

STEICO SE: Second Laminated Veneer Lumber line (LVL) starts regular production

Press release
7 November 2017

- **Line taken into operation after it passed the “80 percent performance test”.**
- **Installation work continues to be substantially ahead of schedule.**
- **New line in production with immediate effect in four-shift operations.**

The STEICO Group (ISIN DE000A0LR936), Feldkirchen (Munich), 7 November 2017 – The “80% performance test” has been successfully passed by the second production line for laminated veneer lumber at the plant in Czarna Woda (Poland).

The 80% performance test marks the start of regular production. From this date on, the further management of the project including production planning is transferred from Raute Corporation, which built the line, to STEICO as the client. This means that it is possible, with immediate effect, for STEICO to produce Laminated Veneer Lumber (LVL) using the new line in line with its sales requirements. Further optimisations will then be performed during ongoing production to reach the “100% performance test”.

The new LVL2 line will be run 24/7 using four shifts and will mostly be used to produce flange material for STEICO's I-joists. This means that the capacity offered by the LVL1 line is available in particular for customer-specific products.

Installing the second production line has doubled LVL production capacity to around 160,000 cbm/a. In addition it will also allow economies of scale to be realised in production, for example via longer product series and correspondingly shorter refit times. Using left over wood from LVL production will also benefit the production of wood fibre boards (insulation materials and hard fibre boards) at the same location. Last but not least, STEICO expects that the use of bark and production residues to produce energy will allow the majority of production heat and steam to be produced in the two biomass power plants. In addition, STEICO is exempt from Polish income tax until 2025 due to its use of a special economic zone in Czarna Woda.

Broad range of uses, high demand

Laminated Veneer Lumber is a highly durable wooden material which combines the characteristics of wood as a natural product with those of an industrial precision-made material. Laminated Veneer Lumber can bear great loads, however it is characterised by its dimensional stability - it does not warp like solid wood and it mostly does not swell or shrink. As a result, Laminated Veneer Lumber can be used in a wide variety of applications. It is used as a component for STEICO's I-joists, and it is also an innovative wooden material for state-of-the-art wood construction. In addition, it is also used in various industrial applications, for example in the door industry.

By starting regular operation, STEICO is continuing the company's growth and has reinforced its position as a system provider for innovative timber construction solutions.

The full press release can be downloaded from www.steico.com/ir.

Company profile:

STEICO develops, produces and markets ecological construction products made of renewable raw materials. STEICO is the European market leader for wood fiber insulation materials.

STEICO is positioned as a system provider for ecological residential construction and is the only manufacturer in the industry to offer an integrated wooden construction system in which insulation material and construction components supplement each other. These include flexible and stable wood fiber insulation panels, composite thermal insulation systems, insulation panels with a reinforcing effect, as well as cavity wall insulation made of wood fibers and cellulose.

The construction elements comprise I-joists and laminated veneer lumber. In addition, the STEICO group also produces fiberboard (natural fibre boards) and operates in the wood trade.

The Munich-based company's products are used in new construction and when renovating roofs, walls, ceilings, floors and facades. STEICO's products allow the construction of future-proof, healthy buildings with a particularly high quality of living and a healthy atmosphere. STEICO's products offer reliable protection against cold, heat and also noise, and they permanently improve the building's energy efficiency.

Contact:

Andreas Schulze

STEICO SE

Otto-Lilienthal-Ring 30

85622 Feldkirchen

Phone: +49-(0)89-99 15 51-548

Fax: +49-(0)89-99 15 51-704

E-mail: a.schulze@steico.com

www.steico.com