PRESS RELEASE

Düsseldorf, March 26, 2018

MMK to implement comprehensive revamp of hot strip mill 2500 with SMS group

Reconstruction of the finishing train to expand product mix, improve product quality, and reduce operating and maintenance costs

The project teams after signing the contract (left to right): Konstantin Valuev, SMS group Liaison Office Director Magnitogorsk; Sergei German, Equipment and Services Purchasing, MMK; Wolfgang Fuchs, Head of Hot Rolling Mills, SMS group; Ralf Mackenbach, Electrical and Automation Systems, SMS group; Marina Keller, Commercial Sales, SMS group; Sergei Nenashev, Commercial Director of
PJSC MMK and Igor Gubanov, SMS group Moscow Liaison Office Director.

Magnitogorsk Iron & Steel Works (MMK), Russia, has commissioned SMS group to revamp hot strip mill 2500 at its plant in Magnitogorsk. In particular, the order includes the extensive modernization of the finishing train equipment and the installation of a new automation system.

Pavel Shilyaev, CEO of MMK, summarizes the goals of the project: “The revamp of our hot strip mill 2500 is part of our strategy for 2025. We will gain a number of advantages from this modernization: We will expand our product portfolio, we will be able to reduce our production costs, and our rolling mill capacity will be increased by 500,000 tons per year.”

The customized revamp concept, on which MMK and SMS group worked closely, represents a further milestone in the mutual trust and cooperation between the two companies. The revamp strategy proposes to complete the revamp in four shutdown periods by mid-2020.

Hot strip mill 2500 was built in the 1960s and supplied by a Soviet manufacturer. As part of the modernization, the finishing stands will be fitted with new hydraulic adjustment systems and work roll bending systems. These powerful adjustment actuators will enable MMK to produce strip within close geometrical tolerances. In addition, SMS group is to renew the drive technology in the finishing train and will supply six main drives, including converters, two new spur gear and six pinion gear units, as well as new drive spindles. SMS group will also install new work and backup roll changing equipment and a new high-pressure hydraulic system for the finishing stands.

The plant automation system is also to be thoroughly updated by SMS group. This includes the Level 1 systems, process models such as the Pass Schedule Calculation (PSC) for the roughing and finishing stands, Profile, Contour and Flatness Control (PCFC®), Cooling Section Control (CSC), a pacing system for the entire hot strip mill, the X-Pact® Vision operating
and visualization system, and an extensive range of measuring equipment and technology. SMS group will perform a Plug & Work test on the automation system before the revamp. For this, the automation system is to be installed in a test center, then tested and pre-optimized under realistic conditions.

As part of the revamp, hot strip mill 2500 is to be fitted with the high-performance X-Pact® electrical and automation system from SMS group.

SMS group is a group of companies internationally active in plant construction and mechanical engineering for the steel and nonferrous metals industry. It has some 13,500 employees who generate worldwide sales of more than EUR 3 billion. The sole owner of the holding company SMS GmbH is the Familie Weiss Foundation.