and investments,” said Mr Deuring.

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Mr Deuring said a lead indicator for its business is the housing sector. If the housebuilding and remodelling industry is strong it normally follows that furniture and surfaces production is also strong.

“When you look at the housing and construction business in America and Europe, it doesn’t look like it’s going to end tomorrow. We think it will continue for a while.”

Globally, Deurotech has been experiencing good business levels across different regions, pointing to several installations in Brazil during the height of the pandemic.

Turkey remains a strong pocket of business, with strong orders there in the last 10 years, even during the pandemic.

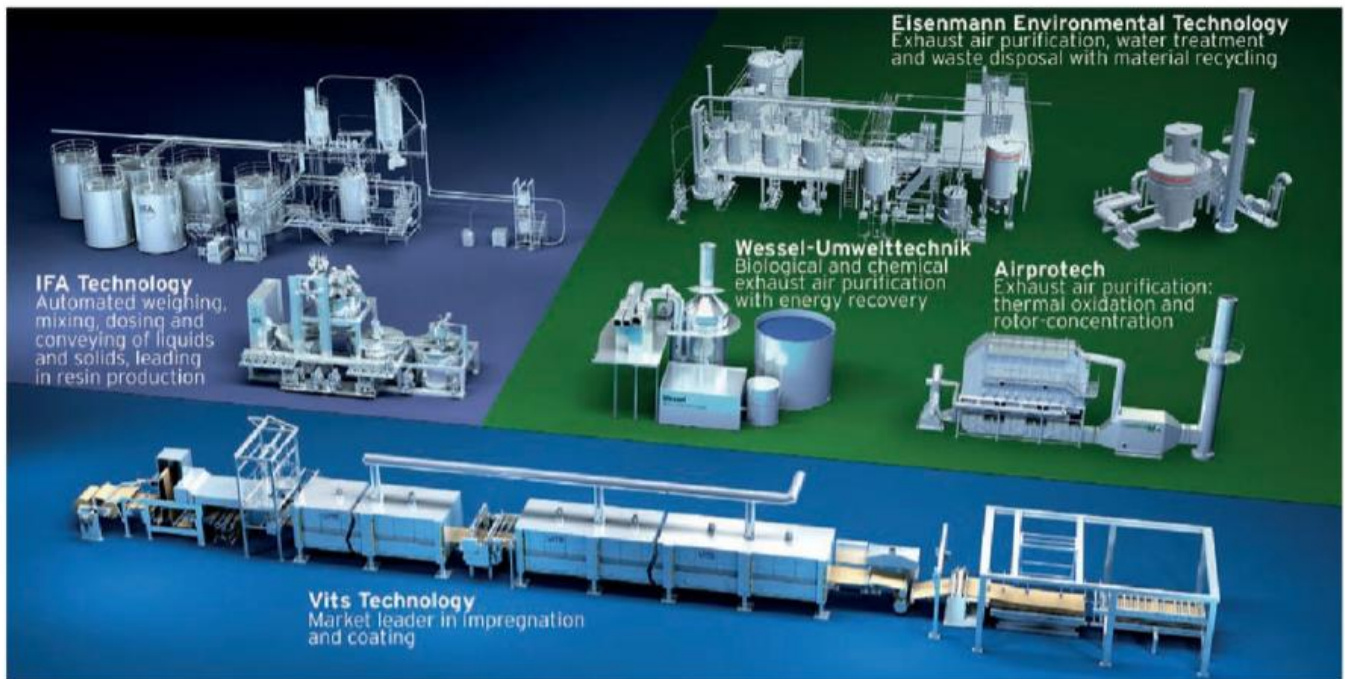
“America has been very good and Asia will probably follow suit. Of course, Europe has been very strong in the last 12-18 months with a lot of business scheduled in Germany and elsewhere in 2022 and 2023.”

The surfaces field has seen much innovation over recent years such as printing and vinyl advances. But Mr Deuring points out that some of the newer technologies, while great aesthetically come with a hefty price tag which means they will serve a limited section of the market.

“You always have areas which are going to be in the 5-10% part of the market segment where a product is 10 times more expensive than the melamine product, but when you compete in the 80-90% mass market place it always comes back to melamine surfaces because of the price,” added Mr Deuring.

“So it comes back to the same product we have produced for years. We think our melamine products will be around for quite a while. What has changed is the efficiency and unit cost with our latest technology equipment.”

Elsewhere, Deurotech’s current group developments include a focus on systems integration and digitalisation and a factory



Above: Companies and plants of the Deurotech Group

expansion at IFA's site in Rain, Bavaria.

Mr Deuring's son Alexander, the chief operating officer of Deurotech, has also recently taken on the managing director position of Vits. And further suitable acquisitions are being looked at, although Mr Deuring says company valuations are very high at the moment.

DEUROTECH CONNECTED

As already mentioned, integration is a big focus subject for Deurotech Group and its Deurotech Connected (DTC) system is designed to digitally integrate all its equipment.

DTC comes in three levels – Basic, Advanced and Professional.

Basic level includes integration of all machines so they don't have to be individually controlled, with data and signal exchange via the network (iDevice). There is also remote maintenance with Sinema Remote.

Advanced includes more information, such as raw material usages all the way to the point when the system tells the customers when to order raw materials for the impregnation side, melamine resin and chemicals, giving transparency on costs and product quality.

DTC Professional is the highest expansion level, offering individual options and add-ons that can be combined in certain constellations with DTC Advanced.

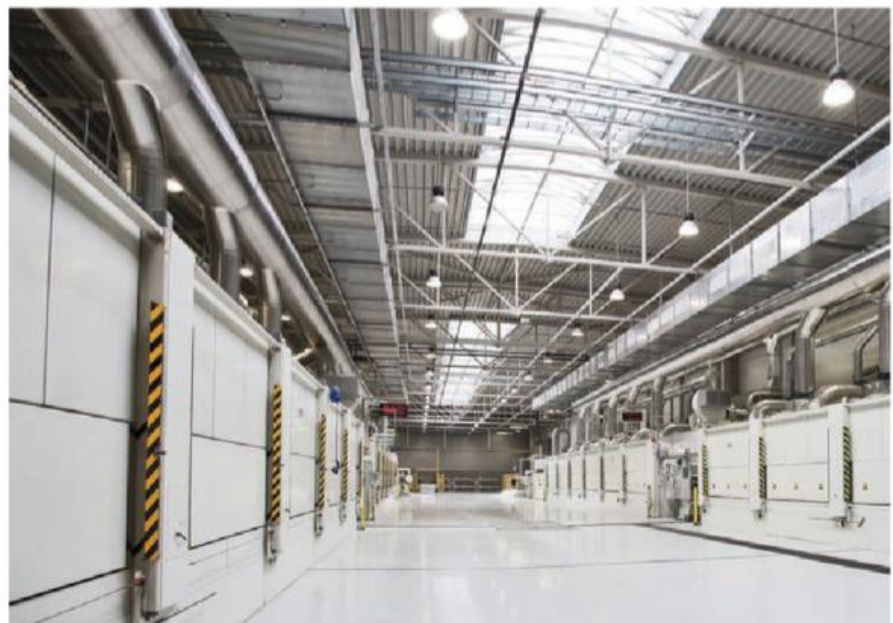
"It's a good tool to help the customer be more efficient, reduce the cost and find out where they might have the chances to improve," said Mr Deuring.

"And usually there are a lot of possibilities to improve. Looking at a resin impregnation line with 80,000m² of production a year you have about €20m of sellable goods going through that machine. About 40% of costs are resin, 40% is paper and the rest is operational cost. If you save 1% of the resin costs you are talking potentially about several hundred thousand euros per year in savings."

Of course, cost reductions are not the only driver, but also environmental issues. This

is an area that Deurotech sees increasing momentum in the coming years and believes its portfolio of companies offer turnkey solutions.

"The CO₂ issue, VOCs, formaldehyde are all important considerations and can contribute to a good standing of the company in a country or city or with the customer. In some areas it will be a survivability issue for some companies. We as the Deurotech group will help customers to achieve that strong environmental position." ●



Above: Vits plant technology