Implementation of Productivity at Work: Two industries, seven regions, one digital approach

BEFORE

Cement
- Projects & engineered Products
- Sales & O&M regions

Customer Services
- Service
- Sales & service regions

Minerals
- Projects & engineered Products
- Sales regions

Product Companies
- Products
- Sales & service regions

AFTER

Cement
- Life-cycle ownership
- Regions
- Sales & service ownership

Mining
- Life-cycle ownership
- Digital
- Group Functions

Customers
7 Regions: Customer-centric, service-oriented structure

1. NORTH AMERICA
2. SOUTH AMERICA
3. EUROPE, RUSSIA & NORTH AFRICA
4. SUB-SAHARAN AFRICA & MIDDLE EAST
5. ASIA
6. SUBCONTINENTAL INDIA
7. AUSTRALIA
SSAME REGION

〜 800 employees in 24 locations
3 manufacturing & assembly plants
15 Sales & Service units in 8 countries
More than 60% of Customer Facing

MINING

395 Operational mines
1 Billion tons p.a.
Minerals processed

Share of global production:
Coal – 4%
Gold – 14%
Diamonds – 50%
Copper – 12%
Iron ore – 6%
Platinum – 75%

CEMENT

289 Cement plants
269M tons p.a.
Cement production
468M tons installed capacity
7% share of Global production

14% FLSmidth share of installed base
18% FLSmidth share of installed base

Figures are 2018 estimates based on external sources and FLSmidth analysis
Immediate impact from new way of working

- Focused on “white spot” coverage and total FLSmidth installed base
- 4-Tier Sales and service organisation
- Sales force mobilisation and extensive product training
- Field service capacity and frontline expertise strengthened
- Direct sales channels and optimised sales hubs
- Increased number of customer-facing team members
- Shared strategic support functions throughout SSAME
- Closed down 1 non-core plant and DOUBLED Super Center capacity
Direct sales channels in Ghana and West Africa

- **Established**: 2018
- **Head Office**: Accra
- **# Employees**: ~15
- **General Manager**: Joseph Appiah-Kubi
Market and opportunity for growth
Ghana & West Africa

**Market information**
- Gold – 5 top-tier companies active
- Cement – 2 top-tier companies active
- Demand & opportunity for OEM support
- More than 60 active mines
- Increased exploration activities
- Significant FLSmidth installed base
- Cement - Competitor installed base
- Increased production, recommissioning

**Investment into local presence and resources**
- Clients expect local expertise, better lead times & on-site service
- Minerals Counsel & Legislation

Accessible Market:
Continued growth

Target:
40% Growth in OI

Run Rate:
60% Growth in OI

First full year in operation

2018

2019

2020

Beyond 2021
Covering the “white spots”

Saudi Arabia

Established: 2018
Head Office: Al-Khubar
# Employees: ~50
General Manager: Abdullah Al-Muhaisen

45 km from King Fahd Int. Airport Dammam
30 min drive from Bahrain
Closer relationships with Yanbu Cement

Saudi Arabia

FLSmidth Plant Management Contract.
Staff Complement
33 people

Joint Venture Training Academy
Yanbu Cement Co & FLSmidth
Market and opportunity for growth
Saudi Arabia

Market information
- Vision 2030 – Kingdom of Saudi Arabia
- Mining 3rd pillar of economy - $400 bn
- Gold 3-fold increase to 1m ounces p.a.
- Phosphate add 3mtpa. Top 3 Global
- Stable cement production
- Small installed base for mining
- Cement - Competitor installed base
- World class local cement producers

Investment into local presence and resources
- Client demand, local legislation & more open business environment
- Big opportunity, first mover gains
Digitalization – Working closely with customers in South Africa

BULK EXPERT SYSTEM
Train Load Out Station & Unmanned Stockyard Solution
Postmasburg, South Africa

- Control and optimisation of the train loading process
- Stockyard Bulk Expert for two stackers and one reclaimer
- Currently being commissioned

Reflux Classifier Modular Plant
Sibanye Stillwater Watererval UG2 Site, Rustenburg - RSA

- First unit installed at Glencore/Impala
- Data collected Mar-Sep 2019
- Integrated monitoring on mobile app

IOT – Field agents
Cement Plant Lichtenburg – RSA

- Field Agent & Broker PC installed August 2019
- Recording plant data since October 2019
Sustainability
Waste chrome recovery project
New way of work successfully implemented

Positioned to offer life-cycle support and full offering

Staffed with due regard – Regions & Industry

Strong Service business growth

“White spots” being covered with customer focussed organisation

Great Team with Fighting Spirit in 7 Regions
Final word… from our customers!

“Happy to see new technologies presented, didn’t know what FLS was doing or if there are any new developments in the cement industry.

Today interactions are much more frequent and more offerings of solutions and services are exchanged, new or different faces are reduced significantly.”

Cement customer, PPC, South Africa.

“Dealing with regional team support business relation with faster reply and customize solution based on local experience.”

Cement Customer, Rak White Cement, United Arab Emirates

“We believe this a good strategy. This was long overdue. We always wanted to talk to only one office for all our products and your entire (FLSmidth) offering.”

Mining customer, AngloGold Ashanti Head office, South Africa.

“Till the new way of working, I was not aware of all the products FLSmidth offered.”

Mining customer, Senet Head office, South Africa
Thank you

flsmidth.com/linkedin
flsmidth.com/twitter
flsmidth.com/facebook
flsmidth.com/instagram
flsmidth.com/youtube