

Natural gas supplies for voestalpine in Austria secured for the immediate term

voestalpine in Austria is not affected by the current throttling of gas supplies from Russia via the Nord Stream 1 pipeline in the Baltic Sea. The Austrian production sites are currently receiving most of their required gas volumes via the Transgas pipeline running through Slovakia. The Group is also thoroughly prepared should there be a further reduction or complete stop in gas supplies from Russia. Contracts for alternative supply volumes have already been signed, with voestalpine starting to fill its own gas storage facilities in May.

At voestalpine, natural gas is primarily required for heat treatment processes and for the rolling mills in the steel plants, above all in Linz, Donawitz, and Kapfenberg. The recent amendment to Austria's Energy Intervention Powers Act (EnLG) now allows the voestalpine Group to build up its own stores of natural gas. In May 2022, the voestalpine Group contracted its own gas storage facilities for the first time. The Group will store up to 1.5 TWh of gas at storage facilities including RAG Haag and Haidach. This volume is sufficient for three months operating at full capacity, or correspondingly longer at reduced capacity. These facilities are currently half full and scheduled to be completely filled by mid-July 2022.

“A stop in gas deliveries through Russia, or conversely an EU gas embargo, would hugely damage European industry. Should this worst case scenario arise, however, having our own, full gas storage facilities, together with alternative sources of gas, would allow us to continue almost all production operations in Austria for several months,” says Herbert Eibensteiner, CEO of voestalpine AG. The Group is working with both existing and new suppliers to diversify its sources of natural gas. During the summer months, for example, gas deliveries from overseas arriving at LNG terminals in Italy will be transported on to Austria, both for storage and to support ongoing production operations.

In addition, an emergency plan in which production is incrementally adjusted to reflect available energy volumes has already been drawn up and would come into force in the event of any gas constraints. Lastly, as an international group with 500 companies and sites worldwide—many of which are based outside Europe and therefore unaffected by the situation—voestalpine would also be able to offset some production bottlenecks internally.

The voestalpine Group

voestalpine is a globally leading steel and technology Group with a unique combination of materials and processing expertise. voestalpine, which operates globally, has around 500 Group companies and locations in more than 50 countries on all five continents. It has been listed on the Vienna Stock Exchange since 1995. With its premium products and system solutions, it is a leading partner to the automotive and consumer goods industries as well as the aerospace and oil & gas industries; it is also the world market leader in railway systems, tool steel, and special sections. voestalpine is fully committed to the global climate goals, and its greentec steel program represents a clear plan for decarbonizing the production of steel. In the business year 2021/22, the Group generated revenue of EUR 14.9 billion, with an operating result (EBITDA) of EUR 2.3 billion; it had about 50,200 employees worldwide.

voestalpine AG

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