

Erne Fittings back on the path to success **Specialist for pipe fittings scores with new strategy**

Schlings (AT). Erne Fittings, the world's leading supplier of pipe fittings, is recording tangible successes again after mixed times. The strategic turnaround initiated in 2020 is showing its first effects: Erne reports an increase in productivity in the double-digit range and thus positive earnings once again.

Despite the COVID-19 pandemic and rising energy and labour costs, Erne Fittings, an industrial company headquartered in Schlings, Austria, and active in piping technology, generated a preliminary consolidated group revenue of EUR 61.6 million in 2021. Erne Fittings GmbH in Schlings and its plant in Mürzzuschlag, Styria, with a total of around 250 employees, once again achieved clearly positive earnings.

The fact that the economic development of the fittings manufacturer is so positive despite the complicated economic situation is primarily related to the ongoing strategy process at Erne: "As the new management team appointed in 2020, we had to start a comprehensive restructuring due to a lack of profitability: It was and is primarily a matter of putting the focus back on key competences, important customers and core markets. So we focussed on our strengths and reduced the product portfolio. Today, we supply the specialised pipe trade primarily with our high-quality key products," says Matthias Kaufmann, CEO of Erne Fittings Group, to summarise the latest strategic changes.

Double-digit productivity increase

Erne Fittings' main markets are in Europe, the USA and the Middle East. Almost 99 percent of all pipe fittings – t-pieces, pipe reducers and pipe bends – are exported and used in power plant construction, oil and gas plant construction, the chemical and petrochemical industries and refineries. The fact that the business paid off again last year is also a result of the production processes that were organised in a leaner fashion in the course of the turnaround: "Compared to the previous year, a double-digit increase in productivity was achieved," adds Matthias Kaufmann. Erne Fittings is also affected by the pandemic-related difficult supply situation, but perhaps less than competitors: The company was largely able to rely on proven delivery networks and thus score points with customers with its reliable and technically correct deliveries.

Products for the energy transition

Thanks to developments in recent years, Erne's products also contribute to the energy transition – for example in plants for the generation and distribution of district heating and those for the production of electric vehicles. Today, the company can supply 100 per cent hydrogen-compatible fittings, making it one of the pioneers in the industry. "The need to reduce CO₂ emissions is a major international issue and also of concern to us. That is why our development department has been working intensively for some time on the definition of a hydrogen standard for the transport of H₂. We will soon start the first trial production of fittings for hydrogen pipelines," explains Matthias Kaufmann.

Positive business development expected

The figures prove that the strategic turnaround was the right choice: "In 2020, we still suffered a high loss in Schlings. Today, we are not only in calmer waters, but can even show a positive result. We are very pleased about that and we owe this to the motivation and

experience of our employees on the one hand, and to our loyal customers on the other,” emphasises Bernd Klemisch, CFO of Erne Fittings Group. Although the restructuring is still ongoing and remains challenging, Erne is confident about the future: “We assume a consumption-related backlog in the construction of oil and gas extraction plants – despite the energy turnaround already initiated. This will be particularly noticeable in autumn or at the beginning of next year. For this year, due to inflation, we expect a moderate, but again positive growth in revenue of 10-15 percent,” summarises Bernd Klemisch.

“Good news” also from the Erne sites

Erne’s site in the Middle East, Erne Fittings Middle East Co. Ltd, is also reporting a positive business development: The production plant in Al-Jubail in the east of Saudi Arabia now manufactures the complete range of carbon steel pipe bends and can supply its local customers directly.

Relocation and new building at the Schlins site

Parts of Erne’s production department, specifically toolmaking and maintenance, will move from the headquarters in the centre of Schlins to the outskirts of the town to Plant III before the end of the year. This relocation had been planned for years, but was delayed by the COVID-19 pandemic. A new office building for Plant III is also being planned. “This new building will help us meet our increased space requirements. We will have dedicated social rooms available for use, which, fortunately, will also enable us to further improve the working conditions for the staff,” concludes Matthias Kaufmann.

Image 1: Erne Fittings Headquarters Schlins AT.jpg Caption 1: The fact that the strategic turnaround was the right choice is proven, among other things, by the positive earnings reported by Erne Fittings in Schlins for 2021.

Image rights 1: Erne Fittings/Vogel Pix, publication free of charge.

Image 2: Erne Fittings Management.jpg Caption 2: With the new management team headed by Matthias Kaufmann (CEO) and Bernd Klemisch (CFO) since 2020, Erne Fittings Group and its approximately 350 employees became profitable again (from left to right)

Image rights 2: Erne Fittings, publication free of charge.

Erne Fittings

Erne Fittings is the world’s leading manufacturer of pipe fittings in industrial piping technology. Erne Fittings focusses on areas of application that are subject to approval. The company manufactures pipe bends, T-pieces and reducers – in different dimensions and from different materials that meet the respective requirements. In addition to specialised products, Erne Fittings also offers its customers specialised and application-oriented services, such as documentation for authorities or special logistics solutions. Erne Fittings’ main sales areas are Europe, the USA and the Middle East. The products and services are mainly offered to traders in the following areas:

- Power plant construction;
- Oil and gas plant construction;
- Chemical and petrochemical plants;
- Refineries.

Facts and figures – Erne Fittings Group

Foundation:	1920
Managing Directors:	Matthias Kaufmann (CEO), Bernd Klemisch (CFO)
Employees:	339 (179 of which at the Schlins site, 5 of which apprentices)
Revenue in 2021:	EUR 61.6 million
Business divisions	Power plant construction, oil and gas plant construction, chemical and petrochemical plants, refineries
Headquarters:	Schlins (AT)
Locations:	Schlins (AT), Mürzzuschlag (AT), Houston (TX, USA), Al-Dschubail (SA)
Export quota:	99 percent

For more information please contact:

Erne Fittings GmbH
Matthias Kaufmann, CEO
Tel. +43 5524 501 203
Matthias.Kaufmann@ernefittings.com

Press contact:

ikp Vorarlberg GmbH
Wanda Mikulec-Black
P +43-5572-398811
wanda.schwarz@ikp.at