

SAVE MONEY WITH HERZ

BEFORE THE FUNDING POT IS EMPTY

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WHAT FUTURE IS
THERE FOR US?

SITUATION IN LEBANON

AND UKRAINE

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HERZ NEWS



Dear reader,

In this edition of HERZ News, we take you on a journey through the past, present and future of our company. As an internationally active company, we feel the effects of global crises very acutely. War-related uncertainties and economic challenges affect us in many regions of the world and challenge us in new ways. That is why we see it as our responsibility to report on this transparently and to give you authentic insights into the global development of the industry.

In addition to this important topic, we provide you with valuable information on cost savings: the funding pot for switching from gas to sustainable heating methods — whether through pellet boilers or heat transfer stations—currently contains almost one billion Euros (as of October 2024). At HERZ, we not only offer the right products, but also show you examples from practice in interviews on how these subsidies can be optimally used.

A particular highlight of this issue, however, is the interview with Wolfgang Schöbl, who did exactly the same job around 50 years ago that I am delighted to continue doing today — editing our customer magazine. Back then, the magazine was called G+L Forum and was aimed exclusively at employees. This interview allows us to look back at the roots of HERZ and shows how deeply the values and traditions of HERZ are embedded in our work.

This issue is not only a look into the future, but also a tribute to our rich tradition. Who knows, maybe in 50 years we will also be interviewed for the work we do today.

Enjoy reading

Nurgül Akbas HERZ News editorial

PS: Do you have something you would like to share with us or be included in the next issue? We look forward to receiving any feedback, suggestions or proposals you may have by email at:

HERZ News

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Note: For better readability, the masculine form is used for personal pronouns, which of course refers to the feminine as well as to all other gender identities.

HEADWIND...



Dear customers, partners and friends of HERZ!

Like every year, autumn brings shorter days, light is replaced by shades of grey and the mood darkens. It is difficult to counteract this. We – HERZ – have expanded our international presence over many years in order to be able to stand up to large corporations. The former Soviet Union, the Near East and Middle East, North Africa were major targets of our export efforts.

In this edition, you will find reports from Lebanon and Ukraine as examples of current developments. Formerly flourishing export

markets such as Russia, Belarus, Syria, Lebanon and Libya are closed or at war. Central Asian countries such as Kazakhstan, Uzbekistan, etc. can only be reached at high cost due to the need for detours around Russia, and they are increasingly turning to China and Chinese products. Ultimately, this means that export revenues are falling rather than rising, in contrast to previous years.

The situation in Austria is not helping. The massive inflation of recent years has resulted in a sharp increase in costs, especially in the area of personnel, which makes products manufactured in Austria massively more expensive or, due to political decisions, deprives companies of their livelihoods. There has been a massive increase in insolvencies, and industry is relocating production and investment abroad. Stefan Pierer's KTM is doing it with a loud roar, others are doing it quietly. In order to keep the cost explosion under control, we are also forced to relocate jobs to neighbouring countries. Part of the cost increases are additional, punishable reporting requirements, directives from Brussels, which cannot be managed in their complexity without external specialists.

It is hardly to be expected that the situation for the producing, export-oriented industry will improve after the National Council elections. The state urgently needs money and will help itself to the economy. On the other hand, perhaps former HERZ company directors who have survived the First World War, hyperinflation, mass unemployment, Austrofascism and National Socialism, the Second World War and the Soviet occupation in Favoriten from 1896 onwards are watching us from somewhere and thinking out loud: 'We would have liked to have had their worries.'

Have a nice autumn.

Minner

Gerhard Glinzerer





HERZ will be exhibiting again this year at GET NORD in the Hanseatic City of Hamburg, Germany. The trade fair for electrical, plumbing, heating and air-conditioning will be open to the public from 21-23 November 2024. Get your ticket now and visit us at our stand A1.248.





LOCAL HEATING WUNDSCHUH UNRELIABLE GAS SUPPLY AS AN OPPORTUNITY FOR THE ENVIRONMENT

For decades, Werner Nager, managing director of the Wundschuh heating supply company, has been committed to local heating in Wundschuh – a decision that initially seemed like a fight against windmills against strong competition from gas. But with the increasing insecurity of gas supply due to the war in Ukraine, the tide has turned: demand for local heating has been rising rapidly ever since. More and more people are looking for safe and cost-efficient alternatives, supported by attractive subsidies. Werner Nager is experiencing a boom that shows how much the need for security and sustainable energy solutions has grown.

A leap in the dark

When the housing association asked Werner Nager to build a heating plant on his property, his journey from being a farmer to being involved in energy supply began. At that time, a few public institutions and single-family homes were connected. Today, the registered cooperative, Wärmelieferung Wundschuh, with 21 members, supplies all public institutions in the entire town centre of Wundschuh, a municipality in the district of Graz-Um-

gebung, in addition to numerous single-family homes. In the beginning, he had to deal with a lot of scepticism, but today he knows for sure: every conversation.

The perfect duo for the switch: insecure gas supply & promotion

The insecurity of gas supply, combined with attractive subsidies, has led to strong demand for local heating. According to Werner Nager, the subsidies

make the switch much easier, as they reduce investment costs and obviously make local heating a cost-effective alternative. Households are increasingly opting for local heating in order to maintain security as well as save costs. In an interview with HERZ News, Werner Nager and Günter Karner, Chairman of the Board of Wärmelieferung Wundschuh, discuss the extent to which the funding measures have been successful.

HERZ News: What role do subsidies play

in Austria in the successful switch to an efficient heating supply?

Werner Nager: The high level of federal funding has definitely contributed to the fact that many households have switched to our local heating. Last year, our customers received 70% funding, plus the state funding, which of course makes switching very attractive. We even had one customer with a 100% funding subsidy. However, I have received a particularly high level of demand during the coronavirus crisis and the uncertainties regarding gas supply as a result of the war in Ukraine.

HERZ News: So the bottleneck and the lack of security have also contributed a great deal to this. The rising gas prices probably too?

Werner Nager: Many gas customers were disappointed because gas prices rose rapidly and to an unmanageable extent. Gas was our biggest competitor because it was so cheap and took many customers away from us that we had only acquired after 20 years. In the meantime, the security of supply has become an issue. Gas is not always available in the quantities we need – but wood is, it just needs to be transported home (laughs).

HERZ News: But surely you also have index adjustments?

Werner Nager: Of course, we also have to think economically. Until recent years,

we had hardly any price adjustments. We have a village character here and know every customer personally. If we increased prices by 100 per cent, like district heating, I would no longer be able to go to a restaurant (laughs).

HERZ News: What are the advantages of local heating? Why should you connect?

Werner Nager: We have a secure supply. Local heating customers no longer have to worry about whether there will be enough gas or not. We need wood and that grows back. In the event of a power outage or an emergency, we can conti-

In the past, they said: local heating is too expensive. Today they say: when can you connect?

- Werner Nager

nue to ensure the supply with our emergency power generator. What's more, we also heat in an almost CO₂- Environmental considerations alone are sometimes not enough to justify replacing an existing system. In such cases, the financial incentive offered by the rather generous funding guidelines plays a major role.

HERZ News: What is the procedure for connecting to the district heating network? What criteria must be met to be

connected to the district heating network?

Werner Nager: There is an initial meeting, during which the house is inspected and the heating requirement is calculated. This is essential for the cost estimate because the connection costs are calculated according to kW. We also let the end user know how much of their costs will be subsidised and how much they will have to cover themselves. Our chairman is responsible for this together with the planning office. However, it also has to be economically viable, I can't lay metres of pipe to connect a single detached house. In addition, we have to prove that a certain amount of CO2 will be saved as a result of the connection in order to receive the funding at all.

HERZ News: To what extent are you dependent on funding?

Günter Karner: We are dependent on Kommunalkredit Public Consulting (KPC). If the supply network is too large but the demand too small, we don't receive any funding. We then took the initiative ourselves for the most part and looked at the properties up to the desired customer, asked whether they also wanted to connect, so that we could realise the project. We were then very successful and were thus able to start the major network expansion.

HERZ News: How long did the network expansion take?



75% FUNDING

for boiler replacement

Switch to biomass or heat pumps now and receive up to 75% funding. Arrange your free consultation with a HERZ employee now. You can find detailed information on the funding at

www.herz-energie.at/kesseltausch

or simply by scanning the QR code.



Günter Karner: We had already installed the entire boiler house and increased our buffer in 2018. Due to the gas bottleneck and the subsidy, another major expansion has been added. The decision for the major expansion was made in 2022 and we completed it in 2024. Without the subsidy, we would have definitely lost 50% of our customers and we would not have been able to realise the project on this scale.

HERZ News: And what about the costs of this?

Werner Nager: Meanwhile, we are at around €3 million. The challenge with funding is that I only receive the funding after the project has been completed. No payments are made in the meantime. The huge increase in interest rates on loans is, of course, a major hurdle for investments when the project takes years to complete and I have to finance everything up front.

HERZ News: How large is your facility?

Werner Nager: Two compact BioFire wood chip boilers from HERZ are currently in operation, each with a nominal output of 400 kW. During the first network expansion in 2018, we added

a HERZ BioFire wood chip boiler to our existing system at the time and were more than satisfied with it. Therefore, this year, when the network was expanded, we decided to replace the old system with a second HERZ BioFire wood chip boiler and to remove the old system completely.

HERZ News: Why not one large industrial plant instead of two boilers?

Werner Nager: We were very limited in terms of space; a large industrial boiler would not have been possible from a construction point of view. The HERZ BioFire wood chip boilers are very compact and provide the power we need. Since we have the same design for both boilers, we can store spare parts, which is also very practical for us.

HERZ News: What were your criteria for selecting a system and why HERZ?

Werner Nager: As with our customers, the safety factor was also a big point for us. HERZ is a large company and offers not only boilers but also many other products. The company will continue to exist for a long time and will not have to throw in the towel like many other companies in the industry. What use is it to me if I buy a cheaper product today

and after a few years the company no longer exists? In addition, HERZ offers unbeatable value for money. Both boilers run smoothly, the customer service is good, everything is just right, from the support to the performance. We didn't even consider looking at other suppliers.

HERZ News: We are very pleased to hear that. Thank you for the authentic insights. The positive experiences and impressions of our customers encourage us in our endeavours. We hope you continue to enjoy using our products.

HERZ BioFire wood pellet boiler

The HERZ BioFire wood chip boiler is the ideal solution for large projects such as local heating networks, hotel complexes, housing developments and much more. It is available with nominal heating outputs from 400 kW to 1,500 kW. For higher heat demand, there is the option of a cascade operation, in which several boilers are connected together to increase output. Further advantages and

detailed information on the HERZ BioFire wood chip boiler can be obtained by scanning the QR code. ☑





WE MOVE **WATER 2.0** HERZ PUMPFIX

Accessories



HERZ PUMPFIX distributor with mounted pump groups.

Every system, without exception, has fixed components that it cannot function without. However, putting the individual parts together takes a lot of time and space, both in the planning and in the implementation. That is why HERZ offers all these components pre-assembled and time-saving in a compact unit as a connection group - HERZ PUMPFIX. With a simple assembly on the line, the HERZ PUMPFIX provides a direct connection between the heat source and the supply circuits in the building services. For the pump groups offered in four categories, HERZ also offers the necessary accessories to adapt the product precisely to the different heating requirements.

Equipped for any situation

The PUMPFIX product family consists of several members that are specially prefabricated for every heating situation:

- HERZ PUMPFIX Direct for direct connections between the heat source and the radiator with a shut-off valve as a connector.
- HERZ PUMPFIX Constant, if thermostatic control of the heating circuit temperature is desired.
- HERZ PUMPFIX Mix for surface heating or combined heating systems, equipped with a mixing motor for 3-point control. Available with a brass or steel spacer as required.
- HERZ PUMPFIX Solar for solar systems.

Nevertheless, we know from years of experience that every heating system is unique and has its own individual requirements. With the right accessories, the pump group can be customised to meet specific needs so that the system can perform to its full potential.

HERZ PUMPFIX distributors

HERZ PUMPFIX distributor is used in heating systems when there are several heating circuits or pump groups in the desired system. Two to five pump groups can be mounted on one distributor. The pump groups and the distributor are designed so that they can be easily connected directly, which saves a considerable amount of time.

HERZ hydraulic switch

The HERZ hydraulic switch balances out the different volume flows between the primary and secondary circuits. It ensures the necessary distribution and power adjustment to decouple the different circuits from each other hydraulically,

which also significantly reduces the control effort.

HERZ pressure-free distributor

If there is a booster pump in the primary circuit, we recommend using a HERZ pressure-free distributor. This ensures that there is no differential pressure between the primary supply and return flow.

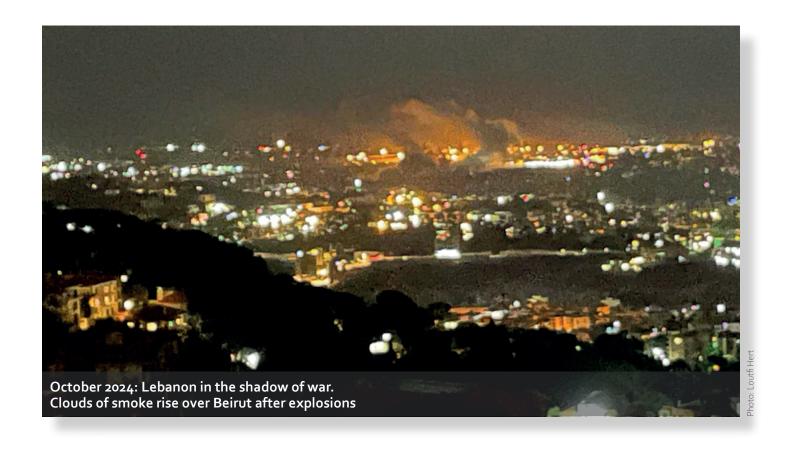
HERZ overflow valve

technical details, please

scan the QR code.

If the apartment control is not automatically coupled with the pump control, the pump works against a closed system. This can lead to the pump overheating or to flow noise, among other things. The HERZ overflow valve protects the pump against overloading and maintains the circuit at all times. For product photos and





HERZ IN LEBANON FOR DECADES

WHAT FUTURE IS THERE FOR US?

With a long history in Lebanon, HERZ is now faced with a greatly reduced presence. The conflict between Israel and Hezbollah, which escalated sharply in 2024, was not surprising. A key moment was the targeted killing of several Hezbollah commanders by Israel to strengthen deterrence. Reactions are complex: while Israel sees these attacks as necessary to reduce the threat posed by Hezbollah, there are differing opinions about the group in Lebanon. Some see Hezbollah as a defender, others as a manipulator that jeopardises the country's sovereignty. In addition, Iran is becoming increasingly obvious as a supporter of Hezbollah, which is further fuelling tensions in the region. The geopolitical repercussions not only affect the security of Israel and Lebanon, but also jeopardise the entire regional balance.

HERZ's long-standing partner Loutfi Hert reports directly from Beirut for our readers on the actual situation in Lebanon:

Everyday life in war

Daily life here is dramatic: we wait for warnings from the Israeli army - if we are lucky, we are sometimes given 15 minutes to leave our homes and belongings before major attacks take place. People are storming supermarkets and petrol stations to get food for their families and

fill up their cars to flee to 'safer areas' - if they can afford it at all. Since the banking crash in 2019, our savings have been taken from us; the banks are only paying out paltry sums. This is the biggest bank robbery in recent history.

The shadow of war: Devastation and insecurity in Lebanon

In the south of Lebanon, state-of-theart weapons and phosphorus bombs are being used. Not only are entire villages and large areas in the south of Lebanon and in the southern suburbs of Beirut being completely destroyed, but also olive groves and agricultural land that are thousands of years old. When this wave of violence ends, many people will have nowhere to return to. People are deeply frightened, lost and worried about the hours ahead as winter approaches. This part of the country is almost depopulated.

Hezbollah and its dominant role in Lebanon

Hezbollah was originally formed during Israel's occupation of southern Lebanon, when other parties were banned from possessing weapons as part of the agreement to end the civil war. Fully financially supported by Iran, Iran uses Hezbollah to further consolidate its influence in the Middle East. Hezbollah not only controls the country's politics and economy, but also the decision on war and peace. The corrupt structure means that the Lebanese themselves suffer the consequences of this violence and become victims of this system.

Bridges of solidarity in a divided society

When the recent wave of violence began, Lebanese citizens showed great solidarity despite deep political divisions that have grown over the years as part of a corrupt structure. They opened their

hearts, homes, schools and public places to the innocent victims of the attacks.

Once hailed as the 'Paris of the Middle East', Lebanon's capital, characterised by glory days, has been further divided by decades of civil war and interference from both local and international forces, fuelling conflict in the country to this day and increasingly dividing the population. Today, Beirut is like a huge refugee camp. Throughout the country, over 1.5 million Lebanese have been forcibly displaced from their homes, making up almost 25 percent of the total population. In addition, there are almost one million Syrian refugees who have fled the ongoing conflict in Syria, which has also affected Lebanon.

The prospect of the future

It is obvious that Lebanon will not be given any money for reconstruction after the end of the war unless there is a dramatic change of government and the cor-

rupt rule is ended. Otherwise, we will become the new Kabul of the Middle East.

I personally fear that if this war does not end soon and nothing positive comes out of it, it could mean the sad end of a great country that has been torn apart too many times and may be considered clinically dead.

> - Loutfi Hert Managing Director Sami Hert & Sons SARL

HERZ News thanks you for the authentic insight into the current situation in Lebanon and hopes for an early end to the war in order to bring peace and stability to the civilian population. Our thoughts and solidarity are with all those who are suffering from the current challenges.

Situation in Ukraine

Ukraine has been at war since 2022 - and the effects are being felt across Europe. The uncertainty of the gas supply and rising inflation rates are making themselves felt in many countries. HERZ, as an internationally active company, is also experiencing the effects directly. Natalia Chervona, Head of Marketing at HERZ Ukraine, reports directly from Ukraine for our HERZ News readers:

Everyday working life in war

In Ukraine, everyday working life adapts to the frequent air raid alerts. When the sirens sound, all employees have to go to a shelter. This applies to all companies in Ukraine and inevitably affects the quality and results of work.

The mobilisation law severely restricts the freedom of movement of men in Ukraine. Personal dialogue with our partners is hardly possible, especially in the western region. This has a noticeable impact on turnover. Greater efforts are

required to achieve our goals. The search for female talent in the industry has increased significantly. We have a severe shortage of male labour throughout the country, especially in the logistics, construction and transport sectors.

The construction market in Ukraine is stagnating, especially in the east and south, where sales are falling noticeably. Transport costs have risen dramatically, in some cases doubling, and the reduced availability of transport is delaying delivery times by one to two weeks.

Since 2022, Ukraine's population has decreased by 10 million due to the migration of refugees, a decline in birth rates and war-related mortality. The HERZ team has not remained unaffected by this: Unfortunately, we lost the head of the technical department in the war. Many employees left the country or went to the front. Constant attacks on the energy infrastructure put additional strain on the country and exacerbate the



Ukrainian officer with HERZ Ukraine Managing Director Ruslan Werla.

energy crisis, especially in the cold winter months. Despite all these challenges, however, HERZ Ukraine remains determined to stick to its goals and adapt to the changing conditions.

HERZ INTER

650 Mio Euro annual turnover

3,500 Employees worldwide

Production facilities

As an company, HERZ has highly successful presence in the HVAC

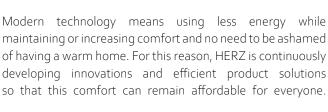
sector on all continents with 50 subsidiaries and 44 production sites in

Austrian

Subsidiaries

12 European countries. HERZ products are considered indispensable when it comes to efficient supply and longlasting quality. This is why they are in high demand and successfully in use worldwide, from Canada to the Fiji Islands.





The Austrian HERZ Group, which focuses on energy efficiency and the associated production of biomass systems, heat pumps, fittings, district heating stations, control technology and insulating materials, supplies the products required for efficient supply and is uniquely structured in this form in Europe.



UNITED KINGDOM



A customised and compact district heating transfer station from HERZ supplies the Britannia Leisure Centre in London with energy and cost-efficient heat. The ageing centre had previously struggled with high heating costs and inadequate energy supply.

Due to rising heating costs and outdated facilities, a comprehensive new build project was undertaken, resulting in a completely new, state of the art leisure centre as part of the redevelopment of the local area. HERZ worked closely with

the project partners to manufacture a customised district heating transfer station with a capacity of 1.5 MW, which was optimally tailored to the needs of the project.

Capital city:

London ☑ Language: English

Area: 130.395 km² 57,11 Mio.

☑ Währung: British pounds

 \Diamond Inhabitants:

1 € = 0,85 GBP

INDIA



In Varanasi, the holiest city of Hinduism in India, the Dr Sampurnanand sports stadium is being renovated and expanded into a multi-storey, multi-sport indoor stadium where over 20 different sports can be played. The river Ganges flows through Varanasi, which is the most important place of pilgrimage for Hindus: a river that is said to have healing powers.

Similar to the Ganges, which feeds life with its healing power, HERZ products in the stadium ensure the right energy flow. Not spiritual, but physical: numerous HerzCON and HERZ Differencial Pressure Controller ensure hydraulic balancing and an efficient energy

Capital city: ∇

Neu-Delhi Language: Hindu, English

 ∇ Area: \bigcirc

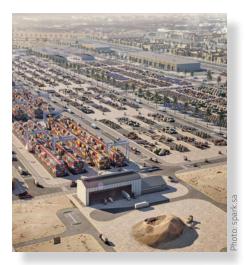
Inhabitants: 1,43 Bio. Currency: Indian rupee

1 € = 93,06 INR

3,29 Mio. km2

RNATIONAL

SAUDI ARABIA



In the east of Saudi Arabia, the King Salman Energy Park SPARK is being developed as a central industrial hub that includes a logistics zone and various industrial facilities. The project aims to strengthen the energy industry by using modern and efficient technologies and to maximise the economic value of energy supply in Saudi Arabia and the region.

Our subsidiary HERZ Middle East was awarded the contract for the efficient energy supply of this project. Numerous HERZ plumbing and HVAC valves were supplied to help the project deliver efficiently. 🔯

Capital city: Riad \bigcirc Language: Arabic

 \Diamond Area: 2,15 Mio. km² \bigcirc Inhabitants: 36,7 Mio. Currency: Saudi-Riyal

1 € = 4,16 SAR

SLOVAKIA



The Slovakian company Lesagro s.r.o., based in Pravenec, processes and sells various types of wood. The company's main focus is on the traditional production of veneers for furniture.

In order to make production more efficient and to heat the premises in a costand energy-optimised way, the customer decided to replace its ageing systems with a Binder hot water boiler. A multicyclone is installed for the disposal of dust and fine particulates. This ensures that the exhaust gas is cleaned. The hot water boiler has an output of 1.5 MW and is fuelled by the wood waste from production. 💟



Capital city: Bratislava \Diamond

 \Diamond Language: Slovakian \Diamond Area: 49.035 km² \Diamond Inhabitants: 5,5 Mio.

Currency:

UKRAINE



Another construction project in Ukraine has opted for HERZ quality. The 32-storey MAYA Residential Complex in Dnipro, the fourth largest city in Ukraine, will be equipped with numerous HERZ flat transfer stations from the kompaktINDIREKT family.

The HIU compact INDIRECT is equipped with two separate heat exchangers: one for drinking water and one for heating water. Thanks to this system separation, the mixing of the primary and secondary supply is prevented, thus ensuring protection against dirt particles. In addition, the hot water priority circuit contributes to an efficient supply and cost savings.

Kiev

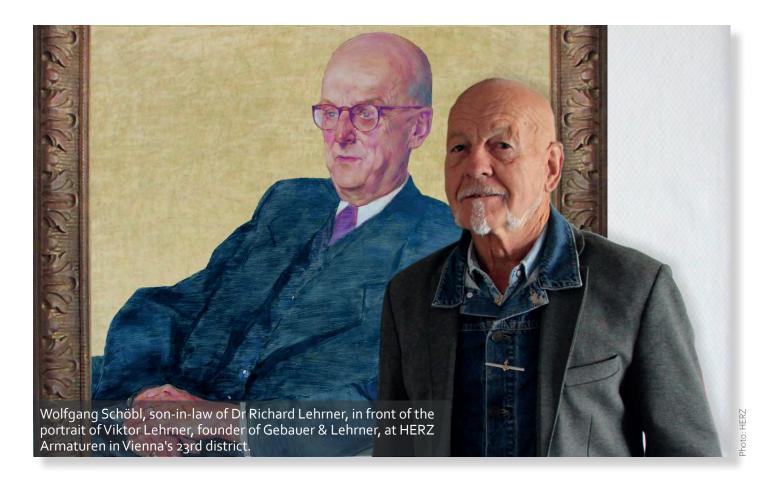
Euro

Capital city:

Language: Ukrainian \bigcirc Area: 603.700 km²

 \bigcirc Inhabitants: 36,75 Mio. \bigcirc Currency: Hryvnia

1 € = 46,19 UAH



A MATTER OF THE HEART HERZ ON THE TRAIL

Wolfgang Schöbl was responsible for the editorial team of G+L Forum, the predecessor of HERZ News, at HERZ in the early 1970s, before continuing his professional career as an export manager. As the son-in-law of the then managing director, Dr Richard Lehrner, he experienced the company and the Lehrner family at close quarters. Today, he looks back on an eventful time at HERZ and shares his memories, experiences and formative moments in the history of HERZ with us.

Richard Lehrner: From Prisoner of War to Entrepreneur

At the age of 18, before the annexation of Austria by Germany in 1938, Richard Lehrner dreamt of a future as an airline pilot. But the course of history led him down a different path. In 1941, after the Germans invaded the Soviet Union, he was captured by the Soviets as a war pilot. Unlike his two older brothers, however, he returned physically and mentally unscathed. His path was thus set: he took over his father's company, Gebauer & Lehrner KG. In an interview with HERZ News, Wolfgang Schöbl, employee and son-in-law of Dr Richard Lehrner, talks about the early days of the now internationally active company HERZ Armaturen.

HERZ News: What were the biggest challenges for HERZ after the end of the Second World War?

Wolfgang Schöbl: After the war, HERZ, then still known as Gebauer & Lehrner,

faced massive problems. Our former markets, which had arisen as a result of the monarchy, lay in ruins. Austria was now a much smaller market. At that time, there was a decisive conflict between Richard Lehrner and his father Viktor.

HERZ News: For what the reason?

Wolfgang Schöbl: Gebauer & Lehrner manufactured 1,300 different products, but always in very small quantities. Richard Lehrner realised that in order to export, we had to specialise and produce

fewer products in larger quantities. However, Viktor Lehrner was convinced that a proper company had to offer a complete range.

HERZ News: Who came out on top? Wolfgang Schöbl: Father-in-law, that is Richard Lehrner. After taking over the company, he finally specialised in heating valves. The product range was reduced from 1,300 to 100 products. Turnover rose from 20 million to 60 million Austrian schillings.

HERZ News: Was that the turning point for the company?

Wolfgang Schöbl: I would describe it as the starting point of a turning point. Reducing the large-scale production programme has helped the company to enter into serial production. This is how we achieved international success.

HERZ News: Richard Lehrner was deeply committed to the motivation and development of his employees. This was rather unusual for that time.

Wolfgang Schöbl: My father-in-law was heavily exposed to Marxist ideology during his time as a prisoner of war. However, he managed to extract the human element from it. In theory, Marxism stri-



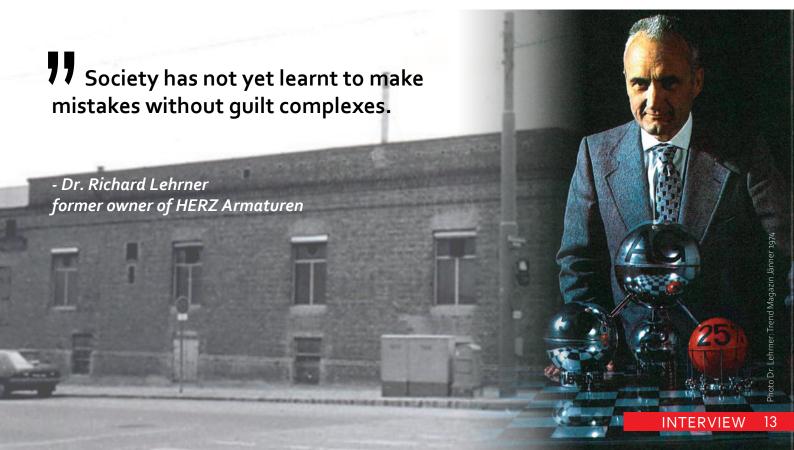
ves for a classless society in which, for example, the means of production belong to the people. Lehrner interpreted this in his own way: if the means of production – in the entrepreneurial sense – belong to the employees, then they should also take responsibility and be allowed to have a say.

HERZ News: Was that the basis for Lehrner's participation model?

Wolfgang Schöbl: Lehrner's participation model was strongly based on the conviction that people need more moti-

vation than external pressure or financial incentives. He was very interested in American management literature, particularly the X-Y theory of Douglas McGregor. According to this theory, there are two approaches to managing people: Theory X states that people are lazy and only motivated by money. In contrast, Theory Y presents people as ambitious, willing to take on responsibility and keen to perform. My father-in-law was a fundamentally positive person, so he opted for the positive theory.

HERZ News: So it was also about addres-



sing other sources of motivation besides money and free time, right?

Wolfgang Schöbl: Exactly. Lehrner's participation model saw 50% of the company belonging to his father-in-law, 25% to his partner Thomas Smolka and the remaining 25% to the employees. It was possible to participate with 5,000 Austrian schillings. He wanted every employee to feel a sense of ownership in the company's overall success and to take responsibility. They should have the will to contribute their innovations to the company.

HERZ News: What were the challenges?

Wolfgang Schöbl: It was important to convince both the workers and the managers of the participation model. Everyone, regardless of their professional position, was able to have a say. The workers had to be slowly introduced to taking responsibility. If you are only used to working according to instructions, this is not very easy. You have to give people time to adapt.

HERZ News: The participation model

also received a great deal of media attention at the time and was described in detail in trade journals. What was the thinking behind this decision to reveal so much internal information?

Wolfgang Schöbl: Richard Lehrner has carried a 'socio-political' backpack. He wanted his insights to be applied not only at HERZ but also in other companies. He was proud of his model and believed that it was possible to make the economy healthier if other companies adopted similar models.

HERZ News: But the 1973 oil crisis threw a spanner in the works, didn't it?

Wolfgang Schöbl: The oil crisis was crucial to the failure of his model. If the oil crisis had occurred a little later, the model would have stabilised. History would have taken a very different course. At that time, about 160 employees had to leave the company – out of a total of 360. It was a very difficult time. It was a big shock, especially for the youngest people involved: although they were co-entrepreneurs, they were no longer sure whether they would lose their jobs.

I was the first to be fired.

HERZ News: You? The son-in-law of the owner?

Wolfgang Schöbl: That was a perfidious policy on the part of my then-partner Thomas Smolka. By sacking me, the boss's son-in-law, first, he hoped to intimidate the others. Many employees saw it as a sign that hard times lay ahead.

HERZ News: So a wave of cancellations has broken out. How did Richard Lehrner deal with the situation?

Wolfgang Schöbl: He was in Tenerife and took part in a bridge tournament.

HERZ News: But he hadn't retired by then, had he?

Wolfgang Schöbl: No, he was still actively involved. However, he trusted his management team very much. His previous teachings and guidelines were understood by the management team, as was the message behind them. But for the employees, it was a shock. Their beloved 'father' was gone and they were



now at the mercy of the management team, especially Thomas Smolka, who was better known for his stricter management strategy.

HERZ News: How did his final departure from the company play out?

Wolfgang Schöbl: After the oil crisis, my father-in-law withdrew more and more from the company. He also had the first signs of health problems. The last part of the Lehrner company was sold to Thomas Smolka. The assets were transferred to the three children of my father-in-law through an early gift.

HERZ News: Could you have imagined back then that Gebauer & Lehrner would become today's HERZ?

Wolfgang Schöbl: I couldn't have imagined that. I experienced the sand foundry. It is fascinating to see what the plant has become today. When I look at the HERZ News today, I am sad for the first time that I am out of the pension scheme. I would start here again in a heartbeat.

HERZ News: Thank you very much for giving our readers the opportunity to gain a deeper insight into the history of HERZ Armaturen.

el gusto español The Spanish Tasting Room

Wolfgang Schöbl has been importing Spanish food products since 1997 and is now one of the leading importers in Austria. He handed over the company to his daughter and son-in-law in 2015, although he still lends them his support. From Manchego cheese to sardines and salami, the delicatessen in Baden offers a wide variety of Spanish delicacies.



Address: Am Grünen Markt,

Brusattiplatz 2, 2500 Baden

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An agent in Stalin's service: Peter Smolka / Smollett

In the early 1980s, Thomas Smolka acquired all the Lehrner family's shares and thus became the sole managing director of the company Gebauer & Lehrner. However, his father was no stranger to the history of Soviet agents: Peter Smolka, who changed his name to Smollett after emigrating to Great Britain.

The archives on the internet show Peter Smolka to have been an agent of the NKVD, the Soviet secret police known for political repression and major operations under Joseph Stalin. Under the code name 'ABO', Smolka was, among other things, responsible for organising pro-Soviet propaganda in England. He is believed to have been recruited by none other than Kim Philby,

a member of the infamous Cambridge Five who spied for the Soviet Union during World War II and the Cold War. Officially, Smolka worked as a journalist and his true role as an agent was only uncovered after his death.

During the interview, Wolfgang Schöbl also shared some interesting information about the first encounter of the Smolka and Lehrner families. According to him, Peter Smolka was active as a liaison officer between the British Royal Army and the Soviet Red Army, supporting anti-fascist training for prisoners of war at a time when Richard Lehrner was also a prisoner of war. In 1948, Peter Smolka returned to Vienna and became close friends with Richard Lehrner. This connection led to Peter Smolka's son Thomas initially joining Richard Lehrner's company as a partner and later becoming its sole owner.

The Third Man

Peter Smolka, who had close ties to Kim Philby, provided Graham Greene, the novelist and screenwriter, with crucial insights into Philby's life as a double agent, which significantly influenced the dark character of Harry Lime in the film 'The Third Man'. The name Smolka was given to a bar in the film. Whether the bar was named after Smolka or to thank him for the valuable information he provided Greene, or whether it was a subtle reference to the secret location of their information exchange, will remain a secret that we will never know.



Animal Farm

Peter Smolka's influence extended not only to politics and the film world, but also left its mark on literary history. More specifically, George Orwell's legendary work 'Animal Farm'. Originally, the publisher Jonathan Cape had agreed to publish the book, but shortly thereafter he withdrew his consent on the vague grounds that this was 'on the advice of a British official'. This official was none other than Peter Smolka, who found Orwell's manuscript too 'anti-Soviet'. It is no coincidence that Smolka is on George Orwell's infamous list of people he described as 'crypto-communists, members of the Communist Party of Great Britain or agents' and handed over to the British Information Research Department (IRD) in 1949. In this list, Smolka is described as 'almost certainly an agent of some kind', well before Smolka was officially exposed as an agent.





SAVE MONEY WITH HERZ

BEFORE THE FUNDING POT IS EMPTY

In Vienna's 18th district, a four-storey apartment in a family-owned period building is currently being converted to a more efficient energy supply with district heating. The decision was not only based on ecological considerations, but also on the attractive funding opportunities offered by the ongoing 'Raus aus Öl und Gas' (Out of Oil and Gas) campaign. On board are HERZ hydraulic interface units, which enable the gas boiler in the apartment units to be replaced in a time- and cost-saving manner.

The starting point

In 2019, a riser for the gas supply to the residential building was renovated to meet the new safety standards. When the current pressure requirements were reviewed last year, another renovation of the gas infrastructure was considered. The building owners decided to take a different path: switching to district heating. The conversion of the old building impressively shows how old building structures can be combined with modern energy solutions to not only increase living comfort, but also reduce CO_2 emissions and benefit from it.

HIU Renova as the perfect replacement for the gas boiler

As part of the conversion to district heating, most of the existing gas boilers were replaced by HERZ Renova hydraulic interface units. Flats with underfloor heating were equipped with HERZ HIU compact. Specially designed as a successor to gas boilers, HERZ HIU Renova uses the same connections as a gas boiler. This makes it easy to install in existing installation: the old gas boiler is simply removed and HIU Renova is installed in its place. A seamless process that saves a considerable amount of time.



HERZ Sales Director Susanne Juza emphasises: 'At HERZ, we attach great importance to our products being easy to install on site and saving time. That's why most of our solutions, like the HIU Renova, are pre-assembled and ready to use. We know how precious time is.'

Martin Zellner, MSc, Managing Director of Gebäudetechnik Zellner GmbH, who is responsible for the project in Vienna's 18th district, also confirms this: 'Installing HERZ hydraulic interface unit is so easy that no training is necessary. This saves us an enormous amount of time.' He is not only convinced by the short commissioning time, but also by the compact size of the HERZ hydraulic interface units: 'They fit unobtrusively into the living spaces, without taking up much space.' The project shows that the combination of state funding, technical innovation and environmentally conscious planning is a successful recipe for the energy future.

Current funding (Austria)

In view of the attractive subsidies available under the 'Raus aus Öl und Gas' (Out of Oil and Gas) programme, switching to district heating is quickly becoming the preferred solution — for both private individuals and multi-storey residential buildings. As of October 2024, almost 96,000 applications for funding had already been submitted and over 77,000 registrations recorded.

Installing HERZ heat interface units is so easy that no training is necessary. This saves us an enormous amount of time.

- Martin Zellner, MSc.

Managing Director Gebäudetechnik Zellner GmbH; Münichreiterstraße 47/4, A-1130 Vienna Web: www.zellner.at



At present (October 2024), almost one billion euros in funding is still available. The subsidy is for replacing a fossil fuel heating system with a climate-friendly friendly technology. If there is a connection to a local or district heating system, only this can be subsidised. If such a connection is not possible, a wood chip or pellet boiler or a heat pump is subsidised. The subsidies cover up to 75% of the eligible investment costs, which consist of material costs, planning and installation,

as well as the costs of dismantling and disposal.

Additional funding for the centralisation of the heating system

If the individual gas boilers in the apartments are replaced by a central climate-friendly heating system during the switch to a climate-friendly technology, funding can also be applied for here. The

HERZ HIU RENOVA

YOUR PERFECT GAS BOILER REPLACEMENT Advantages

- Low return temperatures
- Efficient operation
- Modern, decentralised and hygienic hot water production
- No need for energy-intensive hot water storage tanks
- Pipework and heat exchanger made of high-quality stainless steel
- ☐ Thermostatic control of dispensing temperature
- Very good temperature stability even with small tapping quantities
- Lower maintenance costs
- Further details and technical information by scanning the QR code





additional costs incurred will be subsidised in addition. In this case, centralisation must be carried out for the entire multi-storey building. The maximum amount of the subsidy varies depending on whether only the connection to the central heating system is prepared or whether the apartment is actually connected to the new central heating system.

If you want to avoid high conversion and investment costs for a central hot water system, including hot water distribution and circulation lines, HIU Renova is the right choice for you. With HIU Renova, the individual apartments are connected to the central heating system, such as district heating, for example, but the drinking water is heated in a hygienically decentralised manner directly in the apartment. This eliminates the need for long pipes and heat loss.

This also helps to prevent the spread of legionella. Since there is no need to store hot drinking water, the formation of harmful legionella bacteria is virtually eliminated.

Bonus promotions

In addition, there are special bonus subsidies, for example for converting to a continuous low-temperature system (low-temperature bonus) or for replacing a gas-fired cooker with an electric one (electric cooker bonus).

If you also carry out a thermal renovation of the building as part of the heating replacement, for example by insulating exterior walls or replacing old windows, you can apply for separate funding for this under the 'Renovation cheque for multi-storey residential buildings'. Some requirements must be observed here. Detailed information and the option to create an application can be found at www.raus-aus-öl.at. 🖾

HERZ HIU COMPACT

The flexible solution for every heating situation

Modern heating systems have to fulfil a wide range of requirements - from different flow temperatures for radiators or surface heating systems to various tapping capacities. In addition, there is often limited space and the challenge of a smooth installation. With over 125 years of experience, HERZ understands exactly what is needed. HERZ products are designed not only to make the daily work of installers and planners easier, but also to make it more efficient and trouble-free.

The HERZ HIU compact family offers the optimal solution for all requirements and situations. The HIU compact family is divided into three main categories: HIU compactRAD is perfectly suited for radiator heating systems, while HIU compactUFH is ideal for surface heating systems with low flow temperatures. HERZ HIU compactINDIRECT is the right choice for systems with complete hydraulic separation. The selection of different tapping capacities depending on the category enables a flexible solution for every heating situation.

All models in the HERZ HIU compact family have one thing in common: they offer a fully pre-installed technology in a compact size, which ensures time-saving commissioning and maximum energy efficiency. From the integrated 4-in-1 differential pressure controller for hydraulic balancing to the hot water priority for prioritised hot water preparation during tapping - with HERZ HIU compact you save time, energy and costs.

For more information and technical details, please scan the QR code.







THE BIG PICTURE

HERZ LABRATORY STAND IN THE NETHERLANDS

In building services engineering, it is not only theoretical knowledge that counts – an understanding of the complex interrelationships in the system is crucial. Because only those who understand the interrelationships can truly create future-oriented solutions. That is why HERZ places a strong emphasis on practical training and further education, not only in Austria, as is well known, but also internationally. At the Jouwopleiding training centre in the Netherlands, prospective specialists and HERZ's contribution to this educational process is a state-of-the-art and fully equipped hydraulic HERZ laboratory stand, which serves as the centrepiece for practical training.

At the Jouwopleiding training centre in the Netherlands, plumbers from the industry were given the opportunity to acquire extensive knowledge as part of their further training. After successfully completing the course, they received a certificate from Techniek Nederland, the trade association for technical service providers, installation companies and the technical retail trade. This comprehensive training gives plumbers the tools they need to make their mark in a highly competitive market.

Frank Tesar, Country Manager HERZ Netherlands, is particularly pleased about the collaboration: 'My team in the Netherlands and I are very proud of the excellent collaboration with Jouwopleiding, which we started in spring 2024 and will continue to intensify. In addition to the theoretical part, we offer training

participants the opportunity to get to know our HERZ products in practice at a specially constructed laboratory stand. True to the motto: Be part of the HERZ experience.'

The HERZ laboratory stand in the Netherlands includes all the essential components of a heating system: from

hydraulic interface units, thermostatic heads, valves, differential pressure controllers, and nubbed panels to volume flow controllers and pipes. Participants not only get to know the individual parts through the training, but also learn how they interact with each other and how even the smallest changes in the system affect overall performance.



OTO: HEKZ



GET OFF GAS WITH HERZ

... and receive up to 75% funding

Switch from fossil fuelled heating systems to environmentally friendly technology and secure up to 75% subsidy. HERZ offers all the products you need for a simple switch - from boilers to hydraulic interface units.





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