METINVEST

Metinvest Sales Transformation Journey

Yulian Andronichuk
Head of Sales Transformation and CRM

September 2022

An international vertically integrated steel and mining Group

Mining
Secure raw material supplies

TOP 10 iron ore producers in the world

44.9 MT iron ore concentrate produced

Production sites

5 in Ukraine   **1** In the US

Steelmaking
Full range of products

TOP 45 steel producers in the world

13.4 MT crude steel produced

1,000+ steel products

Production sites

5 in Ukraine   **4** in Europe

Sales
Global distribution network

After-sales service and technical support

30+ sales offices

20+ steel distribution centers

~7,000 customers

Logistics
Own freight forwarding company

Warehouse and logistics complexes around the world

70 countries

170 seaports

~1,000 ships in operation

Unless otherwise stated, all figures in this brochure are based on Metinvest financial and production reporting for the full-year 2021 and include the operations of joint ventures

METINVESTHOLDING.COM

The Group's assets

US
Coking coal
United Coal

UK
Plates
Spartan

ITALY
Plates and coils
Ferriera Valsider
Trametal

BULGARIA
Sections and shapes
Promet Steel

UKRAINE

Coking coal
Pokrovske Coal

Iron ore
Northern GOK
Ingulets GOK
Central GOK
Southern GOK JV

Coke products
Avdiivka Coke
Zaporizhia Coke

Integrated metallurgical plants
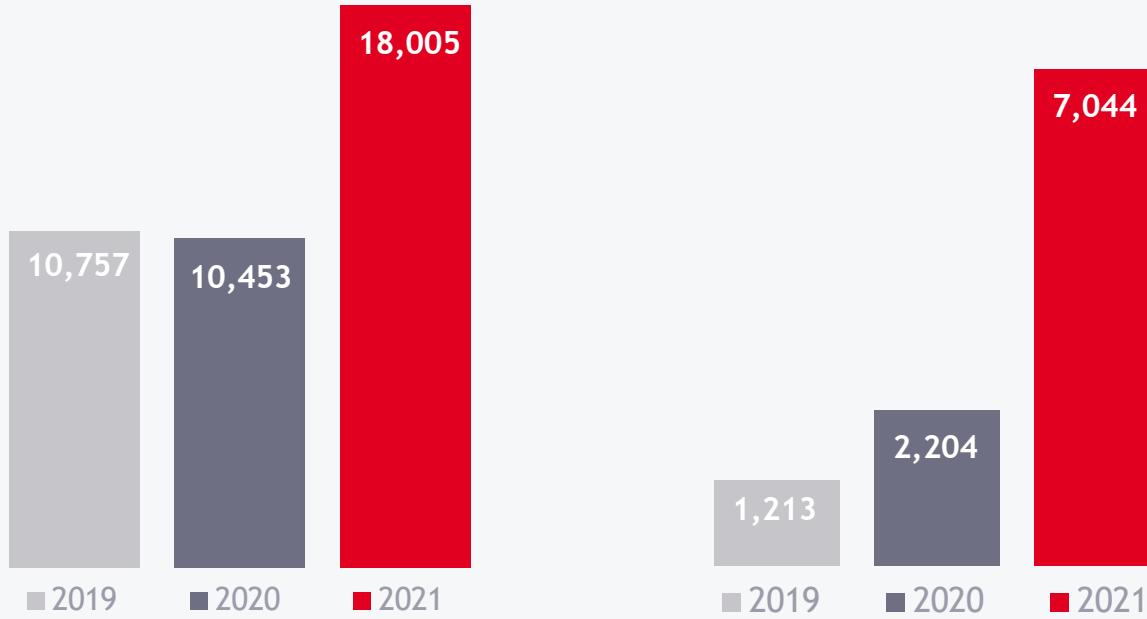Ilyich Steel
Azovstal
Zaporizhstal JV
Kamet Steel

Galvanized products
Unisteel

Solid financial performance

2021

Revenues bars: 2019: 10,757 | 2020: 10,453 | 2021: 18,005

EBITDA bars: 2019: 1,213 | 2020: 2,204 | 2021: 7,044

Revenues
US$ 18,005 M

EBITDA
US$ 7,044 M

Global sales

Offices and service centers

1. Switzerland
2. Italy
3. Germany
4. Belgium
5. Spain
6. United Kingdom
7. Bulgaria
8. Poland
9. Romania
10. Ukraine
11. Turkey
12. UAE
13. Lebanon
14. Tunisia
15. China
16. Singapore
17. Dominican Republic

→ Sea delivery routes

Pig iron and steel product sales volumes by product*

- Flat — 55%
- Pig iron — 11%
- Slab — 7%
- Long — 10%
- Billet — 15%
- Welded tubes — 2%

Pig iron and steel product sales volumes by region*

16 MT

- Europe — 39%
- MENA — 20%
- Ukraine — 17%
- CIS — 9%
- North America — 1%
- Southeast Asia — 8%
- Other regions — 6%
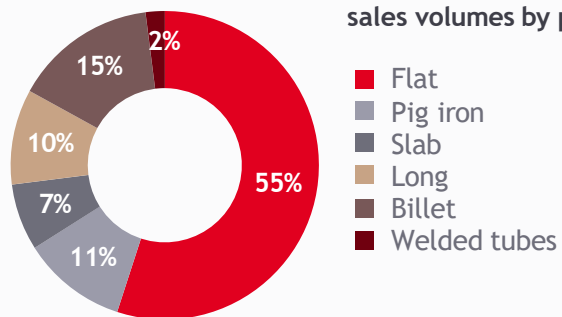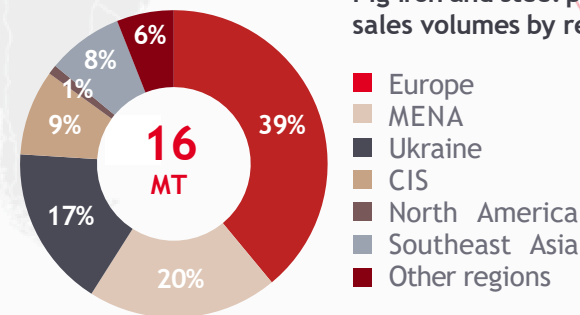
Iron ore sales volumes by region

31 MT

- China — 45%
- Ukraine — 25%
- Europe — 19%
- MENA — 11%

5
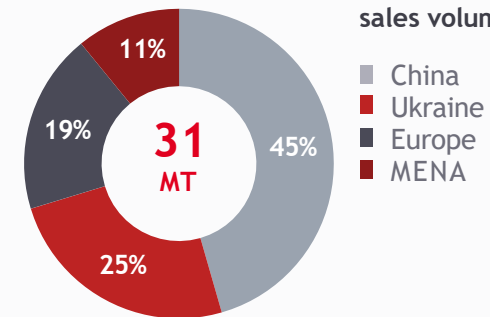
*Sales and resales
Unless otherwise stated, all figures in this presentation are based on Metinvest financial and production reporting for the full-year 2021 and include the operations of joint ventures

METINVEST HOLDING.COM

Companies invest billions in CRM systems, but these investments too often fail

Driving business value from data has typically been associated with expensive and long-term CRM projects...

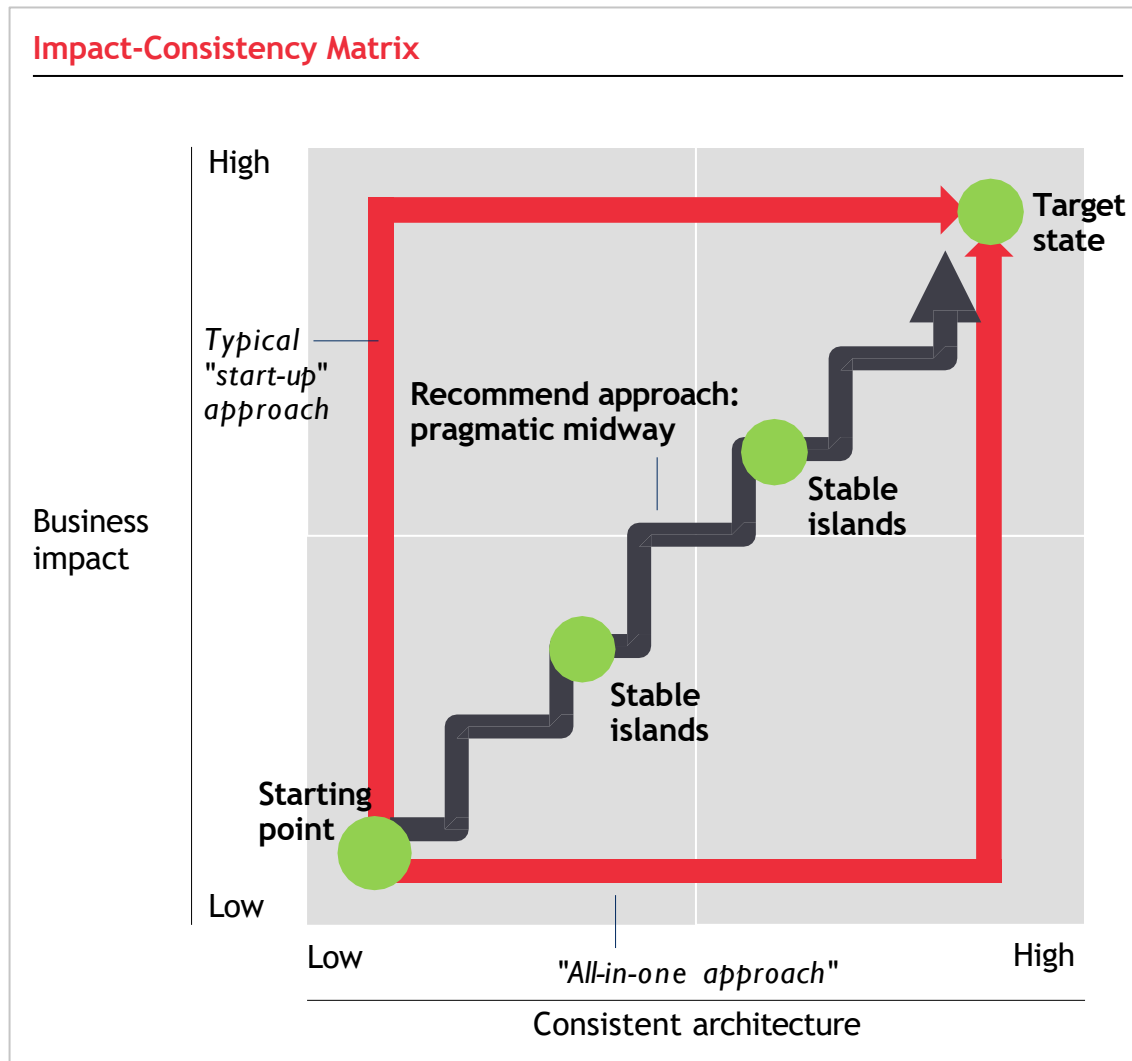|	
Expensive	• **Typical TCO** of USD 1.000 - 9.000 per user for 3 years in CRM projects
Fails to meet objectives or budget	• **> 50%** of all CRM implementations **viewed as failures** • The majority of businesses **exceed scheduled budget by 40-75%** for CRM implementations

Reasons for failed CRM investment, %

Total	> 50% failed CRM implementations
Technology	33
Business processes	27
People mgmt	22
CRM strategy	18
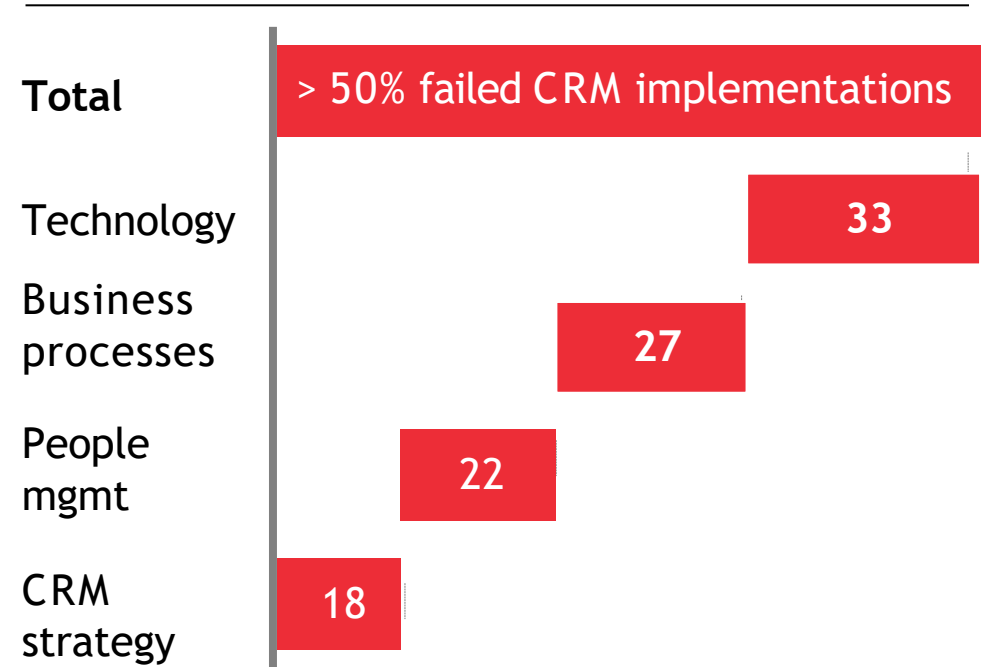
Almost 70% of project failures caused by "nontechnology" factors

Mindset change is a fundamental challenge which causes failures more often

6

"Stable island"- concept to manage trade-off between business impact and architectural consistency

Impact-Consistency Matrix

Business impact (vertical axis, Low to High)

Consistent architecture (horizontal axis, Low to High)

- Typical "start-up" approach
- Recommend approach: pragmatic midway
- Stable islands
- Stable islands
- Starting point
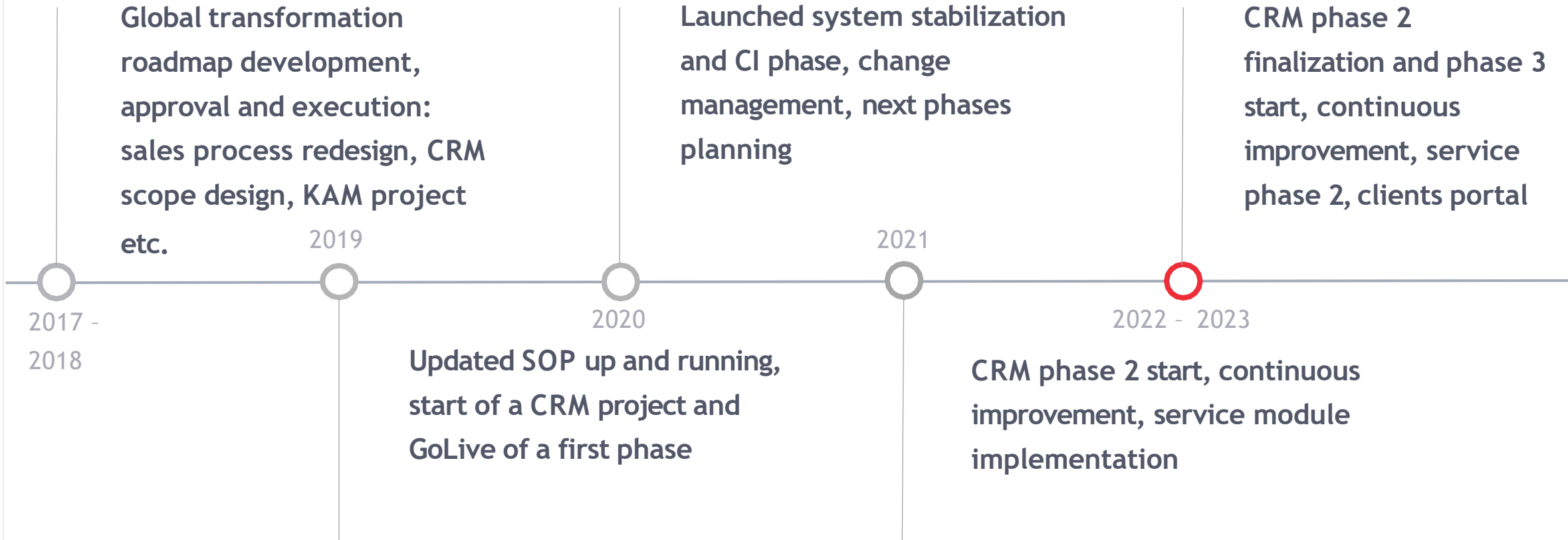- Target state
- "All-in-one approach"

Learnings from IT transformations

- Typical IT development/implementation involves trade-off between fast business impact and consistent architecture

- "Start-up-approach" focuses on fast business impact and leads to excessive cost for maintenance; is not extendable

- "All-in-one"-approach targets on overall integration and leads to excessive development cost

- Recommended solution:

-Pragmatic approach, which balances impact and consistent architecture

- Definition of "stable islands", as viable end products
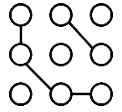
Project roadmap

Global transformation roadmap development, approval and execution: sales process redesign, CRM scope design, KAM project etc.

2019

2017 – 2018

Updated SOP up and running, start of a CRM project and GoLive of a first phase

2020

Launched system stabilization and CI phase, change management, next phases planning

2021

CRM phase 2 start, continuous improvement, service module implementation

2022 – 2023

CRM phase 2 finalization and phase 3 start, continuous improvement, service phase 2, clients portal

Project roadmap lessons learned
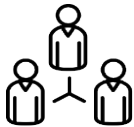
1 You need a strong internal team

The Transformation Group was created, the best Sales Department experts and cross-functional divisions were involved, all existing business processes in all trade and related organizations were analyzed and documented ✓
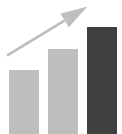
2 Optimize processes first

After the localization of the necessary fundamental changes, consultants were involved to moderate the process and optimize it, and preparatory and tender procedures began to select a contractor for automation ✓
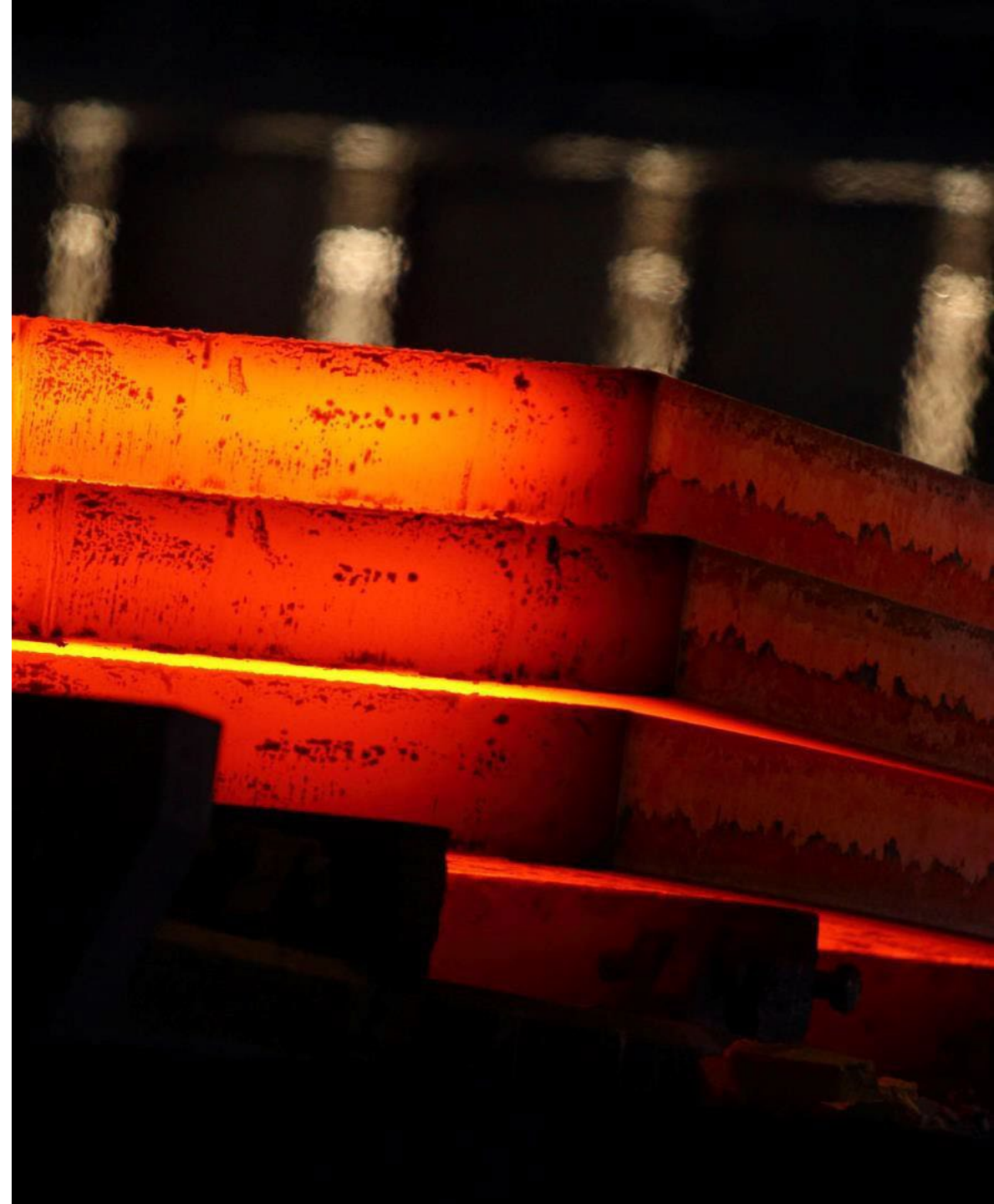
3 Digitalize

The main initiatives have been finalized, the necessary methodologies and practices have been created, project teams have been assigned, a contractor has been selected to deploy the CRM solution ✓

METINVEST-HOLDING.COM

Current CRM scope we use in Metinvest

Current Scope – SAP Sales and service cloud

- Account and Contact Management
- Employee Management
- Territory Management
- Segmentation
- Lead Management
- Opportunity Management
- Activity Management
- Quotation Management
- Service module
- Integration

Current Scope – SAP Configure Price Quote

- Quote Initiation
- Simple and Configurable Products
- Pricing & Discounting
- Workflows & Approvals
- Output Documents
- Quote to Order
- Contract Generation
- Service module
- Integration

5 important Metinvest CRM scope highlights

01 Unified production catalogue in CPQ

Based on CPQ our team created configurable unified catalogue of our production which consist more than 15m of variables. This unification helped us to streamline sales, production and other functions to have one understanding of product portfolio and pricing from a moment of commercial offer placement to a delivery.

02 Integration

All our CRM cloud-based landscape was integrated with current SAP ERP and other systems which allows us to have synchronized real-time information across all group systems.

03 Pricing in CPQ

On top of the product configuration module, we have applied a complex pricing and authorization platform to allow sales representatives know their efficiency from the beginning of sales cycle. Discount guidance's and prices change authorization as well was packed into a CPQ Pricing module which helped to achieve additional transparency.

04 Intuitive sales process guidance's

Combined information about client and a system of a suggestions and recommendations allows experienced sales reps to improve their work and newcomers to adopt much faster. Various reports allows to understand level of the efficiency and a reasons of lost or won deals at every stage of a sales process. Lead generation and opportunity modules allows to track a quality of engagement of a sales reps and take proactive actions about every opportunity.

05 Service module

Due to business requirements we had to create a complex customized modification of a standard CRM service module. Which allowed us to have a seamless operations and information exchange between all required C4C or CPQ. All involved parties automatically receives all required information in their ticket which save time and adds accuracy.

By using agile approach since the first release we achieved a good 90% system usage rate and 4.5 of 6 users' evaluation after first survey.

METINVESTHOLDING.COM

After one year since golive in January 2020

End
31.12.2020 📅

Group By
Week ⌄
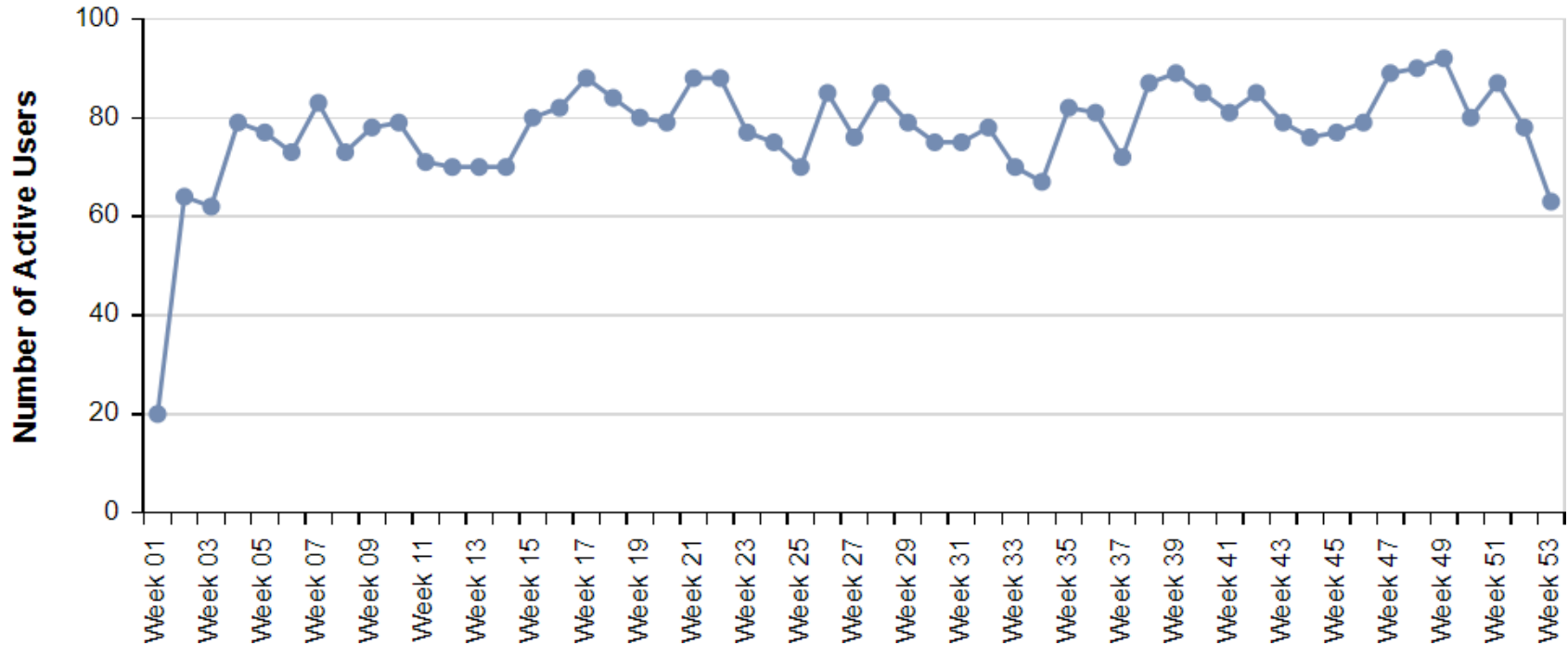
80 users

Average logins monthly

3550 orders placed

Orders placed from CRM

1173 opportunities won

Sales closed opportunities

At the beginning of 2022 we had up 1000 active users…

~6.5 b USD

Orders placed

Chosen approach allowed to receive big adoption rate from a very first date of start

Future plans

1

Finalize rollouts and majority of Continuous Improvement

As we are constantly improving our systems for some assets we paused rollouts to match with a new ERP at once. Also during project we have a big continuous improvement backlog which needs to be implemented.

2

Planning and customer portal

After rollouts we want to embed planning with SAP APO integration and other planning tools. In parallel we have a plan to launch a customer portal where crucial functionality such as order management, placement and tracking should be available as well as a surveys and payments status available.

3

AI and further automations

We are looking into automated planning, pricing suggestions and other decision-making assistance. Also, we are considering to implement incoming document automation with AI in order to accelerate sales process.

BRAVERY
Being like Azovstal
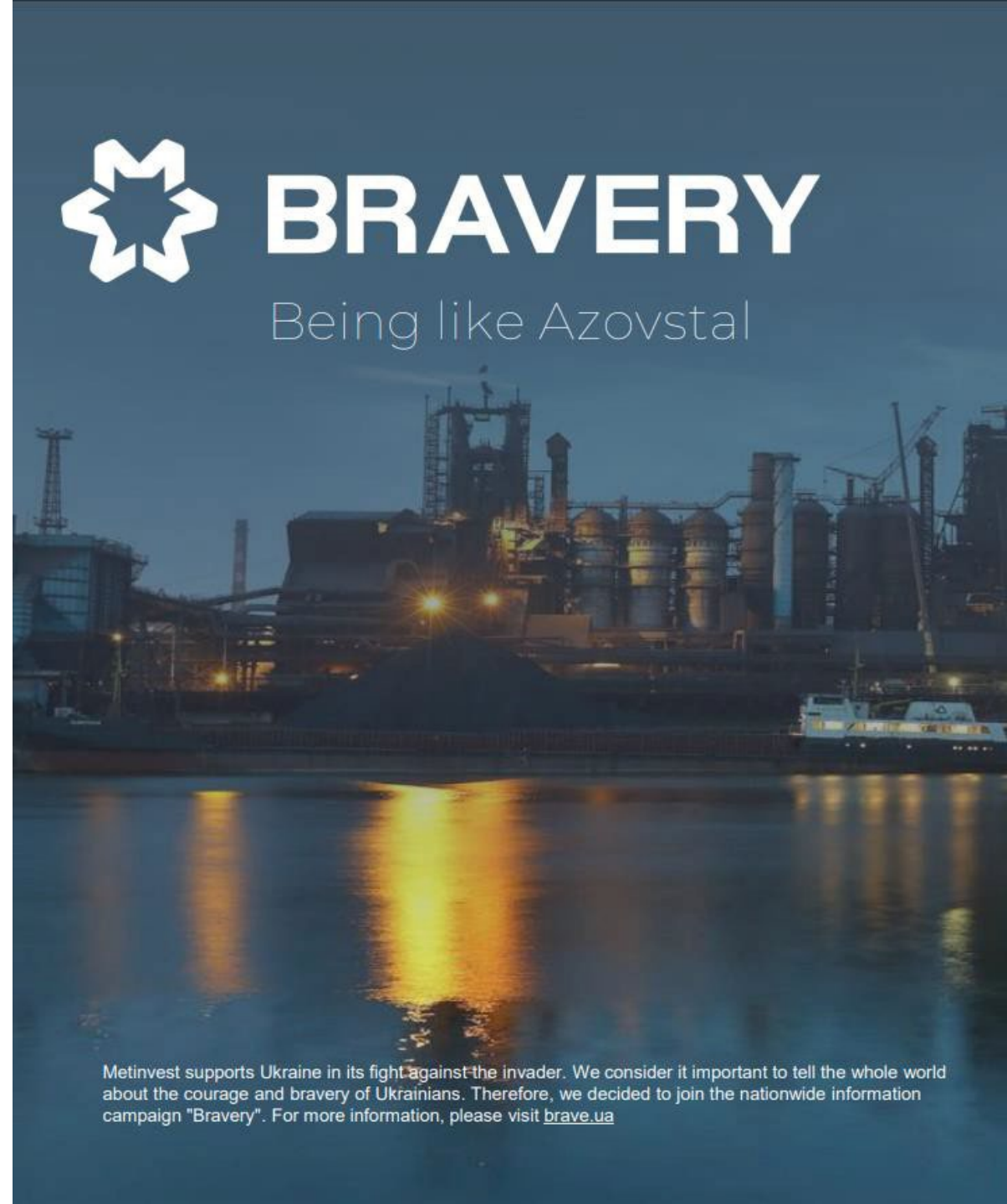
Metinvest supports Ukraine in its fight against the invader. We consider it important to tell the whole world about the courage and bravery of Ukrainians. Therefore, we decided to join the nationwide information campaign "Bravery". For more information, please visit brave.ua

Please use lean approach: release early, release often and listen to what users say and iterate on that.

Think twice before starting any customization!

Contacts

METINVESTHOLDING.COM

Yulian Andronichuk
Head of Sales Transformation and CRM
Metinvest

+380(67)544-45-14
yulian.andronichuk@metinvestholding.com