Oerlikon Manmade Fibers segment looking positively towards the future even during the coronavirus pandemic

very big thank you to all our customers and employees for their trust

Georg Stausberg, CEO of the Oerlikon Manmade Fibers segment, has been running the global market leader for manmade fiber systems since 2015. Between 2012 and 2014, he was the segment's CTO and COO. Georg Stausberg was CEO of the Oerlikon Neumag business unit between 2008 and 2012. Between 2000 and 2008, he ran the After Sales Division and the Gear Pump Division of Oerlikon Barmag. Between 1989 and 2000, Georg Stausberg was active as an R&D Engineer at Oerlikon Barmag. Georg Stausberg has a degree in mechanical engineering (Dipl.-Ing.) from RWTH Aachen University in Germany

Staggered in terms of timing and with varying magnitude, the global spread of coronavirus is impacting the development of the regional economies in the core markets of the Manmade Fibers segment of the Swiss Oerlikon Group. In the current times, the world market leader for manmade fiber systems for manufacturing polyester, poly- propylene and nylon however believes itself to still be well positioned thanks to long-term stra- tegic customer investments, simultaneously also exploiting numerous opportunities for change arising from the coronavirus pandemic.

The sales markets for manmade fiber systems and equipment have been primarily located in China, India and Turkey for many years now. Together, these markets – above all China – make up the lion's share of the project landscape at Oerlikon Manmade Fibers. And this is paying positive divi- dends at the moment. Because the production facilities of the major manmade fiber manufacturers in China have been systematically fired up again over the past few weeks, with capacity utilization in- creasing consistently. New projects are being discussed.

Going against the flow

But why is it so? And why is the manmade fiber industry currently practically going against the flow of the rest of the textile machine industry? The reason is very simple: "Long before the coronavirus situa- tion developed, the major manmade fiber manufacturers in China had decided to reverse-integrate their production chains to include petrochemicals in order to expand their portfolios with targeted

investments, to reduce their dependence on a ‚single product', to optimize their costs and ultimately to acquire

greater control over margins in a global volume business", explains Segment-CEO Georg Stausberg. Similar processes and decisions – albeit not on the same scale as in China – have also been detected at the large manmade fiber manufacturers in India and Turkey. While China is already pursuing and implementing its 'From Oil to Yarn' business model, the other market players are cur- rently still focusing on the 'From Melt to Yarn' concept. Even though businesses in India and Turkey are presently still temporarily severely impacted by the coronavirus situation, their long-term

commitment cannot however be questioned, as the company-internally-agreed master plans will be systematically implemented moving forward.

Long-term investments of global market players

All this has recently resulted in increased demand for spinning and texturing systems – just like those supplied by total solutions provider and world market leader Oerlikon Manmade Fibers with its Oerlikon Barmag, Oerlikon Neumag and Oerlikon Nonwoven product brands. "The investments in petrochemical systems are based on long-term strategic considerations and are resulting – even dur- ing the coronavirus pandemic – neither in short- and medium-term economic dips, nor in changed customer behavior. For these reasons, we are currently continuing to look positively towards the future at Oerlikon Manmade Fibers. With orders on our books until 2023, we have created a very good cush- ion for ourselves. We have to thank all our customers, who have consistently placed their trust in us despite the challenging times we are currently in. We would also like to thank all our employees who remain highly-committed at their mobile workstations at home, servicing the markets throughout the world, providing customers with intensive online consultation on technology questions by means of video conference, continuing to manufacture our high-end technological products in superlative quality under the given coronavirus protection measures at our assembly and production sites worldwide and successfully assembling and commissioning the systems on-site, in part also remotely in collaboration with our clients' staff", states Segment-CEO Georg Stausberg with pride.

As a result of Oerlikon Manmade Fibers delving into the digital age years ago, the segment has expe- rienced the intensive and short-term benefit from all the measures, in part also in its processing of customer projects. "Admittedly, the coronavirus situation has accelerated this digital transformation to an extreme extent. But it is working and the coronavirus crisis will also allow us to take many positive experiences we have made in our digitally-networked world with us moving forward", concludes Stausberg.