

NEWSLETTER

For BILSTEIN GROUP partners and customers

Issue 2-2024

BILSTEIN | HUGO VOGELSANG | BILSTEIN CEE | BILSTEIN COLD ROLLED STEEL | SHEARLINE STEEL STRIP | INAC | BILSTEIN TRADING (SHANGHAI)

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Das Kaltband.

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One goal, many opportunities
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Sustainability

One goal, many opportunities

The BILSTEIN GROUP is pressing ahead with its mission to become carbon neutral by 2035. What's needed are innovative approaches and alternatives beyond transitioning processes to using hydrogen as a fuel source.
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Restructuring: Adapting to the new normal

The steel industry continues to find itself in the midst of a crisis, and markets stand under a huge amount of pressure. What was an exceptional situation seems to have become the norm. The companies of the BILSTEIN GROUP are responding to this situation with a restructuring programme.

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Innovations: Ready, set, go!

STABLS, innovative press-hardening, BILCUT® – the BILSTEIN GROUP is ready to run with a whole host of highly innovative procedures that it hopes will help it break into new markets and business segments. Read on to find out the current status of these projects and what lies ahead.

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Marc T. Oehler
CEO
BILSTEIN GROUP

Dear Reader,

There is still scarcely a sign of an economic upturn. Job cuts, restructuring, cost-cutting measures – these are all buzzwords that we're seeing every day in the media. Many of our suppliers and customers have already implemented measures like these; the cold-rolled strip industry, including the BILSTEIN GROUP, is at the heart of this storm.

However, we're not sitting on our hands waiting for the market to come back to life, and that should give us all reason to be optimistic. Quite the opposite, in fact – we're weathering the storm: both with our cultural transformation and our various pioneering innovation projects and digitalization initiatives. We're doing a lot right now to ensure we're in good shape for the future and emerge from these crises in a stronger position.

This latest issue highlights just some of the work and projects underway; I think there's something that will interest everyone. And I am certain you will come away with the impression that, while cost-cutting is unavoidable now, we are doing this in the right places and with our eyes fixed firmly on the future.

I hope you enjoy this issue.

Kind regards, Marc T. Oehler

One goal, many opportunities

The hydrogen transition projects are simply unaffordable without government support. But the BILSTEIN GROUP isn't letting that get in the way of achieving its goal of carbon neutrality by 2035. Instead, the company is thinking outside the box.

Despite all the challenges facing the company right now, sustainability remains a key element of its strategic agenda. "We're way ahead in this area and we want to retain this leading position," explains Marc T. Oehler. If certain projects have to be put on ice, it's not due to internal cost-cutting measures, but because government funds have disappeared and the financing situation has changed – or it's that the plants and machinery that were connected to that government funding are suddenly no longer acceptable.

Going from natural gas to hydrogen – but only with funding

Some financing measures, like the "climate protection agreements", are actually going ahead – despite all the cost pressures facing the Ministry for Economics and Environment. But after careful consideration of the updated terms, the BILSTEINGROUP has decided not to submit a bid for transitioning its processes from natural gas to hydrogen as part of the initiative. The climate protection agreement defines a maximum bid of 600 euros per ton of hydrogen, while the true number is actually higher. "What sort of bid can we make if we know that the estimated 600 euros is far from sufficient? The agreement term of 15 years comes with a mandatory commitment of five additional years where we assume the costs, without knowing how expensive hydrogen will be by then. There are simply too many unknowns for an owner-operated company like ours," explains Marc T. Oehler, CEO of the BILSTEIN GROUP.

Finding new solutions

Nevertheless, the BILSTEIN GROUP is pressing ahead with its sustainability strategy of becoming carbon neutral by 2035. "We have to do a rethink and reconfigure ourselves in some ways, without endangering our leading position in this area," explains Marc T. Oehler. In practical terms, that means that instead of relying on the transition from natural gas to hydrogen, the BILSTEIN GROUP is exploring powering its annealing plants and process heat generation using (green) electricity.

A number of different solutions are already lined up: "This includes conversations we're having with the world leader in heat treatment facilities – EBNER Furnaces, based in Austria. They've developed a concept for heating large furnaces, like the ones we use, with electricity," explains Michael Ullrich, Chief Technology Officer of the BILSTEIN GROUP. "This type of furnace is extremely new but is already being used successfully."

This all means the BILSTEIN GROUP is on the right track to achieve its goal of carbon neutrality by 2035. "We want this goal," emphasizes Marc T. Oehler. "And we will do everything we can to achieve it, whether it's by large-scale or small actions. Every step counts." ■

Construction of a new heat recovery system

After installations at Plant I and HUGO VOGELSANG, preparations are now being made for a new heat recovery system at the smaller production site (BILSTEIN Plant II) in Hagen. The process heat created during the production of compressed air in the compressor station will be fed into the heating system.

Saving up to 300,000 kWh energy

Until now, the natural gas-powered boiler that provided hot water for showers and heating in the social areas consumed 300,000 kWh per year. This is as much energy as 20 modern single family households use each year! The heat from the compressor will replace the majority of this natural gas. "Combined with the economical heating system installed in 2023, this will significantly reduce our energy consumption – and will make a decent dent in our CO₂ emissions as well," confirms project manager Christian Hagenkord, Head of Sustainability Projects and Energy Supply at the BILSTEIN GROUP.

How does it work?

In the generation of compressed air, only a small part of the electrical energy used actually goes toward the compression process – the vast majority of it is transferred into heat. This is discharged via an oil-cooling system in each compressor. Installing a heat exchanger means this waste heat can now be used to produce hot water that can be fed into the heating system. In addition to the heat exchanger, pipes need to be installed to take water from the compressor to the heating system. Fortunately, in this plant, the heating system is located just the floor below, which means a very short transfer. The heat recovery system is set to start operation by the end of the year, at the latest. ■

Adapting to the new normal

The steel industry continues to find itself in the midst of a crisis, and markets stand under a huge amount of pressure. What was an exceptional situation seems to have become the norm.

Marc T. Oehler and Michael Ullrich explain what that means for the BILSTEIN GROUP, and how the company is restructuring to adapt to the new situation.



Why is the BILSTEIN GROUP restructuring?

Marc T. Oehler: Unfortunately we are in the middle of a big recession. Over the past year, the economic situation has gotten more dire than we've ever experienced before. The markets are under massive pressure – and at the moment there are no clear prospects that the huge drop in sales volumes will recover in the foreseeable future. This means the forecasts we made last year won't come to pass: It's likely we won't ever be able to replicate the sales volumes of the past. And the BILSTEIN GROUP isn't alone in this; it's a trend we're seeing across the industry. A variety of sectors and customer segments across Europe have been impacted by the downturn; lots of our own customers are in crisis mode. We must respond to this situation, adapt to it and ensure we're set up well for the future.

How are you responding to this crisis? What steps are needed?

Michael Ullrich: The external conditions are so dire that we can only help ourselves. As an immediate measure, we implemented a hiring and spending freeze in autumn 2023. In this situation, we didn't want – and we still don't want – to spend money where it isn't absolutely necessary without knowing what the future holds. The industry has been completely upended by the crisis. Right now we're bumbling along at a level that would have been unthinkable just five years ago. The real question is: How can we, the BILSTEIN GROUP, ensure that we are fit for the future, even under these changed circumstances? This restructuring is all about finding good answers to this question. We've decided to stop hoping for the market to recover; instead we're going to adapt to the situation as things stand.

Marc T. Oehler: This means we're adjusting our production volumes to match the low demand. We've reduced production capacities at BILSTEIN and HUGO VOGELSANG significantly, to a new normal, with a range of plus or minus 15 per cent. The basis for this is the scale, which we really had to be realistic with given the current situation. Nevertheless, we're proceed-

ing with caution and trying to avoid extreme cuts, even in this uncertain time – because we want to give ourselves the opportunity to support a recovery in volumes, if one is at all possible.

What does "with caution" and "avoiding extreme cuts" mean in real terms?

Marc T. Oehler: We want to continue to operate in an effective, sensible way. In other words, if we're really keeping a close eye on our costs now, we're not just saving money – we're future-proofing the company. This is what lies at the heart of the restructuring. We are only implementing measures where they are absolutely necessary, and without permanently shutting down plants. Because our assumption is that the BILSTEIN GROUP can retain its ability to respond flexibly to demand for higher volumes, should the time come when the market and our customers need this. The good news is that, even in this changed environment, we continue to have a healthy balance sheet and sufficient liquidity.

What does adapting to the new normal mean for our plants and employees working in production?

Michael Ullrich: The reduction in volumes is naturally associated with updates to shift models and staff matters. At BILSTEIN, we reduced the shift model at a few plants on 1 January of this year. No major changes were made at HUGO VOGELSANG because, as part of the restructuring, the entire situation at HUGO VOGELSANG was subject to a review. The entire restructuring is guided by the principle "quality before time", so we absolutely have to avoid knee-jerk reactions or poorly thought-through decisions.

Marc T. Oehler: The employee transfers were critical in avoiding redundancies. We wanted to provide the option for further employment, even if this meant taking up work in other positions. The job losses that did occur as a result of the changes made complete use of rules around partial retirement, full retirement, expiring contracts, voluntary redundancy, etc. Because we also wanted to avoid harsh cuts in this area. I meant it when I said we proceeded with extreme caution.

This restructuring is taking place in the midst of an extremely intense cultural shift. How are you balancing that out?

Marc T. Oehler: In my view, the "BILSTEIN GROUP: Facing the future together!" project has provided us with huge impetus and made sure we're on the right track. But we don't have any choice here; we have to face the economic reality head on. Still, our cultural transformation remains a key pillar of



everything we do – serving as both a guide for executing the restructuring and for our future viability as a company. We continue to listen. And more and more important measures are coming out of this cultural transformation.

Michael Ullrich: Being able to share information more quickly and directly, communicate more clearly – these are important parts of our cultural transformation. And they're also key aspects of the current restructuring. In our discussions with employees about the HR changes, one thing was very clear: Honesty is always the best policy. So not beating around the bush, but addressing a situation openly and explaining the why and how. Talk, communicate, be fair – and bring everyone along with us.

What are the other key focus areas of the restructuring?

Michael Ullrich: In general the restructuring in Germany has three goals: reducing our production volumes, including making the relevant staffing changes in production, was a critical first step that is allowing us to align with the market conditions as they are right now and are likely to stay. Our next steps will be even more long-term, since the point of this restructuring is to, quite literally, redefine the structures that will take the BILSTEIN GROUP into the future. Within the scope of a portfolio and market analysis for both HUGO VOGELSANG and the BILSTEIN GROUP, we are examining our portfolio, positioning and cost structure – to determine how we can steer us back to calmer waters, even in these stormy times.

Have there been any results from this yet?

Marc T. Oehler: HUGO VOGELSANG has been affected by the current crisis because the saw and tools sector that the company relies on has been hit even harder than the automotive

industry. So I'm delighted that we're now seeing a small uptick in HUGO VOGELSANG's market, especially since the transition to electric vehicles barely plays a role there. We can't afford to forget this, alongside the current recession: The transition to electric vehicles and the associated impact on sales and production volumes is also a factor, even if development here has slowed somewhat due to the decline in the economy.

Michael Ullrich: Now it's time to seize this opportunity and lead HUGO VOGELSANG into a successful future. Three key elements are particularly crucial for success: First, we identified ways to cut costs within the existing cost structure. Second, we want to make targeted investments within our core plants. And third, we are pushing ahead with implementing the STABILS innovation project at HUGO VOGELSANG.

So you're still making strategic investments in specific areas, despite the challenges on the market right now?

Marc T. Oehler: Absolutely. We're also taking a cautious approach to approving investments, which means we're continuing to invest in projects and measures that are focused on the future and that support our strategic agenda. Because, naturally, we're still pursuing our overarching strategy. The overall aim is to strengthen our position on the market – especially in challenging times. Key initiatives like increasing our stake in INAC in Italy in July 2024, our new sales strategy, the digitalization of our processes, innovations like BILCUT® and STABILS, our cultural transformation, employee development, and of course our work on sustainability as a driving force of our future positioning, all count toward this. ■

The market right now

Many industries are still in crisis mode

An economic recovery doesn't appear to be on the cards just yet. And a handful of positive developments aren't enough to offset the problems on the market. But there are finally some signs of green shoots ahead.

The pricing war in the electric car segment, the rise of Chinese auto brands, opposition to the ban on gas cars that the EU has targeted for 2035 ... Then there's a construction industry that's on its knees and the resulting low demand for tools, as well as for new kitchens, furniture and household devices. And of course the supply chain disruption caused by attacks on cargo ships in the Red Sea plus, at the start of the year, rail strikes – all of these things have created the precarious situations that many sectors find themselves in.

"If you look at the headlines over the last few months, it's really hard to stay positive," says Bernd Grumme, Chief Sales Officer at the BILSTEIN GROUP. "And of course this market turbulence is also being reflected in our current sales volumes: We're not seeing an upturn."

Entire industries in crisis

If we look at the development of the steel and metalworking industry over the last few years, we can see three huge "crashes", caused by the global financial crisis of 2007–08, the coronavirus pandemic in 2020–21, and the start of the Ukraine war with the resulting massive increase in energy costs.

The markets haven't yet stabilized following this latest downturn. Quite the opposite, in fact: A number of different sectors across Europe have been impacted by the downturn, and many of our own customers are in crisis mode. Some have downgraded their capacities, which means they are unable to support any new increase in volumes – even when one or two German automakers plan to ramp up combustion engine production again and order volumes are almost back to normal levels.

Adjusting to the new normal – and expanding our position

While the BILSTEIN GROUP has already responded to the situation overall and tried to adapt to this new normal (see the article on page 4), the company remains under pressure to achieve the targets and numbers it has set itself in this challenging environment –

especially in regard to its aim of expanding its existing position on the market. The BILSTEIN GROUP is of course staying true to this commitment, and its overall strategy, even in times like these. Ultimately, the goal is to build a successful future.

Proximity to customers and flexible support for orders

"Even if we have to be a bit more cautious with our planning right now as we adjust to the new normal – we haven't set any upper limits," continues Bernd Grumme. The group still has capacities available, with both BILSTEIN and HUGO VOGELSANG able to support any increases in volumes at any time. Maintaining proximity to customers is crucial in this context. "Communicating with our customers as much as possible, flexibly supporting small order volumes and responding to inquiries more quickly – these are all things our sales team is working on together with the order centre and the technical application service team," says Bernd Grumme. (For more information, see the article about the reconfiguration of the sales department on page 7.) "The focus is on supporting our customers in all their ideas – while bearing in mind our own financial situation, of course.

When it comes to raw materials, supplier performance has suffered lately: A poor recovery at the start of the year, huge shortfalls in supply, and last but not least the rail strikes have all led to delays, despite the relatively low demand. "We can counteract this by bundling different grades and dimensions. That helps," explains Bernd Grumme. "What's more, the BILSTEIN GROUP is intentionally building up a stock reserve so that our ability to deliver isn't impacted in the short term."

And finally: some good news

Meanwhile, the DIY segment is seeing a small uptick. "We're seeing some backlog in demand come through, especially for saws," explains Bernd Grumme. "It's a glimmer of hope, even if it won't bring us back to the higher volumes we had before." ■

Working even more closely with customers

Markets are changing. Demand for steel products is falling across the industry.

The BILSTEIN GROUP's answer to these challenges is a strong sales team with application and technology experts that can provide tailored support to customers.

Bernd Grumme, Chief Sales Officer, Georgio Alexopoulos, General Management Sales, and Dennis Burgio, Head of Sales Industry, explain more.

Why did the BILSTEIN GROUP decide to rethink its sales structures?

Bernd Grumme: We are a company with a very successful history. But the market has changed. So we want to be even more responsive to our customers and align ourselves more closely with their needs. Let's not forget that, in May last year, employees, managers and the directors agreed to be led by this guiding principle: "As an international medium-sized family business, we work flexibly to make our customers satisfied – our employees and our technology leadership are the basis of our company's success!" Our new sales structure is better positioned to fulfil the customer proximity this alludes to.

The sales structure is, in many ways, a reflection of the sales strategy. What are the goals of the change?

Georgio Alexopoulos: The BILSTEIN GROUP's overarching strategic goal is deeper market penetration here in Europe, in addition to North America, where we are already well positioned with BILSTEIN COLD ROLLED STEEL. It firmly places the focus of our sales strategy on the European market. Based on this, we've defined four core elements of our sales work: defending our volumes in the automotive segment, strengthening our position in the industry segment, our export business in Europe, and better exploiting cross-selling potential within the group.

The most striking change is the merger between the sales organizations of BILSTEIN and HUGO VOGELSANG. Why was that an important step?

Georgio Alexopoulos: The merger is critical in order for us to be able to fully exploit cross-selling potential.

Bernd Grumme: Combining our strengths offers more advantages. By bringing together the two teams we're creating a single unit that will benefit from a strong team spirit, spirited discussion and exchange, and from mutual learning. On the whole this will make our sales more impactful. And it will bring us closer to our customers who source from both companies because they'll now have a single point of contact for everything they need.

The sales team is divided up into automotive and industry segments. Within the segments, sales representatives are no longer responsible for specific regions, but for specific application areas. What's behind that decision?

Georgio Alexopoulos: Our market is changing in a way that puts us at a disadvantage. This is partly temporary, so due to the economy, but is also down to the transformation of the automotive industry and its shift toward electric vehicles and away from Europe. We are seeing excess supply in the face of falling demand. At the same time, our products involve a lot of consulting work on technology. This means that in order to penetrate the market more effectively, we need to constantly grow and expand our expertise – and get it across to the customers.

Bernd Grumme: In the automotive sector, in particular, our products mostly have very clearly defined applications: They are used in chassis, safety features, power trains (engines/transmissions) and in vehicle interiors. So we have four sales teams focused on each of these four areas. Each employee automatically develops more in-depth knowledge of their relevant application area. Previously a single sales representative would work across a broad portfolio spanning an entire region; now they can get into



Participants:



Bernd Grumme,
Chief Sales Officer



Georgio Alexopoulos,
General Management Sales

Since 1 January 2023,
Georgio Alexopoulos has spearheaded
both the sales strategy and the reconfigu-
ration of the sales department.



Dennis Burgio, Head of Sales Industry

Dennis Burgio started his career with the
company in 2010 as a student;
on 1 January 2024, the Head of Sales at
HUGO VOGELSANG became the new Head
of Sales Industry.

much more detail. We're certain that these steps will allow us to successfully defend our position in the automotive segment and expand it in some areas.

Have you only implemented this application-based structure in the automotive sector? What about industry?

Georgio Alexopoulos: DIY/saws is a huge application area for us in industry; it's the traditional business of HUGO VOGELSANG. And it's very product-specific, requiring detailed knowledge and in-depth expertise. So instead we've organized this segment geographically, allocating three big regions to our teams across Europe: Central, South and Northwest.

Bernd Grumme: And there's a good reason for this. It's because the industry segment is extremely fragmented. There are lots of customers, the applications are extremely granular, and there are just a few gaps across Europe where we can look at increasing our market share.

Dennis Burgio: We need to pay special attention to these gaps. We will screen sectors thoroughly to identify where there is potential left to exploit. This will be a key task. So an application-specific structure makes little sense in this context.

What happens if a stamping company with customers in both segments comes to us?

Dennis Burgio: Our principle remains the same: one face to the customer. This means every customer is supported by a single point of contact. In the example of this stamping company, we'd base the contact on volume: The segment where the company has the most business will dictate whether they are allocated to the automotive or industry team.

New processes, tasks, responsibilities: Our sales employees are facing a lot of challenges right now. What is the BILSTEIN GROUP doing to support the transition?

Georgio Alexopoulos: We have to be very clear in saying that, right now, sales is going through a change process. Every single member of staff is being challenged right now, and we can see that they are preoccupied. We have to respect this. It's why we've also take it upon ourselves to support the sales staff as effectively as we can.

Bernd Grumme: We're using existing internal training programmes, but have improved them and made them more intensive. I'm delighted to see how our colleagues in sales have supported each other and shared their know-how and expertise during this change.

Georgio Alexopoulos: Overall we have a very comprehensive employee development programme consisting of both internal and external training offerings. The external training sessions are meant to prepare our sales representatives for the demands and requirements put on them by the market.

Dennis Burgio: The fact it's also an extremely transparent project has definitely helped the transition, too. We've kept all our employees informed, from the start. We clearly communicated: What is the goal? What is the overarching purpose of it all? At the end of the day, it's a good thing that we've taken this step of reconfiguring our sales structures.

How are things going in the new structures? What have been the experiences of you and your teams?

Bernd Grumme: The new structures of course meant that most sales representatives took over new customers. We had to provide a lot of support for this change, both internally and on site with our customers. We started with the transition in November 2023 in preparation for the price negotiations: The sales reps presented the new structure to their existing customers, together with the new sales representatives who would be supporting that customer going forward. Aside from a few minor challenges in the beginning, this worked extremely well. Now all sales reps have taken over their new customers, and the price negotiations are complete. There will always be a few things that we need to work on, for example, like standardizing processes that have historically diverged at BILSTEIN and HUGO VOGELSANG. But the new set-up has been going really well since the start of this year.

Georgio Alexopoulos: We can be very proud of what we've already achieved here. In reality the work is just beginning. But we're already seeing that things are running very smoothly in some application areas, such as automotive/interior. The specialization means market expertise is growing. We're also more impactful in the industry segment. Saying that, we have to keep in mind that we're currently in the midst of a very challenging period, economically speaking, and in a market environment that runs completely counter to our planned increase in volumes.

And what do our customers think?

Bernd Grumme: They've accepted the change very well, despite the friendships that formed between our customers and their previous sales reps over the many years they worked together.

But our customers are excited to work with their new reps – and our sales employees are going about their work in a positive, dynamic, fun and extremely motivated way. I haven't heard anything else from the customer side.

Dennis Burgio: And I can back this up. We want to bring our customers with us on this journey. We explain to them in face-to-face conversations why we're making these changes. And at the customer meetings I attended, this was generally well received; we got really valuable feedback.

What are your hopes for the future?

Bernd Grumme: That we can do an even better job of meeting our customers' needs by learning from and collaborating with each other and with our customers themselves. And of course I hope that our employees celebrate successes. Celebrating success is important. Times are challenging right now. So it's good to take pride in what we do achieve together.

Georgio Alexopoulos: While I'm aware of what these changes mean for our people and our organization, I also see the opportunities they bring. And I hope that we can seize these opportunities and execute them in an intentional way. ■



Ready, set, go!

The BILSTEIN GROUP is ready to run with a whole host of highly innovative procedures that it hopes will help it break into new markets and business segments. Read on to find out the current status of these projects and what lies ahead.

INNOVATIVE PRESS HARDENING

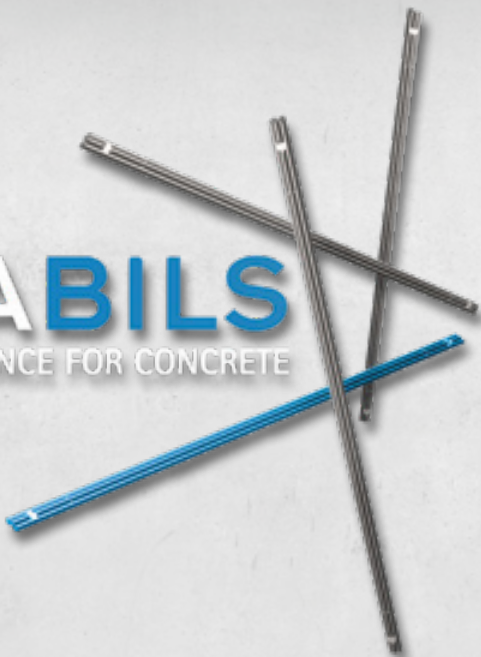
The "innovative press hardening" project (see issue 1-2024) is of course still up and running. Especially after the results of a market analysis in early 2024 showed that our new procedure has incredible potential.

"We used five representative components to compare the total costs of our procedure with the market-based costs of our competitors," explains Jörg von Prondzinski, Head of Application Development at the BILSTEIN GROUP. "The results were clear: We can offer our customers both economic benefits as well as more sustainable production, i.e. with lower CO₂ emissions." These analyses were supported by the EDAG Group – the world's second-biggest independent en-

gineering partner of the automotive and aviation industry. EDAG also confirmed that the BILSTEIN GROUP was correct in its assessments of the market: Demand for press-hardened components is already so high among German OEMs that the BILSTEIN GROUP could soon debut its components on the market.

These results are now providing a basis for key strategic decisions. "We're in talks right now with potential partners," explains Michael Ullrich, Chief Technology Officer for the BILSTEIN GROUP. "There is actually a number of routes we could take, from in-house production, to cooperation, to licensing our patented procedure." ■

STABILS
PERFORMANCE FOR CONCRETE



"The latest developments suggest that STABILS was exactly the right decision," says Michael Ullrich, happily. "Even if the extreme weakness in the construction industry right now meant it took us longer than usual to find our feet."

Work is progressing on multiple levels:

New partnerships and

applications One important factor required to be able to fully exploit the advantages of the new STABILS steel fibre in concrete constructions is the work of new structural engineers. "Structural engineers who can evaluate steel fibre concrete are very rare in Germany," says Jörg von Prondzinski, CEO of BILSTEIN STEEL FIBER. "It's a bottleneck that is causing delays in a lot of projects right now." This is why the BILSTEIN GROUP has formed strategic partnerships with structural engineers.

At the same time, BILSTEIN STEEL FIBER is continuing to explore new potential areas of application for the steel fibre, together with its customers. For example, a manufacturer of prefabricated parts launched a comprehensive project on staircase modules, while another customer is planning to simplify the reinforcement plan for transformer housing using STABILS.

New STABILS product

Production of a new type of STABILS – a 50 mm long fibre for combined reinforcement – was a success. The new fibre underwent CE marking between March and May 2024, resulting in the sales-ready product it is today. Jörg von Prondzinski explains why this STABILS product fills an important gap in



the portfolio of BILSTEIN STEEL FIBER: "In combined reinforcement, steel mesh is still incorporated in the concrete components. If these are packed very close together, long fibres can catch between the mesh, which means the concrete doesn't flow properly in the casing. So we needed a shorter fibre for this." Otherwise, the rule of thumb for steel fibres is: length means strength. Which is why they are usually designed as long as possible. In the case of combined reinforcement, however, a slight reduction in performance is acceptable given the more efficient use and processing.

A huge opportunity: setting the bar for steel fibre

BILSTEIN STEEL FIBER GmbH is taking part in the round robin trial of the German Committee for Reinforced Concrete on the exploration of potential application areas for steel fibre concrete. While it might sound laborious, this project is actually of enormous practical importance and represents a huge opportunity for the entire BILSTEIN GROUP.

Because the goal is to proactively contribute to the development of the next steel fibre guidelines, which will regulate the use of steel fibre in Germany from 2026 onward. "It marks a significant expansion in the boundaries of the potential appli-

cation fields for steel fibre. It will mean that many more components can be made using steel fibre than today, which in turn increases our potential sales," says Jörg von Prondzinski. "At the same time, the new guideline will subject the components to much higher standards. And this is where our steel fibre can really excel versus its competitors – which also improves our sales opportunities."

Successful sales offensive

In January 2024, the STABILS team launched a campaign to promote other application areas for the steel fibre. And it was a success. The Hagen-based construction company Friedrich Rempke used STABILS to install massive floor panels. Meanwhile, a prefab parts manufacturer wants to start mass producing staircase modules for its home building system using STABILS.

Today's challenges

"At present we're working on sales concepts and solutions that will allow us to communicate more openly with customers about the new steel fibre. We all know the construction industry is of a more conservative mindset," says Jörg von Prondzinski. "And we're launching sales offensives for other applications too." ■


BILCUT® HIGH-SPEED LASER BLANKING

The high-speed laser blanking procedure BILCUT® developed by the BILSTEIN GROUP in collaboration with the Fraunhofer Institute for Laser Technology (ILT) and Automatic-Systeme Dreher GmbH is taking the production of shaped blanks for the auto industry to a whole new level. For one, it allows for much higher speeds to be attained. Additionally, it means the manufacturing process for shaped blanks can be designed in a much more resource-efficient way.

An initial proof of concept in mid-December 2023 confirmed the basic functions of the prototype, while also highlighting where there was room for improvement. As a result, a list of actions is currently being worked through. "Based on what we learned, we're able to improve the technology even further," explains Jörg von Prondzinski, Head of Application Develop-

ment at the BILSTEIN GROUP. "Reviewing the various requirements step by step and checking them off – it involves a lot of effort and engineering work." Optimizing the prototype so that a production plant can be installed as soon as possible at the BILSTEIN GROUP involved the plant manufacturer, the application development team – Jan Dzudzeck, Janina Wolf and Jörg von Prondzinski – and three other stakeholders. "We are getting a completely new plant that is based on the prototype concept but has been optimized in every aspect; you could say it's learned its lessons," says Jörg von Prondzinski. The order has already been placed with the plant manufacturer.

As soon as the optimization work is complete, the BILSTEIN GROUP can launch a market offensive and start booking in the first orders for the start of production in 2026. ■



The new binding line for small coil dimensions in action: Each coil is furnished with the strapping that holds it in place.

Investments

In the home stretch

The construction and commissioning of an automated binding line at HUGO VOGELSANG is making quick progress. The employees on site are looking forward to more streamlined and efficient processes.



After more than 40 years of service, the old binding line for small coil dimensions at HUGO VOGELSANG is making room for an upgrade.

Final production step

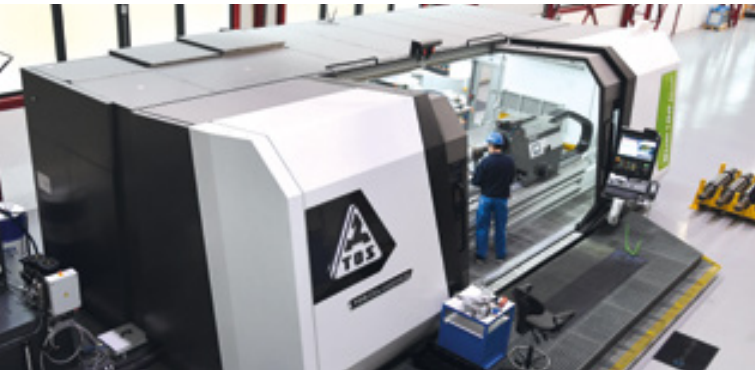
Together with the binding line for large coil dimensions, the new binding line is the final link in HUGO VOGELSANG's production chain. It's where each coil gets the transverse strapping that holds it together. The coils are also wrapped in volatile corrosion inhibitor (VCI) paper on the line, to prevent rusting, and stacked. Then, depending on a customer's needs, the material can be packaged, weighed and transferred to dispatch for shipment.

Speed without comprising safety

While a few processes had to be completed manually on the old binding line, the new plant makes handling much easier since the strapping process is now fully automated. "It's much, much quicker," says Alexander Weichelt, acting Production Manager at HUGO VOGELSANG. "It means we can package three to four times more coils than previously." The investment is also a major win in terms of workplace safety since it involves less manual work. ■

Bright times...

... for handling rolls and shearing blades at BILSTEIN CEE. Since the start of the year, everything has found its place in the refurbished hall of the roll grinding shop. The plant renovation and modernization also saw the arrival of new processes.



The beating heart of the roll grinding shop is the BUD 100 MULTI multi-function centre grinding machine, from Czech manufacturer TOS, which can be used to grind both back-up and work rolls. The computer numerical control (CNC) machine is integrated with the ERP system, extracts all data on the rolls from a central database and transmits all data on the grinding process from its end. And in a huge win for both safety and cleanliness, when work is in progress, the doors stay shut.

BILSTEIN CEE officially commissioned the new grinding shop in mid-January of this year. The new CNC multi-function grinding machine BUD 100 MULTI, from Czech manufacturer TOS, and the digital processes are impressive, as is the renovated hall: sparkling white floors, new windows, a heating system, two cranes, modernized machinery and new equipment are setting new standards in safety, quality and cleanliness. "This is a genuine highlight for the entire group," emphasized Marc T. Oehler, CEO of the BILSTEIN GROUP, during his visit on 19 March.

Digitalizing processes

The new plant allowed BILSTEIN CEE to digitally connect the BUD 100 MULTI to its ERP system. This meant the new multi-function grinding machine was able to replicate what is standard for production plants and achieve integration with ERP. All the parameters around roll handling, machine configurations, data on the grinding process – it is all captured centrally. There is a single interface to accounting, for example, where polished material and therefore any losses in value can be recorded in real time.

Quality gains

"It was a big step that also helped drive up quality," says Peter Uhrík, CEO of BILSTEIN CEE, happily. "The new machine is opening up new opportunities for us in material surface design. It's great. The finish of the rolls has a direct impact on our cold-rolled strip. Now we can easily grind everything we need, which makes our materials technology team particularly happy." ■



Upcycling – which is essentially upgrading old items – also works for machines. The grinding plant for work rolls was modernized, given a new hydraulic system and a lick of paint, and is again in top condition.



"In the beginning nobody imagined that we could actually create a work environment like this. But everyone worked together to make it happen," says Peter Uhrík, proud of the achievement. "Now we want to actively help maintain this high standard."



Cleaned up: the blade grinding machine



On 19 March 2024, the German directors Marc T. Oehler, Michael Ullrich and Bernd Grumme joined Peter Uhrík in visiting the team at the new roll grinding shop.

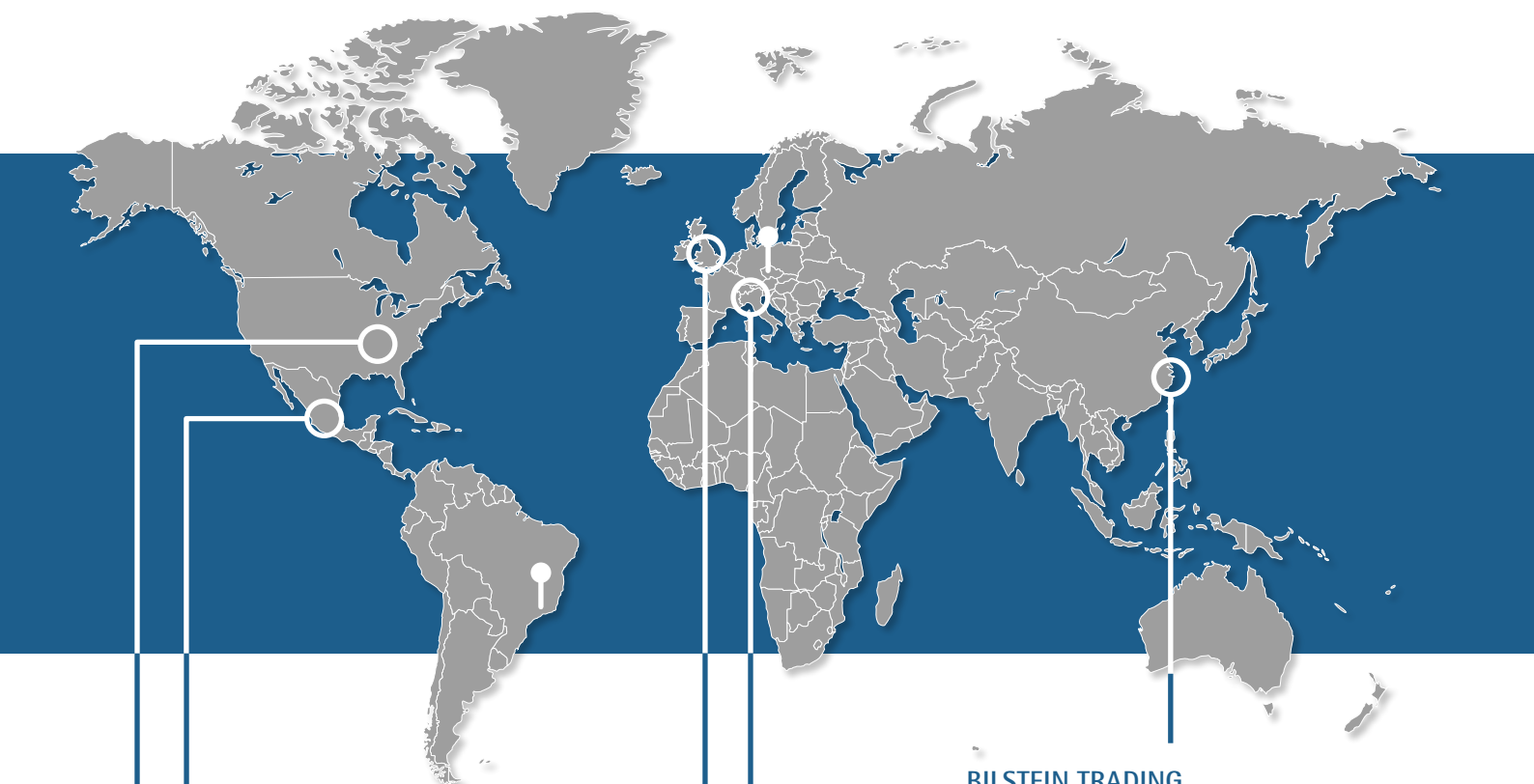


New storage methods and other equipment ensure greater safety.

International locations

BILSTEIN around the world

What's the latest news from the BILSTEIN GROUP's companies across the globe? Read on to find out.



BILSTEIN MEXICO

On 19 February 2024, the company BILSTEIN SPECIALTY STEEL MEXICO, S. de R.L. de C.V. (BILSTEIN MEXICO for short) headquartered in the German Centre in Mexico City, was officially established. It was the starting point for everything that followed. We are currently awaiting an import license so the company can supply BILSTEIN GROUP products, including those made by BILSTEIN COLD ROLLED STEEL, more easily to the Mexican market.

BILSTEIN COLD ROLLED STEEL

The US economy is doing significantly better than in Europe – and this is also reflected in the results of BILSTEIN COLD ROLLED STEEL. Volumes are trending positively, BILSTEIN COLD ROLLED STEEL is growing and, this summer, the new state-of-the-art jumbo coiler for oscillate winding began operation after a short delay. It's up and running!

BILSTEIN TRADING (SHANGHAI)

The Chinese market is also facing huge challenges right now; its economy is really dragging. In light of this, we're currently reassessing our positioning in China.

INAC

The crisis in the European steel industry is also affecting the market environment for INAC, which is doing well in these challenging times. Free plant capacities are being used in two ways: first, to carry out modernization and updates; and second, as an opportunity to penetrate new business segments that weren't previously a focus due to the relatively low volumes they offered. In July 2024, the BILSTEIN GROUP increased its stake in INAC from 30 per cent to 49 per cent.

SHEARLINE STEEL STRIP

Much like INAC, SHEARLINE STEEL STRIP is successfully demonstrating that, in a challenging economic environment, small order volumes – coupled with a high level of flexibility when it comes to allotting time – can help close gaps and make a difference.





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The people behind the BILSTEIN GROUP

The voice of country music

Frank Renfordt, Head of Hot Strip Procurement at the BILSTEIN GROUP, discovered a passion for country music and recently released a new EP. In *The Cumberland River Project*, the aspiring musician unleashes his creative side.

Since then, his discography has grown to include two albums, one EP and a number of singles: His debut, *"The Cumberland River Project"*, was released in 2020. Two years later, he released another LP, *"A Smell of Gravy"*, which picked up the award for best country album from the German Pop & Rock Association. Then in March 2024 came the EP *"Vain Regrets"*. On this album, for the first time, the passionate songwriter sang all his songs himself.

The other albums saw him work with artists and singers who sang the songs written by him. Frank's debut album was produced in Nashville, with vocals provided by musicians there. For his second album, Frank provided vocals on two songs, and played guitar and bass. Friends and musician associates of his played instruments like the keyboard and drums, while the German artist and music producer Eroc stepped in to do the mastering, the last stage in post-production.

The road to country music: From Bowling Green to Nashville

Frank Renfordt has been a keen musician since he was a kid, learning to play guitar and, at the age of 17, joining the German rock band RING as their bassist. RING still exists today, after numerous breaks, and occasionally make individual appearances.

The road to country music took Frank Renfordt from Hagen via Bowling Green to Nashville. "Our plant in Bowling Green is just a one-hour drive from Nashville," explains Frank Renfordt. "During the construction phase I was on site there a few times between 2012 and 2017 for work, helping to establish a supplier base in the US. This was then followed by personal trips, for leisure." Around the same time, the US show "Nashville" became a TV hit that shined a spotlight on the country music scene. Frank Renfordt and his wife watched every season – and the songwriter was hooked on the music.

"I had always been a fan of Americana and Country music. I love how this music is so organic. Computers aren't used a lot. It really depends on the instruments and singers," says the man behind *The Cumberland River Project*. "The lyrics also play a massive role, and this combination appeals to me."

The Cumberland River Project

"The most important thing for me is the creative element," says Frank. "I enjoy writing lyrics and songs more than I do making music itself." For Frank, this creative outlet is the perfect counterbalance to his job. When he entered one of his songs into a lyric competition run by American Songwriter magazine in 2016 and picked up second place, it lit a spark in him.

His debut album *"The Cumberland River Project"* was created when the songwriter had his songs produced in a recording studio in Nashville, so he could offer demos to publishing companies. "There is a huge music industry in Nashville. First there are hundreds of great musicians, who will play their songs for a little change. Then there are publishing companies that give written songs to country greats," explains Frank Renfordt. "But the market is very competitive." Once the demos were finished, Frank released them on well-known streaming portals under the title, *"The Cumberland River Project"*. He chose the name because the Cumberland River winds through Kentucky and Tennessee – the same region that gave rise to country music. "Streaming services like Spotify, as well as YouTube and TikTok, make it easy to self-publish songs nowadays," says Frank Renfordt. "Without the promotional budget of a big label, it's hard to achieve high streaming numbers, but of course that isn't my primary goal." Nevertheless, his songs are played on NDR, MDR and online country channels.

A project for the future

Now Frank produces his songs in his own small recording studio. His hobby is, in some ways, a family project, since two of his four kids share his passion: Son Dennis features on a few songs as guitarist, while his daughter Megan shot the YouTube video for *"Brighter Days"* – a very personal song that draws on a lot of experiences. "Everyone helps where they can," says Frank Renfordt. The songwriter has also been taking singing lessons for a few years now, and is already making plans for his retirement: "Right now I have a demanding job and can only work on music when I'm on vacation or at weekends," says Frank. "But one day I think I'd like to play my music live with my guitar." ■

NEW TALENT

ATTRACTING YOUNG PEOPLE TO THE COMPANY



Business and trade apprentices from the BILSTEIN GROUP supported the four-day Tec Days in the Nahmerhalle (from left to right): Muhammed Et and Endrit Hoxha (both trainee industrial clerks) and Maurice Castel-Branco and Sebastian Naron (both trainee process technologists) took care of the students on site.

Tec Days

A large number of industrial companies are based in Lennetal, and they all face the same challenge when it comes to attracting young people and securing the next generation of skilled workers. Instead of single-day "trial internships", which are extremely resource-intensive for each company to organize, industry companies decided to deliver a career orientation for eighth grade students. These "Tec Days" are organized by the South Westphalia Chamber of Industry and Commerce in Hagen. The aim is to help young people learn first-hand about technical jobs.

The BILSTEIN GROUP was again present for two Tec Days in the region this year. From 19 to 22 February apprentices hosted the second activity station at the delivery hall at C. D. Wälzholz with the slogan, "You've been coiled incorrectly!" At the station, students tried to wind coils and construct a wooden pallet to transport them. In each session the station kept around eight students busy for 75 minutes – and it was fully booked on each of the event's four days. The BILSTEIN GROUP was also represented at the one-day Tec Day on 23 April at the Chamber of Industry and Commerce. ■



Congratulations!

Process technologists Tolga Dilbirligi and Labinot Gashi successfully wrapped up their apprenticeships in January 2024, with both achieving the grade "very good" in their practical tests.

The pair joined the workforce on 1 February on permanent contracts: Tolga Dilbirligi is supporting the annealing team in one of the BILSTEIN plants, while Labinot Gashi is tackling new challenges in the testing lab at HUGO VOGELSANG. ■



Both process technologists were delighted to be officially congratulated on 16 February for passing their exams, and to be awarded with a free Kindle e-reader in recognition of their hard work (from left to right): Adriana Krasevec (apprenticeship management at the BILSTEIN GROUP), Tolga Dilbirligi, Labinot Gashi, Torsten Gödde (trade apprenticeship management at the BILSTEIN GROUP) and Marc T. Oehler (BILSTEIN GROUP CEO).

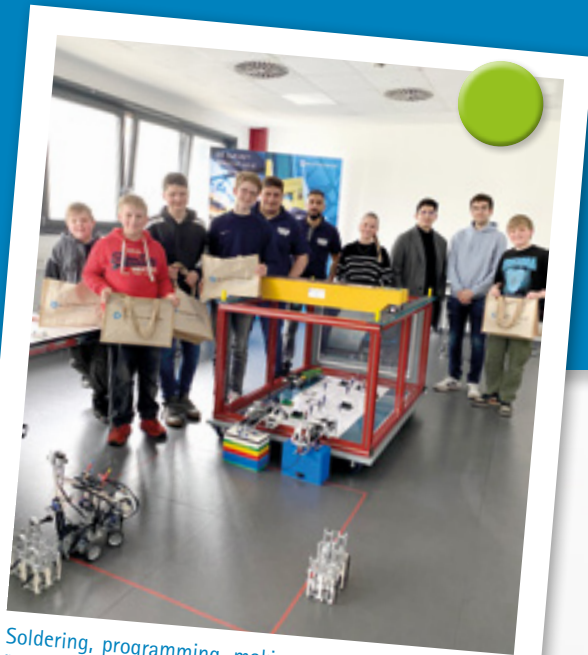
New, fun educational course for students

On a two-day course during the Easter holidays, 12 to 14-year-old students had the opportunity to learn more about jobs in technology and the programmes we offer, in a fun, playful way. Their task was to use a Lego® Mindstorms robot to simulate the journey that a coil takes, and to operate a mini crane using self-programmed commands.

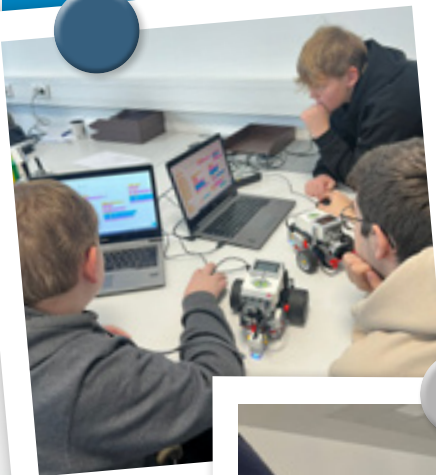
This fun educational course, named "Holidays @ BILSTEIN GROUP", was developed in collaboration with the Technology Centre in Hagen, which counts the BILSTEIN GROUP among its members. "Our aim was to get young people with an interest in technology excited about the camp and our company," explains Adriana Krasevec, HR Officer and Head of Apprenticeships at the BILSTEIN GROUP, who designed and supervised the project together with the BILSTEIN GROUP's Torsten Gödde, Sascha Brock and four apprentices. Meanwhile, industrial manager Miriam Bläsing took care of the organizational aspects. Trainee electrician Justin Stolle

explained to the students how they work on circuit boards, IT apprentice Viktor Voth spoke about programming basics, and future process technologist Hasan Belek showed how individual parts are produced. The students had so much fun that they didn't want the course to end – and they did some outstanding work too.

Based on this success, the course is set to be repeated next year. ■



Soldering, programming, making parts themselves – the "Holidays @ BILSTEIN GROUP" course offered an exciting range of activities. At the end, all the participants received a tote bag with pens.





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