

# What do we do?

## Success stories in OPERATIONAL TRANSFORMATIONS

Challenge

Turn around a loss-making company with overcapacity and local management

B2B - Electronics Industry  
€42M revenue and -€1.2M EBITDA

- Company operating at a loss → urgent cost
- 7 independently operating factories with 40% global capacity saturation
- No corporate-level governance

### Operational Transformation

- Centralized purchasing and category management (global vs. local & MAKE vs. BUY)
- Capacity alignment with sales
- Supply chain redesign: from 7 factories + 1 subsidiary to 4 factories + 4 subsidiaries
- New industrial strategy: specializing production units
- Unification of distribution centers



EBITDA after 1.5 years of €3.6M  
 \* Supply chain redesign €2.6M  
 \* Purchasing improvements €2.2M (creation of a central purchasing system)  
 \* Peru, China, Mexico → from factories to sales subsidiaries

Scope

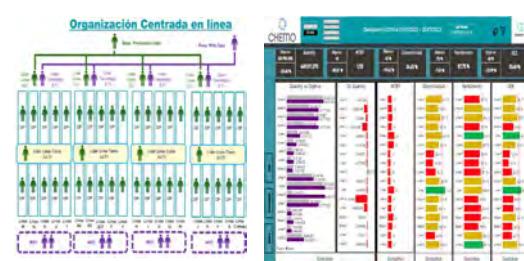
Increase profitability by responding to chaotic growth

B2B - Pharmaceutical Industry  
€265M revenue and €25M+ EBITDA

- Year-on-year loss of unit profitability.
- Sales backlog of up to 10 months.
- Sales growth +30% year-on-year.

### Operational Transformation

- 25% improvement in OEE productivity
- 60% increase in capacity (+5 lines)
- Organizational redesign: Line-Centric Organization (OCL)
- Increased workforce versatility
- Reduced waste (performance improvement from 91% to 94.5%)
- Digitization of operations by applying AI to machine data for increased productivity



€5.8 million savings in P&L

- \* Sales increased by 40% to €375M
- \* Productivity improvement: €2.6M in EBITDA
  - Performance improvement (↓ reduction in losses): €3.2M in EBITDA

Result

Maximize company EBITDA (sustainable) by preparing for its sale

B2C - Chemical Industry (Energy)  
€20M Revenue and €2.2M EBITDA

- Maximizing the value of the company for sale
- 3 business units with distinct strategies (1 for sale, 1 mature, 1 startup)
- Need to build a factory from scratch as the company transitions from startup to mass production

### Operational Transformation

- Segregation of the 3 businesses
- Creation of a new factory from scratch (for lithium-ion production)
- Definition of a new organization, 'work cells' ↑ 40% productivity
- Variable compensation based on objectives
- Implementation of Lean Six Sigma in processes (Statistical Process Control)



X10 business for sale

- New factory to launch in 9 months
  - \* Proposed 5-year growth plan

Turning around a loss-making company with overcapacity and a lack of quality

B2B - Textile Industry  
\$28M sales and -\$2.4M EBITDA

- Company in losses urgent cost reductions
- YoY loss in unit profitability
- Customer quality issues

### Operational Transformation

- Organizational restructuring: creation of a LEAN organization
- Reduction of non-quality from 7% to 3.5% due to improved machinery and automated online quality controls.
- Energy saving projects (boiler replacement and leak elimination)
- Reduction of waste
- Closure of sales subsidiary in New York

TOTAL IMPACT TURNAROUND PLAN DONE IN 2019			
AREA	ACTION	CASH NEEDED	YEARLY
PRICING	PRICE INCREASE	\$ 323.653	\$ 459.000
HIGHER OVERTIME	Reduce overtime	\$ 204.237	\$ 289.336
LEANER ORG	Re-structuring	\$ 200.000	\$ 285.000
HIGH QUALITY REDUCTION	See complete plan	\$ 30.000	\$ 42.000
OTHER SAVINGS	Effector elimination & energy savings	\$ 245.000	
SAVINGS		PER YEAR	
		\$ 4.615.142	



\$4.6 million savings in P&L

EBITDA after 1.5 years: \$2.2M  
 \* Product quality improvement \$0.9M EBITDA  
 \* Restructuring → \$1.7M EBITDA