RHI Normag restarts production of Fused Magnesia in Porsgrunn

Porsgrunn/Vienna, 8 January 2018 – Based on the positive results of a test run in September 2017 and a continued demand for high quality fused magnesia (“FM”) it has been decided to restart the FM facility in Porsgrunn, Norway.

The Board of the RHI Normag approved the tentative plans for reopening on 18th December 2017, and the management of RHI Normag initiated consultation with the Union representatives on the same day. Employees will be hired successively when (additional) furnaces are put in operation. Start up and manning is expected to be completed during the next four to six months. The FM facility is initially planned to be run on a three shift arrangement, implying a need for approximately 40 new employees.

As a result of the competitive situation on the international markets, the fused magnesia production in Porsgrunn was closed and the FM facility mothballed during the summer/autumn of 2016. Since then RHI Magnesita has been constantly monitoring the market development and has evaluated different concepts on whether to place new orders enabling a restart of the FM production in Porsgrunn.

In the first quarter of 2017, a shortage of refractory raw materials from China emerged. Striving to improve environmental and safety standards, Chinese authorities introduced stricter requirements and carried out production controls. As a result, a number of local manufacturers of sintered and fused magnesia reduced or shut down their production. The new situation significantly affected the stability in the supply of fused magnesia from China and thus the market prices.

Due to this RHI Magnesita in September 2017 decided to place a test order for FM material with RHI Normag AS.

“I am very encouraged by the results of the test order”, says Andreas Kriegl, Chairman of the Board of RHI Normag. “We have been able to retain a core of highly competent employees after the 2016 downsizing. I am impressed by the team’s efforts during the test production. We operate in a volatile market, but I am confident for a long term production of FM material in Porsgrunn.”

The restart of the FM facility in Porsgrunn marks a major step in further increasing RHI Magnesita’s supply security. RHI Magnesita’s high level of supply reliability and consistent high quality are highly appreciated by its customers and honored by their willingness to pay more for RHI Magnesita’s products and services.

About RHI Magnesita

RHI Magnesita is the result of the combination of RHI and Magnesita to form the global leading supplier of high-grade refractory products, systems and services which are indispensable for industrial high-temperature processes exceeding 1,200°C in a wide range of industries, including steel, cement, non-ferrous metals, and glass, among others. With a vertically integrated value chain, from raw materials to refractory products and full performance-based
solutions, RHI Magnesita serves more than 10,000 customers in nearly all countries around the world.

The Company has unmatched geographic diversification with more than 14,000 employees in 35 main production sites and more than 70 sales offices. RHI Magnesita intends to use its global leadership position in terms of revenue, greater scale, complementary product portfolio and diversified geographic presence around the world to target opportunistically those countries and regions benefitting from more dynamic economic growth prospects.

The combined company had pro forma €2.5 billion in revenues in FY2016. For more information please visit www.rhimagnesita.com

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