

NEWSLETTER

For BILSTEIN GROUP partners and customers

Issue 1-2025



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

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Das Kaltband.

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Safety first

Health and safety: it affects us all

Once again, the huge amount of interest in our event on workplace safety, health and the environment shows how deeply BILSTEIN GROUP employees care about this topic.

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STABILS – the work continues: capturing more of the market

The development of our innovative steel fibre STABILS means it not only offers technological advantages; it also gives customers the opportunity to enjoy immediate cost benefits.

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BILSTEIN CEE: investing in the future

Even in these challenging times, the BILSTEIN GROUP is pressing ahead with investments to safeguard the future success of BILSTEIN CEE and the entire group.

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Marc T. Oehler
CEO
BILSTEIN GROUP

Dear Reader,

You have probably all read that the world around us isn't getting any easier, which means the challenges facing the BILSTEIN GROUP will continue to grow. The most recent example of this is the unpredictable tariff policies coming from the Trump administration in the US, which are having a huge impact on both the BILSTEIN GROUP's business operations as well as the potential sales of our customers in North America. The uninspiring federal elections that were held in Germany and the subsequent lack of enthusiasm around the new government that formed, the ongoing war in Ukraine ... these are further issues that we have to contend with every day and that impact our future prospects.

But despite all the negative external factors, we're pressing ahead internally with our transformation project. The new sales structure and related sales strategy are already having an impact in this market environment, which is under extreme price pressure, as are various measures we're implementing to improve our performance.

In this issue you can find out more about the key themes that are affecting the BILSTEIN GROUP right now.

I hope you enjoy the read.

Kind regards,
Marc T. Oehler

The market right now

The world, our industry and us

Historically low demand, industry giants going bankrupt, US tariffs: in both Germany and across Europe, industry remains in crisis mode. The only thing we can do is respond with flexibility and speed.

"We saw weak sales in 2023 and – contrary to all expectations – we saw another dramatic slump in 2024, particularly in the automotive segment," says Georgio Alexopoulos, director at the BILSTEIN GROUP, summarizing the ongoing crisis in German and European industry. "And we can't assume things will pick up in 2025 either. That's what all our customers are telling us right now."

The market environment remains challenging. Many of the BILSTEIN GROUP's customers, particularly major Tier One customers, are under huge pressure. This is why we're pressing ahead with programmes around inventory management, cost reduction and restructuring. The number of insolvencies in our key markets is rising. Earlier this year, VOIT Automotive, a large German auto supplier with locations in four countries, filed for bankruptcy.

Competition is heating up

In Germany's cold-rolled strip industry, competition for market share is currently intense. It's not just that demand has fallen; the volumes that are required are fiercely contested. Of course, during this period, competitive pricing is critical. But availability and speed are also key when it comes to winning contracts.

Long-term positioning

Speed, flexibility and on-time delivery – these attributes are critical success factors in times like these. "That's why we're working so hard on our transformation at the BILSTEIN GROUP right now, so we can become more agile," explains Georgio Alexopoulos. Embedding flexibility and speed in the company's DNA is essential to enable us to keep moving forward and grow in challenging markets. And both BILSTEIN and HUGO VOGELSANG are making huge progress in this area.

Trump and tariffs: what are the repercussions for the BILSTEIN GROUP?

The general uncertainty has been exacerbated by the US market cutting itself off and the tariffs on steel and aluminium products that have already come into effect. The good news: "This hasn't yet had a dramatic impact on the BILSTEIN GROUP's operations in the US, since customers in North America mainly procure their steel from BILSTEIN COLD ROLLED STEEL. But the uncertainty around the US's future economic relationships with Mexico and Canada will certainly impact the growth of our customers who have a presence in North America," explains Georgio Alexopoulos. "In general, tough measures like these are toxic for international trade."

In 2023, the US imported a quarter of the steel it used – approximately 28 million tonnes. The European Steel Association (EUROFER) fears that a significant proportion of that will now be redirected to Europe. These dramatic shifts in the market and trade make it essential that the EU safeguarding measures be revised – and quickly. "What we're seeing right now is that we, the European Union, aren't in a position to react swiftly to changes in the way that they can in the US, Canada or Mexico," notes Georgio Alexopoulos.

Decarbonizing German industry

At the heart of this complex situation there is an even greater ambition: the German federal government's climate protection plan aims to achieve net zero greenhouse gas emissions by 2045, and the new administration plans to retain this goal. "Overall I'm certain that this green transformation is the right way forward and is no less important in the face of the current crisis," says Georgio Alexopoulos. "But now we're confronted with the reality. Lots of companies have already warned that current conditions aren't ripe for the green transformation. We need more certainty and to be able to plan more reliably to secure the necessary investments. Instead, in both the EU and Germany, we're having to contend with a lack of stringency on the political level, high energy costs and taxes, and excessive bureaucracy in the context of global competition. This is also why, here at the BILSTEIN GROUP, we are putting our foot on the accelerator: we have to adapt to the pace of the market. And given the current economic climate, customer interest in low-carbon steel has temporarily dropped; the willingness to bear the extra cost is almost non-existent." Nevertheless, the company is still actively pursuing its strategic transition to green steel production: in both the medium and long term, the BILSTEIN GROUP is laying the groundwork for a successful carbon-neutral future. ■



Capturing more of the market

The development of our innovative steel fibre STABILS means it not only offers technological advantages; it also gives customers the opportunity to enjoy immediate cost benefits.

Tempered steel and an internal anchor structure – this is how we first introduced our innovative steel fibre STABILS to the market back in mid-2023. The launch of the product opened up an entirely new market segment for us. Since then, our knowledge and expertise in the requirements of the steel fibre market have grown significantly. So naturally, BILSTEIN STEEL FIBER has developed STABILS further.

In addition to the original high-performance versions for medium- and high-strength concrete, we're now planning to launch STABILS steel fibres for low-strength concrete. Here, the tempered fibres are produced and tested with additional external anchors, meaning improved performance for STABILS at a comparable production cost. Additionally, in January 2025, BILSTEIN STEEL FIBER manufactured the first-ever short STABILS steel fibre (35 mm) for use in sprayed concrete; we were previously unable to serve this market segment using the existing types of STABILS.

Why do we need more STABILS variations?

From a technological perspective, STABILS is simply superior to the competition. This has been shown repeatedly in various experiments undertaken by interested customers and in lab tests at renowned universities. Our steel fibre provides tangible, technical benefits – and our customers recognize this.

But not all construction projects need a high-performing steel fibre, which is why the BILSTEIN GROUP is expanding its product portfolio with new variations. The types for use in low-strength concrete retain the technical benefits of the existing STABILS steel fibres, while also delivering clear cost benefits for customers, which will allow the BILSTEIN GROUP to serve the market more broadly.

Production is ongoing

The production of all variations of the fibre remains stable. We've been able to increase production speed by more than planned and successfully reduce roller wear and tear at the relevant plants. In line with the growing demand, the BILSTEIN GROUP aims to invest in boosting its capacity.

Sales campaign in Europe and MC Bauchemie partnership

The sales team is increasingly focusing on segments of the construction industry that are less sensitive to rising costs. This includes infrastructure and "green energy" projects, and projects using watertight concrete or earth-friendly concrete (EFC, a low-carbon type of concrete). Market segments like highly stressed paving stones and foundations, where steel fibres are already widely used, are being looked at closely at a European level, since these segments are often regulated in a way that is much more open to technology than in Germany. In January this year we entered into a sales cooperation with a leading provider of concrete additives, MC Bauchemie, which should help us in this regard.

Additionally, in late 2024 an online marketing initiative was launched involving an exclusive STABILS YouTube channel, a major Google Ads campaign and LinkedIn posts. In cooperation with MC Bauchemie, we also plan to showcase STABILS at various trade fairs and conferences, including on the international stage.

Supporting a series of seminars

The majority of structural engineers are often unsure when it comes to calculations involving reinforced steel; it's an area that only a few engineers specialize in. To reduce this potential bottleneck in future, the BILSTEIN GROUP is working on increasing the number of engineering firms that work with reinforced concrete, by supporting a series of training seminars.

Hard work pays off

The BILSTEIN GROUP's approach to rethinking reinforced concrete, a critical material, is contending with a very strictly regulated construction industry in Germany that isn't hugely receptive to innovation. These regulations, for example, are currently leading to delays for customers in the finished parts segment. But the underlying conditions for market entry remain positive. ■

TISAX (Trusted Information Security Assessment Exchange)

Data confidentiality

The BILSTEIN GROUP complies with the highest standards of IT security, and this was further corroborated when BILSTEIN GmbH & Co. KG successfully passed the Trusted Information Security Assessment Exchange in December 2024.

The ENX Association provides TISAX to support the German Association of the Automotive Industry (Verband der Automobilindustrie, VDA) in ensuring the information security of enterprises and allow recognition of assessment results among industry participants.

The confidentiality, availability and integrity of data are also extremely important to the BILSTEIN GROUP. As such, the group complies with the VDA's information security assessment (ISA) catalogue and has taken various measures to protect sensitive data.

The TISAX assessments are carried out by TISAX testing service providers that have their certifications reviewed at regular intervals. For all BILSTEIN GmbH & Co. KG locations in Hagen, assessments were conducted by the TISAX audit provider TÜV SÜD. The pre-defined goals for the assessment were "Confidential" and "High availability". The TISAX closing meeting took place on 19 December last year. Since the results of TISAX assessments aren't intended for the general public, they are available exclusively via the ENX portal here:

<https://portal.enx.com/en-us/TISAX/tisaxassessmentresults> ■

Upgrade of the roll grinding line in Plant I

From old to new: a retrofit project

A tried-and-trusted roll grinding line from 1938 and state-of-the-art control technology – a new modernization project in Plant I is demonstrating that they can be a match made in heaven.

The roll grinder in Plant I underwent a complete renovation, which included integrating it with digital and automated control processes as well as improvements to the handling and ergonomics. "It would have been such a shame to get rid of such a robust, reliable piece of machinery just because it's been in operation since 1938," says project lead Muhammet Erkan Kaya from the plants and process engineering department. "Particularly since the mechanical system is still extremely solid." So instead the team opted for a more sustainable retrofit – comprehensive modernization of the system. "Our goal was to convert a historical system with innovative design features into a cutting-edge system furnished with state-of-the-art control technology," explains Muhammet Erkan Kaya.

Because there were no longer replacement parts or designs available for the long-serving Naxos Type CNK² roll grinder, the team first had to measure all the system components when the modernization work began in August 2023. Using these measurements, new designs were drawn up, which the experts from external firm Krausser Werkzeugmaschinenvertrieb GmbH used as a template for the overhaul. The firm's boss, Michael Krausser, was born in 1934, making him four years older than the legacy grinder. This made the team even more impressed by his effort and commitment over the course of the project. In May 2024, the roll grinding line was disassembled and transported away. The BILSTEIN team used the operational downtime over the summer to move some cable trunking as well as laying a new primary feeder cable. At the end of the year, the machinery arrived back at the plant in its individual parts, completely modernized and freshly painted.

This was followed by assembly and electrical installation. In early 2025, H. Kleinknecht & Co. GmbH got the machine up and running. After a successful test run with one roll, the system was finally handed over for production on 18 February 2025. "Today we benefit from a modern system that can get through the rolls more quickly. Additionally, it's now much easier to procure mechanical and electrical replacement parts on the market," says Muhammet Erkan Kaya, delighted with the outcome. ■



Close cooperation to modernize the roll grinder (left in image): (from left to right) Mario Schneider, grinding shop foreman, Plant I; Andreas Bohlen, roll grinder operator, Plant I; Rainer Krausser, managing director, Krausser Werkzeugmaschinenvertrieb GmbH; Knud Sömer, H. Kleinknecht & Co. GmbH; Erich Arndt, supervisor, Krausser Werkzeugmaschinenvertrieb GmbH; Robert Rosanka, roll grinder operator, Plant I; Michael Krausser, managing director, Krausser Werkzeugmaschinenvertrieb GmbH; and Muhammet Erkan Kaya, project lead, plant and process engineering department.



Safety first

Health and safety: it affects us all



The huge amount of interest in the HSE* Days 2024 once again showed how much the themes of health and safety matter to us all. And rightly so. Because we can only make a difference by working together.



Under the slogan "Safety First", last year's annual HSE Safety Days took place on 19 and 21 November 2024 at HUGO VOGELSANG and in Plant I at BILSTEIN. Usually the event's focus is on raising awareness of workplace health and safety, but this year the programme also featured aspects of environmental and climate protection. There were seven stations in total, each covering a different topic, while an eighth interactive booth – the smoothie bike – gave employees the opportunity to blend a refreshing smoothie drink while they pedal.

To give all staff the chance to participate, individual machines were taken out of production on each day, freeing up operators. "The fact that the management team is still highlighting these topics despite the very turbulent period we're going through is testament to our thriving health and safety culture," says Dominik Eickhoff, Head of HSEQ.

Safety is about being aware

Noise protection, the critical issue of forklift safety and desk ergonomics were, of course, all key features. Another highlight was the "shock station", which – as the name suggests – wasn't for the faint of heart. This made quite the impression in showing how easily serious accidents can happen at work. Meanwhile, at the "emergency planning and hazard prevention" booth, the team talked about what to do if water-polluting substances are released. All visitors to the booth had the chance to practise using the oil spill kit.

Employees put themselves through their paces

From balance training using the "Challenge Disc", learning how to lift and carry safely via a "back camera" to analysing the mobility of muscle groups and joints with the AOK mobee-Check – a range of individual tests and interactive stations allowed attendees to move their bodies, test their personal health and fitness levels and take away plenty of practical learning points.

The big HSE Quiz

Following the HSE Days, employees had the chance to win one of three high-quality prizes. All employees who answered the questions in the HSE Quiz correctly were entered into a draw. In line with the theme of the event, the prizes were an ergonomic desk chair, a spa weekend and a voucher for a massage. ■

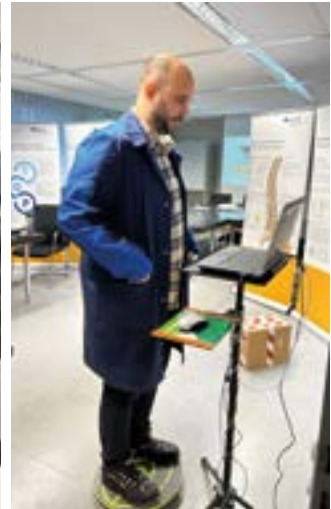


* HSE stands for health, safety and environment.



"I was delighted that so many of my colleagues showed an interest and I'd again like to thank everyone who took part. Special thanks go to the organizing team that made the event possible, and the employees in various departments who helped us out, including in setting up and cleaning up, organizing the event and running the booths."

Dominik Eickhoff, Head of HSEQ



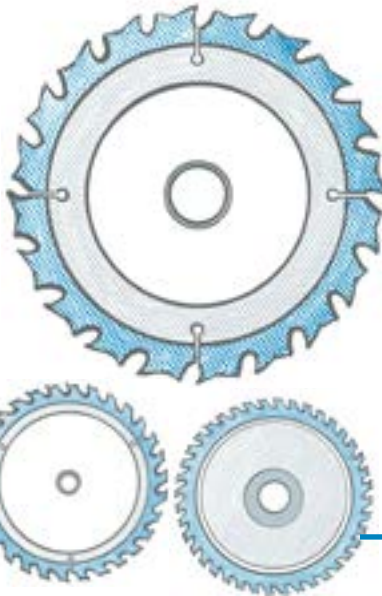
On 27 February 2025, the winners of the HSE Quiz accepted their prizes: (from left to right) Michael Ullrich, CTO; Jörg Wiesmann, foreman, shearing and finishing, Plant I (1st place: ergonomic desk chair); Thorsten Scharf, roll grinder operator, Plant I (2nd place: spa weekend for two); Marcel Hübner, roll grinder operator at HUGO VOGELSANG (3rd place: massage voucher); and Sonja Tonat, HSEQ, HSE Days co-organizer.

What is cold-rolled strip used for?

High precision with constant use.

Did you know?

The main body of all circular saw blades sold worldwide is usually made from one of the three steel grades below. Depending on the application, saws can have a different number of teeth – and these can have different types of carbide tips brazed onto them. This makes the saw blades more durable and ensures a cleaner cut. Our customers have their own specific production expertise in these processes.



Our advantages

Within the BILSTEIN GROUP, the steel first undergoes rolling at BILSTEIN and then tempering at HUGO VOGELSANG, with close coordination to ensure we comply with the customer's specifications. This ensures a highly reproducible quality standard.

A production batch for a specific customer comprises eight tonnes, with a lead time of approximately four months. We also have an inventory that allows us to provide customers with material in standard dimensions and small batches starting from one tonne within two weeks.

The main body of many circular saw blades is made from cold-rolled, tempered steel strip from HUGO VOGELSANG.

Where are circular saws used?

Circular saws are used in three major sectors:

- The wood and furniture industry is the biggest consumer, with around 80 per cent of circular saws used there.
- The steel and metal industry is next but by some distance (15 per cent); here, circular saws are used by steel service centres and OEMs to saw bars (including pipes and rods).
- Around 5 per cent of circular saws are used in the food industry, e.g. abattoirs.

Which material is used?

In addition to the standard steel used, grade C75S, grades 75Cr1 and 80CrV2 are also used in the manufacture of circular saws.

What's the market like?

The circular saw market is a niche segment, with a market volume of around 45,000 tonnes per year. These relatively small volumes are distributed across the globe. Success in this segment requires in-depth market knowledge as well as high-quality service and the flexibility to respond to customers' unique specifications.

Our circular saw experts



As a technical advisor and expert in all things quality, Patrick Mazurek from quality assurance/materials technology is on hand to answer all our customers' questions about individual specifications, tolerances, hardness grades and evenness.

>>> Contact: patrick.mazurek@vogelsang-bandstahl.de

Key account manager Tobias Blankennagel, part of the sales (industry) team, handles the commercial side of things, including dealing with new projects and enquiries, as well as nurturing and developing existing relationships.

>>> Contact: tobias.blankennagel@bilstein-kaltband.de

Who are our customers?

HUGO VOGELSANG supplies material to customers who make saws for professional use (e.g. sawmills, joineries, furniture makers) as well as the DIY/home use segment.

What are the requirements?

Circular saw customers have high standards when it comes to evenness as well as thickness and transverse tolerances. And these requirements are much more narrowly defined, far more so than usual. We comply with even the strictest specifications regarding evenness, and in fact HUGO VOGELSANG is a market leader in this respect. ■

Investing in the future

Even in these challenging times, the BILSTEIN GROUP is pressing ahead with investments to safeguard the future success of BILSTEIN CEE and the entire group.

BILSTEIN CEE is continuing the upgrades to its pickling tubs. It's also moving forward with modernizing its hot-rolled strip shearing line (raw material shears).

Modernization of the pickling tubs

The pickling plants in Králův Dvůr were installed in the mid-1980s and have operated reliably since then. The plan for 2026 is to fit new motors to the coiler and decoiler, which will significantly increase the manageable maximum weight of the coil on the line. New wiring combined with a software update will also mean that, going forward, more data and information can be captured and collected during operation of the plant. "The increase in data available to us should have a positive impact on the quality of the pickling as well as on our consumption of electricity, gas, hydrochloric acid, etc.," forecasts Peter Uhrík, CEO at BILSTEIN CEE. "We've already been able to pick up valuable learning points from a similar project on the temper rolling mill." The modernized pickling tubs are expected to start operation in 2027.

Modernization of the raw material shears

With the installation of the batch annealing line and the changes to BILSTEIN CEE's product portfolio, the quality requirements when it comes to cutting the raw material, and therefore the performance of the hot-rolled strip shears, have only grown in recent years. So, BILSTEIN CEE has decided to



replace the old shears with a new, state-of-the-art system, which should hopefully lead to improvements in quality as well as workplace safety. The plan is to start operations with the new hot strip shears in September 2026. The logistics processes related to hot-rolled strip procurement will also be modified to account for the new system.

The bottom line

BILSTEIN CEE is a critical part of the BILSTEIN GROUP. Once these new investment projects are complete, the company will have successfully upgraded almost all its systems – which were first installed in 1986 – with the very latest technology. ■

Head of materials engineering passes the torch

Enjoy your retirement!

Thomas Thülig impacted the development of materials engineering at the BILSTEIN GROUP more so than anyone else. At the end of last year, after 34 years with the company, he finally took his well-deserved retirement.



Thomas Thülig (right), who is an art lover, accepted a special gift from director Michael Ullrich on his retirement: his successor Christoph Dahnke, head of application engineering, commissioned a local artist to create a personalized collage depicting his career.

Thomas Thülig started out in the materials engineering department as a technical customer advisor at BILSTEIN on 1 July 1990. He later took over overall management of the team as an authorized representative of the company. "As one of our key in-house experts, he helped to grow our materials engineering department and align it with our customers' needs for almost 35 years. Which means he played a huge role in making the BILSTEIN GROUP a technology leader in the cold-rolled strip market today," explains Michael Ullrich. "And he wasn't just in close contact with customers; he would also work with hot-rolled strip suppliers to find technical solutions to ensure the raw material complied with our requirements. I'd like to thank him for his many years of service and hard work, and for being such a great colleague!" ■



ABOUT THIS PUBLICATION

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www.bilstein-gruppe.de

Editorial:

Markus Eilert, Thomas Ettl, Birger Hollatz,
Adriana Krasevec, Michael Lange, Marc T.
Oehler (Editor-in-Chief), Tina Prinz, Frank
Renfardt, Miriam Rensinghoff, Peter Uhrík

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Aimée Bastian, Claudia Haese,
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