
Distributor Council Meeting

PLIBRICO

RELIABLE

INNOVATIVE

KNOWLEDGEABLE

PASSIONATE

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AGENDA

DISTRIBUTOR COUNCIL MEETING FEBRUARY 2018

- Our Commitment to You
- 2017 – A Year in Development
 - Financial Performance
 - Investments
 - Capital
 - Employees
 - Processes
 - Building the Foundation for Success
 - Core Purpose
- Looking Ahead 2018 and Beyond
 - Economic Indicators
 - Investments
 - Program Initiatives
 - New Product Development
- Summary and Next Steps



**OUR
COMMITMENT
TO YOU**





2017

SETTING THE FOUNDATION

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2017 – A Year in Development

- 2017 Financial Performance
 - Revenue increased 26% over 2016
 - 40% increase in operating income
 - Plibrico Construction offices primary contributor to revenue growth
 - Strong balance sheet with ZERO debt
 - Solid foundation for the future

2017 – A YEAR IN DEVELOPMENT

Plibrico Investments



CAPITAL

- \$800K invested in infrastructure
- ERP Software
- Operations
 - Safety Improvements
 - New bagging equipment
 - Aggregate crusher/sizer
 - Upgraded and automated primary line control electronics



EMPLOYEES

- New CEO – replaced interim
- Plant Manager – replaced retiring Tom Ervin
- Lab Technician – support role for Q/A and R&D
- Project Managers - 2 in construction offices
- Director of Marketing



PROCESS

- Defined MVP and Culture
- New Product Development Focus
- New streamlined ERP system
 - Order entry/acknowledgement
- Quote Management System
- Root Cause & Corrective Action
 - Cure the cause not the symptom

QUALITY



Root Cause Analysis and Corrective Action Summary	
Field Issue	Mortar too stiff
Root Cause	During batching, additive addition was estimated, not measured (SOP not followed)
Corrective Action	<ul style="list-style-type: none">• Quality Alert issued• SOP reviewed and employees trained• Audited for compliance

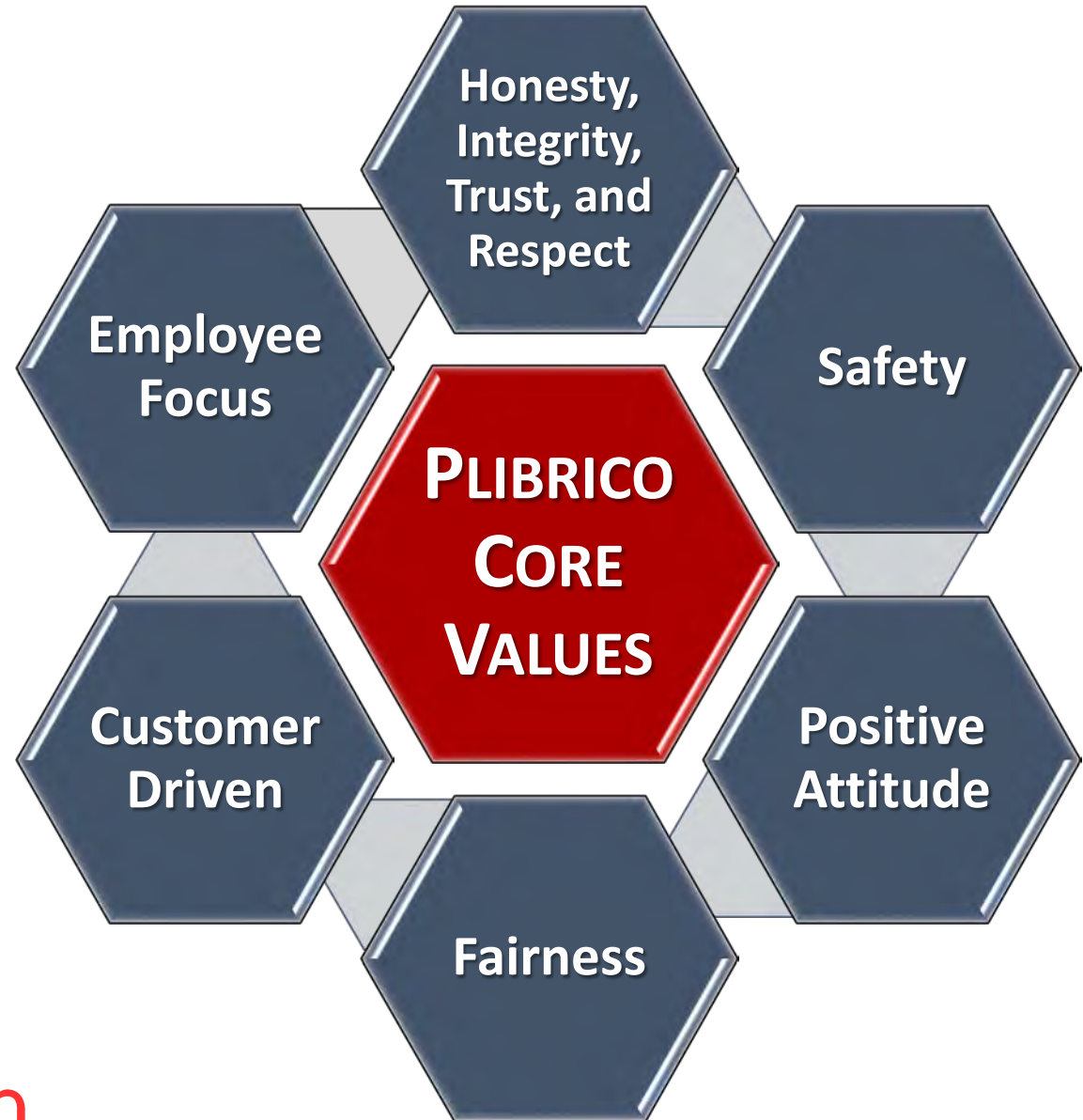
A black and white photograph of a construction worker wearing a hard hat and safety vest, working on a wall of concrete blocks. The worker is positioned on the left side of the frame, facing right. The wall is made of large concrete blocks, and there are some pipes and conduits visible. The entire image is framed by a large, white, oval-shaped border.

CORE PURPOSE

**BUILDING THE FOUNDATION
FOR SUCCESS**



**TO SAFELY MAXIMIZE THE
EFFICIENCY, PRODUCTION
UP TIME, AND SAFETY OF
OUR CUSTOMERS'
THERMAL PROCESSING
OPERATIONS AND CAPITAL
EQUIPMENT**





Building the Foundation for Success - Strategy

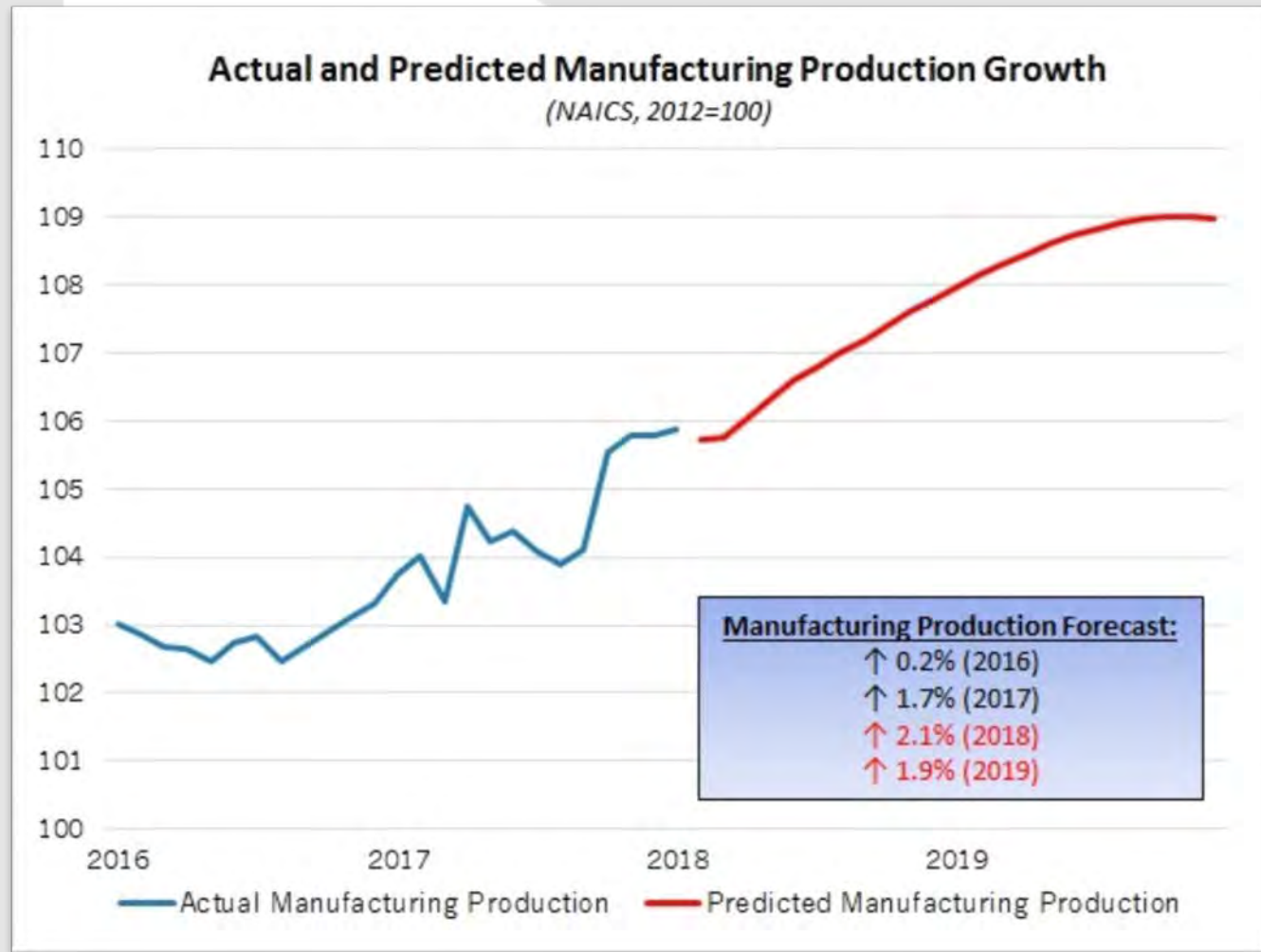
Plibrico will differentiate itself by providing the highest quality material supported by exceptional technical and commercial service – before, during, and after the sale



LOOKING AHEAD

2018 AND BEYOND

INDUSTRY
POISED FOR
GROWTH



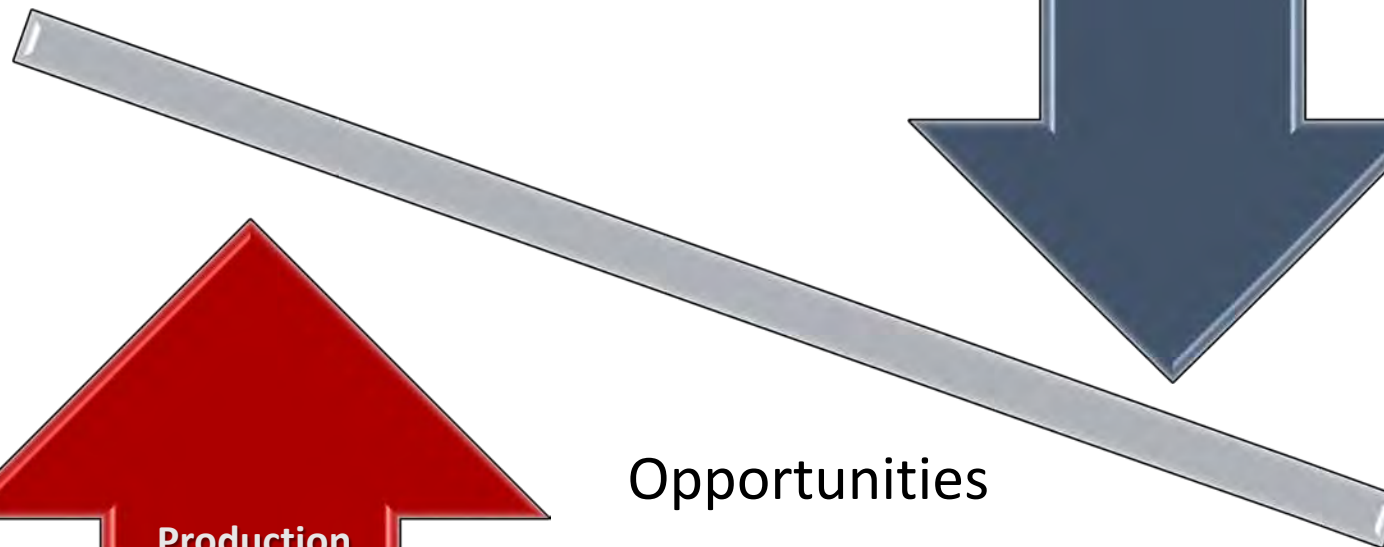
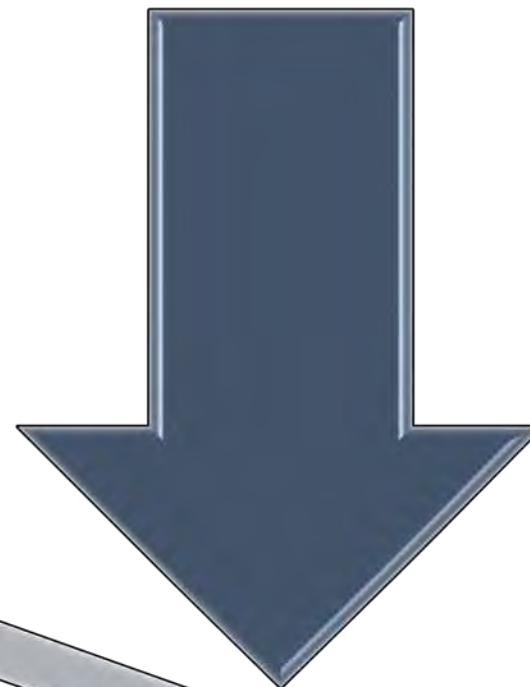
Source: National Association of Manufacturers



ECONOMIC INDICATORS

Near Term Challenges

- Significant raw material pricing pressures
- Supply base consolidation



Opportunities

- Robust economy
 - Reported by National Association of Manufactures
- The “Trump Bump”
 - Tax Reform stimulation business
 - Washington reviewing import restrictions on steel & aluminum

Production
Up 2.5%

Factory Orders
Up 3.7%

Spending
Up 9.3%

2018 – A YEAR OF GROWTH

Plibrico Investments



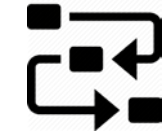
CAPITAL

- \$525K invested in growth
- Operational
 - Quality
 - Efficiencies
 - Industry Standardization



EMPLOYEES

- Sales and Territory Management
 - Sales VP
 - 2 – Territory Managers
- Purchasing Manager
- Review Technical Resources



PROCESS

- Finish onboarding ERP system
 - Headquarters
 - Construction Offices
 - Manufacturing
- IT infrastructure build-out
 - Inventory Management System
- Rebuilding the Brand
- Enhanced market communications tools



FOCUSED APPROACH

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2018 – A Year of Growth

- Operational Excellence Initiatives
 - Complete Office IT infrastructure build-out and ERP implementation
 - Develop and execute sourcing strategy
 - Develop internal management controls and process for all inventory
 - Company wide talent assessment and develop succession plan
 - Construction - Execute branch level operational excellence initiatives
 - Continue refining root cause and corrective action process

QUALITY



- Prior Improvements:
 - Changed to stretch wrap vs. shrink wrap
 - Colored placards
 - Light weight pallet cover
- 2018 Feedback:
 - Visibility of placards
 - Palletization concerns
 - Label color questions
- Is this also an issue for our peers?
- We will engage the PliPartner Network as we progress to a solution



2018 – A Year of Growth

- Sales Expansion Initiatives
 - Expand territory of partner into Europe
 - Distribution agreement to serve Spain, Poland and Northern European region
 - Grow West Coast revenue by providing local inventory
 - Rebuild go-to-market skill set - leadership, talent, process and tools
 - Grow construction revenue by executing the branch level strategies
 - Increase revenue through in-house marketing expertise development
 - Lead generation, nurturing, and conversion

Marketing & Communications



- Brand Voice and Repositioning
- Build Brand Awareness
- Increase Audience Connection
- Partner Engagement and Support
- Lead Generation, Nurturing and Conversion

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Product Development Opportunities			
Peer Material (if any)	Need - Market Application	Product Family	Location/Market
Rescocast 110 G HW HPV 110 gun mix	Requested - high volume opportunity. Developed some 110 gun mixes with a new light weight raw material. Mixes need to be gunned and panels tested.	Medium Weight Gun Mix	Refineries
SP Castable	Plibrico Si-Bond SP castable refractory used in boiler. Si-Bond is superior against the harsh liquor environment at high temps. Product that is very similar but has a >90% alumina and Si-Bond SP blend could use less SiO2.	Si-bond	Pulp and Paper recovery boiler where black liquor and other alkalis from their processes is introduced
Gun Mix	Al-Tuff Non-wetting gun mix requested	Fast Track	Alum
Spar/Calderys	Cost reduced version - Vermiculite vs only Perlite? Or other options. Explore cost and or engineering benefits of Vermiculite.	LWI	All Apps
H.W. Greenlite 45	Source a captive raw material that that results in a strong lightweight material.	LWI	All Apps



SUMMARY

NEXT STEPS

COMMITTED TO GROWTH



OUR PROMISE TO YOU

- We are dedicated to **You - our Partners**
 - Plibrico understands that we may not be your only refractory supplier
- Less friction – a one company approach
- Provide you with exceptional resources and support
- Plibrico will operate with full transparency
- Continued focus on people, processes and innovation
- Business growth and investment through the lens of our strategy



1. Grow the business together – A true partnership
 - Investment in our partner relationships
 - Fully committed to our partners
 - Working collaboratively - developing the relationship and guidelines for success
2. Provide Your Feedback - Voice-of-Customer Survey
3. Together let's win a New Customer
 - Identify target opportunity

Next Steps

QUESTIONS? - *What else do you need for Success?*

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Thank You For Your Time Today

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3/1/2018