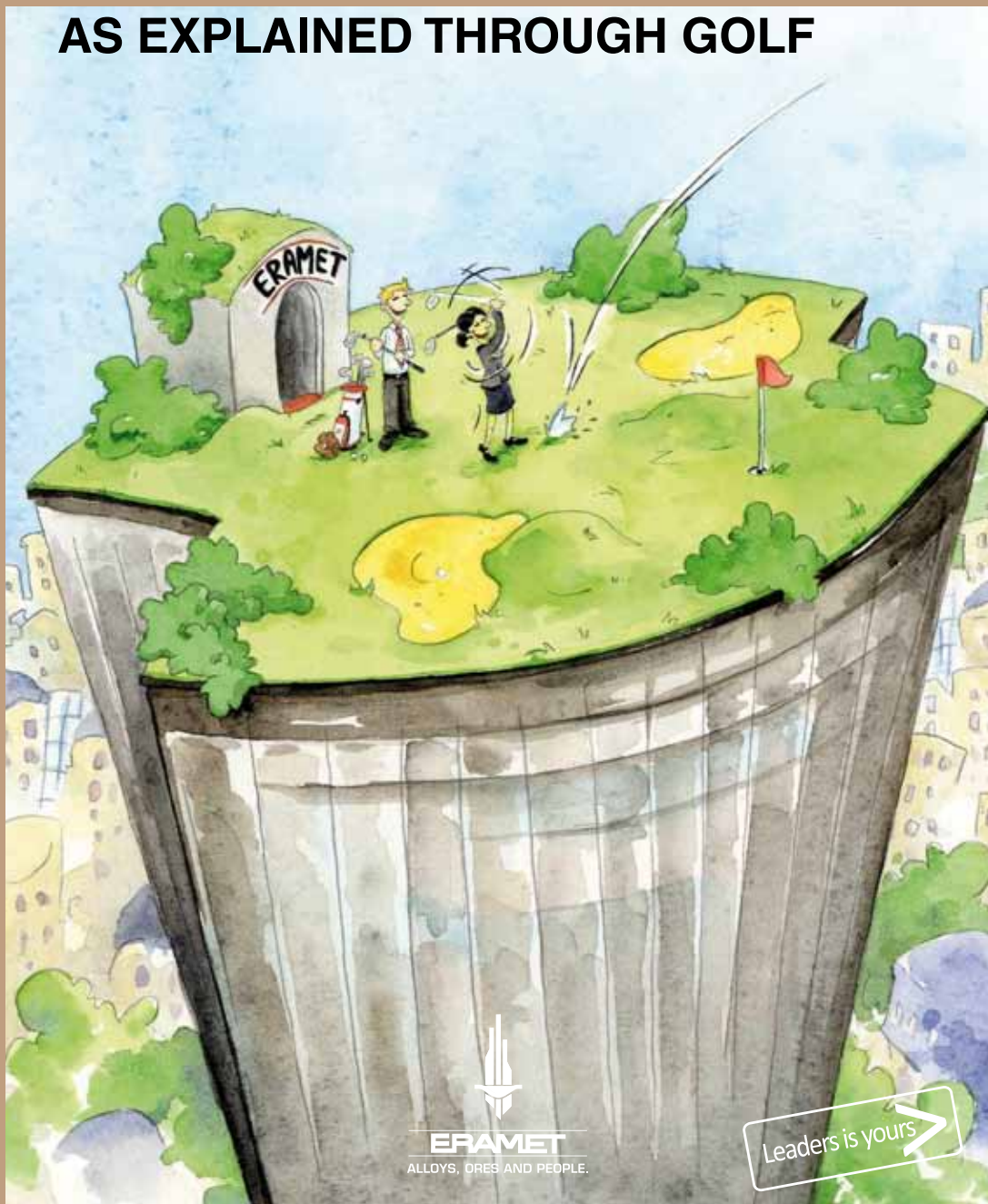


THE MANAGER'S GUIDE TO ECONOMIC PROFITABILITY AS EXPLAINED THROUGH GOLF



ERAMET
ALLOYS, ORES AND PEOPLE.

Leaders is yours 

Controlling the impact of the ball

SWING = CLUB IMPACT CONTROL X ROTATION SPEED

Before using a large swing, it's important to start by correctly controlling the impact of the club on the ball.

Positioning his/her centre of gravity correctly, the player should swing his/her arms perfectly in balance. This precise task calls for concentration and focus.



Controlling the margin

ECONOMIC PROFITABILITY = **MARGIN CONTROL** X CAPITAL TURNOVER RATE

Before discussing economic profitability, its first lever – margin – should be grasped.

The main margin indicator used in the Group is the ratio of current operating income to sales.

A positive margin means we sold our products for more than their cost price. It relates operating cost control to product sale price optimisation. The margin represents one level of the activity's performance but does not take into account the financial cost of the resources needed to implement it.



THE EXPERT'S VIEW

Managing sales is very important. It's the first line in the income statement. Just like in golf, it's important to deploy resources well and get off to a good start. Everything else follows naturally.

VICTOR POLARD
CEO – ERASTEEL



TAKE-AWAY

Continuous improvement of sales and costs is the key to sustainable, harmonious growth for the ERAMET Group.

Here are three examples of how not to play golf...



make the business profitable (you don't hit very far) and you can't stay in the competition (might as well take up miniature golf).



client (you get dizzy and lose sight of the target).



medium term (you miss the target).

... What would they mean at ERAMET in terms of economic profitability?



Answer: If you only manage based on the margin (control of impact), without controlling capital turnover (body rotation), you can't



Answer: If you just control capital turnover (body rotation) without having a good margin (impact control), you're not effi-



Answer: If you don't take external factors into account (if you don't change clubs according to the course), you can't win in the