



# General Industrial

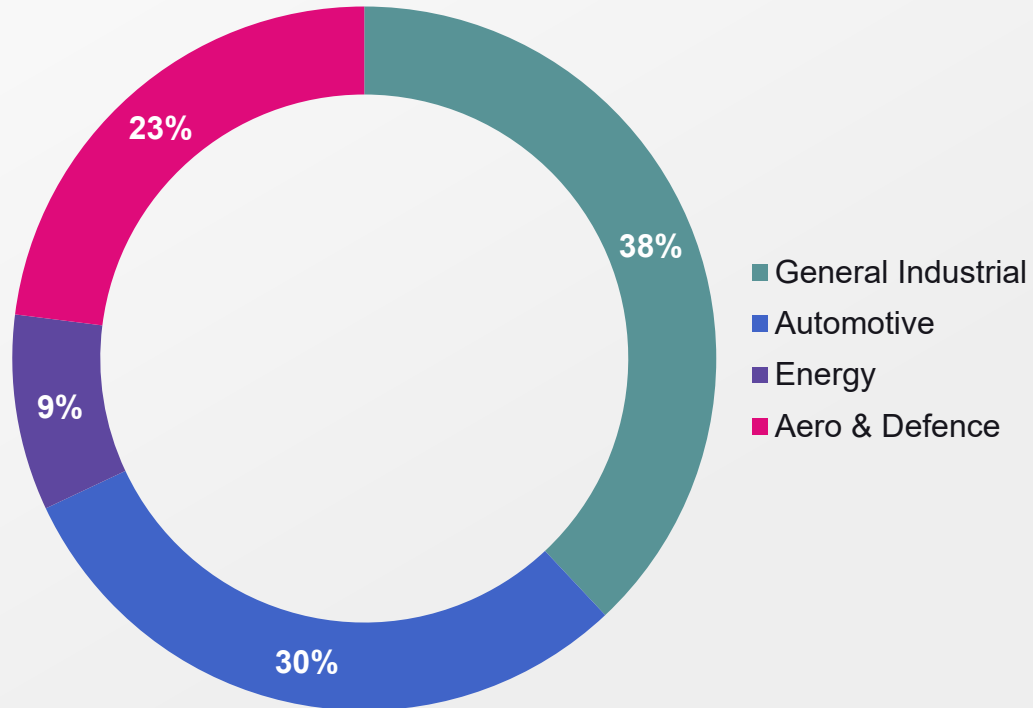
Eric Denisse

# Agenda

- Market and Segments
- Applications
- Business characteristics
- Plant characteristics
- Success factors

# General Industrial

Bodycote's largest sector



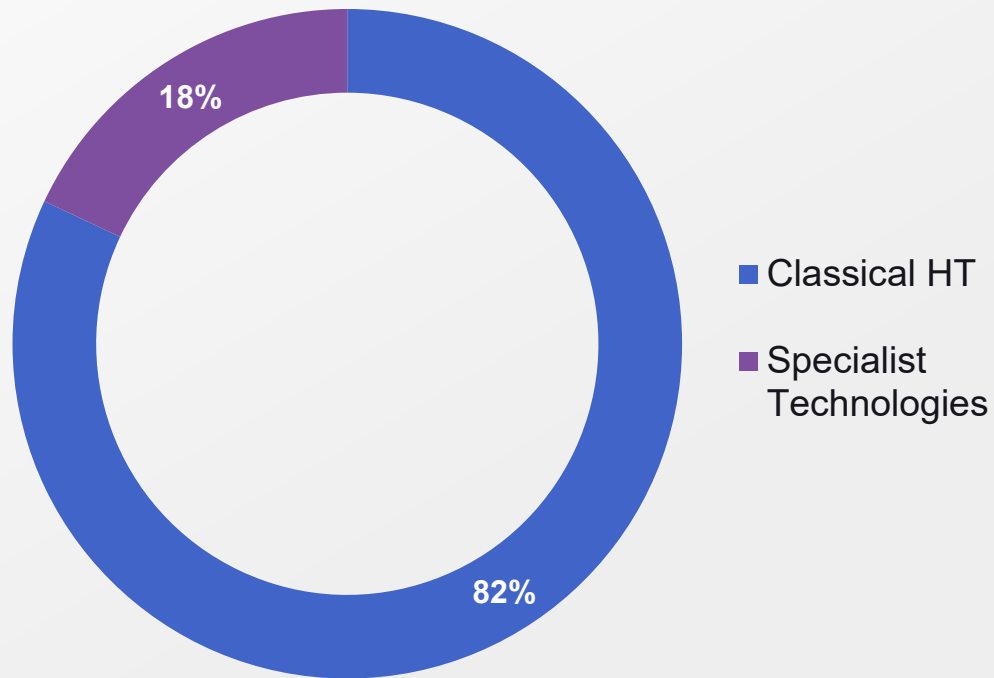
**£281m**  
business

**↑6%**  
growth

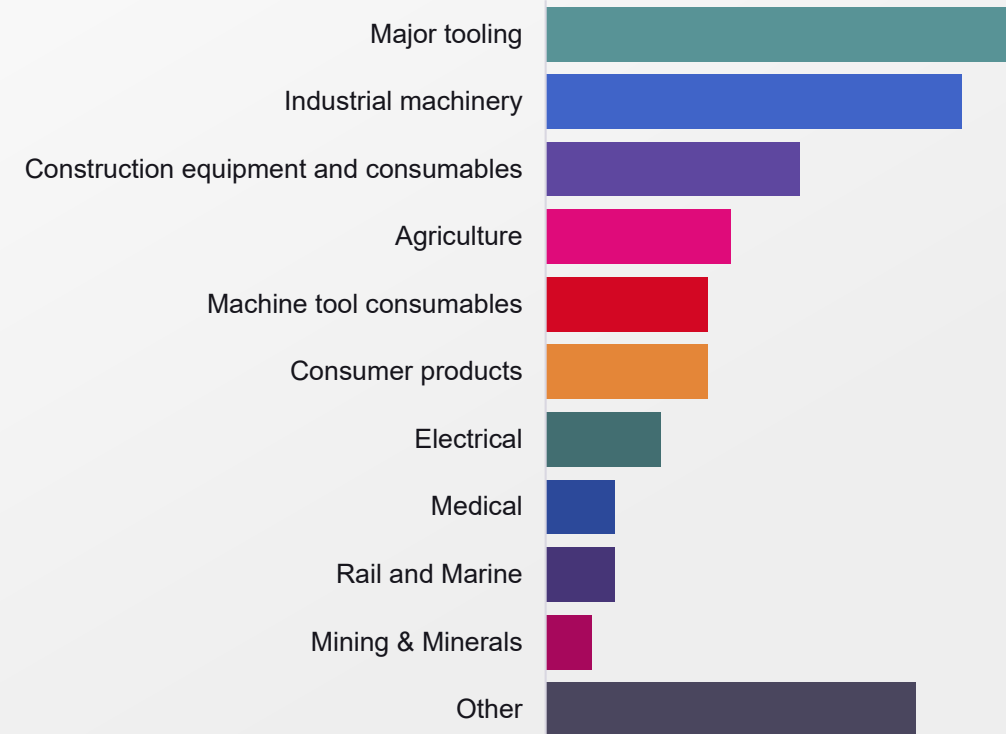
in 2018 in all key  
geographies

# General Industrial segments

## General Industrial split by treatment



## Classical HT General Industrial segments



# General Industrial

Huge variety of applications



# Business characteristics

A successful GI plant needs to manage a complex business, while delivering very high service levels

## Customers

- Small to medium size customers
- High variety of parts sizes
- Low volumes of each part
- Quality / technical requirement from low level (no visits) to high level (audits)
- Poor to high level of knowledge in heat treatment

## Sales

- Quick quotes
- Quick delivery
- Many small orders
- Sometimes poor level of information



# Critical success factors

## Customer service

- Efficiency of services – quality and quick delivery
- Diversity of heat treatment services
- Pick up and delivery logistics
- Proactive proposals (solutions, technologies...)
- Regular contact through calls, indirect sales channels or local exhibitions

**Physically located close to customer business**



# Bodycote's business characteristics



## Internal

- 10-30 people
- Quick delivery and pick up: 24 hours to 3 days
- Various sizes of parts
- Low volume
- Close to customers

## External

- Large customer base per plant
- Low sales per customer per year
- Typically limited customer in-house technical capabilities
- Price is not the highest priority

**Quality and service first – price second**

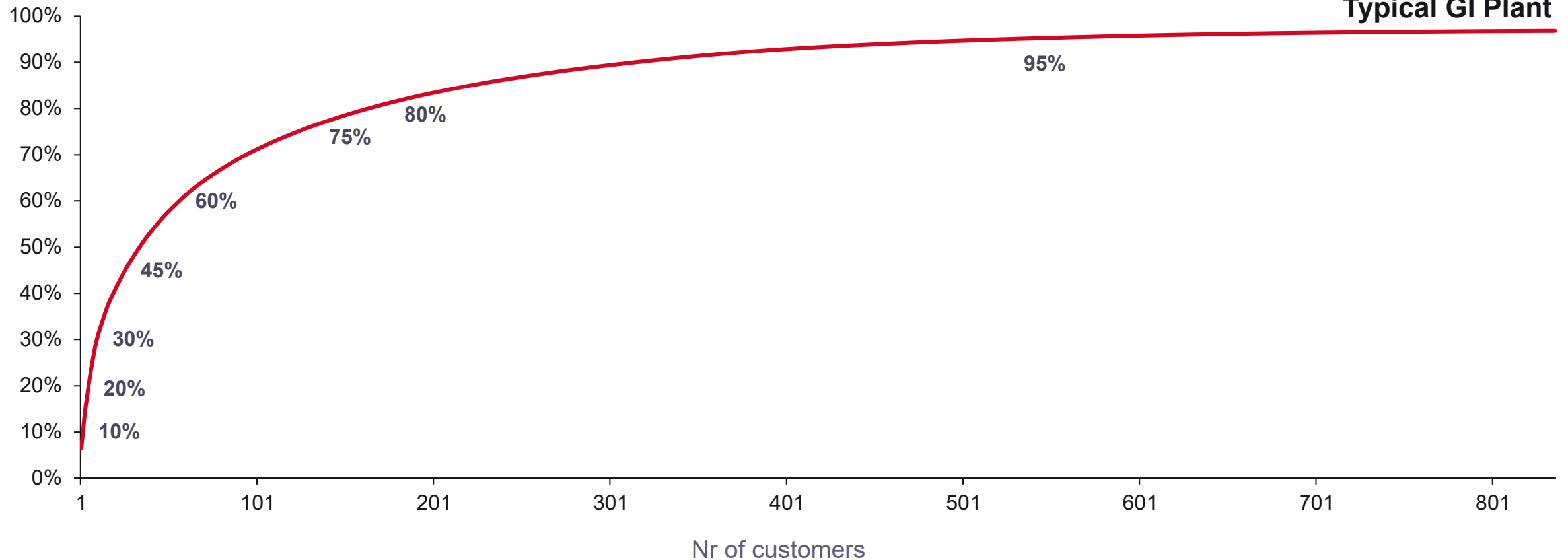


# Customer distribution



Low exposure to any single customer

% sales of plant



# Bodycote's competitive advantage



## Bodycote features

- Local regional cluster of facilities
- High diversity of processes across multiple facilities
- Organised transportation routes
- Highly decentralised management supported by good management information and business processes
- Strong organisational technical support

## Typical competitor

- Small in size
- Local single plant
- Diversity of processes leading to plant complexity and poor machinery utilisation
- Poor management information



# Success factors

## At each plant

- Ability to organise production to optimise for:
  - quick delivery
  - equipment loading and utilisation rate
- Customer contact at plant level
- Specialised plant network linked through transportation and logistics
- Experience and know-how
- Cost control
- Ability to respond quickly

**High service level oriented team focused on production optimisation**

# CAPITAL MARKETS DAY

2019

