



WEIDMANN

WEIDMANN

SENATE FINANCE COMMITTEE TESTIMONY

BILL S.312 IMPACT STATEMENT



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Workforce details & Community impact

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Vermont Bill S.312 Impact

WEIDMANN GROUP – FACTS & FIGURES



Worldwide supplier for engineered products and services in electrical, medical and fiber technology



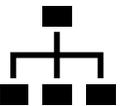
Turnover 2025: 690 MUSD



Employees: 3,663



Founded in 1877



Privately held



WEIDMANN TODAY

OUR WORLDWIDE NETWORK



OUTLOOK AMERICAS REGION

WEIDMANN SITE STRATEGY



- **St. Johnsbury facility:**
 - **Board production for entire Americas region**
 - **Center of excellence for large power transformer insulation**
- Urbana facility:
 - Paper production for entire region
 - Center of excellence for paper applications in transformers (power and distribution)
- Saltillo facility:
 - Center of excellence for small and medium power transformer insulation – expansion of facility ongoing to increase output by 50%
- Valinhos facility:
 - Distribution center for base materials to local partners (converters)
 - Some fabrication capabilities (slitting of papers mainly)



BM2 HD board machine



Large cylinder production

OUR INVESTMENT IN THE ELECTRICAL MARKET



Over \$100 M investment in St. Johnsbury production facility since 2010

Worldwide leader in the manufacturing and fabrication of high-quality Transformerboard insulation products

More than 90% of transformers used in the US contain Weidmann products

HISTORY

ST. JOHNSBURY FACILITY



Bob Fuehrer and Gordon Mills in the Elcon board room at St. Johnsbury in September, 1994.

- Weidmann Electrical Technology Inc.(WETI), founded in St Johnsbury, VT in 1969 as EHV Industries Inc, has been a stable US-based manufacturing company for over 55 yrs specializing in the production of high-voltage, cellulose-based, electrical grade insulation critical to the manufacturing of high-voltage power transformers as well as distribution transformers (“Transformers”).
- EHV-Industries Inc. was founded by Bob Fuehrer and Gordon Mills – both local Peacham residents with expertise in papermaking.
- EHV-Industries Inc. joined the Weidmann organization in 1971 and became the hub of ETBA’s (Electrical Technology Business Area) North American fabrication of transformer board and insulation components/packages.

CURRENT INFORMATION

ST. JOHNSBURY FACILITY



- St Johnsbury facility is the Weidmann “**Center of Excellence for large power transformer insulation**”.
- Over 370 personnel occupy the St. Johnsbury campus with an average experience level of 10+ years in the electrical insulation industry.
- Two main production facilities on campus:
 - Board production in the Main building, along with some component fabrication (picture at left)
 - Component fabrication mainly in the North building
- High temperature Nomex® board and components developed and manufactured in St. Johnsbury under license in partnership with DuPont.
- St. Johnsbury also is the Americas’ center for engineering services for the transformer industry.



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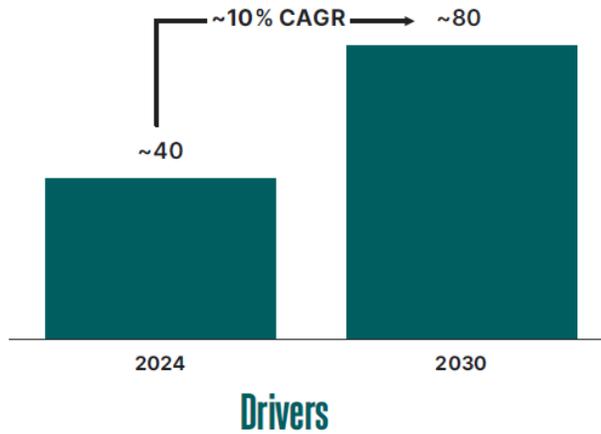
Vermont Bill S.312 Impact

WEIDMANN ST. JOHNSBURY FACILITY

STRATEGY & NEED FOR EXPANSION

Significant electrification investment in North America

Serviceable addressable market^{a)}, \$B



INCREASING ELECTRICITY DEMAND

- Expanded electrification needs
- Data center growth
- Digitization

GRID STABILITY AND FLEXIBILITY

- Reduce voltage instability / congestion
- Connect distributed energy resources
- Modernize aging infrastructure

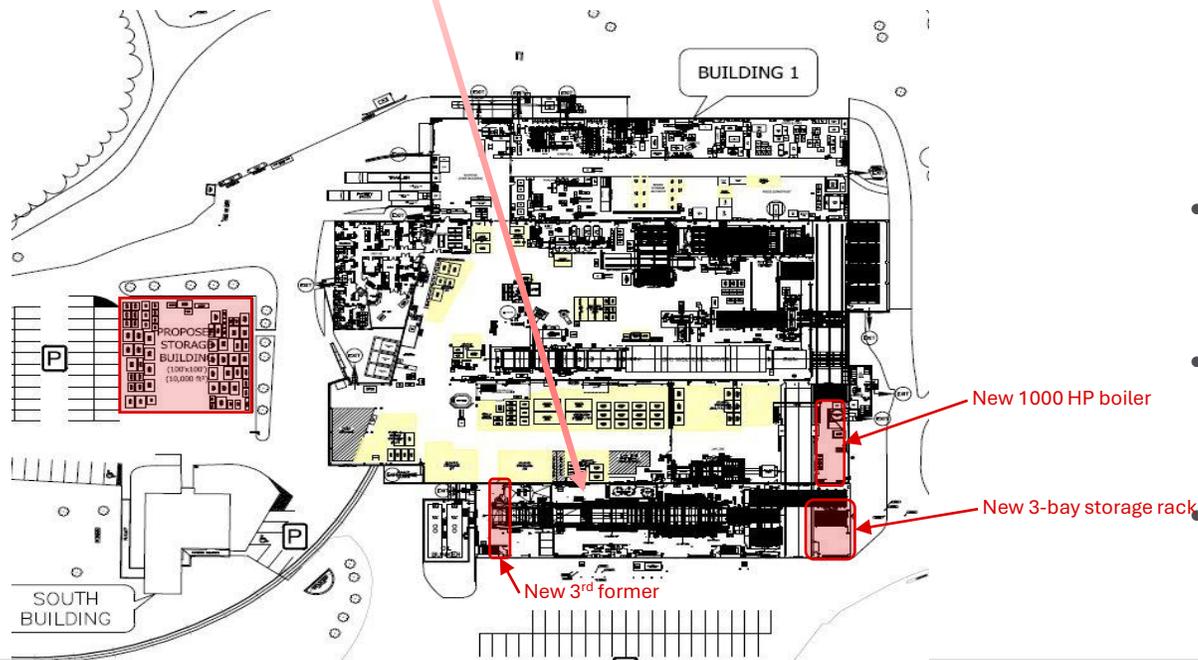
ENERGY TRANSITION AND SECURITY

- Integrate renewables
- Decarbonize end-uses
- National security asset

- Weidmann's St Johnsbury facility is the **only US-based manufacturer of Transformerboard**, including the fabrication of customized components.
- The age of the US electric grid, concerns about national security, significant electricity demand from new data centers, along with the drive to transfer the production of electricity into green renewable energy has triggered a **significant increase in demand** for Transformers.
- Weidmann's key customers have announced expansion plans in the Americas region, substantially increasing their needed supply of Transformerboard insulation products.
- Weidmann St. Johnsbury, is currently unable to meet future demand ramp up, strategic customer and intercompany growth with current space, plant facilities and equipment. Without the ability to expand and meet our customer's increased demand for insulation and related components, **foreign competition would likely enter** the US market to fill that void.
- WETI's customers would be forced to find additional sources to meet their insulation needs, risking the introduction of lower cost foreign produced insulation materials and potentially pushing WETI completely out of the market over time, **risking not only the 67 new positions proposed with the expansion, but the existing 374 positions**, as well as the annual Vermont vendor/supplier spend, contributions and overall benefit to the community.

WEIDMANN ST. JOHNSBURY FACILITY

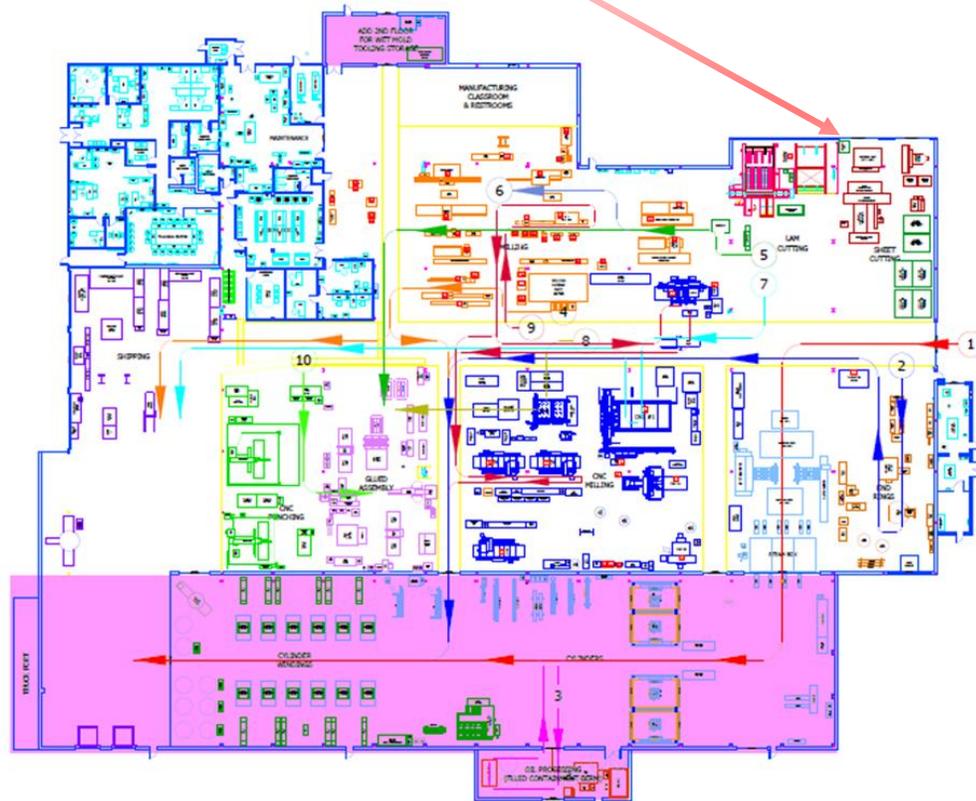
PROJECT BIGFOOT PHASE 1 – CAPACITY INCREASE BOARD MACHINE



- 40% capacity increase on high density board machine by installing a 3rd former (Note: infrastructure for 3rd former was already added during board machine upgrade in 2012).
- Additional finished goods storage facility to the left of the building due to:
 - Existing floors in main building not able to absorb additional weight
 - Eliminate existing off-site storage of board and related movements of materials
 - Warehouse completed in July
- Replacement of existing boilers and heat exchangers to accommodate increased steam needs and improve overall boiler efficiencies.
- Expansion of existing automated material movement system within board facility to accommodate additional volumes for cutting center.
- 15 new storage rack systems installed at the end of board machine 2.

WEIDMANN ST. JOHNSBURY FACILITY

PROJECT BIGFOOT PHASE 2 – CAPACITY INCREASE COMPONENTS



- Capacity increase of components production by 60% by 2027.
- Expansion of existing components production building from 6,700 m² to 8,700 m² (pink section) by:
 - Expanding the building to the South
 - Construction of loading terminal to eliminate outside loading of trucks in inclement weather
- Separation of dust producing processes from cylinder production to reduce contamination, concentrate dust exhaust systems, and improve employee environment.
- Installation of new lifting devices and cradles to allow for efficient and safe movement of heavier, large power packages.
- Opportunity to optimize material flow through the building and enhance shipping/packaging process.

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BOARD MACHINE UPGRADE

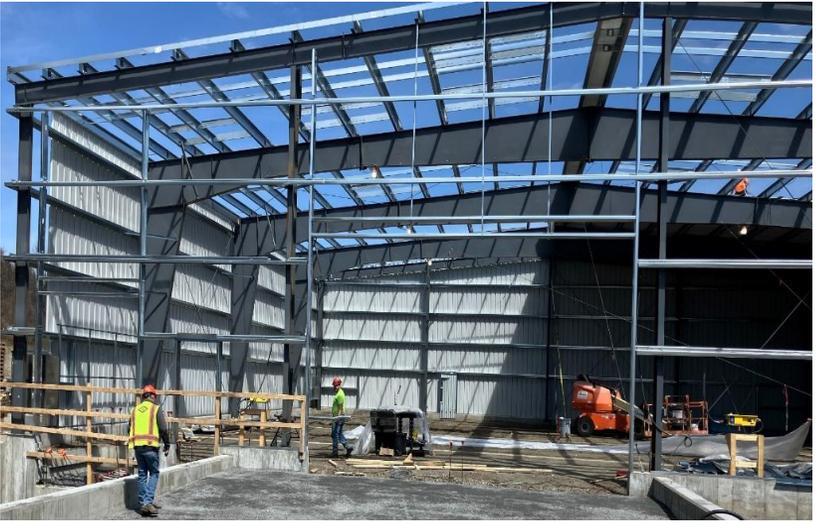


WEIDMANN ST. JOHNSBURY FACILITY

FABRICATION EXPANSION



NEW WAREHOUSE





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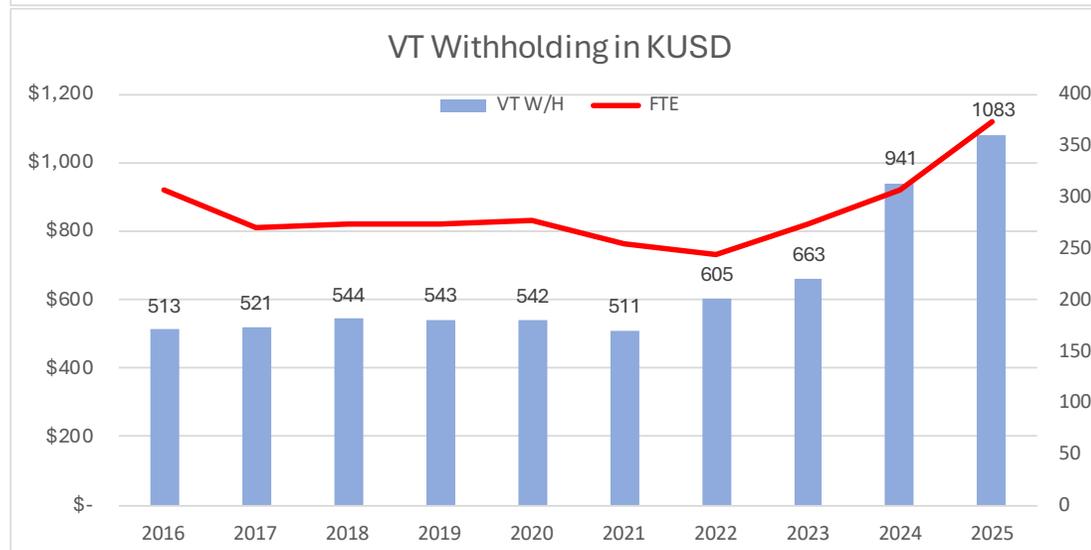
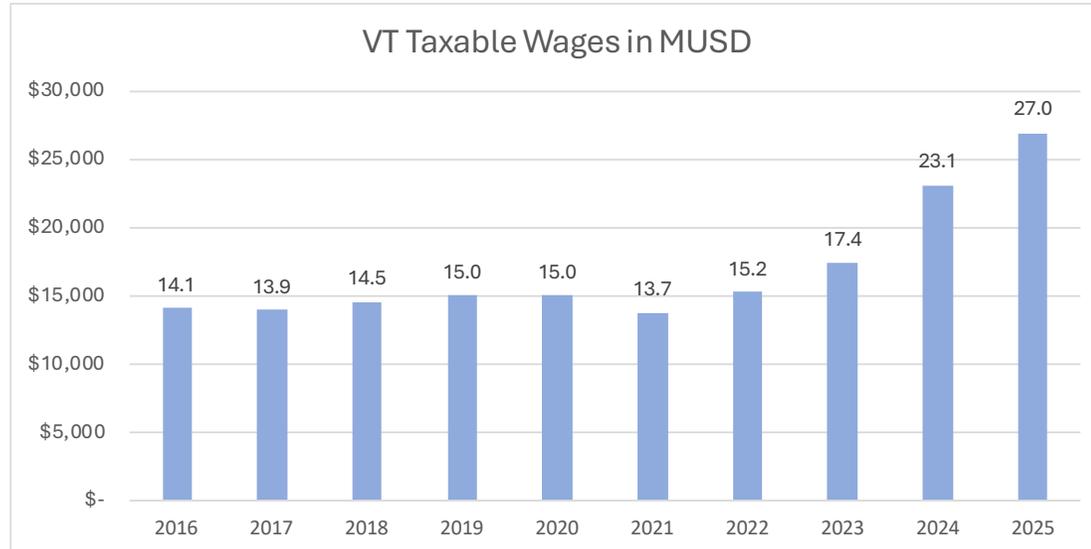
Workforce & Community impact

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Vermont Bill S.312 Impact

WEIDMANN ST. JOHNSBURY FACILITY

10 YEARS HISTORICAL VERMONT WAGES & WITHHOLDINGS



- Weidmann has been a critical employer in St Johnsbury since 1969.
- Weidmann has contributed \$169 Million in Vermont taxable wages into the local St Johnsbury community in the past 10 years.
- Representing \$6.5 million in Vermont Income tax withholdings paid.
- St Johnsbury campus currently employs 374 FTE, with this proposed expansion adding 67 positions through 2028.
- Weidmann, as one of the largest private employers in the region, contributes to the economic vitality of the area; reducing unemployment, training new and existing workers and creating higher wage jobs, with competitive benefit packages.

WEIDMANN ST. JOHNSBURY FACILITY

LOCAL COMMUNITY / ECONOMY IMPACT



- The regional economy in Northeastern Vermont is the **most isolated and sparsely populated** corner of the State and as a result, has **consistently been the most economically distressed**.
- Weidmann has been a **critical employer in St Johnsbury, since 1969**. Weidmann has **contributed \$169 Million in Vermont taxable wages** into the local St Johnsbury community in the past 10 years.
- Weidmann's St Johnsbury expansion project **contributes to the Economic Development Goals** of the region and Weidmann, as an important employer, is included in the NVDA's Regional Plan for the Northeast Kingdom.
- We are actively engaged in our local community supporting local agencies in need with monetary donations, volunteering in community service, or partnering with local fundraising events such as Relay for Life and the Alzheimer's Walk. In the last five years, **Weidmann has donated over \$250,000 to a variety of causes** including NEKCAN regional cancer charity, Northern Counties Healthcare, and Northeastern Vermont Regional Hospital. Weidmann has also committed annual support to NEKDC of \$50,000/year over a 5-year period to support development in the NEK region with \$150,000 paid to date.
- Our partnerships with Fairbanks Museum, the Northeast Kingdom Astronomy Foundation and local schools have given students the opportunity to **expand their knowledge of STEM** with the goal of **increasing awareness of careers in manufacturing**.
- Weidmann's payments to local and regional Vermont vendors/suppliers **totaled over \$16.1 million in 2025**.
- Projected capital investments for the proposed expansion project planned to be Vermont vendors totals over **\$7.2 million over the project period**.



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BILL S.312 IMPACT STATEMENT

- Weidmann US was awarded eligibility for the Vermont Machinery & Equipment credit in 2010 in support of the proposed expansion project at our St Johnsbury facility for the initial upgrade to our BM2 Board machine. The expansion was successfully completed over a 5-year period with a total investment of \$32.6 MUSD earning \$3.26 MUSD of nonrefundable state tax credits.
- Due to a series of factors, Weidmann US has been unable to utilize any of the earned credits since their award. A downturn in economic conditions shortly after the original expansion completion resulted in the company incurring several years of net operating losses. After several years of recovery, the Covid-19 pandemic also had a short-term negative impact on material and supply chain costs that took a period of time to fully recover from.
- These economic factors, coupled with the adoption of the single-sales apportionment formula and repeal of the throwback rule in 2023, effectively eliminated Weidmann's ability to benefit from the credits awarded. All product produced at the St Johnsbury site is sold out of state (59%) or internationally (41%).
- Weidmann US has been profitable for a number of years and as shown in the previous slides, investing further to expand our St Johnsbury site to meet the increasing market demand and protect local domestic interests from foreign competition; protecting jobs and enhancing future national energy security.
- Our St Johnsbury full-time equivalent (FTE) personnel has increased from 275 in 2010 to 374 in 2025 and continues to grow.

WEIDMANN ST. JOHNSBURY FACILITY

BILL S.312 IMPACT STATEMENT

- Bill S.312 proposes to change the corporate income tax credit for investment in machinery and equipment from a nonrefundable credit into a refundable credit and terminate the limitations on how much it can reduce income tax liability in a year. The bill extends the sunset for the credit from 2030 to 2034.
- Passage of Bill S.312 providing Weidmann US with the ability to recover the \$3.26 MUSD in refundable income tax credits and extending the current expiration date to 2034, would provide Weidmann US with the financial resources for continued capital investment in the St Johnsbury site.
- The Weidmann Global Executive Board has identified multiple projects that would further enhance Weidmann's position in the market with new technology and value-added products related to the large power transformer market. Our local facility is competing with other Weidmann sites world-wide for the opportunity to place those global future investments here at our St Johnsbury site.

WEIDMANN ST. JOHNSBURY FACILITY

BILL S.312 IMPACT STATEMENT

- Compared to other locations, Vermont's lower resource availability, coupled with higher labor and energy costs put our overall project costs at a disadvantage. This refundable tax incentive helps to outweigh the additional site costs, as well as signal to our global board decision makers, that the Vermont government agencies are eager to support regional development and investment projects.
- The ability to recover the \$3.2 MUSD in refundable tax credits would make the payback calculations on siting these capital projects in St Johnsbury more comparable to other Weidmann lower cost sites; further enhancing job creation, capital investment and mitigating the ability of Weidmann's foreign competitors to enter our US large power transformer insulation market.



WEIDMANN

THANK YOU FOR YOUR ATTENTION – WE WELCOME ANY QUESTIONS

WEIDMANN ST. JOHNSBURY FACILITY

BACKUP - EXPANSION PROJECT WORKFORCE IMPACT

BREAKDOWN OF QUALIFYING JOB CREATION								
		AT ACD 2024	YEAR 1 2024	YEAR 2 2025	YEAR 3 2026	YEAR 4 2027	YEAR 5 2028	TOTAL
Job Category	Avg. Annual Salary/Wage							
Shipping & Logistics	\$44,000	0	0	0	1	0	1	2
Preparation & Planning	\$86,000	0	1	1	0	0	0	2
Preparation & Planning	\$90,000	0	1	0	0	0	0	1
Maintenance	\$71,000	0	0	1	0	1	0	2
Maintenance	\$62,000	0	0	0	1	0	0	1
Maintenance	\$63,000	0	0	0	0	0	1	1
Maintenance	\$110,000	0	1	0	0	0	0	1
Technical engineer	\$105,000	0	1	0	0	0	0	1
EHS / Quality	\$100,000	0	1	0	0	0	0	1
Production	\$56,000	0	3	5	5	0	0	13
Production	\$58,000	0	0	0	0	0	3	3
Production	\$49,000	0	5	8	8	8	10	39
	\$0							0
		0	13	15	15	9	15	67
Esitimated Hiring by Calendar Quarter			4	3	1	2	2	