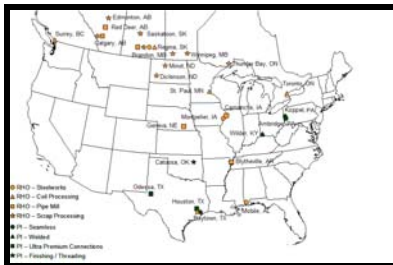


# A Seamless Transition and Accelerated Synergy Capture

## Background

The client is the leading North American producer of steel plate and energy-related tubular steel products. The company operates several steel mills and tubular processing facilities in North America and is widely-recognized as an industry leader for customer service, profitability, and employee development.

To bolster its tubular steel capabilities, the company had an opportunity to make a \$1.7B acquisition that added 50% in revenues. In addition, it added significant product capability and facilities that complemented the company's operations.



While the deal made great strategic sense, it brought a set of challenges. These included weaker operating performance (profit measures, quality and safety), an “ivory tower” management approach and a poor planning and scheduling process. In addition, the target had a reputation for winning business with lower-than-market pricing.

Despite its strong track record, the company had limited experience to properly plan out and execute the integration. Their concerns centered on (1) a smooth operating transition, (2) quickly injecting its operating model and (3) building the foundation to achieve the Year-3 synergy target of \$50MM

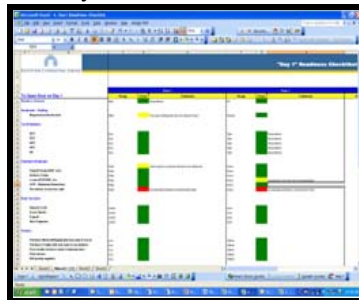
committed to shareholders and analysts.

## Keystone Value Add

Keystone provided guidance and support in three main areas:

- Pre-announcement - Keystone supported the internal and external communications and assisted in fine-tuning the synergy model;
- Pre-close - Keystone organized and led the integration teams that delivered:
  - (1) a **seamless Day 1 transition** for customers, employees and suppliers, including pre- and post-close communications;

### Day 1 Readiness checklist



- (2) development of plans to **accelerate synergy capture**; and
  - (3) creation of a **rapid organizational transition** and the implementation of new management processes and metrics;
  - (4) implemented **“One face to the customer”**
- Once then deal closed, Keystone led the overall **synergy management**

**process**, while leading the **Procurement synergy team that captured 3X the expected target within 30 days** after close.

## Results

The transition for customers and employees was smooth, and synergy realization exceeded annual run rate targets by 50%.

In the first quarter post-close, the following was achieved:

- all **key business processes were integrated**;
- key **employees were retained** and **major operational changes** were implemented;
- Customer and employee reaction was very positive, leading to **expanded commercial opportunities**;
- **The Procurement team captured \$15MM of savings, 3X their goal.**

The company **exceeded its first-year run rate of \$38MM** and is well ahead of its three-year target of \$78MM.

“Keystone was a great partner for us. Their **expertise, straight talk and proven approach** were just what we needed to make a smooth transition. Their sound advice and relentless focus on execution helped us exceed our deal expectations.”

*Chief Executive Officer*