

# ArcelorMittal Tubular Europe

## SAP S/4HANA

September 28<sup>th</sup> 2022



ArcelorMittal



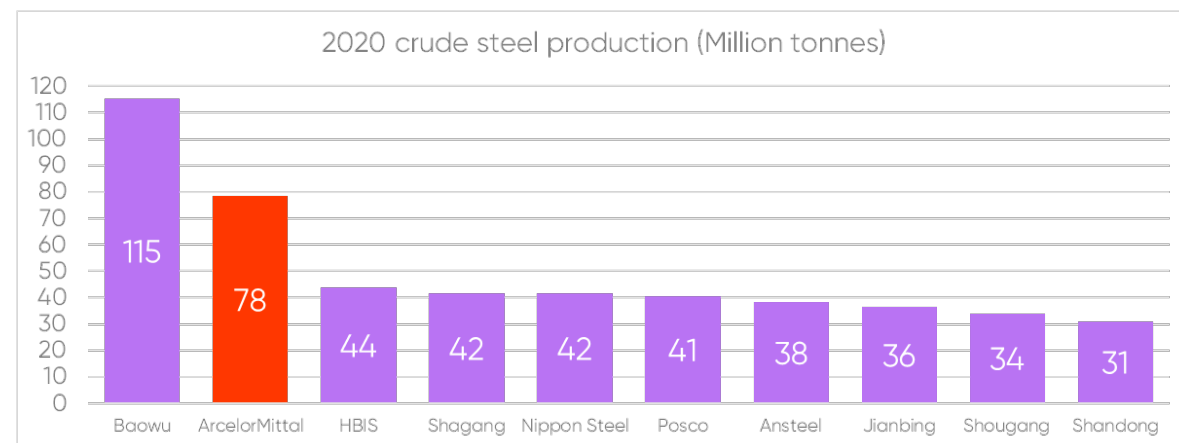
# ArcelorMittal Group overview

## The Group

- **Second biggest** steel producer in the world
- **158,000** employees in more than 60 countries, and industrial presence in 16 countries
- Crude steel production: **47%** in Europe, 38% in Americas, 15% in other countries (Kazakhstan, South Africa, Ukraine...)
- R&D: 11 sites worldwide, 1500 full-time researchers, main focus in Europe (83% of spent in 2020)
- **XCarb®**: target of -30% CO2 emission by 2030, carbon neutrality in 2050

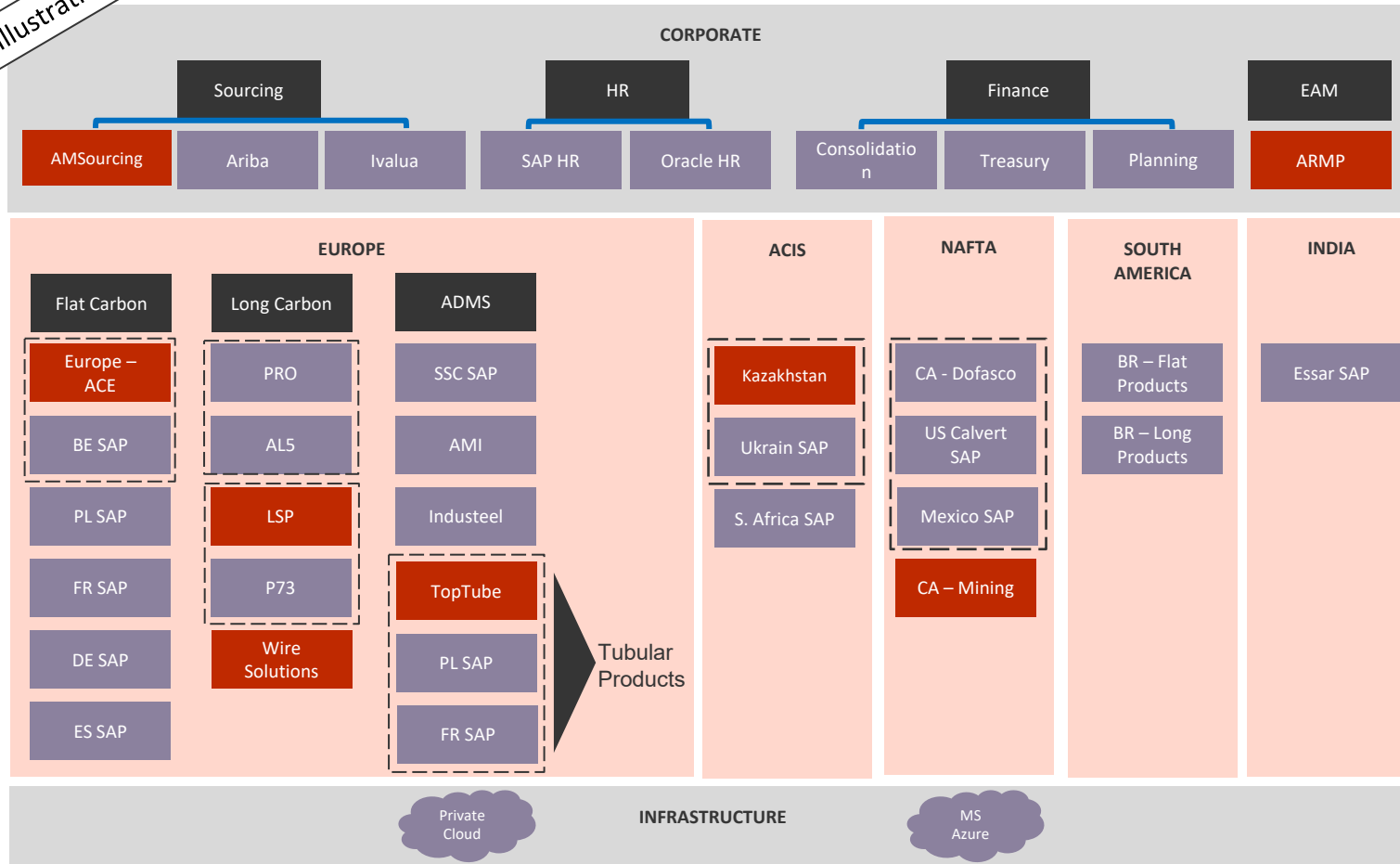
## Europe

- **32.9** millions tonnes shipments in 2020
- **71,000** employees in 400 locations in 18 countries in 2020
- Divisions
  - **Flat Products**: 12 integrated minimills and primary facilities in 5 countries, largest producer in Europe of flat products: HP, HRC, CRC, HDG, coated, tinplate, enamelled, electrical steels
  - **Long Products**: 26 production sites in 10 countries, leader in sections, sheet piles, rails, wire rod, bars & rebars
  - **Downstream Solutions**: downstream activities of Flat and Long, and value-added/customized steel solutions. Includes: Distribution Solutions (SSC), Construction, AMI, **AMTP**, and Industeel



# ArcelorMittal is on a journey to digitalize its business application platform

Illustrative



- **Standardization and rationalization**  
at corporate, segment, cluster and mill level following a best-of-breed strategy
- **Journey to S/4**  
using a mix of brownfield and greenfield migration approaches
- **Journey to cloud**  
at Infra (IAAS), App (SAAS) and platform (PAAS)
- **Maximize synergy and leverage**  
through collaboration across segments

**S/4** S/4/HANA program being started, in progress or completed  
 [Dashed Box] Rationalization envisioned



# ArcelorMittal Tubular Products – Europe

1 Mt producer

15 mills in  
6 countries

Pan-European footprint for best **proximity** to the market

**Largest offer:** most diversified producer of tubes in Europe



## Automotive Small Welded

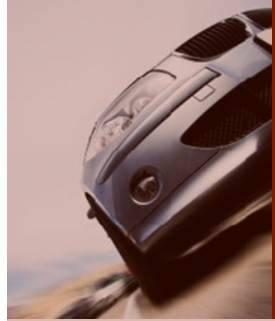
- Precision tubes
- \* Components

## Industry Small Welded

- Structural**  
Civil eng, foundations, offshore
- Utilities**  
Water distrib, HVAC, sprinklers
- Mechanical Eng.**  
Yellow goods, cylinders
- Agriculture**  
Greenhouses
- Mining**  
Drill rods, cire barrels
- Others**  
Scaffolding, fencing, storage

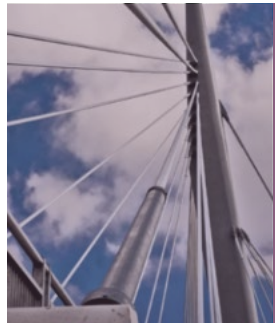
## Seamless (Energy)

# ArcelorMittal Europe Tubular Products – Main applications



## Automotive

- Suspension systems, engine tubing, drive train systems, airbag parts
- Seat parts, instrument panel beams, engine cradles, shock absorbers
- Chassis parts – twist beam axles, drive shaft parts, crash components



## Construction, Mechanical & Industrial

- Structural steel for Civil and Industrial constructions
- Heavy machinery - Cranes, Hydraulic cylinders, Yellow goods, Oil Tools
- Gas Cylinders
- Utility installations for water, gas, air conveyance



## Energy

- OCTG (Oil Country Tubular Goods) – extracting Oil & Gas
- Linepipe – conveying Oil & Gas
- HPI (Hydrocarbon Processing Industry) – Refineries & Petrochem. plants
- Power Generation – Thermal Power Plants, Renewables

Seamless and Welded tubes and pipes are used across all these industries

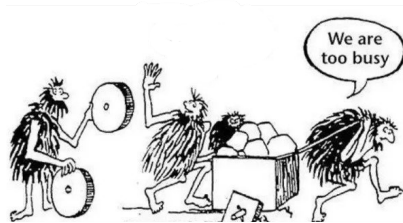
# TopTube Approach

Empower the team with tools to ensure speed and agility



## Simplify, Standardize, Automate

**Simplify** Processes



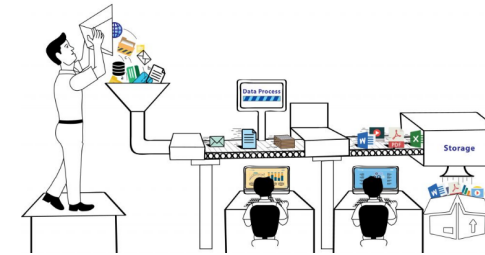
Driven by People

**Standardize** Data



People + Technology

**Automate** Transactions

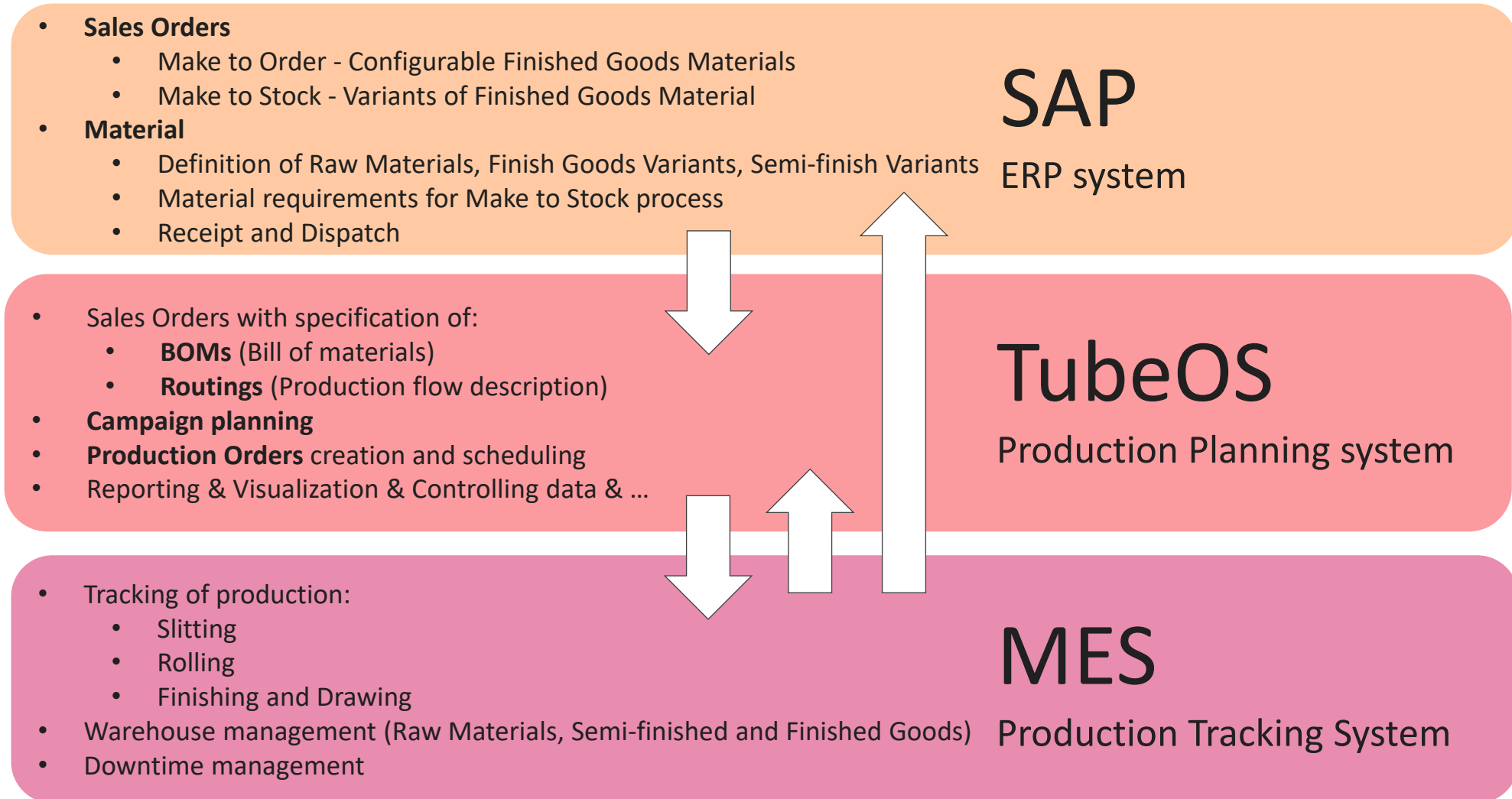


Technology

# SAP S/4HANA Core System + Industry specific web applications



# TopTube Order to Delivery



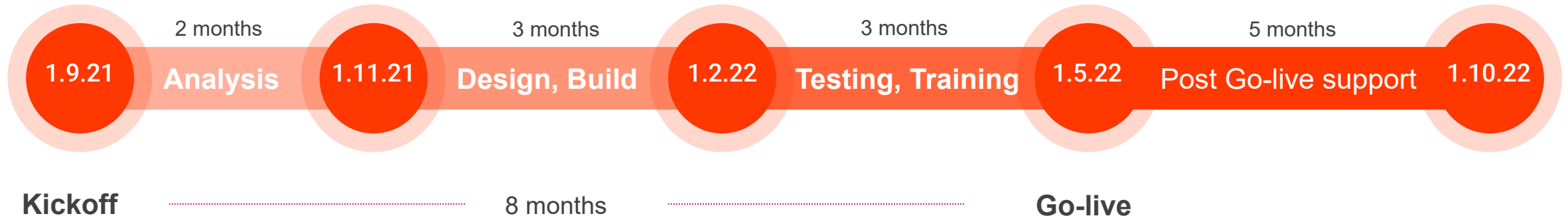


# Tubular Product Definition, Make to Stock, Make to Order

- Complex Product Definition with more than **300 characteristics**
- Full product configuration including **quality testing** requirements
- **Make to Stock** approach for standard products (60%, 600 FG Variants) using Availability to Promise (ATP)
- **Make to Order** approach with Variant Configuration for non-standard products
- **Product Definition Wizard** using dependencies tables



# TopTube S/4HANA rollout timeline and project team

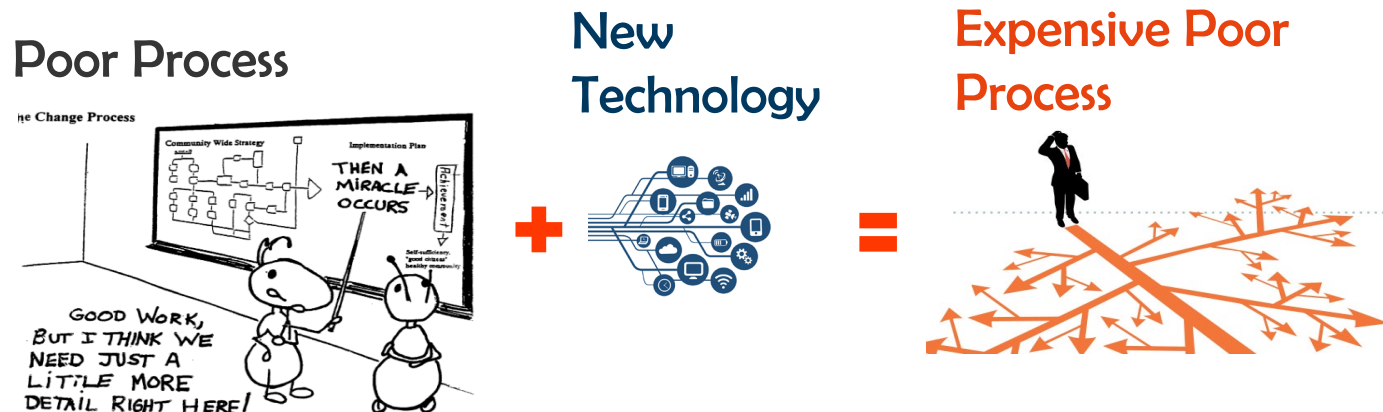


## Project Team

- Project Management 1 FTE
- SD + Product Definition 3 FTE
- FI rollout with local change requests 1 FTE
- CO design of allocation cycles 0.5 FTE
- MM pure rollout + master data 1.5 FTE
- MES + Planning full design 2.5 FTE
- Reporting 0.25 FTE
- Integration 0.25 FTE
- Data Migration 1 FTE

# Project Lesson Learned

- **Business team involvement** is key for project success
- **Project planning** should be aligned with possible speed of change management
- Project **bottlenecks** are usually on business side and should be identified as soon as possible – ideally even before project startec
- **Data migration** requires business participation from very beginning



## SAP S/4HANA Main Benefits

- **FIORI** applications
- Integrated **Business Warehouse**
- **SAP Analysis for Office**
- Simplified and Standardized **Integration**
- Direct connection of **Microsoft Power BI**
- High performance of **HANA database**

