



**OPTIMUS  
STEEL**

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

## Values

- Honesty
- Responsibility
- Excellence
- Passion
- Teamwork



Strive for Perfection in everything we do  
Outperform the steel industry in safety, quality,  
value and innovation



# 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

Performance Indicator
PSIF - # of events
PSIF - Actions Completed
Notice of Environmental Incidents
# of complaints/ Claims paid
Shipment Volume
Yield
Real / Budget Volume MS
Real / Budget Volume RM
Modified Conversion Cost
Metal Spread
On Time Delivery
On Time Delivery
Turn Over
Social responsibility
BSE %
Training Hours

Improvement Projects
Union Agreement
BSE Path to Perfection
SMS Project Implementation
CAPEX Execution
SvMet
Customer E Commerce Solutions
Campus Redesign
S4 HANA - "YOGA"
Benefits 2020
Inventory Control (SKU Rationalization)
Insurance improvement

# 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