"Europe Must Wake Up from Its Slumber"

Christian Grosspointner, CEO of Aichelin Group

How does a heat treatment equipment manufacturer with an automotive focus assert itself in disruptive times? In this exclusive interview with heat processing, CEO Christian Grosspointner explains how the Austrian based Aichelin Group keeps on track for success with the old principle "think global, act local," through international strategic partnerships, repositioning of the "Aichelin" brand, and consistent digitalization.



Christian Grosspointner, CEO Aichelin Group Source: AICHELIN Group | Tobias Fröhner

hp: Mr. Grosspointner, geopolitical tensions have massively intensified in recent years. How does the Aichelin Group position itself in this changed environment of decoupling, deglobalization, and national protectionist policies?

Christian Grosspointner: As a group, we can say that we are doing relatively well. However, this is no coincidence, but the result of a targeted entrepreneurial philosophy that we have been consistently pursuing for years. We focused on strong localization early on: We manufacture in Europe for Europe, in North America for North America, and in Asia for Asia. This regional anchoring of our business proves to be an enormous advantage precisely in these turbulent times. We don't feel the geopolitical tensions with their effects on tariffs and trade relations as strongly in our direct business as other companies do.

hp: Europe is currently struggling with enormous structural problems – the high energy and labor costs are increasingly proving to be location killers and are leading to production relocations in many places. How concretely noticeable is this growing deindustrialization in the EU for you?

Grosspointner: We continuously see companies leaving Europe because production has simply become too expensive here. The combination of high labor costs and exploding energy prices significantly burdens competitiveness. Particularly

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larger companies are moving their production to India or other Asian countries, for example. What's interesting is that we do receive inquiries from there and are also involved in these projects – however, this development is very problematic for Europe as an industrial location.

hp: How do you react to this?

Grosspointner: The market is clearly declining, which has prompted us to initiate a consolidation process of our European companies over the past two years. We have made ourselves leaner and more agile because we realistically have to assume that the new equipment business will not return to its usual form so quickly. Nevertheless, the European market remains strategically relevant for us – but it needs new impulses.

hp: Despite these challenges, a certain reindustrialization is taking place in the EU in parallel – keyword battery infrastructure for e-mobility. Does electromobility actually offer new compensatory business fields for Aichelin?

Grosspointner: Aichelin was traditionally leading in the automotive industry, particularly with large pusher type furnaces. This area is indeed declining, but at the same time the automotive industry continues to invest – just differently than before. The requirements have fundamentally changed – today, significantly smaller and more flexible systems are needed compared to earlier times when it was primarily about throughput.

hp: How do you evaluate developments specifically in battery technology?

Grosspointner: In battery technology, we have been working successfully for several years in a partnership with a Chinese manufacturer for heat treatment equipment specifically developed for battery powder. Additionally, we are working on an integrated process for mechanical and metallurgical recycling of battery materials. Both this area and battery powder heat treatment are technically demanding but high-growth segments with great potential.

hp: Does this also apply to the European market?

Grosspointner: The biggest obstacle for battery plants in Europe is bureaucracy and legal requirements – and unfortunately, this is not an isolated case but a systemic problem.

We had customers who had planned ambitious projects in Europe but gave up after two years without significant progress in approval procedures. In comparison, they received all necessary approvals in North America within half a year and could get started.

hp: Nevertheless, more and more battery factories are currently being built in Europe.

Grosspointner: Many new battery factories are indeed being built in Europe – however, the largest investments often come from Chinese companies. Many of these players are drawn to Eastern Europe because they benefit from lower labor and energy costs and comparatively less complex bureaucracy. This gives them competitive advantages, especially regarding margins and implementation time.

hp: Do you think that strategic partnerships in particular can contribute to making Europe more attractive for the industry again?

Grosspointner: Partnerships are important, but I think that above all technical innovations are the key to leading Europe back to its former strength. I am firmly convinced that Europe can be successful again – but only if we finally wake up from our Sleeping Beauty slumber and develop real innovative power and willingness to perform again. It was always our trademark to develop new industrial sectors and groundbreaking technologies – but they won't come by themselves. We must learn that things change, and we must be ready to make compromises where necessary.

hp: Making compromises is currently particularly necessary when it comes to sustainability. How do you proceed here without falling into superficial greenwashing?

Grosspointner: I absolutely reject greenwashing and theoretical assumptions calculated out of touch with reality – that's not only dishonest but also counterproductive. Sustainability and environmental compatibility are important topics, but we must remain realistic. Heat treatment equipment is always energy-intensive – that's its nature. To claim I have a "green furnace," that doesn't do justice to reality, even if the furnace is electrically heated and the electricity theoretically comes from solar energy. What we can honestly offer our customers, however, is concrete support in measurably reducing energy consumption – through data analysis, precise control, or simulation-supported plant planning.

hp: How do these challenges concretely change your business model and way of working?

Grosspointner: Digital transformation is the decisive enabler of green transformation – these two developments are inseparably connected. Take process gas controls, for example, where excess gas is still sometimes flared off. If we want to control this more efficiently, it only works with digital processes. The data must be processed in real-time so that we can react quickly and adjust the plant accordingly. This requires intelligent systems, such as AI applications and precise data analysis.

hp: Are there other areas where you increasingly use digitalization?

Grosspointner: When we talk about digitalization, we inevitably also have to talk about knowledge management – and that's a critical topic, especially in Europe. Right now an entire generation of experienced technicians who have significantly helped build our industry over the last 20 to 40 years is retiring. This inevitably raises the question: How can I preserve this valuable know-how and make it accessible to the younger generation?

hp: What does your solution approach look like?

Grosspointner: This is where artificial intelligence comes into play, in a very practical way. Over the years, we have accumulated an enormous treasure trove of data, documentation, and detailed records. However, when a young engineer joins the company, he will never find his way through this huge amount of information. With AI, we can systematically make the knowhow accumulated over decades accessible.

hp: Given the declining new equipment business in Europe – what role does the service sector play for Aichelin today?

Grosspointner: Service is far more than maintenance for us – it's a strategic product. This change in perspective is a response to a clear industry trend: many industrial customers increasingly rely on external expertise. We have noticed this and in 2024 purposefully expanded our global service network with new expert teams and regional support in important markets. Our aspiration is not only to support customers on a case-by-case basis, but to accompany them as a reliable partner throughout the entire lifecycle of their plant – from construction including production, commissioning through preventive maintenance to modernization and retrofit. Tech-



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nical competence, quick response, and high availability are among our central service promises.

hp: What does it mean concretely for Aichelin to position itself as a lifecycle partner – also with regard to new service formats?

Grosspointner: Building on this development, we have introduced the concept "Service as a Product." Behind this are modularly structured, standardized service packages that can be flexibly adapted to individual customer needs – regardless of whether we built the plant ourselves or not. This way, we can provide our services in a scalable, efficient, and location-independent manner. This is an essential step for us to meet the changing market with a future-proof, independent business model.

hp: What else do you do to be attractive as an employer for young engineers in times of skilled labor shortage?

Grosspointner: Employees today want to be much more informed about the purpose of their work. By the way, this is not only a European phenomenon but a worldwide trend. The core of our new corporate strategy is therefore also and especially that we involve employees more and convey to them in intensive dialogue what the company stands for and where we want to develop and that what they do is meaningful. If we succeed in this and at the same time develop a new performance mindset, then Europe can certainly experience an industrial renaissance.

hp: Which technologies do you consider strategically important for Aichelin's future?

Grosspointner: There are indeed technology areas where we are not positioned as strongly as we could be. The coating

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area, for example, is very interesting for us. We are currently intensively evaluating what possibilities exist in this area and which companies could strategically fit with us. Where we definitely see the future is in digital twins and simulations, which we already use increasingly. In our technical center, we experiment continuously – whether in the direction of hydrogen, new media, or electric heating. We try to simulate all these developments in advance before implementing them in practice. This not only saves time and costs but also enables us to make very precise statements for our customers already in the planning phase.

hp: You mentioned electric heating – where do you generally see the future of heating technology?

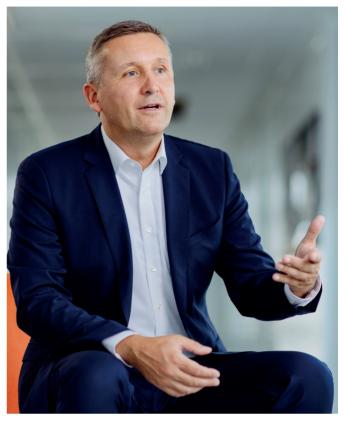
Grosspointner: The future will definitely be more electric – there's no way around it. The only question is: when, in what form, and how quickly. We must strategically consider where and at what pace natural gas-powered systems can be replaced by electric heating forms. This development is definitely coming, but it's not progressing as quickly as we all believed two years ago.



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hp: What's holding it back?

Grosspointner: Such a conversion costs a lot of money accordingly, and current electricity prices and infrastructure offerings are not yet attractive enough for electrical energy to prevail over gas. In Asia, for example in China, 90 % of our plants have been electrified for years. China is much further ahead than Europe in this regard and has been consistently focusing on electrical solutions for years. This shows that it's technically feasible – it's a question of will and economic framework conditions.



Christian Grosspointner, CEO Aichelin Group Source: AICHELIN Group | Tobias Fröhner

hp: Finally: How optimistic are you about the future of European industry?

Grosspointner: I am quite optimistic about Europe – but only under the condition that we now set the right course. Europe still has enormous potential, but we must finally stop constantly talking everything down and instead start working together on constructive solutions again. Every change also contains an opportunity. We must be open and receptive in our attitude, look where new possibilities arise – and then consistently use them. Europe can be successful again, but we must be ready to move and change.

Dipl.-Ing. Christian Grosspointner, MSc took over the position of CEO of AICHELIN Group in 2022, succeeding Dr. Peter Schobesberger after his 23-year tenure. The trained industrial engineer brings extensive leadership experience from managing manufacturing operations in international machinery and plant construction as well as metal processing. As CEO of AICHELIN Group, Grosspointner is currently particularly responsible for the strategic development of the traditional company with global orientation.