

## **PRESS RELEASE**

# **Freudenberg Performance Materials Apparel plans competence centers in Europe**

**Weinheim/Germany, January 22, 2021. Freudenberg Performance Materials Apparel produces interlinings for all segments of the apparel industry. At present, the company manufactures interlinings for the European mass market at its site in Weinheim, Germany, while high-quality canvas interlinings for the European luxury market are made at the site in Sant´Omero, southern Italy. As a result of massive market changes, the company is planning to concentrate on manufacturing base materials for interlinings in Weinheim. Base material finishing and coating is to be bundled at Sant´Omero. For this purpose, two lines are to be relocated from Weinheim to Sant´Omero. It is planned to conclude this measure by the end of 2022. In Weinheim, the jobs of an estimated 176 employees would be affected by the time all planned measures have been completed.**

### **Massive market changes**

The middle price segment of the mass market has been particularly hard hit in recent years. More and more consumers are following the trend towards casual wear in many areas of life. Generally speaking, casual garments only require very few interlinings, or none at all. The global pandemic has dramatically accelerated this trend. Suits are worn to work in the office, but loose clothing is the favorite for working from home. Moreover, the apparel industry in general has seen a sharp fall in demand as a result of the pandemic, and recovery is likely to take quite a few years.

Even though the apparel industry has been moving out of Germany and Europe for many years, Freudenberg Performance Materials Apparel has always sought to strengthen the production location in Weinheim – out of a sense of loyalty to the birthplace of Freudenberg’s nonwoven. Time and again, the company has launched initiatives designed to successfully run the core business in interlinings for the mass market middle and lower price segments from Weinheim. However, it has not been possible to completely offset the massive market changes. Consequently, interlining production capacities in Weinheim have not been fully utilized for several years. The pandemic has severely exacerbated this situation: In 2020 alone, Freudenberg Performance Materials Apparel reported a clear double-digit decrease in interlining production volumes at the Weinheim site.

### **European competence centers for base materials as well as finishing and coating**

Freudenberg Performance Materials Apparel is planning to bundle its technologies in competence centers in order to enable its European interlining business to thrive in future and to better fulfill the needs of European customers. Existing base material know-how is to be developed further in Weinheim. The Sant’Omero site is to be expanded to become a competence center for finishing and coating. Customers would enjoy many advantages such as more flexible solutions, faster lead times and swifter delivery. At the same time, they could continue to benefit from the “product originating in Europe” designation.

To accomplish this forward-looking ambition, Freudenberg Performance Materials Apparel is planning to relocate two lines for finishing and coating from Weinheim to Sant’Omero, along with one line from the site in San Martín, Argentina. This line was decommissioned and disassembled in 2017. Sant’Omero has a long tradition and extensive expertise in processing textile base materials for the manufacture of interlinings. The lines to be relocated are designed for all types of interlinings. The company would create 50 new jobs in Sant’Omero through the relocation. The existing modern facility for

base nonwoven production in Weinheim provides the ideal foundation for a competence center. Furthermore, weft production will continue in Weinheim. The groundwork for this was laid with the acquisition of the woven and weft specialist Hänsel in 2015. It is planned to relocate the lines to Sant´Omero in the course of 2022. Until relocation commences, production in Weinheim would continue unchanged – at least for the full twelve months of 2021.

It is planned to conclude the relocation by the end of 2022. In Weinheim, the jobs of an estimated 176 employees would be affected by the time all planned measures have been completed. Freudenberg Performance Materials Apparel has already started talks with the Works Council to find socially responsible solutions.

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Freudenberg is a global technology group that strengthens its customers and society long-term through forward-looking innovations. Together with its partners, customers and research institutions, the Freudenberg Group develops leading-edge technologies and excellent products and services for about 40 markets and for thousands of applications: seals, vibration control components, technical textiles, filters, cleaning technologies and products, specialty chemicals and medical products.

Innovation strength, strong customer orientation, diversity, and team spirit are the cornerstones of the Group. The 170-year-old company lives by its core values: a commitment to excellence, reliability and pro-active, responsible action.

In 2019, the Freudenberg Group employed some 49,000 people in around 60 countries worldwide and generated sales of more than €9.4 billion. For more information, please visit [www.freudenberg.com](http://www.freudenberg.com).

### **About Freudenberg Performance Materials**

Freudenberg Performance Materials is a leading global supplier of innovative technical textiles for a broad range of markets and applications such as apparel, automotive, building interiors, building materials, healthcare, energy, filter media, shoe and leather goods as well as specialties. The Business Group generated sales of 890 million euros in 2019. Today, Freudenberg Performance Materials has 35 production sites around the world in 15 countries and has some 5,500 employees. Freudenberg Performance Materials attaches great importance to social and ecological responsibility as the basis for its business success. For more information, please visit [www.freudenberg-pm.com](http://www.freudenberg-pm.com)

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