

# Business model

## Provider of essential services to engineering manufacturers

### Heat Treatment and Metal Joining

- Heat treatments are controlled processes used to alter the microstructure of materials such as metals and alloys to impart properties which benefit the working life of a component.
- Metal joining includes specialised processes used to join and assemble parts, sometimes dissimilar in material.

### Hot Isostatic Pressing (HIP)

- HIP combines very high temperature with inert gas under very high pressure. HIP can be used to eliminate porosity in castings and manufacture specialist components with unique properties.

### Surface Technology

- Surface technologies are used extensively to prolong the working life of components and protect them from environmental factors such as corrosion and abrasion.



## 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 over 190 market-focused<sup>12,13</sup> facilities in 26 countries brings economies of scale, particularly for energy consumption and equipment utilisation. This makes Bodycote's processing inherently more efficient than customers' in-house operations<sup>29</sup> and enhances 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 but 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<sup>10</sup> 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.

Superscript numbers indicate references to other pages in the report where further information can be found.