

# Business model

## Provider of essential services to engineering manufacturers

### Classical Heat Treatment

- Working to very exacting quality specifications, heat treatment uses precisely controlled furnaces to process a huge variety of metals and alloys, improving their material properties.
- Bodycote's Classical Heat Treatments describe a group of mature heat treatment processes and includes metal joining technologies which are used to join and assemble parts.

Virtually every type of metal component, whatever its application, has received some form of processing before its introduction to service to enable it to perform to the required standard and last longer.



### Specialist Technologies

- Bodycote's Specialist Technologies refer to a group of processes which require very specialist expertise and technology. These technologies, some of which are proprietary, offer unique solutions for a variety of applications.

## The global leader

### Customer focus

- Bodycote is focused on continual improvement of our quality of service and takes an active role in finding solutions to technical issues and promoting mutual business development with our customers.
- Bodycote seeks to secure service-specific arrangements with our customers which provide protection from supply disruption by leveraging Bodycote's unique facility network.

### Global network

- Bodycote's global network of 189 market-focused facilities (see pages 12 and 13) in 23 countries brings economies of scale, particularly for logistics and equipment utilisation. This makes Bodycote's processing inherently more efficient than customers' in-house operations (see page 32) and competitors, thereby enhancing our competitive position in the sub-contract market.
- The capital intensive nature of Bodycote's business also provides significant barriers to entry. The scope of Bodycote's network enables us to specialise more effectively than competitors at individual locations and provides comprehensive back-up for our customers.

### Transferable know-how

- The global Bodycote network provides unique opportunities for the transfer of knowledge and skills, and the transfer of technology.
- With some of the best metallurgists, engineers and technicians in the industry, Bodycote is ideally placed to provide solutions for customers, wherever their market or wherever in the world they may be.
- Bodycote's scale enables continuous yet focused investment, both in the latest processes and in the most efficient and environmentally friendly equipment.



## The supplier of choice

### Service

- Bodycote has become the supplier of choice for many of the world's most respected and innovative engineering companies by providing highly efficient, cost-effective services to the highest quality standards through strategic investment in people and the latest technology, equipment and quality systems.

### Quality

- Bodycote's quality management systems, validated by major engineering OEMs, have been developed to meet the requirements of international and national accrediting bodies. All Bodycote facilities hold industry and customer approvals appropriate to the services they offer and the markets they serve.

### Expertise

- Bodycote's extensive facilities and expertise mean that projects can extend beyond customers' in-house capabilities, combining identification and provision of technical solutions which address in-service specification and deliver value-adding material properties.
- Our own enhancements and improvement of standard processes has led to Bodycote offering a range of proprietary processes which far outperform their standard counterparts.



## Creating value

### For customers

- Value-adding services.
- Global supplier which can meet multiple processing needs.
- Access to entire Bodycote knowledge base and expertise.
- Cost and environmental benefits versus in-house operations.

### For Bodycote

- Mutually beneficial customer relationships.
- Wide customer base means Bodycote is not reliant on any one customer.
- Ideally positioned to promote growth in emerging markets and selected technologies.
- Clearly focused strategy.

### For investors

- Financially stable and sustainable business.
- Good growth drivers.
- Superior return on investment.
- Strong margins and cash flow.