

DEUROTECH LOOKS TO THE FUTURE

Our Focus on German-speaking countries Part 2 kicks off with an interview with the Deurotech Group, which has diversified its impregnation and resin competencies to include environmental technologies in recent years. Stephen Powney spoke to chief operating officer Alexander Deuring



Above: Alexander Deuring

When Ligna finally came back as a live event in 2023 following the interruption of Covid, the Deurotech Group was noted by show visitors for being a larger and broader enterprise than the previous exhibition in 2019.

In the intervening years, the Group had acquired the environmental protection division of the Eisenmann group in 2020 and then in early 2023 the assets of Essen-based Oschatz Energy and Environmental GmbH – leading to the formation, respectively, of Eisenmann Environmental Technology and Oschatz Power.

The additions have given the Deurotech Group a wider array of expertise and an even more significant environmental technologies business to add to its industrial services division, comprising impregnation equipment supplier Vits Technology and resin specialist IFA Technology, which offer co-ordinated process technology in surface converting from a single source.

When *WBPI* caught up with group chief operating officer Alexander Deuring, son of group founder and CEO Werner Deuring, the mood was positive, despite the general economic downturn being experienced in many countries.

Mr Deuring said Ligna had been a great opportunity to present newly-acquired Oschatz, a business with an industrial power plants specialism with technologies in the form of boilers and steam generators for waste heat recovery. The show also provided a platform for Vits' new E-dryer (electrical drying system).

"It was great to meet people at Ligna again and make sure we still have a good collaboration across the market," said Mr Deuring.

"At Ligna, people realised we were actually six organisations and not just Vits and IFA. I think it was very interesting for people to see the variety of products we had on show."

He explained that the Deurotech Group, founded in early 2015, specialises in the wood-based panels and paper industries, while also serving a range of other sectors.

Impregnation and coating technology specialist Vits is well known in its field, with its headquarters in Langenfeld, Germany, providing plants for furniture surfaces, finish foil surfaces, compact boards, shuttering films/MDO, worktops (CPL, HPL) and laminate flooring.

IFA is based near Augsburg. For 40 years, IFA has been building plants and systems for weighing, mixing, conveying and dosing solid and liquid materials.

In the environmental technologies space – Hamburg-based Wessel Environmental Technologies focuses on exhaust air purification and heat recovery; and Airprotek, based in Milan, supplies air protection and environmental technologies for air pollution control, as well as complete systems for cleaning of polluted process gases and reducing the impact of industrial emissions on the environment.

Eisenmann Environmental Technology has systems for air purification and heat recovery, water purification and waste water treatment.

Mr Deuring explained that Oschatz provided an additional component that the Group wanted to add to the value chain for customers – energy systems.

"The Deurotech Group aims to not only be in the impregnation and resin preparation field but also environmental technologies and power generation so we can offer our customers a full array of services like a one-stop-shop, which is why we have the slogan 'partnering for efficiency'.

"We have been following this [one supplier] project scheme approach actively over the last years, so the majority of our projects are not only Vits but in combination with IFA and the environmental technology side.



Above left: Vits impregnation line **Above right:** IFA reactor systems for resin and glue production

“We are eager to optimise customer production from an energy and consumption saving standpoint. That’s where we have been continually developing over the past years, which is trying to make our supply of machinery more efficient, more optimised and more sustainable. We have been geared towards adding value to the chain but at the same time refining and focusing on innovation.”

International wood-based panels producer Arauco is a good example of this one-stop-shop approach from the Deurotech Group.

Recently Vits won an order to supply Arauco in Mexico with two new impregnation lines in 6ft and 9ft widths, as well as the upgrade of two existing lines.

Besides this, IFA will install a state-of-the-art resin reactor system with a production capacity of 120t/day to produce UF/MUF resin onsite.

Wessel is delivering a heat exchanger (WERO) with estimated savings of 300kW, promising substantial reductions in the plant’s operational costs.

This aligns with Arauco’s commitment to sustainability and an environmentally friendly carbon footprint.

“Firstly, we want to make impregnation as efficient and energy saving as possible, but at the same time offering through Wessel, gathering a lot of energy that would otherwise be lost in hot air, and using it for process heat,” added Mr Deuring.

IFA’s contribution, he added, shows it was not only focusing on additives but also the resin cooking itself with a big plant.

“In the past we would not have been able to offer that full value chain, specifically with regard to the environmental technologies.”

DEUROTECH GROUP PERFORMANCE

Vits and other Group companies experienced a wave of unprecedented business demand during the Covid years as people invested in

their housing and kitchens.

“Today Vits has an order backlog which is at a record level and we’re very grateful that our customers trust us to supply them with their machinery,” said Mr Deuring.

Group revenue in 2022 was €100m, increasing last year to €140m.

“That increase is attributed to a lot of people investing in their houses and kitchens in the Covid time and our customers then looking to increase capacity.

But Mr Deuring emphasised that like-for-like turnover increased by 15%, irrespective of the acquisitions.

The Group is now seeing a little bit more hesitation in markets, with customers being very careful in approving their investments.

“But we don’t see a massive rapid decline like we saw in 2019.

“We see potential investments going forward, but everyone is making sure their investments are sound and match strategic goals for their organisations.

“Going forward for 2024, we do have growth and we’re looking at a €160m budget, aiming at about a 14% increase across the Group.”

2024 is expected to be all organic growth. “We are in a very good position with an order backlog and at the same time we’re working on new projects.

“For most projects the year 2024 is full for us, so we’re working on how we can optimise capacity to deliver for our customers as soon as possible.”

As for the various world regions, Mr Deuring observed that there were different dynamics in different countries but highlighted the Americas as quite optimistic. He expected some positive movement across all geographical sectors.

“We do see the building sector in Germany and central Europe slowing down – and that is a very important indicator for our customers.

“There may be some lag in the housing

market – a talking point in the industry.

“But in the long term our customers are very focused on making their investments, increasing capacity but as efficiently as possible, with lots of automation.”

Mr Deuring emphasised that most customer investment decisions taken were long-term investments and customers saw growth in the long term, even if current market conditions were not as positive.

“This year we have projects in Germany, Turkey, North and South America. There are a lot of different projects coming up.

“We see growth in the US and South America, those are countries that will be very interesting markets in the long-term. But we’ve also seen investments in central Europe – modernisations but also new investments coming in. Turkey is also a large market.”

INVESTMENT AND NEW PRODUCTS

In terms of capital investment, IFA has invested on the back of its growth – initiating a production capacity increase which involves a 40% rise in covered space at its site near Augsburg.

All electrical cabinet assembly for the Group is also now completed at IFA, boosting Group synergies.

IFA operates in many different technology applications, including the chemicals and pharmaceutical fields.

“With the large and growing number of projects we do at IFA, we decided to invest there.

“The centralisation of electrical cabinet assembly means everything looks and works the same from the customer’s side and doesn’t have to be put together on site,” added Mr Deuring.

On the products side, development work has been continuing in the Group businesses.

Vits had a new product development launch at Ligna – the E-Dryer.



Above left: Oschatz turnkey solid fuel power plant Above right: Eisenmann water treatment plant

This provides 100% electric drying in the LAY-ON-AIR flotation dryer, suitable for use with renewable energy sources (wind, sun, water and H₂).

Vits says the solution helps provide high efficiency and low operating costs, forming part of the Vits zero emission impregnation concept in combination with DRY-IT moisture measurement and the WERO rotary heat exchanger and Wessel BIOCAT-scrubber.

Vits says this system has up to 30% less energy consumption compared to natural gas heated lines and the lowest CO₂, VOC and formaldehyde emissions in the emitted exhaust air.

The first E-Dryer project installation is at Bonardi in Brazil.

For Bonardi – a resin producer and small-scale impregnator – a key part of the investment in switching to electrically powered drying was in making operations more sustainable.

This is something which Deurotech sees as becoming a more important part of the value chain for customers and consumers.

Bonardi is using hydro power to generate electricity for the dryer.

“It is a very interesting concept for our customer because down the value chain you can show how the impregnation process works and how much energy / where the energy came from and how CO₂ neutral it is,” added Mr Deuring.

Of course, Vits has a long history in drying technology, with its LAY-ON-AIR dryer technology originally developed in the 1950s and having been improved over the years. As well as horizontal drying systems for classic melamine and phenol lines, vertical drying systems for special applications in other industries have been developed.

The addition of the electrical dryer option

gives the ability for retrofit to the majority of Vits dryers in service today.

ENVIRONMENTAL TECHNOLOGIES

The expansion of the Deurotech Group into the environmental technologies field, masterminded by CEO Werner Deuring, is a cornerstone and platform for the Group’s future growth.

Wessel, Eisenmann, Airprotek and Oschatz give the Group a wide range of technologies.

“We are very open and actively looking to add different products on the environmental technologies side because we see growth there,” said Alexander Deuring.

“It is a very important area for the wood-based panels industry, as well as other industries. We also supply many automotive manufacturers for the cleaning of the gases/air, as well as for chemicals and pharmaceuticals.

“There is a broad range of solutions from thermal, biological air treatment systems and waste water treatment, so we can work with customers to reduce their waste water output dramatically and also address the generation of power, steam and electricity in the production process.”

All of this is geared to improving efficiency and reducing CO₂ emissions.

“We look at the customer set-up and see what product best suits the customer and its request. We can often combine technologies, with thermal and biological systems working together, along with waste water treatment systems.”

The Group’s environmental technologies businesses have about 4,000 different installations between them, while Vits is at 1,023 project installations to date.

Oschatz offers grate-fired solutions and fluidised bed solutions in its energy systems business, with biomass power plants a key

offering to the wood-based panels industry. Oschatz has 800 project installations to date.

When Vits was acquired by the Group in 2002, about 95% of Vits’ business was in the woodworking space, but that has progressively diversified and the figure today is about 60%. The same percentage applies to IFA.

“Generally, I would say Vits’ position in the woodworking space is very important, we are very focused on the industry,” explained Mr Deuring.

“Actually, in 2024, Vits is very strongly focused on the woodworking space, and the figure this year will be larger than 60%.”

FUTURE

So where does Deurotech Group see itself in five years’ time and what are its plans for the future?

“With our 380 employees today across all Group companies, we are going to keep pushing forward and focusing on innovation,” commented Mr Deuring.

“At the same time, I think we would be open to adding organisations and technologies to the group as we’ve done that in the past.

“There is a certain amount of interest from our family to grow the organisation.”

“We’re focused on growth. That’s the main thing for us – how we can keep developing and offering our customer solutions among the lines of impregnation, resin preparation and environmental technologies but also sustainability, energy recovery and efficiency.”

Underpinning its momentum is the huge experience and brands of world market leader Vits, which in 2028 will celebrate its 100th anniversary, as well as the most recent addition – Oschatz Power – which is 175 years’ old. ●