

CEO at Resolux Group, Mads-Ole Astrupgaard, remains optimistic about long-term demand for green energy in the US.

Photo: Resolux Group

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Mads-Ole Astrupgaard, CEO at Resolux Group

RESOLUX GROUP REMAINS OPTIMISTIC ON LONG-TERM US DEMAND

The Danish-based supply specialist is holding off on expanding into US offshore, but sees long-term demand making a comeback. For now, Resolux Group looks to strengthen its business by diversifying and investing in other markets.

By Emil Staulund Larsen

The plans were in place, and the industry consensus was clear: the US East Coast was destined to become a hub for offshore wind, and expectations were high at Resolux Group, a Danish-based subcontractor with American owners.

CEO at Resolux Group, Mads-Ole Astrupgaard, likes to describe the company as the IKEA of the wind industry:

- When you buy a wardrobe at IKEA, everything comes in a box: you've got the doors, back panels, screws, hinges, everything you need to assemble it. That's essentially the same service we provide. We deliver complete kits for internals for wind turbine towers, so no one needs to run around saying, "Oh, we are missing this or that." Everything

is in the box, ready to go.

With a potential wind boom on the horizon, expectations were high, tells Mads-Ole Astrupgaard:

- The expectation was that we would grow with the offshore wind industry in the US. That was the plan, but now those ambitions have stalled. No one is investing, and we are not investing in additional offshore production either. That would be strategic suicide, frankly.

Instead, Resolux Group is looking to diversify, on one hand strengthening its offshore capacity in Europe and Asia, while also looking to move into other industries.

- We are not pulling out of offshore wind, just choosing not to invest in US offshore right now and instead expanding our offshore business elsewhere, says Mads-Ole Astrupgaard.

The company is also actively expanding into other verticals, such as automotive. A significant part of what Resolux Group supplies, especially via their US parent company, already goes into automotive, aerospace, and defence.

- Wind is heavily politicised and tends to fluctuate. So we would like to be present in something more stable, so that what you might lose in one place, you gain somewhere else, says Mads-Ole Astrupgaard.

CHANGE OF STRATEGY

Despite the challenges offshore, Mads-Ole Astrupgaard remains optimistic, focusing on the untapped potential of the existing

business.

- The onshore market and offshore outside of the US are still very important for us, and we are growing in several countries simultaneously. So from a business perspective, we are doing well, says Mads-Ole Astrupgaard, pointing out that onshore is still the biggest market for the company.

He argues that there is more to their business — and the industry as a whole — than the US market:

- Americans are very focused on what's happening within their own borders. So with American owners, there can quickly be a concern about whether things are going to collapse following communication from the White House. That is where I come in and try to give our investors a broader picture of what is actually happening on a global scale.

DEMAND WILL RETURN

On top of that, Mads-Ole Astrupgaard is a firm believer that the demand for energy in the US will return.

- The demand for electricity is much higher than what is being communicated. It's urgent, we need a lot of power, fast. Right now, only wind and solar can scale fast enough. If you want to use fossil fuels, you need gas turbines to convert steam into power, but all turbine producers are saying they can't deliver more than what's already contracted through 2030, says Mads-Ole Astrupgaard.

In any case, the US energy system cannot do without wind and solar, argues Mads-Ole Astrupgaard.

- First, if you strip away climate goals and just look at the economics, wind and solar are still the cheapest forms of energy generation.

Second, renewable energy is poised to play an important role when it comes to energy security in a time of uncertainty.

- It's a lot harder to knock out a system based on widespread renewable assets than a single large power plant, which can be taken out easily, says Mads-Ole Astrupgaard, concluding:

- So, however you slice it, we will still need wind and solar in the US energy system. It will not be shut down completely, that would cause other problems. That's why I am cautiously optimistic for the long term. ■

Resolux Group

► Resolux Group was founded in 1994 and is headquartered in Denmark, with operations across Europe, the USA, the Middle East, and Africa.

► The company is part of Gexpro Services under the Nasdaq-listed Distribution Solutions Group and employs over 250 people worldwide.

► Resolux Group supplies complete kits and component packages for wind turbines, covering everything from cable trays and brackets to screws, bolts and other non-strategic parts, all delivered ready for installation. The company serves both the onshore and offshore wind sectors and is also expanding into industries such as automotive, aerospace, and defence.