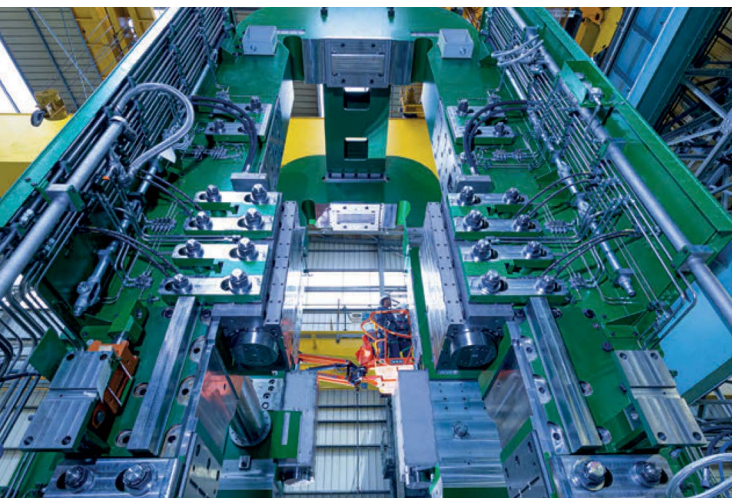


Danieli: 2020 Year in Review

by Amanda L. Blyth



The leadership team at Danieli presented the company's annual report on 22 October 2020 via webinar. The group outlined the company's current financial position, its achievements over the past year despite restrictions due to the COVID-19 crisis and its plans for the coming years.

To kick off the presentation, Michele Marinutti, industrial accounting, information technology, reviewed the financial results of Danieli's Plantmaking division, which reported a 5% increase in revenue, with EBITDA up 2%. Marinutti attributed this increase to three areas: customer orientation, reduction of costs and product line restructuring.

Danieli is focusing on the future, with specific investments aimed at becoming more flexible and actionable. In order to pursue the group's vision of competitiveness, productivity and innovation, it will combine finance and information technology, basing growth on two key principles: accountability and data-driven culture.

Giacomo Mareschi Danieli, chairman, Danieli Plantmaking executive board, described how the market might shift in the near future.

"We expect to see a market change starting in Europe, focusing on new green investments and on fully automated, increasingly intelligent plants, which are also more efficient," he said.

"This new trend will be the extra driving force that will motivate our customers to invest."

Chief among its strategies for the Plantmaking segment is focusing on its "core know-how," Giacomo Mareschi Danieli explained. "Metaphorically speaking, we mustn't invest in areas we are unfamiliar with because we are no longer able to get satisfaction from the current ones."

Planned investments in the Plantmaking segment are in the range of EUR10–15 million. The vision for Plantmaking includes quality of sales, individual and

team productivity, specialization, improving customer service and developing green solutions.

Antonello Mordeglia, Danieli Automation Group, Digi&Met 4.0, highlighted Commercial Metals Company's order of its third MIDA ECR® hybrid mini-mill. Featuring the Q-One Digimelter, this will be the world's first mini-mill producing merchant bars in endless mode and it will be capable of using solar and wind power.

Another "first" is the direct reduction plant for OMK Russia's Vyksa Steel Works, which will be equipped with an endless charging system directly feeding the electric arc furnace. It will have 64% lower emissions than the best integrated complexes, and it will be the first "green" steel plant in Russia.

Other notable developments in the Plantmaking segment include the start-up of Danieli's Quality Strip Production (QSP®) plant at the Hoa Phat steel complex in Vietnam. Featuring two vertical curved casting strands, the plant produces 3.5 million tons/year of hot-rolled coil.

A QSP plant is also in progress at Nucor Steel Gallatin. The project includes a new meltshop and a new thin-slab caster. The upgrade will allow Nucor to improve thermomechanical rolling capabilities.

Danieli's research center currently has more than 100 currently active projects, with more than 10 prototypes being industrially tested all over the world.

To improve customer service, Danieli opened new service centers in the U.S., Mexico and Vietnam, and others in the U.K., Russia and Brazil. Danieli's local presence was beneficial during the COVID-19 lockdowns.

Concerning its Steelmaking segment, the company highlighted the new Quality Wire Rod plant at its Steelmaking division, Acciaierie Bertoli Safau S.p.A. (ABS). Production was slated to begin by the end of 2020 and represents a EUR190 million investment.

The plant will allow ABS to "expand its range of high-quality products through the use of innovative thermomechanical processes," Danieli said in its annual report. It will be the only steel mill in Europe to offer products ranging from 5.5 mm to 500 mm at a single site.

The new Quality Wire Rod plant will also include the production of coils ranging from 5.0 mm to 25 mm in diameter. Its "zero man on the floor" setup will allow for remote control of the process, strict tolerances and fine grain sizes.

The wire rod mill is the first investment in ABS' Vision 2.300 program, which aims to increase sales by 50%. The goal of the Vision 2.300 program is to reach 2.3 million tons produced, for a growth of 40%.

Danieli chairman Gianpietro Benedetti closed out the presentation by discussing the overall theme of Danieli's approach in recent years, which is sustainability. He cited two important orders — its coke-free integrated steel mill and its world's-first hybrid mini-mill. Benedetti said green steel will be "paramount" in the years to come.

In the company's annual report, Benedetti explained, "The lowest common denominator in all economies will be the environmental factors, which today are given foremost consideration all around the world and also will lead to considerable investments in existing plants. It is against this likely scenario that the Group has developed its operational guidelines for the coming years." ♦

