Pursuit of Perfection

American Wire Producers Association Meeting

February 22, 2019
1 short year since we “broke back into the asylum”
2018 Executive Summary

- Stakeholder Engagement – customers, employees, suppliers, community
- Stabilizing operational base – critical hires, systems, facilities, processes (+/-)
- Transformational activities underway e.g. SMS, BSE, SvMet
- Met 2018 Budgeted EBITDA
- Balance Sheet management

- Safety performance (Q4) and stalled cultural transformation
- Production below budget. Safety over production – lower shell
- Progress in changing culture towards urgency & execution
Strategic Focus: Best in class cost and productivity

• Foundational
  • Standardize Do Check Act – Training – Talent Pipeline
  • IT – ERP – Maintenance – Buildings & Grounds

• Manufacturing Process Improvements
  • Raw Materials >> Finished Goods
  • Plan Do Check Act - Process Improvements - CAPEX
3 year capex outline

• Over 50 specific projects 2019 – 21
  • Valve Burner Controls
  • Ladle Auto Stirring
  • Billet Tagging & Tracking
  • Met Lab Automation
  • Coil Handling System
  • Transformer
  • In line diameter/section measurement
  • LRF Automation System Upgrade
  • Caster Upgrades
  • Water Treatment
  • Bag House
# Balanced Scorecard – 2019 Routine & Improvement

<table>
<thead>
<tr>
<th>Performance Indicator</th>
<th>Improvement Projects</th>
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<tbody>
<tr>
<td>PSIF - # of events</td>
<td>Union Agreement</td>
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<tr>
<td>PSIF - Actions Completed</td>
<td>BSE Path to Perfection</td>
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<tr>
<td>Notice of Environmental Incidents</td>
<td>SMS Project Implementation</td>
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<tr>
<td># of complaints/ Claims paid</td>
<td>CAPEX Execution</td>
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<tr>
<td>Shipment Volume</td>
<td>SvMet</td>
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<tr>
<td>Yield</td>
<td>Customer E Commerce Solutions</td>
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<tr>
<td>Real / Budget Volume MS</td>
<td>Campus Redesign</td>
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<tr>
<td>Real / Budget Volume RM</td>
<td>S4 HANA - &quot;YOGA&quot;</td>
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<tr>
<td>Modified Conversion Cost</td>
<td>Benefits 2020</td>
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<tr>
<td>Metal Spread</td>
<td>Inventory Control (SKU Rationalization)</td>
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<td>On Time Delivery</td>
<td>Insurance improvement</td>
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<td>Turn Over</td>
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<td>Social responsibility</td>
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<tr>
<td>BSE %</td>
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<td>Training Hours</td>
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2019 -21 Overview Expectations

2019
• GDP 2-2.5%  No major progress on infrastructure bill
• No major change to trade environment, but adjustment to new normal
• Gains in operational excellence - safety, productivity, efficiencies/costs primarily through process improvements

2020
• GDP flattening.  Recessionary Q2 or Q3.  Trump stays trade hawk. Pushes infrastructure as reelection bid
• Gains in operational excellence - safety, productivity, efficiencies/costs - process improvements & CAPEX

2021
• We (the industry) need to have our house in order and control our own destiny
Closing Comments

• Adjusting to the new normal....... will change
• Wire Rod and Wire Products are global commodities
• Need to be globally cost competitive, understanding and capturing the value differential
• Opportunity to collaborate better & more agile
• April approached AWPA – September Letter – February ??
• What interest level & format possible to promote efforts